



CITY OF MOORHEAD

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED DECEMBER 31, 2022







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

**FOR THE YEAR ENDED DECEMBER 31, 2022**

**PREPARED BY THE FINANCE DIVISION  
JENICA FLANAGAN, FINANCE DIRECTOR  
MEGAN ZHRADKA, FINANCE MANAGER  
JOEL HERR, ACCOUNTANT**

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

This page intentionally left blank.

**CITY OF MOORHEAD, MINNESOTA  
ANNUAL COMPREHENSIVE FINANCIAL REPORT  
FOR THE YEAR ENDED DECEMBER 31, 2022**

**TABLE OF CONTENTS**

**INTRODUCTORY SECTION**

	<u>Page</u>
Table of Contents .....	I
Letter of Transmittal .....	III
Certificate of Achievement for Excellence in Financial Reporting.....	VII
Listing of City Officials .....	VIII
Organizational Chart .....	IX

**FINANCIAL SECTION**

Independent Auditors' Report .....	1
Management's Discussion and Analysis .....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position.....	13
Statement of Activities .....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	19
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	21
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund.....	22
Statement of Net Position – Proprietary Funds .....	24
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	28
Statement of Cash Flows – Proprietary Funds .....	30
Statement of Fiduciary Net Position.....	34
Statement of Changes in Fiduciary Net Position.....	35
Notes to the Financial Statements .....	36
Required Supplementary Information	
Schedule of Changes to Total OPEB Liability and Related Ratios.....	78
Schedule of Employer's Share of Net Pension Liability.....	80
Schedule of Employer's Pension Plan Contributions.....	81
Combining and Individual Fund Schedules and Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	86
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	89

Schedule of Revenues, Expenditures and Changes in Fund Balance – Budget and Actual:	
Park Fund .....	92
Library Fund.....	93
Community Development Fund .....	94
American Rescue Plan Act Fund.....	95
Mass Transit Fund.....	96
Economic Development Fund .....	97
Combining Statement of Net Position – Nonmajor Proprietary Funds.....	98
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds .....	102
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	104
Combining Statement of Net Position– Internal Service Funds .....	106
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds .....	107
Combining Statement of Cash Flows – Internal Service Funds .....	108
Capital Assets Used in the Operation of Governmental Funds:	
Schedule by Source .....	110
Schedule of Changes by Function and Activity.....	111
Schedule by Function and Activity.....	112

## STATISTICAL SECTION

Net Position by Component.....	114
Changes in Net Position.....	116
Fund Balances of Governmental Funds.....	120
Changes in Fund Balances of Governmental Funds .....	122
Assessed Value and Estimated Actual Value of Taxable Property.....	124
Property Tax Rates.....	126
Principal Property Taxpayers.....	127
Property Tax Levies and Collections .....	128
Electric Transfers to Governmental Funds .....	130
Ratios of Outstanding Debt by Type .....	132
Ratios of General Bonded Debt Outstanding.....	134
Direct and Overlapping Governmental Activities Debt.....	137
Legal Debt Margin Information.....	138
Schedule of Electric Fund Pledged-Revenue Coverage .....	140
Schedule of Water Fund Pledged-Revenue Coverage .....	141
Schedule of Wastewater Fund Pledged-Revenue Coverage .....	142
Schedule of Golf Course Fund Pledged-Revenue Coverage .....	143
Schedule of Municipal Improvement Fund Pledged-Revenue Coverage .....	144
Schedule of Special Assessment Fund Pledged-Revenue Coverage .....	145
Schedule of Tax Increment Fund Pledged-Revenue Coverage.....	146
Demographic and Economic Statistics .....	147
Principal Employers.....	148
Full-Time Equivalent City Employees by Function .....	149
Operating Indicators by Function .....	151
Capital Asset Statistics by Function .....	153

**INTRODUCTORY  
SECTION**



June 20, 2023

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, 2022.

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, 2022, 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, 2022, 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, 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 30<sup>th</sup>. The council is required to hold a public meeting where the citizens are allowed to speak on the proposed budget and to adopt a final budget prior to December 28<sup>th</sup>. After the budget resolution has been adopted, the Council does not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate.

The appropriated budget is prepared by fund, department and activity. Department heads may make adjustments of appropriations within their respective 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 Proffutt Ltd Partnership. 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 700 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**

- A new Community Center and Public Library will be constructed and funded by a 0.5% local option sales tax that was approved by voters during the 2022 general election.
- Moorhead added nearly \$17.3 million in new commercial and institutional building value in 2022 and nearly \$50.6 million in commercial remodel building value.
- Downtown continues to be a major focus. The 2022 Onward Moorhead! Comprehensive Plan, which will help guide development in years to come, was approved by the City Council.
- 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. Since then, 259 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 \$229,000 to \$240,000, a healthy level of appreciation. There were 61 single family attached and detached homes permitted in 2022 and 139 multifamily units. Rising interest rates, throughout the nation, led to a decrease in single-family residential permits.
- Major commercial/industrial projects in 2022 included the following: American Crystal Sugar office building, American Crystal Sugar addition, A-P Concrete Office/Warehouse, Rise Fitness (fit up), Diamond Rock Storage, Lakeland Mental Health addition, Lemke Warehouse, MegaStorage USA, Sandman Structural Engineers, Southmoor Square, Domino's (fit up), Edward Jones (fit up), More Than Words Bookstore, and The UPS Store.

- A partnership has been established with Roers for redevelopment of nine city blocks in downtown encompassing the Moorhead Center Mall site. The vision is to create a place where people come together.
- Construction was completed 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. The project began in 2018 and improves safety and congestion for vehicles, bicycles, pedestrians, and emergency services.
- Reconstruction of Center Avenue was completed. This revitalized downtown transportation corridor saw a new lane configuration, new bike path and sidewalks with decorative stamps.
- Moorhead attained the Minnesota GreenStep 5 designation, the highest level in Minnesota's GreenStep Cities, which is a program that helps cities achieve sustainability and quality-of-life goals.
- Clay County, in partnership with the City of Moorhead, is constructing a \$21 million facility at 1700 34<sup>th</sup> St N that includes a waste transfer station, recycling center and offices to streamline recycling and trash operations. The facility opened in early 2023.
- 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.

### **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, 2021. This was the 39<sup>th</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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

This page intentionally left blank.



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, 2021

*Christopher P. Morrill*

Executive Director/CEO

CITY OF MOORHEAD  
LISTING OF CITY OFFICIALS  
AS OF DECEMBER 31, 2022

---

	<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

MIKE RIETZ	ASSISTANT CITY MANAGER
KRISTIE LESHOVSKY	COMMUNITY DEVELOPMENT
HOLLY HEITKAMP	PARKS & RECREATION
ROBERT ZIMMERMAN	ENGINEERING
SHANNON MONROE	POLICE CHIEF
JEFF WALLIN	FIRE CHIEF
STEVE IVERSON	PUBLIC WORKS

- Replaced by Ryan Nelson effective January 1, 2023



This page intentionally left blank.

**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, the 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, 2022, 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, the major fund, and the aggregate remaining fund information of the City, as of December 31, 2022, 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, 2022, 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.

### ***Adoption of New Accounting Standard***

As discussed in Note 1 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. 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 20, 2023, 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 20, 2023 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.



Mankato, Minnesota  
June 20, 2023

## 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, 2022. 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 \$634,361,023.
- The City's total net position increased by \$10,829,111.
- The City's governmental funds reported combined ending fund balances of \$58,799,790, a decrease of \$43,094,532 in comparison with the prior year. Of this total amount, \$13.4M is unassigned, \$6.1M committed, \$35.6M restricted and \$3.7M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$21,690,814 or 72% of total general fund expenditures of \$30,167,504.

### 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 three categories: governmental funds, proprietary funds, and fiduciary 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 thirteen 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, \$(85,837) has been reflected within the business-type activities and \$37,042 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.

**Fiduciary funds.** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The City's fiduciary fund consists of one custodial fund, the police custodial fund.

The fiduciary 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 \$634,361,023 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 \$445,691,232 (70%) (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, \$129,414,325 (20%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$59,255,466 (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, 2022 and 2021.

	Governmental Activities		Business-type Activities		Total 2022	Total 2021
	2022	Restated 2021	2022	Restated 2021		
Current and other assets	\$ 162,026,874	\$ 204,765,637	\$ 77,594,767	\$ 76,830,447	\$ 239,621,641	\$ 281,596,084
Capital / Right to use assets	438,825,961	427,985,260	236,875,965	234,164,810	675,701,926	662,150,070
Total assets	600,852,835	632,750,897	314,470,732	310,995,257	915,323,567	943,746,154
Deferred outflows of resources	24,845,903	15,497,147	2,301,608	3,101,874	27,147,511	18,599,021
Long-term liabilities outstanding	210,653,793	224,436,157	72,595,578	74,450,306	283,249,371	298,886,463
Other liabilities	15,450,868	8,475,736	4,673,220	4,755,273	20,124,088	13,231,009
Total liabilities	226,104,661	232,911,893	77,268,798	79,205,579	303,373,459	312,117,472
Deferred inflows of resources	2,841,055	20,715,901	1,895,541	5,979,890	4,736,596	26,695,791
Net Position:						
Net investment in capital assets	272,400,401	219,568,317	173,290,831	165,328,912	445,691,232	384,897,229
Restricted	122,906,554	170,378,593	6,507,771	4,440,922	129,414,325	174,819,515
Unrestricted	1,446,067	4,673,340	57,809,399	59,141,828	59,255,466	63,815,168
Total net position	\$ 396,753,022	\$ 394,620,250	\$ 237,608,001	\$ 228,911,662	\$ 634,361,023	\$ 623,531,912

Governmental activities current and other assets decreased \$42,738,763 primarily due using the proceeds of bonds issued in December 2021 for the current refunding of various bond series. These proceeds were 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 \$10,829,111 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 2022	Total 2021
	2022	2021	2022	2021		
<b>Revenues:</b>						
<b>Program revenues:</b>						
Charges for services	\$ 10,216,861	\$ 4,838,745	\$ 77,585,825	\$ 77,025,339	\$ 87,802,686	\$ 81,864,084
Operating grants and contributions	4,353,414	8,494,441	512,364	325,919	4,865,778	8,820,360
Capital grants and contributions	9,357,440	16,725,442	4,426,618	3,879,198	13,784,058	20,604,640
<b>General Revenues:</b>						
Taxes	14,235,268	13,181,205			14,235,268	13,181,205
Tax increments	615,794	612,648			615,794	612,648
Franchise Fees	1,368,191	929,937			1,368,191	929,937
State aid	11,261,087	11,106,713			11,261,087	11,106,713
Grants and contributions not restricted to specific programs	58,632	184,857			58,632	184,857
Investment earnings	906,409	86,300	(2,161,480)	(248,237)	(1,255,071)	(161,937)
Miscellaneous	557,033	1,286,884	913,454	764,338	1,470,487	2,051,222
<b>Total revenues</b>	<b>52,930,129</b>	<b>57,447,172</b>	<b>81,276,781</b>	<b>81,746,557</b>	<b>134,206,910</b>	<b>139,193,729</b>
<b>Expenses:</b>						
General government	10,396,733	9,028,462			10,396,733	9,028,462
Public safety	17,939,929	15,160,861			17,939,929	15,160,861
Highways and streets	16,334,969	14,530,534			16,334,969	14,530,534
Parks and recreation	5,287,931	4,330,052			5,287,931	4,330,052
Library	1,067,292	977,308			1,067,292	977,308
Community development	484,737	444,391			484,737	444,391
Mass transit	4,594,440	4,126,722			4,594,440	4,126,722
Economic development	2,506,364	860,751			2,506,364	860,751
Interest on long-term debt	4,318,798	5,547,489			4,318,798	5,547,489
Electric			30,051,274	29,579,831	30,051,274	29,579,831
Water			9,467,881	7,680,318	9,467,881	7,680,318
Wastewater treatment			7,826,714	7,589,256	7,826,714	7,589,256
Storm water			2,657,078	2,480,135	2,657,078	2,480,135
Sanitation			5,501,208	4,558,548	5,501,208	4,558,548
Golf course			2,041,369	1,876,506	2,041,369	1,876,506
Sports center			67,781	366,309	67,781	366,309
Pest control			491,079	466,766	491,079	466,766
Forestry			1,136,875	912,125	1,136,875	912,125
Municipal airport			585,869	532,366	585,869	532,366
Street light utility			619,478	652,819	619,478	652,819
<b>Total expenses</b>	<b>62,931,193</b>	<b>55,006,570</b>	<b>60,446,606</b>	<b>56,694,979</b>	<b>123,377,799</b>	<b>111,701,549</b>
<b>Increase/decrease in net position</b>						
before transfers	(10,001,064)	2,440,602	20,830,175	25,051,578	10,829,111	27,492,180
Transfers	12,133,836	11,295,917	(12,133,836)	(11,295,917)		
<b>Change in net position</b>	<b>2,132,772</b>	<b>13,736,519</b>	<b>8,696,339</b>	<b>13,755,661</b>	<b>10,829,111</b>	<b>27,492,180</b>
Net position - beginning	394,620,250	380,883,731	228,911,662	219,115,723	623,531,912	599,999,454
<b>Restatement of beginning net position</b>						
			(3,959,722)			(3,959,722)
Net position - beginning	394,620,250	380,883,731	228,911,662	215,156,001	623,531,912	596,039,732
Net position - end of year	\$ 396,753,022	\$ 394,620,250	\$ 237,608,001	\$ 228,911,662	\$ 634,361,023	\$ 623,531,912

**Governmental activities.** The governmental activities net position increased by \$2,132,772 during the current fiscal year. Revenues dropped \$4,517,043 due to the timing of grant revenue recognition, or 7.9% from 2021. Expenses had an increase of \$7,924,623 or 14.4% from 2021. This increase was principally due to increased salary related expenditures for public safety, increased infrastructure spending and loss of disposal of capital assets allocated to various expense functions due to the City removing a number of deleted assets with remaining value.

**Business-type activities.** Business-type activities increased the City's net position by \$8,696,339. Revenues remained stable with a slight decrease of \$469,776, or 0.6% from 2021. Expenses in the business-type activities increased \$3,751,627. This increase was principally due to increased costs associated with water treatment and increased fuel costs affecting various city departments during 2022.

## 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 \$58,799,790 a decrease of \$43,094,532 in comparison with the prior year. Approximately 22.87%, or \$13,448,850, of this combined ending fund balance is unassigned. The remainder of fund balance is committed (\$6,067,373, 10.32%), restricted (\$35,602,907, 60.55%) or nonspendable (\$3,680,660, 6.26%).

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 \$21,690,814. 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 71.9% 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 \$3,271,342 or 14.1% from 2021. Property tax revenue had an increase of \$1,207,474. Franchise fees had an increase of \$438,254 due to increased revenues by various utility sources. Federal revenues remained stable with a slight decrease of \$4,106. State revenues decreased \$574,614 primarily due to change in activity for state aid construction and maintenance aid. Charges for Services increased \$1,165,812 due to an increase in internal engineering charges to various infrastructure projects in 2022 as well as increased revenues for housing and building registration fees. Total expenditures increased \$789,239 due to increased personnel costs. Net transfers totaled \$9,016,508 and were completed as authorized by City charter and as reoccurring subsidies of specific programs. The 2022 adopted budget anticipated a \$36,500 increase to fund balance, while the revised budget anticipated a \$57,954 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 decreased \$49,029,736. This decrease was mainly due to the issuance of \$33.97M refunding bonds issued near the end of the 2021 year and was used to pay a refunding agent in early 2022. The special assessment capital projects fund balance decreased by \$1,334,772 which is primarily due to expenditures related to infrastructure projects which will be supported by special assessments. The permanent improvement fund balance increased \$4,543,220 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 \$57,895,236. The total change in net position in the enterprise funds was an increase of \$8,823,464 which is \$4,971,637 (36.0%) lower than the 2021 increase.

The electric fund reported an increase of \$4,047,508 (5.6%) in net position primarily due to an increase in energy sales in 2022 while the water fund reported an increase of \$1,957,527 (3.5%) resulting from valuation changes made by the State of Minnesota to record deferred pension inflows. The wastewater treatment fund reported an increase in net position from operations of \$2,939,473 (5.9%) and the storm water fund also reported an increase in net position of \$221,686 (0.6%) 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 \$30,815,049 was amended as final totaling \$30,961,830 for an increase of \$146,781. The original expenditure budget including transfers of \$30,778,549 was amended as final totaling \$31,019,784 for an increase of \$241,235.

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

Total actual revenues including transfers were \$33,577,088 which was \$2,615,258 over budget. Actual revenue exceeded projections by 8.4%. Principal increases were due to charges for services increasing \$1,165,812 due to an increase in internal engineering charges to various infrastructure projects in 2022 as well as increased revenues for housing and building registration fees.

Actual expenditures including transfers totaling \$30,305,746 were under budget by \$714,038. Savings were recognized by not immediately filling vacant positions thus reducing personnel costs.

**CAPITAL ASSET - RIGHT TO USE LEASED ASSET AND DEBT ADMINISTRATION**

**Capital assets - right to use leased assets.** The City’s investment in capital assets and right to use leased assets for its governmental and business-type activities as of December 31, 2022, amounts to \$675,701,926 (net of accumulated depreciation and amortization), an increase of \$13.6M. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure and right to use leased assets.

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

- \$1.8M in vehicles and equipment
- \$0.9M in park and trail improvements
- \$11.6M in infrastructure improvements
- \$6.9M in water and wastewater capital assets
- \$1.7 in electric capital assets

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

	Governmental Activities 2022	Business-type Activities 2022	Total
Land	\$ 74,640,972	\$ 9,336,840	\$ 83,977,812
Construction in progress	83,292,505	5,534,708	88,827,213
Buildings	11,775,743	123,302,314	135,078,057
Improvements other than buildings	57,161,567	39,807,998	96,969,565
Machinery and equipment	14,174,582	5,995,919	20,170,501
Infrastructure	193,599,256	52,888,643	246,487,899
Right to use leased assets	4,181,336	9,543	4,190,879
Total	\$ 438,825,961	\$ 236,875,965	\$ 675,701,926

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 \$189,205,000. Of this amount, \$149,105,000 of G.O. Special Assessment, Tax Increment and Municipal Improvement debt and \$22,315,000 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 \$17,785,000 of the City’s debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and \$22,715,971 in Public Facilities Authority Notes. Various right to use lease assets are secured with lease liabilities totaling \$4,354,993 at year-end. The City also has \$678,000 Note Payable at year-end and net pension liability totaling \$47,695,768. See Note 4(F) for further information on the City’s net pension liability.

The City had a net decrease in long-term bonded debt of \$43,900,000 during the current fiscal year. This decrease is due to the issuance of various bonds, which are listed below, debt service principal payments of \$62,165,000. During the current fiscal year, the City issued:

- \$18,265,000 G.O. Improvement Bonds, Series 2022A to finance various improvements to the City’s infrastructure.

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 \$94,845,360. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$678,000 leaving a legal debt margin of \$94,167,360.

## 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	\$ 147,275,000	\$	\$ 147,275,000
G.O. Tax Increment	1,830,000		1,830,000
G.O. Revenue		22,315,000	22,315,000
Revenue Refunding		1,750,000	1,750,000
Revenue		16,035,000	16,035,000
Premiums/Discounts	12,069,822	662,408	12,732,230
Long-term notes	678,000	22,824,008	23,502,008
Leases	4,345,323	9,670	4,354,993
Compensated absences	2,462,925	1,097,778	3,560,703
Other Post-Employment Benefits	1,707,613	455,717	2,163,330
Net Pension Liability	40,285,110	7,410,658	47,695,768
Total	\$ 210,653,793	\$ 72,560,239	\$ 283,214,032

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

### Economic Factors and Next Year's Budgets

The local economy continues to be strong in 2023 with \$17.3 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 was completed on the SE Main Avenue 20/21<sup>st</sup> Street underpass project. This project, which began in 2013, improves safety and congestion for vehicles, bicycles, pedestrians, and emergency services..

Downtown continues to be a major focus. The 2022 Onward Moorhead Comprehensive Plan, which will help guide development in years to come, was approved by the City Council. A new Community Center and Public Library will be constructed downtown and funded by a 0.5% local option sales tax that was approved by voters during the 2022 general election.

In preparing the 2023 budget, we have been mindful of the tightening monetary policies and economic climate. As residents and businesses across the community experience the impact of inflation in areas such as fuel and food cost, the City is similarly impacted by recent cost escalation. It is even more imperative today that we, as a City, continue to plan ahead, make strategic investments, and build on our foundation of fiscal stewardship to mitigate the impacts of these economic changes. This budget is also prepared using conservative revenue forecasts to ensure the City maintains its solid financial position.

The City of Moorhead's 2023 Operating & Capital Budget totals \$107,212,911, a decrease of \$472,564 (0.4%) from the previous year. Included in the budget is an amount of \$1.37 million for wage and benefit increases for existing employees as well as two new additional positions. This increase in staffing supports the strategic plan objective to maintain service levels commensurate with community growth. A \$96,392 increase in Capital Projects Fund attributed to street capital projects and infrastructure upgrades at the wastewater treatment facility during 2023. When looking specifically at the General Fund and Parks, the 2023 budget reflects an increase of \$2,192,167 (6.3%) from 2022 levels. The majority of this increase is attributable to wage and benefit increases as well as inflationary adjustments to fuel, utilities, and supplies.

Scheduled wage step increases and a 3% cost of living adjustment were included in the budget. Union negotiations were completed during 2022. Three-year union contracts were approved covering the years 2022, 2023, and 2024. There was no increase to the employer contribution costs for health insurance in the 2023 budget. Anticipated increases to property insurance (3%) and auto insurance (3%) are essential and nondiscretionary in nature.

The City was allocated and has received a total of \$7,099,345 of funding under the American Rescue Plan Act of 2021. \$2.9 million has been allocated by the City Council towards capital projects, software, and affordable housing. The remaining approximately \$4.2 million will be allocated during the City's strategic planning in 2023.

The 2023 Legislative session includes many items of interest to the City of Moorhead. Most notably, a request to increase the local government aid (LGA) appropriation, as well as an update to the formula for distributing LGA. Other items of interest, include a bonding request to complete Moorhead's in -town flood mitigation compatible with the Fargo-Moorhead Diversion as well as one-time Public Safety aid for local governments.

**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](http://www.cityofmoorhead.com).

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		
<b>ASSETS</b>				
Cash and investments	\$ 75,960,862	\$ 26,722,515	\$ 102,683,377	\$ 1,399,046
Receivables:				
Accounts and notes	542,620	9,727,005	10,269,625	45,497
Delinquent property taxes	188,741	163,929	352,670	
Special assessments	4,580,902	97,727	4,678,629	
Leases	1,646,382		1,646,382	
Internal balances	1,041,390	(1,041,390)		
Due from other governmental units	4,136,582	906,169	5,042,751	10,922
Inventories	26,654	2,547,363	2,574,017	
Prepaid items	279,885	229,360	509,245	35,580
Restricted assets:				
Cash and cash equivalents	1,176,401	2,347,266	3,523,667	53,575
Bond operation and maintenance reserve		6,119,000	6,119,000	
Long-term receivables:				
Special assessments	67,061,115	1,808,866	68,869,981	
Notes receivable, less current portion	5,385,340	21,653	5,406,993	
Other long-term investments		27,945,304	27,945,304	
Capital assets:				
Intangible plant		1,288,813	1,288,813	
Land	74,640,972	9,336,840	83,977,812	464,977
Buildings	28,852,696	224,208,855	253,061,551	14,562,236
Improvements other than buildings	79,829,192	63,059,293	142,888,485	
Machinery and equipment	41,367,269	15,283,368	56,650,637	960,770
Infrastructure	296,100,946	85,549,300	381,650,246	
Construction in progress	83,292,505	5,534,708	88,827,213	38,578
Less accumulated depreciation	(169,438,955)	(167,394,755)	(336,833,710)	(9,578,384)
Right to use leased assets	4,446,001	10,020	4,456,021	
Less accumulated amortization	(264,665)	(477)	(265,142)	
<b>Total assets</b>	<b>600,852,835</b>	<b>314,470,732</b>	<b>915,323,567</b>	<b>7,992,797</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans	23,698,051	2,235,055	25,933,106	
Other post-employment benefits	240,322	66,553	306,875	
Advance refundings of debt	907,530		907,530	
<b>Total deferred outflows of resources</b>	<b>24,845,903</b>	<b>2,301,608</b>	<b>27,147,511</b>	
<b>LIABILITIES</b>				
Accounts payable	2,103,575	4,000,133	6,103,708	14,654
Contracts payable - retainage	3,006,538		3,006,538	
Accrued wages payable	888,589	178,227	1,066,816	13,457
Due to other governmental units		40,237	40,237	
Customer deposits		82,175	82,175	75,755
Unearned revenue	7,183,642		7,183,642	
Other liabilities	200,781	89,752	290,533	38,814
Accrued interest payable	2,067,743	282,696	2,350,439	1,872
Long-term liabilities:				
Due within one year	12,455,957	6,511,988	18,967,945	31,089
Due in more than one year				
Accrued compensated absences	435,323	129,193	564,516	
Leases	4,211,968	9,310	4,221,278	
Other post-employment benefits	1,707,613	455,717	2,163,330	
Net pension liability	40,285,110	7,410,658	47,695,768	
Notes payable	678,000	8,847,092	9,525,092	1,307,278
Bonds payable	150,879,822	49,231,620	200,111,442	
<b>Total liabilities</b>	<b>226,104,661</b>	<b>77,268,798</b>	<b>303,373,459</b>	<b>1,482,919</b>

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2022**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Pension plans	697,782	328,873	1,026,655	
Other post-employment benefits	496,891	161,070	657,961	
Lease related	1,646,382		1,646,382	
Other deferred credits		1,405,598	1,405,598	
<b>Total deferred inflows of resources</b>	<b>2,841,055</b>	<b>1,895,541</b>	<b>4,736,596</b>	
<b>NET POSITION</b>				
Net investment in capital assets	272,400,401	173,290,831	445,691,232	5,131,105
Restricted				
Public safety	188,648		188,648	
Culture and recreation	321,750		321,750	
Library	266,846		266,846	
Community development	4,502,748		4,502,748	
Transit	266,954		266,954	
Economic development	1,891,326		1,891,326	
Contributions	126,461		126,461	
Capital projects	4,549,980	1,906,593	6,456,573	
Debt service	102,551,584	4,601,178	107,152,762	
Other purposes	8,240,257		8,240,257	53,575
Unrestricted	1,446,067	57,809,399	59,255,466	1,325,198
<b>Total net position</b>	<b>\$ 396,753,022</b>	<b>\$ 237,608,001</b>	<b>\$ 634,361,023</b>	<b>\$ 6,509,878</b>

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2022**

	Expenses	Charges for Services	Program Revenues Operating Grants and Contributions
<b>Functions/Programs</b>			
<b>Primary Government</b>			
Governmental activities:			
General government	\$ 10,396,733	\$ 1,939,619	\$
Public safety	17,939,929	854,302	381,274
Highways and streets	16,334,969	5,949,742	699,365
Parks and recreation	5,287,931	486,845	
Library	1,067,292	21,443	
Community development	484,737	88,326	242,574
Mass transit	4,594,440	399,830	3,030,201
Economic development	2,506,364	476,754	
Interest on long-term debt	4,318,798		
Total governmental activities	62,931,193	10,216,861	4,353,414
Business-type activities:			
Electric	30,051,274	44,163,839	
Water	9,467,881	11,156,901	
Wastewater treatment	7,826,714	9,911,883	
Storm water	2,657,078	2,810,877	98,940
Sanitation	5,501,208	4,992,072	225,000
Golf Course	2,041,369	1,764,035	
Sports Center	67,781	137,204	
Pest Control	491,079	719,656	51,377
Forestry	1,136,875	999,322	75,004
Municipal airport	585,869	84,816	62,043
Street light utility	619,478	845,220	
Total business-type activities	60,446,606	77,585,825	512,364
Total primary government	\$ 123,377,799	\$ 87,802,686	\$ 4,865,778
<b>Component Unit:</b>			
Public Housing Agency	\$ 2,357,561	\$ 1,021,391	\$ 1,029,164
General revenues:			
Property taxes levied for general purposes			
Property taxes levied for debt service			
Tax increments			
Franchise fees			
State aid unrestricted			
Grants and contributions not restricted to specific programs			
Unrestricted investment earnings			
Miscellaneous			
Transfers			
Total general revenues and transfers			
Changes in net position			
Net position - beginning			
Net position - ending			

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF ACTIVITIES (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Capital Grants and Contributions	Net (Expense) Revenue and Changes in Net Position			Component Unit
	Governmental Activities	Business-type Activities	Total	
\$ 32,338	\$ (8,424,776)		\$ (8,424,776)	
1,841	(16,702,512)		(16,702,512)	
8,880,918	(804,944)		(804,944)	
	(4,801,086)		(4,801,086)	
	(1,045,849)		(1,045,849)	
12,488	(141,349)		(141,349)	
429,855	(734,554)		(734,554)	
	(2,029,610)		(2,029,610)	
	(4,318,798)		(4,318,798)	
<u>9,357,440</u>	<u>(39,003,478)</u>		<u>(39,003,478)</u>	
		\$ 14,888,065	14,888,065	
775,500		2,578,800	2,578,800	
889,780		3,537,601	3,537,601	
1,452,432		1,526,176	1,526,176	
1,273,437		(278,529)	(278,529)	
5,607		(277,334)	(277,334)	
		69,423	69,423	
		279,954	279,954	
		(62,549)	(62,549)	
29,862		(409,148)	(409,148)	
		225,742	225,742	
<u>4,426,618</u>		<u>22,078,201</u>	<u>22,078,201</u>	
<u>\$ 13,784,058</u>	<u>(39,003,478)</u>	<u>22,078,201</u>	<u>(16,925,277)</u>	
				\$ 48,419
	10,669,918		10,669,918	
	3,565,350		3,565,350	
	615,794		615,794	
	1,368,191		1,368,191	
	11,261,087		11,261,087	
	58,632		58,632	
	906,409	(2,161,480)	(1,255,071)	235
	557,033	913,454	1,470,487	396,561
	12,133,836	(12,133,836)		
	<u>41,136,250</u>	<u>(13,381,862)</u>	<u>27,754,388</u>	<u>396,796</u>
	2,132,772	8,696,339	10,829,111	445,215
	394,620,250	228,911,662	623,531,912	6,064,663
	<u>\$ 396,753,022</u>	<u>\$ 237,608,001</u>	<u>\$ 634,361,023</u>	<u>\$ 6,509,878</u>

**CITY OF MOORHEAD, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2022**

	General	Special Assessment Debt Service
<b>ASSETS</b>		
Assets:		
Cash and investments	\$ 19,414,517	\$ 31,422,885
Restricted cash	1,176,401	
Receivables:		
Accounts	526,599	68
Notes		748,634
Leases	154,701	1,446,322
Delinquent property taxes	97,829	51,200
Special assessments		70,735,437
Due from other funds	2,827,244	
Due from other governmental units	116,839	107,456
Advances to other funds	3,508,087	
Prepaid items	50,562	
	<u>\$ 27,872,779</u>	<u>\$ 104,512,002</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>		
Liabilities:		
Accounts payable	\$ 345,630	\$ 8,500
Contracts payable - retainage		
Accrued wages payable	798,640	
Due to other funds	10,417	
Advances from other funds		
Other liabilities	468	5,000
Unearned revenue		108,218
Total Liabilities	<u>1,155,155</u>	<u>121,718</u>
Deferred inflows of resources:		
Unavailable revenue - taxes	97,829	51,200
Unavailable revenue - special assessments		70,735,437
Unavailable revenue - lease related	154,701	1,446,322
Unavailable revenue - other	39,230	748,634
Total Deferred inflows of resources	<u>291,760</u>	<u>72,981,593</u>
Fund Balance:		
Nonspendable	3,558,649	
Restricted		
Public safety		
Culture and recreation		
Library		
Community development		
Economic development		
Contributions		
Debt service		31,408,691
Other purposes	1,176,401	
Committed		
Unassigned	21,690,814	
Total Fund Balance	<u>26,425,864</u>	<u>31,408,691</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 27,872,779</u>	<u>\$ 104,512,002</u>

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

Capital assets and right to use 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, leases, 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 internal 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, 2022**

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		17,524,410	68,361,812 1,176,401
	894	15,059	542,620
		4,636,706	5,385,340
	463	44,896	1,646,382
1		39,711	188,741
906,580			71,642,017
		91,238	2,918,482
4,206	3,497,695	378,541	4,104,737
37,871			3,545,958
		84,140	134,702
<u>\$ 948,658</u>	<u>\$ 3,499,052</u>	<u>\$ 22,814,701</u>	<u>\$ 159,647,192</u>
\$	\$	\$	\$
708,646	241,726	541,780	1,846,282
500,508	2,506,030		3,006,538
		78,256	876,896
1,436,047	945,530	19,656	2,411,650
	104,000	2,618,319	2,722,319
2,000	1,550	191,763	200,781
		7,075,424	7,183,642
<u>2,647,201</u>	<u>3,798,836</u>	<u>10,525,198</u>	<u>18,248,108</u>
		39,711	188,741
1			71,642,017
906,580	463	44,896	1,646,382
	3,459,567	4,874,723	9,122,154
<u>906,581</u>	<u>3,460,030</u>	<u>4,959,330</u>	<u>82,599,294</u>
		84,140	3,680,660
		188,648	188,648
		250,899	250,899
		256,390	256,390
		182,334	182,334
		1,786,294	1,786,294
		126,461	126,461
		226,789	31,635,480
		6,067,373	1,176,401
(2,642,995)	(3,759,814)	(1,839,155)	6,067,373
(2,605,124)	(3,759,814)	7,330,173	13,448,850
<u>\$ 948,658</u>	<u>\$ 3,499,052</u>	<u>\$ 22,814,701</u>	<u>\$ 58,799,790</u>
			438,825,961
			24,845,903
			82,599,294
			(212,721,536)
			(2,841,055)
			7,244,665
	Net position of governmental activities		<u>\$ 396,753,022</u>

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	General	Special Assessment Debt Service
<b>REVENUES</b>		
Taxes:		
Property	\$ 6,884,566	\$ 3,594,580
Franchise	1,368,191	
Licenses and permits	890,131	
Intergovernmental revenues:		
Federal	87,569	
State	10,592,426	852,169
County	194,641	217,300
Other	126,373	38,586
Charges for services	2,964,358	
Fines and forfeits	357,881	
Facility rentals		
Donations		
Investment income (loss)	535,302	238,638
Special assessments		9,288,668
Sale of property		
Miscellaneous	407,815	85,114
Total revenues	24,409,253	14,315,055
<b>EXPENDITURES</b>		
Current:		
General government	7,498,907	109,015
Public safety	16,709,143	
Highways and streets	5,895,015	
Parks and recreation		
Library		
Community development		
Mass transit		
Economic development		
Capital outlay	64,439	
Debt Service:		
Bond and note principal		59,480,000
Bond and note interest		5,163,848
Fiscal and other charges		173,050
Total expenditures	30,167,504	64,925,913
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(5,758,251)</b>	<b>(50,610,858)</b>
<b>OTHER FINANCING SOURCES (USES):</b>		
Issuance of debt		244,400
Premium on issuance of debt		
Transfers from other funds	9,154,750	1,310,227
Transfers to other funds	(138,242)	
Leases	13,085	26,495
Total other financing sources (uses)	9,029,593	1,581,122
<b>NET CHANGE IN FUND BALANCE</b>	<b>3,271,342</b>	<b>(49,029,736)</b>
<b>FUND BALANCE - BEGINNING</b>	<b>23,154,522</b>	<b>80,438,427</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 26,425,864</b>	<b>\$ 31,408,691</b>

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, 2022**

Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
\$	\$	\$	\$
		4,403,783	14,882,929
			1,368,191
			890,131
	95,821	994,300	1,177,690
4,061,921	843,023	4,058,114	20,407,653
	165,922		577,863
35,000	12,780		212,739
30,592		580,009	3,574,959
			357,881
		132,840	132,840
		20,840	20,840
22,981	850	60,490	858,261
227,663		12,488	9,528,819
		150,760	150,760
966	3,788,383	943,087	5,225,365
<u>4,379,123</u>	<u>4,906,779</u>	<u>11,356,711</u>	<u>59,366,921</u>
63,278		92,506	7,763,706
		92,334	16,801,477
		17,250	5,912,265
		3,766,016	3,766,016
		1,056,797	1,056,797
		480,085	480,085
		3,898,380	3,898,380
		1,221,471	1,221,471
17,857,470	7,938,205	890,224	26,750,338
		265,000	59,745,000
		862,907	6,026,755
		375,347	548,397
<u>17,920,748</u>	<u>7,938,205</u>	<u>13,018,317</u>	<u>133,970,687</u>
<u>(13,541,625)</u>	<u>(3,031,426)</u>	<u>(1,661,606)</u>	<u>(74,603,766)</u>
10,520,600	7,500,000		18,265,000
882,731			882,731
845,000	72,875	3,552,350	14,935,202
(41,478)		(2,621,646)	(2,801,366)
	1,771	186,316	227,667
<u>12,206,853</u>	<u>7,574,646</u>	<u>1,117,020</u>	<u>31,509,234</u>
(1,334,772)	4,543,220	(544,586)	(43,094,532)
(1,270,352)	(8,303,034)	7,874,759	101,894,322
<u>\$ (2,605,124)</u>	<u>\$ (3,759,814)</u>	<u>\$ 7,330,173</u>	<u>\$ 58,799,790</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, 2022**

Amounts reported for governmental activities in the statement of activities (page 15-16) are different from the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds (page 19-20) \$ (43,094,532)

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	\$ 26,750,338	
Transfer of assets to internal service funds	23,029	
The net effect of various miscellaneous transactions involving assets (i.e. sales, trade-ins, and donations) is to increase net position	(3,753,236)	
Depreciation expense	(10,722,930)	12,297,201

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. (6,736,000)

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	(18,265,000)	
Premium on bonded debt	(882,731)	
Bond & note principal payments	59,745,000	40,597,269

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	(71,696)	
Other post-employment benefits	104,324	
Net pension liability	(29,201,282)	
Deferred outflows of resources	9,539,152	
Deferred inflows of resources	17,620,369	
Loss on disposal of capital assets	(1,233,689)	
Accrued interest	2,256,354	(986,468)

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. 55,302

Change in net position of governmental activities (page 15-16) \$ 2,132,772

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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
Taxes:				
Property	\$ 6,770,113	\$ 6,770,113	\$ 6,884,566	\$ 114,453
Franchise	1,050,000	1,050,000	1,368,191	318,191
Licenses and permits	745,950	745,950	890,131	144,181
Intergovernmental:				
Federal	73,000	86,408	87,569	1,161
State	10,591,569	10,724,942	10,592,426	(132,516)
County	154,150	154,150	194,641	40,491
Other	125,650	125,650	126,373	723
Charges for services	1,244,042	1,244,042	2,964,358	1,720,316
Fines and forfeitures	438,100	438,100	357,881	(80,219)
Interest on investments	150,000	150,000	535,302	385,302
Miscellaneous	381,075	381,075	407,815	26,740
Total revenues	<u>21,723,649</u>	<u>21,870,430</u>	<u>24,409,253</u>	<u>2,538,823</u>
<b>EXPENDITURES</b>				
Administration department:				
Current:				
Personnel	3,882,434	3,882,434	3,880,029	2,405
Supplies	46,885	46,885	51,818	(4,933)
Other services & charges	1,798,276	1,825,026	1,592,703	232,323
	<u>5,727,595</u>	<u>5,754,345</u>	<u>5,524,550</u>	<u>229,795</u>
Police department:				
Current:				
Personnel	8,753,480	8,753,480	8,568,390	185,090
Supplies	381,974	397,183	379,802	17,381
Other services & charges	2,482,589	2,507,212	2,480,226	26,986
	<u>11,618,043</u>	<u>11,657,875</u>	<u>11,428,418</u>	<u>229,457</u>
Fire department:				
Current:				
Personnel	4,693,514	4,750,120	4,485,381	264,739
Supplies	135,010	157,545	128,449	29,096
Other services & charges	566,893	634,533	666,895	(32,362)
Capital outlay			17,114	(17,114)
	<u>5,395,417</u>	<u>5,542,198</u>	<u>5,297,839</u>	<u>244,359</u>
Planning & Neighborhood Services department:				
Current:				
Personnel	1,779,147	1,779,147	1,718,458	60,689
Supplies	22,320	22,320	24,165	(1,845)
Other services & charges	153,302	181,174	231,734	(50,560)
	<u>1,954,769</u>	<u>1,982,641</u>	<u>1,974,357</u>	<u>8,284</u>
Engineering department:				
Current:				
Personnel	1,901,742	1,901,742	1,696,397	205,345
Supplies	31,800	31,800	23,556	8,244
Other services & charges	533,359	524,484	308,537	215,947
Capital outlay			47,325	(47,325)
	<u>2,466,901</u>	<u>2,458,026</u>	<u>2,075,815</u>	<u>382,211</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, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
Public Works department:				
Current:				
Personnel	\$ 1,441,870	\$ 1,441,870	\$ 1,420,395	\$ 21,475
Supplies	715,460	715,460	823,676	(108,216)
Other services & charges	1,458,494	1,458,494	1,622,454	(163,960)
	<u>3,615,824</u>	<u>3,615,824</u>	<u>3,866,525</u>	<u>(250,701)</u>
 Total expenditures	 <u>30,778,549</u>	 <u>31,010,909</u>	 <u>30,167,504</u>	 <u>843,405</u>
 REVENUE OVER (UNDER) EXPENDITURES	 <u>(9,054,900)</u>	 <u>(9,140,479)</u>	 <u>(5,758,251)</u>	 <u>3,382,228</u>
 OTHER FINANCING SOURCES (USES):				
Transfers from other funds	9,091,400	9,091,400	9,154,750	63,350
Transfers to other funds		(8,875)	(138,242)	(129,367)
Leases			13,085	13,085
Total other financing sources (uses)	<u>9,091,400</u>	<u>9,082,525</u>	<u>9,029,593</u>	<u>(52,932)</u>
 NET CHANGE IN FUND BALANCE	 36,500	 (57,954)	 3,271,342	 3,329,296
 FUND BALANCE - BEGINNING	 <u>23,154,522</u>	 <u>23,154,522</u>	 <u>23,154,522</u>	
 FUND BALANCE - ENDING	 <u>\$ 23,191,022</u>	 <u>\$ 23,096,568</u>	 <u>\$ 26,425,864</u>	 <u>\$ 3,329,296</u>

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

This page intentionally left blank.

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Electric	Water
<b>ASSETS</b>		
Current assets:		
Cash and cash equivalents	\$ 9,288,963	\$ 3,912,707
Receivables:		
Accounts and notes	5,180,443	1,257,699
Accrued interest	131,143	32,786
Special assessments		
Due from other city funds	122,961	9,684
Due from other governmental units	504,486	
Inventories	2,130,075	417,288
Prepaid items	141,445	82,521
Total current assets	17,499,516	5,712,685
Long-term assets:		
Restricted assets:		
Cash and cash equivalents	1,790,791	556,475
Bond operation and maintenance reserve	4,831,000	1,288,000
Long-term receivables:		
Special assessments		
Notes receivable	21,653	
Other long-term investments	21,759,592	6,185,712
Capital assets:		
Intangible plant	1,288,813	
Land	1,071,555	979,967
Buildings	80,109,079	102,213,074
Improvements other than buildings	4,176,468	
Machinery and equipment	8,241,438	3,684,768
Infrastructure		
Construction in progress	3,691,782	271,904
Less accumulated depreciation	(46,622,311)	(35,040,000)
Total long-term assets	80,359,860	80,139,900
Right to use leased assets		
Less accumulated depreciation		
Total right to use leased assets		
Total assets	97,859,376	85,852,585
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plans	936,136	624,090
Other post-employment benefits	26,795	17,863
Total deferred outflows of resources	962,931	641,953

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2022**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 7,455,746	\$ 3,462,058	\$ 2,603,041	\$ 26,722,515	\$ 7,599,050
1,401,035	396,375	1,491,453	9,727,005	1
97,727			163,929	
556,460	463,556	657,577	97,727	17,804
5,011		396,672	1,810,238	31,844
			2,547,363	26,654
5,004	95	295	229,360	145,183
<u>9,520,983</u>	<u>4,322,084</u>	<u>5,149,038</u>	<u>42,204,306</u>	<u>7,820,536</u>
			2,347,266	
			6,119,000	
1,808,866			1,808,866	
			21,653	
			27,945,304	
			1,288,813	
2,664,038		4,621,280	9,336,840	
36,548,224	836,537	4,501,941	224,208,855	
42,673,318	3,497,865	12,711,642	63,059,293	
2,449,441	303,565	604,156	15,283,368	29,125,132
35,488,337	50,060,963		85,549,300	
1,571,022			5,534,708	
(53,288,700)	(21,627,995)	(10,815,749)	(167,394,755)	(19,814,684)
<u>69,914,546</u>	<u>33,070,935</u>	<u>11,623,270</u>	<u>275,108,511</u>	<u>9,310,448</u>
		10,020	10,020	18,821
		(477)	(477)	(3,137)
		<u>9,543</u>	<u>9,543</u>	<u>15,684</u>
<u>79,435,529</u>	<u>37,393,019</u>	<u>16,781,851</u>	<u>317,322,360</u>	<u>17,146,668</u>
186,358	44,332	444,139	2,235,055	38,585
8,496	1,914	11,485	66,553	1,547
<u>194,854</u>	<u>46,246</u>	<u>455,624</u>	<u>2,301,608</u>	<u>40,132</u>

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2022**

	Electric	Water
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	3,075,558	532,688
Accrued wages payable		
Accrued compensated absences	349,000	232,000
Due to other city funds	1,771,084	69,359
Due to other governmental units		
Customer deposits	82,175	
Other liabilities		
Accrued interest payable	50,144	101,033
Leases		
Current maturities of long-term debt	1,187,650	1,151,295
Total current liabilities	<u>6,515,611</u>	<u>2,086,375</u>
Long-term liabilities:		
Accrued compensated absences		
Leases		
Other post-employment benefits	180,085	120,056
Net pension liability	3,131,581	2,087,721
Notes payable		8,847,092
Bonds payable	10,793,886	16,034,647
Advances from other funds		37,871
Total long-term liabilities	<u>14,105,552</u>	<u>27,127,387</u>
Total liabilities	<u>20,621,163</u>	<u>29,213,762</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Pension plans	178,257	118,836
Other post-employment benefits	69,479	46,320
Other deferred credits	1,405,598	
Total deferred inflows of resources	<u>1,653,334</u>	<u>165,156</u>
<b>NET POSITION</b>		
Net investment in capital assets	39,975,287	46,185,588
Restricted		
Debt service	3,264,889	1,336,289
Capital projects		
Unrestricted	<u>33,307,634</u>	<u>9,593,743</u>
Total net position	<u>\$ 76,547,810</u>	<u>\$ 57,115,620</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, 2022**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
232,615	3,125	156,147	4,000,133	257,293
59,460	12,056	106,711	178,227	11,693
170,849	10,294	206,441	968,584	
56,394	3,133	42,182	1,942,152	392,722
		40,237	40,237	
			82,175	
		89,752	89,752	
131,349		170	282,696	80
		360	360	3,437
3,204,099			5,543,044	
<u>3,854,766</u>	<u>28,608</u>	<u>642,000</u>	<u>13,127,360</u>	<u>665,225</u>
56,950	3,431	68,812	129,193	23,233
		9,310	9,310	12,872
60,367	13,601	81,608	455,717	10,993
605,155	143,958	1,442,243	7,410,658	125,296
22,403,087			8,847,092	
			49,231,620	
		785,768	823,639	
<u>23,125,559</u>	<u>160,990</u>	<u>2,387,741</u>	<u>66,907,229</u>	<u>172,394</u>
<u>26,980,325</u>	<u>189,598</u>	<u>3,029,741</u>	<u>80,034,589</u>	<u>837,619</u>
8,776	2,088	20,916	328,873	1,817
17,566	3,958	23,747	161,070	3,199
			1,405,598	
<u>26,342</u>	<u>6,046</u>	<u>44,663</u>	<u>1,895,541</u>	<u>5,016</u>
42,435,878	33,070,935	11,623,143	173,290,831	9,309,823
			4,601,178	
1,906,593			1,906,593	
<u>8,281,245</u>	<u>4,172,686</u>	<u>2,539,928</u>	<u>57,895,236</u>	<u>7,034,342</u>
<u>\$ 52,623,716</u>	<u>\$ 37,243,621</u>	<u>\$ 14,163,071</u>	237,693,838	<u>\$ 16,344,165</u>
			(85,837)	
			<u>\$ 237,608,001</u>	

(Continued)

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Electric	Water
<b>OPERATING REVENUES</b>		
Charges for services	\$ 41,034,634	\$ 11,089,351
Other	3,085,465	26,358
Total operating revenue	<u>44,120,099</u>	<u>11,115,709</u>
<b>OPERATING EXPENSES</b>		
Personnel	4,426,019	3,073,989
Purchased power	17,934,343	
Disposal fee		
Professional services	311,179	144,171
Insurance	136,928	86,798
Repair and maintenance	1,198,879	1,474,528
Supplies	61,473	1,573,378
Utilities		
Equipment rental		
Depreciation	3,140,024	2,435,579
Amortization		
Miscellaneous	2,436,678	71,379
Total operating expenses	<u>29,645,523</u>	<u>8,859,822</u>
Operating income(loss)	<u>14,474,576</u>	<u>2,255,887</u>
<b>NONOPERATING REVENUE (EXPENSE)</b>		
Investment income (loss)	(2,007,716)	(249,852)
Interest on indebtedness	(405,751)	(608,059)
Fiscal and other charges		
Gain (loss) on disposal of equipment	43,740	41,192
Intergovernmental		
Miscellaneous	453,397	309,022
Total nonoperating revenue (expense)	<u>(1,916,330)</u>	<u>(507,697)</u>
Income (loss) before contributions and transfers	<u>12,558,246</u>	<u>1,748,190</u>
Capital contributions	775,500	889,780
Transfers from other funds		
Transfers to other funds	(9,286,238)	(680,443)
Total contributions and transfers	<u>(8,510,738)</u>	<u>209,337</u>
CHANGE IN NET POSITION	4,047,508	1,957,527
TOTAL NET POSITION - BEGINNING	<u>72,500,302</u>	<u>55,158,093</u>
TOTAL NET POSITION - ENDING	<u>\$ 76,547,810</u>	<u>\$ 57,115,620</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, 2022**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 9,846,367	\$ 2,809,170	\$ 9,386,040	\$ 74,165,562	\$ 4,704,013
		39,539	3,151,362	
<u>9,846,367</u>	<u>2,809,170</u>	<u>9,425,579</u>	<u>77,316,924</u>	<u>4,704,013</u>
1,569,888	347,764	3,617,445	13,035,105	319,359
			17,934,343	
		1,772,672	1,772,672	
303,032	107,604	244,735	1,110,721	300
192,580	25,916	68,108	510,330	2,483
763,977	391,454	608,548	4,437,386	110,498
715,691	15,847	920,100	3,286,489	2,116,206
739,391	59,916	763,334	1,562,641	12,561
140,309	34,936	679,656	854,901	
2,196,360	1,224,545	588,097	9,584,605	2,061,352
11,587		477	12,064	3,137
468,720	435,722	547,466	3,959,965	133,699
<u>7,101,535</u>	<u>2,643,704</u>	<u>9,810,638</u>	<u>58,061,222</u>	<u>4,759,595</u>
<u>2,744,832</u>	<u>165,466</u>	<u>(385,059)</u>	<u>19,255,702</u>	<u>(55,582)</u>
56,351	22,287	17,450	(2,161,480)	44,097
(628,136)		(471)	(1,642,417)	(485)
(1,100)			(1,100)	
(62,698)	(6,069)	(545,975)	(529,810)	(92,083)
	98,940	563,913	662,853	
65,516	1,707	117,292	946,934	32,229
<u>(570,067)</u>	<u>116,865</u>	<u>152,209</u>	<u>(2,725,020)</u>	<u>(16,242)</u>
<u>2,174,765</u>	<u>282,331</u>	<u>(232,850)</u>	<u>16,530,682</u>	<u>(71,824)</u>
1,452,432	1,273,437	35,469	4,426,618	23,029
		832,163	832,163	
<u>(687,724)</u>	<u>(1,334,082)</u>	<u>(977,512)</u>	<u>(12,965,999)</u>	
<u>764,708</u>	<u>(60,645)</u>	<u>(109,880)</u>	<u>(7,707,218)</u>	<u>23,029</u>
2,939,473	221,686	(342,730)	8,823,464	(48,795)
<u>49,684,243</u>	<u>37,021,935</u>	<u>14,505,801</u>		<u>16,392,960</u>
<u>\$ 52,623,716</u>	<u>\$ 37,243,621</u>	<u>\$ 14,163,071</u>		<u>\$ 16,344,165</u>
			(127,125)	
			<u>\$ 8,696,339</u>	

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Electric	Water
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 45,231,212	\$ 12,243,662
Payments to suppliers	(24,581,138)	(4,947,999)
Payments to employees	(2,391,768)	(1,338,503)
Other receipts (payments)		
Net cash provided by (used in) operating activities	<u>18,258,306</u>	<u>5,957,160</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Intergovernmental		
Transfers from other funds		
Transfers to other funds	(9,286,238)	(680,443)
Miscellaneous		
Payments received on notes and special receivable	129,042	10,041
Net cash provided by (used in) noncapital financing activities	<u>(9,157,196)</u>	<u>(670,402)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Proceeds from sale of capital assets	43,740	41,192
Purchase of assets	(5,182,314)	(2,186,435)
Proceeds from issuance of long-term debt		
Principal payments - bonds and notes	(1,138,650)	(1,092,350)
Interest payments - bonds and notes	(442,675)	(638,731)
Cash paid for lease liabilities - principal		
Cash paid for lease liabilities - interest		
Cash received on lease receivables		
Cash received for interest on lease receivables		
Capital grants from other governments		
Special assessment collections		
Net cash provided by (used in) capital and related financing activities	<u>(6,719,899)</u>	<u>(3,876,324)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Interest received and market adjustments	(2,038,861)	(267,696)
Purchase of investments	(779,154)	(432,304)
Proceeds from the sale of investments		2,611
Net cash provided by (used in) investing activities	<u>(2,818,015)</u>	<u>(697,389)</u>
Net increase (decrease) in cash and cash equivalents	(436,804)	713,045
Cash and cash equivalents at beginning of year	<u>11,516,558</u>	<u>3,756,137</u>
Cash and cash equivalents at end of year	<u>\$ 11,079,754</u>	<u>\$ 4,469,182</u>

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 9,769,006	\$ 2,816,987	\$ 9,443,409	\$ 79,504,276	\$ 4,734,839
(3,261,045)	(640,384)	(5,144,097)	(38,574,663)	(2,054,050)
(1,612,564)	(331,058)	(3,751,983)	(9,425,876)	(307,847)
(467,308)	(435,722)	(879,187)	(1,782,217)	(133,700)
4,428,089	1,409,823	(331,858)	29,721,520	2,239,242
	98,940	413,424	512,364	
		832,163	832,163	
(687,724)	(1,334,082)	(977,512)	(12,965,999)	32,229
26,946	1,707	88,184	116,837	
			139,083	
(660,778)	(1,233,435)	356,259	(11,365,552)	32,229
			84,932	36,517
(2,597,972)	(194,286)	(209,261)	(10,370,268)	(1,951,457)
465,069			465,069	
(3,186,000)			(5,417,000)	
(644,002)			(1,725,408)	
(11,587)		(350)	(11,937)	(2,511)
(348)		(301)	(649)	(405)
38,570		22,146	60,716	
870		423	1,293	
326,269		29,862	29,862	
(5,609,131)	(194,286)	(157,481)	(16,557,121)	(1,917,856)
55,481	22,287	17,233	(2,211,556)	44,097
			(1,211,458)	
			2,611	
55,481	22,287	17,233	(3,420,403)	44,097
(1,786,339)	4,389	(115,847)	(1,621,556)	397,712
9,242,085	3,457,669	2,718,888	30,691,337	7,201,338
\$ 7,455,746	\$ 3,462,058	\$ 2,603,041	\$ 29,069,781	\$ 7,599,050

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Electric	Water
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:		
Operating income (loss)	\$ 14,474,576	\$ 2,255,887
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation/Amortization	3,140,024	2,435,579
Change in other deferred credits	(172,114)	
Miscellaneous nonoperating income (expense)	1,401,011	1,118,546
Change in assets and liabilities:		
Accounts and notes receivable	(33,503)	(70,849)
Due from other funds	(1,139)	357
Due from other governments	(84,281)	
Special assessment receivable		
Inventories	(855,861)	(49,666)
Leases receivable		
Prepaid items	(93,993)	(64,223)
Deferred outflows of resources	270,711	180,474
Accounts payable	279,252	186,517
Accrued wages payable		
Compensated absences payable	69,900	45,900
Other post employment benefits	642	428
Net pension liability	1,430,235	953,490
Due to other funds	173,446	13,794
Due to other governments		
Deferred inflows of resources	(1,745,725)	(1,049,074)
Other current liabilities	5,125	
Net cash provided by (used in) operating activities	<u>\$ 18,258,306</u>	<u>\$ 5,957,160</u>
Noncash capital financing activities:		
Contributions of capital assets from government / customers	<u>\$ 775,500</u>	<u>\$ 889,780</u>
Lease liability for the acquisition of a right to use leased asset	<u>\$</u>	<u>\$</u>
Decrease in other deferred credits	<u>\$ (172,114)</u>	<u>\$</u>

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

Business-type Activities - Enterprise Funds				Governmental Activities - Internal Service Funds
Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
\$ 2,744,832	\$ 165,466	\$ (385,059)	\$ 19,255,702	\$ (55,582)
2,207,947	1,224,545	588,574	9,596,669	2,064,489
38,570		179,596	(172,114)	
(36,626)	9,507	(67,858)	2,737,723	
(46,771)	(1,690)	(77,266)	(199,329)	203,322
14,407		143,273	(126,509)	(17,804)
11,040		175	73,399	(9,509)
			11,215	
(38,570)		(22,352)	(905,527)	4,199
(5,004)	(95)		(60,922)	
103,971	12,648	232,462	(163,315)	(145,183)
(406,065)	(5,081)	(87,697)	800,266	12,106
4,922	1,188	(576)	(33,074)	133,516
5,320	1,875	(31,193)	5,534	1,911
(22,550)	2,803	(49,184)	91,802	2,307
213,848	65,839	530,377	(67,861)	(823)
5,425	465	(451,256)	3,193,789	56,409
		908	(258,126)	50,282
(348,187)	(67,647)	(816,424)	908	
(18,420)		(18,358)	(4,027,057)	(60,398)
<u>\$ 4,428,089</u>	<u>\$ 1,409,823</u>	<u>\$ (331,858)</u>	<u>\$ 29,721,520</u>	<u>\$ 2,239,242</u>
<u>\$ 1,452,432</u>	<u>\$ 1,273,437</u>	<u>\$ 5,607</u>	<u>\$ 4,396,756</u>	<u>\$ 23,029</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,821</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ (172,114)</u>	<u>\$</u>

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

	<u>Police Custodial Fund</u>
Assets	
Cash and investments	\$ <u>212,382</u>
Net Position	
Restricted	
Police Custodial Fund	\$ <u>212,382</u>

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2022**

	Police Custodial Fund
Additions	
Police funds received into custody	\$ 278,597
Deductions	
Police funds released from custody	66,215
Change in Net Position	212,382
Net Position - Beginning	
Net Position - Ending	\$ 212,382

**CITY OF MOORHEAD**  
**Notes to the Financial Statements**  
**December 31, 2022**

**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.

**Change in Accounting Principle**

As of January 1, 2022, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. The standard also requires lessors to recognize a lease receivable and deferred inflow of resources. As a result of implementing this standard the City recognized a lease receivable and deferred inflow of resources in the amount of \$1,897,752 and \$1,897,752 as of January 1, 2022, respectively. The City also recognized a right of use asset and lease liability of \$4,448,788 and \$4,448,788 as of January 1, 2022 respectively. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Note 4.J.

**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 the component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit and management of the primary government has operational responsibility for the component unit. 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 a Special Revenue 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 component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit and management of the primary government has operational responsibility for the component unit. The Electric and Water funds are reported as major proprietary funds. Separate audited financial statements for the year ended December 31, 2022 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, 2022. Separate audited financial statements for the year ended June 30, 2022 are available from the agency. These financial statements may be obtained by contacting the Agency at 800 2<sup>nd</sup> 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 National Opioid Settlements, Maple Court Ownership Development, 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, 2022.

### **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. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public school purposes by the City, no salvage value is taken into consideration for depreciation purposes.

<u>Capital asset classes</u>	<u>Lives</u>
Buildings	20 – 50
Improvements other than buildings	10 – 20
Infrastructure	20 – 50
Vehicles	2 – 30
Equipment	3 – 20
Office Equipment	5 – 15
Computer Equipment	3 – 5

Right to use leased assets are recognized at the lease commencement date and represent the City's right to use an underlying asset for the lease term. Right to use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the asset into service. Right to use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the straight-line method or the same method amortizing the debt. The amortization period varies from 2 to 20 years.

## 6. **Lease Receivables**

Lease receivables are recorded by the City as the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City charges the lessee.

## 7. **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*, represent a consumption of net assets 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 assets 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. The City also reports deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) using the straight-line basis over the term of the lease. The City also reports deferred inflows related to other credits reported in the Electric Fund. These credits are reported both on the proprietary funds statement of net position as well as the government-wide statement of net position. The credits result from an agreement relating to rate increases where the City will be receiving future benefit to be applied to transmission overcharges. These deferred credits will be recognized using the straight-line basis through September 2030.

#### **8. Long-term obligations**

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

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

#### **9. 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.

#### **10. 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.

#### **11. 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.



## H. Revenues and expenditures/expenses

### 1. Program revenues

Amounts reported as *program revenues* include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions (including special assessments) that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes and other items, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

### 2. Property taxes

Property taxes are submitted to the County Auditor by December 28<sup>th</sup> of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15. The County remits taxes collected to the City in July and December of each year.

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

### 3. Compensated absences

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

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

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

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

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

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

The details of this \$82,599,294 difference are as follows:

Special assessments receivable	\$ 71,642,017
Property taxes	188,741
Escrowed special assessments	29,102
Notes receivable	5,357,417
Leases receivable	1,646,382
Grants and prepayments	3,735,635
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 82,599,294</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, leases, 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”.

The details of this \$212,721,536 difference are as follows:

Bonds payable	\$ 161,174,822
Notes payable	678,000
Leases payable	4,345,323
Accrued interest payable	2,067,743
Compensated absences payable	2,462,925
Other post-employment benefits	1,707,613
Net pension liability	<u>40,285,110</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 212,721,536</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 \$7,244,665 difference are as follows:

Internal service fund net position	\$ 16,344,165
Net capital assets included in governmental activities	(9,310,448)
Net right to use leased assets in governmental activities	(15,684)
Deferred outflows included in governmental activities	(40,132)
Accrued interest payable included in governmental activities	80
Accrued compensated absences payable included in governmental activities	23,233
Leases	16,309
Other post-employment benefits included in governmental activities	10,993
Net pension liability included in governmental activities	125,296
Deferred inflows included in governmental activities	5,016
Internal service fund activity reflected in business-type activities	<u>85,837</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	<u>\$ 7,244,665</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 \$12,297,201 difference are as follows:

Capital Outlay	\$ 26,716,418
Plus: construction in progress added as asset in current year	15,724,892
Less: construction in progress shown as additions to business-type activities	(2,542,791)
Plus: contributed assets	544,432
Plus: net change in retainage payables	<u>566,058</u>
Capital asset increases per footnote 4.D	\$ 41,009,009
Less: construction in progress added as asset in current year	(15,724,892)
Plus: construction in progress shown as additions to business-type activities	2,542,791
Less: contributed assets	(544,432)
Less: net change in retainage payables	(566,058)
Plus: transfer of assets to internal service funds	23,029
Less: net effect of various miscellaneous transactions involving capital assets	(3,719,316)
Depreciation expense	<u>(10,722,930)</u>
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	<u>\$ 12,297,201</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 \$(85,837) difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$41,288
Internal receivable representing charges in excess of cost to business-type activities - current year	(127,125)
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	<u>\$(85,837)</u>

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

**A. Violations of legal or contractual provisions**

The Library Fund had expenditures in excess of budget of \$71,736 at December 31, 2022. This will be addressed through future tax levies.

**B. Deficit fund equity**

The Special Assessment Capital Projects Fund has a deficit of \$2,605,124 at December 31, 2022 which will be recovered by Municipal State Aid funds and other state grant funds.

The Permanent Improvement Fund has a deficit fund balance of \$3,759,814 at December 31, 2022 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 \$6,511 at December 31, 2022 which will be recovered by future grant proceeds.

The Tax Increment Debt Service Fund has a deficit fund balance of \$1,832,644 at December 31, 2022 which will be recovered by future tax increment collections.

The Maintenance Shop Internal Service Fund has a deficit fund balance of \$519,426 at December 31, 2022 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 \$9,235,614 and \$10,362,434, respectively. At December 31, 2022, 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 and Other Long-term 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, 2022, the City had an investment in the 4M Fund in the amount of \$4,596,147.

*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, 2022, 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, 2022, the City had the following investments:

<u>Investments Measured at Fair Value</u>	Fair Value
Federal Farm Credit Bank	\$ 10,395,821
Negotiable Certificates of Deposit	\$ 2,670,303
Federal Home Loan Bank	\$ 13,639,425
Federal Home Loan Mortgage Corporation	\$ 5,494,969
Federal National Mortgage Association	\$ 68,264
Government National Mortgage Association	\$ 16,086
US Treasury Obligations with maturities at time of purchase greater than one year	\$ 7,882,266
Municipal Bonds	\$ 656,999
Total Investments Measured at Fair Value	<u>\$ 40,824,133</u>
<u>Investments Measured at Amortized Cost</u>	Amortized Cost
Money Markets	\$ 85,827,835
Minnesota Municipal Money Market (4M Fund)	\$ 4,596,147
Total Investments Measured at Amortized Cost	<u>\$ 90,423,982</u>
Total Investments	\$ 131,248,115

*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	\$ 2,670,303	\$ 2,435,441	\$ 234,862	\$ -	\$ -	Not Rated
Federal Farm Credit Bank	10,395,821	2,016,906	5,419,714	2,959,201	-	AA
Federal Home Loan Bank	13,639,425	803,568	11,949,417	886,440	-	AA
Federal Home Loan Mortgage Corporation	5,494,969	1,224,713	4,220,916	42,679	6,661	AA
Federal National Mortgage Association	68,264	-	26,609	-	41,655	AA
Government National Mortgage Association	16,086	-	16,086	-	-	AA
US Treasury Obligations	7,882,266	6,915,706	966,560	-	-	AA
Municipal Bonds	656,999	400,830	172,196	83,973	-	See Below
Money Markets	85,827,835	85,827,835	-	-	-	Not Rated
Minnesota Municipal Money Market (4MFund)	4,596,147	4,596,147	-	-	-	Not Rated
	<u>\$ 131,248,115</u>	<u>\$ 104,221,146</u>	<u>\$ 23,006,360</u>	<u>\$ 3,972,293</u>	<u>\$ 48,316</u>	

The following table summarizes the ratings for the City's municipal bond investments as rated by Moody's as of December 31, 2022.

Credit Rating	Fair Value
AAA	\$ 272,889
AA	384,110
	<u>\$ 656,999</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 gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

Level 1 – Inputs to the valuation methodology are unadjusted quoted prices for identical assets in active markets that the City has the ability to access.

Level 2 – Inputs to the valuation methodology include:

1. Quoted prices for similar assets or liabilities in active markets;
2. Quoted prices for identical or similar assets or liabilities in active markets;
3. Inputs other than quoted prices that are observable for the asset or liability;
4. Inputs that are derived principally from or corroborated by observable market data by correlation or other means.

Level 3 -Inputs to valuation methodology that are unobservable and significant to the fair value measurement.

The City has the following investments valued at recurring fair value measurements at December 31, 2022:

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 2,670,303	\$ -	\$ 2,670,303
Federal Farm Credit Bank	-	10,395,821	-	10,395,821
Federal Home Loan Bank	-	13,639,425	-	13,639,425
Federal Home Loan Mortgage Corporation	-	5,494,969	-	5,494,969
Federal National Mortgage Association	-	68,264	-	68,264
Government National Mortgage Association	-	16,086	-	16,086
US Treasury Obligations	7,882,266	-	-	7,882,266
Municipal Bonds	-	656,999	-	656,999
	<u>\$ 7,882,266</u>	<u>\$ 32,941,867</u>	<u>\$ -</u>	<u>40,824,133</u>
Investments Measured at Amortized Cost				<u>90,423,982</u>
				<u>\$ 131,248,115</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	\$ 102,683,377
Restricted Cash and Investments - Statement of Net Position	\$ 3,523,667
Bond Operation and Maintenance Reserve - Statement of Net Position	\$ 6,119,000
Other Long-Term Investments - Statement of Net Position	\$ 27,945,304
Cash and Investments - Statement of Fiduciary Net Position	\$ 212,382
	<u>\$ 140,483,730</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	\$ 526,599	\$ 68	\$	\$ 894	\$ 15,059	\$ 542,620
Notes		748,634			4,636,706	5,385,340
Leases	154,701	1,446,322		463	44,896	1,646,382
Property taxes	97,829	51,200	1		39,711	188,741
Special Assessments		70,735,437	906,580			71,642,017
Due from other Governmental units	116,839	107,456	4,206	3,497,695	378,541	4,104,737
<b>Total Receivables</b>	<b>\$ 895,968</b>	<b>\$ 73,089,117</b>	<b>\$ 910,787</b>	<b>\$ 3,499,052</b>	<b>\$ 5,114,913</b>	<b>\$ 83,509,837</b>

### D. Capital Assets

Capital asset activity for the year ended December 31, 2022 was as follows:

	(Restated)			Ending Balance
	Beginning Balance	Increases	Decreases	
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 75,524,700	\$ 310,825	\$ (1,194,553)	\$ 74,640,972
Construction in progress	70,916,515	28,100,882	(15,724,892)	83,292,505
<b>Total capital assets, not being depreciated</b>	<b>146,441,215</b>	<b>28,411,707</b>	<b>(16,919,445)</b>	<b>157,933,477</b>
Capital assets, being depreciated:				
Buildings	29,214,649	383,159	(745,112)	28,852,696
Improvements other than buildings	78,965,115	935,525	(71,448)	79,829,192
Machinery and equipment	44,273,234	2,264,739	(5,170,704)	41,367,269
Infrastructure	287,087,067	9,013,879		296,100,946
<b>Total capital assets being depreciated</b>	<b>439,540,065</b>	<b>12,597,302</b>	<b>(5,987,264)</b>	<b>446,150,103</b>
Less accumulated depreciation for:				
Buildings	(16,994,812)	(824,788)	(742,647)	(17,076,953)
Improvements other than buildings	(20,179,980)	(2,544,812)	(57,167)	(22,667,625)
Machinery and equipment	(29,155,444)	(3,005,957)	(4,968,714)	(27,192,687)
Infrastructure	(96,092,964)	(6,408,726)		(102,501,690)
<b>Total accumulated depreciation</b>	<b>(162,423,200)</b>	<b>(12,784,283)</b>	<b>(5,768,528)</b>	<b>(169,438,955)</b>
<b>Total capital assets, being depreciated, net</b>	<b>277,116,865</b>	<b>(186,981)</b>	<b>(218,736)</b>	<b>276,711,148</b>
Right to use Leased Assets Being Amortized	4,427,181	18,820		4,446,001
Less accumulated amortization for		(264,665)		(264,665)
<b>Total right to use leased assets being amortized, net</b>	<b>4,427,181</b>	<b>(245,845)</b>	<b>-</b>	<b>4,181,336</b>
<b>Governmental activities capital assets, net</b>	<b>\$ 427,985,261</b>	<b>\$ 27,978,881</b>	<b>\$ (17,138,181)</b>	<b>\$ 438,825,961</b>

	(Restated) Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 9,679,465	\$ 209,260	\$ (551,885)	\$ 9,336,840
Construction in progress	4,089,272	9,843,563	(8,398,127)	5,534,708
Total capital assets, not being depreciated	<u>13,768,737</u>	<u>10,052,823</u>	<u>(8,950,012)</u>	<u>14,871,548</u>
Capital assets, being depreciated:				
Intangible plant	1,288,813			1,288,813
Buildings	222,473,627	2,796,856	(1,061,628)	224,208,855
Improvements other than buildings	58,280,273	4,945,251	(166,231)	63,059,293
Machinery and equipment	23,223,814	985,348	(8,925,794)	15,283,368
Infrastructure	83,006,509	2,542,791		85,549,300
Total capital assets being depreciated	<u>388,273,036</u>	<u>11,270,246</u>	<u>(10,153,653)</u>	<u>389,389,629</u>
Less accumulated depreciation for:				
Intangible plant	(719,152)	(103,344)		(822,496)
Buildings	(96,692,726)	(5,231,911)	(1,018,096)	(100,906,541)
Improvements other than buildings	(21,913,146)	(1,502,034)	(163,885)	(23,251,295)
Machinery and equipment	(17,233,614)	(960,274)	(8,906,439)	(9,287,449)
Infrastructure	(31,339,932)	(1,787,042)		(33,126,974)
Total accumulated depreciation	<u>(167,898,570)</u>	<u>(9,584,605)</u>	<u>(10,088,420)</u>	<u>(167,394,755)</u>
Total capital assets, being depreciated, net	<u>220,374,466</u>	<u>1,685,641</u>	<u>(20,242,073)</u>	<u>221,994,874</u>
Right to use Leased Assets Being Amortized	21,607		(11,587)	10,020
Less accumulated amortization for		(477)		(477)
Total right to use leased assets being amortized, net	<u>21,607</u>	<u>(477)</u>	<u>(11,587)</u>	<u>9,543</u>
Business-type activities capital assets, net	<u>\$ 234,164,810</u>	<u>\$ 11,737,987</u>	<u>\$ (29,203,672)</u>	<u>\$ 236,875,965</u>

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

Governmental activities:	
General Government	\$ 1,716,546
Public Safety	419,971
Highways & Streets, including depreciation of general infrastructure assets	6,637,445
Parks & Recreation	1,304,363
Community Development	1,238
Library	9,995
Economic Development	237,006
Mass Transit	661,032
Subtotal	<u>10,987,596</u>
Internal Service	2,061,352
Total depreciation/amortization expense - governmental activities	<u>\$ 13,048,948</u>

Business-type activities:

Electric	3,140,024
Water	2,435,579
Wastewater	2,196,360
Storm Water	1,224,545
Sanitation	18,454
Golf Course	122,040
Forestry	17,206
Airport	430,874
Total depreciation/amortization expense - business-type activities	<u>\$ 9,585,082</u>

**E. Deferred outflows / Deferred inflows of resources/ Unearned Revenues**

As noted in Note 1.G.6 above, the City has reported outflows and deferred inflows of resources at December 31, 2022.

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 \$25,933,106 and \$306,875 respectively. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of various general obligation improvement bonds totaling \$907,530. 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 \$1,026,655 and \$657,961 respectively. Another item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources using the straight-line basis over the term of the lease.

Governmental funds also report unearned revenue in connection with resources that have been received, but not year earned. At December 31, 2022 the City reported unearned revenue in the amount of \$7,183,642 representing early collections on various loans and receivables. This amount includes an amount of \$7,063,856 specific to collections from the American Rescue Plan Act which have not been spent as of year-end.

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, 2022.

	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
Letter of credit	\$ 29,102	\$	\$	\$	\$	\$ 29,102
Leases	154,701	1,446,322		463	44,896	1,646,382
Property taxes	97,829	51,200	1		39,711	188,741
Special assessments		70,735,437	906,580			71,642,017
MPS note		125,123				125,123
County road turnback		268,441				268,441
State Aid Construction				3,459,567		3,459,567
MYHA note		355,070			183,369	538,439
Bulletproof vest grant	10,128					10,128
CDBG rehabilitation loans					4,320,414	4,320,414
Transit grant proceeds					265,940	265,940
First and new program					105,000	105,000
	<u>\$ 291,760</u>	<u>\$ 72,981,593</u>	<u>\$ 906,581</u>	<u>\$ 3,460,030</u>	<u>\$ 4,959,330</u>	<u>\$ 82,599,294</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 a least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

#### **2. Police and Fire Plan Benefits**

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is 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 2022 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, 2022 were \$969,835. Contributions made by Moorhead Public Service to the General Employees Fund for the year ended December 31, 2022 were \$387,976. 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 2022 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, 2022 were \$1,460,400. 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, 2022, the City reported a liability of \$13,329,416 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 \$390,702. The net pension liability was measured as of June 30, 2022 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion share was .1683 percent at the end of the measurement period and .1633 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 13,329,416
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	390,702
Total	\$ 13,720,118

For the year ended December 31, 2022, the City recognized pension expense of \$2,085,683 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$58,380 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, 2022, 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	\$ 111,337	\$ 140,516
Changes in actuarial assumptions	\$ 2,981,922	\$ 52,796
Net collective difference between projected and actual investment earnings	\$ 277,906	\$ -
Changes in proportion	\$ 242,431	\$ -
Contributions paid to PERA subsequent to the measurement date	\$ 491,209	\$ -
Total	\$ 4,104,805	\$ 193,312

The \$491,209 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, 2023. 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
2023	\$ 1,326,623
2024	\$ 1,271,466
2025	\$ (383,252)
2026	\$ 1,205,447

Public Service Utility:

At December 31, 2022, MPS reported a liability of \$5,219,302 for its proportionate share of the GERF's net pension liability. MPS' net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. 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 \$152,942. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. MPS' proportion share was 0.0659 percent at the end of the measurement period and .0664 percent for the beginning of the period.

MPS' proportionate share of the net pension liability	\$ 5,219,302
State of Minnesota's proportionate share of the net pension liability Associated with MPS	152,942
Total	\$ 5,372,244

For the year ended December 31, 2022, MPS recognized pension expense of \$802,977 for its proportionate share of the GERF's pension expense. In addition, MPS recognized an additional \$22,853 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, 2022, 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	\$ 43,595	\$ 56,684
Changes in actuarial assumptions	\$ 1,189,914	\$ 23,547
Net collective difference between projected and actual investment earnings	\$ 96,696	\$ -
Changes in proportion	\$ 31,790	\$ 216,862
Contributions paid to PERA subsequent to the measurement date	\$ 198,231	\$ -
Total	\$ 1,560,226	\$ 297,093

The \$198,231 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, 2023. 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
2023	\$ 389,314
2024	\$ 380,290
2025	\$ (176,710)
2026	\$ 472,008

## 2. Police and Fire Fund Pension Costs

At December 31, 2022, the City reported a liability of \$29,147,050 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .6698 percent at the end of the measurement period and .6796 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 29,147,050
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	1,273,377
Total	\$ 30,420,427

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2022. 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, 2021. 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.

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, 2022 the City recognized pension expense of \$5,665,166 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$1,273,377 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 \$60,281 for the year ended December 31, 2022 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, 2022, 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	\$ 1,794,859	\$ -
Changes in actuarial assumptions	\$ 17,246,471	\$ 181,893
Net collective difference between projected and actual investment earnings	\$ 300,518	\$ -
Changes in proportion	\$ 168,767	\$ 354,357
Contributions paid to PERA subsequent to the measurement date	\$ 757,461	\$ -
Total	\$ 20,268,076	\$ 536,250

The \$757,461 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, 2023. 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
2023	\$ 3,670,258
2024	\$ 3,687,056
2025	\$ 3,213,801
2026	\$ 5,990,761
2027	\$ 2,412,489

The total pension expense for all plans recognized by the City for the year ended December 31, 2022, was \$9,827,203.

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, 2022, 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 27 years of service. In the Police and Fire Plan, 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 2022:

#### General Employees Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

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

#### Police and Fire Fund

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.
- The single discount rate changed from 6.50% to 5.40%.

Changes in Plan Provisions:

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

#### g. Discount Rate

The discount rate for the General Employees Plan used to measure the total pension liability in 2022 was 6.5 percent. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefits 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.

In the Police and Fire Fund, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members through June 30, 2060. Beginning in fiscal year ended June 30, 2061 for the Police and Fire Fund projected benefit payments exceed the funds' projected fiduciary net position. Benefit payments projected after were discounted at the municipal bond rate of 3.69 percent (based on the weekly rate closest to but not later than the measurement date of the Fidelity "20-Year Municipal GO AA Index"). The resulting equivalent single discount rate of 5.40 percent for the Police and Fire Fund was determined to give approximately the same present value of projected benefits when applied to all years of projected benefits as the present value of projected benefits using 6.5 percent applied to all years of projected benefits through the point of asset depletion and 3.69 percent thereafter.

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:	\$21,054,510	\$13,329,416	\$6,993,646

	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:	\$44,110,322	\$29,147,050	\$17,050,141

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:	\$8,244,161	\$5,219,302	\$2,738,451

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](http://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 2022 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>	
\$3,016	\$3,016	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 \$630 for single and \$1,352 for single plus 1. 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 \$124,747. 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, 2022, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	21
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>262</u>
	<u>283</u>

### 5. Total OPEB Liability

The City's total OPEB liability of \$1,863,189 was measured as of January 1, 2022 and was determined by an actuarial valuation as of that date.

### 6. Actuarial Assumptions

The total OPEB liability in the January 1, 2022 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	Service graded
Discount Rate	2.00 percent
Healthcare Cost Trend Rates	6.50 percent in 2022 grading 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: 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-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2022, valuation were based on the results of an actuarial experience study as of January 1, 2022.

7. Changes in the Total OPEB Liability

Balance at January 1, 2022	\$ 2,037,267
Changes from the prior year:	
Service cost	142,626
Interest cost	42,420
Assumption changes	6,786
Differences between expected and actual experience	(247,530)
Benefit payments	<u>(118,380)</u>
Total Changes	<u>(174,078)</u>
Balance at December 31, 2022	<u>\$ 1,863,189</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	\$2,002,391	\$1,863,189	\$1,732,598

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	\$1,670,395	\$1,863,189	\$2,092,551
Medical Trend Rate	5.50% decreasing to 4.00% over 5 years	6.50% decreasing to 5.00% over 5 years	7.50% 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, 2022, the City recognized OPEB expense of \$119,285. At December 31, 2022, the City reported \$262,218 in deferred outflows of resources related to OPEB and \$542,163 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 501,839
Assumption Changes	\$ 137,471	\$ 40,324
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 124,747	\$ -
Total	\$ 262,218	\$ 542,163

City contributions subsequent to the measurement date of \$124,747 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, 2023. 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
2023	\$ (65,761)
2024	\$ (65,761)
2025	\$ (65,761)
2026	\$ (65,761)
2027	\$ (65,760)
Thereafter	\$ (75,888)

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 \$300,141 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, 2022	\$ 299,071
Changes from the prior year:	
Service cost	30,327
Interest cost	6,235
Assumption Changes	-
Differences between Expected and Actual Experience	-
Benefit payments	<u>(35,492)</u>
Total Changes	<u>1,070</u>
Balance at December 31, 2022	<u>\$ 300,141</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	\$323,093	\$300,141	\$278,291

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	\$260,989	\$300,141	\$347,985
Medical Trend Rate	5.25% decreasing to 5.00% over 6 years	6.25% decreasing to 5.00% over 6 years	7.25% decreasing to 5.00% over 6 years

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

For the year ended December 31, 2022, Moorhead Public Service recognized OPEB expense of \$13,746. At December 31, 2022, Moorhead Public Service had \$44,659 in deferred outflows of resources related to OPEB and \$115,799 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 93,932
Assumption Changes	\$ 13,001	\$ 21,867
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Estimated Employer Contributions	\$ 31,658	\$ -
Total	\$ 44,659	\$ 115,799

Moorhead Public Service contributions subsequent to the measurement date of \$31,658 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, 2023. 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
2023	\$ (22,816)
2024	\$ (22,816)
2025	\$ (22,816)
2026	\$ (22,816)
2027	\$ (11,534)
Thereafter	\$ -

The total OPEB expense for all plans recognized by the City for the year ended December 31, 2022, was \$133,031.

#### 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 2022 were \$1,525,406. 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, 2022, which includes street construction and reconstruction and wastewater utilities. At year-end the City's remaining commitments with contractors are \$10,500,691. 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.

Project	Spent-to-Date	Remaining Commitment
Southeast Main Avenue railroad grade separation	\$ 49,343,544	\$ 1,267,244
Mill and overlay various locations/Street rehab	8,831,392	361,302
Underground utilities	4,233,855	8,833,868
Signal improvements	657,106	38,277
	\$ 63,065,897	\$ 10,500,691

*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	\$ 3,882,241
Permanent Improvement Fund	1,305,521
Wastewater Fund	5,312,929
	\$ 10,500,691

**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. Leases

### Lessee Activities

The city has entered into four leases for various equipment, operations space, and land improvements:

- Operating space at the county law enforcement center for the City's police department. The City is required to make principal and interest payments through October 31, 2038. As of December 31, 2022, the value of the lease liability was \$4,322,684. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.
- Equipment lease for a folder/insertor for use by staff at City Hall. The City is required to make principal and interest payments through May 1, 2027. As of December 31, 2022, the value of the lease liability was \$16,309. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.
- Equipment lease for a postage machine for use by staff at City Hall. The City is required to make principal and interest payments through November 1, 2026. As of December 31, 2022, the value of the lease liability was \$6,330. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.
- Lease for land improvements for a water irrigation line used by one of the City's golf courses. The City is required to make principal and interest payments through May 31, 2042. As of December 31, 2022, the value of the lease liability was \$9,670. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.

### Lessor Activities

The City has accrued a receivable for tower space utilized by a cell phone company. The remaining receivable and deferred inflows related to this lease were \$154,701 at December 31, 2022. Interest revenue of \$9,728 and principal receipts of \$13,085 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2030.

The City has accrued a receivable for usage of a City owned parking lot. The remaining receivable and deferred inflows related to this lease were \$463 at December 31, 2022. Interest revenue of \$81 and principal receipts of \$1,771 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2023.

The City has accrued a receivable for space usage utilized by the local chamber of commerce. The remaining receivable and deferred inflows related to this lease were \$19,119 at December 31, 2022. Interest revenue of \$1,308 and principal receipts of \$44,921 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2023.

The City has accrued a receivable for usage of various sports facilities by local organizations. The remaining receivable and deferred inflows related to these leases were \$25,777 at December 31, 2022. Interest revenue of \$2,339 and principal receipts of \$33,015 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2024.

The City has accrued a receivable for usage of a city owned hockey arena by the Moorhead Youth Hockey Association. The remaining receivable and deferred inflows related to this lease were \$1,446,322 at December 31, 2022. Interest revenue of \$97,480 and principal receipts of \$26,495 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2044.

## K. Long-term liabilities

### Notes Payable

Notes payable at December 31, 2022 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 3.00% interest maturing on January 1, 2026.
- Public Facilities Authority note issued June 21, 2004 in the amount of \$6,598,073 at 1.98% interest maturing on August 20, 2023.
- Public Facilities Authority note issued July 18, 2007 in the amount of \$12,407,226 at 1.99% interest maturing on August 20, 2026.
- Public Facilities Authority note issued August 26, 2014 in the amount of \$12,736,089 at 1.02% interest maturing on November 1, 2034.

- Public Facilities Authority note issued March 14, 2016 in the amount of \$2,471,358 at 1.00% interest maturing on August 20, 2035.
- Public Facilities Authority note issued August 13, 2020 for an amount up to \$18,048,080 at 1.00% interest maturing on August 20, 2040.

### **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, 2022 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2022
<b><u>Governmental Activities</u></b>					
G.O. Special Assessment					
2010 Refunding Series D	9/22/2010	2/1/2023	2.00 - 3.00	\$ 2,030,000	\$ 140,000
2011 Refunding Series B	9/1/2011	2/1/2024	.50 - 2.90	900,000	130,000
2014 Series C	12/29/2014	2/1/1936	2.00 - 4.00	6,170,000	4,455,000
2014 Refunding Series D	12/29/2014	2/1/2025	3.00 - 4.00	7,660,000	2,830,000
2014 Refunding Series E	12/29/2014	2/1/2027	3.00 - 4.00	9,785,000	4,280,000
2015 Series A	9/24/2015	2/1/1942	3.00 - 4.00	12,270,000	10,040,000
2016 Series B	11/10/2016	2/1/1942	2.00 - 5.00	20,920,000	17,085,000
2016 Refunding Series C	11/10/2016	2/1/1933	3.00 - 5.00	11,135,000	6,655,000
2017 Series A	12/14/2017	2/1/1943	2.00 - 3.25	10,905,000	9,245,000
2017 Refunding Series B	12/14/2017	2/1/2029	2.50 - 5.00	5,000,000	3,315,000
2018 Series A	11/20/2018	2/1/2044	4.00 - 5.00	11,690,000	10,860,000
2018 Refunding Series B	11/20/2018	2/1/2031	5.00	4,870,000	3,710,000
2019 Series A	12/30/2019	2/1/2046	2.00 - 5.00	6,815,000	6,505,000
2019 Refunding Series B	12/30/2019	2/1/2032	2.00 - 4.00	6,070,000	5,015,000
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
2022 Series A	12/13/2022	2/1/2043	4.00 - 5.00	18,265,000	18,265,000
				<u>179,230,000</u>	<u>147,275,000</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	\$ 635,000
2019 Regency/Holiday Mall Refunding Series A	12/30/2019	2/1/2028	2.00-4.00	1,550,000	1,195,000
				<u>2,940,000</u>	<u>1,830,000</u>
Total Governmental Activities				<u>\$ 182,170,000</u>	<u>\$ 149,105,000</u>

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2022
<b>Business-Type Activities</b>					
<b>G.O Revenue Bonds</b>					
2012 G.O. Wastewater Refunding, Series B	5/15/2012	11/1/2029	3.00 – 3.125	\$ 10,790,000	\$ 6,130,000
2007 Electric MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,405,150	1,092,750
2007 Water MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,838,850	1,232,250
G.O. Water Revenue Note of 2020	5/27/2020	11/1/2040	2.00 – 5.00	13,985,000	13,860,000
				<u>32,019,000</u>	<u>22,315,000</u>
<b>Revenue Bonds</b>					
2009 Electric Utility Refunding Series A	5/15/2009	11/1/2024	3.00-4.75	\$ 1,470,000	\$ 255,000
2012 Electric Utility Revenue & Refunding Series E	9/1/2012	11/1/2027	2.00 – 3.00	6,240,000	1,750,000
2014 G.O. Wastewater Revenue Bonds, Series A	7/24/2014	11/1/2034	4.00 – 5.00	7,200,000	6,040,000
2016 Electric Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	11,330,000	8,668,600
2016 Water Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	1,400,000	1,071,400
				<u>27,640,000</u>	<u>17,785,000</u>
<b>Total Bonds</b>				<u>59,659,000</u>	<u>40,100,000</u>
<b>Public Facilities Authority Loans</b>					
G.O. Sewer Revenue Note of 2004	6/21/2004	8/20/2023	1.98	\$ 6,598,073	\$ 411,099
G.O. Sewer Revenue Note of 2007	6/29/2007	8/20/2026	1.99	12,407,226	3,221,000
G.O. Water Revenue Note of 2014	8/26/2014	8/20/2034	1.02	12,736,089	7,840,000
G.O. Water Revenue Note of 2016	3/14/2016	8/20/2035	1.00	2,471,358	1,673,000
G.O. Sewer Revenue Note of 2020	8/13/2020	8/20/2040	1.00	18,048,080	9,570,872
				<u>52,260,826</u>	<u>22,715,971</u>
<b>Total Business-Type Activities</b>				<u>\$ 111,919,826</u>	<u>\$ 62,815,971</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**

To further economic development in the City, the City has issued bonds to provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for any of those bonds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2022, there were 11 Industrial Revenue Bonds and 3 Facility Revenue Notes outstanding, with an aggregate outstanding principal amount payable of \$97,937,446.

### 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.

<u>Type of Bonds</u>	(Restated)	Balance at			Due Within One Year
	Balance at January 1, 2022	Additions	Reductions	December 31, 2022	
Governmental Activities:					
Bonds Payable					
G.O. Special Assessment	\$ 188,490,000	\$ 18,265,000	\$ 59,480,000	\$ 147,275,000	\$ 10,010,000
G.O. Tax Increment	2,095,000	-	265,000	1,830,000	285,000
Premiums	13,516,876	882,731	2,329,785	12,069,822	969,925
Total Bonds Payable	204,101,876	19,147,731	62,074,785	161,174,822	11,264,925
Note From Direct Borrowing					
Maple Court	678,000	-	-	678,000	-
Leases	4,427,180	18,821	100,678	4,345,323	133,356
Compensated Absences	2,388,922	2,066,018	1,992,015	2,462,925	2,027,602
Governmental Activity Long-Term Liabilities	\$ 211,595,978	\$ 21,232,570	\$ 64,167,478	\$ 168,661,070	\$ 13,425,883

<u>Type of Bonds</u>	(Restated)	Balance at			Due Within One Year
	Balance at January 1, 2022	Additions	Reductions	December 31, 2022	
Business-Type Activities:					
Bonds Payable					
Electric Utility	\$ 12,905,000	\$ -	\$ 1,138,650	\$ 11,766,350	\$ 1,187,650
Water Utility	16,525,000	-	361,350	16,163,650	377,350
Wastewater	13,090,000	-	920,000	12,170,000	1,140,000
Discount	(259,380)	-	(17,670)	(241,710)	(17,670)
Premiums	1,031,798	-	92,340	939,458	92,339
Total Bonds Payable	43,292,418	-	2,494,670	40,797,748	2,779,669
Notes From Direct Borrowing					
Public Facilities Authority	25,247,902	465,069	2,997,000	22,715,971	2,420,042
Watermain Loan	141,957	-	33,920	108,037	34,945
Leases	21,607	-	11,937	9,670	360
Compensated Absences	1,005,975	481,701	389,898	1,097,778	970,898
Business-Type Activity Long-Term Liabilities	\$ 69,709,859	\$ 946,770	\$ 5,927,425	\$ 64,729,204	\$ 6,205,914

The annual requirement to amortize notes from direct borrowing outstanding as of December 31, 2022, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2023	\$ -	\$ 27,120	2023	\$ 2,454,987	\$ 267,626
2024	2,233	27,113	2024	2,072,823	230,474
2025	9,160	26,864	2025	2,101,841	201,003
2026	9,534	26,491	2026	2,093,728	171,345
2027	9,922	26,102	2027	1,277,755	142,072
2028-2032	56,013	124,108	2028-2032	6,580,962	514,250
2033-2037	68,391	111,730	2033-2037	4,525,402	197,967
2038-2042	83,506	96,616	2038-2040	1,716,510	34,444
2043-2046	439,241	60,519		\$ 22,824,008	\$ 1,759,181
	\$ 678,000	\$ 526,663			

The requirement to amortize leases as of December 31, 2022, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2023	\$ 133,356	\$ 272,247	2023	\$ 360	\$ 290
2024	167,261	263,342	2024	370	279
2025	191,104	252,477	2025	382	268
2026	203,118	240,320	2026	393	257
2027	212,503	227,419	2027	405	245
2028-2032	1,275,264	914,624	2028-2032	2,215	1,035
2033-2037	1,743,637	446,251	2033-2037	2,568	682
2038	419,080	18,895	2038-2042	2,977	273
	<u>\$ 4,345,323</u>	<u>\$ 2,635,575</u>		<u>\$ 9,670</u>	<u>\$ 3,329</u>

The requirement to amortize all bonded debt outstanding as of December 31, 2022, follows:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2023	\$ 10,295,000	\$ 5,188,210	\$ 2,705,000	\$ 1,257,478	19,445,688
2024	11,640,000	5,027,835	2,790,000	1,152,840	20,610,675
2025	11,800,000	4,541,218	2,775,000	1,044,992	20,161,210
2026	10,740,000	4,062,180	2,845,000	938,926	18,586,106
2027	10,465,000	3,615,298	2,715,000	840,776	17,636,074
2028-2032	42,365,000	12,464,339	11,045,000	3,000,494	68,874,833
2033-2037	27,755,000	6,036,725	10,190,000	1,397,606	45,379,331
2038-2042	20,765,000	2,308,641	5,035,000	253,875	28,362,516
2043-2046	3,280,000	113,634			3,393,634
Total	<u>\$ 149,105,000</u>	<u>\$ 43,358,080</u>	<u>\$ 40,100,000</u>	<u>\$ 9,886,987</u>	<u>\$ 242,450,067</u>

**L. Fund balance**

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Advances	\$ 3,508,087	\$	\$ 37,871	\$	\$ 84,140	\$ 3,545,958
Prepaid items	50,562					134,702
Total Nonspendable	<u>3,558,649</u>	<u>-</u>	<u>37,871</u>	<u>-</u>	<u>84,140</u>	<u>3,680,660</u>
<b>Restricted for:</b>						
Public safety					188,648	188,648
Culture and Recreation					250,899	250,899
Library					256,390	256,390
Community Development					182,334	182,334
Economic Development					1,786,294	1,786,294
Contributions					126,461	126,461
Debt Service		31,408,691			226,789	31,635,480
Other Purposes	1,176,401					1,176,401
Total Restricted	<u>1,176,401</u>	<u>31,408,691</u>	<u>-</u>	<u>-</u>	<u>3,017,815</u>	<u>35,602,907</u>
<b>Committed to:</b>						
Culture and Recreation					1,337,027	1,337,027
Transit					663,777	663,777
Economic Development					1,028,105	1,028,105
Capital Projects					3,038,464	3,038,464
Total Committed	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,067,373</u>	<u>6,067,373</u>
<b>Unassigned:</b>	<u>21,690,814</u>	<u>-</u>	<u>(2,642,995)</u>	<u>(3,759,814)</u>	<u>(1,839,155)</u>	<u>13,448,850</u>
Total Fund Balances	\$ <u>26,425,864</u>	\$ <u>31,408,691</u>	\$ <u>(2,605,124)</u>	\$ <u>(3,759,814)</u>	\$ <u>7,330,173</u>	\$ <u>58,799,790</u>

## M. 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, 2022, 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	\$ 2,827,244	\$ 10,417
Special Assessment Capital Project Fund		1,436,047
Permanent Improvement Fund		945,530
Park Fund		14,985
Library Fund		4,537
Mass Transit Fund		27
Economic Development Fund		107
Capital Improvement Fund	91,238	
Vehicles & Equipment Fund	619	
Maintenance Shop Fund	17,185	392,722
	<u>2,936,286</u>	<u>2,804,372</u>
Business-type activities:		
Electric Fund	122,961	1,771,084
Water Fund	9,684	69,359
Waste Water Fund	556,460	56,394
Storm Water Fund	463,556	3,133
Sanitation Fund	450,011	1,718
Golf Course Fund		2,445
Pest Control Fund	57,336	
Forestry Fund	79,507	
Municipal Airport Fund		1,452
Street Light Utility Fund	70,723	36,567
	<u>1,810,238</u>	<u>1,942,152</u>
	<u>\$ 4,746,524</u>	<u>\$ 4,746,524</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	37,871	
Permanent Improvement Fund		104,000
Tax Increment Debt Service Fund		2,618,319
	<u>3,545,958</u>	<u>2,722,319</u>
Business-type activities:		
Water Fund		37,871
Golf Course Fund		785,768
	<u>-</u>	<u>823,639</u>
	<u>\$ 3,545,958</u>	<u>\$ 3,545,958</u>

**N. Interfund transfers**

The composition of interfund transfers for the year ended December 31, 2022 is as follows:

	Transfers In						
	Transfers Out	Major Funds:				Nonmajor Funds:	
		General	Permanent Improvement	Special Assmt Capital	Special Assmt Debt	Governmental	Enterprise
<b>Major Funds</b>							
General	\$ 138,242	\$	\$ 8,875	\$	\$	\$ 129,367	\$
Special Assmt Capital Projects	41,478					41,478	
Electric	9,286,238	7,225,000				2,061,238	
Water	680,443	554,443			126,000		
Wastewater	687,724	507,724			180,000		
Storm Water	1,334,082	411,605		260,000	604,227		58,250
Totals	<u>12,168,207</u>	<u>8,698,772</u>	<u>8,875</u>	<u>260,000</u>	<u>910,227</u>	<u>2,232,083</u>	<u>58,250</u>
<b>Non-Major Funds</b>							
Governmental	2,621,646		64,000	385,000	400,000	998,733	773,913
Enterprise	977,512	455,978		200,000		321,534	
Totals	<u>3,599,158</u>	<u>455,978</u>	<u>64,000</u>	<u>585,000</u>	<u>400,000</u>	<u>1,320,267</u>	<u>773,913</u>
	<u>\$ 15,767,365</u>	<u>\$ 9,154,750</u>	<u>\$ 72,875</u>	<u>\$ 845,000</u>	<u>\$ 1,310,227</u>	<u>\$ 3,552,350</u>	<u>\$ 832,163</u>

A breakdown of the detailed interfund transfers for the year ended December 31, 2022 is as follows:

Transfer to General Fund from Electric Enterprise Fund	\$ 7,225,000	To transfer revenue per city charter
Transfer to General Fund from Water Enterprise Fund	554,443	To transfer revenue per city charter
Transfer to General Fund from Storm Water Enterprise Fund	411,605	To transfer revenue per city charter
Transfer to General Fund from Wastewater Enterprise Fund	507,724	To transfer revenue per city charter
Transfer to General Fund from Sanitation Enterprise Fund	261,044	To transfer revenue per city charter

Transfer to General Fund from Pest Control Enterprise Fund	98,819	To transfer revenue per city charter
Transfer to General Fund from Forestry Enterprise Fund	53,652	To transfer revenue per city charter
Transfer to General Fund from Street Light Utility Enterprise Fund	42,463	To transfer revenue per city charter
Transfer to Park Special Revenue Fund from Sports Center Enterprise Fund	321,534	To transfer remaining funds after closing operations
Transfer to Park Special Revenue Fund from Capital Improvement Capital Projects Fund	686,233	To transfer funds per current year budget
Transfer to Park Special Revenue Fund from Special Assessment Debt Service Fund	41,478	To transfer special assessment collections
Transfer to Special Assessment Debt Service Fund from Capital Improvement Capital Projects Fund	400,000	To transfer funds per current year budget
Transfer to Permanent Improvement Fund from General Fund	8,875	To transfer funds per current year budget
Transfer to Permanent Improvement Fund from Economic Development Special Revenue Fund	64,000	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Storm Water Enterprise Fund	604,227	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Water Enterprise Fund	126,000	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 State Statute
Transfer to Special Assessment Capital Projects Fund from Storm Water Enterprise Fund	260,000	To transfer funds per current year budget
Transfer to Special Assessment Capital Projects from Capital Improvement Capital Projects Fund	385,000	To transfer funds per current year budget
Transfer to Special Assessment Capital Projects from Street Light Utility Enterprise Fund	200,000	To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects Fund from Electric Enterprise Fund	2,011,238	To transfer revenue per city charter
Transfer to Capital Improvement Capital Projects from Park Special Revenue Fund	12,500	To transfer revenue per city charter
Transfer to Municipal Airport Enterprise Fund from Capital Improvement Capital Projects Fund	358,913	To transfer funds per current year budget
Transfer to Tax Increment Debt Service from Economic Development Special Revenue Fund	300,000	To transfer funds per current year budget
Transfer to Maple Court Ownership Development from General Fund	129,367	To establish fund
Transfer to Golf Course Enterprise Fund from Park Special Revenue Fund	415,000	To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from Storm Water Enterprise Fund	<u>58,250</u>	To transfer funds per current year budget
Total Interfund Transfers	<u>\$ 15,767,365</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](http://www.fmdiversion.com).

**B. Postponed Special Assessments**

There are infrastructure investments in the Wastewater Treatment Fund in the amount of \$9,582,973 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 \$19,594,735 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, 2022:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Property Tax Exemption	\$ 557,143
Make Moorhead Home Property Tax Rebate	283,584

## **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, 2022, the City has five agreements established under Minnesota Statutes Section 469.174 to 469.179 which resulted in property taxes totaling \$1,103,050 being abated. Individual abatement payments included:

- A pay-as-you go note resulting in an abatement amount of \$534,994, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$293,763, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$180,616, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$55,665, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$38,012, 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 or bonds. At June 30, 2022, the carrying amount of the Agency's deposits was \$1,452,621, and the bank balance was \$1,516,701. The Agency's deposits at its financial institutions were fully collateralized at June 30, 2022.

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 \$28,817 consists of amounts due from tenants of the Public Housing program, which includes an allowance of \$15,621. Due from other governments of \$9,922 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, 2022 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$	\$	\$ 464,977
Construction in progress	22,704	200,392	184,518	38,578
Total Capital assets not being depreciated	487,681	200,392	184,518	503,555
Capital assets, being depreciated:				
Buildings & Improvements	13,192,938	1,369,298		14,562,236
Furniture, equipment & machinery	960,770			960,770
Total Capital assets being depreciated	14,153,708	1,369,298		15,523,006
Less accumulated depreciation for:				
Buildings & Improvements	8,175,049	419,165		8,594,214
Furniture, equipment & machinery	922,590	61,580		984,170
Total accumulated depreciation	9,097,639	480,745		9,578,384
Total capital assets, being depreciated, net	5,056,069	888,553		5,944,622
Total Capital assets, net	\$ 5,543,750	\$ 1,088,945	\$ 184,518	\$ 6,448,177

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

Business-type activities	
Low-Rent Public Housing	\$ 480,745

5. Accounts Payable

Accounts payable of \$14,654 represents expenses incurred but not paid to vendors at June 30, 2022.

6. Compensated Absences

Changes in compensated absences for the year ended June 30, 2022 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 26,777	\$ 24,172	\$ 27,782	\$ 23,167	\$ 23,167

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, 2022, the amount payable to local governments in lieu of taxes was \$25,516.

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, know 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.

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 the Maple Court Ownership Development LLC, which is owned by the City of Moorhead. The principal amounts for each loan are \$446,374 and \$575,000 and interest rates are zero percent and four percent, respectively. Maturity dates for the loans are May 1, 2046 and August 30, 2046 respectively. The total project cost is estimated at \$1,021,374.

## 9. Contingencies and Commitments

At June 30, 2022, the Agency had construction project contracts in progress. The commitments for the remaining contract balances totaled \$546,354.

## 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, 2022, 2021, and 2020 was \$29,164, \$28,268, and \$16,859, respectively.

## E. Future Implementation of Approved GASB Standards

As of December 31, 2022, 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, 2022 but will be implemented in future years.

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. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).

- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements – and Management’s Discussion and Analysis – for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022 and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*, provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee’s pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absence to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

**REQUIRED SUPPLEMENTARY INFORMATION**

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

City:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	142,626	152,548	127,497	124,534	132,300
Interest	42,420	55,884	81,814	70,273	67,250
Changes in assumptions	6,786	107,195	72,245	(72,584)	-
Differences between Expected and Actual Experience	(247,530)	-	(427,877)	-	-
Benefit payments	<u>(118,380)</u>	<u>(104,936)</u>	<u>(104,241)</u>	<u>(99,252)</u>	<u>(101,115)</u>
Net change in total OPEB liability	(174,078)	210,691	(250,562)	22,971	98,435
Total OPEB Liability - beginning	2,037,267	1,826,576	2,077,138	2,054,167	1,955,732
Total OPEB Liability - ending	1,863,189	2,037,267	1,826,576	2,077,138	2,054,167
Covered employee payroll	19,150,869	19,466,999	18,854,236	16,609,056	16,125,297
Total OPEB liability as a percentage of covered employee payroll	9.7%	10.5%	9.7%	12.5%	12.7%

Public Service Utility:

	<u>12/31/2022</u>	<u>12/31/2021</u>	<u>12/31/2020</u>	<u>12/31/2019</u>	<u>12/31/2018</u>
Service cost	30,327	29,444	33,344	27,943	31,306
Interest	6,235	11,700	14,341	15,515	15,851
Changes in assumptions	-	(26,325)	20,804	(6,128)	-
Differences between Expected and Actual Experience	-	(72,618)	-	(84,126)	-
Benefit payments	<u>(35,492)</u>	<u>(34,020)</u>	<u>(42,921)</u>	<u>(59,686)</u>	<u>(48,391)</u>
Net change in total OPEB liability	1,070	(91,819)	25,568	(106,482)	(1,234)
Total OPEB Liability - beginning	299,071	390,890	365,322	471,804	473,038
Total OPEB Liability - ending	300,141	299,071	390,890	365,322	471,804
Covered employee payroll	4,674,070	4,537,932	4,638,093	4,503,003	4,375,925
Total OPEB liability as a percentage of covered employee payroll	6.4%	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	6/30/2022	.1683%	\$ 13,329,416	\$ 390,702	\$ 13,720,118	\$ 11,806,119	112.9%	76.7%
PEFFF	6/30/2022	.6698%	\$ 29,147,050	\$ 1,273,377	\$ 30,420,427	\$ 8,615,508	338.3%	70.5%
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	6/30/2022	.0659%	\$ 5,219,302	\$ 152,942	\$ 5,372,244	\$ 5,173,015	96.3%	76.7%
GERF	6/30/2021	.0664%	\$ 2,835,577	\$ 86,558	\$ 2,922,135	\$ 5,009,349	171.4%	87.0%
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	12/31/2022	\$ 969,835	\$ 969,835	\$ -	\$13,140,580	7.4%
PEPFF	12/31/2022	\$ 1,460,400	\$ 1,460,400	\$ -	\$ 9,392,202	15.5%
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	12/31/2022	\$ 370,291	\$ 370,291	\$ -	\$ 4,937,213	7.5%
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**

2022 Changes

Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from MP-2020 to Scale MP-2021.

Changes in Plan Provisions:

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

## 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.
- Annual increases were changed from 1 percent per year with a provision to increase to 2.5 percent upon attainment of 90 percent funding ratio to 50 percent of the Social Security Cost-of-Living Adjustment, not less than 1 percent and not more than 1.5 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 annual 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 annual 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 annual 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**

#### 2022 Changes

##### Changes in Actuarial Assumptions:

- The mortality improvement scale was changed from Scale MP-2020 to MP-2021.
- The single discount rate changed from 6.5% to 5.4%.

##### Changes in Plan Provisions:

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

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

### Changes in Plan Provisions:

- There have been no changes since the prior valuation

## 2018 Changes

### Changes in Actuarial Assumptions:

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

### Changes in Plan Provisions:

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

## 2017 Changes

### Changes in Actuarial Assumptions:

- Assumed salary 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 annual 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 annual 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 annual 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 annual 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.

This page intentionally left blank.

# 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.

National Opioid Settlements – accounts for the collection and activities of settlement proceeds.

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

Maple Court Ownership Development – accounts for the activities of the Maple Court Townhome development.

### 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, 2022**

	Special Revenue			
	Park	Library	Community Development	American Rescue Plan Act
<b>ASSETS</b>				
Assets:				
Cash and investments	\$ 1,663,328	\$ 269,932	\$ 8,379	\$ 7,099,345
Receivables:				
Accounts	11,767			
Notes	27,923		4,320,414	
Leases	44,896			
Special assessments				
Delinquent property taxes	25,955	10,456		
Due from other funds				
Due from other governmental units	26,174	7,521	36,000	
Prepaid items	76,690			
	<u>1,876,733</u>	<u>287,909</u>	<u>4,364,793</u>	<u>7,099,345</u>
Total Assets	<u>\$ 1,876,733</u>	<u>\$ 287,909</u>	<u>\$ 4,364,793</u>	<u>\$ 7,099,345</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>				
Liabilities:				
Accounts payable	\$ 39,062	\$ 16,526	\$ 43,740	\$ 35,489
Accrued wages payable	58,236		3,160	
Due to other funds	14,985	4,537		
Advances from other funds				
Other liabilities	27,438		3,990	
Unearned revenue	1,545			7,063,856
Total Liabilities	<u>141,266</u>	<u>21,063</u>	<u>50,890</u>	<u>7,099,345</u>
Deferred inflows of resources:				
Taxes	25,955	10,456		
Lease related	44,896			
Other resources	<u>70,851</u>	<u>10,456</u>	<u>4,320,414</u>	
Fund Balance:				
Nonspendable	76,690			
Restricted				
Public safety				
Culture and recreation	250,899			
Library		256,390		
Community development				
Economic development				
Contributions				
Debt service				
Committed	1,337,027			
Unassigned			(6,511)	
Total Fund Balance	<u>1,664,616</u>	<u>256,390</u>	<u>(6,511)</u>	
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 1,876,733</u>	<u>\$ 287,909</u>	<u>\$ 4,364,793</u>	<u>\$ 7,099,345</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

Special Revenue (Continued)

Mass Transit	Economic Development	National Opioid Settlements	Contributions	Maple Court Ownership Development	Total
\$ 1,009,270	\$ 2,855,279	\$ 188,648	\$ 126,893	\$ 183,152	\$ 13,404,226
3,211	81				15,059
	105,000				4,453,337
					44,896
1,014	32				37,457
279,930	4,175			9,517	363,317
5,190				2,260	84,140
<u>\$ 1,298,615</u>	<u>\$ 2,964,567</u>	<u>\$ 188,648</u>	<u>\$ 126,893</u>	<u>\$ 194,929</u>	<u>\$ 18,402,432</u>
\$ 351,082	\$ 2,254	\$	\$ 432	\$	\$ 488,585
11,585	5,275				78,256
27	107				19,656
	37,500			10,335	79,263
					7,065,401
<u>362,694</u>	<u>45,136</u>		<u>432</u>	<u>10,335</u>	<u>7,731,161</u>
1,014	32				37,457
265,940	105,000				44,896
<u>266,954</u>	<u>105,032</u>				<u>4,691,354</u>
					4,773,707
5,190				2,260	84,140
		188,648			188,648
					250,899
					256,390
	1,786,294			182,334	182,334
			126,461		1,786,294
					126,461
663,777	1,028,105				3,028,909
<u>668,967</u>	<u>2,814,399</u>	<u>188,648</u>	<u>126,461</u>	<u>184,594</u>	<u>(6,511)</u>
					5,897,564
<u>\$ 1,298,615</u>	<u>\$ 2,964,567</u>	<u>\$ 188,648</u>	<u>\$ 126,893</u>	<u>\$ 194,929</u>	<u>\$ 18,402,432</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2022**

Debt Service				Capital Projects		Total Nonmajor Governmental Funds
G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement		
\$ 14,532	\$ 799,168	\$ 212,257	\$ 1,025,957	\$ 3,094,227	\$ 17,524,410	
				183,369	15,059	4,636,706
						44,896
869	1,385		2,254			39,711
	15,224		15,224	91,238		91,238
						378,541
						84,140
<u>\$ 15,401</u>	<u>\$ 815,777</u>	<u>\$ 212,257</u>	<u>\$ 1,043,435</u>	<u>\$ 3,368,834</u>		<u>\$ 22,814,701</u>
	\$ 28,717		\$ 28,717	\$ 24,478		\$ 541,780
						78,256
	2,618,319		2,618,319			19,656
				112,500		2,618,319
				10,023		191,763
						7,075,424
	<u>2,647,036</u>		<u>2,647,036</u>	<u>147,001</u>		<u>10,525,198</u>
869	1,385		2,254			39,711
						44,896
				183,369		4,874,723
<u>869</u>	<u>1,385</u>		<u>2,254</u>	<u>183,369</u>		<u>4,959,330</u>
						84,140
						188,648
						250,899
						256,390
						182,334
						1,786,294
						126,461
14,532		212,257	226,789			226,789
				3,038,464		6,067,373
	(1,832,644)		(1,832,644)			(1,839,155)
<u>14,532</u>	<u>(1,832,644)</u>	<u>212,257</u>	<u>(1,605,855)</u>	<u>3,038,464</u>		<u>7,330,173</u>
<u>\$ 15,401</u>	<u>\$ 815,777</u>	<u>\$ 212,257</u>	<u>\$ 1,043,435</u>	<u>\$ 3,368,834</u>		<u>\$ 22,814,701</u>

This page intentionally left blank.

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	Special Revenue			
	Park	Library	Community Development	American Rescue Plan Act
<b>REVENUES</b>				
Property taxes	\$ 2,631,746	\$ 740,562	\$	\$
Intergovernmental revenues:				
Federal			242,574	35,489
State	630,414	175,529		
Charges for services	209,293			
Facility rentals	132,840			
Donations				
Interest on investments	9,856			
Special assessments			12,488	
Sale of property				
Miscellaneous	91,691	21,738	120,810	
Total revenues	<u>3,705,840</u>	<u>937,829</u>	<u>375,872</u>	<u>35,489</u>
<b>EXPENDITURES</b>				
Current:				
General government				1,569
Public safety				
Highways and streets				
Parks and recreation	3,389,521			
Library		1,006,797		
Community development			375,323	
Mass transit				
Economic development				
Capital outlay	182,627			33,920
Debt service:				
Bond and note principal				
Bond and note interest				
Fiscal and other charges				
Total expenditures	<u>3,572,148</u>	<u>1,006,797</u>	<u>375,323</u>	<u>35,489</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>133,692</u>	<u>(68,968)</u>	<u>549</u>	
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	1,007,767		41,478	
Transfers to other funds	(427,500)			
Leases	77,936			
Total other financing sources (uses)	<u>658,203</u>		<u>41,478</u>	
<b>NET CHANGE IN FUND BALANCE</b>	791,895	(68,968)	42,027	
<b>FUND BALANCE - BEGINNING</b>	<u>872,721</u>	<u>325,358</u>	<u>(48,538)</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,664,616</u>	<u>\$ 256,390</u>	<u>\$ (6,511)</u>	<u>\$</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Special Revenue (Continued)					
Mass Transit	Economic Development	National Opioid Settlements	Contributions	Maple Court Ownership Development	Total
\$ 2,992	\$ 410,052	\$	\$	\$	\$ 3,785,352
716,237					994,300
2,569,262	97,547				3,472,752
368,616	2,100				580,009
			20,840		132,840
7,140	19,305	313		1,110	20,840
					37,724
	37,690				12,488
31,213	9,375	188,335		158,879	37,690
<u>3,695,460</u>	<u>576,069</u>	<u>188,648</u>	<u>20,840</u>	<u>159,989</u>	<u>622,041</u>
					<u>9,696,036</u>
			1,210		2,779
			7,744		7,744
			4,047		3,393,568
				104,762	1,006,797
3,898,380					480,085
	525,364				3,898,380
3,354	40,818				525,364
					260,719
<u>3,901,734</u>	<u>566,182</u>		<u>13,001</u>	<u>104,762</u>	<u>9,575,436</u>
<u>(206,274)</u>	<u>9,887</u>	<u>188,648</u>	<u>7,839</u>	<u>55,227</u>	<u>120,600</u>
	50,000			129,367	1,228,612
	(364,000)				(791,500)
	108,380				186,316
	<u>(205,620)</u>			<u>129,367</u>	<u>623,428</u>
(206,274)	(195,733)	188,648	7,839	184,594	744,028
875,241	3,010,132		118,622		5,153,536
<u>\$ 668,967</u>	<u>\$ 2,814,399</u>	<u>\$ 188,648</u>	<u>\$ 126,461</u>	<u>\$ 184,594</u>	<u>\$ 5,897,564</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2022**

Debt Service				Capital Projects		Total Nonmajor Governmental Funds	
G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement			
\$ 2,637	\$ 615,794	\$	\$ 618,431	\$	\$ 4,403,783		
	585,362		585,362		994,300		
					4,058,114		
					580,009		
					132,840		
					20,840		
96	766	1,378	2,240	20,526	60,490		
					12,488		
				113,070	150,760		
	300,000		300,000	21,046	943,087		
2,733	1,501,922	1,378	1,506,033	154,642	11,356,711		
					89,727		
					92,506		
					84,590		
					92,334		
					17,250		
					17,250		
					372,448		
					3,766,016		
					50,000		
					1,056,797		
					480,085		
					3,898,380		
	696,107		696,107		1,221,471		
					890,224		
					629,505		
	265,000		265,000		265,000		
	862,907		862,907		862,907		
	375,347		375,347		375,347		
	2,199,361		2,199,361	1,243,520	13,018,317		
2,733	(697,439)	1,378	(693,328)	(1,088,878)	(1,661,606)		
	300,000		300,000	2,023,738	3,552,350		
				(1,830,146)	(2,621,646)		
					186,316		
	300,000		300,000	193,592	1,117,020		
2,733	(397,439)	1,378	(393,328)	(895,286)	(544,586)		
11,799	(1,435,205)	210,879	(1,212,527)	3,933,750	7,874,759		
\$ 14,532	\$ (1,832,644)	\$ 212,257	\$ (1,605,855)	\$ 3,038,464	\$ 7,330,173		

**CITY OF MOORHEAD, MINNESOTA  
PARK FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 2,648,924	\$ 2,648,924	\$ 2,631,746	\$ (17,178)
Intergovernmental:				
State	630,369	1,291,294	630,414	(660,880)
Charges for services	234,900	234,900	209,293	(25,607)
Facility rentals	134,945	134,945	132,840	(2,105)
Investment income (loss)	16,500	16,500	9,856	(6,644)
Miscellaneous	65,092	65,092	91,691	26,599
Total revenues	<u>3,730,730</u>	<u>4,391,655</u>	<u>3,705,840</u>	<u>(685,815)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	2,069,220	2,069,220	2,087,290	(18,070)
Supplies	238,010	308,280	329,435	(21,155)
Other services & charges	1,008,500	1,183,875	972,796	211,079
Capital outlay		1,147,758	182,627	965,131
Total expenditures	<u>3,315,730</u>	<u>4,709,133</u>	<u>3,572,148</u>	<u>1,136,985</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>415,000</u>	<u>(317,478)</u>	<u>133,692</u>	<u>451,170</u>
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds		688,503	1,007,767	319,264
Transfers to other funds	(415,000)	(427,500)	(427,500)	
Leases			77,936	77,936
Total other financing sources (uses)	<u>(415,000)</u>	<u>261,003</u>	<u>658,203</u>	<u>397,200</u>
<b>NET CHANGE IN FUND BALANCE</b>		(56,475)	791,895	848,370
<b>FUND BALANCE - BEGINNING</b>	<u>872,721</u>	<u>872,721</u>	<u>872,721</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 872,721</u>	<u>\$ 816,246</u>	<u>\$ 1,664,616</u>	<u>\$ 848,370</u>

**CITY OF MOORHEAD, MINNESOTA  
LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 737,497	\$ 737,497	\$ 740,562	\$ 3,065
Intergovernmental:				
State	175,503	175,503	175,529	26
Investment income (loss)	619	619		(619)
Miscellaneous	21,442	21,442	21,738	296
Total revenues	<u>935,061</u>	<u>935,061</u>	<u>937,829</u>	<u>2,768</u>
EXPENDITURES				
Current:				
Supplies	6,000	6,000	6,866	(866)
Other services & charges	929,061	929,061	999,931	(70,870)
Total expenditures	<u>935,061</u>	<u>935,061</u>	<u>1,006,797</u>	<u>(71,736)</u>
NET CHANGE IN FUND BALANCE			(68,968)	(68,968)
FUND BALANCE - BEGINNING	<u>325,358</u>	<u>325,358</u>	<u>325,358</u>	
FUND BALANCE - ENDING	<u>\$ 325,358</u>	<u>\$ 325,358</u>	<u>\$ 256,390</u>	<u>\$ (68,968)</u>

**CITY OF MOORHEAD, MINNESOTA  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ 265,000	\$ 265,000	\$ 242,574	\$ (22,426)
Special assessments			12,488	12,488
Miscellaneous:				
Rehab loan payments	<u>151,532</u>	<u>151,532</u>	<u>120,810</u>	<u>(30,722)</u>
Total revenues	<u>416,532</u>	<u>416,532</u>	<u>375,872</u>	<u>(40,660)</u>
EXPENDITURES				
Current:				
Personnel	101,905	101,905	118,433	(16,528)
Supplies	1,025	1,025	459	566
Other services & charges	<u>313,602</u>	<u>313,602</u>	<u>256,431</u>	<u>57,171</u>
Total expenditures	<u>416,532</u>	<u>416,532</u>	<u>375,323</u>	<u>41,209</u>
REVENUE OVER (UNDER) EXPENDITURES			549	549
OTHER FINANCING SOURCES (USES):				
Transfers from other funds			<u>41,478</u>	<u>41,478</u>
NET CHANGE IN FUND BALANCE			42,027	42,027
FUND BALANCE - BEGINNING	<u>(48,538)</u>	<u>(48,538)</u>	<u>(48,538)</u>	
FUND BALANCE - ENDING	<u><u>\$ (48,538)</u></u>	<u><u>\$ (48,538)</u></u>	<u><u>\$ (6,511)</u></u>	<u><u>\$ 42,027</u></u>

**CITY OF MOORHEAD, MINNESOTA  
 AMERICAN RESCUE PLAN ACT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
Federal	\$ 3,549,672	\$ 7,099,345	\$ 35,489	\$ (7,063,856)
Total revenues	<u>3,549,672</u>	<u>7,099,345</u>	<u>35,489</u>	<u>(7,063,856)</u>
EXPENDITURES				
Current:				
Personnel				
Supplies				
Other services & charges	3,549,672	6,799,345	1,569	6,797,776
Capital outlay		300,000	33,920	266,080
Total expenditures	<u>3,549,672</u>	<u>7,099,345</u>	<u>35,489</u>	<u>7,063,856</u>
NET CHANGE IN FUND BALANCE				
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>

**CITY OF MOORHEAD, MINNESOTA  
 MASS TRANSIT FUND  
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
 YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$	\$	\$ 2,992	\$ 2,992
Intergovernmental:				
Federal grants	1,160,982	1,450,661	716,237	(734,424)
State grants	2,634,160	2,634,160	2,569,262	(64,898)
Charges for services	420,620	423,320	368,616	(54,704)
Investment income (loss)	4,000	4,000	7,140	3,140
Miscellaneous	4,200	4,200	31,213	27,013
Total revenues	<u>4,223,962</u>	<u>4,516,341</u>	<u>3,695,460</u>	<u>(820,881)</u>
EXPENDITURES				
Current:				
Personnel	391,803	322,903	346,480	(23,577)
Supplies	7,000	7,000	13,236	(6,236)
Other services & charges	3,429,265	3,779,984	3,538,664	241,320
Capital outlay	427,867	441,067	3,354	437,713
Total expenditures	<u>4,255,935</u>	<u>4,550,954</u>	<u>3,901,734</u>	<u>649,220</u>
REVENUE OVER (UNDER) EXPENDITURES	(31,973)	(34,613)	(206,274)	(171,661)
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	150,000	150,000		(150,000)
NET CHANGE IN FUND BALANCE	118,027	115,387	(206,274)	(321,661)
FUND BALANCE - BEGINNING	<u>875,241</u>	<u>875,241</u>	<u>875,241</u>	
FUND BALANCE - ENDING	<u>\$ 993,268</u>	<u>\$ 990,628</u>	<u>\$ 668,967</u>	<u>\$ (321,661)</u>

**CITY OF MOORHEAD, MINNESOTA  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2022**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
<b>REVENUES</b>				
General property taxes	\$ 408,619	\$ 408,619	\$ 410,052	\$ 1,433
Intergovernmental:				
State grants	97,518	97,518	97,547	29
Charges for services	5,250	5,250	2,100	(3,150)
Investment income (loss)	20,000	20,000	19,305	(695)
Sale of property			37,690	37,690
Miscellaneous			9,375	9,375
Total revenues	<u>531,387</u>	<u>531,387</u>	<u>576,069</u>	<u>44,682</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	162,243	162,243	144,783	17,460
Supplies	5,700	5,700	5,285	415
Other services & charges	439,359	439,359	375,296	64,063
Capital outlay			40,818	(40,818)
Total expenditures	<u>607,302</u>	<u>607,302</u>	<u>566,182</u>	<u>41,120</u>
REVENUE OVER (UNDER) EXPENDITURES	(75,915)	(75,915)	9,887	85,802
<b>OTHER FINANCING SOURCES (USES):</b>				
Transfers from other funds	50,000	50,000	50,000	
Transfers to other funds		(364,000)	(364,000)	
Leases			108,380	108,380
Total other financing sources	<u>50,000</u>	<u>(314,000)</u>	<u>(205,620)</u>	<u>108,380</u>
NET CHANGE IN FUND BALANCE	(25,915)	(389,915)	(195,733)	194,182
FUND BALANCE - BEGINNING	<u>3,010,132</u>	<u>3,010,132</u>	<u>3,010,132</u>	
FUND BALANCE - ENDING	<u>\$ 2,984,217</u>	<u>\$ 2,620,217</u>	<u>\$ 2,814,399</u>	<u>\$ 194,182</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, 2022**

	Sanitation	Golf Course
<b>ASSETS</b>		
Current assets:		
Cash and investments	\$ 453,843	\$ 282,380
Receivables:		
Accounts	1,114,848	7,649
Due from other city funds	450,011	
Due from other governmental units	225,915	
Prepaid items		
Total current assets	<u>2,244,617</u>	<u>290,029</u>
Long-term assets:		
Capital Assets:		
Land	364,908	3,954,534
Buildings	633,034	2,246,306
Improvements other than buildings	517,819	3,351,888
Machinery and equipment	144,025	158,130
Less accumulated depreciation	(1,171,022)	(4,571,782)
Total long-term assets	<u>488,764</u>	<u>5,139,076</u>
Right to use leased assets		10,020
Less accumulated depreciation		(477)
Total right to use leased assets		<u>9,543</u>
Total assets	<u>2,733,381</u>	<u>5,438,648</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Pension plans	217,144	129,301
Other post-employment benefits	7,709	2,675
Total deferred outflows of resources	<u>224,853</u>	<u>131,976</u>
<b>LIABILITIES</b>		
Current liabilities:		
Accounts payable	90,723	18,563
Accrued wages payable	60,222	21,335
Accrued compensated absences	110,846	63,092
Due to other city funds	1,718	2,445
Due to other governmental units	40,237	
Other liabilities		65,438
Accrued interest payable		170
Leases		360
Total current liabilities	<u>303,746</u>	<u>171,403</u>
Long-term liabilities:		
Accrued compensated absences	36,948	21,031
Leases		9,310
Other post-employment benefits	54,778	19,005
Net pension liability	705,126	419,877
Advances from other funds		785,768
Total long-term liabilities	<u>796,852</u>	<u>1,254,991</u>
Total liabilities	<u>1,100,598</u>	<u>1,426,394</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2022**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$	\$ 855,409	\$ 197,224	\$ 170,683	\$ 643,502	\$ 2,603,041
	132,564	159,401	1,014	75,977	1,491,453
	57,336	79,507		70,723	657,577
	51,377	10,004	109,376		396,672
		295			295
	<u>1,096,686</u>	<u>446,431</u>	<u>281,073</u>	<u>790,202</u>	<u>5,149,038</u>
			301,838		4,621,280
			1,622,601		4,501,941
			8,841,935		12,711,642
		172,062	129,939		604,156
		<u>(34,412)</u>	<u>(5,038,533)</u>		<u>(10,815,749)</u>
		<u>137,650</u>	<u>5,857,780</u>		<u>11,623,270</u>
					10,020
					<u>(477)</u>
					<u>9,543</u>
	<u>1,096,686</u>	<u>584,081</u>	<u>6,138,853</u>	<u>790,202</u>	<u>16,781,851</u>
	15,598	82,096			444,139
		1,101			11,485
	<u>15,598</u>	<u>83,197</u>			<u>455,624</u>
	3,964	33,830	8,165	902	156,147
	2,406	22,748			106,711
	9,011	23,492			206,441
			1,452	36,567	42,182
					40,237
			24,314		89,752
					170
					360
	<u>15,381</u>	<u>80,070</u>	<u>33,931</u>	<u>37,469</u>	<u>642,000</u>
	3,002	7,831			68,812
					9,310
		7,825			81,608
	50,652	266,588			1,442,243
					785,768
	<u>53,654</u>	<u>282,244</u>			<u>2,387,741</u>
	<u>69,035</u>	<u>362,314</u>	<u>33,931</u>	<u>37,469</u>	<u>3,029,741</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS  
 DECEMBER 31, 2022**

DEFERRED INFLOWS OF RESOURCES		
Pension plans	10,226	6,089
Other post-employment benefits	15,940	5,530
Total deferred inflows of resources	26,166	11,619
NET POSITION		
Net investment in capital assets	488,764	5,138,949
Unrestricted	1,342,706	(1,006,338)
Total net position	\$ 1,831,470	\$ 4,132,611

**CITY OF MOORHEAD, MINNESOTA  
 COMBINING STATEMENT OF NET POSITION  
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
 DECEMBER 31, 2022**

	735	3,866			20,916
		2,277			23,747
	735	6,143			44,663
		137,650	5,857,780		11,623,143
	1,042,514	161,171	247,142	752,733	2,539,928
<b>\$</b>	<b>\$ 1,042,514</b>	<b>\$ 298,821</b>	<b>\$ 6,104,922</b>	<b>\$ 752,733</b>	<b>\$ 14,163,071</b>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Sanitation</u>	<u>Golf Course</u>
<b>OPERATING REVENUES</b>		
Charges for services	\$ 4,939,182	\$ 1,708,339
Other		39,539
Total operating revenue	<u>4,939,182</u>	<u>1,747,878</u>
<b>OPERATING EXPENSES</b>		
Personnel	1,823,699	996,552
Disposal fee	1,772,672	
Professional services	32,347	25,140
Insurance	33,901	13,375
Repair and maintenance	263,054	75,358
Supplies	415,562	247,133
Utilities	43,644	102,982
Equipment rental	350,479	203,892
Depreciation	18,454	121,563
Amortization		477
Miscellaneous	153,380	237,737
Total operating expenses	<u>4,907,192</u>	<u>2,024,209</u>
Operating income (loss)	<u>31,990</u>	<u>(276,331)</u>
<b>NONOPERATING INCOME (EXPENSE)</b>		
Investment income (loss)	3,798	3,039
Interest on indebtedness		(471)
Gain (loss) on disposal of assets	(545,743)	(232)
Intergovernmental	225,000	
Miscellaneous	52,890	16,635
Total nonoperating income (expense)	<u>(264,055)</u>	<u>18,971</u>
Income (loss) before contributions and transfers	<u>(232,065)</u>	<u>(257,360)</u>
Capital contributions	5,607	
Transfers from other funds		473,250
Transfers to other funds	(261,044)	
Total contributions and transfers	<u>(255,437)</u>	<u>473,250</u>
<b>CHANGE IN NET POSITION</b>	(487,502)	215,890
<b>TOTAL NET POSITION - BEGINNING</b>	<u>2,318,972</u>	<u>3,916,721</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 1,831,470</u>	<u>\$ 4,132,611</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION  
NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 111,881	\$ 719,206	\$ 995,779	\$ 66,446	\$ 845,207	\$ 9,386,040
<u>111,881</u>	<u>719,206</u>	<u>995,779</u>	<u>66,446</u>	<u>845,207</u>	<u>9,425,579</u>
43,350	114,625	639,219			3,617,445
					1,772,672
	124,051	17,774	45,423		244,735
762	2,909	7,502	9,150	509	68,108
230	40,481	170,171	59,254		608,548
16,268	60,553	172,289	8,295		920,100
			16,289	600,419	763,334
	63,027	52,305	9,953		679,656
		17,206	430,874		588,097
					477
<u>7,171</u>	<u>79,770</u>	<u>48,328</u>	<u>2,530</u>	<u>18,550</u>	<u>547,466</u>
<u>67,781</u>	<u>485,416</u>	<u>1,124,794</u>	<u>581,768</u>	<u>619,478</u>	<u>9,810,638</u>
<u>44,100</u>	<u>233,790</u>	<u>(129,015)</u>	<u>(515,322)</u>	<u>225,729</u>	<u>(385,059)</u>
(61)	5,355	1,350	(68)	4,037	17,450
					(471)
					(545,975)
150,489	51,377	75,004	62,043		563,913
25,323	450	3,543	18,438	13	117,292
<u>175,751</u>	<u>57,182</u>	<u>79,897</u>	<u>80,413</u>	<u>4,050</u>	<u>152,209</u>
<u>219,851</u>	<u>290,972</u>	<u>(49,118)</u>	<u>(434,909)</u>	<u>229,779</u>	<u>(232,850)</u>
			29,862		35,469
			358,913		832,163
<u>(321,534)</u>	<u>(98,819)</u>	<u>(53,652)</u>	<u>(242,463)</u>	<u>(242,463)</u>	<u>(977,512)</u>
<u>(321,534)</u>	<u>(98,819)</u>	<u>(53,652)</u>	<u>388,775</u>	<u>(242,463)</u>	<u>(109,880)</u>
(101,683)	192,153	(102,770)	(46,134)	(12,684)	(342,730)
<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>
<u>\$ -</u>	<u>\$ 1,042,514</u>	<u>\$ 298,821</u>	<u>\$ 6,104,922</u>	<u>\$ 752,733</u>	<u>\$ 14,163,071</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	<u>Sanitation</u>	<u>Golf Course</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>		
Receipts from customers	\$ 4,793,894	\$ 1,700,690
Payments to suppliers	(2,993,004)	(685,241)
Payments to employees	(1,807,951)	(978,422)
Other receipts (payments)	(151,044)	(239,891)
Net cash provided by (used in) operating activities	<u>(158,105)</u>	<u>(202,864)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>		
Intergovernmental	225,000	
Transfers from other funds		473,250
Transfers to other funds	(261,044)	
Miscellaneous	52,890	
Net cash provided by (used in) noncapital financing activities	<u>16,846</u>	<u>473,250</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>		
Purchase of assets	(209,261)	
Cash paid for lease liabilities - principal		(350)
Cash paid for lease liabilities - interest		(301)
Cash received on lease receivables		9,606
Cash received for interest on lease receivables		217
Capital grants from other governments		
Net cash provided by (used in) capital and related financing activities	<u>(209,261)</u>	<u>9,172</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>		
Interest received and market adjustments	3,798	2,822
Net increase (decrease) in cash and cash equivalents	(346,722)	282,380
Cash and cash equivalents at beginning of year	<u>800,565</u>	
Cash and cash equivalents at end of year	<u>\$ 453,843</u>	<u>\$ 282,380</u>
<b>Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:</b>		
Operating income (loss)	\$ 31,990	\$ (276,331)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:		
Depreciation/Amortization	18,454	122,040
Miscellaneous nonoperating income		16,635
Change in assets and liabilities:		
Accounts receivable	(72,100)	(7,649)
Due from other city funds	(73,188)	
Due from other governments	2,336	
Prepaid items		
Lease receivable		(9,606)
Deferred outflows of resources	81,666	46,168
Accounts payable	(82,098)	(17,361)
Accrued wages payable	4,607	2,052
Compensated absences payable	4,666	413
Other post-employment benefits	(19,175)	(756)
Net pension liability	301,746	181,258
Due to other funds	(155)	(27,584)
Due to other governments	908	
Deferred inflows of resources	(357,762)	(211,005)
Other current liabilities		(21,138)
Net cash provided by (used in) operating activities	<u>\$ (158,105)</u>	<u>\$ (202,864)</u>
<b>Noncash capital financing activities:</b>		
Contributions of capital assets from government / customers	<u>\$ 5,607</u>	<u>\$</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2022**

Sports Center	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
\$ 119,237	\$ 743,883	\$ 969,355	\$ 269,079	\$ 847,271	\$ 9,443,409
(18,750)	(296,781)	(405,286)	(144,098)	(600,937)	(5,144,097)
(205,139)	(125,923)	(634,548)			(3,751,983)
143,318	(131,147)	(58,332)	(423,760)	(18,331)	(879,187)
<u>38,666</u>	<u>190,032</u>	<u>(128,811)</u>	<u>(298,779)</u>	<u>228,003</u>	<u>(331,858)</u>
	51,377	75,004	62,043		413,424
			358,913		832,163
(321,534)	(98,819)	(53,652)		(242,463)	(977,512)
25,323	450	3,542	5,966	13	88,184
<u>(296,211)</u>	<u>(46,992)</u>	<u>24,894</u>	<u>426,922</u>	<u>(242,450)</u>	<u>356,259</u>
					(209,261)
					(350)
					(301)
			12,540		22,146
			206		423
			29,862		29,862
			<u>42,608</u>		<u>(157,481)</u>
(61)	5,355	1,350	(68)	4,037	17,233
(257,606)	148,395	(102,567)	170,683	(10,410)	(115,847)
257,606	707,014	299,791		653,912	2,718,888
<u>\$</u>	<u>\$ 855,409</u>	<u>\$ 197,224</u>	<u>\$ 170,683</u>	<u>\$ 643,502</u>	<u>\$ 2,603,041</u>
\$ 44,100	\$ 233,790	\$ (129,015)	\$ (515,322)	\$ 225,729	\$ (385,059)
		17,206	430,874		588,574
150,489			12,472		179,596
7,061	24,817	(22,598)	315	2,296	(67,858)
	(140)	(3,706)		(232)	(77,266)
	(51,377)	(10,004)	202,318		143,273
295		(120)			175
			(12,746)		(22,352)
63,118	14,701	26,809			232,462
(1,490)	(5,760)	14,755	4,266	(9)	(87,697)
(10,370)	59	3,076			(576)
(37,315)	1,536	(493)			(31,193)
(15,076)		(14,177)			(49,184)
(83,091)	9,462	121,002			530,377
			(423,736)	219	(451,256)
					908
(79,055)	(37,056)	(131,546)			(816,424)
			2,780		(18,358)
<u>\$ 38,666</u>	<u>\$ 190,032</u>	<u>\$ (128,811)</u>	<u>\$ (298,779)</u>	<u>\$ 228,003</u>	<u>\$ (331,858)</u>
<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 5,607</u>

This page intentionally left blank.

## 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, 2022**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>ASSETS</b>					
Current assets:					
Cash and investments	\$ 4,181,629	\$ 591,736	\$	\$ 2,825,685	\$ 7,599,050
Receivables:					
Accounts	1				1
Due from other city funds	619		17,185		17,804
Due from other governmental units	1,107		30,737		31,844
Inventories			26,654		26,654
Prepaid items		145,183			145,183
Total current assets	<u>4,183,356</u>	<u>736,919</u>	<u>74,576</u>	<u>2,825,685</u>	<u>7,820,536</u>
Long-term assets:					
Capital assets:					
Machinery and equipment	26,800,344	1,533,753		791,035	29,125,132
Less accumulated depreciation	(17,961,571)	(1,161,862)		(691,251)	(19,814,684)
Total capital assets	<u>8,838,773</u>	<u>371,891</u>		<u>99,784</u>	<u>9,310,448</u>
Right to use leased assets		18,821			18,821
Less accumulated amortization		(3,137)			(3,137)
Total right to use leased assets		<u>15,684</u>			<u>15,684</u>
Total assets	<u>13,022,129</u>	<u>1,124,494</u>	<u>74,576</u>	<u>2,925,469</u>	<u>17,146,668</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plans	3,694		34,891		38,585
Other post-employment benefits			1,547		1,547
Total deferred outflows of resources	<u>3,694</u>		<u>36,438</u>		<u>40,132</u>
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	70,682	81,425	75,536	29,650	257,293
Accrued wages payable	1,007		10,686		11,693
Due to other city funds			392,722		392,722
Accrued interest payable		80			80
Leases		3,437			3,437
Total current liabilities	<u>71,689</u>	<u>84,942</u>	<u>478,944</u>	<u>29,650</u>	<u>665,225</u>
Long-term liabilities:					
Accrued compensated absences	872		22,361		23,233
Leases		12,872			12,872
Other post-employment benefits			10,993		10,993
Net pension liability	11,996		113,300		125,296
Total long-term liabilities	<u>12,868</u>	<u>12,872</u>	<u>146,654</u>		<u>172,394</u>
Total liabilities	<u>84,557</u>	<u>97,814</u>	<u>625,598</u>	<u>29,650</u>	<u>837,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension plans	174		1,643		1,817
Other post-employment benefits			3,199		3,199
Total deferred inflows of resources	<u>174</u>		<u>4,842</u>		<u>5,016</u>
<b>NET POSITION</b>					
Net investment in capital assets	8,838,773	371,266		99,784	9,309,823
Unrestricted	4,102,319	655,414	(519,426)	2,796,035	7,034,342
Total net position	<u>\$ 12,941,092</u>	<u>\$ 1,026,680</u>	<u>\$ (519,426)</u>	<u>\$ 2,895,819</u>	<u>\$ 16,344,165</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2022**

	<u>Vehicles &amp; Equipment</u>	<u>Information Technology</u>	<u>Maintenance Shop</u>	<u>Radio and Weapons</u>	<u>Total</u>
<b>OPERATING REVENUES</b>					
Charges for services	\$ 1,665,022	\$ 525,720	\$ 2,136,484	\$ 376,787	\$ 4,704,013
Other					
Total operating revenue	<u>1,665,022</u>	<u>525,720</u>	<u>2,136,484</u>	<u>376,787</u>	<u>4,704,013</u>
<b>OPERATING EXPENSES</b>					
Personnel	26,683		292,676		319,359
Supplies	8,502	107,386	1,995,828	4,490	2,116,206
Utilities			12,561		12,561
Professional services				300	300
Insurance		281	2,067	135	2,483
Repair and maintenance	6,976	91,793	4,346	7,383	110,498
Depreciation	1,686,560	236,654		138,138	2,061,352
Amortization		3,137			3,137
Miscellaneous	4,495	121,293	4,000	3,911	133,699
Total operating expenses	<u>1,733,216</u>	<u>560,544</u>	<u>2,311,478</u>	<u>154,357</u>	<u>4,759,595</u>
Operating income (loss)	<u>(68,194)</u>	<u>(34,824)</u>	<u>(174,994)</u>	<u>222,430</u>	<u>(55,582)</u>
<b>NONOPERATING INCOME (EXPENSE)</b>					
Investment income (loss)	28,014	2,281	(4,416)	18,218	44,097
Interest on indebtedness		(485)			(485)
Gain (loss) on disposal of assets	(15,685)	(53,889)		(22,509)	(92,083)
Miscellaneous	31,802		391	36	32,229
Total nonoperating income (expense)	<u>44,131</u>	<u>(52,093)</u>	<u>(4,025)</u>	<u>(4,255)</u>	<u>(16,242)</u>
Income (loss) before contributions and transfers	<u>(24,063)</u>	<u>(86,917)</u>	<u>(179,019)</u>	<u>218,175</u>	<u>(71,824)</u>
Capital contributions		<u>23,029</u>			<u>23,029</u>
CHANGE IN NET POSITION	<u>(24,063)</u>	<u>(63,888)</u>	<u>(179,019)</u>	<u>218,175</u>	<u>(48,795)</u>
TOTAL NET POSITION - BEGINNING	<u>12,965,155</u>	<u>1,090,568</u>	<u>(340,407)</u>	<u>2,677,644</u>	<u>16,392,960</u>
TOTAL NET POSITION - ENDING	<u>\$ 12,941,092</u>	<u>\$ 1,026,680</u>	<u>\$ (519,426)</u>	<u>\$ 2,895,819</u>	<u>\$ 16,344,165</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 1,666,423	\$ 380,537	\$ 2,293,704	\$ 394,175	\$ 4,734,839
Payments to suppliers	52,204	(118,057)	(2,002,159)	13,962	(2,054,050)
Payments to employees	(24,327)		(283,520)		(307,847)
Other receipts (payments)	(4,497)	(121,293)	(4,000)	(3,910)	(133,700)
Net cash provided by (used in) operating activities	<u>1,689,803</u>	<u>141,187</u>	<u>4,025</u>	<u>404,227</u>	<u>2,239,242</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Miscellaneous	<u>31,802</u>		<u>391</u>	<u>36</u>	<u>32,229</u>
Net cash provided by (used in) noncapital financing activities	<u>31,802</u>		<u>391</u>	<u>36</u>	<u>32,229</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of assets	35,317			1,200	36,517
Purchase of assets	(1,753,873)	(132,230)		(65,354)	(1,951,457)
Cash paid for lease liabilities - principal		(2,511)			(2,511)
Cash paid for lease liabilities - interest		(405)			(405)
Net cash used in capital and related financing activities	<u>(1,718,556)</u>	<u>(135,146)</u>		<u>(64,154)</u>	<u>(1,917,856)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>					
Interest received and market adjustments	<u>28,014</u>	<u>2,281</u>	<u>(4,416)</u>	<u>18,218</u>	<u>44,097</u>
Net increase in cash and cash equivalents	31,063	8,322		358,327	397,712
Cash and cash equivalents at beginning of year	<u>4,150,566</u>	<u>583,414</u>		<u>2,467,358</u>	<u>7,201,338</u>
Cash and cash equivalents at end of year	<u>\$ 4,181,629</u>	<u>\$ 591,736</u>	<u>\$</u>	<u>\$ 2,825,685</u>	<u>\$ 7,599,050</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2022**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ (68,194)	\$ (34,824)	\$ (174,994)	\$ 222,430	\$ (55,582)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/Amortization	1,686,560	239,791		138,138	2,064,489
Change in assets and liabilities:					
Accounts receivable	2,418		185,436	15,468	203,322
Due from other funds	(619)		(17,185)		(17,804)
Due from other governments	(398)		(11,031)	1,920	(9,509)
Inventories			4,199		4,199
Prepaid items		(145,183)			(145,183)
Deferred outflows of resources	485		11,621		12,106
Accounts payable	67,680	81,403	(41,838)	26,271	133,516
Accrued wages payable	259		1,652		1,911
Compensated absences payable	336		1,971		2,307
Due to other funds			50,282		50,282
Other post-employment benefits			(823)		(823)
Net pension liability	6,315		50,094		56,409
Deferred inflows of resources	(5,039)		(55,359)		(60,398)
Net cash provided by (used in) operating activities	<u>\$ 1,689,803</u>	<u>\$ 141,187</u>	<u>\$ 4,025</u>	<u>\$ 404,227</u>	<u>\$ 2,239,242</u>
Noncash capital financing activities:					
Contributions of capital assets from government	<u>\$</u>	<u>\$ 23,029</u>	<u>\$</u>	<u>\$</u>	<u>\$ 23,029</u>
Lease liability for the acquisition of a right to use leased asset	<u>\$</u>	<u>\$ 18,821</u>	<u>\$</u>	<u>\$</u>	<u>\$ 18,821</u>

This page intentionally left blank.

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE <sup>1</sup>**  
**DECEMBER 31, 2022**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 74,640,972
Buildings	28,852,696
Improvements other than buildings	79,829,192
Machinery and equipment	12,242,137
Infrastructure	296,100,946
Construction in progress	<u>83,292,505</u>
 Total governmental funds capital assets	 <u><u>\$ 574,958,448</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 543,434,986
General Fund	685,576
Special Revenue Funds	17,452,702
Enterprise Funds	12,062
Gifts	<u>13,373,122</u>
 Total governmental funds capital assets	 <u><u>\$ 574,958,448</u></u>

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY <sup>1</sup>**  
**YEAR ENDED DECEMBER 31, 2022**

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/22</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/22</u>
<b>GENERAL GOVERNMENT:</b>				
Mayor & Council	\$ 7,736	\$	\$ 7,736	\$ -
City Clerk	11,083		11,083	-
City Manager	31,243			31,243
Assessing	-	8,843		8,843
Accounting	569,988		3,532	566,456
Planning & Zoning	7,955			7,955
General Government Building	<u>115,778,847</u>	<u>238,473</u>	<u>146,681</u>	<u>115,870,639</u>
Total General Government	<u>116,406,852</u>	<u>247,316</u>	<u>169,032</u>	<u>116,485,136</u>
<b>PUBLIC SAFETY:</b>				
Police Protection	1,320,153	13,365	800,726	532,792
Fire Protection	<u>2,687,800</u>	<u>48,770</u>	<u>129,451</u>	<u>2,607,119</u>
Total Public Safety	<u>4,007,953</u>	<u>62,135</u>	<u>930,177</u>	<u>3,139,911</u>
HIGHWAYS & STREETS	295,682,910	9,163,505	19,879	304,826,536
PARKS & RECREATION	42,272,671	1,216,015	157,090	43,331,596
LIBRARY	2,404,196		47,531	2,356,665
COMMUNITY DEVELOPMENT	404,200			404,200
MASS TRANSIT	9,892,112	30,399	647,726	9,274,785
PLAINS ART MUSEUM	490,409			490,409
ECONOMIC DEVELOPMENT	12,233,749	163,270	1,040,314	11,356,705
CONSTRUCTION IN PROGRESS	<u>70,916,514</u>	<u>28,100,882</u>	<u>15,724,892</u>	<u>83,292,504</u>
Total governmental funds capital assets	<u>\$ 554,711,567</u>	<u>\$ 38,983,522</u>	<u>\$ 18,736,641</u>	<u>\$ 574,958,448</u>

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY <sup>1</sup>**  
**DECEMBER 31, 2022**

	TOTAL	LAND
<u>FUNCTION AND ACTIVITY</u>		
GENERAL GOVERNMENT:		
City Manager	\$ 31,243	\$
Assessing	8,843	
Accounting	566,456	
Planning & Zoning	7,955	
General Government Building	115,870,639	62,928,031
Total General Government	116,485,136	62,928,031
PUBLIC SAFETY:		
Police Protection	532,792	
Fire Protection	2,607,119	54,743
Total Public Safety	3,139,911	54,743
HIGHWAYS & STREETS	388,119,041	5,116,520
PARKS & RECREATION	43,331,596	2,080,440
LIBRARY	2,356,665	102,500
COMMUNITY DEVELOPMENT	404,200	305,140
MASS TRANSIT	9,274,785	
PLAINS ART MUSEUM	490,409	
ECONOMIC DEVELOPMENT	11,356,705	4,053,598
Total governmental funds capital assets	\$ 574,958,448	\$ 74,640,972

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY (CONTINUED) <sup>1</sup>**  
**DECEMBER 31, 2022**

BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS	MACHINERY AND EQUIPMENT	INFRA- STRUCTURE	CONSTRUCTION IN PROGRESS
\$	\$	\$	\$	\$
		31,243		
		8,843		
		566,456		
		7,955		
4,395,513	48,427,988	119,107		
4,395,513	48,427,988	733,604	-	-
	61,711	471,081		
1,456,512	19,500	1,076,364		
1,456,512	81,211	1,547,445	-	-
2,705,280	303,724	600,066	296,100,946	83,292,505
8,351,186	30,579,825	2,320,145		
2,049,248	149,324	55,593		
	46,991	52,069		
2,270,682	90,667	6,913,436		
490,409				
7,133,866	149,462	19,779		
\$ 28,852,696	\$ 79,829,192	\$ 12,242,137	\$ 296,100,946	\$ 83,292,505

This page intentionally left blank.

# 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.

<b>Contents</b>	<b>Page</b>
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	114
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	124
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	132
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.	147
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.	149

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)**

	2013	2014	2015
Governmental activities			
Net investment in capital assets	\$ 160,410,701	\$ 177,714,707	\$ 188,292,907
Restricted	131,543,123	132,190,249	117,010,569
Unrestricted	3,454,937	1,947,699	17,023,920
Total governmental activities net position	<u>\$ 295,408,761</u>	<u>\$ 311,852,655</u>	<u>\$ 322,327,396</u>
Business-type activities			
Net investment in capital assets	\$ 85,198,395	\$ 87,077,433	\$ 91,710,240
Restricted	8,230,771	13,496,942	6,763,217
Unrestricted	23,334,867	20,932,992	21,073,048
Total business-type activities net position	<u>\$ 116,764,033</u>	<u>\$ 121,507,367</u>	<u>\$ 119,546,505</u>
Primary government			
Net investment in capital assets	\$ 245,609,096	\$ 264,792,140	\$ 280,003,147
Restricted	139,773,894	145,687,191	123,773,786
Unrestricted	26,789,804	22,880,691	38,096,968
Total primary government net position	<u>\$ 412,172,794</u>	<u>\$ 433,360,022</u>	<u>\$ 441,873,901</u>

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

2016	2017	2018	2019	2020	2021	2022
\$ 223,160,997	\$ 223,017,288	\$ 190,131,897	\$ 230,476,976	\$ 249,347,298	\$ 219,568,317	\$ 272,400,401
136,900,935	137,019,387	137,882,638	125,043,570	135,512,242	170,378,593	122,906,554
(18,540,961)	1,086,649	(5,842,815)	15,037,953	(3,975,809)	4,673,340	1,446,067
<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>	<u>\$ 396,753,022</u>
\$ 91,229,486	\$ 97,267,818	\$ 152,405,046	\$ 156,065,972	\$ 166,749,401	\$ 165,328,912	\$ 173,290,831
12,344,488	9,912,659	6,490,259	6,175,554	10,601,200	4,440,922	6,507,771
23,703,296	31,048,190	40,582,354	42,262,600	41,765,122	59,141,828	57,809,399
<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>	<u>\$ 237,608,001</u>
\$ 314,390,483	\$ 320,285,106	\$ 342,536,943	\$ 386,542,948	\$ 416,096,699	\$ 384,897,229	\$ 445,691,232
149,245,423	146,932,046	144,372,897	131,219,124	146,113,442	174,819,515	129,414,325
5,162,335	32,134,839	34,739,539	57,300,553	37,789,313	63,815,168	59,255,466
<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>	<u>\$ 634,361,023</u>

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

	2013	2014	2015
<b>Expenses</b>			
Governmental activities:			
General government	\$ 4,346,403	\$ 4,164,837	\$ 4,140,728
Public safety	11,398,174	12,060,174	12,699,743
Highways and streets	13,057,142	11,994,051	12,439,423
Parks and recreation	3,468,570	3,640,538	3,691,716
Library	824,609	825,921	857,013
Community development	618,093	443,355	482,152
Rental Registration	204,858	270,581	274,323
Mass transit	2,587,116	2,738,712	2,819,080
Economic development	825,762	921,006	871,623
Interest on long-term debt	7,688,510	7,122,193	6,876,729
Total governmental activities expenses	<u>45,019,237</u>	<u>44,181,368</u>	<u>45,152,530</u>
Business-type activities:			
Electric	27,173,001	27,910,422	29,476,309
Water	5,287,103	5,926,998	5,795,414
Wastewater treatment	6,656,290	5,903,395	6,058,003
Storm water	1,003,482	1,156,391	1,316,273
Sanitation	3,166,870	3,429,526	3,532,179
Golf courses	2,187,145	2,212,073	1,658,863
Sports center	916,596	972,117	975,858
Pest control	341,457	355,922	442,730
Forestry	744,203	761,896	696,965
Municipal airport	274,881	302,208	322,277
Street light utility	-	-	647,483
Total business-type activities expenses	<u>47,751,028</u>	<u>48,930,948</u>	<u>50,922,354</u>
Total primary government expenses	<u>\$ 92,770,265</u>	<u>\$ 93,112,316</u>	<u>\$ 96,074,884</u>
<b>Program Revenues</b>			
Governmental activities:			
Charges for services:			
General government	\$ 1,006,692	\$ 1,084,382	\$ 1,129,204
Public safety	756,848	753,180	657,825
Highways and streets	1,903,650	2,335,578	1,581,472
Other activities	2,082,671	1,285,311	1,523,424
Operating grants and contributions	3,718,296	3,585,983	4,045,822
Capital grants and contributions	16,927,933	21,508,080	13,758,664
Total governmental activities program revenues	<u>26,396,090</u>	<u>30,552,514</u>	<u>22,696,411</u>
Business-type activities:			
Charges for services:			
Electric	37,680,948	38,598,929	39,193,818
Water	6,849,951	6,824,014	7,421,973
Wastewater treatment	6,316,542	6,496,996	7,287,615
Storm water	2,381,232	2,443,219	2,603,250
Sanitation	3,694,612	3,820,293	4,052,656
Golf courses	1,143,019	1,131,968	1,273,297
Other activities	1,689,853	1,999,535	2,903,247
Operating grants and contributions	204,439	218,817	250,277
Capital grants and contributions	1,747,614	1,244,238	176,178
Total business-type activities program revenues	<u>61,708,210</u>	<u>62,778,009</u>	<u>65,162,311</u>
Total primary government program revenues	<u>\$ 88,104,300</u>	<u>\$ 93,330,523</u>	<u>\$ 87,858,722</u>

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

2016	2017	2018	2019	2020	2021	2022
\$ 5,355,803	\$ 4,977,547	\$ 5,128,445	\$ 6,134,526	\$ 10,275,610	\$ 9,028,462	\$ 10,396,733
15,536,547	15,256,052	15,398,739	16,218,093	15,935,688	15,160,861	17,939,929
12,271,658	13,370,437	14,704,535	13,721,752	14,100,216	14,530,534	16,334,969
4,103,311	4,023,868	4,722,590	4,288,015	4,119,213	4,330,052	5,287,931
864,267	884,342	916,909	915,124	915,158	977,308	1,067,292
596,676	774,589	562,076	372,018	330,595	444,391	484,737
300,560	309,793	329,216	290,136	-	-	-
2,903,025	3,179,629	3,409,312	3,570,729	3,810,477	4,126,722	4,594,440
863,944	883,676	832,219	903,094	806,195	860,751	2,506,364
7,785,669	6,749,582	6,679,837	6,255,942	5,877,983	5,547,489	4,318,798
<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>	<u>62,931,193</u>
31,817,993	30,922,240	31,146,001	30,853,105	28,786,968	29,579,831	30,051,274
6,384,007	7,242,254	7,568,515	7,903,624	7,265,394	7,680,318	9,467,881
6,420,340	6,137,591	7,184,981	7,737,436	8,004,679	7,589,256	7,826,714
1,279,110	1,414,865	2,254,089	2,206,737	2,174,572	2,480,135	2,657,078
3,657,006	5,043,175	4,310,799	4,279,139	4,557,093	4,558,548	5,501,208
1,813,363	1,711,988	1,614,758	1,669,502	2,410,181	1,876,506	2,041,369
1,032,354	1,079,640	917,379	2,711,189	334,275	366,309	67,781
569,291	639,495	561,178	654,738	630,653	466,766	491,079
853,299	848,802	825,002	828,932	975,194	912,125	1,136,875
324,577	482,636	613,016	661,486	899,720	532,366	585,869
695,149	748,809	732,172	714,799	636,419	652,819	619,478
<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>60,446,606</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>	<u>\$ 123,377,799</u>
\$ 1,441,569	\$ 1,113,817	\$ 990,975	\$ 941,400	\$ 1,273,071	\$ 1,698,470	\$ 1,939,619
689,929	721,893	720,682	608,415	453,207	439,448	854,302
1,414,476	1,980,995	612,589	1,965,585	231,790	1,583,481	5,949,742
1,504,664	1,570,260	1,733,525	1,709,315	891,427	1,117,346	1,473,198
7,030,078	5,770,187	6,543,764	6,803,405	9,680,774	8,494,441	4,353,414
25,995,042	25,592,385	20,137,228	12,429,868	14,268,025	16,725,442	9,357,440
<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>	<u>23,927,715</u>
41,489,080	44,791,531	44,230,894	43,811,642	42,685,696	43,350,341	44,163,839
8,130,880	9,042,967	9,299,474	9,366,724	9,947,560	11,157,121	11,156,901
7,720,651	8,066,664	8,164,057	8,662,682	8,857,094	10,013,520	9,911,883
2,663,816	2,725,287	2,857,390	2,761,590	2,845,601	2,893,277	2,810,877
4,160,055	4,455,041	4,500,422	4,765,892	4,546,511	5,050,674	4,992,072
1,410,009	1,311,686	1,251,522	1,270,548	1,450,195	1,751,388	1,764,035
3,051,096	2,958,886	3,336,457	3,211,184	2,782,023	2,809,018	2,786,218
236,022	625,699	205,573	52,061	380,367	325,919	512,364
1,854,572	1,658,727	3,516,441	2,346,902	7,877,562	3,879,198	4,426,618
<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>82,524,807</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>	<u>\$ 106,452,522</u>

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

	2013	2014	2015
Net (expense) / revenue:			
Governmental activities	\$ (18,623,147)	\$ (13,628,854)	\$ (22,456,119)
Business-type activities	13,957,182	13,847,061	14,239,957
Total primary government net expense	<u>\$ (4,665,965)</u>	<u>\$ 218,207</u>	<u>\$ (8,216,162)</u>
<b>General Revenues and Other Changes in Net Position</b>			
Governmental activities:			
Taxes			
Property taxes levied for general purposes	\$ 3,831,102	\$ 3,603,921	\$ 4,075,760
Property taxes levied for debt service	2,993,091	3,381,964	3,811,113
Tax increments	689,289	585,880	514,527
Franchise fees	971,057	1,137,769	1,013,045
State aid unrestricted	8,445,441	9,405,893	9,927,631
Unrestricted grants and contributions	177,045	171,232	171,160
Investment earnings	142,993	140,993	96,413
Miscellaneous	1,360,497	1,666,786	1,308,002
Transfers	9,397,862	9,978,310	9,929,999
Special Item	-	-	15,812,220
Total governmental activities	<u>28,008,377</u>	<u>30,072,748</u>	<u>46,659,870</u>
Business-type activities:			
State aid unrestricted	11,562	11,562	11,562
Investment earnings	74,074	361,204	245,689
Miscellaneous	617,849	571,818	610,959
Transfers	(9,327,862)	(10,048,310)	(9,929,999)
Special Item	-	-	(1,532,204)
Total business-type activities	<u>(8,624,377)</u>	<u>(9,103,726)</u>	<u>(10,593,993)</u>
Total primary government	<u>\$ 19,384,000</u>	<u>\$ 20,969,022</u>	<u>\$ 36,065,877</u>
<b>Change in Net Position</b>			
Governmental activities	\$ 9,385,230	\$ 16,443,894	\$ 24,203,751
Business-type activities	5,332,805	4,743,335	3,645,964
Total primary government	<u>\$ 14,718,035</u>	<u>\$ 21,187,229</u>	<u>\$ 27,849,715</u>

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

2016	2017	2018	2019	2020	2021	2022
\$ (12,505,702)	\$ (13,659,978)	\$ (21,945,115)	\$ (28,211,441)	\$ (29,372,841)	\$ (24,947,942)	\$ (39,003,478)
15,869,692	19,364,993	19,634,340	16,028,538	24,697,461	24,535,477	22,078,201
<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>	<u>\$ (16,925,277)</u>
\$ 5,001,334	\$ 6,070,868	\$ 7,152,264	\$ 8,124,044	\$ 9,329,565	\$ 9,568,469	\$ 10,669,918
3,824,307	4,624,111	3,633,936	4,386,808	3,999,426	3,612,736	3,565,350
498,896	518,118	546,662	571,287	553,324	612,648	615,794
922,395	993,555	1,040,015	1,016,021	888,833	929,937	1,368,191
10,352,919	10,169,504	10,519,127	10,686,998	10,953,872	11,106,713	11,261,087
101,072	141,104	-	2,674,199	41,175	184,857	58,632
116,946	372,095	892,127	1,328,000	888,103	86,300	906,409
1,909,098	631,340	117,662	925,710	1,401,683	1,286,884	557,033
8,972,310	9,741,636	10,251,796	12,388,791	11,642,092	11,295,917	12,133,836
-	-	-	-	-	-	-
<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>	<u>41,136,250</u>
11,562	4,960	6,185	4,960	-	-	-
42,817	429,624	553,607	1,397,683	621,570	(248,237)	(2,161,351)
994,136	893,456	911,461	1,060,135	934,658	764,338	913,325
(8,972,310)	(9,741,636)	(10,251,796)	(12,388,791)	(11,642,092)	(11,295,917)	(12,133,836)
(215,132)	-	-	-	-	-	-
<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>(13,381,862)</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>	<u>\$ 27,754,388</u>
\$ 19,193,575	\$ 19,602,353	\$ 12,208,474	\$ 13,890,417	\$ 10,325,232	\$ 13,736,519	\$ 2,132,772
7,730,765	10,951,397	10,853,797	6,102,525	14,611,597	13,755,661	8,696,339
<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>	<u>\$ 10,829,111</u>

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

	<u>2013</u>	<u>2014</u>	<u>2015</u>
General fund			
Nonspendable	\$ 1,333,328	\$ 1,193,488	\$ 1,132,614
Restricted	-	-	-
Committed	417,738	94,945	79,534
Assigned	-	-	-
Unassigned	13,373,191	15,041,820	15,466,755
Total General fund	<u>\$ 15,124,257</u>	<u>\$ 16,330,253</u>	<u>\$ 16,678,903</u>
All other governmental funds			
Nonspendable	\$ 486,353	\$ 415,287	\$ 348,968
Restricted	62,274,294	68,997,684	57,662,812
Committed	1,658,988	1,148,372	921,172
Assigned	3,721,697	4,192,144	4,802,314
Unassigned	(789,421)	(1,749,206)	(1,449,313)
Total all other governmental funds	<u>\$ 67,351,911</u>	<u>\$ 73,004,281</u>	<u>\$ 62,285,953</u>

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

	2016	2017	2018	2019	2020	2021	2022
\$	3,715,273	\$ 3,653,737	\$ 3,563,015	\$ 3,544,307	\$ 3,526,413	\$ 3,512,811	\$ 3,558,649
	-	448,443	533,289	854,039	970,599	1,071,833	1,176,401
	38,645	-	-	-	-	-	-
	-	379,417	403,929	-	-	-	-
	13,423,346	14,794,555	15,030,435	16,499,895	16,850,832	18,569,878	21,690,814
\$	<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>	<u>\$ 26,425,864</u>
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,011
	54,537,821	48,256,249	50,248,858	56,926,969	47,163,637	83,860,990	34,426,506
	1,072,520	1,608,169	533,264	3,022,448	4,374,638	5,935,939	6,067,373
	6,233,333	6,725,895	6,349,223	-	-	-	-
	(2,010,686)	(3,726,011)	(5,979,092)	(4,705,036)	(12,991,770)	(11,057,129)	(8,241,964)
\$	<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>	<u>\$ 32,373,926</u>

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

	2013	2014	2015
<b>Revenues</b>			
Taxes			
Property	\$ 7,513,482	\$ 7,571,766	\$ 8,401,400
Franchise	971,057	1,137,769	1,013,045
Licenses and permits	749,377	849,029	803,311
Intergovernmental	23,352,975	23,693,367	20,286,634
Charges for services	3,056,626	3,524,497	2,595,514
Fines and forfeits	497,843	515,349	488,692
Facility rentals	154,479	157,351	179,458
Donations	6,111	24,084	18,947
Special assessments	9,650,046	10,380,331	9,738,840
Sale of property		14,514	57,892
Interest on investments	139,294	134,609	92,660
Miscellaneous	2,328,519	2,154,445	2,239,411
Total revenues	<u>48,419,809</u>	<u>50,157,111</u>	<u>45,915,804</u>
<b>Expenditures</b>			
General government	3,595,773	3,912,568	4,037,972
Public safety	11,184,213	11,599,347	12,291,749
Highways and streets	7,345,670	6,072,511	5,167,384
Parks and recreation	2,560,153	2,709,763	2,753,592
Library	815,140	820,110	851,224
Community development	618,089	443,355	482,152
Rental registration	204,858	270,581	274,323
Mass transit	2,131,719	2,281,543	2,348,827
Economic development	625,915	721,271	662,843
Capital outlay	16,750,785	23,235,422	24,863,377
Debt service:			
Bond and note principal	7,867,746	19,281,197	18,469,823
Bond and note interest	7,707,198	6,970,392	6,559,789
Fiscal and other charges	37,732	511,352	305,028
Total expenditures	<u>61,444,991</u>	<u>78,829,412</u>	<u>79,068,083</u>
Revenues over (under) expenditures	(13,025,182)	(28,672,301)	(33,152,279)
<b>Other financing sources (uses)</b>			
Bond and note proceeds	2,165,000	43,055,000	12,270,000
Payment to refunding agent	-	-	-
Premium on issuance of debt	51,879	2,233,381	475,107
Transfers from other funds	11,423,664	11,689,322	12,717,331
Transfers to other funds	(1,720,136)	(2,054,155)	(2,679,836)
Leases	-	-	-
Sale of capital assets	1,086,306	66,626	-
Total other financing sources (uses)	<u>13,006,713</u>	<u>54,990,174</u>	<u>22,782,602</u>
Net change in fund balances	<u>\$ (18,469)</u>	<u>\$ 26,317,873</u>	<u>\$ (10,369,677)</u>
Debt service as a percentage of noncapital expenditures <sup>(1)</sup>	34.85%	47.22%	46.18%

(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)**

	2016	2017	2018	2019	2020	2021	2022
\$	9,324,536	\$ 10,713,097	\$ 11,832,862	\$ 12,838,360	\$ 13,470,035	\$ 13,826,074	\$ 14,882,929
	922,395	993,555	1,040,015	1,016,021	888,833	929,937	1,368,191
	1,174,852	882,095	770,467	704,116	713,324	1,229,826	890,131
	27,188,071	18,790,647	30,411,438	52,217,435	31,593,376	26,811,174	22,375,945
	2,498,985	2,973,730	1,691,783	2,654,379	874,316	2,380,524	3,574,959
	513,874	517,771	504,021	452,359	263,809	287,969	357,881
	165,001	171,689	167,490	169,875	95,046	139,569	132,840
	32,336	25,620	9,765	38,842	26,666	57,160	20,840
	9,513,547	10,480,746	9,255,056	10,213,442	9,370,172	9,524,393	9,528,819
	72,131	266,872	66,463	821,435	816,157	1,199,639	150,760
	114,859	351,280	847,283	1,201,316	835,182	84,735	858,261
	2,646,489	1,236,261	822,080	1,476,398	1,007,989	3,133,010	5,225,365
	<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>	<u>59,366,921</u>
	4,637,537	4,784,554	4,918,836	5,824,953	8,659,916	7,405,602	7,763,706
	13,320,836	14,185,429	15,004,164	16,024,295	16,037,055	16,360,330	16,801,477
	5,416,122	4,763,995	5,493,210	6,181,368	6,078,471	5,515,758	5,912,265
	2,817,339	2,919,752	3,400,151	3,031,576	2,885,595	3,224,614	3,766,016
	858,478	878,553	906,123	903,493	905,163	967,313	1,056,797
	596,676	781,676	559,576	370,973	328,554	443,550	480,085
	300,560	312,250	328,176	296,871	3,172	-	-
	2,449,064	2,707,346	2,858,630	3,041,536	3,136,419	3,483,636	3,898,380
	583,355	649,127	598,413	669,893	578,364	648,771	1,221,471
	33,908,144	17,987,366	30,678,440	47,177,959	23,213,444	25,416,920	26,750,338
	27,988,634	9,187,639	11,026,848	10,491,271	11,083,986	11,585,753	59,745,000
	6,398,233	6,273,804	6,367,153	6,529,037	6,153,343	5,644,516	6,026,755
	1,482,794	409,394	234,831	162,389	36,788	209,909	548,397
	<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>	<u>133,970,687</u>
	(46,590,696)	(18,437,522)	(24,955,828)	(16,901,636)	(19,145,365)	(21,302,662)	(74,603,766)
	32,055,000	15,905,000	16,560,000	14,435,000	-	45,423,000	18,265,000
	-	(13,810,000)	(4,870,000)	(5,510,000)	(8,745,000)	-	-
	2,881,002	881,517	1,349,861	631,564	-	6,878,222	882,731
	11,906,083	12,171,988	14,227,186	14,142,842	13,989,021	13,069,483	14,935,202
	(2,205,993)	(1,580,781)	(3,768,752)	(1,338,069)	(2,346,929)	(2,068,070)	(2,801,366)
	-	-	-	-	-	-	227,667
	-	-	-	-	-	-	-
	<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>31,509,234</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>	<u>(43,094,532)</u>
	51.44%	32.31%	33.65%	31.80%	30.84%	31.05%	61.34%

**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		
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)
2022	27,489,651	9,268,975	322,223	(911,233)

Source: Clay County Auditor

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

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

**CITY OF MOORHEAD, MINNESOTA**  
**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 <sup>1</sup>
\$ 22,375,314	35.139%	\$ 1,911,528,100	1.17%	\$ 822,225,400
22,739,546	37.424%	1,943,602,400	1.17%	822,225,400
25,168,216	38.662%	2,153,993,100	1.17%	822,225,400
28,307,511	39.543%	2,444,259,300	1.16%	846,323,500
30,986,516	40.235%	2,683,132,200	1.15%	846,323,500
32,484,815	42.226%	2,830,285,800	1.15%	846,323,500
33,931,280	43.477%	2,946,867,700	1.15%	846,323,500
34,625,250	44.862%	3,019,384,700	1.15%	846,323,500
35,262,080	44.931%	3,082,426,300	1.14%	846,323,500
36,169,616	47.148%	3,161,512,000	1.14%	879,784,700

**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		
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%
2022	47.148%	1.399%	48.547%	52.749%	35.819%	1.905%	90.473%	139.020%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2022**

<b>Taxpayer</b>	<b>2022</b>			<b>2013</b>		
	<b>Tax Capacity</b>	<b>Rank</b>	<b>Percentage of Total Tax Capacity</b>	<b>Tax Capacity</b>	<b>Rank</b>	<b>Percentage of Total Tax Capacity</b>
American Crystal Sugar Company	\$ 465,824	1	1.29%	\$ 466,411	1	2.08%
Proffutt Ltd Partnership	354,372	2	0.98%	156,476	6	0.70%
Busch Agricultural Resources, Inc.	352,015	3	0.97%	389,037	2	1.74%
Sanford Medical Center	285,728	4	0.79%			
Meridian Mortgage LLC	279,506	5	0.77%			
Menards Inc.	264,774	6	0.73%	348,614	3	1.56%
Xcel Energy	244,956	7	0.68%			
Kassenborg Partners	221,703	8	0.61%			
Skaff Apartments	219,963	9	0.61%			
Eventide Moorhead Senior Living LLC	185,205	10	0.51%	145,966	8	0.65%
Easten LLC				184,250	4	0.82%
Moorhead Lodging Association				179,250	5	0.80%
Sterling Development Group				154,780	7	0.69%
Moorhead Holiday Associates				137,835	9	0.62%
Moorhead Center Mall LLP				127,847	10	0.57%

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
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
2022	17,041,836	(3,269,482)	13,772,354

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
\$ 6,439,657	98.23%	\$ 115,917	\$ 6,555,574	99.993%
6,534,420	97.97%	134,963	6,669,383	99.993%
7,354,140	99.26%	54,446	7,408,586	99.992%
8,490,199	99.05%	80,314	8,570,513	99.983%
9,770,161	98.88%	109,513	9,879,674	99.986%
10,846,450	98.33%	180,386	11,026,836	99.961%
11,760,828	98.63%	159,455	11,920,283	99.971%
12,388,260	99.14%	77,826	12,466,086	99.762%
12,631,998	99.11%	85,623	12,717,621	99.786%
13,657,454	99.17%		13,657,454	99.166%

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

Fiscal Year	ELECTRIC FUND				General Fund Transfer	Transfer as Percentage of Gross Revenues
	Operating Revenues	Non-operating Revenues	Capital Contributions	Gross Revenues		
2013	\$ 37,680,948	\$ 272,879	\$ 490,795	\$ 38,444,622	\$ 5,980,900	15.56%
2014	38,594,193	321,230	280,584	39,196,007	6,091,900	20.16%
2015	39,123,231	589,107	176,178	39,888,516	6,350,000	15.92%
2016	41,466,385	383,868	1,187,730	43,037,983	6,475,000	15.04%
2017	45,049,837	837,401	489,767	46,377,005	6,600,000	14.23%
2018	44,630,198	851,319	69,867	45,551,384	6,725,000	14.76%
2019	43,800,063	1,552,217	29,758	45,382,038	6,850,000	15.09%
2020	42,685,696	837,248	30,629	43,553,573	6,975,000	16.01%
2021	43,325,016	418,064	92,246	43,835,326	7,100,000	16.20%
2022	44,120,099	497,137	775,500	45,392,736	7,225,000	15.92%

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.

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

	<u>Economic Development Transfer</u>	<u>Transfer as Percentage of Gross Revenues</u>		<u>Capital Improvement Transfer</u>	<u>Transfer as Percentage of Gross Revenues</u>		<u>Total Transfer</u>	<u>Transfer as Percentage of Gross Revenues</u>
\$	50,000	0.13%	\$	1,740,963	4.53%	\$	7,771,863	20.22%
	50,000	0.13%		1,759,916	4.49%		7,901,816	20.16%
	50,000	0.13%		1,810,108	4.54%		8,210,108	20.58%
	50,000	0.12%		1,875,152	4.36%		8,400,152	19.52%
	50,000	0.11%		1,968,696	4.24%		8,618,696	18.58%
	50,000	0.11%		2,047,765	4.50%		8,822,765	19.37%
	50,000	0.11%		1,993,466	4.39%		8,893,466	19.60%
	50,000	0.11%		1,947,223	4.47%		8,972,223	20.60%
	50,000	0.11%		1,965,772	4.48%		9,115,772	20.80%
	50,000	0.11%		2,011,238	4.43%		9,286,238	20.46%

**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
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
2022	-	159,303,230	1,871,592	-	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

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

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

Business-Type Activities			Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
G.O. Revenue Bonds	Revenue Bonds	Notes Payable			
\$ 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 <sup>1</sup>	28,425,000	19,643,939 <sup>1</sup>	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
22,268,236	18,065,979	22,824,008	225,011,045	9.85%	5,047

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

Fiscal Year	Governmental Activities				Business-Type Activities
	General Obligation Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds	G.O. Revenue Bonds
2013	\$ 390,000	\$ 174,620,000	\$ 4,560,000	\$ 1,095,000	\$ 26,740,118
2014	195,000	180,925,000	4,250,000	785,000	32,095,232
2015	-	175,630,000	3,930,000	470,000	39,710,407
2016	-	180,455,000	3,585,000	135,000	39,806,511
2017	-	173,860,000	3,240,000	65,000	36,969,682
2018	-	177,191,510	2,870,000	-	34,087,099
2019	-	180,131,452	4,251,135	-	11,660,000
2020	-	161,911,224	2,412,954	-	25,163,042
2021	-	201,957,103	2,144,773	-	23,456,498
2022	-	159,303,230	1,871,592	-	22,268,236

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

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

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

Business-Type Activities	Total General Obligation Debt	Accumulated Resources Restricted for General Obligation Debt Repayment	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita <sup>1</sup>
\$ 25,555,000	\$ 232,960,118	\$ 123,124,187	\$ 109,835,931	5.75%	\$ 2,824
23,970,000	242,220,232	123,749,384	118,470,848	6.10%	3,031
22,300,000	242,040,407	123,773,786	118,266,621	5.49%	2,872
34,050,000	258,031,511	135,435,423	122,596,088	5.02%	2,926
32,510,000	246,644,682	146,932,046	99,712,636	3.72%	2,342
30,530,000	244,678,609	144,372,897	100,305,712	3.54%	2,309
28,425,000	224,467,587	120,612,909	103,854,678	3.52%	2,386
20,541,947	210,029,167	121,275,562	88,753,605	2.94%	2,010
19,313,963	246,872,337	152,263,601	94,608,736	3.07%	2,126
18,065,979	201,509,037	107,152,762	94,356,275	2.98%	2,116

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

Fiscal Year	General Obligation Bonds	Less: Amounts Available in Debt Service Funds	Total	Percentage of Estimated Market Value <sup>1</sup> of Property	Per Capita <sup>2</sup>
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
2022	-	-	-	0.00%	0

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

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

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

**CITY OF MOORHEAD, MINNESOTA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2022**

<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	\$ 192,430,000	81.10%	\$ 156,060,730
Clay County	55,440,000	49.90%	<u>27,664,560</u>
Total overlapping debt			<u>183,725,290</u>
City of Moorhead direct debt			<u>161,852,822</u>
Total direct and overlapping debt			<u><u>\$ 345,578,112</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>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>
Debt limit	\$ 64,527,651	\$ 65,400,048	\$ 71,964,231	\$ 73,327,779
Total net debt applicable to limit	<u>1,021,109</u>	<u>754,912</u>	<u>485,089</u>	<u>406,455</u>
Legal debt margin	<u>\$ 63,506,542</u>	<u>\$ 64,645,136</u>	<u>\$ 71,479,142</u>	<u>\$ 72,921,324</u>
Total net debt applicable to the limit as a percentage of debt limit	1.58%	1.15%	0.67%	0.55%

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

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

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

	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>
\$	80,493,966	\$ 84,908,574	\$ 88,406,031	\$ 90,581,541	\$ 92,472,789	\$ 94,845,360
	<u>323,816</u>	<u>236,968</u>	<u>145,697</u>	<u>49,777</u>	<u>678,000</u>	<u>678,000</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>	<u><u>94,167,360</u></u>
	0.40%	0.28%	0.16%	0.05%	0.73%	0.71%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2021**

Estimated market value - taxable property		\$ 3,161,512,000
Debt limit 3% of estimated market value		94,845,360
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>94,167,360</u></u>

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

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage <sup>2</sup>
				Principal	Interest	Total	
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 <sup>3</sup>	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
2022	45,392,736	26,505,499	18,887,237	1,138,650	442,675	1,581,325	11.94

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 \$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 <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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 <sup>2</sup>	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
2022	12,355,703	6,424,243	5,931,460	1,092,350	638,731	1,731,081	3.43

1 - Expenses exclude depreciation and amortization.

2 - 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 <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 6,708,871	\$ 4,210,149	\$ 2,498,722	\$ 1,718,034	\$ 860,938 <sup>2</sup>	\$ 2,578,972	0.97
2014	7,050,070	4,238,411	2,811,659	1,844,886	752,542	2,597,428	1.08
2015	7,294,826	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
2022	11,420,666	4,893,588	6,527,078	3,186,000	644,002	3,830,002	1.70

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 GOLF COURSE FUND PLEDGED-REVENUE COVERAGE**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
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 <sup>2</sup>	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	
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 <sup>1</sup>	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2013	\$ 15,789,490	\$ 639,035	\$ 15,150,455	\$ 7,005,000	\$ 6,177,565	\$ 13,182,565	1.15
2014	16,607,617	508,202	16,099,415	8,350,000 <sup>2</sup>	5,822,983	14,172,983	1.14
2015	17,307,772	74,564	17,233,208	7,845,000 <sup>3</sup>	5,798,583	13,643,583	1.26
2016	18,213,910	145,045	18,068,865	7,955,000 <sup>4</sup>	5,742,517	13,697,517	1.32
2017	17,992,088	273,312	17,718,776	8,690,000 <sup>5</sup>	5,688,988	14,378,988	1.23
2018	18,819,851	239,440	18,580,411	9,325,000 <sup>6</sup>	5,642,577	14,967,577	1.24
2019	17,751,047	213,486	17,537,561	10,165,000 <sup>7</sup>	5,796,338	15,961,338	1.10
2020	15,845,562	43,550	15,802,012	10,425,000 <sup>8</sup>	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
2022	15,651,777	282,065	15,369,712	11,240,000 <sup>9</sup>	5,163,848	16,403,848	0.94

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

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

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

4 - 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.

5 - 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.

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

7 - 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.

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

9 - For comparative purposes this amount excludes \$2,415,000 used to retire General Obligation Improvement Bonds of 2011A; \$2,500,000 used to retire General Obligation Improvement Flood Mitigation Bonds of 2011C; \$10,025,000 used to retire General Obligation Improvement Flood Mitigation Bonds of 2012A; \$6,755,000 used to retire General Obligation Improvement Refunding Bonds of 2012C; \$3,355,000 used to retire General Obligation Improvement Refunding Bonds of 2012D; \$7,160,000 used to retire General Obligation Improvement Bonds of 2012F; \$1,390,000 used to retire General Obligation Improvement Bonds of 2013A; and \$14,640,000 used to retire General Obligation Improvement Advance Refunding Bonds of 2014B.

**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	
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 <sup>2</sup>	7,469 <sup>3</sup>	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 <sup>4</sup>	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
2022	1,801,922	697,557	1,104,365	265,000	54,613	319,613	3.46

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 <sup>1</sup>	Estimated Personal Income <sup>2</sup>	Per Capita Personal Income <sup>3</sup>	K-12 School Enrollment <sup>4</sup>	Unemployment Rate <sup>5</sup>
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%
2022	44,583	2,285,324,580	51,260	7,266	2.8%

Data Sources:

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

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

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

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

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

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

Employer	2022			2013		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,149 (a)	1	3.14%	826 (a)	1	2.39%
Concordia College	801 (a)	2	2.19%	609 (a)	3	1.76%
Minnesota State University-Moorhead	668 (a)	3	1.83%	825 (a)	2	2.39%
City of Moorhead	640 (a)	4	1.75%	249	10	0.72%
Clay County	530 (a)	5	1.45%	470	4	1.36%
Creative Care for Reaching Independence (CCRI)	500	6	1.37%	409	7	1.18%
American Crystal Sugar Company	434	7	1.19%	368	8	1.06%
Eventide Lutheran Home	400	8	1.09%	467	5	1.35%
Hornbacher's Food, Inc (2 locations)	282 (a)	9	0.77%			
Minnesota State Community and Technical College	180	10	0.49%	280	9	0.81%
Advance Security				450	6	1.30%

(a) Includes full and part-time employees.

Source: Telephone survey of individual employers

This page intentionally left blank.

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

Function	2013	2014	2015	2016
General Government	39.42	38.00	38.00	38.00
Public Safety				
Police				
Officers	53.00	53.00	55.00	58.00
Civilians	15.00	15.00	16.00	17.00
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	13.00	13.00	13.00
Planning & Neighborhood Services	-	17.85	17.85	19.00
Community Development	20.85	-	-	-
Mass Transit	2.00	3.00	3.00	3.00
Economic Development	-	1.00	1.00	1.00
Electric	35.00	35.00	36.00	37.00
Water	22.00	22.00	20.00	22.00
Wastewater Treatment	18.00	18.00	18.00	17.00
Storm Water	1.00	1.00	1.00	2.00
Highways and Streets	16.63	15.63	17.63	17.63
Sanitation	19.00	20.00	20.00	21.00
Golf Courses	7.58	8.00	8.00	8.00
Sports Center	6.00	3.00	3.00	3.00
Pest Control	1.00	1.00	1.00	1.00
Forestry	3.00	6.00	6.00	6.00
Total FTE's	306.48	307.48	311.48	320.63

Source: City Human Resources Department

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

2017	2018	2019	2020	2021	2022
38.00	49.00	54.00	52.50	49.63	52.88
60.00	60.00	61.00	61.00	61.00	61.00
17.00	17.00	17.00	17.00	17.00	17.00
37.00	37.00	37.00	37.00	37.00	37.00
1.00	1.00	1.00	1.00	1.00	1.00
15.75	15.75	15.75	17.10	17.00	19.00
18.00	-	-	-	-	-
-	11.00	11.00	12.00	15.85	15.85
3.50	3.50	1.00	3.00	3.00	3.00
1.00	1.00	1.00	1.00	1.00	1.00
37.00	34.00	38.00	37.00	38.00	37.00
22.00	24.00	24.00	21.00	21.00	22.00
17.00	17.00	17.00	17.00	17.00	17.00
1.00	1.00	1.00	1.00	1.00	1.00
18.63	18.63	18.63	19.63	20.26	20.00
20.00	19.00	19.00	20.00	19.00	19.00
8.00	8.00	8.00	8.00	8.00	8.00
3.00	3.00	3.00	3.00	3.00	1.00
1.00	1.00	1.00	1.00	1.00	1.00
6.00	7.00	7.00	8.00	8.00	8.00
324.88	327.88	335.38	337.23	338.74	341.73

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

Function	2013	2014	2015	2016
<b>Police</b>				
Group A Offenses (serious crime - murder, rape, robbery, assault, theft, arson, assault, stolen property, vandalism, narcotics)	891	904	1,056	1,041
Group B Offenses (D.U.I., liquor laws, disorderly, trespass, other)	1,849	1,974	2,264	2,029
<b>Fire</b>				
Medical responses	1,400	1,523	2,042	2,194
Fire & other responses	1,014	968	1,195	1,164
<b>Library</b>				
Visits	267,218	230,511	258,076	227,735
Circulation	302,291	273,498	227,745	249,330
<b>Mass Transit</b>				
Fixed Routes ridership	452,624	482,177	459,288	445,506
Paratransit ridership	10,771	10,038	9,490	10,696
Metro Senior Ride ridership	8,042	8,301	10,143	10,765
<b>Community Development</b>				
New Residential Permits	139	197	213	169
New Residential Valuation	44,149,300	56,708,439	64,431,779	60,222,748
New Commercial Permits	31	21	30	31
New Commercial Valuation	34,676,965	12,473,597	10,467,380	33,067,240
<b>Sanitation</b>				
Curbside Recycling (tons)	384	418	510	551
Refuse Collected (landfill tonnage)	23,163	22,722	30,303	31,764
Yard Waste (tons)	2,616	2,847	3,182	3,624
<b>Wastewater Treatment</b>				
Average daily sewage treatment (millions of gallons)	4.02	4.18	3.75	3.91
<b>Electric</b>				
Annual Sales (millions of kwh)	442.40	447.30	431.05	434.04
<b>Water</b>				
Water Sales (billions of gallons)	1.41	1.34	1.35	1.37

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**

2017	2018	2019	2020	2021	2022
979	1,087	673	1,477	2,991	2,383
1,820	2,077	1,189	1,429	371	381
2,305	2,469	2,568	2,392	2,879	2,896
1,240	1,341	1,471	1,985	1,767	1,701
192,771	195,086	193,309	55,523	96,013	120,543
248,844	246,915	236,196	177,867	225,977	229,535
451,854	521,444	480,887	426,105	366,211	344,986
10,673	9,593	9,010	5,967	9,952	10,444
10,907	10,454	9,836	5,695	6,891	7,932
84	141	128	133	110	63
20,981,400	45,660,287	34,986,672	35,778,447	49,860,375	38,615,125
27	16	20	13	17	21
55,698,017	10,151,660	11,693,761	24,521,938	34,241,837	20,423,717
1,464	2,498	3,502	2,517	2,334	2,245
26,573	34,269	27,528	17,699	17,266	18,731
2,944	3,276	2,923	2,293	2,123	2,155
3.81	3.78	4.88	4.42	3.63	4.35
414.06	450.00	437.03	421.25	419.20	434.47
1.44	1.43	1.32	1.34	2.97	1.36

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

Function	2013	2014	2015	2016
Public Safety:				
Police Stations	1	1	1	1
Fire Stations	2	2	2	2
Highways & Streets:				
Street (miles)	212.73	212.73	227.80	230.70
Culture and recreation				
Parks	43	44	47	47
Swimming/wading pools	9	9	9	9
Sanitation:				
Collection trucks	10	10	10	11
Wastewater				
Storm sewers (miles)	149.00	149.00	138.20	144.00
Sanitary sewers (miles)	157.00	157.00	157.70	160.50
Force mains (miles)	23.12	23.12	23.50	23.50

Source: Various city departments.

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

2017	2018	2019	2020	2021	2022
1	1	1	1	1	1
2	2	2	2	2	2
233.00	234.60	235.30	235.70	238.18	239.64
47	48	48	48	48	48
9	9	9	9	9	9
11	11	11	11	11	11
146.10	146.75	147.00	147.00	193.91	194.23
165.30	162.10	162.70	162.70	163.22	163.20
23.50	23.50	23.52	23.52	23.52	23.52