



CITY OF MOORHEAD

Annual Comprehensive Financial Report

*For the Year Ended
December 31, 2020*



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

FOR THE YEAR ENDED DECEMBER 31, 2020

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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE YEAR ENDED DECEMBER 31, 2020**

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**INTRODUCTORY
SECTION**



June 23, 2021

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 annual comprehensive financial report of the City of Moorhead for the fiscal year ended December 31, 2020.

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, 2020, 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, 2020, 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 44,703 as of the 2020 U.S. Census.



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

The City of Moorhead provides a full range of services. The general governmental functions include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, neighborhood services, rental registration, transit, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, storm water collection, sanitation, sports center, golf course, pest control, forestry, airport and street light utility. Vehicles and equipment, radio and weapons, 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.

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 \$24.5 million in new commercial and institutional building value in 2020, including 13 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 three years, 256 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.
- Moorhead Renaissance Zone is intended to encourage economic development and investment opportunities within the defined Moorhead RZ boundary by offering property tax exemptions for qualified projects. Three projects were approved for RZ incentives – Vanne', 12th & Main and Block 37 Flats.
- Median single family home sales prices rose from \$202,585 to \$215,000, a healthy level of appreciation. There were 129 single family attached and detached homes permitted in 2020 and 102 multifamily units.
- Major commercial/industrial projects in 2020 included construction of a Solutions Behavioral Healthcare Professionals, Muscatell Collision Center, Krabbenhof Real Estate Team, D & S Beverages, Custom Car Wash Express & Independent School District #152 Career Academy. The Armory Events Center is slated to open summer of 2021.
- Construction continued 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 2022.
- Moorhead provided 207 CARES Small Business Relief Grants totaling \$1.8M. These funds were distributed to (17) Non-profits, (42) Sole Proprietors, (96) Small Business/General and (52) Women, Minority and Veteran Owned businesses.

- Moorhead attained the Minnesota GreenStep 3 designation for its sustainability and quality-of-life goals.
- The City's Moorhead Community Fund accepts private support for a variety of community, park, and art projects, which include Community & Aquatics Center, Library, an Inclusive Playground and a Natural Playground.
- Moorhead also added a few Community Amenities including a New Dog Park in River Oaks and Expansion of the River Corridor Trail with the Blue Goose segment connecting Gooseberry Park and Bluestem Center for the Arts/Trollwood Performing Arts School.

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 annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2019. This was the 37th 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 ACFR. 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 ACFR 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,

Ann Henne

Ann Henne
Interim 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, 2019

Christopher P. Morill

Executive Director/CEO

CITY OF MOORHEAD
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2020

	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
JOHNATHAN JUDD ¹	MAYOR	2022
SARA WATSON CURRY ²	COUNCIL MEMBER, WARD 1	2020
SHELLY DAHLQUIST	COUNCIL MEMBER, WARD 1	2022
HEIDI DURAND ³	COUNCIL MEMBER, WARD 2	2020
MICHELLE CARLSON	COUNCIL MEMBER, WARD 2	2022
DEB WHITE	COUNCIL MEMBER, WARD 3	2022
LARRY SELJEVOLD	COUNCIL MEMBER, WARD 3	2024
STEVE LINDAAS	COUNCIL MEMBER, WARD 4	2024
CHUCK HENDRICKSON	COUNCIL MEMBER, WARD 4	2022

APPOINTED OFFICIALS

DAN MAHLI 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

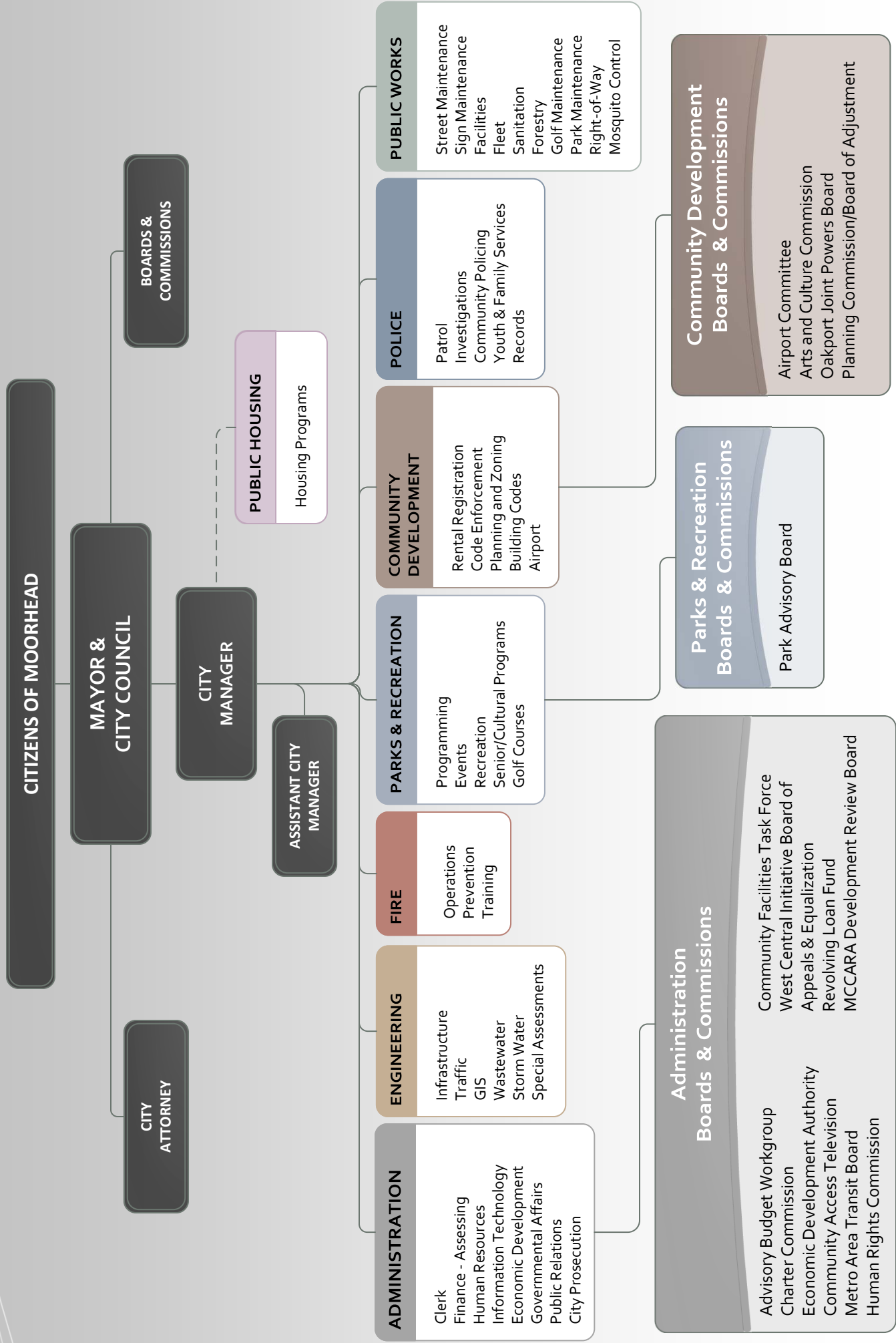
¹ Replaced by Michelle Carlson effective February 8, 2021.

² Replaced by Matthew Gilbertson effective January 1, 2021.

³ Replaced by Laura Caroon effective January 1, 2021.

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, 2020, 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 58% of the assets and deferred outflows, 54% of the net position, and 65% 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.

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, 2020, 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.

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.

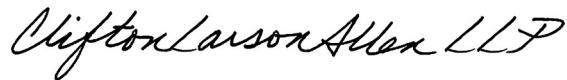
The combining and individual fund schedules and statements and capital assets used in the operation of governmental funds (collectively, the supplementary information) are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to 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.

Board of Directors and Stockholders
City of Moorhead

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 , 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 23, 2021

CITY OF MOORHEAD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the annual comprehensive 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, 2020. 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 \$599,999,454.
- The City's total net position increased by \$24,936,829.
- The City's governmental funds reported combined ending fund balances of \$59,894,349, a decrease of \$16,248,273 in comparison with the prior year. Of this total amount, \$3.9M is unassigned, \$4.4M committed, \$48.1M restricted and \$3.5M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$16,850,832 or 55% of total general fund expenditures of \$30,752,047.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The City's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to 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, community 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 and weapons. Because the internal service funds benefit both the governmental and business-type functions, \$80,728 has been reflected within the business-type activities and \$6,153,120 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 \$599,999,454 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 \$416,096,699 (69%) (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, \$146,113,442 (25%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$37,789,313 (6%) 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, 2020 and 2019.

CITY OF MOORHEAD'S NET POSITION

	Governmental Activities		Business-type Activities		Total 2020	Total 2019
	2020	2019	2020	2019		
Current and other assets	\$ 160,871,316	\$ 182,410,257	\$ 70,534,709	\$ 60,724,377	\$ 231,406,025	\$ 243,134,634
Capital assets	412,420,670	401,632,963	226,001,841	216,224,791	638,422,511	617,857,754
Total assets	573,291,986	584,043,220	296,536,550	276,949,168	869,828,536	860,992,388
Deferred outflows of resources	7,596,680	10,779,632	714,917	589,424	8,311,597	11,369,056
Long-term liabilities outstanding	185,347,740	203,140,996	71,151,979	68,042,202	256,499,719	271,183,198
Other liabilities	7,273,803	8,210,691	6,585,597	3,839,727	13,859,400	12,050,418
Total liabilities	192,621,543	211,351,687	77,737,576	71,881,929	270,359,119	283,233,616
Deferred inflows of resources	7,383,392	12,912,666	398,168	1,152,537	7,781,560	14,065,203
Net Position:						
Net investment in capital assets	249,347,298	230,476,976	166,749,401	156,065,972	416,096,699	386,542,948
Restricted	135,512,242	125,043,570	10,601,200	6,175,554	146,113,442	131,219,124
Unrestricted	(3,975,809)	15,037,953	41,765,122	42,262,600	37,789,313	57,300,553
Total net position	\$ 380,883,731	\$ 370,558,499	\$ 219,115,723	\$ 204,504,126	\$ 599,999,454	\$ 575,062,625

Governmental activities current and other assets decreased \$21,538,941 due to the lower remaining receivable for construction funds allocated to the City from the State of Minnesota and use of available cash during construction. 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 increase in business-type activities capital assets is primarily due to lift station and wastewater treatment facility upgrades as well as major water utility infrastructure updates. 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 except unrestricted net position in the governmental activities. This will be addressed in the next budget cycle.

In addition, the City of Moorhead's overall net position increased by \$24,936,829 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 2020	Total 2019
	2020	2019	2020	2019		
Revenues:						
Program revenues:						
Charges for services	\$ 2,849,495	\$ 5,224,715	\$ 73,114,680	\$ 73,850,262	\$ 75,964,175	\$ 79,074,977
Operating grants and contributions	9,680,774	6,803,405	380,367	52,061	10,061,141	6,855,466
Capital grants and contributions	14,268,025	12,429,868	7,877,562	2,346,902	22,145,587	14,776,770
General Revenues:						
Taxes	13,328,991	12,510,852			13,328,991	12,510,852
Tax increments	553,324	571,287			553,324	571,287
Franchise Fees	888,833	1,016,021			888,833	1,016,021
State aid	10,953,872	10,686,998		4,960	10,953,872	10,691,958
Grants and contributions not restricted to specific programs	41,175	2,674,199			41,175	2,674,199
Investment earnings	888,103	1,328,000	621,570	1,397,683	1,509,673	2,725,683
Miscellaneous	1,401,683	925,710	934,658	1,060,135	2,336,341	1,985,845
Total revenues	54,854,275	54,171,055	82,928,837	78,712,003	137,783,112	132,883,058
Expenses:						
General government	10,275,610	6,134,526			10,275,610	6,134,526
Public safety	15,935,688	16,218,093			15,935,688	16,218,093
Highways and streets	14,100,216	13,721,752			14,100,216	13,721,752
Parks and recreation	4,119,213	4,288,015			4,119,213	4,288,015
Library	915,158	915,124			915,158	915,124
Community development	330,595	372,018			330,595	372,018
Rental registration		290,136			-	290,136
Mass transit	3,810,477	3,570,729			3,810,477	3,570,729
Economic development	806,195	903,094			806,195	903,094
Interest on long-term debt	5,877,983	6,255,942			5,877,983	6,255,942
Electric			28,786,968	30,853,105	28,786,968	30,853,105
Water			7,265,394	7,903,624	7,265,394	7,903,624
Wastewater treatment			8,004,679	7,737,436	8,004,679	7,737,436
Storm water			2,174,572	2,206,737	2,174,572	2,206,737
Sanitation			4,557,093	4,279,139	4,557,093	4,279,139
Golf course			2,410,181	1,669,502	2,410,181	1,669,502
Sports center			334,275	2,711,189	334,275	2,711,189
Pest control			630,653	654,738	630,653	654,738
Forestry			975,194	828,932	975,194	828,932
Municipal airport			899,720	661,486	899,720	661,486
Street light utility			636,419	714,799	636,419	714,799
Total expenses	56,171,135	52,669,429	56,675,148	60,220,687	112,846,283	112,890,116
Increase/decrease in net position						
before transfers	(1,316,860)	1,501,626	26,253,689	18,491,316	24,936,829	19,992,942
Transfers	11,642,092	12,388,791	(11,642,092)	(12,388,791)		
Change in net position	10,325,232	13,890,417	14,611,597	6,102,525	24,936,829	19,992,942
Net position - beginning	370,558,499	356,668,082	204,504,126	198,401,601	575,062,625	555,069,683
Net position - end of year	\$ 380,883,731	\$ 370,558,499	\$ 219,115,723	\$ 204,504,126	\$ 599,999,454	\$ 575,062,625

Governmental activities. The governmental activities net position increased by \$10,325,232 during the current fiscal year. Revenues remained stable with a slight increase of \$683,220, or 1.3% from 2019. Expenses had an increase of \$3,501,706 or 6.6% from 2019. This increase was principally due to funding paid to local businesses as distributions for CARES act proceeds.

Business-type activities. Business-type activities increased the City's net position by \$14,611,597. Charges for services in the business-type activities remained relatively stable with a decrease of \$735,582 (1.0%) compared to the previous year. Expenses in the business-type activities decreased \$3,545,539 (5.9%). This decrease is primarily the result in a loss on disposal of assets in the Sports Center Fund of \$2,108,893 recognized in the previous year.

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 \$59,894,349 a decrease of \$16,248,273 in comparison with the prior year. Approximately 6.44%, or \$3,859,062, of this combined ending fund balance is unassigned. The remainder of fund balance is committed (\$4,374,638, 7.30%), restricted (\$48,134,236, 80.37%) or nonspendable (\$3,526,413, 5.89%).

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 \$16,850,832. 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 54.8% 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 \$449,603 or 2.2% from 2019. Property tax revenue increased \$986,086 with an increase in the Payable 2020 levy. Federal revenues increased \$3,159,548 with an increase in CARES Act funding. State revenues increased \$677,387 with an increase in disparity aid and an increase in state aid construction and maintenance aid. Charges for Services decreased \$1,122,007 due to a decrease in internal engineering charges due to lower than normal activity in 2020 and normal activity in 2019. Total expenditures increased \$3,436,094 from an increase in local business distributions as part of the CARES Act funding. Net transfers totaled \$7,880,135 and were completed as authorized by City charter and as reoccurring subsidies of specific programs. The 2020 adopted budget anticipated a \$96,076 decrease to fund balance, while the revised budget anticipated a \$122,587 draw on fund balance; however changes in expected revenues, along with an offset in increased expenditures resulted in an increase in the fund balance.

The special assessment debt service fund balance decrease of \$7,379,726 was due mainly to payment of \$7.17M refunding bond proceeds on hand at the close of the prior year and paid to the refunding agent in early 2020. The special assessment capital projects fund balance decreased by \$6,622,559 which is primarily due to additional expenditures related to infrastructure projects which will be supported by special assessments. The permanent improvement fund balance decreased \$1,539,707 which is primarily attributable to major street reconstruction projects for which bonds will be issued in 2021.

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 \$41,684,394. The total change in net position in the enterprise funds from operations was an increase of \$14,667,059 which is \$8,638,018 (143.3%) higher than the 2019 increase. An increase in loss on disposal of assets resulting from the sale of the sports center caused the prior year increase to be lower than the increase presented in 2020.

The electric fund reported an increase of \$5,794,382 (9.4%) 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 \$2,450,980 (5.0%) resulting from a 6.0% rate increase causing an overall increase in operating revenues of 6.2%. The wastewater treatment fund reported an increase in net position from operations of \$4,711,838 (10.3%) and the storm water fund also reported an increase in net position of \$344,840 (0.9%) 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 \$28,359,524 was amended as final totaling \$28,529,532 for an increase of \$170,008. The original expenditure budget including transfers of \$28,455,600 was amended as final totaling \$28,652,119 for an increase of \$196,519.

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

Total actual revenues including transfers were \$32,201,650 which was \$3,672,118 over budget. Actual revenue exceeded projections by 12.9%.

Actual expenditures including transfers totaling \$31,752,047 were over budget by \$3,099,928. Other services and charges expenditures were over budget due to local business funding as part of the CARES Act proceeds.

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, 2021, amounts to \$638,422,511 (net of accumulated depreciation), an increase of \$20.6M. 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:

- \$3.2M in flood mitigation properties
- \$2.6M in airport improvements
- \$6.7M in infrastructure improvements
- \$1.3M in mass transit equipment
- \$6.8M in water capital assets

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

	Governmental Activities 2020	Business-type Activities 2020	Total
Land	\$ 73,015,625	\$ 9,679,465	\$ 82,695,090
Construction in progress	65,724,610	12,130,351	77,854,961
Buildings	11,942,164	111,608,591	123,550,755
Improvements other than buildings	58,431,190	35,110,605	93,541,795
Machinery and equipment	15,715,564	5,532,545	21,248,109
Infrastructure	187,591,517	51,940,284	239,531,801
Total	\$ 412,420,670	\$ 226,001,841	\$ 638,422,511

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 \$193,930,000. Of this amount, \$157,015,000 of G.O. Special Assessment, Tax Increment and Municipal Improvement debt and \$10,655,000 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 \$26,260,000 of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and \$31,363,099 in Public Facilities Authority Notes. The City also has \$49,777 General Obligation Notes Payable at year end and net pension liability totaling \$23,339,758. 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 \$16,714,000 during the current fiscal year. This decrease is due to the issuance of various bonds, which are listed below, debt service principal payments of \$15,909,000 and early retirement of G.O. Improvement Bonds of 2010A in the amount of \$7,170,000 and the early retirement of G.O. Tax Increment Refunding Bonds of 2009A in the amount of \$1,575,000 which were advance refunded in 2019 and early retirement of Taxable Public Utility Revenue Bonds of 2010C in the amount of \$6,045,000. During the current fiscal year, the City issued:

\$13,985,000 G.O. Water Revenue Bonds, Series 2020A to finance various improvements to the City's water system.

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 \$96,938,970. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$49,777 leaving a legal debt margin of \$96,889,193.

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	\$ 154,660,000	\$	\$ 154,660,000
G.O. Tax Increment	2,355,000		2,355,000
G.O. Revenue		24,640,000	24,640,000
Revenue Refunding		2,380,000	2,380,000
Revenue		17,835,000	17,835,000
Premiums/Discounts	7,309,178	849,990	8,159,168
Long-term notes	49,777	17,552,981	17,602,758
Compensated absences	2,363,084	947,485	3,310,569
Other Post-Employment Benefits	1,628,758	588,708	2,217,466
Net Pension Liability	16,981,943	6,357,815	23,339,758
Total	\$ 185,347,740	\$ 71,151,979	\$ 256,499,719

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 2021 with \$25 million in new building projects in process with the downtown area a major area of focus as it has been designated as a qualified Opportunity Zone for development incentives. 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. Work has also continued on the SE Main Avenue 20/21st Street underpass project. This project will be an advantage to residents and businesses by allowing traffic flow throughout the city easier.

The City of Moorhead's 2021 Operating & Capital Budget totals \$93,298,495, a decrease of \$22,077,540 (19.14%) from the previous year. Included in the decrease is an amount of \$19M which is attributed to infrastructure upgrades at the wastewater treatment facility during 2020. This upgrade is not performed routinely and may cause difficulty in comparing consecutive years budgets. When looking specifically at the General Fund and Special Revenue Funds, the 2020 budget reflects a decrease of \$1,951,685 (4.75%) from 2020 levels. The majority of this decrease is attributable to a targeted reduction in operating costs of 2% for each department as well as a planned reduction in capital outlay for the Mass Transit Fund.

Scheduled wage step increases and COLA of 2.25%, were included in the budget based on union contract negotiations. Health insurance premiums were decreased by 9% for the first time in many years. Anticipated increases to general liability insurance (3%), auto insurance (3%) and workers' compensation (3%), are essential and nondiscretionary in nature.

The State of Minnesota's Local Government Aid (LGA) program continues to be stressed with the City receiving a minor increase in 2021. Local Government Aid is budgeted at \$7,270,608 which is an increase of \$31,779, 0.4%, over the 2020 Local Government Aid allocation.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director 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, 2020**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 65,978,442	\$ 23,580,362	\$ 89,558,804	\$ 875,302
Receivables:				
Accounts and notes	715,152	9,400,666	10,115,818	10,937
Delinquent property taxes	252,828	63,288	316,116	
Special assessments	4,388,421	121,983	4,510,404	
Internal balances	2,280,567	(2,280,567)		
Due from other governmental units	10,781,784	5,365,502	16,147,286	44,261
Inventories	18,594	1,541,994	1,560,588	
Prepaid items	3,244	90,285	93,529	16,653
Restricted assets:				
Cash and cash equivalents	970,599	8,262,307	9,232,906	
Bond operation and maintenance reserve		5,735,000	5,735,000	
Long-term receivables:				
Special assessments	67,869,262	2,216,910	70,086,172	
Notes receivable, less current portion	7,612,423		7,612,423	
Other long-term investments		16,436,979	16,436,979	
Capital assets:				
Intangible plant		1,288,813	1,288,813	
Land	73,015,625	9,679,465	82,695,090	464,977
Buildings	28,145,366	203,558,850	231,704,216	12,172,619
Improvements other than buildings	76,075,208	55,605,115	131,680,323	
Machinery and equipment	42,941,922	22,083,460	65,025,382	945,337
Infrastructure	277,501,009	80,863,405	358,364,414	
Construction in progress	65,724,610	12,130,351	77,854,961	475,886
Less accumulated depreciation	(150,983,070)	(159,207,618)	(310,190,688)	(8,726,153)
Total assets	<u>573,291,986</u>	<u>296,536,550</u>	<u>869,828,536</u>	<u>6,279,819</u>
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	6,181,735	644,374	6,826,109	
Other post-employment benefits	150,833	70,543	221,376	
Advance refundings of debt	1,264,112		1,264,112	
Total deferred outflows of resources	<u>7,596,680</u>	<u>714,917</u>	<u>8,311,597</u>	
LIABILITIES				
Accounts payable	1,897,726	5,890,344	7,788,070	19,577
Contracts payable - retainage	2,181,503		2,181,503	14,506
Accrued wages payable	770,714	172,336	943,050	11,179
Due to other governmental units	2,983	37,789	40,772	
Customer deposits		96,572	96,572	56,817
Other liabilities	170,843	90,043	260,886	48,193
Accrued interest payable	2,250,034	298,513	2,548,547	
Long-term liabilities:				
Due within one year	12,566,664	5,182,291	17,748,955	27,907
Due in more than one year				
Accrued compensated absences	1,021,197	231,119	1,252,316	
Other post-employment benefits	1,628,758	588,708	2,217,466	
Net pension liability	16,981,943	6,357,815	23,339,758	
Notes payable		141,957	141,957	292,950
Bonds payable	153,149,178	58,650,089	211,799,267	
Total liabilities	<u>192,621,543</u>	<u>77,737,576</u>	<u>270,359,119</u>	<u>471,129</u>
DEFERRED INFLOWS OF RESOURCES				
Pension plans	6,993,908	283,173	7,277,081	
Other post-employment benefits	389,484	114,995	504,479	
Total deferred inflows of resources	<u>7,383,392</u>	<u>398,168</u>	<u>7,781,560</u>	
NET POSITION				
Net investment in capital assets	249,347,298	166,749,401	416,096,699	5,025,210
Restricted				
Culture and recreation	1,183,002		1,183,002	
Library	369,515		369,515	
Community development	4,326,696		4,326,696	
Transit	1,441,868		1,441,868	
Economic development	2,761,213		2,761,213	
Contributions	77,460		77,460	
Capital projects	11,368,634	2,338,893	13,707,527	
Debt service	113,013,255	8,262,307	121,275,562	
Other purposes	970,599		970,599	
Unrestricted	(3,975,809)	41,765,122	37,789,313	783,480
Total net position	<u>\$ 380,883,731</u>	<u>\$ 219,115,723</u>	<u>\$ 599,999,454</u>	<u>\$ 5,808,690</u>

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2020**

	<u>Expenses</u>	<u>Charges for Services</u>	<u>Program Revenues Operating Grants and Contributions</u>
Functions/Programs			
Primary Government			
Governmental activities:			
General government	\$ 10,275,610	\$ 1,273,071	\$ 2,825,229
Public safety	15,935,688	453,207	2,031,496
Highways and streets	14,100,216	231,790	2,755,407
Parks and recreation	4,119,213	241,622	371,928
Library	915,158	21,020	
Community development	330,595	168,445	251,666
Mass transit	3,810,477	298,366	1,434,254
Economic development	806,195	161,974	10,794
Interest on long-term debt	5,877,983		
Total governmental activities	<u>56,171,135</u>	<u>2,849,495</u>	<u>9,680,774</u>
Business-type activities:			
Electric	28,786,968	42,685,696	
Water	7,265,394	9,947,560	
Wastewater treatment	8,004,679	8,857,094	
Storm water	2,174,572	2,845,601	
Sanitation	4,557,093	4,546,511	228,250
Golf Course	2,410,181	1,450,195	
Sports Center	334,275	176,238	
Pest Control	630,653	712,320	47,710
Forestry	975,194	956,069	45,000
Municipal airport	899,720	74,938	59,407
Street light utility	636,419	862,458	
Total business-type activities	<u>56,675,148</u>	<u>73,114,680</u>	<u>380,367</u>
Total primary government	<u>\$ 112,846,283</u>	<u>\$ 75,964,175</u>	<u>\$ 10,061,141</u>
Component Unit:			
Public Housing Agency	<u>\$ 1,787,978</u>	<u>\$ 600,242</u>	<u>\$ 716,446</u>
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			
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, 2020**

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
\$ 36,239	\$ (6,141,071)		\$ (6,141,071)	
	(13,450,985)		(13,450,985)	
9,894,114	(1,218,905)		(1,218,905)	
380,000	(3,125,663)		(3,125,663)	
	(894,138)		(894,138)	
2,057,237	2,146,753		2,146,753	
1,900,435	(177,422)		(177,422)	
	(633,427)		(633,427)	
	(5,877,983)		(5,877,983)	
<u>14,268,025</u>	<u>(29,372,841)</u>		<u>(29,372,841)</u>	
30,629		\$ 13,929,357	13,929,357	
		2,682,166	2,682,166	
4,627,733		5,480,148	5,480,148	
913,393		1,584,422	1,584,422	
		217,668	217,668	
55,635		(904,351)	(904,351)	
		(158,037)	(158,037)	
		129,377	129,377	
		25,875	25,875	
2,250,172		1,484,797	1,484,797	
		226,039	226,039	
<u>7,877,562</u>		<u>24,697,461</u>	<u>24,697,461</u>	
<u>\$ 22,145,587</u>	<u>(29,372,841)</u>	<u>24,697,461</u>	<u>(4,675,380)</u>	
<u>\$ 293,810</u>				<u>\$ (177,480)</u>
	9,329,565		9,329,565	83,145
	3,999,426		3,999,426	
	553,324		553,324	
	888,833		888,833	
	10,953,872		10,953,872	
	41,175		41,175	
	888,103	621,570	1,509,673	10,202
	1,401,683	934,658	2,336,341	55,490
	11,642,092	(11,642,092)		
	<u>39,698,073</u>	<u>(10,085,864)</u>	<u>29,612,209</u>	<u>148,837</u>
	10,325,232	14,611,597	24,936,829	(28,643)
	370,558,499	204,504,126	575,062,625	5,837,333
	<u>\$ 380,883,731</u>	<u>\$ 219,115,723</u>	<u>\$ 599,999,454</u>	<u>\$ 5,808,690</u>

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	General	Special Assessment Debt Service
ASSETS		
Assets:		
Cash and investments	\$ 6,737,380	\$ 41,031,606
Restricted cash	970,599	
Receivables:		
Accounts	156,961	43
Notes	6,250	2,833,929
Delinquent property taxes	136,786	78,501
Special assessments		70,860,604
Due from other funds	11,089,668	
Due from other governmental units	249,465	202,423
Advances to other funds	3,516,919	
Prepaid items	3,244	
	<u>\$ 22,867,272</u>	<u>\$ 115,007,106</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE		
Liabilities:		
Accounts payable	\$ 661,266	\$ 10,950
Contracts payable - retainage		
Accrued wages payable	662,284	
Due to other funds		
Advances from other funds		
Due to other governmental units	2,983	
Other liabilities	20,857	5,000
Total Liabilities	<u>1,347,390</u>	<u>15,950</u>
Deferred inflows of resources:		
Unavailable revenue - taxes	136,786	78,501
Unavailable revenue - special assessments		70,860,604
Unavailable revenue - other	35,252	2,831,064
Total Deferred inflows of resources	<u>172,038</u>	<u>73,770,169</u>
Fund Balance:		
Nonspendable	3,526,413	
Restricted		
Culture and recreation		
Library		
Transit		
Economic development		
Contributions		
Debt service		41,220,987
Other purposes	970,599	
Committed		
Unassigned	16,850,832	
Total Fund Balance	<u>21,347,844</u>	<u>41,220,987</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 22,867,272</u>	<u>\$ 115,007,106</u>

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$	\$	\$ 11,828,837	\$ 59,597,823 970,599
242,979	57,791	35,524	435,507
		4,714,453	7,612,423
		37,541	252,828
1,170,455	226,624		72,257,683
			11,089,668
2,079,928	7,853,983	369,945	10,755,744
91,743			3,608,662
			3,244
<u>\$ 3,585,105</u>	<u>\$ 8,138,398</u>	<u>\$ 16,986,300</u>	<u>\$ 166,584,181</u>
\$ 46,657	\$ 309,504	\$ 720,106	\$ 1,748,483
235,992	1,915,441	30,070	2,181,503
		70,191	732,475
5,196,702	4,092,837	32,777	9,322,316
	104,000	2,627,151	2,731,151
			2,983
	1,550	143,436	170,843
<u>5,479,351</u>	<u>6,423,332</u>	<u>3,623,731</u>	<u>16,889,754</u>
		37,541	252,828
1,170,455	226,624		72,257,683
<u>2,057,237</u>	<u>7,711,191</u>	<u>4,654,823</u>	<u>17,289,567</u>
<u>3,227,692</u>	<u>7,937,815</u>	<u>4,692,364</u>	<u>89,800,078</u>
			3,526,413
		1,164,506	1,164,506
		354,506	354,506
		1,439,398	1,439,398
		2,636,111	2,636,111
		77,460	77,460
		270,669	41,491,656
			970,599
		4,374,638	4,374,638
(5,121,938)	(6,222,749)	(1,647,083)	3,859,062
<u>(5,121,938)</u>	<u>(6,222,749)</u>	<u>8,670,205</u>	<u>59,894,349</u>
<u>\$ 3,585,105</u>	<u>\$ 8,138,398</u>	<u>\$ 16,986,300</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 and weapons 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

	412,420,670
	7,596,680
	89,800,078
	(187,597,774)
	(7,383,392)
	<u>6,153,120</u>
Net position of governmental activities	<u>\$ 380,883,731</u>

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	General	Special Assessment Debt Service
REVENUES		
Taxes:		
Property	\$ 5,426,446	\$ 3,548,190
Franchise	888,833	
Licenses and permits	713,324	
Intergovernmental revenues:		
Federal	3,466,526	61,127
State	11,077,761	868,064
County	156,730	217,300
Other	116,582	79,101
Charges for services	650,413	
Fines and forfeits	263,809	
Facility rentals		
Donations		
Interest on investments	128,658	591,731
Special assessments		9,126,441
Sale of property	35,666	
Miscellaneous	396,767	46,541
Total revenues	23,321,515	14,538,495
EXPENDITURES		
Current:		
General government	8,301,041	28,000
Public safety	15,983,921	
Highways and streets	6,054,801	
Parks and recreation		
Library		
Community development		
Rental registration		
Mass transit		
Economic development		
Capital outlay	412,284	
Debt Service:		
Bond and note principal		10,425,000
Bond and note interest		5,586,738
Fiscal and other charges		15,550
Total expenditures	30,752,047	16,055,288
REVENUE OVER (UNDER) EXPENDITURES	(7,430,532)	(1,516,793)
OTHER FINANCING SOURCES (USES):		
Payment to bond refunding agent		(7,170,000)
Transfers from other funds	8,880,135	1,307,067
Transfers to other funds	(1,000,000)	
Total other financing sources (uses)	7,880,135	(5,862,933)
NET CHANGE IN FUND BALANCE	449,603	(7,379,726)
FUND BALANCE - BEGINNING	20,898,241	48,600,713
FUND BALANCE - ENDING	\$ 21,347,844	\$ 41,220,987

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, 2020

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$ 199,999	\$	\$ 4,295,400	\$ 13,470,035
			888,833
			713,324
1,538,630	402,601	2,613,188	8,082,072
288,438	7,636,950	2,911,206	22,782,419
2,774	156,398		533,202
			195,683
26,023		197,880	874,316
			263,809
		95,046	95,046
		26,666	26,666
14,659	3,728	96,406	835,182
243,731			9,370,172
242,928	25,182	512,381	816,157
16,310	9,053	539,318	1,007,989
<u>2,573,492</u>	<u>8,233,912</u>	<u>11,287,491</u>	<u>59,954,905</u>
105,387	30,178	195,310	8,659,916
	75	53,059	16,037,055
	21,343	2,327	6,078,471
	47,581	2,838,014	2,885,595
		905,163	905,163
		328,554	328,554
		3,172	3,172
		3,136,419	3,136,419
		578,364	578,364
10,377,618	9,506,442	2,917,100	23,213,444
		658,986	11,083,986
		566,605	6,153,343
		21,238	36,788
<u>10,483,005</u>	<u>9,605,619</u>	<u>12,204,311</u>	<u>79,100,270</u>
<u>(7,909,513)</u>	<u>(1,371,707)</u>	<u>(916,820)</u>	<u>(19,145,365)</u>
		(1,575,000)	(8,745,000)
1,315,579	212,000	2,654,240	14,369,021
(28,625)	(380,000)	(1,318,304)	(2,726,929)
<u>1,286,954</u>	<u>(168,000)</u>	<u>(239,064)</u>	<u>2,897,092</u>
(6,622,559)	(1,539,707)	(1,155,884)	(16,248,273)
1,500,621	(4,683,042)	9,826,089	76,142,622
<u>\$ (5,121,938)</u>	<u>\$ (6,222,749)</u>	<u>\$ 8,670,205</u>	<u>\$ 59,894,349</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, 2020**

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) \$ (16,248,273)

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	\$ 21,366,524	
Depreciation expense	<u>(10,111,063)</u>	11,255,461

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (5,157,536)

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.

Bond & note principal payments		19,520,920
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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	(183,366)	
Other post-employment benefits	203,855	
Net pension liability	(2,338,713)	
Deferred outflows of resources	(3,009,794)	
Deferred inflows of resources	5,492,222	
Loss on disposal of capital assets	(3,363)	
Accrued interest	<u>620,214</u>	781,055

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. 173,605

Change in net position of governmental activities (page 12-13)		<u><u>\$ 10,325,232</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, 2020

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 5,407,464	\$ 5,407,464	\$ 5,426,446	\$ 18,982
Franchise	1,030,000	1,030,000	888,833	(141,167)
Licenses and permits	720,970	720,970	713,324	(7,646)
Intergovernmental:				
Federal	59,084	59,084	3,466,526	3,407,442
State	10,170,917	10,312,300	11,077,761	765,461
County	152,150	152,150	156,730	4,580
Other	117,250	117,250	116,582	(668)
Charges for services	1,121,452	1,121,452	650,413	(471,039)
Fines and forfeitures	486,500	486,500	263,809	(222,691)
Interest on investments	136,617	136,617	128,658	(7,959)
Miscellaneous	230,598	230,598	432,433	201,835
Total revenues	<u>19,633,002</u>	<u>19,774,385</u>	<u>23,321,515</u>	<u>3,547,130</u>
EXPENDITURES				
Administration department:				
Current:				
Personnel	2,533,409	2,533,409	2,767,941	(234,532)
Supplies	37,575	37,575	135,714	(98,139)
Other services & charges	1,729,585	1,754,585	3,534,985	(1,780,400)
Capital outlay			412,284	(412,284)
	<u>4,300,569</u>	<u>4,325,569</u>	<u>6,850,924</u>	<u>(2,525,355)</u>
Police department:				
Current:				
Personnel	8,211,177	8,211,177	7,984,048	227,129
Supplies	334,735	343,746	309,291	34,455
Other services & charges	2,620,860	2,638,360	2,689,549	(51,189)
	<u>11,166,772</u>	<u>11,193,283</u>	<u>10,982,888</u>	<u>210,395</u>
Fire department:				
Current:				
Personnel	4,209,554	4,271,057	4,242,252	28,805
Supplies	107,894	126,416	115,834	10,582
Other services & charges	640,326	690,809	642,947	47,862
	<u>4,957,774</u>	<u>5,088,282</u>	<u>5,001,033</u>	<u>87,249</u>
Planning & Neighborhood Services department:				
Current:				
Personnel	1,767,035	1,767,035	1,588,117	178,918
Supplies	25,401	25,401	23,430	1,971
Other services & charges	365,266	365,266	250,854	114,412
	<u>2,157,702</u>	<u>2,157,702</u>	<u>1,862,401</u>	<u>295,301</u>
Engineering department:				
Current:				
Personnel	1,773,010	1,773,010	1,691,739	81,271
Supplies	36,000	36,000	21,635	14,365
Other services & charges	633,608	648,108	492,394	155,714
	<u>2,442,618</u>	<u>2,457,118</u>	<u>2,205,768</u>	<u>251,350</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, 2020

	<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	\$ 1,297,060	\$ 1,297,060	\$ 1,260,064	\$ 36,996
Supplies	749,400	749,400	578,564	170,836
Other services & charges	<u>1,383,705</u>	<u>1,383,705</u>	<u>2,010,405</u>	<u>(626,700)</u>
	<u>3,430,165</u>	<u>3,430,165</u>	<u>3,849,033</u>	<u>(418,868)</u>
 Total expenditures	 <u>28,455,600</u>	 <u>28,652,119</u>	 <u>30,752,047</u>	 <u>(2,099,928)</u>
 REVENUE OVER (UNDER) EXPENDITURES	 <u>(8,822,598)</u>	 <u>(8,877,734)</u>	 <u>(7,430,532)</u>	 <u>1,447,202</u>
 OTHER FINANCING SOURCES (USES):				
Transfers from other funds	8,726,522	8,755,147	8,880,135	124,988
Transfers to other funds			<u>(1,000,000)</u>	<u>(1,000,000)</u>
Total other financing sources (uses)	<u>8,726,522</u>	<u>8,755,147</u>	<u>7,880,135</u>	<u>(875,012)</u>
 NET CHANGE IN FUND BALANCE	 (96,076)	 (122,587)	 449,603	 572,190
 FUND BALANCE - BEGINNING	 <u>20,898,241</u>	 <u>20,898,241</u>	 <u>20,898,241</u>	 <u> </u>
 FUND BALANCE - ENDING	 <u>\$ 20,802,165</u>	 <u>\$ 20,775,654</u>	 <u>\$ 21,347,844</u>	 <u>\$ 572,190</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, 2020**

	Electric	Water
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,455,086	\$ 3,960,859
Receivables:		
Accounts and notes	5,764,828	1,244,134
Accrued interest	55,285	8,003
Special assessments		
Due from other city funds	32,777	
Due from other governmental units	385,719	
Inventories	1,277,120	264,874
Prepaid items	72,563	17,427
Total current assets	17,043,378	5,495,297
Long-term assets:		
Restricted assets:		
Cash and cash equivalents	1,804,159	6,458,148
Bond operation and maintenance reserve	4,716,000	1,019,000
Long-term receivables:		
Special assessments		
Other long-term investments	15,148,892	1,288,087
Capital assets:		
Intangible plant	1,288,813	
Land	1,071,555	979,967
Buildings	77,625,716	87,709,872
Improvements other than buildings	4,176,468	
Machinery and equipment	6,949,299	3,403,127
Infrastructure		
Construction in progress	80,665	7,799,759
Less accumulated depreciation	(40,970,428)	(30,768,997)
Total long-term assets	71,891,139	77,888,963
Total assets	88,934,517	83,384,260
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	241,789	161,192
Other post-employment benefits	31,334	20,889
Total deferred outflows of resources	273,123	182,081
LIABILITIES		
Current liabilities:		
Accounts payable	2,382,014	1,203,387
Accrued wages payable		
Accrued compensated absences	246,000	164,000
Due to other city funds	1,543,781	76,101
Due to other governmental units		
Customer deposits	96,572	
Other liabilities		
Accrued interest payable	61,446	107,796
Current maturities of long-term debt	1,096,450	1,100,475
Total current liabilities	5,426,263	2,651,759

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2020**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 4,790,594	\$ 3,075,511	\$ 2,298,312	\$ 23,580,362	\$ 6,380,619
1,003,197	310,240	1,078,267	9,400,666	279,645
121,983			63,288	
450,427	459,010	598,079	121,983	
3,966,951		1,012,832	1,540,293	26,040
			5,365,502	18,594
		295	1,541,994	
			90,285	
<u>10,333,152</u>	<u>3,844,761</u>	<u>4,987,785</u>	<u>41,704,373</u>	<u>6,704,898</u>
			8,262,307	
			5,735,000	
2,216,910			2,216,910	
			16,436,979	
			1,288,813	
2,672,526		4,955,417	9,679,465	
33,258,786	836,537	4,127,939	203,558,850	
36,150,617	3,303,578	11,974,452	55,605,115	
10,811,928	442,624	476,482	22,083,460	30,848,618
32,917,530	47,945,875		80,863,405	
4,249,927			12,130,351	
(58,436,581)	(19,333,958)	(9,697,654)	(159,207,618)	(20,751,263)
<u>63,841,643</u>	<u>33,194,656</u>	<u>11,836,636</u>	<u>258,653,037</u>	<u>10,097,355</u>
<u>74,174,795</u>	<u>37,039,417</u>	<u>16,824,421</u>	<u>300,357,410</u>	<u>16,802,253</u>
67,614	12,610	161,169	644,374	39,151
6,648	846	10,826	70,543	2,555
<u>74,262</u>	<u>13,456</u>	<u>171,995</u>	<u>714,917</u>	<u>41,706</u>
2,065,558	2,067	237,318	5,890,344	149,243
54,248	10,954	107,134	172,336	38,239
121,422	6,178	178,766	716,366	
		1,404,195	3,024,077	283,568
		37,789	37,789	
			96,572	
		90,043	90,043	
129,271			298,513	
2,269,000			4,465,925	
<u>4,639,499</u>	<u>19,199</u>	<u>2,055,245</u>	<u>14,791,965</u>	<u>471,050</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2020**

	Electric	Water
Long-term liabilities:		
Accrued compensated absences		
Other post-employment benefits	234,534	156,356
Net pension liability	2,629,607	1,753,072
Notes payable		141,957
Bonds payable	13,184,847	27,072,435
Advances from other funds		91,743
Total long-term liabilities	<u>16,048,988</u>	<u>29,215,563</u>
Total liabilities	<u>21,475,251</u>	<u>31,867,322</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	115,393	76,928
Other post-employment benefits	40,614	27,076
Total deferred inflows of resources	<u>156,007</u>	<u>104,004</u>
NET POSITION		
Net investment in capital assets	35,940,790	46,808,717
Restricted		
Debt service	1,804,159	6,458,148
Capital projects		
Unrestricted	<u>29,831,433</u>	<u>(1,671,850)</u>
Total net position	<u>\$ 67,576,382</u>	<u>\$ 51,595,015</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, 2020**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
91,599	4,661	134,859	231,119	97,989
71,784	9,133	116,901	588,708	27,581
553,235	103,179	1,318,722	6,357,815	320,345
18,392,807			141,957	
			58,650,089	
		785,768	877,511	
19,109,425	116,973	2,356,250	66,847,199	445,915
23,748,924	136,172	4,411,495	81,639,164	916,965
25,448	4,746	60,658	283,173	14,735
17,166	2,184	27,955	114,995	6,595
42,614	6,930	88,613	398,168	21,330
38,968,602	33,194,656	11,836,636	166,749,401	10,027,561
2,338,893			8,262,307	
9,150,024	3,715,115	659,672	2,338,893	5,878,103
\$ 50,457,519	\$ 36,909,771	\$ 12,496,308	219,034,995	\$ 15,905,664
			80,728	
			\$ 219,115,723	

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Electric	Water
OPERATING REVENUES		
Charges for services	\$ 39,804,900	\$ 9,925,167
Other	2,880,796	21,957
Total operating revenue	<u>42,685,696</u>	<u>9,947,124</u>
OPERATING EXPENSES		
Personnel	4,606,939	2,495,948
Purchased power	16,293,146	
Disposal fee		
Professional services	202,863	71,443
Insurance	92,955	103,663
Repair and maintenance	902,927	499,171
Supplies	114,620	1,372,791
Utilities		
Equipment rental		
Depreciation	3,085,936	2,135,327
Miscellaneous	2,864,939	86,479
Total operating expenses	<u>28,164,325</u>	<u>6,764,822</u>
Operating income(loss)	<u>14,521,371</u>	<u>3,182,302</u>
NONOPERATING REVENUE (EXPENSE)		
Interest on investments	436,023	75,033
Interest on indebtedness	(522,901)	(500,572)
Fiscal and other charges		
Gain (loss) on disposal of equipment	(99,742)	436
Intergovernmental		
Miscellaneous	401,225	315,882
Total nonoperating revenue (expense)	<u>214,605</u>	<u>(109,221)</u>
Income (loss) before contributions and transfers	<u>14,735,976</u>	<u>3,073,081</u>
Capital contributions	30,629	
Transfers from other funds		
Transfers to other funds	(8,972,223)	(622,101)
Total contributions and transfers	<u>(8,941,594)</u>	<u>(622,101)</u>
CHANGE IN NET POSITION	5,794,382	2,450,980
TOTAL NET POSITION - BEGINNING	<u>61,782,000</u>	<u>49,144,035</u>
TOTAL NET POSITION - ENDING	<u>\$ 67,576,382</u>	<u>\$ 51,595,015</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, 2020

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 8,787,430	\$ 2,845,048	\$ 8,635,930	\$ 69,998,475	\$ 5,228,273
69,664	553	142,799	3,115,769	23,370
<u>8,857,094</u>	<u>2,845,601</u>	<u>8,778,729</u>	<u>73,114,244</u>	<u>5,251,643</u>
1,559,845	326,312	3,721,785	12,710,829	916,705
			16,293,146	
		1,687,206	1,687,206	
800,262	123,380	396,979	1,594,927	863
190,125	27,384	73,190	487,317	4,106
842,935	196,052	604,174	3,045,259	274,187
599,139	6,921	647,640	2,741,111	1,446,063
712,143	64,568	748,623	1,525,334	11,829
188,396	34,268	658,877	881,541	
1,922,731	1,179,944	517,280	8,841,218	2,193,522
543,540	212,974	1,331,701	5,039,633	119,859
<u>7,359,116</u>	<u>2,171,803</u>	<u>10,387,455</u>	<u>54,847,521</u>	<u>4,967,134</u>
<u>1,497,978</u>	<u>673,798</u>	<u>(1,608,726)</u>	<u>18,266,723</u>	<u>284,509</u>
67,831	20,119	22,564	621,570	52,921
(647,950)			(1,671,423)	
(1,000)			(1,000)	
			(99,306)	(219,285)
		380,367	380,367	
		217,551	934,658	
<u>(581,119)</u>	<u>20,119</u>	<u>620,482</u>	<u>164,866</u>	<u>(166,364)</u>
<u>916,859</u>	<u>693,917</u>	<u>(988,244)</u>	<u>18,431,589</u>	<u>118,145</u>
4,627,733	913,393	2,305,807	7,877,562	412,284
		473,250	473,250	
(832,754)	(1,262,470)	(425,794)	(12,115,342)	
<u>3,794,979</u>	<u>(349,077)</u>	<u>2,353,263</u>	<u>(3,764,530)</u>	<u>412,284</u>
4,711,838	344,840	1,365,019	14,667,059	530,429
<u>45,745,681</u>	<u>36,564,931</u>	<u>11,131,289</u>		<u>15,375,235</u>
<u>\$ 50,457,519</u>	<u>\$ 36,909,771</u>	<u>\$ 12,496,308</u>		<u>\$ 15,905,664</u>
			(55,462)	
			<u>\$ 14,611,597</u>	

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Electric	Water
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 42,929,354	\$ 10,136,770
Payments to suppliers	(22,899,367)	(2,710,544)
Payments to employees	(2,760,697)	(1,196,297)
Other receipts (payments)		
Net cash provided by (used in) operating activities	<u>17,269,290</u>	<u>6,229,929</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental		
Transfers from other funds		
Transfers to other funds	(8,972,223)	(622,101)
Payments received on notes	6,475	
Net cash provided by (used in) noncapital financing activities	<u>(8,965,748)</u>	<u>(622,101)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets	(1,999,751)	(8,954,930)
Proceeds from sale of assets		436
Proceeds from issuance of long-term debt		13,985,000
Principal payments - bonds and notes	(6,974,400)	(2,187,559)
Interest payments - bonds and notes	(593,946)	(179,787)
Capital grants from other governments		
Special assessment collections		
Net cash provided by (used in) capital and related financing activities	<u>(9,568,097)</u>	<u>2,663,160</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	483,529	85,170
Purchase of investments	(2,927,811)	
Proceeds from the sale of investments		465,995
Decrease in notes receivable		
Net cash provided by (used in) investing activities	<u>(2,444,282)</u>	<u>551,165</u>
Net increase (decrease) in cash and cash equivalents	(3,708,837)	8,822,153
Cash and cash equivalents at beginning of year	<u>14,968,082</u>	<u>1,596,854</u>
Cash and cash equivalents at end of year	<u>\$ 11,259,245</u>	<u>\$ 10,419,007</u>

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 8,712,714	\$ 2,524,149	\$ 8,531,457	\$ 72,834,444	\$ 5,238,074
(2,279,167)	(465,312)	(4,796,616)	(33,151,006)	(1,880,338)
(1,550,497)	(285,216)	(3,729,674)	(9,522,381)	(906,306)
(473,590)	(212,421)	(421,413)	(1,107,424)	(96,490)
4,409,460	1,561,200	(416,246)	29,053,633	2,354,940
		380,367	380,367	412,284
(832,754)	(1,262,470)	473,250	473,250	
		(425,794)	(12,115,342)	
			6,475	
(832,754)	(1,262,470)	427,823	(11,255,250)	412,284
(3,125,094)		(2,045,917)	(16,125,692)	(1,948,415)
			436	
(2,144,000)			13,985,000	
(679,606)			(11,305,959)	
		1,580,541	(1,453,339)	
31,534			1,580,541	
(5,917,166)		(465,376)	(13,287,479)	(1,948,415)
67,831	20,119	22,564	679,213	52,921
			(2,927,811)	
			465,995	
67,831	20,119	638,287	638,287	52,921
(2,272,629)	318,849	207,052	3,366,588	871,730
7,063,223	2,756,662	2,091,260	28,476,081	5,508,889
\$ 4,790,594	\$ 3,075,511	\$ 2,298,312	\$ 31,842,669	\$ 6,380,619

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Electric	Water
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 14,521,371	\$ 3,182,302
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,085,936	2,135,327
Miscellaneous nonoperating income (expense)	325,636	281,829
Change in assets and liabilities:		
Accounts and notes receivable	(72,426)	(126,237)
Due from other funds	(26,243)	
Due from other governments	(9,553)	
Special assessment receivable		
Inventories	60,709	25,488
Prepaid items	65,535	(830)
Deferred outflows of resources	(47,376)	(31,584)
Accounts payable	(103,291)	972,810
Accrued wages payable		
Compensated absences payable	(319,000)	(213,000)
Other post employment benefits	15,341	10,227
Net pension liability	280,983	187,323
Due to other funds	(75,870)	29,238
Due to other governments		
Deferred inflows of resources	(334,444)	(222,964)
Other current liabilities	(98,018)	
Net cash provided by (used in) operating activities	<u>\$ 17,269,290</u>	<u>\$ 6,229,929</u>
Noncash capital financing activities:		
Contributions of capital assets from government / customers	<u>\$ 30,629</u>	<u>\$</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, 2020**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 1,497,978	\$ 673,798	\$ (1,608,726)	\$ 18,266,723	\$ 284,509
1,922,731	1,179,944	517,280	8,841,218	2,193,522
		217,551	825,016	
(319,638)	(87,671)	(188,374)	(794,346)	(106)
233,735	(233,228)	103,579	77,843	
286		(105,353)	(114,620)	9,906
11,187			11,187	
			86,197	
			64,705	13,942
(12,422)	(5,495)	(28,616)	(125,493)	(5,137)
1,053,833	(12,739)	19,118	1,929,731	(113,218)
7,223	5,386	16,963	29,572	9,738
14,201	6,937	12,781	(498,081)	19,312
(8,186)	617	(42,000)	(24,001)	2,863
62,713	39,273	170,141	740,433	20,677
		614,219	567,587	(44,014)
		955	955	
(54,181)	(5,622)	(137,158)	(754,369)	(37,054)
		21,394	(76,624)	
<u>\$ 4,409,460</u>	<u>\$ 1,561,200</u>	<u>\$ (416,246)</u>	<u>\$ 29,053,633</u>	<u>\$ 2,354,940</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 55,635</u>	<u>\$ 86,264</u>	<u>\$ 412,284</u>

CITY OF MOORHEAD
Notes to the Financial Statements
December 31, 2020

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.

Blended component unit. The Economic Development Authority (EDA) serves all the citizens of the City of Moorhead by promoting and assisting industrial and commercial development and redevelopment within the City. The EDA is comprised of a volunteer Board of Commissioners appointed by the Mayor and City Council. The EDA is reported as a Special Revenue Fund and does not issue separate financial statements.

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, 2020. Separate audited financial statements for the year ended June 30, 2020 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, weapons management, 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 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 measureable 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 to other funds reported in the General Fund have been offset by a fund reserve account 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 receivable of the City are considered to be fully collectible and, therefore, there is no allowance for uncollectible accounts as of December 31, 2020.

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.

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.

Capital asset classes	Lives
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 after the measurement date and prior to the fiscal year-end and changes in the net OPEB liability not included in OPEB expense reported in the statement of net position. These outflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate 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 on the statement of net position related to pensions and other post-employment benefit 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 or other liabilities attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets and deferred outflows 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 outflows 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 \$89,800,078 difference are as follows:

Special assessments receivable	\$ 72,257,683
Property taxes	252,828
Escrowed special assessments	29,002
Notes receivable	7,552,793
Current notes receivable	(2,865)
Grants and prepayments	9,710,637
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 89,800,078</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 \$187,597,774 difference are as follows:

Bonds payable	\$164,324,178
Notes payable	49,777
Accrued interest payable	2,250,034
Compensated absences payable	2,363,084
Other post-employment benefits	1,628,758
Net pension liability	16,981,943
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 187,597,774</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 \$6,153,120 difference are as follows:

Internal service fund net position	\$15,905,664
Net capital assets included in governmental activities	(10,097,355)
Deferred outflows included in governmental activities	(41,706)
Accrued compensated absences payable included in governmental activities	97,989
Other post-employment benefits included in governmental activities	27,581
Net pension liability included in governmental activities	320,345
Deferred inflows included in governmental activities	21,330
Internal service fund activity reflected in business-type activities	(80,728)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$6,153,120</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 \$80,728 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$136,190
Internal receivable representing charges in excess of cost to business-type activities - current year	(55,462)
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$80,728</u>

NOTE 3: - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

The General Fund had expenditures in excess of budget of \$2,099,928 at December 31, 2020. There was excess revenue to offset these costs (not budgeted).

The Park Fund had expenditures in excess of budget of \$271,921 at December 31, 2020. This will be addressed through additional fees and levies.

B. Deficit fund equity

The Special Assessment Capital Projects Fund has a deficit of \$5,121,938 at December 31, 2020 which will be recovered by Municipal State Aid funds and other state grant funds.

The Permanent Improvement Fund has a deficit fund balance of \$6,222,749 at December 31, 2020 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 \$15,237 at December 31, 2020 which will be recovered by future grant proceeds.

The Tax Increment Debt Service Fund has a deficit fund balance of \$1,512,681 at December 31, 2020 which will be recovered by future tax increment collections.

The Maintenance Shop Internal Service Fund has a deficit fund balance of \$277,039 at December 31, 2020 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 \$11,026,903 and \$11,020,992, respectively. At December 31, 2020, the City’ bank balance was fully insured or collateralized. The City of Moorhead does not include cash for the Moorhead Public Housing Agency in its deposits. Please see Note 5.D.1 for details of the component unit cash information.

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 the 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, 2020, the City had an investment in the 4M Fund in the amount of \$592,957.

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, 2020, 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, 2020, the City had the following investments:

<u>Investments Measured at Fair Value</u>	Fair Value
Federal Farm Credit Bank	\$ 10,834,227
Negotiable Certificates of Deposit	7,711,885
Federal Home Loan Bank	4,859,133
Federal Home Loan Mortgage Corporation	7,417,170
Federal National Mortgage Association	1,314,609
Government National Mortgage Association	38,547
US Treasury Obligations with maturities at time of purchase greater than one year	1,124,766
Municipal Bonds	3,874,426
Total Investments Measured at Fair Value	<u>\$ 37,174,763</u>
<u>Investments Measured at Amortized Cost</u>	Amortized Cost
Money Markets	\$ 72,169,066
Minnesota Municipal Money Market (4M Fund)	592,957
Total Investments Measured at Amortized Cost	<u>\$ 72,762,023</u>
Total Investments	109,936,786

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 a 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	\$ 7,711,885	\$ 2,422,264	\$ 5,289,621	\$ -	\$ -	Not Rated
Federal Farm Credit Bank	10,834,227	839,608	7,757,096	2,237,523	-	AA
Federal Home Loan Bank	4,859,133	763,210	4,095,923	-	-	AA
Federal Home Loan Mortgage Corporation	7,417,170	-	6,283,224	1,113,933	20,013	AA
Federal National Mortgage Association	1,314,609	506,799	537,868	50,377	219,565	AA
Government National Mortgage Association	38,547	-	3,332	35,215	-	AA
US Treasury Obligations	1,124,766	-	1,124,766	-	-	AA
Municipal Bonds	3,874,426	379,881	3,225,007	269,538	-	See Below
Money Markets	72,169,066	72,169,066	-	-	-	Not Rated
Minnesota Municipal Money Market (4MFund)	592,957	592,957	-	-	-	Not Rated
	<u>\$ 109,936,786</u>	<u>\$ 77,673,785</u>	<u>\$ 28,316,837</u>	<u>\$ 3,706,586</u>	<u>\$ 239,578</u>	

The following table summarizes the ratings for the City's municipal bond investments as rated by Moody's as of December 31, 2020.

Credit Rating	Fair Value
AAA	\$ 1,015,725
AA	2,858,701
	<u>\$ 3,874,426</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, 2020:

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 7,711,885	\$ -	\$ 7,711,885
Federal Farm Credit Bank	-	10,834,227	-	10,834,227
Federal Home Loan Bank	-	4,859,133	-	4,859,133
Federal Home Loan Mortgage Corporation	-	7,417,170	-	7,417,170
Federal National Mortgage Association	-	1,314,609	-	1,314,609
Government National Mortgage Association	-	38,547	-	38,547
US Treasury Obligations	1,124,766	-	-	1,124,766
Municipal Bonds	-	3,874,426	-	3,874,426
	<u>\$ 1,124,766</u>	<u>\$ 36,049,997</u>	<u>\$ -</u>	<u>37,174,763</u>
Investments Measured at Amortized Cost				72,762,023
				<u>\$ 109,936,786</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	\$ 89,558,804
Restricted Cash and Investments - Statement of Net Position	31,404,885
	<u>\$ 120,963,689</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	\$ 156,961	\$ 43	\$ 242,979	\$	\$ 35,524	\$ 435,507
Notes	6,250	2,833,929		57,791	4,714,453	7,612,423
Property taxes	136,786	78,501			37,541	252,828
Special Assessments		70,860,604	1,170,455	226,624		72,257,683
Due from other						
Governmental units	249,465	202,423	2,079,928	7,853,983	369,945	10,755,744
Total Receivables	\$ 549,462	\$ 73,975,500	\$ 3,493,362	\$ 8,138,398	\$ 5,157,463	\$ 91,314,185

D. Capital Assets

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

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 72,035,041	\$ 980,584	\$	\$ 73,015,625
Construction in progress	97,988,704	22,694,144	(54,958,238)	65,724,610
Total capital assets, not being depreciated	170,023,745	23,674,728	(54,958,238)	138,740,235
Capital assets, being depreciated:				
Buildings	28,044,978	100,388		28,145,366
Improvements other than buildings	29,678,269	46,396,939		76,075,208
Machinery and equipment	41,706,273	3,515,487	(2,279,838)	42,941,922
Infrastructure	272,915,376	4,585,633		277,501,009
Total capital assets being depreciated	372,344,896	54,598,447	(2,279,838)	424,663,505
Less accumulated depreciation for:				
Buildings	(15,464,539)	(738,663)		(16,203,202)
Improvements other than buildings	(15,238,064)	(2,405,954)		(17,644,018)
Machinery and equipment	(26,193,290)	(3,090,261)	(2,057,193)	(27,226,358)
Infrastructure	(83,839,785)	(6,069,707)		(89,909,492)
Total accumulated depreciation	(140,735,678)	(12,304,585)	(2,057,193)	(150,983,070)
Total capital assets, being depreciated, net	231,609,218	42,293,862	(222,645)	273,680,435
Governmental activities capital assets, net	\$ 401,632,963	\$ 65,968,590	\$ (55,180,883)	\$ 412,420,670

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,679,465	\$	\$	\$ 9,679,465
Construction in progress	3,486,785	17,525,527	(8,881,961)	12,130,351
Total capital assets, not being depreciated	13,166,250	17,525,527	(8,881,961)	21,809,816
Capital assets, being depreciated:				
Intangible plant	1,288,813			1,288,813
Buildings	198,678,188	5,345,478	(464,816)	203,558,850
Improvements other than buildings	52,910,736	2,694,379		55,605,115
Machinery and equipment	21,553,741	871,417	(341,698)	22,083,460
Infrastructure	79,648,222	1,215,183		80,863,405
Total capital assets being depreciated	354,079,700	10,126,457	(806,514)	363,399,643
Less accumulated depreciation for:				
Intangible plant	(512,464)	(103,344)		(615,808)
Buildings	(87,443,313)	(4,856,591)	349,645	(91,950,259)
Improvements other than buildings	(19,162,013)	(1,332,498)		(20,494,511)
Machinery and equipment	(16,022,476)	(833,553)	305,114	(16,550,915)
Infrastructure	(27,880,893)	(1,715,232)		(29,596,125)
Total accumulated depreciation	(151,021,159)	(8,841,218)	654,759	(159,207,618)
Total capital assets, being depreciated, net	203,058,541	1,285,239	(151,755)	204,192,025
Business-type activities capital assets, net	\$ 216,224,791	\$ 18,810,766	\$ (9,033,716)	\$ 226,001,841

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

Governmental activities:	
General Government	\$ 1,638,644
Public Safety	149,912
Highways & Streets, including depreciatin of general infrastructure assets	6,166,411
Parks & Recreation	1,244,749
Community Development	1,238
Library	9,995
Economic Development	226,788
Mass Transit	673,326
Subtotal	<u>10,111,063</u>
Internal Service	2,193,522
Total depreciation expense - governmental activities	\$ 12,304,585
Business-type activities:	
Electric	\$ 3,085,936
Water	2,135,327
Wastewater	1,922,731
Storm Water	1,179,944
Sanitation	31,756
Golf Course	91,606
Forestry	803
Airport	393,115
Total depreciation expense - business-type activities	\$ 8,841,218

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, 2020.

Deferred outflows of resources arise only under the full accrual basis of accounting and consist of pension plan and OPEB plan subsequent 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 \$6,826,109 and \$221,376 respectively. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of various general obligation improvement bonds totaling \$1,264,112. 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 \$7,277,081 and \$504,479 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, 2020.

	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Letter of credit	\$ 29,002	\$	\$	\$	\$	\$ 29,002
Equipment loan	6,250					6,250
Property taxes	136,786	78,501			37,541	252,828
Special assessments		70,860,604	1,170,455	226,624		72,257,683
MPS note		174,881				174,881
County road turnback		365,191				365,191
State Aid Construction				7,653,400		7,653,400
MYHA note		2,290,992			203,127	2,494,119
Development loan				57,791		57,791
DNR grant proceeds			2,057,237			2,057,237
CDBG rehabilitation loans					4,326,696	4,326,696
First and new program					125,000	125,000
	<u>\$ 172,038</u>	<u>\$ 73,770,169</u>	<u>\$ 3,227,692</u>	<u>\$ 7,937,815</u>	<u>\$ 4,692,364</u>	<u>\$ 89,800,078</u>

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

1. Defined Benefit

a. Plan Description

The City of Moorhead participates in the following cost-sharing multiple employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code. Pension related debt has typically been fully liquidated by the general fund for governmental activities.

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 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 for each of the first 10 years of service and 1.7 percent for each additional year. Under Method 2, the accrual rate for Coordinated members is 1.7 percent 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.

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is 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 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. For Police and Fire Plan members who were first hired prior to July 1, 1989, a full annuity is available when age plus years of service equal at least 90.

Benefit increases are provided to benefit recipients each January. Beginning in 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 2020 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, 2020 were \$893,378. Contributions made by Moorhead Public Service to the General Employees Fund for the year ended December 31, 2020 were \$369,839. 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 11.3 percent of pay to 11.8 percent and employer rates increased from 16.95 percent to 17.70 percent on January 1, 2020. The City's contributions to the Police and Fire Fund for the year ended December 31, 2020 were \$1,398,393. 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, 2020, the City reported a liability of \$9,826,554 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$303,098. The net pension liability was measured as of June 30, 2020 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for the employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion share was .1639 percent at the end of the measurement period and .1562 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 9,826,554
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	303,098
Total	\$ 10,129,652

For the year ended December 31, 2020, the City recognized pension expense of \$667,730 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$26,379 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 89,594	\$ 37,179
Changes in actuarial assumptions	\$ -	\$ 364,308
Net collective difference between projected and actual investment earnings	\$ 169,760	\$ -
Changes in proportion	\$ 495,466	\$ 50,516
Contributions paid to PERA subsequent to the measurement date	\$ 446,137	\$ -
Total	\$ 1,200,957	\$ 452,003

The \$446,137 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, 2021. 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
2021	\$ (421,287)
2022	\$ 177,232
2023	\$ 309,459
2024	\$ 237,413

Public Service Utility:

At December 31, 2020, MPS reported a liability of \$4,382,679 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. 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 \$135,049. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. 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, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. MPS' proportion share was 0.0731 percent at the end of the measurement period and .0708 percent for the beginning of the period.

MPS' proportionate share of the net pension liability	\$	4,382,679
State of Minnesota's proportionate share of the net pension liability Associated with MPS		135,049
Total	\$	4,517,728

For the year ended December 31, 2020, the MPS recognized pension expense of \$420,985 for its proportionate share of the GERF's pension expense. In addition, MPS recognized an additional \$11,753 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2020, 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	\$ 38,711	\$ 16,582
Changes in actuarial assumptions	\$ -	\$ 159,856
Difference between projected and actual investment earnings	\$ 83,835	\$ -
Changes in proportion	\$ 95,371	\$ 15,883
Contributions paid to PERA subsequent to the measurement date	\$ 185,064	\$ -
Total	\$ 402,981	\$ 192,321

The \$185,064 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, 2021. 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
2021	\$ (219,431)
2022	\$ 24,229
2023	\$ 114,911
2024	\$ 105,887

2. Police and Fire Fund Pension Costs

At December 31, 2020, the City reported a liability of \$9,130,527 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2020, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2019, through June 30, 2020, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .6927 percent at the end of the measurement period and .7223 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 9,130,527
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	215,093
Total	\$ 9,345,620

The State of Minnesota contributed \$13.5 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2020. The contribution consisted of \$4.5 million in direct state aid that does meet the definition of a special funding situation and \$9.0 million in supplemental state aid that does not meet the definition of a special funding situation. The \$4.5 million direct state was paid on October 1, 2019. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

As a result, the State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$4.5 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2020 the City recognized pension expense of \$1,244,279 for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional \$62,343 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's pension expense for the contribution of \$4.5 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in fire state aid. The City also recognized \$66,175 for the year ended December 31, 2020 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.

At December 31, 2020, 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	\$ 403,438	\$ 433,601
Changes in actuarial assumptions	\$ 3,059,829	\$ 5,694,387
Net collective difference between projected and actual investment earnings	\$ 277,336	\$ -
Changes in proportion	\$ 764,005	\$ 504,769
Contributions paid to PERA subsequent to the measurement date	\$ 717,563	\$ -
Total	\$ 5,222,171	\$ 6,632,757

The \$717,563 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, 2021. 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
2021	\$ (523,807)
2022	\$ (2,400,647)
2023	\$ 424,858
2024	\$ 449,629
2025	\$ (78,182)

The total pension expense for all plans recognized by the City for the year ended December 31, 2020, was \$2,433,469.

e. Actuarial Assumptions

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

	General Employees	Police and Fire Fund
Inflation	2.25 percent per year	2.50 percent per year
Active Member Payroll Growth	3.00 percent per year	3.25 percent per year
Investment Rate of Return	7.50 percent	7.50 percent

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on Pub-2010 General Employee Mortality table for the General Employees Plan and RP 2014 tables for the Police and Fire Plan for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be: 1.25 percent per year for the General Employees Plan and 1.0 percent per year for the Police and Fire Plan as set by state statute.

Actuarial assumptions used in the June 30, 2020 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and become effective with the July 1, 2020 actuarial valuation. The four-year experience study used for the Police and Fire Plan was completed in 2016. Inflation and investment return assumptions for the Police and Fire Plan are based on the General Employees Retirement Plan experience study completed in 2019. The most recent four-year experience studies for the Police and Fire Plan were completed in 2020. The recommended assumptions for that plan were adopted by the Board and will be effective with the July 1, 2021 actuarial valuations if approved by the Legislature.

The following changes in actuarial assumptions and plan provisions occurred in 2020:

General Employees Fund

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

Police and Fire Fund

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2018 to MP-2019.

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 Stocks	35.5%	5.10%
International Stocks	17.5%	5.30%
Bonds (Fixed Income)	20.0%	0.75%
Alternative Assets (Private Markets)	25.0%	5.90%
Cash	2.0%	0.00%
Total	100.0%	

f. Discount Rate

The discount rate used to measure the total pension liability in 2020 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:	\$15,748,558	\$9,826,554	\$4,941,377

	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:	\$18,198,455	\$9,130,527	\$1,628,406

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:	\$7,023,914	\$4,382,679	\$2,203,872

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 2020 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. The OPEB liability has typically been fully liquidated by the general fund for governmental activities.

2. Benefits Provided

The City allows access to the contract groups other post-retirement benefits of the blended medical premiums of \$632 for single and \$1,380 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 \$104,936. 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, 2020, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	18
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>259</u>
	<u>277</u>

5. Total OPEB Liability

The City's total OPEB liability of \$1,826,576 was measured as of January 1, 2020 and was determined by an actuarial valuation as of that date.

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2020 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	Service graded
Discount Rate	2.90 percent
Healthcare Cost Trend Rates	6.50 percent as of January 1, 2020 grading to 5.00 percent over 6 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 Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2019 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2020, valuation were based on the results of an actuarial experience study as of January 1, 2020.

7. Changes in the Total OPEB Liability

Balance at January 1, 2019	\$ 2,077,138
Changes from the prior year:	
Service cost	127,497
Interest cost	81,814
Assumption changes	72,245
Differences between expected and actual experience	(427,877)
Benefit payments	<u>(104,241)</u>
Total Changes	<u>(250,562)</u>
Balance at January 1, 2020	<u>\$ 1,826,576</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	1.90%	2.90 %	3.90%
Total OPEB Liability	\$1,962,654	\$1,826,576	\$1,699,023

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	\$1,642,136	\$1,826,576	\$2,044,508
Medical Trent 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, 2020, the City recognized OPEB expense of \$161,732. At December 31, 2020, the City reported \$169,153 in deferred outflows of resources related to OPEB and \$436,789 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 380,335
Assumption Changes	\$ 64,217	\$ 56,454
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 104,936	\$ -
Total	\$ 169,153	\$ 436,789

City contributions subsequent to the measurement date of \$104,936 are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2021. 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
2021	\$ (47,579)
2022	\$ (47,579)
2023	\$ (47,579)
2024	\$ (47,579)
2025	\$ (47,579)
Thereafter	\$ (134,677)

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 \$751 for single and \$1,971 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 \$34,020. Total OPEB liability will be paid by the general fund.

4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2019, 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 \$390,890 was measured as of January 1, 2020 and was determined by an actuarial valuation as of January 1, 2019.

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2019 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	2.90 percent
Healthcare Cost Trend Rates	6.25 percent decreasing to 5.00 percent over 5 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, 2019	\$ 365,322
Changes from the prior year:	
Service cost	33,344
Interest cost	14,341
Assumption Changes	20,804
Differences between Expected and Actual Experience	-
Benefit payments	<u>(42,921)</u>
Total Changes	<u>25,568</u>
Balance at January 1, 2020	<u>\$ 390,890</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	1.90%	2.90 %	3.90%
Total OPEB Liability	\$421,094	\$390,890	\$362,615

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	\$344,223	\$390,890	\$447,786
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, 2020, Moorhead Public Service recognized OPEB expense of \$39,004. At December 31, 2020, Moorhead Public Service had \$52,223 in deferred outflows of resources related to OPEB and \$67,690 in deferred inflows or resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 63,094
Assumption Changes	\$ 18,203	\$ 4,596
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 34,020	\$ -
Total	\$ 52,223	\$ 67,690

Moorhead Public Service contributions subsequent to the measurement date of \$34,020 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, 2021. 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
2021	\$ (8,681)
2022	\$ (8,681)
2023	\$ (8,681)
2024	\$ (8,681)
2025	\$ (8,681)
Thereafter	\$ (6,082)

The total OPEB expense for all plans recognized by the City for the year ended December 31, 2020, was \$200,736.

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 two-year contract for the period January 1, 2021 through December 31, 2022, with First Transit Inc. to provide bus services and driver management. The annual costs for First Transit during 2020 were \$1,234,693. 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.

Construction Commitments

The City has active construction projects as of December 31, 2020, which includes street construction and reconstruction, mass transit, wastewater and water utilities. At year-end the City's remaining commitments with contractors are \$20,654,035.

Project	Spent-to-Date	Remaining Commitment
Southeast Main Avenue railroad grade separation	\$ 38,362,457	\$ 12,204,550
Street rehab 12th Avenue south	3,493,481	1,287,032
Mill and overlay various locations	1,692,355	66,584
Green light priority project	313,943	34,883
Sanitary lift station improvements	2,008,835	1,394,742
Wastewater treatment facility improvements	2,241,091	1,532,244
Lime sludge dewatering facility	3,958,000	3,167,000
Southside water tower	2,209,000	967,000
	<u>\$ 54,279,162</u>	<u>\$ 20,654,035</u>

As discussed in Note 1.F, *Budgetary Information*, the encumbrances and related appropriation technically lapse at the end of the year, but, are reappropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Encumbrances

As discussed in Note 1.F, *Budgetary Information*, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Special Assessment Capital Projects Fund	\$	1,353,616
Permanent Improvement Fund		12,204,550
Water Fund		4,134,000
Wastewater Fund		2,926,986
Non-major Funds		34,883
	\$	<u>20,654,035</u>

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 and substations, 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, 2020 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, 2020 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2020
<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	\$ 40,000
2009 Refunding Series C	11/15/2009	2/1/2022	2.00 - 4.00	1,590,000	225,000
2010 Refunding Series D	9/22/2010	2/1/2023	2.00 - 3.00	2,030,000	450,000
2011 Series A	9/1/2011	2/1/1933	2.00 - 3.625	4,855,000	2,945,000
2011 Refunding Series B	9/1/2011	2/1/2024	.50 - 2.90	900,000	260,000
2011 Series C	12/28/2011	2/1/1933	.65 - 3.60	4,200,000	2,895,000
2012 Series A	5/15/2012	2/1/1933	3.00 - 3.375	16,955,000	11,685,000
2012 Refunding Series C	5/15/2012	2/1/1933	3.00 - 3.375	10,430,000	7,910,000
2012 Refunding Series D	5/15/2012	2/1/2027	3.00 - 4.00	8,815,000	4,930,000
2012 Series F	9/1/2012	2/1/1939	3.00 - 3.50	10,320,000	7,980,000
2013 Series A	10/23/2013	2/1/1935	.80 - 4.30	2,165,000	1,610,000
2014 Refunding Series B	7/24/2014	2/1/1934	2.25 - 5.00	19,440,000	16,470,000
2014 Series C	12/29/2014	2/1/1936	2.00 - 4.00	6,170,000	5,010,000
2014 Refunding Series D	12/29/2014	2/1/2025	3.00 - 4.00	7,660,000	4,540,000
2014 Refunding Series E	12/29/2014	2/1/2027	3.00 - 4.00	9,785,000	6,070,000
2015 Series A	9/24/2015	2/1/1942	3.00 - 4.00	12,270,000	10,955,000
2016 Series B	11/10/2016	2/1/1942	2.00 - 5.00	20,920,000	18,770,000
2016 Refunding Series C	11/10/2016	2/1/1933	3.00 - 5.00	11,135,000	8,455,000
2017 Series A	12/14/2017	2/1/1943	2.00 - 3.25	10,905,000	10,200,000
2017 Refunding Series B	12/14/2017	2/1/2029	2.50 - 5.00	5,000,000	4,185,000
2018 Series A	11/20/2018	2/1/2044	4.00 - 5.00	11,690,000	11,665,000
2018 Refunding Series B	11/20/2018	2/1/2031	5.00	4,870,000	4,525,000
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>196,330,000</u>	<u>154,660,000</u>
G.O Tax Increment					
2010 Regency/Holiday Mall Refunding Series B	9/9/2010	2/1/2028	2.00-3.70	\$ 1,390,000	\$ 805,000
2019 Regency/Holiday Mall Refunding Series A	12/30/2019	2/1/2028	2.00-4.00	1,550,000	1,550,000
				<u>2,940,000</u>	<u>2,355,000</u>
Total Governmental Activities				<u>\$ 199,270,000</u>	<u>\$ 157,015,000</u>

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2020
Business-Type Activities					
G.O Revenue Bonds					
2012 G.O. Wastewater Refunding, Series B	5/15/2012	11/1/2029	3.00 – 3.125	\$ 10,790,000	\$ 7,460,000
2007 Electric MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,405,150	1,501,650
2007 Water MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,838,850	1,693,350
G.O. Water Revenue Note of 2020	5/27/2020	11/1/2040	2.00 – 5.00	13,985,000	13,985,000
				<u>32,019,000</u>	<u>24,640,000</u>
Revenue Bonds					
2009 Electric Utility Refunding Series A	5/15/2009	11/1/2024	3.00-4.75	\$ 1,470,000	\$ 490,000
2012 Electric Utility Revenue & Refunding Series E	9/1/2012	11/1/2027	2.00 – 3.00	6,240,000	2,380,000
2014 G.O. Wastewater Revenue Bonds, Series A	7/24/2014	11/1/1934	4.00 – 5.00	7,200,000	6,525,000
2016 Electric Utility Revenue Series A	8/25/2016	11/1/1936	2.00 – 4.00	11,330,000	9,629,800
2016 Water Utility Revenue Series A	8/25/2016	11/1/1936	2.00 – 4.00	1,400,000	1,190,200
				<u>27,640,000</u>	<u>20,215,000</u>
Public Facilities Authority Loans					
G.O. Sewer Revenue Note of 2002	5/6/2002	8/20/2022	3.13	\$ 3,389,288	\$ 447,000
G.O. Sewer Revenue Note of 2004	6/21/2004	8/20/2023	1.98	6,598,073	1,223,099
G.O. Sewer Revenue Note of 2007	6/29/2007	8/20/2026	1.99	12,407,226	4,740,000
G.O. Water Revenue Note of 2014	8/26/2014	8/20/1934	1.02	12,736,089	9,056,000
G.O. Water Revenue Note of 2016	3/14/2016	8/20/1935	1.00	2,471,358	1,912,000
				<u>37,602,034</u>	<u>17,378,099</u>
Total Business-Type Activities				<u>\$ 97,261,034</u>	<u>\$ 62,233,099</u>

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 were 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 were 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, 2020, there were 10 Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$80,684,908.

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.

Type of Bonds	Balance at			Balance at	Due Within
	January 1, 2020	Additions	Reductions	December 31, 2020	One Year
Governmental Activities:					
Bonds Payable					
G.O. Special Assessment	\$ 172,255,000	\$ -	\$ 17,595,000	\$ 154,660,000	\$ 10,915,000
G.O. Tax Increment	4,185,000	-	1,830,000	2,355,000	260,000
Premiums	7,942,587	-	633,409	7,309,178	631,528
Total Bonds Payable	184,382,587	-	20,058,409	164,324,178	11,806,528
Note From Direct Borrowing					
Park Land Acquisition	145,697	-	95,920	49,777	49,777
Compensated Absences	2,160,408	1,429,473	1,226,797	2,363,084	1,341,887
Governmental Activity Long-Term Liabilities	\$ 186,688,692	\$ 1,429,473	\$ 21,381,126	\$ 166,737,039	\$ 13,198,192
Business-Type Activities:					
Bonds Payable					
Electric Utility	\$ 20,975,800	\$ -	\$ 6,974,350	\$ 14,001,450	\$ 1,096,450
Water Utility	4,324,200	13,985,000	1,440,650	16,868,550	343,550
Wastewater	14,785,000	-	800,000	13,985,000	895,000
Discount	(66,935)	(223,186)	(13,072)	(277,049)	-
Premiums	704,541	506,259	83,762	1,127,038	22,984
Total Bonds Payable	40,722,606	14,268,073	9,285,690	45,704,989	2,357,984
Notes From Direct Borrowing					
Public Facilities Authority	19,437,099	-	2,059,000	17,378,099	2,098,000
Watermain Loan	206,840	-	31,958	174,882	32,925
Compensated Absences	1,445,566	321,686	819,767	947,485	716,366
Business-Type Activity Long-Term Liabilities	\$ 61,812,111	\$ 14,589,759	\$ 12,196,415	\$ 64,205,455	\$ 5,205,275

The annual requirement to amortize notes from direct borrowing outstanding as of December 31, 2020, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2021	\$ 49,777	\$ 1,252	2021	\$ 2,130,925	\$ 249,026
			2022	2,168,921	210,860
			2023	1,967,044	171,917
			2024	1,580,001	139,645
			2025	1,604,090	115,103
			2026-2030	4,715,000	307,868
			2031-2035	3,387,000	89,796
				\$ 17,552,981	\$ 1,284,215

The requirement to amortize all bonded debt outstanding as of December 31, 2020, follows:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2021	\$ 11,175,000	\$ 5,226,729	\$ 2,335,000	\$ 1,445,419	20,182,148
2022	11,505,000	4,782,673	2,420,000	1,353,033	20,060,706
2023	11,530,000	4,340,741	2,705,000	1,257,478	19,833,219
2024	11,840,000	3,931,380	2,790,000	1,152,840	19,714,220
2025	11,970,000	3,530,130	2,775,000	1,044,992	19,320,122
2026-2030	46,705,000	12,335,274	12,525,000	3,803,408	75,368,682
2031-2035	31,240,000	5,708,337	10,390,000	1,987,037	49,325,374
2036-2040	14,060,000	2,257,359	8,915,000	641,232	25,873,591
2041-2045	6,765,000	397,009	-	-	7,162,009
2046	225,000	2,953	-	-	227,953
Total	\$ 157,015,000	\$ 42,512,585	\$ 44,855,000	\$ 12,685,439	\$ 257,068,024

K. Fund balance

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Notes Receivable	\$ 6,250	\$	\$	\$	\$	\$ 6,250
Advances	3,516,919					3,516,919
Prepaid items	3,244					3,244
Total Nonspendable	<u>3,526,413</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,526,413</u>
Restricted for:						
Culture and Recreation					1,164,506	1,164,506
Library					354,506	354,506
Transit					1,439,398	1,439,398
Economic Development					2,636,111	2,636,111
Contributions					77,460	77,460
Capital Projects						-
Debt Service		41,220,987			270,669	41,491,656
Other Purposes	970,599					970,599
Total Restricted	<u>970,599</u>	<u>41,220,987</u>	<u>-</u>	<u>-</u>	<u>5,942,650</u>	<u>48,134,236</u>
Committed to:						
Transit					455,397	455,397
Economic Development					355,378	355,378
Capital Projects					3,563,863	3,563,863
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,374,638</u>	<u>4,374,638</u>
Unassigned:						
	16,850,832		(5,121,938)	(6,222,749)	(1,647,083)	3,859,062
Total Fund Balances	\$ <u>21,347,844</u>	\$ <u>41,220,987</u>	\$ <u>(5,121,938)</u>	\$ <u>(6,222,749)</u>	\$ <u>8,670,205</u>	\$ <u>59,894,349</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, 2020, 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.

Fund	Receivable	Payable
Governmental activities:		
General Fund	\$ 11,089,668	\$
Special Assessment Capital Project Fund		5,196,702
Permanent Improvement Fund		4,092,837
Capital Improvement Fund		32,777
Maintenance Shop Fund		283,568
	<u>11,089,668</u>	<u>9,605,884</u>
Business-type activities:		
Electric Fund	32,777	1,543,781
Water Fund		76,101
Waste Water Fund	450,427	
Storm Water Fund	459,010	
Sanitation Fund	395,805	
Golf Course Fund		417,068
Pest Control Fund	56,884	
Forestry Fund	75,381	
Municipal Airport Fund		987,127
Street Light Utility Fund	70,009	
	<u>1,540,293</u>	<u>3,024,077</u>
	<u>\$ 12,629,961</u>	<u>\$ 12,629,961</u>

Advances to/from other funds:

Advances in the amount of \$2,627,151 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	\$ 3,516,919	\$
Special Assessment Capital Projects Fund	91,743	
Permanent Improvement Fund		104,000
Tax Increment Debt Service Fund		2,627,151
	<u>3,608,662</u>	<u>2,731,151</u>
Business-type activities:		
Water Fund		91,743
Golf Course Fund		785,768
	<u>-</u>	<u>877,511</u>
	<u>\$ 3,608,662</u>	<u>\$ 3,608,662</u>

M. Interfund transfers

The composition of interfund transfers for the year ended December 31, 2020 is as follows:

	Transfers In						
	Transfers Out	Major Funds:			Nonmajor Funds:		
		General	Permanent Improvement	Special Assmt Capital	Special Assmt Debt	Governmental	Enterprise
Major Funds							
General	\$ 1,000,000			\$ 1,000,000			
Special Assmt Capital Projects	28,625	28,625					
Permanent Improvement	380,000				380,000		
Electric	8,972,223	6,975,000			1,997,223		
Water	622,101	496,101			126,000		
Wastewater	832,754	412,175		240,579	180,000		
Storm Water	1,262,470	407,153		75,000	722,067	58,250	
Totals	<u>13,098,173</u>	<u>8,319,054</u>	<u>0</u>	<u>1,315,579</u>	<u>902,067</u>	<u>2,503,223</u>	<u>58,250</u>
Non-Major Funds							
Governmental	1,318,304	135,287	212,000		405,000	151,017	415,000
Enterprise	425,794	425,794					
Totals	<u>1,744,098</u>	<u>561,081</u>	<u>212,000</u>	<u>0</u>	<u>405,000</u>	<u>151,017</u>	<u>415,000</u>
	<u>\$ 14,842,271</u>	<u>\$ 8,880,135</u>	<u>\$ 212,000</u>	<u>1,315,579</u>	<u>\$ 1,307,067</u>	<u>\$ 2,654,240</u>	<u>\$ 473,250</u>

A breakdown of the detailed interfund transfers for the year ended December 31, 2020 is as follows:

Transfer to General Fund from Special Assessment Capital Projects Fund	\$ 28,625	To transfer funds for BUILD application funding
Transfer to General Fund from Rental Registration Special Revenue Fund	135,287	To transfer remaining funds to close fund
Transfer to General Fund from Electric Enterprise Fund	6,975,000	To transfer revenue per city charter
Transfer to General Fund from Water Enterprise Fund	496,101	To transfer revenue per city charter

Transfer to General Fund from Storm Water Enterprise Fund	407,153	To transfer revenue per city charter
Transfer to General Fund from Wastewater Enterprise Fund	412,175	To transfer revenue per city charter
Transfer to General Fund from Sanitation Enterprise Fund	234,527	To transfer revenue per city charter
Transfer to General Fund from Pest Control Enterprise Fund	100,527	To transfer revenue per city charter
Transfer to General Fund from Forestry Enterprise Fund	47,329	To transfer revenue per city charter
Transfer to General Fund from Street Light Utility Enterprise Fund	43,411	To transfer revenue per city charter
Transfer to Park Special Revenue Fund from Capital Improvement Capital Projects Fund	30,000	To transfer funds per current year budget
Transfer to Park Special Revenue Fund from Permanent Improvement Fund	380,000	To transfer funds for park trails
Transfer to Special Assessment Debt Service Fund from Capital Improvement Capital Projects Fund	405,000	To transfer funds per current year budget
Transfer to Permanent Improvement Fund from Capital Improvement Capital Projects Fund	212,000	To transfer funds per current year budget
Transfer to Mass Transit Special Revenue Fund from Capital Improvement Capital Projects Fund	121,017	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Storm Water Enterprise Fund	722,067	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Wastewater Enterprise Fund	180,000	To transfer funds per current year budget
Transfer to Economic Development Special Revenue Fund from Electric Enterprise Fund	50,000	To transfer revenue per city charter
Transfer to Special Assessment Capital Projects Fund from General Fund	1,000,000	To establish a capital improvement revolving fund
Transfer to Special Assessment Capital Projects Fund from Storm Water Enterprise Fund	75,000	To transfer funds per current year budget
Transfer to Special Assessment Capital Projects Fund from Waste Water Enterprise Fund	240,579	To transfer funds for engineering services
Transfer to Capital Improvement Capital Projects Fund from Electric Enterprise Fund	1,947,223	To transfer revenue per city charter
Transfer to Capital Improvement Capital Projects Fund from Water Enterprise Fund	126,000	To transfer revenue per city charter
Transfer to Golf Course Enterprise Fund from Park Special Revenue Fund	415,000	To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from Storm Water Enterprise Fund	<u>58,250</u>	To transfer funds per current year budget
Total Interfund Transfers	<u>\$ 14,842,271</u>	

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 \$9,196,457 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 \$19,129,964 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, 2020:

Tax Abatement Program	Amount of Taxes Abated
Property Tax Exemption	\$ 442,294
Make Moorhead Home Property Tax Rebate	217,648

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.

For the fiscal year ending December 31, 2020, the City has five agreements established under Minnesota Statutes Section 469.174 to 469.179 which resulted in property taxes totaling \$1,019,846 being abated. Individual abatement payments included:

- A pay-as-you go note resulting in an abatement amount of \$528,299, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$282,576, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$120,383, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$53,055, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$35,533, 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, 2020, the carrying amount of the Agency's deposits was \$875,302, and the bank balance was \$935,705. The Agency's deposits at its financial institutions were fully collateralized at June 30, 2020.

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 \$10,937 consists of amounts due from tenants of the Public Housing program, which includes an allowance of \$11,661. Due from other governments of \$44,261 consists of reimbursements of vouchers owed by Minnesota Housing Finance Agency.

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, 2020 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$	\$	\$ 464,977
Construction in progress	15,183	460,703		475,886
Total Capital assets not being depreciated	480,160	460,703		940,863
Capital assets, being depreciated:				
Buildings & Improvements	11,960,460	212,159		12,172,619
Furniture, equipment & machinery	960,770		15,433	945,337
Total Capital assets being depreciated	12,921,230	212,159	15,433	13,117,956
Less accumulated depreciation for:				
Buildings & Improvements	7,597,257	272,792		7,870,049
Furniture, equipment & machinery	799,808	60,220	3,924	856,104
Total accumulated depreciation	8,397,065	333,012	3,924	8,726,153
Total capital assets, being depreciated, net	4,524,165	(120,853)	11,509	4,391,803
Total Capital assets, net	\$ 5,004,325	\$ 339,850	\$ 11,509	\$ 5,332,666

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

Business-type activities	
Low-Rent Public Housing	\$ 333,012

5. Accounts Payable

Accounts payable of \$19,577 represents expenses incurred but not paid to vendors at June 30, 2020.

6. Compensated Absences

Changes in compensated absences for the year ended June 30, 2020 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 24,297	\$ 28,982	\$ 25,372	\$ 27,907	\$ 27,907

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, 2020, the amount payable to local governments in lieu of taxes was \$41,365.

8. Contingencies and Commitments

At June 30, 2020, the Agency had construction project contracts in progress. The commitments for the remaining contract balances totaled \$67,830.

9. Retirement Plan

The Agency has a nonintegrated, discretionary contribution Money Purchase Plan covering substantially all employees. The plan is funded through payments to Security Benefit, Inc. where the contributions are allocated to the account of each participant in the same portion as the participant's compensation bears to all participants' compensation for the year. The Agency contributes 7% of employees' eligible salaries and employees must contribute up to 7% of salaries to the plan. In this master multiple-employee plan, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The approximated total cost of this plan for the years ended June 30, 2020, 2019, and 2018 was \$16,859, \$18,307, and \$16,859, respectively.

10. Subsequent Events

On July 1, 2020, the Agency acquired Clay County HRA's Public Housing Program. No other significant events occurred subsequent to the Agency's year end. Subsequent events have been evaluated through December 13, 2020, which is the date the financial statements were available to be issued.

E. Future Implementation of Approved GASB Standards

As of December 31, 2020, 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, 2020 but will be implemented in future years.

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

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements-often characterized as leases-that are associated with conduit debt obligations. This statement will be implemented by governmental entities in the year ended December 31, 2022.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. This statement will be implemented by governmental entities in the year ended December 31, 2022.

GASB Statement No. 93, *Replacement of Interbank Offered Rates*, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate of adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. This statement will be implemented by governmental entities in the year ended December 31, 2022.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, construction, financing, maintenance, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. This statement will be implemented by governmental entities in the year ended December 31, 2023.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*, provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset-an intangible asset-and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. This statement will be implemented by governmental entities in the year ended December 31, 2023.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans-an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32*, provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, *Fiduciary Activities*, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, *Financial Reporting for Pension Plans*, or paragraph 3 of Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for governmental entities in the year ended December 31, 2022.

REQUIRED SUPPLEMENTARY INFORMATION

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

City:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	127,497	124,534	132,300
Interest	81,814	70,273	67,250
Changes in assumptions	72,245	(72,584)	-
Differences between Expected and Actual Experience	(427,877)	-	-
Benefit payments	<u>(104,241)</u>	<u>(99,252)</u>	<u>(101,115)</u>
Net change in total OPEB liability	(250,562)	22,971	98,435
Total OPEB Liability - beginning	2,077,138	2,054,167	1,955,732
Total OPEB Liability - ending	1,826,576	2,077,138	2,054,167
Covered employee payroll	18,854,236	16,609,056	16,125,297
Total OPEB liability as a percentage of covered employee payroll	9.7%	12.5%	12.7%

Public Service Utility:

	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	33,344	27,943	31,306
Interest	14,341	15,515	15,851
Changes in assumptions	20,804	(6,128)	-
Differences between Expected and Actual Experience	-	(84,126)	-
Benefit payments	<u>(42,921)</u>	<u>(59,686)</u>	<u>(48,391)</u>
Net change in total OPEB liability	25,568	(106,482)	(1,234)
Total OPEB Liability - beginning	365,322	471,804	473,038
Total OPEB Liability - ending	390,890	365,322	471,804
Covered employee payroll	4,638,093	4,503,003	4,375,925
Total OPEB liability as a percentage of covered employee payroll	8.4%	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	6/30/2020	.1639%	\$ 9,826,554	\$ 303,098	\$ 10,129,652	\$ 11,954,059	84.7%	79.1%
PEPFF	6/30/2020	.6927%	\$ 9,130,527	\$ 215,093	\$ 9,345,620	\$ 7,823,375	104.1%	87.2%
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	6/30/2020	.0731%	\$ 4,382,679	\$ 135,049	\$ 4,517,728	\$ 4,905,566	108.6%	79.1%
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	12/31/2020	\$ 893,378	\$ 893,376	\$ -	\$11,985,663	7.5%
PEPFF	12/31/2020	\$ 1,398,393	\$ 1,398,393	\$ -	\$ 8,629,394	16.2%
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	12/31/2020	\$ 369,839	\$ 369,839	\$ -	\$ 4,931,187	7.5%
GERF	12/31/2019	\$ 376,011	\$ 376,011	\$ -	\$ 5,013,480	7.5%
GERF	12/31/2018	\$ 358,722	\$ 358,722	\$ -	\$ 4,782,960	7.5%
GERF	12/31/2017	\$ 345,294	\$ 345,294	\$ -	\$ 4,603,920	7.5%
GERF	12/31/2016	\$ 335,637	\$ 335,637	\$ -	\$ 4,475,155	7.5%
GERF	12/31/2015	\$ 311,115	\$ 311,115	\$ -	\$ 4,148,200	7.5%

- 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

2020 Changes

Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.
- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions:

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

2019 Changes

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 due per year through 2031.

2018 Changes

Changes in Actuarial Assumptions:

- The morality 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

2020 Changes

Changes in Actuarial Assumptions:

- The morality projection scale was changed from MP-2018 to MP-2019.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

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 morality 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, which meets the special funding situation definition.
- 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 morality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- Assumed salary increases 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.

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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 or committed to expenditures for particular purposes.

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

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

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

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

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

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

Contributions - accounts 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 - accounts 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 - accounts 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 - accounts 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 - accounts for capital outlay related to City buildings, improvements and equipment.

**CITY OF MOORHEAD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2020**

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
ASSETS						
Assets:						
Cash and investments	\$ 1,129,904	\$ 349,717	\$ 3,046	\$	\$ 2,002,810	\$ 3,010,576
Receivables:						
Accounts			81		35,283	160
Notes	59,630		4,326,696			125,000
Delinquent property taxes	18,496	15,009			2,470	102
Due from other governmental units		9,410			353,119	5,199
Total Assets	<u>\$ 1,208,030</u>	<u>\$ 374,136</u>	<u>\$ 4,329,823</u>	<u>\$</u>	<u>\$ 2,393,682</u>	<u>\$ 3,141,037</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE						
Liabilities:						
Accounts payable	\$	\$ 4,621	\$ 10,429	\$	\$ 470,620	\$ 3,674
Contracts payable - retainage	14,373				15,697	
Accrued wages payable	50,374		3,945		10,100	5,772
Due to other funds						
Advances from other funds						
Other liabilities	79,446		3,990			15,000
Total Liabilities	<u>144,193</u>	<u>4,621</u>	<u>18,364</u>		<u>496,417</u>	<u>24,446</u>
Deferred inflows of resources:						
Taxes	18,496	15,009			2,470	102
Other			4,326,696			125,000
Total Deferred inflows of resources	<u>18,496</u>	<u>15,009</u>	<u>4,326,696</u>		<u>2,470</u>	<u>125,102</u>
Fund Balance:						
Restricted						
Culture and recreation	1,164,506					
Library		354,506				
Transit					1,439,398	
Economic development						2,636,111
Contributions						
Debt service						
Committed					455,397	355,378
Unassigned	(119,165)		(15,237)			
Total Fund Balance	<u>1,045,341</u>	<u>354,506</u>	<u>(15,237)</u>		<u>1,894,795</u>	<u>2,991,489</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 1,208,030</u>	<u>\$ 374,136</u>	<u>\$ 4,329,823</u>	<u>\$</u>	<u>\$ 2,393,682</u>	<u>\$ 3,141,037</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2020**

Contributions	Total	Debt Service				Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$ 77,943	\$ 6,573,996	\$ 59,845	\$ 1,323,161	\$ 210,824	\$ 1,593,830	\$ 3,661,011	\$ 11,828,837
	35,524						35,524
	4,511,326					203,127	4,714,453
	36,077	1,273	191		1,464		37,541
	367,728		2,217		2,217		369,945
<u>\$ 77,943</u>	<u>\$ 11,524,651</u>	<u>\$ 61,118</u>	<u>\$ 1,325,569</u>	<u>\$ 210,824</u>	<u>\$ 1,597,511</u>	<u>\$ 3,864,138</u>	<u>\$ 16,986,300</u>
\$ 483	\$ 489,827	\$	\$ 210,908	\$	\$ 210,908	\$ 19,371	\$ 720,106
	30,070						30,070
	70,191						70,191
			2,627,151		2,627,151	32,777	32,777
	98,436					45,000	143,436
<u>483</u>	<u>688,524</u>		<u>2,838,059</u>		<u>2,838,059</u>	<u>97,148</u>	<u>3,623,731</u>
	36,077	1,273	191		1,464		37,541
	4,451,696					203,127	4,654,823
	4,487,773	1,273	191		1,464	203,127	4,692,364
	1,164,506						1,164,506
	354,506						354,506
	1,439,398						1,439,398
	2,636,111						2,636,111
77,460	77,460						77,460
		59,845		210,824	270,669		270,669
	810,775					3,563,863	4,374,638
	(134,402)		(1,512,681)		(1,512,681)		(1,647,083)
<u>77,460</u>	<u>6,348,354</u>	<u>59,845</u>	<u>(1,512,681)</u>	<u>210,824</u>	<u>(1,242,012)</u>	<u>3,563,863</u>	<u>8,670,205</u>
<u>\$ 77,943</u>	<u>\$ 11,524,651</u>	<u>\$ 61,118</u>	<u>\$ 1,325,569</u>	<u>\$ 210,824</u>	<u>\$ 1,597,511</u>	<u>\$ 3,864,138</u>	<u>\$ 16,986,300</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2020

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
REVENUES						
Property taxes	\$ 2,451,733	\$ 724,408	\$	\$	\$ 120,214	\$ 406,765
Intergovernmental revenues:						
Federal	360,000		247,194		2,005,994	
State	300	175,737			2,086,431	98,729
Charges for services	37,138				157,067	3,675
Facility rentals	95,046					
Donations						
Interest on investments	19,491	571		1,286	21,606	24,277
Sale of property						128,095
Miscellaneous	114,160	21,208	88,117		155,707	149,331
Total revenues	<u>3,077,868</u>	<u>921,924</u>	<u>335,311</u>	<u>1,286</u>	<u>4,547,019</u>	<u>810,872</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Highways and streets						
Parks and recreation	2,582,232					
Library		905,163				
Community development			328,554			
Rental registration				3,172		
Mass transit					3,136,419	
Economic development						578,364
Capital outlay	827,914				1,626,333	
Debt service:						
Bond and note principal						
Bond and note interest						
Fiscal and other charges						
Total expenditures	<u>3,410,146</u>	<u>905,163</u>	<u>328,554</u>	<u>3,172</u>	<u>4,762,752</u>	<u>578,364</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(332,278)</u>	<u>16,761</u>	<u>6,757</u>	<u>(1,886)</u>	<u>(215,733)</u>	<u>232,508</u>
OTHER FINANCING SOURCES (USES):						
Payment to bond refunding agent						
Transfers from other funds	410,000				121,017	50,000
Transfers to other funds	(415,000)			(135,287)		
Total other financing sources (uses)	<u>(5,000)</u>			<u>(135,287)</u>	<u>121,017</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	(337,278)	16,761	6,757	(137,173)	(94,716)	282,508
FUND BALANCE - BEGINNING	<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>
FUND BALANCE - ENDING	<u>\$ 1,045,341</u>	<u>\$ 354,506</u>	<u>\$ (15,237)</u>	<u>\$</u>	<u>\$ 1,894,795</u>	<u>\$ 2,991,489</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Contributions	Total	Debt Service			Total	Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement		Capital Improvement	
\$	\$ 3,703,120	\$ 38,956	\$ 553,324	\$	\$ 592,280	\$	\$ 4,295,400
	2,613,188						2,613,188
	2,361,197		550,009		550,009		2,911,206
	197,880						197,880
	95,046						95,046
26,666	26,666						26,666
	67,231	641	1,919	1,933	4,493	24,682	96,406
	128,095					384,286	512,381
	528,523		10,795		10,795		539,318
<u>26,666</u>	<u>9,720,946</u>	<u>39,597</u>	<u>1,116,047</u>	<u>1,933</u>	<u>1,157,577</u>	<u>408,968</u>	<u>11,287,491</u>
1,739	1,739					193,571	195,310
17,928	17,928					35,131	53,059
						2,327	2,327
5,122	2,587,354					250,660	2,838,014
	905,163						905,163
	328,554						328,554
	3,172						3,172
	3,136,419						3,136,419
	578,364						578,364
	2,454,247					462,853	2,917,100
		95,920	563,066		658,986		658,986
		6,137	560,468		566,605		566,605
			21,238		21,238		21,238
<u>24,789</u>	<u>10,012,940</u>	<u>102,057</u>	<u>1,144,772</u>		<u>1,246,829</u>	<u>944,542</u>	<u>12,204,311</u>
<u>1,877</u>	<u>(291,994)</u>	<u>(62,460)</u>	<u>(28,725)</u>	<u>1,933</u>	<u>(89,252)</u>	<u>(535,574)</u>	<u>(916,820)</u>
			(1,575,000)		(1,575,000)		(1,575,000)
	581,017					2,073,223	2,654,240
	(550,287)					(768,017)	(1,318,304)
	30,730		(1,575,000)		(1,575,000)	1,305,206	(239,064)
1,877	(261,264)	(62,460)	(1,603,725)	1,933	(1,664,252)	769,632	(1,155,884)
75,583	6,609,618	122,305	91,044	208,891	422,240	2,794,231	9,826,089
<u>\$ 77,460</u>	<u>\$ 6,348,354</u>	<u>\$ 59,845</u>	<u>\$ (1,512,681)</u>	<u>\$ 210,824</u>	<u>\$ (1,242,012)</u>	<u>\$ 3,563,863</u>	<u>\$ 8,670,205</u>

**CITY OF MOORHEAD, MINNESOTA
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 2,452,545	\$ 2,452,545	\$ 2,451,733	\$ (812)
Intergovernmental:				
Federal			360,000	360,000
State	627,390	627,390	300	(627,090)
Charges for services	187,120	187,120	37,138	(149,982)
Facility rentals	165,906	165,906	95,046	(70,860)
Interest on investments	13,318	13,318	19,491	6,173
Miscellaneous	69,300	69,300	114,160	44,860
Total revenues	<u>3,515,579</u>	<u>3,515,579</u>	<u>3,077,868</u>	<u>(437,711)</u>
EXPENDITURES				
Current:				
Personnel	1,806,158	1,806,158	1,592,105	214,053
Supplies	243,885	243,885	152,917	90,968
Other services & charges	1,088,182	1,088,182	837,210	250,972
Capital outlay			827,914	(827,914)
Total expenditures	<u>3,138,225</u>	<u>3,138,225</u>	<u>3,410,146</u>	<u>(271,921)</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>377,354</u>	<u>377,354</u>	<u>(332,278)</u>	<u>(709,632)</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds			410,000	410,000
Transfers to other funds	(415,000)	(415,000)	(415,000)	
Total other financing sources (uses)	<u>(415,000)</u>	<u>(415,000)</u>	<u>(5,000)</u>	<u>410,000</u>
NET CHANGE IN FUND BALANCE	(37,646)	(37,646)	(337,278)	(299,632)
FUND BALANCE - BEGINNING	<u>1,382,619</u>	<u>1,382,619</u>	<u>1,382,619</u>	
FUND BALANCE - ENDING	<u>\$ 1,344,973</u>	<u>\$ 1,344,973</u>	<u>\$ 1,045,341</u>	<u>\$ (299,632)</u>

**CITY OF MOORHEAD, MINNESOTA
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 723,867	\$ 723,867	\$ 724,408	\$ 541
Intergovernmental:				
State	175,721	175,721	175,737	16
Interest on investments			571	571
Miscellaneous	20,000	20,000	21,208	1,208
Total revenues	<u>919,588</u>	<u>919,588</u>	<u>921,924</u>	<u>2,336</u>
EXPENDITURES				
Current:				
Supplies	3,500	3,500	3,757	(257)
Other services & charges	916,088	916,088	901,406	14,682
Total expenditures	<u>919,588</u>	<u>919,588</u>	<u>905,163</u>	<u>14,425</u>
NET CHANGE IN FUND BALANCE			16,761	16,761
FUND BALANCE - BEGINNING	<u>337,745</u>	<u>337,745</u>	<u>337,745</u>	
FUND BALANCE - ENDING	<u>\$ 337,745</u>	<u>\$ 337,745</u>	<u>\$ 354,506</u>	<u>\$ 16,761</u>

**CITY OF MOORHEAD, MINNESOTA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ 239,000	\$ 239,000	\$ 247,194	\$ 8,194
Miscellaneous:				
Rehab loan payments	226,392	226,392	83,167	(143,225)
Miscellaneous			4,950	4,950
Total revenues	<u>465,392</u>	<u>465,392</u>	<u>335,311</u>	<u>(130,081)</u>
EXPENDITURES				
Current:				
Personnel	109,779	109,779	95,087	14,692
Supplies	1,325	1,325	150	1,175
Other services & charges	339,861	339,861	233,317	106,544
Total expenditures	<u>450,965</u>	<u>450,965</u>	<u>328,554</u>	<u>122,411</u>
NET CHANGE IN FUND BALANCE	14,427	14,427	6,757	(7,670)
FUND BALANCE - BEGINNING	<u>(21,994)</u>	<u>(21,994)</u>	<u>(21,994)</u>	
FUND BALANCE - ENDING	<u>\$ (7,567)</u>	<u>\$ (7,567)</u>	<u>\$ (15,237)</u>	<u>\$ (7,670)</u>

**CITY OF MOORHEAD, MINNESOTA
 MASS TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2020**

	<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	\$ 120,106	\$ 120,106	\$ 120,214	\$ 108
Intergovernmental:				
Federal grants	1,625,982	1,656,132	2,005,994	349,862
State grants	2,411,720	2,411,720	2,086,431	(325,289)
Charges for services	537,332	537,332	157,067	(380,265)
Interest on investments	11,180	11,180	21,606	10,426
Miscellaneous	3,900	3,900	155,707	151,807
Total revenues	<u>4,710,220</u>	<u>4,740,370</u>	<u>4,547,019</u>	<u>(193,351)</u>
EXPENDITURES				
Current:				
Personnel	327,982	327,982	289,177	38,805
Supplies	7,000	7,000	856	6,144
Other services & charges	3,477,570	3,477,570	2,846,386	631,184
Capital outlay	1,208,158	1,245,846	1,626,333	(380,487)
Total expenditures	<u>5,020,710</u>	<u>5,058,398</u>	<u>4,762,752</u>	<u>295,646</u>
REVENUE OVER (UNDER) EXPENDITURES	(310,490)	(318,028)	(215,733)	102,295
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	150,000	150,000	121,017	(28,983)
NET CHANGE IN FUND BALANCE	(160,490)	(168,028)	(94,716)	73,312
FUND BALANCE - BEGINNING	<u>1,989,511</u>	<u>1,989,511</u>	<u>1,989,511</u>	
FUND BALANCE - ENDING	<u>\$ 1,829,021</u>	<u>\$ 1,821,483</u>	<u>\$ 1,894,795</u>	<u>\$ 73,312</u>

**CITY OF MOORHEAD, MINNESOTA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2020**

	<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	\$ 447,420	\$ 407,420	\$ 406,765	\$ (655)
Intergovernmental:				
State grants	98,867	98,867	98,729	(138)
Charges for services	5,590	5,590	3,675	(1,915)
Interest on investments	10,000	10,000	24,277	14,277
Sale of property			128,095	128,095
Miscellaneous	120,000	124,300	149,331	25,031
Total revenues	<u>681,877</u>	<u>646,177</u>	<u>810,872</u>	<u>164,695</u>
EXPENDITURES				
Current:				
Personnel	208,261	208,261	175,403	32,858
Supplies	4,150	4,150	1,329	2,821
Other services & charges	398,725	403,025	401,632	1,393
Total expenditures	<u>611,136</u>	<u>615,436</u>	<u>578,364</u>	<u>37,072</u>
REVENUE OVER (UNDER) EXPENDITURES	70,741	30,741	232,508	201,767
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
NET CHANGE IN FUND BALANCE	120,741	80,741	282,508	201,767
FUND BALANCE - BEGINNING	<u>2,708,981</u>	<u>2,708,981</u>	<u>2,708,981</u>	
FUND BALANCE - ENDING	<u>\$ 2,829,722</u>	<u>\$ 2,789,722</u>	<u>\$ 2,991,489</u>	<u>\$ 201,767</u>

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

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

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

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

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

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

Street Light Utility - accounts 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, 2020**

	Sanitation	Golf Course
ASSETS		
Current assets:		
Cash and investments	\$ 682,282	\$
Receivables:		
Accounts	732,228	682
Due from other city funds	395,805	
Due from other governmental units	226,461	
Prepaid items		
Total current assets	<u>2,036,776</u>	<u>682</u>
Long-term assets:		
Capital Assets:		
Land	699,045	3,954,534
Buildings	599,560	1,905,778
Improvements other than buildings	521,486	3,362,950
Machinery and equipment	132,812	201,681
Less accumulated depreciation	(1,127,968)	(4,377,590)
Total long-term assets	<u>824,935</u>	<u>5,047,353</u>
Total assets	<u>2,861,711</u>	<u>5,048,035</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	69,415	40,953
Other post-employment benefits	6,174	1,624
Total deferred outflows of resources	<u>75,589</u>	<u>42,577</u>
LIABILITIES		
Current liabilities:		
Accounts payable	192,229	17,810
Accrued wages payable	59,779	19,626
Accrued compensated absences	86,073	50,490
Due to other city funds		417,068
Due to other governmental units	37,789	
Other liabilities	249	67,075
Total current liabilities	<u>376,119</u>	<u>572,069</u>
Long-term liabilities:		
Accrued compensated absences	64,932	38,089
Other post-employment benefits	66,670	17,535
Net pension liability	567,975	335,085
Advances from other funds		785,768
Total long-term liabilities	<u>699,577</u>	<u>1,176,477</u>
Total liabilities	<u>1,075,696</u>	<u>1,748,546</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	26,126	15,413
Other post-employment benefits	15,943	4,193
Total deferred inflows of resources	<u>42,069</u>	<u>19,606</u>
NET POSITION		
Net investment in capital assets	824,935	5,047,353
Unrestricted	994,600	(1,724,893)
Total net position	<u>\$ 1,819,535</u>	<u>\$ 3,322,460</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2020**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 233,127	\$ 596,236	\$ 318,484	\$	\$ 468,183	\$ 2,298,312
3,415	105,932	141,447	526	94,037	1,078,267
85,121	56,884	75,381		70,009	598,079
295		120	701,130		1,012,832
<u>321,958</u>	<u>759,052</u>	<u>535,432</u>	<u>701,656</u>	<u>632,229</u>	<u>4,987,785</u>
			301,838		4,955,417
			1,622,601		4,127,939
			8,090,016		11,974,452
		12,050	129,939		476,482
		<u>(12,050)</u>	<u>(4,180,046)</u>		<u>(9,697,654)</u>
			5,964,348		11,836,636
<u>321,958</u>	<u>759,052</u>	<u>535,432</u>	<u>6,666,004</u>	<u>632,229</u>	<u>16,824,421</u>
13,451	9,608	27,742			161,169
1,286		1,742			10,826
<u>14,737</u>	<u>9,608</u>	<u>29,484</u>			<u>171,995</u>
1,550	11,073	6,044	8,465	147	237,318
8,782	1,688	17,259			107,134
18,914	6,649	16,640			178,766
			987,127		1,404,195
			22,719		37,789
<u>29,246</u>	<u>19,410</u>	<u>39,943</u>	<u>1,018,311</u>	<u>147</u>	<u>90,043</u>
<u>29,246</u>	<u>19,410</u>	<u>39,943</u>	<u>1,018,311</u>	<u>147</u>	<u>2,055,245</u>
14,269	5,016	12,553			134,859
13,882		18,814			116,901
110,057	78,612	226,993			1,318,722
<u>138,208</u>	<u>83,628</u>	<u>258,360</u>			<u>785,768</u>
<u>138,208</u>	<u>83,628</u>	<u>258,360</u>			<u>2,356,250</u>
167,454	103,038	298,303	1,018,311	147	4,411,495
<u>167,454</u>	<u>103,038</u>	<u>298,303</u>	<u>1,018,311</u>	<u>147</u>	<u>4,411,495</u>
5,062	3,616	10,441			60,658
3,320		4,499			27,955
<u>8,382</u>	<u>3,616</u>	<u>14,940</u>			<u>88,613</u>
160,859	662,006	251,673	5,964,348	632,082	11,836,636
			(316,655)		659,672
<u>\$ 160,859</u>	<u>\$ 662,006</u>	<u>\$ 251,673</u>	<u>\$ 5,647,693</u>	<u>\$ 632,082</u>	<u>\$ 12,496,308</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020

	Sanitation	Golf Course
OPERATING REVENUES		
Charges for services	\$ 4,514,684	\$ 1,384,573
Other	31,827	65,622
Total operating revenue	4,546,511	1,450,195
OPERATING EXPENSES		
Personnel	1,716,044	894,641
Disposal fee	1,687,206	
Professional services	240	7,596
Insurance	32,096	13,980
Repair and maintenance	269,452	48,558
Supplies	243,031	165,685
Utilities	32,248	85,521
Equipment rental	336,228	197,583
Depreciation	31,756	91,606
Miscellaneous	181,321	885,652
Total operating expenses	4,529,622	2,390,822
Operating income (loss)	16,889	(940,627)
NONOPERATING INCOME (EXPENSE)		
Interest on investments	8,397	
Intergovernmental	228,250	
Miscellaneous		152
Total nonoperating income (expense)	236,647	152
Income (loss) before contributions and transfers	253,536	(940,475)
Capital contributions		55,635
Transfers from other funds		473,250
Transfers to other funds	(234,527)	
Total contributions and transfers	(234,527)	528,885
CHANGE IN NET POSITION	19,009	(411,590)
TOTAL NET POSITION - BEGINNING	1,800,526	3,734,050
TOTAL NET POSITION - ENDING	\$ 1,819,535	\$ 3,322,460

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 150,128	\$ 712,107	\$ 951,139	\$ 60,842	\$ 862,457	\$ 8,635,930
26,110	213	4,930	14,096	1	142,799
<u>176,238</u>	<u>712,320</u>	<u>956,069</u>	<u>74,938</u>	<u>862,458</u>	<u>8,778,729</u>
285,132	196,482	629,486			3,721,785
					1,687,206
	175,766	14,100	199,277		396,979
1,088	3,496	5,322	16,792	416	73,190
538	54,888	115,557	115,181		604,174
21,275	62,952	146,522	8,175		647,640
			14,498	616,356	748,623
	63,027	52,055	9,984		658,877
		803	393,115		517,280
27,403	67,160	9,540	140,978	19,647	1,331,701
<u>335,436</u>	<u>623,771</u>	<u>973,385</u>	<u>898,000</u>	<u>636,419</u>	<u>10,387,455</u>
(159,198)	88,549	(17,316)	(823,062)	226,039	(1,608,726)
2,027	5,545	3,289		3,306	22,564
	47,710	45,000	59,407		380,367
217,399					217,551
<u>219,426</u>	<u>53,255</u>	<u>48,289</u>	<u>59,407</u>	<u>3,306</u>	<u>620,482</u>
60,228	141,804	30,973	(763,655)	229,345	(988,244)
			2,250,172		2,305,807
	(100,527)	(47,329)		(43,411)	473,250
	<u>(100,527)</u>	<u>(47,329)</u>	<u>2,250,172</u>	<u>(43,411)</u>	<u>(425,794)</u>
					2,353,263
60,228	41,277	(16,356)	1,486,517	185,934	1,365,019
100,631	620,729	268,029	4,161,176	446,148	11,131,289
<u>\$ 160,859</u>	<u>\$ 662,006</u>	<u>\$ 251,673</u>	<u>\$ 5,647,693</u>	<u>\$ 632,082</u>	<u>\$ 12,496,308</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Sanitation	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,341,961	\$ 1,384,959
Payments to suppliers	(2,533,181)	(521,100)
Payments to employees	(1,695,822)	(889,890)
Other receipts (payments)	(150,690)	(1,075,006)
Net cash provided by (used in) operating activities	(37,732)	(1,101,037)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental	228,250	
Transfers from other funds		473,250
Transfers to other funds	(234,527)	
Net cash provided by (used in) noncapital financing activities	(6,277)	473,250
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets		(10,500)
Capital grants from other governments		
Net cash provided by (used in) capital and related financing activities		(10,500)
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	8,397	
Decrease in notes receivable		638,287
Net cash provided by investing activities	8,397	638,287
Net increase (decrease) in cash and cash equivalents	(35,612)	
Cash and cash equivalents at beginning of year	717,894	-
Cash and cash equivalents at end of year	\$ 682,282	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 16,889	\$ (940,627)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation accruals	31,756	91,606
Miscellaneous nonoperating income		152
Change in assets and liabilities:		
Accounts receivable	(136,516)	386
Due from other city funds	(36,207)	
Due from other governments	(1,446)	
Deferred outflows of resources	(13,726)	(7,854)
Accounts payable	66,365	(2,177)
Accrued wages payable	13,078	3,850
Compensated absences payable	17,217	(560)
Other post-employment benefits	(23,893)	(4,898)
Net pension liability	81,771	50,098
Due to other funds		(274,265)
Due to other governments	955	
Deferred inflows of resources	(54,225)	(35,885)
Other current liabilities	250	19,137
Net cash provided by (used in) operating activities	\$ (37,732)	\$ (1,101,037)
Noncash capital financing activities:		
Contributions of capital assets from government / customers	\$	\$ 55,635

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2020**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 169,092	\$ 692,856	\$ 923,190	\$ 40,638	\$ 978,761	\$ 8,531,457
(23,069)	(357,788)	(335,075)	(409,778)	(616,625)	(4,796,616)
(304,451)	(199,766)	(639,745)			(3,729,674)
130,997	(66,947)	(4,730)	764,609	(19,646)	(421,413)
(27,431)	68,355	(56,360)	395,469	342,490	(416,246)
	47,710	45,000	59,407		380,367
	(100,527)	(47,329)		(43,411)	473,250
	(52,817)	(2,329)	59,407	(43,411)	(425,794)
					427,823
			(2,035,417)		(2,045,917)
			1,580,541		1,580,541
			(454,876)		(465,376)
2,027	5,545	3,289		3,306	22,564
					638,287
2,027	5,545	3,289		3,306	660,851
(25,404)	21,083	(55,400)		302,385	207,052
258,531	575,153	373,884	-	165,798	2,091,260
<u>\$ 233,127</u>	<u>\$ 596,236</u>	<u>\$ 318,484</u>	<u>\$ -</u>	<u>\$ 468,183</u>	<u>\$ 2,298,312</u>
\$ (159,198)	\$ 88,549	\$ (17,316)	\$ (823,062)	\$ 226,039	\$ (1,608,726)
217,399		803	393,115		517,280
18,964	(18,072)	(26,385)	(526)	(26,225)	(188,374)
(84,109)	(1,179)	(1,564)		142,529	103,579
(303)	(1,571)	(5,162)	(19,678)		(105,353)
(168)	2,341	(1,519)	(45,871)	147	(28,616)
(2,033)	(49)	2,117			19,118
4,943	(540)	(8,279)			16,963
(1,904)	(3,947)	(7,358)			12,781
(5,664)	12,115	31,821			(42,000)
			888,484		170,141
					614,219
					955
(14,358)	(9,292)	(23,398)			(137,158)
(1,000)			3,007		21,394
<u>\$ (27,431)</u>	<u>\$ 68,355</u>	<u>\$ (56,360)</u>	<u>\$ 395,469</u>	<u>\$ 342,490</u>	<u>\$ (416,246)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 55,635</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 - accounts for the rental of motor vehicles and maintenance equipment to other departments.

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

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

Radio and Weapons - accounts for the accumulation and allocation of costs associated with mobile communications and maintenance and replacement of weapons.

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
DECEMBER 31, 2020**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
ASSETS					
Current assets:					
Cash and investments	\$ 3,680,735	\$ 515,983	\$	\$ 2,183,901	\$ 6,380,619
Receivables:					
Accounts	1,679	120,196	157,482	288	279,645
Due from other governmental units	3,871		10,301	11,868	26,040
Inventories			18,594		18,594
Total current assets	<u>3,686,285</u>	<u>636,179</u>	<u>186,377</u>	<u>2,196,057</u>	<u>6,704,898</u>
Long-term assets:					
Capital assets:					
Machinery and equipment	25,335,450	3,638,833		1,874,335	30,848,618
Less accumulated depreciation	<u>(16,340,692)</u>	<u>(2,907,331)</u>		<u>(1,503,240)</u>	<u>(20,751,263)</u>
Net capital assets	<u>8,994,758</u>	<u>731,502</u>		<u>371,095</u>	<u>10,097,355</u>
Total assets	<u>12,681,043</u>	<u>1,367,681</u>	<u>186,377</u>	<u>2,567,152</u>	<u>16,802,253</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans	600	27,502	11,049		39,151
Other post-employment benefits		1,675	880		2,555
Total deferred outflows of resources	<u>600</u>	<u>29,177</u>	<u>11,929</u>		<u>41,706</u>
LIABILITIES					
Current liabilities:					
Accounts payable	79,962	5,731	58,056	5,494	149,243
Accrued wages payable	608	28,097	9,534		38,239
Due to other city funds			283,568		283,568
Total current liabilities	<u>80,570</u>	<u>33,828</u>	<u>351,158</u>	<u>5,494</u>	<u>471,050</u>
Long-term liabilities:					
Accrued compensated absences	335	79,798	17,856		97,989
Other post-employment benefits		18,083	9,498		27,581
Net pension liability	4,913	225,028	90,404		320,345
Total long-term liabilities	<u>5,248</u>	<u>322,909</u>	<u>117,758</u>		<u>445,915</u>
Total liabilities	<u>85,818</u>	<u>356,737</u>	<u>468,916</u>	<u>5,494</u>	<u>916,965</u>
DEFERRED INFLOWS OF RESOURCES					
Pension plans	226	10,351	4,158		14,735
Other post-employment benefits		4,324	2,271		6,595
Total deferred inflows of resources	<u>226</u>	<u>14,675</u>	<u>6,429</u>	<u>-</u>	<u>21,330</u>
NET POSITION					
Net investment in capital assets	8,924,964	731,502		371,095	10,027,561
Unrestricted	<u>3,670,635</u>	<u>293,944</u>	<u>(277,039)</u>	<u>2,190,563</u>	<u>5,878,103</u>
Total net position	<u>\$ 12,595,599</u>	<u>\$ 1,025,446</u>	<u>\$ (277,039)</u>	<u>\$ 2,561,658</u>	<u>\$ 15,905,664</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2020

	<u>Vehicles & Equipment</u>	<u>Information Technology</u>	<u>Maintenance Shop</u>	<u>Radio and Weapons</u>	<u>Total</u>
OPERATING REVENUES					
Charges for services	\$ 1,645,756	\$ 1,438,672	\$ 1,740,803	\$ 403,042	\$ 5,228,273
Other	18,252	4,035	1,072	11	23,370
Total operating revenue	<u>1,664,008</u>	<u>1,442,707</u>	<u>1,741,875</u>	<u>403,053</u>	<u>5,251,643</u>
OPERATING EXPENSES					
Personnel	5,787	638,395	272,523		916,705
Supplies	66	22,408	1,391,295	32,294	1,446,063
Utilities			11,829		11,829
Professional services		863			863
Insurance		1,850	1,872	384	4,106
Repair and maintenance	2,099	249,251	2,359	20,478	274,187
Depreciation	1,655,994	311,754		225,774	2,193,522
Miscellaneous	1,784	102,102	13,035	2,938	119,859
Total operating expenses	<u>1,665,730</u>	<u>1,326,623</u>	<u>1,692,913</u>	<u>281,868</u>	<u>4,967,134</u>
Operating income (loss)	<u>(1,722)</u>	<u>116,084</u>	<u>48,962</u>	<u>121,185</u>	<u>284,509</u>
NONOPERATING INCOME (EXPENSE)					
Interest on investments	31,996	3,091		17,834	52,921
Loss on disposal of equipment	(219,285)				(219,285)
Total nonoperating income (expense)	<u>(187,289)</u>	<u>3,091</u>		<u>17,834</u>	<u>(166,364)</u>
Income (loss) before contributions and transfers	<u>(189,011)</u>	<u>119,175</u>	<u>48,962</u>	<u>139,019</u>	<u>118,145</u>
Capital contributions		<u>412,284</u>			<u>412,284</u>
CHANGE IN NET POSITION	<u>(189,011)</u>	<u>531,459</u>	<u>48,962</u>	<u>139,019</u>	<u>530,429</u>
TOTAL NET POSITION - BEGINNING	<u>12,784,610</u>	<u>493,987</u>	<u>(326,001)</u>	<u>2,422,639</u>	<u>15,375,235</u>
TOTAL NET POSITION - ENDING	<u>\$ 12,595,599</u>	<u>\$ 1,025,446</u>	<u>\$ (277,039)</u>	<u>\$ 2,561,658</u>	<u>\$ 15,905,664</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2020**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,643,020	\$ 1,426,418	\$ 1,761,706	\$ 406,930	\$ 5,238,074
Payments to suppliers	23,893	(372,210)	(1,484,304)	(47,717)	(1,880,338)
Payments to employees	(11,513)	(629,354)	(265,439)		(906,306)
Other receipts (payments)	16,467	(98,067)	(11,963)	(2,927)	(96,490)
Net cash provided by (used in) operating activities	<u>1,671,867</u>	<u>326,787</u>		<u>356,286</u>	<u>2,354,940</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Contributions from other funds		<u>412,284</u>			<u>412,284</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Purchase of assets	<u>(1,377,033)</u>	<u>(559,102)</u>		<u>(12,280)</u>	<u>(1,948,415)</u>
CASH FLOWS FROM INVESTING ACTIVITY					
Interest received	<u>31,996</u>	<u>3,091</u>		<u>17,834</u>	<u>52,921</u>
Net increase in cash and cash equivalents	326,830	183,060		361,840	871,730
Cash and cash equivalents at beginning of year	3,353,905	332,923		1,822,061	5,508,889
Cash and cash equivalents at end of year	<u>\$ 3,680,735</u>	<u>\$ 515,983</u>	<u>\$</u>	<u>\$ 2,183,901</u>	<u>\$ 6,380,619</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (1,722)	\$ 116,084	\$ 48,962	\$ 121,185	\$ 284,509
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation accruals	1,655,994	311,754		225,774	2,193,522
Change in assets and liabilities:					
Accounts receivable	432	(12,254)	11,716		(106)
Due from other governments	(3,169)		9,187	3,888	9,906
Inventories			13,942		13,942
Deferred outflows of resources	418	(3,073)	(2,482)		(5,137)
Accounts payable	26,058	(97,838)	(46,877)	5,439	(113,218)
Accrued wages payable	(163)	10,235	(334)		9,738
Compensated absences payable	(824)	17,005	3,131		19,312
Due to other funds			(44,014)		(44,014)
Other post-employment benefits		1,050	1,813		2,863
Net pension liability	(3,723)	10,856	13,544		20,677
Deferred inflows of resources	(1,434)	(27,032)	(8,588)		(37,054)
Net cash provided by (used in) operating activities	<u>\$ 1,671,867</u>	<u>\$ 326,787</u>	<u>\$</u>	<u>\$ 356,286</u>	<u>\$ 2,354,940</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, 2020**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 73,015,625
Buildings	28,145,366
Improvements other than buildings	76,075,208
Machinery and equipment	12,093,304
Infrastructure	277,501,009
Construction in progress	<u>65,724,610</u>
 Total governmental funds capital assets	 <u><u>\$ 532,555,122</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 485,752,205
General Fund	1,082,037
Special Revenue Funds	16,523,475
Enterprise Funds	12,062
Gifts	<u>29,185,343</u>
 Total governmental funds capital assets	 <u><u>\$ 532,555,122</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, 2020

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/20</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/20</u>
GENERAL GOVERNMENT:				
Mayor & Council	\$ 7,736	\$	\$	\$ 7,736
City Clerk	18,042		6,959	11,083
City Manager	31,243			31,243
Accounting	34,373	140,495		174,868
Planning & Zoning	7,955			7,955
General Government Building	<u>64,110,130</u>	<u>45,680,885</u>		<u>109,791,015</u>
Total General Government	<u>64,209,479</u>	<u>45,821,380</u>	<u>6,959</u>	<u>110,023,900</u>
PUBLIC SAFETY:				
Police Protection	1,302,273			1,302,273
Fire Protection	<u>2,522,633</u>	<u>14,980</u>		<u>2,537,613</u>
Total Public Safety	<u>3,824,906</u>	<u>14,980</u>	<u>-</u>	<u>3,839,886</u>
HIGHWAYS & STREETS	280,532,482	5,480,117		286,012,599
PARKS & RECREATION	40,990,806	1,001,749		41,992,555
LIBRARY	2,404,196			2,404,196
COMMUNITY DEVELOPMENT	404,200			404,200
MASS TRANSIT	9,085,847	1,312,391	969,220	9,429,018
PLAINS ART MUSEUM	490,409			490,409
ECONOMIC DEVELOPMENT	12,233,749			12,233,749
CONSTRUCTION IN PROGRESS	<u>97,988,704</u>	<u>22,694,144</u>	<u>54,958,238</u>	<u>65,724,610</u>
Total governmental funds capital assets	<u>\$ 512,164,778</u>	<u>\$ 76,324,761</u>	<u>\$ 55,934,417</u>	<u>\$ 532,555,122</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, 2020

<u>FUNCTION AND ACTIVITY</u>	<u>TOTAL</u>	<u>LAND</u>
GENERAL GOVERNMENT:		
Mayor & Council	\$ 7,736	\$
City Clerk	11,083	
City Manager	31,243	
Accounting	174,868	
Planning & Zoning	7,955	
General Government Building	109,791,015	60,447,510
 Total General Government	 110,023,900	 60,447,510
PUBLIC SAFETY:		
Police Protection	1,302,273	
Fire Protection	2,537,613	56,168
 Total Public Safety	 3,839,886	 56,168
 HIGHWAYS & STREETS	 350,704,629	 5,058,802
PARKS & RECREATION	42,711,193	2,121,454
LIBRARY	2,404,196	103,000
COMMUNITY DEVELOPMENT	404,200	305,140
MASS TRANSIT	9,742,960	
PLAINS ART MUSEUM	490,409	
ECONOMIC DEVELOPMENT	12,233,749	4,923,551
Total governmental funds capital assets	<u>\$ 532,555,122</u>	<u>\$ 73,015,625</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, 2020

BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS
\$	\$	\$	\$	\$
		7,736		
		11,083		
		31,243		
		174,868		
		7,955		
3,591,651	45,611,956	139,898		
3,591,651	45,611,956	372,783	-	-
704,912	76,346	521,015		
1,362,938	22,023	1,096,484		
2,067,850	98,369	1,617,499	-	-
2,636,018	294,010	522,760	277,501,009	64,692,030
7,904,396	29,699,045	2,267,660		718,638
2,049,248	149,325	102,623		
	46,991	52,069		
2,271,928	26,050	7,131,040		313,942
490,409				
7,133,866	149,462	26,870		
<u>\$ 28,145,366</u>	<u>\$ 76,075,208</u>	<u>\$ 12,093,304</u>	<u>\$ 277,501,009</u>	<u>\$ 65,724,610</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.	99
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	109
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	116
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.	132
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.	134

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)

	2011	2012	2013
Governmental activities			
Net investment in capital assets	\$ 141,530,526	\$ 149,982,137	\$ 160,410,701
Restricted	106,751,797	133,231,004	131,543,123
Unrestricted	11,732,377	2,810,390	3,454,937
Total governmental activities net position	<u>\$ 260,014,700</u>	<u>\$ 286,023,531</u>	<u>\$ 295,408,761</u>
Business-type activities			
Net investment in capital assets	\$ 74,551,136	\$ 72,514,980	\$ 85,198,395
Restricted	5,315,762	7,577,380	8,230,771
Unrestricted	27,429,550	31,338,868	23,334,867
Total business-type activities net position	<u>\$ 107,296,448</u>	<u>\$ 111,431,228</u>	<u>\$ 116,764,033</u>
Primary government			
Net investment in capital assets	\$ 216,081,662	\$ 222,497,117	\$ 245,609,096
Restricted	112,067,559	140,808,384	139,773,894
Unrestricted	39,161,927	34,149,258	26,789,804
Total primary government net position	<u>\$ 367,311,148</u>	<u>\$ 397,454,759</u>	<u>\$ 412,172,794</u>

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

	2014	2015	2016	2017	2018	2019	2020
\$	177,714,707	\$ 188,292,907	\$ 223,160,997	\$ 223,017,288	\$ 190,131,897	\$ 230,476,976	\$ 249,347,298
	132,190,249	117,010,569	136,900,935	137,019,387	137,882,638	125,043,570	135,512,242
	1,947,699	17,023,920	(18,540,961)	1,086,649	(5,842,815)	15,037,953	(3,975,809)
\$	<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>	<u>\$ 380,883,731</u>
\$	87,077,433	\$ 91,710,240	\$ 91,229,486	\$ 97,267,818	\$ 152,405,046	\$ 156,065,972	\$ 166,749,401
	13,496,942	6,763,217	12,344,488	9,912,659	6,490,259	6,175,554	10,601,200
	20,932,992	21,073,048	23,703,296	31,048,190	40,582,354	42,262,600	41,765,122
\$	<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>	<u>\$ 219,115,723</u>
\$	264,792,140	\$ 280,003,147	\$ 314,390,483	\$ 320,285,106	\$ 342,536,943	\$ 386,542,948	\$ 416,096,699
	145,687,191	123,773,786	149,245,423	146,932,046	144,372,897	131,219,124	146,113,442
	22,880,691	38,096,968	5,162,335	32,134,839	34,739,539	57,300,553	37,789,313
\$	<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>	<u>\$ 599,999,454</u>

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

	2011	2012	2013
Expenses			
Governmental activities:			
General government	\$ 3,415,677	\$ 3,819,530	\$ 4,346,403
Public safety	10,819,856	10,675,009	11,398,174
Highways and streets	16,036,015	11,981,603	13,057,142
Parks and recreation	3,470,430	3,457,150	3,468,570
Library	830,901	780,583	824,609
Community development	445,914	561,105	618,093
Rental Registration	161,607	181,419	204,858
Mass transit	2,464,724	2,449,881	2,587,116
Economic development	496,620	880,549	825,762
Interest on long-term debt	7,496,641	7,172,878	7,688,510
Total governmental activities expenses	<u>45,638,385</u>	<u>41,959,707</u>	<u>45,019,237</u>
Business-type activities:			
Electric	26,097,474	26,205,959	27,173,001
Water	5,098,038	5,440,712	5,287,103
Wastewater treatment	5,882,910	6,024,275	6,656,290
Storm water	987,457	878,183	1,003,482
Sanitation	3,196,151	3,173,585	3,166,870
Golf courses	1,676,855	1,717,851	2,187,145
Sports center	917,037	913,432	916,596
Pest control	335,831	363,547	341,457
Forestry	657,305	640,062	744,203
Municipal airport	345,878	258,975	274,881
Street light utility	-	-	-
Total business-type activities expenses	<u>45,194,936</u>	<u>45,616,581</u>	<u>47,751,028</u>
Total primary government expenses	<u>\$ 90,833,321</u>	<u>\$ 87,576,288</u>	<u>\$ 92,770,265</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 704,540	\$ 742,553	\$ 1,006,692
Public safety	863,715	652,812	756,848
Highways and streets	2,521,980	2,174,827	1,903,650
Other activities	1,498,158	1,370,654	2,082,671
Operating grants and contributions	2,882,446	2,902,750	3,718,296
Capital grants and contributions	40,565,422	34,238,609	16,927,933
Total governmental activities program revenues	<u>49,036,261</u>	<u>42,082,205</u>	<u>26,396,090</u>
Business-type activities:			
Charges for services:			
Electric	34,454,731	35,346,331	37,680,948
Water	6,104,064	6,975,437	6,849,951
Wastewater treatment	5,200,218	5,681,415	6,316,542
Storm water	2,075,431	2,382,526	2,381,232
Sanitation	3,636,937	3,668,782	3,694,612
Golf courses	1,122,931	1,139,109	1,143,019
Other activities	1,716,002	1,795,999	1,689,853
Operating grants and contributions	224,129	222,930	204,439
Capital grants and contributions	388,393	1,133,422	1,747,614
Total business-type activities program revenues	<u>54,922,836</u>	<u>58,345,951</u>	<u>61,708,210</u>
Total primary government program revenues	<u>\$ 103,959,097</u>	<u>\$ 100,428,156</u>	<u>\$ 88,104,300</u>

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

2014	2015	2016	2017	2018	2019	2020
\$ 4,164,837	\$ 4,140,728	\$ 5,355,803	\$ 4,977,547	\$ 5,128,445	\$ 6,134,526	\$ 10,275,610
12,060,174	12,699,743	15,536,547	15,256,052	15,398,739	16,218,093	15,935,688
11,994,051	12,439,423	12,271,658	13,370,437	14,704,535	13,721,752	14,100,216
3,640,538	3,691,716	4,103,311	4,023,868	4,722,590	4,288,015	4,119,213
825,921	857,013	864,267	884,342	916,909	915,124	915,158
443,355	482,152	596,676	774,589	562,076	372,018	330,595
270,581	274,323	300,560	309,793	329,216	290,136	-
2,738,712	2,819,080	2,903,025	3,179,629	3,409,312	3,570,729	3,810,477
921,006	871,623	863,944	883,676	832,219	903,094	806,195
7,122,193	6,876,729	7,785,669	6,749,582	6,679,837	6,255,942	5,877,983
44,181,368	45,152,530	50,581,460	50,409,515	52,683,878	52,669,429	56,171,135
27,910,422	29,476,309	31,817,993	30,922,240	31,146,001	30,853,105	28,786,968
5,926,998	5,795,414	6,384,007	7,242,254	7,568,515	7,903,624	7,265,394
5,903,395	6,058,003	6,420,340	6,137,591	7,184,981	7,737,436	8,004,679
1,156,391	1,316,273	1,279,110	1,414,865	2,254,089	2,206,737	2,174,572
3,429,526	3,532,179	3,657,006	5,043,175	4,310,799	4,279,139	4,557,093
2,212,073	1,658,863	1,813,363	1,711,988	1,614,758	1,669,502	2,410,181
972,117	975,858	1,032,354	1,079,640	917,379	2,711,189	334,275
355,922	442,730	569,291	639,495	561,178	654,738	630,653
761,896	696,965	853,299	848,802	825,002	828,932	975,194
302,208	322,277	324,577	482,636	613,016	661,486	899,720
-	647,483	695,149	748,809	732,172	714,799	636,419
48,930,948	50,922,354	54,846,489	56,271,495	57,727,890	60,220,687	56,675,148
\$ 93,112,316	\$ 96,074,884	\$ 105,427,949	\$ 106,681,010	\$ 110,411,768	\$ 112,890,116	\$ 112,846,283
\$ 1,084,382	\$ 1,129,204	\$ 1,441,569	\$ 1,113,817	\$ 990,975	\$ 941,400	\$ 1,273,071
753,180	657,825	689,929	721,893	720,682	608,415	453,207
2,335,578	1,581,472	1,414,476	1,980,995	612,589	1,965,585	231,790
1,285,311	1,523,424	1,504,664	1,570,260	1,733,525	1,709,315	891,427
3,585,983	4,045,822	7,030,078	5,770,187	6,543,764	6,803,405	9,680,774
21,508,080	13,758,664	25,995,042	25,592,385	20,137,228	12,429,868	14,268,025
30,552,514	22,696,411	38,075,758	36,749,537	30,738,763	24,457,988	26,798,294
38,598,929	39,193,818	41,489,080	44,791,531	44,230,894	43,811,642	42,685,696
6,824,014	7,421,973	8,130,880	9,042,967	9,299,474	9,366,724	9,947,560
6,496,996	7,287,615	7,720,651	8,066,664	8,164,057	8,662,682	8,857,094
2,443,219	2,603,250	2,663,816	2,725,287	2,857,390	2,761,590	2,845,601
3,820,293	4,052,656	4,160,055	4,455,041	4,500,422	4,765,892	4,546,511
1,131,968	1,273,297	1,410,009	1,311,686	1,251,522	1,270,548	1,450,195
1,999,535	2,903,247	3,051,096	2,958,886	3,336,457	3,211,184	2,782,023
218,817	250,277	236,022	625,699	205,573	52,061	380,367
1,244,238	176,178	1,854,572	1,658,727	3,516,441	2,346,902	7,877,562
62,778,009	65,162,311	70,716,181	75,636,488	77,362,230	76,249,225	81,372,609
\$ 93,330,523	\$ 87,858,722	\$ 108,791,939	\$ 112,386,025	\$ 108,100,993	\$ 100,707,213	\$ 108,170,903

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

	2011	2012	2013
Net (expense) / revenue:			
Governmental activities	\$ 3,397,876	\$ 122,498	\$ (18,623,147)
Business-type activities	9,727,900	12,729,370	13,957,182
Total primary government net expense	<u>\$ 13,125,776</u>	<u>\$ 12,851,868</u>	<u>\$ (4,665,965)</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes			
Property taxes levied for general purposes	\$ 4,613,139	\$ 4,430,407	\$ 3,831,102
Property taxes levied for debt service	1,189,537	1,988,711	2,993,091
Tax increments	870,313	694,944	689,289
Franchise fees	943,926	831,067	971,057
State aid unrestricted	8,544,337	8,405,832	8,445,441
Unrestricted grants and contributions	171,947	171,957	177,045
Investment earnings	585,304	158,683	142,993
Miscellaneous	343,824	215,952	1,360,497
Transfers	7,671,558	8,988,780	9,397,862
Special Item	-	-	-
Total governmental activities	<u>24,933,885</u>	<u>25,886,333</u>	<u>28,008,377</u>
Business-type activities:			
State aid unrestricted	11,560	11,560	11,562
Investment earnings	588,834	205,476	74,074
Miscellaneous	79,102	177,154	617,849
Transfers	(7,671,558)	(8,988,780)	(9,327,862)
Special Item	-	-	-
Total business-type activities	<u>(6,992,062)</u>	<u>(8,594,590)</u>	<u>(8,624,377)</u>
Total primary government	<u>\$ 17,941,823</u>	<u>\$ 17,291,743</u>	<u>\$ 19,384,000</u>
Change in Net Position			
Governmental activities	\$ 28,331,761	\$ 26,008,831	\$ 9,385,230
Business-type activities	2,735,838	4,134,780	5,332,805
Total primary government	<u>\$ 31,067,599</u>	<u>\$ 30,143,611</u>	<u>\$ 14,718,035</u>

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

	2014	2015	2016	2017	2018	2019	2020
\$	(13,628,854)	\$ (22,456,119)	\$ (12,505,702)	\$ (13,659,978)	\$ (21,945,115)	\$ (28,211,441)	\$ (29,372,841)
	13,847,061	14,239,957	15,869,692	19,364,993	19,634,340	16,028,538	24,697,461
\$	<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>	<u>\$ (4,675,380)</u>
\$	3,603,921	\$ 4,075,760	\$ 5,001,334	\$ 6,070,868	\$ 7,152,264	\$ 8,124,044	\$ 9,329,565
	3,381,964	3,811,113	3,824,307	4,624,111	3,633,936	4,386,808	3,999,426
	585,880	514,527	498,896	518,118	546,662	571,287	553,324
	1,137,769	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833
	9,405,893	9,927,631	10,352,919	10,169,504	10,519,127	10,686,998	10,953,872
	171,232	171,160	101,072	141,104	-	2,674,199	41,175
	140,993	96,413	116,946	372,095	892,127	1,328,000	888,103
	1,666,786	1,308,002	1,909,098	631,340	117,662	925,710	1,401,683
	9,978,310	9,929,999	8,972,310	9,741,636	10,251,796	12,388,791	11,642,092
	-	15,812,220	-	-	-	-	-
	<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>	<u>39,698,073</u>
	11,562	11,562	11,562	4,960	6,185	4,960	-
	361,204	245,689	42,817	429,624	553,607	1,397,683	621,570
	571,818	610,959	994,136	893,456	911,461	1,060,135	934,658
	(10,048,310)	(9,929,999)	(8,972,310)	(9,741,636)	(10,251,796)	(12,388,791)	(11,642,092)
	-	(1,532,204)	(215,132)	-	-	-	-
	<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>(10,085,864)</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>	<u>\$ 29,612,209</u>
\$	16,443,894	\$ 24,203,751	\$ 19,193,575	\$ 19,602,353	\$ 12,208,474	\$ 13,890,417	\$ 10,325,232
	4,743,335	3,645,964	7,730,765	10,951,397	10,853,797	6,102,525	14,611,597
\$	<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>	<u>\$ 24,936,829</u>

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

	2011	2012	2013
General fund			
Nonspendable	\$ 1,302,696	\$ 1,446,526	\$ 1,333,328
Restricted	-	-	-
Committed	-	715,190	417,738
Assigned	-	-	-
Unassigned	11,868,324	13,268,124	13,373,191
Total General fund	<u>\$ 13,171,020</u>	<u>\$ 15,429,840</u>	<u>\$ 15,124,257</u>
All other governmental funds			
Nonspendable	\$ 605,771	\$ 547,358	\$ 486,353
Restricted	29,147,833	64,202,443	62,274,294
Committed	1,555,689	1,525,420	1,658,988
Assigned	4,126,188	3,659,190	3,721,697
Unassigned	(631,771)	(2,869,614)	(789,421)
Total all other governmental funds	<u>\$ 34,803,710</u>	<u>\$ 67,064,797</u>	<u>\$ 67,351,911</u>

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

	2014	2015	2016	2017	2018	2019	2020
\$	1,193,488	\$ 1,132,614	\$ 3,715,273	\$ 3,653,737	\$ 3,563,015	\$ 3,544,307	\$ 3,526,413
	-	-	-	448,443	533,289	854,039	970,599
	94,945	79,534	38,645	-	-	-	-
	-	-	-	379,417	403,929	-	-
	15,041,820	15,466,755	13,423,346	14,794,555	15,030,435	16,499,895	16,850,832
\$	<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>	<u>\$ 21,347,844</u>
\$	415,287	\$ 348,968	\$ -	\$ -	\$ -	\$ -	\$ -
	68,997,684	57,662,812	54,537,821	48,256,249	50,248,858	56,926,969	47,163,637
	1,148,372	921,172	1,072,520	1,608,169	533,264	3,022,448	4,374,638
	4,192,144	4,802,314	6,233,333	6,725,895	6,349,223	-	-
	(1,749,206)	(1,449,313)	(2,010,686)	(3,726,011)	(5,979,092)	(4,705,036)	(12,991,770)
\$	<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>	<u>\$ 38,546,505</u>

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

	2011	2012	2013
Revenues			
Taxes			
Property	\$ 6,672,981	\$ 7,114,062	\$ 7,513,482
Franchise	943,926	831,067	971,057
Licenses and permits	596,533	636,465	749,377
Intergovernmental	43,024,995	32,702,918	23,352,975
Charges for services	3,621,425	3,063,004	3,056,626
Fines and forfeits	485,095	477,988	497,843
Facility rentals	221,638	166,565	154,479
Donations	-	12,575	6,111
Special assessments	10,202,539	10,792,664	9,650,046
Sale of property	175,746	140,400	
Interest on investments	502,615	145,539	139,294
Miscellaneous	1,101,582	845,479	2,328,519
Total revenues	<u>67,549,075</u>	<u>56,928,726</u>	<u>48,419,809</u>
Expenditures			
General government	3,338,022	3,536,645	3,595,773
Public safety	10,457,316	10,530,722	11,184,213
Highways and streets	10,834,588	6,557,673	7,345,670
Parks and recreation	2,610,640	2,584,935	2,560,153
Library	771,530	761,157	815,140
Community development	441,246	556,440	618,089
Rental registration	161,607	181,419	204,858
Mass transit	1,976,869	1,992,853	2,131,719
Economic development	297,762	680,304	625,915
Capital outlay	39,143,946	34,763,317	16,750,785
Debt service:			
Bond and note principal	15,316,339	11,499,463	7,867,746
Bond and note interest	6,976,779	6,429,319	7,707,198
Fiscal and other charges	506,902	439,249	37,732
Total expenditures	<u>92,833,546</u>	<u>80,513,496</u>	<u>61,444,991</u>
Revenues over (under) expenditures	(25,284,471)	(23,584,770)	(13,025,182)
Other financing sources (uses)			
Bond and note proceeds	9,955,000	46,520,000	2,165,000
Payment to refunding agent			
Premium on issuance of debt		1,780,076	51,879
Transfers from other funds	81,405	11,951,492	11,423,664
Transfers to other funds	9,630,070	(2,835,809)	(1,720,136)
Sale of capital assets	(1,704,248)	688,918.00	1,086,306.00
Total other financing sources (uses)	<u>17,962,227</u>	<u>58,104,677</u>	<u>13,006,713</u>
Net change in fund balances	<u>\$ (7,322,244)</u>	<u>\$ 34,519,907</u>	<u>\$ (18,469)</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	41.52%	39.19%	34.85%

(1) Calculated as a percentage of debt service principal and interest divided by total expenditures less those identified as capital outlay.

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

	2014	2015	2016	2017	2018	2019	2020
\$	7,571,766	\$ 8,401,400	\$ 9,324,536	\$ 10,713,097	\$ 11,832,862	\$ 12,838,360	\$ 13,470,035
	1,137,769	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833
	849,029	803,311	1,174,852	882,095	770,467	704,116	713,324
	23,693,367	20,286,634	27,188,071	18,790,647	30,411,438	52,217,435	31,593,376
	3,524,497	2,595,514	2,498,985	2,973,730	1,691,783	2,654,379	874,316
	515,349	488,692	513,874	517,771	504,021	452,359	263,809
	157,351	179,458	165,001	171,689	167,490	169,875	95,046
	24,084	18,947	32,336	25,620	9,765	38,842	26,666
	10,380,331	9,738,840	9,513,547	10,480,746	9,255,056	10,213,442	9,370,172
	14,514	57,892	72,131	266,872	66,463	821,435	816,157
	134,609	92,660	114,859	351,280	847,283	1,201,316	835,182
	2,154,445	2,239,411	2,646,489	1,236,261	822,080	1,476,398	1,007,989
	<u>50,157,111</u>	<u>45,915,804</u>	<u>54,167,076</u>	<u>47,403,363</u>	<u>57,418,723</u>	<u>83,803,978</u>	<u>59,954,905</u>
	3,912,568	4,037,972	4,637,537	4,784,554	4,918,836	5,824,953	8,659,916
	11,599,347	12,291,749	13,320,836	14,185,429	15,004,164	16,024,295	16,037,055
	6,072,511	5,167,384	5,416,122	4,763,995	5,493,210	6,181,368	6,078,471
	2,709,763	2,753,592	2,817,339	2,919,752	3,400,151	3,031,576	2,885,595
	820,110	851,224	858,478	878,553	906,123	903,493	905,163
	443,355	482,152	596,676	781,676	559,576	370,973	328,554
	270,581	274,323	300,560	312,250	328,176	296,871	3,172
	2,281,543	2,348,827	2,449,064	2,707,346	2,858,630	3,041,536	3,136,419
	721,271	662,843	583,355	649,127	598,413	669,893	578,364
	23,235,422	24,863,377	33,908,144	17,987,366	30,678,440	47,177,959	23,213,444
	19,281,197	18,469,823	27,988,634	9,187,639	11,026,848	10,491,271	11,083,986
	6,970,392	6,559,789	6,398,233	6,273,804	6,367,153	6,529,037	6,153,343
	511,352	305,028	1,482,794	409,394	234,831	162,389	36,788
	<u>78,829,412</u>	<u>79,068,083</u>	<u>100,757,772</u>	<u>65,840,885</u>	<u>82,374,551</u>	<u>100,705,614</u>	<u>79,100,270</u>
	(28,672,301)	(33,152,279)	(46,590,696)	(18,437,522)	(24,955,828)	(16,901,636)	(19,145,365)
	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)	(8,745,000)
	2,233,381	475,107	2,881,002	881,517	1,349,861	631,564	
	11,689,322	12,717,331	11,906,083	12,171,988	14,227,186	14,142,842	13,989,021
	(2,054,155)	(2,679,836)	(2,205,993)	(1,580,781)	(3,768,752)	(1,338,069)	(2,346,929)
	66,626.00	-	-	-	-	-	
	<u>54,990,174</u>	<u>22,782,602</u>	<u>44,636,092</u>	<u>13,567,724</u>	<u>23,498,295</u>	<u>22,361,337</u>	<u>2,897,092</u>
\$	<u>26,317,873</u>	<u>(10,369,677)</u>	<u>(1,954,604)</u>	<u>(4,869,798)</u>	<u>(1,457,533)</u>	<u>5,459,701</u>	<u>(16,248,273)</u>
	47.22%	46.18%	51.44%	32.31%	33.65%	31.80%	29.92%

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		
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)
2020	26,183,456	9,072,713	213,381	(844,300)

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
\$ 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
34,625,250	0.000%	3,019,384,700	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		
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%
2020	44.862%	1.788%	46.650%	50.390%	35.151%	1.694%	87.235%	133.885%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2020**

Taxpayer	2020			2011		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 465,991	1	1.35%	\$ 623,600	1	2.69%
Proffutt Ltd Partnership	400,665	2	1.16%	140,206	8	0.60%
Busch Agricultural Resources, Inc.	388,975	3	1.12%	382,665	2	1.65%
Sanford Medical Center	283,804	4	0.82%			
Menards Inc.	265,524	5	0.77%	328,598	3	1.42%
Meridian Mortgage LLC	264,792	6	0.76%			
Kassenborg Partners	224,039	7	0.65%			
Skaff Apartments	217,409	8	0.63%			
Moorhead Lodging Association	163,124	9	0.47%	179,250	5	0.77%
Easten LLC	155,950	10	0.45%	221,856	4	1.42%
Eventide Lutheran Home				122,815	10	0.53%
Moorhead Holiday Assoc.				155,059	7	0.67%
Sterling Development Group				168,733	6	0.73%
Moorhead Center Mall LLP				136,681	9	0.59%

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
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
2020	15,525,614	(3,029,804)	12,495,810

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
\$ 5,664,239	97.82%	\$ 125,707	\$ 5,789,946	99.986%
6,100,183	97.73%	139,885	6,240,068	99.975%
6,439,657	98.23%	114,795	6,554,452	99.976%
6,534,420	97.97%	133,704	6,668,124	99.974%
7,354,140	99.26%	53,428	7,407,568	99.979%
8,490,199	99.05%	79,119	8,569,318	99.970%
9,770,161	98.88%	106,367	9,876,528	99.954%
10,846,450	98.33%	155,983	11,002,433	99.740%
11,760,828	98.63%	121,980	11,882,808	99.656%
12,388,260	99.14%		12,388,260	99.139%

**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		
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%
2020	42,685,696	837,248	30,629	43,553,573	8,972,223	20.60%

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, (due to timing of utility billing cutoffs, slight fluctuation may occur resulting in percentages over 20% being shown)
- (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	
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
2020	-	161,911,224	2,412,954	-	49,777

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			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
G.O. Revenue Bonds	Revenue Bonds	Notes Payable			
\$ 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
25,163,042	20,541,947	17,552,980	227,631,924	11.71%	5,154

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
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	-
2020	-	161,911,224	2,412,954	-

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			
\$ 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
25,163,042	20,541,947	210,029,167	6.96%	4,755

**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
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
2020	-	-	-	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, 2020**

<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	\$ 193,570,000	81.10%	\$ 156,985,270
Clay County	58,035,000	50.20%	<u>29,133,570</u>
Total overlapping debt			<u>186,118,840</u>
City of Moorhead direct debt			<u>164,373,955</u>
Total direct and overlapping debt			<u><u>\$ 350,492,795</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>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>
Debt limit	\$ 60,773,265	\$ 63,446,625	\$ 64,527,651	\$ 65,400,048
Total net debt applicable to limit	<u>992,737</u>	<u>1,283,855</u>	<u>1,021,109</u>	<u>754,912</u>
Legal debt margin	<u>\$ 59,780,528</u>	<u>\$ 62,162,770</u>	<u>\$ 63,506,542</u>	<u>\$ 64,645,136</u>
Total net debt applicable to the limit as a percentage of debt limit	1.63%	2.02%	1.58%	1.15%

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 in 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>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>
\$ 71,964,231	\$ 73,327,779	\$ 80,493,966	\$ 84,908,574	\$ 88,406,031	\$ 90,581,541
<u>485,089</u>	<u>406,455</u>	<u>323,816</u>	<u>236,968</u>	<u>145,697</u>	<u>49,777</u>
<u>\$ 71,479,142</u>	<u>\$ 72,921,324</u>	<u>\$ 80,170,150</u>	<u>\$ 84,671,606</u>	<u>\$ 88,260,334</u>	<u>\$ 90,531,764</u>
0.67%	0.55%	0.40%	0.28%	0.16%	0.05%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2020

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>\$ 49,777</u>
Total net debt applicable to limit	<u>49,777</u>
Legal debt margin	<u>\$ 88,356,254</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	
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
2020	43,553,573	25,078,389	18,475,184	1,926,850 ⁴	522,901	2,449,751	7.54

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.

4 - For comparative purposes, this figure excludes a \$5,047,500 additional principal payment made to retire Public Utility Revenue Bond of 2010, Series C resulting from the Public Utility Revenue Refunding Bonds of 2020, Series A.

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	
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
2020	10,338,475	4,629,495	5,708,980	1,158,150 ²	500,572	1,658,722	3.44

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.

3 - For comparative purposes, this figure excludes a \$997,500 additional principal payment made to retire Public Utility Revenue Bond of 2010, Series C resulting from the Public Utility Revenue Refunding Bonds of 2020, Series A.

**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	
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
2020	13,552,658	5,436,385	8,116,273	2,144,000	647,950	2,791,950	2.91

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	
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	
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	
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	
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 ²	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 ³	5,822,983	14,172,983	1.14
2015	17,307,772	74,564	17,233,208	7,845,000 ⁴	5,798,583	13,643,583	1.26
2016	18,213,910	145,045	18,068,865	7,955,000 ⁵	5,742,517	13,697,517	1.32
2017	17,992,088	273,312	17,718,776	8,690,000 ⁶	5,688,988	14,378,988	1.23
2018	18,819,851	239,440	18,580,411	9,325,000 ⁷	5,642,577	14,967,577	1.24
2019	17,751,047	213,486	17,537,561	10,165,000 ⁸	5,796,338	15,961,338	1.10
2020	15,845,562	43,550	15,802,012	10,425,000 ⁹	5,586,738	16,011,738	0.99

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

2 - 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.

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

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

5 - 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.

6 - 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.

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

8 - 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.

9 - For comparative purposes this amount excludes \$7,170,000 used to retire General Obligation Improvement Bonds of 2010A.

**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	
2011	\$ 1,486,573	\$ 275,920	\$ 1,210,653	\$ 285,000 ¹	\$ 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 ²	7,469 ³	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
2020	1,116,047	329,304 ⁴	786,743	255,000	560,468	815,468	0.96

1 - 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

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

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

4 - For comparative purposes this amount excludes \$1,575,000 used to retire General Obligation Tax Increment Bonds 2009A.

**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
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%
2020	44,167	1,944,363,841	44,023	7,189	2.6%

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

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

Employer	2020			2011		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,035 (a)	1	2.83%	877 (a)	1	4.20%
Minnesota State University-Moorhead	707 (a)	2	1.93%	750 (a)	2	3.60%
Concordia College	700 (a)	3	1.91%	750 (a)	2	3.60%
Clay County	530 (a)	4	1.45%	450	5	2.16%
City of Moorhead	505 (b)	5	1.38%	249	8	1.19%
Creative Care for Reaching Independence (CCRI)	500	6	1.37%			
Eventide Lutheran Home	461	7	1.26%	455	4	2.18%
American Crystal Sugar Company	400	8	1.09%	394	6	1.89%
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%			
Moorhead Electric				270	7	1.29%
American Security & Protection				210	9	1.01%

(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	2011	2012	2013	2014
General Government	40.22	39.42	39.42	38.00
Public Safety				
Police				
Officers	53.00	53.00	53.00	53.00
Civilians	14.00	15.00	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	13.00
Planning & Neighborhood Services	-	-	-	17.85
Community Development	21.60	20.85	20.85	-
Mass Transit	2.00	2.00	2.00	3.00
Economic Development	-	-	-	1.00
Electric	34.00	37.00	35.00	35.00
Water	25.00	21.00	22.00	22.00
Wastewater Treatment	17.00	18.00	18.00	18.00
Storm Water	1.00	1.00	1.00	1.00
Highways and Streets	16.63	16.63	16.63	15.63
Sanitation	19.00	19.00	19.00	20.00
Golf Courses	7.58	7.58	7.58	8.00
Sports Center	6.00	6.00	6.00	3.00
Pest Control	1.00	1.00	1.00	1.00
Forestry	3.00	3.00	3.00	6.00
Total FTE's	308.03	307.48	306.48	307.48

Source: City Human Resources Department

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

2015	2016	2017	2018	2019	2020
38.00	38.00	38.00	49.00	54.00	52.50
55.00	58.00	60.00	60.00	61.00	61.00
16.00	17.00	17.00	17.00	17.00	17.00
36.00	36.00	37.00	37.00	37.00	37.00
1.00	1.00	1.00	1.00	1.00	1.00
13.00	13.00	15.75	15.75	15.75	17.10
17.85	19.00	18.00	-	-	-
-	-	-	11.00	11.00	12.00
3.00	3.00	3.50	3.50	1.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
36.00	37.00	37.00	34.00	38.00	37.00
20.00	22.00	22.00	24.00	24.00	21.00
18.00	17.00	17.00	17.00	17.00	17.00
1.00	2.00	1.00	1.00	1.00	1.00
17.63	17.63	18.63	18.63	18.63	19.63
20.00	21.00	20.00	19.00	19.00	20.00
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	7.00	7.00	8.00
311.48	320.63	324.88	327.88	335.38	337.23

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

Function	2011	2012	2013	2014
Police				
Part I Offenses (serious crime - murder, rape, robbery, assault, theft, arson)	872	945	891	904
Part II Offenses (assault, stolen property, vandalism, narcotics, D.U.I., liquor laws, disorderly, other)	2,251	1,971	1,849	1,974
Fire				
Medical responses	2,273	2,186	1,400	1,523
Fire & other responses	1,066	1,144	1,014	968
Library				
Visits	275,782	258,451	267,218	230,511
Circulation	378,340	344,025	302,291	273,498
Mass Transit				
Fixed Routes ridership	433,676	436,304	452,624	482,177
Paratransit ridership	12,771	10,604	10,771	10,038
Metro Senior Ride ridership	6,323	7,492	8,042	8,301
Community Development				
New Residential Permits	92	89	139	197
New Residential Valuation	24,075,213	17,514,700	44,149,300	56,708,439
New Commercial Permits	20	12	31	21
New Commercial Valuation	4,956,205	8,071,975	34,676,965	12,473,597
Sanitation				
Curbside Recycling (tons)	499	432	384	418
Refuse Collected (landfill tonnage)	22,276	21,568	23,163	22,722
Yard Waste (tons)	2,542	2,060	2,616	2,847
Wastewater Treatment				
Average daily sewage treatment (millions of gallons)	5.06	3.52	4.02	4.18
Electric				
Annual Sales (millions of kwh)	430.16	419.58	442.40	447.30
Water				
Water Sales (billions of gallons)	1.285	1.48	1.41	1.34

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**

2015	2016	2017	2018	2019	2020
1,056	1,041	979	1,087	673	1,477
2,264	2,029	1,820	2,077	1,189	1,429
2,042	2,194	2,305	2,469	2,568	2,392
1,195	1,164	1,240	1,341	1,471	1,985
258,076	227,735	192,771	195,086	193,309	55,523
227,745	249,330	248,844	246,915	236,196	177,867
459,288	445,506	451,854	521,444	480,887	426,105
9,490	10,696	10,673	9,593	9,010	5,967
10,143	10,765	10,907	10,454	9,836	5,695
213	169	84	141	128	133
64,431,779	60,222,748	20,981,400	45,660,287	34,986,672	35,778,447
30	31	27	16	20	13
10,467,380	33,067,240	55,698,017	10,151,660	11,693,761	24,521,938
510	551	1,464	2,498	3,502	2,517
30,303	31,764	26,573	34,269	27,528	17,699
3,182	3,624	2,944	3,276	2,923	2,293
3.75	3.91	3.81	3.78	4.88	4.42
431.05	434.04	414.06	450.00	437.03	421.25
1.35	1.37	1.44	1.43	1.32	1.34

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

Function	2011	2012	2013	2014
Public Safety:				
Police Stations	1	1	1	1
Fire Stations	2	2	2	2
Highways & Streets:				
Street (miles)	211.77	211.73	212.73	212.73
Culture and recreation				
Parks	42	43	43	44
Swimming/wading pools	8	9	9	9
Sanitation:				
Collection trucks	10	10	10	10
Wastewater				
Storm sewers (miles)	132.42	135.32	149.00	149.00
Sanitary sewers (miles)	157.81	156.36	157.00	157.00
Force mains (miles)	22.00	23.12	23.12	23.12

Source: Various city departments.

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

2015	2016	2017	2018	2019	2020
1	1	1	1	1	1
2	2	2	2	2	2
227.80	230.70	233.00	234.60	235.30	235.70
47	47	47	48	48	48
9	9	9	9	9	9
10	11	11	11	11	11
138.20	144.00	146.10	146.75	147.00	147.00
157.70	160.50	165.30	162.10	162.70	162.70
23.50	23.50	23.50	23.50	23.52	23.52