

NOTICE TO PUBLIC ATTENDEES

Due to the temporary format change of the Hanover City Council meeting we first and foremost want to ensure that public comments are received and addressed by either the city council or staff. Please refer to the instructions that can be found on the Hanover City Council Agendas webpage or on the following page of this packet for how to attend and interact during the meeting.

We feel it is best to email your comments to staff ahead of the meeting, and staff will read aloud your comments during the meeting. If during the meeting, you would like to address the City Council, please use the “raise hand” function found in the Zoom Video Conference to request permission to speak. Should Council desire, you will be unmuted and allowed to speak. This function will only be available to participants who join via the weblink found in the instructions on how to attend the meeting. Public body joining the meeting will have their microphone muted in order to reduce background noise from those in attendance.

If you would like to speak during citizen’s forum please email your comments or questions to brianh@ci.hanover.mn.us and jackieh@ci.hanover.mn.us. Please include your name, address and a form of contact information so staff can provide follow-up if needed.

Hybrid City Council Meeting Instructions
For Public Attendees
City Council Meeting May 18, 2021

PLEASE NOTE, due to COVID-19, this meeting will be conducted in person and via Zoom Video Conferencing as allowed under Minnesota Statutes, Section 13D.021

- In person attendance will be limited to twenty-three (23) guests present. Priority will be given to individuals set to speak on agenda items. These individuals would represent land use applicants, etc. Once seats are full, anyone else who desires to attend the meeting may do so via joining the Zoom Video Conference.
- Two options for joining the Zoom Video Conference are as follows:
 1. Online by clicking the link below:
 - <https://us02web.zoom.us/j/81648330042?pwd=UFo3bkxTM2w5cFFqUmJzZVhjQXd6UT09>
 - No Zoom account is needed.
 - Using your phone, tablet or desktop computer with a microphone and webcam will allow both the video and microphone connection to occur through Zoom.
 - This option is required if you would like to speak during the meeting.
 2. Telephone:
 - By using a phone to call into the meeting, you will be limited to only being able to hear the audio feed of the meeting. This option will not allow you to speak during the meeting. Enter the numbers below following the prompts when requested.
 - *Audio Number:* 1-312-626-6799
 - *Meeting ID:* 816 4833 0042
 - *Participant ID:* N/A
 - *Passcode:* 659380
- Points of information:
 - City Council, staff and guests scheduled to speak during the meeting will have their audio controls fully functioning throughout the whole meeting.
 - Public attendees not on the agenda will have their audio muted. This is not to discourage public comment, but instead to hold an effective meeting. For public comments, it is best for them to be submitted prior to the start of the meeting. This will include citizen's forum. Staff will present the comments on the public's behalf.
 - Should the public want to ask a question during the meeting for a point of clarification, they can use the raise hand function. The raise hand function is only available when joining via the online option. You should be able to see a raise hand button in the zoom task bar or by clicking the more button. Should the board want the opportunity to have an open dialogue with a public attendee, we will unmute resident's line and have the discussion.
 - Please email comments to brianh@ci.hanover.mn.us and jackieh@ci.hanover.mn.us
 - The agenda packet and any presentations that will be shown on the screen during the Zoom Meeting will also be available on our website for download.

**AGENDA
HANOVER CITY COUNCIL
MAY 18, 2021**

Due to COVID-19, this meeting will be conducted in person and via Zoom Video Conferencing as allowed under Minnesota Statutes, Section 13D.021

**MAYOR
CHRIS KAUFFMAN**

**COUNCIL
KEN WARPULA
JIM ZAJICEK
MARYANN HALLSTEIN
THOMAS DIERBERGER**

- 1. Call to Order Regular City Council Work Session: 7:00 p.m.**
- 2. Approval of Agenda**
- 3. Consent Agenda Items:**
 - a. Approve Minutes of May 4, 2021 City Council Meeting (5)**
 - b. Approve Claims as Presented: (8)**

➤ Claims	\$ 102,680.15
➤ Payroll	\$ 10,223.73
➤ P/R taxes & Exp.	\$ 3,779.77
➤ Other Claims	<u>\$ 2,675.03</u>
➤ Total Claims	<u>\$ 119,358.68</u>
 - c. Res No 05-18-21-39 – Approving Fund Transfer (38)**
 - d. Res No 05-18-21-40 – Accepting Donation from Hanover Athletic Association (39)**
 - e. Res No 05-18-21-41 – Accepting Donation from Northwest Area Jaycees (40)**
- 4. Bergan KDV: 2020 Audit Review (41)**
- 5. Big Bore Barbecue Event Parking**
- 6. Ordinance 2021-02 – Amending Chpt 10 Related to Building Permits (141)**
- 7. Discussion: Transition from COVID-19 Pandemic**
- 8. Reports**
- 9. Adjournment**

To: Mayor Kauffman & Members of the Hanover City Council
From: Brian Hagen, City Administrator
Date: May 13, 2021
Re: Review of May 18, 2021 City Council Agenda

1. **Call to Order Regular City Council Work Session: 7:00 p.m.**
2. **Approval of Agenda**
3. **Consent Agenda Items:** *See enclosed consent agenda.*
 - a. **Approve Minutes of May 4, 2021 City Council Meeting (5)**
 - b. **Approve Claims as Presented: (8)**

➤ Claims	\$ 102,680.15
➤ Payroll	\$ 10,223.73
➤ P/R taxes & Exp.	\$ 3,779.77
➤ Other Claims	<u>\$ 2,675.03</u>
➤ Total Claims	<u>\$ 119,358.68</u>
 - c. **Res No 05-18-21-39 – Approving Fund Transfer (38)**
 - d. **Res No 05-18-21-40 – Accepting Donation from Hanover Athletic Association (39)**
 - e. **Res No 05-18-21-41 – Accepting Donation from Northwest Area Jaycees (40)**
4. **Bergan KDV: 2020 Audit Review (41)**

We will review the audited financial statements. Hard bound copies will be provided at the meeting.
5. **Big Bore Barbecue Parking**

It was requested that Chad Brink attend the meeting to discuss his parking plan to serve his customers. Specifically, Big Bore held a concert event May 8th that showed limitations to customer parking near the restaurant location. Chad will be present to discuss.
6. **Ordinance 2021-02 – Amending Chpt. 10 Related to Building Permits (141)**

Enclosed is a memo from the City Planner, a clean ordinance version and a redlined version.
7. **Discussion: Transition from COVID-19 Pandemic**

As regulations are loosened, we will begin transitioning back to pre-pandemic operations. Most notably we are utilizing Zoom to conduct hybrid public meetings, we are requiring hall and shelter rentals to pay for a special sanitization cleaning and we have temporary patio agreements in place for local restaurants. Discussion on the transition away from these measures will be held.
8. **Reports**
9. **Adjournment**

**CITY OF HANOVER
CITY COUNCIL MEETING
MAY 4, 2021 – DRAFT MINUTES**

Call to Order/Pledge of Allegiance:

Mayor Chris Kauffman called the regular meeting of Tuesday, May 4, 2021 to order at 7:00 p.m. Present were Mayor Chris Kauffman, Councilors Ken Warpula, MaryAnn Hallstein and Thomas Dierberger. Also present was City Attorney Jay Squires, City Engineer Nick Preisler, City Planner Cindy Nash, City Administrator Brian Hagen, and Accountant Jackie Heinz. Guests included Mary Wetter, Nathan Hermer, Brian Lester, Mark Osborn, and Andrea Rand. Absent was Jim Zajicek.

Approval of Agenda:

MOTION by Hallstein to approve the agenda, seconded by Warpula. **Motion carried unanimously.**

Consent Agenda:

MOTION by Dierberger to approve the consent agenda, seconded by Warpula.

a. Approve Minutes of April 20, 2021 City Council Work Session Meeting

b. Approve Claims as Presented:

➤ Claims	\$ 53,162.38
➤ Payroll	\$ 10,346.39
➤ P/R taxes & Exp	\$ 3,886.47
➤ Other Claims	<u>\$ 2,668.04</u>
➤ Total Claims	<u>\$ 70,063.28</u>

c. Res No 05-04-21-32 – Accept Donation from Hanover Athletic Association

d. Res No 05-04-21-33 – Approve Annual Liquor License Renewals

e. Res No 05-04-21-34 – Approve Purchase of Ice Machine

Motion carried unanimously.

Citizen’s Forum:

Mary Wetter – Wright County Commissioner

Wetter introduced herself and gave a brief background. Wetter further referenced the Wright County EDA Flyer included in the council packet and discussed the benefits of being a member, projects the EDA is working on and future projects.

Public Hearings:

None

Unfinished Business:

Res No 05-04-21-35 – Approving a PUD Amendment for The Bridges at Hanover

Nash stated she will address items a and b at once. Nash stated she has worked with the developer and updated changes include:

- Lighting plans have changed to operate on motion sensors overnight from 9:30 pm – 5:30 am, The hours may be amended by a resolution, without the need to amend the CUP.
- The parking lot was changed to a one-way drive with angle parking, this will reduce the headlight motion into homes.
- The landscaping was not changed, the change to the parking lot should reduce headlights and it was decided that the addition of a fence would look out of place.

- The site will be appropriately staffed, and staff shall have proper training on when calls for emergency services should be made to minimize calls for emergency services that may not be needed.
- The development of the property is limited to 2 buildings, each containing 24 units.

Kauffman inquired about sending an invoice for calls, Squires stated there are provisions in law and city ordinance for nuisance / drug properties. The fire and emergency services part of the statute authorize cities to do so by ordinance, which Hanover has. Squires further stated emergency calls are accepted, do not want to discourage people from calling.

Hallstein inquired if fiber cement siding would be installed, Nash stated yes. Dierberger referenced page 58 of the packet, item number 2, first sentence. Nash stated the language for the first sentence is pulled from city ordinance, the remainder is commentary. Dierberger referenced page 62 of the packet stating the verbiage is found there as well. Nash stated it is quoted from city ordinance.

MOTION by Warpula to approve Res No 05-04-21-35, seconded by Hallstein. **Motion carried unanimously.**

Res No 05-04-21-36 – Approving a CUP for Bridgewater at Hanover Phase 2

MOTION by Warpula to approve Res No 05-04-21-36, seconded by Hallstein. **Motion carried unanimously.**

New Business:

Res No 05-04-21-37 – Approving Variance for 283 River Road

Hallstein stated the Planning Commission notes were all positive about the improvements happening and to continue.

MOTION by Warpula to approve Res No 05-04-21-37, seconded by Dierberger. **Motion carried unanimously.**

Res No 05-04-21-38 – Opting to Participate in the Wright County EDA

Hagen stated the resolution approves the participation of the City in the Wright County EDA. Hagen inquired of Squires if it would place any limitation on our local EDA. Squires stated it will not impact the local EDA, just additional EDA resources.

MOTION by Warpula to approve Res No 05-04-21-38, seconded by Hallstein. **Motion carried unanimously.**

Columbarium Niche Marker

Hagen stated staff has received quotes for the bronze plaques ranging from \$480 to over \$500. The engraving cost is \$325.00. Hagen further stated the cost for the niche is \$800, there's an additional \$100 cost to open and close the niche for burials and then the marker cost. Hallstein inquired if there are extra niche fonts, Hagen stated yes. Kauffman inquired if different colors and lettering were available, Hagen stated the gloss finish is taken off for engraving. Kauffman inquired about keeping the option for a bronze plaque, Hagen stated that could be allowed in some fashion. Hallstein inquired about benches, Hagen stated they need to be done, Clarence Olson has expressed interest in them. Council consensus to go with the engraving.

Reports

Preisler

- The 2021 Street Improvement project on Riverview was milled today, paving will happen on Thursday. Forecasted to be colder and possible rain tomorrow. This is a well-timed street improvement as the road is showing signs of blow outs which milling will take care of. There is a strong structural base. The crew has been good to work with so far.

Dierberger

- The Park Board had a concept meeting with Grady from Kinghorn Construction at the Park Board Meeting regarding the possible new Settlers Park Shelter.
- Possibly adding a concert in the park on June 17th

Hallstein

- 15th Street Update, Preisler stated they have not heard back yet when the repairs happen there will be a one-day closure and the truck route will be rerouted for one week.
- Planning Commission meeting went well, discussion about general projects.

Warpula

- The Fire Department is looking at purchasing a generator for when power is out, cost is \$26,988.00. Council consensus to purchase once guidelines are provided for the American Rescue Plan.

Heinz

- The Hanover Harvest Festival is on track and moving forward with all plans.

Hagen

- Fire Department is researching the 6 pm – 6 am call policy for medicals. Looking to bring to the May work session.

Warpula left the meeting at 8:15 pm

Kauffman

- Talked with Tamara Sorsoleil, the outside items have been cleaned up and she will be attending clean-up day.

Adjournment

MOTION by Hallstein to adjourn at 8:17 p.m., seconded by Dierberger. **Motion carried unanimously.**

APPROVED BY:

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

HANOVER

05/13/21 10:26 AM

Page 1

Payments

Current Period: May 2021

Payment Batch 05-18-21 Claims		\$102,680.15	
Refer	3318 AT&T MOBILITY	Ck# 003300E 5/18/2021	
Cash Payment	E 100-43000-321 Telephone	PW Cell Phones - 3/26/2021 - 4/25/2021	\$149.85
Invoice	X05032021 4/25/2021		
Transaction Date	5/12/2021	Cash 10100	Total \$149.85
Refer	3322 BURSCHVILLE CONSTRUCTION		
Cash Payment	E 100-43122-224 Street Maint Materials	4/26/2021: Grading of Gravel Roads	\$565.00
Invoice	4743 5/8/2021		
Cash Payment	E 100-42280-520 Buildings and Structures	4/28/2021: Rental of 66" Sheep's Foot Compactor	\$300.00
Invoice	4743 5/8/2021		
Transaction Date	5/12/2021	Cash 10100	Total \$865.00
Refer	3327 CARSON, CLELLAND & SCHREDE		
Cash Payment	E 100-41610-304 Legal Fees	Legal Support / Work - April 2021	\$113.66
Invoice		4/30/2021	
Transaction Date	5/12/2021	Cash 10100	Total \$113.66
Refer	3321 CEMSTONE		
Cash Payment	E 100-42280-520 Buildings and Structures	Fire Station / Public Works Curb for New Road	\$649.00
Invoice	C2322238 4/20/2021		
Transaction Date	5/12/2021	Cash 10100	Total \$649.00
Refer	3322 CENTERPOINT ENERGY	Ck# 003301E 5/18/2021	
Cash Payment	E 100-42280-383 Gas Utilities	Acct. #5774149-8: Fire Station Gas Utilities 3/29/2021 - 4/27/2021	\$157.59
Invoice		4/29/2021	
Cash Payment	E 100-43000-383 Gas Utilities	Acct. #10801925-8: Public Works Gas Utilities 3/29/2021 - 4/27/2021	\$326.48
Invoice		4/29/2021	
Cash Payment	E 100-41940-383 Gas Utilities	Acct. #5783209-9: City Hall Gas Utilities 3/29/2021 - 4/27/2021	\$243.67
Invoice		4/29/2021	
Transaction Date	5/12/2021	Cash 10100	Total \$727.74
Refer	3315 CENTURY LINK		
Cash Payment	E 100-42280-321 Telephone	Fire Station Landline - 4/28/2021 - 5/27/2021	\$51.60
Invoice		4/28/2021	
Transaction Date	5/12/2021	Cash 10100	Total \$51.60
Refer	3324 CITY OF ST. MICHAEL	Ck# 003303E 5/18/2021	
Cash Payment	E 602-49455-310 Other Professional Servi	SAC Fee - 9802 Jordan Avenue	\$5,243.00
Invoice			
Cash Payment	E 602-49455-310 Other Professional Servi	SAC Fee - 9798 Jordan Avenue	\$5,243.00
Invoice			
Cash Payment	E 602-49455-310 Other Professional Servi	SAC Fee - 9815 Jordan Avenue	\$5,243.00
Invoice			
Cash Payment	E 602-49455-310 Other Professional Servi	SAC Fee - 9827 Jordan Avenue	\$5,243.00
Invoice			
Cash Payment	E 602-49455-310 Other Professional Servi	SAC Fee - 10789 Settlers Lane	\$5,243.00
Invoice			

HANOVER

05/13/21 10:26 AM

Page 2

Payments

Current Period: May 2021

Cash Payment Invoice	E 602-49455-310 Other Professional Servi	SAC Fee - 9773 Jordan Avenue			\$5,243.00
Cash Payment Invoice	E 602-49455-310 Other Professional Servi	SAC Fee - 9765 Jordan Avenue			\$5,243.00
Transaction Date	5/12/2021	Cash	10100	Total	\$36,701.00
Refer	3321 CLASSIC CLEANING COMPANY, LL				
Cash Payment Invoice 31202	E 100-41940-310 Other Professional Servi	City Hall Monthly Cleaning - April 2021			\$325.00
	4/30/2021				
Cash Payment Invoice 31202	E 100-41940-310 Other Professional Servi	Hall Special Cleaning: 4/3, 4/10/2021			\$260.00
	4/30/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$585.00
Refer	3313 COLLABORATIVE PLANNING LLC	Ck# 003309E 5/18/2021			
Cash Payment Invoice 2021-068	E 100-41910-310 Other Professional Servi	General Planning: March 2021			\$1,080.00
	5/2/2021				
Cash Payment Invoice 2021-069	E 818-41910-310 Other Professional Servi	JP Brooks / Rivers Edge - Final Plat: March 2021			\$1,188.00
	5/2/2021				
			Project 208292		
Cash Payment Invoice 2021-070	E 818-41910-310 Other Professional Servi	CRHW 5th Addition - Final Plat: March 2021			\$972.00
	5/2/2021				
			Project 208293		
Cash Payment Invoice 2021-071	E 818-41910-310 Other Professional Servi	I & S Group / Bridgewater - CUP, PUD & Site and Building Plan: March 2021			\$729.00
	5/2/2021				
			Project 208294		
Cash Payment Invoice 2021-0-72	E 818-41910-310 Other Professional Servi	Hilltop Coffee - Site & Building Plan: March 2021			\$702.00
	5/2/2021				
			Project 208281		
Transaction Date	5/12/2021	Cash	10100	Total	\$4,671.00
Refer	3329 COMCAST				
Cash Payment Invoice	E 100-41940-321 Telephone	CH: Digital Voice & Internet - May 2021			\$162.15
	4/25/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$162.15
Refer	3319 COTTENS, INC.				
Cash Payment Invoice 255788	E 100-43000-220 Repair/Maint Supply (GE	Plow Truck: Air Tank HD Plus Drain Valce and Fitting			\$11.98
	4/7/2021				
Cash Payment Invoice 255795	E 100-43000-220 Repair/Maint Supply (GE	Plow Truck: Air Tank Valve and Fitting			\$22.68
	4/7/2021				
Cash Payment Invoice 256044	E 100-43000-220 Repair/Maint Supply (GE	Bucket Truck: Battery			\$254.90
	4/8/2021				
Cash Payment Invoice 256044	E 100-43000-240 Small Tools and Minor E	Oil Filter Wrench, Pack of 5 Flints			\$29.17
	4/8/2021				
Cash Payment Invoice 257781	E 100-43000-215 Shop Supplies	Grease			\$28.71
	4/21/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$347.44
Refer	3328 Davis, Lonnie				
Cash Payment Invoice	E 100-48205-810 Refunds & Reimburseme	Shelter Damage Deposit Release - 5/1/2021 Event			\$100.00
Transaction Date	5/12/2021	Cash	10100	Total	\$100.00
Refer	3316 FINKEN WATER SOLUTIONS	Ck# 003310E 5/18/2021			

HANOVER

05/13/21 10:26 AM

Page 3

Payments

Current Period: May 2021

Cash Payment	E 100-42280-220 Repair/Maint Supply (GE	Cook & Cold Rental Cooler - May 2021			\$9.50
Invoice	1257465	5/1/2021			
Transaction Date	5/12/2021	Cash	10100	Total	\$9.50
Refer	3320 <i>FS SOLUTIONS</i>	-			
Cash Payment	E 100-41435-310 Other Professional Servi	Background Check: Intern G. Macfarlane			\$20.00
Invoice	FL00438379	5/6/2021			
Transaction Date	5/12/2021	Cash	10100	Total	\$20.00
Refer	3320 <i>HARDWARE HANK</i>	-			
Cash Payment	E 100-45200-220 Repair/Maint Supply (GE	Historic Bridge: Ballard Locks			\$42.10
Invoice	1707960	4/1/2021			
Cash Payment	E 100-43000-215 Shop Supplies	PVC Nipple, Ant Killer			\$9.12
Invoice	1708002	4/1/2021			
Cash Payment	E 100-43000-215 Shop Supplies	3/4" Clamp Cable, Rop Clip, Shoe Repair			\$23.43
Invoice	1709051	4/6/2021			
Cash Payment	E 100-43000-220 Repair/Maint Supply (GE	Plow Truck: Brass Elbow, 1/2" Plug Cored, 3/8" Plug Square Head			\$27.83
Invoice	1709211	4/7/2021			
Cash Payment	E 100-42260-220 Repair/Maint Supply (GE	Rescue 11: Clear Silicone for Right Air Horn			\$5.39
Invoice	2104-000643	4/13/2021			
Transaction Date	5/12/2021	Cash	10100	Total	\$107.87
Refer	3331 <i>Johnson Fitness & Wellness</i>	-			
Cash Payment	E 107-42220-580 Other Equipment	Matrix T7Xi Treadmill			\$2,370.00
Invoice	22-034859	4/29/2021			
Transaction Date	5/12/2021	Cash	10100	Total	\$2,370.00
Refer	3325 <i>JOINT POWERS WATER BOARD</i>	-			
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9802 Jordan Avenue			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9798 Jordan Avenue			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9815 Jordan Avenue			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9827 Jordan Avenue			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 10789 Settlers Lane			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9773 Jordan Avenue			\$2,001.00
Invoice					
Cash Payment	E 601-49410-310 Other Professional Servi	WAC Fee - 9765 Jordan Avenue			\$2,001.00
Invoice					
Transaction Date	5/12/2021	Cash	10100	Total	\$14,007.00
Refer	3311 <i>MCFOA</i>	-			
Cash Payment	E 100-41430-306 Dues & Subscriptions	J. Heinz - MCFOA Dues: 07/01/2021 - 12/31/2021			\$22.50
Invoice					
Cash Payment	G 100-15500 Prepaid Items	J. Heinz - MCFOA Dues: 01/01/2022 - 06/30/2022			\$22.50
Invoice					
Transaction Date	5/12/2021	Cash	10100	Total	\$45.00

HANOVER

05/13/21 10:26 AM

Page 4

Payments

Current Period: May 2021

Refer	3317 MENARDS - BUFFALO			
Cash Payment	E 405-45200-580 Other Equipment	Mallard Park: Soho Tubes for New Tot Lot		\$115.84
Invoice	39371	4/29/2021		
Cash Payment	E 405-45200-580 Other Equipment	Mallard Park & Pheasant Run Park: Concrete for New Tot Lots		\$215.68
Invoice	39765	5/7/2021		
Transaction Date	5/12/2021	Cash	10100	Total \$331.52
Refer	3332 METRO WEST INSPECTION SERVI			
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 13-19 @ 30306 109th Avenue North		\$72.33
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 35-19 @ 258 Jandell Avenue NE		\$39.99
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 70-19 @ 1259 Irvine Drive		\$35.00
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 72-19 @ 274 LaBeaux Avenue NE		\$27.66
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 75-19 @ 10598 108th Avenue North		\$112.76
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 80-19 @ 10694 106th Avenue North		\$152.03
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 96-19 @ 826 Kayla Lane		\$29.75
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 115-19 @ 329 LaBeaux Avenue NE		\$255.11
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 133-19 @ 11184 14th Street NE		\$17.50
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 137-19 @ 9896 Jordan Avenue NE		\$185.52
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 140-19 @ 11621 11th Street NE		\$17.50
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 29-20 @ 11500 Crow Hassan Park Road		\$413.94
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 38-20 @ 9496 10th Street SE		\$1,460.26
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 39-20 @ 735 Kadler Circle		\$155.88
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 42-20 @ 762 Meander Road		\$17.50
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 47-20 @ 11059 Lamont Avenue		\$177.44
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 68-20 @ 830 Kadler Avenue NE		\$29.75
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 69-20 @ 10532 108th Avenue North		\$120.84
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 75-20 @ 10783 Settlers Lane North		\$1,147.14
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 113-20 @ 782 Mallard Street NE		\$80.42
Invoice	2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 132-20 @ 11667 Erin Street NE		\$33.25
Invoice	2821	4/26/2021		

HANOVER

05/13/21 10:26 AM

Page 5

Payments

Current Period: May 2021

Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 169-20 @ 10620 Prairie Lane	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 219-20 @ 10865 Cottage Lane	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 158-20 @ 11262 Crow River Drive	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 188-20 @ 9814 Jordan Avenue NE	\$1,625.74
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 226-20 @ 10682 Ginseng Lane	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 227-20 @ 11364 12th Street NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 90-21 @ 714 Kalea Court NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 243-20 @ 1339 Rolling Oaks Drive	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 263-20 @ 10888 Settlers Lane North	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 264-20 @ 10391 4th Street NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 270-20 @ 11039 Lamont Avenue NE	\$412.19
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 271-20 @ 11039 Lamont Avenue NE	\$237.45
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 284-20 @ 73 Jansen Avenue NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 302-20 @ 10791 Settlers Lane North	\$1,231.05
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 314-20 @ 11240 12th Street NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 318-20 @ 11161 14th Street NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 321-20 @ 11542 Riverview Road NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 328-20 @ 11081 14th Street NE	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 329-20 @ 11150 River Road	\$33.25
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 12-21 @ 338 Jandel Avenue NE	\$30.40
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 26-21 @ 9808 Jasmine Avenue NE	\$154.84
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 29-21 @ 11039 Lamont Avenue NE	\$51.35
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 37-21 @ 1420 Esterly Oaks Drive	\$16.00
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 40-21 @ 1010 River Road	\$102.80
Invoice 2821	4/26/2021		
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 60-21 @ 11919 Riverview Road NE	\$30.40
Invoice 2821	4/26/2021		

HANOVER

05/13/21 10:26 AM

Page 6

Payments

Current Period: May 2021

Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 64-21 @ 11884 Riverview Road NE			\$30.40
Invoice 2821	4/26/2021				
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 80-21 @ 11695 Lynwood Avenue NE			\$30.40
Invoice 2821	4/26/2021				
Cash Payment	E 100-42401-310 Other Professional Servi	Pmt 87-21 @ 179 Jansen Avenue NE			\$30.40
Invoice 2821	4/26/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$9,063.74
Refer	3318 <u>MILBANK WINWATER WORKS</u>	-			
Cash Payment	E 601-43252-227 Utility Maint Supplies	1.5" PD Meter USG / TRL5 DI Body / 10 Gallon			\$565.89
Invoice 171003-01	4/5/2021				
Cash Payment	E 601-43252-227 Utility Maint Supplies	1.5 LF25AUB-Z3 PRV			\$481.25
Invoice 171003-01	4/5/2021				
Cash Payment	E 601-43252-227 Utility Maint Supplies	Freight			\$13.08
Invoice 171003-01	4/5/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$1,060.22
Refer	3319 <u>MN PEIP</u>	-			
Cash Payment	G 100-21706 Medical/Dental Ins	Medical & Dental Premiums - June 2021			\$3,555.98
Invoice 1087901	5/10/2021				
Cash Payment	G 100-21707 Life Ins	Life Insurance - June 2021			\$57.54
Invoice 1087901	5/10/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$3,613.52
Refer	3324 <u>NW HENN LEAGUE MUNICIPALITIE</u>	-			
Cash Payment	E 100-41110-306 Dues & Subscriptions	Annual Dues for 2021			\$200.00
Invoice					
Transaction Date	5/13/2021	Cash	10100	Total	\$200.00
Refer	3312 <u>Stadri Emblems</u>	-			
Cash Payment	E 100-42220-260 Uniforms	100 HFD Patches			\$223.99
Invoice 417035	5/5/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$223.99
Refer	3326 <u>THE HARTFORD</u>	<u>Ck# 003304E 5/18/2021</u>			
Cash Payment	G 100-21707 Life Ins	STD & LTD - May 2021			\$204.96
Invoice 720814995522					
Transaction Date	5/12/2021	Cash	10100	Total	\$204.96
Refer	3323 <u>United Systems & Software, Inc</u>	-			
Cash Payment	E 601-43252-227 Utility Maint Supplies	Itron 100W+ Water Pit Encoder - Qty 48			\$4,004.94
Invoice 83542	4/26/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$4,004.94
Refer	3310 <u>VEOLIA WATER NORTH AMERICA</u>	-			
Cash Payment	E 602-43252-310 Other Professional Servi	Sewer Services - June 2021			\$5,050.00
Invoice 90282489	5/15/2021				
Cash Payment	E 601-43252-310 Other Professional Servi	Water Services - June 2021			\$3,750.00
Invoice 90282489	5/15/2021				
Transaction Date	5/12/2021	Cash	10100	Total	\$8,800.00
Refer	3314 <u>VERIZON</u>	-			
Cash Payment	E 100-42280-321 Telephone	iPad Data Plan - 04/03/2021 - 05/02/2021			\$50.84
Invoice 9878937353	5/2/2021				

HANOVER

Payments

Current Period: May 2021

Transaction Date	5/12/2021	Cash	10100	Total	\$50.84
Refer	3325 WESTSIDE WHOLESALE TIRE & S Ck# 003311E 5/18/2021				
Cash Payment	E 100-43240-384 Refuse/Garbage Disposa 2021 Clean Up Day: Tire Disposal				\$550.00
Invoice					
Transaction Date	5/13/2021	Cash	10100	Total	\$550.00
Refer	3330 WRIGHT COUNTY AUDITOR-TREA _				
Cash Payment	E 100-42102-310 Other Professional Servi WC Patrol Services - May 2021				\$9,946.25
Invoice May 2021 4/26/2021					
Cash Payment	E 100-42102-310 Other Professional Servi WC Patrol Fines - January 2021				\$236.64
Invoice					
Cash Payment	E 100-42102-310 Other Professional Servi WC Patrol Fines - February 2021				\$306.63
Invoice					
Cash Payment	E 100-42102-310 Other Professional Servi WC Patrol Fines - March 2021				\$256.62
Invoice					
Transaction Date	5/12/2021	Cash	10100	Total	\$10,746.14
Refer	3309 WRIGHT COUNTY JOURNAL PRES _				
Cash Payment	E 100-41970-351 Legal Notices Publishing PHN: Amendments to Zoning Ordinance Related to Building Permits				\$32.06
Invoice 7049084 4/15/2021					
Cash Payment	E 818-41970-351 Legal Notices Publishing PHN: Prindle Properties 283 River Road Variance				\$30.38
Invoice 7049085 4/15/2021 Project 208295					
Cash Payment	E 100-41970-351 Legal Notices Publishing PHN: Appeal to a Denial of a Solicitor License for Gabriel Muller				\$33.75
Invoice 7049086 4/15/2021					
Transaction Date	5/12/2021	Cash	10100	Total	\$96.19
Refer	3323 XCEL ENERGY Ck# 003302E 5/18/2021				
Cash Payment	E 100-43160-381 Electric Utilities Xcel Owned Street Lighting 04/03/2021 - 05/02/2021				\$865.01
Invoice 730299632 5/3/2021					
Cash Payment	E 100-43160-381 Electric Utilities Street Owned Street Lighting 04/05/2021 - 05/02/2021				\$1,186.27
Invoice 730299632 5/3/2021					
Transaction Date	5/12/2021	Cash	10100	Total	\$2,051.28

Fund Summary

	10100 Cash
100 GENERAL FUND	\$31,784.09
107 FIRE DEPT DONATIONS FUND	\$2,370.00
405 PARK DEDICATION FEE	\$331.52
601 WATER ENTERPRISE FUND	\$22,822.16
602 SEWER ENTERPRISE FUND	\$41,751.00
818 MISC ESCROWS FUND	\$3,621.38
	\$102,680.15

Pre-Written Checks	\$45,065.33
Checks to be Generated by the Computer	\$57,614.82
Total	\$102,680.15

HANOVER

05/13/21 10:32 AM

Page 1

***Check Summary Register©**

Batch: 05-18-21 Claims

Name	Check Date	Check Amt	
10100 Cash			
3300e AT&T MOBILITY	5/18/2021	\$149.85	PW Cell Phones - 3/26/2021 - 4/25/2021
3301e CENTERPOINT ENERGY	5/18/2021	\$727.74	Acct. #5774149-8: Fire Station Gas Utilities 3/2
3302e XCEL ENERGY	5/18/2021	\$2,051.28	Xcel Owned Street Lighting 04/03/2021 - 05/02
3303e CITY OF ST. MICHAEL	5/18/2021	\$36,701.00	SAC Fee - 9802 Jordan Avenue
3304e The Hartford	5/18/2021	\$204.96	STD & LTD - May 2021
3309e Collaborative Planning LLC	5/18/2021	\$4,671.00	General Planning: March 2021
3310e FINKEN WATER SOLUTIONS	5/18/2021	\$9.50	Cook & Cold Rental Cooler - May 2021
3311e WESTSIDE WHOLESALE TIRE &	5/18/2021	\$550.00	2021 Clean Up Day: Tire Disposal
35648 BURSCHVILLE CONSTRUCTION	5/18/2021	\$865.00	4/26/2021: Grading of Gravel Roads
35649 CARSON, CLELLAND & SCHRED	5/18/2021	\$113.66	Legal Support / Work - April 2021
35650 CEMSTONE PRODUCTS COMPA	5/18/2021	\$649.00	Fire Station / Public Works Curb for New Road
35651 CENTURY LINK	5/18/2021	\$51.60	Fire Station Landline - 4/28/2021 - 5/27/2021
35652 CLASSIC CLEANING COMPANY	5/18/2021	\$585.00	City Hall Monthly Cleaning - April 2021
35653 COMCAST	5/18/2021	\$162.15	CH: Digital Voice & Internet - May 2021
35654 COTTENS, INC	5/18/2021	\$347.44	Plow Truck: Air Tank HD Plus Drain Valce and
35655 Davis, Lonnie	5/18/2021	\$100.00	Shelter Damage Deposit Release - 5/1/2021 E
35656 FS SOLUTIONS	5/18/2021	\$20.00	Background Check: Intern G. Macfarlane
35657 HARDWARE HANK	5/18/2021	\$107.87	Historic Bridge: Ballard Locks
35658 Johnson Fitness & Wellness	5/18/2021	\$2,370.00	Matrix T7Xi Treadmill
35659 JOINT POWERS WATER BOARD	5/18/2021	\$14,007.00	WAC Fee - 9802 Jordan Avenue
35660 MCFOA	5/18/2021	\$45.00	J. Heinz - MCFOA Dues: 07/01/2021 - 12/31/2
35661 MENARDS - BUFFALO	5/18/2021	\$331.52	Mallard Park: Soho Tubes for New Tot Lot
35662 METRO WEST INSPECTION SER	5/18/2021	\$9,063.74	Pmt 227-20 @ 11364 12th Street NE
35663 MILBANK WINWATER WORKS	5/18/2021	\$1,060.22	1.5" PD Meter USG / TRL5 DI Body / 10 Gallon
35664 MN PEIP	5/18/2021	\$3,613.52	Medical & Dental Premiums - June 2021
35665 NW HENN LEAGUE MUNICIPALIT	5/18/2021	\$200.00	Annual Dues for 2021
35666 Stadri Emblems	5/18/2021	\$223.99	100 HFD Patches
35667 United Systems & Software, Inc	5/18/2021	\$4,004.94	Itron 100W+ Water Pit Encoder - Qty 48
35668 Veolia Water North America	5/18/2021	\$8,800.00	Sewer Services - June 2021
35669 Verizon Wireless	5/18/2021	\$50.84	iPad Data Plan - 04/03/2021 - 05/02/2021
35670 WRIGHT COUNTY AUDITOR-TRE	5/18/2021	\$10,746.14	WC Patrol Services - May 2021
35671 WRIGHT COUNTY JOURNAL PR	5/18/2021	\$96.19	PHN: Amendments to Zoning Ordinance Relat
	Total Checks	\$102,680.15	

FILTER: ((([Act Year]='2021' and [period] in (5)))) and (Source in ('05-18-21 Claims'))



**Carson, Clelland
& Schreder**

ATTORNEYS AT LAW
6300 SHINGLE CREEK PARKWAY STE 305
MINNEAPOLIS, MN 55430-2190
(763)-561-2800

April 30, 2021

CITY OF HANOVER
CITY ADMINISTRATOR
11250 5TH STREET NE
HANOVER, MN 55341

Professional Services

Amount

Criminal

4/5/2021	Review police reports, criminal histories, and victim input in preparation for court hearings	16.25
4/6/2021	Appear at arraignments, pretrials, sentencings, and probation violation hearings	48.75
4/7/2021	Update case files following court, update victims through advocate on cases, order requested discovery, and provide follow-up instructions to legal assistants	32.50
4/27/2021	Open criminal files, preparation of criminal complaints; preparation of cases for court calendars, including court and jury trials; contact and notice to witnesses for trial testimony, prepare outgoing discovery requests, complete incoming discovery requests for monthly period	6.25

SUBTOTAL: [103.75]

For professional services rendered \$103.75

Client Expense Charges :

Criminal Expenses:

Monthly support fee for March	9.91
SUBTOTAL:	[9.91]

Total Client Expense Charges \$9.91

Total amount of this bill \$113.66

Previous balance \$9.38

4/30/2021 Payment - thank you (59.38)

MAY 03 2021

	<u>Amount</u>
Total payments and adjustments	(\$9.38)
Balance due	<u>\$113.66</u>

I hereby declare under the penalties of perjury that the foregoing statement for legal services is just and correct and that no part thereof has been paid.



John J. Thames, City Attorney

E# 100-41610-304

City Attorney

↳ Legal Fees

Collaborative Planning, LLC

PO Box 251
Hamel, MN 55340
763-473-0569

3309

INVOICE

BILL TO

City of Hanover
PO Box 278
Hanover, MN 55341

INVOICE # 2021-068

DATE 05/02/2021

General Planning

DATE	ACCOUNT SUMMARY	AMOUNT
03/09/2021	Balance Forward	594.00
	Other payments and credits after 03/09/2021 through 05/01/2021	-594.00
05/02/2021	Other invoices from this date	0.00
	New charges (details below)	1,080.00
	Total Amount Due	1,080.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
	City of Hanover:Hanover General Planning:Hanover General Planning Billable Time			
03/02/2021	Review building permits.	CMN	0:30 108.00	54.00
03/04/2021	Review new home permit, email to Jackie.	CMN	0:15 108.00	27.00
03/08/2021	Various emails, reviewing permits, phone conference with Brian. Phone conference with Brian re: potential home occ. Emails with Jackie, review building permits, phone conference with Jackie.	CMN	1:45 108.00	189.00
03/10/2021	Phone conference with Brian re: PC meeting.	CMN	0:15 108.00	27.00
03/11/2021	Review permits.	CMN	0:15 108.00	27.00
03/15/2021	Phone conference with Brian, various emails. Reviewing permits.	CMN	1:15 108.00	135.00
03/16/2021	Phone conference with Nick. Phone conference with Brian. Review as-builts.	CMN	0:45 108.00	81.00

DATE	ACTIVITY	QTY	RATE	AMOUNT	
03/17/2021	Phone conference with Brian. Review building permit.	CMN	0:15	108.00	27.00
03/22/2021	Various emails.	CMN	0:15	108.00	27.00
03/23/2021	Email from Jackie, emails with resident. Phone conference with Jackie. Email from Jackie.	CMN	0:45	108.00	81.00
03/28/2021	Email from Jackie, review building permit, email to Jackie.	CMN	0:15	108.00	27.00
03/29/2021	Emails with Jackie. Reviewing permits.	CMN	0:45	108.00	81.00
03/30/2021	Reviewing permits and driveways, various emails.	CMN	0:30	108.00	54.00
03/31/2021	Review building permits, phone conferences and emails with Amy and Nick.	CMN	1:45	108.00	189.00
04/01/2021	Review building permits.	CMN	0:15	108.00	27.00
04/02/2021	Various emails.	CMN	0:15	108.00	27.00
	Subtotal:				1,080.00
	SUBTOTAL - City of Hanover: Hanover General Planning: Hanover General Planning				1,080.00

TOTAL OF NEW CHARGES BALANCE DUE 1,080.00

\$1,080.00

E* 100-41910-310
 Planning & Zoning
 ↳ Other Prof. Svcs.

Collaborative Planning, LLC

PO Box 251
Hamel, MN 55340
763-473-0569

INVOICE

BILL TO

City of Hanover
PO Box 278
Hanover, MN 55341

INVOICE # 2021-069

DATE 05/02/2021

JP Brooks

PROJECT

Rivers Edge

Final Plat

DATE	ACCOUNT SUMMARY	AMOUNT
03/09/2021	Balance Forward	270.00
	Other payments and credits after 03/09/2021 through 05/01/2021	-270.00
05/02/2021	Other invoices from this date	0.00
	New charges (details below)	1,188.00
	Total Amount Due	1,188.00

DATE	ACTIVITY	QTY	RATE	AMOUNT	
03/01/2021	Emails with Kevin. Email from Nick re: engineers estimate.	CMN	0:15	108.00	27.00
03/02/2021	Various emails.	CMN	0:15	108.00	27.00
03/05/2021	Phone conference with Kevin. Phone conference with Nick. Drafting Development Agreement. Various emails. Phone conference with Nick. Phone conference with Jackie.	CMN	2:30	108.00	270.00
03/08/2021	Editing DA, phone conference with Kevin. Email to Kevin. Email to staff. Phone conference with Brian.	CMN	0:45	108.00	81.00
03/09/2021	Phone conference with Nick, review comment memo from Nick. Phone conference with Brian. Phone conference with Kevin.	CMN	0:30	108.00	54.00
03/10/2021	Review City Attorney comments, email to Brian.	CMN	0:15	108.00	27.00
03/11/2021	Various emails.	CMN	0:15	108.00	27.00
03/16/2021	Phone conference with Nick.	CMN	0:15	108.00	27.00
03/19/2021	Edit DA, email to Kevin.	CMN	0:30	108.00	54.00
03/22/2021	Various emails.	CMN	0:15	108.00	27.00
03/23/2021	Email from Kevin.	CMN	0:15	108.00	27.00

DATE	ACTIVITY	QTY	RATE	AMOUNT	
03/24/2021	Reviewing DA comments. Edit DA, phone conference with Kevin. Phone conference with Jay.	CMN	1:15	108.00	135.00
03/25/2021	Various emails.	CMN	0:15	108.00	27.00
03/26/2021	Edit DA, email to all. Various emails.	CMN	0:30	108.00	54.00
03/28/2021	Email from Jason, email from Kevin.	CMN	0:15	108.00	27.00
03/29/2021	Various emails.	CMN	0:15	108.00	27.00
03/30/2021	Various emails, preparing for Council packets.	CMN	0:30	108.00	54.00
03/31/2021	Phone conference with Brian. Phone conference with Nick.	CMN	0:30	108.00	54.00
04/01/2021	Draft resolution for final plat, draft memo, prepare for packets. Edit DA, draft resolution, draft memo, prepare for packets. Email to staff. Email to attorney, email to Kevin.	CMN	1:30	108.00	162.00

TOTAL OF NEW
CHARGES
BALANCE DUE

1,188.00

\$1,188.00

Project # 208292

E # 818-41910-310

Misc. Escrow Fund

↳ Planning & Zoning

↳ Other Prof. Sres.

Collaborative Planning, LLC

PO Box 251
Hamel, MN 55340
763-473-0569

INVOICE

BILL TO

City of Hanover
PO Box 278
Hanover, MN 55341

INVOICE # 2021-070

DATE 05/02/2021

PROJECT
CRHW 5th

Backes - Final Plat

DATE	ACCOUNT SUMMARY	AMOUNT
03/09/2021	Balance Forward	81.00
	Other payments and credits after 03/09/2021 through 05/01/2021	-81.00
05/02/2021	Other invoices from this date	0.00
	New charges (details below)	972.00
	Total Amount Due	972.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
03/01/2021	Various emails. CMN	0:15	108.00	27.00
03/10/2021	Emails with Todd. Phone conference with Brian. Emails re: DA. CMN	0:30	108.00	54.00
03/15/2021	Various emails. CMN	0:15	108.00	27.00
03/16/2021	Phone conference with Nick. Various emails. Reviewing plans. Email from Nick, review comment memo. CMN	1:45	108.00	189.00
03/17/2021	Phone conference with Brian. Drafted webpage update. CMN	0:15	108.00	27.00
03/18/2021	Draft staff report, draft comment memo, email to Brian. Email to Todd re: lot tab. Email to Todd/Buck re: memos. Edit memo, phone conference with Todd, phone conference with Buck. Review lot tab, approve, email to Amy. CMN	2:15	108.00	243.00
03/22/2021	Prepare for and attend Planning Commission. CMN	1:00	108.00	108.00
03/30/2021	Phone conference with Buck. CMN	0:15	108.00	27.00
03/31/2021	Editing DA, email to staff, email to CMN	1:15	108.00	135.00

DATE	ACTIVITY	QTY	RATE	AMOUNT	
04/01/2021	Buck, phone conference with Buck. Phone conference with Brian. Phone conference with Nick. Draft DA resolution, edit DA, draft memo, email to Brian. Draft final plat resolution, draft memo, email to Brian. Email DA to developer. Email to attorney.	CMN	1:15	108.00	135.00

TOTAL OF NEW
CHARGES
BALANCE DUE

972.00

\$972.00

Project # 208293

E# 818-41910-310

Misc. Escrow Fund

↳ Planning & Zoning

↳ Other Prof. Svcs.

Collaborative Planning, LLC

PO Box 251
Hamel, MN 55340
763-473-0569

INVOICE

BILL TO

City of Hanover
PO Box 278
Hanover, MN 55341

INVOICE # 2021-071

DATE 05/02/2021

PROJECT
Bridgewater

1 & S Group
CUP, PUD & Site And Building Plan

DATE	ACCOUNT SUMMARY	AMOUNT
03/09/2021	Balance Forward	351.00
	Other payments and credits after 03/09/2021 through 05/01/2021	-351.00
05/02/2021	Other invoices from this date	0.00
	New charges (details below)	729.00
	Total Amount Due	729.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
03/02/2021	Emails with Andrea.	CMN	0:15 108.00	27.00
03/08/2021	Draft public hearing notice, draft mailer info, email to newspaper, email to Brian.	CMN	0:30 108.00	54.00
03/09/2021	Phone conference with Brian, email from Brian.	CMN	0:15 108.00	27.00
03/10/2021	Phone conference with Brian, email to Andrea.	CMN	0:15 108.00	27.00
03/11/2021	Various emails.	CMN	0:15 108.00	27.00
03/16/2021	Phone conference with Nick. Reviewing plans.	CMN	1:00 108.00	108.00
03/17/2021	Email from Nick, review comment memo. Prepare webpage update.	CMN	0:15 108.00	27.00
03/18/2021	Emails with Brian.	CMN	0:15 108.00	27.00
03/19/2021	Draft staff report, draft comment memo, email to Brian. Various emails.	CMN	1:15 108.00	135.00
03/22/2021	Prepare for and attend Planning Commission meeting.	CMN	1:45 108.00	189.00
03/23/2021	Phone conference with Andrea.	CMN	0:30 108.00	54.00
03/28/2021	Emails with Andrea.	CMN	0:15 108.00	27.00

TOTAL OF NEW
CHARGES
BALANCE DUE

729.00

\$729.00

Project # 208294

E# 818-41910-310

Misc. Escrow Fund

↳ Planning & Zoning

↳ Other Prof. Svcs.

Collaborative Planning, LLC

PO Box 251
Hamel, MN 55340
763-473-0569

INVOICE

BILL TO

City of Hanover
PO Box 278
Hanover, MN 55341

INVOICE # 2021-072

DATE 05/02/2021

PROJECT

Hilltop

Site & Building Plan

DATE	ACCOUNT SUMMARY	AMOUNT
03/09/2021	Balance Forward	567.00
	Other payments and credits after 03/09/2021 through 05/01/2021	-567.00
05/02/2021	Other invoices from this date	0.00
	New charges (details below)	702.00
	Total Amount Due	702.00

DATE	ACTIVITY	QTY	RATE	AMOUNT
03/08/2021	Phone conference with Brian, various emails.	CMN	0:15 108.00	27.00
03/10/2021	Various emails re: SAC.	CMN	0:15 108.00	27.00
03/22/2021	Various emails, phone conference with Jackie.	CMN	0:15 108.00	27.00
03/23/2021	Various emails. Phone call with Jackie.	CMN	0:15 108.00	27.00
03/24/2021	Emails with Jackie. Phone call with Nick. Phone call with Todd.	CMN	0:30 108.00	54.00
03/25/2021	Phone conference with Ann. Phone conference with Nick. Email to Brian/Jackie.	CMN	0:30 108.00	54.00
03/28/2021	Email from Ann, reviewing plans.	CMN	0:30 108.00	54.00
03/29/2021	Reviewing plans, various emails. Phone conference with Nick.	CMN	2:15 108.00	243.00
03/31/2021	Review plans, phone conference with Nick. Phone conference with Brian.	CMN	0:45 108.00	81.00
04/02/2021	Review plans.	CMN	1:00 108.00	108.00

TOTAL OF NEW CHARGES 702.00

BALANCE DUE

\$702.00

E# 818-41910-310

Project # 208281

Misc. Escrow Fund

↳ Planning & Zoning

↳ Other Prof. Srvs.

HANOVER
Cash Balances
 May 2021

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
100 GENERAL FUND	\$590,950.45	\$6,841.00	\$66,226.10	\$531,565.35
107 FIRE DEPT DONATIONS FUND	\$29,790.22	\$0.00	\$3,334.00	\$26,456.22
201 EDA SPECIAL REVENUE FUND	\$87,027.89	\$0.00	\$5,780.00	\$81,247.89
205 EDA BUSINESS INCENTIVE FUND	\$209,652.99	\$0.00	\$0.00	\$209,652.99
311 2008A GO CIP REFUNDING BOND	-\$54.75	\$0.00	\$0.00	-\$54.75
312 2009A GO IMP REFUNDING BOND	\$19,777.35	\$0.00	\$0.00	\$19,777.35
314 2011A GO IMP CROSSOVER REF BD	\$490,682.95	\$0.00	\$0.00	\$490,682.95
315 2016A GO CIP BOND	\$23,371.62	\$0.00	\$0.00	\$23,371.62
401 GENERAL CAPITAL PROJECTS	\$751,207.26	\$0.00	\$0.00	\$751,207.26
402 PARKS CAPITAL PROJECTS	\$120,874.71	\$0.00	\$0.00	\$120,874.71
403 FIRE DEPT CAPITAL FUND	-\$253,711.65	\$0.00	\$237.92	-\$253,949.57
404 HISTORICAL CAPITAL PROJ FUND	\$0.00	\$0.00	\$0.00	\$0.00
405 PARK DEDICATION FEE	\$164,852.45	\$0.00	\$331.52	\$164,520.93
406 GAMBLING PROCEEDS	\$27,582.82	\$0.00	\$0.00	\$27,582.82
407 TIF REDEV DIST #1	\$9,600.12	\$0.00	\$0.00	\$9,600.12
409 MAHLER PIT - 15TH ST IMP FUND	\$133,434.77	\$0.00	\$0.00	\$133,434.77
411 FACILITIES CAPITAL PROJ FUND	\$15,341.72	\$0.00	\$0.00	\$15,341.72
417 EQUIPMENT CAPITAL FUND	\$63,085.72	\$0.00	\$0.00	\$63,085.72
418 STREET CAPITAL PROJ FUND	\$638,095.49	\$0.00	\$2,997.50	\$635,097.99
601 WATER ENTERPRISE FUND	\$1,091,763.04	\$0.00	\$26,572.16	\$1,065,190.88
602 SEWER ENTERPRISE FUND	\$481,078.60	\$0.00	\$46,801.00	\$434,277.60
603 STORM WATER ENTERPRISE FUND	\$228,350.53	\$0.00	\$2,244.50	\$226,106.03
611 WATER CAPITAL IMP FUND	\$241,305.47	\$0.00	\$0.00	\$241,305.47
612 SEWER CAPITAL IMP FUND	\$2,278,924.15	\$0.00	\$0.00	\$2,278,924.15
613 STORM WATER CAPITAL IMP FUND	\$715,386.88	\$0.00	\$0.00	\$715,386.88
701 RIVER ROAD CEMETERY	\$37,131.74	\$0.00	\$0.00	\$37,131.74
702 CSAH 19 CEMETERY	\$6,050.00	\$0.00	\$0.00	\$6,050.00
810 BUILDING PERMITS ESCROW FUND	\$90,000.00	\$0.00	\$0.00	\$90,000.00
811 EROSION CONTROL ESCROW FUND	\$64,123.53	\$0.00	\$0.00	\$64,123.53
815 LANDSCAPE ESCROW FUND	\$63,900.65	\$0.00	\$0.00	\$63,900.65
817 INFRASTRUCTURE ESCROW FUND	\$40,500.00	\$0.00	\$0.00	\$40,500.00
818 MISC ESCROWS FUND	\$82,873.74	\$0.00	\$15,990.11	\$66,883.63
820 BRIDGES TOWNHOMES ESC FUND	\$3,849.10	\$0.00	\$0.00	\$3,849.10
823 CROW RVR HTS WEST 3RD / BACKES	\$10,914.31	\$0.00	\$361.25	\$10,553.06
825 CROW RVR HTS FUT WEST PLAT/PUD	\$0.00	\$0.00	\$0.00	\$0.00
826 CROW RVR HTS 4TH ADD FINL PLAT	\$0.00	\$0.00	\$0.00	\$0.00
827 HANOVER COVE PRELIMINARY PLAT	\$0.00	\$0.00	\$0.00	\$0.00
828 CROW RVR HTS 4TH DEVEL AGRMT	\$35,839.09	\$0.00	\$722.50	\$35,116.59
829 RIVER TOWN VILLAS DEVEL AGRMT	\$28,834.12	\$0.00	\$518.75	\$28,315.37
830 FEHN COMP 15TH ST DEVEL AGRMT	\$11,489.84	\$0.00	\$403.75	\$11,086.09
831 RIVERS EDGE DEVEL AGRMT	\$0.00	\$0.00	\$0.00	\$0.00

HANOVER

Cash Balances

May 2021

Fund	Begin Month	GL Debits Month	GL Credits Month	Balance
832 CROW RVR HTS 5TH DEVEL AGRMT	\$0.00	\$0.00	\$0.00	\$0.00
900 INTEREST	\$0.00	\$0.00	\$0.00	\$0.00
	<u>\$8,633,876.92</u>	<u>\$6,841.00</u>	<u>\$172,521.06</u>	<u>\$8,468,196.86</u>

Revenue Budget Report - General Fund

Source Alt Code	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
Fund 100 GENERAL FUND						
TAXES	R 100-31000 Property Taxes - General	\$0.00	\$0.00	\$1,011,808.00	\$1,011,808.00	0.00%
TAXES	R 100-31020 Property Taxes - Fire	\$0.00	\$0.00	\$111,227.00	\$111,227.00	0.00%
TAXES	R 100-31800 Franchise Fees	\$0.00	\$0.00	\$15,000.00	\$15,000.00	0.00%
Source Alt Code TAXES		\$0.00	\$0.00	\$1,138,035.00	\$1,138,035.00	0.00%
SERVICE	R 100-34000 Charges for Services	\$6,841.00	\$6,841.00	\$5,000.00	-\$1,841.00	136.82%
SERVICE	R 100-34101 City Hall Rent Revenue	\$0.00	\$2,250.00	\$12,000.00	\$9,750.00	18.75%
SERVICE	R 100-34107 Assessment Search Fees	\$0.00	\$475.00	\$600.00	\$125.00	79.17%
SERVICE	R 100-34108 Administrative Fees	\$0.00	\$1,900.00	\$3,000.00	\$1,100.00	63.33%
SERVICE	R 100-34109 Copies/Faxes	\$0.00	\$0.00	\$50.00	\$50.00	0.00%
SERVICE	R 100-34206 Other Public Safety Charges	\$0.00	\$635.00	\$0.00	-\$635.00	0.00%
SERVICE	R 100-34207 Fire Protection Services	\$0.00	\$20,497.71	\$108,206.00	\$87,708.29	18.94%
SERVICE	R 100-34403 Recycling Rev/Reimb	\$0.00	\$0.00	\$6,000.00	\$6,000.00	0.00%
SERVICE	R 100-34780 Park Rental Fees	\$0.00	\$677.49	\$2,500.00	\$1,822.51	27.10%
SERVICE	R 100-34940 Cemetery Revenues	\$0.00	\$100.00	\$0.00	-\$100.00	0.00%
Source Alt Code SERVICE		\$6,841.00	\$33,376.20	\$137,356.00	\$103,979.80	24.30%
MISC	R 100-36100 Special Assessments	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 100-36200 Miscellaneous Revenues	\$0.00	\$35.44	\$100.00	\$64.56	35.44%
MISC	R 100-36210 Interest Earnings	\$0.00	-\$2,452.08	\$0.00	\$2,452.08	0.00%
MISC	R 100-36215 Investment Income/Loss	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 100-36230 Contributions and Donations	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
MISC	R 100-36235 Insurance Dividends	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 100-36250 Damage Deposits	\$0.00	\$1,000.00	\$10,000.00	\$9,000.00	10.00%
MISC	R 100-36260 Refunds or Reimbursements	\$0.00	\$23.30	\$0.00	-\$23.30	0.00%
MISC	R 100-36290 Sale of Vehicles/Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 100-39101 Sales of General Fixed Asset	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
MISC	R 100-39203 Transfer from Other Fund	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code MISC		\$0.00	-\$1,393.34	\$11,100.00	\$12,493.34	-12.55%
LIC PERM	R 100-32110 Alcoholic Beverages	\$0.00	\$6,870.00	\$6,870.00	\$0.00	100.00%
LIC PERM	R 100-32180 Other Bus. Licenses/Permits	\$0.00	\$290.00	\$1,000.00	\$710.00	29.00%
LIC PERM	R 100-32210 Building Permits	-\$136.36	\$106,848.66	\$100,000.00	-\$6,848.66	106.85%
LIC PERM	R 100-32240 Animal Licenses	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
LIC PERM	R 100-32260 Solid Waste Hauler Licenses	\$0.00	\$1,500.00	\$1,500.00	\$0.00	100.00%
LIC PERM	R 100-32270 Rental Dwelling Licenses	\$0.00	\$870.00	\$0.00	-\$870.00	0.00%
LIC PERM	R 100-32280 Other Non-Business Lic/Per	\$0.00	\$0.00	\$50.00	\$50.00	0.00%
Source Alt Code LIC PERM		-\$136.36	\$116,378.66	\$109,420.00	-\$6,958.66	106.36%
INTGOVT	R 100-33400 State Grants and Aids	\$0.00	\$1,000.00	\$0.00	-\$1,000.00	0.00%
INTGOVT	R 100-33401 Local Government Aid	\$0.00	\$0.00	\$126,192.00	\$126,192.00	0.00%
INTGOVT	R 100-33410 MV Credit	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
INTGOVT	R 100-33420 PERA Aid	\$0.00	\$0.00	\$339.00	\$339.00	0.00%
INTGOVT	R 100-33422 State Fire Aid	\$0.00	\$0.00	\$41,000.00	\$41,000.00	0.00%
INTGOVT	R 100-33426 State Police Aid	\$0.00	\$0.00	\$5,500.00	\$5,500.00	0.00%
INTGOVT	R 100-33610 County Grants/Aid for Roads	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Source Alt Code INTGOVT		\$0.00	\$1,000.00	\$174,031.00	\$173,031.00	0.57%
FINES	R 100-35100 Court Fines	\$0.00	\$1,573.14	\$3,000.00	\$1,426.86	52.44%
Source Alt Code FINES		\$0.00	\$1,573.14	\$3,000.00	\$1,426.86	52.44%
Fund 100 GENERAL FUND		\$6,704.64	\$150,934.66	\$1,572,942.00	\$1,422,007.34	9.60%

Revenue Budget Report - General Fund

Source Alt Code	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
		\$6,704.64	\$150,934.66	\$1,572,942.00	\$1,422,007.34	9.60%

Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
Fund 100 GENERAL FUND						
Dept 41110 Council						
COUNCIL	E 100-41110-111 Committee Wages/Mee	\$0.00	\$0.00	\$13,000.00	\$13,000.00	0.00%
COUNCIL	E 100-41110-122 FICA	\$0.00	\$0.00	\$806.00	\$806.00	0.00%
COUNCIL	E 100-41110-123 Medicare	\$0.00	\$0.00	\$189.00	\$189.00	0.00%
COUNCIL	E 100-41110-208 Training and Instructio	\$0.00	\$175.00	\$2,000.00	\$1,825.00	8.75%
COUNCIL	E 100-41110-306 Dues & Subscriptions	\$200.00	\$4,297.00	\$7,500.00	\$3,203.00	57.29%
COUNCIL	E 100-41110-331 Travel Expenses	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
COUNCIL	E 100-41110-437 Other Miscellaneous	\$0.00	\$77.61	\$20,000.00	\$19,922.39	0.39%
Dept 41110 Council		\$200.00	\$4,549.61	\$45,495.00	\$40,945.39	10.00%
Dept 41330 Boards and Commissions						
BRDCOMM	E 100-41330-111 Committee Wages/Mee	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
BRDCOMM	E 100-41330-208 Training and Instructio	\$0.00	\$0.00	\$500.00	\$500.00	0.00%
BRDCOMM	E 100-41330-331 Travel Expenses	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
Dept 41330 Boards and Commissions		\$0.00	\$0.00	\$5,700.00	\$5,700.00	0.00%
Dept 41400 City Administrator						
CITYADM	E 100-41400-101 Full-Time Employees R	\$3,280.00	\$29,414.23	\$86,114.00	\$56,699.77	34.16%
CITYADM	E 100-41400-121 PERA	\$246.00	\$2,451.21	\$6,459.00	\$4,007.79	37.95%
CITYADM	E 100-41400-122 FICA	\$200.97	\$2,002.43	\$5,339.00	\$3,336.57	37.51%
CITYADM	E 100-41400-123 Medicare	\$47.00	\$468.30	\$1,249.00	\$780.70	37.49%
CITYADM	E 100-41400-134 Employer Paid Life	\$27.07	\$270.70	\$769.00	\$498.30	35.20%
CITYADM	E 100-41400-151 Med/Dental Insurance	\$323.08	\$3,230.80	\$8,400.00	\$5,169.20	38.46%
CITYADM	E 100-41400-208 Training and Instructio	\$0.00	\$715.94	\$1,500.00	\$784.06	47.73%
CITYADM	E 100-41400-306 Dues & Subscriptions	\$0.00	\$101.51	\$200.00	\$98.49	50.76%
Dept 41400 City Administrator		\$4,124.12	\$38,655.12	\$110,030.00	\$71,374.88	35.13%
Dept 41410 Elections						
ELECTION	E 100-41410-101 Full-Time Employees R	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-122 FICA	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-123 Medicare	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-142 Unemployment Benefit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-200 Office Supplies (GENER	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-310 Other Professional Serv	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-351 Legal Notices Publishin	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
ELECTION	E 100-41410-400 Repairs & Maint Cont (\$0.00	\$1,011.60	\$2,000.00	\$988.40	50.58%
ELECTION	E 100-41410-437 Other Miscellaneous	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 41410 Elections		\$0.00	\$1,011.60	\$2,000.00	\$988.40	50.58%
Dept 41430 Clerical Staff						
CLERICAL	E 100-41430-101 Full-Time Employees R	\$1,997.60	\$13,945.20	\$52,175.00	\$38,229.80	26.73%
CLERICAL	E 100-41430-121 PERA	\$149.82	\$1,194.44	\$3,913.00	\$2,718.56	30.52%
CLERICAL	E 100-41430-122 FICA	\$121.34	\$965.53	\$3,235.00	\$2,269.47	29.85%
CLERICAL	E 100-41430-123 Medicare	\$28.38	\$225.80	\$757.00	\$531.20	29.83%
CLERICAL	E 100-41430-134 Employer Paid Life	\$18.63	\$162.09	\$514.00	\$351.91	31.54%
CLERICAL	E 100-41430-142 Unemployment Benefit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
CLERICAL	E 100-41430-151 Med/Dental Insurance	\$340.06	\$2,958.66	\$8,400.00	\$5,441.34	35.22%
CLERICAL	E 100-41430-208 Training and Instructio	\$0.00	\$0.00	\$500.00	\$500.00	0.00%
CLERICAL	E 100-41430-306 Dues & Subscriptions	\$22.50	\$45.00	\$100.00	\$55.00	45.00%
Dept 41430 Clerical Staff		\$2,678.33	\$19,496.72	\$69,594.00	\$50,097.28	28.01%
Dept 41435 Staff Expenses						
STAFFEXP	E 100-41435-260 Uniforms	\$0.00	\$0.00	\$300.00	\$300.00	0.00%
STAFFEXP	E 100-41435-310 Other Professional Serv	\$20.00	\$170.00	\$500.00	\$330.00	34.00%

HANOVER
Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
STAFFEXP	E 100-41435-331 Travel Expenses	\$0.00	\$0.00	\$2,000.00	\$2,000.00	0.00%
Dept 41435	Staff Expenses	\$20.00	\$170.00	\$2,800.00	\$2,630.00	6.07%
Dept 41530 Accounting						
ACCTING	E 100-41530-101 Full-Time Employees R	\$2,316.85	\$20,777.93	\$60,540.00	\$39,762.07	34.32%
ACCTING	E 100-41530-121 PERA	\$173.76	\$1,730.64	\$4,541.00	\$2,810.36	38.11%
ACCTING	E 100-41530-122 FICA	\$142.41	\$1,418.33	\$3,754.00	\$2,335.67	37.78%
ACCTING	E 100-41530-123 Medicare	\$33.30	\$331.67	\$878.00	\$546.33	37.78%
ACCTING	E 100-41530-134 Employer Paid Life	\$20.42	\$204.20	\$587.00	\$382.80	34.79%
ACCTING	E 100-41530-151 Med/Dental Insurance	\$323.08	\$3,230.80	\$8,400.00	\$5,169.20	38.46%
ACCTING	E 100-41530-208 Training and Instructio	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
ACCTING	E 100-41530-306 Dues & Subscriptions	\$0.00	\$66.60	\$200.00	\$133.40	33.30%
ACCTING	E 100-41530-310 Other Professional Serv	\$0.00	\$0.00	\$435.00	\$435.00	0.00%
Dept 41530	Accounting	\$3,009.82	\$27,760.17	\$80,335.00	\$52,574.83	34.56%
Dept 41540 Auditing						
AUDITING	E 100-41540-301 Auditing and Acctg Ser	\$0.00	\$150.00	\$22,000.00	\$21,850.00	0.68%
Dept 41540	Auditing	\$0.00	\$150.00	\$22,000.00	\$21,850.00	0.68%
Dept 41550 Assessing						
ASSESS G	E 100-41550-310 Other Professional Serv	\$0.00	\$177.82	\$24,000.00	\$23,822.18	0.74%
Dept 41550	Assessing	\$0.00	\$177.82	\$24,000.00	\$23,822.18	0.74%
Dept 41570 Purchasing						
PURCHASE	E 100-41570-200 Office Supplies (GENER	\$25.97	\$846.43	\$3,500.00	\$2,653.57	24.18%
PURCHASE	E 100-41570-205 Bank Fees	\$0.00	\$9.00	\$200.00	\$191.00	4.50%
PURCHASE	E 100-41570-207 Computer Supplies	\$0.00	\$1,050.51	\$8,000.00	\$6,949.49	13.13%
PURCHASE	E 100-41570-220 Repair/Maint Supply (G	\$176.05	\$1,914.74	\$4,500.00	\$2,585.26	42.55%
PURCHASE	E 100-41570-322 Postage	\$0.00	\$761.36	\$2,500.00	\$1,738.64	30.45%
PURCHASE	E 100-41570-570 Office Equip and Furnis	\$0.00	\$0.00	\$3,000.00	\$3,000.00	0.00%
Dept 41570	Purchasing	\$202.02	\$4,582.04	\$21,700.00	\$17,117.96	21.12%
Dept 41600 Computer						
COMPUTER	E 100-41600-310 Other Professional Serv	\$1,311.24	\$4,671.64	\$6,000.00	\$1,328.36	77.86%
Dept 41600	Computer	\$1,311.24	\$4,671.64	\$6,000.00	\$1,328.36	77.86%
Dept 41610 City Attorney						
CITYATNY	E 100-41610-304 Legal Fees	\$113.66	\$2,374.99	\$20,000.00	\$17,625.01	11.87%
Dept 41610	City Attorney	\$113.66	\$2,374.99	\$20,000.00	\$17,625.01	11.87%
Dept 41910 Planning and Zoning						
PLANZONG	E 100-41910-310 Other Professional Serv	\$1,080.00	\$2,565.00	\$20,000.00	\$17,435.00	12.83%
Dept 41910	Planning and Zoning	\$1,080.00	\$2,565.00	\$20,000.00	\$17,435.00	12.83%
Dept 41940 General Govt Buildings/Plant						
GOVTBLDG	E 100-41940-210 Operating Supplies (GE	\$0.00	\$562.62	\$3,000.00	\$2,437.38	18.75%
GOVTBLDG	E 100-41940-220 Repair/Maint Supply (G	\$243.75	\$1,835.47	\$6,000.00	\$4,164.53	30.59%
GOVTBLDG	E 100-41940-306 Dues & Subscriptions	\$0.00	\$775.00	\$850.00	\$75.00	91.18%
GOVTBLDG	E 100-41940-310 Other Professional Serv	\$585.00	\$1,178.99	\$7,500.00	\$6,321.01	15.72%
GOVTBLDG	E 100-41940-321 Telephone	\$398.10	\$1,733.80	\$5,400.00	\$3,666.20	32.11%
GOVTBLDG	E 100-41940-325 Taxes	\$0.00	\$233.00	\$400.00	\$167.00	58.25%
GOVTBLDG	E 100-41940-381 Electric Utilities	\$639.86	\$2,144.39	\$9,000.00	\$6,855.61	23.83%
GOVTBLDG	E 100-41940-383 Gas Utilities	\$243.67	\$1,780.55	\$5,000.00	\$3,219.45	35.61%
GOVTBLDG	E 100-41940-384 Refuse/Garbage Dispos	\$296.19	\$1,461.49	\$3,500.00	\$2,038.51	41.76%
GOVTBLDG	E 100-41940-415 Other Equipment Renta	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
GOVTBLDG	E 100-41940-520 Buildings and Structure	\$39.98	\$123.49	\$4,000.00	\$3,876.51	3.09%
GOVTBLDG	E 100-41940-560 Furniture and Fixtures	\$157.25	\$437.80	\$2,000.00	\$1,562.20	21.89%
GOVTBLDG	E 100-41940-580 Other Equipment	\$0.00	\$0.00	\$0.00	\$0.00	0.00%

Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
Dept 41940	General Govt Buildings/Plant	\$2,603.80	\$12,266.60	\$46,650.00	\$34,383.40	26.29%
Dept 41950	Engineer					
ENGINEER	E 100-41950-303 Engineering Fees	\$2,363.50	\$4,846.00	\$15,000.00	\$10,154.00	32.31%
Dept 41950	Engineer	\$2,363.50	\$4,846.00	\$15,000.00	\$10,154.00	32.31%
Dept 41960	Insurance					
INSURANCE	E 100-41960-150 Worker s Comp (GENE	\$0.00	\$6,459.16	\$13,500.00	\$7,040.84	47.85%
INSURANCE	E 100-41960-152 Worker s Comp Benefit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
INSURANCE	E 100-41960-361 General Liability Ins	\$0.00	\$10,465.54	\$25,000.00	\$14,534.46	41.86%
Dept 41960	Insurance	\$0.00	\$16,924.70	\$38,500.00	\$21,575.30	43.96%
Dept 41970	Legal Publications					
LEGALPUB	E 100-41970-341 Employment	\$0.00	\$535.48	\$300.00	-\$235.48	178.49%
LEGALPUB	E 100-41970-343 Other Advertising	\$0.00	\$93.45	\$100.00	\$6.55	93.45%
LEGALPUB	E 100-41970-351 Legal Notices Publishin	\$65.81	\$116.44	\$400.00	\$283.56	29.11%
LEGALPUB	E 100-41970-354 Recording Fees	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
Dept 41970	Legal Publications	\$65.81	\$745.37	\$1,000.00	\$254.63	74.54%
Dept 42000	Public Safety (GENERAL)					
PUBSAFTY	E 100-42000-437 Other Miscellaneous	\$0.00	\$20.00	\$50.00	\$30.00	40.00%
Dept 42000	Public Safety (GENERAL)	\$0.00	\$20.00	\$50.00	\$30.00	40.00%
Dept 42101	Hennepin County Sheriff					
HCSHERIFF	E 100-42101-310 Other Professional Serv	\$0.00	\$22,147.50	\$88,590.00	\$66,442.50	25.00%
Dept 42101	Hennepin County Sheriff	\$0.00	\$22,147.50	\$88,590.00	\$66,442.50	25.00%
Dept 42102	Wright County Sheriff					
WCSHERIFF	E 100-42102-310 Other Professional Serv	\$10,746.14	\$50,531.14	\$119,682.00	\$69,150.86	42.22%
Dept 42102	Wright County Sheriff	\$10,746.14	\$50,531.14	\$119,682.00	\$69,150.86	42.22%
Dept 42210	Fire Dept Administration					
FIREADMIN	E 100-42210-103 Part-Time Employees	\$0.00	-\$2,047.91	\$80,600.00	\$82,647.91	-2.54%
FIREADMIN	E 100-42210-122 FICA	\$0.00	\$1,659.76	\$4,997.00	\$3,337.24	33.22%
FIREADMIN	E 100-42210-123 Medicare	\$0.00	\$388.16	\$1,169.00	\$780.84	33.20%
FIREADMIN	E 100-42210-142 Unemployment Benefit	\$0.00	\$0.00	\$300.00	\$300.00	0.00%
FIREADMIN	E 100-42210-150 Worker s Comp (GENE	\$0.00	\$4,502.04	\$9,000.00	\$4,497.96	50.02%
FIREADMIN	E 100-42210-200 Office Supplies (GENER	\$0.00	\$62.90	\$350.00	\$287.10	17.97%
FIREADMIN	E 100-42210-305 Medical and Dental Fee	\$0.00	\$0.00	\$8,500.00	\$8,500.00	0.00%
FIREADMIN	E 100-42210-306 Dues & Subscriptions	\$0.00	\$100.00	\$1,000.00	\$900.00	10.00%
FIREADMIN	E 100-42210-361 General Liability Ins	\$0.00	\$1,519.87	\$5,000.00	\$3,480.13	30.40%
Dept 42210	Fire Dept Administration	\$0.00	\$6,184.82	\$110,916.00	\$104,731.18	5.58%
Dept 42220	Fire Dept Equipment					
FIREEQUIP	E 100-42220-221 Equipment Parts	\$274.00	\$449.28	\$6,000.00	\$5,550.72	7.49%
FIREEQUIP	E 100-42220-228 Medical Supplies	\$0.00	\$49.41	\$1,500.00	\$1,450.59	3.29%
FIREEQUIP	E 100-42220-240 Small Tools and Minor	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
FIREEQUIP	E 100-42220-260 Uniforms	\$223.99	\$2,807.39	\$28,500.00	\$25,692.61	9.85%
FIREEQUIP	E 100-42220-580 Other Equipment	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
Dept 42220	Fire Dept Equipment	\$497.99	\$3,306.08	\$42,000.00	\$38,693.92	7.87%
Dept 42240	Fire Dept Training					
FIRETRNG	E 100-42240-208 Training and Instructio	\$0.00	\$119.70	\$7,500.00	\$7,380.30	1.60%
FIRETRNG	E 100-42240-310 Other Professional Serv	\$0.00	\$842.57	\$3,700.00	\$2,857.43	22.77%
FIRETRNG	E 100-42240-331 Travel Expenses	\$0.00	\$0.00	\$1,500.00	\$1,500.00	0.00%
Dept 42240	Fire Dept Training	\$0.00	\$962.27	\$12,700.00	\$11,737.73	7.58%
Dept 42260	Fire Vehicles					
FIREVEH	E 100-42260-212 Motor Fuels	\$0.00	\$517.08	\$3,000.00	\$2,482.92	17.24%

HANOVER
Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
FIREVEH	E 100-42260-220 Repair/Maint Supply (G	\$5.39	\$984.16	\$6,000.00	\$5,015.84	16.40%
FIREVEH	E 100-42260-240 Small Tools and Minor	\$0.00	\$0.00	\$1,000.00	\$1,000.00	0.00%
FIREVEH	E 100-42260-323 Radio Units	\$0.00	\$0.00	\$8,000.00	\$8,000.00	0.00%
Dept 42260 Fire Vehicles		\$5.39	\$1,501.24	\$18,000.00	\$16,498.76	8.34%
Dept 42280 Fire Stations and Bldgs						
FIREBLDG	E 100-42280-215 Shop Supplies	\$0.00	\$23.67	\$800.00	\$776.33	2.96%
FIREBLDG	E 100-42280-220 Repair/Maint Supply (G	\$636.25	\$1,386.34	\$6,500.00	\$5,113.66	21.33%
FIREBLDG	E 100-42280-321 Telephone	\$102.44	\$444.05	\$1,500.00	\$1,055.95	29.60%
FIREBLDG	E 100-42280-325 Taxes	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
FIREBLDG	E 100-42280-381 Electric Utilities	\$267.01	\$897.30	\$4,500.00	\$3,602.70	19.94%
FIREBLDG	E 100-42280-383 Gas Utilities	\$157.59	\$1,398.17	\$3,500.00	\$2,101.83	39.95%
FIREBLDG	E 100-42280-520 Buildings and Structure	\$949.00	\$1,552.58	\$0.00	-\$1,552.58	0.00%
Dept 42280 Fire Stations and Bldgs		\$2,112.29	\$5,702.11	\$16,800.00	\$11,097.89	33.94%
Dept 42290 Fire Relief Association						
FIRERELIEF	E 100-42290-124 Fire Pension Contributio	\$1,000.00	\$1,000.00	\$41,000.00	\$40,000.00	2.44%
FIRERELIEF	E 100-42290-125 Other Retirement Contr	\$0.00	\$0.00	\$12,768.00	\$12,768.00	0.00%
FIRERELIEF	E 100-42290-301 Auditing and Acctg Ser	\$0.00	\$0.00	\$6,250.00	\$6,250.00	0.00%
Dept 42290 Fire Relief Association		\$1,000.00	\$1,000.00	\$60,018.00	\$59,018.00	1.67%
Dept 42401 Building Inspection Admin						
INSPADMN	E 100-42401-310 Other Professional Serv	\$9,063.74	\$26,026.84	\$40,000.00	\$13,973.16	65.07%
Dept 42401 Building Inspection Admin		\$9,063.74	\$26,026.84	\$40,000.00	\$13,973.16	65.07%
Dept 42700 Animal Control						
ANIMCTRL	E 100-42700-310 Other Professional Serv	\$0.00	\$250.00	\$500.00	\$250.00	50.00%
Dept 42700 Animal Control		\$0.00	\$250.00	\$500.00	\$250.00	50.00%
Dept 42800 Cemetery						
CEMETERY	E 100-42800-310 Other Professional Serv	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 42800 Cemetery		\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 43000 Public Works (GENERAL)						
PUBWRKS	E 100-43000-101 Full-Time Employees R	\$6,301.60	\$55,124.56	\$155,372.00	\$100,247.44	35.48%
PUBWRKS	E 100-43000-102 Full-Time Employees O	\$0.00	\$822.01	\$0.00	-\$822.01	0.00%
PUBWRKS	E 100-43000-103 Part-Time Employees	\$240.00	\$1,454.67	\$28,360.00	\$26,905.33	5.13%
PUBWRKS	E 100-43000-121 PERA	\$472.62	\$4,808.42	\$12,403.00	\$7,594.58	38.77%
PUBWRKS	E 100-43000-122 FICA	\$393.82	\$4,018.67	\$11,419.00	\$7,400.33	35.19%
PUBWRKS	E 100-43000-123 Medicare	\$92.10	\$939.85	\$2,809.00	\$1,869.15	33.46%
PUBWRKS	E 100-43000-134 Employer Paid Life	\$55.96	\$552.54	\$1,619.00	\$1,066.46	34.13%
PUBWRKS	E 100-43000-142 Unemployment Benefit	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PUBWRKS	E 100-43000-151 Med/Dental Insurance	\$1,107.70	\$10,939.70	\$28,800.00	\$17,860.30	37.99%
PUBWRKS	E 100-43000-208 Training and Instructio	\$13.94	\$1,873.38	\$3,500.00	\$1,626.62	53.53%
PUBWRKS	E 100-43000-212 Motor Fuels	\$1,383.76	\$3,953.71	\$12,000.00	\$8,046.29	32.95%
PUBWRKS	E 100-43000-215 Shop Supplies	\$94.23	\$1,506.62	\$7,500.00	\$5,993.38	20.09%
PUBWRKS	E 100-43000-220 Repair/Maint Supply (G	\$769.08	\$5,161.05	\$12,000.00	\$6,838.95	43.01%
PUBWRKS	E 100-43000-226 Sign Repair Materials	\$0.00	\$727.07	\$1,500.00	\$772.93	48.47%
PUBWRKS	E 100-43000-240 Small Tools and Minor	\$77.84	\$355.74	\$10,000.00	\$9,644.26	3.56%
PUBWRKS	E 100-43000-260 Uniforms	\$0.00	\$996.80	\$3,000.00	\$2,003.20	33.23%
PUBWRKS	E 100-43000-310 Other Professional Serv	\$46.90	\$1,531.40	\$7,500.00	\$5,968.60	20.42%
PUBWRKS	E 100-43000-321 Telephone	\$385.54	\$1,727.15	\$5,000.00	\$3,272.85	34.54%
PUBWRKS	E 100-43000-325 Taxes	\$0.00	\$0.00	\$200.00	\$200.00	0.00%
PUBWRKS	E 100-43000-381 Electric Utilities	\$381.29	\$1,496.77	\$5,000.00	\$3,503.23	29.94%
PUBWRKS	E 100-43000-383 Gas Utilities	\$326.48	\$2,714.08	\$7,000.00	\$4,285.92	38.77%
PUBWRKS	E 100-43000-520 Buildings and Structure	\$0.00	\$726.57	\$2,000.00	\$1,273.43	36.33%

Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
Dept 43000	Public Works (GENERAL)	\$12,142.86	\$101,430.76	\$316,982.00	\$215,551.24	32.00%
Dept 43121	Paved Streets					
PAVSTRTS	E 100-43121-224 Street Maint Materials	\$591.00	\$649.49	\$50,000.00	\$49,350.51	1.30%
Dept 43121	Paved Streets	\$591.00	\$649.49	\$50,000.00	\$49,350.51	1.30%
Dept 43122	Unpaved Streets					
UNPAVSTS	E 100-43122-224 Street Maint Materials	\$565.00	\$565.00	\$15,000.00	\$14,435.00	3.77%
Dept 43122	Unpaved Streets	\$565.00	\$565.00	\$15,000.00	\$14,435.00	3.77%
Dept 43125	Ice & Snow Removal					
SNOWREMO	E 100-43125-224 Street Maint Materials	\$0.00	\$2,805.88	\$20,000.00	\$17,194.12	14.03%
Dept 43125	Ice & Snow Removal	\$0.00	\$2,805.88	\$20,000.00	\$17,194.12	14.03%
Dept 43160	Street Lighting					
STLGHTG	E 100-43160-381 Electric Utilities	\$2,165.63	\$9,095.39	\$25,000.00	\$15,904.61	36.38%
Dept 43160	Street Lighting	\$2,165.63	\$9,095.39	\$25,000.00	\$15,904.61	36.38%
Dept 43240	Waste (refuse) Disposal					
REFDISPO	E 100-43240-384 Refuse/Garbage Dispos	\$550.00	\$550.00	\$3,000.00	\$2,450.00	18.33%
Dept 43240	Waste (refuse) Disposal	\$550.00	\$550.00	\$3,000.00	\$2,450.00	18.33%
Dept 43245	Recycling: Refuse					
RECYCLING	E 100-43245-384 Refuse/Garbage Dispos	\$3,576.01	\$14,582.53	\$44,000.00	\$29,417.47	33.14%
Dept 43245	Recycling: Refuse	\$3,576.01	\$14,582.53	\$44,000.00	\$29,417.47	33.14%
Dept 45186	Senior Center					
SRCENTER	E 100-45186-437 Other Miscellaneous	\$0.00	\$2,365.26	\$9,500.00	\$7,134.74	24.90%
Dept 45186	Senior Center	\$0.00	\$2,365.26	\$9,500.00	\$7,134.74	24.90%
Dept 45200	Parks (GENERAL)					
PARKS	E 100-45200-212 Motor Fuels	\$0.00	\$569.28	\$2,000.00	\$1,430.72	28.46%
PARKS	E 100-45200-220 Repair/Maint Supply (G	\$3,013.21	\$4,871.14	\$6,000.00	\$1,128.86	81.19%
PARKS	E 100-45200-225 Landscaping Materials	\$0.00	\$0.00	\$8,000.00	\$8,000.00	0.00%
PARKS	E 100-45200-310 Other Professional Serv	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PARKS	E 100-45200-381 Electric Utilities	\$122.24	\$427.66	\$2,200.00	\$1,772.34	19.44%
PARKS	E 100-45200-400 Repairs & Maint Cont (\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PARKS	E 100-45200-440 Programs	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
PARKS	E 100-45200-580 Other Equipment	\$0.00	\$0.00	\$5,000.00	\$5,000.00	0.00%
Dept 45200	Parks (GENERAL)	\$3,135.45	\$5,868.08	\$23,200.00	\$17,331.92	25.29%
Dept 45500	Libraries (GENERAL)					
LIBRARY	E 100-45500-437 Other Miscellaneous	\$0.00	\$6,543.40	\$16,200.00	\$9,656.60	40.39%
Dept 45500	Libraries (GENERAL)	\$0.00	\$6,543.40	\$16,200.00	\$9,656.60	40.39%
Dept 48205	Damage Deposit Refunds					
DMGDEPRF	E 100-48205-810 Refunds & Reimburse	\$100.00	\$500.00	\$10,000.00	\$9,500.00	5.00%
Dept 48205	Damage Deposit Refunds	\$100.00	\$500.00	\$10,000.00	\$9,500.00	5.00%
Dept 49360	Transfers Out					
TRANSFERS	E 100-49360-700 Transfers (GENERAL)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 49360	Transfers Out	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 49800	Transit (GENERAL)					
TRANSIT	E 100-49800-310 Other Professional Serv	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Dept 49800	Transit (GENERAL)	\$0.00	\$0.00	\$0.00	\$0.00	0.00%
Fund 100	GENERAL FUND	\$64,023.80	\$403,535.17	\$1,572,942.00	\$1,169,406.83	25.65%

Expenditure Budget Report - General Fund

Dept Abbrev	Account Descr	May 2021 Amt	2021 YTD Amt	2021 YTD Budget	2021 YTD Balance	%YTD Budget
		\$64,023.80	\$403,535.17	\$1,572,942.00	\$1,169,406.83	25.65%

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

RESOLUTION NO 05-18-21-39

FUND BALANCE TRANSFER

WHEREAS, the City paid off the 2009A Bond in 2017; and

WHEREAS, there is a fund balance of \$19,777.35 remaining after the payoff in fund 312.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby approves transferring the unneeded fund balance from the 2009A Bond of \$19,777.35 to the 401 General Capital Project Fund.

Adopted by the City Council this 18th day of May, 2021.

APPROVED BY:

ATTEST:

Chris Kauffman, Mayor

Brian Hagen, City Administrator

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

RESOLUTION NO 05-18-21-40

ACCEPTING DONATION FOR HANOVER CLEANUP DAY

WHEREAS, the Hanover Athletic Association disposed of unwanted items at the 2021 Hanover cleanup Day; and

WHEREAS, the Hanover Athletic Association provided a payment in excess of the actual disposal fee.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby accepts a donation of \$350 towards the costs of the Hanover Cleanup Day.

BE IT FURTHER RESOLVED, that the City of Hanover expresses its appreciation of support from the Hanover Athletic Association.

Adopted by the City Council this 18th day of May, 2021.

APPROVED BY:

ATTEST:

Chris Kauffman, Mayor

Brian Hagen, City Administrator

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

RESOLUTION NO 05-18-21-41

ACCEPTING DONATION FOR HANOVER FIRE DEPARTMENT EQUIPMENT

WHEREAS, the Northwest Area Jaycees have donated \$24,000 to the Hanover Fire Department for purchase of equipment.

NOW THEREFORE, BE IT RESOLVED that the City Council of the City of Hanover, Minnesota, hereby accepts a donation of \$24,000 towards Hanover Fire Department Equipment.

BE IT FURTHER RESOLVED, that the City of Hanover expresses its appreciation of support from the Northwest Area Jaycees.

Adopted by the City Council this 18th day of May, 2021.

APPROVED BY:

ATTEST:

Chris Kauffman, Mayor

Brian Hagen, City Administrator

City of Hanover
Communications Letter
December 31, 2020

**City of Hanover
Table of Contents**

Report on Matters Identified as a Result of the Audit of the Financial Statements	1
Material Weakness	3
Required Communication	4
Financial Analysis	8
Emerging Issue	16

Report on Matters Identified as a Result of the Audit of the Financial Statements

Honorable Mayor, Members
of the City Council and Management
City of Hanover
Hanover, Minnesota

In planning and performing our audit of the financial statements of the governmental activities, business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hanover, Minnesota, as of and for the year ended December 31, 2020, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control was for the limited purpose described in the preceding paragraph and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and, therefore, material weaknesses or significant deficiencies may exist that have not been identified. In addition, because of inherent limitations in internal control, including the possibility of management override of controls, misstatements due to error, or fraud may occur and not be detected by such controls. However, as discussed below, we identified a certain deficiency in internal control that we consider to be a material weakness.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A reasonable possibility exists when the likelihood of an event occurring is either reasonably possible or probable as defined as follows:

- *Reasonably possible.* The chance of the future event or events occurring is more than remote but less than likely.
- *Probable.* The future event or events are likely to occur.

The material weakness identified is stated within this letter.

A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

The accompanying memorandum also includes financial analysis provided as a basis for discussion. The matters discussed herein were considered by us during our audit and they do not modify the opinion expressed in our Independent Auditor's Report dated May 5, 2021, on such statements.

This communication is intended solely for the information and use of the Members of the City Council and management and others within the City and state oversight agencies and is not intended to be, and should not be, used by anyone other than these specified parties.

BergankDV, Ltd.

St. Cloud, Minnesota
May 5, 2021

City of Hanover Material Weakness

Lack of Segregation of Accounting Duties

The City had a lack of segregation of accounting duties due to a limited number of office employees. As a result of this condition, a material audit adjustment was required to properly adjust expenses and capital asset balances.

In order to have appropriate segregation of accounting duties, the performance of the following duties would need to be completed by a different employee: initiation and authorization of transactions, recording and processing of transactions, reconciliation and reporting of transactions, and financial information and custody of assets.

Management and the members of the City Council are aware of this condition and have taken certain steps to compensate for the lack of segregation, but due to the number of staff needed to properly segregate all of the accounting duties, the costs of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. However, management and the City Council must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

City of Hanover Required Communication

We have audited the financial statements of the governmental activities, business-type activities, the aggregate discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of and for the year ended December 31, 2020. Professional standards require that we advise you of the following matters related to our audit.

Our Responsibility in Relation to the Financial Statement Audit

As communicated in our engagement letter, our responsibility, as described by professional standards, is to form and express opinions about whether the financial statements prepared by management with your oversight are presented fairly, in all material respects, in accordance with accounting principles generally accepted in the United States of America. Our audit of the financial statements does not relieve you or management of its respective responsibilities.

Our responsibility, as prescribed by professional standards, is to plan and perform our audit to obtain reasonable, rather than absolute, assurance about whether the financial statements are free of material misstatement. An audit of financial statements includes consideration of internal control over financial reporting as a basis for designing audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, as part of our audit, we considered the internal control of the City solely for the purpose of determining our audit procedures and not to provide any assurance concerning such internal control.

We are also responsible for communicating significant matters related to the audit that are, in our professional judgement, relevant to your responsibilities in overseeing the financial reporting process. However, we are not required to design procedures for the purpose of identifying other matters to communicate to you.

Generally accepted accounting principles provide for certain Required Supplementary Information (RSI) to supplement the basic financial statements. Our responsibility with respect to the RSI, which supplements the basic audit financial statements, is to apply certain limited procedures in accordance with generally accepted auditing standards. However, the RSI was not audited and, because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance, we do not express an opinion or provide any assurance on the RSI.

Our responsibility for the supplementary information accompanying the financial statements, as described by professional standards, is to evaluate the presentation of the supplementary information in relation to the financial statements as a whole and to report on whether the supplementary information is fairly stated, in all material respects, in relation to the financial statements as a whole.

Our Responsibility in Relation to *Government Auditing Standards*

As communicated in our engagement letter, part of obtaining reasonable assurance about whether the financial statements are free of material misstatement, we performed tests of the City's compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, the objective of our tests was not to provide an opinion on compliance with such provisions.

City of Hanover Required Communication

Planned Scope and Timing of the Audit

We conducted our audit consistent with the planned scope and timing we previously communicated to you.

Compliance with All Ethics Requirements Regarding Independence

The engagement team, others in our firm, as appropriate, our firm, and our network firms have complied with all relevant ethical requirements regarding independence.

Qualitative Aspects of Significant Accounting Practices

Significant Accounting Policies

Management has the responsibility to select and use appropriate accounting policies. A summary of the significant accounting policies adopted by the City is included in the notes to financial statements. There have been no initial selection of accounting policies and no changes to significant accounting policies or their application during 2020. No matters have come to our attention that would require us, under professional standards, to inform you about (1) the methods used to account for significant unusual transactions and (2) the effect of significant accounting policies in controversial or emerging areas for which there is a lack of authoritative guidance or consensus.

Significant Accounting Estimates

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's current judgements. Those judgements are normally based on knowledge and experience about past and current events and assumptions about future events. Certain accounting estimates are particularly sensitive because of their significance to the financial statements and because of the possibility that future events affecting them may differ markedly from management's current judgements. The most sensitive estimates affecting the financial statements were:

Depreciation – The City is currently depreciating its capital assets over their estimated useful lives, as determined by management, using the straight-line method.

Expense Allocation – Certain expenses are allocated to programs based on an estimate of the benefit to that particular program. Examples are salaries, benefits, and supplies.

Net Pension Liability, Deferred Outflows of Resources Related to Pensions and Deferred Inflows of Resources Related to Pensions – These balances are based on an allocation by the pension plans using estimates based on contributions.

We evaluated the key factors and assumptions used to develop the accounting estimates and determined that they are reasonable in relation to the financial statements taken as a whole and in relation to the applicable opinion units.

Financial Statement Disclosures

Certain financial statement disclosures involve significant judgment and are particularly sensitive because of their significance to financial statement users. The financial statement disclosures are neutral, consistent, and clear.

City of Hanover Required Communication

Significant Difficulties Encountered during the Audit

We encountered no significant difficulties in dealing with management relating to the performance of the audit.

Uncorrected and Corrected Misstatements

For the purposes of this communication, professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that we believe are trivial, and communicate them to the appropriate level of management. Further, professional standards require us to also communicate the effects of uncorrected misstatements related to prior periods on the relevant classes of transactions, account balances or disclosures, and the financial statements taken as a whole and each applicable opinion unit. Management has corrected all such misstatements.

In addition, professional standards require us to communicate to you all material, corrected misstatements that were brought to the attention of management as a result of our audit procedures. The following material misstatement that we identified as a result of our audit procedures was brought to the attention of and corrected by management.

- An adjustment was required to properly adjust expenses and capital asset balances.

Disagreements with Management

For purposes of this letter, professional standards define a disagreement with management as a matter, whether or not resolved to our satisfaction, concerning a financial accounting, reporting, or auditing matter, which could be significant to the City's financial statements or the auditor's report. No such disagreements arose during the course of our audit.

Representations Requested from Management

We have requested certain written representations from management, which are included in the management representation letter.

Management's Consultations with Other Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters. Management has informed us that, and to our knowledge, there were no consultations with other accountants regarding auditing and accounting matters.

Other Significant Matters, Findings, or Issues

In the normal course of our professional association with the City, we generally discuss a variety of matters, including the application of accounting principles and auditing standards, operating and regulatory conditions affecting the City, and operating plans and strategies that may affect the risks of material misstatement. None of the matters discussed resulted in a condition to our retention as the City's auditor.

Other Information in Documents Containing Audited Financial Statements

We applied certain limited procedures to the RSI that supplements the basic financial statements. Our procedures consisted of inquiries of management regarding the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We did not audit the RSI and do not express an opinion or provide any assurance on the RSI.

**City of Hanover
Required Communication**

Other Information in Documents Containing Audited Financial Statements (Continued)

With respect to the supplementary information accompanying the financial statements, we made certain inquiries of management and evaluated the form, content and methods of preparing the information to determine that the information complies with accounting principles generally accepted in the United States of America, the method of preparing it has not changed from the prior period, and the information is appropriate and complete in relation to our audit of the financial statements. We compared and reconciled the supplementary information to the underlying accounting records used to prepare the financial statements or to the financial statements themselves.

City of Hanover Financial Analysis

The following pages provide graphic representation of select data pertaining to the financial position and operations of the City for the past five years. Our analysis of each graph is presented to provide a basis for discussion of past performance and how implementing certain changes may enhance future performance. We suggest you view each graph and document if our analysis is consistent with yours. A subsequent discussion of this information should be useful for planning purposes.

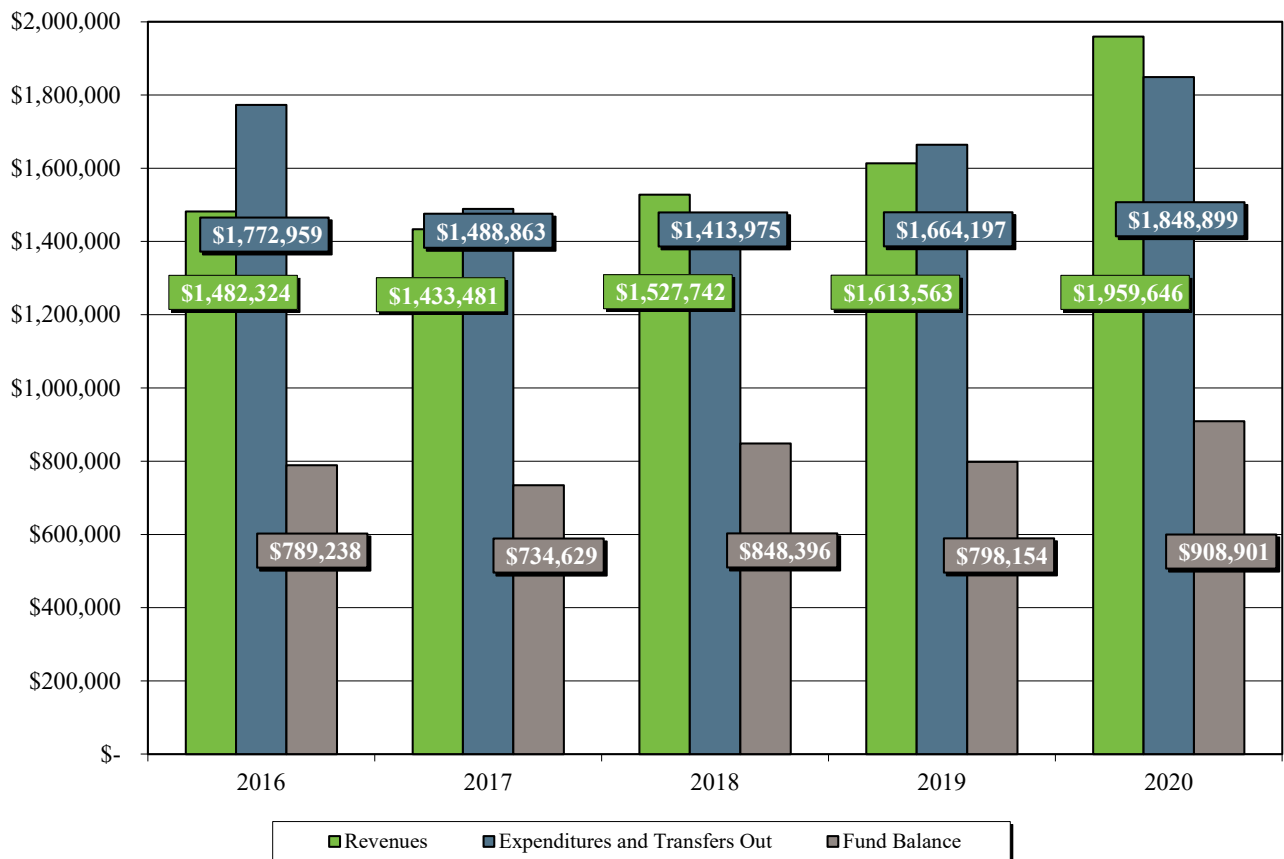
General Fund

At year-end, fund balance increased by approximately \$111,000. Fund balance represented 57.8%, or just under seven months' worth of expenditures at 2021 budgeted levels. The Office of the State Auditor recommends a level of between four and six months, or 35% to 50% of annual expenditures.

It is the City's policy that the City will maintain unassigned fund balance in a range equal to 35% to 55% of the General Fund operating expenditures. At December 31, 2020, unassigned fund balance was equal to 52.5% of operating expenditures.

Details of operations are explained further on the following pages.

General Fund Operating Analysis

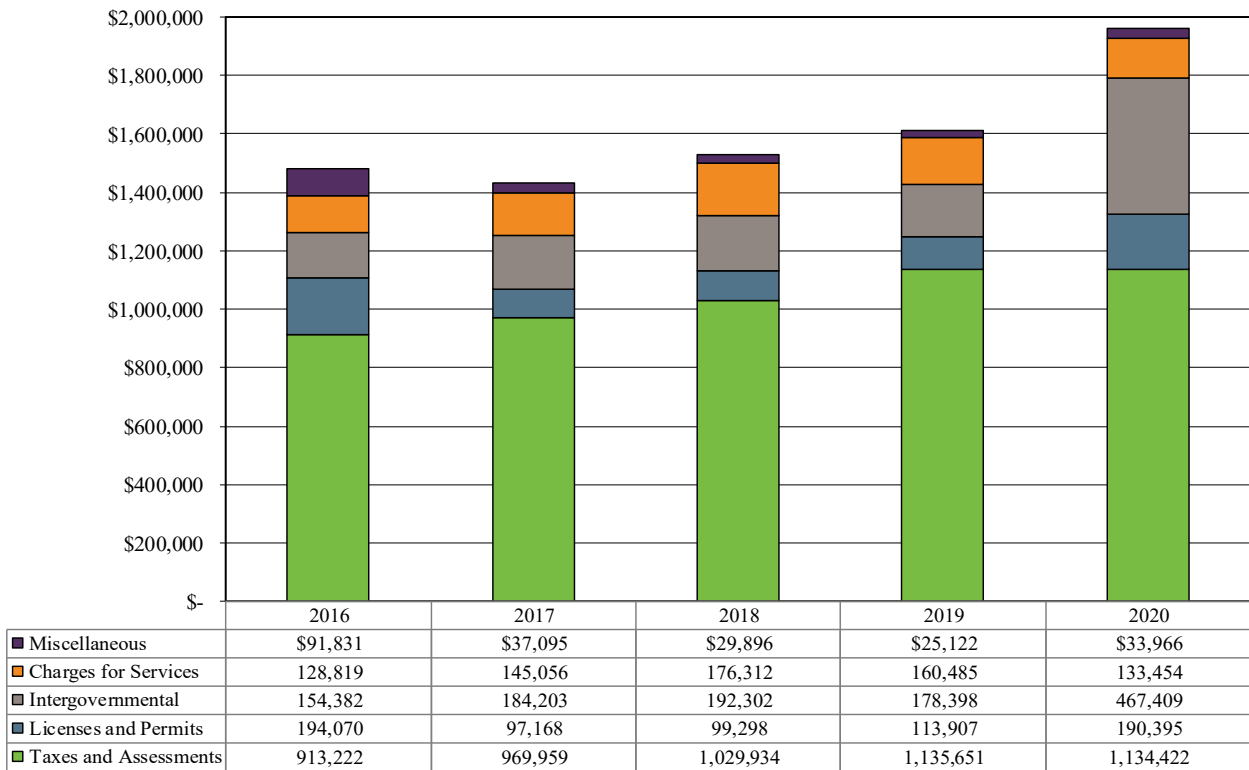


City of Hanover Financial Analysis

General Fund Revenues

This graph presents the sources of revenue for the past five years. The main source of revenue has consistently remained property taxes, which represented 62% of total revenues for year 2016, and has stayed consistent at approximately 58% in 2020. In total, General Fund revenues increased \$346,083, from \$1,613,563 in 2019, to \$1,959,646 in 2020. The largest variance occurred in intergovernmental revenue, which increased \$289,011, due to the City receiving Coronavirus Relief Funds in 2020. Licenses and permits increased \$76,488 due to an increase in building permits in 2020. Other revenues stayed consistent with the prior year.

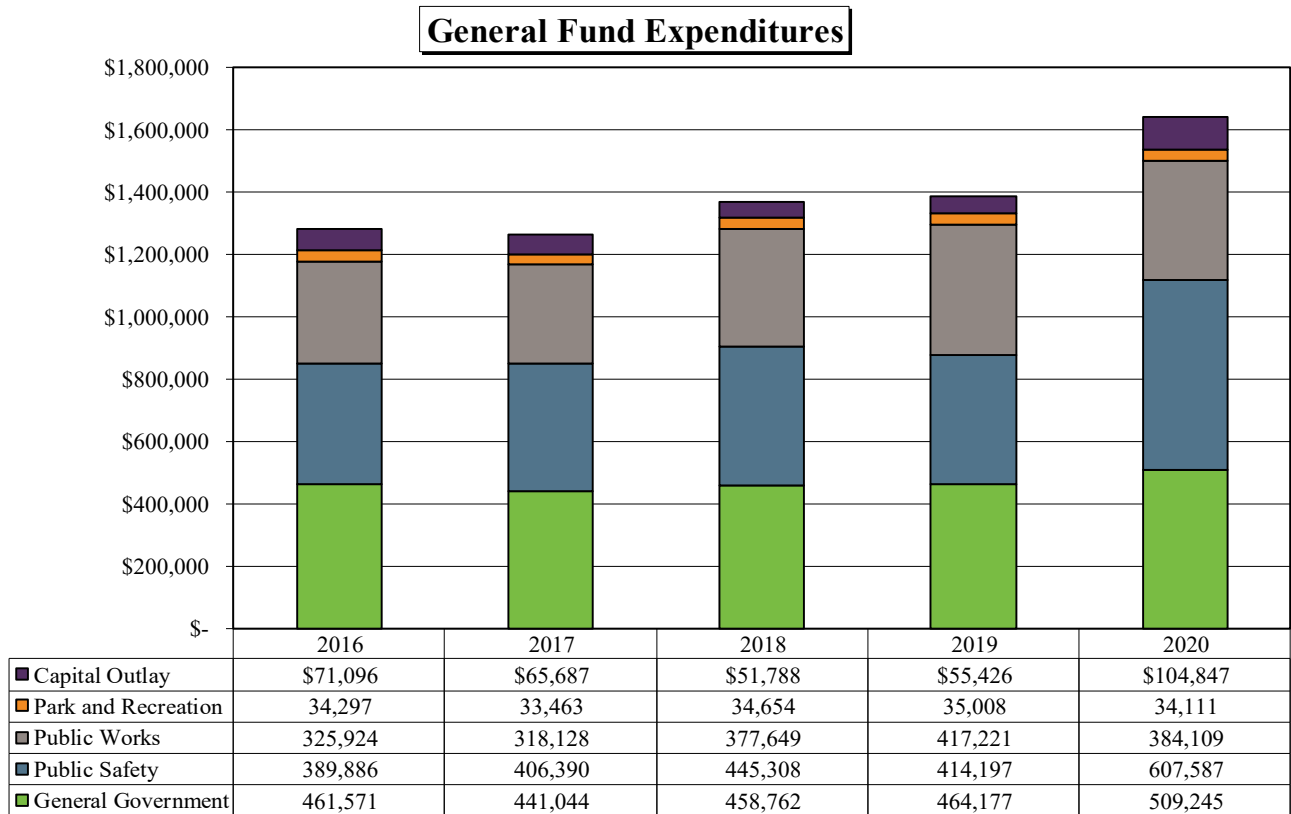
General Fund Revenues



City of Hanover Financial Analysis

General Fund Expenditures

The graph below shows General Fund expenditures by function for each of the last five years. As revenues increased 21.4% in 2020, expenditures increased 18.3%, or \$253,870 from \$1,386,029 to \$1,639,899. The majority of this increase occurred in public safety expenditures, which increased \$193,390 or 46.7% from 2019 to 2020. This increase was primarily due to the City purchasing personal protective equipment for the fire department as the firefighters were responding to medical calls during the COVID-19 pandemic. Capital outlay expenditures increased \$49,421 in 2020, primarily due to the City upgrading its A/V equipment so City Council meetings could be held remotely. General government expenditures increased \$45,068 in 2020 due to additional costs related to three elections during the year.



The public safety function accounted for the largest portion of the General Fund expenditures at 37.1% in 2020. This function consists of police, fire, and building inspection expenditures. The general government function accounted for the second largest portion of the General Fund disbursements at 31.1%. General government consists of disbursements related to the general operations of the City, including office employees' salaries and supplies, planning and zoning, accounting and auditing, election costs, and legal and engineering fees. Public works accounts for the next largest portion at 23.4% and consists primarily of street maintenance expenditures.

**City of Hanover
Financial Analysis**

General Fund Budget and Actual

The City had a balanced budget in 2020 in the General Fund, with revenues equaling expenditures.

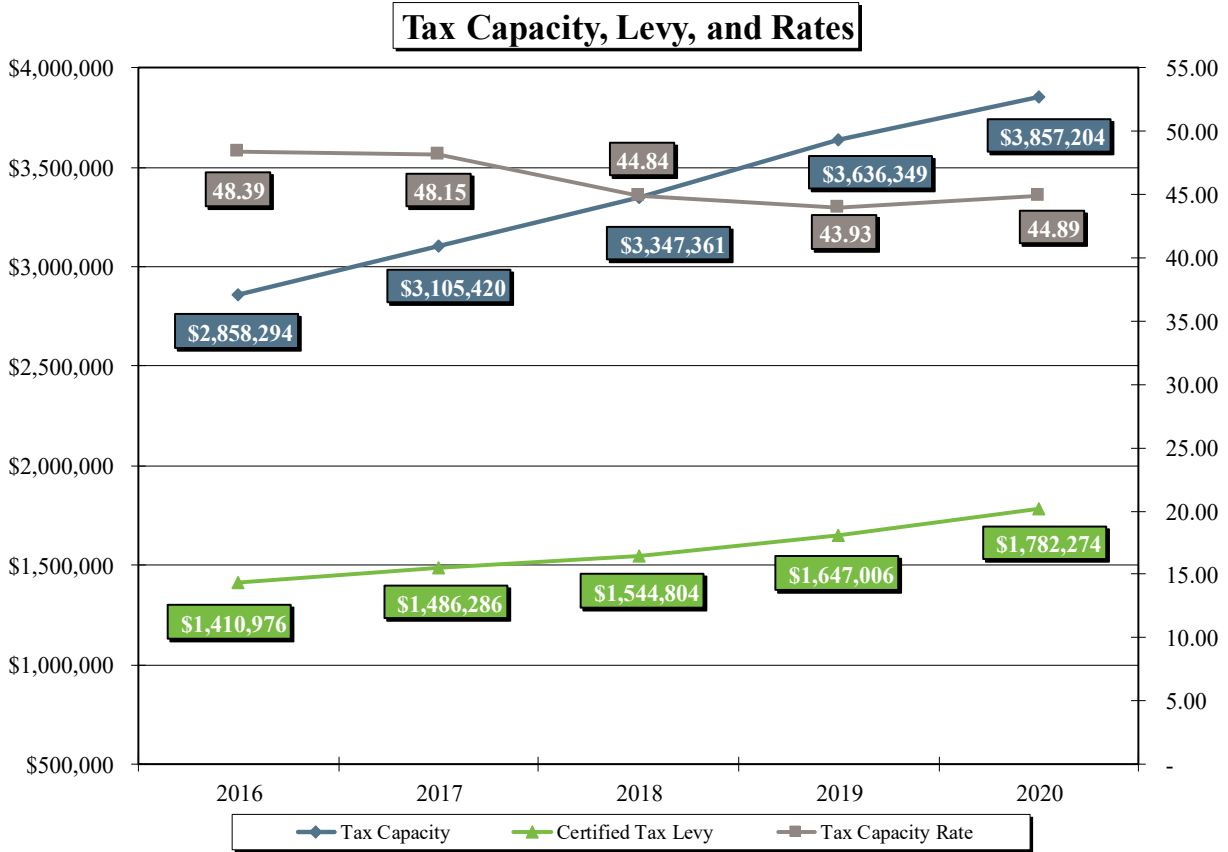
Revenues were over budget in 2020, with a variance of \$405,114, or 26.1%. The largest variance was in intergovernmental revenues, which was over budget by \$296,797. This variance was the result of receiving Coronavirus Relief Funds. The second largest variance was in licenses and permits, which was over budget by \$79,975. This variance was primarily due to conservative budgeting. The remaining revenue categories were close to budgeted amounts.

In total, the General Fund expenditures were over budget by 5.5%, or \$85,366. The largest variance was in public safety, which was over budget by \$136,878. This variance was primarily due to the additional personal protective equipment for the COVID-19 pandemic that was purchased in 2020 that was not included in the budget. Public works conversely was under budget by \$82,430, due primarily to budgeting conservatively for repairs and fuel costs.

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Taxes and assessments	\$ 1,130,277	\$ 1,134,422	\$ 4,145
Licenses and permits	110,420	190,395	79,975
Intergovernmental	170,612	467,409	296,797
Charges for services	130,723	133,454	2,731
Fines and forfeitures	3,000	3,182	182
Investment income	-	7,246	7,246
Other revenue	9,500	23,538	14,038
Total revenues	1,554,532	1,959,646	405,114
Expenditures			
General government	549,404	582,902	33,498
Public safety	490,903	627,781	136,878
Public works	467,325	384,895	(82,430)
Park and recreation	46,900	44,321	(2,579)
Total expenditures	1,554,532	1,639,899	85,367
Excess of revenues over expenditures	-	319,747	319,747
Other Financing Sources (Uses)			
Proceeds from sale of capital asset	-	-	-
Transfers out	-	(209,000)	(209,000)
Net change in fund balance	\$ -	\$ 110,747	\$ 110,747

City of Hanover Financial Analysis

Tax Capacity, Levy, And Rates



The chart above graphs the tax capacity, certified tax levy, and City tax rate for 2016 through 2020. The tax capacity is based on total tax capacity, prior to adjustments for captured Tax Increment Financing (TIF) and fiscal disparities. The certified tax levy amount is also prior to fiscal disparity adjustments.

Comparing 2016 through 2020, the City's tax capacity increased \$998,910, or 35.0%. This increase is attributable to market valuation changes. The City's certified levy over this same time frame increased \$371,298, or 26.3%. These changes allowed for a reduction in the tax capacity rate from 48.39 in 2016 to 44.89 in 2020.

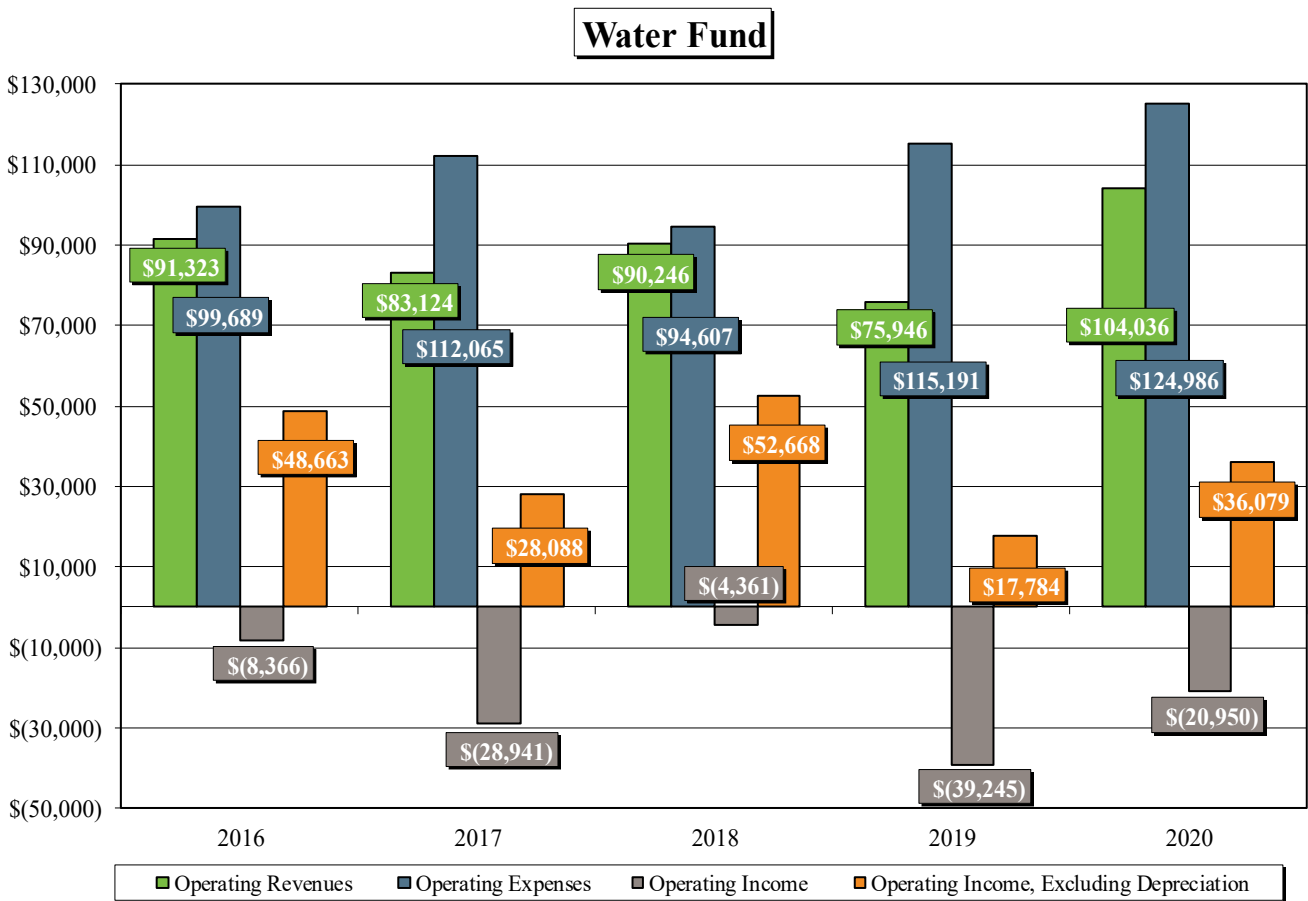
This graph provides a simplified viewpoint of the amounts. More information can be obtained from Wright County, Hennepin County, and the League of Minnesota Cities *Property Tax Data Tables for 2012-2020* (www.lmnc.org).

City of Hanover Financial Analysis

Water Fund

Since 1999, the City has been responsible for the distribution of water and the Joint Powers Board is responsible for the supply of water. The graphs below and on the next page show the results of the Water and Sewer Funds for the past five years.

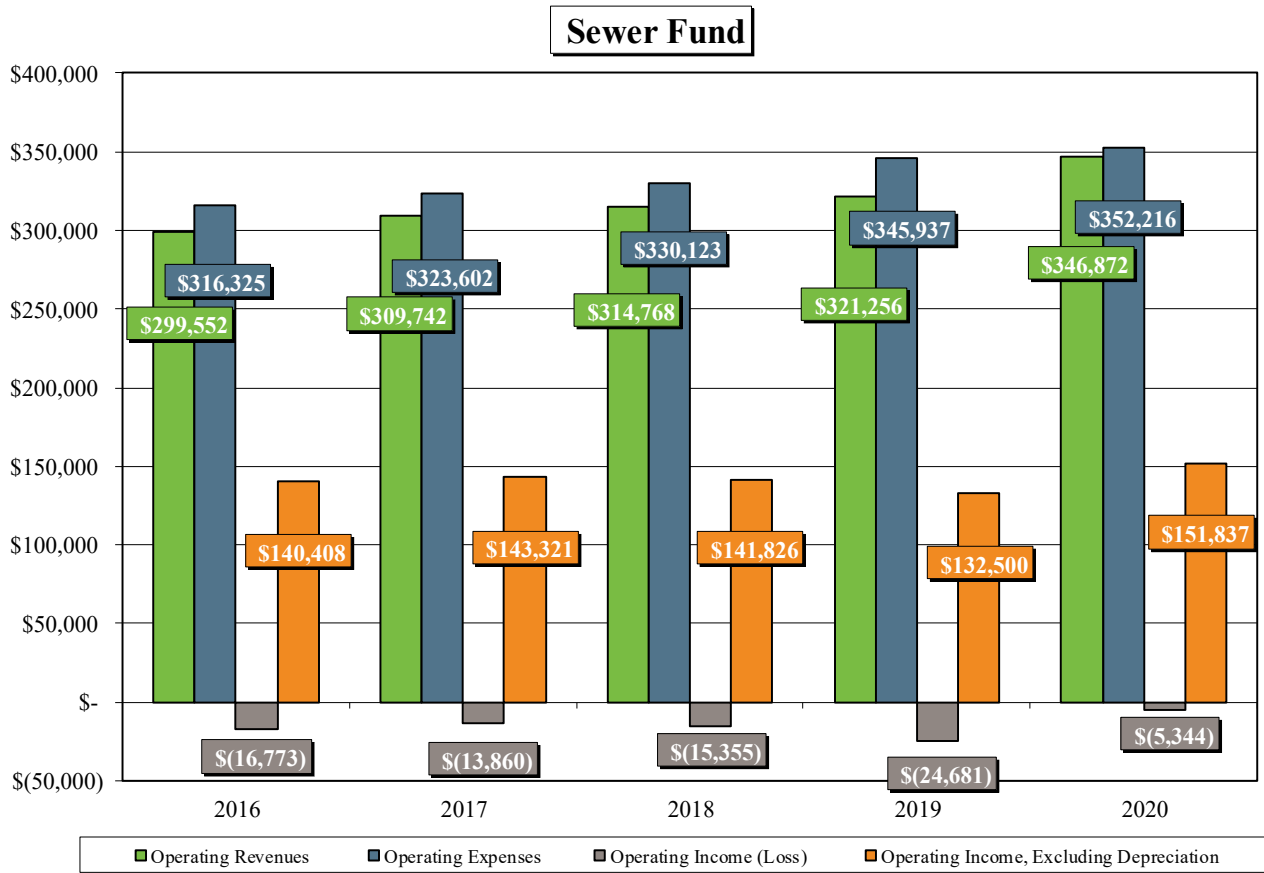
In 2020, the Water fund had an operating loss of \$20,950. This was an increase from 2019, which had an operating loss of \$39,245. This was a result of operating revenue increasing \$28,090 primarily due to an increase in usage in 2020. Operating expenses also increased in 2020, going from \$115,191 in 2019 to \$124,986. This increase primarily occurred in materials and supplies. The Water Fund had an unrestricted net position of \$1,057,291 at December 31, 2020, an increase from \$982,026 at December 31, 2019.



City of Hanover Financial Analysis

Sewer Fund

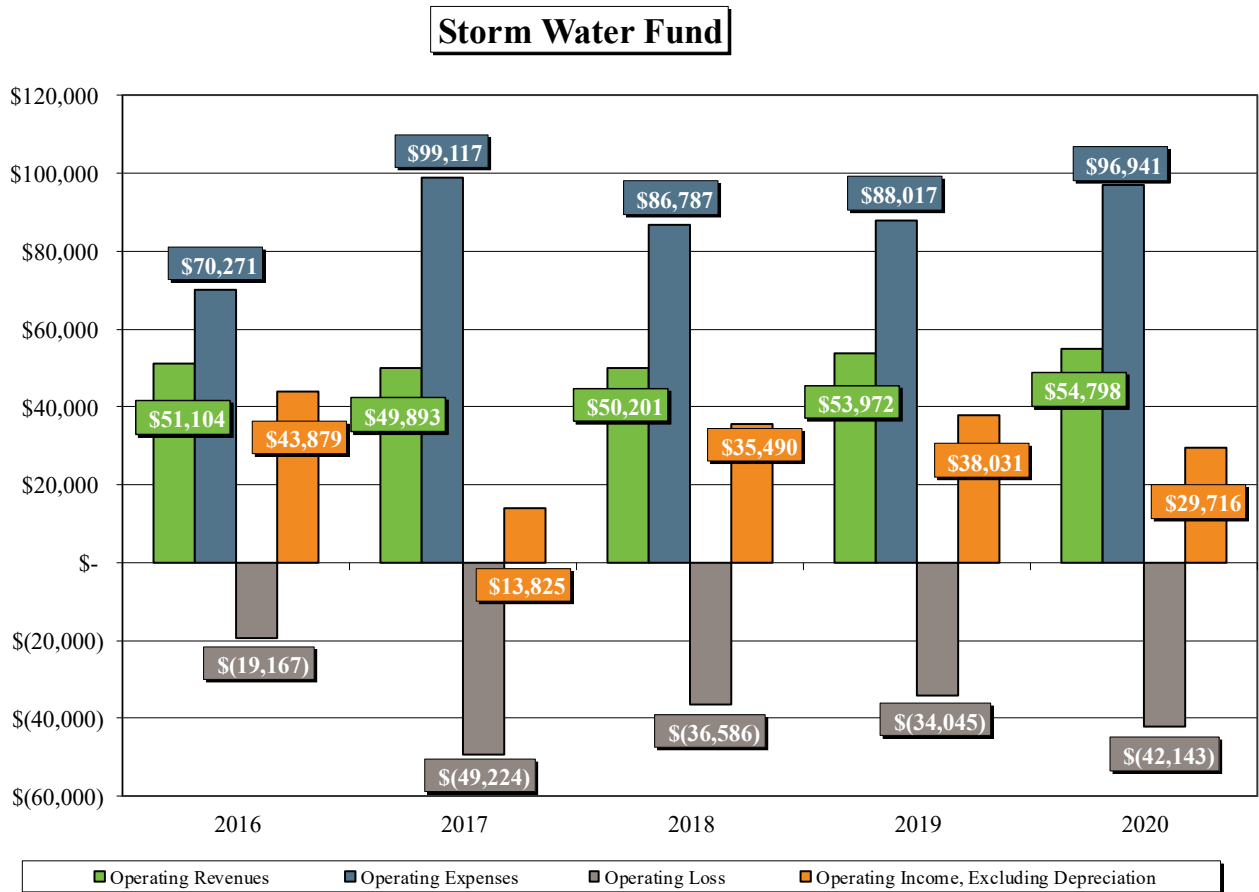
For all of the years shown, the City's Sewer Fund had operating losses; however, excluding depreciation, the Fund was able to cover all of its operating costs and cash flow positively from operations. The Sewer Fund saw an increase in operating revenues and operating expenses in 2020. The Sewer Fund had an unrestricted net position of \$366,257 at December 31, 2020, and increase from \$329,370 at December 31, 2019.



City of Hanover Financial Analysis

Storm Water Fund

The Storm Water Enterprise Fund was established in 2009. In 2010, the City initiated a charge for storm water services for residents. With depreciation factored in, the fund has consistently posted operating losses, but has cash flowed positively from operations and built an unrestricted net position of \$209,288 over its time in operation. This was an increase from \$172,195 at December 31, 2019. Operating, revenues, and expenses stayed relatively consistent with the prior year, increasing only \$826 and \$8,924, respectively.



City of Hanover Emerging Issue

Executive Summary

The following is an executive summary of financial and business related updates to assist you in staying current on emerging issues in accounting and finance. This summary will give you a preview of the new standards that have been recently issued and what is on the horizon for the near future. The most recent and significant update includes:

- **Accounting Standard Update – GASB Statement No. 87 – Leases** – GASB has issued GASB Statement No. 87 relating to accounting and financial reporting for leases. This new statement establishes a single model for lease accounting based on the principle that leases are financing of the right to use an underlying asset.

The following is an extensive summary of the current update. As your continued business partner, we are committed to keeping you informed of new and emerging issues. We are happy to discuss this issue with you further and their applicability to your City.

Accounting Standard Update – GASB Statement No. 87 – *Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

A lease is defined as a contract that conveys control of the right to use another entity's nonfinancial asset (the underlying asset) as specified in the contract for a period of time in an exchange or exchange-like transaction. Examples of nonfinancial assets include buildings, land, vehicles, and equipment. Any contract that meets this definition should be accounted for under the leases guidance, unless specifically excluded in this Statement.

A short-term lease is defined as a lease that, at the commencement of the lease term, has a maximum possible term under the lease contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised. Lessees and lessors should recognize short-term lease payments as outflows of resources or inflows of resources, respectively, based on the payment provisions of the lease contract.

City of Hanover
Emerging Issue

Accounting Standard Update – GASB Statement No. 87 – *Leases* (Continued)

A lessee should recognize a lease liability and a lease asset at the commencement of the lease term, unless the lease is a short-term lease or it transfers ownership of the underlying asset. The lease liability should be measured at the present value of payments expected to be made during the lease term (less any lease incentives). The lease asset should be measured at the amount of the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. A lessee should reduce the lease liability as payments are made and recognize an outflow of resources (for example, expense) for interest on the liability. The lessee should amortize the lease asset in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset. The notes to financial statements should include a description of leasing arrangements, the amount of lease assets recognized, and a schedule of future lease payments to be made.

A lessor should recognize a lease receivable and a deferred inflow of resources at the commencement of the lease term, with certain exceptions for leases of assets held as investments, certain regulated leases, short-term leases, and leases that transfer ownership of the underlying asset. A lessor should not derecognize the asset underlying the lease. The lease receivable should be measured at the present value of lease payments expected to be received during the lease term. The deferred inflow of resources should be measured at the value of the lease receivable plus any payments received at or before the commencement of the lease term that relate to future periods. A lessor should recognize interest revenue on the lease receivable and an inflow of resources (for example, revenue) from the deferred inflows of resources in a systematic and rational manner over the term of the lease. The notes to financial statements should include a description of leasing arrangements and the total amount of inflows of resources recognized from leases.

GASB Statement No. 87 is effective for reporting periods beginning after June 15, 2021.

Information provided above was obtained from www.gasb.org.

**City of Hanover
Hennepin County and
Wright County, Minnesota**

Financial Statements

December 31, 2020

**City of Hanover
Table of Contents**

Elected Officials and Administration	1
Independent Auditor's Report	2
Management's Discussion and Analysis	5
Basic Financial Statements	
Government-Wide Financial Statements	
Statement of Net Position	18
Statement of Activities	19
Fund Financial Statements	
Balance Sheet – Governmental Funds	20
Reconciliation of the Balance Sheet to the Statement of Net Position – Governmental Funds	21
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	22
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities – Governmental Funds	23
Statement of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	24
Statement of Net Position – Proprietary Funds	25
Statement of Revenues, Expenses, and Changes in Fund Net Position – Proprietary Funds	26
Statement of Cash Flows – Proprietary Funds	27
Notes to Financial Statements	29
Required Supplementary Information	
Schedule of City's Proportionate Share of Net Pension Liability General Employees Retirement Fund	56
Schedule of City Contributions General Employees Retirement Fund	57
Notes to Required Supplementary Information	58
Supplementary Information	
Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund	62
Combining Balance Sheet – Nonmajor Governmental Funds	64
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances Nonmajor Governmental Funds	68
Combining Balance Sheet – Component Unit	72
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Component Unit	73
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	75

**City of Hanover
Table of Contents**

Minnesota Legal Compliance	77
Schedule of Findings and Responses on Internal Control and Legal Compliance	78

**City of Hanover
Elected Officials and Administration
December 31, 2020**

<u>Elected Officials</u>	<u>Position</u>	<u>Term Expires</u>
Chris Kauffman	Mayor	December 31, 2020
Jim Zajicek	Council Member	December 31, 2022
MaryAnn Hallstein	Council Member	December 31, 2020
Ken Warpula	Council Member	December 31, 2022
Doug Hammerseng	Council Member	December 31, 2020
<u>Administration</u>		
Brian Hagen	City Administrator/Clerk/Treasurer	Appointed
Jackie Heinz	Accountant/Deputy Clerk	Appointed

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Hanover
Hanover, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hanover, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements as listed in the Table of Contents.

Management's Responsibility for the Financial Statements

The City of Hanover's management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Basis for Qualified Opinion

The City has not adopted the provisions of the Governmental Accounting Standards Board (GASB) Statement No. 68, *Accounting, and Financial Reporting for Pensions* as it relates to the Hanover Fire Relief Association pension plan. Accounting principles generally accepted in the United States of America require the recognition of net pension assets or liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense for pension plans that meet certain criteria. The Hanover Fire Relief Association pension plan meets the criteria to be reported in the Governmental Activities of the City. The amount by which this departure would affect the assets, liabilities, deferred outflows of resources, deferred inflows of resources, net position, and change in net position of the Governmental Activities has not been determined.

Qualified Opinions

In our opinion, except for the possible effects of the matter discussed in the Basis for Qualified Opinion paragraph, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the governmental activities of the City of Hanover, Minnesota, as of December 31, 2020, and the respective changes in the financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Unmodified Opinions

In our opinion, the financial statements referred to in the first paragraph present fairly, in all material respects, the respective financial position of the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hanover, Minnesota, as of December 31, 2020, and the respective changes in the financial position and, where applicable, cash flows thereof and the budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis which follows this report letter and Required Supplementary Information as listed in the Table of Contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the GASB who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the Required Supplementary Information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Matters (Continued)

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Hanover's basic financial statements. The combining and individual fund financial statements/schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual fund financial statements/schedules are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements/schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated May 5, 2021, on our consideration of the City of Hanover's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Hanover's internal control over financial reporting and compliance.

BergankDV, Ltd.

St. Cloud, Minnesota
May 5, 2021



Management's Discussion and Analysis December 31, 2020

As management of the City of Hanover (the "City"), we offer readers of the City's financial statements this narrative overview and analysis of the financial activities of the City for the year ended December 31, 2020.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$21,209,561 (net position). Of this amount, \$3,621,792 (unrestricted net position) may be used to meet the City's ongoing obligations to citizens and creditors.
- The City's total net position increased by \$609,532.
- As of the close of the current year, the City's governmental funds reported combined ending fund balances of \$3,258,531, a decrease of \$177,299 in comparison with the prior year. Approximately 17% of this total amount, \$568,886 is available in the General Fund for spending at the City's discretion (unassigned fund balance).
- At the end of the current year, unassigned fund balance for the General Fund was \$806,668, or approximately 49% of 2020 expenditures, excluding transfers.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to financial statements. This report also contains other supplemental information in addition to the basic financial statements themselves.

GOVERNMENT-WIDE FINANCIAL STATEMENTS

The government-wide financial statements are designed to provide readers with a broad overview of the City's finances, in a manner similar to a private-sector business.

The Statement of Net Position presents information on all of the City's assets and deferred outflows of resources, and liabilities and deferred inflows of resources, with the difference between them reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The Statement of Activities presents information showing how the City's net position changed during the most recent year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this Statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused vacation leave).

City of Hanover Management's Discussion and Analysis

GOVERNMENT-WIDE FINANCIAL STATEMENTS (CONTINUED)

Both of the government-wide financial statements distinguish functions of the City that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, parks and recreation and economic development. The business-type activities of the City include water, sewer, and storm water operations.

The government-wide financial statements include not only the City itself (known as the primary government), but also an Economic Development Authority (EDA) for which the City is financially accountable. Financial information for this component unit is discretely presented in the financial information presented for the primary government.

The government-wide financial statements can be found on pages 18 and 19 of this report.

FUND FINANCIAL STATEMENTS

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds

Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact by the government's near-term financing decisions. Both the Governmental Fund Balance Sheet and the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains 16 individual governmental funds. Information is presented separately in the governmental fund Balance Sheet and in the governmental fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General, G.O. Crossover Refunding Bonds of 2011A, and Developer Escrow Funds. Other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

City of Hanover Management's Discussion and Analysis

FUND FINANCIAL STATEMENTS (CONTINUED)

Governmental Funds (Continued)

The City adopts an annual appropriated budget for its General Fund. A budgetary comparison statement has been provided for the General Fund to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 20 to 24 of this report.

Proprietary Fund

The City maintains one type of proprietary fund. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its water, sewer and storm water operations.

The proprietary fund provides the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water, Sewer, and Storm Water Funds, all of which are considered to be major funds of the City.

The basic proprietary fund financial statements can be found on pages 25 to 27 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City, assets and deferred outflows or resources exceeded liabilities and deferred inflows of resources by \$21,209,561 at the close of the most recent year.

A significant portion of the City's net position (63%) reflects its investment in capital assets (e.g., land, buildings, machinery, and equipment); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

**City of Hanover
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>	<u>2020</u>	<u>2019</u>
Assets						
Current and other assets	\$ 3,855,808	\$ 3,878,548	\$ 4,979,041	\$ 4,683,572	\$ 8,834,849	\$ 8,562,120
Capital assets	8,337,507	7,982,423	6,475,860	6,658,600	14,813,367	14,641,023
Total assets	<u>\$ 12,193,315</u>	<u>\$ 11,860,971</u>	<u>\$ 11,454,901</u>	<u>\$ 11,342,172</u>	<u>\$ 23,648,216</u>	<u>\$ 23,203,143</u>
Deferred Outflows of Resources	<u>\$ 35,774</u>	<u>\$ 36,527</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 35,774</u>	<u>\$ 36,527</u>
Liabilities						
Long-term liabilities outstanding	\$ 1,605,406	\$ 1,860,994	\$ -	\$ -	\$ 1,605,406	\$ 1,860,994
Other liabilities	780,384	630,628	77,072	104,045	857,456	734,673
Total liabilities	<u>\$ 2,385,790</u>	<u>\$ 2,491,622</u>	<u>\$ 77,072</u>	<u>\$ 104,045</u>	<u>\$ 2,462,862</u>	<u>\$ 2,595,667</u>
Deferred Inflows of Resources	<u>\$ 11,567</u>	<u>\$ 43,974</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 11,567</u>	<u>\$ 43,974</u>
Net Position						
Net investment in capital assets	\$ 6,827,507	\$ 6,142,423	\$ 6,475,860	\$ 6,563,600	\$ 13,303,367	\$ 12,706,023
Restricted	1,015,269	1,018,138	3,269,133	3,190,936	4,284,402	4,209,074
Unrestricted	1,988,956	2,201,341	1,632,836	1,483,591	3,621,792	3,684,932
Total net position	<u>\$ 9,831,732</u>	<u>\$ 9,361,902</u>	<u>\$ 11,377,829</u>	<u>\$ 11,238,127</u>	<u>\$ 21,209,561</u>	<u>\$ 20,600,029</u>

At the end of the current year, the City is able to report positive balances in all three categories of net position, both for the City as a whole, as well as for its separate governmental and business-type activities.

Governmental Activities

Governmental activities increased the City's net position by \$469,830.

**City of Hanover
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)

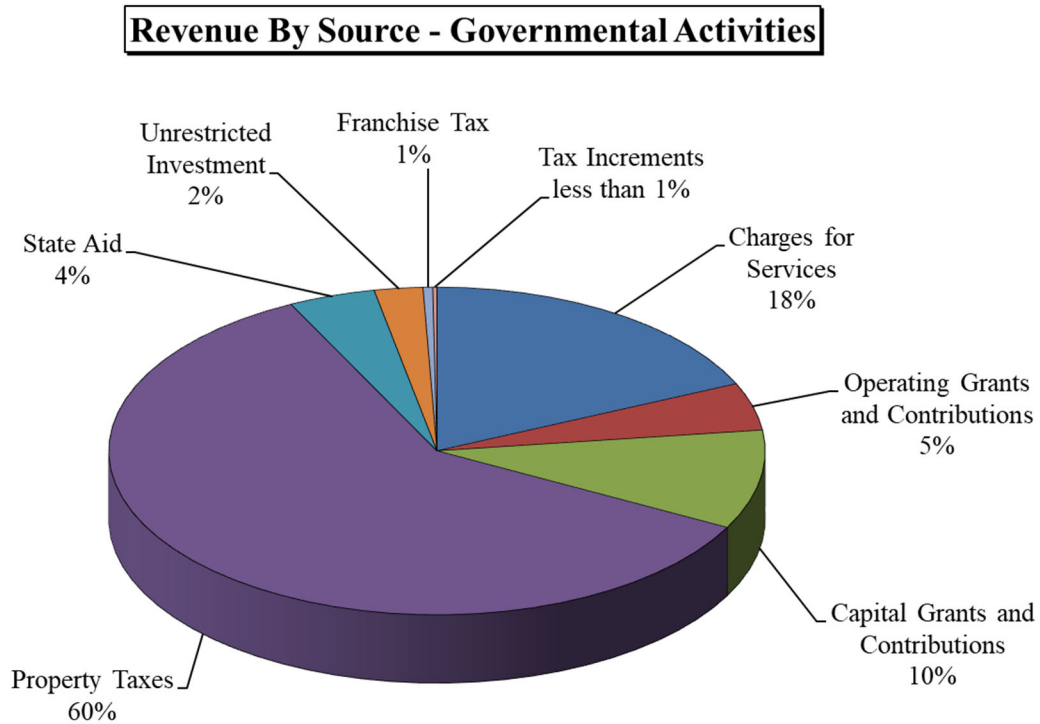
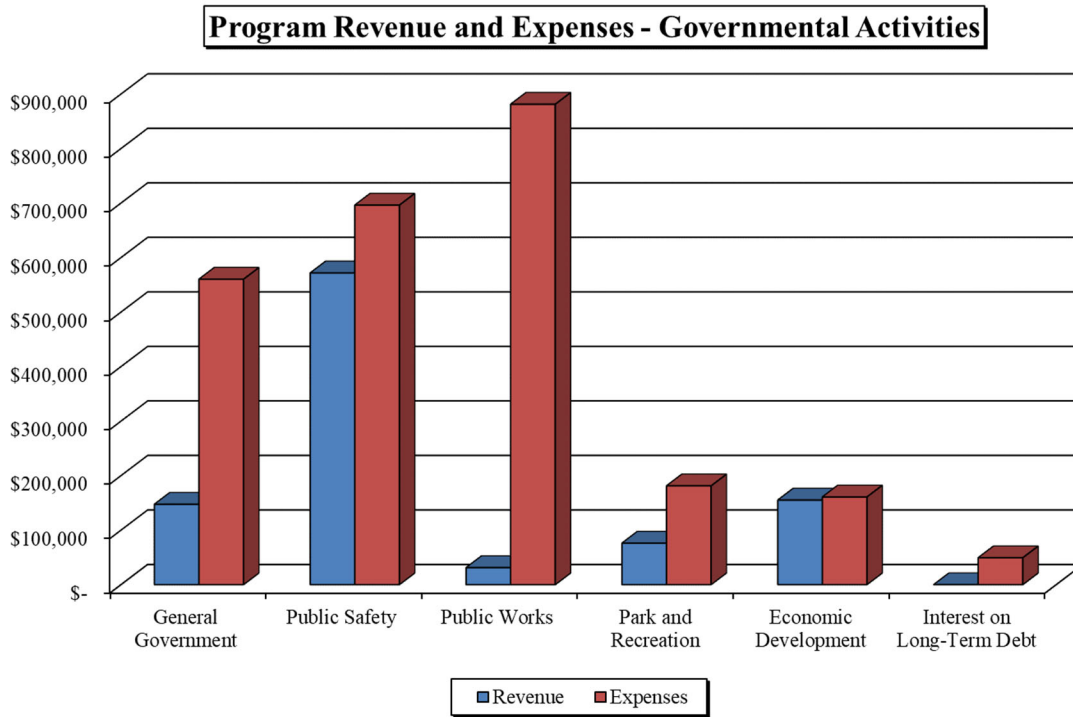
	Governmental Activities		Business-Type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues						
Program revenues						
Charges for services	\$ 548,132	\$ 480,419	\$ 754,829	\$ 763,663	\$ 1,302,961	\$ 1,244,082
Operating grants and contributions	140,853	94,365	-	-	140,853	94,365
Capital grants and contributions	292,851	173,763	3,445	2,888	296,296	176,651
General revenues						
Property taxes	1,796,710	1,646,875	-	-	1,796,710	1,646,875
State aid	128,143	120,447	-	-	128,143	120,447
Unrestricted investment earnings	71,753	60,483	121,623	131,086	193,376	191,569
Franchise tax	14,274	14,558	-	-	14,274	14,558
Tax increments	6,273	6,273	-	-	6,273	6,273
Gain on sale	-	392	-	-	-	392
	<u>-</u>	<u>392</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>392</u>
Total revenues	<u>\$ 2,998,989</u>	<u>\$ 2,597,575</u>	<u>\$ 879,897</u>	<u>\$ 897,637</u>	<u>\$ 3,878,886</u>	<u>\$ 3,495,212</u>
Expenses						
General government	\$560,285	\$519,031	\$ -	\$ -	\$ 560,285	\$ 519,031
Public safety	696,192	542,691	-	-	696,192	542,691
Public works	881,241	1,049,007	-	-	881,241	1,049,007
Parks and recreation	181,236	143,832	-	-	181,236	143,832
Economic	160,828	163,889	-	-	160,828	163,889
Interest on long-term debt	49,377	56,589	-	-	49,377	56,589
Water utility	-	-	172,383	150,365	172,383	150,365
Sewer utility	-	-	466,477	434,241	466,477	434,241
Storm water utility	-	-	101,335	92,664	101,335	92,664
Total expenses	<u>2,529,159</u>	<u>2,475,039</u>	<u>740,195</u>	<u>677,270</u>	<u>3,269,354</u>	<u>3,152,309</u>
Net change	<u>469,830</u>	<u>122,536</u>	<u>139,702</u>	<u>220,367</u>	<u>609,532</u>	<u>342,903</u>
Net position - beginning of year	<u>9,361,902</u>	<u>9,239,366</u>	<u>11,238,127</u>	<u>11,017,760</u>	<u>20,600,029</u>	<u>20,257,126</u>
Net position - end of year	<u>\$ 9,831,732</u>	<u>\$ 9,361,902</u>	<u>\$ 11,377,829</u>	<u>\$ 11,238,127</u>	<u>\$ 21,209,561</u>	<u>\$ 20,600,029</u>

The financial position of business-type activities increased during the year by \$139,702. The City's total net position increased by \$609,532.

**City of Hanover
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

Governmental Activities (Continued)



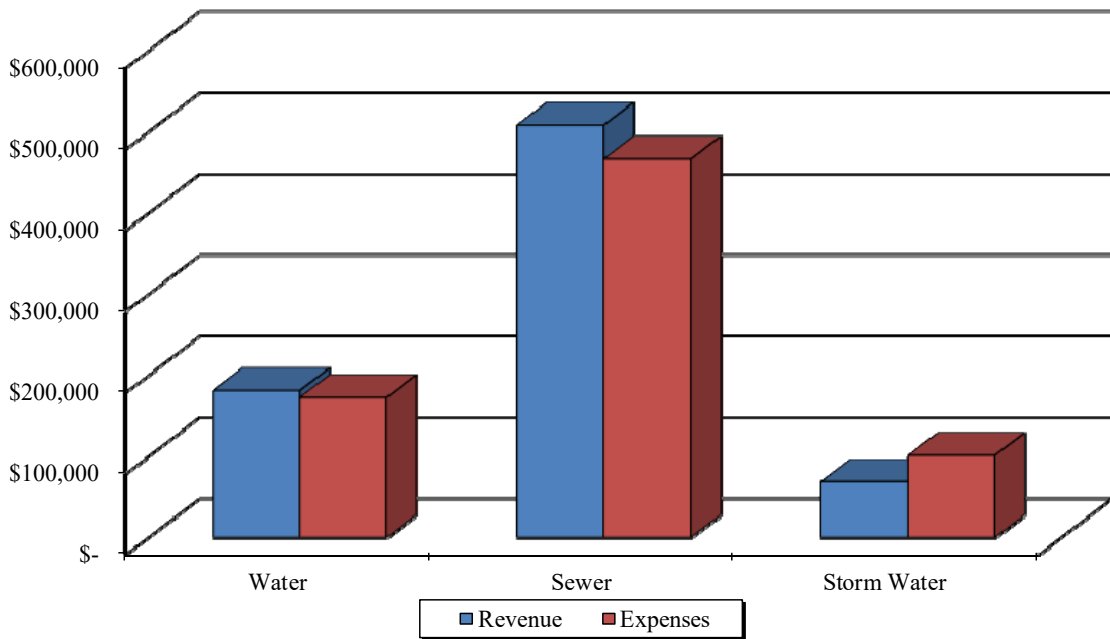
**City of Hanover
Management's Discussion and Analysis**

GOVERNMENT-WIDE FINANCIAL ANALYSIS (CONTINUED)

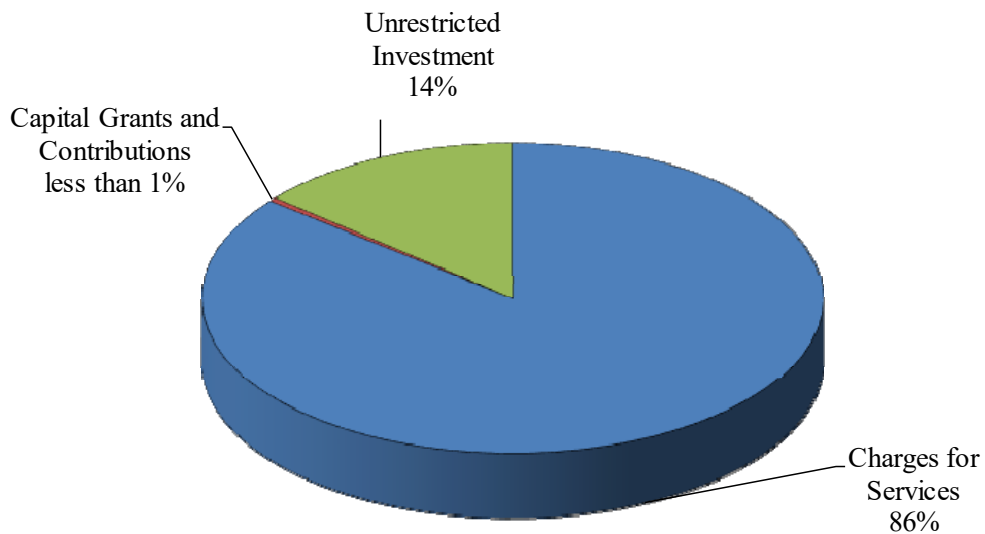
Business-Type Activities

Business-type activities increased the City's net position by \$139,702.

**Expenses and Program Revenue -
Business-Type Activities**



Revenue By Source - Business-Type Activities



City of Hanover Management's Discussion and Analysis

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

Business-Type Activities (Continued)

As noted earlier, the City uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City's governmental funds is to provide information on near-term inflows, outflows and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the year.

As of the end of the current year, the City's governmental funds reported combined ending fund balances of \$3,258,531, a decrease of \$177,299 in comparison with the prior year. Of this total amount, 25% (\$806,668) constitutes the unassigned fund balance in the General Fund, which is available for spending at the City's discretion. There is also a negative unassigned fund balance in the Fire Department Fund of \$237,782. Total unassigned fund balance for governmental funds was \$568,886 at the end of the current year. The remainder of fund balance is nonspendable in the form of prepaid items (\$30,191) and long term receivables (\$72,042), restricted for debt service (\$641,622), restricted for park dedication (\$152,324), restricted for gambling proceeds (\$18,389), restricted for cemetery (\$42,432), restricted for capital projects (\$143,535), and assigned to fund capital projects (\$1,589,110).

The General Fund is the chief operating fund of the City. At the end of the current year, fund balance of the General Fund was \$908,901. Of this amount, \$102,233 was nonspendable for prepaid items and long term receivable and the remainder is unassigned. As a measure of the General Fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 49% of total General Fund expenditures.

The fund balance of the City's General Fund increased by \$110,747 during the current year.

Proprietary Fund

The City's proprietary fund provides the same type of information found in the government-wide financial statements, but in more detail.

GENERAL FUND BUDGETARY HIGHLIGHTS

Revenue and expenditure budgets were approved by the City Council in December 2020. Revenues were \$405,114 over budget, due mainly to not amending the budget for Coronavirus Relief Funds received during the year. Expenditures were over budget by \$85,367, due not budgeting for the additional personal protective equipment costs that were purchased during the COVID-19 pandemic. These variances, less transfers of \$209,000 from the General Fund to the City's other nonmajor governmental funds and proceeds from sale of capital assets resulted in a net increase in fund balance of \$110,747.

**City of Hanover
Management's Discussion and Analysis**

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City's investment in capital assets for its governmental and business-type activities as of December 31, 2020, amounts to \$14,813,367 (net of accumulated depreciation). This investment in capital assets includes land, buildings and system, improvements, machinery and equipment, park facilities, and roads and bridges.

	Governmental Activities		Business-Type Activities		Total	
	2019	2019	2019	2019	2020	2019
Land	\$ 711,339	\$ 711,339	\$ 26,781	\$ 26,781	\$ 738,120	\$ 738,120
Construction in progress	-	6,309	-	-	-	6,309
Improvements other than building	2,032,054	2,135,076	6,268,838	6,544,396	8,300,892	8,679,472
Buildings and systems	2,526,563	2,619,770	-	-	2,526,563	2,619,770
Vehicles	294,764	348,117	180,241	87,423	475,005	435,540
Machinery and equipment	993,178	206,313	-	-	993,178	206,313
Infrastructure	1,779,609	1,955,499	-	-	1,779,609	1,955,499
Total	\$ 8,337,507	\$ 7,982,423	\$ 6,475,860	\$ 6,658,600	\$ 14,813,367	\$ 14,641,023

Long Term Debt

At the end of the current year, the City had total long-term liabilities outstanding of \$1,853,115. Of this amount, \$1,510,000 G.O. debt. The remainder of the City's debt represents compensated absences.

City Outstanding Debt G.O. and Revenue Bonds

	2020	2019
Special Assessment Debt With Governmental Commitment	\$ 1,510,000	\$ 1,730,000
PFA Water Revenue Bonds	-	95,000
G.O. CIP Refunding Bonds	-	110,000
Compensated Absences	55,333	45,115
Net Pension Liability	287,782	259,852
Total	\$ 1,853,115	\$ 2,239,967

The City's total debt decreased by \$386,852 during 2020.

City of Hanover Management's Discussion and Analysis

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The City of Hanover saw 22 new home starts in 2020. In addition to the new home starts, the City approved a site plan for a business new construction in the industrial park. In total, the City issued 352 building permits valuing \$12.7 million. One residential development received final plat approval creating four new rural residential single family lots and a second development receiving preliminary plat approval for 177 single family homes and 73 patio homes. In addition to the City experiencing economic development, property values continue to increase with the strong economy.

The City continues its efforts in maintaining fiscal responsibility. We are doing so by adopting a budget which takes into consideration funds required to pay for future capital projects with cash versus issuing long-term debt that accumulates interest. In addition to the planning, the City continues adhering to plans set forth to extend the life of our infrastructure. We have been able to complete road maintenance projects with zero assessments to property owners, and fund the projects with existing funds that were previously set aside. The City continues to perform services in house for its property owners in order to reduce costs of third party contracts.

Hanover's existing residential development known as Crow River Heights continues to experience success and that development accounts for majority of the new home starts.

The City has increased its levy in recent years in order to fund current and future expenses. The increase has come after careful consideration on how the property taxes would be impacted. At the local level, the city's tax rate has seen recent decreases. This is due to property values increasing at a faster rate than the City's levy increases. The tax rate was projected to increase approximately .75% from 2020 to 2021 for the purpose of levying additional funds to offset future capital project funding requirements. The City tax rate was projected to be approximately 46.94%.

The City Council continues to work to control costs in the City. This fiscal restraint has resulted in maintaining a flat or reduced tax rate for several years. The City has worked with its neighboring cities and host Counties on the following cost savings service collaborations, which benefit all the participating parties:

1. St. Michael, Albertville and Hanover share a joint water system.
2. Hanover contracts with St. Michael for wastewater treatment services.
3. Hanover contracts with St. Michael for use of their Compost Facility.
4. Hanover contracts with St. Michael for Library and Senior Services.
5. Hanover has equipment sharing agreements with its neighboring cities.
6. Hanover contracts with both Hennepin and Wright Counties to provide police services.
7. Hanover contracts with both Hennepin and Wright Counties to provide assessing services.
8. Hanover serves on the Advisory Committee for transportation within Wright County.

REQUESTS FOR INFORMATION

The City's EDA Fund is a component of the City. The statements for the EDA are found in this audit report. Separate statements are not issued.

**City of Hanover
Management's Discussion and Analysis**

REQUESTS FOR INFORMATION (CONTINUED)

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the City Administrator, City of Hanover, 11250 5th Street NE, Hanover, Minnesota 55341.

(THIS PAGE LEFT BLANK INTENTIONALLY)

BASIC FINANCIAL STATEMENTS

City of Hanover
Statement of Net Position
December 31, 2020

	Governmental Activities	Business-Type Activities	Total	Component Unit
Assets				
Cash and investments (including cash equivalents)	\$ 3,610,397	\$ 4,877,516	\$ 8,487,913	\$ 288,324
Taxes receivable	33,779	-	33,779	868
Accounts receivable	86,123	-	86,123	-
Interest receivable	20,355	-	20,355	-
Due from other governments	15,739	75,980	91,719	-
Loan receivable	-	-	-	153,320
Special assessments receivable				
Delinquent	603	1,876	2,479	-
Deferred	58,621	22,782	81,403	-
Prepaid items	30,191	887	31,078	-
Capital assets not being depreciated				
Land	711,339	26,781	738,120	-
Capital assets being depreciated				
Infrastructure	1,779,609	-	1,779,609	-
Buildings	2,526,563	-	2,526,563	-
Improvements	2,032,054	6,268,838	8,300,892	-
Vehicles	294,764	180,241	475,005	-
Machinery and equipment	993,178	-	993,178	-
Total assets	12,193,315	11,454,901	23,648,216	442,512
Deferred Outflows of Resources				
Deferred outflows of resources related to City pensions	35,774	-	35,774	-
Total assets and deferred outflows of resources	\$ 12,229,089	\$ 11,454,901	\$ 23,683,990	\$ 442,512
Liabilities				
Accounts payable	\$ 89,255	\$ 56,528	\$ 145,783	\$ -
Deposits payable	354,700	-	354,700	-
Due to other governments	25,983	20,544	46,527	-
Salaries and benefits payable	45,794	-	45,794	-
Interest payable	16,343	-	16,343	-
Unearned revenues	600	-	600	-
Bond and note principal payable				
Payable within one year	225,000	-	225,000	-
Payable after one year	1,285,000	-	1,285,000	-
Net pension liability	287,782	-	287,782	-
Compensated absences payable				
Payable within one year	22,709	-	22,709	-
Payable after one year	32,624	-	32,624	-
Total liabilities	2,385,790	77,072	2,462,862	-
Deferred Inflows of Resources				
Deferred inflows related to City pensions	11,567	-	11,567	-
Net Position				
Net investment in capital assets	6,827,507	6,475,860	13,303,367	-
Restricted for				
Capital projects	286,224	3,269,133	3,555,357	-
Debt service	658,589	-	658,589	-
Tax increment	9,635	-	9,635	-
Other Projects	60,821	-	60,821	353,874
Unrestricted	1,988,956	1,632,836	3,621,792	88,638
Total net position	9,831,732	11,377,829	21,209,561	442,512
Total liabilities and net position	\$ 12,229,089	\$ 11,454,901	\$ 23,683,990	\$ 442,512

See notes to financial statements.

City of Hanover
Statement of Activities
Year Ended December 31, 2020

Functions/Programs	Expenses	Program Revenue			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total	Component Unit
Governmental activities								
General government	\$ 560,285	\$ 31,784	\$ 55,186	\$ 60,475	\$ (412,840)	\$ -	\$ (412,840)	\$ -
Public safety	696,192	327,920	77,110	166,787	(124,375)	-	(124,375)	-
Public works	881,241	24,822	-	6,413	(850,006)	-	(850,006)	-
Parks and recreation	181,236	8,424	8,557	59,176	(105,079)	-	(105,079)	-
Economic development	160,828	155,182	-	-	(5,646)	-	(5,646)	-
Interest on long-term debt	49,377	-	-	-	(49,377)	-	(49,377)	-
Total governmental activities	<u>2,529,159</u>	<u>548,132</u>	<u>140,853</u>	<u>292,851</u>	<u>(1,547,323)</u>	<u>-</u>	<u>(1,547,323)</u>	<u>-</u>
Business-type activities								
Water	172,383	180,968	-	152	-	8,737	8,737	-
Sewer	466,477	506,088	-	2,050	-	41,661	41,661	-
Storm water	101,335	67,773	-	1,243	-	(32,319)	(32,319)	-
Total business-type activities	<u>740,195</u>	<u>754,829</u>	<u>-</u>	<u>3,445</u>	<u>-</u>	<u>18,079</u>	<u>18,079</u>	<u>-</u>
Total governmental and business-type activities	<u>\$ 3,269,354</u>	<u>\$ 1,302,961</u>	<u>\$ 140,853</u>	<u>\$ 296,296</u>	<u>(1,547,323)</u>	<u>18,079</u>	<u>(1,529,244)</u>	<u>-</u>
Component unit								
Economic development authority	<u>\$ 6,683</u>	<u>\$ -</u>	<u>\$ 42</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(6,641)</u>
General revenues								
Property taxes					1,796,710	-	1,796,710	49,422
Franchise taxes					14,274	-	14,274	-
Tax increments					6,273	-	6,273	-
State aids					128,143	-	128,143	-
Unrestricted investment earnings					71,753	121,623	193,376	9,958
Total general revenues					<u>2,017,153</u>	<u>121,623</u>	<u>2,138,776</u>	<u>59,380</u>
Change in net position					469,830	139,702	609,532	52,739
Net position - beginning					<u>9,361,902</u>	<u>11,238,127</u>	<u>20,600,029</u>	<u>389,773</u>
Net position - ending					<u>\$ 9,831,732</u>	<u>\$ 11,377,829</u>	<u>\$ 21,209,561</u>	<u>\$ 442,512</u>

See notes to financial statements.

City of Hanover
Balance Sheet - Governmental Funds
December 31, 2020

	Capital Projects				Other Governmental Funds	Total Governmental Funds
	General Fund (100-110)	Capital Improvement Fund (401)	Fire Department Fund (403)	Developer Escrow (800s)		
Assets						
Cash and investments	\$ 889,206	\$ 515,166	\$ -	\$ 371,980	\$ 1,834,045	\$ 3,610,397
Taxes receivable						
Current	11,973	-	-	-	-	11,973
Delinquent	21,806	-	-	-	-	21,806
Accounts receivable	75,694	-	-	-	10,429	86,123
Interest receivable	20,355	-	-	-	-	20,355
Due from other governments	1,346	-	-	-	14,393	15,739
Special assessments receivable						
Delinquent	-	-	-	-	603	603
Deferred	-	25,829	-	-	32,792	58,621
Due from other funds	-	237,782	-	-	-	237,782
Prepaid items	30,191	-	-	-	-	30,191
Total assets	<u>\$ 1,050,571</u>	<u>\$ 778,777</u>	<u>\$ -</u>	<u>\$ 371,980</u>	<u>\$ 1,892,262</u>	<u>\$ 4,093,590</u>
Liabilities						
Accounts payable	\$ 47,487	\$ -	\$ -	\$ 17,280	\$ 24,488	\$ 89,255
Deposits payable	-	-	-	354,700	-	354,700
Due to other funds	-	-	237,782	-	-	237,782
Due to other governments	25,983	-	-	-	-	25,983
Salaries and benefits payable	45,794	-	-	-	-	45,794
Unearned revenue	600	-	-	-	-	600
Total liabilities	<u>119,864</u>	<u>-</u>	<u>237,782</u>	<u>371,980</u>	<u>24,488</u>	<u>754,114</u>
Deferred Inflows of Resources						
Unavailable revenue - property taxes	21,806	-	-	-	-	21,806
Unavailable revenue - special assessments	-	25,829	-	-	33,310	59,139
Total deferred inflows of resources	<u>21,806</u>	<u>25,829</u>	<u>-</u>	<u>-</u>	<u>33,310</u>	<u>80,945</u>
Fund Balances						
Nonspendable	102,233	-	-	-	-	102,233
Restricted	-	-	-	-	998,302	998,302
Assigned	-	752,948	-	-	836,162	1,589,110
Unassigned	806,668	-	(237,782)	-	-	568,886
Total fund balances	<u>908,901</u>	<u>752,948</u>	<u>(237,782)</u>	<u>-</u>	<u>1,834,464</u>	<u>3,258,531</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 1,050,571</u>	<u>\$ 778,777</u>	<u>\$ -</u>	<u>\$ 371,980</u>	<u>\$ 1,892,262</u>	<u>\$ 4,093,590</u>

City of Hanover
Reconciliation of the Balance Sheet to
the Statement of Net Position - Governmental Funds
December 31, 2020

Total fund balances - governmental funds	\$ 3,258,531
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not current financial resources and, therefore, are not reported as assets in governmental funds.	
Cost of capital assets	18,803,430
Less accumulated depreciation	(10,465,923)
Long-term liabilities, including bonds payable, are not due and payable in the current period and, therefore, are not reported as liabilities in the governmental funds.	
Bond principal payable	(1,510,000)
Compensated absences payable	(55,333)
Net pension liability	(287,782)
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.	
Delinquent property taxes	21,806
Delinquent special assessments	603
Deferred receivables are not available to pay for current expenditures and, therefore, are deferred in the funds.	
Deferred special assessments receivable	58,536
Deferred outflows of resources and deferred inflows of resources are created as a result of various differences related to pensions that are not recognized in the governmental funds.	
Deferred inflows of resources related to pensions	(11,567)
Deferred outflows of resources related to pensions	35,774
Governmental funds do not report a liability for accrued interest until due and payable.	
	(16,343)
Total net position - governmental activities	\$ 9,831,732

City of Hanover
Statement of Revenues, Expenditures, and
Changes in Fund Balances - Governmental Funds
Year Ended December 31, 2020

	Capital Projects				Other Governmental Funds	Total Governmental Funds
	General Fund (100-110)	Capital Improvement Fund (401)	Fire Department Fund (403)	Developer Escrow (800s)		
Revenues						
Property taxes	\$ 1,120,148	\$ -	\$ 28,703	\$ -	\$ 638,294	\$ 1,787,145
Tax increments	-	-	-	-	6,273	6,273
Miscellaneous taxes	14,274	-	-	-	14,393	28,667
Special assessments	-	8,934	-	-	41,062	49,996
Licenses and permits	190,395	-	-	-	-	190,395
Intergovernmental	467,409	-	-	-	-	467,409
Charges for services	133,454	280	30,636	155,182	69,325	388,877
Fines and forfeitures	3,182	-	-	-	-	3,182
Miscellaneous						
Investment income	7,246	18,957	9,087	-	36,463	71,753
Contributions and donations	8,847	-	-	-	15,007	23,854
Refunds and reimbursements	3,731	-	-	-	-	3,731
Other	10,960	-	-	-	-	10,960
Total revenues	<u>1,959,646</u>	<u>28,171</u>	<u>68,426</u>	<u>155,182</u>	<u>820,817</u>	<u>3,032,242</u>
Expenditures						
Current						
General government	509,245	-	-	-	306	509,551
Public safety	607,587	-	-	-	-	607,587
Public works	384,109	-	-	-	-	384,109
Parks and recreation	34,111	-	-	-	9,425	43,536
Economic development	-	-	-	155,182	5,646	160,828
Debt service						
Principal	-	-	-	-	330,000	330,000
Interest and other charges	-	-	-	-	51,934	51,934
Capital outlay						
General government	73,657	-	-	-	-	73,657
Public safety	20,194	-	741,915	-	-	762,109
Public works	786	-	-	-	246,968	247,754
Parks and recreation	10,210	-	-	-	28,266	38,476
Total expenditures	<u>1,639,899</u>	<u>-</u>	<u>741,915</u>	<u>155,182</u>	<u>672,545</u>	<u>3,209,541</u>
Excess of revenues over (under) expenditures	319,747	28,171	(673,489)	-	148,272	(177,299)
Other Financing Sources (Uses)						
Transfers in	-	-	76,000	-	133,000	209,000
Transfers out	(209,000)	-	-	-	-	(209,000)
Total other financing sources (uses)	<u>(209,000)</u>	<u>-</u>	<u>76,000</u>	<u>-</u>	<u>133,000</u>	<u>-</u>
Net change in fund balances	110,747	28,171	(597,489)	-	281,272	(177,299)
Fund Balances						
Beginning of year	798,154	724,777	359,707	-	1,553,192	3,435,830
End of year	<u>\$ 908,901</u>	<u>\$ 752,948</u>	<u>\$ (237,782)</u>	<u>\$ -</u>	<u>\$ 1,834,464</u>	<u>\$ 3,258,531</u>

City of Hanover
Reconciliation of the Statement of Revenues,
Expenditures, and Changes in Fund Balances to
the Statement of Activities - Governmental Funds
Year Ended December 31, 2020

Net change in fund balances - governmental funds	\$ (177,299)
Amounts reported for governmental activities in the Statement of Activities are different because:	
Governmental funds report capital outlay as an expenditure. However, in the Statement of Activities, the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.	
Capital outlay	1,087,085
Depreciation expense	(732,001)
Principal payments on long-term debt are recognized as expenditures in the governmental funds, but have no impact on net position in the Statement of Activities.	
	330,000
Compensated absences are recognized as paid in the governmental funds, but recognized as the expense is incurred in the Statement of Activities.	
	(10,218)
Interest payments on long-term debt in the Statement of Activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due and, thus requires the use of current resources. In the Statement of Activities, however, interest expense is recognized as the interest accrues, regardless of when it is due.	
	2,557
Governmental funds recognized pension contributions as expenditures at the time of payment whereas the Statement of Activities factors in items related to pensions on a full accrual perspective.	
	3,724
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.	
Delinquent special assessments	161
Delinquent property taxes	9,565
Certain revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the funds.	
Deferred special assessments	(43,744)
Change in net position - governmental activities	<u>\$ 469,830</u>

City of Hanover
Statement of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Property taxes	\$ 1,115,277	\$ 1,120,148	\$ 4,871
Miscellaneous taxes	15,000	14,274	(726)
Licenses and permits	110,420	190,395	79,975
Intergovernmental	170,612	467,409	296,797
Charges for services	130,723	133,454	2,731
Fines and forfeitures	3,000	3,182	182
Miscellaneous revenues			
Investment income	-	7,246	7,246
Contributions and donations	400	8,847	8,447
Refunds and reimbursements	-	3,731	3,731
Other	9,100	10,960	1,860
Total revenues	<u>1,554,532</u>	<u>1,959,646</u>	<u>405,114</u>
Expenditures			
Current			
General government	525,404	509,245	(16,159)
Public safety	485,903	607,587	121,684
Public works	467,325	384,109	(83,216)
Parks and recreation	38,900	34,111	(4,789)
Capital outlay			
General government	24,000	73,657	49,657
Public safety	5,000	20,194	15,194
Public works	-	786	786
Parks and recreation	8,000	10,210	2,210
Total expenditures	<u>1,554,532</u>	<u>1,639,899</u>	<u>85,367</u>
Excess of revenues over expenditures	-	319,747	319,747
Other Financing Uses			
Transfers out	-	(209,000)	(209,000)
Net change in fund balance	<u>\$ -</u>	<u>110,747</u>	<u>\$ 110,747</u>
Fund Balance			
Beginning of year		<u>798,154</u>	
End of year		<u>\$ 908,901</u>	

City of Hanover
Statement of Net Position - Proprietary Funds
December 31, 2020

	Water (601, 611)	Sewer (602, 612)	Storm Water (603, 613)	Total
Assets				
Current assets				
Cash and cash equivalents	\$ 1,312,370	\$ 2,638,973	\$ 926,173	\$ 4,877,516
Special assessments receivable				
Delinquent	(434)	1,951	359	1,876
Deferred	17,606	4,061	1,115	22,782
Due from other governments	12,422	57,075	6,483	75,980
Prepaid items	125	762	-	887
Total current assets	<u>1,342,089</u>	<u>2,702,822</u>	<u>934,130</u>	<u>4,979,041</u>
Noncurrent assets				
Capital assets				
Land	-	-	26,781	26,781
Improvements	2,281,145	6,287,257	2,447,634	11,016,036
Vehicles and equipment	-	132,409	118,832	251,241
Total capital assets	<u>2,281,145</u>	<u>6,419,666</u>	<u>2,593,247</u>	<u>11,294,058</u>
Less accumulated depreciation	<u>(830,232)</u>	<u>(3,063,276)</u>	<u>(924,690)</u>	<u>(4,818,198)</u>
Net capital assets	<u>1,450,913</u>	<u>3,356,390</u>	<u>1,668,557</u>	<u>6,475,860</u>
 Total assets	 <u>\$ 2,793,002</u>	 <u>\$ 6,059,212</u>	 <u>\$ 2,602,687</u>	 <u>\$ 11,454,901</u>
Liabilities and Net Position				
Current liabilities				
Accounts payable	\$ 25,173	\$ 25,080	\$ 6,275	\$ 56,528
Due to other governments	-	20,544	-	20,544
Total liabilities	<u>25,173</u>	<u>45,624</u>	<u>6,275</u>	<u>77,072</u>
Net Position				
Net investment in capital assets	1,450,913	3,356,390	1,668,557	6,475,860
Restricted	259,625	2,290,941	718,567	3,269,133
Unrestricted	1,057,291	366,257	209,288	1,632,836
Total net position	<u>2,767,829</u>	<u>6,013,588</u>	<u>2,596,412</u>	<u>11,377,829</u>
 Total liabilities and net position	 <u>\$ 2,793,002</u>	 <u>\$ 6,059,212</u>	 <u>\$ 2,602,687</u>	 <u>\$ 11,454,901</u>

City of Hanover
Statement of Revenues, Expenses, and Changes
in Fund Net Position - Proprietary Funds
Year Ended December 31, 2020

	Water (601, 611)	Sewer (602, 612)	Storm Water (603, 613)	Total
Operating Revenues				
Charges for services	\$ 101,411	\$ 344,247	\$ 54,798	\$ 500,456
Permits, hookup fees and penalties	2,625	2,625	-	5,250
Total operating revenues	<u>104,036</u>	<u>346,872</u>	<u>54,798</u>	<u>505,706</u>
Operating Expenses				
Wages and salaries	-	-	7,814	7,814
Repairs and maintenance	22,350	-	5,424	27,774
Professional services	45,318	193,263	11,314	249,895
Depreciation	57,029	157,181	71,859	286,069
Miscellaneous	289	1,772	530	2,591
Total operating expenses	<u>124,986</u>	<u>352,216</u>	<u>96,941</u>	<u>574,143</u>
Operating income (loss)	(20,950)	(5,344)	(42,143)	(68,437)
Nonoperating Revenues (Expenses)				
Sale of water meters	13,769	-	-	13,769
Investment income	31,517	67,256	22,850	121,623
Special assessments	-	2,050	-	2,050
Payment to other governments	(47,397)	(112,992)	-	(160,389)
Connection charges	63,315	159,216	14,218	236,749
Interest expense	-	(1,269)	-	(1,269)
Nonoperating miscellaneous	-	(4,394)	-	(4,394)
Total nonoperating revenues (expenses)	<u>61,204</u>	<u>109,867</u>	<u>37,068</u>	<u>208,139</u>
Change in net position	40,254	104,523	(5,075)	139,702
Net Position				
Beginning of year	<u>2,727,575</u>	<u>5,909,065</u>	<u>2,601,487</u>	<u>11,238,127</u>
End of year	<u>\$ 2,767,829</u>	<u>\$ 6,013,588</u>	<u>\$ 2,596,412</u>	<u>\$ 11,377,829</u>

City of Hanover
Statement of Cash Flows - Proprietary Funds
Year Ended December 31, 2020

	Water (601, 611)	Sewer (602, 612)	Storm Water (603, 613)	Total
Cash Flows - Operating Activities				
Receipts from customers and users	\$ 178,003	\$ 501,170	\$ 68,477	\$ 747,650
Payments to suppliers	(92,194)	(271,899)	(12,086)	(376,179)
Payments to employees	-	-	(7,814)	(7,814)
Net cash flows - operating activities	<u>85,809</u>	<u>229,271</u>	<u>48,577</u>	<u>363,657</u>
Cash Flows - Capital and Related Financing Activities				
Special assessments	1,587	35,535	-	37,122
Interest paid on capital debt	-	(2,175)	-	(2,175)
Principal paid on capital debt	-	(95,000)	-	(95,000)
Acquisition of capital assets	-	(103,329)	-	(103,329)
Net cash flows - capital and related financing activities	<u>1,587</u>	<u>(164,969)</u>	<u>-</u>	<u>(163,382)</u>
Cash Flows - Investing Activities				
Interest and dividends received	<u>31,517</u>	<u>67,256</u>	<u>22,850</u>	<u>121,623</u>
Net Change in Cash and Cash Equivalents	118,913	131,558	71,427	321,898
Cash and Cash Equivalents				
Beginning of year	<u>1,193,457</u>	<u>2,507,415</u>	<u>854,746</u>	<u>4,555,618</u>
End of year	<u>\$ 1,312,370</u>	<u>\$ 2,638,973</u>	<u>\$ 926,173</u>	<u>\$ 4,877,516</u>
Reconciliation of Operating Loss to Net Cash Flows - Operating Activities				
Operating loss	\$ (20,950)	\$ (5,344)	\$ (42,143)	\$ (68,437)
Adjustments to reconcile operating loss To net cash flows - operating activities				
Other operating income (expense)	29,687	41,830	14,218	85,735
Depreciation expense	57,029	157,181	71,859	286,069
Delinquent special assessment receivable	(131)	(1,249)	(184)	(1,564)
Due from other governments	(2,986)	(3,669)	(355)	(7,010)
Accounts payable	23,172	25,080	5,182	53,434
Prepaid items	(12)	(57)	-	(69)
Due to other governmental units	-	15,499	-	15,499
Total adjustments	<u>106,759</u>	<u>234,615</u>	<u>90,720</u>	<u>432,094</u>
Net cash flows - operating activities	<u>\$ 85,809</u>	<u>\$ 229,271</u>	<u>\$ 48,577</u>	<u>\$ 363,657</u>

(THIS PAGE LEFT BLANK INTENTIONALLY)

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. Reporting Entity

The City of Hanover is a statutory city governed by an elected mayor and four council members. The accompanying financial statements present the government entities for which the government is considered to be financially accountable.

The financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from such. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and it is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization or there is a potential for the organization to provide specific financial benefits to or impose specific financial burdens on, the City.

As a result of applying the component unit definition criteria above, certain organizations have been defined and are presented in this report as follows:

Discretely Presented Component Unit – Entails reporting the component unit financial data in statements separate from the financial date of the City.

Joint Ventures and Jointly Governed Organizations – The relationship of the City with the entity is disclosed.

For each of the categories above, the specific entities are identified as follows:

1. Discretely Presented Component Unit

The Hanover EDA is governed by a seven member board consisting of two members of the City Council and five members of the general public. Separate financial statements are included in this report for the Hanover EDA to emphasize that it is legally separate from the City. The EDA is presented as a governmental fund type. The EDA does not issue separate finance statements.

2. Joint Ventures and Jointly Governed Organizations

The Joint Powers Water Board of Albertville, Hanover, and St. Michael (the "JPWB") was established under a joint powers agreement among the Cities of Albertville, Hanover, and St. Michael to provide water service to the local area. The JPWB operates as an enterprise and provides water service to the general public, with the majority of its costs being paid by various fees and charges to users of the water system. The governing body consists of a six member Board of Commissioners (the "Board"). Two individuals, the Mayor and another Council Member from each City, are appointed by their respective City Council to serve on the Board. The JPWB does not have any component units.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

A. Reporting Entity (Continued)

2. Joint Ventures and Jointly Governed Organizations (Continued)

The JPWB's agreement states that charges billed and collected for water supply remain with the JPWB, while the charges for distribution are billed by the JPWB but the collections are owned by each Member City and will be remitted to them upon collection.

Financial statements for the JPWB Water Fund may be obtained at the City Hall.

B. Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the Statement of Net Position and the Statement of Activities) report information on all of the activities of the City. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support.

The Statement of Activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Interest on general long-term debt is considered an indirect expense and is reported separately in the Statement of Activities.

Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment, and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported as general revenues. Internally dedicated revenues are reported as general revenues rather than program revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise fees, licenses, and interest associated with the current period are all considered to be susceptible to accrual and so have been recognized as revenues of the current period. Only the portion of special assessments receivable due within the current period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Description of Funds:

Major Governmental Funds:

General Fund – This fund is the City's primary operating fund. It accounts for all financial resources of the general City, except those required to be accounted for in another fund.

Capital Improvement Capital Projects Fund – This fund accounts for the costs associated with the City's capital improvement projects.

Fire Department Capital Projects Fund – This fund accounts for the costs associated with the City's capital purchases for the fire department.

Developer Escrow Fund, Capital Projects Fund – This fund accounts for the activity related to developer escrow deposits.

Proprietary Funds:

Water Fund – This fund accounts for the operations of the City's water utility.

Sewer Fund – This fund accounts for the operations of the City's sewer utility.

Storm Water Fund – This fund accounts for the operations of the City's storm water utility.

Component Unit:

Economic Development Authority – This fund accounts for the activities related to business incentive activity and development of the City.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (Continued)

Description of Funds (Continued)

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are charges between the City's utility functions and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the Water, Sewer, and Storm Water Enterprise Funds are charges to customers for sales and services. Operating expenses for enterprise funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When both restricted and unrestricted resources are available for use, it is the City's policy to use restricted resources first then unrestricted resources as they are needed.

D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity

1. Deposits and Investments

Cash and investments include balances from all funds that are combined and invested to the extent available in various securities as authorized by state law. Earnings from the pooled investments are allocated to the individual funds based on the average of month-end cash and investment balances.

The City's cash and cash equivalents are considered to be cash on hand, deposits, and highly liquid debt instruments purchased with original maturities of three months or less from the date of acquisition. Investments are stated at fair value.

Minnesota Statutes authorizes the City to invest in obligations of the U.S. Treasury, agencies, and instrumentalities, share of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, future contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days and in the Minnesota Municipal Investment Pool.

Certain investments for the City are reported at fair value as disclosed in Note 2. The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The Hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

In accordance with GASB Statement No. 79, the Minnesota Municipal Investment Pool securities are valued at amortized cost, which approximates fair value. There are no restrictions or limitations on withdrawals from the 4M Liquid Asset Fund. Investments in the 4M Plus must be deposited for a minimum of 14 calendar days.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

1. Deposits and Investments (Continued)

Withdrawals prior to the 14-day restriction period will be subject to a penalty equal to seven days interest on the amount withdrawn. Seven days' notice of redemption is required for withdrawals of investments in the 4M Term Series withdrawn prior to the maturity date of that series. A penalty could be assessed as necessary to recoup the Series for any charges, losses, and other costs attributable to the early redemption.

2. Receivables and Payables

All trade and property tax receivables are shown at a gross amount since both are assessable to the property taxes and are collectible upon the sale of the property.

The City levies its property tax for the subsequent year during the month of December. December 28 is the last day the City can certify a tax levy to the County Auditors for collection the following year.

Such taxes become a lien on January 1 and are recorded as receivables by the City at that date. The property tax is recorded as revenue when it becomes measurable and available. Hennepin County and Wright County are the collecting agencies for the levy and remit the collections to the City three times a year. The tax levy notice is mailed in March with the first half of the payment due on May 15 and the second half due on October 15. Taxes not collected as of December 31 each year are shown as delinquent taxes receivable.

The County Auditors prepare the tax list for all taxable property in the City, applying the applicable tax rate to the tax capacity of individual properties, to arrive at the actual tax for each property. The County Auditors also collect all special assessments, except for certain prepayments paid directly to the City.

The County Auditors submit the list of taxes and special assessments to be collected on each parcel of property to the County Treasurers in January of each year.

3. Prepaid Items

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as an expenditure at the time of consumption.

4. Capital Assets

Capital assets, which include property, plant, equipment, infrastructure, and intangible assets (e.g., roads, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements and the enterprise fund statements. Capital assets are defined by the City as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. Additionally, intangible assets are reported with land.

**City of Hanover
Notes to Financial Statements**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

4. Capital Assets (Continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Capital assets of the City, meeting the capitalization threshold, are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings	20-40
Building and land improvements	10-20
Vehicles	5-20
Machinery and equipment	5-10
Infrastructure	10-40

5. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until that time. The City has one item that qualifies for reporting in this category. The City presents deferred outflows of resources on the Statement of Net Position for deferred outflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

In addition to liabilities, the statement of financial position, and fund financial statements will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two types of items that qualify for reporting in this category. The Governmental Funds Balance Sheet presents unavailable revenues from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City presents deferred inflows of resources on the Statement of Net Position for deferred inflows of resources related to pensions for various estimate differences that will be amortized and recognized over future years.

6. Compensated Absences

The City compensates employees, who either retire or terminate, for 100% of their accumulated vacation, compensatory time, and unused sick pay. City employees earn vacation based on years of City service. The maximum amount of vacation or compensatory time an employee may carry is 200 hours. Sick leave may accumulate up to a maximum of 240 hours.

Vacation and sick pay are considered expenditures in the year due.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

7. Long-Term Obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type Statement of Net Position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources, while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

8. Pensions

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the Public Employees Retirement Association (PERA) and additions to/deductions from PERA's fiduciary net position have been determined on the same basis as they are reported by PERA except that PERA's fiscal year end is June 30. For this purpose, plan contributions are recognized as of employer payroll paid dates and benefit payments and refunds are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value. The General Fund typically liquidates the liability related to the pensions.

9. Fund Equity

a. Classification

In the fund financial statements, governmental funds report fund classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purpose for which amounts in those funds can be spent.

- Nonspendable Fund Balance – These are amounts that cannot be spent because they are not in spendable form.
- Restricted Fund Balance – These are amounts that are restricted to specific purposes either by a) constraints placed on the use of resources by creditors, grantors, contributors, or laws or regulations of other governments, or b) imposed by law through enabling legislation.
- Committed Fund Balance – These are amounts that can only be used for specific purposes pursuant to constraints imposed by the City Council (highest level of decision making authority) through resolution.

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

9. Fund Equity (Continued)

a. Classification (Continued)

- Assigned Fund Balance – These are amounts that are constrained by the City's intent to be used for specific purposes but are neither restricted nor committed. Assignments are made by the City's Administrator/Clerk/Treasurer based on the City Council's direction.
- Unassigned Fund Balance – These are residual amounts in the General Fund not reported in any other classification. The General Fund is the only fund that can report a positive unassigned fund balance. Other funds would report a negative unassigned fund balance should the total of nonspendable, restricted, and committed fund balances exceed the total net resources of that fund.

When more than one category of fund balance can be used to fund an expenditure, the highest (most restrictive) level shall be used first.

b. Minimum Fund Balance

It is the City's policy that at the end of each year, the City will maintain the unassigned portion of the fund balance for cash flow in a range equal to 35% to 55% of the General Fund operating expenditures.

10. Net Position

Net position represents the difference between assets and deferred outflows of resources, and liabilities and deferred inflows of resources in the government-wide financial statements and the proprietary fund financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the government-wide financial statement and the proprietary fund financial statements when there are limitations on their use through external restrictions imposed by creditors, grantors or laws or regulations of other governments.

11. Use of Estimates

The preparation of the financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures/expense during the reporting period. Actual results could differ from those estimates

City of Hanover
Notes to Financial Statements

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

**D. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity
(Continued)**

12. Statement of Cash Flows

For purpose of the Statement of Cash Flows, the City considers all highly liquid debt instruments with an original maturity from the time of purchase by the City of three months or less to be cash equivalents. The proprietary fund's equity in the government-wide cash and investment management pool is considered to be cash equivalents.

13. Budgetary Information

1. Budget requests are submitted by department heads to the City Administrator/Clerk/Treasurer. The City Administrator/Clerk/Treasurer compiles the budget requests into an overall preliminary City budget. The City Administrator/Clerk/Treasurer presents the proposed budget to the City Council.
2. Public hearings are conducted to obtain taxpayer comments.
3. The budget is legally enacted through passage of a resolution after obtaining taxpayer comments. The budget resolution adopted by the City Council sets forth the budgets at the function level for the General Fund.
4. The budget for the General Fund is adopted on a basis consistent with accounting principles generally accepted in the United States of America.
5. Expenditures may not legally exceed budgeted appropriations at the department level. No fund's budget can be increased without City Council approval. The City Council may authorize transfer of budgeted amounts between departments within any fund.
6. Annual appropriated budgets are adopted during the year for the General Fund. Formal budgetary integration is not employed for Debt Service Funds because effective budgetary control is alternatively achieved through bond indenture provisions. Budgetary control for Capital Projects Funds is accomplished through the use of project controls and formal appropriated budgets are not adopted.
7. Budgeted amounts are as originally adopted or as amended by the City Council. Budgeted expenditure appropriations lapse at year-end.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Deficit Fund Balance

The fire department fund had a deficit fund balance of \$237,782 at December 31, 2020.

NOTE 3 – DEPOSITS AND INVESTMENTS

Cash balances of the City's funds are combined (pooled) and invested to the extent available in various investments authorized by *Minnesota Statutes*. Each fund's portion of this pool (or pools) is displayed in the financial statements as "cash and investments (including cash equivalents)." For purposes of identifying risk of investing public funds, the balances, and related restrictions are summarized as follows.

City of Hanover
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

A. Deposits

In accordance with applicable *Minnesota Statutes*, the City maintains deposits at depository banks authorized by the City Council.

Custodial Credit Risk – Deposits: For deposits, this is the risk that in the event of bank failure, the City's deposits may not be returned. The City has adopted a deposit policy to address custodial credit risk for deposits that is consistent with the *Minnesota Statutes* requirement that deposits are collateralized at 110% in excess of FDIC insurance. As of December 31, 2020, the City's bank balance was fully insured through FDIC and collateral pledged.

As of December 31, 2020, the City's deposits and petty cash had a book balance as follows:

Checking	\$ 757,668
Certificates of deposit	520,591
Money market and savings accounts	668,955
UBS cash	8,902
Petty cash	<u>200</u>
Total deposits and cash on hand	<u><u>\$ 1,956,316</u></u>

B. Investments

As of December 31, 2020, the City had the following investments:

Investment Type	Total	Current	Less Than 1 year	1-3 Year	3-5 years	Over 5 years
Brokered CD's	\$ 2,044,516	\$ -	\$ 533,634	\$ 724,511	\$ 786,371	\$ -
Municipal Securities	1,805,758	-	328,598	1,025,282	150,285	301,593
Money Market and 4M Fund	2,969,647	2,969,647	-	-	-	-
Total	<u><u>\$ 6,819,921</u></u>	<u><u>\$ 2,969,647</u></u>	<u><u>\$ 862,232</u></u>	<u><u>\$ 1,749,793</u></u>	<u><u>\$ 936,656</u></u>	<u><u>\$ 301,593</u></u>

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. The City's investment policy places no limit on the amount the City may invest in any one issuer. However, it does discuss the need to diversify investments so the impact of potential losses from any one type of security or from any one individual issuer will be minimized. There are currently two securities that sit over the 5% threshold for concentration of credit risk including the: New York City Transit Municipal Security (6.5%), and the Alabama State Port Authority Docks Municipal Security (8.6%).

Credit Risk: This is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. City's investment policy refers to *Minnesota Statutes* 118A. State statutes limit investments to be in the top two ratings issued by nationally recognized statistical rating organizations. The following security ratings are from Moody's and/or S&P, the remaining securities were not rated.

City of Hanover
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

B. Investments (Continued)

<u>Municipal Securities</u>	<u>Type</u>	<u>Rating</u>
FLORIDA ST BRD ADMIN FIN	Municipal	Aa3/AA
NEW YORK NY CITY TRANSI	Municipal	Aa1/AAA
ALABAMA ST PORT AU DOCKS	Municipal	NR/AA
INDUSTRY CA	Municipal	Aa3/NR
PARAMUS NJ SCH DIST	Municipal	NR/AA+

Interest Rate Risk: This is the risk that market values of securities in a portfolio would decrease due to changes in market interest rates. The City's investment policy states the City should manage its interest rates based on liquidity, safety and the overall return on the investment. It also states the City shall invest in securities that can generally be held until maturity and the core of investments should be limited to relatively low risk securities in anticipation of earning a fair return relative to the risk being assumed. Finally, extended maturities may be utilized to take advantages of higher yield; however, no more than 15% of the total should extend beyond five years and the City shall not invest in investments with a maturity exceeding ten years.

Custodial Credit Risk – Investments: The City's investments held by the broker-dealer were insured by Securities Investor Protection Corporation (SIPC) or other supplemental insurance as of December 31, 2020. However, each investment brokerage firm may have a limit to their supplemental insurance and because of the size of the City's portfolio in relation to the brokerage firm's excess SIPC coverage limits the portion of the supplemental policy applicable to the City's portfolio is unknown. The City accepts the risk due to the controls in place at the broker-dealer.

The City has the following recurring fair value measurements as of December 31, 2020:

- \$3,850,274 of investments are valued using a matrix pricing model (Level 2 inputs)

C. Deposits and Investments

Summary of deposits and investments as of December 31, 2020:

Deposits and cash on hand (Note 3. A.)	\$ 1,956,316
Investments (Note 3. B.)	<u>6,819,921</u>
Total deposits and investments	<u><u>\$ 8,776,237</u></u>

City of Hanover
Notes to Financial Statements

NOTE 3 – DEPOSITS AND INVESTMENTS (CONTINUED)

C. Deposits and Investments (Continued)

Deposits and investments are presented as cash and investments in the December 31, 2020, basic financial statements as follows:

Statement of Net Position		
Cash and investments		
Primary government	\$	8,487,913
Component unit		<u>288,324</u>
Total cash and investments	\$	<u><u>8,776,237</u></u>

NOTE 4 – INTERFUND ASSETS/LIABILITIES

At December 31, 2020, due from/to other funds for the City were as follows:

	Due from other funds
	Capital Improvement Fund
Due to other funds	
Fire Department Fund	<u><u>\$ 237,782</u></u>

The amount due to the fire department fund was to cover a cash deficit in the fund.

NOTE 5 – INTERFUND ACTIVITY

Transfers during the year ended December 31, 2020, were as follows:

		Transfer In		
	Fire Department Fund	Other Nonmajor Governmental Funds	Component Unit - Business Incentive	Total
Transfer out				
General	\$ 76,000	\$ 133,000	\$ -	\$ 209,000
Component unit - EDA	<u>-</u>	<u>-</u>	<u>100,000</u>	<u>100,000</u>
Total transfers	<u><u>\$ 76,000</u></u>	<u><u>\$ 133,000</u></u>	<u><u>\$ 100,000</u></u>	<u><u>\$ 309,000</u></u>

The purposes of the transfers were to provide funding for capital improvements and other operational purposes.

City of Hanover
Notes to Financial Statements

NOTE 6 – LOANS RECEIVABLE

Loans receivable at December 31, 2020, were as follows:

EDA loan receivable	
Astro Engineering	
\$100,000 loan, due in monthly installments of \$1,333, through October 2025, interest at 3.25%	\$ 71,372
Roy C. Inc.	
\$7,500 loan, due in monthly installments of \$208, through December 2021, interest at 0.00%	2,500
BBBBQ LLC	
\$92,500 loan, due in monthly installments of \$917, through July 2029, variable interest at Wall Street Prime minus 2.00% with a 6.00% ceiling	<u>79,448</u>
Total loans receivable	<u><u>\$ 153,320</u></u>

City of Hanover
Notes to Financial Statements

NOTE 7 – CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities				
Capital assets not being depreciated				
Land	\$ 711,339	\$ -	\$ -	\$ 711,339
Construction in progress	6,309	161,974	168,283	-
Total capital assets not being depreciated	<u>717,648</u>	<u>161,974</u>	<u>168,283</u>	<u>711,339</u>
Capital assets being depreciated				
Infrastructure	8,194,244	168,283	-	8,362,527
Buildings	3,376,319	-	-	3,376,319
Improvements	3,111,965	44,393	-	3,156,358
Vehicles	1,627,410	-	-	1,627,410
Machinery and equipment	682,866	880,718	-	1,563,584
Furniture and fixtures	5,893	-	-	5,893
Total capital assets being depreciated	<u>16,998,697</u>	<u>1,093,394</u>	<u>-</u>	<u>18,092,091</u>
Less accumulated depreciation for				
Infrastructure	6,238,745	344,173	-	6,582,918
Buildings	756,549	93,207	-	849,756
Improvements	976,889	147,415	-	1,124,304
Vehicles	1,279,293	53,353	-	1,332,646
Machinery and equipment	476,553	93,853	-	570,406
Furniture and fixtures	5,893	-	-	5,893
Total accumulated depreciation	<u>9,733,922</u>	<u>732,001</u>	<u>-</u>	<u>10,465,923</u>
Total capital assets being depreciated, net	<u>7,264,775</u>	<u>361,393</u>	<u>-</u>	<u>7,626,168</u>
Governmental activities capital assets, net	<u>\$ 7,982,423</u>	<u>\$ 523,367</u>	<u>\$ 168,283</u>	<u>\$ 8,337,507</u>

Depreciation expense was charged to the functions/programs of the City as follows:

Governmental activities	
General government	\$ 16,981
Public safety	123,502
Public works	464,028
Parks and recreation	<u>127,490</u>
Total depreciation expense - governmental activities	<u>\$ 732,001</u>

City of Hanover
Notes to Financial Statements

NOTE 7 – CAPITAL ASSETS (CONTINUED)

Capital asset activity for the year ended December 31, 2020, was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities				
Capital assets not being depreciated				
Land	\$ 26,781	\$ -	\$ -	\$ 26,781
Capital assets being depreciated				
Improvements	11,016,036	-	-	11,016,036
Machinery and equipment	137,525	103,329	-	240,854
Vehicles	10,387	-	-	10,387
Total capital assets being depreciated	11,163,948	103,329	-	11,267,277
Less accumulated depreciation for				
Improvements	4,471,640	275,558	-	4,747,198
Machinery and equipment	50,102	10,511	-	60,613
Vehicles	10,387	-	-	10,387
Total accumulated depreciation	4,532,129	286,069	-	4,818,198
Total capital assets being depreciated, net	6,631,819	(286,069)	-	6,449,079
Business-type activities capital assets, net	\$ 6,658,600	\$ (286,069)	\$ -	\$ 6,475,860

Depreciation expense was charged to the functions of the City as follows:

Business-type activities	
Water	\$ 57,029
Sewer	157,181
Storm water	71,859
Total depreciation expense - business-type activities	\$ 286,069

NOTE 8 – LONG-TERM DEBT

A. General Obligation Bonds

The City issues general obligation (G.O.) bonds to provide financing for street improvements and facility construction. Debt service is covered respectively by special assessments and property taxes against benefited properties with any shortfalls being paid from general taxes.

City of Hanover
Notes to Financial Statements

NOTE 8 – LONG-TERM DEBT (CONTINUED)

B. Changes in Long-Term Liabilities

Long-term liability activity for the year ended December 31, 2020 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reductions</u>	<u>Ending Balance</u>	<u>Due Within One Year</u>
Governmental Activities					
Bonds payable					
G.O. Improvement Bonds	\$ 1,840,000	\$ -	\$ 330,000	\$ 1,510,000	\$ 225,000
Compensated absences	45,115	31,976	21,758	55,333	22,709
Total governmental activities	<u>1,885,115</u>	<u>31,976</u>	<u>351,758</u>	<u>1,565,333</u>	<u>247,709</u>
Business-Type Activities					
G.O. PFA Wastewater Revenue Notes	<u>95,000</u>	<u>-</u>	<u>95,000</u>	<u>-</u>	<u>-</u>
Total long-term liabilities	<u>\$ 1,980,115</u>	<u>\$ 31,976</u>	<u>\$ 446,758</u>	<u>\$ 1,565,333</u>	<u>\$ 247,709</u>

C. Components of Long-Term Bonded Liabilities

	<u>Issue Date</u>	<u>Interest Rates</u>	<u>Original Issue</u>	<u>Final Maturity</u>	<u>Principal Outstanding</u>	<u>Due Within One Year</u>
Long-term liabilities						
Governmental activities						
G.O. Bonds, Including						
Refunding bonds						
G.O. Improvement Refunding Bond, Series 2011A	08/11/11	2.00%-2.75%	1,225,000	12/01/21	\$ 160,000	\$ 160,000
G.O. Capital Improvement Bond, Series 2016A	12/28/16	1.35%-3.30%	1,535,000	02/01/37	<u>1,350,000</u>	<u>65,000</u>
Total Bonds					<u>1,510,000</u>	<u>225,000</u>
Compensated absences					<u>55,333</u>	<u>22,709</u>
Total all long-term liabilities					<u>\$ 1,565,333</u>	<u>\$ 247,709</u>

Long-term bonded indebtedness listed above were issued to finance acquisition and construction of capital facilities or to refinance (refund) previous bond and other debt issues. The General Fund typically liquidates the liability related to compensated absences.

City of Hanover
Notes to Financial Statements

NOTE 8 – LONG-TERM DEBT (CONTINUED)

D. Maturity Schedules

Annual debt service requirements to maturity for all bonded debt outstanding are detailed below:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	
	<u>G.O. Improvement Bonds</u>	
	<u>Principal</u>	<u>Interest</u>
2021	\$ 225,000	\$ 42,206
2022	65,000	36,620
2023	65,000	35,320
2024	70,000	33,970
2025	70,000	32,220
2026-2030	380,000	128,100
2031-2035	440,000	66,627
2036-2037	195,000	6,446
Total	<u>\$ 1,510,000</u>	<u>\$ 381,509</u>

NOTE 9 – EQUITY

	<u>General</u>	<u>Capital Improvement Fund</u>	<u>Fire Department Fund</u>	<u>Nonmajor Governmental Fund</u>	<u>Total</u>
Nonspendable					
Prepaid items	\$ 30,191	\$ -	\$ -	\$ -	\$ 30,191
Long term receivable	72,042	-	-	-	72,042
Total nonspendable	<u>102,233</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>102,233</u>
Restricted					
Debt service	-	-	-	641,622	641,622
Capital projects	-	-	-	133,900	133,900
Tax increment	-	-	-	9,635	9,635
Cemetery operations	-	-	-	42,432	42,432
Gambling proceeds	-	-	-	18,389	18,389
Park dedication	-	-	-	152,324	152,324
Total restricted	<u>-</u>	<u>-</u>	<u>-</u>	<u>998,302</u>	<u>998,302</u>
Assigned					
Capital projects	-	752,948	-	836,162	1,589,110
Unassigned					
Capital projects*	-	-	(237,782)	-	(237,782)
General Fund	806,668	-	-	-	806,668
Total unassigned	<u>806,668</u>	<u>-</u>	<u>(237,782)</u>	<u>-</u>	<u>568,886</u>
Total	<u>\$ 908,901</u>	<u>\$ 752,948</u>	<u>\$ (237,782)</u>	<u>\$ 1,834,464</u>	<u>\$ 3,258,531</u>

*Restricted fund balances were reclassified to unassigned due to negative fund balance at December 31, 2020.

City of Hanover
Notes to Financial Statements

NOTE 10 – RESTRICTED NET POSITION

A portion of net position in the Enterprise Funds are restricted for capital improvements. As of December 31, 2020, these restrictions for the Water, Sewer, and Storm Water Funds were \$259,625, \$2,290,941, and \$718,567, respectively.

NOTE 11 – PENSION PLANS

The City participates in various pension plans, total pension expense for the year ended December 31, 2020 was \$22,774. The components of pension expense are noted in the following plan summaries.

The General Fund typically liquidates the liability related to the pensions.

Public Employees' Retirement Association

A. Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by PERA. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401(a) of the Internal Revenue Code.

All full-time and certain part-time employees of the City are covered by the General Employees Plan. General Employees Plan members belong to the Coordinated Plan. Coordinated Plan members are covered by Social Security.

B. Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

General Employees Plan benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for PERA's Coordinated Plan members. Members hired prior to July 1, 1989, receive the higher of Method 1 or Method 2 formulas. Only Method 2 is used for members hired after June 30, 1989. Under Method 1, the accrual rate for a Coordinated members is 1.2% for each of the first 10 years of service and 1.7% for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% for all years of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

City of Hanover
Notes to Financial Statements

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

B. Benefits Provided (Continued)

General Employees Plan Benefits (Continued)

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

C. Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.5%, of their annual covered salary in fiscal year 2020 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2020, were \$25,733. The City's contributions were equal to the required contributions as set by state statute.

D. Pension Costs

General Employees Fund Pension Costs

At December 31, 2020, the City reported a liability of \$287,782 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$8,788. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0048% at the end of the measurement period and 0.0047% for the beginning of the period.

City of Hanover
Notes to Financial Statements

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

City's proportionate share of the net pension liability	\$ 287,782
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>8,788</u>
Total	<u><u>\$ 296,570</u></u>

For the year ended December 31, 2020, the City recognized pension expense of \$22,774 for its proportionate share of General Employees Plan's pension expense. Included in the amount, the City recognized \$765 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2020, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources, related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,567	\$ 1,089
Changes in actuarial assumptions	-	10,478
Net collective difference between projected and actual investment earnings	7,036	-
Changes in proportion	13,304	-
Contributions paid to PERA subsequent to the measurement date	<u>12,867</u>	<u>-</u>
Total	<u><u>\$ 35,774</u></u>	<u><u>\$ 11,567</u></u>

**City of Hanover
Notes to Financial Statements**

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

D. Pension Costs (Continued)

General Employees Fund Pension Costs (Continued)

The \$12,867 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2021. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31,	Pension Expense Amount
2021	\$ (5,185)
2022	2,727
2023	6,845
2024	6,953
Total	\$ 11,340

E. Actuarial Assumptions

The total pension liability in the June 30, 2020, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 % Per year
Active member payroll growth	3.25 % Per year
Investment rate of return	7.50 %

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors, and disabilitants for all plans were based on RP 2014 tables for males or females, as appropriate, with slight adjustments to fit PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25% per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020, actuarial valuation. The recommended assumptions for that plan was adopted by the Board and will be effective with the July 1, 2021, actual valuation if approved by the Legislature.

City of Hanover
Notes to Financial Statements

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

The following changes in actuarial assumptions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

City of Hanover
Notes to Financial Statements

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees’ Retirement Association (Continued)

E. Actuarial Assumptions (Continued)

The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness on a regular basis of the long-term expected rate of return using a building-block method in which best-estimate ranges of expected future rates of return are developed for each major asset class. These ranges are combined to produce an expected long-term rate of return by weighting the expected future rates of return by the target asset allocation percentages. The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic equity	35.5 %	5.10 %
International stocks	17.5	5.30
Bonds (fixed income)	20.0	0.75
Alternative assets (private markets)	25.0	5.90
Cash	2.0	0.00
Total	<u>100 %</u>	

F. Discount Rate

The discount rate used to measure the total pension liability in 2020 was 7.5%. The projection of cash flows used to determine the discount rate assumed that contributions from Plan members and employers will be made at rates set in *Minnesota Statutes*. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

G. Pension Liability Sensitivity

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the PERA net pension liability	\$ 461,215	\$ 287,782	\$ 144,714

City of Hanover
Notes to Financial Statements

NOTE 11 – PENSION PLANS (CONTINUED)

Public Employees' Retirement Association (Continued)

H. Pension Plan Fiduciary Net Position

Detailed information about each pension plan's fiduciary net position is available in a separately-issued PERA financial report that includes financial statements and required supplementary information. That report may be obtained on the Internet at www.mnpera.org.

NOTE 12 – RISK MANAGEMENT

The City purchases commercial insurance coverage through the League of Minnesota Cities Insurance Trust (LMCIT) with other cities in the state which is a public entity risk pool currently operating as a common risk management and insurance program. The City pays an annual premium to the LMCIT for its insurance coverage. The LMCIT is self-sustaining through commercial companies for excess claims. The City is covered through the pool for any claims incurred but unreported, however, retains risk for the deductible portion of its insurance policies. The amount of these deductibles is considered immaterial to the financial statements.

There were no significant reductions in insurance from the previous year or settlements in excess of insurance coverage for any of the past three years.

The City's workers' compensation insurance policy is retrospectively rated. With this type of policy, final premiums are determined after loss experience is known. The amount of premium adjustment for 2020 was estimated to be immaterial based on workers' compensation rates and salaries for the year.

At December 31, 2020, there were no other claims liabilities reported in the fund based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated.

NOTE 13 – COMMITMENT – SEWER CONNECTION AND USE AGREEMENT

The Cities of Hanover and St. Michael are parties to a Sewer Connection and Use Agreement (the "Agreement") dated October 2000. The Agreement details the terms, covenants, and operations between the two Cities and the sewer operations. The purpose of the Agreement is for the City to contract with the City of St. Michael to treat wastewater. The City agrees to provide an interceptor sewer line from the City boundary to the City of St. Michael's Wastewater Treatment Plant. The City of St. Michael agrees to treat the discharged wastewater pursuant to the terms and conditions of the Agreement and approved addendums.

City of Hanover
Notes to Financial Statements

NOTE 14 – TAX INCREMENT FINANCING

The City has entered into a Tax Increment Financing agreement which meets the criteria for disclosure under *Governmental Accounting Standards Board Statement No. 77 Tax Abatement Disclosures*. The City's authority to enter into these agreements comes from Minnesota Statute 469. The City entered into the agreement for the purpose of economic development.

Under the agreement, the City and developer agree on an amount of development costs to be reimbursed to the developer by the City through tax revenues from the additional taxable value of the property generated by the development (tax increment). A "pay-as-you-go" note is established for this amount, on which the City makes payments for a fixed period of time with available tax increment revenue after deducting for certain administrative costs.

TIF District No. 1 was established in 2007 for the purpose of assisting Bankwest in the development of a building within the City. Under the agreement, up to \$196,523 of development costs will be reimbursed through tax increment over a 25-year period. During the year ended December 31, 2020, the City generated \$6,273 in tax increment revenue and made \$5,646 in payments to developers.

NOTE 15 – CONTINGENCIES

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2020, cannot be determined at this time.

NOTE 16 – NEW STANDARDS ISSUED BUT NOT YET IMPLEMENTED

GASB Statement No. 87, *Leases* establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be effective for the year ending December 31, 2022.

GASB Statement No. 89, *Accounting for Interest Cost Incurred Before the End of a Construction Period* enhances the relevance and comparability of information about capital assets and the cost of borrowing for a reporting period and simplifies accounting for interest cost incurred before the end of a construction period. This statement will be effective for the year ending December 31, 2021.

(THIS PAGE LEFT BLANK INTENTIONALLY)

REQUIRED SUPPLEMENTARY INFORMATION

City of Hanover
Schedule of City's Proportionate Share
of Net Pension Liability
General Employees Retirement Fund
Last Ten Years

For Fiscal Year Ended June 30,	City's Proportionate Share (Percentage) of the Net Pension Liability (Asset)	City's Proportionate Share (Amount) of the Net Pension Liability (Asset)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City	City's Proportionate Share of the Net Pension Liability and the State's Proportionate Share of the Net Pension Liability Associated with the City	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2015	0.0042%	\$ 217,666	\$ -	\$ 217,666	\$ 241,240	90.23%	78.19%
2016	0.0042%	341,019	4,396	345,415	259,067	131.63%	68.91%
2017	0.0042%	268,125	3,334	271,459	267,600	100.20%	75.90%
2018	0.0046%	255,189	8,457	263,646	311,267	81.98%	79.53%
2019	0.0047%	259,852	8,000	267,852	330,147	78.71%	80.23%
2020	0.0048%	287,782	8,788	296,570	340,227	84.59%	79.06%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

**City of Hanover
Schedule of City Contributions
General Employees Retirement Fund
Last Ten Years**

Fiscal Year Ending December 31,	Statutorily Required Contribution	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a Percentage of Covered Payroll
2015	\$ 19,197	\$ 19,197	\$ -	\$ 255,960	7.5%
2016	20,109	20,109	-	268,120	7.5%
2017	20,320	20,320	-	270,933	7.5%
2018	24,318	24,318	-	324,240	7.5%
2019	25,502	25,502	-	340,027	7.5%
2020	25,733	25,733	-	343,107	7.5%

Note: Schedule is intended to show ten year trend. Additional years will be reported as they become available.

City of Hanover
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND

2020 Changes

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.5% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.0%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019, experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019, experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019, experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019, experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the Pub-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint and Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint and Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023, and 0.0% thereafter. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2017 to MP-2018.

Changes in Plan Provisions

- The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

City of Hanover
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2018 Changes (Continued)

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions

- The CSA loads were changed from 0.8% for active members and 60% for vested and non-vested deferred members. The revised CSA loads are now 0.0% for active member liability, 15% for vested deferred member liability and 3% for non-vested deferred member liability.
- The assumed post-retirement benefit increase rate was changed from 1.0% per year for all years to 1.0% per year through 2044 and 2.5% per year thereafter.

Changes in Plan Provisions

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.

Changes in Plan Provisions (Continued)

- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The State's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, the inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

City of Hanover
Notes to Required Supplementary Information

GENERAL EMPLOYEES FUND (CONTINUED)

2016 Changes (Continued)

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Changes in Plan Provisions

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

SUPPLEMENTARY INFORMATION

City of Hanover
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Revenues			
Property taxes	\$ 1,115,277	\$ 1,120,148	\$ 4,871
Miscellaneous taxes	15,000	14,274	(726)
Licenses and permits	110,420	190,395	79,975
Intergovernmental revenues			
Local government aid	124,773	131,639	6,866
Market value credit	1,000	1,545	545
Pera aid	339	-	(339)
Fire aid	39,000	43,834	4,834
Police aid	5,500	6,508	1,008
Federal grants	-	283,883	283,883
Total intergovernmental revenues	<u>170,612</u>	<u>467,409</u>	<u>296,797</u>
Charges for services			
General government	20,650	22,636	1,986
Public safety	107,573	108,844	1,271
Parks and recreation	2,500	1,974	(526)
Total charges for services	<u>130,723</u>	<u>133,454</u>	<u>2,731</u>
Fines and forfeitures	3,000	3,182	182
Miscellaneous revenues			
Investment income	-	7,246	7,246
Contributions and donations	400	8,847	8,447
Refunds and reimbursements	-	3,731	3,731
Other	9,100	10,960	1,860
Total miscellaneous revenues	<u>9,500</u>	<u>30,784</u>	<u>21,284</u>
Total revenues	<u>\$ 1,554,532</u>	<u>\$ 1,959,646</u>	<u>\$ 405,114</u>
Expenditures			
General government			
Mayor and council	50,995	44,092	(6,903)
Administrative and finance	247,977	248,954	977
Other general government	226,432	216,199	(10,233)
Capital outlay	24,000	73,657	49,657
Total general government	<u>549,404</u>	<u>582,902</u>	<u>33,498</u>
Public safety			
Police			
Current	198,926	201,441	2,515
Fire			
Current	245,977	358,601	112,624
Capital outlay	5,000	20,194	15,194
Total fire	<u>250,977</u>	<u>378,795</u>	<u>127,818</u>
Other			
Current	41,000	47,545	6,545
Total public safety	<u>490,903</u>	<u>627,781</u>	<u>136,878</u>

City of Hanover
Schedule of Revenues, Expenditures, and
Changes in Fund Balance -
Budget and Actual - General Fund
Year Ended December 31, 2020

	Original and Final Budget	Actual Amounts	Variance with Final Budget - Over (Under)
Public Works			
Streets and highways			
Street maintenance and storm sewers	\$ 378,325	\$ 301,586	\$ (76,739)
Snow and ice removal	20,000	12,977	(7,023)
Street lighting	25,000	26,623	1,623
Street - other capital outlay	-	786	786
Total streets and highways	423,325	341,972	(81,353)
Sanitation			
Garbage and other refuse			
Collection and disposal	44,000	42,923	(1,077)
Total public works	467,325	384,895	(82,430)
Parks and Recreation			
Libraries:			
Libraries current expenditures	11,600	10,848	(752)
Parks and recreation			
Current	27,300	23,263	(4,037)
Capital outlay	8,000	10,210	2,210
Total parks and recreation	35,300	33,473	(1,827)
Total parks and recreation	46,900	44,321	(2,579)
Total expenditures	1,554,532	1,639,899	85,367
Excess of revenues over expenditures	-	319,747	319,747
Other Financing Uses			
Transfers out	-	(209,000)	(209,000)
Net change in fund balance	\$ -	110,747	\$ 110,747
Fund Balance			
Beginning of year		798,154	
End of year		\$ 908,901	

**City of Hanover
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2020**

	Special Revenue		
	Gambling Proceeds (406)	River Road Cemetery (701)	CSAH 19 Cemetery (702)
Assets			
Cash and investments	\$ 18,389	\$ 37,132	\$ 5,300
Special assessments receivable			
Delinquent	-	-	-
Deferred	-	-	-
Accounts receivable	-	-	-
Due from other governments	-	-	-
Total assets	\$ 18,389	\$ 37,132	\$ 5,300
Liabilities			
Accounts payable	\$ -	\$ -	\$ -
Deferred Inflows of Resources			
Unavailable revenue - special assessments	\$ -	\$ -	\$ -
Fund Balances			
Restricted	18,389	37,132	5,300
Assigned	-	-	-
Total fund balances	18,389	37,132	5,300
Total liabilities, deferred inflows of resources, and fund balances	\$ 18,389	\$ 37,132	\$ 5,300

Debt Service				Capital Projects
G.O. C.I.P. Refunding Bond 2008A (311)	G.O. Improvement Refunding Bonds, Series 2009A (312)	G.O. Crossover Refunding Bonds 2011A (314)	G.O. C.I.P. Bonds, Series (315)	Park (402)
\$ 15,342	\$ 19,764	\$ 498,804	\$ 107,627	\$ 121,308
-	603	-	-	-
-	-	32,792	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 15,342</u>	<u>\$ 20,367</u>	<u>\$ 531,596</u>	<u>\$ 107,627</u>	<u>\$ 121,308</u>
\$ -	\$ -	\$ -	\$ -	\$ -
\$ -	\$ 518	\$ 32,792	-	\$ -
15,342	19,849	498,804	107,627	-
-	-	-	-	121,308
<u>15,342</u>	<u>19,849</u>	<u>498,804</u>	<u>107,627</u>	<u>121,308</u>
<u>\$ 15,342</u>	<u>\$ 20,367</u>	<u>\$ 531,596</u>	<u>\$ 107,627</u>	<u>\$ 121,308</u>

**City of Hanover
Combining Balance Sheet -
Nonmajor Governmental Funds
December 31, 2020**

	Capital Projects		
	Park Dedication (405)	TIF District 1- 1 (407)	Mahler Pit/15th Street Improvement Fund (409)
Assets			
Cash and investments	\$ 169,982	\$ 9,635	\$ 109,078
Special assessments receivable			
Delinquent	-	-	-
Deferred	-	-	-
Accounts receivable	-	-	10,429
Due from other governments	-	-	14,393
	<u>\$ 169,982</u>	<u>\$ 9,635</u>	<u>\$ 133,900</u>
Liabilities			
Accounts payable	\$ 17,658	\$ -	\$ -
Deferred Inflows of Resources			
Unavailable revenue - special assessments	\$ -	\$ -	\$ -
Fund Balances			
Restricted	152,324	9,635	133,900
Assigned	-	-	-
Total fund balances	<u>152,324</u>	<u>9,635</u>	<u>133,900</u>
Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 169,982</u>	<u>\$ 9,635</u>	<u>\$ 133,900</u>

Capital Projects

<u>Equipment (417)</u>	<u>Streets (418)</u>	<u>Total Governmental Funds</u>
\$ 63,312	\$ 658,372	\$ 1,834,045
-	-	603
-	-	32,792
-	-	10,429
-	-	14,393
<u>\$ 63,312</u>	<u>\$ 658,372</u>	<u>\$ 1,892,262</u>
<u>\$ -</u>	<u>\$ 6,830</u>	<u>\$ 24,488</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 33,310</u>
-	-	998,302
63,312	651,542	836,162
<u>63,312</u>	<u>651,542</u>	<u>1,834,464</u>
<u>\$ 63,312</u>	<u>\$ 658,372</u>	<u>\$ 1,892,262</u>

City of Hanover
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2020

	Special Revenue		
	Gambling Proceeds (406)	River Road Cemetery (701)	CSAH 19 Cemetery (702)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Tax increments	-	-	-
Miscellaneous taxes	-	-	-
Special assessments	-	-	-
Charges for services	-	-	-
Miscellaneous			
Investment income	381	-	-
Contributions and donations	8,557	1,150	5,300
Total revenues	<u>8,938</u>	<u>1,150</u>	<u>5,300</u>
Expenditures			
Current			
General government	-	-	-
Parks and recreation	9,425	-	-
Economic development	-	-	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay			
Public works	-	-	-
Parks and recreation	-	-	-
Total expenditures	<u>9,425</u>	<u>-</u>	<u>-</u>
Excess of revenues over (under) expenditures	(487)	1,150	5,300
Other Financing Sources			
Transfers in	-	-	-
Net change in fund balances	(487)	1,150	5,300
Fund Balances			
Beginning of year	<u>18,876</u>	<u>35,982</u>	<u>-</u>
End of year	<u>\$ 18,389</u>	<u>\$ 37,132</u>	<u>\$ 5,300</u>

Debt Service				Capital Projects
G.O. C.I.P. Refunding Bond 2008A (311)	G.O. Improvement Refunding Bonds, Series 2009A (312)	G.O. Crossover Refunding Bonds 2011A (314)	G.O. C.I.P. Bonds, Series (315)	Park (402)
\$ 43,638	\$ -	\$ 136,146	\$ 108,510	\$ 25,000
-	-	-	-	-
-	-	-	-	-
-	4,007	37,055	-	-
-	-	-	-	-
1,111	427	12,885	898	2,570
-	-	-	-	-
<u>44,749</u>	<u>4,434</u>	<u>186,086</u>	<u>109,408</u>	<u>27,570</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
110,000	-	155,000	65,000	-
4,285	-	8,770	38,879	-
-	-	-	-	-
-	-	-	-	-
<u>114,285</u>	<u>-</u>	<u>163,770</u>	<u>103,879</u>	<u>-</u>
(69,536)	4,434	22,316	5,529	27,570
-	-	-	-	-
(69,536)	4,434	22,316	5,529	27,570
84,878	15,415	476,488	102,098	93,738
<u>\$ 15,342</u>	<u>\$ 19,849</u>	<u>\$ 498,804</u>	<u>\$ 107,627</u>	<u>\$ 121,308</u>

City of Hanover
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Nonmajor Governmental Funds
Year Ended December 31, 2020

	Capital Projects		
	Park Dedication (405)	TIF District 1-1 (407)	Mahler Pit/15th Street Improvement Fund (409)
Revenues			
Property taxes	\$ -	\$ -	\$ -
Tax increments	-	6,273	-
Miscellaneous taxes	-	-	14,393
Special assessments	-	-	-
Charges for services	58,896	-	10,429
Miscellaneous			
Investment income	3,250	256	2,774
Contributions and donations	-	-	-
Total revenues	<u>62,146</u>	<u>6,529</u>	<u>27,596</u>
Expenditures			
Current			
General government	-	-	-
Parks and recreation	-	-	-
Economic development	-	5,646	-
Debt service			
Principal	-	-	-
Interest and other charges	-	-	-
Capital outlay			
Public works	-	-	-
Parks and recreation	28,266	-	-
Total expenditures	<u>28,266</u>	<u>5,646</u>	<u>-</u>
Excess of revenues over (under) expenditures	33,880	883	27,596
Other Financing Sources			
Transfers in	-	-	-
Net change in fund balances	33,880	883	27,596
Fund Balances			
Beginning of year	<u>118,444</u>	<u>8,752</u>	<u>106,304</u>
End of year	<u>\$ 152,324</u>	<u>\$ 9,635</u>	<u>\$ 133,900</u>

Capital Projects

Equipment (417)	Streets (418)	Total Other Governmental Funds
\$ 50,000	\$ 275,000	\$ 638,294
-	-	6,273
-	-	14,393
-	-	41,062
-	-	69,325
883	11,028	36,463
-	-	15,007
<u>50,883</u>	<u>286,028</u>	<u>820,817</u>
-	306	306
-	-	9,425
-	-	5,646
-	-	330,000
-	-	51,934
84,994	161,974	246,968
-	-	28,266
<u>84,994</u>	<u>162,280</u>	<u>672,545</u>
(34,111)	123,748	148,272
-	133,000	133,000
(34,111)	256,748	281,272
97,423	394,794	1,553,192
<u>\$ 63,312</u>	<u>\$ 651,542</u>	<u>\$ 1,834,464</u>

**City of Hanover
Combining Balance Sheet -
Component Unit
December 31, 2020**

	Economic Development Authority (201)	Business Incentive (205)	Total
Assets			
Cash and investments	\$ 87,770	\$ 200,554	\$ 288,324
Taxes receivable			
Current	327	-	327
Delinquent	541	-	541
Loan receivable	-	153,320	153,320
Total assets	\$ 88,638	\$ 353,874	\$ 442,512
Deferred Inflows of Resources			
Unavailable revenue - property taxes	541	-	541
Fund balances			
Restricted	-	353,874	353,874
Unassigned	88,097	-	88,097
Total fund balances	88,097	353,874	441,971
Total liabilities, deferred inflows of resources, and fund balances	\$ 88,638	\$ 353,874	\$ 442,512
Reconciliation of the balance sheet to the statement of net position			
Fund balance			\$ 441,971
Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are deferred in the funds.			
Delinquent property taxes			541
Net position			\$ 442,512

City of Hanover
Combining Statement of Revenues, Expenditures, and Changes
in Fund Balances - Component Unit
Year Ended December 31, 2020

	Economic Development Authority (201)	Business Incentive (205)	Total
Revenues			
Property taxes	\$ 49,154	\$ -	\$ 49,154
Intergovernmental	42	-	42
Miscellaneous			
Investment income	3,356	6,602	9,958
Total revenues	<u>52,552</u>	<u>6,602</u>	<u>59,154</u>
Expenditures			
Current			
Economic development	<u>5,453</u>	<u>1,230</u>	<u>6,683</u>
Excess of revenues over (under) expenditures	47,099	5,372	52,471
Other Financing Sources (uses)			
Transfers in	-	100,000	100,000
Transfers out	<u>(100,000)</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>(100,000)</u>	<u>100,000</u>	<u>-</u>
Net change in fund balances	(52,901)	105,372	52,471
Fund Balances			
Beginning of year	<u>140,998</u>	<u>248,502</u>	<u>389,500</u>
End of year	<u>\$ 88,097</u>	<u>\$ 353,874</u>	<u>\$ 441,971</u>

Reconciliation of the schedule of revenues, expenditures, and changes in fund balance to the Statement of Activities.

Net change in fund balance	\$ 52,471
----------------------------	-----------

Delinquent receivables will be collected in subsequent years, but are not available soon enough to pay for the current period's expenditures and, therefore, are not revenues in the funds.

Delinquent property taxes	<u>268</u>
---------------------------	------------

Change in net position	<u>\$ 52,739</u>
------------------------	------------------

(THIS PAGE LEFT BLANK INTENTIONALLY)

**Report on Internal Control Over Financial
Reporting and on Compliance and Other Matters
Based on an Audit of Financial Statements Performed
in Accordance with *Government Auditing Standards***

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Hanover
Hanover, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Hanover, Minnesota, as of and for the year ended December 31, 2020, and the related notes to financial statements, which collectively comprise the City's basic financial statements, and have issued our report thereon dated May 5, 2021.

Internal Control over Financial Reporting

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) as a basis for designing audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of the City's internal control.

A deficiency in internal control exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A material weakness is a deficiency, or a combination of deficiencies, in internal control such that there is a reasonable possibility that a material misstatement of the City's financial statements will not be prevented, or detected and corrected, on a timely basis. A significant deficiency is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. We did identify a certain deficiency in internal control, described in the accompanying Schedule of Findings and Responses on Internal Control and Legal Compliance as audit finding 2020-001, that we consider to be a material weakness.

Compliance and Other Matters

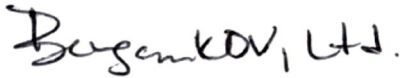
As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

City's Response to the Finding

The City's response to the finding identified in our audit is described in the Schedule of Findings and Responses on Internal Control and Legal Compliance. The City's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



St. Cloud, Minnesota
May 5, 2021

Minnesota Legal Compliance

Independent Auditor's Report

Honorable Mayor and Members
of the City Council
City of Hanover
Hanover, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, and each major fund and the aggregate remaining fund information of the City of Hanover, Minnesota as of and for the year ended December 31, 2020, and the related notes to financial statements, and have issued our report thereon dated May 5, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the City failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance and the results of that testing, and not to provide an opinion on compliance. Accordingly, this communication is not suitable for any other purpose.

BergankDV, Ltd.

St. Cloud, Minnesota
May 5, 2021

City of Hanover
Schedule of Findings and Responses
on Internal Control and Legal Compliance

CURRENT AND PRIOR YEAR INTERNAL CONTROL FINDING:

Material Weakness:

Audit Finding 2020-001 – Lack of Segregation

During the year ended December 31, 2020, the City had a lack of segregation of accounting duties due to a limited number of office employees. As a result of this condition, a material audit adjustment was required to properly adjust expenses and capital asset balances.

Management is aware of this condition and has taken certain steps to compensate for the lack of segregation. However, due to the small accounting staff needed to handle all of the accounting duties, the cost of obtaining desirable segregation of accounting duties can often exceed benefits which could be derived. Due to this reason, management has determined a complete segregation of accounting duties is impractical to correct. However, management, along with the City Council, must remain aware of this situation and should continually monitor the accounting system, including changes that occur.

City's Response:

Management of the City takes its responsibility for internal controls very seriously and has weighed the costs and benefits of an additional office employee to eliminate this risk and has determined the benefit does not exceed the cost. The City's management team diligently follows the City's internal control policies to ensure the protection of public funds.

PRIOR YEAR LEGAL COMPLIANCE FINDING:

Audit Finding 2019-002 – Sufficient Collateral

Minnesota Statutes 118A.03 requires all deposits with financial institutions to be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation (FDIC) insurance. If irrevocable standby letters of credit from federal home loan banks are used, the collateral amount must be equal to the amount of the excess deposit plus interest at the close of the banking day.

During the year ended December 31, 2019, the City's deposits were not sufficiently collateralized.

Corrective Action Taken:

The City ensured that sufficient collateral was pledged on its deposits to ensure compliance with *Minnesota Statutes*.

Collaborative Planning, LLC

Memorandum

Meeting Date: May 4, 2021
To: Honorable Mayor and Council
From: Cindy Nash, City Planner
RE: Ordinance Amendment – Certificates of Survey/Decks

Included in the packet is an ordinance amendment that would require a builder to demonstrate under certain circumstance how a deck can be accommodated in the future on a proposed home if the building plans show an above grade door or a deck ledger. In the event that one cannot be demonstrated to fit without a variance, the proposed certificate of survey would not meet the requirements of the zoning ordinance and would then either require revisions or be denied similar to what would occur if a building didn't meet the setback requirements.

Both a redline and clean version of the ordinance are included in the packet for consideration. The Planning Commission held a public hearing at their meeting on April 26th and recommended approval of the ordinance amendment.

**CITY OF HANOVER
COUNTIES OF WRIGHT AND HENNEPIN
STATE OF MINNESOTA**

ORDINANCE NO. 2021-02

**AN ORDINANCE AMENDING THE HANOVER ZONING ORDINANCE
RELATED TO BUILDING PERMITS**

THE CITY COUNCIL OF THE CITY OF HANOVER ORDAINS AS FOLLOWS:

Section 1. Rescind and replace section. Section 10.10 of the Hanover Zoning Ordinance is hereby rescinded and a new Section 10.10 is added as follows:

SEC. 10.10. BUILDING PERMITS

For the purpose of enforcing the provisions of this chapter, a building permit shall be required of all persons intending to erect, alter, demolish or move any building or structure or part thereof. Detached accessory buildings not exceeding two hundred (200) square feet in floor area shall be allowed without the issuance of a building permit.

- A. Persons requesting a building permit shall fill out a building permit form available from the Administrator. All applications for building permits pertaining to erection or major alteration which will affect the outside dimension of the structures, shall be accompanied by a certificate of survey. The certificate of survey shall also show dimensions of existing and/or proposed structures to be erected or structurally altered, their location on the site in relation to the outside boundary, the required off-street parking plan, existing and proposed site grading, and such other information as may be necessary to provide for the enforcement of these regulations. Certain types of applications are exempted from providing a current certificate of survey as provided in Paragraph D. of this Section.

For building permit applications for new dwellings or additions to new dwellings where the building floor plans and elevations identify doors installed above the grade of the land or a deck ledger attached to the building, the certificate of survey shall demonstrate how a future deck consisting of a minimum of 10 feet wide by 10 feet deep can be accommodated on the lot without the need for a variance from the zoning ordinance for its construction. In the event that a 10 foot by 10 foot deck cannot be demonstrated to meet compliance on the certificate of survey, the building permit shall be denied.

- B. Completed building permit forms and a fee may be established by resolution of the City Council. The completed form shall be submitted to the Zoning Administrator. If the proposed development conforms in all respects to this chapter, and after approval by the City Council where required, a building permit shall be issued by the Zoning Administrator.
- C. If the proposed development involves a zoning amendment, variance, or conditional or interim use permit, the application, shall be submitted either to the Planning Commission or Board of Adjustment and Appeals for review and appropriate action according to the procedures set forth herein prior to the issuance of the building permit.

- D. The following types of building permits are exempted from providing a new certificate of survey:
1. Deck permit where the following conditions exist:
 - a. The City has in its file a foundation as-built survey for the construction of the original home.
 - b. The lot shape is a rectangle or wider in the back than the front.
 - c. The deck would be at least 5 feet from any rear yard setback line, wetland buffer line, or drainage and utility easement.
 - d. The property is not in the shoreland or floodplain overlay districts.
 2. Accessory structure permit where the following conditions exist:
 - a. Property is zoned AG or RR.
 - b. The building would be setback at least double the distance of the minimum setback required in the district.
 - c. Locations for the well and primary and secondary septic sites (if needed) are known and located at least 50 feet from the proposed structure.
 - d. The accessory structure will not exceed 500 square feet in size.
 - e. The property is not located in the shoreland or floodplain overlay districts.
 - f. Wright County Soil and Water has determined that a wetland delineation is not needed.
 - g. The low floor elevation of the structure is clearly at least 3 feet higher than the ordinary high-water level of nearby ponds or wetlands.

Section 2. Effective Date. This Ordinance shall be in force and effect upon adoption and publication in the official newspaper of the City in accordance with applicable law. The City may publish a summary of this Ordinance.

Section 3. Codification. City staff is directed to codify the revisions to the Zoning Ordinance as enacted in this Ordinance.

Adopted by the Hanover City Council this 18th day of May, 2021.

CITY OF HANOVER

Chris Kauffman, Mayor

ATTEST:

Brian Hagen, City Administrator

SEC. 10.10. BUILDING PERMITS

For the purpose of enforcing the provisions of this chapter, a building permit shall be required of all persons intending to erect, alter, demolish or move any building or structure or part thereof. Detached accessory buildings not exceeding two hundred (200) square feet in floor area shall be allowed without the issuance of a building permit.

A. Persons requesting a building permit shall fill out a building permit form available from the Administrator. All applications for building permits pertaining to erection or major alteration which will affect the outside dimension of the structures, shall be accompanied by a certificate of survey. The certificate of survey shall also show dimensions of existing and/or proposed structures to be erected or structurally altered, their location on the site in relation to the outside boundary, the required off-street parking plan, existing and proposed site grading, and such other information as may be necessary to provide for the enforcement of these regulations. Certain types of applications are exempted from providing a current certificate of survey as provided in Paragraph D. of this Section.

For building permit applications for new dwellings or additions to new dwellings where the building floor plans and elevations identify doors installed above the grade of the land or a deck ledger attached to the building, the certificate of survey shall demonstrate how a future deck consisting of a minimum of 10 feet wide by 10 feet deep can be accommodated on the lot without the need for a variance from the zoning ordinance for its construction. In the event that a 10 foot by 10 foot deck cannot be demonstrated to meet compliance on the certificate of survey, the building permit shall be denied.

Formatted: Indent: First line: 0"

B. Completed building permit forms and a fee may be established by resolution of the City Council. The completed form shall be submitted to the Zoning Administrator. If the proposed development conforms in all respects to this chapter, and after approval by the City Council where required, a building permit shall be issued by the Zoning Administrator.

C. If the proposed development involves a zoning amendment, variance, or conditional or interim use permit, the application, shall be submitted either to the Planning Commission or Board of Adjustment and Appeals for review and appropriate action according to the procedures set forth herein prior to the issuance of the building permit.

D. The following types of building permits are exempted from providing a new certificate of survey:

1. Deck permit where the following conditions exist:

- a. The City has in its file a foundation as-built survey for the construction of the original home
- b. The lot shape is a rectangle or wider in the back than the front.

- c. The deck would be at least 5 feet from any rear yard setback line, wetland buffer line, or drainage and utility easement.
 - d. The property is not in the shoreland or floodplain overlay districts.
2. Accessory structure permit where the following conditions exist:
- a. Property is zoned AG or RR.
 - b. The building would be setback at least double the distance of the minimum setback required in the district.
 - c. Locations for the well and primary and secondary septic sites (if needed) are known and located at least 50 feet from the proposed structure.
 - d. The accessory structure will not exceed 500 square feet in size.
 - e. The property is not located in the shoreland or floodplain overlay districts.
 - f. Wright County Soil and Water has determined that a wetland delineation is not needed.
 - g. The low floor elevation of the structure is clearly at least 3 feet higher than the ordinary high-water level of nearby ponds or wetlands.