

AGENDA

APO POLICY BOARD MEETING

THURSDAY, APRIL 8, 2021 - 4:30 P.M.

VIRTUAL MEETING VIA ZOOM



1. Introductions
2. Approval of Agenda
3. Public Comment Period
4. Consideration of Consent Agenda Items (*Attachments A – D*)
 - a. Approve Minutes of March 11, 2021 Policy Board Meeting (*Attachment A*)
 - b. Approve Actual and Anticipated April/May Bills Lists (*Attachments B1 – B2*)
 - c. Approve Contract for Southwest Beltline Corridor Study (*Attachment C*)
 - d. Receive Staff Report for Technical Advisory Committee March Meeting (*Attachment D*)
5. Consider APO FY2020 Financial Audit (*Attachments E1 – E3*) *Kari Steinbeisser, Accountant with Conway, Deuth, and Schmiesing*
 - a. **Suggested Action:** Approve
6. Consider Resolution Endorsing Minnesota Senate File 2314 (*Attachment F1 & F2*) *Brian Gibson, Executive Director & John Pederson, TCC Materials*
 - a. **Suggested Action:** Approve
7. Consider Transportation Improvement Program Amendment (*Attachments G1 & G2*) *Vicki Johnson, Senior Transportation Planner*
 - a. **Suggested Action:** Approve
8. Other Business & Announcements
9. Adjournment

English

The Saint Cloud Area Planning Organization (APO) fully complies with the Title VI of the Civil Rights Act of 1964, Title II of the Americans with Disabilities Act of 1990, Executive Order 12898, Executive Order 13116 and related statutes and regulations. The APO is accessible to all persons of all abilities. A person who requires a modification or accommodation, auxiliary aids, translation services, interpreter services, etc., in order to participate in a public meeting, including receiving this agenda and/or attachments in an alternative format, or language please contact the APO at 320-252-7568 or at admin@stcloudapo.org at least seven (7) days in advance of the meeting.

Somali

Ururka Qorsheynta Deegaanka ee Cloud Cloud (APO) wuxuu si buuxda u waafaqsanahay Cinwaanka VI ee Xuquuqda Xuquuqda Rayidka ee 1964, Cinwaanka II ee Sharciga Naafada Mareykanka ee 1990, Amarka Fulinta 12898, Amarka Fulinta 13116 iyo qawaaniinta iyo qawaaniinta la xiriira. APO waa u furan tahay dhammaan dadka awooda oo dhan. Qofka u baahan dib-u-habeyn ama dejin, caawimaad gargaar ah, adeegyo turjumaad, adeegyo turjubaan, iwm, si uu uga qeyb galo kulan dadweyne, oo ay ku jiraan helitaanka ajendahaan iyo / ama ku lifaaqan qaab kale, ama luqadda fadlan la xiriir APO. 320-252-7568 ama at admin@stcloudapo.org ugu yaraan toddobo (7) maalmood kahor kulanka.

Spanish

La Organización de Planificación del Área de Saint Cloud (APO en inglés) cumple plenamente con el Título VI de la Ley de Derechos Civiles de 1964, con el Título II de la Ley sobre los Estadounidenses con Discapacidad de 1990), de la Orden Ejecutiva 12898, de la Orden Ejecutiva 13116 y los estatutos y reglamentos relacionados. La APO es accesible para todas las personas de todas las capacidades. Una persona que requiere una modificación o acomodación, ayudas auxiliares, servicios de traducción, servicios de interpretación, etc., para poder participar en una reunión pública, incluyendo recibir esta agenda y/o archivos adjuntos en un formato o idioma alternativo, por favor, contacta a la APO al número de teléfono 320-252-7568 o al admin@stcloudapo.org al menos siete (7) días antes de la reunión.

Saint Cloud Area Planning Organization Electronic Meeting Notification

March 22, 2021

The Executive Director has determined that an in-person meeting is not prudent and – under MN Statute 13D.021, subdivision 1 – believes that a conference with Policy Board members participating via video conference and/or conference call is warranted.

The following process for the Saint Cloud Area Planning Organization's Policy Board meeting to be held on Thursday, March 11, 2021, at 4:30 p.m. will be done in accordance with State Law:

1. The Executive Director will be present at the Saint Cloud Area Planning Organization office. The meeting will be audio recorded.
2. All votes will be done by rollcall so there is a clear record of who is in favor or opposed to the subject vote.
3. We will ensure that all members are able to hear one another and all discussions and testimony.
4. Notice of the meeting will be sent to all persons who have requested notice along with area media outlets.
5. Any member of the public may contact the Executive Director if he or she desires to be connected electronically to the meeting to hear the content of the meeting. If there is an expense for such connection, the Executive Director shall inform the public of the charge for such connection in advance of the meeting.

Allowing the public to be present at this meeting has been determined to not be feasible due to the health pandemic and emergency declaration and is authorized by MN Statute 13D.021, subdivision 1.

SAINT CLOUD AREA PLANNING ORGANIZATION POLICY BOARD
Thursday, March 11, 2021 – 4:30 p.m.

A regular meeting of the Saint Cloud Area Planning Organization Policy Board was held on Thursday, March 11th at 4:30 p.m. APO Chair Joe Perske presided with the following members participating via the Zoom app or telephone access:

Commissioner Joe Perske	Stearns County
Mayor Rick Miller	City of Waite Park
Commissioner Raeanne Danielowski	Sherburne County
Ryan Daniel, CEO	Metro Bus
Mayor Dave Kleis	City of Saint Cloud
Paul Brandmire	City of Saint Cloud
Tim Elness	City of Sartell
Jeff Goerger	City of Saint Cloud
Commissioner Beth Schlangen	Benton County
Mayor Rick Schultz	City of Saint Joseph

Also in attendance were:

Jared Gapinski	Benton County (alternate)
Kevin Kluesner	City of Saint Joseph (alternate)
Brian Gibson, Exec Director	Saint Cloud APO
Amber Blattner	Saint Cloud APO
Vicki Johnson	Saint Cloud APO
Alex McKenzie	Saint Cloud APO
Fred Sandal	Saint Cloud APO

APPROVAL OF AGENDA:

Mr. Goerger motioned to approve the agenda, and Mr. Brandmire seconded the motion. Roll Call Vote: Miller-yes; Danielowski-yes; Daniel-yes; Schlangen – yes; Brandmire-yes; Perske-yes; Kleis-yes; Goerger – yes; Schultz – yes; Elness – yes; Motion Passed.

PUBLIC COMMENT PERIOD: No members of the public were in attendance.

CONSIDERATION OF CONSENT AGENDA ITEMS:

- a. Approve Minutes of February 11, 2021 Policy Board Meeting (*Attachment A*)
- b. Approve Actual Bills List for February and Anticipated Bills for March (*Attachments B1 – B2*)
- c. Approve Purchase of Bicycle-Pedestrian Counter (*Attachment C*)
- d. Approve Contract for Regional Household Travel Survey (*Attachment D*)
- e. Approve Transportation Improvement Program Administrative Modification (*Attachment E*)
- f. Receive Staff Report

Mr. Perske requested a motion to approve consent agenda items. Mr. Schultz moved to approve items a, b, e, f and would like further discussion on items c and d.

Mr. Schultz motioned to approve consent agenda items a, b, e, f, and Mr. Klies seconded the motion. Roll Call Vote: Miller-yes; Danielowski-yes; Daniel-yes; Schlangen – yes; Brandmire-yes; Perske-yes; Kleis-yes; Goerger – yes; Schultz – yes; Elness – yes; Motion Passed.

Regarding items c and d Mr. Schultz asked how the data was collected, who has access to the data, where is it stored and how is it maintained? Mr. Gibson said data from the bike-pedestrian counter is collected by Mr. McKenzie and kept on his computer. The data is available to anyone and anyone may request a count for a specific location. Mr. Gibson said in terms of the household travel survey the consultant will collect the data, anonymize it, and then provide the APO with a data set that cannot be traced back to a particular individual so that data is kept private.

Mr. Schultz motioned to approve consent agenda items c and d and Mr. Klies seconded the motion. Roll Call Vote: Miller-yes; Danielowski-yes; Daniel-yes; Schlangen – yes; Brandmire-yes; Perske-yes; Kleis-yes; Goerger – yes; Schultz – yes; Elness – yes; Motion Passed.

Consider Active Transportation Plan Goals and Objectives

Mr. Gibson presented on the goals, vision statement, and objectives for the first regional active transportation plan. This plan is focused on bicycle and pedestrians. APO staff has worked with the Active Transportation Advisory Committee (ATAC) and members of the community to develop these goals, vision statement, and objectives. Next steps for the plan include identifying the needs and completing a draft for Policy Board review later this year. On Feb. 25 the Technical Advisory Committee (TAC) met and voted unanimously to recommend approval of the ATP vision statement, goals, and objectives. Mr. Gibson requested approval from the Policy Board. Mr. Perske asked if there needs to be anything added regarding economy or workforce to include the commercial aspect. Mr. Gibson noted that goal 2 addresses transportation to destinations including large employers, schools, and grocery stores.

Mr. Goerger motioned to approve the ATP goals, vision statement, and objectives and Mr. Schultz seconded the motion. Roll Call Vote: Miller-yes; Danielowski-yes; Daniel-yes; Schlangen – yes; Brandmire-yes; Perske-yes; Kleis-yes; Goerger – yes; Schultz – yes; Elness – yes; Motion Passed.

Consider Changes to APO Procurement Policies

Mr. Gibson noted that because the APO receives federal funding there are rules in place on how the Federal Grant Funds can be spent. In late 2020 there was a significant amendment to Federal grant management regulations that aims to

reduce administrative burden and the risk of waste, fraud, and abuse while delivering better performance on behalf of the American people. Mr. Gibson presented on changes the APO made to the procurement policies. He said the most significant changes were the thresholds for specific procurement methods. For example, the Micro Purchase method used to have a limit of \$3,500. Now, the threshold has been increased to \$10,000 – but can be further increased to \$50,000 if the non-Federal entity has sufficient accounting controls in place. Ms. Danielowski noted that she appreciated Mr. Gibson’s approach to using conservative amounts in recommending procurement thresholds for the APO. Mr. Schultz asked if the auditors should review this. Mr. Gibson said he has sent a copy to the auditor and they agreed the thresholds are appropriate based on the APOs accounting and record keeping processes. Mr. Klies clarified that the APO can only spend what they budget.

Mr. Klies motioned to approve the changes to the APO Procurement Policies and Ms. Danielowski seconded the motion. Roll Call Vote: Miller-yes; Danielowski-yes; Daniel-yes; Schlangen – yes; Brandmire-yes; Perske-yes; Kleis-yes; Goerger – yes; Schultz – yes; Elness – yes; Motion Passed.

Introduction to the APO

Mr. Gibson provided a summary of the Saint Cloud Area Planning Organization. The APO (Area Planning Organization) is an MPO (Metropolitan Planning Organization). The Policy Board is the APO, the only decision-making entity for the Saint Cloud Area Planning Organization. The advisory body for the Policy Board is the Technical Advisory Committee (TAC). The primary products of the APO are the Metropolitan Transportation Plan (MTP), Transportation Improvement Program (TIP), and the Unified Planning Work Program (UPWP). Mr. Perske asked why Rockville and Saint Augusta have chosen not to be members. Mr. Gibson said they can join if they want but because they are small, they would not see many benefits from federal funding.

OTHER BUSINESS & ANNOUNCEMENTS:

Mr. Gibson noted they are tentatively planning a trip to DC in the fall and the regional priority briefing booklet will be ready early fall. Mr. Perske asked about the comfort level of getting back together regarding Covid and meeting in person for future meetings. Mr. Kleis said when the vaccine is available everywhere that the board would be able to meet in person. Ms. Danielowski agrees with Mr. Klies. Mr. Schultz noted the executive order that states two households, maximum of ten people is still in effect. Ms. Danielowski suggested hybrid meetings. Mr. Perske noted that we will continue to meet via Zoom in April. Ms. Danielowski noted an email she received in regard to legislation at the capitol and an entity looking for funding. Ms. Danielowski will send the email to Mr. Gibson for further review.

ADJOURNMENT:

The meeting was adjourned at 5:40p.m.

ST. CLOUD AREA PLANNING ORGANIZATION
Transaction List by Vendor
March 2021

8:35 AM

03/31/2021

Type	Date	Num	Vendor Name	Accounting Description	Amount
Adobe Creative Cloud					
Credit Card Charge	03/10/2021			6609 · IT Support & Software	57.03
	03/02/2021			6609 · IT Support & Software	16.13
	03/04/2021			6609 · IT Support & Software	22.59
BCBS of MN					
Bill Payment - Check	03/22/2021	210202153695		6600.5 · Health/Dental/Life Insurance	4,819.18
City of St. Cloud - Water/Sewer					
Bill Payment - Check	03/22/2021	210202153695		6600.5 · Health/Dental/Life Insurance	44.20
Cloudnet					
Bill Payment - Check	3/23/2021	LBLCVISM		6603.1 · Telephone	10.00
Dell Financial Services					
Bill Pmt -Check	03/02/2021	E-TB4CMIO5		6609.1 · Equipment & Hardware	1,427.46
Delta Dental					
Bill Pmt -Check	03/05/2021	eft		6600.5 · Health/Dental/Life Insurance	356.75
Liberty Savings Bank					
Check	03/11/2021	Ck-KBRC7113		VISA 2733	3,023.63
Loffler Companies					
Bill Pmt -Check	03/23/2021	KB2CGIAW		6608 · Multifunction Copier	76.61
Mailchimp.com					
Credit Card Charge	03/02/2021	Ord MC11763645		6609 · IT Support & Software	14.99
Microsoft					
Credit Card Charge	03/13/2021	E0300DV40P		6609 · IT Support & Software	745.84
Premium Waters, Inc.					
Bill Pmt -Check	03/23/2021	7BPCZI9W		6601 · Office Supplies	12.00
Principal Mutual Life Insurance					
Bill Pmt -Check	03/23/2021	1BRCJI9W		6600.5 · Health/Dental/Life Insurance	349.90
SC Times					
Bill Pmt -Check	03/23/2021	JBJCJIAW		6605 · Printing & Publishing	139.50
Schroden's Inc.					
Bill Pmt -Check	03/23/2021	OBQCHI9W		6606.2 · Maintenance	140.00
Spectrum Business (Charter)					
Bill Pmt -Check	03/23/2021	LB6CWI9W		Internet and Telephone	414.93
St. Cloud Postmaster					
Credit Card Charge	03/03/2021	12033		Postage	3.60
Stantec Consulting Services Inc					
Bill Pmt -Check	03/23/2021	EBRCUI9W		6622 CPG Mississippi River Bridge Plan20	15,424.59
Stearns Electric Association					
Bill Pmt -Check	03/25/2021	xx		6606.1 · Utilities	150.08
Steve Spindler Catography					
Credit Card Charge	03/02/2021	5WE21698H441 6394J		6609 · IT Support & Software	349.00
Weisman Cleaning Inc					
Bill Pmt -Check	03/23/2021	1B1CXI9W		6606.2 · Maintenance	150.68

ST. CLOUD AREA PLANNING ORGANIZATION
Transaction List by Vendor
March 2021

8:35 AM

03/31/2021

Type	Date	Num	Vendor Name	Accounting Description	Amount
			West Central Sanitation, Inc		
Bill Pmt -Check	03/23/2021	1B1CXI9W		6606.2 · Maintenance	41.52
			Xcel Energy		
Bill Pmt -Check	03/08/2021	xx		2000 · Accounts Payable	166.29
			Your CFO Inc		
Bill Pmt -Check	3/1/2021	4BSC1IT5		6602.2 · Accounting Services	1,519.00
					29,475.50

LIBERTY BANK DEPOSITS

	Deposit Date	Amount
Cloudnet BI	3/19/2021	10.00
USBancorp Investments	3/15/2021	5,000.00
MN DOT - December 2020 Billing for CPG and Mi	3/11/2021	39,995.22
Bank interest earned - estimate	3/31/2021	6.00
		45,011.22

PROPOSED April 2021 and May 2021 DISBURSEMENTS
prepared 03/30/2021

ATTACHMENT B2
AGENDA ITEM 4b

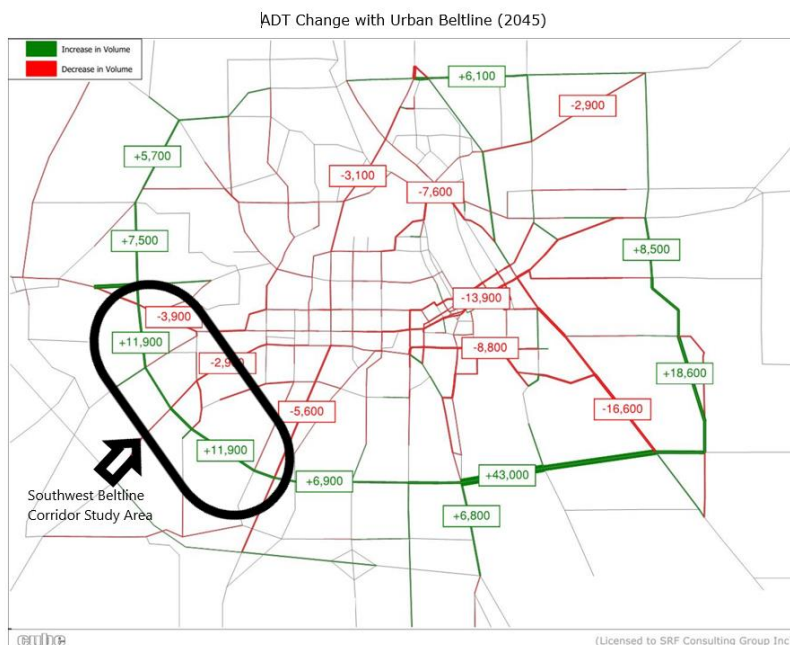
Method Of Payment	To Whom Paid	What Check is for	Account	Amount
Direct Dep.	Net Payroll (including insurance reimbursement)	4/2/2021 Payroll Paid	Payroll	\$ 8,189.24
Electronic	Expense Reimbursemt - Employee mileage	4/2/2021 Payroll Paid	Payroll	\$ -
Electronic	Social Security, Medicare & Federal Tax PAID	4/2/2021 Payroll Paid	Payroll	\$ 2,482.00
Electronic	MN Department of Revenue-Withholding PAID	4/2/2021 Payroll Paid	Payroll	\$ 588.00
Electronic	PERA	4/2/2021 Payroll Paid	Payroll	\$ 1,744.70
Electronic	Great West Annuity	4/2/2021 Payroll Paid	Payroll	\$ 10.00
Electronic	Minnesota State Retirement System	4/2/2021 Payroll Paid	Payroll	\$ 90.93
Electronic	Select Account (H.S.A.)	4/2/2021 Payroll Paid	Payroll	\$ 157.70
Direct Dep.	Net Payroll (including insurance reimbursement)	4/16/2021 Payroll Paid	Payroll	\$ 8,189.24
Electronic	Expense Reimbursemt - Employee mileage	4/16/2021 Payroll Paid	Payroll	\$ -
Electronic	Social Security, Medicare & Federal Tax PAID	4/16/2021 Payroll Paid	Payroll	\$ 2,482.00
Electronic	MN Department of Revenue-Withholding PAID	4/16/2021 Payroll Paid	Payroll	\$ 588.00
Electronic	PERA	4/16/2021 Payroll Paid	Payroll	\$ 1,744.70
Electronic	Great West Annuity	4/16/2021 Payroll Paid	Payroll	\$ 10.00
Electronic	Minnesota State Retirement System	4/16/2021 Payroll Paid	Payroll	\$ 90.93
Electronic	Select Account (H.S.A.)	4/16/2021 Payroll Paid	Payroll	\$ 157.70
Direct Dep.	Net Payroll (including insurance reimbursement)	4/30/2021 Payroll Paid	Payroll	\$ 8,189.24
Electronic	Expense Reimbursemt - Employee mileage	4/30/2021 Payroll Paid	Payroll	\$ -
Electronic	Social Security, Medicare & Federal Tax PAID	4/30/2021 Payroll Paid	Payroll	\$ 2,482.00
Electronic	MN Department of Revenue-Withholding PAID	4/30/2021 Payroll Paid	Payroll	\$ 588.00
Electronic	PERA	4/30/2021 Payroll Paid	Payroll	\$ 1,744.70
Electronic	Great West Annuity	4/30/2021 Payroll Paid	Payroll	\$ 10.00
Electronic	Minnesota State Retirement System	4/30/2021 Payroll Paid	Payroll	\$ 90.93
Electronic	Select Account (H.S.A.)	4/30/2021 Payroll Paid	Payroll	\$ 157.70
Direct Dep.	Net Payroll (including insurance reimbursement)	5/14/2021 Payroll Paid	Payroll	\$ 8,189.24
Electronic	Expense Reimbursemt - TRB conference	5/14/2021 Payroll Paid	Payroll	\$ -
Electronic	Social Security, Medicare & Federal Tax PAID	5/14/2021 Payroll Paid	Payroll	\$ 2,482.00
Electronic	MN Department of Revenue-Withholding PAID	5/14/2021 Payroll Paid	Payroll	\$ 588.00
Electronic	PERA	5/14/2021 Payroll Paid	Payroll	\$ 1,744.70
Electronic	Great West Annuity	5/14/2021 Payroll Paid	Payroll	\$ 10.00
Electronic	Minnesota State Retirement System	5/14/2021 Payroll Paid	Payroll	\$ 90.93
Electronic	Select Account (H.S.A.)	5/14/2021 Payroll Paid	Payroll	\$ 157.70
Direct Dep.	Net Payroll (including insurance reimbursement)	5/28/2021 Payroll Paid	Payroll	\$ 8,189.24
Electronic	Expense Reimbursemt - TRB conference	5/28/2021 Payroll Paid	Payroll	\$ -
Electronic	Social Security, Medicare & Federal Tax PAID	5/28/2021 Payroll Paid	Payroll	\$ 2,482.00
Electronic	MN Department of Revenue-Withholding PAID	5/28/2021 Payroll Paid	Payroll	\$ 588.00
Electronic	PERA	5/28/2021 Payroll Paid	Payroll	\$ 1,744.70
Electronic	Great West Annuity	5/28/2021 Payroll Paid	Payroll	\$ 10.00
Electronic	Minnesota State Retirement System	5/28/2021 Payroll Paid	Payroll	\$ 90.93
Electronic	Select Account (H.S.A.)	5/28/2021 Payroll Paid	Payroll	\$ 157.70
Credit Card	Adobe Creative Cloud - April 2021	Subscription service to PDF software	IT Support & Software	\$ 95.75
Credit Card	Adobe Creative Cloud - May 2021	Subscription service to PDF software	IT Support & Software	\$ 95.75
Credit Card	Amazon.com	Small Tools	Maintenance	\$ 124.78
Credit Card	Amazon.com	Telephone Headset	IT Support & Software	\$ 63.38
Check	AFLAC - April 2021	Employee Addtl Insurance	Payroll	\$ 993.90
Check	AFLAC - May 2021	Employee Addtl Insurance	Payroll	\$ 993.90
Electronic	BCBS of MN - April 2021	Employee Health Insurance	Payroll	\$ 4,819.18
Electronic	BCBS of MN - May 2021	Employee Health Insurance	Payroll	\$ 4,819.18
Credit Card	Carbonite	Computer backup services - annual renewal	IT Support & Software	\$ 1,299.99
Check	Central Minnesota Transportation Alliance			\$ 220.63
Check	City of St Cloud - Water/Sewer - April 2021	Utilities - water / sewer	Utilities	\$ 15.00
Check	City of St Cloud - Water/Sewer - May 2021	Utilities - water / sewer	Utilities	\$ 15.00
Check	Cloudnet - April 2021	Internet Service	Utilities	\$ 10.00

PROPOSED April 2021 and May 2021 DISBURSEMENTS
 prepared 03/30/2021

Method Of Payment	To Whom Paid	What Check is for	Account	Amount
Check	Cloudnet - May 2021	Internet Service	Utilities	\$ 10.00
Check	David Turch & Associates - estimate - April 2021	Lobbyist Services	Lobbying	\$ 4,000.00
Check	David Turch & Associates - estimate - May 2021	Lobbyist Services	Lobbying	\$ 4,000.00
Check	Delta Dental - estimate - April 2021	Employee dental insurance	Payroll	\$ 415.95
Check	Delta Dental - estimate - May 2021	Employee dental insurance	Payroll	\$ 415.95
Check	EL-Jay Mechanical	Jetter/2-trench drains/trk charge/labor	Maintenance	\$ 1,199.00
Credit Card	Google Inc - April 2021	G Suite Basic - Commitment	Utilities	\$ 48.00
Credit Card	Google Inc - May 2021	G Suite Basic - Commitment	Utilities	\$ 48.00
Check	Loffler Companies - estimate - April 2021	Copier Supplies	Copy Machine	\$ 150.00
Check	Loffler Companies - estimate - May 2021	Copier Supplies	Copy Machine	\$ 150.00
Credit Card	MailChimp	Contact Names	IT Support & Software	\$ 14.99
Credit Card	Microsoft	Office 365	IT Support & Software	\$ 745.84
Credit Card	Neopost USA, Inc.	Postage Meter	Meter Lease	\$ 59.25
Credit Card	Neopost USA, Inc.	Postage Meter	Postage	\$ 200.00
Check	Net V Pro - April 2021	Monthly IT Support	IT Support & Software	\$ 321.00
Check	Net V Pro - May 2021	Monthly IT Support	IT Support & Software	\$ 321.00
Check	Premium Water Inc - estimate - April 2021	office drinking water	Utilities	\$ 25.00
Check	Premium Water Inc - estimate - May 2021	office drinking water	Utilities	\$ 25.00
Check	Principal Financial - April 2021	Employee disability insurance	Payroll	\$ 349.90
Check	Principal Financial - May 2021	Employee disability insurance	Payroll	\$ 349.90
Credit Card	Postmaster	Postage	Postage	\$ 3.60
Check	Schroden's Inc	snow removal - April 2021 - estimate	Maintenance	\$ 100.00
Check	Schroden's Inc	snow removal - May 2021 - estimate	Maintenance	\$ 100.00
Check	Spectrum Business (Charter) - estimate - April 2021	Internet Service	Utilities	\$ 414.94
Check	Spectrum Business (Charter) - estimate - May 2021	Internet Service	Utilities	\$ 414.94
Check	Stantec Consulting Services Inc	Mississippi River Bridge Plan20 - through 2/28/21	6622.25 CPG Passthrough Expense:Mississippi River Bridge Plan20	\$ 6,458.64
Electronic	Stearns Electric Association - estimate - April 2021	Utilities - electric	Utilities	\$ 250.00
Electronic	Stearns Electric Association - estimate - May 2021	Utilities - electric	Utilities	\$ 250.00
Credit Card	Steve Spindler Catography	Project Activation - 1 year subscription	IT Support & Software	\$ 349.00
Check	SC Times - estimate - estimate - April 2021	Public Postings	Printing/Publishing	\$ 200.00
Check	SC Times - estimate - estimate - May 2021	Public Postings	Printing/Publishing	\$ 200.00
Credit Card	Survey Monkey	Electronic Survey Services - Annual Service	IT Support & Software	\$ 900.00
Check	Weisman Cleaning Inc - estimate - April 2021	Office Cleaning Services	Maintenance	\$ 151.00
Check	Weisman Cleaning Inc - estimate - May 2021	Office Cleaning Services	Maintenance	\$ 151.00
Check	West Central Sanitation Inc - estimate - April 2021	Utility - garbage	Utilities	\$ 39.57
Check	West Central Sanitation Inc - estimate - May 2021	Utility - garbage	Utilities	\$ 39.57
Electronic	Xcel Energy - estimate - April 2021	Utilities - gas	Utilities	\$ 200.00
Electronic	Xcel Energy - estimate - May 2021	Utilities - gas	Utilities	\$ 200.00
Check	Your CFO Inc	2021 accounting services - April	Accounting Services	\$ 1,519.00
Check	Your CFO Inc	2021 accounting services - May	Accounting Services	\$ 1,519.00
TOTAL				\$ 106,188.33

TO: Saint Cloud APO Policy Board
FROM: Brian Gibson, PTP, Executive Director
RE: Contract for Southwest Beltline Corridor Study
DATE: March 23, 2021

When the Policy Board approved the 2021 Unified Planning Work Program, it approved a budget of \$145,000 for a Southwest Beltline Corridor Study. As implementation of several parts of the regional beltline corridor proceeds, there is a need to better define the location and characteristics of the southwest portion of the corridor through Waite Park and Saint Joseph.



APO staff released a Request for Proposals in January. We received five proposals from qualified firms. An interjurisdictional evaluation committee reviewed and ranked all proposals and ranked the proposal from XXX as their top choice.

APO staff is currently negotiating the final scope-of-work.

Requested Action: Approve the contract with XXX for the Southwest Beltline Corridor Study for a cost not to exceed \$145,000.



1040 County Road 4, Saint Cloud, MN 56303-0643

T. 320.252.7568 F. 320.252.6557

TO: Saint Cloud Area Planning Organization Policy Board
FROM: Vicki Johnson, Senior Transportation Planner
RE: Staff Report on March 25, 2021, Technical Advisory Committee meetings
DATE: March 25, 2021

The Saint Cloud Area Planning Organization's (APO's) Technical Advisory Committee (TAC) held a regular meeting on Thursday, March 25, 2021. At that meeting, the following topics were discussed:

- FY 2021-2024 Transportation Improvement Program (TIP) Amendment
 - APO staff presented on a request from the City of Saint Cloud to amend the FY 2021-2024 TIP to increase the cost of the reconstruction and multimodal projects on County Road 136/Oak Grove Road SW in FY 2021. The City is proposing to increase the combined project cost from \$2.4 million to \$3,737,360. The City of Saint Cloud is responsible for the funding difference. TAC representatives recommended Policy Board approval of the request.
- Debrief of the FY 2025 Surface Transportation Block Grant Program (STBGP) Solicitation
 - APO staff asked TAC representatives for their feedback on the STBGP solicitation process to determine if changes needed to be made to improve the process. TAC representatives felt the process was fine and recommended no changes. The City of Saint Cloud and the City of Sartell requested to meet with APO staff to debrief their FY 2025 applications.
- Other Business/Announcements
 - Sherburne County Public Works Director Andrew Witter volunteered to serve as the APO's TAC engineering representative on the Minnesota Department of Transportation (MnDOT) District 3's Transportation Alternatives Subcommittee for 2022 and 2023. He is replacing Jodi Teich who served for the last two years.
 - APO Executive Director Brian Gibson informed TAC representatives of some legislation being proposed by Senator Aric Putnam and Representative Dan Wolgamott to fund a \$400,000 safety study on US 10 from 45th Avenue SE to 32nd Street SE and appropriate \$600,000 to the Saint Cloud APO to be used for projects within the TIP or the Regional Infrastructure Investment Plan (RIIP). Mr. Gibson said a resolution of support is being brought before the APO's Policy Board at the April 8 meeting.
 - Mr. Witter mentioned to the group that a proposal from a Representative Jon Koznick (Lakeville-R) is seeking to shut down the Northstar Commuter Rail between the Twin Cities and Big Lake and reallocate the funding to help rebuild riot-damaged businesses in the Twin Cities.
 - MnDOT District 3 Engineering Specialist and Program Coordinator Jeff Lenz reviewed the 2022-2025 MnDOT projects occurring within the APO's planning area.

Suggested Action: None, informational only.

E. admin@stcloudapo.org W. stcloudapo.org



1040 County Road 4, Saint Cloud, MN 56303-0643

T. 320.252.7568 F. 320.252.6557

TO: Saint Cloud APO Policy Board
FROM: Brian Gibson, PTP, Executive Director
RE: FY2020 Financial Audit
DATE: March 24, 2021

As a grantee of both Federal and State funds, the APO is required to have a financial audit performed every year by an independent firm or agency to provide our grantors with assurance that we are managing and expending their funds appropriately.

The accounting firm of Conway, Deuth, and Schmiesing (CDS) are currently contracted as our independent auditor. They recently completed their audit of our FY2020 financial records. The full audit report is attached for your information. Staff from CDS will be at your April 8th meeting to summarize the results of the audit.

Requested Action: *Approve the FY2020 Financial Audit.*

ST. CLOUD AREA PLANNING ORGANIZATION
FINANCIAL STATEMENTS
DECEMBER 31, 2020

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

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ST. CLOUD AREA PLANNING ORGANIZATION

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DECEMBER 31, 2020

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ST. CLOUD AREA PLANNING ORGANIZATION

MEMBERS AND OFFICERS
DECEMBER 31, 2020

<u>Board Members</u>	<u>Governmental Units</u>	<u>Term Expires</u>
Rick Miller - Chairman	City of Waite Park	January 2021
Joe Perske - 1st Vice Chair	County of Stearns	January 2021
Jeff Goerger - 2nd Vice Chair	City of St. Cloud	January 2021
Ryan Fitzthum - 3rd Vice Chair	City of Sartell	January 2021
A. Jake Bauerly	County of Benton	
Dave Kleis	City of St. Cloud	
Dottie Seamans	City of Sauk Rapids	
Jeff Westerlund	Town of LeSauk	
Paul Brandmire	City of St. Cloud	
Raeanne Danielowski	County of Sherburne	
Rick Schultz	City of St. Joseph	
Ryan Daniel	Metro Bus	
<u>Officers</u>		
Brian Gibson, PTP - Executive Director		
<u>Agency Units</u>		
Metro Bus		

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INDEPENDENT AUDITOR'S REPORT

To the Board Members
St. Cloud Area Planning Organization
St. Cloud, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the business-type activities of St. Cloud Area Planning Organization, St. Cloud, Minnesota as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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 entity'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 entity'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.

Willmar Office

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PO Box 570
Willmar, MN 56201
(320) 235-3311
(888) 388-1040

Benson Office

1209 Pacific Ave, Ste 3
Benson, MN 56215
(320) 843-2302

Morris Office

401 Atlantic Ave
Morris, MN 56267
(320) 589-2602

www.cdscpa.com

Litchfield Office

820 Sibley Ave N
Litchfield, MN 55355
(320) 693-7975

Sartell Office

Ste 110
2351 Connecticut Ave
Sartell, MN 56377
(320) 252-7565
(800) 862-1337

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the business-type activities of the St. Cloud Area Planning Organization, St. Cloud, Minnesota, as of December 31, 2020 and 2019, and the respective changes in financial position and cash flows thereof 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 Governmental Accounting Standards Board (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 Information

Our audit was conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Organization's basic financial statements. The Members and Officers section is presented for additional analysis and is not a required part of the basic financial statements.

The Members and Officers section has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on the information presented.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated April 8, 2021, on our consideration of the Organization'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 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 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 Organization's internal control over financial reporting and compliance.

Conway, Deuth & Schmiesing, PLLP

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

April 8, 2021

REQUIRED SUPPLEMENTARY INFORMATION

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ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the St. Cloud Area Planning Organization's (the "Organization") annual financial report presents management's discussion and analysis of the Organization's financial performance during the fiscal year that ended on December 31, 2020. The Management's Discussion and Analysis (MD&A) is Required Supplementary Information specified in Governmental Accounting Standard Board's (GASB) Statement No. 34 Basic Financial Statements and Management's Discussion, and Analysis for State and Local Governments issued in June 1999. Certain comparative information between the current year, 2020, and the prior year, 2019, is required to be presented.

FINANCIAL HIGHLIGHTS

- The assets and deferred outflows of resources of the Organization exceeded its liabilities and deferred inflows of resources at the close of 2020 by \$787,901 (net position), which \$458,809 is unrestricted in use.
- During 2020, the Organization facilitated three consultant planning projects for which all of the expenses incurred were financed through reimbursements from federal and local sources.
- Operating revenues increased \$263,162 (38.3%) in 2020 as compared to 2019. This change was due to an increase in federal and local funding for consultant planning projects.
- The 2020 operating expenses increased \$202,486 (27.6%), primarily due to the increase in expenses for the consultant projects discussed above.
- Interest and investment income decreased \$7,757 from the prior year.

OVERVIEW OF THE FINANCIAL STATEMENTS

The financial section of the annual report consists of three parts - Independent Auditors' Report, required supplementary information which includes the MD&A (this section), and the basic financial statements. The financial statements also include notes that explain some of the information in the statements and provide more detailed data.

ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

The following table reflects the condensed Statements of Net Position:

ST. CLOUD AREA PLANNING ORGANIZATION STATEMENTS OF NET POSITION			
	2020	2019	Change
Current and Other Assets	\$ 894,316	\$ 803,985	\$ 90,331
Capital Assets and Noncurrent Assets	329,092	342,227	(13,135)
Total Assets	<u>1,223,408</u>	<u>1,146,212</u>	<u>77,196</u>
Deferred Outflows of Resources			
Related to Pensions	<u>32,384</u>	<u>46,453</u>	<u>(14,069)</u>
Total Assets and Deferred Outflows of Resources	<u>\$ 1,255,792</u>	<u>\$ 1,192,665</u>	<u>\$ 63,127</u>
Current Liabilities	\$ 141,047	\$ 79,334	\$ 61,713
Long-Term Liabilities	288,083	293,529	(5,446)
Total Liabilities	<u>429,130</u>	<u>372,863</u>	<u>56,267</u>
Deferred Inflows of Resources			
Related to Pensions	38,761	52,175	(13,414)
Net Position			
Net Investment in Capital Assets	329,092	342,227	(13,135)
Unrestricted	458,809	425,400	33,409
Total Net Position	<u>787,901</u>	<u>767,627</u>	<u>20,274</u>
Total Liabilities, Deferred Inflows of Resources and Net Position	<u>\$ 1,255,792</u>	<u>\$ 1,192,665</u>	<u>\$ 63,127</u>

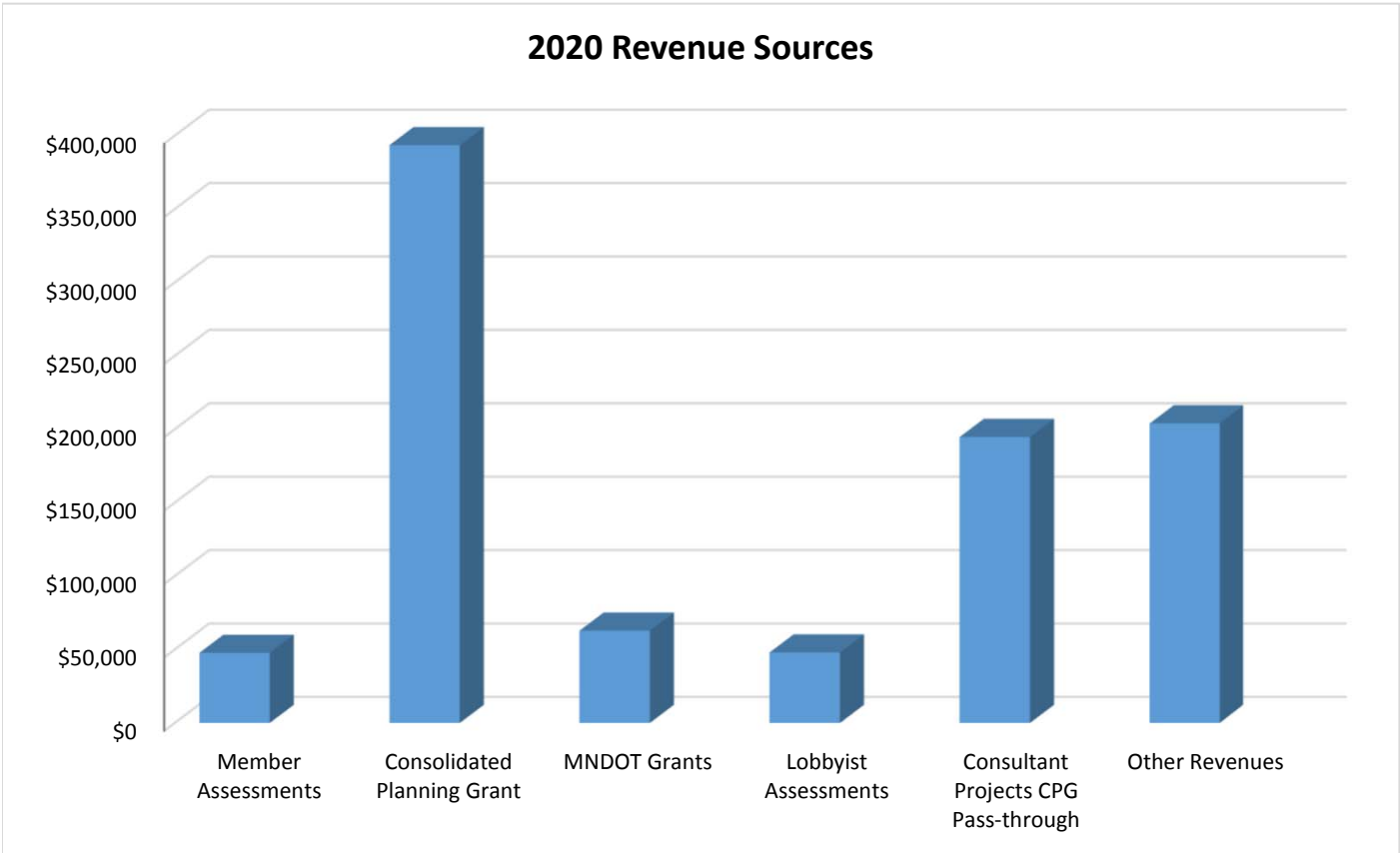
ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

ST. CLOUD AREA PLANNING ORGANIZATION STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION			
	2020	2019	Change
Total Operating Revenues	\$ 950,835	\$ 687,673	263,162
Total Operating Expenses	935,764	733,278	202,486
Operating Income (Loss)	15,071	(45,605)	60,676
Nonoperating Revenues (Expenses)	5,203	14,643	(9,440)
Changes in Net Position	20,274	(30,962)	51,236
Net Position, Beginning of Year	767,627	798,589	(30,962)
Net Position, End of Year	<u>\$ 787,901</u>	<u>\$ 767,627</u>	<u>\$ 20,274</u>

FINANCIAL ANALYSIS

The following table provides a graphical depiction of the Organization's operating revenues for the year ended December 31, 2020.



ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS (CONTINUED)

The following schedule presents an analysis of the Organization's operating revenues:

	Revenues		Change	
	For the Years			
	Ended December 31,			
	2020	2019		
Member Assessments	\$ 47,731	\$ 63,124	\$ (15,393)	-24.39%
Consolidated Planning Grant	393,541	355,674	37,867	10.65%
Minnesota Department of Transportation	62,815	62,815		0.00%
Washington Lobbyist Assessments	47,999	47,999		0.00%
Consultant Projects CPG Pass-Through	194,738	125,702	69,036	54.92%
Other Revenues	204,011	32,359	171,652	530.46%
Total Operating Revenues	\$ 950,835	\$ 687,673	\$ 263,162	38.27%

Total 2020 operating revenues increased by \$263,162, or 38%, in comparison to 2019. Total operating revenues increased in 2019 by \$70,448, or 11%, in comparison to 2018.

During the current year, the following were noted in revenues:

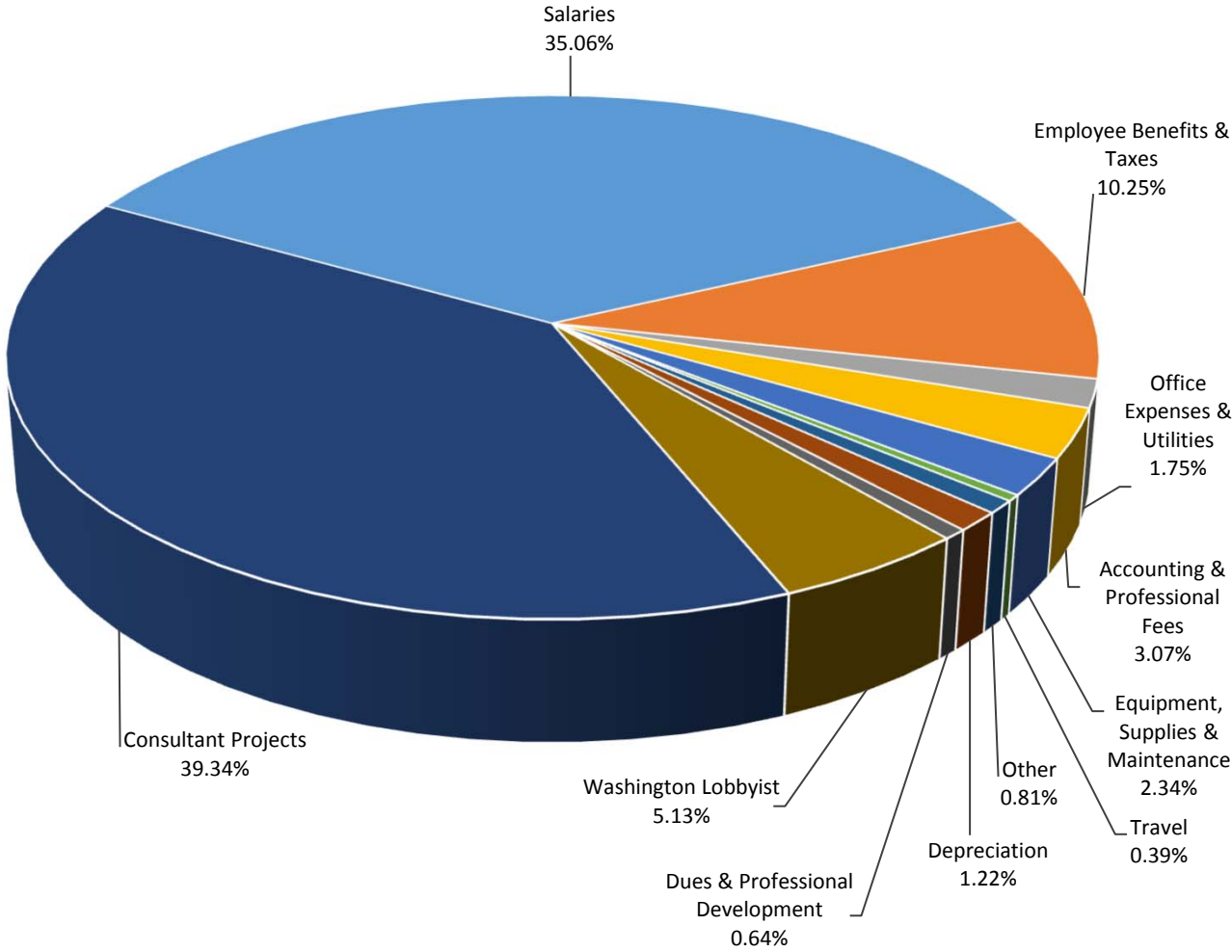
- Member assessments for 2020 were billed at \$0.68 per capita based on 2017 state demographer population estimates.
- Consultant Projects revenue, received through the Consolidated Planning Grant and from local governments, is a direct reimbursement of the majority of expenses incurred for the consultant planning studies. Therefore, the increase in Consultant Projects revenue noted above is a direct result of an increase in the expenses incurred for the Consultant Projects during 2020.

ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS (CONTINUED)

2020 Expenses by Type



ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FINANCIAL ANALYSIS (CONTINUED)

The following schedule presents a summary of Organization's expenses:

	Expenses			
	For the Years			
	2020	2019	Change	
Salaries	\$ 328,105	\$ 312,423	\$ 15,682	5.02%
Employee Benefits	95,926	83,377	12,549	15.05%
Office Supplies	885	3,628	(2,743)	-75.61%
Insurance	5,305	5,321	(16)	-0.30%
Accounting and Audit Fees	25,874	25,270	604	2.39%
Legal Fees	1,260	563	697	123.80%
Consulting	164		164	0.00%
Telephone	2,944	2,486	458	18.42%
Internet	1,868	1,221	647	52.99%
Translation Services	1,390		1,390	0.00%
Postage	298	237	61	25.74%
Travel	3,674	10,578	(6,904)	-65.27%
Printing	1,985	1,677	308	18.37%
Utilities	8,351	11,196	(2,845)	-25.41%
Equipment, Supplies and Maintenance	21,902	6,236	15,666	251.22%
Dues	3,435	4,708	(1,273)	-27.04%
Depreciation	11,452	11,829	(377)	-3.19%
Professional Development	2,527	4,061	(1,534)	-37.77%
Washington Lobbyist	48,000	48,000		0.00%
Project Expenses	368,096	196,101	171,995	87.71%
Other Expenses	2,323	4,366	(2,043)	-46.79%
Total Expenses	\$ 935,764	\$ 733,278	\$ 202,486	27.61%

ENTERPRISE FUND BUDGETARY HIGHLIGHTS

The Organization did not amend the original budget. The Organization operated close to the net budget, with the exception of less revenues and expenses due to not fully spending the current year federal Consolidated Planning Grant funds by year end. As a result, revenues and expenses were below budget.

ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

CAPITAL ASSETS

During 2020, the Organization did not make additional investments in capital assets. More detailed information about capital assets can be found in the Note 5 to the Financial Statements. Total depreciation expense for the year was \$11,452 compared with \$11,829 in 2019.

	Business-Type Activities		Change
	2020	2019	
Land	\$ 165,000	\$ 165,000	\$ 0.00%
Building	236,477	236,477	0.00%
Improvements	13,624	13,624	0.00%
Equipment	20,535	24,274	(3,739) -15.40%
Total Costs	435,636	439,375	(3,739) -0.85%
Less Accumulated Depreciation	(106,544)	(97,148)	(9,396) 9.67%
Total Capital Assets	<u>\$ 329,092</u>	<u>\$ 342,227</u>	<u>\$ (13,135)</u> -3.84%

The Organization's long-term liabilities at December 31, 2020 and 2019, consist of the following:

	2020	2019	Change
Net Pension Liability	\$ 251,809	\$ 265,381	\$ (13,572) -5.11%
Accrued Compensated Absences	36,274	28,148	8,126 28.87%
Total Long-Term Liabilities	<u>\$ 288,083</u>	<u>\$ 293,529</u>	<u>\$ (5,446)</u> -1.86%

ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT'S DISCUSSION AND ANALYSIS
DECEMBER 31, 2020

FACTORS BEARING ON THE ORGANIZATION'S FUTURE

The Organization is dependent on grants for a significant portion of its revenue. Recent experience demonstrates that the applicable funding sources may fluctuate significantly based on changes in legislation and actual reimbursable expenses incurred by the Organization.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

The Organization's appointed Officials and Executive Director considered many factors when setting the 2021 budget, including member assessments, available grant funds, and planning needs. Assessments were approved at \$0.68 per capita for 2021, no change from the 2020 rate. This rate allows the Organization to fully leverage its Federal grants and fund its operations. Four new consultant lead transportation planning projects were also budgeted for 2021. For 2020, the Organization was able to leverage a balance of Demonstration funds originally approved in 2008. These funds were not all expended in 2020 and will be used for the Mississippi Bridge Planning Study in 2021.

CONTACTING THE ORGANIZATION'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the Organization's finances and to demonstrate the Organization's accountability for the money it receives. If you have questions about this report or need additional financial information, contact Brian Gibson, Executive Director, 1040 County Road 4, St. Cloud, Minnesota 56303-0643.

BASIC FINANCIAL STATEMENTS

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ST. CLOUD AREA PLANNING ORGANIZATION

STATEMENTS OF NET POSITION

	December 31,	
	2020	2019
ASSETS AND DEFERRED OUTFLOWS OF RESOURCES		
Current Assets		
Cash and Investments	\$ 573,543	\$ 693,791
Due from Other Governments	311,623	105,705
Interest Receivable	1,340	2,720
Prepaid Items	7,810	1,769
Total Current Assets	894,316	803,985
Noncurrent Assets		
Land	165,000	165,000
Building	236,477	236,477
Improvements	13,624	13,624
Equipment	20,535	24,274
Total Noncurrent Assets	435,636	439,375
Less Accumulated Depreciation	(106,544)	(97,148)
Total Noncurrent Assets	329,092	342,227
Total Assets	1,223,408	1,146,212
Deferred Outflows of Resources		
Related to Pensions	32,384	46,453
Total Assets and Deferred Outflows of Resources	\$ 1,255,792	\$ 1,192,665
LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION		
Current Liabilities		
Accounts Payable	\$ 120,263	\$ 60,983
Salaries Payable	11,704	9,991
Unearned Revenue	9,080	8,360
Total Current Liabilities	141,047	79,334
Long-Term Liabilities		
Net Pension Liability	251,809	265,381
Accrued Compensated Absences	36,274	28,148
Total Long-Term Liabilities	288,083	293,529
Total Liabilities	429,130	372,863
Deferred Inflows of Resources		
Related to Pensions	38,761	52,175
Net Position		
Net Investment in Capital Assets	329,092	342,227
Unrestricted	458,809	425,400
Total Net Position	787,901	767,627
Total Liabilities, Deferred Inflows of Resources and Net Position	\$ 1,255,792	\$ 1,192,665

See Accompanying Notes to the Financial Statements

ST. CLOUD AREA PLANNING ORGANIZATION

STATEMENTS OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION

	For the Years Ended December 31,	
	2020	2019
OPERATING REVENUES		
Member Assessments	\$ 47,731	\$ 63,124
Consolidated Planning Grant	393,541	355,674
Minnesota Department of Transportation	62,815	62,815
Washington Lobbyist Assessments	47,999	47,999
Consultant Projects CPG Pass-Through	194,738	125,702
Other Revenues	204,011	32,359
Total Operating Revenues	<u>950,835</u>	<u>687,673</u>
OPERATING EXPENSES		
Salaries	328,105	312,423
Employee Benefits	95,926	83,377
Office Supplies	885	3,628
Insurance	5,305	5,321
Accounting and Audit Fees	25,874	25,270
Legal Fees	1,260	563
Consulting	164	
Telephone	2,944	2,486
Internet	1,868	1,221
Translation Services	1,390	
Postage	298	237
Travel	3,674	10,578
Printing	1,985	1,677
Utilities	8,351	11,196
Equipment, Supplies and Maintenance	21,902	6,236
Dues	3,435	4,708
Depreciation	11,452	11,829
Professional Development	2,527	4,061
Washington Lobbyist	48,000	48,000
Project Expenses	368,096	196,101
Other Expenses	2,323	4,366
Total Operating Expenses	<u>935,764</u>	<u>733,278</u>
Operating Income (Loss)	15,071	(45,605)
NONOPERATING REVENUES (EXPENSES)		
Interest Income	6,886	14,643
Gain (Loss) on Disposal of Assets	(1,683)	
Total Nonoperating Revenues (Expenses)	<u>5,203</u>	<u>14,643</u>
Change in Net Position	20,274	(30,962)
NET POSITION, BEGINNING OF YEAR	<u>767,627</u>	<u>798,589</u>
NET POSITION, END OF YEAR	<u>\$ 787,901</u>	<u>\$ 767,627</u>

See Accompanying Notes to the Financial Statements

ST. CLOUD AREA PLANNING ORGANIZATION

STATEMENTS OF CASH FLOWS

	Years Ended December 31,	
	2020	2019
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Received from Members and Grantors	\$ 745,637	\$ 651,013
Cash Paid to Employees	(427,109)	(388,929)
Cash Paid to Suppliers and Others	(447,042)	(353,403)
Net Cash Provided (Used) by Operating Activities	<u>(128,514)</u>	<u>(91,319)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Income	8,266	14,279
Net Increase (Decrease) in Cash and Cash Equivalents	<u>(120,248)</u>	<u>(77,040)</u>
CASH AND CASH EQUIVALENTS, BEGINNING OF YEAR	<u>693,791</u>	<u>770,831</u>
CASH AND CASH EQUIVALENTS, END OF YEAR	<u>\$ 573,543</u>	<u>\$ 693,791</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS		
Cash and Cash Equivalents	\$ 112,214	\$ 155,289
Temporary Cash Investments	461,329	538,502
Total	<u>\$ 573,543</u>	<u>\$ 693,791</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO CASH FLOWS FROM OPERATING ACTIVITIES		
Operating Income (Loss)	\$ 15,071	\$ (45,605)
Adjustments to Reconcile Operating Income (Loss)		
Net Cash Provided (Used) by Operating Activities		
Depreciation	11,452	11,829
Pension Related Adjustments	(12,917)	9,227
(Increase) Decrease in		
Due from Other Governments	(205,918)	(45,020)
Prepaid Items	(6,041)	809
Increase (Decrease) in		
Accounts Payable	59,280	(28,563)
Salaries Payable	1,713	1,844
Unearned Revenue	720	8,360
Accrued Compensated Absences	8,126	(4,200)
Net Cash Provided (Used) by Operating Activities	<u>\$ (128,514)</u>	<u>\$ (91,319)</u>

See Accompanying Notes to the Financial Statements

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ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The St. Cloud Area Planning Organization (the "Organization") is the official Metropolitan Planning Organization in the St. Cloud area. The Organization is a joint venture established for the purpose of coordinating planning on select issues transcending jurisdictional boundaries in a fair and mutually beneficial manner. The members of the Organization consist of counties, cities and towns located in Central Minnesota. The current members are listed in the Organizational Chart at the beginning of this report. The Organization is responsible for the development and maintenance of an adopted Long Range Transportation Plan for the Metropolitan Area. The funding for these activities is available through the Federal Highway Administration, Federal Transit Administration, Minnesota Department of Transportation and member assessments.

A. REPORTING ENTITY

The financial statements present the Organization and its component units. The Organization 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 Organization is financially accountable, or for which the exclusion of the component unit would render the financial statements of the Organization misleading.

The criteria used to determine if the Organization is financially accountable for a component unit includes whether or not 1) the Organization appoints the voting majority of the potential component unit's governing body and is able to impose its will on the potential component unit or is in a relationship of financial benefit or burden with the potential component unit, or 2) the potential component unit is fiscally dependent on and there is a potential for the potential component unit to provide specific financial benefits to, or impose specific financial burdens on, the Organization.

As a result of applying the component unit definition criteria above, it has been determined the Organization has no component units.

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

The Organization consists of only one fund. The enterprise fund is used to account for operations that are financed and operated in a manner similar to private business enterprises where the intent is that the costs (expenses including depreciation and amortization) of providing goods and services to the general public on a continuing basis are financed or recovered primarily through fees and assessments, supplemented by state and federal grants.

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied. The Organization's activity is accounted for using the accrual basis of accounting and is reported using the economic resources measurement focus. Revenues are recognized when they are earned and expenses are recognized when they are incurred, regardless of the timing of related cash flows.

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

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

B. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING (Cont'd)

The preparation of 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 deferred outflows of resources and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements. Estimates also affect reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

C. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION

Cash and Investments:

The Organization'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.

The Organization categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States of America. 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.

See Note 3 for additional information related to cash and investments.

Receivables:

In the Statement of Net Position, material receivables include revenue accruals that are due from other governments since they are usually both measurable and available. Interest and investment earnings are recorded when earned.

Prepaid Items:

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements.

Capital Assets:

Capital assets are valued at cost and are being depreciated over estimated useful lives using the straight-line method. Depreciation of capital assets used by the Organization is charged against operations and accumulated depreciation is reported in the Statement of Net Position. Capital assets are defined by the Organization as an asset with an initial cost of \$2,500 or more and a useful life of greater than one year. These assets are depreciated over estimated useful lives of 5-30 years.

Accrued Compensated Absences:

Compensated absences included accumulated vacation and vested sick leave. Vacation is earned at various rates and accrues to a maximum of 150% of the annual accrual rate. Upon termination or retirement, accumulated vacation is paid out at the employee's effective hourly rate.

Upon retirement only, accumulated sick leave will be paid out to the employee's health care savings plan, as described below in "Post Employment Health Care Savings Plan".

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION (Cont'd)

Accrued Compensated Absences: (Cont'd)

The accumulated vacation pay included on the Statements of Net Position at December 31, 2020 and 2019, was \$12,333 and \$10,808, respectively.

The liability for sick leave included on the Statements of Net Position at December 31, 2020 and 2019, was \$23,941 and \$17,340, respectively.

Post Employment Health Care Savings Plan:

For all eligible employees that have accumulated more than 960 hours of unused sick leave, the Organization shall contribute the cash equivalent of 75% of accumulated sick leave hours over 960, or up to a maximum of 72 hours annually into the MSRS plan. Annual sick leave contributions of this nature approved by the Policy Board for the years ended December 31, 2020 and 2019, was \$0.

For eligible employees who have unused sick leave accumulations at the time of retirement, the Organization shall contribute to the employee's Health Care Savings Plan. For employees hired prior to January 31, 2007, such contribution shall not exceed a maximum of 120 days of accumulated sick leave. For employees hired after January 31, 2007, such contribution shall not exceed a maximum of 60 days of accumulated sick leave.

Employees of the Organization pay premiums based on amounts determined by the Organization. Since the insurance rates are age based, the Organization does not have an implicit rate subsidy factor in postemployment health care expenses. Additionally, Minnesota Statutes require the Organization to allow retired employees to stay on the health care plan with the retiree responsible to pay the entire premium for continuation coverage. The Organization's personnel policy does not provide for any contributions upon employee retirement.

Pensions:

The Organization participates in various pension plans; total pension expense for the year ended December 31, 2020 and 2019 were \$10,573 and \$32,645, respectively. The components of pension expense are noted in the plan summaries.

Deferred Outflows/Inflows of Resources:

In addition to assets, the Statement of Net Position reports a separate section for deferred outflows of resources. This element represents a consumption of net position that applies to future periods, and therefore, will not be recognized as an outflow of resources (expense) until that time. The Organization reports deferred outflows of resources in the Statement of Net Position in relation to the activity of the pension fund in which the Organization's employees participate.

In addition to liabilities, the Statement of Net Position reports a separate section for deferred inflows of resources. This element represents an acquisition of net position that applies to future periods, and therefore, will not be recognized as an inflow of resources (revenue) until that time. The Organization reports deferred inflows of resources in the Statement of Net Position in relation to the activity of pension fund in which the Organization's employees participate.

See Note 7 for additional information pertaining to the deferred outflows and deferred inflows recorded to account for pension activities.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Cont'd)

C. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND NET POSITION Cont'd)

Equity Classifications:

Equity is classified as net position and displayed in two components:

- a. Net investment in capital assets - Consists of capital assets including restricted capital assets, net of accumulated depreciation and related debt, if any.
- b. Unrestricted net position - Remaining portion of net position that does not meet the definition of net investment in capital assets.

Operating Revenues and Expenses:

Operating revenues and expenses for the Organization are those that result from providing services and producing and delivering goods and/or services. It also includes all revenue and expenses not related to capital financing, noncapital financing, or investing activities.

Member Assessments:

Member assessments represent the portion of the planning costs assessed to participating local governmental units.

D. 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 amount of assets and deferred outflows of resources, and liabilities and deferred inflows of resources and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

NOTE 2. STEWARDSHIP, COMPLIANCE, AND, ACCOUNTABILITY

The Organization is subject to various federal, state and local laws and contractual regulations. The Organization complies with all state and local laws and regulations.

In accordance with state law, all uninsured deposits of municipal funds in financial institutions must be secured with acceptable collateral valued at the lower of market or par. Minnesota Statutes require that all deposits with financial institutions be collateralized in an amount equal to 110% of deposits in excess of Federal Deposit Insurance Corporation or Federal Savings and Loan Insurance Corporation insurance (100% if collateral pledged is irrevocable standard letters of credit issued by the Federal Home Loan Bank). The Organization complies with such laws.

Budgetary Information

1. In April of each year, a preliminary budget is developed by the Executive Director. The operating budget includes proposed expenses for direct salaries for projects and indirect expenses for administrative activities.
2. The draft budget is reviewed by the Technical Advisory Committee and revisions are made.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 2. STEWARDSHIP, COMPLIANCE, AND, ACCOUNTABILITY (Cont'd)

Budgetary Information (Cont'd)

3. In July or August, the budget is reviewed and approved by the Policy Board.
4. The approved budget sets forth expenses by detailed line items. Anticipated revenue streams of state, federal and local sources are outlined by pay for these expenses.
5. Expenses may not legally exceed budgeted appropriations. The Board may authorize transfers of budgeted amounts between line items. Management may amend budgets within a line item, so long as the total Organization budget is not changed.
6. Budgeted amounts are as originally adopted or as amended by the Board. Budgeted expense appropriations lapse at year-end.

NOTE 3. CASH AND INVESTMENTS

A. DEPOSITS

In accordance with *Minnesota Statutes*, the Organization maintains deposits at financial institutions which are authorized by the Executive Board.

Custodial Credit Risk- Deposits: This is the risk that in the event of a bank failure, the Organization's deposits may not be returned to it. *Minnesota Statutes* requires that all Organization deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110 percent of the total deposits in excess of FDIC coverage.

Authorized collateral includes the obligations of the U.S. Treasury, agencies, and instrumentalities, shares of investment companies whose only investments are in the aforementioned securities, obligations of the State of Minnesota or its municipalities, bankers' acceptances, futures contracts, repurchase and reverse repurchase agreements, and commercial paper of the highest quality with a maturity of no longer than 270 days, as well as certain first mortgage notes, and certain other state or local government obligations. *Minnesota Statutes* require that securities pledged as collateral be held in safekeeping by the Organization treasurer or in a financial institution other than that furnishing the collateral.

The Organization does not have a policy that further limits its collateral choices.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3. CASH AND INVESTMENTS (Cont'd)

A. DEPOSITS (Cont'd)

	<u>2020</u>	<u>2019</u>
Deposits	\$ 112,214	\$ 155,289
Cash Held in Investment Accounts	124,950	48,351
	<u>\$ 237,164</u>	<u>\$ 203,640</u>

Reconciliation of Cash and Investments:

	<u>2020</u>	<u>2019</u>
Deposits	\$ 237,164	\$ 203,640
Investments (See investments section)	336,379	490,151
	<u>\$ 573,543</u>	<u>\$ 693,791</u>

B. INVESTMENTS

Minnesota Statutes 118A.04 and 118A.05 generally authorize the following types of investments as available to the Organization:

1. Securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes 118A.04, subd.6;
2. Mutual funds through shares of registered investment companies provided the mutual fund receives certain ratings depending on its investments;
3. General obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service;
4. Time deposits that are fully insured by the Federal Deposit Insurance Corporation or bankers acceptances of United States bank;
5. Commercial paper issued by U.S. corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and
6. With certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

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 Organization's investment policy requires that the investment account minimize risk by investing in operating funds primarily in shorter-term securities or money markets.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3. CASH AND INVESTMENTS (Cont'd)

B. INVESTMENTS (Cont'd)

Credit Risk: Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. State law limits investments in commercial paper and corporate bonds to the top two ratings issued by nationally recognized statistical rating organizations. The Organization's policy limits investments to an AA rating or better as rated by Standard and Poor's, requires prequalification of the broker/dealers with which the Organization does business and requires diversifying investments so that potential losses on individual investments will be minimized.

Concentration of Credit Risk: This is the risk of loss attributed to the magnitude of an investment in a single issuer. Investments should be diversified to avoid incurring unreasonable risk inherent in over investing in specific instruments, individual financial institutions or maturities. The Organization places a limit on the amount which may be invested in any one security or with one financial/brokerage firm to no more than 75%. The Organization was in compliance with this limitation at both December 31, 2020 and 2019.

As of December 31, 2020 and 2019, the Organization was exposed to concentration of credit risk due to the fact that the following investments exceeded 5% of the Organization's total investments.

The issuers and amounts that exceed five percent of the Organization's total investments in 2020 are as follows:

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
Great Southern Bank CD	11.89%	\$ 40,000
Customers Bank CD	11.94%	40,159
Bank OZK CD	13.39%	45,053
Beal Bank CD	23.79%	80,018
Goldman Sachs CD	13.11%	44,103
Safra National Bank CD	25.88%	87,046

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 3. CASH AND INVESTMENTS (Cont'd)

B. INVESTMENTS (Cont'd)

The issuers and amounts that exceed five percent of the Organization's total investments in 2019 are as follows:

<u>Issuer</u>	<u>Percent</u>	<u>Amount</u>
MUFG Union Bank CD	8.99%	\$ 44,085
Bank of America CD	8.21%	40,215
Wells Fargo Bank CD	18.27%	89,543
Great Southern Bank CD	8.57%	42,018
JP Morgan Chase Bank CD	10.41%	51,026
Customers Bank CD	8.16%	39,989
Delta National Bank CD	8.17%	40,047
Fifth Third Bank CD	9.40%	46,091
First Foundatin Bank CD	10.43%	51,102
Goldman Sachs CD	9.39%	46,035

Custodial Credit Risk- Investments: For an investment, this is the risk that, in event of failure by the counterparty, the Organization will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. At December 31, 2020 and 2019, the Organization was not exposed to custodial credit risk as the securities were covered by Securities Investor Protection Corporation. The Organization does not have an investment policy for custodial credit risk of investments.

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

	<u>Fair Value</u>	<u>Fair Value Measurements Using</u>		
		<u>Level 1</u>	<u>Level 2</u>	<u>Level 3</u>
Investments at fair value:				
Negotiable Certificates of Deposit	<u>\$ 336,379</u>	<u>\$ 336,379</u>	<u>\$ 0</u>	<u>\$ 0</u>

Investments had a maturity of less than 1 year.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

NOTE 3. CASH AND INVESTMENTS (Cont'd)

B. INVESTMENTS (Cont'd)

As of December 31, 2019, the Organization had the following investments:

	Fair Value	Fair Value Measurements Using		
		Level 1	Level 2	Level 3
Investments at fair value:				
Negotiable Certificates of Deposit	\$ 490,151	\$ 490,151	\$ 0	\$ 0

Investments had a maturity of less than 1 year.

NOTE 4. DUE FROM OTHER GOVERNMENTS

Due from Other Governments consists of grants received from the Minnesota Department of Transportation (MnDOT). The balances as of December 31, 2020 and 2019, consisted of Consolidated Planning Grant receivables of \$200,924 and \$88,211, respectively. No allowance for uncollectible accounts is deemed necessary at year-end.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5. CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 165,000	\$	\$	\$ 165,000
Capital Assets, Being Depreciated				
Building	236,477			236,477
Improvements	13,624			13,624
Equipment	<u>24,274</u>		<u>(3,739)</u>	<u>20,535</u>
Total Capital Assets, Being Depreciated	274,375	0	(3,739)	270,636
Less Accumulated Depreciation for				
Building	(78,778)	(7,882)		(86,660)
Improvements	(7,722)	(1,301)		(9,023)
Equipment	<u>(10,648)</u>	<u>(2,269)</u>	<u>2,056</u>	<u>(10,861)</u>
Total Accumulated Depreciation	<u>(97,148)</u>	<u>(11,452)</u>	<u>2,056</u>	<u>(106,544)</u>
Total Capital Assets, Being Depreciated, Net	<u>177,227</u>	<u>(11,452)</u>	<u>(1,683)</u>	<u>164,092</u>
Net Capital Assets	<u>\$ 342,227</u>	<u>\$ (11,452)</u>	<u>\$ (1,683)</u>	<u>\$ 329,092</u>

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 5. CAPITAL ASSETS (Cont'd)

Capital asset activity for the year ended December 31, 2019, was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Disposals</u>	<u>Ending Balance</u>
Capital Assets, Not Being Depreciated				
Land	\$ 165,000	\$	\$	\$ 165,000
Capital Assets, Being Depreciated				
Building	236,477			236,477
Improvements	13,624			13,624
Equipment	53,994		(29,720)	24,274
Total Capital Assets, Being Depreciated	<u>241,250</u>	<u>0</u>	<u>(29,720)</u>	<u>274,375</u>
Less Accumulated Depreciation for				
Building	(70,895)	(7,883)		(78,778)
Improvements	(6,420)	(1,302)		(7,722)
Equipment	(37,724)	(2,644)	29,720	(10,648)
Total Accumulated Depreciation	<u>(108,294)</u>	<u>(11,829)</u>	<u>29,720</u>	<u>(97,148)</u>
Total Capital Assets, Being Depreciated, Net	<u>132,956</u>	<u>(11,829)</u>	<u>0</u>	<u>177,227</u>
Net Capital Assets	<u>\$ 297,956</u>	<u>\$ (11,829)</u>	<u>\$ 0</u>	<u>\$ 342,227</u>

NOTE 6. COMPENSATED ABSENCES

	<u>Beginning Balance</u>	<u>Earned</u>	<u>Used</u>	<u>Ending Balance</u>
Compensated Absences	<u>\$ 28,148</u>	<u>\$ 31,535</u>	<u>\$ 23,409</u>	<u>\$ 36,274</u>

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE

A. PLAN DESCRIPTION

The Organization participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (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.

General Employees Retirement Plan (GERP; General Employees Plan; accounted for in the General Employees Fund):

All full-time and certain part-time employees of the Organization 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.

GERP 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 Coordinated members is 1.2% of average salary for each of the first 10 years of service and 1.7% of average salary for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7% of average salary 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.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. 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.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

C. CONTRIBUTIONS

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

GERP Contributions:

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2020 and 2019; the Organization was required to contribute 7.50 percent for Coordinated Plan members. The Organization's contributions to the General Employees Fund for the years ended December 31, 2020 and 2019 were \$23,490 and \$23,418, respectively. The Organization's contributions were equal to the required contributions as set by state statute.

D. PENSION COSTS

GERP Pension Costs:

2020:

At December 31, 2020, the Organization reported a liability of \$251,809 for its proportionate share of the General Employees Fund's net pension liability. The Organization'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 Organization totaled \$7,712. 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 Organization's proportionate share of the net pension liability was based on the Organization'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 Organization's proportion share was 0.0042 percent at the end of the measurement period and 0.0048 percent for the beginning of the period.

Organization's Proportionate Share of the Net Pension Liability	\$ 251,809
State of Minnesota's Proportionate Share of the Net Pension Liability Associated With the Organization	<u>7,712</u>
Total	<u><u>\$ 259,521</u></u>

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

D. PENSION COSTS (Cont'd)

GERP Pension Costs: (Cont'd)

2020: (Cont'd)

The following changes in plan provisions occurred during 2020:

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

For the year ended December 31, 2020, the Organization recognized pension expense of \$22,361 for its proportionate share of GERP's pension expense. In addition, the Organization recognized an additional \$671 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 Organization reported its proportionate share of GERP's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences Between Expected and Actual Economic Experience	\$ 2,626	\$ 953
Changes in Actuarial Assumptions		10,155
Net Collective Difference Between Projected and Actual Investment Earnings	3,431	
Changes in Proportion	14,364	27,653
Contributions Paid to GERP Subsequent to Measurement Date	<u>11,963</u>	
Totals	<u>\$ 32,384</u>	<u>\$ 38,761</u>

The \$11,963 reported as deferred outflows of resources related to pensions resulting from Organization 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 inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31</u>	<u>Pension Expense Amount</u>
2021	\$ (10,277)
2022	(10,695)
2023	(3,452)
2024	6,084

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

D. PENSION COSTS (Cont'd)

GERP Pension Costs: (Cont'd)

2019:

At December 31, 2019, the Organization reported a liability of \$265,381 for its proportionate share of the General Employees Fund's net pension liability. The Organization's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. 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 Organization totaled \$8,166. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Organization's proportion of the net pension liability was based on the Organization's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the Organization's proportion share was 0.0048% which was a decrease of 0.0001% from its proportion measured as of June 30, 2018.

The following changes in plan provisions occurred during 2019:

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.

For the year ended December 31, 2019, the Organization recognized pension expense of \$23,443 for its proportionate share of GERP's pension expense. In addition, the Organization recognized an additional \$612 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, 2019 the Organization reported its proportionate share of GERP's deferred outflows of resources and deferred inflows of resources from the following sources:

	<u>Deferred Outflows of</u>	<u>Deferred Inflows of</u>
Differences Between Expected and Actual Economic Experience	\$ 6,798	\$
Changes in Actuarial Assumptions		19,284
Differences Between Projected and Actual Investment Earnings		24,671
Changes in Proportion	28,728	8,220
Contributions Paid to PERA Subsequent to Measurement Date	<u>10,927</u>	
Totals	<u>\$ 46,453</u>	<u>\$ 52,175</u>

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

D. PENSION COSTS (Cont'd)

GERP Pension Costs: (Cont'd)

2019: (Cont'd)

The \$10,927 reported as deferred outflows of resources related to pensions resulting from Organization contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Year ended December 31</u>	<u>Pension Expense Amount</u>
2020	\$ (3,866)
2021	(6,396)
2022	(6,815)
2023	428

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:

<u>Actuarial Assumptions</u>	<u>GERP</u>
Inflation	2.50% per year
Salary Growth	3.25% after 26 years of service
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 percent 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 for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

E. ACTUARIAL ASSUMPTIONS (Cont'd)

The following changes in actuarial assumptions occurred in 2020:

Changes in Actuarial Assumptions:

The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

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 & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 7. DEFINED BENEFIT PENSION PLAN - STATEWIDE (Cont'd)

E. ACTUARIAL ASSUMPTIONS (Cont'd)

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	35.50%	5.10%
Private Markets	17.50%	5.30%
Fixed Income	20.00%	0.75%
International Equity	25.00%	5.90%
Cash Equivalents	2.00%	0.00%
	<u>100.00%</u>	

F. DISCOUNT RATE

The discount rate used to measure the total pension liability in 2020 and 2019, was 7.50 percent. 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 Organization'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 Organization's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	GERP			
	2020		2019	
1% Lower	6.50%	\$ 403,563	6.50%	\$ 436,272
Current Discount Rate	7.50%	251,809	7.50%	265,381
1% Higher	8.50%	126,625	8.50%	124,277

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.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2020 AND 2019

NOTE 8. RISK MANAGEMENT

The Organization is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. To manage these risks, the Organization purchases commercial insurance. The Organization retains risk for the deductible portions of the insurance. The amounts of these deductibles are considered immaterial to the financial statements. There were no significant reductions in insurance from the previous year settlements in excess of insurance for any of the past two years.

NOTE 9. COMMITMENTS

Mail Machine Lease:

The Organization has a lease agreement for a mail machine, effective through July 2021. Rental expenditures under this lease totaled \$232 and \$237 for the years ended December 31, 2020 and 2019, respectively.

At December 31, 2020, estimated minimum lease payments over the term of the lease are as follows:

<u>Year Ended December 31,</u>	<u>Amounts</u>
2021	\$ 237
2022	128
	<u>\$ 365</u>

Consultant Projects:

As of December 31, 2020 and 2019, there were no consultant projects in progress.

NOTE 10. SUMMARY OF SIGNIFICANT CONTINGENCIES - GRANTS

Amounts received or receivable from federal and state agencies are subject to agency audit and adjustment. Disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of funds which may be disallowed by the agencies cannot be determined at this time although the Organization expects such amounts, if any, to be immaterial.

NOTE 11. RECLASSIFICATIONS

Certain immaterial prior year financial statement amounts have been reclassified to conform to the current year's presentation. There was no affect on total net position.

NOTE 12. COVID-19

In December 2019, a novel strain of coronavirus was reported in Wuhan, China. The World Health Organization has declared the outbreak to constitute a "Public Health Emergency of International Concern." The COVID-19 outbreak is disrupting supply chains and affecting production and sales across a range of industries. The extent of the impact of COVID-19 on our operational and financial performance will depend on certain developments, including the duration and spread of the outbreak, impact on our customers, employees and vendors all of which are uncertain and cannot be predicted. At this point, the extent to which COVID-19 may impact our financial condition or results of operations is uncertain.

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REQUIRED SUPPLEMENTARY INFORMATION

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ST. CLOUD AREA PLANNING ORGANIZATION

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
DECEMBER 31, 2020

Fiscal Year Ending	Employer's Proportion of the Net Pension Liability (Asset)	Employer's Proportionate Share of the Net Pension Liability (Asset) (a)	State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer (b)	Employer's Proportionate Share of the Net Pension Liability (Asset) and the State's Proportionate Share of the Net Pension Liability (Asset) Associated with the Employer (a+b)	Employer's Covered Payroll (c)	Employer's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll ((a+b)/c)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
<u>Pensions</u>							
<u>GERP</u>							
6/30/2020	0.0042%	\$ 251,809	\$ 7,712	\$ 259,521	\$ 313,123	82.88%	79.06%
6/30/2019	0.0048%	265,381	8,166	273,547	336,625	81.26%	80.23%
6/30/2018	0.0049%	271,832	8,810	280,642	325,758	86.15%	79.53%
6/30/2017	0.0040%	255,357	3,228	258,585	258,378	100.08%	75.90%
6/30/2016	0.0042%	341,019	4,396	345,415	261,762	131.96%	68.91%
6/30/2015	0.0048%	248,761		248,761	285,349	87.18%	78.19%

The Organization implemented GASB Statement No. 68 for fiscal year ended December 31, 2015. Information for prior years is not available.

ST. CLOUD AREA PLANNING ORGANIZATION

SCHEDULE OF EMPLOYER CONTRIBUTIONS
DECEMBER 31, 2020

Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (d)	Contributions as a Percentage of Covered Payroll (b/d)
<u>Pensions</u>					
<u>GERP</u>					
12/31/2020	\$ 23,490	\$ 23,490	\$	\$ 313,200	7.50%
12/31/2019	23,418	23,418		312,240	7.50%
12/31/2018	24,775	24,775		330,333	7.50%
12/31/2017	22,301	22,301		297,347	7.50%
12/31/2016	18,182	18,182		242,427	7.50%
12/31/2015	22,182	22,182		295,760	7.50%

The Organization implemented GASB Statement No. 68 for fiscal year ended December 31, 2015. Information for prior years is not available.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1. CHANGES IN PLAN PROVISIONS

2020 Changes:

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

2019 Changes:

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:

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 percent to 3.00 percent, beginning July 1, 2018.

Deferred augmentation was changed to 0.00 percent, 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 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, 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:

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

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:

There have been no changes since the prior valuation.

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 1. CHANGES IN PLAN PROVISIONS (Cont'd)

2015 Changes:

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.

NOTE 2. CHANGES IN ACTUARIAL ASSUMPTIONS

2020 Changes:

The price inflation assumption was decreased from 2.50% to 2.25%.

The payroll growth assumption was decreased from 3.25% to 3.00%.

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 & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 Changes:

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

ST. CLOUD AREA PLANNING ORGANIZATION

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2020

NOTE 2. CHANGES IN ACTUARIAL ASSUMPTIONS (Cont'd)

2018 Changes:

The mortality projection was changed from MP-2015 to MP-2017.

The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes:

The combined service annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability.

The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes:

The assumed post-retirement benefit increase rate was changed for 1.0 percent per year through 2035 and 2.5 percent per year thereafter to 1.0 percent per year for all years.

The assumed investment return was changed from 7.9 percent to 7.5 percent. The single discount rate was changed from 7.9 percent to 7.5 percent.

Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 Changes:

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

COMPLIANCE SECTION

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INDEPENDENT AUDITOR'S 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

Board Members
St. Cloud Area Planning Organization
St. Cloud, 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 business-type activities of St. Cloud Area Planning Organization, St. Cloud, Minnesota, as of and for the years ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated April 8, 2021.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Organization's internal control over financial reporting (internal control) to determine the 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 Organization's internal control. Accordingly, we do not express an opinion on the effectiveness of the Organization's internal control.

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 were not identified. However, as described in the accompanying Schedule of Findings, we identified certain deficiencies in internal control that we consider to be material weaknesses.

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 entity'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. We consider the deficiency described in the accompanying Schedule of Findings as 2020-001 to be a significant deficiency.

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Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Organization'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 determination of financial statement amounts. 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*.

Organization's Response to Findings

The Organization's response to the findings identified in our audit are described in the accompanying Schedule of Findings. The Organization'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 Organization'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 Organization's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

Conway, Deuth & Schmiesing, PLLP

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

April 8, 2021



INDEPENDENT AUDITOR'S REPORT ON MINNESOTA LEGAL COMPLIANCE

Board Members
St. Cloud Area Planning Organization
St. Cloud, 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 business-type activities of St. Cloud Area Planning Organization, St. Cloud, Minnesota, as of and for the year ended December 31, 2020 and 2019, and the related notes to the financial statements, which collectively comprise the Organization's basic financial statements, and have issued our report thereon dated April 8, 2021.

In connection with our audit, nothing came to our attention that caused us to believe that the Organization failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, claims and disbursements, and miscellaneous provisions sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, 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 Organization'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.

Conway, Deuth & Schmiesing, PLLP

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

April 8, 2021

Willmar Office 331 Third St SW, Ste 2 PO Box 570 Willmar, MN 56201 (320) 235-3311 (888) 388-1040	Benson Office 1209 Pacific Ave, Ste 3 Benson, MN 56215 (320) 843-2302	Morris Office 401 Atlantic Ave Morris, MN 56267 (320) 589-2602	Litchfield Office 820 Sibley Ave N Litchfield, MN 55355 (320) 693-7975	Sartell Office Ste 110 2351 Connecticut Ave Sartell, MN 56377 (320) 252-7565 (800) 862-1337
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ST. CLOUD AREA PLANNING ORGANIZATION

SCHEDULE OF FINDINGS
DECEMBER 31, 2020

I. FINDINGS RELATED TO FINANCIAL STATEMENTS AUDITED IN ACCORDANCE WITH GOVERNMENT
AUDITING STANDARDS

FINDING: 2020-001 AUDITOR PREPARED FINANCIAL STATEMENTS

Condition: The preparation of the financial statements and the related notes are the responsibility of management.

Criteria: The Organization does not have an internal control system designed to provide for the preparation of the financial statements and the related notes being audited. However, based on the degree of complexity and level of detail needed to prepare the financial statements in accordance with accounting principles generally accepted in the United States of America (GAAP), the Organization has requested the auditors to prepare them.

Cause: There are a limited number of office employees and resources available to allow for the adequate preparation of the financial statements and related notes by the Organization.

Effect: This could result in a material misstatement to the financial statements and related notes that would not be prevented or detected and corrected as a result of the Organization's current internal control.

Recommendation: The Organization should continue to request the assistance to draft the financial statements and related notes and thoroughly review these financial statements after they have been prepared so the Organization can take responsibility for them.

CORRECTIVE ACTION PLAN (CAP):

Explanation of Disagreement with Audit Finding:

None

Actions Planned in Response to Finding:

The Organization is aware of this; however, due to significant cost and a limited number of employees, it is in the Organization's best financial interest to contract for the preparation of the financial statements.

Official Responsible for Ensuring CAP:

Brian Gibson, Executive Director

Planned Completion Date for CAP:

December 31, 2021

Plan to Monitor Completion of CAP:

Board Members

ST. CLOUD AREA PLANNING ORGANIZATION

SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
DECEMBER 31, 2020

<u>Finding Reference</u>	<u>Finding Title</u>	<u>Status</u>	<u>Year Finding Initially Occurred</u>	<u>If Not Corrected, Provide Planned Corrective Action or Other Explanation</u>
Financial Statement Findings:				
2019-001	Auditor Prepared Financial Statements	Not Corrected	2016	See current year finding 2020-001
Minnesota Legal Compliance Findings:				
None				

ST. CLOUD AREA PLANNING ORGANIZATION

MANAGEMENT LETTER

DECEMBER 31, 2020

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

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ST. CLOUD AREA PLANNING ORGANIZATION

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DECEMBER 31, 2020

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To the Board Members
St. Cloud Area Planning Organization
St. Cloud, Minnesota

We have audited the financial statements of the business-type activities of the St. Cloud Area Planning Organization, St. Cloud, Minnesota, for the years ended December 31, 2019 and 2020. Professional standards require that we provide you with information about our responsibilities under generally accepted auditing standards and *Government Auditing Standards*, as well as certain information related to the planned scope and timing of our audit. We have communicated such information in our letter to you dated January 7, 2021. Professional standards also require that we communicate to you the following information related to our audit.

Significant Audit Findings

Qualitative Aspects of Accounting Practices

Management is responsible for the selection and use of appropriate accounting policies. The significant accounting policies used by the St. Cloud Area Planning Organization, St. Cloud, Minnesota, are described in Note 1 to the financial statements. No new accounting policies were implemented in 2020. We noted no transactions entered into by the Organization during the year for which there is a lack of authoritative guidance or consensus. All significant transactions have been recognized in the financial statements in the proper period.

Accounting estimates are an integral part of the financial statements prepared by management and are based on management's 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 significantly from those expected. The most sensitive estimate affecting the financial statements were:

Management's estimate of depreciation is based on the number of years an asset is in service. We evaluated the key factors and assumptions used to develop the depreciation estimate in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of the pension related items is based on actuarial valuations performed by consultants specializing in those areas. We evaluated the key factors and assumptions used to develop those estimates in determining that it is reasonable in relation to the financial statements taken as a whole.

Management's estimate of calculation and allocation of the indirect costs to the members for the next fiscal year is an estimate of the current year's costs. The rate is used to calculate overall costs above and beyond direct salary expenses and is applied to direct costs when invoicing for federal Consolidated Planning Grant (CPG) reimbursements.

The financial statement disclosures are neutral, consistent, and clear.

Willmar Office 331 Third St SW, Ste 2 PO Box 570 Willmar, MN 56201 (320) 235-3311 (888) 388-1040	Benson Office 1209 Pacific Ave, Ste 3 Benson, MN 56215 (320) 843-2302	Morris Office 401 Atlantic Ave Morris, MN 56267 (320) 589-2602	Litchfield Office 820 Sibley Ave N Litchfield, MN 55355 (320) 693-7975	Sartell Office Ste 110 2351 Connecticut Ave Sartell, MN 56377 (320) 252-7565 (800) 862-1337
www.cdscpa.com				

Difficulties Encountered in Performing the Audit

We encountered no significant difficulties in dealing with management in performing and completing our audit.

Corrected and Uncorrected Misstatements

Professional standards require us to accumulate all known and likely misstatements identified during the audit, other than those that are clearly trivial, and communicate them to the appropriate level of management. Management has corrected all such misstatements. In addition, none of the misstatements detected as a result of audit procedures and corrected by management were material, either individually or in the aggregate, to each opinion unit's financial statements taken as a whole.

Disagreements with Management

For purposes of this letter, a disagreement with management is a financial accounting, reporting, or auditing matter, whether or not resolved to our satisfaction, that could be significant to the financial statements or the auditor's report. We are pleased to report that no such disagreements arose during the course of our audit.

Management Representations

We have requested certain representations from management that are included in the management representation letter dated April 8, 2021.

Management Consultations with Other Independent Accountants

In some cases, management may decide to consult with other accountants about auditing and accounting matters, similar to obtaining a "second opinion" on certain situations. If a consultation involves application of an accounting principle to the Organization's financial statements or a determination of the type of auditor's opinion that may be expressed on those statements, our professional standards require the consulting accountant to check with us to determine that the consultant has all the relevant facts. To our knowledge, there were no such consultations with other accountants.

Other Audit Findings or Issues

We generally discuss a variety of matters, including the application of accounting principles and auditing standards, with management each year prior to retention as the Organization's auditors. However, these discussions occurred in the normal course of our professional relationship and our responses were not a condition to our retention.

Other Matters

We applied certain limited procedures to the RSI, which are required supplementary information (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.

We were not engaged to report on the Members and Officers page, which accompany the financial statements but are not RSI. We did not audit or perform other procedures on this information and we do not express an opinion or provide and assurance on it.

Restrictions on Use

This information is intended solely for the use of the Board Members and management of the St. Cloud Area Planning Organization, St. Cloud, Minnesota, and is not intended to be, and should not be, used by anyone other than these specified parties.

Conway, Deuth & Schmiesing, PLLP

CONWAY, DEUTH & SCHMIESING, PLLP
CPAS & ADVISORS
WILLMAR, MINNESOTA

April 8, 2021

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ST. CLOUD AREA PLANNING ORGANIZATION

SCHEDULE OF FINDINGS ON ACCOUNTING ISSUES AND INTERNAL CONTROLS
DECEMBER 31, 2020

We noted certain matters involving the internal control structure and its operation that we consider being deficiencies in internal control under standards established by the American Institute of Certified Public Accountants. 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.

INTERNAL CONTROL

The objective of internal accounting control is to provide reasonable, but not absolute, assurance as to the safeguarding of assets against loss from unauthorized use or disposition, and the reliability of financial records for preparing financial statements and maintaining accountability for assets. The concept of reasonable assurance recognizes that the cost of a system of internal accounting control should not exceed the benefits derived and also recognizes that the valuation of these factors necessarily requires estimates and judgments by management.

It should be recognized that within the Organization, an inherent risk is present with certain positions. It is very common for Organizations, such as the St Cloud Area Planning Organization to assign many major responsibilities to a few key individuals in an attempt to operate within limited budgets. The inherent risk is again addressed only to maintain the awareness of the internal control structure and to encourage the Board's continual review of financial information at monthly meetings.

GENERAL RECOMMENDATIONS

The purpose of financial statements is to provide the users with insight as to the financial condition and the results of operations of the organization. In order to make financial decisions on a timely basis, financial statements must be prepared timely and correctly.

Throughout the course of the audit, we spoke to management regarding certain items that we see as an opportunity to improve. None of these were considered significant within the scope of the audit. The items discussed requiring action have been resolved or are in the process of resolution. We would like to acknowledge the assistance and courtesies extended to us by the personnel of St Cloud Area Planning Organization.



1040 County Road 4, Saint Cloud, MN 56303-0643

T. 320.252.7568 F. 320.252.6557

**Endorsement of Senate File 2314
Of the Minnesota Legislature's 92nd Session
Resolution #2021-04**

WHEREAS, U.S. Highway 10 is a Principal Arterial connecting the APO's planning area with the rest of the State of Minnesota; and

WHEREAS, the first goal of the APO's Metropolitan Transportation Plan (MTP) is to "*Develop and maintain a transportation system that is safe for all users*"; and

WHEREAS, the fourth goal of the MTP is to "*Support Metropolitan Vitality and Economic Development*"; and

WHEREAS, the second Objective of Goal 4 of the MTP is "*Promote the efficient movement of goods and freight*"; and

WHEREAS, Senate File 2314 provides \$400,000 in fiscal year 2022 funds appropriated from the trunk highway fund for the commissioner of transportation to study options to improve access to and safety on U.S. Highway 10 from 45th Avenue SE to 32nd Street SE in St. Cloud;

THEREFORE, BE IT RESOLVED, that the St. Cloud Area Planning Organization officially endorses the goals and intentions of S.F. 2314 to improve safety on U.S. Highway 10; and

BE IT FURTHER RESOLVED, that the St. Cloud Area Planning Organization also officially endorses any companion House File introduced this session of the Minnesota State Legislature.

ATTEST:

Joseph Perske
St. Cloud APO Chair

Brian Gibson, PTP
St. Cloud APO Executive Director

April 8, 2021
Date

April 8, 2021
Date

**SENATE
STATE OF MINNESOTA
NINETY-SECOND SESSION**

S.F. No. 2314

(SENATE AUTHORS: PUTNAM)

DATE
03/25/2021

D-PG

Introduction and first reading
Referred to Transportation Finance and Policy

OFFICIAL STATUS

1.1 A bill for an act
1.2 relating to transportation; requiring an access and safety study of marked U.S.
1.3 Highway 10 in St. Cloud; appropriating money.

1.4 BE IT ENACTED BY THE LEGISLATURE OF THE STATE OF MINNESOTA:

1.5 Section 1. **IMPROVED ACCESS AND SAFETY STUDY; MARKED U.S. HIGHWAY**
1.6 **10 IN ST. CLOUD.**

1.7 (a) The commissioner of transportation must study options to improve access to and
1.8 safety on marked U.S. Highway 10 from 45th Avenue SE to 32nd Street SE in St. Cloud.

1.9 At a minimum, the study must:

1.10 (1) evaluate options and costs for improving access and safety, including increasing or
1.11 improving the lighting at intersections, installation of traffic-control signals at intersections,
1.12 increasing the number or length of bypass lanes, increasing the number or length of
1.13 acceleration and deceleration lanes, and J-turns or other methods of reduced conflict
1.14 intersections; and

1.15 (2) provide specific recommendations on how to best reduce high-speed collisions and
1.16 create improved access for slower moving vehicles entering marked U.S. Highway 10 and
1.17 cost estimates for each recommended improvement.

1.18 (b) By January 31, 2022, the commissioner must transmit a copy of the study to the
1.19 chairs and ranking minority members of the legislative committees with jurisdiction over
1.20 transportation policy finance.

2.1 Sec. 2. APPROPRIATION.

2.2 (a) \$400,000 in fiscal year 2022 is appropriated from the trunk highway fund to the
2.3 commissioner of transportation for the purposes of the study required by section 1.

2.4 (b) \$600,000 in fiscal year 2022 is appropriated from the trunk highway fund to the
2.5 commissioner of transportation for a grant to the St. Cloud Area Planning Organization to
2.6 be used for projects in the transportation improvement program or the Regional Infrastructure
2.7 Investment Plan.

TO: Saint Cloud Area Planning Organization Policy Board
FROM: Vicki Johnson, Senior Transportation Planner
RE: FY 2021-2024 Transportation Improvement Program Amendments
DATE: March 29, 2021

One of the responsibilities of the Saint Cloud Area Planning Organization (APO), as outlined by the Federal Government, is to develop and maintain a Transportation Improvement Program (TIP). The TIP is the document that programs federal funds for transportation improvements in the APO's Metropolitan Planning Area (MPA). Decisions about transportation investments require collaboration and cooperation between different levels of government and neighboring agencies and jurisdictions. As a document, the TIP reports how the various agencies and jurisdictions within the MPA have prioritized their use of limited Federal highway and transit funding.

The City of Saint Cloud has requested two amendments to the APO's FY 2021-2024 TIP pertaining to the CR 136/Oak Grove Road SW reconstruction and multimodal project occurring in FY 2021.

The proposed changes are as follows:

- 162-175-001: ST. CLOUD; RECONSTRUCT STERANS CR 136 FROM 22ND ST S TO 33RD ST S, TO MULTI MODAL CORRIDOR (ASSOCIATED WITH 162-591-005). Per revised cost estimates, cost of this project is increasing from \$1,870,000 to \$3,200,817. City of Saint Cloud is responsible for funding difference. New totals are as follows: FHWA: \$969,482; Other/Local: \$2,231,335; Total: \$3,200,817.
- 162-591-005: ****AC****: ST. CLOUD; RECONSTRUCT STEARNS CR 136 FROM 22ND ST S TO 33RD ST S, TO MULTI MODAL CORRIDOR, PAYBACK IN 2024 (ASSOCIATED WITH 162-175-001). Per revised cost estimates, cost of this project is increasing from \$530,000 to \$536,543. City of Saint Cloud is responsible for funding difference. New totals are as follows: FHWA: \$424,000 (to be paid back in 2024); Other/Local: \$112,543; Total: \$536,543.

With all of the proposed changes, fiscal constraint has been maintained for each agency and jurisdiction.

The 30-day public comment period on these changes concluded on Friday, March 26, 2021.

APO staff have received 16 completed online surveys. Those comments can be found in Attachment G2.

The APO's Technical Advisory Committee (TAC) met on March 25 and recommended Policy Board approval of these changes.

Suggested Action: Approval.

FY 2021-2024 Transportation Improvement Program Amendments

Public Comments February-March 2021

Two requests from the City of Saint Cloud for changes to the Saint Cloud Area Planning Organization's (APO's) fiscal year 2021-2024 Transportation Improvement Program (TIP) have warranted a 30-day public comment period. During this period (Feb. 24 – March 26, 2021) the APO has received the following comments.

Online Survey:

Agency/Jurisdiction	Proposed Project Number	Comments	Date
City of Saint Cloud	162-175-001 and 162-591-005 (CR 136 reconstruction and multi modal improvements)	Strongly approve (2) Approve (5) Neither approve nor disapprove (3) Disapprove (1) Strongly disapprove (3)	03/12/2021
City of Saint Cloud	162-175-001 and 162-591-005 (CR 136 reconstruction and multi modal improvements)	"Too much money."	03/12/2021
City of Saint Cloud	162-175-001 and 162-591-005 (CR 136 reconstruction and multi modal improvements)	"Cost too high."	03/12/2021
City of Saint Cloud	162-175-001 and 162-591-005 (CR 136 reconstruction and multi modal improvements)	"More detail about the actual improvement would be helpful."	03/12/2021