



CITY OF
MOORHEAD

ANNUAL REPORT 2021

Year ended December 31, 2021



ANNUAL COMPREHENSIVE FINANCIAL REPORT



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

FOR THE YEAR ENDED DECEMBER 31, 2021

**PREPARED BY THE FINANCE DIVISION
JENICA FLANAGAN, 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, 2021**

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**INTRODUCTORY
SECTION**



June 23, 2022

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, 2021.

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

The City of Moorhead's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2021, 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, 2021, 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 44,505 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 discretely presented 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 departments. When drawing from reserves or increasing the overall size of the budget, special approval of the city council is required. 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 \$34.2 million in new commercial and institutional building value in 2021, including 17 new commercial and institutional buildings. Construction of the new Moorhead High School contributed to the near doubling of permit values in 2021 with more than \$194 million compared to \$97 million in 2020.
- Downtown continues to be a major focus. Downtown Moorhead Inc. and the City of Moorhead in cooperation with Stantec Consulting finalized the Downtown Master Plan in 2020. Center Avenue will be reconstructed in 2022 between the Red River and 8th Street.
- 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 four 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.
- Median single-family home sales prices rose from \$218,000 to \$229,900, a healthy level of appreciation. There were 108 single family attached and detached homes permitted in 2021 and 176 multifamily units.
- Major commercial/industrial projects in 2021 included the following: American Crystal Sugar office building, Cash Concrete, Custom Express Car Wash, Diamond Rock Storage, Domino's, DS Beverage, 1st International Bank & Trust, Midtown Tavern (serving Duane's Pizza), Southmoor Plaza, Spaulding Stone, Starbucks and Thor Investments.
- 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 attained the Minnesota GreenStep 4 designation for its sustainability and quality-of-life goals.
- Clay County, in partnership with the City of Moorhead, is constructing a \$21 million facility at 1700 34th St N that includes a waste transfer station, recycling center and offices to streamline recycling and trash operations.
- The City's Moorhead Community Fund accepts private support for a variety of community, park, and art projects, which include Inclusive playground, Natural playground and Regional Library/Community Center Campus.
- Moorhead was awarded a grant in 2020 from the Greater Minnesota Regional Parks and Trails Commission (Legacy) to install the Midtown Trail segment between Woodlawn Park and Gooseberry Mound Park anticipated to be installed in 2022.
- The City of Moorhead received the legislative authority to place a local option sales tax question on a general election ballot in 2022 to ask voters to support a new Moorhead regional library and community center.

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, 2020. This was the 38th 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,



Jenica Flanagan
Finance Director



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**City of Moorhead
Minnesota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO

CITY OF MOORHEAD
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2021

	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
MICHELLE CARLSON	MAYOR	2022
MATTHEW GILBERTSON	COUNCIL MEMBER, WARD 1	2024
SHELLY DAHLQUIST	COUNCIL MEMBER, WARD 1	2022
HEATHER NESEMEIER	COUNCIL MEMBER, WARD 2	2022
LAURA CAROON	COUNCIL MEMBER, WARD 2	2024
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

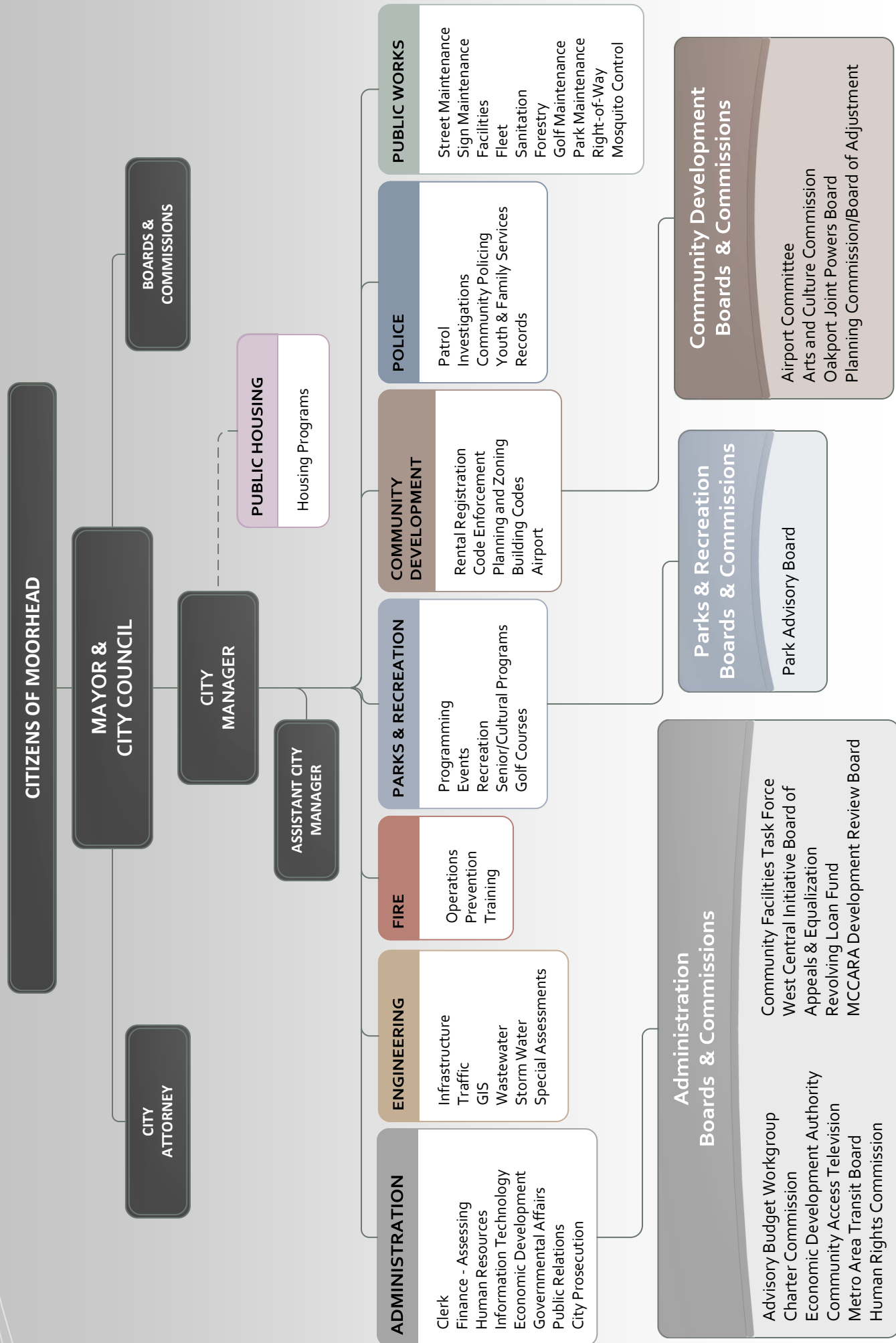
DAN MAHLI CITY MANAGER

DEPARTMENT DIRECTORS

KRISTIE LESHOVSKY	COMMUNITY DEVELOPMENT
HOLLY HEITKAMP	PARKS & RECREATION
ROBERT ZIMMERMAN	ENGINEERING
SHANNON MONROE	POLICE CHIEF
JEFF WALLIN	INTERIM FIRE CHIEF
STEVE IVERSON	PUBLIC WORKS

City of Moorhead

Functional Organizational Chart



FINANCIAL

SECTION



Independent Auditor's Report

To the City Council
City of Moorhead, Minnesota

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moorhead, Minnesota (the City) as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the accompanying 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, 2021, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the applicable governmental funds for the year then ended in accordance with accounting principles generally accepted in the United States of America.

We did not audit the financial statements of the Moorhead Public Housing Agency, which is presented as a discretely presented component unit of the City as of December 31, 2021, and the respective changes in financial position, and where applicable, cash flows thereof for the year then ended. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Moorhead Public Housing Agency, is based solely on the report of the other auditors.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards (Government Auditing Standards)*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Emphasis of Matter

As discussed in Note 5E to the financial statements, certain errors resulting in an overstatement of revenue and receivable balances as of December 31, 2020 were discovered by management of the City during the current year. Accordingly, this has resulted in an adjustment of the net position of the Business-Type Activities and Wastewater Treatment Enterprise Fund as of January 1, 2021. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America; and for 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.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit 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, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes to Total OPEB Liability and Related Ratios, Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Pension Plan Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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.

Supplementary 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 combining and individual fund schedules, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and statements and capital assets used in the governmental funds are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund schedules, schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and statements and capital assets used in the governmental funds are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 23, 2022, 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 results 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.

Report on Other Legal and Regulatory Requirements

In accordance with the Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated June 23, 2022 on our consideration of the City's compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for Cities. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with the Office of the State Auditor's Minnesota Legal Compliance Audit Guide for Counties in considering the City's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

Eide Bailly LLP

Mankato, Minnesota
June 23, 2022

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, 2021. 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 \$623,531,912.
- The City's total net position increased by \$27,492,180.
- The City's governmental funds reported combined ending fund balances of \$101,894,322, an increase of \$41,999,973 in comparison with the prior year. Of this total amount, \$7.5M is unassigned, \$5.9M committed, \$85.0M restricted and \$3.5M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$18,569,878 or 63% of total general fund expenditures of \$29,378,265.

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, \$41,288 has been reflected within the business-type activities and \$446,008 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 \$623,531,912 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 \$384,897,229 (62%) (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, \$174,819,515 (28%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$63,815,168 (10%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

The following two tables present condensed financial information on the City's Net Position and Changes in Net Position for the fiscal years ending December 31, 2021 and 2020.

CITY OF MOORHEAD'S NET POSITION

	Governmental Activities		Business-type Activities		Total 2021	Total 2020
	2021	2020	2021	2020		
Current and other assets	\$ 202,925,177	\$ 160,871,316	\$ 76,773,155	\$ 70,534,709	\$ 279,698,332	\$ 231,406,025
Capital assets	423,558,080	412,420,670	234,143,203	226,001,841	657,701,283	638,422,511
Total assets	626,483,257	573,291,986	310,916,358	296,536,550	937,399,615	869,828,536
Deferred outflows of resources	15,497,147	7,596,680	3,101,874	714,917	18,599,021	8,311,597
Long-term liabilities outstanding	220,008,977	185,347,740	74,428,699	71,151,979	294,437,676	256,499,719
Other liabilities	8,475,736	7,273,803	4,755,273	6,585,597	13,231,009	13,859,400
Total liabilities	228,484,713	192,621,543	79,183,972	77,737,576	307,668,685	270,359,119
Deferred inflows of resources	18,875,441	7,383,392	5,922,598	398,168	24,798,039	7,781,560
Net Position:						
Net investment in capital assets	219,568,317	249,347,298	165,328,912	166,749,401	384,897,229	416,096,699
Restricted	170,378,593	135,512,242	4,440,922	10,601,200	174,819,515	146,113,442
Unrestricted	4,673,340	(3,975,809)	59,141,828	41,765,122	63,815,168	37,789,313
Total net position	\$ 394,620,250	\$ 380,883,731	\$ 228,911,662	\$ 219,115,723	\$ 623,531,912	\$ 599,999,454

Governmental activities current and other assets increased \$42,053,861 primarily due to having the proceeds of bonds issued in December 2021 for the current refunding of various bond series. These proceeds are carried in cash and investments until the call date in February 2022. 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.

In addition, the City of Moorhead's overall net position increased by \$23,532,458 (net of restatement of beginning net position) 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 2021	Total 2020
	2021	2020	2021	2020		
Revenues:						
Program revenues:						
Charges for services	\$ 4,838,745	\$ 2,849,495	\$ 77,025,339	\$ 73,114,680	\$ 81,864,084	\$ 75,964,175
Operating grants and contributions	8,494,441	9,680,774	325,919	380,367	8,820,360	10,061,141
Capital grants and contributions	16,725,442	14,268,025	3,879,198	7,877,562	20,604,640	22,145,587
General Revenues:						
Taxes	13,181,205	13,328,991			13,181,205	13,328,991
Tax Increments	612,648	553,324			612,648	553,324
Franchise Fees	929,937	888,833			929,937	888,833
State aid	11,106,713	10,953,872			11,106,713	10,953,872
Grants and contributions not restricted to specific programs	184,857	41,175			184,857	41,175
Investment earnings	86,300	888,103	(248,237)	621,570	(161,937)	1,509,673
Miscellaneous	1,286,884	1,401,683	764,338	934,658	2,051,222	2,336,341
Total revenues	57,447,172	54,854,275	81,746,557	82,928,837	139,193,729	137,783,112
Expenses:						
General government	9,028,462	10,275,610			9,028,462	10,275,610
Public safety	15,160,861	15,935,688			15,160,861	15,935,688
Highways and streets	14,530,534	14,100,216			14,530,534	14,100,216
Parks and recreation	4,330,052	4,119,213			4,330,052	4,119,213
Library	977,308	915,158			977,308	915,158
Community development	444,391	330,595			444,391	330,595
Mass transit	4,126,722	3,810,477			4,126,722	3,810,477
Economic development	860,751	806,195			860,751	806,195
Interest on long-term debt	5,547,489	5,877,983			5,547,489	5,877,983
Electric			29,579,831	28,786,968	29,579,831	28,786,968
Water			7,680,318	7,265,394	7,680,318	7,265,394
Wastewater treatment			7,589,256	8,004,679	7,589,256	8,004,679
Storm water			2,480,135	2,174,572	2,480,135	2,174,572
Sanitation			4,558,548	4,557,093	4,558,548	4,557,093
Golf course			1,876,506	2,410,181	1,876,506	2,410,181
Sports center			366,309	334,275	366,309	334,275
Pest control			466,766	630,653	466,766	630,653
Forestry			912,125	975,194	912,125	975,194
Municipal airport			532,366	899,720	532,366	899,720
Street light utility			652,819	636,419	652,819	636,419
Total expenses	55,006,570	56,171,135	56,694,979	56,675,148	111,701,549	112,846,283
Increase/decrease in net position						
before transfers	2,440,602	(1,316,860)	25,051,578	26,253,689	27,492,180	24,936,829
Transfers	11,295,917	11,642,092	(11,295,917)	(11,642,092)		
Change in net position	13,736,519	10,325,232	13,755,661	14,611,597	27,492,180	24,936,829
Net position - beginning	380,883,731	370,558,499	219,115,723	204,504,126	599,999,454	575,062,625
Restatement of beginning net position (see note 5.E.)						
			(3,959,722)		(3,959,722)	-
Net position - beginning	380,883,731	370,558,499	215,156,001	204,504,126	596,039,732	575,062,625
Net position - end of year	\$ 394,620,250	\$ 380,883,731	\$ 228,911,662	\$ 219,115,723	\$ 623,531,912	\$ 599,999,454

Governmental activities. The governmental activities net position increased by \$13,736,519 during the current fiscal year. Revenues remained stable with a slight increase of \$2,592,897, or 4.7% from 2020. This increase was principally due to increase charges for services for engineering fees charged to various infrastructure projects. Expenses had a decrease of \$1,164,565 or 2.1% from 2020. This decrease was principally due to funding paid to local businesses as distributions for CARES act proceeds during the previous year and no such distributions in 2021.

Business-type activities. Business-type activities increased the City's net position by \$9,795,939. Revenues remained stable with a slight decrease of \$1,182,280, or 1.4% from 2020. Expenses in the business-type activities increased \$19,831.

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 \$101,894,322 an increase of \$41,999,973 in comparison with the prior year. Approximately 7.37%, or \$7,512,749, of this combined ending fund balance is unassigned. The remainder of fund balance is committed (\$5,935,939, 5.83%), restricted (\$84,932,823, 83.35%) or nonspendable (\$3,512,811, 3.45%).

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 \$18,569,878. 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 63.2% of total general fund expenditures which is over the reserve policy target of 60% for total unrestricted general fund balance.

The net change in fund balance of the general fund was an increase of \$1,806,678 or 8.5% from 2020. Property tax revenue remained stable with an increase of \$250,646. Federal revenues decreased \$3,374,851 with an increase in CARES Act funding that was received in 2020. State revenues increased \$89,279 with an increase in disparity aid and an increase in state aid construction and maintenance aid. Charges for Services increased \$1,148,133 due to an increase in internal engineering charges to various infrastructure projects in 2021. Total expenditures decreased \$1,373,782 due to increased personnel costs in the current year offset by a reduction in distributions to local businesses as part of the CARES Act funding in the prior year. Net transfers totaled \$8,403,406 and were completed as authorized by City charter and as recurring subsidies of specific programs. The 2021 adopted budget anticipated a \$708 decrease to fund balance, while the revised budget anticipated a \$325,451 draw on fund balance; however changes in expected revenues, along with an offset in decreased expenditures resulted in an increase in the fund balance.

The special assessment debt service fund balance increased \$39,217,440. This increase was mainly due to the issuance of \$33.97M refunding bonds issued near year-end and will be used to pay a refunding agent in early 2022. The special assessment capital projects fund balance increased by \$3,851,586 which is primarily due to issuance of \$10.66M in bonds offset by additional expenditures related to infrastructure projects which will be supported by special assessments. The permanent improvement fund balance decreased \$2,080,285 which is primarily attributable to major street reconstruction projects for which future state-aid monies will be applied.

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 \$59,100,540. The total change in net position in the enterprise funds from operations was an increase of \$13,795,101 which is \$871,958 (5.9%) lower than the 2020 increase.

The electric fund reported an increase of \$4,923,920 (7.3%) in net position primarily due changes in the State of Minnesota's pension obligation while the water fund reported an increase of \$3,563,078 (6.9%) resulting from a 3.5% rate increase causing an overall increase in operating revenues of 11.0%. The wastewater treatment fund reported an increase in net position from operations of \$3,186,446 (6.9%) and the storm water fund also reported an increase in net position of \$112,164 (0.3%) 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 \$29,221,921 was amended as final totaling \$29,445,091 for an increase of \$223,170. The original expenditure budget including transfers of \$29,222,629 was amended as final totaling \$29,770,309 for an increase of \$547,680.

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

Total actual revenues including transfers were \$31,852,644 which was \$2,407,553 over budget. Actual revenue exceeded projections by 8.2%.

Actual expenditures including transfers totaling \$30,045,966 were over budget by \$275,657.

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 \$657,701,283 (net of accumulated depreciation), an increase of \$19.3M. 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:

- \$2.5M in flood mitigation properties
- \$0.8M in airport improvements
- \$9.6M in infrastructure improvements
- \$6.4M in water and wastewater capital assets

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

	Governmental Activities 2021	Business-type Activities 2021	Total
Land	\$ 75,524,700	\$ 9,679,465	\$ 85,204,165
Construction in progress	70,916,515	4,089,272	75,005,787
Buildings	12,219,837	125,780,901	138,000,738
Improvements other than buildings	58,785,135	36,367,127	95,152,262
Machinery and equipment	15,117,790	5,990,200	21,107,990
Infrastructure	190,994,103	52,236,238	243,230,341
Total	\$ 423,558,080	\$ 234,143,203	\$ 657,701,283

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 \$233,105,000. Of this amount, \$190,585,000 of G.O. Special Assessment, Tax Increment and Municipal Improvement debt and \$23,510,000 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 \$19,010,000 of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and \$25,247,902 in Public Facilities Authority Notes. The City also has \$678,000 Note Payable at year end and net pension liability totaling \$15,244,288. See Note 4(F) for further information on the City's net pension liability.

The City had a net increase in long-term bonded debt of \$31,235,000 during the current fiscal year. This increase is due to the issuance of various bonds, which are listed below, debt service principal payments of \$13,510,000. During the current fiscal year, the City issued:

- \$10,775,000 G.O. Improvement Bonds, Series 2021A to finance various improvements to the City's infrastructure.
- \$24,025,000 G. O. Refunding Bonds, Series 2021B to refund various bond issues.
- \$9,945,000 G. O. Flood Mitigation Bonds, Series 2021C to refund various flood mitigation bonds.

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 \$92,472,789. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$678,000 leaving a legal debt margin of \$91,794,789.

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	\$ 188,490,000	\$	\$ 188,490,000
G.O. Tax Increment	2,095,000		2,095,000
G.O. Revenue		23,510,000	23,510,000
Revenue Refunding		2,070,000	2,070,000
Revenue		16,940,000	16,940,000
Premiums/Discounts	13,516,876	772,418	14,289,294
Long-term notes	678,000	25,389,859	26,067,859
Compensated absences	2,388,922	1,005,975	3,394,897
Other Post-Employment Benefits	1,812,760	523,578	2,336,338
Net Pension Liability	11,027,419	4,216,869	15,244,288
Total	\$ 220,008,977	\$ 74,428,699	\$ 294,437,676

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 2022 with \$34 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. 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 Downtown Moorhead underpass has now received bonding funds. Design elements will be explored through a Downtown Underpass visual quality design manual.

The update to the City of Moorhead Comprehensive Plan is complete and was approved by the City Council on March 28, 2022 after more than a year of public input. The Plan will help set the stage for prioritizing growth and development over the next 10 years. The plan looks to future issues, goals and visioning to prepare for changes in our community as it continues to grow. The top priorities of the Plan are encompassed in the Five Big Ideas: transform downtown Moorhead into the 'heart of the community', integrate a mix of mutually supportive land uses and experiences, connect neighborhoods to parks and trails and provide multimodal access, embrace resilient environmental and equitable solutions and build and nurture local businesses as key partners. The ideas will be the basis for action over the next five years to help bring this vision for the community to life.

The City of Moorhead's 2022 Operating & Capital Budget totals \$107,685,475, an increase of \$14,386,980 (15.4%) from the previous year. Included in the increase is an amount of \$1.35 million for wage and benefit increases for existing employees as well as three new additional positions. This increase in staffing supports the strategic plan objective to maintain service levels commensurate with community growth. A \$3.7 million increase attributed to street capital projects, which includes the reconstruction of Center Avenue and a \$1.2 million increase for infrastructure upgrades at the wastewater treatment facility during 2022. There is also an increase of \$3.5 million in a new American Rescue Plan Act fund. Discussions have begun to develop a strategic approach for the use of these substantial one-time funds. When looking specifically at the General Fund and Parks, the 2022 budget reflects an increase of \$1,719,440 (5.2%) from 2021 levels. The majority of this increase is attributable to wage and benefit increases.

Scheduled wage step increases and an estimated COLA were included in the budget. Union negotiations for 2022 are in process at the time of this writing. Final wage and benefit costs may require budget amendments upon final negotiations. There was no increase to the employer contribution costs for health insurance in the 2022 budget. 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 2022. Local Government Aid is budgeted at \$7,308,705 which is an increase of \$38,097, 0.5%, over the 2021 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, 2021**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
ASSETS				
Cash and investments	\$ 108,937,116	\$ 28,331,036	\$ 137,268,152	\$ 1,062,489
Receivables:				
Accounts and notes	2,575,557	9,527,676	12,103,233	10,111
Delinquent property taxes	220,607	114,940	335,547	
Special assessments	4,608,947	108,767	4,717,714	
Internal balances	1,335,195	(1,335,195)		
Due from other governmental units	11,606,582	979,568	12,586,150	57,568
Inventories	30,853	1,641,836	1,672,689	
Prepaid items	11,611	66,220	77,831	16,653
Restricted assets:				
Cash and cash equivalents	1,071,833	2,360,301	3,432,134	
Bond operation and maintenance reserve		5,738,000	5,738,000	
Long-term receivables:				
Special assessments	65,169,301	1,971,854	67,141,155	
Notes receivable, less current portion	7,357,575	150,695	7,508,270	
Other long-term investments		27,117,457	27,117,457	
Capital assets:				
Intangible plant		1,288,813	1,288,813	
Land	75,524,700	9,679,465	85,204,165	464,977
Buildings	29,214,649	222,473,627	251,688,276	13,192,938
Improvements other than buildings	78,965,115	58,280,273	137,245,388	
Machinery and equipment	44,273,234	23,223,814	67,497,048	960,770
Infrastructure	287,087,067	83,006,509	370,093,576	
Construction in progress	70,916,515	4,089,272	75,005,787	22,704
Less accumulated depreciation	(162,423,200)	(167,898,570)	(330,321,770)	(9,097,639)
Total assets	626,483,257	310,916,358	937,399,615	6,690,571
DEFERRED OUTFLOWS OF RESOURCES				
Pension plans	14,171,212	3,021,043	17,192,255	
Other post-employment benefits	240,114	80,831	320,945	
Advance refundings of debt	1,085,821		1,085,821	
Total deferred outflows of resources	15,497,147	3,101,874	18,599,021	
LIABILITIES				
Accounts payable	2,834,645	4,033,207	6,867,852	42,179
Contracts payable - retainage	2,440,481		2,440,481	25,285
Accrued wages payable	836,892	172,693	1,009,585	12,600
Due to other governmental units	112,549	39,329	151,878	
Customer deposits		77,050	77,050	58,775
Other liabilities	176,813	126,530	303,343	34,402
Accrued interest payable	2,074,356	306,464	2,380,820	
Long-term liabilities:				
Due within one year	61,463,892	6,300,071	67,763,963	23,167
Due in more than one year				
Accrued compensated absences	670,030	156,824	826,854	
Other post-employment benefits	1,812,760	523,578	2,336,338	
Net pension liability	11,027,419	4,216,869	15,244,288	
Notes payable	678,000	108,037	786,037	429,500
Bonds payable	144,356,876	63,123,320	207,480,196	
Total liabilities	228,484,713	79,183,972	307,668,685	625,908
DEFERRED INFLOWS OF RESOURCES				
Pension plans	18,536,266	4,161,664	22,697,930	
Other post-employment benefits	339,175	183,222	522,397	
Other deferred credits		1,577,712	1,577,712	
Total deferred inflows of resources	18,875,441	5,922,598	24,798,039	
NET POSITION				
Net investment in capital assets	219,568,317	165,328,912	384,897,229	5,088,965
Restricted				
Culture and recreation	567,356		567,356	
Library	338,242		338,242	
Community development	4,325,577		4,325,577	
Transit	122,313		122,313	
Economic development	2,268,106		2,268,106	
Contributions	118,622		118,622	
Capital projects	8,113,571	2,080,621	10,194,192	
Debt service	149,903,300	2,360,301	152,263,601	
Other purposes	4,621,506		4,621,506	
Unrestricted	4,673,340	59,141,828	63,815,168	975,698
Total net position	\$ 394,620,250	\$ 228,911,662	\$ 623,531,912	\$ 6,064,663

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2021**

	Program Revenues		
	Expenses	Charges for Services	Operating Grants and Contributions
Functions/Programs			
Primary Government			
Governmental activities:			
General government	\$ 9,028,462	\$ 1,698,470	\$ 3,582,222
Public safety	15,160,861	439,448	1,558,969
Highways and streets	14,530,534	1,583,481	1,167,816
Parks and recreation	4,330,052	405,103	41,395
Library	977,308	21,230	
Community development	444,391	162,108	293,666
Mass transit	4,126,722	390,724	1,761,388
Economic development	860,751	138,181	88,985
Interest on long-term debt	5,547,489		
Total governmental activities	55,006,570	4,838,745	8,494,441
Business-type activities:			
Electric	29,579,831	43,350,341	
Water	7,680,318	11,157,121	
Wastewater treatment	7,589,256	10,013,520	
Storm water	2,480,135	2,893,277	
Sanitation	4,558,548	5,050,674	225,000
Golf Course	1,876,506	1,751,388	
Sports Center	366,309	256,034	
Pest Control	466,766	703,640	49,128
Forestry	912,125	934,365	
Municipal airport	532,366	87,593	51,791
Street light utility	652,819	827,386	
Total business-type activities	56,694,979	77,025,339	325,919
Total primary government	\$ 111,701,549	\$ 81,864,084	\$ 8,820,360
Component Unit:			
Public Housing Agency	\$ 1,757,195	\$ 537,550	\$ 900,447

General revenues:

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

Transfers

- Total general revenues and transfers
- Changes in net position

Net position - beginning

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

Net position -beginning, as restated

Net position - ending

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Primary Government		Total	
	Governmental Activities	Business-type Activities		
\$ 33,994	\$ (3,713,776)		\$ (3,713,776)	
8,287	(13,154,157)		(13,154,157)	
11,698,989	(80,248)		(80,248)	
	(3,883,554)		(3,883,554)	
	(956,078)		(956,078)	
4,379,953	4,391,336		4,391,336	
604,219	(1,370,391)		(1,370,391)	
	(633,585)		(633,585)	
	(5,547,489)		(5,547,489)	
<u>16,725,442</u>	<u>(24,947,942)</u>		<u>(24,947,942)</u>	
92,246		\$ 13,862,756	13,862,756	
479,114		3,955,917	3,955,917	
1,415,802		3,840,066	3,840,066	
841,651		1,254,793	1,254,793	
45,950		763,076	763,076	
77,803		(47,315)	(47,315)	
		(110,275)	(110,275)	
		286,002	286,002	
172,062		194,302	194,302	
754,570		361,588	361,588	
		174,567	174,567	
<u>3,879,198</u>		<u>24,535,477</u>	<u>24,535,477</u>	
<u>\$ 20,604,640</u>	<u>(24,947,942)</u>	<u>24,535,477</u>	<u>(412,465)</u>	
<u>\$ 474,120</u>				\$ 154,922
	9,568,469		9,568,469	50,000
	3,612,736		3,612,736	
	612,648		612,648	
	929,937		929,937	
	11,106,713		11,106,713	
	184,857		184,857	
	86,300	(248,237)	(161,937)	497
	1,286,884	764,338	2,051,222	50,554
	11,295,917	(11,295,917)		
	<u>38,684,461</u>	<u>(10,779,816)</u>	<u>27,904,645</u>	<u>101,051</u>
	<u>13,736,519</u>	<u>13,755,661</u>	<u>27,492,180</u>	<u>255,973</u>
	380,883,731	219,115,723	599,999,454	5,808,690
		(3,959,722)	(3,959,722)	
	<u>380,883,731</u>	<u>215,156,001</u>	<u>596,039,732</u>	<u>5,808,690</u>
	<u>\$ 394,620,250</u>	<u>\$ 228,911,662</u>	<u>\$ 623,531,912</u>	<u>\$ 6,064,663</u>

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2021**

	General	Special Assessment Debt Service
ASSETS		
Assets:		
Cash and investments	\$ 6,377,947	\$ 80,374,517
Restricted cash	1,071,833	
Receivables:		
Accounts	308,871	43
Notes		2,651,436
Delinquent property taxes	131,494	65,082
Special assessments		68,497,590
Due from other funds	13,012,409	
Due from other governmental units	255,297	270,239
Advances to other funds	3,508,087	
Prepaid items	4,724	
	<u>\$ 24,670,662</u>	<u>\$ 151,858,907</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE		
Liabilities:		
Accounts payable	\$ 563,106	\$ 99,531
Contracts payable - retainage		
Accrued wages payable	753,033	
Due to other funds	13,289	
Advances from other funds		
Due to other governmental units		
Other liabilities	17,926	5,000
Total Liabilities	<u>1,347,354</u>	<u>104,531</u>
Deferred inflows of resources:		
Unavailable revenue - taxes	131,494	65,082
Unavailable revenue - special assessments		68,497,590
Unavailable revenue - other	37,292	2,753,277
Total Deferred inflows of resources	<u>168,786</u>	<u>71,315,949</u>
Fund Balance:		
Nonspendable	3,512,811	
Restricted		
Culture and recreation		
Library		
Transit		
Economic development		
Contributions		
Debt service		80,438,427
Other purposes	1,071,833	
Committed		
Unassigned	18,569,878	
Total Fund Balance	<u>23,154,522</u>	<u>80,438,427</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 24,670,662</u>	<u>\$ 151,858,907</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

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		14,983,314	101,735,778 1,071,833
31,063	2,008,998	23,259	2,372,234
	50,382	4,655,757	7,357,575
13		24,018	220,607
1,054,034	226,624		69,778,248
6,444,969	4,434,427	45,772	13,058,181
74,166		179,315	11,584,247
		6,887	3,582,253
<u>7,604,245</u>	<u>6,720,431</u>	<u>19,918,322</u>	<u>210,772,567</u>
\$	\$	\$	\$
518,051	787,512	742,669	2,710,869
175,247	2,248,402	16,832	2,440,481
		74,077	827,110
5,068,015	7,078,250	39,638	12,199,192
	104,000	2,618,319	2,722,319
		112,549	112,549
2,000	1,550	150,337	176,813
<u>5,763,313</u>	<u>10,219,714</u>	<u>3,754,421</u>	<u>21,189,333</u>
		24,018	220,607
13			69,778,248
1,054,034	226,624		17,690,057
2,057,237	4,577,127	8,265,124	87,688,912
<u>3,111,284</u>	<u>4,803,751</u>	<u>8,289,142</u>	<u>87,688,912</u>
			3,512,811
		560,887	560,887
		325,358	325,358
		26,959	26,959
		2,168,059	2,168,059
		118,622	118,622
		222,678	80,661,105
		5,935,939	1,071,833
(1,270,352)	(8,303,034)	(1,483,743)	5,935,939
<u>(1,270,352)</u>	<u>(8,303,034)</u>	<u>7,874,759</u>	<u>7,512,749</u>
<u>\$ 7,604,245</u>	<u>\$ 6,720,431</u>	<u>\$ 19,918,322</u>	<u>101,894,322</u>
			423,558,080
			15,497,147
			87,688,912
			(222,083,333)
			(18,875,441)
			6,940,563
	Net position of governmental activities		<u>\$ 394,620,250</u>

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	General	Special Assessment Debt Service
REVENUES		
Taxes:		
Property	\$ 5,677,092	\$ 3,641,243
Franchise	929,937	
Licenses and permits	1,229,826	
Intergovernmental revenues:		
Federal	91,675	
State	11,167,040	884,983
County	190,675	217,300
Other	122,907	164,811
Charges for services	1,798,546	
Fines and forfeits	287,969	
Facility rentals		
Donations		
Interest on investments	3,087	70,259
Special assessments		9,291,344
Sale of property	35,666	
Miscellaneous	569,117	66,865
Total revenues	22,103,537	14,336,805
EXPENDITURES		
Current:		
General government	6,971,854	184,650
Public safety	16,312,788	
Highways and streets	5,509,569	
Parks and recreation		
Library		
Community development		
Mass transit		
Economic development		
Capital outlay	584,054	
Debt Service:		
Bond and note principal		10,915,000
Bond and note interest		5,162,424
Fiscal and other charges		146,798
Total expenditures	29,378,265	16,408,872
REVENUE OVER (UNDER) EXPENDITURES	(7,274,728)	(2,072,067)
OTHER FINANCING SOURCES (USES):		
Issuance of debt		112,700
Refunding bonds issued		33,970,000
Premium on issuance of debt		5,898,407
Capital note	678,000	
Transfers from other funds	9,071,107	1,308,400
Transfers to other funds	(667,701)	
Total other financing sources (uses)	9,081,406	41,289,507
NET CHANGE IN FUND BALANCE	1,806,678	39,217,440
FUND BALANCE - BEGINNING	21,347,844	41,220,987
FUND BALANCE - ENDING	\$ 23,154,522	\$ 80,438,427

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, 2021

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$ 291,020	\$	\$ 4,216,719	\$ 13,826,074
			929,937
			1,229,826
232,546	42,559	1,056,702	1,423,482
4,496,387	5,495,953	2,486,546	24,530,909
	161,090		569,065
			287,718
39,402		542,576	2,380,524
			287,969
		139,569	139,569
		57,160	57,160
2,588	3,278	5,523	84,735
233,049			9,524,393
		1,163,973	1,199,639
34,474	2,009,560	452,994	3,133,010
<u>5,329,466</u>	<u>7,712,440</u>	<u>10,121,762</u>	<u>59,604,010</u>
124,649		124,449	7,405,602
		47,542	16,360,330
		6,189	5,515,758
		3,224,614	3,224,614
		967,313	967,313
		443,550	443,550
		3,483,636	3,483,636
		648,771	648,771
13,040,876	9,837,725	1,954,265	25,416,920
		670,753	11,585,753
		482,092	5,644,516
29,470		33,641	209,909
<u>13,194,995</u>	<u>9,837,725</u>	<u>12,086,815</u>	<u>80,906,672</u>
<u>(7,865,529)</u>	<u>(2,125,285)</u>	<u>(1,965,053)</u>	<u>(21,302,662)</u>
10,662,300			10,775,000
			33,970,000
979,815			6,878,222
			678,000
75,000	45,000	2,569,976	13,069,483
		(1,400,369)	(2,068,070)
<u>11,717,115</u>	<u>45,000</u>	<u>1,169,607</u>	<u>63,302,635</u>
3,851,586	(2,080,285)	(795,446)	41,999,973
<u>(5,121,938)</u>	<u>(6,222,749)</u>	<u>8,670,205</u>	<u>59,894,349</u>
<u>\$ (1,270,352)</u>	<u>\$ (8,303,034)</u>	<u>\$ 7,874,759</u>	<u>\$ 101,894,322</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, 2021**

Amounts reported for governmental activities in the statement of activities (page 14-15) 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) \$ 41,999,973

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	\$ 25,416,920	
Transfer of assets to internal service funds	294,504	
The net effect of various miscellaneous transactions involving assets (i.e. sales, trade-ins, and donations) is to increase net position	(3,186,067)	
Depreciation expense	<u>(10,498,366)</u>	12,026,991

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (1,797,501)

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

Bonded debt issued	(44,745,000)	
Capital note issued	(678,000)	
Premium on bonded debt	(6,878,222)	
Bond & note principal payments	<u>11,224,777</u>	(41,076,445)

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	(102,901)	
Other post-employment benefits	(63,575)	
Net pension liability	5,703,066	
Deferred outflows of resources	7,977,957	
Deferred inflows of resources	(11,493,889)	
Loss on disposal of capital assets	(23,636)	
Accrued interest	<u>667,912</u>	2,664,934

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. (81,433)

Change in net position of governmental activities (page 14-15) \$ 13,736,519

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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 4,983,712	\$ 5,608,510	\$ 5,677,092	\$ 68,582
Franchise	1,020,000	1,020,000	929,937	(90,063)
Licenses and permits	741,950	741,950	1,229,826	487,876
Intergovernmental:				
Federal	59,000	59,000	91,675	32,675
State	11,021,593	11,244,763	11,167,040	(77,723)
County	154,150	154,150	190,675	36,525
Other	122,250	122,250	122,907	657
Charges for services	1,276,556	1,276,556	1,798,546	521,990
Fines and forfeitures	472,500	472,500	287,969	(184,531)
Interest on investments	163,788	163,788	3,087	(160,701)
Miscellaneous	260,850	277,521	604,783	327,262
Total revenues	<u>20,276,349</u>	<u>21,140,988</u>	<u>22,103,537</u>	<u>962,549</u>
EXPENDITURES				
Administration department:				
Current:				
Personnel	3,584,474	3,584,474	3,159,158	425,316
Supplies	53,860	53,860	114,687	(60,827)
Other services & charges	1,514,203	1,550,016	1,536,285	13,731
Capital outlay	195,625	195,625	526,804	(331,179)
	<u>5,348,162</u>	<u>5,383,975</u>	<u>5,336,934</u>	<u>47,041</u>
Police department:				
Current:				
Personnel	8,465,690	8,465,690	8,127,964	337,726
Supplies	347,525	347,525	342,665	4,860
Other services & charges	2,273,085	2,275,585	2,333,251	(57,666)
Capital outlay			8,776	(8,776)
	<u>11,086,300</u>	<u>11,088,800</u>	<u>10,812,656</u>	<u>276,144</u>
Fire department:				
Current:				
Personnel	4,427,510	4,486,123	4,737,553	(251,430)
Supplies	115,214	180,954	145,307	35,647
Other services & charges	489,495	581,603	626,048	(44,445)
Capital outlay		6,709	48,474	(41,765)
	<u>5,032,219</u>	<u>5,255,389</u>	<u>5,557,382</u>	<u>(301,993)</u>
Planning & Neighborhood Services department:				
Current:				
Personnel	1,739,635	1,739,635	1,753,651	(14,016)
Supplies	18,691	19,191	19,677	(486)
Other services & charges	111,821	111,321	388,396	(277,075)
	<u>1,870,147</u>	<u>1,870,147</u>	<u>2,161,724</u>	<u>(291,577)</u>
Engineering department:				
Current:				
Personnel	1,838,044	1,838,044	1,766,538	71,506
Supplies	27,500	27,500	26,922	578
Other services & charges	442,516	397,516	267,548	129,968
	<u>2,308,060</u>	<u>2,263,060</u>	<u>2,061,008</u>	<u>202,052</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, 2021

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works department:				
Current:				
Personnel	\$ 1,360,646	\$ 1,360,646	\$ 1,325,363	\$ 35,283
Supplies	711,450	711,450	749,605	(38,155)
Other services & charges	1,455,645	1,455,645	1,373,593	82,052
	3,527,741	3,527,741	3,448,561	79,180
Total expenditures	29,172,629	29,389,112	29,378,265	10,847
REVENUE OVER (UNDER) EXPENDITURES	(8,896,280)	(8,248,124)	(7,274,728)	973,396
OTHER FINANCING SOURCES (USES):				
Capital note			678,000	678,000
Transfers from other funds	8,945,572	8,950,772	9,071,107	120,335
Transfers to other funds	(50,000)	(381,197)	(667,701)	(286,504)
Total other financing sources (uses)	8,895,572	8,569,575	9,081,406	511,831
NET CHANGE IN FUND BALANCE	(708)	321,451	1,806,678	1,485,227
FUND BALANCE - BEGINNING	21,347,844	21,347,844	21,347,844	
FUND BALANCE - ENDING	\$ 21,347,136	\$ 21,669,295	\$ 23,154,522	\$ 1,485,227

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, 2021**

	Electric	Water
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 9,710,121	\$ 3,202,273
Receivables:		
Accounts and notes	5,146,940	1,186,850
Accrued interest	99,998	14,942
Special assessments		
Due from other city funds	121,822	10,041
Due from other governmental units	420,205	
Inventories	1,274,214	367,622
Prepaid items	47,452	18,298
Total current assets	16,820,752	4,800,026
Long-term assets:		
Restricted assets:		
Cash and cash equivalents	1,806,437	553,864
Bond operation and maintenance reserve	4,615,000	1,123,000
Long-term receivables:		
Special assessments		
Notes receivable	150,695	
Other long-term investments	21,196,438	5,921,019
Capital assets:		
Intangible plant	1,288,813	
Land	1,071,555	979,967
Buildings	79,283,241	100,480,039
Improvements other than buildings	4,176,468	
Machinery and equipment	7,682,108	3,580,754
Infrastructure		
Construction in progress	182,394	57,330
Less accumulated depreciation	(43,770,045)	(32,739,233)
Total long-term assets	77,683,104	79,956,740
Total assets	94,503,856	84,756,766
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	1,202,986	801,990
Other post-employment benefits	30,656	20,437
Total deferred outflows of resources	1,233,642	822,427
LIABILITIES		
Current liabilities:		
Accounts payable	2,796,306	346,171
Accrued wages payable		
Accrued compensated absences	279,100	186,100
Due to other city funds	1,597,638	55,565
Due to other governmental units		
Customer deposits	77,050	
Other liabilities		
Accrued interest payable	55,908	104,441
Current maturities of long-term debt	1,138,650	1,126,270
Total current liabilities	5,944,652	1,818,547

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 9,242,085	\$ 3,457,669	\$ 2,718,888	\$ 28,331,036	\$ 7,201,338
1,364,409	405,882	1,423,595	9,527,676	203,323
108,767			114,940	
509,689	461,866	580,311	1,683,729	
19,418		539,945	979,568	22,335
		470	66,220	30,853
<u>11,244,368</u>	<u>4,325,417</u>	<u>5,263,209</u>	<u>42,453,772</u>	<u>7,457,849</u>
			2,360,301	
			5,738,000	
1,971,854			1,971,854	
			150,695	
			27,117,457	
			1,288,813	
2,672,526		4,955,417	9,679,465	
37,356,554	836,537	4,517,256	222,473,627	
38,073,856	3,303,578	12,726,371	58,280,273	
10,864,178	442,624	654,150	23,223,814	31,269,713
34,218,983	48,787,526		83,006,509	
3,849,548			4,089,272	
(60,542,132)	(20,536,439)	(10,310,721)	(167,898,570)	(21,743,799)
<u>68,465,367</u>	<u>32,833,826</u>	<u>12,542,473</u>	<u>271,481,510</u>	<u>9,525,914</u>
<u>79,709,735</u>	<u>37,159,243</u>	<u>17,805,682</u>	<u>313,935,282</u>	<u>16,983,763</u>
287,842	57,464	670,761	3,021,043	50,673
10,983	1,430	17,325	80,831	1,565
<u>298,825</u>	<u>58,894</u>	<u>688,086</u>	<u>3,101,874</u>	<u>52,238</u>
638,680	8,206	243,844	4,033,207	123,776
54,538	10,868	107,287	172,693	9,782
157,960	8,414	217,577	849,151	
50,969	2,668	493,438	2,200,278	342,440
		39,329	39,329	
			77,050	
18,420		108,110	126,530	
146,115			306,464	
3,186,000			5,450,920	
<u>4,252,682</u>	<u>30,156</u>	<u>1,209,585</u>	<u>13,255,622</u>	<u>475,998</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2021**

	Electric	Water
Long-term liabilities:		
Accrued compensated absences		119,628
Other post-employment benefits	179,443	1,134,231
Net pension liability	1,701,346	108,037
Notes payable		25,952,261
Bonds payable	12,012,696	74,166
Advances from other funds		13,893,485
Total long-term liabilities	<u>13,893,485</u>	<u>27,388,323</u>
Total liabilities	<u>19,838,137</u>	<u>29,206,870</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	1,736,617	1,157,744
Other post-employment benefits	84,730	56,486
Other deferred credits	<u>1,577,712</u>	
Total deferred inflows of resources	<u>3,399,059</u>	<u>1,214,230</u>
NET POSITION		
Net investment in capital assets	36,763,188	45,098,990
Restricted		
Debt service	1,806,437	553,864
Capital projects		
Unrestricted	<u>33,930,677</u>	<u>9,505,239</u>
Total net position	<u>\$ 72,500,302</u>	<u>\$ 55,158,093</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, 2021**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
64,519	3,436	88,869	156,824	20,926
82,917	10,798	130,792	523,578	11,816
391,307	78,119	911,866	4,216,869	68,887
			108,037	
25,158,363			63,123,320	
		785,768	859,934	
25,697,106	92,353	1,917,295	68,988,562	101,629
29,949,788	122,509	3,126,880	82,244,184	577,627
359,015	71,673	836,615	4,161,664	63,203
15,514	2,020	24,472	183,222	2,211
			1,577,712	
374,529	73,693	861,087	5,922,598	65,414
38,090,435	32,833,826	12,542,473	165,328,912	9,525,914
			2,360,301	
2,080,621			2,080,621	
9,513,187	4,188,109	1,963,328	59,100,540	6,867,046
\$ 49,684,243	\$ 37,021,935	\$ 14,505,801	228,870,374	\$ 16,392,960
			41,288	
			\$ 228,911,662	

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Electric	Water
OPERATING REVENUES		
Charges for services	\$ 40,220,376	\$ 11,054,758
Other	3,104,640	52,030
Total operating revenue	<u>43,325,016</u>	<u>11,106,788</u>
OPERATING EXPENSES		
Personnel	3,962,693	2,674,508
Purchased power	18,029,304	
Disposal fee		
Professional services	195,222	77,200
Insurance	74,828	84,327
Repair and maintenance	1,200,049	545,960
Supplies	75,501	1,420,162
Utilities		
Equipment rental		
Depreciation	3,072,198	2,157,535
Miscellaneous	2,524,908	96,417
Total operating expenses	<u>29,134,703</u>	<u>7,056,109</u>
Operating income(loss)	<u>14,190,313</u>	<u>4,050,679</u>
NONOPERATING REVENUE (EXPENSE)		
Interest on investments	(215,803)	(36,157)
Interest on indebtedness	(445,128)	(624,209)
Fiscal and other charges		
Gain (loss) on disposal of equipment	25,325	50,333
Intergovernmental		
Miscellaneous	392,739	322,883
Total nonoperating revenue (expense)	<u>(242,867)</u>	<u>(287,150)</u>
Income (loss) before contributions and transfers	<u>13,947,446</u>	<u>3,763,529</u>
Capital contributions	92,246	479,114
Transfers from other funds		
Transfers to other funds	(9,115,772)	(679,565)
Total contributions and transfers	<u>(9,023,526)</u>	<u>(200,451)</u>
CHANGE IN NET POSITION	<u>4,923,920</u>	<u>3,563,078</u>
TOTAL NET POSITION - BEGINNING	67,576,382	51,595,015
RESTATEMENT OF BEGINNING NET POSITION (SEE NOTE 5.E.)		
TOTAL NET POSITION - BEGINNING, AS RESTATED	<u>67,576,382</u>	<u>51,595,015</u>
TOTAL NET POSITION - ENDING	<u>\$ 72,500,302</u>	<u>\$ 55,158,093</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, 2021

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 9,946,743	\$ 2,890,661	\$ 9,411,421	\$ 73,523,959	\$ 3,711,664
66,777	2,616	199,659	3,425,722	37,383
<u>10,013,520</u>	<u>2,893,277</u>	<u>9,611,080</u>	<u>76,949,681</u>	<u>3,749,047</u>
1,552,284	316,652	3,630,114	12,136,251	289,122
			18,029,304	
		1,635,579	1,635,579	
349,850	128,875	111,326	862,473	
189,422	31,874	73,897	454,348	2,387
813,276	311,307	542,780	3,413,372	58,431
627,004	5,742	778,475	2,906,884	1,453,919
729,250	53,014	811,155	1,593,419	13,400
149,910	34,601	667,909	852,420	
2,105,551	1,202,482	613,066	9,150,832	2,171,254
386,581	393,544	494,279	3,895,729	31,408
<u>6,903,128</u>	<u>2,478,091</u>	<u>9,358,580</u>	<u>54,930,611</u>	<u>4,019,921</u>
<u>3,110,392</u>	<u>415,186</u>	<u>252,500</u>	<u>22,019,070</u>	<u>(270,874)</u>
2,299	670	754	(248,237)	1,600
(654,591)			(1,723,928)	
(1,000)			(1,000)	
			75,658	148,402
		325,919	325,919	
		48,716	764,338	
<u>(653,292)</u>	<u>670</u>	<u>375,389</u>	<u>(807,250)</u>	<u>150,002</u>
<u>2,457,100</u>	<u>415,856</u>	<u>627,889</u>	<u>21,211,820</u>	<u>(120,872)</u>
1,415,802	841,651	1,050,385	3,879,198	313,664
		780,447	780,447	336,504
(686,456)	(1,145,343)	(449,228)	(12,076,364)	(42,000)
<u>729,346</u>	<u>(303,692)</u>	<u>1,381,604</u>	<u>(7,416,719)</u>	<u>608,168</u>
<u>3,186,446</u>	<u>112,164</u>	<u>2,009,493</u>	<u>13,795,101</u>	<u>487,296</u>
50,457,519	36,909,771	12,496,308		15,905,664
<u>(3,959,722)</u>				
<u>46,497,797</u>	<u>36,909,771</u>	<u>12,496,308</u>		<u>15,905,664</u>
<u>\$ 49,684,243</u>	<u>\$ 37,021,935</u>	<u>\$ 14,505,801</u>		<u>\$ 16,392,960</u>
			(55,462)	
			<u>\$ 13,739,639</u>	

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Electric	Water
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 44,393,403	\$ 11,966,459
Payments to suppliers	(23,702,350)	(4,896,368)
Payments to employees	(2,102,593)	(1,130,781)
Other receipts (payments)		
Net cash provided by (used in) operating activities	<u>18,588,460</u>	<u>5,939,310</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental		
Transfers from other funds		
Transfers to other funds	(9,115,772)	(679,955)
Deferred credits	1,462,319	(76,928)
Issuance of notes receivable	(150,695)	
Net cash provided by (used in) noncapital financing activities	<u>(7,804,148)</u>	<u>(756,883)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets	(2,764,645)	(5,392,664)
Proceeds from sale of capital assets	25,325	50,333
Proceeds from issuance of long-term debt		
Principal payments - bonds and notes	(1,096,450)	(1,067,550)
Interest payments - bonds and notes	(484,167)	(655,388)
Capital grants from other governments		
Special assessment collections		
Net cash provided by (used in) capital and related financing activities	<u>(4,319,937)</u>	<u>(7,065,269)</u>
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	(260,516)	(43,096)
Purchase of investments	(5,946,546)	(4,736,932)
Net cash provided by (used in) investing activities	<u>(6,207,062)</u>	<u>(4,780,028)</u>
Net increase (decrease) in cash and cash equivalents	257,313	(6,662,870)
Cash and cash equivalents at beginning of year	<u>11,259,245</u>	<u>10,419,007</u>
Cash and cash equivalents at end of year	<u>\$ 11,516,558</u>	<u>\$ 3,756,137</u>

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 9,539,485	\$ 2,792,163	\$ 9,086,220	\$ 77,777,730	\$ 3,791,691
(4,285,590)	(556,606)	(4,611,182)	(38,052,096)	(1,506,991)
(1,585,979)	(317,797)	(3,773,722)	(8,910,872)	(628,313)
3,697,118	(390,929)	(1,057,014)	2,249,175	5,974
<u>7,365,034</u>	<u>1,526,831</u>	<u>(355,698)</u>	<u>33,063,937</u>	<u>1,662,361</u>
		325,919	325,919	
(686,456)	(1,145,343)	780,447	780,447	336,504
		(449,228)	(12,076,754)	(42,000)
			1,385,391	
			<u>(150,695)</u>	
<u>(686,456)</u>	<u>(1,145,343)</u>	<u>657,138</u>	<u>(9,735,692)</u>	<u>294,504</u>
(9,534,498)		(1,023,090)	(18,714,897)	(1,358,696)
			75,658	220,950
10,076,883			10,076,883	
(2,378,080)			(4,542,080)	
(638,747)			(1,778,302)	
		1,141,472	1,141,472	
<u>245,056</u>			<u>245,056</u>	
<u>(2,229,386)</u>		<u>118,382</u>	<u>(13,496,210)</u>	<u>(1,137,746)</u>
2,299	670	754	(299,889)	1,600
			(10,683,478)	
<u>2,299</u>	<u>670</u>	<u>754</u>	<u>(10,983,367)</u>	<u>1,600</u>
4,451,491	382,158	420,576	(1,151,332)	820,719
<u>4,790,594</u>	<u>3,075,511</u>	<u>2,298,312</u>	<u>31,842,669</u>	<u>6,380,619</u>
<u>\$ 9,242,085</u>	<u>\$ 3,457,669</u>	<u>\$ 2,718,888</u>	<u>\$ 30,691,337</u>	<u>\$ 7,201,338</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Electric	Water
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 14,190,313	\$ 4,050,679
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation	3,072,198	2,157,535
Miscellaneous nonoperating income (expense)	(977,333)	828,813
Change in assets and liabilities:		
Accounts and notes receivable	617,888	57,284
Due from other funds	(89,045)	(10,041)
Due from other governments	(34,486)	
Special assessment receivable		
Inventories	2,906	(102,748)
Prepaid items	25,111	(871)
Deferred outflows of resources	(960,519)	(640,346)
Accounts payable	414,292	(857,216)
Accrued wages payable		
Compensated absences payable	33,100	22,100
Other post employment benefits	(55,091)	(36,728)
Net pension liability	(928,261)	(618,841)
Due to other funds	53,857	(20,536)
Due to other governments		
Deferred inflows of resources	3,243,052	1,110,226
Other current liabilities	(19,522)	
Net cash provided by (used in) operating activities	<u>\$ 18,588,460</u>	<u>\$ 5,939,310</u>
Noncash capital financing activities:		
Contributions of capital assets from government / customers	<u>\$ 92,246</u>	<u>\$ 479,114</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, 2021**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 3,110,392	\$ 415,186	\$ 252,500	\$ 22,019,070	\$ (270,874)
2,105,551	1,202,482	613,066	9,150,832	2,171,254
		48,716	(99,804)	
(361,212)	(95,642)	(345,327)	(127,009)	76,322
(59,262)	(2,856)	17,768	(143,436)	
3,947,533		85,985	3,999,032	3,705
13,216		(175)	13,041	
			(99,842)	
			24,240	(12,259)
(224,563)	(45,438)	(516,091)	(2,386,957)	(10,532)
(1,426,878)	6,138	6,526	(1,857,138)	(25,467)
290	(86)	153	357	(28,457)
9,458	1,011	(7,179)	58,490	(77,064)
11,133	1,665	13,891	(65,130)	(15,765)
(161,928)	(25,060)	(406,856)	(2,140,946)	(251,458)
50,969	2,668	(910,757)	(823,799)	58,872
		1,540	1,540	
331,915	66,763	772,474	5,524,430	44,084
18,420		18,068	16,966	
<u>\$ 7,365,034</u>	<u>\$ 1,526,831</u>	<u>\$ (355,698)</u>	<u>\$ 33,063,937</u>	<u>\$ 1,662,361</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ 295,815</u>	<u>\$ 867,175</u>	<u>\$ 313,664</u>

CITY OF MOORHEAD
Notes to the Financial Statements
December 31, 2021

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 was determined to be a blended component unit due to having operational responsibility of the EDA. The EDA is reported as a Special Revenue Fund and does not issue separate financial statements.

Maple Court Ownership Development (Maple Court) serves the citizens of the City of Moorhead by providing affordable housing options to qualifying residents. Maple Court is controlled by the Mayor of the City of Moorhead in their job capacity. Maple Court was determined to be a blended component unit due to the governing body being substantively the same and the city having operational responsibility for Maple Court. Maple Court is reported as part of the General Fund and does not issue separate financial statements.

Moorhead Public Service (MPS) provides electric utility and water utility services to the citizens and business community of Moorhead, MN. Moorhead Public Service was determined to be a blended component unit due to the five-member MPS commission being appointed by the Moorhead City Council as well as the financial benefit/burden relationship between the entities. The Electric and Water funds are reported as major proprietary funds. Separate audited financial statements for the year ended December 31, 2021 are available for MPS. These financial statements may be obtained by contacting MPS at PO Box 779, Moorhead, MN 56561-0779.

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, 2021. Separate audited financial statements for the year ended June 30, 2021 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 except for grant related intergovernmental revenues which use 90 days as a collection 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 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

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

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

F. Budgetary information

Budgetary basis of accounting

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the American Rescue Plan Act, 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. Generally, the City Manager can make amendments from one fund to the other without City Council approval. Budget amendments for drawing from reserves or 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, 2021.

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.

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 \$87,688,912 difference are as follows:

Special assessments receivable	\$ 69,778,248
Property taxes	220,607
Escrowed special assessments	29,005
Notes receivable	7,429,165
Current notes receivable	(2,502)
Grants and prepayments	10,234,389
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 87,688,912</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 \$222,083,333 difference are as follows:

Bonds payable	\$ 204,101,876
Notes payable	678,000
Accrued interest payable	2,074,356
Compensated absences payable	2,388,922
Other post-employment benefits	1,812,760
Net pension liability	11,027,419
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 222,083,333</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 \$6,940,563 difference are as follows:

Internal service fund net position	\$ 16,392,960
Net capital assets included in governmental activities	(9,525,914)
Deferred outflows included in governmental activities	(52,238)
Accrued compensated absences payable included in governmental activities	20,926
Other post-employment benefits included in governmental activities	11,816
Net pension liability included in governmental activities	68,887
Deferred inflows included in governmental activities	65,414
Internal service fund activity reflected in business-type activities	(41,288)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 6,940,563</u>

B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.

The reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the government-wide statement of activities provides details of differences between the two statements. One element of that reconciliation explains that “Governmental fund 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.” The details of this \$12,026,991 difference are as follows:

Capital Outlay	\$	25,416,920
Plus: prior year construction in progress added as asset in current year		17,478,769
Less: prior year construction in progress show as additions to business-type activities		(2,143,104)
Plus: contributed assets		629,397
Capital asset increases per footnote 4.D	\$	41,381,982
Less: prior year construction in progress added as asset in current year		(17,478,769)
Plus: prior year construction in progress show as additions to business-type activities		2,143,104
Less: contributed assets		(629,397)
Plus: transfer of assets to internal service funds		294,504
Less: net effect of various miscellaneous transactions involving capital assets		(3,186,067)
Depreciation expense		(10,498,366)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	<u>12,026,991</u>

C. 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 \$41,288 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$80,728
Internal receivable representing charges in excess of cost to business-type activities - current year	(39,440)
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$41,288</u>

NOTE 3: - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A. Violations of legal or contractual provisions

The Library Fund had expenditures in excess of budget of \$34,313 at December 31, 2021. This will be addressed through future tax levies.

The Community Development Fund had expenditures in excess of budget of \$21,685 at December 31, 2021. This will be addressed through future grant funds.

The Economic Development Fund had expenditures in excess of budget of \$65,727 at December 31, 2021. This will be addressed through future tax levies.

B. Deficit fund equity

The Special Assessment Capital Projects Fund has a deficit of \$1,270,352 at December 31, 2021 which will be recovered by Municipal State Aid funds and other state grant funds.

The Permanent Improvement Fund has a deficit fund balance of \$8,303,034 at December 31, 2021 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 \$48,538 at December 31, 2021 which will be recovered by future grant proceeds.

The Tax Increment Debt Service Fund has a deficit fund balance of \$1,435,205 at December 31, 2021 which will be recovered by future tax increment collections.

The Maintenance Shop Internal Service Fund has a deficit fund balance of \$340,407 at December 31, 2021 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 \$9,353,535 and \$9,187,106, respectively. At December 31, 2021, the City's 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, 2021, the City had an investment in the 4M Fund in the amount of \$2,420,434.

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, 2021, 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, 2021, the City had the following investments:

<u>Investments Measured at Fair Value</u>	<u>Fair Value</u>
Federal Farm Credit Bank	\$ 12,068,157
Negotiable Certificates of Deposit	4,912,419
Federal Home Loan Bank	11,684,964
Federal Home Loan Mortgage Corporation	4,773,222
Federal National Mortgage Association	694,312
Government National Mortgage Association	25,380
US Treasury Obligations with maturities at time of purchase greater than one year	5,509,952
Municipal Bonds	2,900,250
Total Investments Measured at Fair Value	<u>\$ 42,568,656</u>
<u>Investments Measured at Amortized Cost</u>	<u>Amortized Cost</u>
Money Markets	\$ 119,213,118
Minnesota Municipal Money Market (4M Fund)	2,420,434
Total Investments Measured at Amortized Cost	<u>\$ 121,633,552</u>
Total Investments	164,202,208

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	\$ 4,912,419	\$ 3,159,370	\$ 1,753,049	\$ -	\$ -	Not Rated
Federal Farm Credit Bank	12,068,157	1,350,231	5,247,963	5,035,511	434,452	AA
Federal Home Loan Bank	11,684,964	329,355	10,613,866	741,743	-	AA
Federal Home Loan Mortgage Corporation	4,773,222	725,471	3,978,776	55,949	13,026	AA
Federal National Mortgage Association	694,312	506,340	45,658	81,793	60,521	AA
Government National Mortgage Association	25,380	-	1,886	23,494	-	AA
US Treasury Obligations	5,509,952	4,441,672	1,068,280	-	-	AA
Municipal Bonds	2,900,250	1,233,450	1,666,800	-	-	See Below
Money Markets	119,213,118	119,213,118	-	-	-	Not Rated
Minnesota Municipal Money Market (4M Fund)	2,420,434	2,420,434	-	-	-	Not Rated
	<u>\$ 164,202,208</u>	<u>\$ 133,379,441</u>	<u>\$ 24,376,278</u>	<u>\$ 5,938,490</u>	<u>\$ 507,999</u>	

The following table summarizes the ratings for the City's municipal bond investments as rated by Moody's as of December 31, 2021.

<u>Credit Rating</u>	<u>Fair Value</u>
AAA	\$ 987,256
AA	1,912,994
	<u>\$ 2,900,250</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, 2021:

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 4,912,419	\$ -	\$ 4,912,419
Federal Farm Credit Bank	-	12,068,157	-	12,068,157
Federal Home Loan Bank	-	11,684,964	-	11,684,964
Federal Home Loan Mortgage Corporation	-	4,773,222	-	4,773,222
Federal National Mortgage Association	-	694,312	-	694,312
Government National Mortgage Association	-	25,380	-	25,380
US Treasury Obligations	5,509,952	-	-	5,509,952
Municipal Bonds	-	2,900,250	-	2,900,250
	<u>\$ 5,509,952</u>	<u>\$ 37,058,704</u>	<u>\$ -</u>	<u>42,568,656</u>
Investments Measured at Amortized Cost				121,633,552
				<u>\$ 164,202,208</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	\$ 137,268,152
Restricted Cash and Investments - Statement of Net Position	\$ 3,432,134
Bond Operation and Maintenance Reserve - Statement of Net Position	\$ 5,738,000
Other Long-Term Investments - Statement of Net Position	27,117,457
	<u>\$ 173,555,743</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	\$ 308,871	\$ 43	\$ 31,063	\$ 2,008,998	\$ 23,259	\$ 2,372,234
Notes		2,651,436		50,382	4,655,757	7,357,575
Property taxes	131,494	65,082	13		24,018	220,607
Special Assessments		68,497,590	1,054,034	226,624		69,778,248
Due from other Governmental units	255,297	270,239	6,444,969	4,434,427	179,315	11,584,247
Total Receivables	<u>\$ 695,662</u>	<u>\$ 71,484,390</u>	<u>\$ 7,530,079</u>	<u>\$ 6,720,431</u>	<u>\$ 4,882,349</u>	<u>\$ 91,312,911</u>

D. Capital Assets

Capital asset activity for the year ended December 31, 2021 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 73,015,625	\$ 2,509,075	\$ (17,478,769)	\$ 75,524,700
Construction in progress	65,724,610	22,670,674	(17,478,769)	70,916,515
Total capital assets, not being depreciated	<u>138,740,235</u>	<u>25,179,749</u>	<u>(17,478,769)</u>	<u>146,441,215</u>
Capital assets, being depreciated:				
Buildings	28,145,366	1,069,283		29,214,649
Improvements other than buildings	76,075,208	2,891,507	(1,600)	78,965,115
Machinery and equipment	42,941,922	2,655,385	(1,324,073)	44,273,234
Infrastructure	277,501,009	9,586,058		287,087,067
Total capital assets being depreciated	<u>424,663,505</u>	<u>16,202,233</u>	<u>(1,325,673)</u>	<u>439,540,065</u>
Less accumulated depreciation for:				
Buildings	(16,203,202)	(791,610)		(16,994,812)
Improvements other than buildings	(17,644,018)	(2,537,562)	(1,600)	(20,179,980)
Machinery and equipment	(27,226,358)	(3,156,976)	(1,227,890)	(29,155,444)
Infrastructure	(89,909,492)	(6,183,472)		(96,092,964)
Total accumulated depreciation	<u>(150,983,070)</u>	<u>(12,669,620)</u>	<u>(1,229,490)</u>	<u>(162,423,200)</u>
Total capital assets, being depreciated, net	<u>273,680,435</u>	<u>3,532,613</u>	<u>(96,183)</u>	<u>277,116,865</u>
Governmental activities capital assets, net	<u>\$ 412,420,670</u>	<u>\$ 28,712,362</u>	<u>\$ (17,574,952)</u>	<u>\$ 423,558,080</u>
	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,679,465	\$	\$	\$ 9,679,465
Construction in progress	12,130,351	13,769,135	(21,810,214)	4,089,272
Total capital assets, not being depreciated	<u>21,809,816</u>	<u>13,769,135</u>	<u>(21,810,214)</u>	<u>13,768,737</u>
Capital assets, being depreciated:				
Intangible plant	1,288,813			1,288,813
Buildings	203,558,850	19,159,154	(244,377)	222,473,627
Improvements other than buildings	55,605,115	2,675,158		58,280,273
Machinery and equipment	22,083,460	1,355,857	(215,503)	23,223,814
Infrastructure	80,863,405	2,143,104		83,006,509
Total capital assets being depreciated	<u>363,399,643</u>	<u>25,333,273</u>	<u>(459,880)</u>	<u>388,273,036</u>
Less accumulated depreciation for:				
Intangible plant	(615,808)	(103,344)		(719,152)
Buildings	(91,950,259)	(4,986,845)	244,378	(96,692,726)
Improvements other than buildings	(20,494,511)	(1,418,635)		(21,913,146)
Machinery and equipment	(16,550,915)	(898,201)	215,502	(17,233,614)
Infrastructure	(29,596,125)	(1,743,807)		(31,339,932)
Total accumulated depreciation	<u>(159,207,618)</u>	<u>(9,150,832)</u>	<u>459,880</u>	<u>(167,898,570)</u>
Total capital assets, being depreciated, net	<u>204,192,025</u>	<u>16,182,441</u>	<u>-</u>	<u>220,374,466</u>
Business-type activities capital assets, net	<u>\$ 226,001,841</u>	<u>\$ 29,951,576</u>	<u>\$ (21,810,214)</u>	<u>\$ 234,143,203</u>

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

Governmental activities:	
General Government	\$ 1,718,524
Public Safety	147,440
Highways & Streets, including depreciation of general infrastructure assets	6,405,617
Parks & Recreation	1,281,851
Community Development	1,238
Library	9,995
Economic Development	237,716
Mass Transit	695,985
Subtotal	<u>10,498,366</u>
Internal Service	2,171,254
Total depreciation expense - governmental activities	<u>\$ 12,669,620</u>
Business-type activities:	
Electric	\$ 3,072,198
Water	2,157,535
Wastewater	2,105,551
Storm Water	1,202,482
Sanitation	32,791
Golf Course	135,456
Forestry	17,206
Airport	427,613
Total depreciation expense - business-type activities	<u>\$ 9,150,832</u>

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, 2021.

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 \$17,192,255 and \$320,945 respectively. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of various general obligation improvement bonds totaling \$1,085,821. 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 \$22,697,930 and \$522,397 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, 2021.

	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Letter of credit	\$ 29,005	\$	\$	\$	\$	\$ 29,005
Property taxes	131,494	65,082	13		24,018	220,607
Special assessments		68,497,590	1,054,034	226,624		69,778,248
MPS note		158,541				158,541
County road turnback		317,530				317,530
State Aid Construction				4,430,773		4,430,773
MYHA note		2,277,206			198,536	2,475,742
Development loan				50,533		50,533
Bulletproof vest grant	8,287					8,287
DNR grant proceeds			2,057,237			2,057,237
Construction grant proceeds				95,821		95,821
CDBG rehabilitation loans					4,324,317	4,324,317
American rescue plan grant					3,550,933	3,550,933
Transit grant proceeds					91,338	91,338
First and new program					100,000	100,000
	<u>\$ 168,786</u>	<u>\$ 71,315,949</u>	<u>\$ 3,111,284</u>	<u>\$ 4,803,751</u>	<u>\$ 8,289,142</u>	<u>\$ 87,688,912</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. 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. Recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

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. 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. 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 2021 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, 2021 were \$924,316. Contributions made by Moorhead Public Service to the General Employees Fund for the year ended December 31, 2021 were \$363,161. 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 Plan member's were required to contribute 11.80 percent of their annual covered salary in fiscal year 2021 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2021 were \$1,429,351. 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, 2021, the City reported a liability of \$7,101,755 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 \$216,774. The net pension liability was measured as of June 30, 2021 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers.

The City's proportion share was .1633 percent at the end of the measurement period and .1639 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 7,101,755
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	216,774
Total	\$ 7,318,529

For the year ended December 31, 2021, the City recognized pension expense of \$632,607 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$17,490 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, 2021, 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	\$ 40,981	\$ 216,971
Changes in actuarial assumptions	\$ 4,336,184	\$ 152,515
Net collective difference between projected and actual investment earnings	\$ -	\$ 6,146,207
Changes in proportion	\$ 377,639	\$ -
Contributions paid to PERA subsequent to the measurement date	\$ 469,194	\$ -
Total	\$ 5,223,998	\$ 6,515,693

The \$469,194 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, 2022. 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
2022	\$ (92,859)
2023	\$ 32,334
2024	\$ (22,823)
2025	\$ (1,677,541)

Public Service Utility:

At December 31, 2021, MPS reported a liability of \$2,835,577 for its proportionate share of the GERP's net pension liability. MPS' 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 MPS totaled \$86,558. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. MPS' proportion share was 0.0664 percent at the end of the measurement period and .0731 percent for the beginning of the period.

MPS' proportionate share of the net pension liability	\$ 2,835,577
State of Minnesota's proportionate share of the net pension liability Associated with MPS	86,558
Total	\$ 2,922,135

For the year ended December 31, 2021, MPS recognized pension expense of \$137,799 for its proportionate share of the GERP's pension expense. In addition, MPS recognized an additional \$6,984 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, 2021, 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	\$ 18,575	\$ 87,790
Changes in actuarial assumptions	\$ 1,731,345	\$ 68,363
Difference between projected and actual investment earnings	\$ -	\$ 2,431,388
Changes in proportion	\$ 63,581	\$ 306,820
Contributions paid to PERA subsequent to the measurement date	\$ 191,475	\$ -
Total	\$ 2,004,976	\$ 2,894,361

The \$191,475 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, 2022. 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
2022	\$ (194,465)
2023	\$ (103,783)
2024	\$ (112,806)
2025	\$ (669,806)

2. Police and Fire Fund Pension Costs

At December 31, 2021, the City reported a liability of \$5,245,792 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .6796 percent at the end of the measurement period and .6927 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 5,245,792
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	235,852
Total	\$ 5,481,644

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2021. The contribution consisted of \$9 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 \$9 million direct state was paid on October 1, 2020. 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. Strong asset returns for the fiscal year ended 2021 will accelerate the phasing out of these state contributions, although we do not anticipate them to be phased out during the fiscal year ending 2022.

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 \$9 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, 2021 the City recognized pension expense of \$232,283 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$235,852 additional pension expense and grant revenue for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 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 supplemental state aid. The City recognized \$61,163 for the year ended December 31, 2021 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, 2021, 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	\$ 1,013,122	\$ -
Changes in actuarial assumptions	\$ 7,709,940	\$ 2,901,000
Net collective difference between projected and actual investment earnings	\$ -	\$ 9,995,742
Changes in proportion	\$ 507,318	\$ 391,133
Contributions paid to PERA subsequent to the measurement date	\$ 732,902	\$ -
Total	\$ 9,963,282	\$ 13,287,875

The \$732,902 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, 2022. 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
2022	\$ (3,292,630)
2023	\$ (661,427)
2024	\$ (644,629)
2025	\$ (1,117,885)
2026	\$ 1,659,076

The total pension expense for all plans recognized by the City for the year ended December 31, 2021, was \$1,238,541.

e. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

f. Actuarial Methods and Assumptions

The total pension liability in the June 30, 2021, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5 percent. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5 percent was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25 percent for the General Employees Plan and 2.25 percent for the Police and Fire Plan. Benefit increases after retirement are assumed to be 1.25 percent for the General Employees Plan. The Police and Fire Plan benefit increase is fixed at 1 percent per year and that increase was used in the valuation.

Salary growth assumptions in the General Employees Plan range in the annual increments from 10.25 percent after one year of service to 3.0 percent after 29 years of service and 6.0 percent per year thereafter.

In the Police and Fire Plan, salary growth assumptions range from 11.75 percent after one year of service to 3.0 percent after 24 years of service.

Mortality rates for the General Employees Plan are based on the Pub-2010 General Employee Mortality Table. Mortality rates for the Police and Fire Plan are based on the Pub-2010 Public Safety Employee Mortality tables. The tables are adjusted slightly to fit PERA's experience.

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation. The most recent four-year experience study for the Police and Fire was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2021:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the prior valuation.

g. Discount Rate

The discount rate used to measure the total pension liability in 2021 was 6.50 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.

h. 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 (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the General Employees Fund net pension liability:	\$14,483,955	\$7,101,755	\$1,044,209

	1% Decrease in Discount Rate (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
City's proportionate share of the Police and Fire Fund net pension liability:	\$16,654,502	\$5,245,792	\$(4,106,524)

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 (5.5%)	Discount Rate (6.5%)	1% Increase in Discount Rate (7.5%)
MPS' proportionate share of the General Employees Fund net pension liability:	\$5,783,131	\$2,835,577	\$416,930

i. Pension Plan Fiduciary Net Position

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

2. Defined Contribution Plan

Six 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 2021 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>	
\$3,071	\$3,071	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 \$560 for single and \$1,563 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 \$118,380. 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 \$2,037,267 was measured as of January 1, 2021 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	2.00 percent
Healthcare Cost Trend Rates	6.25 percent in 2021 grading to 5.00 percent over 5 years and then to 4.00 percent over the next 48 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, 2020	\$ 1,826,576
Changes from the prior year:	
Service cost	152,548
Interest cost	55,884
Assumption changes	107,195
Differences between expected and actual experience	-
Benefit payments	<u>(104,936)</u>
Total Changes	<u>210,691</u>
Balance at January 1, 2021	<u>\$ 2,037,267</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	1.00%	2.00 %	3.00%
Total OPEB Liability	\$2,188,912	\$2,037,267	\$1,894,346

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	\$1,803,381	\$2,037,267	\$2,216,648
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, 2021, the City recognized OPEB expense of \$172,764. At December 31, 2021, the City reported \$269,853 in deferred outflows of resources related to OPEB and \$381,182 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 332,793
Assumption Changes	\$ 151,473	\$ 48,389
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 118,380	\$ -
Total	\$ 269,853	\$ 381,182

City contributions subsequent to the measurement date of \$118,380 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, 2022. 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
2022	\$ (35,668)
2023	\$ (35,668)
2024	\$ (35,668)
2025	\$ (35,668)
2026	\$ (35,668)
Thereafter	\$ (51,369)

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 \$760 for single and \$1,525 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 \$35,492. Total OPEB liability will be paid by the general fund.

4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2021, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	5
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	56
	<u>61</u>

5. Total OPEB Liability

Moorhead Public Service's total OPEB liability of \$299,071 was measured as of January 1, 2021 and was determined by an actuarial valuation as of January 1, 2021.

6. Actuarial Assumptions

The total OPEB liability in the January 1, 2021 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.00 percent
Salary Increases	3.00 percent
Discount Rate	2.00 percent
Healthcare Cost Trend Rates	6.50 percent decreasing to 5.00 percent over 6 years and then to 4.00 percent over the next 48 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 Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2020 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2021, valuation were based on the results of an actuarial experience study as of January 1, 2021.

7. Changes in the Total OPEB Liability

Balance at January 1, 2020	\$ 390,890
Changes from the prior year:	
Service cost	29,444
Interest cost	11,700
Assumption Changes	(26,325)
Differences between Expected and Actual Experience	(72,618)
Benefit payments	(34,020)
Total Changes	<u>(91,819)</u>
Balance at January 1, 2020	<u>\$ 299,071</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	1.00%	2.00 %	3.00%
Total OPEB Liability	\$320,187	\$299,071	\$278,958

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	\$265,212	\$299,071	\$340,265
Medical Trend Rate	5.50% decreasing to 4.50% over 6 years	6.50% decreasing to 5.50% over 6 years	7.50% decreasing to 6.50% over 6 years

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

For the year ended December 31, 2021, Moorhead Public Service recognized OPEB expense of \$18,238. At December 31, 2021, Moorhead Public Service had \$51,094 in deferred outflows of resources related to OPEB and \$141,216 in deferred inflows or resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 114,822
Assumption Changes	\$ 15,602	\$ 26,394
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 35,492	\$ -
Total	\$ 51,094	\$ 141,216

Moorhead Public Service contributions subsequent to the measurement date of \$35,492 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, 2022. 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
2022	\$ (22,816)
2023	\$ (22,816)
2024	\$ (22,816)
2025	\$ (22,816)
2026	\$ (22,814)
Thereafter	\$ (11,536)

The total OPEB expense for all plans recognized by the City for the year ended December 31, 2021, was \$191,002

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 2021 were \$1,855,517. 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, 2021, which includes street construction and reconstruction, mass transit, wastewater and water utilities. At year-end the City's remaining commitments with contractors are \$7,084,627.

Project	Spent-to-Date	Remaining Commitment
Southeast Main Avenue railroad grade separation	\$ 44,968,048	\$ 5,619,789
Street rehab 30th Avenue south	2,376,132	54,546
Mill and overlay various locations	332,588	21,916
Underground utilities	1,913,639	1,092,818
Transit garage lighting	27,810	2,459
Sanitary lift station improvements	3,704,731	293,099
	\$ 53,322,948	\$ 7,084,627

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	\$ 1,169,280
Permanent Improvement Fund	5,619,789
Wastewater Fund	293,099
Non-major Funds	2,459
	\$ 7,084,627

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, 2021 consists of the following:

Governmental Activities: Promissory Note of \$678,000 issued August 30, 2021, at 4.00% maturing August 30, 2046.

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, 2021 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2021
<u>Governmental Activities</u>					
G.O. Special Assessment					
2009 Refunding Series C	11/15/2009	2/1/2022	2.00 - 4.00	\$ 1,590,000	\$ 115,000
2010 Refunding Series D	9/22/2010	2/1/2023	2.00 - 3.00	2,030,000	290,000
2011 Series A	9/1/2011	2/1/1933	2.00 - 3.625	4,855,000	2,680,000
2011 Refunding Series B	9/1/2011	2/1/2024	.50 - 2.90	900,000	195,000
2011 Series C	12/28/2011	2/1/1933	.65 - 3.60	4,200,000	2,700,000
2012 Series A	5/15/2012	2/1/1933	3.00 - 3.375	16,955,000	10,860,000
2012 Refunding Series C	5/15/2012	2/1/1933	3.00 - 3.375	10,430,000	7,325,000
2012 Refunding Series D	5/15/2012	2/1/2027	3.00 - 4.00	8,815,000	4,145,000
2012 Series F	9/1/2012	2/1/1939	3.00 - 3.50	10,320,000	7,580,000
2013 Series A	10/23/2013	2/1/1935	.80 - 4.30	2,165,000	1,500,000
2014 Refunding Series B	7/24/2014	2/1/1934	2.25 - 5.00	19,440,000	15,570,000
2014 Series C	12/29/2014	2/1/1936	2.00 - 4.00	6,170,000	4,735,000
2014 Refunding Series D	12/29/2014	2/1/2025	3.00 - 4.00	7,660,000	3,705,000
2014 Refunding Series E	12/29/2014	2/1/2027	3.00 - 4.00	9,785,000	5,175,000
2015 Series A	9/24/2015	2/1/1942	3.00 - 4.00	12,270,000	10,500,000
2016 Series B	11/10/2016	2/1/1942	2.00 - 5.00	20,920,000	17,935,000
2016 Refunding Series C	11/10/2016	2/1/1933	3.00 - 5.00	11,135,000	7,560,000
2017 Series A	12/14/2017	2/1/1943	2.00 - 3.25	10,905,000	9,720,000
2017 Refunding Series B	12/14/2017	2/1/2029	2.50 - 5.00	5,000,000	3,755,000
2018 Series A	11/20/2018	2/1/2044	4.00 - 5.00	11,690,000	11,265,000
2018 Refunding Series B	11/20/2018	2/1/2031	5.00	4,870,000	4,125,000
2019 Series A	12/30/2019	2/1/2046	2.00 - 5.00	6,815,000	6,760,000
2019 Refunding Series B	12/30/2019	2/1/2032	2.00 - 4.00	6,070,000	5,550,000
2021 Series A	12/9/2021	2/1/2042	2.00 - 5.00	10,775,000	10,775,000
2021 Refunding Series B	12/9/2021	2/1/2039	2.00 - 5.00	24,025,000	24,025,000
2021 Refunding Series C	12/9/2021	2/1/2033	3.00 - 5.00	9,945,000	9,945,000
				<u>239,735,000</u>	<u>188,490,000</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	\$ 720,000
2019 Regency/Holiday Mall Refunding Series A	12/30/2019	2/1/2028	2.00-4.00	1,550,000	1,375,000
				<u>2,940,000</u>	<u>2,095,000</u>
Total Governmental Activities				<u>\$ 242,675,000</u>	<u>\$ 190,585,000</u>

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2021
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	\$ 6,815,000
2007 Electric MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,405,150	1,301,900
2007 Water MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,838,850	1,468,100
G.O. Water Revenue Note of 2020	5/27/2020	11/1/2040	2.00 – 5.00	13,985,000	13,925,000
				<u>32,019,000</u>	<u>23,510,000</u>
Revenue Bonds					
2009 Electric Utility Refunding Series A	5/15/2009	11/1/2024	3.00-4.75	\$ 1,470,000	\$ 375,000
2012 Electric Utility Revenue & Refunding Series E	9/1/2012	11/1/2027	2.00 – 3.00	6,240,000	2,070,000
2014 G.O. Wastewater Revenue Bonds, Series A	7/24/2014	11/1/2034	4.00 – 5.00	7,200,000	6,275,000
2016 Electric Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	11,330,000	9,158,100
2016 Water Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	1,400,000	1,131,900
				<u>27,640,000</u>	<u>19,010,000</u>
Public Facilities Authority Loans					
G.O. Sewer Revenue Note of 2002	5/6/2002	8/20/2022	3.13	\$ 3,389,288	\$ 227,000
G.O. Sewer Revenue Note of 2004	6/21/2004	8/20/2023	1.98	6,598,073	821,099
G.O. Sewer Revenue Note of 2007	6/29/2007	8/20/2026	1.99	12,407,226	3,988,000
G.O. Water Revenue Note of 2014	8/26/2014	8/20/2034	1.02	12,736,089	8,451,000
G.O. Water Revenue Note of 2016	3/14/2016	8/20/2035	1.00	2,471,358	1,793,000
G.O. Sewer Revenue Note of 2020	8/13/2020	8/20/2040	1.00	18,048,080	9,967,803
				<u>55,650,114</u>	<u>25,247,902</u>
Total Business-Type Activities				<u>\$ 115,309,114</u>	<u>\$ 67,767,902</u>

In December 2021, the City issued \$24,025,000 G.O. Improvement Refunding Bonds, Series 2021B for the current refunding of \$2,415,000 of the G.O. Improvement Bonds, Series 2011A; the current refunding of \$6,755,000 of the G.O. Improvement Refunding Bonds, Series 2012C; the current refunding of \$3,355,000 of the G.O. Improvement Refunding Bonds, Series 2012D; the current refunding of \$7,160,000 of the G.O. Improvement Bonds, Series 2012F; the current refunding of \$1,390,000 of the G.O. Improvement Bonds, Series 2013A; and the current refunding of \$14,640,000 of the G.O. Improvement Refunding Bonds, Series 2014B. The net proceeds and the City's cash contribution of \$7,619,080,000 were deposited in the City's bank account and were used to retire the debt on its call date of February 1, 2022. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$5,352,822. The net present value cash flow savings from the transaction was \$4,393,286.

In December 2021, the City issued \$9,945,000 G.O. Flood Mitigation Refunding Bonds, Series 2021C for the current refunding of \$2,500,000 of the G.O. Flood Mitigation Bonds, Series 2011C and the current refunding of \$10,025,000 of the G.O. Flood Mitigation Bonds, Series 2012A. The net proceeds and the City's cash contribution of \$940,400 were deposited in the City's bank account and were used to retire the debt on its call date of February 1, 2022. The refunding was done to take advantage of lower interest rates. The refunding resulted in a decrease in future debt service payments of \$1,529,871. The net present value cash flow savings from the transaction was \$1,367,271.

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, 2021, there were 12 Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$93,537,509.

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, 2021	Additions	Reductions	December 31, 2021	One Year
Governmental Activities:					
Bonds Payable					
G.O. Special Assessment	\$ 154,660,000	\$ 44,745,000	\$ 10,915,000	\$ 188,490,000	\$ 59,480,000
G.O. Tax Increment	2,355,000	-	260,000	2,095,000	265,000
Premiums	7,309,178	6,878,222	670,524	13,516,876	1,076,911
Total Bonds Payable	164,324,178	51,623,222	11,845,524	204,101,876	60,821,911
Note From Direct Borrowing					
Park Land Acquisition	49,777	-	49,777	-	-
Maple Court	-	678,000	-	678,000	-
Compensated Absences	2,363,084	1,741,164	1,715,326	2,388,922	1,718,892
Governmental Activity Long-Term Liabilities	<u>\$ 166,737,039</u>	<u>\$ 54,042,386</u>	<u>\$ 13,610,627</u>	<u>\$ 207,168,798</u>	<u>\$ 62,540,803</u>
Business-Type Activities:					
Bonds Payable					
Electric Utility	\$ 14,001,450	\$ -	\$ 1,096,450	\$ 12,905,000	\$ 1,138,650
Water Utility	16,868,550	-	343,550	16,525,000	361,350
Wastewater	13,985,000	-	895,000	13,090,000	920,000
Discount	(277,049)	-	(17,669)	(259,380)	(17,669)
Premiums	1,127,038	-	95,240	1,031,798	95,240
Total Bonds Payable	45,704,989	-	2,412,571	43,292,418	2,497,571
Notes From Direct Borrowing					
Public Facilities Authority	17,378,099	10,076,883	2,207,080	25,247,902	2,997,000
Watermain Loan	174,882	-	32,925	141,957	33,920
Compensated Absences	947,485	439,674	381,184	1,005,975	849,151
Business-Type Activity Long-Term Liabilities	<u>\$ 64,205,455</u>	<u>\$ 10,516,557</u>	<u>\$ 5,033,760</u>	<u>\$ 69,688,252</u>	<u>\$ 6,377,642</u>

The annual requirement to amortize notes from direct borrowing outstanding as of December 31, 2021, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2022	\$ -	\$ 27,120	2022	\$ 2,592,218	\$ 302,005
2023	-	27,120	2023	2,393,889	259,514
2024	2,233	27,113	2024	2,010,408	223,681
2025	9,160	26,864	2025	2,038,072	195,563
2026	9,534	26,491	2026	2,066,783	167,007
2027-2031	53,820	126,301	2027-2031	6,376,239	562,468
2032-2036	65,714	114,407	2032-2036	5,162,277	240,948
2037-2041	80,237	99,884	2037-2040	2,608,016	153,840
2042-2046	457,302	78,483		<u>\$ 25,247,902</u>	<u>\$ 2,105,026</u>
	<u>\$ 678,000</u>	<u>\$ 553,783</u>			

The requirement to amortize all bonded debt outstanding as of December 31, 2021, follows:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2022	\$ 59,745,000	\$ 5,218,461	\$ 2,420,000	\$ 1,353,033	68,736,494
2023	10,295,000	4,657,734	2,705,000	1,257,478	18,915,212
2024	10,900,000	4,208,741	2,790,000	1,152,840	19,051,581
2025	11,075,000	3,758,749	2,775,000	1,044,992	18,653,741
2026	9,990,000	3,316,586	2,845,000	938,926	17,090,512
2027-2031	40,720,000	11,090,118	11,705,000	3,382,413	66,897,531
2032-2036	26,830,000	4,941,355	10,645,000	1,691,388	44,107,743
2037-2041	15,875,000	2,000,853	6,635,000	418,950	24,929,803
2042-2046	5,155,000	212,239			5,367,239
Total	\$ 190,585,000	\$ 39,404,836	\$ 42,520,000	\$ 11,240,020	\$ 283,749,856

K. Fund balance

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total
Fund Balances:						
Nonspendable:						
Advances	\$ 3,508,087	\$	\$	\$	\$	\$ 3,508,087
Prepaid items	4,724					4,724
Total Nonspendable	<u>3,512,811</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>3,512,811</u>
Restricted for:						
Culture and Recreation					560,887	560,887
Library					325,358	325,358
Transit					26,959	26,959
Economic Development					2,168,059	2,168,059
Contributions					118,622	118,622
Debt Service		80,438,427			222,678	80,661,105
Other Purposes	1,071,833					1,071,833
Total Restricted	<u>1,071,833</u>	<u>80,438,427</u>	<u>-</u>	<u>-</u>	<u>3,422,563</u>	<u>84,932,823</u>
Committed to:						
Culture and Recreation					311,834	311,834
Transit					848,282	848,282
Economic Development					842,073	842,073
Capital Projects					3,933,750	3,933,750
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>5,935,939</u>	<u>5,935,939</u>
Unassigned:	<u>18,569,878</u>		<u>(1,270,352)</u>	<u>(8,303,034)</u>	<u>(1,483,743)</u>	<u>7,512,749</u>
Total Fund Balances	\$ <u>23,154,522</u>	\$ <u>80,438,427</u>	\$ <u>(1,270,352)</u>	\$ <u>(8,303,034)</u>	\$ <u>7,874,759</u>	\$ <u>101,894,322</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, 2021, is as follows:

Due to/from other funds:

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

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund	\$ 13,012,409	\$ 13,289
Special Assessment Capital Project Fund		5,068,015
Permanent Improvement Fund		7,078,250
Park Fund		15,210
Library Fund		4,715
Community Development Fund		19,549
Mass Transit Fund		27
Economic Development Fund		137
Capital Improvement Fund	45,772	
Maintenance Shop Fund		342,440
	<u>13,058,181</u>	<u>12,541,632</u>
Business-type activities:		
Electric Fund	121,822	1,597,638
Water Fund	10,041	55,565
Waste Water Fund	509,689	50,969
Storm Water Fund	461,866	2,668
Sanitation Fund	376,823	1,873
Golf Course Fund		30,029
Pest Control Fund	57,196	
Forestry Fund	75,801	
Municipal Airport Fund		425,188
Street Light Utility Fund	70,491	36,348
	<u>1,683,729</u>	<u>2,200,278</u>
	<u>\$ 14,741,910</u>	<u>\$ 14,741,910</u>

Advances to/from other funds:

Advances in the amount of \$2,618,319 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	\$ 3,508,087	\$
Special Assessment Capital Projects Fund	74,166	
Permanent Improvement Fund		104,000
Tax Increment Debt Service Fund		2,618,319
	<u>3,582,253</u>	<u>2,722,319</u>
Business-type activities:		
Water Fund		74,166
Golf Course Fund		785,768
	<u>-</u>	<u>859,934</u>
	<u>\$ 3,582,253</u>	<u>\$ 3,582,253</u>

M. Interfund transfers

The composition of interfund transfers for the year ended December 31, 2021 is as follows:

	Transfers In							
	Transfers Out	Major Funds:				Nonmajor Funds:		
		General	Permanent Improvement	Special Assmt Capital	Special Assmt Debt	Governmental	Enterprise	Internal Service
<u>Major Funds</u>								
General	\$ 667,701	\$ 45,000	\$	\$	\$ 15,000	\$ 271,197	\$ 336,504	
Electric	9,115,772	7,100,000			2,015,772			
Water	679,565	553,565			126,000			
Wastewater	686,456	506,456			180,000			
Storm Water	1,145,343	409,693		75,000	602,400		58,250	
Totals	12,294,837	8,569,714	45,000	75,000	782,400	2,156,772	329,447	336,504
<u>Non-Major Funds</u>								
Governmental	1,400,369	10,165			526,000	413,204	451,000	
Enterprise	449,228	449,228						
Internal Service	42,000	42,000						
Totals	1,891,597	501,393			526,000	413,204	451,000	
	\$ 14,186,434	\$ 9,071,107	\$ 45,000	\$ 75,000	\$ 1,308,400	\$ 2,569,976	\$ 780,447	\$ 336,504

A breakdown of the detailed interfund transfers for the year ended December 31, 2021 is as follows:

Transfer to General Fund from Economic Development Special Revenue Fund	\$ 2,965	To transfer funds per current year budget
Transfer to General Fund from Capital Improvement Capital Projects Fund	7,000	To transfer funds per current year budget
Transfer to General Fund from Contributions Special Revenue Fund	200	To transfer funds per current year budget
Transfer to General Fund from Radio and Weapons Internal Service Fund	42,000	To transfer funds per current year budget
Transfer to General Fund from Electric Enterprise Fund	7,100,000	To transfer revenue per city charter
Transfer to General Fund from Water Enterprise Fund	553,565	To transfer revenue per city charter
Transfer to General Fund from Storm Water Enterprise Fund	409,693	To transfer revenue per city charter
Transfer to General Fund from Wastewater Enterprise Fund	506,456	To transfer revenue per city charter
Transfer to General Fund from Sanitation Enterprise Fund	263,793	To transfer revenue per city charter
Transfer to General Fund from Pest Control Enterprise Fund	97,337	To transfer revenue per city charter
Transfer to General Fund from Forestry Enterprise Fund	46,722	To transfer revenue per city charter
Transfer to General Fund from Street Light Utility Enterprise Fund	41,376	To transfer revenue per city charter
Transfer to Park Special Revenue Fund from Economic Development Special Revenue Fund	412,763	To transfer funds for various trail improvements
Transfer to Special Assessment Debt Service Fund from Capital Improvement Capital Projects Fund	526,000	To transfer funds per current year budget

Transfer to Permanent Improvement Fund from General Fund	45,000	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Storm Water Enterprise Fund	602,400	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 Contributions Special Revenue Fund from General Fund	15,000	To transfer funds per current year budget
Transfer to Contributions Special Revenue Fund from Capital Improvement Capital Projects Fund	441	To transfer funds received for projects
Transfer to Special Assessment Capital Projects Fund from Storm Water Enterprise Fund	75,000	To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects Fund from Electric Enterprise Fund	1,965,772	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 Municipal Airport Enterprise Fund from General Fund	141,897	To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from General Fund	129,300	To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from Capital Improvement Capital Projects Fund	36,000	To transfer funds per current year budget
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	58,250	To transfer funds per current year budget
Transfer to Information Technology Internal Service Fund from General Fund	<u>336,504</u>	To close personnel activity transferred to General Fund
 Total Interfund Transfers	 <u>\$ 14,186,434</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 \$9,416,061 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 \$19,407,195 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, 2021:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Property Tax Exemption	\$ 485,686
Make Moorhead Home Property Tax Rebate	273,370

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, 2021, the City has five agreements established under Minnesota Statutes Section 469.174 to 469.179 which resulted in property taxes totaling \$1,104,030 being abated. Individual abatement payments included:

- A pay-as-you go note resulting in an abatement amount of \$542,832, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$290,729, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$178,997, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$53,909, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$37,563, 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, 2021, the carrying amount of the Agency's deposits was \$1,062,489, and the bank balance was \$1,105,288. The Agency's deposits at its financial institutions were fully collateralized at June 30, 2021.

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 \$10,111 consists of amounts due from tenants of the Public Housing program, which includes an allowance of \$11,661. Due from other governments of \$25,669 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, 2021 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$	\$	\$ 464,977
Construction in progress	475,886	22,704	475,886	22,704
Total Capital assets not being depreciated	940,863	22,704	475,886	487,681
Capital assets, being depreciated:				
Buildings & Improvements	12,157,186	1,035,752		13,192,938
Furniture, equipment & machinery	960,770			960,770
Total Capital assets being depreciated	13,117,956	1,035,752		14,153,708
Less accumulated depreciation for:				
Buildings & Improvements	7,866,125	308,924		8,175,049
Furniture, equipment & machinery	860,028	62,562		922,590
Total accumulated depreciation	8,726,153	371,486		9,097,639
Total capital assets, being depreciated, net	4,391,803	664,266		5,056,069
Total Capital assets, net	\$ 5,332,666	\$ 686,970	\$ 475,886	\$ 5,543,750

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

Business-type activities	
Low-Rent Public Housing	\$ 371,486

5. Accounts Payable

Accounts payable of \$42,179 represents expenses incurred but not paid to vendors at June 30, 2021.

6. Compensated Absences

Changes in compensated absences for the year ended June 30, 2021 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 27,907	\$ 29,082	\$ 30,212	\$ 26,777	\$ 26,777

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, 2021, the amount payable to local governments in lieu of taxes was \$26,877.

8. The Agency entered into a POHP (Publicly Owned Housing Program) loan on June 14, 2019, for \$390,000. The loan is a 20-year deferred forgivable loan with a zero percent interest rate. There are also some minimal requirements for reporting that are in effect until June 14, 2054. Loan funds of \$78,541 and \$292,950 were received in fiscal years 2021 and 2020, respectively. This POHP loan for \$390,000 is labeled as a construction loan, meaning the Agency closes on the loan and then starts the renovation work with drawdowns from the loan as payments become due. The Agency also has a second POHP loan to fund elevator modernization work at Sharp View. The Agency entered into the second POHP loan, known as an End Loan Commitment, on October 17, 2019, for up to \$58,871. On July 27, 2020, the terms of the loan changed the loan amount to \$58,009, all of which was drawn down in fiscal year 2021. The loan is also a 20-year deferred forgivable loan with a zero percent interest rate.

9. Contingencies and Commitments

At June 30, 2021, the Agency had construction project contracts in progress. The commitments for the remaining contract balances totaled \$141,511.

10. 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, 2021, 2020, and 2019 was \$28,268, \$16,859, and \$18,307, respectively.

11. Subsequent Events

On August 30, 2021, the Agency entered into two separate loan agreements with the Minnesota Housing Finance Agency and Greater Minnesota Housing Fund to finance the acquisition and rehabilitation of Maple Court Townhomes, a 17-unit project owned by Maple Court, LLC, a limited liability company for which the Agency is the sole member of, and Maple Court Ownership Development LLC, which is owned by the City of Moorhead. Respectively, the principal amounts for each loan are \$446,374 and \$575,000 and interest rates of zero percent and four percent. Maturity dates for the loans are May 1, 2046 and August 30, 2046 respectively. The total project cost is estimated at \$1,021,374.

On September 14, 2021, the Agency was informed it is eligible to receive \$134,228 from a lawsuit that was recently concluded. The lawsuit was filed in 2017 against HUD by public housing authorities who lost operating reserves in 2012. As of report issuance, the Agency has not received any of the damages and nothing has been recorded within the financial statements.

E. Restatement of Net Position

The January 1, 2021 business-type activities net position was decreased \$3,959,722 due to an error in the previous year resulting in an over-recognition of revenue.

	<u>Business-Type Activities</u>
Net Position, January 1, 2021 as previously reported	\$ 219,115,723
Correction of an error	
Adjust for over-recognition of revenue due to adjustment of financing activities	(3,959,722)
Net Position, January 1, 2021 as restated	<u>\$ 215,156,001</u>
	<u>Wastewater Treatment Enterprise Fund</u>
Net Position, January 1, 2021 as previously reported	\$ 50,457,519
Correction of an error	
Adjust for over-recognition of revenue due to adjustment of financing activities	(3,959,722)
Net Position, January 1, 2021 as restated	<u>\$ 46,497,797</u>

F. Future Implementation of Approved GASB Standards

As of December 31, 2021, 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, 2021 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>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	152,548	127,497	124,534	132,300
Interest	55,884	81,814	70,273	67,250
Changes in assumptions	107,195	72,245	(72,584)	-
Differences between Expected and Actual Experience	-	(427,877)	-	-
Benefit payments	<u>(104,936)</u>	<u>(104,241)</u>	<u>(99,252)</u>	<u>(101,115)</u>
Net change in total OPEB liability	210,691	(250,562)	22,971	98,435
Total OPEB Liability - beginning	1,826,576	2,077,138	2,054,167	1,955,732
Total OPEB Liability - ending	2,037,267	1,826,576	2,077,138	2,054,167
Covered employee payroll	19,466,999	18,854,236	16,609,056	16,125,297
Total OPEB liability as a percentage of covered employee payroll Public Service Utility:	10.5%	9.7%	12.5%	12.7%

Public Service Utility:

	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	29,444	33,344	27,943	31,306
Interest	11,700	14,341	15,515	15,851
Changes in assumptions Differences between Expected and Actual Experience	(26,325) (72,618)	20,804 -	(6,128) (84,126)	- -
Benefit payments	<u>(34,020)</u>	<u>(42,921)</u>	<u>(59,686)</u>	<u>(48,391)</u>
Net change in total OPEB liability	(91,819)	25,568	(106,482)	(1,234)
Total OPEB Liability - beginning	390,890	365,322	471,804	473,038
Total OPEB Liability - ending	299,071	390,890	365,322	471,804
Covered employee payroll	4,537,932	4,638,093	4,503,003	4,375,925
Total OPEB liability as a percentage of covered employee payroll	6.6%	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	6/30/2021	.1663%	\$ 7,101,755	\$ 216,774	\$ 7,318,529	\$ 12,156,354	58.4%	87.0%
PEPFF	6/30/2021	.6796%	\$ 5,245,792	\$ 235,852	\$ 5,481,644	\$ 9,027,437	58.1%	93.7%
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	6/30/2021	.0664%	\$ 2,835,577	\$ 86,558	\$ 2,922,135	\$ 5,009,349	171.4%	79.6%
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	12/31/2021	\$ 924,316	\$ 924,316	\$ -	\$12,383,958	7.5%
PEPFF	12/31/2021	\$ 1,429,351	\$ 1,429,351	\$ -	\$ 9,031,218	17.7%
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	12/31/2021	\$ 358,277	\$ 358,277	\$ -	\$ 4,777,027	7.5%
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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from MP-2019 to Scale MP-2020.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2017 Changes

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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.
- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

Changes in Plan Provisions:

- There were no changes in plan provisions since the previous valuation.

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.
- 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.

American Rescue Plan Act - accounts for the American Rescue Plan Act proceeds and activities.

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, 2021**

	Special Revenue					
	Park	Library	Community Development	American Rescue Plan Act	Mass Transit	Economic Development
ASSETS						
Assets:						
Cash and investments	\$ 935,920	\$ 335,421	\$	\$ 3,549,673	\$ 1,442,832	\$ 3,040,302
Receivables:						
Accounts	22,429				470	360
Notes	42,927		4,324,317			100,000
Special assessments						
Delinquent property taxes	6,469	12,884			4,016	47
Due from other funds						
Due from other governmental units	32,753	10,545	11,157		118,920	5,898
Prepaid items					6,887	
Total Assets	<u>\$ 1,040,498</u>	<u>\$ 358,850</u>	<u>\$ 4,335,474</u>	<u>\$ 3,549,673</u>	<u>\$ 1,573,125</u>	<u>\$ 3,146,607</u>
LIABILITIES, DEFERRED INFLOWS OF RESOURCES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 32,144	\$ 15,893	\$ 31,505	\$	\$ 475,370	\$ 5,964
Contracts payable - retainage	14,373				2,459	
Accrued wages payable	53,234		3,391		12,125	5,327
Due to other funds	15,210	4,715	19,549		27	137
Advances from other funds						
Due to other governmental units					112,549	
Other liabilities	46,347		3,990			25,000
Total Liabilities	<u>161,308</u>	<u>20,608</u>	<u>58,435</u>		<u>602,530</u>	<u>36,428</u>
Deferred inflows of resources:						
Taxes	6,469	12,884			4,016	47
Other			4,325,577	3,549,673	91,338	100,000
Total Deferred inflows of resources	<u>6,469</u>	<u>12,884</u>	<u>4,325,577</u>	<u>3,549,673</u>	<u>95,354</u>	<u>100,047</u>
Fund Balance:						
Restricted						
Culture and recreation	560,887					
Library		325,358				
Transit					26,959	
Economic development						2,168,059
Contributions						
Debt service						
Committed	311,834				848,282	842,073
Unassigned			(48,538)			
Total Fund Balance	<u>872,721</u>	<u>325,358</u>	<u>(48,538)</u>		<u>875,241</u>	<u>3,010,132</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 1,040,498</u>	<u>\$ 358,850</u>	<u>\$ 4,335,474</u>	<u>\$ 3,549,673</u>	<u>\$ 1,573,125</u>	<u>\$ 3,146,607</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2021**

Contributions	Total	Debt Service				Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$ 124,463	\$ 9,428,611	\$ 11,799	\$ 1,285,228	\$ 210,879	\$ 1,507,906	\$ 4,046,797	\$ 14,983,314
	23,259						23,259
	4,467,244					188,513	4,655,757
	23,416	589	13		602		24,018
	179,273		42		42	45,772	45,772
	6,887						179,315
							6,887
<u>\$ 124,463</u>	<u>\$ 14,128,690</u>	<u>\$ 12,388</u>	<u>\$ 1,285,283</u>	<u>\$ 210,879</u>	<u>\$ 1,508,550</u>	<u>\$ 4,281,082</u>	<u>\$ 19,918,322</u>
\$ 5,841	\$ 566,717	\$	\$ 102,156	\$	\$ 102,156	\$ 73,796	\$ 742,669
	16,832						16,832
	74,077						74,077
	39,638						39,638
			2,618,319		2,618,319		2,618,319
	112,549						112,549
	75,337					75,000	150,337
<u>5,841</u>	<u>885,150</u>		<u>2,720,475</u>		<u>2,720,475</u>	<u>148,796</u>	<u>3,754,421</u>
	23,416	589	13		602		24,018
	8,066,588					198,536	8,265,124
	<u>8,090,004</u>	<u>589</u>	<u>13</u>		<u>602</u>	<u>198,536</u>	<u>8,289,142</u>
	560,887						560,887
	325,358						325,358
	26,959						26,959
	2,168,059						2,168,059
118,622	118,622						118,622
		11,799		210,879	222,678		222,678
	2,002,189					3,933,750	5,935,939
	(48,538)		(1,435,205)		(1,435,205)		(1,483,743)
<u>118,622</u>	<u>5,153,536</u>	<u>11,799</u>	<u>(1,435,205)</u>	<u>210,879</u>	<u>(1,212,527)</u>	<u>3,933,750</u>	<u>7,874,759</u>
<u>\$ 124,463</u>	<u>\$ 14,128,690</u>	<u>\$ 12,388</u>	<u>\$ 1,285,283</u>	<u>\$ 210,879</u>	<u>\$ 1,508,550</u>	<u>\$ 4,281,082</u>	<u>\$ 19,918,322</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2021

	Special Revenue					
	Park	Library	Community Development	American Rescue Plan Act	Mass Transit	Economic Development
REVENUES						
Property taxes	\$ 2,453,966	\$ 736,869	\$	\$	\$ 1,911	\$ 408,341
Intergovernmental revenues:						
Federal			293,666		763,036	
State		179,061			1,511,232	188,106
Charges for services	181,540				357,361	3,675
Facility rentals	139,569					
Donations						
Interest on investments	3,426				462	686
Sale of property						281,966
Miscellaneous	108,701	22,235	116,583		35,062	150,368
Total revenues	<u>2,887,202</u>	<u>938,165</u>	<u>410,249</u>		<u>2,669,064</u>	<u>1,033,142</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Highways and streets						
Parks and recreation	3,030,397					
Library		967,313				
Community development			443,550			
Mass transit					3,483,636	
Economic development						648,771
Capital outlay	27,188				204,982	
Debt service:						
Bond and note principal						
Bond and note interest						
Fiscal and other charges						
Total expenditures	<u>3,057,585</u>	<u>967,313</u>	<u>443,550</u>		<u>3,688,618</u>	<u>648,771</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(170,383)</u>	<u>(29,148)</u>	<u>(33,301)</u>		<u>(1,019,554)</u>	<u>384,371</u>
OTHER FINANCING SOURCES (USES):						
Transfers from other funds	412,763					50,000
Transfers to other funds	(415,000)					(415,728)
Total other financing sources (uses)	<u>(2,237)</u>					<u>(365,728)</u>
NET CHANGE IN FUND BALANCE	(172,620)	(29,148)	(33,301)		(1,019,554)	18,643
FUND BALANCE - BEGINNING	1,045,341	354,506	(15,237)		1,894,795	2,991,489
FUND BALANCE - ENDING	<u>\$ 872,721</u>	<u>\$ 325,358</u>	<u>\$ (48,538)</u>	<u>\$</u>	<u>\$ 875,241</u>	<u>\$ 3,010,132</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Contributions	Total	Debt Service				Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$	\$ 3,601,087	\$ 2,984	\$ 612,648	\$	\$ 615,632	\$	\$ 4,216,719
	1,056,702						1,056,702
	1,878,399		608,147		608,147		2,486,546
	542,576						542,576
	139,569						139,569
57,160	57,160						57,160
	4,574		56	55	111	838	5,523
	281,966					882,007	1,163,973
	432,949					20,045	452,994
<u>57,160</u>	<u>7,994,982</u>	<u>2,984</u>	<u>1,220,851</u>	<u>55</u>	<u>1,223,890</u>	<u>902,890</u>	<u>10,121,762</u>
			7,919		7,919	116,530	124,449
26,035	26,035					21,507	47,542
						6,189	6,189
5,204	3,035,601					189,013	3,224,614
	967,313						967,313
	443,550						443,550
	3,483,636						3,483,636
	648,771						648,771
	232,170					1,722,095	1,954,265
		49,777	620,976		670,753		670,753
		1,253	480,839		482,092		482,092
			33,641		33,641		33,641
<u>31,239</u>	<u>8,837,076</u>	<u>51,030</u>	<u>1,143,375</u>		<u>1,194,405</u>	<u>2,055,334</u>	<u>12,086,815</u>
<u>25,921</u>	<u>(842,094)</u>	<u>(48,046)</u>	<u>77,476</u>	<u>55</u>	<u>29,485</u>	<u>(1,152,444)</u>	<u>(1,965,053)</u>
15,441	478,204					2,091,772	2,569,976
(200)	(830,928)					(569,441)	(1,400,369)
<u>15,241</u>	<u>(352,724)</u>					<u>1,522,331</u>	<u>1,169,607</u>
41,162	(1,194,818)	(48,046)	77,476	55	29,485	369,887	(795,446)
<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>\$ 118,622</u>	<u>\$ 5,153,536</u>	<u>\$ 11,799</u>	<u>\$ (1,435,205)</u>	<u>\$ 210,879</u>	<u>\$ (1,212,527)</u>	<u>\$ 3,933,750</u>	<u>\$ 7,874,759</u>

**CITY OF MOORHEAD, MINNESOTA
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 3,078,765	\$ 2,453,967	\$ 2,453,966	\$ (1)
Intergovernmental:				
State	1,010	1,010		(1,010)
Charges for services	233,770	233,770	181,540	(52,230)
Facility rentals	174,358	174,358	139,569	(34,789)
Interest on investments	5,500	5,500	3,426	(2,074)
Miscellaneous	61,015	61,015	108,701	47,686
Total revenues	<u>3,554,418</u>	<u>2,929,620</u>	<u>2,887,202</u>	<u>(42,418)</u>
EXPENDITURES				
Current:				
Personnel	1,915,704	1,915,704	1,834,655	81,049
Supplies	235,513	235,513	209,058	26,455
Other services & charges	993,493	1,031,658	986,684	44,974
Capital outlay			27,188	(27,188)
Total expenditures	<u>3,144,710</u>	<u>3,182,875</u>	<u>3,057,585</u>	<u>125,290</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>409,708</u>	<u>(253,255)</u>	<u>(170,383)</u>	<u>82,872</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds			412,763	412,763
Transfers to other funds	(415,000)	(415,000)	(415,000)	
Total other financing sources (uses)	<u>(415,000)</u>	<u>(415,000)</u>	<u>(2,237)</u>	<u>412,763</u>
NET CHANGE IN FUND BALANCE	(5,292)	(668,255)	(172,620)	495,635
FUND BALANCE - BEGINNING	<u>1,045,341</u>	<u>1,045,341</u>	<u>1,045,341</u>	
FUND BALANCE - ENDING	<u>\$ 1,040,049</u>	<u>\$ 377,086</u>	<u>\$ 872,721</u>	<u>\$ 495,635</u>

**CITY OF MOORHEAD, MINNESOTA
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 733,954	\$ 733,954	\$ 736,869	\$ 2,915
Intergovernmental:				
State	179,046	179,046	179,061	15
Miscellaneous	20,000	20,000	22,235	2,235
Total revenues	<u>933,000</u>	<u>933,000</u>	<u>938,165</u>	<u>5,165</u>
EXPENDITURES				
Current:				
Supplies	6,390	6,390	9,597	(3,207)
Other services & charges	926,610	926,610	957,716	(31,106)
Total expenditures	<u>933,000</u>	<u>933,000</u>	<u>967,313</u>	<u>(34,313)</u>
NET CHANGE IN FUND BALANCE			(29,148)	(29,148)
FUND BALANCE - BEGINNING	<u>354,506</u>	<u>354,506</u>	<u>354,506</u>	
FUND BALANCE - ENDING	<u>\$ 354,506</u>	<u>\$ 354,506</u>	<u>\$ 325,358</u>	<u>\$ (29,148)</u>

**CITY OF MOORHEAD, MINNESOTA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 266,803	\$ 266,803	\$ 293,666	\$ 26,863
Miscellaneous:				
Rehab loan payments	151,392	151,392	116,441	(34,951)
Miscellaneous			142	142
Total revenues	<u>418,195</u>	<u>418,195</u>	<u>410,249</u>	<u>(7,946)</u>
EXPENDITURES				
Current:				
Personnel	115,472	115,472	101,659	13,813
Supplies	1,125	1,125	255	870
Other services & charges	305,268	305,268	341,636	(36,368)
Total expenditures	<u>421,865</u>	<u>421,865</u>	<u>443,550</u>	<u>(21,685)</u>
NET CHANGE IN FUND BALANCE	(3,670)	(3,670)	(33,301)	(29,631)
FUND BALANCE - BEGINNING	<u>(15,237)</u>	<u>(15,237)</u>	<u>(15,237)</u>	
FUND BALANCE - ENDING	<u>\$ (18,907)</u>	<u>\$ (18,907)</u>	<u>\$ (48,538)</u>	<u>\$ (29,631)</u>

**CITY OF MOORHEAD, MINNESOTA
 MASS TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$	\$	\$ 1,911	\$ 1,911
Intergovernmental:				
Federal grants	1,292,877	1,419,826	763,036	(656,790)
State grants	2,492,082	2,492,082	1,511,232	(980,850)
Charges for services	432,924	347,224	357,361	10,137
Interest on investments	11,000	11,000	462	(10,538)
Miscellaneous	3,900	3,900	35,062	31,162
Total revenues	<u>4,232,783</u>	<u>4,274,032</u>	<u>2,669,064</u>	<u>(1,604,968)</u>
EXPENDITURES				
Current:				
Personnel	342,890	342,890	327,398	15,492
Supplies	7,034	7,034	5,888	1,146
Other services & charges	3,249,169	3,249,169	3,150,350	98,819
Capital outlay	787,333	821,333	204,982	616,351
Total expenditures	<u>4,386,426</u>	<u>4,420,426</u>	<u>3,688,618</u>	<u>731,808</u>
REVENUE OVER (UNDER) EXPENDITURES	(153,643)	(146,394)	(1,019,554)	(873,160)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	150,000	150,000		(150,000)
NET CHANGE IN FUND BALANCE	(3,643)	3,606	(1,019,554)	(1,023,160)
FUND BALANCE - BEGINNING	<u>1,894,795</u>	<u>1,894,795</u>	<u>1,894,795</u>	
FUND BALANCE - ENDING	<u>\$ 1,891,152</u>	<u>\$ 1,898,401</u>	<u>\$ 875,241</u>	<u>\$ (1,023,160)</u>

**CITY OF MOORHEAD, MINNESOTA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2021**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$ 407,028	\$ 407,028	\$ 408,341	\$ 1,313
Intergovernmental:				
State grants	99,259	99,259	188,106	88,847
Charges for services	5,590	5,590	3,675	(1,915)
Interest on investments	32,000	32,000	686	(31,314)
Sale of property			281,966	281,966
Miscellaneous			150,368	150,368
Total revenues	<u>543,877</u>	<u>543,877</u>	<u>1,033,142</u>	<u>489,265</u>
EXPENDITURES				
Current:				
Personnel	201,824	201,824	169,538	32,286
Supplies	4,150		6,348	(6,348)
Other services & charges	380,035	381,220	472,885	(91,665)
Total expenditures	<u>586,009</u>	<u>583,044</u>	<u>648,771</u>	<u>(65,727)</u>
REVENUE OVER (UNDER) EXPENDITURES	(42,132)	(39,167)	384,371	423,538
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	50,000	50,000	50,000	
Transfers to other funds		(2,965)	(415,728)	(412,763)
Total other financing sources	<u>50,000</u>	<u>47,035</u>	<u>(365,728)</u>	<u>(412,763)</u>
NET CHANGE IN FUND BALANCE	7,868	7,868	18,643	10,775
FUND BALANCE - BEGINNING	<u>2,991,489</u>	<u>2,991,489</u>	<u>2,991,489</u>	
FUND BALANCE - ENDING	<u>\$ 2,999,357</u>	<u>\$ 2,999,357</u>	<u>\$ 3,010,132</u>	<u>\$ 10,775</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, 2021**

	Sanitation	Golf Course
ASSETS		
Current assets:		
Cash and investments	\$ 800,565	\$
Receivables:		
Accounts	1,042,748	
Due from other city funds	376,823	
Due from other governmental units	228,251	
Prepaid items		
Total current assets	<u>2,448,387</u>	
Long-term assets:		
Capital Assets:		
Land	699,045	3,954,534
Buildings	639,903	2,254,752
Improvements other than buildings	521,486	3,362,950
Machinery and equipment	138,418	201,681
Less accumulated depreciation	<u>(1,160,759)</u>	<u>(4,513,046)</u>
Total long-term assets	<u>838,093</u>	<u>5,260,871</u>
Total assets	<u>3,286,480</u>	<u>5,260,871</u>
DEFERRED OUTFLOWS OF RESOURCES		
Pension plans	296,723	175,526
Other post-employment benefits	<u>9,796</u>	<u>2,618</u>
Total deferred outflows of resources	<u>306,519</u>	<u>178,144</u>
LIABILITIES		
Current liabilities:		
Accounts payable	172,821	35,924
Accrued wages payable	55,615	19,283
Accrued compensated absences	101,621	59,434
Due to other city funds	1,873	30,029
Due to other governmental units	39,329	
Other liabilities		<u>86,576</u>
Total current liabilities	<u>371,259</u>	<u>231,246</u>
Long-term liabilities:		
Accrued compensated absences	41,507	24,276
Other post-employment benefits	73,953	19,761
Net pension liability	403,380	238,619
Advances from other funds		<u>785,768</u>
Total long-term liabilities	<u>518,840</u>	<u>1,068,424</u>
Total liabilities	<u>890,099</u>	<u>1,299,670</u>
DEFERRED INFLOWS OF RESOURCES		
Pension plans	370,091	218,927
Other post-employment benefits	<u>13,837</u>	<u>3,697</u>
Total deferred inflows of resources	<u>383,928</u>	<u>222,624</u>
NET POSITION		
Net investment in capital assets	838,093	5,260,871
Unrestricted	<u>1,480,879</u>	<u>(1,344,150)</u>
Total net position	<u>\$ 2,318,972</u>	<u>\$ 3,916,721</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
DECEMBER 31, 2021**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 257,606	\$ 707,014	\$ 299,791	\$	\$ 653,912	\$ 2,718,888
7,061	157,381 57,196	136,803 75,801	1,329	78,273 70,491	1,423,595 580,311 539,945
295		175	311,694		470
<u>264,962</u>	<u>921,591</u>	<u>512,570</u>	<u>313,023</u>	<u>802,676</u>	<u>5,263,209</u>
			301,838		4,955,417
			1,622,601		4,517,256
			8,841,935		12,726,371
		184,112	129,939		654,150
		(29,257)	(4,607,659)		(10,310,721)
		<u>154,855</u>	<u>6,288,654</u>		<u>12,542,473</u>
<u>264,962</u>	<u>921,591</u>	<u>667,425</u>	<u>6,601,677</u>	<u>802,676</u>	<u>17,805,682</u>
61,121	30,299	107,092			670,761
1,997		2,914			17,325
<u>63,118</u>	<u>30,299</u>	<u>110,006</u>			<u>688,086</u>
1,490	9,724	19,075	3,899	911	243,844
10,370	2,347	19,672			107,287
26,494	7,439	22,589			217,577
			425,188	36,348	493,438
			21,534		39,329
<u>38,354</u>	<u>19,510</u>	<u>61,336</u>	<u>450,621</u>	<u>37,259</u>	<u>1,209,585</u>
10,821	3,038	9,227			88,869
15,076		22,002			130,792
83,091	41,190	145,586			911,866
					785,768
<u>108,988</u>	<u>44,228</u>	<u>176,815</u>			<u>1,917,295</u>
<u>147,342</u>	<u>63,738</u>	<u>238,151</u>	<u>450,621</u>	<u>37,259</u>	<u>3,126,880</u>
76,234	37,791	133,572			836,615
2,821		4,117			24,472
<u>79,055</u>	<u>37,791</u>	<u>137,689</u>			<u>861,087</u>
		154,855	6,288,654		12,542,473
<u>101,683</u>	<u>850,361</u>	<u>246,736</u>	<u>(137,598)</u>	<u>765,417</u>	<u>1,963,328</u>
<u>\$ 101,683</u>	<u>\$ 850,361</u>	<u>\$ 401,591</u>	<u>\$ 6,151,056</u>	<u>\$ 765,417</u>	<u>\$ 14,505,801</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021

	Sanitation	Golf Course
OPERATING REVENUES		
Charges for services	\$ 4,991,927	\$ 1,669,355
Other	58,747	82,033
Total operating revenue	<u>5,050,674</u>	<u>1,751,388</u>
OPERATING EXPENSES		
Personnel	1,709,141	898,827
Disposal fee	1,635,579	
Professional services	1,312	8,443
Insurance	32,955	14,196
Repair and maintenance	293,945	59,282
Supplies	334,526	214,917
Utilities	33,535	129,228
Equipment rental	338,337	203,806
Depreciation	32,791	135,456
Miscellaneous	146,479	210,000
Total operating expenses	<u>4,558,600</u>	<u>1,874,155</u>
Operating income (loss)	<u>492,074</u>	<u>(122,767)</u>
NONOPERATING INCOME (EXPENSE)		
Interest on investments	206	63
Intergovernmental	225,000	
Miscellaneous		612
Total nonoperating income (expense)	<u>225,206</u>	<u>675</u>
Income (loss) before contributions and transfers	<u>717,280</u>	<u>(122,092)</u>
Capital contributions	45,950	77,803
Transfers from other funds		638,550
Transfers to other funds	(263,793)	
Total contributions and transfers	<u>(217,843)</u>	<u>716,353</u>
CHANGE IN NET POSITION	499,437	594,261
TOTAL NET POSITION - BEGINNING	<u>1,819,535</u>	<u>3,322,460</u>
TOTAL NET POSITION - ENDING	<u>\$ 2,318,972</u>	<u>\$ 3,916,721</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 229,754	\$ 696,710	\$ 927,672	\$ 68,640	\$ 827,363	\$ 9,411,421
26,280	6,930	6,693	18,953	23	199,659
<u>256,034</u>	<u>703,640</u>	<u>934,365</u>	<u>87,593</u>	<u>827,386</u>	<u>9,611,080</u>
322,556	130,693	568,897			3,630,114
	81,381	2,190	18,000		1,635,579
1,097	3,347	5,364	16,517	421	111,326
1,396	57,980	95,832	34,345		73,897
24,963	60,487	137,407	6,175		542,780
			14,544	633,848	778,475
	63,027	52,755	9,984		811,155
		17,206	427,613		667,909
13,376	70,338	30,226	5,310	18,550	613,066
<u>363,388</u>	<u>467,253</u>	<u>909,877</u>	<u>532,488</u>	<u>652,819</u>	<u>9,358,580</u>
(107,354)	236,387	24,488	(444,895)	174,567	252,500
74	177	90		144	754
	49,128		51,791		325,919
48,104					48,716
<u>48,178</u>	<u>49,305</u>	<u>90</u>	<u>51,791</u>	<u>144</u>	<u>375,389</u>
(59,176)	285,692	24,578	(393,104)	174,711	627,889
		172,062	754,570		1,050,385
			141,897		780,447
	(97,337)	(46,722)		(41,376)	(449,228)
	<u>(97,337)</u>	<u>125,340</u>	<u>896,467</u>	<u>(41,376)</u>	<u>1,381,604</u>
(59,176)	188,355	149,918	503,363	133,335	2,009,493
160,859	662,006	251,673	5,647,693	632,082	12,496,308
<u>\$ 101,683</u>	<u>\$ 850,361</u>	<u>\$ 401,591</u>	<u>\$ 6,151,056</u>	<u>\$ 765,417</u>	<u>\$ 14,505,801</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Sanitation	Golf Course
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from customers	\$ 4,700,389	\$ 1,670,037
Payments to suppliers	(2,686,184)	(611,758)
Payments to employees	(1,767,565)	(930,828)
Other receipts (payments)	(89,770)	(494,893)
Net cash provided by (used in) operating activities	156,870	(367,442)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES		
Intergovernmental	225,000	
Transfers from other funds		638,550
Transfers to other funds	(263,793)	
Net cash provided by (used in) noncapital financing activities	(38,793)	638,550
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Purchase of assets		(271,171)
Capital grants from other governments		
Net cash provided by (used in) capital and related financing activities		(271,171)
CASH FLOWS FROM INVESTING ACTIVITY		
Interest received	206	63
Net increase (decrease) in cash and cash equivalents	118,283	
Cash and cash equivalents at beginning of year	682,282	-
Cash and cash equivalents at end of year	\$ 800,565	\$ -
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 492,074	\$ (122,767)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation accruals	32,791	135,456
Miscellaneous nonoperating income		612
Change in assets and liabilities:		
Accounts receivable	(310,520)	682
Due from other city funds	18,982	
Due from other governments	(1,790)	
Prepaid items		
Deferred outflows of resources	(230,930)	(135,567)
Accounts payable	(19,408)	18,114
Accrued wages payable	(4,164)	(343)
Compensated absences payable	(7,877)	(4,869)
Other post-employment benefits	7,283	2,226
Net pension liability	(164,595)	(96,466)
Due to other funds	1,873	(387,039)
Due to other governments	1,540	
Deferred inflows of resources	341,859	203,018
Other current liabilities	(248)	19,501
Net cash provided by (used in) operating activities	\$ 156,870	\$ (367,442)
Noncash capital financing activities:		
Contributions of capital assets from government / customers	\$ 45,950	\$ 77,803

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2021**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 226,108	\$ 644,949	\$ 931,721	\$ 70,371	\$ 842,645	\$ 9,086,220
(27,516)	(267,571)	(280,517)	(104,131)	(633,505)	(4,611,182)
(320,316)	(155,160)	(599,853)			(3,773,722)
146,129	(63,408)	(23,412)	(549,481)	17,821	(1,057,014)
<u>24,405</u>	<u>158,810</u>	<u>27,939</u>	<u>(583,241)</u>	<u>226,961</u>	<u>(355,698)</u>
	49,128		51,791		325,919
	(97,337)	(46,722)	141,897	(41,376)	780,447
	<u>(48,209)</u>	<u>(46,722)</u>	<u>193,688</u>	<u>(41,376)</u>	<u>(449,228)</u>
			(751,919)		(1,023,090)
			1,141,472		1,141,472
			<u>389,553</u>		<u>118,382</u>
<u>74</u>	<u>177</u>	<u>90</u>		<u>144</u>	<u>754</u>
24,479	110,778	(18,693)		185,729	420,576
<u>233,127</u>	<u>596,236</u>	<u>318,484</u>	<u>-</u>	<u>468,183</u>	<u>2,298,312</u>
<u>\$ 257,606</u>	<u>\$ 707,014</u>	<u>\$ 299,791</u>	<u>\$ -</u>	<u>\$ 653,912</u>	<u>\$ 2,718,888</u>
\$ (107,354)	\$ 236,387	\$ 24,488	\$ (444,895)	\$ 174,567	\$ 252,500
48,104		17,206	427,613		613,066
(3,646)	(51,449)	4,645	(803)	15,764	(345,327)
85,121	(312)	(420)	2,534	(482)	17,768
(48,381)	(20,691)	120			85,985
(60)	(1,349)	(175)			(175)
1,588	(80,522)	13,031	(4,566)	764	(516,091)
4,132	659	2,413			6,526
1,194	(1,188)	2,623			153
(26,966)	(37,422)	3,188			(7,179)
		(81,407)			13,891
			(561,939)	36,348	(406,856)
					(910,757)
70,673	34,175	122,749			1,540
			(1,185)		772,474
<u>\$ 24,405</u>	<u>\$ 158,810</u>	<u>\$ 27,939</u>	<u>\$ (583,241)</u>	<u>\$ 226,961</u>	<u>\$ (355,698)</u>
<u>\$</u>	<u>\$</u>	<u>\$ 172,062</u>	<u>\$</u>	<u>\$</u>	<u>\$ 295,815</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, 2021**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
ASSETS					
Current assets:					
Cash and investments	\$ 4,150,566	\$ 583,414	\$	\$ 2,467,358	\$ 7,201,338
Receivables:					
Accounts	2,419		185,436	15,468	203,323
Due from other governmental units	709		19,706	1,920	22,335
Inventories			30,853		30,853
Total current assets	<u>4,153,694</u>	<u>583,414</u>	<u>235,995</u>	<u>2,484,746</u>	<u>7,457,849</u>
Long-term assets:					
Capital assets:					
Machinery and equipment	25,699,339	3,659,342		1,911,032	31,269,713
Less accumulated depreciation	<u>(16,876,879)</u>	<u>(3,152,166)</u>		<u>(1,714,754)</u>	<u>(21,743,799)</u>
Net capital assets	<u>8,822,460</u>	<u>507,176</u>		<u>196,278</u>	<u>9,525,914</u>
Total assets	<u>12,976,154</u>	<u>1,090,590</u>	<u>235,995</u>	<u>2,681,024</u>	<u>16,983,763</u>
DEFERRED OUTFLOWS OF RESOURCES					
Pension plans	4,179		46,494		50,673
Other post-employment benefits			1,565		1,565
Total deferred outflows of resources	<u>4,179</u>		<u>48,059</u>		<u>52,238</u>
LIABILITIES					
Current liabilities:					
Accounts payable	3,000	22	117,374	3,380	123,776
Accrued wages payable	748		9,034		9,782
Due to other city funds			342,440		342,440
Total current liabilities	<u>3,748</u>	<u>22</u>	<u>468,848</u>	<u>3,380</u>	<u>475,998</u>
Long-term liabilities:					
Accrued compensated absences	536		20,390		20,926
Other post-employment benefits			11,816		11,816
Net pension liability	5,681		63,206		68,887
Total long-term liabilities	<u>6,217</u>		<u>95,412</u>		<u>101,629</u>
Total liabilities	<u>9,965</u>	<u>22</u>	<u>564,260</u>	<u>3,380</u>	<u>577,627</u>
DEFERRED INFLOWS OF RESOURCES					
Pension plans	5,213		57,990		63,203
Other post-employment benefits			2,211		2,211
Total deferred inflows of resources	<u>5,213</u>	<u>-</u>	<u>60,201</u>	<u>-</u>	<u>65,414</u>
NET POSITION					
Net investment in capital assets	8,822,460	507,176		196,278	9,525,914
Unrestricted	<u>4,142,695</u>	<u>583,392</u>	<u>(340,407)</u>	<u>2,481,366</u>	<u>6,867,046</u>
Total net position	<u>\$ 12,965,155</u>	<u>\$ 1,090,568</u>	<u>\$ (340,407)</u>	<u>\$ 2,677,644</u>	<u>\$ 16,392,960</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
OPERATING REVENUES					
Charges for services	\$ 1,649,216	\$ 231	\$ 1,667,522	\$ 394,695	\$ 3,711,664
Other	34,264		708	2,411	37,383
Total operating revenue	<u>1,683,480</u>	<u>231</u>	<u>1,668,230</u>	<u>397,106</u>	<u>3,749,047</u>
OPERATING EXPENSES					
Personnel	23,980		265,142		289,122
Supplies	43	1,002	1,437,407	15,467	1,453,919
Utilities			13,400		13,400
Insurance			2,185	202	2,387
Repair and maintenance	8,330	30,902	9,614	9,585	58,431
Depreciation	1,714,905	244,835		211,514	2,171,254
Miscellaneous	9,064	15,543	3,850	2,951	31,408
Total operating expenses	<u>1,756,322</u>	<u>292,282</u>	<u>1,731,598</u>	<u>239,719</u>	<u>4,019,921</u>
Operating income (loss)	<u>(72,842)</u>	<u>(292,051)</u>	<u>(63,368)</u>	<u>157,387</u>	<u>(270,874)</u>
NONOPERATING INCOME (EXPENSE)					
Interest on investments	841	160		599	1,600
Gain on disposal of equipment	148,402				148,402
Total nonoperating income (expense)	<u>149,243</u>	<u>160</u>		<u>599</u>	<u>150,002</u>
Income (loss) before contributions and transfers	<u>76,401</u>	<u>(291,891)</u>	<u>(63,368)</u>	<u>157,986</u>	<u>(120,872)</u>
Capital contributions	293,155	20,509			313,664
Transfers from other funds		336,504			336,504
Transfers to other funds				(42,000)	(42,000)
Total contributions and transfers	<u>293,155</u>	<u>357,013</u>		<u>(42,000)</u>	<u>608,168</u>
CHANGE IN NET POSITION	369,556	65,122	(63,368)	115,986	487,296
TOTAL NET POSITION - BEGINNING	<u>12,595,599</u>	<u>1,025,446</u>	<u>(277,039)</u>	<u>2,561,658</u>	<u>15,905,664</u>
TOTAL NET POSITION - ENDING	<u>\$ 12,965,155</u>	<u>\$ 1,090,568</u>	<u>\$ (340,407)</u>	<u>\$ 2,677,644</u>	<u>\$ 16,392,960</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2021**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers	\$ 1,651,638	\$ 120,427	\$ 1,630,163	\$ 389,463	\$ 3,791,691
Payments to suppliers	(85,335)	(37,613)	(1,356,675)	(27,368)	(1,506,991)
Payments to employees	(21,463)	(336,504)	(270,346)		(628,313)
Other receipts (payments)	25,199	(15,543)	(3,142)	(540)	5,974
Net cash provided by (used in) operating activities	<u>1,570,039</u>	<u>(269,233)</u>		<u>361,555</u>	<u>1,662,361</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Transfers from other funds		336,504			336,504
Transfers to other funds				(42,000)	(42,000)
Net cash provided by (used in) noncapital financing activities		<u>336,504</u>		<u>(42,000)</u>	<u>294,504</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Proceeds from sale of assets	220,950				220,950
Purchase of assets	(1,321,999)			(36,697)	(1,358,696)
Net cash used in capital and related financing activities	<u>(1,101,049)</u>			<u>(36,697)</u>	<u>(1,137,746)</u>
CASH FLOWS FROM INVESTING ACTIVITY					
Interest received	841	160		599	1,600
Net increase in cash and cash equivalents	469,831	67,431		283,457	820,719
Cash and cash equivalents at beginning of year	3,680,735	515,983		2,183,901	6,380,619
Cash and cash equivalents at end of year	<u>\$ 4,150,566</u>	<u>\$ 583,414</u>	<u>\$</u>	<u>\$ 2,467,358</u>	<u>\$ 7,201,338</u>
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (72,842)	\$ (292,051)	\$ (63,368)	\$ 157,387	\$ (270,874)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation accruals	1,714,905	244,835		211,514	2,171,254
Change in assets and liabilities:					
Accounts receivable	(740)	120,196	(27,954)	(15,180)	76,322
Due from other governments	3,162		(9,405)	9,948	3,705
Inventories			(12,259)		(12,259)
Deferred outflows of resources	(3,579)	29,177	(36,130)		(10,532)
Accounts payable	(76,962)	(5,709)	59,318	(2,114)	(25,467)
Accrued wages payable	140	(28,097)	(500)		(28,457)
Compensated absences payable	200	(79,798)	2,534		(77,064)
Due to other funds			58,872		58,872
Other post-employment benefits		(18,083)	2,318		(15,765)
Net pension liability	768	(225,028)	(27,198)		(251,458)
Deferred inflows of resources	4,987	(14,675)	53,772		44,084
Net cash provided by (used in) operating activities	<u>\$ 1,570,039</u>	<u>\$ (269,233)</u>	<u>\$</u>	<u>\$ 361,555</u>	<u>\$ 1,662,361</u>
Noncash capital financing activities:					
Contributions of capital assets from government	<u>\$ 293,155</u>	<u>\$ 20,509</u>	<u>\$</u>	<u>\$</u>	<u>\$ 313,664</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, 2021

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 75,524,700
Buildings	29,214,649
Improvements other than buildings	78,965,115
Machinery and equipment	13,003,521
Infrastructure	287,087,067
Construction in progress	<u>70,916,515</u>
 Total governmental funds capital assets	 <u><u>\$ 554,711,567</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 521,482,410
General Fund	1,610,658
Special Revenue Funds	18,233,315
Enterprise Funds	12,062
Gifts	<u>13,373,122</u>
 Total governmental funds capital assets	 <u><u>\$ 554,711,567</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, 2021

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/21</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/21</u>
GENERAL GOVERNMENT:				
Mayor & Council	\$ 7,736	\$	\$	\$ 7,736
City Clerk	11,083			11,083
City Manager	31,243			31,243
Accounting	174,868	395,120		569,988
Planning & Zoning	7,955			7,955
General Government Building	<u>109,791,015</u>	<u>5,987,832</u>		<u>115,778,847</u>
Total General Government	<u>110,023,900</u>	<u>6,382,952</u>	<u>-</u>	<u>116,406,852</u>
PUBLIC SAFETY:				
Police Protection	1,302,273	17,880		1,320,153
Fire Protection	<u>2,537,613</u>	<u>150,187</u>		<u>2,687,800</u>
Total Public Safety	<u>3,839,886</u>	<u>168,067</u>	<u>-</u>	<u>4,007,953</u>
HIGHWAYS & STREETS	286,012,599	9,670,311		295,682,910
PARKS & RECREATION	41,992,555	280,116		42,272,671
LIBRARY	2,404,196			2,404,196
COMMUNITY DEVELOPMENT	404,200			404,200
MASS TRANSIT	9,429,018	537,502	74,408	9,892,112
PLAINS ART MUSEUM	490,409			490,409
ECONOMIC DEVELOPMENT	12,233,749			12,233,749
CONSTRUCTION IN PROGRESS	<u>65,724,610</u>	<u>22,670,674</u>	<u>17,478,770</u>	<u>70,916,514</u>
Total governmental funds capital assets	<u>\$ 532,555,122</u>	<u>\$ 39,709,622</u>	<u>\$ 17,553,178</u>	<u>\$ 554,711,567</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, 2021**

	TOTAL	LAND
<u>FUNCTION AND ACTIVITY</u>		
GENERAL GOVERNMENT:		
Mayor & Council	\$ 7,736	\$
City Clerk	11,083	
City Manager	31,243	
Accounting	569,988	
Planning & Zoning	7,955	
General Government Building	115,778,847	62,898,867
Total General Government	116,406,852	62,898,867
PUBLIC SAFETY:		
Police Protection	1,320,153	
Fire Protection	2,687,800	56,168
Total Public Safety	4,007,953	56,168
HIGHWAYS & STREETS	365,853,742	5,116,520
PARKS & RECREATION	42,991,309	2,121,454
LIBRARY	2,404,196	103,000
COMMUNITY DEVELOPMENT	404,200	305,140
MASS TRANSIT	9,919,157	
PLAINS ART MUSEUM	490,409	
ECONOMIC DEVELOPMENT	12,233,749	4,923,551
Total governmental funds capital assets	\$ 554,711,567	\$ 75,524,700

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, 2021

BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS
\$	\$	\$	\$	\$
		7,736		
		11,083		
		31,243		
		569,988		
		7,955		
4,361,591	48,378,491	139,898		
4,361,591	48,378,491	767,903	-	-
704,912	76,345	538,896		
1,456,513	22,023	1,153,096		
2,161,425	98,368	1,691,992	-	-
2,636,018	303,725	539,580	287,087,067	70,170,832
8,110,164	29,748,086	2,292,967		718,638
2,049,248	149,325	102,623		
	46,991	52,069		
2,271,928	90,667	7,529,517		27,045
490,409				
7,133,866	149,462	26,870		
<u>\$ 29,214,649</u>	<u>\$ 78,965,115</u>	<u>\$ 13,003,521</u>	<u>\$ 287,087,067</u>	<u>\$ 70,916,515</u>

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STATISTICAL SECTION

This part of the City of Moorhead's annual comprehensive 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.	103
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	113
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	120
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.	136
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.	138

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

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

	2012	2013	2014
Governmental activities			
Net investment in capital assets	\$ 149,982,137	\$ 160,410,701	\$ 177,714,707
Restricted	133,231,004	131,543,123	132,190,249
Unrestricted	2,810,390	3,454,937	1,947,699
Total governmental activities net position	<u>\$ 286,023,531</u>	<u>\$ 295,408,761</u>	<u>\$ 311,852,655</u>
Business-type activities			
Net investment in capital assets	\$ 72,514,980	\$ 85,198,395	\$ 87,077,433
Restricted	7,577,380	8,230,771	13,496,942
Unrestricted	31,338,868	23,334,867	20,932,992
Total business-type activities net position	<u>\$ 111,431,228</u>	<u>\$ 116,764,033</u>	<u>\$ 121,507,367</u>
Primary government			
Net investment in capital assets	\$ 222,497,117	\$ 245,609,096	\$ 264,792,140
Restricted	140,808,384	139,773,894	145,687,191
Unrestricted	34,149,258	26,789,804	22,880,691
Total primary government net position	<u>\$ 397,454,759</u>	<u>\$ 412,172,794</u>	<u>\$ 433,360,022</u>

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

2015	2016	2017	2018	2019	2020	2021
\$ 188,292,907	\$ 223,160,997	\$ 223,017,288	\$ 190,131,897	\$ 230,476,976	\$ 249,347,298	\$ 219,568,317
117,010,569	136,900,935	137,019,387	137,882,638	125,043,570	135,512,242	170,378,593
17,023,920	(18,540,961)	1,086,649	(5,842,815)	15,037,953	(3,975,809)	4,673,340
<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>	<u>\$ 394,620,250</u>
\$ 91,710,240	\$ 91,229,486	\$ 97,267,818	\$ 152,405,046	\$ 156,065,972	\$ 166,749,401	\$ 165,328,912
6,763,217	12,344,488	9,912,659	6,490,259	6,175,554	10,601,200	4,440,922
21,073,048	23,703,296	31,048,190	40,582,354	42,262,600	41,765,122	59,141,828
<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>	<u>\$ 228,911,662</u>
\$ 280,003,147	\$ 314,390,483	\$ 320,285,106	\$ 342,536,943	\$ 386,542,948	\$ 416,096,699	\$ 384,897,229
123,773,786	149,245,423	146,932,046	144,372,897	131,219,124	146,113,442	174,819,515
38,096,968	5,162,335	32,134,839	34,739,539	57,300,553	37,789,313	63,815,168
<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>	<u>\$ 623,531,912</u>

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

	2012	2013	2014
Expenses			
Governmental activities:			
General government	\$ 3,819,530	\$ 4,346,403	\$ 4,164,837
Public safety	10,675,009	11,398,174	12,060,174
Highways and streets	11,981,603	13,057,142	11,994,051
Parks and recreation	3,457,150	3,468,570	3,640,538
Library	780,583	824,609	825,921
Community development	561,105	618,093	443,355
Rental Registration	181,419	204,858	270,581
Mass transit	2,449,881	2,587,116	2,738,712
Economic development	880,549	825,762	921,006
Interest on long-term debt	7,172,878	7,688,510	7,122,193
Total governmental activities expenses	<u>41,959,707</u>	<u>45,019,237</u>	<u>44,181,368</u>
Business-type activities:			
Electric	26,205,959	27,173,001	27,910,422
Water	5,440,712	5,287,103	5,926,998
Wastewater treatment	6,024,275	6,656,290	5,903,395
Storm water	878,183	1,003,482	1,156,391
Sanitation	3,173,585	3,166,870	3,429,526
Golf courses	1,717,851	2,187,145	2,212,073
Sports center	913,432	916,596	972,117
Pest control	363,547	341,457	355,922
Forestry	640,062	744,203	761,896
Municipal airport	258,975	274,881	302,208
Street light utility	-	-	-
Total business-type activities expenses	<u>45,616,581</u>	<u>47,751,028</u>	<u>48,930,948</u>
Total primary government expenses	<u>\$ 87,576,288</u>	<u>\$ 92,770,265</u>	<u>\$ 93,112,316</u>
Program Revenues			
Governmental activities:			
Charges for services:			
General government	\$ 742,553	\$ 1,006,692	\$ 1,084,382
Public safety	652,812	756,848	753,180
Highways and streets	2,174,827	1,903,650	2,335,578
Other activities	1,370,654	2,082,671	1,285,311
Operating grants and contributions	2,902,750	3,718,296	3,585,983
Capital grants and contributions	34,238,609	16,927,933	21,508,080
Total governmental activities program revenues	<u>42,082,205</u>	<u>26,396,090</u>	<u>30,552,514</u>
Business-type activities:			
Charges for services:			
Electric	35,346,331	37,680,948	38,598,929
Water	6,975,437	6,849,951	6,824,014
Wastewater treatment	5,681,415	6,316,542	6,496,996
Storm water	2,382,526	2,381,232	2,443,219
Sanitation	3,668,782	3,694,612	3,820,293
Golf courses	1,139,109	1,143,019	1,131,968
Other activities	1,795,999	1,689,853	1,999,535
Operating grants and contributions	222,930	204,439	218,817
Capital grants and contributions	1,133,422	1,747,614	1,244,238
Total business-type activities program revenues	<u>58,345,951</u>	<u>61,708,210</u>	<u>62,778,009</u>
Total primary government program revenues	<u>\$ 100,428,156</u>	<u>\$ 88,104,300</u>	<u>\$ 93,330,523</u>

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

	2015	2016	2017	2018	2019	2020	2021
\$	4,140,728	\$ 5,355,803	\$ 4,977,547	\$ 5,128,445	\$ 6,134,526	\$ 10,275,610	\$ 9,028,462
	12,699,743	15,536,547	15,256,052	15,398,739	16,218,093	15,935,688	15,160,861
	12,439,423	12,271,658	13,370,437	14,704,535	13,721,752	14,100,216	14,530,534
	3,691,716	4,103,311	4,023,868	4,722,590	4,288,015	4,119,213	4,330,052
	857,013	864,267	884,342	916,909	915,124	915,158	977,308
	482,152	596,676	774,589	562,076	372,018	330,595	444,391
	274,323	300,560	309,793	329,216	290,136	-	-
	2,819,080	2,903,025	3,179,629	3,409,312	3,570,729	3,810,477	4,126,722
	871,623	863,944	883,676	832,219	903,094	806,195	860,751
	6,876,729	7,785,669	6,749,582	6,679,837	6,255,942	5,877,983	5,547,489
	<u>45,152,530</u>	<u>50,581,460</u>	<u>50,409,515</u>	<u>52,683,878</u>	<u>52,669,429</u>	<u>56,171,135</u>	<u>55,006,570</u>
	29,476,309	31,817,993	30,922,240	31,146,001	30,853,105	28,786,968	29,579,831
	5,795,414	6,384,007	7,242,254	7,568,515	7,903,624	7,265,394	7,680,318
	6,058,003	6,420,340	6,137,591	7,184,981	7,737,436	8,004,679	7,589,256
	1,316,273	1,279,110	1,414,865	2,254,089	2,206,737	2,174,572	2,480,135
	3,532,179	3,657,006	5,043,175	4,310,799	4,279,139	4,557,093	4,558,548
	1,658,863	1,813,363	1,711,988	1,614,758	1,669,502	2,410,181	1,876,506
	975,858	1,032,354	1,079,640	917,379	2,711,189	334,275	366,309
	442,730	569,291	639,495	561,178	654,738	630,653	466,766
	696,965	853,299	848,802	825,002	828,932	975,194	912,125
	322,277	324,577	482,636	613,016	661,486	899,720	532,366
	647,483	695,149	748,809	732,172	714,799	636,419	652,819
	<u>50,922,354</u>	<u>54,846,489</u>	<u>56,271,495</u>	<u>57,727,890</u>	<u>60,220,687</u>	<u>56,675,148</u>	<u>56,694,979</u>
\$	<u>96,074,884</u>	<u>105,427,949</u>	<u>106,681,010</u>	<u>110,411,768</u>	<u>112,890,116</u>	<u>112,846,283</u>	<u>111,701,549</u>
\$	1,129,204	\$ 1,441,569	\$ 1,113,817	\$ 990,975	\$ 941,400	\$ 1,273,071	\$ 1,698,470
	657,825	689,929	721,893	720,682	608,415	453,207	439,448
	1,581,472	1,414,476	1,980,995	612,589	1,965,585	231,790	1,583,481
	1,523,424	1,504,664	1,570,260	1,733,525	1,709,315	891,427	1,117,346
	4,045,822	7,030,078	5,770,187	6,543,764	6,803,405	9,680,774	8,494,441
	<u>13,758,664</u>	<u>25,995,042</u>	<u>25,592,385</u>	<u>20,137,228</u>	<u>12,429,868</u>	<u>14,268,025</u>	<u>16,725,442</u>
	<u>22,696,411</u>	<u>38,075,758</u>	<u>36,749,537</u>	<u>30,738,763</u>	<u>24,457,988</u>	<u>26,798,294</u>	<u>30,058,628</u>
	39,193,818	41,489,080	44,791,531	44,230,894	43,811,642	42,685,696	43,350,341
	7,421,973	8,130,880	9,042,967	9,299,474	9,366,724	9,947,560	11,157,121
	7,287,615	7,720,651	8,066,664	8,164,057	8,662,682	8,857,094	10,013,520
	2,603,250	2,663,816	2,725,287	2,857,390	2,761,590	2,845,601	2,893,277
	4,052,656	4,160,055	4,455,041	4,500,422	4,765,892	4,546,511	5,050,674
	1,273,297	1,410,009	1,311,686	1,251,522	1,270,548	1,450,195	1,751,388
	2,903,247	3,051,096	2,958,886	3,336,457	3,211,184	2,782,023	2,809,018
	250,277	236,022	625,699	205,573	52,061	380,367	325,919
	176,178	1,854,572	1,658,727	3,516,441	2,346,902	7,877,562	3,879,198
	<u>65,162,311</u>	<u>70,716,181</u>	<u>75,636,488</u>	<u>77,362,230</u>	<u>76,249,225</u>	<u>81,372,609</u>	<u>81,230,456</u>
\$	<u>87,858,722</u>	<u>108,791,939</u>	<u>112,386,025</u>	<u>108,100,993</u>	<u>100,707,213</u>	<u>108,170,903</u>	<u>111,289,084</u>

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

	2012	2013	2014
Net (expense) / revenue:			
Governmental activities	\$ 122,498	\$ (18,623,147)	\$ (13,628,854)
Business-type activities	12,729,370	13,957,182	13,847,061
Total primary government net expense	<u>\$ 12,851,868</u>	<u>\$ (4,665,965)</u>	<u>\$ 218,207</u>
General Revenues and Other Changes in Net Position			
Governmental activities:			
Taxes			
Property taxes levied for general purposes	\$ 4,430,407	\$ 3,831,102	\$ 3,603,921
Property taxes levied for debt service	1,988,711	2,993,091	3,381,964
Tax increments	694,944	689,289	585,880
Franchise fees	831,067	971,057	1,137,769
State aid unrestricted	8,405,832	8,445,441	9,405,893
Unrestricted grants and contributions	171,957	177,045	171,232
Investment earnings	158,683	142,993	140,993
Miscellaneous	215,952	1,360,497	1,666,786
Transfers	8,988,780	9,397,862	9,978,310
Special Item	-	-	-
Total governmental activities	<u>25,886,333</u>	<u>28,008,377</u>	<u>30,072,748</u>
Business-type activities:			
State aid unrestricted	11,560	11,562	11,562
Investment earnings	205,476	74,074	361,204
Miscellaneous	177,154	617,849	571,818
Transfers	(8,988,780)	(9,327,862)	(10,048,310)
Special Item	-	-	-
Total business-type activities	<u>(8,594,590)</u>	<u>(8,624,377)</u>	<u>(9,103,726)</u>
Total primary government	<u>\$ 17,291,743</u>	<u>\$ 19,384,000</u>	<u>\$ 20,969,022</u>
Change in Net Position			
Governmental activities	\$ 26,008,831	\$ 9,385,230	\$ 16,443,894
Business-type activities	4,134,780	5,332,805	4,743,335
Total primary government	<u>\$ 30,143,611</u>	<u>\$ 14,718,035</u>	<u>\$ 21,187,229</u>

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

	2015	2016	2017	2018	2019	2020	2021
\$	(22,456,119)	\$ (12,505,702)	\$ (13,659,978)	\$ (21,945,115)	\$ (28,211,441)	\$ (29,372,841)	\$ (24,947,942)
	14,239,957	15,869,692	19,364,993	19,634,340	16,028,538	24,697,461	24,535,477
\$	<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>	<u>\$ (412,465)</u>
\$	4,075,760	\$ 5,001,334	\$ 6,070,868	\$ 7,152,264	\$ 8,124,044	\$ 9,329,565	\$ 9,568,469
	3,811,113	3,824,307	4,624,111	3,633,936	4,386,808	3,999,426	3,612,736
	514,527	498,896	518,118	546,662	571,287	553,324	612,648
	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833	929,937
	9,927,631	10,352,919	10,169,504	10,519,127	10,686,998	10,953,872	11,106,713
	171,160	101,072	141,104	-	2,674,199	41,175	184,857
	96,413	116,946	372,095	892,127	1,328,000	888,103	86,300
	1,308,002	1,909,098	631,340	117,662	925,710	1,401,683	1,286,884
	9,929,999	8,972,310	9,741,636	10,251,796	12,388,791	11,642,092	11,295,917
	15,812,220	-	-	-	-	-	-
	<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>	<u>38,684,461</u>
	11,562	11,562	4,960	6,185	4,960	-	-
	245,689	42,817	429,624	553,607	1,397,683	621,570	(248,237)
	610,959	994,136	893,456	911,461	1,060,135	934,658	764,338
	(9,929,999)	(8,972,310)	(9,741,636)	(10,251,796)	(12,388,791)	(11,642,092)	(11,295,917)
	(1,532,204)	(215,132)	-	-	-	-	-
	<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>(10,779,816)</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>	<u>\$ 27,904,645</u>
\$	24,203,751	\$ 19,193,575	\$ 19,602,353	\$ 12,208,474	\$ 13,890,417	\$ 10,325,232	\$ 13,736,519
	3,645,964	7,730,765	10,951,397	10,853,797	6,102,525	14,611,597	13,755,661
\$	<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>	<u>\$ 27,492,180</u>

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>
General fund			
Nonspendable	\$ 1,446,526	\$ 1,333,328	\$ 1,193,488
Restricted	-	-	-
Committed	715,190	417,738	94,945
Assigned	-	-	-
Unassigned	<u>13,268,124</u>	<u>13,373,191</u>	<u>15,041,820</u>
Total General fund	<u>\$ 15,429,840</u>	<u>\$ 15,124,257</u>	<u>\$ 16,330,253</u>
All other governmental funds			
Nonspendable	\$ 547,358	\$ 486,353	\$ 415,287
Restricted	64,202,443	62,274,294	68,997,684
Committed	1,525,420	1,658,988	1,148,372
Assigned	3,659,190	3,721,697	4,192,144
Unassigned	<u>(2,869,614)</u>	<u>(789,421)</u>	<u>(1,749,206)</u>
Total all other governmental funds	<u>\$ 67,064,797</u>	<u>\$ 67,351,911</u>	<u>\$ 73,004,281</u>

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

	2015	2016	2017	2018	2019	2020	2021
\$	1,132,614	\$ 3,715,273	\$ 3,653,737	\$ 3,563,015	\$ 3,544,307	\$ 3,526,413	\$ 3,512,811
	-	-	448,443	533,289	854,039	970,599	1,071,833
	79,534	38,645	-	-	-	-	-
	-	-	379,417	403,929	-	-	-
	15,466,755	13,423,346	14,794,555	15,030,435	16,499,895	16,850,832	18,569,878
\$	<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>	<u>\$ 23,154,522</u>

\$	348,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	57,662,812	54,537,821	48,256,249	50,248,858	56,926,969	47,163,637	83,860,990
	921,172	1,072,520	1,608,169	533,264	3,022,448	4,374,638	5,935,939
	4,802,314	6,233,333	6,725,895	6,349,223	-	-	-
	(1,449,313)	(2,010,686)	(3,726,011)	(5,979,092)	(4,705,036)	(12,991,770)	(11,057,129)
\$	<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>	<u>\$ 78,739,800</u>

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

	2012	2013	2014
Revenues			
Taxes			
Property	\$ 7,114,062	\$ 7,513,482	\$ 7,571,766
Franchise	831,067	971,057	1,137,769
Licenses and permits	636,465	749,377	849,029
Intergovernmental	32,702,918	23,352,975	23,693,367
Charges for services	3,063,004	3,056,626	3,524,497
Fines and forfeits	477,988	497,843	515,349
Facility rentals	166,565	154,479	157,351
Donations	12,575	6,111	24,084
Special assessments	10,792,664	9,650,046	10,380,331
Sale of property	140,400		14,514
Interest on investments	145,539	139,294	134,609
Miscellaneous	845,479	2,328,519	2,154,445
Total revenues	<u>56,928,726</u>	<u>48,419,809</u>	<u>50,157,111</u>
Expenditures			
General government	3,536,645	3,595,773	3,912,568
Public safety	10,530,722	11,184,213	11,599,347
Highways and streets	6,557,673	7,345,670	6,072,511
Parks and recreation	2,584,935	2,560,153	2,709,763
Library	761,157	815,140	820,110
Community development	556,440	618,089	443,355
Rental registration	181,419	204,858	270,581
Mass transit	1,992,853	2,131,719	2,281,543
Economic development	680,304	625,915	721,271
Capital outlay	34,763,317	16,750,785	23,235,422
Debt service:			
Bond and note principal	11,499,463	7,867,746	19,281,197
Bond and note interest	6,429,319	7,707,198	6,970,392
Fiscal and other charges	439,249	37,732	511,352
Total expenditures	<u>80,513,496</u>	<u>61,444,991</u>	<u>78,829,412</u>
Revenues over (under) expenditures	(23,584,770)	(13,025,182)	(28,672,301)
Other financing sources (uses)			
Bond and note proceeds	46,520,000	2,165,000	43,055,000
Payment to refunding agent	-	-	-
Premium on issuance of debt	1,780,076	51,879	2,233,381
Transfers from other funds	11,951,492	11,423,664	11,689,322
Transfers to other funds	(2,835,809)	(1,720,136)	(2,054,155)
Sale of capital assets	688,918	1,086,306	66,626
Total other financing sources (uses)	<u>58,104,677</u>	<u>13,006,713</u>	<u>54,990,174</u>
Net change in fund balances	<u>\$ 34,519,907</u>	<u>\$ (18,469)</u>	<u>\$ 26,317,873</u>
Debt service as a percentage of noncapital expenditures ⁽¹⁾	39.19%	34.85%	47.22%

(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)

	2015	2016	2017	2018	2019	2020	2021
\$	8,401,400	\$ 9,324,536	\$ 10,713,097	\$ 11,832,862	\$ 12,838,360	\$ 13,470,035	\$ 13,826,074
	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833	929,937
	803,311	1,174,852	882,095	770,467	704,116	713,324	1,229,826
	20,286,634	27,188,071	18,790,647	30,411,438	52,217,435	31,593,376	26,811,174
	2,595,514	2,498,985	2,973,730	1,691,783	2,654,379	874,316	2,380,524
	488,692	513,874	517,771	504,021	452,359	263,809	287,969
	179,458	165,001	171,689	167,490	169,875	95,046	139,569
	18,947	32,336	25,620	9,765	38,842	26,666	57,160
	9,738,840	9,513,547	10,480,746	9,255,056	10,213,442	9,370,172	9,524,393
	57,892	72,131	266,872	66,463	821,435	816,157	1,199,639
	92,660	114,859	351,280	847,283	1,201,316	835,182	84,735
	2,239,411	2,646,489	1,236,261	822,080	1,476,398	1,007,989	3,133,010
	<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>	<u>59,604,010</u>
	4,037,972	4,637,537	4,784,554	4,918,836	5,824,953	8,659,916	7,405,602
	12,291,749	13,320,836	14,185,429	15,004,164	16,024,295	16,037,055	16,360,330
	5,167,384	5,416,122	4,763,995	5,493,210	6,181,368	6,078,471	5,515,758
	2,753,592	2,817,339	2,919,752	3,400,151	3,031,576	2,885,595	3,224,614
	851,224	858,478	878,553	906,123	903,493	905,163	967,313
	482,152	596,676	781,676	559,576	370,973	328,554	443,550
	274,323	300,560	312,250	328,176	296,871	3,172	-
	2,348,827	2,449,064	2,707,346	2,858,630	3,041,536	3,136,419	3,483,636
	662,843	583,355	649,127	598,413	669,893	578,364	648,771
	24,863,377	33,908,144	17,987,366	30,678,440	47,177,959	23,213,444	25,416,920
	18,469,823	27,988,634	9,187,639	11,026,848	10,491,271	11,083,986	11,585,753
	6,559,789	6,398,233	6,273,804	6,367,153	6,529,037	6,153,343	5,644,516
	305,028	1,482,794	409,394	234,831	162,389	36,788	209,909
	<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>	<u>80,906,672</u>
	(33,152,279)	(46,590,696)	(18,437,522)	(24,955,828)	(16,901,636)	(19,145,365)	(21,302,662)
	12,270,000	32,055,000	15,905,000	16,560,000	14,435,000	-	45,423,000
	-	-	(13,810,000)	(4,870,000)	(5,510,000)	(8,745,000)	-
	475,107	2,881,002	881,517	1,349,861	631,564	-	6,878,222
	12,717,331	11,906,083	12,171,988	14,227,186	14,142,842	13,989,021	13,069,483
	(2,679,836)	(2,205,993)	(1,580,781)	(3,768,752)	(1,338,069)	(2,346,929)	(2,068,070)
	-	-	-	-	-	-	-
	<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>63,302,635</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>	<u>41,999,973</u>
	46.18%	51.44%	32.31%	33.65%	31.80%	29.92%	29.72%

**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		
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)
2021	26,778,454	9,178,770	237,917	(933,061)

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
\$ 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	44.862%	3,019,384,700	1.15%	946,170,800
35,262,080	44.931%	3,082,426,300	1.14%	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		
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%
2021	44.931%	1.436%	46.367%	51.538%	37.633%	1.838%	91.009%	137.376%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2021**

Taxpayer	2021			2012		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 465,839	1	1.32%	\$ 623,996	1	2.87%
Busch Agricultural Resources, Inc.	388,975	2	1.10%	383,375	2	1.76%
Proffutt Ltd Partnership	356,880	3	1.01%	149,268	7	0.69%
Sanford Medical Center	288,312	4	0.82%			
Meridian Mortgage LLC	279,562	5	0.79%			
Menards Inc.	264,774	6	0.75%	338,606	3	1.56%
Kassenborg Partners	223,705	7	0.63%			
Skaff Apartments	219,449	8	0.62%			
Moorhead Lodging Association	166,960	9	0.47%	179,250	5	0.82%
Xcel Energy	164,652	10	0.47%			
Easten LLC				221,856	4	1.02%
Eventide Lutheran Home				134,390	9	0.62%
Moorhead Holiday Assoc.				137,634	8	0.63%
Sterling Development Group				156,164	6	0.72%
Moorhead Center Mall LLP				127,847	10	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
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
2021	15,847,429	(3,102,590)	12,744,839

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
\$ 6,100,183	97.73%	\$ 140,161	\$ 6,240,344	99.980%
6,439,657	98.23%	115,647	6,555,304	99.989%
6,534,420	97.97%	134,711	6,669,131	99.989%
7,354,140	99.26%	54,415	7,408,555	99.992%
8,490,199	99.05%	80,239	8,570,438	99.983%
9,770,161	98.88%	109,203	9,879,364	99.983%
10,846,450	98.33%	176,119	11,022,569	99.922%
11,760,828	98.63%	149,572	11,910,400	99.888%
12,388,260	99.14%	57,820	12,446,080	99.602%
12,631,998	99.11%		12,631,998	99.115%

**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		
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%
2021	43,325,016	418,064	92,246	43,835,326	9,115,772	20.80%

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				
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds	Notes Payable
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
2021	-	201,957,103	2,144,773	-	678,000

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

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

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

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

Business-Type Activities					
G.O. Revenue Bonds	Revenue Bonds	Notes Payable	Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
\$ 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
23,456,498	19,313,963	25,389,858	272,940,195	12.91%	6,133

**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
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	-
2021	-	201,957,103	2,144,773	-

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			
\$ 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
23,456,498	19,313,963	246,872,337	8.01%	5,547

**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
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
2021	-	-	-	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, 2021**

<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	\$ 188,500,000	80.90%	\$ 152,496,500
Clay County	58,295,000	49.90%	<u>29,089,205</u>
Total overlapping debt			<u>181,585,705</u>
City of Moorhead direct debt			<u>204,779,876</u>
Total direct and overlapping debt			<u><u>\$ 386,365,581</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>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>
Debt limit	\$ 63,446,625	\$ 64,527,651	\$ 65,400,048	\$ 71,964,231
Total net debt applicable to limit	<u>1,283,855</u>	<u>1,021,109</u>	<u>754,912</u>	<u>485,089</u>
Legal debt margin	<u>\$ 62,162,770</u>	<u>\$ 63,506,542</u>	<u>\$ 64,645,136</u>	<u>\$ 71,479,142</u>
Total net debt applicable to the limit as a percentage of debt limit	2.02%	1.58%	1.15%	0.67%

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

475.53 LIMIT ON NET DEBT. Subdivision 1. Generally. Except as otherwise provided in section 475.51 to 475.75, no municipality except a school district or a city of the first class, shall incur or be subject to net debt excess of 3 percent of the estimated market value of taxable property.

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

	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
\$	73,327,779	\$ 80,493,966	\$ 84,908,574	\$ 88,406,031	\$ 90,581,541	\$ 92,472,789
	<u>406,455</u>	<u>323,816</u>	<u>236,968</u>	<u>145,697</u>	<u>49,777</u>	<u>678,000</u>
\$	<u><u>72,921,324</u></u>	<u><u>80,170,150</u></u>	<u><u>84,671,606</u></u>	<u><u>88,260,334</u></u>	<u><u>90,531,764</u></u>	<u><u>91,794,789</u></u>
	0.55%	0.40%	0.28%	0.16%	0.05%	0.73%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2021

Estimated market value - taxable property		\$	3,082,426,300
Debt limit 3% of estimated market value			92,472,789
Debt applicable to limit:			
General obligation notes	\$	<u>678,000</u>	
Total net debt applicable to limit			<u>678,000</u>
Legal debt margin	\$		<u><u>91,794,789</u></u>

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage ²
				Principal	Interest	Total	
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
2021	43,835,326	26,062,505	17,772,821	1,096,450	484,167	1,580,617	11.24

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	
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 ³	500,572	1,658,722	3.44
2021	11,480,004	4,898,574	6,581,430	1,067,550	655,388	1,722,938	3.82

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	
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
2021	11,431,621	4,797,577	6,634,044	2,378,080	638,747	3,016,827	2.20

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	
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	
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	
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

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	
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
2021	15,645,205	331,448	15,313,757	10,915,000	5,162,424	16,077,424	0.95

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	
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
2021	1,220,851	41,620	1,179,231	260,000	64,305	324,305	3.64

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
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%
2021	44,505	2,114,966,610	47,522	7,143	2.7%

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	2021			2012		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,035 (a)	1	2.89%	877 (a)	1	4.20%
Minnesota State University-Moorhead	750 (a)	2	2.09%	750 (a)	2	3.60%
Concordia College	630 (a)	3	1.76%	750 (a)	2	3.60%
Clay County	530 (a)	4	1.48%	450	5	2.16%
City of Moorhead	505 (a)	5	1.41%	249 (b)	8	1.19%
Creative Care for Reaching Independence (CCRI)	500	6	1.39%			
American Crystal Sugar Company	494	7	1.38%	394	6	1.89%
Eventide Lutheran Home	400	8	1.12%	455	4	2.18%
Hornbacher's Food, Inc (2 locations)	321 (a)	9	0.90%	180	10	0.86%
Menard's	175 (a)	10	0.49%			
Moorhead Electric				270	7	1.29%
American Security & Protection				210	9	1.01%

(a) Includes full and part-time employees.

(b) Excludes 160 temporary and seasonal employees.

Source: Telephone survey of individual employers

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

Function	2012	2013	2014	2015
General Government	39.42	39.42	38.00	38.00
Public Safety				
Police				
Officers	53.00	53.00	53.00	55.00
Civilians	15.00	15.00	15.00	16.00
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	13.00	13.00
Planning & Neighborhood Services	-	-	17.85	17.85
Community Development	20.85	20.85	-	-
Mass Transit	2.00	2.00	3.00	3.00
Economic Development	-	-	1.00	1.00
Electric	37.00	35.00	35.00	36.00
Water	21.00	22.00	22.00	20.00
Wastewater Treatment	18.00	18.00	18.00	18.00
Storm Water	1.00	1.00	1.00	1.00
Highways and Streets	16.63	16.63	15.63	17.63
Sanitation	19.00	19.00	20.00	20.00
Golf Courses	7.58	7.58	8.00	8.00
Sports Center	6.00	6.00	3.00	3.00
Pest Control	1.00	1.00	1.00	1.00
Forestry	3.00	3.00	6.00	6.00
Total FTE's	307.48	306.48	307.48	311.48

Source: City Human Resources Department

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

2016	2017	2018	2019	2020	2021
38.00	38.00	49.00	54.00	52.50	49.63
58.00	60.00	60.00	61.00	61.00	61.00
17.00	17.00	17.00	17.00	17.00	17.00
36.00	37.00	37.00	37.00	37.00	37.00
1.00	1.00	1.00	1.00	1.00	1.00
13.00	15.75	15.75	15.75	17.10	17.00
19.00	18.00	-	-	-	-
-	-	11.00	11.00	12.00	15.85
3.00	3.50	3.50	1.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
37.00	37.00	34.00	38.00	37.00	38.00
22.00	22.00	24.00	24.00	21.00	21.00
17.00	17.00	17.00	17.00	17.00	17.00
2.00	1.00	1.00	1.00	1.00	1.00
17.63	18.63	18.63	18.63	19.63	20.26
21.00	20.00	19.00	19.00	20.00	19.00
8.00	8.00	8.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	6.00	7.00	7.00	8.00	8.00
320.63	324.88	327.88	335.38	337.23	338.74

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

Function	2012	2013	2014	2015
Police				
Part I Offenses (serious crime - murder, rape, robbery, assault, theft, arson)	945	891	904	1,056
Part II Offenses (assault, stolen property, vandalism, narcotics, D.U.I., liquor laws, disorderly, other)	1,971	1,849	1,974	2,264
Fire				
Medical responses	2,186	1,400	1,523	2,042
Fire & other responses	1,144	1,014	968	1,195
Library				
Visits	258,451	267,218	230,511	258,076
Circulation	344,025	302,291	273,498	227,745
Mass Transit				
Fixed Routes ridership	436,304	452,624	482,177	459,288
Paratransit ridership	10,604	10,771	10,038	9,490
Metro Senior Ride ridership	7,492	8,042	8,301	10,143
Community Development				
New Residential Permits	89	139	197	213
New Residential Valuation	17,514,700	44,149,300	56,708,439	64,431,779
New Commercial Permits	12	31	21	30
New Commercial Valuation	8,071,975	34,676,965	12,473,597	10,467,380
Sanitation				
Curbside Recycling (tons)	432	384	418	510
Refuse Collected (landfill tonnage)	21,568	23,163	22,722	30,303
Yard Waste (tons)	2,060	2,616	2,847	3,182
Wastewater Treatment				
Average daily sewage treatment (millions of gallons)	3.52	4.02	4.18	3.75
Electric				
Annual Sales (millions of kwh)	419.58	442.40	447.30	431.05
Water				
Water Sales (billions of gallons)	1.48	1.41	1.34	1.35

Source: Various city departments.

Note: Indicators are not available for general government functions.

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

2016	2017	2018	2019	2020	2021
1,041	979	1,087	673	1,477	1,540
2,029	1,820	2,077	1,189	1,429	1,378
2,194	2,305	2,469	2,568	2,392	2,879
1,164	1,240	1,341	1,471	1,985	1,767
227,735	192,771	195,086	193,309	55,523	96,013
249,330	248,844	246,915	236,196	177,867	225,977
445,506	451,854	521,444	480,887	426,105	366,211
10,696	10,673	9,593	9,010	5,967	9,952
10,765	10,907	10,454	9,836	5,695	6,891
169	84	141	128	133	110
60,222,748	20,981,400	45,660,287	34,986,672	35,778,447	49,860,375
31	27	16	20	13	17
33,067,240	55,698,017	10,151,660	11,693,761	24,521,938	34,241,837
551	1,464	2,498	3,502	2,517	2,334
31,764	26,573	34,269	27,528	17,699	17,266
3,624	2,944	3,276	2,923	2,293	2,123
3.91	3.81	3.78	4.88	4.42	3.63
434.04	414.06	450.00	437.03	421.25	419.20
1.37	1.44	1.43	1.32	1.34	2.97

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

Function	2012	2013	2014	2015
Public Safety:				
Police Stations	1	1	1	1
Fire Stations	2	2	2	2
Highways & Streets:				
Street (miles)	211.73	212.73	212.73	227.80
Culture and recreation				
Parks	43	43	44	47
Swimming/wading pools	9	9	9	9
Sanitation:				
Collection trucks	10	10	10	10
Wastewater				
Storm sewers (miles)	135.32	149.00	149.00	138.20
Sanitary sewers (miles)	156.36	157.00	157.00	157.70
Force mains (miles)	23.12	23.12	23.12	23.50

Source: Various city departments.

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

2016	2017	2018	2019	2020	2021
1	1	1	1	1	1
2	2	2	2	2	2
230.70	233.00	234.60	235.30	235.70	238.18
47	47	48	48	48	48
9	9	9	9	9	9
11	11	11	11	11	11
144.00	146.10	146.75	147.00	147.00	193.91
160.50	165.30	162.10	162.70	162.70	163.22
23.50	23.50	23.50	23.52	23.52	23.52