

**City of Moorhead, Minnesota**

**Comprehensive Annual  
Financial Report**



**For the Year Ended December 31, 2015**

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**COMPREHENSIVE ANNUAL  
FINANCIAL REPORT  
OF THE  
CITY OF MOORHEAD  
MINNESOTA**

**FOR THE YEAR ENDED DECEMBER 31, 2015**

**PREPARED BY THE FINANCE DIVISION**

**WANDA WAGNER, FINANCE DIRECTOR**

**AMY WOHLWEND, ACCOUNTANT**

**Members of the Government Finance Officers Association  
of the United States and Canada**

**INTRODUCTORY  
SECTION**

**CITY OF MOORHEAD, MINNESOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE YEAR ENDED DECEMBER 31, 2015**

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August 9, 2016

To the Honorable Mayor, City Council, City Manager and Citizens of the City of Moorhead:

Minnesota statutes require that all cities issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the state auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Moorhead for the fiscal year ended December 31, 2015.

This report consists of management's representations concerning the finances of the City. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Moorhead has established a comprehensive internal control framework that is designed both to protect the government's assets from loss, theft or misuse, and to compile sufficient reliable information for the preparation of the City's financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City of Moorhead's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The City of Moorhead's financial statements have been audited by Eide Bailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2015, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2015, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

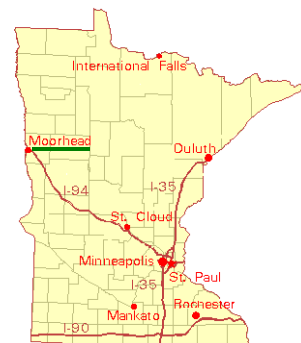
The City of Moorhead is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, are provided under separate cover.

GAAP requires that management provide a narrative introduction, overview and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of Moorhead's MD&A can be found immediately following the report of the independent auditors.



## CITY OF MOORHEAD PROFILE

The City of Moorhead, incorporated in 1881, is situated in the heart of the Red River Valley, 250 miles northwest of Minneapolis. It is the county seat of Clay County and a community rich in history, tradition and diversity. While Moorhead is part of a growing metropolitan region, it is distinct because of its liberal arts based college atmosphere, quality educational system, plentiful parks and strong, diverse neighborhoods. The City covers approximately 17.74 square miles with a population of 38,065 as of the 2010 U.S. Census.



The City of Moorhead has operated under the council-manager form of government since 1985. Policy-making and legislative authority are vested in a city council consisting of the mayor and eight other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every four years and the mayor and four council members elected in staggered four-year terms. The mayor is elected at large and the council members are elected by ward.

The City of Moorhead provides a full range of services. The general governmental functions include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, neighborhood services, rental registration, transit, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, storm water collection, sanitation, sports center, golf course, pest control, forestry, airport and street light utility. Vehicles and equipment, radio and information technology services are provided through internal service funds. The Moorhead Public Housing Agency is included as a component unit of the reporting entity because the City Council appoints the governing body and is able to impose its will on the agency. Independent School District No. 152, which is located in Moorhead and operates elementary and secondary education, has not met the established criteria for inclusion in the reporting entity, and accordingly is excluded from this report.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Moorhead prepare departmental budgets, which are submitted to the city manager by July 1 of each year. The city manager uses these to develop a citywide proposed budget. The city manager then presents this proposed budget to the council for review prior to September 1. The council is required to hold a public meeting where the citizens are allowed to speak on the proposed budget and to adopt a final budget prior to December 28<sup>th</sup>. After the budget resolution has been adopted, the Council does not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate.

The appropriated budget is prepared by fund, department and activity. Department heads may make adjustments of appropriations within their respective department. Adjustments of appropriations between funds, however, require the special approval of the city council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the Fund Financial Statements within the Basic Financial Statements section of this report. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual section of this report.

### Local Economy

The City of Moorhead is located at a natural crossing point of the Red River of the North, a place where Minnesota and the Dakotas meet and where one enjoys easy access to business, markets and recreation. Moorhead has access to the major market areas of North America with the intersection of Interstates 94 and 29 lying just west of the city limits. Trucking with overnight delivery from Minneapolis/St. Paul, Duluth, Sioux Falls, Omaha, Bismarck and Winnipeg is also available. Hector International Airport is located nearby in Fargo, ND with multiple non-stop flights to Minneapolis, Chicago and Denver, and the Moorhead Municipal Airport is just 3 miles southeast of the city, which is staffed by Flight Development LLC, offering aircraft maintenance, fuel and onsite management. In addition, mainline rail services from Canada to Mexico and from west coast ports to the Great Lakes and daily Amtrak

passenger services are nearby. The metropolitan area serves as a regional center for surrounding agricultural communities in Minnesota with stable operations reported at the city's top two property taxpayers: American Crystal Sugar and the Anheuser Busch malt facility. While distribution and transfer industries remain a vital part of the business environment, education and service industries have played an increasingly important role. The Moorhead public school's enrollment of over 6,000 students places it among the largest 10% of school districts in Minnesota and is known for its superior academic achievement, far-reaching extracurricular activities and efficiency in operating costs. In addition, Moorhead offers St. Joseph's Catholic School, a K-8 Catholic school, and Park Christian School, a K-12 interdenominational Christian school. The Metropolitan Area Transit serves all Moorhead residents and major shopping and educational facilities.

Minnesota State University Moorhead and Concordia College are both located in the city, which provides a measure of institutional stability to the economy. Minnesota State University Moorhead is a comprehensive liberal arts university with over 7,600 students and about 825 full- and part- time faculty and Concordia College is a four-year private liberal arts college with almost 3,000 students, known for its outstanding choral and instrumental music and world language instruction. Moorhead is also home to Minnesota State Community and Technical College which provides "hands-on" training to 2,300 students and Rasmussen College offering career focused degrees in business, design, education, health sciences, justice studies, nursing and technology.

### **Long-term Financial Planning**

The City Council has established a cash reserve policy retaining a minimum of 40% of the next year's General Fund and Park Fund operating budget for working capital to allow for cash flow until tax settlements are received and to allow for unforeseen contingencies. Over the next year, Engineering staff will continue development of the City's Pavement Management System (PMS). The objective of a formal PMS is to establish a uniform definition of pavement condition and procedures for the timely application of various maintenance strategies to extend the overall life of City streets in the most economical and efficient manner. Utility rates are monitored with long term projects and operational costs as guides to assure positive cash flow.

The City's bond rating of Aa3 from Moody's Investors Service was affirmed. The Aa3 rating reflects the City's healthy financial operations supported by adequate General Fund reserves.

### **Major Initiatives**

The City's 2015 new home construction activity was the highest seen in the past 10 years with a total of 505 housing units constructed and more than \$90 million of construction value added to the City through new and remodel residential and commercial building activity. On January 1, 2015, the City grew its boundaries by 1,630 acres and nearly 500 households with the annexation of Oakport Tract 2. This annexation expanded the tax base and provided additional housing/neighborhood opportunities for the northern portion of the City. There were 30 new commercial buildings permitted for construction in 2015, a 43% increase from 2014.

Independent School District No. 152 (Moorhead) expects an increase of 700 students within the next 5 years along with the addition of all-day kindergarten. Voters approved funds to construct a new elementary school and middle school addition. The new elementary school and expansion to the middle school is expected to be completed for the 2017 school year. The district expanded two elementary schools in 2014 with a total construction value of \$7.0 million and has completed additional upgrades valued at \$5.1 million in 2015

Hornbacher's Grocery, a SuperValu company, has opened a new \$5.4 million grocery store in south Moorhead. This new grocery store is the anchor for a 50,000 square-foot, \$4.2 million retail shopping center with a variety of commercial spaces.

In addition to these projects, Minnesota State University-Moorhead is nearing completion on a \$9 million expansion to its Comstock Memorial Union and Minnesota State Community and Technical College (MState) is completing a \$7 million Transportation Center. Also, several existing business expansions commenced in 2015, including Bert's Truck Equipment, Kovash Marine, and Arbor Park Living Center.

During the last decade, nearly \$98 million of public dollars (\$65.5 million of state funds/\$32.2 million of City funds) were used to acquire over 225 acres of flood-prone land, including 240 acquisitions to support construction of flood mitigation structures along the river corridor as part of a city-wide flood protection initiative. The 2015 Minnesota Bonding Bill allocated \$5.53 million to finish a flood mitigation project in the newly annexed Oakport Tract 2 area, removing approximately 400 residents from the flood plain. This new conversion of riverfront property to public ownership has allowed the City the opportunity to initiate the Moorhead River Corridor Study, a long term community



vision and comprehensive strategy to develop parks and a continuous trail along the Red River corridor in the City. The Moorhead River Corridor Master Plan was adopted in May 2014 and outlines a plan for connectivity, recreation, habitat enhancement and cultural, historical and environmental interpretation with implementation beginning in 2015 in partnership with Audubon Urban Woods and Prairies Initiative to restore native habitats along the riverfront.

Numerous park projects are underway in 2015, including a new large shelter at MB Johnson Regional Park and Heritage Gardens and Amphitheater at Woodlawn Park. In 2014, a new park and trail was developed in Trails at Stonemill Estates which supports a new 316 unit multi-family, multi-phased residential development in south Moorhead. Other projects include trail reconstruction along Highways 10 and 52, new access road to Gooseberry Regional Park, Municipal Pool improvements; parking lot repairs at Village Green golf course, clubhouse upgrades at The Meadows golf course and improvements to the Stave Church at the Hjemkomst Center as well as new and expanded programs.

### **Awards and Acknowledgements**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moorhead, Minnesota, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2014. This was the 32<sup>nd</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our current CAFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all the members of the City departments who assisted and contributed to the preparation of this report. Credit must also be given to the City Council Members and the City Manager for their support in planning and conducting the financial operations of the City in a responsible, professional and progressive manner.

Respectfully submitted,



Wanda Wagner  
Finance Director



Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Moorhead  
Minnesota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2014**

Executive Director/CEO

CITY OF MOORHEAD  
LISTING OF CITY OFFICIALS  
AS OF DECEMBER 31, 2015

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	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
DEL RAE WILLIAMS	MAYOR	2018
NANCY OTTO	COUNCIL MEMBER, WARD 1	2016
MARI DAILEY	COUNCIL MEMBER, WARD 1	2018
HEIDI DURAND	COUNCIL MEMBER, WARD 2	2016
JIM HANEY	COUNCIL MEMBER, WARD 2	2018
MIKE HULETT	COUNCIL MEMBER, WARD 3	2016
BRENDA ELMER	COUNCIL MEMBER, WARD 3	2018
STEVE GEHRTZ	COUNCIL MEMBER, WARD 4	2016
CHUCK HENDRICKSON	COUNCIL MEMBER, WARD 4	2018

APPOINTED OFFICIALS

MICHAEL REDLINGER      CITY MANAGER  
(Resigned 04/15/16)

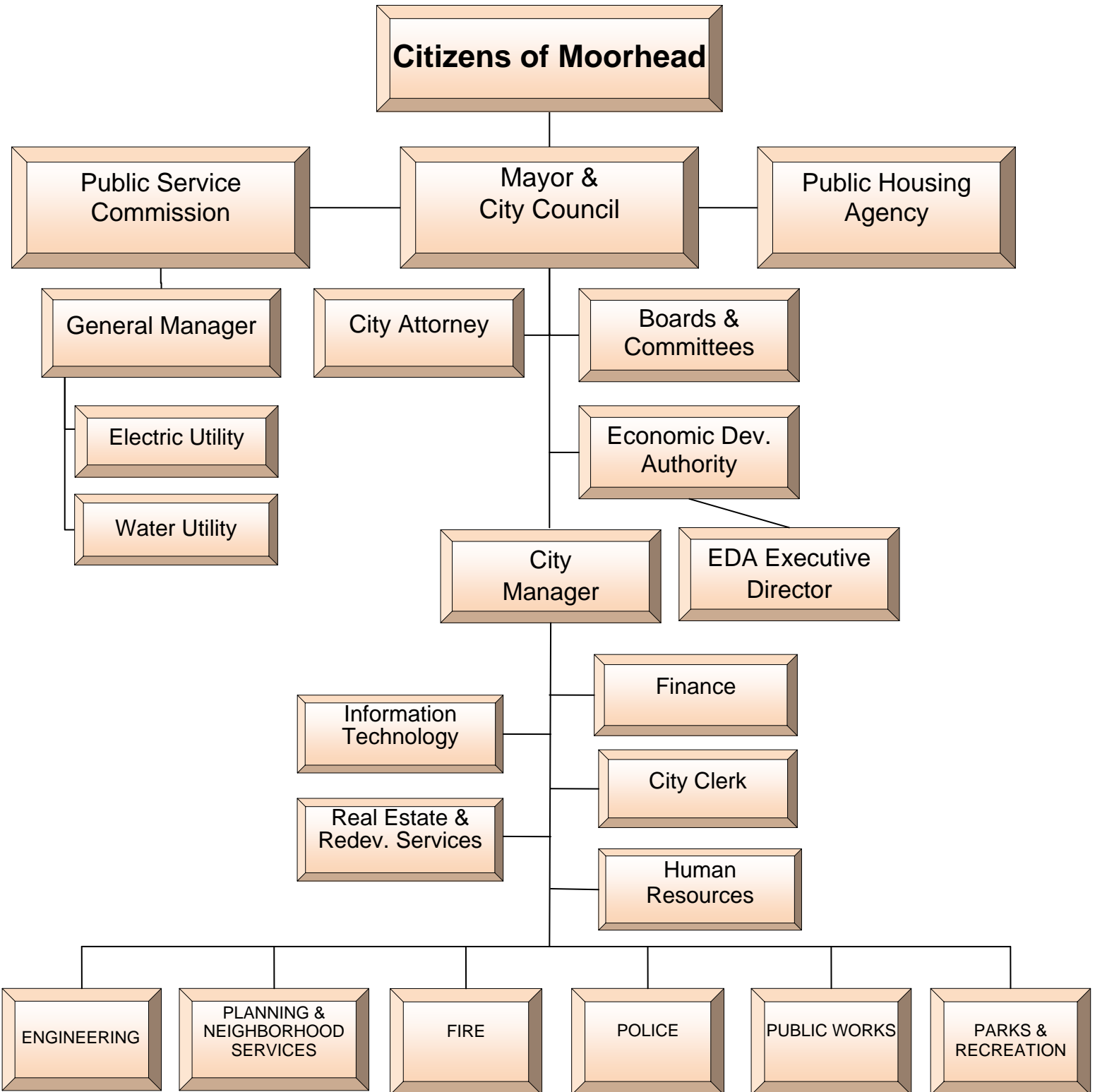
DEPARTMENT DIRECTORS

SCOTT HUTCHINS	PLANNING & NEIGHBORHOOD SERVICES
HOLLY HEITKAMP	PARKS & RECREATION
ROBERT ZIMMERMAN	ENGINEERING
DAVID EBINGER	POLICE CHIEF
RICH DUYSSEN	FIRE CHIEF
STEVE MOORE	PUBLIC WORKS

# CITY OF MOORHEAD

## ORGANIZATION CHART

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**FINANCIAL**

**SECTION**



## Independent Auditor's Report

To the City Council  
City of Moorhead, Minnesota

### Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moorhead, Minnesota (the City) as of and for the year ended December 31, 2015, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### Management's Responsibility for the Financial Statements

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 did not audit the financial statements of the Moorhead Public Housing Agency, the discretely presented component unit. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Moorhead Public Housing Agency, is based solely on the report of the other auditors. 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.

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## **Opinions**

In our opinion, based on our audit and the report of other auditors, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City as of December 31, 2015, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Emphasis of Matter**

As discussed in note 5 to the financial statements, the City has adopted the provisions of GASB Statement No. 68 *Accounting and Financial Reporting for Pensions* and GASB No. 71 *Pension Transition for Contributions Made Subsequent to the Measurement Date*, which has resulted in a restatement of the net position as of January 1, 2015. Our opinions are not modified with respect to this matter

## **Other Matters**

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of employer's share of net pension liability, schedule of employer's contributions, and schedule of funding progress 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, 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 opinions on the financial statements that collectively comprise the City's financial statements. The introductory section, combining and individual fund statements and schedules, capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements.

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

The introductory and statistical sections have 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 them.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated August 8, 2016 on our consideration of the City of Moorhead, Minnesota'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 City of Moorhead's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
August 8, 2016

**CITY OF MOORHEAD, MINNESOTA**  
**MANAGEMENT'S DISCUSSION AND ANALYSIS**  
**(Unaudited)**

This section of the comprehensive annual financial report of the City of Moorhead (the City) presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2015. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

**FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$441,873,901.
- The City's total net position increased by \$8,513,879.
- The City's governmental funds reported combined ending fund balances of \$78,964,856, a decrease of \$10,369,678 in comparison with the prior year. Of this total amount, \$14.0M is unassigned, \$4.8M assigned, \$1.0M committed, \$57.7M restricted and \$1.5M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$15,466,755 or 74% of total general fund expenditures of \$20,946,059.

**OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Moorhead that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, neighborhood services, rental registration, transit, library, parks and recreation, economic and community development and general legislative and administrative services. The business-type activities of the City include electric, water, wastewater, storm water, sanitation, sports center, golf course, pest control, forestry, airport and street light.

The government-wide financial statements include not only the City of Moorhead itself, but also a legally separate Public Housing Agency for which the City Council appoints the governing body and on which it is able to impose its will. Financial information for the Public Housing Agency is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found in the basic financial statements of this report.

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

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

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City of Moorhead maintains four individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, special assessment debt service, special assessment capital projects and permanent improvement funds, which are all considered major funds. Data from the other eleven governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report.

The City of Moorhead adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparisons have been provided for all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found in the Basic Financial Statements of this report.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater treatment, storm water, sanitation, golf course, sports center, pest control, forestry and municipal airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three internal service funds to account for vehicles & equipment, information technology and radios. Because the internal service funds benefit both the governmental and business-type functions, \$511,717 has been reflected within the business-type activities and \$4,774,603 within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water and wastewater treatment, which are considered to be major funds of the City of Moorhead. Data from the other eight enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in this report. The three internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements can be found in the Basic Financial Statements of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found in the Basic Financial Statements of this report.

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Moorhead's progress in funding its obligation to provide pension and OPEB benefits to its employees. Required supplementary information can be found on page 48 and 49 of this report.

The combining schedules referred to earlier in connection with non-major governmental funds, non-major proprietary funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund schedules can be found in the Combining and Individual Fund Schedules and statements portion of the Financial Section of this report.

## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Moorhead, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$441,873,901 at the close of the most recent fiscal year.

The largest portion of the City's net position is the investment in capital assets of \$280,003,147 (63%) (e.g., land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt used to acquire those assets. The City of Moorhead uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Moorhead's net position, \$123,773,786 (28%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$38,096,968 (9%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

The following two tables present condensed financial information on the City's Net Position and Changes in Net Position for the fiscal year ending December 31, 2015.

### CITY OF MOORHEAD'S NET POSITION

	Governmental Activities		Business-type Activities		Total
	2015	2014	2015	2014	2015
Current and other assets	\$ 157,643,979	\$ 173,339,631	\$ 42,643,488	\$ 44,734,456	\$ 200,287,467
Capital assets	364,881,996	332,069,619	150,907,949	140,313,330	515,789,945
Total assets	522,525,975	505,409,250	193,551,437	185,047,786	716,077,412
Deferred outflows of resources	6,133,958	2,240,901	1,079,589		7,213,547
Long-term liabilities outstanding	195,177,025	188,095,139	68,456,709	57,867,898	263,633,734
Other liabilities	6,020,317	7,702,357	5,422,914	5,672,521	11,443,231
Total liabilities	201,197,342	195,797,496	73,879,623	63,540,419	275,076,964
Deferred inflows of resources	5,135,195		1,204,898		6,340,093
Net Position:					
Net investment in capital assets	188,292,907	177,714,707	91,710,240	90,171,519	280,003,147
Restricted	117,010,569	116,646,363	6,763,217	7,103,021	123,773,786
Unrestricted	17,023,920	17,491,585	21,073,048	24,232,827	38,096,968
Total net position	\$ 322,327,396	\$ 311,852,655	\$ 119,546,505	\$ 121,507,367	\$ 441,873,901

The \$32.8M increase in capital assets in governmental activities is the result of considerable investment in city infrastructure, as well as, acquiring the streets and sanitary sewer system with a fair value of \$15.8M in the annexation of 2.5 square miles of Oakport Township as of January 1, 2015. In addition, \$10M was invested in significant sanitary lift station improvements and water infrastructure with a fair value of \$714K was acquired through the same annexation action mentioned above in the business-type activities. The reduction in governmental activities current and other assets reflects payment by a fiscal agent in 2015 to retired refunded debt. There was also a significant increase in the deferred outflows of resources, long-term debt and deferred inflows of resources which are all attributable to the implementation of GASB Statements 68 and 71 and the recognition of net pension liability.

At the end of the current fiscal year, the City of Moorhead is able to report positive balances in all reported categories of net position, both for the government as a whole, as well as for its separate governmental and business-type activities. The same situation held true for the prior fiscal year.

In addition, the City of Moorhead's overall net position increased by \$8,513,879 over the prior fiscal year despite a prior period adjustment reduction of \$19.3M to reflect pension liability relating to the implementation of GASB Statements 68 and 71. The components of this increase are discussed in the following sections for governmental activities and business-type activities.

## CITY OF MOORHEAD'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total 2015
	2015	2014	2015	2014	
<b>Revenues:</b>					
<b>Program revenues:</b>					
Charges for services	\$ 4,891,925	\$ 5,458,451	\$ 64,735,856	\$ 61,314,954	\$ 69,627,781
Operating grants and contributions	4,045,822	3,585,983	250,277	218,817	4,296,099
Capital grants and contributions	13,758,664	21,508,080	176,178	1,244,238	13,934,842
<b>General Revenues:</b>					
Taxes	7,886,873	6,985,885			7,886,873
Tax Increments	514,527	585,880			514,527
Franchise Fees	1,013,045	1,137,769			1,013,045
State aid	9,927,631	9,405,893	11,562	11,562	9,939,193
Grants and contributions not restricted to specific programs	171,160	171,232			171,160
Investment earnings	96,413	140,993	245,689	361,204	342,102
Miscellaneous	1,308,003	1,666,786	610,959	571,818	1,918,961
<b>Total revenues</b>	<b>43,614,063</b>	<b>50,646,952</b>	<b>66,030,521</b>	<b>63,722,593</b>	<b>109,644,583</b>
<b>Expenses:</b>					
General government	4,140,728	4,164,837			4,140,728
Public safety	12,699,743	12,060,174			12,699,743
Highways and streets	12,439,423	11,994,051			12,439,423
Parks and recreation	3,691,716	3,640,538			3,691,716
Library	857,013	825,921			857,013
Community development	482,152	443,355			482,152
Rental Registration	274,323	270,581			274,323
Mass transit	2,819,080	2,738,712			2,819,080
Economic development	871,623	921,006			871,623
Interest on long-term debt	6,876,730	7,122,193			6,876,729
Electric			29,476,309	27,910,422	29,476,309
Water			5,795,414	5,926,998	5,795,414
Wastewater treatment			6,058,003	5,903,395	6,058,003
Storm water			1,316,273	1,156,391	1,316,273
Sanitation			3,532,179	3,429,526	3,532,179
Golf Course			1,658,863	2,212,073	1,658,863
Sports Center			975,858	972,117	975,858
Pest Control			442,730	355,922	442,730
Forestry			696,965	761,896	696,965
Municipal airport			322,277	302,208	322,277
Street light utility			647,483		647,483
<b>Total expenses</b>	<b>45,152,531</b>	<b>44,181,368</b>	<b>50,922,354</b>	<b>48,930,948</b>	<b>96,074,884</b>
Increase/decrease in net position before transfers	(1,538,468)	6,465,584	15,108,167	14,791,645	13,569,699
Transfers	9,929,999	9,978,310	(9,929,999)	(10,048,310)	0
<b>Change in net position</b>	<b>8,391,531</b>	<b>16,443,894</b>	<b>5,178,168</b>	<b>4,743,335</b>	<b>13,569,699</b>
Special Item	15,812,220		(1,532,204)		14,280,016
Net position - beginning of year, as previously reported	311,852,655	295,408,761	121,507,367	116,764,032	433,360,022
Prior period adjustment	(13,729,010)		(5,606,826)		(19,335,836)
Net position – beginning of year, as restated	298,123,645		115,900,541		414,024,186
<b>Net position - end of year</b>	<b>\$ 322,327,396</b>	<b>\$ 311,852,655</b>	<b>\$ 119,546,505</b>	<b>\$ 121,507,367</b>	<b>\$ 441,873,901</b>

**Governmental activities.** The governmental activities' net position increased by \$10,474,741 during the current fiscal year. There are a few large components of this change. The implementation of GASB Statements 68 and 71 resulted in a prior period adjustment reducing net position by over \$13M. The annexation of a 2.5 mile tract of land effective January 1, 2015 resulted in an increase in net position of \$15.8M. City governmental activities operations increased net position by \$8.4M. Revenues decreased \$7,032,889 in large part due to over \$2M in premiums on bond issues in 2014, nearly \$2M less in new



special assessment projects and \$1.6M less in mass transit capital grants. Expenses increased \$971,162 (2%) over 2014 due primarily to a \$639,569 increase in Public Safety and a \$445,372 increase in Highways and Streets.

**Business-type activities.** Business-type activities decreased the City's net position by \$1,960,862, however, there was an increase in net position of \$5,178,168 before the reporting of special items and a prior period adjustment to reflect the implementation of GASB Statements 68 and 71 reducing net position by \$1,532,204 and \$5,606,826, respectively. Charges for services in the business-type activities increased \$3.4M (5.6%) over the previous year. This resulted primarily from a rate increase in the Electric Fund (1.0%) effective January 1, 2015 and increased customer sales volume in the Water Fund in 2015 along with a 6.5% rate increase effective January 2015. In addition, there was an 8% rate increase for wastewater fees to fund significant sanitary lift station improvements. Expenses in the business-type activities increased \$2.0M (4.1%). This increase is primarily due to an increase of \$1.6M in Electric Fund and \$648K attributable to the implementation of a new Street Light Utility Fund.

## GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$78,964,856, a decrease of \$10,369,678 in comparison with the prior year. Approximately 17.8%, or \$14,017,442, of this combined ending fund balance is unassigned. The remainder of fund balance is assigned (\$4.8M, 6.1%), committed (\$1.0M, 1.3%), restricted (\$57.7M, 73.0%) or nonspendable (\$1.5M, 1.9%).

The general fund is the chief operating fund of the City of Moorhead. At the end of the current fiscal year, unassigned fund balance of the general fund was \$15,466,755. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance to total fund expenditures. Unassigned fund balance represents 74% of total general fund expenditures which is above the reserve policy target of 60% for total unrestricted general fund balance.

The net change in fund balance of the general fund was an increase of \$348,650 or 2.1% from 2014. Key factors of this increase are as follows:

- Total revenues including transfers were \$21,994,739 which was \$388,461 under budget. License and permit revenue exceeded budget by \$250,000, however, service charges were under budget by \$717,000. This service charges variance consists of bulk fuel sales and maintenance shop service charges.
- Expenditures including transfers totaling \$21,646,089 were under budget by \$1,475,140. Reductions in personal services of \$725,000 were achieved by not filling various vacant positions in addition to \$600,000 in lower than expected bulk fuel costs and an appropriation at the end of the year in the amount of \$250,000 for a Growth Area Plan which will be spent in 2016. There was also a transfer from the General Fund to the Permanent Improvement fund to reimburse for costs associated with two (2) prior floods which did not qualify for FEMA reimbursement.

The special assessment debt service fund balance decrease \$6,814,752 due mainly to crossover-refunding bond issues from 2014 for which the proceeds held with a fiscal agent were used in 2015 to call the refunded bonds. This is also reflected in a decrease in cash with fiscal agent of just over \$10M. The special assessment capital projects fund balance decreased by \$4,629,039 which is primarily due to the spend down of prior year bond proceeds. The permanent improvement fund balance increased \$249,146 which is primarily attributable to the transfer referred to above from the general fund to reimburse costs associated with two (2) previous floods which did not qualify for FEMA reimbursement.

**Proprietary funds:** The City's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the enterprise funds at the end of the year totaled \$20,561,331. The total change in net position in the enterprise funds was an increase of \$3,695,485 before a prior period adjustment to reflect the implementation of GASB Statements 68 and 71 which results in a reduction in net position of \$5,606,826 for a total reduction in net position in the enterprise funds of \$1,911,341.

The electric fund reported a reduction in net position primarily due to a special item to write off costs associated with the demolition and remediation of an old power producing plant. There was a revenue increase of 1.4% in the electric fund as the result of a 1.0% rate increase effective January 2015. The water fund experienced an increase in operating revenue of 8.8%

caused primarily by an increase in customer sales volume in 2015 along with a 6.5% rate increase effective January 2015. In addition, a special item to reflect acquisition of water infrastructure relating to a January 1, 2015 annexation reflects an increase in net position to the water fund of \$2.3M before the prior period adjustment. The wastewater treatment fund also reported an increase in net position of \$728,693 before the prior period adjustment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Significant variances between original and final budget are noted as follows:

Budgets were amended during the year to account for changes approved by the City Council during the year, for capital outlay and open encumbrance carryovers from the previous fiscal year, new grant awards and supplemental appropriations. The original expenditure budget of \$22,325,106 was amended as final totaling \$23,096,229 for an increase of \$771,123 during the year.

The negative revenue variance of \$414,149 is attributed primarily to lower than expected service charge revenue relating to maintenance shop functions offset by excess license and permit revenue. The positive variance in expenditures of \$2,150,170 is primarily due to delays in filling vacant positions saving \$725,000, \$600,000 in lower than expected bulk fuel purchases and a late in the year appropriation of \$250,000 for a growth area plan which will be contracted in 2016.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2015, amounts to \$515,789,945 (net of accumulated depreciation), an increase of \$43.4M. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

Major capital asset events during the current fiscal year included the following:

- Flood acquisition and mitigation projects of \$5.3M funded by a State grant and the remainder funded through issuance of bonds.
- \$2.2M in street projects with state funds
- \$15.8M in infrastructure other improvements
- \$16.5M in annexed infrastructure assets
- \$2.5M in sanitary lift station improvements

**CITY OF MOORHEAD'S CAPITAL ASSETS**  
(net of depreciation)

	Governmental Activities 2015	Business-type Activities 2015	Total
Land	\$ 63,823,696	\$ 8,547,660	\$ 72,371,356
Construction in progress	64,988,752	19,377,376	84,366,128
Buildings	10,090,973	92,860,804	102,951,777
Improvements other than buildings	15,502,278	25,672,301	41,174,579
Machinery and equipment	12,082,941	4,449,808	16,532,749
Infrastructure	198,393,356		198,393,356
Total	\$ 364,881,996	\$ 150,907,949	\$ 515,789,945

Additional information on the City's capital assets can be found in the notes to the financial statements Note 4(B) of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Moorhead had total bonded debt outstanding of \$242,040,407. Of this amount, \$180,030,000 of G.O. Special assessment debt and \$23,077,624 of General Obligation Revenue debt are backed by the full faith and credit of the City in the event of insufficient pledged revenues. The remaining \$38,932,783 of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$485,089 General Obligation Notes Payable at year end. The City had \$18,267,814 in net pension liability on June 30, 2015 due to the implementation of GASB Statements 68 and 71 for the year ending December 31, 2015. See Note 5 for further information.

The City had a net decrease in long-term bonded debt of \$725,190 during the current fiscal year. This decrease is due to the issuance of various bonds, which are listed below and debt service principal payments of 22,508,481. During the current fiscal year, the City issued:

\$12,270,000 G.O. Improvement Bonds, Series 2015A to finance various city-wide infrastructure projects.

\$9,432,783 G.O. Water Revenue Note of 2014

The City of Moorhead maintained an "Aa3" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of estimated market value of taxable property. The current debt limitation for the City of Moorhead is \$71,964,231. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$485,089 leaving a legal debt margin of \$71,479,142.

### CITY OF MOORHEAD'S OUTSTANDING DEBT

General Obligation Bonds, Revenue Bonds, Long-Term Notes, Compensated Absences and Other Post-Employment Benefits

Type of Issue	Governmental Activities	Business-type Activities	Total
Special assessment	\$ 175,630,000	\$	\$ 175,630,000
G.O. Tax Increment	3,930,000		3,930,000
G.O. Municipal Improvement Revenue	470,000		470,000
G.O. Revenue		13,032,624	13,032,624
Revenue Refunding		16,735,000	16,735,000
Revenue		32,242,783	32,242,783
Long-term notes	485,089	325,570	810,659
Compensated absences	1,854,305	937,567	2,791,872
Other Post-Employment Benefits	872,323	495,296	1,367,619
Net Pension Liability	13,120,897	5,146,917	18,267,814
Total	\$ 196,362,614	\$ 68,915,757	\$ 265,278,371

Additional information on the City's long-term debt can be found in Note 4(E) of the notes to the financial statements.

### Economic Factors and Next Year's Budgets

The local economy has remained resilient and 2015 showed significant increases in both new commercial and residential construction, both in terms of value and number of residential units. There has been \$98 million of public investment for flood mitigation in Moorhead during the last decade. \$5.53 million will complete the City's flood protection to a river stage of 42.5 feet. Moorhead's revised FEMA map was adopted in April 2012 and sets the 100-year flood plain at a river stage of 39.3 feet. Moorhead's proactive approach to flood protection gives the City a market advantage and keeps our community in business regardless of whether or when the FM Diversion project is completed. The City of Moorhead prides itself on its ability to maintain most services at a level the taxpayer has come to expect.

The City of Moorhead's 2016 Operating & Capital Budget totals \$77,757,437, an increase of \$3,440,265 (4.6%) from the previous year. When looking specifically at the General Fund and Special Revenue Funds, the 2016 budget reflects an increase of \$2,490,175 (8.0%) from 2015 levels. Roughly one-half of this increase (\$1.2M) is attributable to the replacement of four (4) transit buses. In addition, \$635,000 of the increase reflects additional staff authorized during 2015, as well as, four (4) proposed additional staff in 2016 for public safety. After accounting for these two large items, the operating budget increase in the General Fund and Special Revenue Funds would be 2.1%.

Based upon the results of the Classification and Compensation Study which was completed in April of 2013, Year 3 of implementation was included in the 2016 Operating and Capital Budget along with a 2% pay scale adjustment. The total cost for this stage of the implementation is slightly over \$880,000 citywide. Health insurance premiums were increased \$52,000 (2.2%). Operating budgets remained primarily at 2015 levels, with the exception of increases in general liability insurance (5%) and auto insurance (2%), which are primarily nondiscretionary in nature.

The State of Minnesota's Local Government Aid (LGA) program continues to be stressed and not a funding source which is forecast to increase. 2016 Local Government Aid is \$7,128,746, which is an increase of \$14,242 over the 2015 Local Government Aid allocation.

### Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 500 Center Avenue, Moorhead, MN 56560 or visit the City's web site at [www.cityofmoorhead.com](http://www.cityofmoorhead.com).

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2015**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 61,410,650	\$ 16,542,093	\$ 77,952,743	\$ 1,801,064
Cash with fiscal agent	19,275,000		19,275,000	
Receivables:				
Accounts and notes	863,352	8,007,724	8,871,076	13,970
Accrued interest		48,061	48,061	
Special assessments	6,144,249	140,538	6,284,787	
Internal balances	2,358,552	(2,358,552)		
Due from other governmental units	1,841,666	605,503	2,447,169	290,613
Inventories		1,645,225	1,645,225	
Prepaid items	1,599	103,676	105,275	39,571
Restricted assets:				
Cash and cash equivalents		3,954,666	3,954,666	82,692
Bond operation and maintenance reserve		5,363,000	5,363,000	
Long-term receivables:				
Special assessments	60,935,836	2,688,085	63,623,921	
Notes receivable, less current portion	4,813,075	685,549	5,498,624	
Other long-term investments		5,217,920	5,217,920	
Capital assets:				
Intangible plant		255,373	255,373	
Land	63,823,696	8,547,660	72,371,356	464,977
Buildings	22,960,304	170,035,723	192,996,027	10,837,227
Improvements other than buildings	27,356,384	40,456,517	67,812,901	
Machinery and equipment	32,883,617	18,617,344	51,500,961	811,642
Infrastructure	282,330,914		282,330,914	
Construction in progress	64,988,752	19,377,376	84,366,128	313,001
Less accumulated depreciation	(129,461,671)	(106,382,044)	(235,843,715)	(7,179,498)
<b>Total assets</b>	<b>522,525,975</b>	<b>193,551,437</b>	<b>716,077,412</b>	<b>7,475,259</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans	4,468,662	1,079,589	5,548,251	
Advance refundings of debt	1,665,296		1,665,296	
<b>Total deferred outflows of resources</b>	<b>6,133,958</b>	<b>1,079,589</b>	<b>7,213,547</b>	
<b>LIABILITIES</b>				
Accounts payable	1,391,993	3,960,840	5,352,833	278,929
Contracts payable - retainage	418,309		418,309	
Accrued wages payable	208,888	50,994	259,882	11,914
Accrued compensated absences	1,185,589	788,505	1,974,094	30,208
Due to other governmental units	7,178	35,500	42,678	
Customer deposits		195,000	195,000	51,545
Other liabilities	154,500	72,625	227,125	47,756
Accrued interest payable	2,653,860	319,450	2,973,310	
Liabilities payable from restricted assets:				
Current maturities of long-term debt				
Long-term liabilities:				
Due within one year	27,988,634	4,175,593	32,164,227	
Accrued compensated absences	668,716	149,062	817,778	
Other post-employment benefits	872,323	495,296	1,367,619	
Net pension liability	13,120,897	5,146,918	18,267,815	
Notes payable	406,455	297,200	703,655	
Bonds payable	152,120,000	58,192,640	210,312,640	
<b>Total liabilities</b>	<b>201,197,342</b>	<b>73,879,623</b>	<b>275,076,965</b>	<b>420,352</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plans	5,135,195	1,204,898	6,340,093	
<b>Total deferred inflows of resources</b>				
<b>NET POSITION</b>				
Net investment in capital assets	188,292,907	91,710,240	280,003,147	4,984,749
Restricted for debt service	117,010,569	6,763,217	123,773,786	31,147
Unrestricted	17,023,920	21,073,048	38,096,968	2,039,011
<b>Total net position</b>	<b>\$ 322,327,396</b>	<b>\$ 119,546,505</b>	<b>\$ 441,873,901</b>	<b>\$ 7,054,907</b>

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Primary Government Business-type Activities	Total	
<b>Functions/Programs</b>								
<b>Primary Government</b>								
Governmental activities:								
General government	\$ 4,140,728	\$ 1,129,204	2,540	41,578	\$ (2,967,406)		\$ (2,967,406)	
Public safety	12,699,743	657,825	1,317,241		(10,724,677)		(10,724,677)	
Highways and streets	12,439,423	1,581,472	198,222	13,552,169	2,892,440		2,892,440	
Parks and recreation	3,691,716	420,088	275,105	20,000	(2,976,523)		(2,976,523)	
Library	857,013	20,000			(837,013)		(837,013)	
Community development	482,152	266,307	119,304	(279,294)	(375,835)		(375,835)	
Rental registration	274,323	248,410			(25,913)		(25,913)	
Mass transit	2,819,080	400,515	2,030,204	396,438	8,077		8,077	
Economic development	871,623	168,104	103,206		(572,540)		(572,540)	
Interest on long-term debt	6,876,730				(6,876,730)		(6,876,730)	
Total governmental activities	<u>45,152,531</u>	<u>4,891,925</u>	<u>4,045,822</u>	<u>13,758,664</u>	<u>(22,456,120)</u>		<u>(22,456,120)</u>	
Business-type activities:								
Electric	29,476,309	39,193,818		176,178		\$ 9,893,687	9,893,687	
Water	5,795,414	7,421,973				1,626,559	1,626,559	
Wastewater treatment	6,058,003	7,287,615				1,229,612	1,229,612	
Storm water	1,316,273	2,603,250				1,286,977	1,286,977	
Sanitation	3,532,179	4,052,656	200,000			720,477	720,477	
12 Golf Course	1,658,863	1,273,297				(385,566)	(385,566)	
Sports Center	975,858	613,904				(361,954)	(361,954)	
Pest Control	442,730	698,476				255,746	255,746	
Forestry	696,965	833,245				136,280	136,280	
Municipal airport	322,277	81,494	50,277			(190,506)	(190,506)	
Street light utility	647,483	676,128				28,645	28,645	
Total business-type activities	<u>50,922,354</u>	<u>64,735,856</u>	<u>250,277</u>	<u>176,178</u>		<u>14,239,957</u>	<u>14,239,957</u>	
Total primary government	<u>\$ 96,074,885</u>	<u>\$ 69,627,781</u>	<u>\$ 4,296,099</u>	<u>\$ 13,934,842</u>	<u>(22,456,120)</u>	<u>14,239,957</u>	<u>(8,216,163)</u>	
<b>Component Unit:</b>								
Public Housing Agency	<u>\$ 2,021,599</u>	<u>\$ 671,093</u>	<u>\$ 1,042,462</u>	<u>\$ 607,091</u>				<u>\$ 299,047</u>
General revenues:								
Property taxes levied for general purposes					4,075,760		4,075,760	
Property taxes levied for debt service					3,811,113		3,811,113	
Tax increments					514,527		514,527	
Franchise fees					1,013,045		1,013,045	
State aid unrestricted					9,927,631	11,562	9,939,193	
Grants and contributions not restricted to specific programs					171,160		171,160	
Unrestricted investment earnings					96,413	245,689	342,102	3,967
Miscellaneous					1,308,003	610,959	1,918,962	130,616
Transfers					9,929,999	(9,929,999)		
Total general revenues and transfers					<u>30,847,651</u>	<u>(9,061,789)</u>	<u>21,785,862</u>	<u>134,583</u>
Changes in net position					8,391,531	5,178,168	13,569,699	433,630
Special Item					15,812,220	(1,532,204)	14,280,016	
Total net position - beginning, as previously reported (Note 5.D)					311,852,655	121,507,367	433,360,022	6,621,277
Prior period adjustment					(13,729,010)	(5,606,826)	(19,335,836)	
Total net position -beginning, as restated					<u>298,123,645</u>	<u>115,900,541</u>	<u>414,024,186</u>	<u>6,621,277</u>
Net position - ending					<u>\$ 322,327,396</u>	<u>\$ 119,546,505</u>	<u>\$ 441,873,901</u>	<u>\$ 7,054,907</u>

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	<u>General</u>	<u>Special Assessment Debt Service</u>	<u>Special Assessment Capital Projects</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Assets:						
Cash and investments	\$ 10,874,571	\$ 33,751,639	\$ 3,721,723	\$	\$ 7,315,105	\$ 55,663,038
Cash with fiscal agent		19,542,630				19,542,630
Receivables:						
Accounts	233,124	87	6,572	576,298	36,442	852,523
Notes	26,501	589,547			4,197,027	4,813,075
Special assessments		81,615,452	3,083,994	733,389		85,432,835
Due from other funds	4,796,408		15,000		5,177	4,816,585
Due from other governmental units	223,466	285,750	352,196	350,801	629,272	1,841,485
Advances to other funds	1,104,514		348,968			1,453,482
Prepaid items	1,599					1,599
<b>Total Assets</b>	<b><u>\$ 17,260,183</u></b>	<b><u>\$ 135,785,105</u></b>	<b><u>\$ 7,528,453</u></b>	<b><u>\$ 1,660,488</u></b>	<b><u>\$ 12,183,023</u></b>	<b><u>\$ 174,417,252</u></b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 257,842	\$ 1,800	\$ 333,195	\$ 32,210	\$ 302,405	\$ 927,452
Contracts payable - retainage			402,633	15,676		418,309
Accrued wages payable	177,769				23,358	201,127
Due to other funds	70			1,921,770	1,159,212	3,081,052
Advances from other funds					318,746	318,746
Due to other governmental units	7,178					7,178
Other liabilities	9,148		7,634	1,000	136,718	154,500
<b>Total Liabilities</b>	<b><u>452,007</u></b>	<b><u>1,800</u></b>	<b><u>743,462</u></b>	<b><u>1,970,656</u></b>	<b><u>1,940,439</u></b>	<b><u>5,108,364</u></b>
Deferred inflows of resources:						
Long-term receivables	129,273	82,200,349	3,083,994	733,389	4,197,027	90,344,032
<b>Total Deferred inflows of resources</b>	<b><u>129,273</u></b>	<b><u>82,200,349</u></b>	<b><u>3,083,994</u></b>	<b><u>733,389</u></b>	<b><u>4,197,027</u></b>	<b><u>90,344,032</u></b>
Fund Balance:						
Nonspendable	1,132,614		348,968			1,481,582
Restricted		53,582,956	3,352,029		727,827	57,662,812
Committed	79,534				921,172	1,000,706
Assigned					4,802,314	4,802,314
Unassigned	15,466,755			(1,043,557)	(405,756)	14,017,442
<b>Total Fund Balance</b>	<b><u>16,678,903</u></b>	<b><u>53,582,956</u></b>	<b><u>3,700,997</u></b>	<b><u>(1,043,557)</u></b>	<b><u>6,045,557</u></b>	<b><u>78,964,856</u></b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balance</b>	<b><u>\$ 17,260,183</u></b>	<b><u>\$ 135,785,105</u></b>	<b><u>\$ 7,528,453</u></b>	<b><u>\$ 1,660,488</u></b>	<b><u>\$ 12,183,023</u></b>	

Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	364,881,996
Deferred outflows of resources resulting from pension obligations and debt refundings are not available resource and, therefore are not reported in governmental funds	6,133,958
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are deferred in the funds.	71,723,652
Long-term liabilities, including bonds payable, net pension liability, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(199,016,474)
Deferred inflows resulting from pension obligations are not due and payable in the current period and, therefore are not reported in the governmental funds.	(5,135,195)
Internal service funds are used by management to charge the costs of vehicle and equipment replacement, information technology services and radio equipment replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of position.	4,774,603
<b>Net position of governmental activities</b>	<b><u>\$ 322,327,396</u></b>



**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>						
Taxes:						
Property	\$ 864,321	\$ 3,563,504			\$ 3,973,575	\$ 8,401,400
Franchise	1,013,045					1,013,045
Licenses and permits	803,311					803,311
Intergovernmental revenues:						
Federal	119,802	147,037		358,577	550,903	1,176,319
State	8,555,574	1,049,387	4,266,101	750,683	3,775,895	18,397,640
County	178,292	217,300		38,465	96,445	530,502
Other	107,458				74,715	182,173
Charges for services	1,771,867		4,175		819,472	2,595,514
Fines and forfeits	488,692					488,692
Facility rentals					179,458	179,458
Donations					18,947	18,947
Interest on investments	21,891	50,466	17,058		3,245	92,660
Special assessments		9,453,703	285,137			9,738,840
Sale of property	51,116				6,776	57,892
Miscellaneous	226,292	1,034,130	100,144	1,856	876,989	2,239,411
Total revenues	<u>14,201,661</u>	<u>15,515,527</u>	<u>4,672,615</u>	<u>1,149,581</u>	<u>10,376,420</u>	<u>45,915,804</u>
<b>EXPENDITURES</b>						
Current:						
General government	3,645,206	74,564	46,817	159,319	112,066	4,037,972
Public safety	12,117,060				174,689	12,291,749
Highways and streets	5,084,914			22,275	60,195	5,167,384
Parks and recreation					2,753,592	2,753,592
Library					851,224	851,224
Community development			5,930		476,222	482,152
Rental Registration					274,323	274,323
Mass transit					2,348,827	2,348,827
Economic development					662,843	662,843
Capital outlay	98,879		21,072,232	2,209,835	1,482,431	24,863,377
Debt Service:						
Bond and note principal		17,565,000			904,823	18,469,823
Bond and note Interest		5,958,108			601,681	6,559,789
Fiscal and other charges		191,205			113,824	305,029
Total expenditures	<u>20,946,059</u>	<u>23,788,877</u>	<u>21,124,979</u>	<u>2,391,429</u>	<u>10,816,740</u>	<u>79,068,084</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(6,744,398)</u>	<u>(8,273,350)</u>	<u>(16,452,364)</u>	<u>(1,241,848)</u>	<u>(440,320)</u>	<u>(33,152,280)</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Issuance of debt		(183,647)	11,307,683	1,145,964		12,270,000
Premium on Issuance of debt		475,107				475,107
Transfers from other funds	7,793,078	1,317,138	515,642	675,030	2,416,443	12,717,331
Transfers to other funds	(700,030)	(150,000)		(330,000)	(1,499,806)	(2,679,836)
Total other financing sources	<u>7,093,048</u>	<u>1,458,598</u>	<u>11,823,325</u>	<u>1,490,994</u>	<u>916,637</u>	<u>22,782,602</u>
NET CHANGE IN FUND BALANCE	348,650	(6,814,752)	(4,629,039)	249,146	476,317	(10,369,678)
FUND BALANCE - BEGINNING	<u>16,330,253</u>	<u>60,397,708</u>	<u>8,330,036</u>	<u>(1,292,703)</u>	<u>5,569,240</u>	<u>89,334,534</u>
FUND BALANCE - ENDING	<u>\$ 16,678,903</u>	<u>\$ 53,582,956</u>	<u>\$ 3,700,997</u>	<u>\$ (1,043,557)</u>	<u>\$ 6,045,557</u>	<u>\$ 78,964,856</u>

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD, MINNESOTA  
RECONCILIATION OF THE STATEMENT OF REVENUES,  
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL  
FUNDS TO THE STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2015**

Amounts reported for governmental activities in the statement of activities (page 14) are different from the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds (page 16) \$ (10,369,678)

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 24,863,377	
Transfer of assets to business-type activities	(403,985)	
Depreciation expense	<u>(9,075,199)</u>	15,384,193

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net position (9,908)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (2,780,601)

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonded debt issued	(12,270,000)	
Bond & note principal payments	<u>18,469,823</u>	6,199,823

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(147,592)	
Other post-employment benefits	(93,636)	
Net pension liability	(927,106)	
Deferred outflows of resources	1,416,618	
Deferred inflows of resources	(340,889)	
Accrued interest	<u>(11,912)</u>	(104,517)

Internal service funds are used by management to charge the costs of radio, vehicle and information technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 72,219

Change in net position of governmental activities (page 14) \$ 8,391,531

The notes to the financial statements are an integral part of this statement.

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 825,356	\$ 825,356	\$ 864,321	\$ 38,965
Franchise	1,000,000	1,000,000	1,013,045	13,045
Licenses and permits	529,095	553,615	803,311	249,696
Intergovernmental:				
Federal	34,000	167,886	119,802	(48,084)
State	8,198,824	8,517,300	8,555,574	38,274
County	77,600	157,253	178,292	21,039
Other	87,930	98,930	107,458	8,528
Charges for services	2,486,280	2,488,530	1,771,867	(716,663)
Fines and forfeitures	555,800	555,800	488,692	(67,108)
Interest on investments	117,590	117,590	21,891	(95,699)
Miscellaneous	133,550	133,550	277,408	143,858
Total revenues	<u>14,046,025</u>	<u>14,615,810</u>	<u>14,201,661</u>	<u>(414,149)</u>
<b>EXPENDITURES</b>				
Administration department:				
Current:				
Personal services	1,170,707	1,170,707	1,127,882	42,825
Supplies	22,102	22,102	27,291	(5,189)
Other services & charges	1,174,983	1,187,043	1,126,736	60,307
	<u>2,367,792</u>	<u>2,379,852</u>	<u>2,281,909</u>	<u>97,943</u>
Police department:				
Current:				
Personal services	6,267,081	6,155,962	5,884,071	271,891
Supplies	282,397	328,651	277,937	50,714
Other services & charges	1,938,259	2,085,471	2,042,374	43,097
Capital outlay	31,103	31,103	38,638	(7,535)
	<u>8,487,737</u>	<u>8,601,187</u>	<u>8,243,020</u>	<u>358,167</u>
Fire department:				
Current:				
Personal services	3,242,798	3,337,183	3,233,982	103,201
Supplies	63,386	160,397	151,977	8,420
Other services & charges	498,915	549,642	526,719	22,923
Capital outlay	8,487	8,487	8,487	8,487
	<u>3,805,099</u>	<u>4,055,709</u>	<u>3,912,678</u>	<u>143,031</u>
Planning & Neighborhood Services department:				
Current:				
Personal services	1,109,754	1,122,489	1,087,408	35,081
Supplies	24,542	24,542	24,192	350
Other services & charges	210,422	510,252	251,697	258,555
Capital outlay	57,721	60,506	57,721	2,785
	<u>1,402,439</u>	<u>1,717,789</u>	<u>1,421,018</u>	<u>296,771</u>
Engineering department:				
Current:				
Personal services	1,320,913	1,320,913	1,196,158	124,755
Supplies	32,397	32,397	19,698	12,699
Other services & charges	327,019	327,019	309,489	17,530
	<u>1,680,329</u>	<u>1,680,329</u>	<u>1,525,345</u>	<u>154,984</u>
Public Works department:				
Current:				
Personal services	1,253,483	1,253,483	1,106,573	146,910
Supplies	2,253,067	2,332,720	1,553,814	778,906
Other services & charges	1,075,160	1,075,160	899,182	175,978
Capital outlay	2,520	2,520	2,520	(2,520)
	<u>4,581,710</u>	<u>4,661,363</u>	<u>3,562,089</u>	<u>1,099,274</u>
Total expenditures	<u>22,325,106</u>	<u>23,096,229</u>	<u>20,946,059</u>	<u>2,150,170</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUE UNDER EXPENDITURES	(8,279,081)	(8,480,419)	(6,744,398)	1,736,021
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	7,764,420	7,767,390	7,793,078	25,688
Transfers to other funds	(25,000)	(25,000)	(700,030)	(675,030)
Total other financing sources	7,739,420	7,742,390	7,093,048	(649,342)
NET CHANGE IN FUND BALANCE	(539,661)	(738,029)	348,650	1,086,679
FUND BALANCE - BEGINNING	16,330,253	16,330,253	16,330,253	
FUND BALANCE - ENDING	<u>\$ 15,790,592</u>	<u>\$ 15,592,224</u>	<u>\$ 16,678,903</u>	<u>\$ 1,086,679</u>

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2015**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Other Enterprise Funds	Total	
<b>ASSETS</b>						
<b>Current assets:</b>						
Cash and cash equivalents	\$ 1,895,318	1,854,361	\$ 5,654,076	\$ 7,138,338	\$ 16,542,093	\$ 5,747,612
Receivables:						
Accounts and notes	5,203,359	820,067	1,074,746	909,552	8,007,724	10,829
Accrued interest	37,968	10,093			48,061	
Special assessments		2,887	137,651		140,538	
Due from other city funds			586,576	753,414	1,339,990	
Due from other governmental units	373,045		14,082	218,376	605,503	181
Inventories	1,428,157	217,068			1,645,225	
Prepaid items	84,972	18,704			103,676	
<b>Total current assets</b>	<b>9,022,819</b>	<b>2,923,180</b>	<b>7,467,131</b>	<b>9,019,680</b>	<b>28,432,810</b>	<b>5,758,622</b>
<b>Long-term assets:</b>						
<b>Restricted assets:</b>						
Cash and cash equivalents	2,139,747	597,948		1,216,971	3,954,666	
Bond operation and maintenance reserve	4,636,000	727,000			5,363,000	
<b>Long-term receivables:</b>						
Special assessments			2,688,085		2,688,085	
Notes receivable, less current portion	47,262			638,287	685,549	
Other long-term investments	3,890,303	1,327,617			5,217,920	
<b>Capital assets:</b>						
Intangible plant	255,373				255,373	
Land	885,747	577,368	2,672,526	4,412,019	8,547,660	
Buildings	64,758,747	58,131,733	33,258,786	13,886,457	170,035,723	
Improvements other than buildings	2,768,899		27,794,906	9,892,712	40,456,517	
Machinery and equipment	5,256,768	2,092,700	10,379,269	888,607	18,617,344	24,313,278
Construction in progress	507,735	11,571,075	6,943,413	355,153	19,377,376	
Less accumulated depreciation	(28,628,560)	(21,706,073)	(40,709,965)	(15,337,446)	(106,382,044)	(14,878,815)
<b>Total long-term assets</b>	<b>56,518,021</b>	<b>53,319,368</b>	<b>43,027,020</b>	<b>15,952,760</b>	<b>168,817,169</b>	<b>9,434,463</b>
<b>Total assets</b>	<b>\$ 65,540,840</b>	<b>\$ 56,242,548</b>	<b>\$ 50,494,151</b>	<b>\$ 24,972,440</b>	<b>\$ 197,249,979</b>	<b>\$ 15,193,085</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>						
Pension plans	441,882	294,589	98,395	244,723	1,079,589	43,819
<b>LIABILITIES</b>						
<b>Current liabilities:</b>						
Accounts payable	\$ 3,204,400	169,443	\$ 75,463	\$ 511,534	\$ 3,960,840	\$ 464,541
Accrued wages payable			15,284	35,710	50,994	7,761
Accrued compensated absences	310,000	264,000	87,665	126,840	788,505	
Due to other city funds	1,345,097	27,930		1,702,496	3,075,523	
Due to other governmental units				35,500	35,500	
Customer deposits	195,000				195,000	
Other liabilities				72,625	72,625	
Accrued interest payable	65,932	29,008	215,450	9,060	319,450	
Current maturities of long-term debt	1,230,200	896,170	1,789,223	260,000	4,175,593	
<b>Total current liabilities</b>	<b>6,350,629</b>	<b>1,386,551</b>	<b>2,183,085</b>	<b>2,753,765</b>	<b>12,674,030</b>	<b>472,302</b>
<b>Long-term liabilities:</b>						
Accrued compensated absences			60,919	88,143	149,062	39,108
Other post-employment benefits	145,857	97,238	84,913	167,288	495,296	10,612
Net pension liability	2,133,124	1,422,084	456,451	1,135,259	5,146,918	203,275
Notes payable		297,200			297,200	
Bonds payable	14,929,200	12,855,583	28,836,839	1,571,018	58,192,640	
Advances from other funds		348,968		785,768	1,134,736	
<b>Total long-term liabilities</b>	<b>17,208,181</b>	<b>15,021,073</b>	<b>29,439,122</b>	<b>3,747,476</b>	<b>65,415,852</b>	<b>252,995</b>
<b>Total liabilities</b>	<b>23,558,810</b>	<b>16,407,624</b>	<b>31,622,207</b>	<b>6,501,241</b>	<b>78,089,882</b>	<b>725,297</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Pension plans	499,366	332,911	106,856	265,765	1,204,898	47,587
<b>NET POSITION</b>						
Net investment in capital assets	29,645,427	36,943,420	9,712,873	15,408,520	91,710,240	9,434,463
Restricted for debt service	2,139,747	597,948	2,825,736	1,199,786	6,763,217	
Unrestricted	10,139,372	2,255,234	6,324,874	1,841,851	20,561,331	5,029,557
<b>Total net position</b>	<b>\$ 41,924,546</b>	<b>\$ 39,796,602</b>	<b>\$ 18,863,483</b>	<b>\$ 18,450,157</b>	<b>119,034,788</b>	<b>\$ 14,464,020</b>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					511,717	
<b>Net position of business-type activities</b>					<b>\$ 119,546,505</b>	

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds	
	Electric	Water	Wastewater Treatment	Other Enterprise Funds		Total
<b>OPERATING REVENUES</b>						
Charges for services	\$ 37,948,290	7,375,952	\$ 6,919,814	\$ 10,508,472	\$ 62,752,528	\$ 2,688,406
Other	1,174,941	38,250	367,801	323,978	1,904,970	252,683
Total operating revenue	<u>39,123,231</u>	<u>7,414,202</u>	<u>7,287,615</u>	<u>10,832,450</u>	<u>64,657,498</u>	<u>2,941,089</u>
<b>OPERATING EXPENSES</b>						
Personal services	3,357,787	2,167,869	1,270,507	3,204,447	10,000,610	577,445
Purchased power	19,647,248				19,647,248	
Disposal fee				1,068,283	1,068,283	
Professional services	172,071	39,457	49,084	442,483	703,095	
Insurance	74,454	48,003	176,554	99,506	398,517	1,826
Repair and maintenance	1,235,851	780,375	458,235	611,367	3,085,828	340,625
Supplies	223,902	1,145,264	450,411	672,820	2,492,397	14,209
Utilities			623,927	1,106,520	1,730,447	
Equipment rental			125,888	574,405	700,293	
Depreciation	2,531,985	1,329,658	1,593,372	767,082	6,222,097	1,884,086
Miscellaneous	1,667,653	15,868	473,041	908,532	3,065,094	147,876
Total operating expenses	<u>28,910,951</u>	<u>5,526,494</u>	<u>5,221,019</u>	<u>9,455,445</u>	<u>49,113,909</u>	<u>2,966,067</u>
Operating income(loss)	<u>10,212,280</u>	<u>1,887,708</u>	<u>2,066,596</u>	<u>1,377,005</u>	<u>15,543,589</u>	<u>(24,978)</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>						
Interest on investments	165,583	34,607	3,341	42,158	245,689	3,753
Interest on indebtedness	(565,358)	(268,920)	(799,327)	(125,319)	(1,758,924)	
Gain (loss) on disposal of equipment	70,587	7,771			78,358	(57,985)
Intergovernmental				246,014	246,014	
Miscellaneous	352,937	255,383	3,870	14,594	626,784	1,130
Total nonoperating revenue (expense)	<u>23,749</u>	<u>28,841</u>	<u>(792,116)</u>	<u>177,447</u>	<u>(562,079)</u>	<u>(53,102)</u>
Income (loss) before contributions and transfers	<u>10,236,029</u>	<u>1,916,549</u>	<u>1,274,480</u>	<u>1,554,452</u>	<u>14,981,510</u>	<u>(78,080)</u>
Capital contributions	176,178	133,052		11,524	320,754	259,409
Special items	(2,245,985)	713,781			(1,532,204)	
Transfers from other funds				603,250	603,250	37,080
Transfers to other funds	(8,210,108)	(495,930)	(545,787)	(1,426,000)	(10,677,825)	
Total contributions and transfers	<u>(10,279,915)</u>	<u>350,903</u>	<u>(545,787)</u>	<u>(811,226)</u>	<u>(11,286,025)</u>	<u>296,489</u>
<b>CHANGE IN NET POSITION</b>	(43,886)	2,267,452	728,693	743,226	3,695,485	218,409
<b>TOTAL NET ASSETS - BEGINNING, AS PREVIOUSLY REPORTED</b>	44,323,305	39,099,065	18,614,051	18,909,708		14,441,322
<b>PRIOR PERIOD ADJUSTMENT</b>	<u>(2,354,873)</u>	<u>(1,569,915)</u>	<u>(479,261)</u>	<u>(1,202,777)</u>		<u>(195,711)</u>
<b>TOTAL NET POSITION - BEGINNING, AS RESTATED</b>	<u>41,968,432</u>	<u>37,529,150</u>	<u>18,134,790</u>	<u>17,706,931</u>		<u>14,245,611</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 41,924,546</u>	<u>\$ 39,796,602</u>	<u>\$ 18,863,483</u>	<u>\$ 18,450,157</u>		<u>\$ 14,464,020</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					<u>(49,521)</u>	
Change in net position of business-type activities					<u>\$ 3,645,964</u>	

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from customers	\$ 38,888,209	7,551,939	\$ 6,937,297	\$ 10,317,377	\$ 63,694,822	\$ 2,755,524
Payments to suppliers	(25,326,509)	(3,381,866)	(2,239,799)	(4,217,551)	(35,165,725)	21,060
Payments to employees	(1,766,017)	(984,680)	(1,308,606)	(3,322,533)	(7,381,836)	(577,092)
Other receipts (payments)			(108,053)	(547,183)	(655,236)	105,937
Net cash provided by operating activities	<u>11,795,683</u>	<u>3,185,393</u>	<u>3,280,839</u>	<u>2,230,110</u>	<u>20,492,025</u>	<u>2,305,429</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Intergovernmental				250,277	250,277	
Transfers from other funds				603,250	603,250	
Transfers to other funds	(8,210,108)	(495,930)	(533,450)	(1,401,257)	(10,640,745)	
Payments received on notes	(34,844)	2,618			(32,226)	
Net cash used in noncapital financing activities	<u>(8,244,952)</u>	<u>(493,312)</u>	<u>(533,450)</u>	<u>(547,730)</u>	<u>(9,819,444)</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Purchase of assets	(5,384,404)	(9,785,915)	(2,548,394)	(611,022)	(18,329,735)	(3,222,089)
Proceeds from sale of assets	70,587	7,771			78,358	(49,363)
Proceeds from issuance of long-term debt		9,513,291			9,513,291	
Principal payments - bonds and notes	(1,188,325)	(885,086)	(1,817,608)	(250,000)	(4,141,019)	
Interest payments - bonds and notes	(569,558)	(247,706)	(917,845)	(123,375)	(1,858,484)	
Capital grants from other governments				59,718	59,718	
Special assessment collections			31,470		31,470	
Net cash used in capital and related financing activities	<u>(7,071,700)</u>	<u>(1,397,645)</u>	<u>(5,252,377)</u>	<u>(924,679)</u>	<u>(14,646,401)</u>	<u>(3,271,452)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>						
Interest received	171,963	33,597	3,341	42,158	251,059	3,753
Purchase of investments		(334,524)			(334,524)	
Proceeds from the sale of investments	1,904,704				1,904,704	
Net cash provided by (used in) investing activities	<u>2,076,667</u>	<u>(300,927)</u>	<u>3,341</u>	<u>42,158</u>	<u>1,821,239</u>	<u>3,753</u>
Net increase (decrease) in cash and cash equivalents	(1,444,302)	993,509	(2,501,647)	799,859	(2,152,581)	(962,270)
Cash and cash equivalents at beginning of year	<u>5,479,367</u>	<u>1,458,800</u>	<u>8,155,723</u>	<u>7,555,450</u>	<u>22,649,340</u>	<u>6,709,882</u>
Cash and cash equivalents at end of year	<u>\$ 4,035,065</u>	<u>\$ 2,452,309</u>	<u>\$ 5,654,076</u>	<u>\$ 8,355,309</u>	<u>\$ 20,496,759</u>	<u>\$ 5,747,612</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>						
Operating income (loss)	\$ 10,212,280	\$ 1,887,708	\$ 2,066,596	\$ 1,377,005	\$ 15,543,589	\$ (24,978)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:						
Depreciation accruals	2,531,985	1,329,658	1,593,372	767,082	6,222,097	1,884,086
Depreciation expensed to vehicle expense	162,102	92,786			254,888	
Miscellaneous nonoperating income (expense)	352,937	264,984	3,870	10,331	632,122	1,130
Change in assets and liabilities:						
Accounts and notes receivable	(214,914)	(127,247)	(110,320)	(83,713)	(536,194)	67,161
Due from other funds			(28,627)	(107,382)	(136,009)	
Due from other governments	(373,045)		(6,683)	6,273	(373,455)	(78)
Special assessment receivable			156,430		156,430	
Inventories	(285,370)	(23,348)			(308,718)	
Prepaid items	(26,913)	44,470			17,557	35
Accounts payable	20,447	(134,562)	(355,700)	352,722	(117,093)	377,720
Accrued wages payable	50,000	33,000	(40,250)	(99,047)	(56,297)	(19,933)
Compensated absences payable			8,602	4,893	13,495	8,375
Other post employment benefits	21,139	14,092	7,898	20,846	63,975	579
Net pension liability	(164,265)	(109,509)	(14,349)	(46,476)	(334,599)	11,332
Due to other funds	(490,700)	(114,177)		13,782	(591,095)	
Due to other governments				2,038	2,038	
Customer deposits				(11,280)	(11,280)	
Deferred inflows of resources				14,353	14,353	
Other current liabilities		27,538		8,683	36,221	
Net cash provided by operating activities	<u>\$ 11,795,683</u>	<u>\$ 3,185,393</u>	<u>\$ 3,280,839</u>	<u>\$ 2,230,110</u>	<u>\$ 20,492,025</u>	<u>\$ 2,305,429</u>
<b>Noncash capital financing activities:</b>						
Contributions of capital assets from government / customers	<u>\$ 176,178</u>	<u>\$ 133,052</u>	<u>\$</u>	<u>\$ 11,524</u>	<u>\$ 320,754</u>	<u>\$ 259,409</u>
Contributions of capital assets from proprietary funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 24,743</u>	<u>\$ 24,743</u>	<u>\$ 37,080</u>
Contributions of capital assets to internal service funds	<u>\$</u>	<u>\$</u>	<u>\$ 12,337</u>	<u>\$</u>	<u>\$ 12,337</u>	<u>\$</u>

The notes to the financial statements are an integral part of this statement

**CITY OF MOORHEAD**  
**Notes to the Financial Statements**  
**December 31, 2015**

**NOTE 1: - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Moorhead, Minnesota (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

**A. Reporting entity**

The City of Moorhead was incorporated February 24, 1881, and is a home rule charter city under Minnesota Statutes. The City operates under a Council/Manager form of government.

For financial reporting purposes, the City's financial statements include all funds of the city as well as component units, entities for which the City is considered financially accountable.

The financial statements include the discrete presentation of the Moorhead Public Housing Agency located at 800 2<sup>nd</sup> Avenue North, Moorhead, MN 56560 as a component unit of the reporting entity because the City Council appoints the governing body and is able to impose its will on the Agency. The financial information reported for this component unit is for their fiscal year ending June 30, 2015. Separate audited financial statements for the year ended June 30, 2015 are available from the agency. The component unit is discretely presented to emphasize its legal separation from the city.

Services provided by the City under general governmental functions include police and fire protection, emergency medical services, street maintenance, planning and zoning, neighborhood services, recreation and parks and general administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, storm water, pest control, forestry, sports center, golf course, airport, sanitation, and street light utility services. Vehicles and equipment, radio and information technology services are provided through internal service funds.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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

**C. Measurement focus and basis of accounting**

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or



soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

The City reports the following major governmental funds:

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

Special Assessment Debt Service funds - Account for resources accumulated and payments for principal and interest on long term general obligation special assessment debt.

Permanent Improvement and Special Assessment Capital Projects funds - Account for the construction of public improvements or services deemed to benefit the properties against which special assessments are levied or in the case of permanent improvement projects, funded by municipal state aid and other city funds.

The City reports the following major proprietary funds:

Electric and Water funds - Account for the activities related to the operation and maintenance of the City's electric and water utilities.

Wastewater Treatment fund - Accounts for the operation and maintenance of the City's wastewater treatment facility, sewage pumping stations, sewer lines and sanitary sewer system.

Additionally, the City reports the following fund type:

Internal Service funds - Account for data processing, mobile communications and fleet management services provided to other departments of the City on a cost reimbursement basis.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance

1. Deposits and Investments

The City maintains a cash and investment pool that is used by all funds. Each fund's portion of the pool is displayed on the statements as "Cash and Investments". Interest income on such investments is allocated to certain funds on the basis of the participating funds balance in the cash and investments pool. In addition, investments are separately held by various funds.

Investments are reported at fair value. The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with an original maturity of less than three months.

Minnesota state statutes authorize investments in the following instruments:

- any security which is a direct obligation of or guaranteed by the United States or any of its agencies
- shares of registered investment companies whose investments consist only of those type described above
- any security which is a general obligation of the state or its municipalities
- bankers acceptances
- commercial paper issued by United States corporations of the highest quality.

2. Receivables and payables

All outstanding balances between funds are reported as "due to/from other funds" (current portion) or "advances to/from other funds" (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances between funds, as reported in the fund financial statements, are offset by a fund reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City calculates its allowance for uncollectible accounts using historical collection data. Accounts receivables of the City are considered to be fully collectible and, therefore, an allowance for uncollectible accounts is not provided.

Property taxes are submitted to the County Auditor by December 31<sup>st</sup> of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15. The County remits taxes collected to the City in July and December of each year.

Unpaid taxes at December 31 become liens on the respective property and are reflected in the financial statements as delinquent taxes receivable net of allowance for uncollectible taxes.

3. Inventories and prepaid items

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "operating reserve account" may be used to pay operating deficits whereas monies in the "reserve account" are to be used only when other sources are insufficient to pay the principal and interest on the bonds.

5. Capital assets

Capital assets which include property, plant and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

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

Property, plant and equipment of the government are depreciated using the straight line method over the following estimated useful lives.

<u>Asset</u>	<u>Years</u>
Buildings	20 – 50
Improvements other than buildings	10 – 20
Infrastructure	20 – 50
Vehicles	2 – 30
Equipment	3 – 20
Office Equipment	5 – 15
Computer Equipment	3 – 5

6. Deferred outflows /inflows of resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has two items that qualify for reporting in this category. One is the deferred charge on advance refunding of debt reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second are the contributions made to pension plans after the measurement date and prior to the fiscal year-end and changes in the net pension liability not included in pension expense reported in the statement of net position. These outflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue relating to long-term receivables in the governmental funds. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, there is a deferred inflow of resources reported on the statement of net position to recognize differences between expected and actual pension plan economic experience and pension plan changes in proportionate share. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

7. Compensated absences

It is the City's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Employees vest in sick leave accumulated to a maximum of 960 hours, which is paid out at 50% upon death or retirement. All vacation pay and vested sick pay is accrued when incurred in the government-wide and proprietary funds financial statements. In the governmental funds, a liability would be reported only if they have matured, for example, as a result of employee retirements or resignations.

8. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount. Issuance costs, whether or not withheld from

the actual debt proceeds are reported as debt service expenditures.

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

#### 9. Fund equity

The following classifications describe the relative strength of the spending constraints:

- Non-spendable fund balance - amounts that are not in non-spendable form (such as inventory) or are required to be maintained intact.
- Restricted fund balance - amounts constrained to specific purposes by their providers (such as grantors, bondholders, and higher levels of government), through constitutional provisions, or by enabling legislation.
- Committed fund balance - amounts constrained to specific purposes by the City itself, using its highest level of decision-making authority (i.e., City Council). The City Council must adopt an ordinance prior to the end of the fiscal year to commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (i.e., the adopting of another ordinance) to remove or revise the limitation.
- Assigned fund balance – amounts constrained by the City's intent to be used for a specific purpose, but are not restricted or committed. Pursuant to the City's Fund Balance Policy, the City Council has delegated authority to assign amounts to the City Manager and Finance Director. Assigned amounts or changes to Assigned amounts will be presented to the City Council for review.
- Unassigned fund balance - amounts that are available for any purpose. Positive amounts are reported only in the General Fund.

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered applied. It is the government's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

To ensure the financial strength and stability of the City, the Council will endeavor to maintain at least 60% of the City's General Fund operating budget, excluding those accounts associated within the Restricted category, in the combined total of the General Fund Committed, Assigned and Unassigned fund balances. When the Unrestricted General Fund balance is projected to drop below 40%, the City shall initiate measures to either generate additional revenue or to reduce expenditures through a budget reduction, or a combination of both.

#### 10. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

#### 11. Pensions

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

**NOTE 2: - RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS**

- A. Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net position

The governmental fund balance sheet includes reconciliation between fund balance – total governmental funds and net position – governmental activities as reported in the government – wide statement of net position. One element of that reconciliation explains that “other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are deferred in the funds.”

The details of this \$71,723,652 difference are as follows:

Special assessments receivable	\$ 67,080,085
Escrowed special assessments	79,534
Notes receivable	4,813,075
Current notes receivable	(11,151)
Adjustment for deferred advance refundings of debt	(267,630)
Grants and prepayments	29,739
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 71,723,652</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds”.

The details of this \$199,016,474 difference are as follows:

Bonds payable	\$180,030,000
Notes payable	485,089
Accrued interest payable	2,653,860
Compensated absences payable	1,854,305
Other post-employment benefits	872,323
Net pension liability	13,120,897
	<hr/>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 199,016,474</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge costs of vehicle and equipment replacement, information technology services and radio equipment replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

The details of this \$4,774,603 difference are as follows:

Internal service fund net position	\$14,464,020
Net capital assets included in governmental activities	(9,434,463)
	<hr/>
Deferred outflows included in governmental activities	(43,819)
Accrued compensated absences payable included in governmental activities	39,108
Other post-employment benefits included in governmental activities	10,612
Net pension liability included in governmental activities	203,275
Deferred inflows included in governmental activities	47,587
Internal service fund activity reflected in business-type activities	(511,717)
	<hr/>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$4,774,603</u>

- B. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position.

The proprietary fund statement of net position includes reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is “Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds.”

The details of this \$511,717 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$561,238
Internal receivable representing charges in excess of cost to business-type activities - current year	(49,521)
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$ 511,717</u>

**NOTE 3: - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY**

A. Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the contribution, debt service and capital projects funds. For those funds without budgets, effective control is alternatively achieved through general obligation bond indenture provisions and capital project contracts. All annual appropriations lapse at fiscal year-end.

Before July 1, of each year, all department directors of the City submit their requests for appropriations to the City Manager so that a budget may be prepared. By September 1, the City Manager is required to submit to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Before September 30, the proposed budget is presented to the City Council for review and approval. By September 30, the proposed budget and tax levy must be submitted to the County Auditor. The City Council holds public meetings to obtain taxpayer comments and a final budget and tax levy must be prepared, adopted and submitted to the County Auditor no later than December 28.

Once the budget resolution has been adopted, the City Council shall not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the department level. Generally, department heads can make amendments from one expenditure line item to another line item within their departmental budgets without City Council approval. All other budget amendments for adjustments from one fund to another, capital outlay, personal services, and all unbudgeted expenditures must have approval of the City Council. Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to original appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services (i.e., purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

The Economic Development Special Revenue Fund had expenditures in excess of budget of \$32,693 at December 31, 2015. These are costs associated with the sale of tax-forfeit properties acquired by the City. There is excess revenue to offset these costs (not budgeted).

B. Fund deficits

The Tax Increment Debt Service fund has a deficit fund balance of \$405,756 at December 31, 2015 which will be recovered by future tax increment collections.

The Permanent Improvement Fund has a deficit fund balance of \$1,043,557 at December 31, 2015 which will be recovered by a combination of Municipal State Aid funds and FEMA reimbursements.

## NOTE 4: - DETAILED NOTES ON ALL FUNDS

### A. Deposits and investments

Deposits - At year-end, the carrying amount of the City's deposits, including Moorhead Public Service were \$70,217,516, which approximates the bank balance and \$19,542,630 held with fiscal agent for the crossover refunding of the G.O. Improvement Bonds 2014D and 2014E. The bank balance is required to be covered by federal depository insurance or by collateral held by the City's agent in the City's name. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance. Between December 30, 2015 and January 3, 2016, the City's deposits were under collateralized by \$233,644.

Investments - The City is allowed to invest in those obligations permitted by Minnesota Statute Chapter 118A.04. Permissible investments include U.S. government obligations, federal agencies, and mutual funds investing exclusively in U.S. government and agency issues, State of Minnesota or Minnesota municipalities, bankers acceptances of U.S. banks, highest quality commercial paper, insured interest-bearing deposits and repurchase agreements.

As of December 31, 2015, the City has the following investments and maturities:

Investment Type	Investment Maturities (in years)				
	<1	1 - 5	>5 - 10	>10	
U.S. Treasuries	\$ 2,024,260	\$ 2,024,260	\$	\$	
Government Bonds	12,878,974	1,826,421	6,815,844	2,927,941	1,308,768
Money Markets	7,348,680	7,348,680			
Total Investments	\$ 22,251,914	\$ 11,199,361	\$ 6,815,844	\$ 2,927,941	\$ 1,308,768

### Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City's investment procedures provide guidelines for maximum maturities. The investments in U.S. Agencies are mortgage-backed securities. Due to interest rate changes, how quickly homeowners pay off their mortgages can fluctuate, resulting in varying repayment streams and uncertain final maturities.

### Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted an investment policy which follows the Minnesota Statutes with respect to the instruments allowed. The Statutes authorize the City to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, banker's acceptances of United States banks, repurchase agreements, certificates of deposit and money market funds whose portfolios consist of United States Treasury obligations and Federal Agency issues. The City minimizes its credit risk by investing primarily in U.S. government backed securities. The Electric and Water Fund money market investments of \$439,641 and the City's remaining money market investments of \$6,909,039 are not rated. The City investments in U.S. Government Treasury Bonds are not rated.

### Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal policy to limit exposure to investment custodial credit risk.

### Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City has no limits on securities backed by the full faith and credit of the U.S. government or any of its instrumentalities.

## B. Capital Assets

Capital asset activity for the year ended December 31, 2015 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
<b>Governmental activities:</b>				
Capital assets, not being depreciated				
Land	\$ 62,529,071	\$ 1,467,789	\$ (173,164)	\$ 63,823,696
Construction in progress	48,622,912	20,289,381	(3,923,541)	64,988,752
Total capital assets, not being depreciated	<u>111,151,983</u>	<u>21,757,170</u>	<u>(4,096,705)</u>	<u>128,812,448</u>
Capital assets, being depreciated:				
Buildings	22,550,748	409,556		22,960,304
Improvements other than buildings	27,175,594	180,790		27,356,384
Machinery and equipment	30,934,174	4,582,686	(2,633,243)	32,883,617
Infrastructure	261,130,484	21,200,430		282,330,914
Total capital assets being depreciated	<u>341,791,000</u>	<u>26,373,462</u>	<u>(2,633,243)</u>	<u>365,531,219</u>
Less accumulated depreciation for:				
Buildings	(12,315,656)	(553,675)		(12,869,331)
Improvements other than buildings	(11,112,913)	(741,193)		(11,854,106)
Machinery and equipment	(20,663,643)	(2,508,011)	2,370,978	(20,800,676)
Infrastructure	(76,781,152)	(7,156,406)		(83,937,558)
Total accumulated depreciation	<u>(120,873,364)</u>	<u>(10,959,285)</u>	<u>2,370,978</u>	<u>(129,461,671)</u>
Total capital assets, being depreciated, net	<u>220,917,636</u>	<u>15,414,177</u>	<u>(262,265)</u>	<u>236,069,548</u>
Governmental activities capital assets, net	<u>\$ 332,069,619</u>	<u>\$ 37,171,347</u>	<u>\$ (4,358,970)</u>	<u>\$ 364,881,996</u>
<b>Business-type activities:</b>				
Capital assets, not being depreciated				
Land	\$ 8,545,234	\$ 2,426		\$ 8,547,660
Construction in progress	8,550,991	16,761,376	(5,934,991)	19,377,376
Total capital assets, not being depreciated	<u>17,096,225</u>	<u>16,763,802</u>	<u>(5,934,991)</u>	<u>27,925,036</u>
Capital assets, being depreciated:				
Intangible plant	255,373			255,373
Buildings	165,800,237	5,157,783	(922,297)	170,035,723
Improvements other than buildings	40,039,835	416,682		40,456,517
Machinery and equipment	18,116,863	707,466	(206,985)	18,617,344
Total capital assets being depreciated	<u>224,212,308</u>	<u>6,281,931</u>	<u>(1,129,282)</u>	<u>229,364,957</u>
Less accumulated depreciation for:				
Intangible plant	(255,373)			(255,373)
Buildings	(73,169,764)	(4,927,452)	922,297	(77,174,919)
Improvements other than buildings	(13,854,931)	(929,285)		(14,784,216)
Machinery and equipment	(13,715,135)	(620,248)	167,847	(14,167,536)
Total accumulated depreciation	<u>(100,995,203)</u>	<u>(6,476,985)</u>	<u>1,090,144</u>	<u>(106,382,044)</u>
Total capital assets, being depreciated, net	<u>123,217,105</u>	<u>(195,054)</u>	<u>(39,138)</u>	<u>122,982,913</u>
Business-type activities capital assets, net	<u>\$ 140,313,330</u>	<u>\$ 16,568,748</u>	<u>\$ (5,974,129)</u>	<u>\$ 150,907,949</u>



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

Governmental activities:	
General Government	\$ 85,922
Public Safety	136,115
Highways & Streets, including depreciation of general infrastructure assets	7,243,575
Parks & Recreation	927,450
Library	5,789
Economic Development	206,315
Mass Transit	<u>470,033</u>
Subtotal	9,075,199
Internal Service	<u>1,884,086</u>
Total depreciation expense – governmental activities	<u>\$ 10,959,285</u>
Business-type activities:	
Electric	\$ 2,694,087
Water	1,422,444
Wastewater	1,593,372
Storm water	83,679
Sanitation	41,892
Golf Course	98,849
Sports Center	336,862
Forestry	803
Airport	<u>204,997</u>
Total depreciation expense – business-type activities	<u>\$ 6,476,985</u>

Depreciation expense reflected in the statement of revenues, expenses and changes in net position is \$6,222,097. There is \$254,888 expensed to vehicle expense in the Electric and Water funds per the guidelines established by the Federal Energy Regulatory Commission and the National Association of Regulatory Utility Commissioners.

C. Deferred outflows/inflows of resources

As noted in Note 1.D.6 above, the City has reported deferred outflows and deferred inflows of resources at December 31, 2015.

Deferred pension outflows arise only under the full accrual basis of accounting and consist of pension plan contributions paid subsequent to the measurement date and also the differences between projected and actual earnings on pension plan investments. Deferred outflows for pension plans are \$6,219,315. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of G.O. Improvement Bonds, Series 2007A, G.O. Improvement Bonds, Series 2005A, and G.O. Improvement Bonds, Series 2005B. A deferred charge of \$1,397,666, \$118,153, and \$149,477 on the refunding of Series 2007A, Series 2005A, and Series 2005B, respectively, results from the difference in the carrying value of the refunded debt and its reacquisition price.

Deferred pension inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual pension plan economic experience and also pension plan changes in proportionate share. Deferred inflows for pensions are \$6,340,092.

The following shows a breakdown of the sources that make up the balance of the deferred inflows of resources on the governmental fund financial statements at December 31, 2015.

	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Moorhead rotary miracle field loan	\$ 20,000					\$ 20,000
Prepayments	7,620					7,620
Transitional reinsurance fees	21,519					21,519
Letter of credit	79,534					79,534
Building rent	600					600
Special assessments		82,200,349	3,083,994	733,389		86,017,732
CDBG rehabilitation loans					4,052,027	4,052,027
Notes					45,000	45,000
First and new program					100,000	100,000
	<u>\$ 129,273</u>	<u>\$ 82,200,349</u>	<u>\$ 3,083,994</u>	<u>\$ 733,389</u>	<u>\$ 4,197,027</u>	<u>\$ 90,344,032</u>

D. Interfund receivables, payables, advances and transfers

Interfund receivables/payables are used when a fund has a cash deficit or to record accrued obligations between funds. The composition of inter-fund balances as of December 31, 2015, is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
<b>Governmental activities:</b>		
General Fund	\$ 5,481,937	\$ 70
Park Fund	70	
Permanent Improvement Fund	15,000	2,596,799
Capital Improvement Fund	5,108	
Tax Increment Fund		1,159,212
	<u>5,502,115</u>	<u>3,756,081</u>
<b>Business-type activities:</b>		
Electric Fund		1,345,098
Water Fund		27,930
Storm Water Fund	212,780	
Waste Water Fund	586,576	
Sanitation Fund	363,236	
Forestry Fund	68,309	
Pest Control Fund	52,304	
Street Light Utility Fund	56,785	1,664
Golf Course Fund		1,711,332
	<u>1,339,990</u>	<u>3,086,024</u>
	<u>\$ 6,842,105</u>	<u>\$ 6,842,105</u>

A \$236,326 advance from the general fund to the tax increment debt service funds will be repaid with future tax increment collections. A \$785,768 advance from the general fund to the golf course fund will be repaid with future land sale proceeds. A \$348,968 advance from the special assessment capital projects fund to the water fund will be repaid by future service charges in the water fund. An \$82,420 advance from the general fund to the economic development fund will be repaid from tax forfeit lot sales proceeds.

	<u>Transfers In</u>							
	<u>Transfers</u>	<u>Major Funds:</u>				<u>Nonmajor Funds:</u>		
		<u>Out</u>	<u>General</u>	<u>Permanent</u>	<u>Special Assmt</u>	<u>Special Assmt</u>	<u>Governmental</u>	<u>Enterprise</u>
<u>Major Funds</u>			<u>Improvement</u>	<u>Debt</u>	<u>Capital</u>			<u>Service</u>
General	\$ 700,030	\$	\$ 675,030	\$	\$	\$	\$ 25,000	\$
Permanent Improvemen	330,000				330,000			
Special Assmt Debt	150,000						150,000	
Electric	8,210,108	6,350,000				1,860,108		
Water	495,930	369,930				126,000		
Waste Water	545,787	353,450		180,000				12,337
Totals	<u>10,431,855</u>	<u>7,073,380</u>	<u>675,030</u>	<u>180,000</u>	<u>330,000</u>	<u>1,986,108</u>	<u>175,000</u>	<u>12,337</u>
<u>Non-Major Funds</u>								
Governmental	1,499,806	2,970		526,000	185,642	415,194	370,000	
Enterprise	1,426,000	716,728		611,138		15,141	58,250	24,743
Totals	<u>2,925,806</u>	<u>719,698</u>	<u>0</u>	<u>1,137,138</u>	<u>185,642</u>	<u>430,335</u>	<u>428,250</u>	<u>24,743</u>
	<u>\$ 13,357,661</u>	<u>\$ 7,793,078</u>	<u>\$ 675,030</u>	<u>\$ 1,317,138</u>	<u>\$ 515,642</u>	<u>\$ 2,416,443</u>	<u>\$ 603,250</u>	<u>\$ 37,080</u>

Enterprise fund transfers to the general fund are authorized by City charter. All other transfers are recurring subsidies for specific programs.

E. Long-term debt

Changes in long-term liabilities

Compensated Absences and Other Post-Employment Benefits are primarily liquidated by the General Fund.

Type of Bonds	January 1, 2015	Additions	Reductions	December 31, 2015	Due Within One Year
<b>Governmental Activities:</b>					
Bonds Payable					
G.O. Special Assessment	\$ 180,925,000	\$ 12,270,000	\$ 17,565,000	\$ 175,630,000	\$ 27,230,000
G.O. Debt	195,000		195,000	-	-
G.O. Tax Increment	4,250,000		320,000	3,930,000	345,000
G.O. Municipal Improvement Revenue	785,000		315,000	470,000	335,000
Total Bonds Payable	186,155,000	12,270,000	18,395,000	180,030,000	27,910,000
Notes Payable	559,912		74,823	485,089	78,634
Compensated Absences	1,698,338	1,241,835	1,085,868	1,854,305	1,185,589
Other Post-Employment Benefits	778,108	94,215		872,323	-
Net Pension Liability	12,166,508	954,389		13,120,897	-
Governmental Activity Long-Term Liabilities	\$ 201,357,866	\$ 14,560,439	\$ 19,555,691	\$ 196,362,614	\$ 29,174,223
<b>Business-Type Activities:</b>					
Bonds Payable					
Electric Utility	\$ 17,347,725		\$ 1,188,325	\$ 16,159,400	\$ 1,230,200
Water Utility	5,067,640	9,513,291	857,548	13,723,383	867,800
Wastewater	32,095,232		1,817,608	30,277,624	1,789,223
Golf Course	2,100,000		250,000	1,850,000	260,000
Total Bonds Payable	56,610,597	9,513,291	4,113,481	62,010,407	4,147,223
Notes Payable	353,108		27,538	325,570	28,370
Compensated Absences	839,374	305,025	206,832	937,567	788,505
Other Post-Employment Benefits	431,321	63,975		495,296	-
Net Pension Liability	1,512,559	3,634,358		5,146,917	-
Business-Type Activity Long-Term Liabilities	\$ 59,746,959	\$ 13,516,649	\$ 4,347,851	\$ 68,915,757	\$ 4,964,098

The City's debt limit is \$57,345,843 and the legal debt margin is \$56,324,734. There are a number of limitations and restrictions contained in the various bond indentures.

The City is in compliance with all significant limitations and restrictions. Special assessment bonds, municipal improvement bonds and general obligation bonds together comprise the governmental activity bonds payable. General Obligation includes tax increment bonds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

If special assessments are not adequate to retire the outstanding debt, the City's full faith and credit are pledged for their redemption.

There is \$53,236,626 available in the Debt Service Funds to service the special assessment, general obligation and municipal improvement bonds. These bonds are direct obligations and pledge the full faith and credit of the city. Certain Enterprise Funds (Electric, Water, Golf Course, and Wastewater Treatment) will be used to repay revenue bonds.

Unamortized bond premium of \$442,154 and unamortized bond discounts of \$112,697 related to revenue bonds in the Enterprise Funds have been netted against revenue bonds payable on the accompanying balance sheet.

General obligation notes payable at December 31, 2015 consists of the following:

Governmental Activities-

- Lease and Purchase Option Agreement of \$1,007,500 issued November 22, 2005, at 5.03% maturing February 1, 2021.

The annual requirement to amortize notes outstanding as of December 31, 2015, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2016	\$ 78,634	\$ 23,423	2016	\$ 28,370	\$ 9,556
2017	82,639	19,418	2017	29,228	8,698
2018	86,848	15,209	2018	30,111	7,815
2019	91,271	10,786	2019	31,021	6,905
2020	145,697	7,390	2020	31,959	5,967
2021-2026			2021-2026	174,881	14,750
Totals	\$ 485,089	\$ 76,226	Totals	\$ 325,570	\$ 53,691

The requirement to amortize all bonded debt outstanding as of December 31, 2015, follows:

Year ended December 31	Governmental Activities		Business - Type Activities		Total
	Principal	Interest	Principal	Interest	
2016	\$ 27,910,000	\$ 5,902,301	\$ 4,147,223	\$ 1,917,893	\$ 39,877,417
2017	9,105,000	5,252,117	4,331,970	1,805,950	20,495,037
2018	9,570,000	4,944,639	4,616,331	1,685,639	20,816,609
2019	9,670,000	4,614,485	4,832,000	1,546,880	20,663,365
2020	9,750,000	4,274,080	4,962,000	1,394,964	20,381,044
2021-2025	50,300,000	15,953,223	25,024,099	4,552,370	95,829,692
2026-2030	38,160,000	7,758,465	11,091,783	1,346,561	58,356,809
2031-2035	21,035,000	2,272,570	3,005,000	300,800	26,613,370
2036-2040	3,575,000	440,584	-	-	4,015,584
2041-2042	955,000	34,891	-	-	989,891
	<u>\$ 180,030,000</u>	<u>\$ 51,447,355</u>	<u>\$ 62,010,406</u>	<u>\$ 14,551,057</u>	<u>\$ 308,038,818</u>

Bonds payable at December 31, 2015 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2015
<b>Governmental Activities</b>					
G.O. Special Assessment					
2004 Refunding Series B	12/01/04	08/01/18	3.00 - 4.30	\$ 1,085,000	\$ 85,000
2005 Series A	07/01/05	02/01/27	3.50 - 5.00	16,580,000	10,180,000
2005 Series B	12/15/05	02/01/27	4.00 - 4.75	16,445,000	10,945,000
2006 Series B	08/01/06	02/01/33	4.00 - 4.625	10,690,000	7,370,000
2006 Series C	12/15/06	02/01/28	3.50 - 4.25	12,625,000	8,855,000
2008 Refunding Series A	02/15/08	02/01/21	3.00 - 4.00	1,340,000	390,000
2008 Series B	09/15/08	02/01/29	3.00 - 4.50	9,500,000	7,550,000
2009 Series A	11/15/09	02/01/31	3.00 - 4.50	2,820,000	2,255,000
2009 Series B	11/15/09	02/01/29	2.25 - 4.50	8,110,000	4,995,000
2009 Refunding Series C	11/15/09	02/01/22	2.00 - 4.00	1,590,000	850,000
2010 Series A	09/09/10	02/01/32	1.25 - 5.50	12,135,000	10,230,000
2010 Refunding Series D	09/22/10	02/01/23	2.00 - 3.00	2,030,000	1,375,000
2011 Series A	09/01/11	02/01/33	2.00 - 3.625	4,855,000	4,295,000
2011 Refunding Series B	09/01/11	02/01/24	.50 - 2.90	900,000	615,000
2011 Series C	12/28/11	02/01/33	.65 - 3.60	4,200,000	3,830,000
2012 Series A	05/15/12	02/01/33	3.00 - 3.375	16,955,000	15,535,000
2012 Refunding Series C	05/15/12	02/01/33	3.00 - 3.375	10,430,000	10,090,000
2012 Refunding Series D	05/15/12	02/01/27	3.00 - 4.00	8,815,000	8,815,000
2012 Series F	09/01/12	02/01/39	3.00 - 3.50	10,320,000	9,880,000
2013 Series A	10/23/13	02/01/35	.80 - 4.30	2,165,000	2,165,000
2014 Refunding Series B	7/24/14	02/01/34	2.25 - 5.00	19,440,000	19,440,000
2014 Series C	12/29/14	02/01/36	2.00 - 4.00	6,170,000	6,170,000
2014 Refunding Series D	12/29/14	02/01/25	3.00 - 4.00	7,660,000	7,660,000
2014 Refunding Series E	12/29/14	02/01/27	3.00 - 4.00	9,785,000	9,785,000
2015 Series A	09/24/15	02/01/42	3.00 - 4.00	12,270,000	12,270,000
				<u>208,915,000</u>	<u>175,630,000</u>
G.O Tax Increment					
2009 Regency/Holiday Mall Refunding Series A	11/15/09	02/01/28	2.00-4.50	2,910,000	2,375,000
2009 Regency/Holiday Mall Refunding Series D	11/15/09	02/01/18	2.00-4.00	965,000	385,000
2010 Regency/Holiday Mall Refunding Series B	09/09/10	02/01/28	2.00-3.70	1,390,000	1,170,000
				<u>5,265,000</u>	<u>3,930,000</u>
G.O Municipal Improvement Revenue					
2001 Municipal Improvement Revenue Series D	09/01/01	12/01/16	3.75-4.80	1,900,000	175,000
2004 G.O. Ice Arena Refunding Series D	12/15/04	01/01/18	2.25-4.30	720,000	200,000
2004 G.O. East Highway 10 Refunding Series E	12/15/04	02/01/16	2.250-4.10	910,000	95,000
				<u>3,530,000</u>	<u>470,000</u>
Total Governmental Activities				<u>\$ 217,710,000</u>	<u>\$ 180,030,000</u>

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2015
<b>Business-Type Activities</b>					
G.O. Sewer Revenue Note of 1995	06/29/95	08/20/16	4.11	\$ 1,601,443	\$ 114,151
G.O. Sewer Revenue Note of 1997	06/29/97	02/20/18	3.49	426,290	69,374
G.O. Sewer Revenue Note of 2002	05/06/02	08/20/22	3.13	3,389,288	1,449,000
G.O. Sewer Revenue Note of 2004	06/21/04	08/20/23	1.98	6,598,073	3,117,099
G.O. Sewer Revenue Note of 2007	06/29/07	08/20/26	1.99	12,407,226	8,283,000
1998 Golf Revenue Refunding Series B	06/01/98	12/01/21	4.25-5.875	4,785,000	1,850,000
2012 G.O. Wastewater Refunding, Series B	05/15/12	11/01/29	3.00 – 3.125	10,790,000	10,045,000
2014 G.O. Wastewater Revenue Bonds, Series A	07/24/14	11/01/34	4.00 – 5.00	7,200,000	7,200,000
2007 Electric MMUA Revenue Series A	07/12/07	06/01/27	5.17	3,405,150	2,361,750
2009 Electric Utility Revenue Series A	5/15/09	11/1/17	3.00-4.75	1,721,000	280,000
2009 Electric Utility Refunding Series A	5/15/09	11/1/24	3.00-4.75	1,470,000	995,000
2012 Electric Utility Revenue & Refunding Series E	09/01/212	11/01/27	2.00 – 3.00	6,240,000	4,515,000
2007 Water MMUA Revenue Series A	07/12/07	06/01/27	5.17	3,838,850	2,663,250
2009 Water Utility Refunding Series A	5/15/09	11/1/17	3.00-4.75	4,339,000	45,000
2010 Electric Utility Revenue Series C	10/26/10	11/01/25	2.00-4.875	8,633,900	8,007,600
2010 Water Utility Revenue Series C	10/26/10	11/01/25	2.00-4.875	1,706,100	1,582,400
G.O. Water Revenue Note of 2014	8/26/14	8/20/34	1.02	10,058,656	9,432,783
Total Business-Type Activities				\$ 85,609,976	\$ 62,010,407

In December 2014, the City of Moorhead issued G.O. Improvement Refunding Bonds, Series 2014D to be used for a crossover refunding of the G.O. Improvement Bonds 2005A dated July 1, 2005. The net proceeds and the City's equity contribution of \$1,330,000 were used to purchase securities of the U.S. Government. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunding issues until the call date of the refunded issue at which time the bonds will be called and paid by the escrow agent. After the call date the bonds will no longer be shown on the financial statements of the City and the City will assume the debt service payments for the refunding issues.

The difference in cash flows required to service the old debt and the new debt will be \$1,241,264. The economic gain, reflected as the difference between the present value of the refunded debt requirements and the refunding debt requirements will be \$878,659. A schedule of the refunding bonds and bonds to be called are as follows:

Bond Issue	Amount	Average Interest	Proceeds	Bonds to be Called		
				Bond Issue	Average Interest	Balance to be Called
G.O. Improvement Refunding 2014D	\$ 7,660,000	3.33%	\$8,296,835	G.O. Improvement Bonds 2005A	4.01%	\$9,260,000

In December 2014, the City of Moorhead issued G.O. Improvement Refunding Bonds, Series 2014E to be used for a crossover refunding of the G.O. Improvement Bonds 2005B dated December 15, 2005. The net proceeds were used to purchase securities of the U.S. Government. Those securities were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunding issues until the call date of the refunded issue at which time the bonds will be called and paid by the escrow agent. After the call date the bonds will no longer be shown on the financial statements of the City and the City will assume the debt service payments for the refunding issues.

The difference in cash flows required to service the old debt and the new debt will be \$1,084,156. The economic gain, reflected as the difference between the present value of the refunded debt requirements and the refunding debt requirements will be \$943,381. A schedule of the refunding bonds and bonds to be called are as follows:

Bond Issue	Amount	Average Interest	Proceeds	Bonds to be Called		
				Bond Issue	Average Interest	Balance to be Called
G.O. Improvement Refunding 2014E	\$ 9,785,000	3.27%	\$10,496,601	G.O. Improvement Bonds 2005B	4.24%	\$10,015,000

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2015, there were 9 Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$77,551,437.

Other Post-Employment Benefits (OPEB) Obligations:

As of January 1, 2008, the City and the Public Service Utility adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Other Post Employment Benefits (OPEB). An actuarial firm was engaged to determine the liability for post-employment health care benefits other than pensions as of January 1, 2014. The actuary determined the only obligation for the City and Public Service Utility was to record the implicit rate subsidy portion as described in the standard. The City is a cost-sharing multiple employer plan while the alternative measurement method, a simplified method of calculating the liability for plans with fewer than 100 members was used by the Public Service Utility.

City:

Plan Description-

The plan is a single employer defined benefit healthcare plan administered by the City. The City provides health insurance benefits in accordance with various union contracts and as required by state statute to active employees when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota and if they do not participate in any other health benefits program providing similar coverage. These retirees will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of January 1, 2015 there were 18 retirees and 6 retiree spouses participating in the City's group health plan. The retiree health plan does not issue a publicly available financial report.

Funding Policy-

The City has elected to fund the plan on a pay-as-you-go method.

Annual OPEB cost and net OPEB obligation-

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for 2015, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$ 262,987
Interest on net OPEB obligations	45,070
Adjustment to ARC	<u>(60,149)</u>
Annual OPEB Cost	247,908
Contributions during the year	<u>(124,949)</u>
Increase in net OPEB obligation	122,959
Net OPEB beginning of year	<u>1,001,565</u>
Net OPEB end of year	<u>\$ 1,124,524</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2015 and the preceding three fiscal years (2008 year of implementation) were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/2013	\$ 226,103	\$ 95,990	42.5%	\$ 868,131
12/31/2014	\$ 247,589	\$ 114,155	46.1%	\$ 1,001,565
12/31/2015	\$ 247,908	\$ 124,949	50.4%	\$ 1,124,524

## Funded Status and Funding Progress-

As of January 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$2,170,782, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$2,170,782. The covered payroll (annual payroll of active employees covered by the plan) was \$11,663,163, and the ratio of the UAAL to the covered payroll was 18.6 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress is presented as required supplementary information following the notes to the financial statements

## Actuarial Methods and Assumptions-

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the following economic assumptions were used:

Actuarial cost method	Projected unit credit
Amortization method of (UAAL)	Level dollar, closed
Remaining amortization period	24 years
Inflation rate	2.50%
Investment return	4.50%
Projected salary increases	NA
Medical trend rate	7.50% in 2014 grading to 5.00% over 10 years

## Public Service Utility - Electric and Water

### Plan Description-

All employees are allowed upon meeting the eligibility requirements under state statutes to participate in Public Service's health insurance plan after retirement. This plan covers active and retired employees. Benefit provisions are established through negotiations between Public Service and the unions representing employees and are renegotiated at the end of each contract period. The retiree health plan does not issue a publicly available financial report.

### Funding Policy-

Public Service has elected to fund the plan on a pay-as-you-go method.

### Annual OPEB cost and net OPEB obligation-

Moorhead Public Service's annual other post-employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years.

The following table shows the components of the Utility's annual OPEB cost for the year, the amount actually contributed to the plan, and changes in the Utility's net OPEB obligation:

Annual required contribution (ARC)	\$ 58,120
Interest on net OPEB obligations	9,354
Annual OPEB Cost	<u>67,474</u>
Contributions during the year	<u>(32,243)</u>
Increase in net OPEB obligation	35,231
Net OPEB beginning of year	<u>207,864</u>
Net OPEB end of year	<u>\$ 243,095</u>

The Utility's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2015 and the preceding years:

Year Ended	Annual OPEB Cost	Employer Contribution	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2012	53,178	28,882	54%	146,023
12/31/2013	52,686	34,684	66%	164,025
12/31/2014	68,319	24,480	36%	207,864
12/31/2015	67,474	32,243	48%	243,095

#### Funded Status and Funding Progress-

As of January 1, 2014, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$531,674, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$531,674. The covered payroll (annual payroll of active employees covered by the plan) was \$3,783,000, and the ratio of the UAAL to the covered payroll was 14.1 percent (14.1%).

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, begins with fiscal year 2008, and is updated annually to present multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits.

#### Actuarial Methods and Assumptions-

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2014 actuarial valuation, the following economic assumptions were used:

Actuarial cost method	Projected unit credit
Amortization method of (UAAL)	Level dollar, closed
Remaining amortization period	23 years
Inflation rate	2.50%
Investment return	4.50%
Projected salary increases	NA
Medical trend rate	7.50% in 2014 grading to 5.00% over 10 years



F. Fund Balances

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total
<b>Fund Balances:</b>						
Nonspendable:						
Notes Receivable	\$ 26,501	\$	\$	\$	\$	\$ 26,501
Advances	1,104,514		348,968			1,453,482
Prepaid items	1,599					1,599
Total Nonspendable	<u>1,132,614</u>	<u>-</u>	<u>348,968</u>	<u>-</u>	<u>-</u>	<u>1,481,582</u>
Restricted for:						
Debt Service		53,582,956			648,973	54,231,929
Capital Projects			3,352,029			3,352,029
Community Development					5,365	5,365
Police					58,823	58,823
Fire					225	225
Park					14,441	14,441
Total Restricted		<u>53,582,956</u>	<u>3,352,029</u>		<u>727,827</u>	<u>57,662,812</u>
Committed to:						
Debt Service	79,534					79,534
Capital Projects					921,172	921,172
Total Committed	<u>79,534</u>	<u>107,165,912</u>			<u>921,172</u>	<u>1,000,706</u>
Assigned to:						
Park					1,859,713	1,859,713
Library					335,264	335,264
Community Development					22,712	22,712
Rental Registration					458,859	458,859
Mass Transit					833,903	833,903
Economic Development					1,291,863	1,291,863
Total Assigned					<u>4,802,314</u>	<u>4,802,314</u>
Unassigned:	<u>15,466,755</u>			<u>(1,043,557)</u>	<u>(405,756)</u>	<u>14,017,442</u>
Total Fund Balances	\$ <u>16,678,903</u>	\$ <u>160,748,868</u>	\$ <u>3,700,997</u>	\$ <u>(1,043,557)</u>	\$ <u>6,045,557</u>	\$ <u>78,964,856</u>

**NOTE 5: - OTHER INFORMATION**

A. Employee retirement system pension plans - Statewide

1. Defined Benefit

a. Plan Description

The City of Moorhead 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.

1. General Employees Retirement Fund (GERF)

All full-time and certain part-time employees of the City of Moorhead are covered by the General Employees Retirement Fund (GERF). GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. The Basic Plan was closed to new members in 1967. All new members must participate in the Coordinated Plan.

2. Public Employees Police and Fire Fund (PEPFF)

The PEPFF, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the PEPFF also covers police officers and firefighters belonging to a local relief association that elected to merge with and transfer assets and administration to PERA.

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.

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. Members in plans that are at least 90% funded for two consecutive years are given 2.5% increases. Members in plans that have not exceeded 90% funded, or have fallen below 80%, are given 1% increases.

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions on effect at the time they last terminated their public service.

#### 1. GERP Benefits

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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for the Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year 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.

#### 2. PEPFF Benefits

Benefits for the PEPFF members first hired after June 30, 2020, but before July 1, 2014, vest on a prorated basis from 50% after five years up to 100% after ten years of credited service. Benefits for PEPFF members first hired after June 30, 2014, vest on a prorated basis from 50% after 10 years of service up to 100% after twenty years of credited service. The annuity accrual rate is 3% of average salary for each year of service. For PEPFF who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

#### c. Contributions

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

##### 1. GERP Contributions

Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2015. The City of Moorhead was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in calendar year 2015. The City's contributions to the GERP for the year ended December 31, 2015, were \$683,737. Contributions made by Moorhead Public Service to the GERP for the year ended December 31, 2015, were \$311,115. The City's and Moorhead Public Service's contributions were equal to the required contributions as set by state statute.

##### 2. PEPFF Contributions

Plan members were required to contribute 10.8% of their annual covered salary in calendar year 2015. The City was required to contribute 16.20% of pay for PEPFF members in calendar year 2015. The City's contributions to PEPFF for the year ended December 31, 2015, were \$1,023,130. The City's contributions were equal to the required contributions as set by state statute.

#### d. Pension Costs

##### 1. GERP Pension Costs

City:

At December 31, 2015, the City reported a liability of \$7,338,447 for its proportionate share of the GERP net pension liability. The new pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contribution received by PERA during the measurement period for the employer payroll paid dates from July 1, 2014, through

June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportion share was .1416% which was a decrease of .0059% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$821,393 for its proportionate share of the GERF's pension expense.

At December 31, 2015, the City reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 68,055	\$ 369,982
Changes in actuarial assumptions	\$ 457,013	\$ -
Difference between projected and actual investment earnings	\$ 694,697	\$ 1,347,954
Contributions paid to PERA subsequent to the measurement date	\$ 362,156	\$ -
Total	\$ 1,581,921	\$ 1,717,936

\$362,156 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ (136,437)
2017	\$ (136,437)
2018	\$ (398,971)
2019	\$ 173,674
2020	\$ -
Thereafter	\$ -

Public Service Utility:

At December 31, 2015, MPS reported a liability of \$3,555,208 for its proportionate share of the GERF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MPS' proportion of the net pension liability was based on the MPS' contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, MPS' proportion share was 0.0686 % which was a decrease of 0.0064 % from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the MPS recognized pension expense of \$273,774 for its proportionate share of the GERF's pension expense.

At December 31, 2015, MPS reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 32,970	\$ 179,243
Changes in actuarial assumptions	\$ 221,406	\$ -
Difference between projected and actual investment earnings	\$ 336,556	\$ 653,034
Contributions paid to PERA subsequent to the measurement date	\$ 145,539	\$ -
Total	\$ 736,471	\$ 832,277

The \$145,539 reported as deferred outflows of resources related to pensions resulting from MPS' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ (66,099)
2017	\$ (66,100)
2018	\$ (193,287)
2019	\$ 84,139
2020	\$ -
Thereafter	\$ -

## 2. PEPFF Pension Costs

At December 31, 2015, the City reported a liability of \$7,374,159 for its proportionate share of the PEPFF's net pension liability. The net pension liability was measured as of June 30, 2015, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contribution received by PERA during the measurement period for employer payroll paid dates from July 1, 2014, through June 30, 2015, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2015, the City's proportion was .649% which was an increase of .00024% from its proportion measured as of June 30, 2014.

For the year ended December 31, 2015, the City recognized pension expense of \$2,038,201 for its proportionate share of the PEPFF's pension expense. The City also recognized \$58,410 for the year ended December 31, 2015, as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's on-behalf contributions to the PEPFF. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the PEPFF each year, starting in fiscal year 2014.

At December 31, 2015, the City reported its proportionate share of the PEPFF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 7,845	\$ 1,195,847
Changes in actuarial assumptions	\$ 1,401,602	\$ -
Difference between projected and actual investment earnings	\$ 1,284,825	\$ 2,594,032
Contributions paid to PERA subsequent to the measurement date	\$ 535,588	\$ -
Total	\$ 3,229,860	\$ 3,789,879

\$535,588 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pension will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2016	\$ (430,279)
2017	\$ (430,279)
2018	\$ (430,279)
2019	\$ 434,399
2020	\$ (239,169)
Thereafter	\$ -

### e. Actuarial Assumptions

The total pension liability in the June 30, 2015, actuarial valuation was determined using the following actuarial assumptions:

Inflation	2.75% per year
Active Member Payroll Growth	3.50% per year
Investment Rate of Return	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2000 tables for males or females, as appropriate, with slight adjustments. Cost of living benefit increases for retirees are assumed to be: 1% effective every January 1<sup>st</sup> until 2034, then 2.5% for GERP and PEPFF.

Actuarial assumptions used in the June 30, 2015, valuation were based on the results of actuarial experience studies. The experience study in the GERP was for the period July 1, 2004, through June 30 2008, with an update of economic assumptions in 2014. The experience study for PEPFF was for the period July 1, 2004, through June 30, 2009.

There were no changes in actuarial assumptions in 2015.

The long-term expected rate of return on pension plan investments is 7.9%. The State Board of Investment, which manages the investments of PERA, prepares an analysis of the reasonableness of the long-term expected rate of return on a regular basis 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 weighing the expected future rates of return

by the target asset allocation percentages. The target allocation and best estimates of arithmetic 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 Stocks	45%	5.50%
International Stocks	15%	6.00%
Bonds	18%	1.45%
Alternative Assets	20%	6.40%
Cash	2%	0.50%

f. Discount Rate

The discount rate used to measure the total pension liability was 7.9%. The projection of cash flows used to determine the discount rate assumed that employee and employer contributions will be made as the rate specified in statute. Based on that assumption, each of the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current active and inactive employees. 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

City:

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

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
City's proportionate share of the GERP net pension liability:	\$11,538,647	\$7,338,447	\$3,869,727
City's proportionate share of the PEPFF net pension liability:	\$14,372,313	\$7,374,159	\$1,592,464

Public Service Utility:

The following presents MPS' 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 MPS' proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.9%)	Discount Rate (7.9%)	1% Increase in Discount Rate (8.9%)
MPS' proportionate share of the GERP net pension liability:	\$5,590,051	\$3,555,208	\$1,874,741

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. This report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

2. Defined Contribution Plan

a. Plan Description

Four council members of the City of Moorhead are covered by the Public Employees Defined Contribution Plan (PEDCP), a multiple-employer deferred compensation plan administered by the Public Employees Retirement Association of Minnesota (PERA). The PEDCP is a tax qualified plan under Section 401(a) of the

Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

b. Funding Policy

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. For ambulance service personnel, employer contributions are determined by the employer, and for salaried employees must be a fixed percentage of salary. Employer contributions for volunteer personnel may be a unit value for each call or period of alert duty. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City of Moorhead during fiscal year 2015 were:

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rates</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$2,042	\$2,042	5.0%	5.0%	5.0%

B. Commitments

Under its wholesale power agreement, the municipality is committed to purchase a fixed amount of electric power and energy requirements from the Western Area Power Administration until December 31, 2050.

The municipality is also committed to purchase its supplemental power from the Missouri River Energy Services. The agreement, which runs until January 1, 2057, provides that the municipality purchase electric power in excess of that available from Western Area Power Administration, up to the level required in 2020. Beginning in 2027, and each 5th year thereafter, the municipality has the opportunity to continue receiving 100% of its supplemental power from Missouri River Energy Services or establish a maximum rate of delivery.

The City of Moorhead has a three-year contract through December 31, 2018, with options to renew for two additional one-year periods with First Transit Inc. to provide bus services and driver management. The annual costs for First Transit during 2015 were \$797,219. The City of Moorhead has entered into a Joint Powers Agreement with the City of Fargo for the joint ownership and operation of the Metro Transit Garage (MTG) located at 650 23rd Street North in Fargo, ND. Moorhead has a one-third ownership of the MTG and pays operating costs for the building on a one-third basis of actual cost. Moorhead pays actual costs for their fleet maintenance, including vehicle parts, fuel and labor. Other maintenance costs for the MTG are shared pro rata based on a percentage of total vehicles stored and maintained in the facility.

The City of Moorhead has a lease agreement through June 30, 2017 with Independent School District No. 152 whereby the school will lease a portion of the Sports Center facility. The lease payment schedule follows:

<u>Term</u>	<u>Payment Due</u>	<u>Square Footage</u>	<u>Amount</u>
July 1, 2015 – June 30, 2016	December 2015	18,227	\$177,415
July 1, 2016 – June 30, 2017	December 2016	18,227	\$184,823

The City has active construction projects as of December 31, 2015, which includes street and utility construction and reconstruction. At year-end the City's remaining commitments with contractors is approximately \$3,356,227.

In 2014, the Electric Division started a project to demolish an old, inactive Elm Street power station on the west edge of town near the river. The entire project was completed in 2015. As of December 31, 2014, demolition costs incurred totaled \$891,700. During calendar year 2015, final demolition and remediation costs of \$1,354,285 were incurred for a total cost of \$2,245,985. In 2015 action was taken to enter into an agreement to lease this property to a non-profit entity for a nominal fee. Therefore, since the probability of reselling the property to recover the costs was diminished, the demolition costs were expensed in the current year as a special item.

During 2013, the Water Division began the planning and design portion of a project to construct a new high-speed pumping station next to the current water treatment plant. Construction of the station was expected to begin in the spring of 2014 but delays in the procurement of qualifying materials delayed the start until fall of 2014. The station was initially expected to be completed in 2015 but the delay has extended the expected completion until the

spring of 2016. The initial estimated cost of the project at the end of 2013 was \$6.9 million. At the end of 2014, the total expected cost of the project was \$12.0 million. After substantial completion of the project during 2015, at the time of this report, the total expected cost of the project will be \$12.2 million. At the end of 2015, total construction work-in-progress payments for the project totaled \$10.7 million.

### C. Special Items

As of January 1, 2015, the City of Moorhead annexed a portion of Oakport Township into the City. With the annexation, the City acquired the streets and sanitary sewer infrastructure assets that existed within the Township. These assets comprised of streets and a sanitary sewer system with a fair value of \$14,547,220 and \$1,265,000, respectively, as of the annexation date. In addition, water infrastructure assets with a fair value of \$713,781 comprised of a water tower and water mains were acquired.

The special item in the electric fund reflects costs incurred to demolish and remediate an old inactive power station on the west edge of town near the river. The project was completed in 2015, however, it became evident by actions taken by the Moorhead City Council in June 2015 that the intention was to enter into an agreement to lease the property to a non-profit entity for a nominal fee. As a result, it was determined that there would be little or no likelihood of recapturing any of the demolition and remediation costs so they were expensed in the current year as a special item.

### D. Change in Accounting Principle

The City implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date* in 2015 which addresses the accounting and financial reporting requirements for pensions. . The implementation of these standards requires governments to calculate and report the cost and obligations associated with pensions in their financial statements, including additional note disclosures and required supplementary information. Beginning net position was restated to retroactively report the beginning net pension liability, deferred outflows of resources and deferred inflows of resources related to contributions made after the measurement date.

The adjustments to the beginning balance of net position were as follows:

#### Governmental Activities

Net position – December 31, 2014, as previously reported		\$	311,852,655
Restatement due to implementation of GASB 68			(13,165,753)
Net position – January 1, 2015, as restated		\$	298,686,902

#### Business Type Activities

Net position – December 31, 2014, as previously reported		\$	121,507,367
Restatement due to implementation of GASB 68			(5,537,153)
Net position – January 1, 2015, as restated		\$	115,970,214

#### Proprietary Funds

		Electric	Water	Wastewater Treatment	Non-Major Enterprise Funds
Net position – December 31, 2014, as previously reported	\$	44,323,305	\$ 39,099,065	\$ 18,614,051	\$ 18,909,708
Restatement due to implementation of GASB 68		(2,354,873)	(1,569,915)	(459,410)	(1,152,955)
Net position – January 1, 2015, as restated	\$	41,968,432	\$ 37,529,150	\$ 18,154,641	\$ 17,756,753

### E. Risk Management

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and disasters. The City participates in a group workers' compensation plan with the League of Minnesota Cities Insurance Trust (LMCIT), which is a public entity risk pool currently operating as a common risk management and insurance program for member Minnesota cities. The plan is administered by Berkeley Administrators.

The workers' compensation plan is self-sustaining based on the premiums charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. The City has entered into a regular premium plan with LMCIT. The City pays its premium in quarterly installments based on current year budgeted salaries with a premium adjustment after annual actual salaries are determined. All charges are distributed to each City department based upon salary and workers' compensation class code. LMCIT is responsible for Worker's Compensation Reinsurance Association premiums and for general administrative and claims expenses.

The general insurance plan with LMCIT provides the City's liability, property and auto coverage, except that a separate property policy is required to cover the wastewater facility and the public utility's power plant, substations and wind turbines, which is obtained through ACE American Insurance Company. The City continues to carry commercial insurance for employee health and life insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There has been no substantial change in coverage from the prior year.

## F. Joint Powers Agreements

### 1. Regional Dispatch Center

In December of 2002, the City of Moorhead, Minnesota, City of Fargo, North Dakota, Clay County of Minnesota and Cass County of North Dakota entered into a joint powers agreement to establish a framework that allows for the joint operation of dispatch functions by the two aforementioned cities and the two aforementioned counties. Additionally, the City of West Fargo, ND entered into the joint powers agreement in 2008. Combining the communications and dispatch of these five agencies benefits each one by reducing and/or eliminating duplication of equipment and staff time. The goal is to reduce the financial burden to the respective governments' taxpayers through the sharing of one communications center, as well as to improve communications services.

Effective January 1, 2015 the joint powers agreement was amended as a result of a Cass County vote in November 2014, which ended the City of West Fargo and City of Fargo collections of emergency communication system fees on an individual city-wide basis. Cass County emergency fee collection, which is collected per user by the county, is expected to be sufficient to cover the contribution for the City of Fargo, West Fargo and Cass County. Cass County has agreed to pay all valid billings from vendors of emergency service communication system funds for all users in Cass County.

Prior to 2015, each governmental entity contributed to the joint operations in the following percentages:

- City of Fargo – 50.6%
- City of Moorhead – 18.2%
- Cass County – 8.8%
- Clay County – 10.0
- City of West Fargo – 12.4%

Effective January 1, 2015, the cost share formula was amended as follows:

- City of Fargo – 0%
- City of Moorhead – 18.2%
- Cass County – 71.8%
- Clay County – 10.0%
- City of West Fargo – 0%

Any governmental entity may elect to withdraw from participation upon giving a 1-year written notice. Additional financial information may be obtained from the Red River Regional Dispatch Center located at 300 NP Avenue, Suite 206, Fargo, ND 58102.

### 2. Metro Flood Diversion Project

In June of 2011, the City of Fargo, Cass County and Cass County Joint Water Resource District, all located in North Dakota along with the City of Moorhead, Clay County and Buffalo Red River Watershed District, all located in Minnesota entered into a limited joint powers agreement to establish a framework that allows for the joint development of the planning, design and management of a Fargo-Moorhead Metropolitan Area Flood Risk Management Project prior to execution of a Project Partnership Agreement (PPA) with the U.S. Army Corps of Engineers for the construction of the Project. This agreement established a joint board to be known as the Diversion Board of Authority ("Diversion Authority").

The planning, design and development of the Project will be partially funded with Federal monies and partially



funded with local monies. The Minnesota share of the local cost will be 10% and the North Dakota share of the local cost will be 90%. The members to the agreement authorized a budget for federal fiscal year 2011 and federal fiscal year 2012 which ended September 30, 2012 of \$15,000,000 for the planning, design and development of the Project and \$1,500,000 for the hiring of a project manager and a lobbyist. In September 2012, all parties to the Limited Joint Powers Agreement approved the First Amendment to the Limited Joint Powers Agreement, which authorized an additional \$29,000,000 for federal fiscal year 2013 utilizing the same 10% / 90% cost share between Minnesota and North Dakota, respectively. Likewise, in August 2013, a Second Amendment of the Limited Joint Powers Agreement was approved authorizing an additional budget of \$70,000,000 for federal fiscal year 2014 with the same 10% / 90% cost share. In 2015, the Diversion Authority converted to a calendar year budget and therefore did not appropriate addition funds in 2015, just extended the current \$70,000,000 appropriation through December 31, 2015.

This agreement will continue to be in full force and effect until it is terminated upon unanimous approval of the members. It is the intent of the members that this agreement will terminate on or before the execution of the PPA. As of 12/31/15, there was not a PPA in effect. Additional information regarding the authority may be obtained by contacting: Flood Diversion Board of Authority, Box 2806, 211 Ninth Street South, Fargo, ND 58108.

#### G. Postponed Special Assessments

There are infrastructure investments in the Wastewater Treatment Fund in the amount of \$8,601,249 for local improvements where the affected property is unplatted and undeveloped. The City is therefore unable to assess the costs at this time, but may subsequently reimburse itself once the abutting property is developed. There is an additional \$20,940,823 of improvement costs in the Special Assessment Debt Service Funds under the same situation.

#### H. Component Unit - Moorhead Public Housing Agency

##### 1. Deposits and Investments

Deposits - In accordance with Minnesota statutes, the Agency maintains deposits at those depositories authorized by the Agency board. All such depositories are members of the Federal Reserve System.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may be lost.

In accordance with Minnesota statutes, the Agency maintains deposits at those depository banks and brokerages authorized by the Agency, all of which are covered by Federal Depository Insurance. Statutes require that all Agency deposits be protected by insurance or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds (140% in the case of mortgage notes pledged). Authorized collateral includes U.S. Government obligations, as well as certain first mortgage notes and certain other state and local government obligations. Minnesota statutes require that securities pledged as collateral be held in safekeeping by the Agency or financial institution other than that furnishing the collateral. The deposits of the Agency are entirely insured or collateralized with securities held by the Agency or its agent in the Agency's name at June 30, 2015.

Investments – The Agency is authorized by Minnesota statutes to invest in: a.) Bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress, b.) Securities sold under agreements to repurchase written by the financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, c.) Certificates of Deposits fully insured by the Federal Depository Insurance Agency or the state, d.) Obligations of the state. The investments are held at Bremer Investment Management and Trust as of June 30, 2015 and consist of the following:

Investment in Maturities (in Years)

Investment Type	Fair Value	Less than 1	1-5	6-10	More than 10	Credit Rating	Rating Agency
Richland County South Carolina G.O. Bond	\$ 25,456	\$ 25,456	\$ -	\$ -	\$ -	Aaa	Moody's
Minnesota State HSG FIN AGY Housing Revenue	25,076	25,076	-	-	-	Aa+	Moody's
Waukesha County Wisconsin G.O. Bond	25,681	-	25,681	-	-	Aaa	Moody's
United States Treasury Notes	25,016	25,016	-	-	-	Aaa	Moody's

Investment Type	Fair Value	Investment in Maturities (in Years)				Credit Rating	Rating Agency
		Less than 1	1-5	6-10	More than 10		
Lac Qui Parle Valley Independent Minnesota School District Revenue	25,460	25,460	-	-	-	AA+	S & P
Federal Farm Credit Bank	35,264	-	35,264	-	-	AA+	Moody's
United States Treasury Notes	30,227	-	30,227	-	-	Aaa	Moody's
University of Massachusetts Bldg Higher Education	25,043	-	25,043	-	-	Aa	Moody's
Federal Farm Credit Bank	19,972	-	19,972	-	-	Aaa	Moody's
Federal Farm Credit Bank	20,125	-	20,125	-	-	Aaa	Moody's
Saint Francis Minnesota Independent School G.O. Bond	26,245	-	26,245	-	-	Aa+	Moody's
United States Treasury Notes	35,889	-	35,889	-	-	Aaa	Moody's
Federal National Mortgage Assn	20,014	-	20,014	-	-	Aaa	Moody's
Federal National Mortgage Assn Pool #785246	15,443	-	15,443	-	-	Aaa	Moody's
Federal National Mortgage Assn	29,994	-	29,994	-	-	Aaa	Moody's
Federal National Mortgage Assn	30,321	-	30,321	-	-	Aaa	Moody's
Federal National Mortgage Assn	25,080	-	25,080	-	-	Aaa	Moody's
Federal Home Loan Mortgage Corp – Medium Term Note	25,022	-	25,022	-	-	Aaa	Moody's
Federal National Mortgage Assn Pool #Ma0741	17,887	-	-	17,887	-	Aaa	Moody's
Federal National Mortgage Assn Pool #745416	12,640	-	-	12,640	-	Aaa	Moody's
<b>Total</b>	<b>\$ 495,855</b>	<b>\$ 101,008</b>	<b>\$ 364,320</b>	<b>\$ 30,527</b>	<b>\$ -</b>		

Interest Rate Risk – The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk – The Agency may invest idle funds in deposits that are properly secured by FDIC insurance coverage and are with designated depositories, which meet or exceed the Governmental National Mortgage Association Ratings.

2. Restricted Cash

Restricted assets consist of cash which is restricted to comply with HUD requirements for tenant security deposits and net restricted position in the Section 8 Housing Choice Vouchers program.

3. Accounts Receivable and Due from HUD

Accounts receivable of \$13,970 consists of amounts due from tenants of the Public Housing program. Due from HUD of \$241,427 represents expenses incurred in excess of funds received at June 30, 2015 for the Public Housing Capital Fund and ROSS grant. Due from other government of \$49,186 represents expenses incurred by the Agency which will be reimbursed by the City of Moorhead.

4. Capital asset activity for the fiscal year ended June 30, 2015 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977			\$ 464,977
Construction in Progress		313,001		313,001
Total Capital assets not being depreciated	464,977	313,001		777,978
Capital assets, being depreciated:				
Buildings & Improvements	10,629,262	207,965		10,837,227
Furniture, equipment & machinery	676,247	135,395		811,642
Total Capital assets being depreciated	11,305,509	343,360		11,648,869
Less accumulated depreciation for:				
Buildings & Improvements	6,397,837	223,393		6,621,230
Furniture, equipment & machinery	514,301	43,967		558,268
Total accumulated depreciation	6,912,138	267,360		7,179,498
Total capital assets, being depreciated, net	4,393,371	76,000		4,469,371
Total Capital assets, net	\$ 4,858,248	\$ 389,001	\$	\$ 5,247,349

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

Business-type activities

Low-Rent Public Housing

\$ 267,360

5. Annual Contributions Contract

The Agency has an annual contributions contract for Section 8 Housing Choice Vouchers HAP adjustments vary based on requirements. For calendar year 2015, the maximum contract was \$321,000.

6. Accounts Payable

Accounts payable of \$278,929 represents expenses incurred but not paid to vendors at June 30, 2015.

7. Compensated Absences

Changes in compensated absences for the year ended June 30, 2015 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
<u>\$ 27,985</u>	<u>\$ 22,775</u>	<u>\$ 20,552</u>	<u>\$ 30,208</u>	<u>\$ 30,208</u>

8. Payments in Lieu of Taxes

The Agency is obligated to make annual payments in lieu of property taxes based on a predetermined percent of dwelling rents net of utilities expense. At June 30, 2015, the amount payable to local governments in lieu of taxes was \$47,756.

9. Retirement Plan

The Agency has a nonintegrated, discretionary contribution Money Purchase Plan covering substantially all employees. The plan is funded through payments to Security Benefit, Inc. where the contributions are allocated to the account of each participant in the same portion as the participant's compensation bears to all participants' compensation for the year. The Agency contributes 7% of employees' eligible salaries and employees must contribute up to 7% of salaries to the plan. In this master multiple-employee plan, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The approximated total cost of this plan for the years ended June 30, 2015, 2014, and 2013 was \$25,476, \$23,510, and \$19,201, respectively,

10. Restricted Net Position

As of June 30, 2015, restricted net position consisted of \$31,147 in housing assistance payments received from HUD but not yet paid to eligible individuals.

11. Committed Contracts

As of June 30, 2015, the Agency had committed contracts regarding construction projects in the amount of \$792,759. At year end, the balance remaining on these contracts was \$466,561.

## REQUIRED SUPPLEMENTARY INFORMATION

### Schedule of Funding Progress

The standard requires a schedule of funding progress for the three most recent valuations and accompanying notes to describe factors that significantly affect the trends in the amounts reported. The City and the Utility implemented the standard as of January 1, 2008, there has been three valuations performed for the Utility and four valuations for the City.

City:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2010	\$ 0	\$ 1,974,939	\$ 1,974,939	0.00%	\$ 11,695,425	16.9%
12/31/2012	\$ 0	\$ 1,918,798	\$ 1,918,798	0.00%	\$ 11,815,155	16.2%
12/31/2014	\$ 0	\$ 2,170,782	\$ 2,170,782	0.00%	\$ 11,663,163	18.6%

Since the last actuarial valuation as of January 1, 2012, the following actuarial assumptions have changed:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated to reflect the projection of 2000 rates to 2014 based on Scale BB.

Since the last actuarial valuation as of January 1, 2012, the following plan provisions have changed:

- The City of Moorhead is currently paying the same contribution while an employee is an LTD as they do active employees (either single or family). As of the January 1, 2012 valuation, the State reimbursed the City approximately 75% of this cost so the actuary study valued the remaining 25% of the contributions a GASB 45 subsidized benefit, assuming employees on LTD remain disabled until age 65. As of the January 1, 2014 valuation, the study assumed the State paid portion of this benefit will be noted elsewhere in the City's financial statement, so the full amount of the medical subsidy has been valued under GASB 45.

Public Service Utility:

The Accrued Liability as of January 1, 2014 was expected to be \$494,652. The actual Accrued Liability is \$531,674. The difference between the actual and expected liability are due to changes in the claims cost methodology, claims and premium experience, retirement experience as well as the following actuarial assumption changes since the last actuarial valuation as of January 1, 2011:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality table was updated to reflect the projection of 2000 rates to 2014 based on Scale BB.

Effective January 1, 2013, differing health insurance plans were offered to the three employee groups. Employees within one bargaining unit and all non-union employees are covered under a new health insurance plan while employees within the other bargaining unit remained on the existing health insurance plan.

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2008	\$ 0	\$ 383,098	\$ 383,098	0.00%	\$ 3,589,313	10.7%
12/31/2011	\$ 0	\$ 436,164	\$ 436,164	0.00%	\$ 3,392,400	12.9%
12/31/2014	\$ 0	\$ 531,674	\$ 531,674	0.00%	\$ 3,783,000	14.1%

Schedule of Employer's Share of Net Pension Liability

City:

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (c) (a + b)	Employer's Covered Employee Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2015	.1416%	\$ 7,338,447	N/A	\$ 7,338,447	\$ 8,503,085	86.3%	78.2%
PEPFF	6/30/2015	.649%	\$ 7,374,159	N/A	\$ 7,374,159	\$ 6,799,858	108.5%	78.2%

Public Service Utility:

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (c) (a + b)	Employer's Covered Employee Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Employee Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2015	.0686%	\$ 3,555,208	N/A	\$ 3,555,208	\$ 6,393,326	179.8%	78.2%

- GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of Moorhead will present information for those years for which information is available.

Schedule of Employer's Contributions

City:

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
GERF	12/31/2015	\$ 683,737	\$ 683,737	\$ -	\$ 8,923,750	7.7%
PEPFF	12/31/2015	\$ 1,023,130	\$ 1,023,130	\$ -	\$ 6,612,690	15.5%

Public Service Utility:

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Employee Payroll (c)	Contributions as a Percentage of Covered Employee Payroll (b/c)
GERF	12/31/2015	\$ 311,115	\$ 311,115	\$ -	\$ 4,192,691	7.4%

- GASB Statement No. 68 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of Moorhead will present information for those years for which information is available.

## NONMAJOR GOVERNMENTAL FUNDS

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### Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources (other than special assessments, or major capital projects) that are legally restricted to expenditures for particular purposes.

Park - account for recreational programs offered to the citizens of Moorhead.

Library - account for City aid to the Lake Agassiz Regional Library.

Community Development - account for Federal Community Development Block Grant entitlements.

Rental Registration - account for the registration and inspection of rental property.

Mass Transit - account for the operation of the City bus system.

Economic Development - account for the preparation of recreational, commercial and cultural activities.

Contributions - account for the collection and distribution of donations made to the City.

### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

G.O. Bond - account for the accumulation of resources for payment of general obligation bond principal and interest. Provisions are made annually within the City's general property tax levy to provide sufficient money to meet these requirements.

Tax Increment - account for the accumulation of resources for payment of tax increment general obligation bond principal and interest. Tax increments are received by the City to meet these requirements.

Municipal Improvement - account for the accumulation of resources for payment of municipal improvement bond principal and interest. Transfers are made annually from the Capital Improvement Fund to provide sufficient money to meet these requirements.

### Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by Proprietary Funds).

Capital Improvement - account for capital outlay related to City buildings, improvements and equipment.

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2015**

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
<b>ASSETS</b>						
Assets:						
Cash and investments	\$ 1,703,521	\$ 324,500	\$ 29,873	\$ 463,668	\$ 612,768	\$ 1,499,031
Receivables:						
Accounts	29,502		506	1,375	4,907	152
Notes			4,052,027			145,000
Due from other funds	70					
Due from other governmental units	<u>191,625</u>	<u>15,354</u>			<u>398,695</u>	<u>16,371</u>
Total Assets	<u>\$ 1,924,718</u>	<u>\$ 339,854</u>	<u>\$ 4,082,406</u>	<u>\$ 465,043</u>	<u>\$ 1,016,370</u>	<u>\$ 1,660,554</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>						
Liabilities:						
Accounts payable	\$ 45,697	\$ 4,590	\$ 6,229	\$ 3,643	\$ 179,785	\$ 7,164
Accrued wages payable	15,292		1,236	2,541	2,682	1,607
Due to other funds						
Advances from other funds						82,420
Other liabilities	4,016		202			132,500
Total Liabilities	<u>65,005</u>	<u>4,590</u>	<u>7,667</u>	<u>6,184</u>	<u>182,467</u>	<u>223,691</u>
Deferred inflows of resources:						
Long-term receivables			4,052,027			145,000
Total Deferred inflows of resources			<u>4,052,027</u>			<u>145,000</u>
Fund Balance:						
Restricted						
Committed						
Assigned	1,859,713	335,264	22,712	458,859	833,903	1,291,863
Unassigned						
Total Fund Balance	<u>1,859,713</u>	<u>335,264</u>	<u>22,712</u>	<u>458,859</u>	<u>833,903</u>	<u>1,291,863</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 1,924,718</u>	<u>\$ 339,854</u>	<u>\$ 4,082,406</u>	<u>\$ 465,043</u>	<u>\$ 1,016,370</u>	<u>\$ 1,660,554</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2015**

		Debt Service				Capital Projects	Total Nonmajor Governmental Funds
Contributions	Total	G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$ 79,049	\$ 4,712,410	\$ 114,032	999,945	\$ 529,501	\$ 1,643,478	\$ 959,217	\$ 7,315,105
	36,442						36,442
	4,197,027						4,197,027
	70					5,107	5,177
	<u>622,045</u>	<u>5,890</u>	<u>1,337</u>		<u>7,227</u>		<u>629,272</u>
<u>\$ 79,049</u>	<u>\$ 9,567,994</u>	<u>\$ 119,922</u>	<u>\$ 1,001,282</u>	<u>\$ 529,501</u>	<u>\$ 1,650,705</u>	<u>\$ 964,324</u>	<u>\$ 12,183,023</u>
\$ 195	\$ 247,303	\$	\$ 11,500	\$ 450	\$ 11,950	\$ 43,152	\$ 302,405
	23,358						23,358
	82,420		1,159,212		1,159,212		1,159,212
	136,718		236,326		236,326		318,746
	<u>195</u>		<u>1,407,038</u>	<u>450</u>	<u>1,407,488</u>	<u>43,152</u>	<u>1,940,439</u>
	<u>4,197,027</u>						<u>4,197,027</u>
	<u>4,197,027</u>						<u>4,197,027</u>
	78,854	78,854	119,922	529,051	648,973	921,172	727,827
	4,802,314						921,172
			(405,756)		(405,756)		4,802,314
	<u>78,854</u>	<u>4,881,168</u>	<u>119,922</u>	<u>(405,756)</u>	<u>529,051</u>	<u>243,217</u>	<u>(405,756)</u>
				529,051	243,217	921,172	6,045,557
<u>\$ 79,049</u>	<u>\$ 9,567,994</u>	<u>\$ 119,922</u>	<u>\$ 1,001,282</u>	<u>\$ 529,501</u>	<u>\$ 1,650,705</u>	<u>\$ 964,324</u>	<u>\$ 12,183,023</u>



**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
<b>REVENUES</b>						
Property taxes	\$ 2,154,794	\$ 657,714	\$	\$	\$ 64,821	\$ 334,110
Intergovernmental revenues:						
Federal			119,305		431,598	
State	914,307	193,025	1,310		1,989,890	98,597
County						
Other						
Charges for services	162,693			235,510	414,969	6,300
Facility rentals	179,458					
Donations						
Interest on investments				199	763	663
Sale of property					6,776	
Miscellaneous	99,479	20,725	293,108	13,007	23,455	427,215
Total revenues	<u>3,510,731</u>	<u>871,464</u>	<u>413,723</u>	<u>248,716</u>	<u>2,932,272</u>	<u>866,885</u>
<b>EXPENDITURES</b>						
Current:						
General government						
Public safety						
Highways and streets						
Parks and recreation	2,544,443					
Library		851,224				
Community development			476,222			
Rental registration				274,323		
Mass transit					2,348,827	
Economic development						662,843
Capital outlay	255,633			8,381	537,344	
Debt service:						
Bond and note principal						
Bond and note interest						
Fiscal and other charges						
Total expenditures	<u>2,800,076</u>	<u>851,224</u>	<u>476,222</u>	<u>282,704</u>	<u>2,886,171</u>	<u>662,843</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>710,655</u>	<u>20,240</u>	<u>(62,499)</u>	<u>(33,988)</u>	<u>46,101</u>	<u>204,042</u>
<b>OTHER FINANCING SOURCES (USES):</b>						
Transfers from other funds	20,074				119,545	50,000
Transfers to other funds	(464,000)					
Total other financing sources (uses)	<u>(443,926)</u>				<u>119,545</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	266,729	20,240	(62,499)	(33,988)	165,646	254,042
FUND BALANCE - BEGINNING	<u>1,592,984</u>	<u>315,024</u>	<u>85,211</u>	<u>492,847</u>	<u>668,257</u>	<u>1,037,821</u>
FUND BALANCE - ENDING	<u>\$ 1,859,713</u>	<u>\$ 335,264</u>	<u>\$ 22,712</u>	<u>\$ 458,859</u>	<u>\$ 833,903</u>	<u>\$ 1,291,863</u>



**CITY OF MOORHEAD, MINNESOTA  
PARK FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 2,105,754	\$ 2,105,754	\$ 2,154,794	\$ 49,040
Intergovernmental:				
State	671,527	948,527	914,307	(34,220)
Charges for services	158,500	160,195	162,693	2,498
Facility rentals	160,456	160,456	179,458	19,002
Interest on investments	65	65		(65)
Miscellaneous	61,300	61,350	99,479	38,129
Total revenues	<u>3,157,602</u>	<u>3,436,347</u>	<u>3,510,731</u>	<u>74,384</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	1,494,297	1,494,297	1,355,175	139,122
Supplies	229,193	229,761	206,979	22,782
Other services & charges	1,052,434	1,093,525	982,289	111,236
Capital outlay		259,874	255,633	4,241
Total expenditures	<u>2,775,924</u>	<u>3,077,457</u>	<u>2,800,076</u>	<u>277,381</u>
<b>REVENUE OVER EXPENDITURES</b>	<u>381,678</u>	<u>358,890</u>	<u>710,655</u>	<u>351,765</u>
<b>OTHER FINANCING USES:</b>				
Transfers from other funds		20,074	20,074	
Transfers to other funds	(370,000)	(464,000)	(464,000)	
Total other financing uses	<u>(370,000)</u>	<u>(443,926)</u>	<u>(443,926)</u>	
<b>NET CHANGE IN FUND BALANCE</b>	11,678	(85,036)	266,729	351,765
<b>FUND BALANCE - BEGINNING</b>	<u>1,592,984</u>	<u>1,592,984</u>	<u>1,592,984</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,604,662</u>	<u>\$ 1,507,948</u>	<u>\$ 1,859,713</u>	<u>\$ 351,765</u>

**CITY OF MOORHEAD, MINNESOTA  
LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 641,641	\$ 641,641	\$ 657,714	\$ 16,073
Intergovernmental:				
State	192,993	192,993	193,025	32
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>20,725</u>	<u>725</u>
Total revenues	<u>854,634</u>	<u>854,634</u>	<u>871,464</u>	<u>16,830</u>
<b>EXPENDITURES</b>				
Current:				
Supplies	4,162	4,162	3,454	708
Other services & charges	<u>850,472</u>	<u>850,472</u>	<u>847,770</u>	<u>2,702</u>
Total expenditures	<u>854,634</u>	<u>854,634</u>	<u>851,224</u>	<u>3,410</u>
<b>NET CHANGE IN FUND BALANCE</b>			20,240	20,240
<b>FUND BALANCE - BEGINNING</b>	<u>315,024</u>	<u>315,024</u>	<u>315,024</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 315,024</u>	<u>\$ 315,024</u>	<u>\$ 335,264</u>	<u>\$ 20,240</u>

**CITY OF MOORHEAD, MINNESOTA  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ 387,701	387,701	\$ 119,305	\$ (268,396)
State	1,310	1,310	1,310	
Miscellaneous:				
Rehab loan payments	135,865	135,865	293,108	157,243
Total revenues	<u>524,876</u>	<u>524,876</u>	<u>413,723</u>	<u>(111,153)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	102,606	102,606	87,072	15,534
Supplies	1,300	1,300	521	779
Other services & charges	470,449	470,449	388,629	81,820
Total expenditures	<u>574,355</u>	<u>574,355</u>	<u>476,222</u>	<u>98,133</u>
NET CHANGE IN FUND BALANCE	(49,479)	(49,479)	(62,499)	(13,020)
FUND BALANCE - BEGINNING	<u>85,211</u>	<u>85,211</u>	<u>85,211</u>	
FUND BALANCE - ENDING	<u>\$ 35,732</u>	<u>\$ 35,732</u>	<u>\$ 22,712</u>	<u>\$ (13,020)</u>

**CITY OF MOORHEAD, MINNESOTA  
RENTAL REGISTRATION FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
Interest on investments	\$	\$	\$ 199	\$ 199
Miscellaneous:				
Rehabilitation inspection fees	4,225	4,225	8,875	4,650
Rental housing registration fees	185,000	185,000	226,635	41,635
Other	3,000	3,000	13,007	10,007
Total revenues	<u>192,225</u>	<u>192,225</u>	<u>248,716</u>	<u>56,491</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	237,372	237,372	241,695	(4,323)
Supplies	10,600	10,600	2,510	8,090
Other services & charges	51,885	54,885	30,118	24,767
Capital outlay	29,850	29,850	8,381	21,469
Total expenditures	<u>329,707</u>	<u>332,707</u>	<u>282,704</u>	<u>50,003</u>
<b>NET CHANGE IN FUND BALANCE</b>	(137,482)	(140,482)	(33,988)	106,494
<b>FUND BALANCE - BEGINNING</b>	<u>492,847</u>	<u>492,847</u>	<u>492,847</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 355,365</u>	<u>\$ 352,365</u>	<u>\$ 458,859</u>	<u>\$ 106,494</u>

**CITY OF MOORHEAD, MINNESOTA  
 MASS TRANSIT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2015**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 62,801	62,801	\$ 64,821	\$ 2,020
Intergovernmental:				
Federal grants	534,116	443,309	431,598	(11,711)
State grants	2,006,123	2,146,230	1,989,890	(156,340)
Charges for services	427,496	427,496	414,969	(12,527)
Interest on investments			763	763
Sale of property			6,776	6,776
Miscellaneous	3,000	3,000	23,455	20,455
Total revenues	<u>3,033,536</u>	<u>3,082,836</u>	<u>2,932,272</u>	<u>(150,564)</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	222,621	222,621	212,154	10,467
Supplies	6,000	6,000	630	5,370
Other services & charges	2,343,648	2,372,948	2,136,043	236,905
Capital outlay	583,340	608,340	537,344	70,996
Total expenditures	<u>3,155,609</u>	<u>3,209,909</u>	<u>2,886,171</u>	<u>323,738</u>
REVENUE UNDER EXPENDITURES	<u>(122,073)</u>	<u>(127,073)</u>	46,101	173,174
<b>OTHER FINANCING SOURCES:</b>				
Transfers from other funds	106,133	111,133	119,545	8,412
<b>NET CHANGE IN FUND BALANCE</b>	(15,940)	(15,940)	165,646	181,586
<b>FUND BALANCE - BEGINNING</b>	668,257	668,257	668,257	
<b>FUND BALANCE - ENDING</b>	<u>\$ 652,317</u>	<u>\$ 652,317</u>	<u>\$ 833,903</u>	<u>\$ 181,586</u>

**CITY OF MOORHEAD, MINNESOTA  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2015**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
<b>REVENUES</b>				
General property taxes	\$ 326,541	326,541	\$ 334,110	\$ 7,569
Intergovernmental:				
State grants	98,557	98,557	98,597	40
Charges for services	5,000	5,000	6,300	1,300
Interest on investments			663	663
Miscellaneous	<u>110,825</u>	<u>110,825</u>	<u>427,215</u>	<u>316,390</u>
Total revenues	<u>540,923</u>	<u>540,923</u>	<u>866,885</u>	<u>325,962</u>
<b>EXPENDITURES</b>				
Current:				
Personal services	295,064	298,714	250,993	47,721
Supplies	3,804	7,804	18,725	(10,921)
Other services & charges	<u>309,148</u>	<u>323,632</u>	<u>393,125</u>	<u>(69,493)</u>
Total expenditures	<u>608,016</u>	<u>630,150</u>	<u>662,843</u>	<u>(32,693)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(67,093)</u>	<u>(89,227)</u>	<u>204,042</u>	<u>293,269</u>
<b>OTHER FINANCING SOURCES:</b>				
Transfers from other funds	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
NET CHANGE IN FUND BALANCE	(17,093)	(39,227)	254,042	293,269
FUND BALANCE - BEGINNING	<u>1,037,821</u>	<u>1,037,821</u>	<u>1,037,821</u>	
FUND BALANCE - ENDING	<u>\$ 1,020,728</u>	<u>\$ 998,594</u>	<u>\$ 1,291,863</u>	<u>\$ 293,269</u>



## NONMAJOR PROPRIETARY FUNDS

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Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Storm Water - account for the operation and maintenance of the City's storm water pumping stations, ditches and water retention system.

Sanitation - account for the operation and maintenance of the City's solid waste collection system.

Golf Course - account for the operation and maintenance of the City's Golf Courses.

Sports Center - account for the operation and maintenance of the City's recreation and indoor hockey facility.

Pest Control - account for the operation and maintenance of the City's animal control system.

Forestry - account for the operation and maintenance of the City's Shade Tree and Disease Control Program.

Municipal Airport - account for the operation and maintenance of the City's airport facility.

Street Light Utility - account for the operation and maintenance of the City's street light utility.

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
DECEMBER 31, 2015**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Sports Center</u>	<u>Pest Control</u>	<u>Forestry</u>	<u>Municipal Airport</u>	<u>Street Light Utility</u>	<u>Total</u>
<b>ASSETS</b>									
Current assets:									
Cash and investments	\$ 2,191,589	\$ 2,218,008	\$	\$ 1,838,624	\$ 483,694	\$ 399,643	\$ 6,780	\$	\$ 7,138,338
Receivables:									
Accounts	127,225	746,577	710	30,214	2,429	1,457	940		909,552
Due from other city funds	212,780	363,236			52,304	68,309		56,785	753,414
Due from other governmental units		200,734	300			60	17,282		218,376
Total current assets	<u>2,531,594</u>	<u>3,528,555</u>	<u>1,010</u>	<u>1,868,838</u>	<u>538,427</u>	<u>469,469</u>	<u>25,002</u>	<u>56,785</u>	<u>9,019,680</u>
Long-term assets:									
Restricted Assets:									
Cash and cash equivalents			1,199,786				17,185		1,216,971
Long-Term Receivables:									
Notes receivable, less current portion			638,287						638,287
Capital Assets:									
Land		155,647	3,954,534				301,838		4,412,019
Buildings	2,305	599,560	1,845,243	9,816,748			1,622,601		13,886,457
Improvements other than buildings	1,823,334	517,290	3,302,641				4,249,447		9,892,712
Machinery and equipment	442,624	99,221	131,765	73,008		12,050	129,939		888,607
Construction in progress	355,153								355,153
Less accumulated depreciation	<u>(699,997)</u>	<u>(940,573)</u>	<u>(3,918,455)</u>	<u>(6,976,050)</u>	<u></u>	<u>(8,034)</u>	<u>(2,794,337)</u>	<u></u>	<u>(15,337,446)</u>
Total long-term assets	<u>1,923,419</u>	<u>431,145</u>	<u>7,153,801</u>	<u>2,913,706</u>	<u></u>	<u>4,016</u>	<u>3,526,673</u>	<u></u>	<u>15,952,760</u>
Total assets	<u>\$ 4,455,013</u>	<u>\$ 3,959,700</u>	<u>\$ 7,154,811</u>	<u>\$ 4,782,544</u>	<u>\$ 538,427</u>	<u>\$ 473,485</u>	<u>\$ 3,551,675</u>	<u>\$ 56,785</u>	<u>\$ 24,972,440</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Pension plans	<u>12,655</u>	<u>102,825</u>	<u>56,316</u>	<u>21,831</u>	<u>13,130</u>	<u>37,966</u>	<u></u>	<u></u>	<u>244,723</u>
<b>LIABILITIES</b>									
Current liabilities:									
Accounts payable	\$ 377,889	108,713	6,410	3,042	11,254	2,636	176	1,414	\$ 511,534
Accrued wages payable	2,000	18,127	4,550	3,809	1,186	6,038			35,710
Accrued compensated absences	2,007	56,907	30,124	11,683	4,198	21,921			126,840
Due to other city funds			1,700,832					1,664	1,702,496
Due to other governmental units		34,719	781						35,500
Other liabilities			53,429				19,196		72,625
Accrued interest payable			9,060						9,060
Current maturities of long-term debt			260,000						260,000
Total current liabilities	<u>381,896</u>	<u>218,466</u>	<u>2,065,186</u>	<u>18,534</u>	<u>16,638</u>	<u>30,595</u>	<u>19,372</u>	<u>3,078</u>	<u>2,753,765</u>

**CITY OF MOORHEAD, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2015**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Sports Center</u>	<u>Pest Control</u>	<u>Forestry</u>	<u>Municipal Airport</u>	<u>Street Light Utility</u>	<u>Total</u>
Long-term liabilities:									
Accrued compensated absences	1,394	39,545	20,934	8,118	2,918	15,234			88,143
Other post-employment benefits	9,113	75,518	29,026	14,146	3,914	35,571			167,288
Net pension liability	58,708	476,999	261,249	101,271	60,909	176,123			1,135,259
Bonds payable			1,571,018						1,571,018
Advances from other funds			785,768						785,768
Total long-term liabilities	<u>69,215</u>	<u>592,062</u>	<u>2,667,995</u>	<u>123,535</u>	<u>67,741</u>	<u>226,928</u>			<u>3,747,476</u>
Total liabilities	<u>451,111</u>	<u>810,528</u>	<u>4,733,181</u>	<u>142,069</u>	<u>84,379</u>	<u>257,523</u>	<u>19,372</u>	<u>3,078</u>	<u>6,501,241</u>
DEFERRED INFLOWS OF RESOURCES									
Pension plans	<u>13,743</u>	<u>111,666</u>	<u>61,159</u>	<u>23,708</u>	<u>14,259</u>	<u>41,230</u>			<u>265,765</u>
NET POSITION									
Net investment in capital assets	1,923,419	431,145	6,626,746	2,913,706		4,016	3,509,488		15,408,520
Restricted for debt service			1,199,786						1,199,786
Unrestricted	<u>2,079,395</u>	<u>2,709,186</u>	<u>(5,409,745)</u>	<u>1,724,892</u>	<u>452,919</u>	<u>208,682</u>	<u>22,815</u>	<u>53,707</u>	<u>1,841,851</u>
Total net position	<u>\$ 4,002,814</u>	<u>\$ 3,140,331</u>	<u>\$ 2,416,787</u>	<u>\$ 4,638,598</u>	<u>\$ 452,919</u>	<u>\$ 212,698</u>	<u>\$ 3,532,303</u>	<u>\$ 53,707</u>	<u>\$ 18,450,157</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	Storm Water	Sanitation	Golf Course	Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
<b>OPERATING REVENUES</b>									
Charges for services	\$ 2,599,446	\$ 3,989,293	\$ 1,177,760	\$ 535,603	\$ 634,171	\$ 830,524	\$ 65,547	\$ 676,128	\$ 10,508,472
Other	3,804	63,363	95,537	78,301	64,305	2,721	15,947		323,978
Total operating revenue	<u>2,603,250</u>	<u>4,052,656</u>	<u>1,273,297</u>	<u>613,904</u>	<u>698,476</u>	<u>833,245</u>	<u>81,494</u>	<u>676,128</u>	<u>10,832,450</u>
<b>OPERATING EXPENSES</b>									
Personal services	143,432	1,429,404	716,606	272,389	159,584	483,032			3,204,447
Disposal fee		1,068,283							1,068,283
Professional services	201,434	42,110	1,565		136,421	124	60,829		442,483
Insurance	21,797	29,253	13,316	10,057	4,082	6,255	14,746		99,506
Repair and maintenance	259,446	220,180	43,796	47,826	13,225	8,569	18,325		611,367
Supplies	9,148	264,407	188,408	71,211	45,171	91,455	3,020		672,820
Utilities	150,810	32,175	89,754	190,418			14,080	629,283	1,106,520
Equipment rental	43,417	271,722	151,704	12,626	24,492	66,904	3,540		574,405
Depreciation	83,679	41,892	98,849	336,862		803	204,997		767,082
Miscellaneous	400,020	134,386	224,185	30,970	60,164	37,867	2,740	18,200	908,532
Total operating expenses	<u>1,313,183</u>	<u>3,533,812</u>	<u>1,528,183</u>	<u>972,359</u>	<u>443,139</u>	<u>695,009</u>	<u>322,277</u>	<u>647,483</u>	<u>9,455,445</u>
Operating income (loss)	<u>1,290,067</u>	<u>518,844</u>	<u>(254,886)</u>	<u>(358,455)</u>	<u>255,337</u>	<u>138,236</u>	<u>(240,783)</u>	<u>28,645</u>	<u>1,377,005</u>
<b>NONOPERATING INCOME (EXPENSE)</b>									
Interest on investments	1,511	1,596	37,232	1,067	368	318	4	62	42,158
Interest on indebtedness			(125,319)						(125,319)
Intergovernmental		200,000					46,014		246,014
Miscellaneous		4,790	2,854	1,725	692	270	4,263		14,594
Total nonoperating income (expense)	<u>1,511</u>	<u>206,386</u>	<u>(85,233)</u>	<u>2,792</u>	<u>1,060</u>	<u>588</u>	<u>50,281</u>	<u>62</u>	<u>177,447</u>
Income (loss) before contributions and transfers	<u>1,291,578</u>	<u>725,230</u>	<u>(340,119)</u>	<u>(355,663)</u>	<u>256,397</u>	<u>138,824</u>	<u>(190,502)</u>	<u>28,707</u>	<u>1,554,452</u>
Capital contributions		11,524							11,524
Transfers from other funds			578,250					25,000	603,250
Transfers to other funds	(799,626)	(465,917)		(15,141)	(80,026)	(65,290)			(1,426,000)
Total contributions and transfers	<u>(799,626)</u>	<u>(465,917)</u>	<u>578,250</u>	<u>(15,141)</u>	<u>(80,026)</u>	<u>(65,290)</u>		<u>25,000</u>	<u>(811,226)</u>
CHANGE IN NET POSITION	491,952	270,837	238,131	(370,804)	176,371	73,534	(190,502)	53,707	743,226
<b>TOTAL NET POSITION - BEGINNING AS PREVIOUSLY REPORTED</b>									
PRIOR PERIOD ADJUSTMENT	3,589,455	3,362,625	2,449,878	5,111,110	346,665	327,170	3,722,805		18,909,708
	<u>(78,593)</u>	<u>(493,131)</u>	<u>(271,222)</u>	<u>(101,708)</u>	<u>(70,117)</u>	<u>(188,006)</u>			<u>(1,202,777)</u>
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>3,510,862</u>	<u>2,869,494</u>	<u>2,178,656</u>	<u>5,009,402</u>	<u>276,548</u>	<u>139,164</u>	<u>3,722,805</u>		<u>17,706,931</u>
TOTAL NET POSITION - ENDING	<u>\$ 4,002,814</u>	<u>\$ 3,140,331</u>	<u>\$ 2,416,787</u>	<u>\$ 4,638,598</u>	<u>\$ 452,919</u>	<u>\$ 212,698</u>	<u>\$ 3,532,303</u>	<u>\$ 53,707</u>	<u>\$ 18,450,157</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Sports Center</u>	<u>Pest Control</u>	<u>Forestry</u>	<u>Municipal Airport</u>	<u>Street Light Utility</u>	<u>Total</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>									
Receipts from customers	\$ 2,584,148	\$ 3,894,561	\$ 1,177,188	\$ 524,925	\$ 622,971	\$ 828,057	\$ 66,184	\$ 619,343	\$ 10,317,377
Payments to suppliers	(323,547)	(1,927,733)	(491,363)	(334,746)	(212,320)	(172,464)	(127,509)	(627,869)	(4,217,551)
Payments to employees	(167,709)	(1,472,710)	(731,257)	(276,422)	(170,244)	(504,191)			(3,322,533)
Other receipts (payments)	(396,216)	(59,600)	(69,075)	49,056	4,833	(34,936)	(24,709)	(16,536)	(547,183)
Net cash provided by (used in) operating activities	<u>1,696,676</u>	<u>434,518</u>	<u>(114,507)</u>	<u>(37,187)</u>	<u>245,240</u>	<u>116,466</u>	<u>(86,034)</u>	<u>(25,062)</u>	<u>2,230,110</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>									
Intergovernmental		200,000					50,277		250,277
Transfers from other funds			578,250					25,000	603,250
Transfers to other funds	(799,626)	(465,511)		(15,141)	(80,026)	(40,953)			(1,401,257)
Net cash provided by (used in) noncapital financing activities	<u>(799,626)</u>	<u>(265,511)</u>	<u>578,250</u>	<u>(15,141)</u>	<u>(80,026)</u>	<u>(40,953)</u>	<u>50,277</u>	<u>25,000</u>	<u>(547,730)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>									
Purchase of assets	(513,124)	(73,561)				(24,337)			(611,022)
Principal payments - bonds and notes			(250,000)						(250,000)
Interest payments - bonds and notes			(123,375)						(123,375)
Capital grants from other governments							59,718		59,718
Net cash used in capital and related financing activities	<u>(513,124)</u>	<u>(73,561)</u>	<u>(373,375)</u>			<u>(24,337)</u>	<u>59,718</u>		<u>(924,679)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>									
Interest received	1,511	1,596	37,232	1,067	368	318	4	62	42,158
Net increase (decrease) in cash and cash equivalents	385,437	97,042	127,600	(51,261)	165,582	51,494	23,965		799,859
Cash and cash equivalents at beginning of year	1,806,152	2,120,966	1,072,186	1,889,885	318,112	348,149			7,555,450
Cash and cash equivalents at end of year	<u>\$ 2,191,589</u>	<u>\$ 2,218,008</u>	<u>\$ 1,199,786</u>	<u>\$ 1,838,624</u>	<u>\$ 483,694</u>	<u>\$ 399,643</u>	<u>\$ 23,965</u>	<u>\$ -</u>	<u>\$ 8,355,309</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>									
Operating income (loss)	\$ 1,290,067	\$ 518,844	\$ (254,886)	\$ (358,455)	\$ 255,337	\$ 138,236	\$ (240,783)	\$ 28,645	\$ 1,377,005
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation accruals	83,679.00	41,892	98,849	336,862		803	204,997	-	767,082
Miscellaneous nonoperating income		4,790	2,854	1,725	692	270			10,331
Change in assets and liabilities:									
Accounts receivable	(4,381)	(68,472)	(572)	(10,678)	(966)	719	637		(83,713)
Due from other city funds	(10,917)	(26,260)			(10,234)	(3,186)		(56,785)	(107,382)
Due from other governments		6,633	(300)			(60)			6,273
Accounts payable	362,505	(860)	(3,601)	(2,608)	11,071	843	(16,042)	1,414	352,722
Accrued wages payable	(5,855)	(46,491)	(17,004)	(8,970)	(4,510)	(16,217)			(99,047)
Compensated absences payable	(809)	2,246	3,450		77	(71)			4,893
Other post-employment benefits	1,184	8,230	4,033	1,799	1,852	3,748			20,846
Net pension liability	(18,797)	(7,291)	(5,130)	1,440	(8,079)	(8,619)			(46,476)
Due to other funds			48,336	1,698			(37,916)	1,664	13,782
Due to other governments		1,257	781						2,038
Customer deposits							(11,280)		(11,280)
Deferred revenue							14,353		14,353
Other current liabilities			8,683						8,683
Net cash provided by (used in) operating activities	<u>\$ 1,696,676</u>	<u>\$ 434,518</u>	<u>\$ (114,507)</u>	<u>\$ (37,187)</u>	<u>\$ 245,240</u>	<u>\$ 116,466</u>	<u>\$ (86,034)</u>	<u>\$ (25,062)</u>	<u>\$ 2,230,110</u>
<b>Noncash capital financing activities:</b>									
Contributions of capital assets from government	<u>\$</u>	<u>\$ 11,524</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 11,524</u>
Contributions of capital assets to internal service funds	<u>\$</u>	<u>\$ 406</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 24,337</u>	<u>\$</u>	<u>\$</u>	<u>\$ 24,743</u>

## INTERNAL SERVICE FUNDS

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The Internal Service Funds are used to account for the financing of services provided to other departments or agencies of the City, on a cost-reimbursement basis.

Vehicles and Equipment - account for the rental of motor vehicles and maintenance equipment to other departments.

Information Technology - account for the accumulation and allocation of costs associated with electronic data processing.

Radio - account for the accumulation and allocation of costs associated with mobile communications.

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2015**

	<u>Vehicles &amp; Equipment</u>	<u>Information Technology</u>	<u>Radio</u>	<u>Total</u>
<b>ASSETS</b>				
Current assets:				
Cash and investments	\$ 3,796,960	\$ 295,922	\$ 1,654,730	\$ 5,747,612
Receivables:				
Accounts	10,829			10,829
Due from other governmental units	181			181
Total current assets	<u>3,807,970</u>	<u>295,922</u>	<u>1,654,730</u>	<u>5,758,622</u>
Long-term assets:				
Capital assets:				
Machinery and equipment	20,287,647	2,752,353	1,273,278	24,313,278
Less accumulated depreciation	<u>(11,615,980)</u>	<u>(2,283,614)</u>	<u>(979,221)</u>	<u>(14,878,815)</u>
Net capital assets	<u>8,671,667</u>	<u>468,739</u>	<u>294,057</u>	<u>9,434,463</u>
Total assets	<u>12,479,637</u>	<u>764,661</u>	<u>1,948,787</u>	<u>15,193,085</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans		<u>43,819</u>		<u>43,819</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	436,510	11,470	16,561	464,541
Accrued wages payable		<u>7,761</u>		<u>7,761</u>
Total current liabilities	<u>436,510</u>	<u>19,231</u>	<u>16,561</u>	<u>472,302</u>
Long-term liabilities:				
Accrued compensated absences		39,108		39,108
Other post-employment benefits		10,612		10,612
Net pension liability		<u>203,275</u>		<u>203,275</u>
Total long-term liabilities		<u>252,995</u>		<u>252,995</u>
Total liabilities	<u>436,510</u>	<u>272,226</u>	<u>16,561</u>	<u>725,297</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plans		<u>47,587</u>		<u>47,587</u>
<b>NET POSITION</b>				
Net investment in capital assets	8,671,667	468,739	294,057	9,434,463
Unrestricted	<u>3,371,460</u>	<u>19,928</u>	<u>1,638,169</u>	<u>5,029,557</u>
Total net position	<u>\$ 12,043,127</u>	<u>\$ 488,667</u>	<u>\$ 1,932,226</u>	<u>\$ 14,464,020</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2015**

	Vehicles & Equipment	Information Technology	Radio	Total
<b>OPERATING REVENUES</b>				
Charges for services	\$ 1,410,891	\$ 993,167	\$ 284,348	\$ 2,688,406
Other	248,737	3,324	622	252,683
Total operating revenue	<u>1,659,628</u>	<u>996,491</u>	<u>284,970</u>	<u>2,941,089</u>
<b>OPERATING EXPENSES</b>				
Personal services		577,445		577,445
Supplies	49	13,957	203	14,209
Insurance		1,531	295	1,826
Repair and maintenance	14,029	272,395	54,201	340,625
Depreciation	1,523,180	227,073	133,833	1,884,086
Miscellaneous	52,534	79,887	15,455	147,876
Total operating expenses	<u>1,589,792</u>	<u>1,172,288</u>	<u>203,987</u>	<u>2,966,067</u>
Operating income (loss)	<u>69,836</u>	<u>(175,797)</u>	<u>80,983</u>	<u>(24,978)</u>
<b>NONOPERATING INCOME (EXPENSE)</b>				
Interest on investments	2,481	127	1,145	3,753
Loss on disposal of equipment	(49,363)		(8,622)	(57,985)
Miscellaneous		1,130		1,130
Total nonoperating income (expense)	<u>(46,882)</u>	<u>1,257</u>	<u>(7,477)</u>	<u>(53,102)</u>
Income (loss) before contributions and transfers	<u>22,954</u>	<u>(174,540)</u>	<u>73,506</u>	<u>(78,080)</u>
Capital contributions	156,341	96,728	6,340	259,409
Transfers from other funds	24,337	12,743		37,080
Total contributions and transfers	<u>180,678</u>	<u>109,471</u>	<u>6,340</u>	<u>296,489</u>
CHANGE IN NET POSITION	203,632	(65,069)	79,846	218,409
TOTAL NET POSITION - BEGINNING, AS PREVIOUSLY REPORTED	11,839,495	749,447	1,852,380	14,441,322
PRIOR PERIOD ADJUSTMENT		<u>(195,711)</u>		<u>(195,711)</u>
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>11,839,495</u>	<u>553,736</u>	<u>1,852,380</u>	<u>14,245,611</u>
TOTAL NET POSITION - ENDING	<u>\$ 12,043,127</u>	<u>\$ 488,667</u>	<u>\$ 1,932,226</u>	<u>\$ 14,464,020</u>



**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2015**

	Vehicles & Equipment	Information Technology	Radio	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers	\$ 1,400,034	\$ 1,071,142	\$ 284,348	\$ 2,755,524
Payments to suppliers	369,678	(279,294)	(69,324)	21,060
Payments to employees		(577,092)		(577,092)
Other receipts (payments)	196,203	(75,433)	(14,833)	105,937
Net cash provided by operating activities	<u>1,965,915</u>	<u>139,323</u>	<u>200,191</u>	<u>2,305,429</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of assets	(3,111,084)	(61,010)	(49,995)	(3,222,089)
Loss from sale of assets	(49,363)			(49,363)
Net cash used in capital and related financing activities	<u>(3,160,447)</u>	<u>(61,010)</u>	<u>(49,995)</u>	<u>(3,271,452)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>				
Interest received	2,481	127	1,145	3,753
Net cash provided by investing activities	<u>2,481</u>	<u>127</u>	<u>1,145</u>	<u>3,753</u>
Net increase in cash and cash equivalents	(1,192,051)	78,440	151,341	(962,270)
Cash and cash equivalents at beginning of year	<u>4,989,011</u>	<u>217,482</u>	<u>1,503,389</u>	<u>6,709,882</u>
Cash and cash equivalents at end of year	<u>\$ 3,796,960</u>	<u>\$ 295,922</u>	<u>\$ 1,654,730</u>	<u>\$ 5,747,612</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>				
Operating income (loss)	\$ 69,836	\$ (175,797)	\$ 80,983	\$ (24,978)
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation accruals	1,523,180	227,073	133,833	1,884,086
Miscellaneous nonoperating income		1,130		1,130
Change in assets and liabilities:				
Accounts receivable	(10,779)	77,940		67,161
Due from other governments	(78)			(78)
Prepaid items		35		35
Accounts payable	383,756	8,589	(14,625)	377,720
Accrued wages payable		(19,933)		(19,933)
Compensated absences payable		8,375		8,375
Other post-employment benefits		579		579
Net pension liability		11,332		11,332
Net cash provided by operating activities	<u>\$ 1,965,915</u>	<u>\$ 139,323</u>	<u>\$ 200,191</u>	<u>\$ 2,305,429</u>
<b>Noncash capital financing activities:</b>				
Contributions of capital assets from government	<u>\$ 156,341</u>	<u>\$ 96,728</u>	<u>\$ 6,340</u>	<u>\$ 259,409</u>
Contributions of capital assets from proprietary funds	<u>\$ 24,337</u>	<u>\$ 12,743</u>	<u>\$</u>	<u>\$ 37,080</u>

**CAPITAL ASSETS**  
**USED IN THE OPERATION**  
**OF GOVERNMENTAL FUNDS**

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE <sup>1</sup>**  
**DECEMBER 31, 2015**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 63,823,696
Buildings	22,960,304
Improvements other than buildings	27,356,383
Machinery and equipment	8,570,340
Infrastructure	282,330,914
Construction in progress	<u>64,988,752</u>
 Total governmental funds capital assets	 <u><u>\$ 470,030,389</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 443,771,523
General Fund	812,324
Special Revenue Funds	12,061,358
Enterprise Funds	12,062
Gifts	<u>13,373,122</u>
 Total governmental funds capital assets	 <u><u>\$ 470,030,389</u></u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**DECEMBER 31, 2015**

	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS
<b>FUNCTION AND ACTIVITY</b>							
<b>GENERAL GOVERNMENT:</b>							
Mayor & Council	\$ 7,736				\$ 7,736		\$
City Clerk	15,286				15,286		
City Manager	23,784				23,784		
Accounting	34,373				34,373		
Planning & Zoning	4,116				4,116		
General Government Building	57,113,291	53,728,393	3,200,003	79,106	105,789		
<b>Total General Government</b>	<b>57,198,586</b>	<b>53,728,393</b>	<b>3,200,003</b>	<b>79,106</b>	<b>191,084</b>	-	-
<b>PUBLIC SAFETY:</b>							
Police Protection	1,149,480		704,912	76,346	368,222		
Fire Protection	2,128,271	56,168	1,338,910	22,024	711,169		
<b>Total Public Safety</b>	<b>3,277,751</b>	<b>56,168</b>	<b>2,043,822</b>	<b>98,370</b>	<b>1,079,391</b>	-	-
HIGHWAYS & STREETS	353,185,001	2,658,662	2,636,017	226,592	344,064	282,330,914	64,988,752
PARKS & RECREATION	34,268,616	2,108,372	3,440,363	26,778,304	1,941,577		
LIBRARY	2,313,104	103,000	1,974,299	149,323	86,482		
COMMUNITY DEVELOPMENT	319,841	245,550		22,222	52,069		
MASS TRANSIT	7,088,821		2,223,973	1,600	4,863,248		
PLAINS ART MUSEUM	490,409		490,409				
ECONOMIC DEVELOPMENT	11,888,260	4,923,551	6,951,418	866	12,425		
<b>Total governmental funds capital assets</b>	<b>\$ 470,030,389</b>	<b>\$ 63,823,696</b>	<b>\$ 22,960,304</b>	<b>\$ 27,356,383</b>	<b>\$ 8,570,340</b>	<b>\$ 282,330,914</b>	<b>\$ 64,988,752</b>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY<sup>1</sup>**  
**YEAR ENDED DECEMBER 31, 2015**

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/15</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/15</u>
<b>GENERAL GOVERNMENT:</b>				
Mayor & Council	\$ 7,736	\$	\$	\$ 7,736
City Clerk	15,286			15,286
City Manager	23,784			23,784
Assessing	-	9,480	9,480	-
Accounting	34,373			34,373
Planning & Zoning	-	4,116		4,116
General Government Building	<u>56,157,275</u>	<u>956,016</u>		<u>57,113,291</u>
Total General Government	<u>56,238,454</u>	<u>969,612</u>	<u>9,480</u>	<u>57,198,586</u>
<b>PUBLIC SAFETY:</b>				
Police Protection	1,127,709	155,915	134,144	1,149,480
Fire Protection	<u>1,986,890</u>	<u>141,381</u>		<u>2,128,271</u>
Total Public Safety	<u>3,114,599</u>	<u>297,296</u>	<u>134,144</u>	<u>3,277,751</u>
HIGHWAYS & STREETS	266,498,968	21,739,647	42,366	288,196,249
PARKS & RECREATION	33,762,141	523,809	17,334	34,268,616
LIBRARY	2,313,104			2,313,104
COMMUNITY DEVELOPMENT	435,284	57,721	173,164	319,841
RENTAL REGISTRATION	-	8,381	8,381	-
MASS TRANSIT	6,696,712	537,344	145,235	7,088,821
PLAINS ART MUSEUM	490,409			490,409
ECONOMIC DEVELOPMENT	11,748,761	139,499		11,888,260
CONSTRUCTION IN PROGRESS	<u>48,622,912</u>	<u>20,289,381</u>	<u>3,923,541</u>	<u>64,988,752</u>
Total governmental funds capital assets	<u>\$ 429,921,344</u>	<u>\$ 44,562,690</u>	<u>\$ 4,453,645</u>	<u>\$ 470,030,389</u>

<sup>1</sup> This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. Generally, the capital assets of internal service funds are included as governmental activities in the statement of net position.

# STATISTICAL SECTION

This part of the City of Moorhead's comprehensive annual financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	71
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	76
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future	81
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	93
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	95

Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial reports for the relevant year.

**CITY OF MOORHEAD, MINNESOTA  
NET POSITION BY COMPONENT  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 57,370,416	\$ 65,245,816	\$ 77,354,222	\$ 90,988,687	\$ 113,540,183	\$ 141,530,526	\$ 149,982,137	\$ 160,410,701	\$ 177,714,707	\$ 188,292,907
Restricted	77,974,490	93,395,972	97,825,682	111,879,202	114,126,460	106,751,797	133,231,004	131,543,123	132,190,249	117,010,569
Unrestricted	(13,842,366)	(1,878,820)	4,010,580	1,696,689	4,016,296	11,732,377	2,810,390	3,454,937	1,947,699	17,023,920
<b>Total governmental activities net position</b>	<u>\$ 121,502,540</u>	<u>\$ 156,762,968</u>	<u>\$ 179,190,484</u>	<u>\$ 204,564,578</u>	<u>\$ 231,682,939</u>	<u>\$ 260,014,700</u>	<u>\$ 286,023,531</u>	<u>\$ 295,408,761</u>	<u>\$ 311,852,655</u>	<u>\$ 322,327,396</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 69,139,443	\$ 71,057,882	\$ 70,553,449	\$ 70,969,389	\$ 75,176,641	\$ 74,551,136	\$ 72,514,980	\$ 85,198,395	\$ 87,077,433	\$ 91,710,240
Restricted	5,867,993	5,891,812	5,339,425	4,314,753	5,007,451	5,315,762	7,577,380	8,230,771	13,496,942	6,763,217
Unrestricted	9,825,944	13,736,643	21,264,067	25,480,553	24,376,519	27,429,550	31,338,868	23,334,867	20,932,992	21,073,048
<b>Total business-type activities net position</b>	<u>\$ 84,833,380</u>	<u>\$ 90,686,337</u>	<u>\$ 97,156,941</u>	<u>\$ 100,764,695</u>	<u>\$ 104,560,611</u>	<u>\$ 107,296,448</u>	<u>\$ 111,431,228</u>	<u>\$ 116,764,033</u>	<u>\$ 121,507,367</u>	<u>\$ 119,546,505</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 126,509,859	\$ 136,303,698	\$ 147,907,671	\$ 161,958,076	\$ 188,716,824	\$ 216,081,662	\$ 222,497,117	\$ 245,609,096	\$ 264,792,140	\$ 280,003,147
Restricted	83,842,483	99,287,784	103,165,107	116,193,955	119,133,911	112,067,559	140,808,384	139,773,894	145,687,191	123,773,786
Unrestricted	(4,016,422)	11,857,823	25,274,647	27,177,242	28,392,815	39,161,927	34,149,258	26,789,804	22,880,691	38,096,968
<b>Total primary government net position</b>	<u>\$ 206,335,920</u>	<u>\$ 247,449,305</u>	<u>\$ 276,347,425</u>	<u>\$ 305,329,273</u>	<u>\$ 336,243,550</u>	<u>\$ 367,311,148</u>	<u>\$ 397,454,759</u>	<u>\$ 412,172,794</u>	<u>\$ 433,360,022</u>	<u>\$ 441,873,901</u>

**CITY OF MOORHEAD, MINNESOTA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(accrual basis of accounting)**

	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Expenses</b>										
<b>Governmental activities:</b>										
General government	\$ 3,483,664	\$ 3,473,922	\$ 3,614,430	\$ 3,704,870	\$ 3,674,855	\$ 3,415,677	\$ 3,819,530	\$ 4,346,403	\$ 4,164,837	\$ 4,140,728
Public safety	9,024,756	10,006,060	9,984,826	10,518,141	10,270,338	10,819,856	10,675,009	11,398,174	12,060,174	12,699,743
Highways and streets	6,988,144	8,342,798	9,734,211	13,841,687	12,616,553	16,036,015	11,981,603	13,057,142	11,994,051	12,439,423
Parks and recreation	2,246,170	2,329,521	2,517,227	3,314,652	3,303,861	3,470,430	3,457,150	3,468,570	3,640,538	3,691,716
Library	798,967	814,816	839,115	864,977	918,671	830,901	780,583	824,609	825,921	857,013
Community development	780,580	775,711	570,862	602,633	337,303	445,914	561,105	618,093	443,355	482,152
Rental Registration	200,057	144,801	148,341	151,498	158,890	161,607	181,419	204,858	270,581	274,323
Mass transit	1,805,771	1,948,827	2,170,917	2,071,065	2,302,729	2,464,724	2,449,881	2,587,116	2,738,712	2,819,080
Economic development	1,792,973	834,708	1,007,312	999,430	801,869	496,620	880,549	825,762	921,006	871,623
Interest on long-term debt	5,222,919	6,651,205	6,310,623	8,218,418	7,046,767	7,496,641	7,172,878	7,688,510	7,122,193	6,876,729
<b>Total governmental activities expenses</b>	<b>32,344,001</b>	<b>35,322,369</b>	<b>36,897,864</b>	<b>44,287,371</b>	<b>41,431,836</b>	<b>45,638,385</b>	<b>41,959,707</b>	<b>45,019,237</b>	<b>44,181,368</b>	<b>45,152,530</b>
<b>Business-type activities:</b>										
Electric	16,578,725	18,487,724	20,408,558	23,221,675	24,714,209	26,097,474	26,205,959	27,173,001	27,910,422	29,476,309
Water	4,149,820	4,484,804	4,857,077	5,183,743	5,134,097	5,098,038	5,440,712	5,287,103	5,926,998	5,795,414
Wastewater treatment	4,637,030	4,962,560	5,677,381	5,817,997	5,960,063	5,882,910	6,024,275	6,656,290	5,903,395	6,058,003
Broadband	1,600,791	1,534,312	1,462,908	921,330	-	-	-	-	-	-
Storm water	693,830	881,669	830,846	1,039,503	1,051,434	987,457	878,183	1,003,482	1,156,391	1,316,273
Sanitation	2,789,143	3,007,471	3,163,142	2,973,724	3,080,561	3,196,151	3,173,585	3,166,870	3,429,526	3,532,179
Golf courses	1,724,377	1,706,043	1,724,894	1,682,538	1,686,166	1,676,855	1,717,851	2,187,145	2,212,073	1,658,863
Sports center	730,905	844,913	904,805	924,174	928,218	917,037	913,432	916,596	972,117	975,858
Pest control	234,874	267,505	239,570	183,137	266,451	335,831	363,547	341,457	355,922	442,730
Forestry	488,220	655,000	660,271	571,342	582,726	657,305	640,062	744,203	761,896	696,965
Municipal airport	467,647	397,094	325,079	290,901	317,316	345,878	258,975	274,881	302,208	322,277
Street light utility	-	-	-	-	-	-	-	-	-	647,483
<b>Total business-type activities expenses</b>	<b>34,095,362</b>	<b>37,229,095</b>	<b>40,254,531</b>	<b>42,810,064</b>	<b>43,721,241</b>	<b>45,194,936</b>	<b>45,616,581</b>	<b>47,751,028</b>	<b>48,930,948</b>	<b>50,922,354</b>
<b>Total primary government expenses</b>	<b>\$ 66,439,363</b>	<b>\$ 72,551,464</b>	<b>\$ 77,152,395</b>	<b>\$ 87,097,435</b>	<b>\$ 85,153,077</b>	<b>\$ 90,833,321</b>	<b>\$ 87,576,288</b>	<b>\$ 92,770,265</b>	<b>\$ 93,112,316</b>	<b>\$ 96,074,884</b>
<b>Program Revenues</b>										
<b>Governmental activities:</b>										
<b>Charges for services:</b>										
General government	\$ 1,081,611	\$ 888,257	\$ 960,759	\$ 856,631	\$ 732,466	\$ 704,540	\$ 742,553	\$ 1,006,692	\$ 1,084,382	\$ 1,129,204
Public safety	1,032,270	1,058,423	984,678	844,615	1,010,460	863,715	652,812	756,848	753,180	657,825
Highways and streets	2,250,883	2,002,523	2,408,318	2,077,041	2,233,462	2,521,980	2,174,827	1,903,650	2,335,578	1,581,472
Other activities	1,703,060	1,418,593	1,686,963	1,299,982	1,410,658	1,498,158	1,370,654	2,082,671	1,285,311	1,523,424
Operating grants and contributions	2,762,963	2,923,330	2,586,091	2,902,189	2,857,481	2,882,446	2,902,750	3,718,296	3,585,983	4,045,822
Capital grants and contributions	35,657,297	41,306,965	26,832,098	38,412,544	36,845,046	40,565,422	34,238,609	16,927,933	21,508,080	13,758,664
<b>Total governmental activities program revenues</b>	<b>44,488,084</b>	<b>49,598,091</b>	<b>35,458,907</b>	<b>46,393,002</b>	<b>45,089,573</b>	<b>49,036,261</b>	<b>42,082,205</b>	<b>26,396,090</b>	<b>30,552,514</b>	<b>22,696,411</b>
<b>Business-type activities:</b>										
<b>Charges for services:</b>										
Electric	22,117,913	25,152,311	28,643,650	30,878,334	33,010,043	34,454,731	35,346,331	37,680,948	38,598,929	39,193,818
Water	5,383,727	5,583,065	6,091,578	6,328,933	6,224,451	6,104,064	6,975,437	6,849,951	6,824,014	7,421,973
Wastewater treatment	4,462,639	4,881,520	5,281,652	4,941,636	4,962,792	5,200,218	5,681,415	6,316,542	6,496,996	7,287,615
Storm water	864,719	889,779	968,223	1,228,235	2,060,843	2,075,431	2,382,526	2,381,232	2,443,219	2,603,250
Sanitation	3,008,479	3,180,040	3,417,710	3,625,720	3,623,225	3,636,937	3,668,782	3,694,612	3,820,293	4,052,656
Golf courses	1,150,626	1,083,083	1,025,408	1,250,458	1,177,839	1,122,931	1,139,109	1,143,019	1,131,968	1,273,297
Other activities	2,122,861	2,258,866	2,676,621	2,241,036	1,681,153	1,716,002	1,795,999	1,689,853	1,999,535	2,903,247
Operating grants and contributions	286,659	160,495	167,246	170,504	177,796	224,129	222,930	204,439	218,817	250,277
Capital grants and contributions	4,634,189	1,266,383	566,089	447,048	1,185,460	388,393	1,133,422	1,747,614	1,244,238	176,178
<b>Total business-type activities program revenues</b>	<b>44,031,812</b>	<b>44,455,542</b>	<b>48,838,177</b>	<b>51,111,904</b>	<b>54,103,602</b>	<b>54,922,836</b>	<b>58,345,951</b>	<b>61,708,210</b>	<b>62,778,009</b>	<b>65,162,311</b>
<b>Total primary government program revenues</b>	<b>\$ 88,519,896</b>	<b>\$ 94,053,633</b>	<b>\$ 84,297,084</b>	<b>\$ 97,504,906</b>	<b>\$ 99,193,175</b>	<b>\$ 103,959,097</b>	<b>\$ 100,428,156</b>	<b>\$ 88,104,300</b>	<b>\$ 93,330,523</b>	<b>\$ 87,858,722</b>



**CITY OF MOORHEAD, MINNESOTA**  
**CHANGES IN NET POSITION**  
**LAST TEN FISCAL YEARS**  
**(accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Net (expense) / revenue:										
Governmental activities	\$ 12,144,083	\$ 14,275,722	\$ (1,438,957)	\$ 2,105,631	\$ 3,657,737	\$ 3,397,876	\$ 122,498	\$ (18,623,147)	\$ (13,628,854)	\$ (22,456,119)
Business-type activities	9,936,450	7,226,447	8,583,646	8,301,840	10,382,361	9,727,900	12,729,370	13,957,182	13,847,061	14,239,957
Total primary government net expense	<u>\$ 22,080,533</u>	<u>\$ 21,502,169</u>	<u>\$ 7,144,689</u>	<u>\$ 10,407,471</u>	<u>\$ 14,040,098</u>	<u>\$ 13,125,776</u>	<u>\$ 12,851,868</u>	<u>\$ (4,665,965)</u>	<u>\$ 218,207</u>	<u>\$ (8,216,162)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 3,160,500	\$ 3,345,080	\$ 3,591,171	\$ 4,103,261	\$ 4,075,578	\$ 4,613,139	\$ 4,430,407	\$ 3,831,102	\$ 3,603,921	\$ 4,075,760
Property taxes levied for debt service	1,238	827	452,437	1,003,694	1,647,827	1,189,537	1,988,711	2,993,091	3,381,964	3,811,113
Tax increments	1,063,458	1,088,698	1,755,937	1,430,138	953,865	870,313	694,944	689,289	585,880	514,527
Franchise fees	867,550	736,880	1,016,038	857,066	865,522	943,926	831,067	971,057	1,137,769	1,013,045
State aid unrestricted	10,230,844	9,832,461	9,413,327	9,642,047	8,199,446	8,544,337	8,405,832	8,445,441	9,405,893	9,927,631
Unrestricted grants and contributions	169,875	177,165	172,949	170,158	176,748	171,947	171,957	177,045	171,232	171,160
Investment earnings	1,888,601	2,333,128	1,310,307	225,759	309,936	585,304	158,683	142,993	140,993	96,413
Miscellaneous	436,279	430,485	126,677	139,067	123,337	343,824	215,952	1,360,497	1,666,786	1,308,002
Gain on disposal / sale of assets	5,432,927	109,595	109,065	(90,224)	-	-	-	-	-	-
Transfers	4,185,838	2,930,387	5,918,565	5,787,497	7,108,365	7,671,558	8,988,780	9,397,862	9,978,310	9,929,999
Total governmental activities	<u>27,437,110</u>	<u>20,984,706</u>	<u>23,866,473</u>	<u>23,268,463</u>	<u>23,460,624</u>	<u>24,933,885</u>	<u>25,886,333</u>	<u>28,008,377</u>	<u>30,072,748</u>	<u>30,847,650</u>
Business-type activities:										
State aid unrestricted	11,560	11,560	11,560	11,560	11,560	11,560	11,560	11,562	11,562	11,562
Investment earnings	826,631	1,140,246	968,178	295,055	484,828	588,834	205,476	74,074	361,204	245,689
Miscellaneous	401,766	51,308	586,510	184,733	25,532	79,102	177,154	617,849	571,818	610,959
Loss on disposal of equipment	10,717	353,783	22,275	602,063	-	-	-	-	-	-
Transfers	(4,185,838)	(2,930,387)	(5,918,565)	(5,787,497)	(7,108,365)	(7,671,558)	(8,988,780)	(9,327,862)	(10,048,310)	(9,929,999)
Total business-type activities	<u>(2,935,164)</u>	<u>(1,373,490)</u>	<u>(4,330,042)</u>	<u>(4,694,086)</u>	<u>(6,586,445)</u>	<u>(6,992,062)</u>	<u>(8,594,590)</u>	<u>(8,624,377)</u>	<u>(9,103,726)</u>	<u>(9,061,789)</u>
Total primary government	<u>\$ 24,501,946</u>	<u>\$ 19,611,216</u>	<u>\$ 19,536,431</u>	<u>\$ 18,574,377</u>	<u>\$ 16,874,179</u>	<u>\$ 17,941,823</u>	<u>\$ 17,291,743</u>	<u>\$ 19,384,000</u>	<u>\$ 20,969,022</u>	<u>\$ 21,785,861</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 39,581,193	\$ 35,260,428	\$ 22,427,516	\$ 25,374,094	\$ 27,118,361	\$ 28,331,761	\$ 26,008,831	\$ 9,385,230	\$ 16,443,894	\$ 8,391,531
Business-type activities	7,001,286	5,852,957	4,253,604	3,607,754	3,795,916	2,735,838	4,134,780	5,332,805	4,743,335	5,178,168
Total primary government	<u>\$ 46,582,479</u>	<u>\$ 41,113,385</u>	<u>\$ 26,681,120</u>	<u>\$ 28,981,848</u>	<u>\$ 30,914,277</u>	<u>\$ 31,067,599</u>	<u>\$ 30,143,611</u>	<u>\$ 14,718,035</u>	<u>\$ 21,187,229</u>	<u>\$ 13,569,699</u>

**CITY OF MOORHEAD, MINNESOTA  
FUND BALANCES OF GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund										
Reserved	\$ 653,404	\$ 1,548,028	\$ 1,522,084	\$ 1,673,938	\$ 1,463,870	\$	\$	\$	\$	\$
Unreserved	12,155,461	12,905,175	13,399,448	13,003,740	12,231,585					
Committed							715,190	417,738	94,945	79,534
Nonspendable						1,302,696	1,446,526	1,333,328	1,193,488	1,132,614
Unassigned						11,868,324	13,268,124	13,373,191	15,041,820	15,466,755
Total General fund	<u>\$ 12,808,865</u>	<u>\$ 14,453,203</u>	<u>\$ 14,921,532</u>	<u>\$ 14,677,678</u>	<u>\$ 13,695,455</u>	<u>\$ 13,171,020</u>	<u>\$ 15,429,840</u>	<u>\$ 15,124,257</u>	<u>\$ 16,330,253</u>	<u>\$ 16,678,903</u>
All other governmental funds										
Reserved	\$ 22,323,376	\$ 33,098,047	\$ 28,326,859	\$ 37,721,305	\$ 35,783,811	\$	\$	\$	\$	\$
Unreserved, reported in:										
Special revenue funds	2,926,902	3,547,842	3,500,710	3,599,434	3,549,584					
Capital projects funds	10,758,095	3,728,919	2,476,640	4,541,881	2,268,124					
Nonspendable						605,771	547,358	486,353	415,287	348,968
Restricted						29,147,833	64,202,443	62,274,294	68,997,684	57,662,812
Committed						1,555,689	1,525,420	1,658,988	1,148,372	921,172
Assigned						4,126,188	3,659,190	3,721,697	4,192,144	4,802,314
Unassigned						(631,771)	(2,869,614)	(789,421)	(1,749,206)	(1,449,313)
Total all other governmental funds	<u>\$ 36,008,373</u>	<u>\$ 40,374,808</u>	<u>\$ 34,304,209</u>	<u>\$ 45,862,620</u>	<u>\$ 41,601,519</u>	<u>\$ 34,803,710</u>	<u>\$ 67,064,797</u>	<u>\$ 67,351,911</u>	<u>\$ 73,004,281</u>	<u>\$ 62,285,953</u>

Note: Beginning in 2011 the fund balance classifications were modified to comply with GASB 54

**CITY OF MOORHEAD, MINNESOTA**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**LAST TEN FISCAL YEARS**  
**(modified accrual basis of accounting)**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
<b>Revenues</b>										
Taxes										
Property	\$ 4,225,196	\$ 4,434,605	\$ 5,799,544	\$ 6,537,093	\$ 6,677,262	\$ 6,672,981	\$ 7,114,062	\$ 7,513,482	\$ 7,571,766	\$ 8,401,400
Franchise	867,550	736,880	1,016,038	857,066	865,522	943,926	831,067	971,057	1,137,769	1,013,045
Licenses and permits	969,802	779,928	844,394	892,918	997,412	596,533	636,465	749,377	849,029	803,311
Intergovernmental	21,753,738	25,339,983	25,521,491	37,032,258	34,168,837	43,024,995	32,702,918	23,352,975	23,693,367	20,286,634
Charges for services	3,543,402	3,065,110	3,316,931	2,965,091	2,993,594	3,621,425	3,063,004	3,056,626	3,524,497	2,595,514
Fines and forfeits	558,300	598,451	491,224	411,580	507,611	485,095	477,988	497,843	515,349	488,692
Facility rentals	172,086	198,722	205,291	218,334	184,065	221,638	166,565	154,479	157,351	179,458
Donations	-	-	-	-	-	-	12,575	6,111	24,084	18,947
Special assessments	4,036,345	6,843,277	8,061,898	8,165,825	9,165,907	10,202,539	10,792,664	9,650,046	10,380,331	9,738,840
Sale of property	6,354,930				65,569	175,746	140,400		14,514	57,892
Interest on investments	1,780,606	2,213,428	1,203,148	212,032	260,596	502,615	145,539	139,294	134,609	92,660
Miscellaneous	1,852,018	1,957,154	1,657,429	1,728,338	821,977	1,101,582	845,479	2,328,519	2,154,445	2,239,411
<b>Total revenues</b>	<u>46,113,973</u>	<u>46,167,538</u>	<u>48,117,388</u>	<u>59,020,535</u>	<u>56,708,352</u>	<u>67,549,075</u>	<u>56,928,726</u>	<u>48,419,809</u>	<u>50,157,111</u>	<u>45,915,804</u>
<b>Expenditures</b>										
General government	3,364,016	3,369,561	3,522,838	3,601,740	3,560,682	3,338,022	3,536,645	3,595,773	3,912,568	4,037,972
Public safety	8,948,335	9,824,282	9,925,533	10,381,701	10,276,719	10,457,316	10,530,722	11,184,213	11,599,347	12,291,749
Highways and streets	4,773,390	5,372,859	5,859,816	9,585,251	7,766,439	10,834,588	6,557,673	7,345,670	6,072,511	5,167,384
Parks and recreation	2,149,204	2,219,864	2,286,005	2,512,951	2,419,891	2,610,640	2,584,935	2,560,153	2,709,763	2,753,592
Library	744,695	760,544	784,843	802,412	857,343	771,530	761,157	815,140	820,110	851,224
Community development	773,690	768,821	566,192	597,964	332,635	441,246	556,440	618,089	443,355	482,152
Rental registration	200,057	144,801	147,636	150,793	158,890	161,607	181,419	204,858	270,581	274,323
Mass transit	1,479,523	1,589,758	1,805,454	1,661,780	1,823,815	1,976,869	1,992,853	2,131,719	2,281,543	2,348,827
Economic development	1,636,251	652,141	823,771	814,252	601,381	297,762	680,304	625,915	721,271	662,843
Capital outlay	39,142,606	34,869,391	26,839,081	25,534,303	41,462,160	39,143,946	34,763,317	16,750,785	23,235,422	24,863,377
Debt service:										
Bond and note principal	3,686,294	3,838,972	13,929,985	6,438,492	9,071,970	15,316,339	11,499,463	7,867,746	19,281,197	18,469,823
Bond and note interest	4,174,750	5,099,167	5,761,607	7,267,649	6,321,324	6,976,779	6,429,319	7,707,198	6,970,392	6,559,789
Fiscal and other charges	682,087	665,390	499,996	1,000,739	652,023	506,902	439,249	37,732	511,352	305,028
<b>Total expenditures</b>	<u>71,754,898</u>	<u>69,175,551</u>	<u>72,752,757</u>	<u>70,350,027</u>	<u>85,305,272</u>	<u>92,833,546</u>	<u>80,513,496</u>	<u>61,444,991</u>	<u>78,829,412</u>	<u>79,068,083</u>
Revenues over (under) expenditures	(25,640,925)	(23,008,013)	(24,635,369)	(11,329,492)	(28,596,920)	(25,284,471)	(23,584,770)	(13,025,182)	(28,672,301)	(33,152,279)
<b>Other financing sources (uses)</b>										
Bond and note proceeds	24,020,000	22,400,000	12,050,000	16,395,000	15,555,000	9,955,000	46,520,000	2,165,000	43,055,000	12,270,000
Premium on issuance of debt							1,780,076	51,879	2,233,381	475,107
Transfers from other funds	9,931,433	8,116,150	11,873,106	133,226	105,844	81,405	11,951,492	11,423,664	11,689,322	12,717,331
Transfers to other funds	(4,462,698)	(1,623,809)	(4,999,072)	9,661,661	9,571,654	9,630,070	(2,835,809)	(1,720,136)	(2,054,155)	(2,679,836)
Sale of capital assets	2,210	126,445	109,065	(3,545,838)	(1,878,902)	(1,704,248)	688,918.00	1,086,306.00	66,626.00	-
<b>Total other financing sources (uses)</b>	<u>29,490,945</u>	<u>29,018,786</u>	<u>19,033,099</u>	<u>22,644,049</u>	<u>23,353,596</u>	<u>17,962,227</u>	<u>58,104,677</u>	<u>13,006,713</u>	<u>54,990,174</u>	<u>22,782,602</u>
<b>Net change in fund balances</b>	<u>\$ 3,850,020</u>	<u>\$ 6,010,773</u>	<u>\$ (5,602,270)</u>	<u>\$ 11,314,557</u>	<u>\$ (5,243,324)</u>	<u>\$ (7,322,244)</u>	<u>\$ 34,519,907</u>	<u>\$ (18,469)</u>	<u>\$ 26,317,873</u>	<u>\$ (10,369,677)</u>
Debt service as a percentage of noncapital expenditures	24.10%	26.05%	42.89%	30.58%	35.11%	41.52%	39.19%	34.85%	47.22%	46.18%

**CITY OF MOORHEAD, MINNESOTA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Net Tax Capacity			Less: Captured Tax Increment Tax Capacity	Taxable Net Tax Capacity	Tax Capacity Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value	Market Value Tax Exempt Real Property <sup>1</sup>
	Real Property		Personal Property						
	Residential	Commercial							
2006	\$ 11,931,872	\$ 4,193,676	\$ 138,687	\$ (852,378)	\$ 15,411,857	24.944%	\$ 1,405,920,600	1.10%	\$ 474,251,000
2007	13,243,223	5,019,619	143,332	(780,969)	17,625,205	23.169%	1,569,165,000	1.12%	474,251,000
2008	14,836,285	5,786,204	147,216	(1,119,322)	19,650,383	25.844%	1,762,247,300	1.12%	474,251,000
2009	15,664,218	6,279,064	149,271	(1,205,221)	20,887,332	29.808%	1,872,707,500	1.12%	474,251,000
2010	16,465,436	6,272,844	149,152	(786,828)	22,100,604	31.176%	1,955,815,700	1.13%	817,588,200
2011	16,900,730	6,954,186	164,212	(821,926)	23,197,202	30.752%	2,025,775,500	1.15%	817,588,200
2012	15,358,233	7,089,254	173,218	(889,882)	21,730,823	34.467%	1,865,413,600	1.16%	817,588,200
2013	15,764,267	7,293,733	170,577	(853,263)	22,375,314	35.139%	1,911,528,100	1.17%	817,588,200
2014	16,009,445	7,449,055	171,997	(890,951)	22,739,546	37.424%	1,943,602,400	1.17%	817,588,200
2015	17,985,731	7,889,876	172,656	(880,047)	25,168,216	38.662%	2,153,993,100	1.17%	817,588,200

Source: Clay County Auditor

Note: Tax Capacity is the value used to determine property taxes. The assessor determines the estimated market value of property; which is then converted to tax capacity by a formula specified in state law

<sup>1</sup> Tax Exempt property is reassessed every six years. Tax Capacities are not calculated since the state doesn't have a classification rate assigned for exempt property.

**CITY OF MOORHEAD, MINNESOTA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Total Direct Rate	Overlapping Rates			Total Overlapping Rate	Total Direct & Overlapping Rates
	City	Econ Devl Authority		County	School District	Buffalo Watershed		
2006	24.944%	1.356%	26.300%	63.504%	36.840%	1.574%	101.918%	128.218%
2007	23.169%	1.333%	24.502%	61.321%	33.386%	2.803%	97.510%	122.012%
2008	25.844%	1.218%	27.062%	59.084%	32.273%	2.807%	94.164%	121.226%
2009	29.808%	1.389%	31.197%	57.391%	33.845%	2.795%	94.031%	125.228%
2010	31.176%	1.042%	32.218%	54.805%	30.262%	1.836%	86.903%	119.121%
2011	30.752%	1.063%	31.815%	55.080%	29.957%	2.125%	87.162%	118.977%
2012	34.467%	1.135%	35.601%	54.064%	33.268%	2.235%	89.567%	125.168%
2013	35.139%	1.102%	36.241%	52.793%	30.244%	2.215%	85.251%	121.492%
2014	37.424%	1.549%	38.973%	49.386%	29.219%	1.776%	80.381%	119.354%
2015	38.662%	1.398%	40.060%	45.286%	26.399%	1.733%	73.418%	113.478%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2015**

<b>Taxpayer</b>	2015			2006		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 466,301	1	2.08%	\$ 254,761	2	1.65%
Busch Agricultural Resources, Inc.	388,975	2	1.74%	363,575	1	2.36%
Menard's Inc	317,816	3	1.42%			
Sanford Medical Center	286,330	4	1.28%			
C-III Asset Management LLC	210,404	5	0.94%			
Moorhead Lodging Association	179,250	6	0.80%			
Proffutt Ltd Partnership	176,736	7	0.79%			
Eventide Lutheran Home	156,278	8	0.70%	89,688	10	0.58%
Sterling Development Group	148,339	9	0.66%			
Skaff Apartments	135,813	10	0.61%	98,990	9	0.64%
Moorhead Hospitality				179,250	3	1.16%
Xcel Energy				105,832	7	0.69%
South Moorhead Associates				101,874	8	0.66%
Moorhead Holiday Associates				168,633	4	1.09%
Easten LLC				143,922	5	0.93%
TRE Investments				121,529	6	0.79%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy for Fiscal Year	Less: State Credits	Net Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy		Amount	Percent of Levy
2006	\$ 4,835,500	\$ (1,356,848)	\$ 3,478,652	\$ 3,372,860	96.96%	\$ 105,568	\$ 3,478,428	99.994%
2007	5,062,283	(1,389,308)	3,672,975	3,611,732	98.33%	60,298	3,672,030	99.974%
2008	5,891,208	(1,364,883)	4,526,325	4,445,911	98.22%	78,393	4,524,304	99.955%
2009	6,918,986	(1,560,961)	5,358,025	5,233,382	97.67%	118,038	5,351,420	99.877%
2010	7,446,245	(1,524,556)	5,921,689	5,698,918	96.24%	214,643	5,913,561	99.863%
2011	7,558,522	(1,767,771)	5,790,751	5,664,239	97.82%	112,838	5,777,077	99.764%
2012	7,441,836	(1,200,228)	6,241,608	6,100,183	97.73%	124,480	6,224,663	99.729%
2013	7,813,500	(1,257,485)	6,556,015	6,439,657	98.23%	84,070	6,523,727	99.508%
2014	8,437,376	(1,767,533)	6,669,843	6,579,988	98.65%	72,622	6,652,610	99.742%
2015	9,652,974	(2,243,826)	7,409,148	7,340,891	99.08%		7,340,891	99.079%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
ELECTRIC TRANSFERS TO GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS**

Fiscal Year	ELECTRIC FUND				Transfer	Transfer as Percentage of Gross Revenues
	Operating Revenues	Non-operating Revenues	Capital Contributions	Gross Revenues		
2006	\$ 22,117,913	\$ 470,154	\$ 222,802	\$ 22,810,869	\$ 4,853,000	21.27%
2007	25,152,311	585,014	122,949	25,860,274	5,289,000	20.45%
2008	28,643,650	442,841	122,080	29,208,571	5,797,000	19.85%
2009	30,878,334	202,221	131,593	31,212,148	6,115,000	19.59%
2010	33,008,574	290,482	621,548	33,920,604	6,669,750	19.66%
2011	34,454,731	459,792		34,914,523	6,710,297	19.22%
2012	35,346,331	154,515	42,000	35,542,846	7,372,106	20.74%
2013	37,680,948	272,879	490,795	38,444,622	7,771,863	20.22%
2014	38,594,193	321,230	280,584	39,196,007	7,901,816	20.16%
2015	39,123,231	589,107	176,178	39,888,516	8,210,108	20.58%

Note: City Charter

Section 12.11; Subd. 4. The council may by a vote of six members transfer in any fiscal year to the capital improvement fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility 5 percent of gross revenues..

Section 12.11; Subd. 4. The council may by a vote of six members transfer in any fiscal year to the general revenue fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility the following amounts:

- (a) from the electric utility, an amount not to exceed 20 percent of gross revenues,
- (b) from the district heating utility, an amount not to exceed 10 percent of gross revenues,
- (c) from any other city owned utility, an amount not to exceed 5 percent of gross revenues, and
- (d) any amount authorized by law to be so transferred.

Section 12.11 Subd. 5. In this chapter the term "gross revenues" means all operating and non-operating revenues of a utility from whatever source derived; the term "net revenues" means gross revenues less current expenses of the operation of the utilities. The amounts of gross revenues and net revenues must be determined by the commission in accordance with generally accepted accounting principles. Transfers made pursuant to this section must be consistent with covenants with bondholders in city resolutions authorizing the issuance of obligations payable from revenues of the utilities.



**CITY OF MOORHEAD, MINNESOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds	Notes Payable	G.O. Revenue Bonds	Revenue Bonds	Notes Payable			
2006	\$ 2,270,000	\$ 97,715,000	\$ 12,940,000	\$ 9,256,380	\$ 1,869,488	\$ 23,651,753	\$ 21,315,000	\$ 1,869,488	\$ 170,887,109	16.21%	\$ 4,851
2007	1,940,000	118,225,000	11,910,000	9,189,588	1,515,516	26,415,664	26,075,000	1,111,202	196,381,970	17.12%	5,477
2008	2,670,000	123,725,000	10,835,000	2,455,000	1,215,119	32,804,740	23,360,000	717,508	197,782,367	15.97%	5,460
2009	2,275,000	131,890,000	13,585,000	2,205,000	901,627	32,652,548	20,935,000	108,215	204,552,390	16.79%	5,563
2010	1,655,000	139,555,000	13,360,000	1,945,000	824,657	31,418,017	28,735,000	534,506	218,027,180	16.74%	5,728
2011	1,015,000	143,375,000	5,155,000	1,670,000	763,318	29,829,800	26,000,000	479,534	208,287,652	15.52%	5,472
2012	585,000	179,460,000	4,865,000	1,390,000	698,855	38,968,152	27,080,000	422,354	253,469,361	18.56%	6,581
2013	390,000	174,620,000	4,560,000	1,095,000	631,109	26,740,118	25,555,000	379,837	233,971,064	15.61%	6,016
2014	195,000	180,925,000	4,250,000	785,000	559,912	32,095,232	23,970,000	898,472	243,678,616	15.96%	6,234
2015	-	175,630,000	3,930,000	470,000	485,089	39,710,407	22,300,000	325,570	242,851,066	15.29%	5,897

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

<sup>1</sup> See the Schedule of Demographic and Economic Statistics for personal income and population data.

**CITY OF MOORHEAD, MN  
RATIOS OF GENERAL BONDED DEBT OUTSTANDING  
LAST TEN FISCAL YEARS**

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Market Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
2006	\$ 2,270,000	\$ 551,937	\$ 1,718,063	0.12%	\$ 49
2007	1,940,000	390,922	1,549,078	0.10%	43
2008	2,670,000	250,935	2,419,065	0.14%	67
2009	2,275,000	249,631	2,025,369	0.11%	55
2010	1,655,000	173,009	1,481,991	0.08%	39
2011	1,015,000	22,263	992,737	0.05%	26
2012	585,000	-	585,000	0.03%	15
2013	390,000	87,080	302,920	0.02%	8
2014	195,000	95,843	99,157	0.01%	3
2015	-	-	-	0.00%	0

Note: Details regarding the City's outstanding debt can be found in the notes to the financial statements

<sup>1</sup> See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

<sup>2</sup> See the Schedule of Demographic and Economic Statistics for population data.

**CITY OF MOORHEAD, MINNESOTA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2015**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>City's Share of Debt</u>
Overlapping debt repaid with property taxes:			
Independent School District #152	\$ 34,895,000	75.30%	\$ 26,275,935
Clay County	7,335,000	43.90%	3,220,065
Total overlapping debt			<u>29,496,000</u>
City of Moorhead direct debt			<u>180,515,089</u>
Total direct and overlapping debt			<u><u>\$ 210,011,089</u></u>

Source: Clay County Auditor

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Moorhead. The rates are calculated by taking the City's tax capacity divided by the overlapping governments' tax capacity.

**CITY OF MOORHEAD, MINNESOTA  
LEGAL DEBT MARGIN INFORMATION  
LAST TEN FISCAL YEARS**

	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 28,118,412	\$ 31,383,300	\$ 52,867,419	\$ 56,181,225	\$ 58,674,471	\$ 60,773,265	\$ 63,446,625	\$ 64,527,651	\$ 65,400,048	\$ 71,964,231
Total net debt applicable to limit	<u>1,718,063</u>	<u>1,549,078</u>	<u>2,419,065</u>	<u>2,025,369</u>	<u>1,481,991</u>	<u>992,737</u>	<u>1,283,855</u>	<u>1,021,109</u>	<u>754,912</u>	<u>485,089</u>
Legal debt margin	<u>\$ 26,400,349</u>	<u>\$ 29,834,222</u>	<u>\$ 50,448,354</u>	<u>\$ 54,155,856</u>	<u>\$ 57,192,480</u>	<u>\$ 59,780,528</u>	<u>\$ 62,162,770</u>	<u>\$ 63,506,542</u>	<u>\$ 64,645,136</u>	<u>\$ 71,479,142</u>
Total net debt applicable to the limit as a percentage of debt limit	6.11%	4.94%	4.58%	3.61%	2.53%	1.63%	2.02%	1.58%	1.15%	0.67%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2015**

Estimated market value - taxable property	\$ 2,398,807,700
Debt limit 3% of estimated market value	71,964,231
Debt applicable to limit:	
General obligation notes	\$ 485,089
Total net debt applicable to limit	<u>485,089</u>
Legal debt margin	<u>\$ 71,479,142</u>

Minnesota Statutes: Effective June 30, 2008, state statutes increased the legal debt limit from 2% to 3% of the City's Taxable market value

475.53 LIMIT ON NET DEBT. Subdivision I. Generally. Except as otherwise provided in section 475.51 to 475.75, no municipality, except a school district or a city of the first class, shall incur or be subject to net debt in excess of 3 percent of the estimated market value of taxable property.

**CITY OF MOORHEAD, MINNESOTA**  
**SCHEDULE OF ELECTRIC FUND PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage <sup>2</sup>
				Principal	Interest	Total	
2006	\$ 22,810,867	\$ 14,919,786	\$ 7,891,081	\$ 551,624	\$ 379,886	\$ 931,510	8.47
2007	25,737,325	16,672,796	9,064,529	746,750	444,439	1,191,189	7.61
2008	29,086,491	18,521,325	10,565,166	840,367	487,671	1,328,038	7.96
2009	31,080,555	21,190,625	9,889,930	898,120 <sup>3</sup>	494,896	1,393,016	7.10
2010	33,299,056	22,639,022	10,660,034	805,960	419,744	1,225,704	8.70
2011	34,914,523	23,794,915	11,119,608	884,469	577,133	1,461,602	7.61
2012	35,542,846	23,597,395	11,945,451	732,971 <sup>4</sup>	592,559	1,325,530	9.01
2013	38,444,622	24,539,810	13,904,812	1,321,628	639,777	1,961,405	7.09
2014	39,696,006	25,141,835	14,554,171	1,132,225	586,434	1,718,659	8.47
2015	39,888,516	26,378,966	13,509,550	1,188,350	669,331	1,857,681	7.27

1 - Expenses exclude depreciation and amortization.

2 - High coverage is due to City Charter Section 12.11.

Subd. 2. The commission's charge to the city for the use and availability of fire hydrants for municipal fire protection may not exceed \$40.00 for each hydrant in the city unless otherwise provided by written agreement between the city and the commission.

Subd. 3. The city may not levy taxes of any nature on utilities under the control of the commission or on the revenues of the commission.

Subd. 4. The council may by a vote of six members transfer in any fiscal year to the general revenue fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility the following amounts:

- (a) from the electric utility, an amount not to exceed 20 percent of gross revenues,
- (b) from the district heating utility, an amount not to exceed 10 percent of gross revenues,
- (c) from any other city owned utility, an amount not to exceed 5 percent of gross revenues, and
- (d) any amount authorized by law to be so transferred.

Subd. 5. In this chapter the term "gross revenues" means all operating and non-operating revenues of a utility from whatever source derived; the term "net revenues" means gross revenues less current expenses of the operation of the utilities. The amounts of gross revenues and net revenues must be determined by the commission in accordance with generally accepted accounting principles. Transfers made pursuant to this section must be consistent with covenants with bondholders in city resolutions authorizing the issuance of obligations payable from revenues of the utilities.

3 - For comparative purposes, this figure excludes a \$2,426,561 additional principal payment made to retire Public Utility Revenue Bond of 1998, Series A resulting from the Public Utility Revenue Refunding Bonds of 2009, Series A.

4 - For comparative purposes, this figure excludes a \$1,865,000 additional principal payment made to retire Public Utility Revenue Bond of 2002, Series C resulting from the Public Utility Revenue Refunding Bonds of 2012, Series E.

**CITY OF MOORHEAD, MINNESOTA  
SCHEDULE OF WATER FUND PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 5,558,926	\$ 2,715,167	\$ 2,843,759	\$ 1,479,582	\$ 581,165	\$ 2,060,747	1.38
2007	5,799,590	2,983,542	2,816,048	1,519,751	603,113	2,122,864	1.33
2008	6,355,804	3,221,731	3,134,073	1,649,941	626,266	2,276,207	1.38
2009	6,475,089	3,525,737	2,949,352	1,600,063 <sup>2</sup>	520,869	2,120,932	1.39
2010	6,322,229	3,607,853	2,714,376	1,509,274	457,504	1,966,778	1.38
2011	6,413,006	3,697,937	2,715,069	1,634,474	396,284	2,030,758	1.34
2012	8,023,697	3,916,911	4,106,786	1,722,911 <sup>3</sup>	344,011	2,066,922	1.99
2013	8,396,383	3,851,472	4,544,911	178,079	246,504	424,583	10.70
2014	7,274,670	4,312,132	2,962,538	217,775	233,090	450,865	6.57
2015	8,558,796	4,196,836	4,361,960	231,650	215,257	446,907	9.76

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes a \$4,693,439 additional principal payment made to retire Public Utility Revenue Bond of 1998, Series A resulting from the Public Utility Revenue Refunding Bonds of 2009, Series A.

3 - For comparative purposes, this figure excludes a \$410,000 additional principal payment made to retire Public Utility Revenue Bond of 2002, Series C resulting from the Public Utility Revenue Refunding Bonds of 2012, Series E.

**CITY OF MOORHEAD, MINNESOTA  
SCHEDULE OF WASTEWATER FUND PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 9,202,997	\$ 2,813,006	\$ 6,389,991	\$ 1,037,117	\$ 860,015	\$ 1,897,132	3.37
2007	6,033,195	2,832,107	3,201,088	1,092,073	841,088	1,933,161	1.66
2008	5,807,432	3,473,684	2,333,748	841,395	803,422	1,644,817	1.42
2009	5,226,690	3,296,406	1,930,284	1,191,812	991,941	2,183,753	0.88
2010	5,440,267	3,388,622	2,051,645	1,536,196	980,989	2,517,185	0.82
2011	5,170,277	3,475,408	1,694,869	1,588,218	947,556	2,535,774	0.67
2012	5,718,882	3,933,832	1,785,050	1,651,647	906,311	2,557,958	0.70
2013	6,708,871	4,210,149	2,498,722	1,718,034	860,938 <sup>2</sup>	2,578,972	0.97
2014	7,050,070	4,238,411	2,811,659	1,844,886	752,542	2,597,428	1.08
2015	7,294,826	3,627,647	3,667,179	1,817,608	917,844	2,735,452	1.34

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes a \$10,510,000 additional principal payment made to retire G.O. Wastewater Revenue Bonds of 2003, Series A resulting from the G.O. Wastewater Revenue Crossover Refunding Bonds of 2012, Series B.

**CITY OF MOORHEAD, MINNESOTA  
SCHEDULE OF SPORTS CENTER FUND PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2004	\$ 432,828 <sup>2</sup>	\$ 461,835	\$ (29,007)	\$ 40,000	\$ 20,183	\$ 60,183	(0.48)
2005	463,447	482,346	(18,899)	40,000	20,257	60,257	(0.31)
2006	509,661	481,736	27,925	45,000	16,152	61,152	0.46
2007	565,761	496,990	68,771	45,000	15,270	60,270	1.14
2008	594,388	554,039	40,349	50,000	11,866	61,866	0.65
2009	524,030	573,691	(49,661)	50,000	9,441	59,441	(0.84)
2010	547,798	581,522	(33,724)	50,000	7,016	57,016	(0.59)
2011	553,746	576,559	(22,813)	50,000	3,919	53,919	(0.42)
2012	630,051	576,821	53,230	55,000	1,361	56,361	0.94

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes \$370,700 in state Local Government Aid allocated to reduce the retained earnings deficit in the Sports Center fund.

NOTE: Final payment was made on these bonds in 2012.



**CITY OF MOORHEAD, MINNESOTA  
SCHEDULE OF GOLF COURSE FUND PLEDGED-REVENUE COVERAGE  
LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 1,444,413	\$ 1,298,948	\$ 145,465	\$ 150,000	\$ 220,901	\$ 370,901	0.39
2007	1,553,152 <sup>2</sup>	1,314,238	238,914	160,000	210,923	370,923	0.64
2008	1,582,653	1,324,658	257,995	170,000	206,444	376,444	0.69
2009	1,935,459	1,287,866	647,593	175,000	197,746	372,746	1.74
2010	1,745,647	1,302,556	443,091	185,000	185,371	370,371	1.20
2011	1,680,936	1,332,519	348,417	195,000	163,377	358,377	0.97
2012	1,731,968	1,367,738	364,230	210,000	162,444	372,444	0.98
2013	1,752,652	1,381,675	370,977	220,000	150,106	370,106	1.00
2014	1,714,874	1,357,239	357,635	235,000	137,181	372,181	0.96
2015	1,891,633	1,429,334	462,299	250,000	123,375	373,375	1.24

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, these figures exclude \$295,296 from gain on the disposal of assets.

**CITY OF MOORHEAD, MINNESOTA**  
**SCHEDULE OF MUNICIPAL IMPROVEMENT FUND PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 625,611	\$ 6,516	\$ 619,095	\$ 225,000	\$ 444,338	\$ 669,338	0.92
2007	644,478	3,324	641,154	235,000	437,204	672,204	0.95
2008	414,523	68,301	346,222	245,000 <sup>2</sup>	185,795	430,795	0.80
2009	350,901	2,325	348,576	250,000	131,508	381,508	0.91
2010	359,649	2,694	356,955	260,000	88,675	348,675	1.02
2011	355,354	2,094	353,260	275,000	78,820	353,820	1.00
2012	356,087	1,294	354,793	280,000	68,273	348,273	1.02
2013	358,850	2,938	355,912	295,000	56,816	351,816	1.01
2014	355,522	-	355,522	310,000	44,535	354,535	1.00
2015	368,319	-	368,319	315,000	31,368	346,368	1.06

1 - For comparative purposes this figure excludes principal payments to retire General Obligation Ice Arena Bonds of 1997 Series A (\$695,000) and General Obligation Tax Increment Bonds of 1997, Series C (\$885,000) resulting from General Obligation Ice Arena Refunding Bonds of 2004, Series D and General Obligation Refunding Bonds of 2004, Series E, both current refundings.

2 - For comparative purposes this figure excludes principal payments to retire Taxable Industrial Development Bonds of 1996 Series A (\$4,260,000) and Taxable Industrial Development Bonds of 1996, Series B (\$2,229,587) resulting from General Obligation Refunding Bonds of 2008, Series A, a current refunding.

**CITY OF MOORHEAD, MINNESOTA**  
**SCHEDULE OF SPECIAL ASSESSMENT FUND PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue <sup>1</sup>	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 7,389,538	\$ 643,131	\$ 6,746,407	\$ 1,700,000	\$ 2,954,752	\$ 4,654,752	1.45
2007	10,797,713	388,177	10,409,536	1,890,000	3,872,993	5,762,993	1.81
2008	10,461,710	210,177	10,251,533	3,565,000 <sup>2</sup>	4,871,596	8,436,596	1.22
2009	12,146,618	260,319	11,886,299	4,355,000	5,096,160	9,451,160	1.26
2010	12,185,726	228,350	11,957,376	5,000,000 <sup>3</sup>	5,233,232	10,233,232	1.17
2011	13,404,555	225,275	13,179,280	6,335,000	5,588,493	11,923,493	1.11
2012	15,436,841	435,630	15,001,211	10,435,000	5,525,149	15,960,149	0.94
2013	15,789,490	639,035	15,150,455	7,005,000	6,177,565	13,182,565	1.15
2014	16,607,617	508,202	16,099,415	8,350,000 <sup>4</sup>	5,822,983	14,172,983	1.14
2015	17,307,772	74,564	17,233,208	7,845,000 <sup>5</sup>	5,798,583	13,643,583	1.26

1 - For comparative purposes these amounts exclude proceeds from issuance of new bonds.

2 - For comparative purposes this amount excludes \$1,775,000 used to retire General Obligation Obligation Improvement Bonds of 1999A (\$855,000) and 2000A (\$920,000)

3 - For comparative purposes this amount excludes \$1,570,000 used to retire General Obligation Obligation Improvement Bonds of 2001E

4 - For comparative purposes this amount excludes \$10,045,000 used to retire General Obligation Obligation Improvement Bonds of 2003B.

5 - For comparative purposes this amount excludes \$9,720,000 used to retire General Obligation Obligation Improvement Bonds of 2004A.

**CITY OF MOORHEAD, MINNESOTA**  
**SCHEDULE OF TAX INCREMENT FUND PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2006	\$ 2,679,873	\$ 208,503	\$ 2,471,370	\$ 1,332,625	\$ 708,099	\$ 2,040,724	1.21
2007	2,688,940	476,956	2,211,984	1,264,210	596,814	1,861,024	1.19
2008	3,413,940	220,655	3,193,285	1,322,551	592,211	1,914,762	1.67
2009	2,843,930 <sup>1</sup>	713,116	2,130,814	1,382,955	1,946,835	3,329,790	0.64
2010	1,552,805 <sup>2</sup>	412,102	1,140,703	600,000 <sup>3</sup>	911,214	1,511,214	0.75
2011	1,486,573	275,920	1,210,653	285,000 <sup>4</sup>	1,171,318	1,456,318	0.83
2012	1,050,651	14,755	1,035,896	290,000	774,525	1,064,525	0.97
2013	1,036,994	20,235	1,016,759	305,000	651,221	956,221	1.06
2014	1,030,764	10,280	1,020,484	310,000	584,908	894,908	1.14
2015	1,021,632	-	1,021,632	320,000	152,125	472,125	2.16

1 - For comparative purposes this figure excludes bond proceeds from the G.O. Tax Increment Refunding Bonds 2009D in the amount of \$981,797 used for the current refunding of the G.O. Tax Increment Bonds 2001C and the G.O. Tax Increment Refunding Bonds 2009A in the amount of \$2,938,516 Crossover Refunding EDA Bonds 2001A .

2 - For comparative purposes this figure excludes bond proceeds from the G.O. Tax Increment Refunding Bonds 2010B in the amount of \$1,406,656 used for the crossover refunding of the G.O. Tax Increment Bonds 2001B.

3 - For comparative purposes this amount excludes \$945,000 used to retire General Obligation Tax Increment Bonds of 2001C

4 - For comparative purposes this amount excludes \$6,365 000 used to retire General Obligation Tax Increment Bonds 2001A and \$1,355,000 for General Obligation Tax Increment Bonds 2001B

**CITY OF MOORHEAD, MINNESOTA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

Fiscal Year	Population <sup>1</sup>	Estimated Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	K-12 School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
2006	35,225	\$ 1,054,389,925	\$ 29,933	5,339	2.7%
2007	35,853	1,147,367,706	32,002	5,400	3.0%
2008	36,226	1,238,422,036	34,186	5,351	3.1%
2009	36,770 <sup>6</sup>	1,218,337,180	33,134	5,370	4.2%
2010	38,065 <sup>7</sup>	1,302,812,690	34,226	5,353	3.9%
2011	38,065	1,341,905,445	35,253	5,406	4.0%
2012	38,516	1,365,315,168	35,448	5,542	4.6%
2013	38,889	1,499,132,061	38,549	5,542	3.2%
2014	39,091	1,526,816,278	39,058	5,650	2.2%
2015	41,181	1,588,186,446	38,566	6,077	2.2%

Data Sources:

<sup>1</sup> Minnesota State Demographic Center.

<sup>2</sup> This estimated personal income number is calculated by taking the per capita personal income of Clay County and multiplying it by the City population.

<sup>3</sup> U.S. Department of Commerce Bureau of Economic Analysis. The per capita personal income used is for that of Clay County, in which the city resides, the smallest applicable region for which this information is available.

<sup>4</sup> Minnesota Department of Education

<sup>5</sup> Minnesota Department of Employment and Economic Development

<sup>6</sup> Beginning in 2009, the Minnesota State Demographic Center does not have this information available until after publication of this report. Therefore, this figure is a projected estimate based on the the 10-year average change in population as calculated by the Moorhead City Planning Department.

<sup>7</sup> 2010 U.S. Census

**CITY OF MOORHEAD, MINNESOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND TEN YEARS AGO**

Employer	2015			2006		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	903 (a)	1	2.50%	820	1	4.01%
Concordia College	780 (a)	2	2.16%	715	3	3.49%
Minnesota State University-Moorhead	724 (a)	3	2.00%	770	2	3.76%
Eventide Lutheran Home	500	4	1.38%	460	4	2.25%
Advance Security	450	5	1.25%			
American Crystal Sugar Company	419	6	1.16%	413	6	2.02%
Clay County	375	7	1.04%	425	5	2.08%
Creative Care for Reaching Independence (CCRI)	299	8	0.83%			
Hornbacher's Food, Inc	285 (a)	9	0.79%	200	10	0.98%
City of Moorhead	265 (b)	10	0.73%	234	8	1.14%
Moorhead Electric				350	7	1.71%
CAMAS Inc.				200	9	0.98%

(a) Includes full and part-time employees.

(b) Excludes 160 temporary and seasonal employees

Source: Telephone survey of individual employers

**CITY OF MOORHEAD, MINNESOTA  
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
General Government	37.00	37.00	38.17	40.22	40.22	40.22	39.42	39.42	38.00	38.00
Public Safety										
Police										
Officers	50.00	50.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00	53.00
Civilians	12.82	14.88	14.88	14.88	14.00	14.00	15.00	15.00	15.00	15.00
Fire										
Firefighters & officers	33.00	33.00	33.00	36.00	36.00	36.00	36.00	36.00	36.00	36.00
Civilians	3.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Library	1.00	1.00	1.00	-	-	-	-	-	-	-
Parks and Recreation	8.00	8.00	10.00	10.00	10.00	10.00	10.00	10.00	13.00	13.00
Planning & Neighborhood Services	-	-	-	-	-	-	-	-	17.85	17.85
Community Development	22.50	24.50	23.20	23.20	23.20	21.60	20.85	20.85	-	-
Mass Transit	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00	3.00	3.00
Economic Development	1.00	1.00	1.00	-	-	-	-	-	1.00	1.00
Electric	31.00	31.00	33.00	34.00	34.00	34.00	37.00	35.00	35.00	36.00
Water	22.00	21.00	23.00	25.00	25.00	25.00	21.00	22.00	22.00	20.00
Broadband	3.00	9.00	11.00	-	-	-	-	-	-	-
Wastewater Treatment	17.00	17.00	17.00	17.00	17.00	17.00	18.00	18.00	18.00	18.00
Storm Water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Highways and Streets	16.63	16.63	16.63	16.63	16.63	16.63	16.63	16.63	15.63	15.63
Sanitation	19.00	19.00	19.00	19.00	19.00	19.00	19.00	19.00	20.00	20.00
Golf Courses	7.58	7.58	7.58	7.58	7.58	7.58	7.58	7.58	8.00	8.00
Sports Center	6.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00	3.00	3.00
Pest Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Forestry	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	6.00	6.00
<b>Total FTE's</b>	<b>296.53</b>	<b>303.59</b>	<b>315.46</b>	<b>310.51</b>	<b>309.63</b>	<b>308.03</b>	<b>307.48</b>	<b>306.48</b>	<b>307.48</b>	<b>306.48</b>

Source: City Human Resources Department

**CITY OF MOORHEAD, MINNESOTA  
OPERATING INDICATORS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Police</b>										
Part I Offenses (serious crime - murder, rape, robbery, assault, theft, arson)	945	878	920	970	1,006	872	945	891	904	1,056
Part II Offenses (assault, stolen property, vandalism, narcotics, D.U.I., liquor laws, disorderly, other)	2,462	2,393	2,076	2,288	2,353	2,251	1,971	1,849	1,974	2,264
<b>Fire</b>										
Medical responses	1,405	1,322	1,700	1,945	1,980	2,273	2,186	1,400	1,523	2,042
Fire & other responses	766	830	994	1,024	1,006	1,066	1,144	1,014	968	1,195
<b>Library</b>										
Visits	266,292	276,692	265,070	298,870	305,435	275,782	258,451	267,218	230,511	258,076
Circulation	296,652	360,864	386,938	398,685	409,133	378,340	344,025	302,291	273,498	227,745
<b>Mass Transit</b>										
Fixed Routes ridership	344,824	356,732	398,445	392,218	376,697	433,676	436,304	452,624	482,177	459,288
Paratransit ridership	13,014	14,498	19,206	13,083	13,220	12,771	10,604	10,771	10,038	9,490
Metro Senior Ride ridership			4,050	5,111	5,961	6,323	7,492	8,042	8,301	10,143
<b>Community Development</b>										
New Residential Permits	338	241	201	178	160	92	89	139	197	213
New Residential Valuation	58,147,643	40,152,822	43,243,429	33,243,985	24,091,532	24,075,213	17,514,700	44,149,300	56,708,439	64,431,779
New Commercial Permits	39	31	20	17	19	20	12	31	21	30
New Commercial Valuation	25,722,337	25,368,798	6,029,417	4,575,300	8,620,860	4,956,205	8,071,975	34,676,965	12,473,597	10,467,380
<b>Sanitation</b>										
Curbside Recycling (tons)	606	626	701	645	582	499	432	384	418	510
Refuse Collected (landfill tonnage)	18,744	21,587	20,168	20,688	19,737	22,276	21,568	23,163	22,722	30,303
Yard Waste (tons)	2,515	2,049	2,247	3,056	3,026	2,542	2,060	2,616	2,847	3,182
<b>Wastewater Treatment</b>										
Average daily sewage treatment (millions of gallons)	4.66	4.40	4.49	4.68	4.66	5.06	3.52	4.02	4.18	3.75
<b>Electric</b>										
Annual Sales (millions of kwh)	399.37	412.03	418.91	414.03	418.40	430.16	419.58	442.40	447.30	431.05
<b>Water</b>										
Water Sales (billions of gallons)	1.471	1.457	1.398	1.385	1.335	1.285	1.48	1.41	1.34	1.35

Source: Various city departments.

Note: Indicators are not available for general government functions.



**CITY OF MOORHEAD, MINNESOTA  
CAPITAL ASSET STATISTICS BY FUNCTION  
LAST TEN FISCAL YEARS**

Function	2006	2007	2008	2009	2010	2011	2012	2013	2014	2015
<b>Public Safety:</b>										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
<b>Highways &amp; Streets:</b>										
Street (miles)	203.75	207.10	210.35	208.60	210.11	211.77	211.73	212.73	212.73	227.8
<b>Culture and recreation</b>										
Parks	41	42	42	42	42	42	43	43	44	47
Swimming/wading pools	8	8	8	8	8	8	9	9	9	9
<b>Sanitation:</b>										
Collection trucks	10	10	10	10	10	10	10	10	10	10
<b>Wastewater</b>										
Storm sewers (miles)	113.80	124.89	125.35	125.35	127.40	132.42	135.32	149	149	138.2
Sanitary sewers (miles)	136.73	145.54	154.54	154.54	155.19	157.81	156.36	157	157	157.7
Force mains (miles)	14.29	16.09	20.87	20.87	20.87	22	23.12	23.12	23.12	23.5

Source: Various city departments.