



Comprehensive Annual Financial Report



For the Year Ended
December 31, 2019

www.cityofmoorhead.com



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

FOR THE YEAR ENDED DECEMBER 31, 2019

PREPARED BY THE FINANCE DIVISION

KARLA MCCALL, FINANCE DIRECTOR

JOEL HERR, ACCOUNTANT

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

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**CITY OF MOORHEAD, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2019**

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**INTRODUCTORY
SECTION**



June 30, 2020

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, 2019.

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 CliftonLarsonAllen 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, 2019, 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 unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2019, are fairly presented in conformity with GAAP. The independent auditors' 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 auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, are provided under a 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 22.2 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, information technology and maintenance shop 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.

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 and approval prior to September 30th. 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 28th. 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 Moorhead Aviation Services, 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

6,600 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-12 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 nearly 6,000 students and about 750 full- and part-time faculty and Concordia College is a four-year private liberal arts college with over 2,100 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 past several years, Engineering Staff has worked on the 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 to assure positive cash flow.

Under the direction of the City Manager, a strategic planning initiative was implemented in 2018 to define the City's mission, vision and values along with identifying the City's main strategic initiatives to guide City staff in setting both short-term and long-term goals. The Strategic Plan will guide directors in developing departmental operations plans.

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

- Moorhead added nearly \$11.7 million in new commercial and institutional building value in 2019, including 20 new commercial and institutional buildings. Downtown continues to be a major focus. A Downtown Master Planning process is underway and the City entered into an agreement with Roers Development to explore redevelopment of City-owned property in Downtown.
- In 2018, Moorhead's City Council established a goal to support development of 500 new and/or renovated housing units within the next 5 years in downtown Moorhead. After two years, 162 new housing units have been constructed or are under construction in downtown.
- Moorhead's Downtown area has been designated as a qualified Opportunity Zone (created by the 2017 Tax Cuts and Jobs Act) and is ripe for investment using this robust development incentive. Multiple building projects have been or are being completed within the Zone, including Block E (mixed use building), Simon Warehouse (65-unit apartment building in historic building), final phase of The Grove apartments, redevelopment of a downtown building to a retail center, the new River Haven Events Center, and Sol Ave Kitchen.
- Downtown Moorhead Inc. launched a Downtown Master Plan process in 2019 with Stantec Consulting. The final Plan is anticipated for summer 2020.
- Median single family home sales prices rose from \$195,000 to \$202,585, a healthy level of appreciation. There were 125 single family homes permitted in 2019 and 81 multifamily units. Multiple assisted living projects were completed in 2019 or anticipate finishing construction in 2020, including an expansion of Farmstead Care (assisted living/memory care and apartment), expansion of Arbor Park Assisted Living Center, construction of Bee Hive Homes (a new assisted living/memory care facility) and a significant expansion of the Eventide Senior Living Center.

- Major commercial/industrial projects in 2019 included construction of a new Village Family Services Center, office expansion at Gavilon Fertilizer, multiple business condos, Four Seasons Car Wash, AutoZone, and Dickelman Insurance.
- Construction began on the SE Main|20|21st Street Grade Separation/railroad underpass. At a total cost of \$72.9 million, this project is the largest construction project in Moorhead's history. This project is scheduled to be completed in 2021.
- Moorhead recently attained the Minnesota GreenStep 2 designation for its sustainability efforts, and is working to achieve GreenStep 3. The City also established the Moorhead Community Fund, a component fund of the Fargo Moorhead Area Foundation to accept private support for a variety of community, park, and art projects, which include Community & Aquatics Center, South Moorhead Dog Park, Inclusive Playground and other community amenities.

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, 2018. This was the 36th 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,



Karla G. McCall
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, 2018

Christopher P. Morill

Executive Director/CEO

CITY OF MOORHEAD
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2019

	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
JOHNATHAN JUDD	MAYOR	2022
SARA WATSON CURRY	COUNCIL MEMBER, WARD 1	2020
SHELLY DAHLQUIST	COUNCIL MEMBER, WARD 1	2022
HEIDI DURAND	COUNCIL MEMBER, WARD 2	2020
SHELLY CARLSON	COUNCIL MEMBER, WARD 2	2022
DEB WHITE	COUNCIL MEMBER, WARD 3	2022
LARRY SELJEVOLD	COUNCIL MEMBER, WARD 3	2020
STEVE LINDAAS	COUNCIL MEMBER, WARD 4	2020
CHUCK HENDRICKSON	COUNCIL MEMBER, WARD 4	2022

APPOINTED OFFICIALS

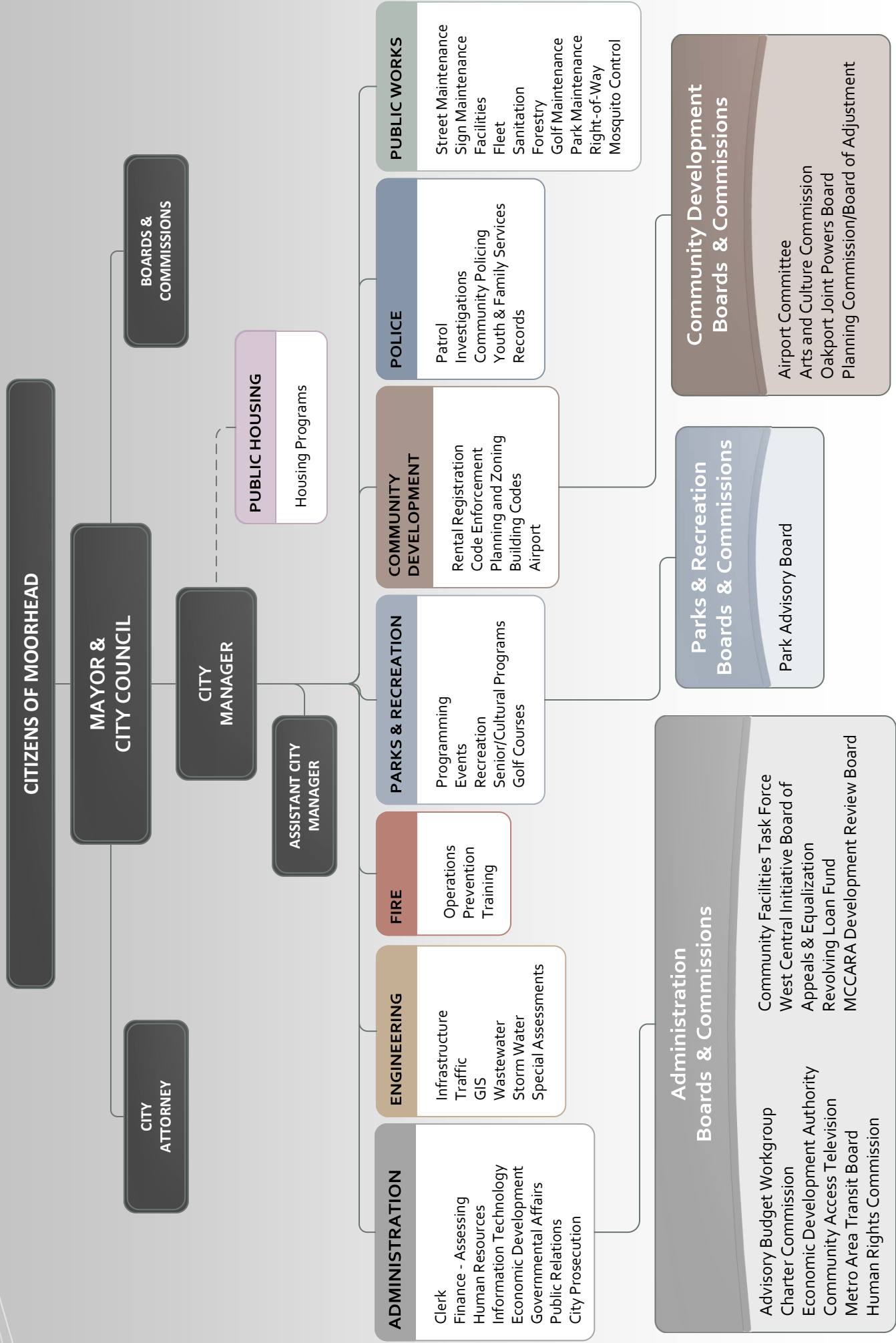
CHRISTINA VOLKERS CITY MANAGER

DEPARTMENT DIRECTORS

KRISTIE LESHOVSKY	COMMUNITY DEVELOPMENT
HOLLY HEITKAMP	PARKS & RECREATION
ROBERT ZIMMERMAN	ENGINEERING
SHANNON MONROE	POLICE CHIEF
RICH DUYSSEN	FIRE CHIEF
STEVE MOORE	PUBLIC WORKS

City of Moorhead

Functional Organizational Chart



FINANCIAL

SECTION



INDEPENDENT AUDITORS' REPORT

Honorable Mayor
and Members of the City Council
City of Moorhead
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 (the City), as of and for the year ended December 31, 2019, 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.

Auditors' Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We did not audit the financial statements of the Public Housing Agency Component Unit or the Electric and Water proprietary funds. The Public Housing Agency represents 100% of the assets, deferred outflows, liabilities, deferred inflows, and net position of the discretely presented component unit. The Electric and Water proprietary funds represent 57% of the assets and deferred outflows, 54% of the net position, and 70% of the revenues of the proprietary funds and business-type activities. Those financial statements were audited by other auditors whose report thereon has been furnished to us, and our opinion, insofar as it relates to the amounts included for the proprietary funds and business-type activities, 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 auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the City's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we express no such opinion.

Honorable Mayor
and Members of the City Council
City of Moorhead

Auditors' Responsibility (Continued)

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.

Opinions

In our opinion, based on our audit and the report of the 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, 2019, and the respective changes in financial position, the budgetary comparison for the general fund, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of a Matter

As discussed in Note 5.E. to the basic financial statements, net position of the governmental activities and business-type activities as of January 1, 2019 have been restated to properly reflect bond premiums, advanced refundings of debt deferred outflows of resources, pension plans deferred outflows and inflows of resources, due from other governments and a prior year overstatement of revenue. The City reported restatements for the correction of these errors. Our auditors' opinion was not modified with respect to the restatement.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and the required supplementary information, as listed on the table of contents, be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board 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 basic financial statements. The introductory section, combining and individual fund schedules and statements, 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 basic financial statements.

Honorable Mayor
and Members of the City Council
City of Moorhead

Other Matters (Continued)

Other Information (Continued)

The combining and individual fund schedules and statements and capital assets used in the operation of governmental funds (collectively, the supplementary information) 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 supplementary 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 June 30, 2019, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.



CliftonLarsonAllen LLP

Minneapolis, Minnesota
June 30, 2020

CITY OF MOORHEAD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

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, 2019. 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 \$575,062,625.
- The City's total net position increased by \$19,992,942.
- The City's governmental funds reported combined ending fund balances of \$76,142,622, an increase of \$5,459,701 in comparison with the prior year. Of this total amount, \$11.8M is unassigned, \$3.0M committed, \$57.8M restricted and \$3.5M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$16,499,895 or 60% of total general fund expenditures of \$27,315,953.

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, municipal airport, and street light utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses four internal service funds to account for vehicles & equipment, information technology, maintenance shop, and radios. Because the internal service funds benefit both the governmental and business-type functions, \$136,190 has been reflected within the business-type activities and \$5,102,177 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, wastewater treatment, and storm water which are considered to be major funds of the City of Moorhead. Data from the other seven enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in this report. The four 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. This information can be found in the required supplementary information section 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 \$575,062,625 at the close of the most recent fiscal year.

The largest portion of the City's net position is the net investment in capital assets of \$386,542,948 (67%) (e.g., land, buildings, infrastructure, machinery, and equipment). 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, \$131,219,124 (23%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$57,300,553 (10%) 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 years ending December 31, 2019 and 2018.

CITY OF MOORHEAD'S NET POSITION

	Governmental Activities		Business-type Activities		Total 2019	Total 2018
	2019	2018	2019	2018		
Current and other assets	\$ 182,410,257	\$ 166,041,340	\$ 60,724,377	\$ 60,059,116	\$ 243,134,634	\$ 226,100,456
Capital assets	401,632,963	365,413,865	216,224,791	217,745,841	617,857,754	583,159,706
Total assets	584,043,220	531,455,205	276,949,168	277,804,957	860,992,388	809,260,162
Deferred outflows of resources	10,779,632	9,596,337	589,424	1,290,564	11,369,056	10,886,901
Long-term liabilities outstanding	203,140,996	198,103,667	68,042,202	73,207,891	271,183,198	271,311,558
Other liabilities	8,210,691	8,119,101	3,839,727	5,028,905	12,050,418	13,148,006
Total liabilities	211,351,687	206,222,768	71,881,929	78,236,796	283,233,616	284,459,564
Deferred inflows of resources	12,912,666	12,657,054	1,152,537	1,381,066	14,065,203	14,038,120
Net Position:						
Net investment in capital assets	230,476,976	190,131,897	156,065,972	152,405,046	386,542,948	342,536,943
Restricted	125,043,570	137,882,638	6,175,554	6,490,259	131,219,124	144,372,897
Unrestricted	15,037,953	(5,842,815)	42,262,600	40,582,354	57,300,553	34,739,539
Total net position	\$ 370,558,499	\$ 322,171,720	\$ 204,504,126	\$ 199,477,659	\$ 575,062,625	\$ 521,649,379

Governmental activities current and other assets increased \$16,368,917 due to the recognition of a receivable for construction funds allocated to the City from the State of Minnesota during the prior year. The increase in governmental activities capital assets is due to the completion of a number of street projects as well as continued construction of a major railroad underpass in the City. The decrease in business-type activities capital assets is primarily due to removal of the sports center facility as well as calculated depreciation. In both the governmental activities and business-type activities, fluctuations in deferred outflows of resources, long-term liabilities outstanding, and deferred inflows of resources are attributable to changes in actuarial assumptions and the difference between projected and actual investment earnings relating to the reporting of the City's pension liability under GASB Statement 68.

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.

In addition, the City of Moorhead's overall net position increased by \$19,992,942 over the prior fiscal year. 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 2019	Total 2018
	2019	2018	2019	2018		
Revenues:						
Program revenues:						
Charges for services	\$ 5,224,715	\$ 4,057,771	\$ 73,850,262	\$ 73,640,216	\$ 79,074,977	\$ 77,697,987
Operating grants and contributions	6,803,405	6,543,764	52,061	205,573	6,855,466	6,749,337
Capital grants and contributions	12,429,868	20,137,228	2,346,902	3,516,441	14,776,770	23,653,669
General Revenues:						
Taxes	12,510,852	10,786,200			12,510,852	10,786,200
Tax Increments	571,287	546,662			571,287	546,662
Franchise Fees	1,016,021	1,040,015			1,016,021	1,040,015
State aid	10,686,998	10,519,127	4,960	6,185	10,691,958	10,525,312
Grants and contributions not restricted to specific programs	2,674,199				2,674,199	
Investment earnings	1,328,000	892,127	1,397,683	553,607	2,725,683	1,445,734
Miscellaneous	925,710	117,662	1,060,135	911,461	1,985,845	1,029,123
Total revenues	54,171,055	54,640,556	78,712,003	78,833,483	132,883,058	133,474,039
Expenses:						
General government	6,134,526	5,128,445			6,134,526	5,128,445
Public safety	16,218,093	15,398,739			16,218,093	15,398,739
Highways and streets	13,721,752	14,704,535			13,721,752	14,704,535
Parks and recreation	4,288,015	4,722,590			4,288,015	4,722,590
Library	915,124	916,909			915,124	916,909
Community development	372,018	562,076			372,018	562,076
Rental registration	290,136	329,216			290,136	329,216
Mass transit	3,570,729	3,409,312			3,570,729	3,409,312
Economic development	903,094	832,219			903,094	832,219
Interest on long-term debt	6,255,942	6,679,837			6,255,942	6,679,837
Electric			30,853,105	31,146,001	30,853,105	31,146,001
Water			7,903,624	7,568,515	7,903,624	7,568,515
Wastewater treatment			7,737,436	7,184,981	7,737,436	7,184,981
Storm water			2,206,737	2,254,089	2,206,737	2,254,089
Sanitation			4,279,139	4,310,799	4,279,139	4,310,799
Golf course			1,669,502	1,614,758	1,669,502	1,614,758
Sports center			2,711,189	917,379	2,711,189	917,379
Pest control			654,738	561,178	654,738	561,178
Forestry			828,932	825,002	828,932	825,002
Municipal airport			661,486	613,016	661,486	613,016
Street light utility			714,799	732,172	714,799	732,172
Total expenses	52,669,429	52,683,878	60,220,687	57,727,890	112,890,116	110,411,768
Increase/decrease in net position						
before transfers	1,501,626	1,956,678	18,491,316	21,105,593	19,992,942	23,062,271
Transfers	12,388,791	10,251,796	(12,388,791)	(10,251,796)		
Change in net position	13,890,417	12,208,474	6,102,525	10,853,797	19,992,942	23,062,271
Net position - beginning	322,171,720	309,963,246	199,477,659	188,623,862	521,649,379	498,587,108
Restatement of beginning net position (see note 5.E.)						
	34,496,362		(1,076,058)		33,420,304	
Net position - beginning, as restated	356,668,082		198,401,601		555,069,683	
Net position - end of year	\$ 370,558,499	\$ 322,171,720	\$ 204,504,126	\$ 199,477,659	\$ 575,062,625	\$ 521,649,379

Governmental activities. The governmental activities net position increased by \$13,890,417 during the current fiscal year. Revenues remained stable with a slight decrease of \$469,501, or 0.1% from 2018. Expenses remained stable with a slight decrease of 0.0%, or \$14,449 from 2018.

Business-type activities. Business-type activities increased the City's net position by \$6,102,525. Charges for services in the business-type activities remained relatively stable with an increase of \$210,046 (0.3%) compared to the previous year. Expenses in the business-type activities increased \$2,231,298 (3.8%). This loss is primarily caused by recognition of a loss on disposal of assets in the Sports Center Fund of \$2,108,893.

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 \$76,142,622 an increase of \$5,459,701 in comparison with the prior year. Approximately 15.49%, or \$11,794,859, of this combined ending fund balance is unassigned. The remainder of fund balance is committed (\$3,022,448, 3.97%), restricted (\$57,781,008, 75.89%) or nonspendable (\$3,544,307, 4.65%).

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 \$16,499,895. 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 59.4% of total general fund expenditures which is just below 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 \$1,367,573 or 7.0% from 2018. Property tax revenue increased \$807,758 with an increase in the Payable 2019 levy. State revenues increased \$788,544 with an increase in disparity aid and an increase in state aid construction and maintenance aid. Charges for Services increased \$950,849 due to an increase in internal engineering charges due to higher than normal activity in 2019 and normal activity in 2018. Total expenditures increased \$1,989,394 from an increase in personnel costs due to cost of living adjustments and employee benefits. Net transfers totaled \$8,531,983 and were completed as authorized by City charter and as reoccurring subsidies of specific programs. The 2019 adopted budget anticipated a \$43,000 increase to fund balance, while the revised budget anticipated a \$996,431 draw on fund balance; however changes in expected revenues, along with less than budgeted expenditures resulted in an increase in the fund balance.

The special assessment debt service fund balance increase of \$2,217,017 was due mainly to transfers of about \$1.3M of cash from other funds to pay bond payments on debt for related projects. The special assessment capital projects fund balance decreased by \$1,972,076 which is primarily due to additional expenditures related to infrastructure projects which will be supported by special assessments. The permanent improvement fund balance decreased \$354,189 which is primarily attributable to major street reconstruction projects for which bonds will be issued in 2020.

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 \$42,126,410. The total change in net position in the enterprise funds from operations was an increase of \$6,029,041 which is \$4,960,116 (45.1%) lower than the 2018 increase. An increase in loss on disposal of assets resulting from the sale of the sports center caused the current year increase to be lower than the increase presented in 2018.

The electric fund reported an increase of \$5,635,467 (10.0%) in net position primarily due to decreased expenses for purchasing of power along with a relatively stable revenue while the water fund reported an increase of \$1,880,222 (4.0%) resulting from a 5.3% rate increase causing an overall increase in revenues of 1.4%. The wastewater treatment fund reported an increase in net position from operations of \$917,258 (2.0%) and the storm water fund also reported an increase in net position of \$693,428 (1.9%) primarily due to capital contributions recognized from the completion of various infrastructure projects throughout the city.

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 revenue budget including transfers of \$26,352,636 was amended as final totaling \$26,910,046 for an increase of \$557,410. The original expenditure budget including transfers of \$26,209,636 was amended as final totaling \$27,806,477 for an increase of \$1,596,841.

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

Total actual revenues including transfers were \$28,733,526 which was \$1,823,480 over budget. Actual revenue exceeded projections by 6.7%.

Actual expenditures including transfers totaling \$27,365,953 were under budget by \$540,524. Personnel services were under budget \$286,787 by not filling various vacant positions in addition to lower than expected purchases of supplies and other services.

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, 2019, amounts to \$617,857,754 (net of accumulated depreciation), an increase of \$34.7M. 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:

- \$4.2M in flood mitigation properties
- \$29.0M in infrastructure improvements
- \$0.7M in Moorhead Youth Hockey arena improvements
- \$0.8M in water capital assets

CITY OF MOORHEAD’S CAPITAL ASSETS
(net of depreciation)

	Governmental Activities 2019	Business-type Activities 2019	Total
Land	\$ 72,035,041	\$ 9,679,465	\$ 81,714,506
Construction in progress	97,988,704	3,486,785	101,475,489
Buildings	12,580,439	111,234,875	123,815,314
Improvements other than buildings	14,440,205	33,748,723	48,188,928
Machinery and equipment	15,512,983	5,531,265	21,044,248
Infrastructure	189,075,591	52,543,678	241,619,269
Total	\$ 401,632,963	\$ 216,224,791	\$ 617,857,754

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

Long-Term Debt. At the end of the current fiscal year, the City of Moorhead had total bonded debt outstanding of \$216,525,000. Of this amount, \$176,440,000 of G.O. Special Assessment, Tax Increment and Municipal Improvement debt and \$11,660,000 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 \$28,425,000 of the City’s debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and \$19,437,099 in Public Facilities Authority Notes. The City also has \$145,697 General Obligation Notes Payable at year end and net pension liability totaling \$20,239,935. See Note 4 (F) for further information on the City’s net pension liability.

The City had a net decrease in long-term bonded debt of \$6,570,000 during the current fiscal year. This decrease is due to the issuance of various bonds, which are listed below, debt service principal payments of \$15,495,000 and early retirement of G.O. Improvement Bonds of 2009A in the amount of \$1,715,000 and the early retirement of G.O. Flood Mitigation Bonds of 2009B in the amount of \$3,795,000 which were advance refunded in 2018. During the current fiscal year, the City issued:

\$6,815,000 G.O. Improvement Bonds, Series 2019A to finance various city-wide infrastructure projects.

\$6,070,000 G.O. Improvement Refunding Bonds, Series 2019B to refund G.O. Improvement Bonds Series 2010A.

\$1,550,000 G.O. Tax Increment Refunding Bonds, Series 2019A to refund G.O. Tax Increment Refunding Bonds Series 2009A.

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 \$88,406,031. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$145,697 leaving a legal debt margin of \$88,260,334.

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	\$ 172,255,000	\$	\$ 172,255,000
G.O. Tax Increment	4,185,000		4,185,000
G.O. Revenue		11,660,000	11,660,000
Revenue Refunding		2,680,000	2,680,000
Revenue		25,745,000	25,745,000
Premiums/Discounts	7,942,587	637,606	8,580,193
Long-term notes	145,697	19,643,939	19,789,636
Compensated absences	2,160,408	1,445,566	3,605,974
Other Post-Employment Benefits	1,829,751	612,709	2,442,460
Net Pension Liability	14,622,553	5,617,382	20,239,935
Total	\$ 203,140,996	\$ 68,042,202	\$ 271,183,198

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

Economic Factors and Next Year's Budgets

The local economy continues to be strong in 2020 with \$42 million in new building projects in process. Major work continues on the flood mitigation project in Moorhead with the purchase of property and planning for the diversion of flood water to the river level of 42.5 feet. Moorhead's proactive approach to flood protection gives the City a market advantage and keeps the community in business regardless of when the Fargo/Moorhead Diversion project is completed.

The City of Moorhead's 2020 Operating & Capital Budget totals \$115,494,030, an increase of \$31,350,060 (37.26%) from the previous year. Included in the increase is an amount of \$27,933,324 which is attributed to capital projects (previously this had not been reported in the total). The remaining increase of \$3,416,736 is attributed to operations. When looking specifically at the General Fund and Special Revenue Funds, the 2020 budget reflects an increase of \$3,318,942 (9.12%) from 2019 levels. The majority of this increase is attributable to personnel expenses and the addition of the City Prosecution Department within the General Fund. Prosecution services were provided by Clay County in previous years. A steady increase in market value contributed 43% of the 2020 tax levy increase with 35% needed for operations and 22% for additional debt service requirements.

Scheduled wage step increases and COLA of 3%, were included in the budget based on union contracts. Health insurance premiums were decreased by 9% for the first time in many years. Anticipated increases to general liability insurance (5%), auto insurance (5%) and workers' compensation (5%), are essential and nondiscretionary in nature.

To avoid fluctuations in the City Clerk budget every year for elections expenditures, an amount of \$25,000 was budgeted in 2020 and will continue to be budgeted annually to be available on the even years for election operating costs.

The State of Minnesota's Local Government Aid (LGA) program continues to be stressed with the City receiving a minor increase in 2020. Local Government Aid is budgeted at \$7,238,829 which is an increase of \$57,802, 0.8%, over the 2019 Local Government Aid allocation.

With the onset of the COVID-19 Pandemic in March, 2020, the effects on budgeted revenues and expenditures are unknown. The City anticipates revenue shortfalls and some reduction in expenditures due to the temporary closing of facilities and lack of public program income during the quarantine period. The City continues to provide essential services to the residents of Moorhead and is making plans for the long-term economic recovery of the Community. The City has maintained strong reserve balances which will help bridge financial gaps in revenue projections. This global pandemic has created unprecedented challenges for Federal, State and Local Government operations, creating uncertainty in the outcome of the 2020 budget.

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 at 500 Center Avenue, Moorhead, MN 56560 or visit the City's web site at www.cityofmoorhead.com.

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**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2019**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 70,469,911	\$ 24,682,141	\$ 95,152,052	\$ 933,228
Receivables:				
Accounts and notes	524,926	8,599,845	9,124,771	14,532
Delinquent property taxes	243,779	120,931	364,710	
Special assessments	4,453,065	133,170	4,586,235	
Internal balances	1,613,729	(1,613,729)		
Due from other governmental units	18,182,308	621,529	18,803,837	27,825
Inventories	32,536	1,628,191	1,660,727	
Prepaid items	6,395	154,990	161,385	15,254
Restricted assets:				
Cash and cash equivalents	9,599,039	3,793,940	13,392,979	
Bond operation and maintenance reserve		5,592,000	5,592,000	
Long-term receivables:				
Special assessments	69,593,037	2,248,444	71,841,481	
Notes receivable, less current portion	7,691,532	644,762	8,336,294	
Other long-term investments		14,118,163	14,118,163	
Capital assets:				
Intangible plant		1,288,813	1,288,813	
Land	72,035,041	9,679,465	81,714,506	480,160
Buildings	28,044,978	198,678,188	226,723,166	11,960,460
Improvements other than buildings	29,678,269	52,910,736	82,589,005	
Machinery and equipment	41,706,273	21,553,741	63,260,014	960,770
Infrastructure	272,915,376	79,648,222	352,563,598	
Construction in progress	97,988,704	3,486,785	101,475,489	
Less accumulated depreciation	(140,735,678)	(151,021,159)	(291,756,837)	(8,397,065)
Total assets	584,043,220	276,949,168	860,992,388	5,995,164
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	9,245,402	534,089	9,779,491	
Other post-employment benefits	91,827	55,335	147,162	
Advance refundings of debt	1,442,403		1,442,403	
Total deferred outflows of resources	10,779,632	589,424	11,369,056	
LIABILITIES				
Accounts payable	3,259,604	3,105,077	6,364,681	18,249
Contracts payable - retainage	1,834,384		1,834,384	
Accrued wages payable	634,271	142,764	777,035	8,696
Due to other governmental units	23,998	36,834	60,832	
Customer deposits		194,590	194,590	59,874
Other liabilities	43,305	68,649	111,954	46,715
Accrued interest payable	2,415,129	291,813	2,706,942	
Long-term liabilities:				
Due within one year	20,828,248	12,598,261	33,426,509	24,297
Due in more than one year				
Accrued compensated absences	853,080	176,248	1,029,328	
Other post-employment benefits	1,829,751	612,709	2,442,460	
Net pension liability	14,622,553	5,617,382	20,239,935	
Notes payable	49,777	174,881	224,658	
Bonds payable	164,957,587	48,862,721	213,820,308	
Total liabilities	211,351,687	71,881,929	283,233,616	157,831
DEFERRED INFLOWS OF RESOURCES				
Pension plans	12,855,832	1,065,880	13,921,712	
Other post-employment benefits	56,834	86,657	143,491	
Total deferred inflows of resources	12,912,666	1,152,537	14,065,203	
NET POSITION				
Net investment in capital assets	230,476,976	156,065,972	386,542,948	5,004,325
Restricted				
Culture and recreation	1,508,883		1,508,883	
Library	352,583		352,583	
Transit	2,179,014		2,179,014	
Economic development	2,859,139		2,859,139	
Contributions	75,583		75,583	
Capital projects	2,776,974		2,776,974	
Debt service	114,437,355	6,175,554	120,612,909	
Other purposes	854,039		854,039	
Unrestricted	15,037,953	42,262,600	57,300,553	833,008
Total net position	\$ 370,558,499	\$ 204,504,126	\$ 575,062,625	\$ 5,837,333

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2019**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
Functions/Programs			
Primary Government			
Governmental activities:			
General government	\$ 6,134,526	\$ 941,400	\$ 17,370
Public safety	16,218,093	608,415	1,722,300
Highways and streets	13,721,752	1,965,585	2,269,679
Parks and recreation	4,288,015	488,166	251,159
Library	915,124	20,812	
Community development	372,018	307,719	204,450
Rental registration	290,136	246,970	
Mass transit	3,570,729	487,396	2,323,457
Economic development	903,094	158,252	14,990
Interest on long-term debt	6,255,942		
Total governmental activities	52,669,429	5,224,715	6,803,405
Business-type activities:			
Electric	30,853,105	43,811,642	
Water	7,903,624	9,366,724	
Wastewater treatment	7,737,436	8,662,682	
Storm water	2,206,737	2,761,590	
Sanitation	4,279,139	4,765,892	29,250
Golf Course	1,669,502	1,270,548	
Sports Center	2,711,189	481,077	
Pest Control	654,738	745,827	
Forestry	828,932	931,169	
Municipal airport	661,486	71,128	22,811
Street light utility	714,799	981,983	
Total business-type activities	60,220,687	73,850,262	52,061
Total primary government	\$ 112,890,116	\$ 79,074,977	\$ 6,855,466
Component Unit:			
Public Housing Agency	\$ 1,635,881	\$ 625,654	\$ 644,124

General revenues:

- Property taxes levied for general purposes
- Property taxes levied for debt service
- Tax increments
- Franchise fees
- State aid unrestricted
- Grants and contributions not restricted to specific programs
- Unrestricted investment earnings
- Miscellaneous

Transfers

- Total general revenues and transfers
- Changes in net position

Net position - beginning

Restatement of beginning net position (see Note 5.E.)

Net position -beginning, as restated

Net position - ending

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Governmental Activities	Business-type Activities	Total	
\$ 40,655	\$ (5,135,101)		\$ (5,135,101)	
	(13,887,378)		(13,887,378)	
7,378,784	(2,107,704)		(2,107,704)	
	(3,548,690)		(3,548,690)	
	(894,312)		(894,312)	
4,440,948	4,581,099		4,581,099	
	(43,166)		(43,166)	
569,481	(190,395)		(190,395)	
	(729,852)		(729,852)	
	(6,255,942)		(6,255,942)	
<u>12,429,868</u>	<u>(28,211,441)</u>		<u>(28,211,441)</u>	
		\$ 12,988,295	12,988,295	
29,758		1,463,100	1,463,100	
		1,511,905	1,511,905	
586,659		1,618,219	1,618,219	
1,063,366		516,003	516,003	
		(398,954)	(398,954)	
		(2,230,112)	(2,230,112)	
		91,089	91,089	
		102,237	102,237	
667,119		99,572	99,572	
		267,184	267,184	
<u>2,346,902</u>		<u>16,028,538</u>	<u>16,028,538</u>	
<u>\$ 14,776,770</u>	<u>(28,211,441)</u>	<u>16,028,538</u>	<u>(12,182,903)</u>	
<u>\$ 28,821</u>				<u>\$ (337,282)</u>
	8,124,044		8,124,044	
	4,386,808		4,386,808	
	571,287		571,287	
	1,016,021		1,016,021	
	10,686,998	4,960	10,691,958	
	2,674,199		2,674,199	
	1,328,000	1,397,683	2,725,683	14,206
	925,710	1,060,135	1,985,845	40,702
	12,388,791	(12,388,791)		
	<u>42,101,858</u>	<u>(9,926,013)</u>	<u>32,175,845</u>	<u>54,908</u>
	<u>13,890,417</u>	<u>6,102,525</u>	<u>19,992,942</u>	<u>(282,374)</u>
	322,171,720	199,477,659	521,649,379	6,119,707
	34,496,362	(1,076,058)	33,420,304	
	<u>356,668,082</u>	<u>198,401,601</u>	<u>555,069,683</u>	<u>6,119,707</u>
<u>\$ 370,558,499</u>	<u>\$ 204,504,126</u>	<u>\$ 575,062,625</u>	<u>\$ 5,837,333</u>	

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2019**

	General	Special Assessment Debt Service
ASSETS		
Assets:		
Cash and investments	\$ 11,640,808	\$ 41,296,754
Restricted cash	854,039	7,170,000
Receivables:		
Accounts	225,189	55
Notes	12,500	2,912,476
Delinquent property taxes	86,505	85,890
Special assessments		72,543,125
Due from other funds	5,635,497	
Due from other governmental units	240,791	218,660
Advances to other funds	3,525,412	
Prepaid items	6,395	
	<u>22,227,136</u>	<u>124,226,960</u>
Total Assets	<u>\$ 22,227,136</u>	<u>\$ 124,226,960</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE		
Liabilities:		
Accounts payable	\$ 623,292	\$ 86,940
Contracts payable - retainage		
Accrued wages payable	545,348	
Due to other funds		
Advances from other funds		
Due to other governmental units	13,361	
Other liabilities	5,749	1,000
Total Liabilities	<u>1,187,750</u>	<u>87,940</u>
Deferred inflows of resources:		
Unavailable revenue - taxes	86,505	85,890
Unavailable revenue - special assessments		72,543,125
Unavailable revenue - other	54,640	2,909,292
Total Deferred inflows of resources	<u>141,145</u>	<u>75,538,307</u>
Fund Balance:		
Nonspendable	3,544,307	
Restricted		
Culture and recreation		
Library		
Transit		
Economic development		
Contributions		
Capital projects		
Debt service		48,600,713
Other purposes	854,039	
Committed		
Unassigned	16,499,895	
Total Fund Balance	<u>20,898,241</u>	<u>48,600,713</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 22,227,136</u>	<u>\$ 124,226,960</u>

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019**

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$ 274,835	\$	\$ 11,748,625 1,575,000	\$ 64,961,022 9,599,039
1,145	18 65,103	18,979 4,701,453 71,384	245,386 7,691,532 243,779
1,276,353	226,624		74,046,102
1,703,436 125,797	15,697,017	286,458	5,635,497 18,146,362 3,651,209 6,395
<u>\$ 3,381,566</u>	<u>\$ 15,988,762</u>	<u>\$ 18,401,899</u>	<u>\$ 184,226,323</u>
\$ 446,180 154,412	\$ 1,069,272 1,621,494	\$ 771,459 58,478 60,422 45,885 2,635,644 10,637 32,556	\$ 2,997,143 1,834,384 605,770 4,469,561 2,739,644 23,998 43,305
4,000	4,423,676 104,000	3,615,081	12,713,805
<u>604,592</u>	<u>7,218,442</u>	<u>3,615,081</u>	<u>12,713,805</u>
1,276,353	226,624 13,226,738	71,384 4,889,345	243,779 74,046,102 21,080,015
<u>1,276,353</u>	<u>13,453,362</u>	<u>4,960,729</u>	<u>95,369,896</u>
			3,544,307
1,500,621		1,382,619 337,745 1,989,511 2,708,981 75,583 331,196	1,382,619 337,745 1,989,511 2,708,981 75,583 48,931,909 854,039
	(4,683,042)	3,022,448 (21,994)	3,022,448 11,794,859
<u>1,500,621</u>	<u>(4,683,042)</u>	<u>9,826,089</u>	<u>76,142,622</u>
<u>\$ 3,381,566</u>	<u>\$ 15,988,762</u>	<u>\$ 18,401,899</u>	

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.

Deferred outflows of resources resulting from pension obligations, OPEB, and debt refundings are not available resource and, therefore are not reported in governmental funds

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.

Long-term liabilities, including bonds payable, net pension liability, OPEB, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.

Deferred inflows resulting from pension obligations and OPEB are not due and payable in the current period and, therefore are not reported in the governmental funds.

Internal service funds are used by management to charge the costs of vehicle and equipment replacement, information technology services, maintenance shop and radio equipment replacement to individual funds. The assets and liabilities of the intenal service funds are included in the governmental activities in the statement of position.

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

401,632,963
10,779,632
95,369,896
(205,556,125)
(12,912,666)

5,102,177

Net position of governmental activities

\$ 370,558,499

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	General	Special Assessment Debt Service
REVENUES		
Taxes:		
Property	\$ 4,440,360	\$ 4,060,450
Franchise	1,016,021	
Licenses and permits	704,116	
Intergovernmental revenues:		
Federal	306,978	125,418
State	10,400,374	972,720
County	152,670	217,300
Other	122,003	170,057
Charges for services	1,772,420	
Fines and forfeits	452,359	
Facility rentals		
Donations		
Interest on investments	346,375	671,251
Special assessments		9,949,815
Sale of property	54,488	8,164
Miscellaneous	383,379	83,155
Total revenues	20,151,543	16,258,330
EXPENDITURES		
Current:		
General government	5,096,006	104,241
Public safety	15,967,839	
Highways and streets	5,989,627	
Parks and recreation		
Library		
Community development		
Rental registration		
Mass transit		
Economic development		
Capital outlay	262,481	
Debt Service:		
Bond and note principal		10,165,000
Bond and note interest		5,796,337
Fiscal and other charges		109,245
Total expenditures	27,315,953	16,174,823
REVENUE OVER (UNDER) EXPENDITURES	(7,164,410)	83,507
OTHER FINANCING SOURCES (USES):		
Issuance of debt		113,979
Refunding bonds issued		6,070,000
Payment to bond refunding agent		(5,510,000)
Premium on issuance of debt		179,718
Transfers from other funds	8,581,983	1,312,999
Transfers to other funds	(50,000)	(33,186)
Total other financing sources	8,531,983	2,133,510
NET CHANGE IN FUND BALANCE	1,367,573	2,217,017
FUND BALANCE - BEGINNING	19,530,668	46,383,696
FUND BALANCE - ENDING	\$ 20,898,241	\$ 48,600,713

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 BALANCES
GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$	\$	\$ 4,337,550	\$ 12,838,360
			1,016,021
			704,116
1,266,962	251,582	773,931	2,724,871
4,621,397	28,525,903	3,800,570	48,320,964
	151,843		521,813
87,841	269,886		649,787
17,085		864,874	2,654,379
			452,359
		169,875	169,875
		38,842	38,842
7,933	4,153	171,604	1,201,316
263,627			10,213,442
13,137		745,500	821,289
130,990	243,260	635,760	1,476,544
<u>6,408,972</u>	<u>29,446,627</u>	<u>11,538,506</u>	<u>83,803,978</u>
81,711	210,688	332,307	5,824,953
	809	55,647	16,024,295
	166,627	25,114	6,181,368
	25,401	3,006,175	3,031,576
		903,493	903,493
		370,973	370,973
		296,871	296,871
		3,041,536	3,041,536
		669,893	669,893
15,161,110	29,597,291	2,157,077	47,177,959
		568,050	10,733,050
		490,921	6,287,258
		53,144	162,389
<u>15,242,821</u>	<u>30,000,816</u>	<u>11,971,201</u>	<u>100,705,614</u>
<u>(8,833,849)</u>	<u>(554,189)</u>	<u>(432,695)</u>	<u>(16,901,636)</u>
6,301,021		400,000	6,815,000
		1,550,000	7,620,000
			(5,510,000)
393,441		58,405	631,564
167,311	200,000	3,880,549	14,142,842
		(1,254,883)	(1,338,069)
<u>6,861,773</u>	<u>200,000</u>	<u>4,634,071</u>	<u>22,361,337</u>
(1,972,076)	(354,189)	4,201,376	5,459,701
<u>3,472,697</u>	<u>(4,328,853)</u>	<u>5,624,713</u>	<u>70,682,921</u>
<u>\$ 1,500,621</u>	<u>\$ (4,683,042)</u>	<u>\$ 9,826,089</u>	<u>\$ 76,142,622</u>

**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, 2019**

Amounts reported for governmental activities in the statement of activities (page 12-13) are different from the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds (page 18-19)	\$	5,459,701
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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	\$ 45,394,955		
Transfer of assets to business-type activities	(415,982)		
Depreciation expense	<u>(8,297,381)</u>		36,681,592

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.		(29,759,607)
--	--	--------------

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 position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonded debt issued	(14,435,000)		
Premium on bonded debt	(631,564)		
Bond & note principal payments	<u>16,001,271</u>		934,707

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	(52,042)		
Other post-employment benefits	(19,551)		
Net pension liability	(741,889)		
Deferred outflows of resources	(2,501,468)		
Deferred inflows of resources	3,193,296		
Accrued interest	<u>435,484</u>		313,830

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.		260,194
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Change in net position of governmental activities (page 12-13)	\$	<u><u>13,890,417</u></u>
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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, 2019

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 4,404,796	\$ 4,404,796	\$ 4,440,360	\$ 35,564
Franchise	1,025,000	1,025,000	1,016,021	(8,979)
Licenses and permits	731,920	731,920	704,116	(27,804)
Intergovernmental:				
Federal	36,084	263,205	306,978	43,773
State	9,697,566	10,016,355	10,400,374	384,019
County	152,000	152,000	152,670	670
Other	114,095	114,095	122,003	7,908
Charges for services	831,020	831,020	1,772,420	941,400
Fines and forfeitures	454,000	454,000	452,359	(1,641)
Interest on investments	85,000	85,000	346,375	261,375
Miscellaneous	331,035	332,535	437,867	105,332
Total revenues	<u>17,862,516</u>	<u>18,409,926</u>	<u>20,151,543</u>	<u>1,741,617</u>
EXPENDITURES				
Administration department:				
Current:				
Personnel	1,776,804	2,271,472	2,240,044	31,428
Supplies	28,775	43,775	35,407	8,368
Other services & charges	1,510,003	1,260,458	1,187,823	72,635
	<u>3,315,582</u>	<u>3,575,705</u>	<u>3,463,274</u>	<u>112,431</u>
Police department:				
Current:				
Personnel	8,005,825	8,024,325	8,101,821	(77,496)
Supplies	305,985	340,235	378,155	(37,920)
Other services & charges	2,581,566	2,637,241	2,707,697	(70,456)
Capital outlay		49,114		49,114
	<u>10,893,376</u>	<u>11,050,915</u>	<u>11,187,673</u>	<u>(136,758)</u>
Fire department:				
Current:				
Personnel	4,020,047	4,126,055	3,977,355	148,700
Supplies	64,839	95,643	83,948	11,695
Other services & charges	594,942	654,702	718,863	(64,161)
Capital outlay		223,738	262,481	(38,743)
	<u>4,679,828</u>	<u>5,100,138</u>	<u>5,042,647</u>	<u>57,491</u>
Planning & Neighborhood Services department:				
Current:				
Personnel	1,403,434	1,390,034	1,408,470	(18,436)
Supplies	23,601	24,351	16,007	8,344
Other services & charges	301,918	335,237	208,255	126,982
	<u>1,728,953</u>	<u>1,749,622</u>	<u>1,632,732</u>	<u>116,890</u>
Engineering department:				
Current:				
Personnel	1,721,625	1,721,625	1,581,606	140,019
Supplies	33,500	33,500	33,791	(291)
Other services & charges	602,450	618,650	579,179	39,471
	<u>2,357,575</u>	<u>2,373,775</u>	<u>2,194,576</u>	<u>179,199</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, 2019

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
Public Works department:				
Current:				
Personnel	1,228,719	1,301,719	1,239,147	62,572
Supplies	755,900	851,900	781,468	70,432
Other services & charges	<u>1,299,703</u>	<u>1,852,703</u>	<u>1,774,436</u>	<u>78,267</u>
	<u>3,284,322</u>	<u>4,006,322</u>	<u>3,795,051</u>	<u>211,271</u>
Total expenditures	<u>26,259,636</u>	<u>27,856,477</u>	<u>27,315,953</u>	<u>540,524</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(8,397,120)</u>	<u>(9,446,551)</u>	<u>(7,164,410)</u>	<u>2,282,141</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	8,490,120	8,500,120	8,581,983	81,863
Transfers to other funds	<u>(50,000)</u>	<u>(50,000)</u>	<u>(50,000)</u>	
Total other financing sources	<u>8,440,120</u>	<u>8,450,120</u>	<u>8,531,983</u>	<u>81,863</u>
NET CHANGE IN FUND BALANCE	43,000	(996,431)	1,367,573	2,364,004
FUND BALANCE - BEGINNING	<u>19,530,668</u>	<u>19,530,668</u>	<u>19,530,668</u>	
FUND BALANCE - ENDING	<u>\$ 19,573,668</u>	<u>\$ 18,534,237</u>	<u>\$ 20,898,241</u>	<u>\$ 2,364,004</u>

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

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**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019**

	Electric	Water
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 11,919,917	\$ 851,079
Receivables:		
Accounts and notes	5,685,927	1,117,897
Accrued interest	102,791	18,140
Special assessments		
Due from other city funds	6,534	
Due from other governmental units	376,166	
Inventories	1,337,829	290,362
Prepaid items	138,098	16,597
Total current assets	19,567,262	2,294,075
Long-term assets:		
Restricted assets:		
Cash and cash equivalents	3,048,165	745,775
Bond operation and maintenance reserve	4,608,000	984,000
Long-term receivables:		
Special assessments		
Notes receivable, less current portion	6,475	
Other long-term investments	12,329,081	1,789,082
Capital assets:		
Intangible plant	1,288,813	
Land	1,071,555	979,967
Buildings	75,543,795	84,921,631
Improvements other than buildings	4,047,533	
Machinery and equipment	6,572,138	3,403,127
Infrastructure		
Construction in progress	1,283,777	1,672,982
Less accumulated depreciation	(38,499,339)	(28,673,582)
Total long-term assets	71,299,993	65,822,982
Total assets	90,867,255	68,117,057
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	199,994	133,329
Other post-employment benefits	25,753	17,168
Total deferred outflows of resources	225,747	150,497
LIABILITIES		
Current liabilities:		
Accounts payable	2,485,305	230,577
Accrued wages payable		
Accrued compensated absences	565,000	377,000
Due to other city funds	1,619,651	46,863
Due to other governmental units		
Customer deposits	194,590	
Other liabilities		
Accrued interest payable	96,736	51,439
Current maturities of long-term debt	6,974,400	2,187,559
Total current liabilities	11,935,682	2,893,438

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2019**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 7,063,223	\$ 2,756,662	\$ 2,091,260	\$ 24,682,141	\$ 5,508,889
683,559	222,569	889,893	8,599,845	279,540
133,170			120,931	
684,162	225,782	701,658	1,618,136	
7,515		237,848	621,529	35,946
		295	1,628,191	32,536
8,571,629	3,205,013	3,920,954	154,990	
			37,558,933	5,856,911
			3,793,940	
			5,592,000	
2,248,444			2,248,444	
		638,287	644,762	
			14,118,163	
			1,288,813	
2,672,526		4,955,417	9,679,465	
33,258,786	836,537	4,117,439	198,678,188	
36,150,617	3,303,578	9,409,008	52,910,736	
10,715,005	442,624	420,847	21,553,741	30,203,863
32,615,740	47,032,482		79,648,222	
		530,026	3,486,785	
(56,513,851)	(18,154,014)	(9,180,373)	(151,021,159)	(19,642,117)
61,147,267	33,461,207	10,890,651	242,622,100	10,561,746
69,718,896	36,666,220	14,811,605	280,181,033	16,418,657
57,827	7,534	135,405	534,089	35,328
4,013	427	7,974	55,335	1,241
61,840	7,961	143,379	589,424	36,569
156,189	14,806	218,200	3,105,077	262,461
47,025	5,568	90,171	142,764	28,501
129,233	2,536	195,549	1,269,318	
		789,976	2,456,490	327,582
		36,834	36,834	
			194,590	
		68,649	68,649	
143,638			291,813	
2,166,984			11,328,943	
2,643,984	22,910	1,399,379	18,894,478	618,544

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2019**

	Electric	Water
Long-term liabilities:		
Accrued compensated absences		
Other post-employment benefits	219,193	146,129
Net pension liability	2,348,624	1,565,749
Notes payable		174,881
Bonds payable	14,317,052	13,890,557
Advances from other funds		125,797
Total long-term liabilities	<u>16,884,869</u>	<u>15,903,113</u>
Total liabilities	<u>28,820,551</u>	<u>18,796,551</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	443,068	295,379
Other post-employment benefits	47,383	31,589
Total deferred inflows of resources	<u>490,451</u>	<u>326,968</u>
NET POSITION		
Net investment in capital assets	30,017,706	46,257,968
Restricted for debt service	3,048,165	745,775
Unrestricted	28,716,129	2,140,292
Total net position	<u>\$ 61,782,000</u>	<u>\$ 49,144,035</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Net position of business-type activities

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, 2019**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
69,587	1,366	105,295	176,248	78,677
79,970	8,516	158,901	612,709	24,718
490,522	63,906	1,148,581	5,617,382	299,668
			174,881	
20,655,112			48,862,721	
		785,768	911,565	
21,295,191	73,788	2,198,545	56,355,506	403,063
23,938,260	96,698	3,597,924	75,249,984	1,021,607
94,311	12,287	220,835	1,065,880	57,616
2,484	265	4,936	86,657	768
96,795	12,552	225,771	1,152,537	58,384
36,076,727	33,461,207	10,252,364	156,065,972	10,561,746
2,381,614			6,175,554	
7,287,340	3,103,724	878,925	42,126,410	4,813,489
\$ 45,745,681	\$ 36,564,931	\$ 11,131,289	204,367,936	\$ 15,375,235
			136,190	
			\$ 204,504,126	

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019

	Electric	Water
OPERATING REVENUES		
Charges for services	\$ 40,688,961	\$ 9,325,142
Other	3,111,102	40,567
Total operating revenue	<u>43,800,063</u>	<u>9,365,709</u>
OPERATING EXPENSES		
Personnel	4,695,616	2,989,583
Purchased power	18,430,388	
Disposal fee		
Professional services	155,592	56,447
Insurance	91,694	95,859
Repair and maintenance	1,006,194	889,062
Supplies	113,651	1,474,589
Utilities		
Equipment rental		
Depreciation	2,851,967	1,995,581
Miscellaneous	2,783,858	90,606
Total operating expenses	<u>30,128,960</u>	<u>7,591,727</u>
Operating income(loss)	<u>13,671,103</u>	<u>1,773,982</u>
NONOPERATING REVENUE (EXPENSE)		
Interest on investments	914,113	162,524
Interest on indebtedness	(724,145)	(311,897)
Fiscal and other charges		
Gain (loss) on disposal of equipment	11,579	1,015
Intergovernmental		
Miscellaneous	626,525	431,479
Total nonoperating revenue (expense)	<u>828,072</u>	<u>283,121</u>
Income (loss) before contributions and transfers	<u>14,499,175</u>	<u>2,057,103</u>
Capital contributions	29,758	415,982
Transfers from other funds		
Transfers to other funds	(8,893,466)	(592,863)
Total contributions and transfers	<u>(8,863,708)</u>	<u>(176,881)</u>
CHANGE IN NET POSITION	<u>5,635,467</u>	<u>1,880,222</u>
TOTAL NET POSITION - BEGINNING	56,146,533	47,263,813
RESTATEMENT OF BEGINNING NET POSITION (SEE NOTE 5.E.)		
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>56,146,533</u>	<u>47,263,813</u>
TOTAL NET POSITION - ENDING	<u>\$ 61,782,000</u>	<u>\$ 49,144,035</u>

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

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

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 8,605,636	\$ 2,761,468	\$ 8,635,506	\$ 70,016,713	\$ 5,272,843
57,046	122	565,795	3,774,632	34,447
<u>8,662,682</u>	<u>2,761,590</u>	<u>9,201,301</u>	<u>73,791,345</u>	<u>5,307,290</u>
1,581,528	188,064	3,701,816	13,156,607	1,017,827
			18,430,388	
		1,436,115	1,436,115	
700,882	108,749	586,115	1,607,785	
169,852	25,025	74,180	456,610	10,575
672,456	228,379	465,425	3,261,516	310,797
594,937	74,297	617,163	2,874,637	1,473,567
741,176	91,146	946,417	1,778,739	13,130
153,365	40,401	728,459	922,225	
1,894,814	1,165,461	388,132	8,295,955	2,054,975
531,120	287,797	533,549	4,226,930	170,791
<u>7,040,130</u>	<u>2,209,319</u>	<u>9,477,371</u>	<u>56,447,507</u>	<u>5,051,662</u>
1,622,552	552,271	(276,070)	17,343,838	255,628
183,246	55,550	82,250	1,397,683	126,684
(700,729)			(1,736,771)	
(1,000)			(1,000)	
		(2,108,893)	(2,096,299)	(49,313)
1,420	210	101,714	103,344	680
		2,131	1,060,135	
<u>(517,063)</u>	<u>55,760</u>	<u>(1,922,798)</u>	<u>(1,272,908)</u>	<u>78,051</u>
1,105,489	608,031	(2,198,868)	16,070,930	333,679
586,659	1,063,366	667,119	2,762,884	
		473,250	473,250	
(774,890)	(977,969)	(2,038,835)	(13,278,023)	
<u>(188,231)</u>	<u>85,397</u>	<u>(898,466)</u>	<u>(10,041,889)</u>	
917,258	693,428	(3,097,334)	6,029,041	333,679
45,354,919	36,025,814	14,623,874		15,041,556
(526,496)	(154,311)	(395,251)		
<u>44,828,423</u>	<u>35,871,503</u>	<u>14,228,623</u>		<u>15,041,556</u>
<u>\$ 45,745,681</u>	<u>\$ 36,564,931</u>	<u>\$ 11,131,289</u>		<u>\$ 15,375,235</u>
			73,484	
			<u>\$ 6,102,525</u>	

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Electric	Water
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 43,675,102	\$ 9,592,274
Payments to suppliers	(25,824,759)	(4,336,121)
Payments to employees	(2,266,093)	(1,223,354)
Other receipts (payments)		
Net cash provided by (used in) operating activities	<u>15,584,250</u>	<u>4,032,799</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental		
Transfers from other funds		
Transfers to other funds	(8,893,466)	(592,863)
Payments received on notes	86,617	
Net cash provided by (used in) noncapital financing activities	<u>(8,806,849)</u>	<u>(592,863)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets	(2,256,943)	(3,408,891)
Proceeds from sale of assets	11,579	1,015
Principal payments - bonds and notes	(1,893,350)	(1,186,721)
Interest payments - bonds and notes	(766,990)	(319,672)
Capital grants from other governments		
Special assessment collections		
Net cash provided by (used in) capital and related financing activities	<u>(4,905,704)</u>	<u>(4,914,269)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	915,613	164,249
Purchase of investments	(3,934)	(2,890)
Proceeds from the sale of investments	2,758,363	658,280
Net cash provided by (used in) investing activities	<u>3,670,042</u>	<u>819,639</u>
Net increase (decrease) in cash and cash equivalents	5,541,739	(654,694)
Cash and cash equivalents at beginning of year	<u>9,426,343</u>	<u>2,251,548</u>
Cash and cash equivalents at end of year	<u>\$ 14,968,082</u>	<u>\$ 1,596,854</u>

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 8,544,916	\$ 2,731,677	\$ 8,548,811	\$ 73,092,780	\$ 5,127,205
(3,180,652)	(558,299)	(4,789,433)	(38,689,264)	(1,692,838)
(1,549,389)	(189,384)	(3,661,245)	(8,889,465)	(960,342)
(477,202)	(287,675)	(65,398)	(830,275)	(146,330)
3,337,673	1,696,319	32,735	24,683,776	2,327,695
1,420	210	101,714	103,344	680
(774,890)	(977,969)	473,250	473,250	
		(2,038,835)	(13,278,023)	
			86,617	
(773,470)	(977,759)	(1,463,871)	(12,614,812)	680
(24,297)	(703,277)	(586,552)	(6,979,960)	(1,369,485)
(2,075,000)			12,594	
(732,896)			(5,155,071)	
		667,119	(1,819,558)	
299,535			667,119	
(2,532,658)	(703,277)	80,567	(12,975,341)	(1,369,485)
183,246	55,550	82,250	1,400,908	126,684
			(6,824)	
183,246	55,550	82,250	3,416,643	126,684
183,246	55,550	82,250	4,810,727	126,684
214,791	70,833	(1,268,319)	3,904,350	1,085,574
6,848,432	2,685,829	3,359,579	24,571,731	4,423,315
\$ 7,063,223	\$ 2,756,662	\$ 2,091,260	\$ 28,476,081	\$ 5,508,889

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Electric	Water
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 13,671,103	\$ 1,773,982
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:		
Depreciation accruals	2,851,967	1,995,581
Depreciation expensed to vehicle expense	204,335	109,078
Miscellaneous nonoperating income (expense)	707,452	290,967
Change in assets and liabilities:		
Accounts and notes receivable	(375,320)	(83,431)
Due from other funds	(6,534)	
Due from other governments	(87,506)	
Special assessment receivable		
Inventories	(236,602)	(41,519)
Prepaid items	(87,692)	(16,550)
Deferred outflows of resources	229,727	153,152
Accounts payable	(1,061,992)	(8,254)
Accrued wages payable		
Compensated absences payable	92,000	62,000
Other post employment benefits	(63,889)	(42,593)
Net pension liability	(85,194)	(56,799)
Due to other funds	(16,410)	(20,668)
Due to other governments		
Deferred inflows of resources	(123,228)	(82,147)
Other current liabilities	(27,967)	
Net cash provided by (used in) operating activities	<u>\$ 15,584,250</u>	<u>\$ 4,032,799</u>
Noncash capital financing activities:		
Contributions of capital assets from government / customers	<u>\$ 29,758</u>	<u>\$ 415,982</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, 2019**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 1,622,552	\$ 552,271	\$ (276,070)	\$ 17,343,838	\$ 255,628
1,894,814	1,165,461	388,132	8,295,955	2,054,975
		2,131	313,413	
			1,000,550	
(72,558)	(29,088)	(148,717)	(709,114)	(151,432)
(10,156)	(703)	(152,447)	(169,840)	
(3,128)		239,360	148,726	5,794
21,994			21,994	
			(278,121)	
			(104,242)	(32,536)
51,679	7,885	127,948	570,391	54,917
(147,984)	9,698	64,679	(1,143,853)	125,617
5,397	1,130	4,997	11,524	2,745
15,538	(191)	30,552	199,899	4,038
1,090	(112)	2,990	(102,514)	(548)
(4,782)	(4,441)	(34,411)	(185,627)	(3,251)
		(119,899)	(156,977)	22,150
		(238)	(238)	
(36,783)	(5,591)	(91,505)	(339,254)	(416)
		(4,767)	(32,734)	(9,986)
<u>\$ 3,337,673</u>	<u>\$ 1,696,319</u>	<u>\$ 32,735</u>	<u>\$ 24,683,776</u>	<u>\$ 2,327,695</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 445,740</u>	<u>\$ -</u>

CITY OF MOORHEAD
Notes to the Financial Statements
December 31, 2019

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. Description of government-wide 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 primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from its *component unit* for which the City is considered financially accountable.

B. 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 comprised of an elected mayor and an eight-member council. The accompanying financial statements present the government and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

Discretely presented component unit. The Moorhead Public Housing Agency is reported as a component of the City 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, 2019. Separate audited financial statements for the year ended June 30, 2019 are available from the agency. These financial statements may be obtained by contacting the Agency at 800 2nd Avenue North, Moorhead, MN 56560.

C. Basis of presentation - government-wide financial statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. The Moorhead Public Housing Agency is shown in a separate column in the government-wide financial statements.

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.

D. Basis of presentation – fund financial statements

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

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.

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

Additionally, the City reports the following fund type:

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

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included as business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

E. Measurement focus and basis of accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The 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 collected 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 judgements, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

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. Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus and accrual basis of accounting*.

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.

F. Budgetary information

Budgetary basis of accounting

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.

G. 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 (generally based on quoted market prices). 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.

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, there is no allowance for uncollectible accounts as of December 31, 2019.

3. Inventories and prepaid items

Inventories consisting primarily of materials, chemicals, and fuel to be charged out (resold to customers and other government agencies) are stated 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. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

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.

At December 31, 2019, there was restricted cash in the amount of \$7,170,000 in the Special Assessment Debt Service Fund from bond proceeds of the General Obligation Improvement Refunding Bonds, Series 2019B which will be used to retire General Obligation Improvement Bonds, Series 2010A on February 1, 2020.

The City also has restricted cash in the amount of \$1,575,000 in the Tax Increment Debt Service Fund from the proceeds of the General Obligation Refunding Bonds, Series 2019A which will be used to retire General Obligation Refunding Bonds, Series 2009A on February 1, 2020.

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. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives.

<u>Capital asset classes</u>	<u>Lives</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 three 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. Third are the contributions related to other post-employment benefits plans. 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 financial statement 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 are deferred inflows 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 as well as activity related to other post-employment benefits plans. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

7. 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 expenses.

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.

8. Net position flow assumptions

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

9. Fund balance flow assumptions

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 City'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.

10. Fund balance policies

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the City's highest level of decision-making authority. The City Council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken (the adoption of another ordinance) to remove or revise the limitation.

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the City Manager and Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balances to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The unassigned fund balance for the General Fund includes all spendable amounts not contained in other fund balance classifications. In other governmental funds, the unassigned fund balance classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

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.

11. 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.

12. Other Postemployment Benefits

The City of Moorhead provides a single-employer defined benefit healthcare plan to retirees and their spouses. The plan offers medical insurance benefits. The total OPEB liability, deferred outflow of resources, and deferred inflows of resources related to OPEB and OPEB expense were measured actuarially in accordance with GASB Statement No. 75, based on the entry age, level percentage of pay method.

13. 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.

H. Revenues and expenditures/expenses

1. Program revenues

Amounts reported as *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 (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes and other items, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property taxes

Property taxes are submitted to the County Auditor by December 28th 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 with penalties and interest assessed on the respective property and are reflected in the financial statements as delinquent taxes receivable net of allowance for uncollectible taxes.

3. *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 accumulation 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.

4. *Proprietary funds operating and nonoperating revenues and expenses*

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.

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 a 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 \$95,369,896 difference are as follows:

Special assessments receivable	\$ 74,046,102
Property taxes	243,779
Escrowed special assessments	28,998
Notes receivable	7,691,532
Current notes receivable	(3,184)
Grants and prepayments	13,362,669
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 95,369,896</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 \$205,556,125 difference are as follows:

Bonds payable	\$184,382,587
Notes payable	145,697
Accrued interest payable	2,415,129
Compensated absences payable	2,160,408
Other post-employment benefits	1,829,751
Net pension liability	14,622,553
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 205,556,125</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, maintenance shop 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 \$5,102,177 difference are as follows:

Internal service fund net position	\$15,375,235
Net capital assets included in governmental activities	(10,561,746)
Deferred outflows included in governmental activities	(36,569)
Accrued compensated absences payable included in governmental activities	78,677
Other post-employment benefits included in governmental activities	24,718
Net pension liability included in governmental activities	299,668
Deferred inflows included in governmental activities	58,384
Internal service fund activity reflected in business-type activities	<u>(136,190)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$5,102,177</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 a 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 \$136,190 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$ 62,706
Internal receivable representing charges in excess of cost to business-type activities - current year	<u>73,484</u>
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$136,190</u>

NOTE 3: - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

The Library Fund had expenditures in excess of budget of \$3,915 at December 31, 2019. There was excess revenue to offset some of these costs (not budgeted). The remainder will be addressed through additional fees and levies.

B. Deficit fund equity

The Permanent Improvement Fund has a deficit fund balance of \$4,683,042 at December 31, 2019 which will be recovered by a combination of Municipal State Aid funds and FEMA reimbursements.

The Community Development Special Revenue Fund has a deficit fund balance of \$21,994 at December 31, 2019 which will be recovered by future grant proceeds.

The Maintenance Shop Internal Service Fund has a deficit fund balance of \$326,001 at December 31, 2019 which will be recovered by future charges to departments using the shop’s services.

NOTE 4: - DETAILED NOTES ON ALL ACTIVITIES AND FUNDS

A. Cash deposits with financial institutions

In accordance with Minnesota Statutes, the City maintains deposits at those financial institutions authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota Statute requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated “A” or better, revenue obligations rated “AA” or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral.

Custodial credit risk. Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. The City requires collateral for deposits over Federal Deposit Insurance Company (FDIC) insurance amounts. At year-end, the carrying amount and bank amount of the City's deposits, including Moorhead Public Service was \$759,561 and \$756,332, respectively. At December 31, 2019, the City's bank balance was fully insured or collateralized.

B. Investments

Minnesota Statutes 118A.04 and 118A.05 generally authorize the types of investments available to the City as; securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota statute 118A.04 subd. 6; mutual funds through share of registered investment companies provided the mutual fund receives certain ratings depending on its investments; general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service; bankers' acceptances of United States banks, commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

The City is invested in Minnesota Municipal Money Market Fund (4M Fund). The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC). The City's investment in the 4M Fund is measured at the net asset value per share provided by the pool, which is based on amortized cost method that approximates fair value. At December 31, 2019, the City had an investment in the 4M Fund in the amount of \$572,719.

Custodial credit risk. The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2019, none of the City's investments were subject to custodial credit risk.

Concentration of credit risk. The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy limits the amount invested in a single security type to no more than 50% of the City's investment portfolio, and no more than 5% in the securities of a single issuer. The City has no investments with a single issuer that comprise greater than 5% of investments.

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.

State law limits investments as discussed above. The City has no investment policy that would further limit its investment choices.

At December 31, 2019, the City had the following investments:

<u>Investments Measured at Fair Value</u>	Fair Value
Federal Farm Credit Bank	\$ 8,242,081
Negotiable Certificates of Deposit	8,545,426
Federal Home Loan Bank	10,360,443
Federal Home Loan Mortgage Corporation	6,835,003
Federal National Mortgage Association	4,877,557
Government National Mortgage Association	5,179
Municipal Bonds	4,939,575
Total Investments Measured at Fair Value	<u>\$ 43,805,264</u>
<u>Investments Measured at Amortized Cost</u>	Amortized Cost
Money Markets	\$ 84,050,878
Minnesota Municipal Money Market (4M Fund)	572,719
Total Investments Measured at Amortized Cost	<u>\$ 84,623,597</u>
Total Investments	128,428,861

Credit risk. Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by an nationally recognized statistical rating organization. It is the City's policy to invest only in securities that meet the ratings requirements set by state statute.

Investment Type	Total	Maturity Duration in Years				Rating
		Less Than 1	1 to 5	6 to 10	More Than 10	
Negotiable Certificates of Deposit	\$ 8,545,426	\$ 735,065	\$ 7,810,361	\$ -	\$ -	Not Rated
Federal Farm Credit Bank	8,242,081	2,256,526	5,711,719	273,836	-	AA
Federal Home Loan Bank	10,360,443	-	10,360,443	-	-	AA
Federal Home Loan Mortgage Corporation	6,835,003	1,369,718	5,465,285	-	-	AA
Federal National Mortgage Association	4,877,557	3,124,405	1,753,152	-	-	AA
Government National Mortgage Association	5,179	-	5,179	-	-	AA
Municipal Bonds	4,939,575	1,656,884	3,282,691	-	-	See Below
Money Markets	84,050,878	84,050,878	-	-	-	Not Rated
Minnesota Municipal Money Market (4M Fund)	572,719	572,719	-	-	-	Not Rated
	<u>\$ 128,428,861</u>	<u>\$ 93,766,195</u>	<u>\$ 34,388,830</u>	<u>\$ 273,836</u>	<u>\$ -</u>	

The following table summarizes the ratings for the City's municipal bond investments as rated by Moody's as of December 31, 2019.

Credit Rating	Fair Value
AAA	\$ 607,691
AA	4,331,884
	<u>\$ 4,939,575</u>

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

The City has the following investments valued at recurring fair value measurements at December 31, 2019:

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 8,545,426	\$ -	\$ 8,545,426
Federal Farm Credit Bank	-	8,242,081	-	8,242,081
Federal Home Loan Bank	-	10,360,443	-	10,360,443
Federal Home Loan Mortgage Corporation	-	6,835,003	-	6,835,003
Federal National Mortgage Association	-	4,877,557	-	4,877,557
Government National Mortgage Association	-	5,179	-	5,179
Municipal Bonds	-	4,939,575	-	4,939,575
	<u>\$ -</u>	<u>\$ 43,805,264</u>	<u>\$ -</u>	<u>43,805,264</u>
Investments Measured at Amortized Cost				84,623,597
				<u>\$ 128,428,861</u>

The City's total deposits and investments are presented in the financial statements as follows:

Financial Statement Presentation:

Cash and Investments - Statement of Net Position	\$ 96,085,280
Restricted Cash and Investments - Statement of Net Position	33,103,142
	<u>\$ 129,188,422</u>

C. Receivables

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the General Fund, Special Assessment Debt Service, Special Assessment Capital Projects, Permanent Improvement, and the nonmajor governmental funds in the aggregate:

Receivables	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Accounts	\$ 225,189	\$ 55	\$ 1,145	\$ 18	\$ 18,979	\$ 245,386
Notes	12,500	2,912,476		65,103	4,701,453	7,691,532
Property taxes	86,505	85,890			71,384	243,779
Special Assessments		72,543,125	1,276,353	226,624		74,046,102
Due from other Governmental units	240,791	218,660	1,703,436	15,697,017	286,458	18,146,362
Total Receivables	\$ 564,985	\$ 75,760,206	\$ 2,980,934	\$ 15,988,762	\$ 5,078,274	\$ 100,373,161

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 67,821,315	\$ 4,213,726	\$	\$ 72,035,041
Construction in progress	64,913,536	41,928,643	(8,853,475)	97,988,704
Total capital assets, not being depreciated	132,734,851	46,142,369	(8,853,475)	170,023,745
Capital assets, being depreciated:				
Buildings	27,173,733	871,245		28,044,978
Improvements other than buildings	29,576,552	101,717		29,678,269
Machinery and equipment	40,259,222	1,926,383	(479,332)	41,706,273
Infrastructure	266,482,848	6,432,528		272,915,376
Total capital assets being depreciated	363,492,355	9,331,873	(479,332)	372,344,896
Less accumulated depreciation for:				
Buildings	(14,725,152)	(739,387)		(15,464,539)
Improvements other than buildings	(14,345,580)	(892,484)		(15,238,064)
Machinery and equipment	(23,832,417)	(2,790,892)	(430,019)	(26,193,290)
Infrastructure	(77,910,192)	(5,929,593)		(83,839,785)
Total accumulated depreciation	(130,813,341)	(10,352,356)	(430,019)	(140,735,678)
Total capital assets, being depreciated, net	232,679,014	(1,020,483)	(49,313)	231,609,218
Governmental activities capital assets, net	\$ 365,413,865	\$ 45,121,886	\$ (8,902,788)	\$ 401,632,963

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,679,465	\$	\$	\$ 9,679,465
Construction in progress	2,541,762	7,531,387	(6,586,364)	3,486,785
Total capital assets, not being depreciated	<u>12,221,227</u>	<u>7,531,387</u>	<u>(6,586,364)</u>	<u>13,166,250</u>
Capital assets, being depreciated:				
Intangible plant	1,288,813			1,288,813
Buildings	203,603,285	5,179,121	(10,104,218)	198,678,188
Improvements other than buildings	51,807,573	1,103,163		52,910,736
Machinery and equipment	21,189,353	481,817	(117,429)	21,553,741
Infrastructure	78,150,862	1,497,360		79,648,222
Total capital assets being depreciated	<u>356,039,886</u>	<u>8,261,461</u>	<u>(10,221,647)</u>	<u>354,079,700</u>
Less accumulated depreciation for:				
Intangible plant	(409,120)	(103,344)		(512,464)
Buildings	(90,685,536)	(4,781,318)	8,023,541	(87,443,313)
Improvements other than buildings	(17,949,377)	(1,212,636)		(19,162,013)
Machinery and equipment	(15,280,777)	(821,637)	79,938	(16,022,476)
Infrastructure	(26,190,462)	(1,690,431)		(27,880,893)
Total accumulated depreciation	<u>(150,515,272)</u>	<u>(8,609,366)</u>	<u>8,103,479</u>	<u>(151,021,159)</u>
Total capital assets, being depreciated, net	<u>205,524,614</u>	<u>(347,905)</u>	<u>(2,118,168)</u>	<u>203,058,541</u>
Business-type activities capital assets, net	<u>\$ 217,745,841</u>	<u>\$ 7,183,482</u>	<u>\$ (8,704,532)</u>	<u>\$ 216,224,791</u>

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

Governmental activities:

General Government	\$ 96,830
Public Safety	153,147
Highways & Streets, including depreciatin of general infrastructure assets	6,030,939
Parks & Recreation	1,250,895
Community Development	1,238
Library	11,631
Economic Development	226,788
Mass Transit	525,913
Subtotal	<u>8,297,381</u>
Internal Service	2,054,975
Total depreciation expense - governmental activities	<u>\$ 10,352,356</u>

Business-type activities:

Electric	\$ 3,056,301
Water	2,104,658
Wastewater	1,894,814
Storm Water	1,165,461
Sanitation	31,756
Golf Course	90,730
Forestry	803
Airport	264,843
Total depreciation expense - business-type activities	<u>8,609,366</u>

Depreciation and amortization per Statement of Revenues

Expenses and Changes in Fund Net Position	<u>8,295,955</u>
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Difference from Statement of Revenues, Expenses and

Changes in Fund Net Position	<u>\$ 313,411</u>
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Depreciation expense reflected in the statement of revenues, expenses and changes in net position is \$8,295,955. There is \$313,411 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.

E. Deferred outflows / Deferred inflows of resources

As noted in Note 1.G.6 above, the City has reported outflows and deferred inflows of resources at December 31, 2019.

Deferred outflows of resources arise only under the full accrual basis of accounting and consist of pension plan and OPEB plan contributions, differences between expected and actual economic experience, changes in assumptions, differences between projected and actual investment earnings, and changes in proportions. Deferred outflows for pension and OPEB plans are \$9,779,491 and \$147,162 respectively. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of various general obligation improvement bonds totaling \$1,442,403. This 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 economic experience, changes in assumptions, projected and actual investment earnings and changes in proportions. Deferred inflows for pension and OPEB plans are \$13,921,712 and \$143,491 respectively.

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, 2019.

F. Pension obligations – Employee retirement system pension plans - Statewide

	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Prepayments	\$ 13,142	\$	\$	\$	\$	\$ 13,142
Letter of credit	28,998					28,998
Equipment loan	12,500					12,500
Property taxes	86,505	85,890			71,384	243,779
Special assessments		72,543,124	1,276,353	226,624		74,046,101
MPS note		206,840				206,840
County road turnback		411,461				411,461
State Aid Construction				13,161,635		13,161,635
MYHA note		2,290,992			203,127	2,494,119
Development loan				65,103		65,103
Security deposit					74,115	74,115
Registration fees					850	850
Transit grant proceeds					187,042	187,042
CDBG rehabilitation loans					4,274,211	4,274,211
First and new program					150,000	150,000
	<u>\$ 141,145</u>	<u>\$ 75,538,307</u>	<u>\$ 1,276,353</u>	<u>\$ 13,453,362</u>	<u>\$ 4,960,729</u>	<u>\$ 95,369,896</u>

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 Plan

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

2. Public Employees Police and Fire Plan

The Police and Fire Plan, 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 Police and Fire Plan also covers police officers and firefighters belonging to a local relief associations 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. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

1. General Employees Plan Benefits

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

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

2. Police and Fire Plan Benefits

Benefits for Police and Fire Plan members first hired after June 30, 2010, but before July 1, 2014, vest on a prorated basis from 50 percent after five years up to 100 percent after ten years of credited service. Benefits for Police and Fire Plan members first hired after June 30, 2014, vest on a prorated basis from 50 percent after 10 years of service up to 100 percent after twenty years of credited service. The annuity accrual rate is 3 percent of average salary for each year of service. A full, unreduced pension is earned when members are age 55 and vested, or for members who were first hired prior to July 1, 1989, when age plus years of service equal at least 90.

Annuities, disability benefits, and survivor benefits are increased effective every January 1. Beginning January 1, 2019, the postretirement increase will be fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of the June 30 before the effective date of the increase will receive a reduced prorated increase.

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. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2019 and the City of Moorhead was required to contribute 7.50 percent for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2019

were \$868,105. Contributions made by Moorhead Public Service to the General Employees Fund for the year ended December 31, 2019 were \$376,011. The City's and Moorhead Public Service's contributions were equal to the required contributions as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire member's contribution rates increased from 10.8 percent of pay to 11.3 percent and employer rates increased from 16.2 percent to 16.95 percent on January 1, 2019. The City's contributions to the Police and Fire Fund for the year ended December 31, 2019 were \$1,303,542. The City's contributions were equal to the required contributions as set by state statute.

d. Pension Costs

1. General Employees Fund Pension Costs

City:

At December 31, 2019, the City reported a liability of \$8,635,948 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$268,488. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for the employer payroll paid dates from July 1, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the City's proportion share was .1562 percent which was an increase of .0041 percent from its proportionate share measured as of June 30, 2018.

City of Moorhead's proportionate share of the net pension liability	\$	8,635,948
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead		268,488
Total	\$	8,904,436

For the year ended December 31, 2019, the City recognized pension expense of \$1,276,624 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$20,107 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, the City reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 239,334	\$ -
Changes in actuarial assumptions	\$ -	\$ 678,791
Net collective difference between projected and actual investment earnings	\$ -	\$ 875,355
Changes in proportion	\$ 345,311	\$ 106,267
Contributions paid to PERA subsequent to the measurement date	\$ 433,444	\$ -
Total	\$ 1,018,089	\$ 1,660,413

The \$433,444 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, 2020. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2020	\$ (296,090)
2021	\$ (684,493)
2022	\$ (109,102)
2023	\$ 13,917

Public Service Utility:

At December 31, 2019, MPS reported a liability of \$3,914,373 for its proportionate share of the GERF's net pension liability. MPS' net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with MPS totaled \$121,661. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, MPS' proportion share was 0.0708% which was a decrease of 0.0004% from its proportion measured as of June 30, 2018.

MPS' proportionate share of the net pension liability	\$ 3,914,373
State of Minnesota's proportionate share of the net pension liability Associated with MPS	121,661
Total	\$ 4,036,034

For the year ended December 31, 2018, the MPS recognized pension expense of \$340,242 for its proportionate share of the GERF's pension expense. In addition, MPS recognized an additional \$9,111 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2019, 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	\$ 108,989	\$ -
Changes in actuarial assumptions	\$ -	\$ 309,690
Difference between projected and actual investment earnings	\$ -	\$ 402,537
Changes in proportion	\$ 18,269	\$ 26,220
Contributions paid to PERA subsequent to the measurement date	\$ 206,065	\$ -
Total	\$ 333,323	\$ 738,447

The \$206,065 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, 2020. 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
2020	\$ (205,089)
2021	\$ (328,034)
2022	\$ (84,374)
2023	\$ 6,308

2. Police and Fire Fund Pension Costs

At December 31, 2019, the City reported a liability of \$7,689,613 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019 the City's proportionate share was .7223% which was an increase of .0475% from its proportionate share measured as of June 30, 2018. The City also recognized \$97,510 for the year ended December 31, 2019, as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund. Legislation passed in 2013 required the State of Minnesota to begin contributing \$9 million to the Police and Fire Fund each year until the plan is 90 percent funded or until the State Patrol

Plan (administered by the Minnesota State Retirement System) is 90 percent funded whichever occurs later. In addition, the state will pay \$4.5 million on October 1, 2018 and October 1, 2019 in direct state aid. Thereafter, by October 1 of each year, the state will pay \$9 million until full funding is reached or July 1, 2048, whichever is earlier.

For the year ended December 31, 2019, the City recognized pension expense of \$1,349,401 for its proportionate share of the Police and Fire Plan's pension expense.

At December 31, 2019, the City reported its proportionate share of the Police and Fire Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 326,493	\$ 1,170,441
Changes in actuarial assumptions	\$ 6,381,159	\$ 8,633,075
Net collective difference between projected and actual investment earnings	\$ -	\$ 1,601,565
Changes in proportion	\$ 1,059,185	\$ 117,770
Contributions paid to PERA subsequent to the measurement date	\$ 661,240	\$ -
Total	\$ 8,428,077	\$ 11,522,851

The \$661,240 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, 2020. 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
2020	\$ (259,980)
2021	\$ (885,255)
2022	\$ (2,841,399)
2023	\$ 102,756
2024	\$ 127,864

The total pension expense for all plans recognized by the City for the year ended December 31, 2019, was \$2,995,485.

e. Actuarial Assumptions

The total pension liability in the June 30, 2019, actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50 percent per year
Active Member Payroll Growth	3.25 percent per year
Investment Rate of Return	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants for all plans were based on RP 2014 tables for all males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be: 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The most recent four-year experience study for Police and Fire Plan was completed in 2016.

The following changes in actuarial assumptions occurred in 2019:

General Employees Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.5%	5.10%
Private Markets	25.0%	5.90%
Fixed Income	20.0%	.75%
International Equity	17.5%	5.90%
Cash Equivalents	2.0%	0.00%
Total	100.0%	

f. Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota statutes. Based on these assumptions, the fiduciary net positions of the General Employees Fund and Police and Fire Fund were projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

g. Pension Liability Sensitivity

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 (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the General Employees Fund net pension liability:	\$14,197,034	\$8,635,948	\$4,044,166
	1% Decrease in Discount Rate (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
City's proportionate share of the Police and Fire Fund net pension liability:	\$16,808,065	\$7,689,613	\$149

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 (6.5%)	Discount Rate (7.5%)	1% Increase in Discount Rate (8.5%)
MPS' proportionate share of the General Employees Fund net pension liability:	\$6,435,019	\$3,914,373	\$1,833,079

h. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plan

Seven council members of the City of Moorhead are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan 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.

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. 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 (0.25 percent) of the assets in each member's account annually.

Total contributions made by the City of Moorhead during fiscal year 2019 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>	
\$4,037	\$4,037	5.0%	5.0%	5.0%

G. Other postemployment benefit (OPEB) obligations

City:

1. Plan Description

The plan is a single employer defined benefit healthcare plan administered by the City. All employees are allowed upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, to participate in the City's health insurance plan after retirement. The plan covers active and retired employees. Benefit provisions are established through negotiations between the City and the unions representing employees and are renegotiated at the end of each contract period. No plan assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The retiree health plan does not issue a publicly available financial report.

2. Benefits Provided

The City allows access to the contract groups other post-retirement benefits of the blended medical premiums of \$855 for single and \$1,631 for family coverage. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life benefits.

3. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$104,241. Total OPEB liability will be paid by the general fund and enterprise funds.

4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	14
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>252</u>
	<u>266</u>

5. Total OPEB Liability

The City's total OPEB liability of \$2,077,138 was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date.

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	3.00 percent
Discount Rate	3.80 percent
Healthcare Cost Trend Rates	6.25 percent as of January 1, 2019 grading to 5.00 percent over 5 years
Retiree Plan Participation	Future Retirees Electing Coverage: Pre-65 subsidy available: NA Pre-65 subsidy not available: 45 percent
Percent of Married Retirees Electing Spouse Coverage	Percent of Future Retirees Electing Pre-65 Spouse Coverage: Spouse subsidy available: NA Spouse subsidy not available: 25 percent

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

Mortality rates were based on the RP-2014 White Collar Mortality Tables (de-trended to 2006) and then projected beyond the valuation date using scale MP-2017 (Blue Collar Tables for Police and Fire Personnel).

The actuarial assumptions used in the January 1, 2018, valuation were based on the results of an actuarial experience study as of January 1, 2018.

7. Changes in the Total OPEB Liability

Balance at January 1, 2018	\$ 2,054,167
Changes from the prior year:	
Service cost	124,534
Interest cost	70,273
Assumption changes	(72,584)
Benefit payments	<u>(99,252)</u>
Total Changes	<u>22,971</u>
Balance at January 1, 2019	<u>\$ 2,077,138</u>

8. Sensitivity to the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower and 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	2.80%	3.80 %	4.80%
Total OPEB Liability	\$2,249,893	\$2,077,138	\$1,917,778

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower and 1 percentage point higher than the current healthcare trend rate:

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total OPEB Liability	\$1,842,989	\$2,077,138	\$2,355,631
Medical Trent Rate	5.25% decreasing to 4.00% over 5 years	6.25% decreasing to 5.00% over 5 years	7.25% decreasing to 6.00% over 5 years

9. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2019, the City recognized OPEB expense of \$186,742. At December 31, 2019, the City reported \$104,241 in deferred outflows of resources related to OPEB and \$64,519 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ -
Assumption Changes	\$ -	\$ 64,519
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 104,241	\$ -
Total	\$ 104,241	\$ 64,519

City contributions subsequent to the measurement date of \$104,241 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2020	\$ (8,065)
2021	\$ (8,065)
2022	\$ (8,065)
2023	\$ (8,065)
2024	\$ (8,065)
Thereafter	\$ (24,194)

Public Service Utility - Electric and Water

1. Plan Description

The plan is a single employer defined benefit healthcare plan administered by Moorhead Public Service. All employees are allowed to, upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, participate in Moorhead Public Service's health insurance plan after retirement. The plan covers active and retired employees who have reached age 55 with at least 5 years of service. Benefit provisions are established through negotiations between Moorhead Public Service and the unions representing employees and are renegotiated at the end of each contract period. No plan assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. A separately issued report is not available.

2. Benefits Provided

Moorhead Public Service allows access to the contract groups other post-retirement benefits of the blended medical premiums of \$712 for single and \$1,409 for family coverage. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life benefits.

3. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by Moorhead Public Service. Moorhead Public Service's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$42,921. Total OPEB liability will be paid by the general fund.

4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2018, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	3
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>58</u>
	<u>61</u>

5. Total OPEB Liability

Moorhead Public Service's total OPEB liability of \$365,322 was measured as of January 1, 2019 and was determined by an actuarial valuation as of January 1, 2019.

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	3.00 percent
Discount Rate	3.80 percent
Healthcare Cost Trend Rates	6.50 percent decreasing to 5.00 percent over 6 years
Retiree Plan Participation	Future Retirees Electing Coverage: Pre-65 subsidy available: NA Pre-65 subsidy not available: 40 percent
Percent of Married Retirees Electing Spouse Coverage	Percent of Future Retirees Electing Pre-65 Spouse Coverage: Spouse subsidy available: NA Spouse subsidy not available: 25 percent

Since the plan is not funded (has no assets), the discount rate was developed by estimating the long term investment yield on the employer funds that will be used to pay benefits as they come due.

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale as developed and recommended by the Society of Actuaries.

The actuarial assumptions used in the January 1, 2019, valuation were based on the results of an actuarial experience study as of January 1, 2019.

7. Changes in the Total OPEB Liability

Balance at January 1, 2018	\$ 471,804
Changes from the prior year:	
Service cost	27,943
Interest cost	15,515
Assumption Changes	(6,128)
Differences between Expected and Actual Experience	(84,126)
Benefit payments	<u>(59,686)</u>
Total Changes	<u>(106,482)</u>
Balance at January 1, 2019	<u>\$ 365,322</u>

8. Sensitivity to the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of Moorhead Public Service, as well as what Moorhead Public Service's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower and 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	2.80%	3.80 %	4.80%
Total OPEB Liability	\$391,543	\$365,322	\$340,957

The following presents the total OPEB liability of Moorhead Public Service, as well as what Moorhead Public Service's total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower and 1 percentage point higher than the current healthcare trend rate:

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total OPEB Liability	\$329,387	\$365,322	\$408,696
Medical Trend Rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years

9. OPEB Expense and Deferred Outflows and Inflows of Resources Related to OPEB

For the year ended December 31, 2019, Moorhead Public Service recognized OPEB expense of \$32,176. At December 31, 2019, Moorhead Public Service had \$42,921 in deferred outflows of resources related to OPEB and \$78,972 in deferred inflows or resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 73,610
Assumption Changes	\$ -	\$ 5,362
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 42,921	\$ -
Total	\$ 42,921	\$ 78,972

Moorhead Public Service contributions subsequent to the measurement date of \$42,921 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2020	\$ (11,282)
2021	\$ (11,282)
2022	\$ (11,282)
2023	\$ (11,282)
2024	\$ (11,282)
Thereafter	\$ (22,562)

The total OPEB expense for all plans recognized by the City for the year ended December 31, 2019, was \$218,918.

H. Construction and other significant 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 with two one-year options exercised for the period January 1, 2015 through December 31, 2020, with First Transit Inc. to provide bus services and driver management. The annual costs for First Transit during 2019 were \$1,227,942. 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 has active construction projects as of December 31, 2019, which includes street and utility construction and reconstruction. At year-end the City's remaining commitments with contractors is approximately \$20,386,088.

I. 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 Berkley 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.

J. Long-term liabilities

General obligation notes

General obligation notes payable at December 31, 2019 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.

Business-type activities: Watermain loan issued January 1, 2011 in the amount of \$455,413 at 3.0% interest maturing on January 1, 2026.

Bonds

The City issues G.O. bonds to provide for financing construction, tax increment projects and to refinance (refund) previous bond issues. Debt service is covered respectively by tax increments, revenue generated from projects and special assessments against benefited properties with any shortfalls being paid from general taxes. G.O. bonds are direct obligations and pledge the full faith and credit of the City.

Bonds payable at December 31, 2019 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2019
<u>Governmental Activities</u>					
G.O. Special Assessment					
2008 Refunding Series A	2/15/2008	2/1/2021	3.00 - 4.00	\$ 1,340,000	\$ 100,000
2009 Refunding Series C	11/15/2009	2/1/2022	2.00 - 4.00	1,590,000	345,000
2010 Series A	9/9/2010	2/1/1932	1.25 - 5.50	12,135,000	7,775,000
2010 Refunding Series D	9/22/2010	2/1/2023	2.00 - 3.00	2,030,000	620,000
2011 Series A	9/1/2011	2/1/1933	2.00 - 3.625	4,855,000	3,210,000
2011 Refunding Series B	9/1/2011	2/1/2024	.50 - 2.90	900,000	330,000
2011 Series C	12/28/2011	2/1/1933	.65 - 3.60	4,200,000	3,085,000
2012 Series A	5/15/2012	2/1/1933	3.00 - 3.375	16,955,000	12,495,000
2012 Refunding Series C	5/15/2012	2/1/1933	3.00 - 3.375	10,430,000	8,510,000
2012 Refunding Series D	5/15/2012	2/1/2027	3.00 - 4.00	8,815,000	5,705,000
2012 Series F	9/1/2012	2/1/1939	3.00 - 3.50	10,320,000	8,375,000
2013 Series A	10/23/2013	2/1/1935	.80 - 4.30	2,165,000	1,720,000
2014 Refunding Series B	7/24/2014	2/1/1934	2.25 - 5.00	19,440,000	17,290,000
2014 Series C	12/29/2014	2/1/1936	2.00 - 4.00	6,170,000	5,285,000
2014 Refunding Series D	12/29/2014	2/1/2025	3.00 - 4.00	7,660,000	5,355,000
2014 Refunding Series E	12/29/2014	2/1/2027	3.00 - 4.00	9,785,000	6,980,000
2015 Series A	9/24/2015	2/1/1942	3.00 - 4.00	12,270,000	11,400,000
2016 Series B	11/10/2016	2/1/1942	2.00 - 5.00	20,920,000	19,595,000
2016 Refunding Series C	11/10/2016	2/1/1933	3.00 - 5.00	11,135,000	9,345,000
2017 Series A	12/14/2017	2/1/1943	2.00 - 3.25	10,905,000	10,680,000
2017 Refunding Series B	12/14/2017	2/1/2029	2.50 - 5.00	5,000,000	4,610,000
2018 Series A	11/20/2018	2/1/2044	4.00 - 5.00	11,690,000	11,690,000
2018 Refunding Series B	11/20/2018	2/1/2031	5.00	4,870,000	4,870,000
2019 Series A	12/30/2019	2/1/2046	2.00 - 5.00	6,815,000	6,815,000
2019 Refunding Series B	12/30/2019	2/1/2032	2.00 - 4.00	6,070,000	6,070,000
				<u>208,465,000</u>	<u>172,255,000</u>
G.O Tax Increment					
2009 Regency/Holiday Mall Refunding Series A	11/15/2009	2/1/2028	2.00-4.50	2,910,000	1,745,000
2010 Regency/Holiday Mall Refunding Series B	9/9/2010	2/1/2028	2.00-3.70	1,390,000	890,000
2019 Regency/Holiday Mall Refunding Series A	12/30/2019	2/1/2028	2.00-4.00	1,550,000	1,550,000
				<u>5,850,000</u>	<u>4,185,000</u>
Total Governmental Activities				<u>\$ 214,315,000</u>	<u>\$ 176,440,000</u>

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2019
Business-Type Activities					
G.O Revenue Bonds					
G.O. Sewer Revenue Note of 2002	5/6/2002	8/20/2022	3.13	\$ 3,389,288	\$ 660,000
G.O. Sewer Revenue Note of 2004	6/21/2004	8/20/2023	1.98	6,598,073	1,617,099
G.O. Sewer Revenue Note of 2007	6/29/2007	8/20/2026	1.99	12,407,226	5,477,000
2012 G.O. Wastewater Refunding, Series B	5/15/2012	11/1/2029	3.00 – 3.125	10,790,000	8,060,000
2007 Electric MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,405,150	1,692,000
2007 Water MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,838,850	1,908,000
G.O. Water Revenue Note of 2014	8/26/2014	8/20/1934	1.02	12,736,089	9,655,000
G.O. Water Revenue Note of 2016	3/14/2016	8/20/1935	1.00	2,471,358	2,028,000
				55,636,034	31,097,099
Revenue Bonds					
2009 Electric Utility Refunding Series A	5/15/2009	11/1/2024	3.00-4.75	\$ 1,470,000	\$ 600,000
2010 Electric Utility Revenue Series C	10/26/2010	11/1/2025	2.00-4.875	8,633,900	5,920,100
2010 Water Utility Revenue Series C	10/26/2010	11/1/2025	2.00-4.875	1,706,100	1,169,900
2012 Electric Utility Revenue & Refunding Series E	9/1/2012	11/1/2027	2.00 – 3.00	6,240,000	2,680,000
2014 G.O. Wastewater Revenue Bonds, Series A	7/24/2014	11/1/1934	4.00 – 5.00	7,200,000	6,725,000
2016 Electric Utility Revenue Series A	8/25/2016	11/1/1936	2.00 – 4.00	11,330,000	10,083,700
2016 Water Utility Revenue Series A	8/25/2016	11/1/1936	2.00 – 4.00	1,400,000	1,246,300
				37,980,000	28,425,000
Total Business-Type Activities				\$ 93,616,034	\$ 59,522,099

In November 2018, the City issued \$4,870,000 G.O. Improvement Refunding Bonds, Series 2018B for the current refunding of \$1,715,000 of the G.O. Improvement Bonds, Series 2009A and for the current refunding of \$3,795,000 of the G.O. Flood Mitigation Bonds, Series 2009B. The net proceeds and the City's cash contribution of \$100,000 were deposited in the City's bank account and were used to retire the debt on its call date of February 1, 2019. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$527,069. The net present value cash flow savings from the transaction was \$452,627.

In December 2019, the City issued \$6,070,000 G.O. Improvement Refunding Bonds, Series 2019B for the current refunding of \$7,170,000 of the G.O. Improvement Bonds, Series 2010A. The net proceeds and the City's cash contribution of \$1,000,000 were deposited in the City's bank account and will be used to retire the debt on its call date of February 1, 2020. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$712,614. The net present value cash flow savings from the transaction was \$516,889.

In December 2019, the City issued \$1,550,000 G.O. Tax Increment Refunding Bonds, Series 2019A for the current refunding of \$1,575,000 of the G.O. Tax Increment Refunding Bonds, Series 2009A. The net proceeds were deposited in the City's bank account and will be used to retire the debt on its call date of February 1, 2020. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$124,369. The net present value cash flow savings from the transaction was \$116,187.

Conduit Debt

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, 2019, there were 11 Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$99,573,994.

Changes in long-term liabilities

Special assessment bonds and general obligation bonds together comprise the governmental activity bonds payable. General Obligation includes tax increment bonds. The compensated absences liability and other post-employment benefits 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. The liability for pension-related debt and OPEB has typically been fully liquidated by the general fund for governmental activities.

Type of Bonds	Balance at January 1, 2019	Additions	Reductions	Balance at December 31, 2019	Due Within One Year
Governmental Activities:					
Bonds Payable					
G.O. Special Assessment	\$ 175,045,000	\$ 12,885,000	\$ 15,675,000	\$ 172,255,000	\$ 17,595,000
G.O. Tax Increment	2,870,000	1,550,000	235,000	4,185,000	1,830,000
Premiums	7,907,250	631,564	596,227	7,942,587	633,409
Total Bonds Payable	185,822,250	15,066,564	16,506,227	184,382,587	20,058,409
Note From Direct Borrowing					
Park Land Acquisition	236,968	-	91,271	145,697	95,920
Compensated Absences	2,110,526	1,327,025	1,277,143	2,160,408	1,307,328
Other Post-Employment Benefits	1,810,748	19,003	-	1,829,751	-
Governmental Activity Long-Term Liabilities	\$ 189,980,492	\$ 16,412,592	\$ 17,874,641	\$ 188,518,443	\$ 21,461,657
Business-Type Activities:					
Bonds Payable					
Electric Utility	\$ 22,840,150	\$ -	\$ 1,864,350	\$ 20,975,800	\$ 6,974,350
Water Utility	4,749,850	-	425,650	4,324,200	1,440,650
Wastewater	15,545,000	-	760,000	14,785,000	800,000
Discount	(73,630)	-	(6,695)	(66,935)	-
Premiums	769,144	-	64,603	704,541	22,984
Total Bonds Payable	43,830,514	-	3,107,908	40,722,606	9,237,984
Notes From Direct Borrowing					
Public Facilities Authority	21,482,099	-	2,045,000	19,437,099	2,059,000
Watermain Loan	237,861	-	31,021	206,840	31,959
Compensated Absences	1,245,667	499,475	299,576	1,445,566	1,269,318
Other Post-Employment Benefits	715,223	-	102,514	612,709	-
Business-Type Activity Long-Term Liabilities	\$ 67,511,364	\$ 499,475	\$ 5,586,019	\$ 62,424,820	\$ 12,598,261

The annual requirement to amortize notes from direct borrowing outstanding as of December 31, 2019, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2020	\$ 95,920	\$ 6,137	2020	\$ 2,090,959	\$ 205,562
2021	49,777	1,252	2021	2,130,925	182,759
2022	-	-	2022	2,168,920	159,498
2023	-	-	2023	1,967,044	135,798
2024	-	-	2024	1,580,001	115,377
2025	-	-	2025-2029	5,526,090	355,908
	\$ 145,697	\$ 7,389	2030-2034	4,045,000	130,922
			2035-2039	135,000	1,350
				\$ 19,643,939	\$ 1,287,174

The requirement to amortize all bonded debt outstanding as of December 31, 2019, follows:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2020	\$ 19,425,000	\$ 5,676,442	\$ 9,215,000	\$ 1,532,609	35,849,051
2021	11,175,000	5,226,729	2,275,000	1,121,861	19,798,590
2022	11,505,000	4,782,672	2,355,000	1,017,571	19,660,243
2023	11,530,000	4,340,741	2,640,000	910,021	19,420,762
2024	11,840,000	3,931,380	2,725,000	796,784	19,293,164
2025-2029	51,095,000	13,998,935	11,860,000	2,483,256	79,437,191
2030-2034	35,455,000	6,828,053	7,405,000	964,513	50,652,566
2035-2039	14,980,000	2,731,588	1,610,000	66,688	19,388,276
2040-2044	8,990,000	660,741	-	-	9,650,741
2045-2046	445,000	11,747	-	-	456,747
Total	\$ 176,440,000	\$ 48,189,028	\$ 40,085,000	\$ 8,893,303	\$ 273,607,331

K. Fund balance

Fund Balances:	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total
	Nonspendable:					
Notes Receivable	\$ 12,500	\$ -	\$ -	\$ -	\$ -	\$ 12,500
Advances	3,525,412	-	-	-	-	3,525,412
Prepaid items	6,395	-	-	-	-	6,395
Total Nonspendable	<u>3,544,307</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,544,307</u>
Restricted for:						
Culture and Recreation	-	-	-	-	1,382,619	1,382,619
Library	-	-	-	-	337,745	337,745
Transit	-	-	-	-	1,989,511	1,989,511
Economic Development Contributions	-	-	-	-	2,708,981	2,708,981
Capital Projects	-	-	1,500,621	-	75,583	1,500,621
Debt Service	-	48,600,713	-	-	331,196	48,931,909
Other Purposes	854,039	-	-	-	-	854,039
Total Restricted	<u>854,039</u>	<u>48,600,713</u>	<u>1,500,621</u>	<u>-</u>	<u>6,825,635</u>	<u>57,781,008</u>
Committed to:						
Rental Registration	-	-	-	-	137,173	137,173
Tax Increment Financing	-	-	-	-	91,044	91,044
Capital Projects	-	-	-	-	2,794,231	2,794,231
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,022,448</u>	<u>3,022,448</u>
Unassigned:	16,499,895	-	-	(4,683,042)	(21,994)	11,794,859
Total Fund Balances	\$ <u>20,898,241</u>	\$ <u>48,600,713</u>	\$ <u>1,500,621</u>	\$ <u>(4,683,042)</u>	\$ <u>9,826,089</u>	\$ <u>76,142,622</u>

L. Interfund receivables and payables

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, 2019, is as follows:

Due to/from other funds:

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund	\$ 5,635,497	\$
Permanent Improvement Fund		4,423,676
Community Development Fund		39,351
Capital Improvement Fund		6,534
Maintenance Shop Fund		327,582
	<u>5,635,497</u>	<u>4,797,143</u>
Business-type activities:		
Electric Fund	6,534	1,619,651
Water Fund		46,863
Waste Water Fund	684,162	
Storm Water Fund	225,782	
Sanitation Fund	359,598	
Golf Course Fund		691,333
Pest Control Fund	55,705	
Forestry Fund	73,817	
Municipal Airport Fund		98,643
Street Light Utility Fund	212,538	
	<u>1,618,136</u>	<u>2,456,490</u>
	<u>\$ 7,253,633</u>	<u>\$ 7,253,633</u>

Advances to/from other funds:

Advances in the amount of \$2,635,644 from the general fund to the tax increment debt service funds will be repaid with future tax increment collections. The advance from the general fund to the golf course fund in the amount of \$785,768 will be repaid with future land sale proceeds. The advance from the general fund to the permanent improvement fund in the amount of \$104,000 will be repaid with future land sale proceeds. The advance from the special assessment capital projects fund to the water fund will be repaid with future service charges.

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund	\$ 3,525,412	\$
Special Assessment Capital Projects Fund	125,797	
Permanent Improvement Fund		104,000
Tax Increment Debt Service Fund		2,635,644
	<u>3,651,209</u>	<u>2,739,644</u>
Business-type activities:		
Water Fund		125,797
Golf Course Fund		785,768
	<u>-</u>	<u>911,565</u>
	<u>\$ 3,651,209</u>	<u>\$ 3,651,209</u>

M. Interfund transfers

The composition of interfund transfers for the year ended December 31, 2019 is as follows:

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

	Transfers In						
	Transfers Out	Major Funds:			Nonmajor Funds:		
		General	Permanent Improvement	Special Assmt Capital	Special Assmt Debt	Governmental	Enterprise
Major Funds							
General	\$ 50,000	\$	\$	\$	\$ 50,000	\$	
Special Assmt Debt	33,186			33,186			
Electric	8,893,466	6,850,000			2,043,466		
Water	592,863	466,863			126,000		
Wastewater	774,890	424,900			180,000	169,990	
Storm Water	977,969	139,800			723,999	55,920	58,250
Totals	11,322,374	7,881,563	0	33,186	903,999	2,445,376	58,250
Non-Major Funds							
Governmental	1,254,883	21,000	200,000		409,000	209,883	415,000
Enterprise	2,038,835	679,420		134,125		1,225,290	
Totals	3,293,718	700,420	200,000	134,125	409,000	1,435,173	415,000
	\$ 14,616,092	\$ 8,581,983	\$ 200,000	167,311	\$ 1,312,999	\$ 3,880,549	\$ 473,250

NOTE 5: - OTHER INFORMATION

A. 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.

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 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.

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”).

On June 1, 2016 a Joint Powers Agreement was executed by the City of Moorhead, City of Fargo, Clay County, Cass County and the Cass County Joint Water Resource District which terminated the Limited Joint Powers Agreement and established a permanent joint powers entity called the Metro Flood Diversion Authority to provide the Fargo-Moorhead Metropolitan Area with permanent and comprehensive flood protection.

In addition, on July 11, 2016 a Project Partnership Agreement was entered into between the United States Department of the Army and the City of Fargo, City of Moorhead and Metro Flood Diversion Authority for the construction of the Fargo-Moorhead Metropolitan Area flood risk management project. This agreement provides for federal funding in the amount of \$450,000,000 in October 2015 dollars, with future annual adjustments for inflation, with the non-federal sponsors responsible for all costs in excess of the federal participation amount.

The total estimated cost of the project in 2015 is \$2.2 Billion. The State of North Dakota has committed \$570M to date, leaving approximately \$1.2M in local share. The City of Moorhead and Clay County contributions to the project will not exceed \$100M which is to be requested from the State of Minnesota. Voters in both Fargo and Cass County have approved three half-cent sales taxes to be extended through 2084 to cover the North Dakota local share.

A Split Delivery model is being pursued and would deliver the majority of the Diversion Project’s features through a Public-Private Partnership (P3) project, while the U.S. Army Corps of Engineers intends to use traditional design-bid-build method. The P3 model will deliver the best value for the public’s money, provide performance guarantees and long-term warranties that otherwise would not be available, promote delivery innovation, and shorten the schedule to achieve flood risk reduction sooner than could be achieved otherwise.

Additional information regarding the authority and project may be obtained by contacting: Flood Diversion Board of Authority, Box 2806, 211 Ninth Street South, Fargo, ND 58108 or on their website at www.fmdiversion.com.

B. Postponed Special Assessments

There are infrastructure investments in the Wastewater Treatment Fund in the amount of \$9,100,743 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 \$22,194,712 of improvement costs in the Special Assessment Debt Service Funds under the same situation.

C. Tax Abatements

The City of Moorhead offers tax abatements through two programs – a Property Tax Exemption Program and a Make Moorhead Home Property Tax Rebate Program.

Property Tax Exemption:

The property tax exemption is authorized under Minnesota Statute 469.1734 subd. 3, and is available for new construction or substantial expansion/rehabilitation of an existing building classified as commercial, industrial, multi-family residential or mixed use or for the conversion of an existing facility from a commercial or industrial use to a multi-family and/or mixed-use facility. The project must meet minimum project requirements for new building value and/or jobs. Only building improvements are eligible for the exemption. Land and existing improvements (unless demolished) remain taxable. The term of exemption for commercial and industrial properties ranges from two years to 20 years dependent upon FTE jobs created or retained and the increased taxable value of the new construction. The term of the exemption for multi-family residential or mixed-use properties is either two or four years depending on the new building value per unit.

The City also offers a variation of this program targeting urban development, infill, and redevelopment of commercial or residential properties within the zone to concentrate reinvestment in Moorhead's downtown, near downtown, and transitional areas which is referred to as Urban Progress (UP) Zone Property Tax Exemption. This variation offers an additional four years of phase out dependent upon FTE jobs created or retained and the increased taxable value of the new construction.

Make Moorhead Home Property Tax Rebate Program

The City of Moorhead offers a property tax abatement (rebate) program to individuals constructing new residential homes in Moorhead pursuant to Minnesota Statutes 469.1813 – 469.1816. The property taxes are paid when due and subsequently rebated to the homeowner in December. This rebate is available for the first two years of property taxes.

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2019:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Property Tax Exemption	\$ 304,651
Make Moorhead Home Property Tax Rebate	228,605

Tax Increment Financing

The City of Moorhead has established a tax abatement program pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815. As part of the City’s program the City enters into agreements through the use of tax increment financing districts under Minnesota Statutes Section 469.174 to 469.179 (the Tax Increment Act). Under these statutes the City annually abates taxes collected above the district’s base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing.

The fiscal year ending December 31, 2019, the City has five agreements established under Minnesota Statutes Section 469.174 to 469.179 which resulted in property taxes totaling \$929,588 being abated. Individual abatement payments which constituted more than 1% of the City’s 2019 tax levy include:

- A pay-as-you go note resulting in an abatement amount of \$497,323, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$270,050, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$79,645, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$48,500, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$34,070, for an industrial developer.

D. Component Unit - Moorhead Public Housing Agency

1. Deposits and Investments

Deposits - In accordance with Minnesota statutes, the Agency maintains deposits at those depository banks and brokerages 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 the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance. At June 30, 2019, the carrying amount of the Agency’s deposits was \$933,228, and the bank balance was \$996,293. The Agency’s deposits at its financial institutions were fully collateralized at June 30, 2019.

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.

3. Accounts Receivable and Due from Other Governments

Accounts receivable of \$14,532 consists of amounts due from tenants of the Public Housing program, which includes an allowance of \$9,021. Due from other governments of \$27,825 consists of \$11,638 in reimbursements of vouchers owed by Minnesota Housing Finance Agency and \$16,187 owed by the U.S. Department of Housing and Urban Development.

4. Capital assets are defined by the Agency as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of the donation. Capital asset activity for the fiscal year ended June 30, 2019 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$	\$	\$ 464,977
Construction in progress		15,183		15,183
Total Capital assets not being depreciated	464,977	15,183		480,160
Capital assets, being depreciated:				
Buildings & Improvements	11,921,306	39,154		11,960,460
Furniture, equipment & machinery	960,770			960,770
Total Capital assets being depreciated	12,882,076	39,154		12,921,230
Less accumulated depreciation for:				
Buildings & Improvements	7,328,837	268,420		7,597,257
Furniture, equipment & machinery	743,806	56,002		799,808
Total accumulated depreciation	8,072,643	324,422		8,397,065
Total capital assets, being depreciated, net	4,809,433	(285,268)		4,524,165
Total Capital assets, net	\$ 5,274,410	\$ (270,085)	\$	\$ 5,004,325

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

Business-type activities	
Low-Rent Public Housing	\$ 324,422

5. Accounts Payable

Accounts payable of \$18,249 represents expenses incurred but not paid to vendors at June 30, 2019.

6. Compensated Absences

Changes in compensated absences for the year ended June 30, 2019 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 23,519	\$ 17,619	\$ 16,841	\$ 24,297	\$ 24,297

7. 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, 2019, the amount payable to local governments in lieu of taxes was \$46,715.

8. 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, 2019, 2018, and 2017 was \$18,307, \$16,859, and \$17,892, respectively.

11. Subsequent Events

No significant events occurred subsequent to the Agency's year end. Subsequent events have been evaluated through December 13, 2019, which is the date the financial statements were available to be issued.

E. Restatement of Net Position

The January 1, 2019 governmental activities bonds payable were increased and the net position was decreased by \$5,760,740. This is due to a correction of an error that had previously omitted various bond premiums.

The January 1, 2019 governmental activities deferred outflows of resources for the advance refundings of debt and net position were increased by \$572,443. This is due to a correction of an error that had previously removed the deferred balances of various outstanding bond issuances.

The January 1, 2019 governmental activities deferred outflows of resources for pension plans and the deferred inflows of resources for pension plans were increased \$3,345,528 and \$3,176,876, respectively. The net affect was an increase in net position of \$168,652. This is due to an error in calculations due to pension related activities.

The January 1, 2019 governmental activities Due From Other Governments and net position were increased by \$39,516,007. This is due to a correction of an error that had omitted reporting outstanding encumbrances from the State of Minnesota for municipal construction assistance.

The January 1, 2019 business-type activities deferred outflows of resources for pension plans was decreased \$130,750 and the deferred inflows of resources for pension plans was increased \$130,749. The net affect was a decrease to net position of \$261,499. This is due to an error in calculation due to pension related activities.

The January 1, 2019 business-type activities net position was decreased \$814,559 due to an error in the previous year resulting in an over-recognition of revenue.

	Governmental Activities	Business-Type Activities
Net Position, January 1, 2019 as previously reported	\$ 322,171,720	\$ 199,477,659
Correction of an error		
Adjust for bonds payable (premiums)	(5,760,740)	
Adjust for deferred outflows of resources		
Advance refundings of debt	572,443	
Pension plans	3,345,528	(130,750)
Adjust for deferred inflows of resources		
Pension plans	(3,176,876)	(130,749)
Adjust for capital grants and contributions	39,516,007	
Adjust for over-recognition of revenue due to adjustment of receivable balances		(814,559)
Net Position, January 1, 2019 as restated	<u>\$ 356,668,082</u>	<u>\$ 198,401,601</u>

	Enterprise Funds		
	Wastewater Treatment	Storm Water	Non-major
Net Position, January 1, 2019 as previously reported	\$ 45,354,919	\$ 36,025,814	\$ 14,623,874
Correction of an error			
Adjust for deferred outflows of resources			
Pension plans	(37,660)	(4,907)	(88,183)
Adjust for deferred inflows of resources			
Pension plans	(37,660)	(4,906)	(88,183)
Adjust for over-recognition of revenue due to adjustment of receivable balances	(451,176)	(144,498)	(218,885)
Net Position, January 1, 2019 as restated	<u>\$ 44,828,423</u>	<u>\$ 35,871,503</u>	<u>\$ 14,228,623</u>

F. Future Implementation of Approved GASB Standards

As of December 31, 2019, there are a number of GASB Standards that have been issued by the Governmental Accounting Standards Board (GASB) that are not effective as of December 31, 2019 but will be implemented in future years.

An issued standard that has not yet been implemented that will affect governmental entities is Statement No. 87, Leases. This statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources. This statement establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This statement will be implemented by governmental entities in the year ended December 31, 2022.

G. Subsequent Event

Subsequent to year-end, the World Health Organization declared the spread of Coronavirus Disease (COVID-19) a worldwide pandemic. The COVID-19 pandemic is having significant effects on global markets, supply chains, businesses, and communities. Specific to the City, COVID-19 may impact various parts of its 2020 operations and financial results including, but not limited to, costs for emergency preparedness, shortages of personnel. Management believe the City is taking appropriate actions to mitigate the negative impact. However, the full impact of COVID-19 is unknown and cannot be reasonably estimated as these events occurred subsequent to year-end and are still developing.

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Changes to Total OPEB Liability and Related Ratios, Last 10 Fiscal Years

City:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	124,534	132,300
Interest	70,273	67,250
Changes in assumptions	(72,584)	-
Benefit payments	<u>(99,252)</u>	<u>(101,115)</u>
Net change in total OPEB liability	22,971	98,435
Total OPEB Liability - beginning	2,054,167	1,955,732
Total OPEB Liability - ending	2,077,138	2,054,167
Covered employee payroll	16,609,056	16,125,297
Total OPEB liability as a percentage of covered employee payroll	12.5%	12.7%

Public Service Utility:

	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	27,943	31,306
Interest	15,515	15,851
Changes in assumptions	(6,128)	-
Differences between Expected and Actual Experience	(84,126)	-
Benefit payments	<u>(59,686)</u>	<u>(48,391)</u>
Net change in total OPEB liability	(106,482)	(1,234)
Total OPEB Liability - beginning	471,804	473,038
Total OPEB Liability - ending	365,322	471,804
Covered employee payroll	4,503,003	4,375,925
Total OPEB liability as a percentage of covered employee payroll	8.1%	10.8%

- GASB Statement No. 75 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.

Notes to the Schedule of Changes in Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

Schedule of Employer's Share of Net Pension Liability

City:

Pension Plan	Measurement Date	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (c) (a + b)	Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2019	.1562%	\$ 8,635,948	\$ 268,488	\$ 8,904,436	\$ 11,375,582	78.3%	80.2%
PEPFF	6/30/2019	.7223%	\$ 7,689,613	N/A	\$ 7,689,613	\$ 8,664,933	88.7%	89.3%
GERF	6/30/2018	.1521%	\$ 8,437,884	\$ 276,797	\$ 8,714,681	\$ 11,429,880	73.8%	79.5%
PEPFF	6/30/2018	.6748%	\$ 7,192,673	N/A	\$ 7,192,673	\$ 7,207,246	99.8%	79.5%
GERF	6/30/2017	.1544%	\$ 9,920,633	\$ 124,766	\$ 10,045,399	\$ 10,310,813	96.2%	75.9%
PEPFF	6/30/2017	.683%	\$ 9,221,313	N/A	\$ 9,221,313	\$ 8,075,441	114.2%	75.9%
GERF	6/30/2016	.1453%	\$ 11,797,639	\$ 154,084	\$ 11,951,723	\$ 9,034,080	130.6%	68.9%
PEPFF	6/30/2016	.645%	\$ 25,884,972	N/A	\$ 25,884,972	\$ 6,450,180	401.3%	68.9%
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)	Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2019	.0708%	\$ 3,914,373	\$ 121,661	\$ 4,036,034	\$ 5,308,088	135.6%	80.2%
GERF	6/30/2018	.0712%	\$ 3,949,884	\$ 129,501	\$ 4,079,385	\$ 4,484,756	113.5%	79.5%
GERF	6/30/2017	.0715%	\$ 4,564,514	\$ 57,367	\$ 4,621,881	\$ 7,092,367	155.4%	75.9%
GERF	6/30/2016	.0706%	\$ 5,732,370	\$ 74,844	\$ 5,807,214	\$ 6,664,177	116.3%	68.9%
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 Pension Plan 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 Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
GERF	12/31/2019	\$ 868,105	\$ 868,105	\$ -	\$11,738,272	7.4%
PEPFF	12/31/2019	\$ 1,303,542	\$ 1,303,542	\$ -	\$ 8,681,443	15.0%
GERF	12/31/2018	\$ 777,774	\$ 777,774	\$ -	\$10,737,644	7.2%
PEPFF	12/31/2018	\$ 1,196,569	\$ 1,196,569	\$ -	\$ 8,402,666	14.2%
GERF	12/31/2017	\$ 700,910	\$ 700,910	\$ -	\$10,140,633	6.9%
PEPFF	12/31/2017	\$ 1,167,768	\$ 1,167,768	\$ -	\$ 7,777,052	15.0%
GERF	12/31/2016	\$ 645,126	\$ 645,126	\$ -	\$ 9,546,541	6.8%
PEPFF	12/31/2016	\$ 1,103,542	\$ 1,103,542	\$ -	\$ 7,253,057	15.2%
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 Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
GERF	12/31/2019	\$ 376,011	\$ 376,011	\$ -	\$ 5,013,480	7.5%
GERF	12/31/2018	\$ 358,722	\$ 358,722	\$ -	\$ 5,038,230	7.1%
GERF	12/31/2017	\$ 345,294	\$ 345,294	\$ -	\$ 4,808,451	7.2%
GERF	12/31/2016	\$ 335,637	\$ 335,637	\$ -	\$ 4,567,832	7.3%
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.

Notes to the Schedule of Changes in Net Pension Liabilities and Related Ratios

General Employees Fund

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

Changes in Plan Provisions:

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

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed postretirement benefit increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter.
- The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.
- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

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

Police and Fire Fund

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2018 Changes

Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2016 to MP-2017.

Changes in Plan Provisions:

- Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger.
- An end date of July 1, 2048 was added to the existing \$9.0 million state contribution
- New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048 if earlier.
- Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020.
- Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increase were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2016 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2015 Changes

Changes in Actuarial Assumptions:

- The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The postretirement benefit increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

SUPPLEMENTARY INFORMATION

NONMAJOR GOVERNMENTAL FUNDS

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, 2019**

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
ASSETS						
Assets:						
Cash and investments	\$ 1,457,458	\$ 332,994	\$	\$ 143,391	\$ 2,645,730	\$ 2,728,450
Restricted cash						
Receivables:						
Accounts	9,471		44	3,450	5,636	378
Notes	74,115		4,274,211			150,000
Delinquent property taxes	51,299	14,838			2,461	158
Due from other funds						
Due from other governmental units	94,722	8,146	44,699		131,674	4,073
Total Assets	\$ 1,687,065	\$ 355,978	\$ 4,318,954	\$ 146,841	\$ 2,785,501	\$ 2,883,059
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 54,251	\$ 3,395	\$ 20,654	\$ 6,370	\$ 587,942	\$ 18,083
Contracts payable - retainage	58,478					
Accrued wages payable	41,887		2,742	3,298	7,908	4,587
Due to other funds			39,351			
Advances from other funds						
Due to other governmental units					10,637	
Other liabilities	23,566		3,990			1,250
Total Liabilities	178,182	3,395	66,737	9,668	606,487	23,920
Deferred inflows of resources:						
Taxes	51,299	14,838			2,461	158
Other	74,965		4,274,211		187,042	150,000
Total Deferred inflows of resources	126,264	14,838	4,274,211		189,503	150,158
Fund Balance:						
Restricted						
Culture and recreation	1,382,619					
Library		337,745				
Transit					1,989,511	
Economic development						2,708,981
Contributions						
Debt service						
Committed				137,173		
Unassigned			(21,994)			
Total Fund Balance	1,382,619	337,745	(21,994)	137,173	1,989,511	2,708,981
Total Liabilities, Deferred Inflows of Resources & Fund Balance	\$ 1,687,065	\$ 355,978	\$ 4,318,954	\$ 146,841	\$ 2,785,501	\$ 2,883,059

**CITY OF MOORHEAD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2019**

		Debt Service				Capital Projects	Total Nonmajor Governmental Funds
Contributions	Total	G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$ 76,153	\$ 7,384,176	\$ 121,330	\$ 1,173,874 1,575,000	\$ 208,891	\$ 1,504,095 1,575,000	\$ 2,860,354	\$ 11,748,625 1,575,000
	18,979						18,979
	4,498,326					203,127	4,701,453
	68,756	2,035	593		2,628		71,384
	283,314	975	2,169		3,144		286,458
<u>\$ 76,153</u>	<u>\$ 12,253,551</u>	<u>\$ 124,340</u>	<u>\$ 2,751,636</u>	<u>\$ 208,891</u>	<u>\$ 3,084,867</u>	<u>\$ 3,063,481</u>	<u>\$ 18,401,899</u>
\$ 570	\$ 691,265	\$	\$ 24,355	\$	\$ 24,355	\$ 55,839	\$ 771,459
	58,478						58,478
	60,422						60,422
	39,351					6,534	45,885
	10,637		2,635,644		2,635,644		2,635,644
	28,806					3,750	10,637
<u>570</u>	<u>888,959</u>		<u>2,659,999</u>		<u>2,659,999</u>	<u>66,123</u>	<u>3,615,081</u>
	68,756	2,035	593		2,628		71,384
	4,686,218					203,127	4,889,345
	<u>4,754,974</u>	<u>2,035</u>	<u>593</u>		<u>2,628</u>	<u>203,127</u>	<u>4,960,729</u>
	1,382,619						1,382,619
	337,745						337,745
	1,989,511						1,989,511
	2,708,981						2,708,981
75,583	75,583						75,583
	137,173	122,305		208,891	331,196		331,196
	(21,994)		91,044		91,044	2,794,231	3,022,448
<u>75,583</u>	<u>6,609,618</u>	<u>122,305</u>	<u>91,044</u>	<u>208,891</u>	<u>422,240</u>	<u>2,794,231</u>	<u>9,826,089</u>
<u>\$ 76,153</u>	<u>\$ 12,253,551</u>	<u>\$ 124,340</u>	<u>\$ 2,751,636</u>	<u>\$ 208,891</u>	<u>\$ 3,084,867</u>	<u>\$ 3,063,481</u>	<u>\$ 18,401,899</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2019

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
REVENUES						
Property taxes	\$ 2,498,603	\$ 710,896	\$	\$	\$ 120,609	\$ 353,576
Intergovernmental revenues:						
Federal			204,450		569,481	
State	778,298	170,346		360	2,233,169	84,849
Charges for services	172,886			242,320	444,943	4,725
Facility rentals	169,875					
Donations						
Interest on investments	10,170	565		3,255	38,461	65,041
Sale of property						190,500
Miscellaneous	214,097	20,847	193,620	4,654	45,555	146,962
Total revenues	<u>3,843,929</u>	<u>902,654</u>	<u>398,070</u>	<u>250,589</u>	<u>3,452,218</u>	<u>845,653</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Highways and streets						
Parks and recreation	2,904,678					
Library		903,493				
Community development			370,973			
Rental registration				296,871		
Mass transit					3,041,536	
Economic development						669,893
Capital outlay	889,697				184,149	
Debt service:						
Bond and note principal						
Bond and note interest						
Fiscal and other charges						
Total expenditures	<u>3,794,375</u>	<u>903,493</u>	<u>370,973</u>	<u>296,871</u>	<u>3,225,685</u>	<u>669,893</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>49,554</u>	<u>(839)</u>	<u>27,097</u>	<u>(46,282)</u>	<u>226,533</u>	<u>175,760</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt						
Refunding bonds issued						
Premium on issuance of debt						
Transfers from other funds	92,803				117,080	100,000
Transfers to other funds	(415,000)					(92,803)
Total other financing sources (uses)	<u>(322,197)</u>				<u>117,080</u>	<u>7,197</u>
NET CHANGE IN FUND BALANCE	(272,643)	(839)	27,097	(46,282)	343,613	182,957
FUND BALANCE - BEGINNING	<u>1,655,262</u>	<u>338,584</u>	<u>(49,091)</u>	<u>183,455</u>	<u>1,645,898</u>	<u>2,526,024</u>
FUND BALANCE - ENDING	<u>\$ 1,382,619</u>	<u>\$ 337,745</u>	<u>\$ (21,994)</u>	<u>\$ 137,173</u>	<u>\$ 1,989,511</u>	<u>\$ 2,708,981</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Contributions	Total	Debt Service			Total	Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement		Capital Improvement	
\$	\$ 3,683,684	\$ 82,579	\$ 571,287	\$	\$ 653,866	\$	\$ 4,337,550
	773,931						773,931
	3,267,022	19,753	513,795		533,548		3,800,570
	864,874						864,874
	169,875						169,875
38,842	38,842						38,842
	117,492	1,747	8,763	6,008	16,518	37,594	171,604
	190,500					555,000	745,500
	625,735					10,025	635,760
<u>38,842</u>	<u>9,731,955</u>	<u>104,079</u>	<u>1,093,845</u>	<u>6,008</u>	<u>1,203,932</u>	<u>602,619</u>	<u>11,538,506</u>
13,640	13,640					318,667	332,307
12,765	12,765					42,882	55,647
						25,114	25,114
6,153	2,910,831					95,344	3,006,175
	903,493						903,493
	370,973						370,973
	296,871						296,871
	3,041,536						3,041,536
	669,893						669,893
	1,073,846					1,083,231	2,157,077
		91,271	476,779		568,050		568,050
		10,786	480,135		490,921		490,921
			53,144		53,144		53,144
<u>32,558</u>	<u>9,293,848</u>	<u>102,057</u>	<u>1,010,058</u>		<u>1,112,115</u>	<u>1,565,238</u>	<u>11,971,201</u>
6,284	438,107	2,022	83,787	6,008	91,817	(962,619)	(432,695)
						400,000	400,000
			1,550,000		1,550,000		1,550,000
			58,405		58,405		58,405
	309,883					3,570,666	3,880,549
	(507,803)					(747,080)	(1,254,883)
	(197,920)		1,608,405		1,608,405	3,223,586	4,634,071
6,284	240,187	2,022	1,692,192	6,008	1,700,222	2,260,967	4,201,376
69,299	6,369,431	120,283	(1,601,148)	202,883	(1,277,982)	533,264	5,624,713
<u>\$ 75,583</u>	<u>\$ 6,609,618</u>	<u>\$ 122,305</u>	<u>\$ 91,044</u>	<u>\$ 208,891</u>	<u>\$ 422,240</u>	<u>\$ 2,794,231</u>	<u>\$ 9,826,089</u>

**CITY OF MOORHEAD, MINNESOTA
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 2,494,156	\$ 2,494,156	\$ 2,498,603	\$ 4,447
Intergovernmental:				
State	600,181	1,326,181	778,298	(547,883)
Charges for services	191,245	191,245	172,886	(18,359)
Facility rentals	159,906	159,906	169,875	9,969
Interest on investments	4,000	4,000	10,170	6,170
Miscellaneous	70,700	70,700	214,097	143,397
Total revenues	<u>3,520,188</u>	<u>4,246,188</u>	<u>3,843,929</u>	<u>(402,259)</u>
EXPENDITURES				
Current:				
Personnel	1,741,909	1,741,909	1,648,913	92,996
Supplies	239,064	239,064	232,425	6,639
Other services & charges	1,104,215	1,474,215	1,023,340	450,875
Capital outlay		356,000	889,697	(533,697)
Total expenditures	<u>3,085,188</u>	<u>3,811,188</u>	<u>3,794,375</u>	<u>16,813</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>435,000</u>	<u>435,000</u>	<u>49,554</u>	<u>(385,446)</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds		92,803	92,803	
Transfers to other funds	(415,000)	(415,000)	(415,000)	
Total other financing uses	<u>(415,000)</u>	<u>(322,197)</u>	<u>(322,197)</u>	
NET CHANGE IN FUND BALANCE	20,000	112,803	(272,643)	(385,446)
FUND BALANCE - BEGINNING	<u>1,655,262</u>	<u>1,655,262</u>	<u>1,655,262</u>	
FUND BALANCE - ENDING	<u>\$ 1,675,262</u>	<u>\$ 1,768,065</u>	<u>\$ 1,382,619</u>	<u>\$ (385,446)</u>

**CITY OF MOORHEAD, MINNESOTA
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 709,242	\$ 709,242	\$ 710,896	\$ 1,654
Intergovernmental:				
State	170,336	170,336	170,346	10
Interest on investments			565	565
Miscellaneous	<u>20,000</u>	<u>20,000</u>	<u>20,847</u>	<u>847</u>
Total revenues	<u>899,578</u>	<u>899,578</u>	<u>902,654</u>	<u>3,076</u>
EXPENDITURES				
Current:				
Supplies	3,500	3,500	6,052	(2,552)
Other services & charges	<u>896,078</u>	<u>896,078</u>	<u>897,441</u>	<u>(1,363)</u>
Total expenditures	<u>899,578</u>	<u>899,578</u>	<u>903,493</u>	<u>(3,915)</u>
NET CHANGE IN FUND BALANCE			(839)	(839)
FUND BALANCE - BEGINNING	<u>338,584</u>	<u>338,584</u>	<u>338,584</u>	
FUND BALANCE - ENDING	<u>\$ 338,584</u>	<u>\$ 338,584</u>	<u>\$ 337,745</u>	<u>\$ (839)</u>

**CITY OF MOORHEAD, MINNESOTA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ 222,292	\$ 388,292	\$ 204,450	\$ (183,842)
Miscellaneous:				
Rehab loan payments	206,618	206,618	184,520	(22,098)
Miscellaneous			9,100	9,100
Total revenues	<u>428,910</u>	<u>594,910</u>	<u>398,070</u>	<u>(196,840)</u>
EXPENDITURES				
Current:				
Personnel	138,373	138,373	101,926	36,447
Supplies	1,325	1,325	983	342
Other services & charges	289,212	496,247	268,064	228,183
Total expenditures	<u>428,910</u>	<u>635,945</u>	<u>370,973</u>	<u>264,972</u>
NET CHANGE IN FUND BALANCE		(41,035)	27,097	68,132
FUND BALANCE - BEGINNING	<u>(49,091)</u>	<u>(49,091)</u>	<u>(49,091)</u>	
FUND BALANCE - ENDING	<u>\$ (49,091)</u>	<u>\$ (90,126)</u>	<u>\$ (21,994)</u>	<u>\$ 68,132</u>

**CITY OF MOORHEAD, MINNESOTA
RENTAL REGISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
State	\$ 360	\$ 360	\$ 360	\$ 3,255
Interest on investments			3,255	3,255
Miscellaneous:				
Rehabilitation inspection fees	10,000	10,000	33,425	23,425
Rental housing registration fees	200,000	200,000	208,970	8,970
Other	5,500	5,500	4,654	(846)
Total revenues	<u>215,860</u>	<u>215,860</u>	<u>250,664</u>	<u>34,804</u>
EXPENDITURES				
Current:				
Personnel	299,221	299,221	244,763	54,458
Supplies	3,850	3,850	2,309	1,541
Other services & charges	54,591	54,591	49,799	4,792
Total expenditures	<u>357,662</u>	<u>357,662</u>	<u>296,871</u>	<u>60,791</u>
NET CHANGE IN FUND BALANCE	(141,802)	(141,802)	(46,207)	95,595
FUND BALANCE - BEGINNING	<u>183,455</u>	<u>183,455</u>	<u>183,455</u>	
FUND BALANCE - ENDING	<u>\$ 41,653</u>	<u>\$ 41,653</u>	<u>\$ 137,248</u>	<u>\$ 95,595</u>

**CITY OF MOORHEAD, MINNESOTA
 MASS TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 120,357	\$ 120,357	\$ 120,609	\$ 252
Intergovernmental:				
Federal grants	960,440	1,024,690	569,481	(455,209)
State grants	2,549,616	2,817,017	2,233,169	(583,848)
Charges for services	438,998	423,162	444,943	21,781
Interest on investments			38,461	38,461
Sale of property			146	146
Miscellaneous	3,700	3,700	45,409	41,709
Total revenues	<u>4,073,111</u>	<u>4,388,926</u>	<u>3,452,218</u>	<u>(936,708)</u>
EXPENDITURES				
Current:				
Personnel	333,630	333,630	295,711	37,919
Supplies	4,196	4,196	411	3,785
Other services & charges	2,893,145	2,966,124	2,745,414	220,710
Capital outlay	979,000	1,984,000	184,149	1,799,851
Total expenditures	<u>4,209,971</u>	<u>5,287,950</u>	<u>3,225,685</u>	<u>2,062,265</u>
REVENUE OVER (UNDER) EXPENDITURES	(136,860)	(899,024)	226,533	1,125,557
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	<u>150,000</u>	<u>145,750</u>	<u>117,080</u>	<u>(28,670)</u>
NET CHANGE IN FUND BALANCE	13,140	(753,274)	343,613	1,096,887
FUND BALANCE - BEGINNING	<u>1,645,898</u>	<u>1,645,898</u>	<u>1,645,898</u>	
FUND BALANCE - ENDING	<u>\$ 1,659,038</u>	<u>\$ 892,624</u>	<u>\$ 1,989,511</u>	<u>\$ 1,096,887</u>

**CITY OF MOORHEAD, MINNESOTA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2019**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 353,306	353,306	\$ 353,576	\$ 270
Intergovernmental:				
State grants	84,844	84,844	84,849	5
Charges for services	5,590	5,590	4,725	(865)
Interest on investments			65,041	65,041
Sale of property		9,500	190,500	181,000
Miscellaneous			146,962	146,962
Total revenues	<u>443,740</u>	<u>453,240</u>	<u>845,653</u>	<u>392,413</u>
EXPENDITURES				
Current:				
Personnel	317,265	193,775	196,946	(3,171)
Supplies	9,230	14,230	5,910	8,320
Other services & charges	293,280	645,549	467,037	178,512
Total expenditures	<u>619,775</u>	<u>853,554</u>	<u>669,893</u>	<u>183,661</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(176,035)</u>	<u>(400,314)</u>	<u>175,760</u>	<u>576,074</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	100,000	100,000	100,000	
Transfers to other funds		(92,803)	(92,803)	
Total other financing sources	<u>100,000</u>	<u>7,197</u>	<u>7,197</u>	
NET CHANGE IN FUND BALANCE	(76,035)	(393,117)	182,957	576,074
FUND BALANCE - BEGINNING	<u>2,526,024</u>	<u>2,526,024</u>	<u>2,526,024</u>	
FUND BALANCE - ENDING	<u>\$ 2,449,989</u>	<u>\$ 2,132,907</u>	<u>\$ 2,708,981</u>	<u>\$ 576,074</u>

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NONMAJOR PROPRIETARY FUNDS

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.

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, 2019**

	Sanitation	Golf Course
ASSETS		
Current assets:		
Cash and investments	\$ 717,894	\$
Receivables:		
Accounts	595,712	1,068
Due from other city funds	359,598	
Due from other governmental units	225,015	
Prepaid items		
Total current assets	<u>1,898,219</u>	<u>1,068</u>
Long-term assets:		
Long-Term Receivables:		
Notes receivable		638,287
Capital Assets:		
Land	699,045	3,954,534
Buildings	599,560	1,895,278
Improvements other than buildings	521,486	3,362,950
Machinery and equipment	132,812	146,046
Construction in progress		
Less accumulated depreciation	<u>(1,096,211)</u>	<u>(4,285,984)</u>
Total long-term assets	<u>856,692</u>	<u>5,711,111</u>
Total assets	<u>2,754,911</u>	<u>5,712,179</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	57,318	33,597
Other post-employment benefits	<u>4,545</u>	<u>1,126</u>
Total deferred outflows of resources	<u>61,863</u>	<u>34,723</u>
LIABILITIES		
Current liabilities:		
Accounts payable	125,864	19,987
Accrued wages payable	46,701	15,776
Accrued compensated absences	86,962	57,940
Due to other city funds		691,333
Due to other governmental units	36,834	
Other liabilities		47,938
Total current liabilities	<u>296,361</u>	<u>832,974</u>
Long-term liabilities:		
Accrued compensated absences	46,826	31,199
Other post-employment benefits	90,563	22,433
Net pension liability	486,204	284,987
Advances from other funds		785,768
Total long-term liabilities	<u>623,593</u>	<u>1,124,387</u>
Total liabilities	<u>919,954</u>	<u>1,957,361</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	93,481	54,794
Other post-employment benefits	<u>2,813</u>	<u>697</u>
Total deferred inflows of resources	<u>96,294</u>	<u>55,491</u>
NET POSITION		
Net investment in capital assets	856,692	5,072,824
Unrestricted	<u>943,834</u>	<u>(1,338,774)</u>
Total net position	<u>\$ 1,800,526</u>	<u>\$ 3,734,050</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2019**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 258,531	\$ 575,153	\$ 373,884	\$	\$ 165,798	\$ 2,091,260
22,379	87,860	115,062		67,812	889,893
1,012	55,705	73,817	11,821	212,538	701,658
295					237,848
<u>282,217</u>	<u>718,718</u>	<u>562,763</u>	<u>11,821</u>	<u>446,148</u>	<u>3,920,954</u>
					638,287
			301,838		4,955,417
			1,622,601		4,117,439
			5,524,572		9,409,008
		12,050	129,939		420,847
			530,026		530,026
		(11,247)	(3,786,931)		(9,180,373)
		<u>803</u>	<u>4,322,045</u>		<u>10,890,651</u>
<u>282,217</u>	<u>718,718</u>	<u>563,566</u>	<u>4,333,866</u>	<u>446,148</u>	<u>14,811,605</u>
13,642	7,839	23,009			135,405
792	198	1,313			7,974
<u>14,434</u>	<u>8,037</u>	<u>24,322</u>			<u>143,379</u>
1,718	8,732	7,563	54,336		218,200
10,815	1,737	15,142			90,171
18,356	7,934	24,357			195,549
			98,643		789,976
					36,834
1,000			19,711		68,649
<u>31,889</u>	<u>18,403</u>	<u>47,062</u>	<u>172,690</u>		<u>1,399,379</u>
9,884	4,271	13,115			105,295
15,786	3,947	26,172			158,901
115,721	66,497	195,172			1,148,581
<u>141,391</u>	<u>74,715</u>	<u>234,459</u>			<u>785,768</u>
<u>173,280</u>	<u>93,118</u>	<u>281,521</u>	<u>172,690</u>		<u>3,597,924</u>
22,250	12,785	37,525			220,835
490	123	813			4,936
<u>22,740</u>	<u>12,908</u>	<u>38,338</u>			<u>225,771</u>
		803	4,322,045		10,252,364
<u>100,631</u>	<u>620,729</u>	<u>267,226</u>	<u>(160,869)</u>	<u>446,148</u>	<u>878,925</u>
<u>\$ 100,631</u>	<u>\$ 620,729</u>	<u>\$ 268,029</u>	<u>\$ 4,161,176</u>	<u>\$ 446,148</u>	<u>\$ 11,131,289</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Sanitation	Golf Course
OPERATING REVENUES		
Charges for services	\$ 4,501,134	\$ 1,199,400
Other	264,758	71,148
Total operating revenue	4,765,892	1,270,548
OPERATING EXPENSES		
Personnel	1,647,634	890,227
Disposal fee	1,436,115	
Professional services	59,457	1,897
Insurance	29,925	14,131
Repair and maintenance	261,726	42,007
Supplies	245,242	168,869
Utilities	34,332	81,243
Equipment rental	387,260	197,098
Depreciation	31,756	90,730
Miscellaneous	183,135	198,133
Total operating expenses	4,316,582	1,684,335
Operating income (loss)	449,310	(413,787)
NONOPERATING INCOME (EXPENSE)		
Interest on investments	17,277	20,885
Loss on disposal of assets		
Intergovernmental	30,690	840
Miscellaneous		989
Total nonoperating income (expense)	47,967	22,714
Income (loss) before contributions and transfers	497,277	(391,073)
Capital contributions		
Transfers from other funds		473,250
Transfers to other funds	(593,210)	(134,125)
Total contributions and transfers	(593,210)	339,125
CHANGE IN NET POSITION	(95,933)	(51,948)
TOTAL NET POSITION - BEGINNING	2,190,001	3,829,758
RESTATEMENT OF BEGINNING NET POSITION (SEE NOTE 5.E.)	(293,542)	(43,760)
TOTAL NET POSITION - BEGINNING, AS RESTATED	1,896,459	3,785,998
TOTAL NET POSITION - ENDING	\$ 1,800,526	\$ 3,734,050

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 410,131	\$ 694,968	\$ 929,621	\$ 61,828	\$ 838,424	\$ 8,635,506
70,946	4,536	1,548	9,300	143,559	565,795
<u>481,077</u>	<u>699,504</u>	<u>931,169</u>	<u>71,128</u>	<u>981,983</u>	<u>9,201,301</u>
341,204	206,873	615,878			3,701,816
	201,026		323,735		1,436,115
5,717	3,502	5,188	15,291	426	586,115
38,581	64,087	35,850	23,174		74,180
56,985	58,878	79,848	7,341		465,425
119,871			16,245	694,726	617,163
	58,825	74,957	10,319		946,417
		803	264,843		728,459
38,976	67,798	23,631	2,229	19,647	388,132
<u>601,334</u>	<u>660,989</u>	<u>836,155</u>	<u>663,177</u>	<u>714,799</u>	<u>533,549</u>
<u>(120,257)</u>	<u>38,515</u>	<u>95,014</u>	<u>(592,049)</u>	<u>267,184</u>	<u>(276,070)</u>
16,146	15,146	9,594		3,202	82,250
(2,108,893)					(2,108,893)
330	46,503	540	22,811		101,714
1,142					2,131
<u>(2,091,275)</u>	<u>61,649</u>	<u>10,134</u>	<u>22,811</u>	<u>3,202</u>	<u>(1,922,798)</u>
<u>(2,211,532)</u>	<u>100,164</u>	<u>105,148</u>	<u>(569,238)</u>	<u>270,386</u>	<u>(2,198,868)</u>
			667,119		667,119
(1,082,700)	(107,560)	(63,700)		(57,540)	473,250
<u>(1,082,700)</u>	<u>(107,560)</u>	<u>(63,700)</u>	<u>667,119</u>	<u>(57,540)</u>	<u>(2,038,835)</u>
<u>(3,294,232)</u>	<u>(7,396)</u>	<u>41,448</u>	<u>97,881</u>	<u>212,846</u>	<u>(898,466)</u>
3,412,632	638,336	256,550	4,063,295	233,302	14,623,874
(17,769)	(10,211)	(29,969)			(395,251)
<u>3,394,863</u>	<u>628,125</u>	<u>226,581</u>	<u>4,063,295</u>	<u>233,302</u>	<u>14,228,623</u>
<u>\$ 100,631</u>	<u>\$ 620,729</u>	<u>\$ 268,029</u>	<u>\$ 4,161,176</u>	<u>\$ 446,148</u>	<u>\$ 11,131,289</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Sanitation	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,375,531	\$ 1,198,472
Payments to suppliers	(2,460,300)	(491,946)
Payments to employees	(1,640,172)	(859,642)
Other receipts (payments)	57,027	(151,209)
Net cash provided by (used in) operating activities	332,086	(304,325)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental	30,690	840
Transfers from other funds		473,250
Transfers to other funds	(593,210)	(134,125)
Net cash provided by (used in) noncapital financing activities	(562,520)	339,965
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets		(56,525)
Capital grants from other governments		
Net cash provided by (used in) capital and related financing activities		(56,525)
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	17,277	20,885
Net increase (decrease) in cash and cash equivalents	(213,157)	
Cash and cash equivalents at beginning of year	931,051	-
Cash and cash equivalents at end of year	\$ 717,894	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 449,310	\$ (413,787)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation accruals	31,756	90,730
Miscellaneous nonoperating income		989
Change in assets and liabilities:		
Accounts receivable	(116,907)	(928)
Due from other city funds	(8,696)	
Due from other governments	(24,596)	60
Deferred outflows of resources	56,240	31,564
Accounts payable	(6,005)	13,299
Accrued wages payable	5,114	(509)
Compensated absences payable	5,650	29,770
Other post-employment benefits	1,618	659
Net pension liability	(21,757)	(7,809)
Due to other funds		(14,613)
Due to other governments	(238)	
Deferred inflows of resources	(39,403)	(23,090)
Other current liabilities		(10,660)
Net cash provided by (used in) operating activities	\$ 332,086	\$ (304,325)

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2019**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 417,722	\$ 686,699	\$ 908,118	\$ 276,437	\$ 685,832	\$ 8,548,811
(224,268)	(383,821)	(190,928)	(343,018)	(695,152)	(4,789,433)
(346,270)	(196,609)	(618,552)			(3,661,245)
83,539	(63,262)	(22,083)	(93,322)	123,912	(65,398)
<u>(69,277)</u>	<u>43,007</u>	<u>76,555</u>	<u>(159,903)</u>	<u>114,592</u>	<u>32,735</u>
330	46,503	540	22,811		101,714
					473,250
(1,082,700)	(107,560)	(63,700)		(57,540)	(2,038,835)
<u>(1,082,370)</u>	<u>(61,057)</u>	<u>(63,160)</u>	<u>22,811</u>	<u>(57,540)</u>	<u>(1,463,871)</u>
			(530,027)		(586,552)
			667,119		667,119
			<u>137,092</u>		<u>80,567</u>
16,146	15,146	9,594		3,202	82,250
(1,135,501)	(2,904)	22,989		60,254	(1,268,319)
<u>1,394,032</u>	<u>578,057</u>	<u>350,895</u>	<u>-</u>	<u>105,544</u>	<u>3,359,579</u>
<u>\$ 258,531</u>	<u>\$ 575,153</u>	<u>\$ 373,884</u>	<u>\$ -</u>	<u>\$ 165,798</u>	<u>\$ 2,091,260</u>
\$ (120,257)	\$ 38,515	\$ 95,014	\$ (592,049)	\$ 267,184	\$ (276,070)
		803	264,843		388,132
1,142					2,131
7,591	(10,616)	(19,061)	140	(8,936)	(148,717)
	2,347	(2,442)		(143,656)	(152,447)
49,427			214,469		239,360
15,084	5,374	19,686			127,948
(3,114)	2,497	4,915	53,087		64,679
366	(60)	86			4,997
606	4,133	(9,607)			30,552
380	44	289			2,990
(10,846)	4,900	1,101			(34,411)
			(105,286)		(119,899)
					(238)
(10,656)	(4,127)	(14,229)			(91,505)
1,000			4,893		(4,767)
<u>(69,277)</u>	<u>43,007</u>	<u>76,555</u>	<u>(159,903)</u>	<u>114,592</u>	<u>32,735</u>

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INTERNAL SERVICE FUNDS

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.

Maintenance Shop - account for the accumulation and allocation of costs associated with maintaining the City's equipment and general shop expenses.

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, 2019**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio	Total
ASSETS					
Current assets:					
Cash and investments	\$ 3,353,905	\$ 332,923	\$	\$ 1,822,061	\$ 5,508,889
Receivables:					
Accounts	2,112	107,942	169,198	288	279,540
Due from other governmental units	702		19,488	15,756	35,946
Inventories			32,536		32,536
Total current assets	<u>3,356,719</u>	<u>440,865</u>	<u>221,222</u>	<u>1,838,105</u>	<u>5,856,911</u>
Long-term assets:					
Capital assets:					
Machinery and equipment	25,262,076	3,079,732		1,862,055	30,203,863
Less accumulated depreciation	<u>(15,769,073)</u>	<u>(2,595,578)</u>		<u>(1,277,466)</u>	<u>(19,642,117)</u>
Net capital assets	<u>9,493,003</u>	<u>484,154</u>		<u>584,589</u>	<u>10,561,746</u>
Total assets	<u>12,849,722</u>	<u>925,019</u>	<u>221,222</u>	<u>2,422,694</u>	<u>16,418,657</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans	1,018	25,249	9,061		35,328
Other post-employment benefits		855	386		1,241
Total deferred outflows of resources	<u>1,018</u>	<u>26,104</u>	<u>9,447</u>		<u>36,569</u>
LIABILITIES					
Current liabilities:					
Accounts payable	53,904	103,569	104,933	55	262,461
Accrued wages payable	771	17,862	9,868		28,501
Due to other city funds			327,582		327,582
Total current liabilities	<u>54,675</u>	<u>121,431</u>	<u>442,383</u>	<u>55</u>	<u>618,544</u>
Long-term liabilities:					
Accrued compensated absences	1,159	62,793	14,725		78,677
Other post-employment benefits		17,033	7,685		24,718
Net pension liability	8,636	214,172	76,860		299,668
Total long-term liabilities	<u>9,795</u>	<u>293,998</u>	<u>99,270</u>		<u>403,063</u>
Total liabilities	<u>64,470</u>	<u>415,429</u>	<u>541,653</u>	<u>55</u>	<u>1,021,607</u>
DEFERRED INFLOWS OF RESOURCES					
Pension plans	1,660	41,178	14,778		57,616
Other post-employment benefits		529	239		768
Total deferred inflows of resources	<u>1,660</u>	<u>41,707</u>	<u>15,017</u>	<u>-</u>	<u>58,384</u>
NET POSITION					
Net investment in capital assets	9,493,003	484,154		584,589	10,561,746
Unrestricted	<u>3,291,607</u>	<u>9,833</u>	<u>(326,001)</u>	<u>1,838,050</u>	<u>4,813,489</u>
Total net position	<u>\$ 12,784,610</u>	<u>\$ 493,987</u>	<u>\$ (326,001)</u>	<u>\$ 2,422,639</u>	<u>\$ 15,375,235</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2019

	<u>Vehicles & Equipment</u>	<u>Information Technology</u>	<u>Maintenance Shop</u>	<u>Radio</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 1,833,888	\$ 1,295,702	\$ 1,770,881	\$ 372,372	\$ 5,272,843
Other	32,464	1,142	839	2	34,447
Total operating revenue	<u>1,866,352</u>	<u>1,296,844</u>	<u>1,771,720</u>	<u>372,374</u>	<u>5,307,290</u>
OPERATING EXPENSES					
Personnel	34,548	701,804	281,475		1,017,827
Supplies	45	19,206	1,451,481	2,835	1,473,567
Utilities			13,130		13,130
Professional services					
Insurance		1,603	8,570	402	10,575
Repair and maintenance	1,365	301,761	849	6,822	310,797
Depreciation	1,582,476	239,071		233,428	2,054,975
Miscellaneous	43,879	99,708	24,315	2,889	170,791
Total operating expenses	<u>1,662,313</u>	<u>1,363,153</u>	<u>1,779,820</u>	<u>246,376</u>	<u>5,051,662</u>
Operating income (loss)	<u>204,039</u>	<u>(66,309)</u>	<u>(8,100)</u>	<u>125,998</u>	<u>255,628</u>
NONOPERATING INCOME (EXPENSE)					
Interest on investments	78,676	5,813		42,195	126,684
Loss on disposal of equipment	(26,862)	(22,451)			(49,313)
Intergovernmental		680			680
Total nonoperating income (expense)	<u>51,814</u>	<u>(15,958)</u>		<u>42,195</u>	<u>78,051</u>
CHANGE IN NET POSITION	255,853	(82,267)	(8,100)	168,193	333,679
TOTAL NET POSITION - BEGINNING	<u>12,528,757</u>	<u>576,254</u>	<u>(317,901)</u>	<u>2,254,446</u>	<u>15,041,556</u>
TOTAL NET POSITION - ENDING	<u>\$ 12,784,610</u>	<u>\$ 493,987</u>	<u>\$ (326,001)</u>	<u>\$ 2,422,639</u>	<u>\$ 15,375,235</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2019**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,833,554	\$ 1,207,522	\$ 1,713,325	\$ 372,804	\$ 5,127,205
Payments to suppliers	7,314	(251,681)	(1,433,403)	(15,068)	(1,692,838)
Payments to employees	(26,579)	(677,317)	(256,446)		(960,342)
Other receipts (payments)	(21,401)	(98,566)	(23,476)	(2,887)	(146,330)
Net cash provided by (used in) operating activities	<u>1,792,888</u>	<u>179,958</u>		<u>354,849</u>	<u>2,327,695</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Intergovernmental		680			680
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of assets	(1,114,786)	(249,864)		(4,835)	(1,369,485)
CASH FLOWS FROM INVESTING ACTIVITY					
Interest received	78,676	5,813		42,195	126,684
Net increase (decrease) in cash and cash equivalents	756,778	(63,413)		392,209	1,085,574
Cash and cash equivalents at beginning of year	<u>2,597,127</u>	<u>396,336</u>		<u>1,429,852</u>	<u>4,423,315</u>
Cash and cash equivalents at end of year	<u>\$ 3,353,905</u>	<u>\$ 332,923</u>		<u>\$ 1,822,061</u>	<u>\$ 5,508,889</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 204,039	\$ (66,309)	\$ (8,100)	\$ 125,998	\$ 255,628
Adjustments to reconcile operating income (loss) to net cash provided by operating activities:					
Depreciation accruals	1,582,476	239,071		233,428	2,054,975
Change in assets and liabilities:					
Accounts receivable	(520)	(88,180)	(62,732)		(151,432)
Due from other governments	186		5,176	432	5,794
Inventories			(32,536)		(32,536)
Deferred outflows of resources	(127)	43,026	12,018		54,917
Accounts payable	8,724	70,889	51,013	(5,009)	125,617
Accrued wages payable	115	(640)	3,270		2,745
Compensated absences payable	844	605	2,589		4,038
Due to other funds			22,150		22,150
Other post-employment benefits		(427)	(121)		(548)
Net pension liability	6,105	(15,338)	5,982		(3,251)
Deferred inflows of resources	1,032	(2,739)	1,291		(416)
Other liabilities	(9,986)				(9,986)
Net cash provided by (used in) operating activities	<u>\$ 1,792,888</u>	<u>\$ 179,958</u>		<u>\$ 354,849</u>	<u>\$ 2,327,695</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 ¹
DECEMBER 31, 2019

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 72,035,041
Buildings	28,044,978
Improvements other than buildings	29,678,269
Machinery and equipment	11,502,410
Infrastructure	272,915,376
Construction in progress	<u>97,988,704</u>
 Total governmental funds capital assets	 <u><u>\$ 512,164,778</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 481,174,083
General Fund	1,082,037
Special Revenue Funds	16,523,474
Enterprise Funds	12,062
Gifts	<u>13,373,122</u>
 Total governmental funds capital assets	 <u><u>\$ 512,164,778</u></u>

¹ 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 ¹
YEAR ENDED DECEMBER 31, 2019

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/19</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/19</u>
GENERAL GOVERNMENT:				
Mayor & Council	\$ 7,736	\$	\$	\$ 7,736
City Clerk	18,042			18,042
City Manager	31,243			31,243
Accounting	34,373			34,373
Planning & Zoning	7,955			7,955
General Government Building	<u>59,727,494</u>	<u>4,382,636</u>		<u>64,110,130</u>
Total General Government	<u>59,826,843</u>	<u>4,382,636</u>	<u>-</u>	<u>64,209,479</u>
PUBLIC SAFETY:				
Police Protection	1,302,273			1,302,273
Fire Protection	<u>2,251,104</u>	<u>271,529</u>		<u>2,522,633</u>
Total Public Safety	<u>3,553,377</u>	<u>271,529</u>	<u>-</u>	<u>3,824,906</u>
HIGHWAYS & STREETS	274,040,026	6,492,456		280,532,482
PARKS & RECREATION	40,162,524	828,282		40,990,806
LIBRARY	2,387,133	17,063		2,404,196
COMMUNITY DEVELOPMENT	404,200			404,200
MASS TRANSIT	8,970,860	184,149	69,162	9,085,847
PLAINS ART MUSEUM	490,409			490,409
ECONOMIC DEVELOPMENT	12,233,749			12,233,749
CONSTRUCTION IN PROGRESS	<u>64,913,536</u>	<u>41,928,643</u>	<u>8,853,475</u>	<u>97,988,704</u>
Total governmental funds capital assets	<u>\$ 466,982,657</u>	<u>\$ 54,104,758</u>	<u>\$ 8,922,637</u>	<u>\$ 512,164,778</u>

¹ 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 ¹
DECEMBER 31, 2019

<u>FUNCTION AND ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>
GENERAL GOVERNMENT:		
Mayor & Council	\$ 7,736	\$
City Clerk	18,042	
City Manager	31,243	
Accounting	34,373	
Planning & Zoning	7,955	
General Government Building	<u>64,110,130</u>	<u>60,361,412</u>
Total General Government	<u>64,209,479</u>	<u>60,361,412</u>
PUBLIC SAFETY:		
Police Protection	1,302,273	
Fire Protection	<u>2,522,633</u>	<u>56,168</u>
Total Public Safety	<u>3,824,906</u>	<u>56,168</u>
HIGHWAYS & STREETS	377,638,358	4,164,316
PARKS & RECREATION	41,873,634	2,121,454
LIBRARY	2,404,196	103,000
COMMUNITY DEVELOPMENT	404,200	305,140
MASS TRANSIT	9,085,847	
PLAINS ART MUSEUM	490,409	
ECONOMIC DEVELOPMENT	<u>12,233,749</u>	<u>4,923,551</u>
Total governmental funds capital assets	<u>\$ 512,164,778</u>	<u>\$ 72,035,041</u>

¹ 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 (CONTINUED) ¹
DECEMBER 31, 2019

BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS
\$	\$	\$	\$	\$
		7,736		
		18,042		
		31,243		
		34,373		
		7,955		
3,513,743	95,078	139,897		
3,513,743	95,078	239,246	-	-
704,912	76,346	521,015		
1,347,958	22,023	1,096,484		
2,052,870	98,369	1,617,499	-	-
2,636,018	294,010	522,762	272,915,376	97,105,876
7,896,896	28,843,434	2,129,022		882,828
2,049,248	149,325	102,623		
	46,991	52,069		
2,271,928	1,600	6,812,319		
490,409				
7,133,866	149,462	26,870		
<u>\$ 28,044,978</u>	<u>\$ 29,678,269</u>	<u>\$ 11,502,410</u>	<u>\$ 272,915,376</u>	<u>\$ 97,988,704</u>

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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.

Contents	Page
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.	97
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	107
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	114
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.	130
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.	132

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)

	2010	2011	2012
Governmental activities			
Net investment in capital assets	\$ 113,540,183	\$ 141,530,526	\$ 149,982,137
Restricted	114,126,460	106,751,797	133,231,004
Unrestricted	4,016,296	11,732,377	2,810,390
Total governmental activities net position	<u>\$ 231,682,939</u>	<u>\$ 260,014,700</u>	<u>\$ 286,023,531</u>
Business-type activities			
Net investment in capital assets	\$ 75,176,641	\$ 74,551,136	\$ 72,514,980
Restricted	5,007,451	5,315,762	7,577,380
Unrestricted	24,376,519	27,429,550	31,338,868
Total business-type activities net position	<u>\$ 104,560,611</u>	<u>\$ 107,296,448</u>	<u>\$ 111,431,228</u>
Primary government			
Net investment in capital assets	\$ 188,716,824	\$ 216,081,662	\$ 222,497,117
Restricted	119,133,911	112,067,559	140,808,384
Unrestricted	28,392,815	39,161,927	34,149,258
Total primary government net position	<u>\$ 336,243,550</u>	<u>\$ 367,311,148</u>	<u>\$ 397,454,759</u>

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

2013	2014	2015	2016	2017	2018	2019
\$ 160,410,701	\$ 177,714,707	\$ 188,292,907	\$ 223,160,997	\$ 223,017,288	\$ 190,131,897	\$ 230,476,976
131,543,123	132,190,249	117,010,569	136,900,935	137,019,387	137,882,638	125,043,570
3,454,937	1,947,699	17,023,920	(18,540,961)	1,086,649	(5,842,815)	15,037,953
<u>\$ 295,408,761</u>	<u>\$ 311,852,655</u>	<u>\$ 322,327,396</u>	<u>\$ 341,520,971</u>	<u>\$ 361,123,324</u>	<u>\$ 322,171,720</u>	<u>\$ 370,558,499</u>
\$ 85,198,395	\$ 87,077,433	\$ 91,710,240	\$ 91,229,486	\$ 97,267,818	\$ 152,405,046	\$ 156,065,972
8,230,771	13,496,942	6,763,217	12,344,488	9,912,659	6,490,259	6,175,554
23,334,867	20,932,992	21,073,048	23,703,296	31,048,190	40,582,354	42,262,600
<u>\$ 116,764,033</u>	<u>\$ 121,507,367</u>	<u>\$ 119,546,505</u>	<u>\$ 127,277,270</u>	<u>\$ 138,228,667</u>	<u>\$ 199,477,659</u>	<u>\$ 204,504,126</u>
\$ 245,609,096	\$ 264,792,140	\$ 280,003,147	\$ 314,390,483	\$ 320,285,106	\$ 342,536,943	\$ 386,542,948
139,773,894	145,687,191	123,773,786	149,245,423	146,932,046	144,372,897	131,219,124
26,789,804	22,880,691	38,096,968	5,162,335	32,134,839	34,739,539	57,300,553
<u>\$ 412,172,794</u>	<u>\$ 433,360,022</u>	<u>\$ 441,873,901</u>	<u>\$ 468,798,241</u>	<u>\$ 499,351,991</u>	<u>\$ 521,649,379</u>	<u>\$ 575,062,625</u>

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

	2010	2011	2012
Expenses			
Governmental activities:			
General government	\$ 3,674,855	\$ 3,415,677	\$ 3,819,530
Public safety	10,270,338	10,819,856	10,675,009
Highways and streets	12,616,553	16,036,015	11,981,603
Parks and recreation	3,303,861	3,470,430	3,457,150
Library	918,671	830,901	780,583
Community development	337,303	445,914	561,105
Rental Registration	158,890	161,607	181,419
Mass transit	2,302,729	2,464,724	2,449,881
Economic development	801,869	496,620	880,549
Interest on long-term debt	7,046,767	7,496,641	7,172,878
Total governmental activities expenses	<u>41,431,836</u>	<u>45,638,385</u>	<u>41,959,707</u>
Business-type activities:			
Electric	24,714,209	26,097,474	26,205,959
Water	5,134,097	5,098,038	5,440,712
Wastewater treatment	5,960,063	5,882,910	6,024,275
Storm water	1,051,434	987,457	878,183
Sanitation	3,080,561	3,196,151	3,173,585
Golf courses	1,686,166	1,676,855	1,717,851
Sports center	928,218	917,037	913,432
Pest control	266,451	335,831	363,547
Forestry	582,726	657,305	640,062
Municipal airport	317,316	345,878	258,975
Street light utility	-	-	-
Total business-type activities expenses	<u>43,721,241</u>	<u>45,194,936</u>	<u>45,616,581</u>
Total primary government expenses	<u>\$ 85,153,077</u>	<u>\$ 90,833,321</u>	<u>\$ 87,576,288</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 732,466	\$ 704,540	\$ 742,553
Public safety	1,010,460	863,715	652,812
Highways and streets	2,233,462	2,521,980	2,174,827
Other activities	1,410,658	1,498,158	1,370,654
Operating grants and contributions	2,857,481	2,882,446	2,902,750
Capital grants and contributions	36,845,046	40,565,422	34,238,609
Total governmental activities program revenues	<u>45,089,573</u>	<u>49,036,261</u>	<u>42,082,205</u>
Business-type activities:			
Charges for services:			
Electric	33,010,043	34,454,731	35,346,331
Water	6,224,451	6,104,064	6,975,437
Wastewater treatment	4,962,792	5,200,218	5,681,415
Storm water	2,060,843	2,075,431	2,382,526
Sanitation	3,623,225	3,636,937	3,668,782
Golf courses	1,177,839	1,122,931	1,139,109
Other activities	1,681,153	1,716,002	1,795,999
Operating grants and contributions	177,796	224,129	222,930
Capital grants and contributions	1,185,460	388,393	1,133,422
Total business-type activities program revenues	<u>54,103,602</u>	<u>54,922,836</u>	<u>58,345,951</u>
Total primary government program revenues	<u>\$ 99,193,175</u>	<u>\$ 103,959,097</u>	<u>\$ 100,428,156</u>

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

	2013	2014	2015	2016	2017	2018	2019
\$	4,346,403	\$ 4,164,837	\$ 4,140,728	\$ 5,355,803	\$ 4,977,547	\$ 5,128,445	\$ 6,134,526
	11,398,174	12,060,174	12,699,743	15,536,547	15,256,052	15,398,739	16,218,093
	13,057,142	11,994,051	12,439,423	12,271,658	13,370,437	14,704,535	13,721,752
	3,468,570	3,640,538	3,691,716	4,103,311	4,023,868	4,722,590	4,288,015
	824,609	825,921	857,013	864,267	884,342	916,909	915,124
	618,093	443,355	482,152	596,676	774,589	562,076	372,018
	204,858	270,581	274,323	300,560	309,793	329,216	290,136
	2,587,116	2,738,712	2,819,080	2,903,025	3,179,629	3,409,312	3,570,729
	825,762	921,006	871,623	863,944	883,676	832,219	903,094
	7,688,510	7,122,193	6,876,729	7,785,669	6,749,582	6,679,837	6,255,942
	45,019,237	44,181,368	45,152,530	50,581,460	50,409,515	52,683,878	52,669,429
	27,173,001	27,910,422	29,476,309	31,817,993	30,922,240	31,146,001	30,853,105
	5,287,103	5,926,998	5,795,414	6,384,007	7,242,254	7,568,515	7,903,624
	6,656,290	5,903,395	6,058,003	6,420,340	6,137,591	7,184,981	7,737,436
	1,003,482	1,156,391	1,316,273	1,279,110	1,414,865	2,254,089	2,206,737
	3,166,870	3,429,526	3,532,179	3,657,006	5,043,175	4,310,799	4,279,139
	2,187,145	2,212,073	1,658,863	1,813,363	1,711,988	1,614,758	1,669,502
	916,596	972,117	975,858	1,032,354	1,079,640	917,379	2,711,189
	341,457	355,922	442,730	569,291	639,495	561,178	654,738
	744,203	761,896	696,965	853,299	848,802	825,002	828,932
	274,881	302,208	322,277	324,577	482,636	613,016	661,486
	-	-	647,483	695,149	748,809	732,172	714,799
	47,751,028	48,930,948	50,922,354	54,846,489	56,271,495	57,727,890	60,220,687
\$	92,770,265	\$ 93,112,316	\$ 96,074,884	\$ 105,427,949	\$ 106,681,010	\$ 110,411,768	\$ 112,890,116
\$	1,006,692	\$ 1,084,382	\$ 1,129,204	\$ 1,441,569	\$ 1,113,817	\$ 990,975	\$ 941,400
	756,848	753,180	657,825	689,929	721,893	720,682	608,415
	1,903,650	2,335,578	1,581,472	1,414,476	1,980,995	612,589	1,965,585
	2,082,671	1,285,311	1,523,424	1,504,664	1,570,260	1,733,525	1,709,315
	3,718,296	3,585,983	4,045,822	7,030,078	5,770,187	6,543,764	6,803,405
	16,927,933	21,508,080	13,758,664	25,995,042	25,592,385	20,137,228	12,429,868
	26,396,090	30,552,514	22,696,411	38,075,758	36,749,537	30,738,763	24,457,988
	37,680,948	38,598,929	39,193,818	41,489,080	44,791,531	44,230,894	43,811,642
	6,849,951	6,824,014	7,421,973	8,130,880	9,042,967	9,299,474	9,366,724
	6,316,542	6,496,996	7,287,615	7,720,651	8,066,664	8,164,057	8,662,682
	2,381,232	2,443,219	2,603,250	2,663,816	2,725,287	2,857,390	2,761,590
	3,694,612	3,820,293	4,052,656	4,160,055	4,455,041	4,500,422	4,765,892
	1,143,019	1,131,968	1,273,297	1,410,009	1,311,686	1,251,522	1,270,548
	1,689,853	1,999,535	2,903,247	3,051,096	2,958,886	3,336,457	3,211,184
	204,439	218,817	250,277	236,022	625,699	205,573	52,061
	1,747,614	1,244,238	176,178	1,854,572	1,658,727	3,516,441	2,346,902
	61,708,210	62,778,009	65,162,311	70,716,181	75,636,488	77,362,230	76,249,225
\$	88,104,300	\$ 93,330,523	\$ 87,858,722	\$ 108,791,939	\$ 112,386,025	\$ 108,100,993	\$ 100,707,213

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

	2010	2011	2012
Net (expense) / revenue:			
Governmental activities	\$ 3,657,737	\$ 3,397,876	\$ 122,498
Business-type activities	10,382,361	9,727,900	12,729,370
Total primary government net expense	<u>\$ 14,040,098</u>	<u>\$ 13,125,776</u>	<u>\$ 12,851,868</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes			
Property taxes levied for general purposes	\$ 4,075,578	\$ 4,613,139	\$ 4,430,407
Property taxes levied for debt service	1,647,827	1,189,537	1,988,711
Tax increments	953,865	870,313	694,944
Franchise fees	865,522	943,926	831,067
State aid unrestricted	8,199,446	8,544,337	8,405,832
Unrestricted grants and contributions	176,748	171,947	171,957
Investment earnings	309,936	585,304	158,683
Miscellaneous	123,337	343,824	215,952
Transfers	7,108,365	7,671,558	8,988,780
Special Item	-	-	-
Total governmental activities	<u>23,460,624</u>	<u>24,933,885</u>	<u>25,886,333</u>
Business-type activities:			
State aid unrestricted	11,560	11,560	11,560
Investment earnings	484,828	588,834	205,476
Miscellaneous	25,532	79,102	177,154
Transfers	(7,108,365)	(7,671,558)	(8,988,780)
Special Item	-	-	-
Total business-type activities	<u>(6,586,445)</u>	<u>(6,992,062)</u>	<u>(8,594,590)</u>
Total primary government	<u>\$ 16,874,179</u>	<u>\$ 17,941,823</u>	<u>\$ 17,291,743</u>
Change in Net Position			
Governmental activities	\$ 27,118,361	\$ 28,331,761	\$ 26,008,831
Business-type activities	3,795,916	2,735,838	4,134,780
Total primary government	<u>\$ 30,914,277</u>	<u>\$ 31,067,599</u>	<u>\$ 30,143,611</u>

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

2013	2014	2015	2016	2017	2018	2019
\$ (18,623,147)	\$ (13,628,854)	\$ (22,456,119)	\$ (12,505,702)	\$ (13,659,978)	\$ (21,945,115)	\$ (28,211,441)
13,957,182	13,847,061	14,239,957	15,869,692	19,364,993	19,634,340	16,028,538
<u>\$ (4,665,965)</u>	<u>\$ 218,207</u>	<u>\$ (8,216,162)</u>	<u>\$ 3,363,990</u>	<u>\$ 5,705,015</u>	<u>\$ (2,310,775)</u>	<u>\$ (12,182,903)</u>
\$ 3,831,102	\$ 3,603,921	\$ 4,075,760	\$ 5,001,334	\$ 6,070,868	\$ 7,152,264	\$ 8,124,044
2,993,091	3,381,964	3,811,113	3,824,307	4,624,111	3,633,936	4,386,808
689,289	585,880	514,527	498,896	518,118	546,662	571,287
971,057	1,137,769	1,013,045	922,395	993,555	1,040,015	1,016,021
8,445,441	9,405,893	9,927,631	10,352,919	10,169,504	10,519,127	10,686,998
177,045	171,232	171,160	101,072	141,104	-	2,674,199
142,993	140,993	96,413	116,946	372,095	892,127	1,328,000
1,360,497	1,666,786	1,308,002	1,909,098	631,340	117,662	925,710
9,397,862	9,978,310	9,929,999	8,972,310	9,741,636	10,251,796	12,388,791
-	-	15,812,220	-	-	-	-
<u>28,008,377</u>	<u>30,072,748</u>	<u>46,659,870</u>	<u>31,699,277</u>	<u>33,262,331</u>	<u>34,153,589</u>	<u>42,101,858</u>
11,562	11,562	11,562	11,562	4,960	6,185	4,960
74,074	361,204	245,689	42,817	429,624	553,607	1,397,683
617,849	571,818	610,959	994,136	893,456	911,461	1,060,135
(9,327,862)	(10,048,310)	(9,929,999)	(8,972,310)	(9,741,636)	(10,251,796)	(12,388,791)
-	-	(1,532,204)	(215,132)	-	-	-
<u>(8,624,377)</u>	<u>(9,103,726)</u>	<u>(10,593,993)</u>	<u>(8,138,927)</u>	<u>(8,413,596)</u>	<u>(8,780,543)</u>	<u>(9,926,013)</u>
<u>\$ 19,384,000</u>	<u>\$ 20,969,022</u>	<u>\$ 36,065,877</u>	<u>\$ 23,560,350</u>	<u>\$ 24,848,735</u>	<u>\$ 25,373,046</u>	<u>\$ 32,175,845</u>
\$ 9,385,230	\$ 16,443,894	\$ 24,203,751	\$ 19,193,575	\$ 19,602,353	\$ 12,208,474	\$ 13,890,417
5,332,805	4,743,335	3,645,964	7,730,765	10,951,397	10,853,797	6,102,525
<u>\$ 14,718,035</u>	<u>\$ 21,187,229</u>	<u>\$ 27,849,715</u>	<u>\$ 26,924,340</u>	<u>\$ 30,553,750</u>	<u>\$ 23,062,271</u>	<u>\$ 19,992,942</u>

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

	2010	2011	2012
General fund			
Reserved	\$ 1,463,870	\$ -	\$ -
Unreserved	12,231,585	-	-
Nonspendable	-	1,302,696	1,446,526
Restricted	-	-	-
Committed	-	-	715,190
Assigned	-	-	-
Unassigned	-	11,868,324	13,268,124
Total General fund	<u>\$ 13,695,455</u>	<u>\$ 13,171,020</u>	<u>\$ 15,429,840</u>
All other governmental funds			
Reserved	\$ 35,783,811	\$ -	\$ -
Unreserved, reported in:			
Special revenue funds	3,549,584	-	-
Capital projects funds	2,268,124	-	-
Nonspendable	-	605,771	547,358
Restricted	-	29,147,833	64,202,443
Committed	-	1,555,689	1,525,420
Assigned	-	4,126,188	3,659,190
Unassigned	-	(631,771)	(2,869,614)
Total all other governmental funds	<u>\$ 41,601,519</u>	<u>\$ 34,803,710</u>	<u>\$ 67,064,797</u>

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

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

2013	2014	2015	2016	2017	2018	2019
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
1,333,328	1,193,488	1,132,614	3,715,273	3,653,737	3,563,015	3,544,307
-	-	-	-	448,443	533,289	854,039
417,738	94,945	79,534	38,645	-	-	-
-	-	-	-	379,417	403,929	-
13,373,191	15,041,820	15,466,755	13,423,346	14,794,555	15,030,435	16,499,895
<u>\$ 15,124,257</u>	<u>\$ 16,330,253</u>	<u>\$ 16,678,903</u>	<u>\$ 17,177,264</u>	<u>\$ 19,276,152</u>	<u>\$ 19,530,668</u>	<u>\$ 20,898,241</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-
-	-	-	-	-	-	-
486,353	415,287	348,968	-	-	-	-
62,274,294	68,997,684	57,662,812	54,537,821	48,256,249	50,248,858	56,926,969
1,658,988	1,148,372	921,172	1,072,520	1,608,169	533,264	3,022,448
3,721,697	4,192,144	4,802,314	6,233,333	6,725,895	6,349,223	-
(789,421)	(1,749,206)	(1,449,313)	(2,010,686)	(3,726,011)	(5,979,092)	(4,705,036)
<u>\$ 67,351,911</u>	<u>\$ 73,004,281</u>	<u>\$ 62,285,953</u>	<u>\$ 59,832,988</u>	<u>\$ 52,864,302</u>	<u>\$ 51,152,253</u>	<u>\$ 55,244,381</u>

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

	2010	2011	2012
Revenues			
Taxes			
Property	\$ 6,677,262	\$ 6,672,981	\$ 7,114,062
Franchise	865,522	943,926	831,067
Licenses and permits	997,412	596,533	636,465
Intergovernmental	34,168,837	43,024,995	32,702,918
Charges for services	2,993,594	3,621,425	3,063,004
Fines and forfeits	507,611	485,095	477,988
Facility rentals	184,065	221,638	166,565
Donations	-	-	12,575
Special assessments	9,165,907	10,202,539	10,792,664
Sale of property	65,569	175,746	140,400
Interest on investments	260,596	502,615	145,539
Miscellaneous	821,977	1,101,582	845,479
Total revenues	56,708,352	67,549,075	56,928,726
Expenditures			
General government	3,560,682	3,338,022	3,536,645
Public safety	10,276,719	10,457,316	10,530,722
Highways and streets	7,766,439	10,834,588	6,557,673
Parks and recreation	2,419,891	2,610,640	2,584,935
Library	857,343	771,530	761,157
Community development	332,635	441,246	556,440
Rental registration	158,890	161,607	181,419
Mass transit	1,823,815	1,976,869	1,992,853
Economic development	601,381	297,762	680,304
Capital outlay	41,462,160	39,143,946	34,763,317
Debt service:			
Bond and note principal	9,071,970	15,316,339	11,499,463
Bond and note interest	6,321,324	6,976,779	6,429,319
Fiscal and other charges	652,023	506,902	439,249
Total expenditures	85,305,272	92,833,546	80,513,496
Revenues over (under) expenditures	(28,596,920)	(25,284,471)	(23,584,770)
Other financing sources (uses)			
Bond and note proceeds	15,555,000	9,955,000	46,520,000
Payment to refunding agent			
Premium on issuance of debt			1,780,076
Transfers from other funds	105,844	81,405	11,951,492
Transfers to other funds	9,571,654	9,630,070	(2,835,809)
Sale of capital assets	(1,878,902)	(1,704,248)	688,918.00
Total other financing sources (uses)	23,353,596	17,962,227	58,104,677
Net change in fund balances	\$ (5,243,324)	\$ (7,322,244)	\$ 34,519,907
Debt service as a percentage of noncapital expenditures	35.11%	41.52%	39.19%

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

	2013	2014	2015	2016	2017	2018	2019
\$	7,513,482	\$ 7,571,766	\$ 8,401,400	\$ 9,324,536	\$ 10,713,097	\$ 11,832,862	\$ 12,838,360
	971,057	1,137,769	1,013,045	922,395	993,555	1,040,015	1,016,021
	749,377	849,029	803,311	1,174,852	882,095	770,467	704,116
	23,352,975	23,693,367	20,286,634	27,188,071	18,790,647	30,411,438	52,217,435
	3,056,626	3,524,497	2,595,514	2,498,985	2,973,730	1,691,783	2,654,379
	497,843	515,349	488,692	513,874	517,771	504,021	452,359
	154,479	157,351	179,458	165,001	171,689	167,490	169,875
	6,111	24,084	18,947	32,336	25,620	9,765	38,842
	9,650,046	10,380,331	9,738,840	9,513,547	10,480,746	9,255,056	10,213,442
		14,514	57,892	72,131	266,872	66,463	821,435
	139,294	134,609	92,660	114,859	351,280	847,283	1,201,316
	2,328,519	2,154,445	2,239,411	2,646,489	1,236,261	822,080	1,476,398
	48,419,809	50,157,111	45,915,804	54,167,076	47,403,363	57,418,723	83,803,978
	3,595,773	3,912,568	4,037,972	4,637,537	4,784,554	4,918,836	5,824,953
	11,184,213	11,599,347	12,291,749	13,320,836	14,185,429	15,004,164	16,024,295
	7,345,670	6,072,511	5,167,384	5,416,122	4,763,995	5,493,210	6,181,368
	2,560,153	2,709,763	2,753,592	2,817,339	2,919,752	3,400,151	3,031,576
	815,140	820,110	851,224	858,478	878,553	906,123	903,493
	618,089	443,355	482,152	596,676	781,676	559,576	370,973
	204,858	270,581	274,323	300,560	312,250	328,176	296,871
	2,131,719	2,281,543	2,348,827	2,449,064	2,707,346	2,858,630	3,041,536
	625,915	721,271	662,843	583,355	649,127	598,413	669,893
	16,750,785	23,235,422	24,863,377	33,908,144	17,987,366	30,678,440	47,177,959
	7,867,746	19,281,197	18,469,823	27,988,634	9,187,639	11,026,848	10,491,271
	7,707,198	6,970,392	6,559,789	6,398,233	6,273,804	6,367,153	6,529,037
	37,732	511,352	305,028	1,482,794	409,394	234,831	162,389
	61,444,991	78,829,412	79,068,083	100,757,772	65,840,885	82,374,551	100,705,614
	(13,025,182)	(28,672,301)	(33,152,279)	(46,590,696)	(18,437,522)	(24,955,828)	(16,901,636)
	2,165,000	43,055,000	12,270,000	32,055,000	15,905,000	16,560,000	14,435,000
					(13,810,000)	(4,870,000)	(5,510,000)
	51,879	2,233,381	475,107	2,881,002	881,517	1,349,861	631,564
	11,423,664	11,689,322	12,717,331	11,906,083	12,171,988	14,227,186	14,142,842
	(1,720,136)	(2,054,155)	(2,679,836)	(2,205,993)	(1,580,781)	(3,768,752)	(1,338,069)
	1,086,306.00	66,626.00	-	-	-	-	-
	13,006,713	54,990,174	22,782,602	44,636,092	13,567,724	23,498,295	22,361,337
\$	(18,469)	\$ 26,317,873	\$ (10,369,677)	\$ (1,954,604)	\$ (4,869,798)	\$ (1,457,533)	\$ 5,459,701
	34.85%	47.22%	46.18%	51.44%	32.02%	33.71%	30.83%

**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
	Real Property		Personal Property	
	Residential	Commercial		
2010	\$ 16,465,436	\$ 6,272,844	\$ 149,152	\$ (786,828)
2011	16,900,730	6,954,186	164,212	(821,926)
2012	15,358,233	7,089,254	173,218	(889,882)
2013	15,764,267	7,293,733	170,577	(853,263)
2014	16,009,445	7,449,055	171,997	(890,951)
2015	17,985,731	7,889,876	172,656	(880,047)
2016	20,377,855	8,621,546	202,998	(894,861)
2017	22,787,981	8,822,272	243,566	(867,303)
2018	24,315,198	8,845,295	229,935	(905,613)
2019	25,423,602	9,172,320	196,595	(861,237)

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

¹ 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
ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY (CONTINUED)
LAST TEN FISCAL YEARS

Taxable Net Tax Capacity	Tax Capacity Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value	Market Value Tax Exempt Real Property ¹
\$ 22,100,604	31.176%	\$ 1,955,815,700	1.13%	\$ 817,588,200
23,197,202	30.752%	2,025,775,500	1.15%	817,588,200
21,730,823	34.467%	1,865,413,600	1.16%	817,588,200
22,375,314	35.139%	1,911,528,100	1.17%	817,588,200
22,739,546	37.424%	1,943,602,400	1.17%	817,588,200
25,168,216	38.662%	2,153,993,100	1.17%	817,588,200
28,307,511	39.543%	2,444,259,300	1.16%	946,170,800
30,986,516	40.235%	2,683,132,200	1.15%	946,170,800
32,484,815	42.226%	2,830,285,800	1.15%	946,170,800
33,931,280	43.477%	2,946,867,700	1.15%	946,170,800

**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		
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%
2016	39.543%	1.278%	40.821%	44.433%	34.097%	1.724%	80.254%	121.075%
2017	40.235%	1.268%	41.503%	45.703%	30.439%	1.698%	77.840%	119.343%
2018	42.226%	1.231%	43.457%	47.102%	31.741%	1.706%	80.549%	124.006%
2019	43.477%	1.855%	45.332%	48.071%	30.220%	1.675%	79.966%	125.298%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2019**

Taxpayer	2019			2010		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 465,991	1	1.37%	\$ 623,600	1	2.82%
Proffutt Ltd Partnership	401,005	2	1.18%	134,437	9	0.61%
Busch Agricultural Resources, Inc.	388,975	3	1.15%	385,513	2	1.74%
Moorhead Lodging Association	308,614	4	0.91%			
Sanford Medical Center	283,804	5	0.84%			
Menards Inc.	265,526	6	0.78%	318,590	3	1.44%
Meridian Mortgage LLC	235,750	7	0.69%			
Kassenborg Partners	231,196	8	0.68%			
Skaff Apartments	227,768	9	0.67%			
Eventide Lutheran Home	179,432	10	0.53%	115,202	10	0.52%
Easten LLC				222,546	4	1.01%
Moorhead Hospitality				169,250	5	0.77%
Moorhead Holiday Assoc.				154,858	6	0.70%
Sterling Development Group				146,197	7	0.66%
Moorhead Center Mall LLP				134,894	8	0.61%

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
2010	\$ 7,446,245	\$ (1,524,556)	\$ 5,921,689
2011	7,558,522	(1,767,771)	5,790,751
2012	7,441,836	(1,200,228)	6,241,608
2013	7,813,500	(1,257,485)	6,556,015
2014	8,437,376	(1,767,533)	6,669,843
2015	9,652,974	(2,243,826)	7,409,148
2016	11,112,844	(2,540,915)	8,571,929
2017	12,423,387	(2,542,330)	9,881,057
2018	13,693,015	(2,661,848)	11,031,167
2019	14,728,234	(2,804,462)	11,923,772

Source: Clay County Auditor

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

Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
Amount	Percent of Levy		Amount	Percent of Levy
\$ 5,698,918	96.24%	\$ 220,423	\$ 5,919,341	99.960%
5,664,239	97.82%	125,199	5,789,438	99.977%
6,100,183	97.73%	139,423	6,239,606	99.968%
6,439,657	98.23%	114,436	6,554,093	99.971%
6,534,420	97.97%	133,516	6,667,936	99.971%
7,354,140	99.26%	53,219	7,407,359	99.976%
8,490,199	99.05%	76,501	8,566,700	99.939%
9,770,161	98.88%	98,327	9,868,488	99.873%
10,846,450	98.33%	135,081	10,981,531	99.550%
11,760,828	98.63%		11,760,828	98.633%

**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			
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%	
2016	41,466,385	383,868	1,187,730	43,037,983	8,400,152	19.52%	
2017	45,049,837	837,401	489,767	46,377,005	8,618,696	18.58%	
2018	44,630,198	851,319	69,867	45,551,384	8,822,765	19.37%	
2019	43,800,063	1,552,217	29,758	45,382,038	8,893,466	19.60%	

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.

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

Fiscal Year	Governmental Activities				Notes Payable
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds	
2010	\$ 1,655,000	\$ 139,555,000	\$ 13,360,000	\$ 1,945,000	\$ 824,657
2011	1,015,000	143,375,000	5,155,000	1,670,000	763,318
2012	585,000	179,460,000	4,865,000	1,390,000	698,855
2013	390,000	174,620,000	4,560,000	1,095,000	631,109
2014	195,000	180,925,000	4,250,000	785,000	559,912
2015	-	175,630,000	3,930,000	470,000	485,089
2016	-	180,455,000	3,585,000	135,000	406,455
2017	-	173,860,000	3,240,000	65,000	323,816
2018	-	175,045,000	2,870,000	-	236,968
2019	-	172,255,000	4,185,000	-	145,697

1 - For 2019 \$19,437,099 in Public Facilities Authority Notes were reclassified from G.O. Revenue Bonds to Notes Payable.

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

¹ See the Schedule of Demographic and Economic Statistics for personal income and population data.

CITY OF MOORHEAD, MINNESOTA
RATIOS OF OUTSTANDING DEBT BY TYPE (CONTINUED)
LAST TEN FISCAL YEARS

Business-Type Activities					
G.O. Revenue Bonds	Revenue Bonds	Notes Payable	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ 31,418,017	\$ 28,735,000	\$ 534,506	\$ 218,027,180	16.74%	\$ 5,728
29,829,800	26,000,000	479,534	208,287,652	15.52%	5,472
38,968,152	27,080,000	422,354	253,469,361	18.56%	6,581
26,740,118	25,555,000	379,837	233,971,064	15.61%	6,016
32,095,232	23,970,000	898,472	243,678,616	15.96%	6,234
39,710,407	22,300,000	325,570	242,851,066	15.29%	5,897
39,806,511	34,050,000	297,200	258,735,166	15.37%	6,175
36,969,682	32,510,000	267,972	247,236,470	14.10%	5,806
34,087,099	30,530,000	237,861	243,006,928	13.64%	5,594
11,660,000 ¹	28,425,000	19,643,939 ¹	236,314,636	12.57%	5,430

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

Fiscal Year	Governmental Activities			
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds
2010	\$ 1,655,000	\$ 139,555,000	\$ 13,360,000	\$ 1,945,000
2011	1,015,000	143,375,000	5,155,000	1,670,000
2012	585,000	179,460,000	4,865,000	1,390,000
2013	390,000	174,620,000	4,560,000	1,095,000
2014	195,000	180,925,000	4,250,000	785,000
2015	-	175,630,000	3,930,000	470,000
2016	-	180,455,000	3,585,000	135,000
2017	-	173,860,000	3,240,000	65,000
2018	-	177,191,510	2,870,000	-
2019	-	180,131,452	4,251,135	-

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

¹ See the Schedule of Demographic and Economic Statistics for population data.

CITY OF MOORHEAD, MINNESOTA
RATIOS OF GENERAL BONDED DEBT OUTSTANDING (CONTINUED)
LAST TEN FISCAL YEARS

Business-Type Activities		Total General Obligation Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita ¹
G.O. Revenue Bonds	Revenue Bonds			
\$ 31,418,017	\$ 28,735,000	\$ 216,668,017	11.08%	\$ 5,692
29,829,800	26,000,000	207,044,800	10.22%	5,439
38,968,152	27,080,000	252,348,152	13.53%	6,552
26,740,118	25,555,000	232,960,118	12.19%	5,990
32,095,232	23,970,000	242,220,232	12.46%	6,196
39,710,407	22,300,000	242,040,407	11.24%	5,877
39,806,511	34,050,000	258,031,511	10.56%	6,158
36,969,682	32,510,000	246,644,682	9.19%	5,792
34,087,099	30,530,000	244,678,609	8.65%	5,633
11,660,000	28,425,000	224,467,587	7.62%	5,158

**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 ¹ of Property	Per Capita ²
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
2016	-	-	-	0.00%	0
2017	-	-	-	0.00%	0
2018	-	-	-	0.00%	0
2019	-	-	-	0.00%	0

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

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

² 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, 2019**

<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	\$ 91,725,000	81.10%	\$ 74,388,975
Clay County	60,765,000	50.30%	<u>30,564,795</u>
Total overlapping debt			<u>104,953,770</u>
City of Moorhead direct debt			<u>184,528,284</u>
Total direct and overlapping debt			<u><u>\$ 289,482,054</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>2009</u>	<u>2010</u>	<u>2011</u>	<u>2012</u>
Debt limit	\$ 56,181,225	\$ 58,674,471	\$ 60,773,265	\$ 63,446,625
Total net debt applicable to limit	<u>2,025,369</u>	<u>1,481,991</u>	<u>992,737</u>	<u>1,283,855</u>
Legal debt margin	<u>\$ 54,155,856</u>	<u>\$ 57,192,480</u>	<u>\$ 59,780,528</u>	<u>\$ 62,162,770</u>
Total net debt applicable to the limit as a percentage of debt limit	3.61%	2.53%	1.63%	2.02%

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 1. 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 excess of 3 percent of the estimated market value of taxable property.

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

<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
64,527,651 \$	65,400,048 \$	71,964,231 \$	73,327,779 \$	80,493,966 \$	84,908,574 \$	88,406,031 \$
<u>1,021,109</u>	<u>754,912</u>	<u>485,089</u>	<u>406,455</u>	<u>323,816</u>	<u>236,968</u>	<u>145,697</u>
<u><u>63,506,542</u></u> \$	<u><u>64,645,136</u></u> \$	<u><u>71,479,142</u></u> \$	<u><u>72,921,324</u></u> \$	<u><u>80,170,150</u></u> \$	<u><u>84,671,606</u></u> \$	<u><u>88,260,334</u></u> \$
1.58%	1.15%	0.67%	0.55%	0.40%	0.28%	0.16%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2018

Estimated market value - taxable property		\$ 2,946,867,700
Debt limit 3% of estimated market value		88,406,031
Debt applicable to limit:		
General obligation notes	<u>\$ 145,697</u>	
Total net debt applicable to limit		<u>145,697</u>
Legal debt margin		<u><u>\$ 88,260,334</u></u>

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage ²
				Principal	Interest	Total	
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 ³	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
2016	43,037,983	28,595,154	14,442,829	1,230,200	635,356	1,865,556	7.74
2017	46,377,005	27,816,757	18,560,248	1,629,750	980,230	2,609,980	7.11
2018	45,551,384	27,902,421	17,648,963	1,789,250	872,600	2,661,850	6.63
2019	45,382,038	27,276,993	18,105,045	1,864,350	814,531	2,678,881	6.76

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 \$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 ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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 ²	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
2016	9,512,407	4,684,829	4,827,578	239,800	204,660	444,460	10.86
2017	10,956,493	5,107,268	5,849,225	1,026,466	376,811	1,403,277	4.17
2018	9,969,467	5,318,997	4,650,470	1,138,750	353,387	1,492,137	3.12
2019	10,376,709	5,596,146	4,780,563	1,155,650	329,716	1,485,366	3.22

1 - Expenses exclude depreciation and amortization.

2 - 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 ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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 ²	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	4,173,434	3,121,392	1,817,608	917,844	2,735,452	1.14
2016	7,728,284	4,675,014	3,053,270	1,789,223	872,975	2,662,198	1.15
2017	8,466,858	4,271,566	4,195,292	1,902,970	829,461	2,732,431	1.54
2018	9,188,716	4,559,603	4,629,113	1,971,331	781,586	2,752,917	1.68
2019	8,982,831	5,220,636	3,762,195	2,075,000	731,896	2,806,896	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 ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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.

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 ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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
2016 ²	2,065,912	1,577,925	487,987	260,000	128,095	388,095	1.26

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, a transfer of \$550,000 from the General Fund and bond principal of \$1,590,000 to retire Golf Course Gross Revenue Refunding Bonds of 1998B have been excluded from this schedule.

NOTE: Final payment was made on these bonds in 2016.

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	
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	4,361	354,489	295,000	56,816	351,816	1.01
2014	355,522	1,350	354,172	310,000	44,535	354,535	1.00
2015	368,319	3,227	365,092	315,000	31,368	346,368	1.05
2016	166,355	2,284	164,071	335,000	17,415	352,415	0.47
2017	144,392	3,641	140,751	70,000	4,265	74,265	1.90
2018	7,788	850	6,938	65,000	1,398	66,398	0.10

1 - 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.

NOTE: Final payment was made on these bonds in 2018.

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

Fiscal Year	Gross Revenue ¹	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2010	\$ 12,185,726	\$ 228,350	\$ 11,957,376	\$ 5,000,000 ²	\$ 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	6,495,000 ³	5,525,149	12,020,149	1.25
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 ⁴	5,822,983	14,172,983	1.14
2015	17,307,772	74,564	17,233,208	7,845,000 ⁵	5,798,583	13,643,583	1.26
2016	18,213,910	145,045	18,068,865	7,955,000 ⁶	5,742,517	13,697,517	1.32
2017	17,992,088	273,312	17,718,776	8,690,000 ⁷	5,688,988	14,378,988	1.23
2018	18,819,851	239,440	18,580,411	9,325,000 ⁸	5,642,577	14,967,577	1.24
2019	17,751,047	213,486	17,537,561	10,165,000 ⁹	5,796,338	15,961,338	1.10

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

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

3 - For comparative purposes this amount excludes \$2,575,000 to retire General Obligation Improvement Bonds of 2002B and \$1,365,000 used to retire General Obligation Improvement Bonds of 2003C.

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

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

6 - For comparative purposes this amount excludes \$9,260,000 used to retire General Obligation Improvement Bonds of 2005A and \$10,015,000 to retire General Obligation Improvement Bonds of 2005B.

7 - For comparative purposes this amount excludes \$6,285,000 used to retire General Obligation Improvement Bonds of 2006B and \$7,525,000 to retire General Obligation Improvement Bonds of 2006C.

8 - For comparative purposes this amount excludes \$6,050,000 used to retire General Obligation Improvement Bonds of 2008B

9 - For comparative purposes this amount excludes \$1,715,000 used to retire General Obligation Improvement Bonds of 2009A and \$3,795,000 to retire General Obligation Flood Mitigation Bonds of 2009B.

**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	
2010	\$ 1,552,805 ²	\$ 412,102	\$ 1,140,703	\$ 600,000 ³	\$ 911,214	\$ 1,511,214	0.75
2011	1,486,573	275,920	1,210,653	285,000 ⁴	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	110,537	911,095	320,000	540,349	860,349	1.06
2016	1,084,682 ⁵	7,469 ⁶	1,077,213	345,000	614,878	959,878	1.12
2017	1,243,445	328,814	914,631	345,000	131,425	476,425	1.92
2018	1,178,046	101,916	1,076,130	370,000	118,775	488,775	2.20
2019	1,093,845	53,144	1,040,701	235,000	107,462	342,462	3.04

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

5 - For comparative purposes this amount excludes \$1,151,700 relating to a State of Minnesota DEED cleanup grant.

6 - For comparative purposes this amount excludes \$1,133,985 spent from clean-up grant and \$1,337,101 land purchase

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

Fiscal Year	Population ¹	Estimated Personal Income ²	Per Capita Personal Income ³	K-12 School Enrollment ⁴	Unemployment Rate ⁵
2010	38,065 ⁶	\$ 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%
2016	41,901	1,683,456,477	40,177	6,178	2.9%
2017	42,581	1,753,187,513	41,173	6,661	2.3%
2018	43,440	1,781,821,920	41,018	6,799	2.9%
2019	43,522	1,879,279,960	43,180	6,973	2.0%

Data Sources:

¹ Minnesota State Demographic Center.

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

³

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.

⁴ Minnesota Department of Education

⁵ Minnesota Department of Employment and Economic Development

⁶ 2010 U.S. Census

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

Employer	2019			2010		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,035 (a)	1	2.83%	1000 (a)	1	4.79%
Minnesota State University-Moorhead	707 (a)	2	1.93%	825	2	3.96%
Concordia College	700 (a)	3	1.91%	812 (a)	3	3.89%
Clay County	530 (a)	4	1.45%	480	5	2.30%
City of Moorhead	505 (b)	5	1.38%	251 (b)	8	1.20%
Creative Care for Reaching Independence (CCRI)	500	6	1.37%			0.00%
Eventide Lutheran Home	461	7	1.26%	500	4	2.40%
American Crystal Sugar Company	400	8	1.09%	355	6	1.70%
Hornbacher's Food, Inc (2 locations)	296 (a)	9	0.81%	180	10	0.86%
Minnesota State Community and Technical College	229	10	0.63%			0.00%
Moorhead Electric				260	7	1.25%
American Security & Protection				200	9	0.96%

(a) Includes full and part-time employees.

(b) Excludes 230 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	2010	2011	2012	2013
General Government	40.22	40.22	39.42	39.42
Public Safety				
Police				
Officers	53.00	53.00	53.00	53.00
Civilians	14.00	14.00	15.00	15.00
Fire				
Firefighters & officers	36.00	36.00	36.00	36.00
Civilians	1.00	1.00	1.00	1.00
Parks and Recreation	10.00	10.00	10.00	10.00
Planning & Neighborhood Services	-	-	-	-
Community Development	23.20	21.60	20.85	20.85
Mass Transit	2.00	2.00	2.00	2.00
Economic Development	-	-	-	-
Electric	34.00	34.00	37.00	35.00
Water	25.00	25.00	21.00	22.00
Wastewater Treatment	17.00	17.00	18.00	18.00
Storm Water	1.00	1.00	1.00	1.00
Highways and Streets	16.63	16.63	16.63	16.63
Sanitation	19.00	19.00	19.00	19.00
Golf Courses	7.58	7.58	7.58	7.58
Sports Center	6.00	6.00	6.00	6.00
Pest Control	1.00	1.00	1.00	1.00
Forestry	3.00	3.00	3.00	3.00
Total FTE's	309.63	308.03	307.48	306.48

Source: City Human Resources Department

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

2014	2015	2016	2017	2018	2019
38.00	38.00	38.00	38.00	49.00	54.00
53.00	55.00	58.00	60.00	60.00	61.00
15.00	16.00	17.00	17.00	17.00	17.00
36.00	36.00	36.00	37.00	37.00	37.00
1.00	1.00	1.00	1.00	1.00	1.00
13.00	13.00	13.00	15.75	15.75	15.75
17.85	17.85	19.00	18.00	-	
-	-	-	-	11.00	11.00
3.00	3.00	3.00	3.50	3.50	1.00
1.00	1.00	1.00	1.00	1.00	1.00
35.00	36.00	37.00	37.00	34.00	38.00
22.00	20.00	22.00	22.00	24.00	24.00
18.00	18.00	17.00	17.00	17.00	17.00
1.00	1.00	2.00	1.00	1.00	1.00
15.63	17.63	17.63	18.63	18.63	18.63
20.00	20.00	21.00	20.00	19.00	19.00
8.00	8.00	8.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	6.00	6.00	6.00	7.00	7.00
307.48	311.48	320.63	324.88	327.88	335.38

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

Function	2010	2011	2012	2013
Police				
Part I Offenses (serious crime - murder, rape, robbery, assault, theft, arson)	1,006	872	945	891
Part II Offenses (assault, stolen property, vandalism, narcotics, D.U.I., liquor laws, disorderly, other)	2,353	2,251	1,971	1,849
Fire				
Medical responses	1,980	2,273	2,186	1,400
Fire & other responses	1,006	1,066	1,144	1,014
Library				
Visits	305,435	275,782	258,451	267,218
Circulation	409,133	378,340	344,025	302,291
Mass Transit				
Fixed Routes ridership	376,697	433,676	436,304	452,624
Paratransit ridership	13,220	12,771	10,604	10,771
Metro Senior Ride ridership	5,961	6,323	7,492	8,042
Community Development				
New Residential Permits	160	92	89	139
New Residential Valuation	24,091,532	24,075,213	17,514,700	44,149,300
New Commercial Permits	19	20	12	31
New Commercial Valuation	8,620,860	4,956,205	8,071,975	34,676,965
Sanitation				
Curbside Recycling (tons)	582	499	432	384
Refuse Collected (landfill tonnage)	19,737	22,276	21,568	23,163
Yard Waste (tons)	3,026	2,542	2,060	2,616
Wastewater Treatment				
Average daily sewage treatment (millions of gallons)	4.66	5.06	3.52	4.02
Electric				
Annual Sales (millions of kwh)	418.40	430.16	419.58	442.40
Water				
Water Sales (billions of gallons)	1.335	1.285	1.48	1.41

Source: Various city departments.

Note: Indicators are not available for general government functions.

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

2014	2015	2016	2017	2018	2019
904	1,056	1,041	979	1,087	673
1,974	2,264	2,029	1,820	2,077	1,189
1,523	2,042	2,194	2,305	2,469	2,568
968	1,195	1,164	1,240	1,341	1,471
230,511	258,076	227,735	192,771	195,086	193,309
273,498	227,745	249,330	248,844	246,915	236,196
482,177	459,288	445,506	451,854	521,444	480,887
10,038	9,490	10,696	10,673	9,593	9,010
8,301	10,143	10,765	10,907	10,454	9,836
197	213	169	84	141	128
56,708,439	64,431,779	60,222,748	20,981,400	45,660,287	34,986,672
21	30	31	27	16	20
12,473,597	10,467,380	33,067,240	55,698,017	10,151,660	11,693,761
418	510	551	1,464	2,498	3,502
22,722	30,303	31,764	26,573	34,269	27,528
2,847	3,182	3,624	2,944	3,276	2,923
4.18	3.75	3.91	3.81	3.78	4.88
447.30	431.05	434.04	414.06	450.00	437.03
1.34	1.35	1.37	1.44	1.43	1.32

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

Function	2010	2011	2012	2013
Public Safety:				
Police Stations	1	1	1	1
Fire Stations	2	2	2	2
Highways & Streets:				
Street (miles)	210.11	211.77	211.73	212.73
Culture and recreation				
Parks	42	42	43	43
Swimming/wading pools	8	8	9	9
Sanitation:				
Collection trucks	10	10	10	10
Wastewater				
Storm sewers (miles)	127.40	132.42	135.32	149.00
Sanitary sewers (miles)	155.19	157.81	156.36	157.00
Force mains (miles)	20.87	22.00	23.12	23.12

Source: Various city departments.

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

2014	2015	2016	2017	2018	2019
1	1	1	1	1	1
2	2	2	2	2	2
212.73	227.80	230.70	233.00	234.60	235.30
44	47	47	47	48	48
9	9	9	9	9	9
10	10	11	11	11	11
149.00	138.20	144.00	146.10	146.75	147.00
157.00	157.70	160.50	165.30	162.10	162.70
23.12	23.50	23.50	23.50	23.50	23.52