

2016

COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ending December 31, 2016

City
of

EAST GRAND FORKS WATER AND LIGHT DEPARTMENT

CHANGES IN 2016

Retiree



Dan Boyce – 26 yrs
General Manager -
Retired

New Employees



Keith Mykleseth
General Manager



Brianna Feil
Accountant



Terry Vonasek
Water Plant Operator

**CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND LIGHT DEPARTMENT**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2016

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Water Sales Data

Electric Sales Data

Letter of Transmittal

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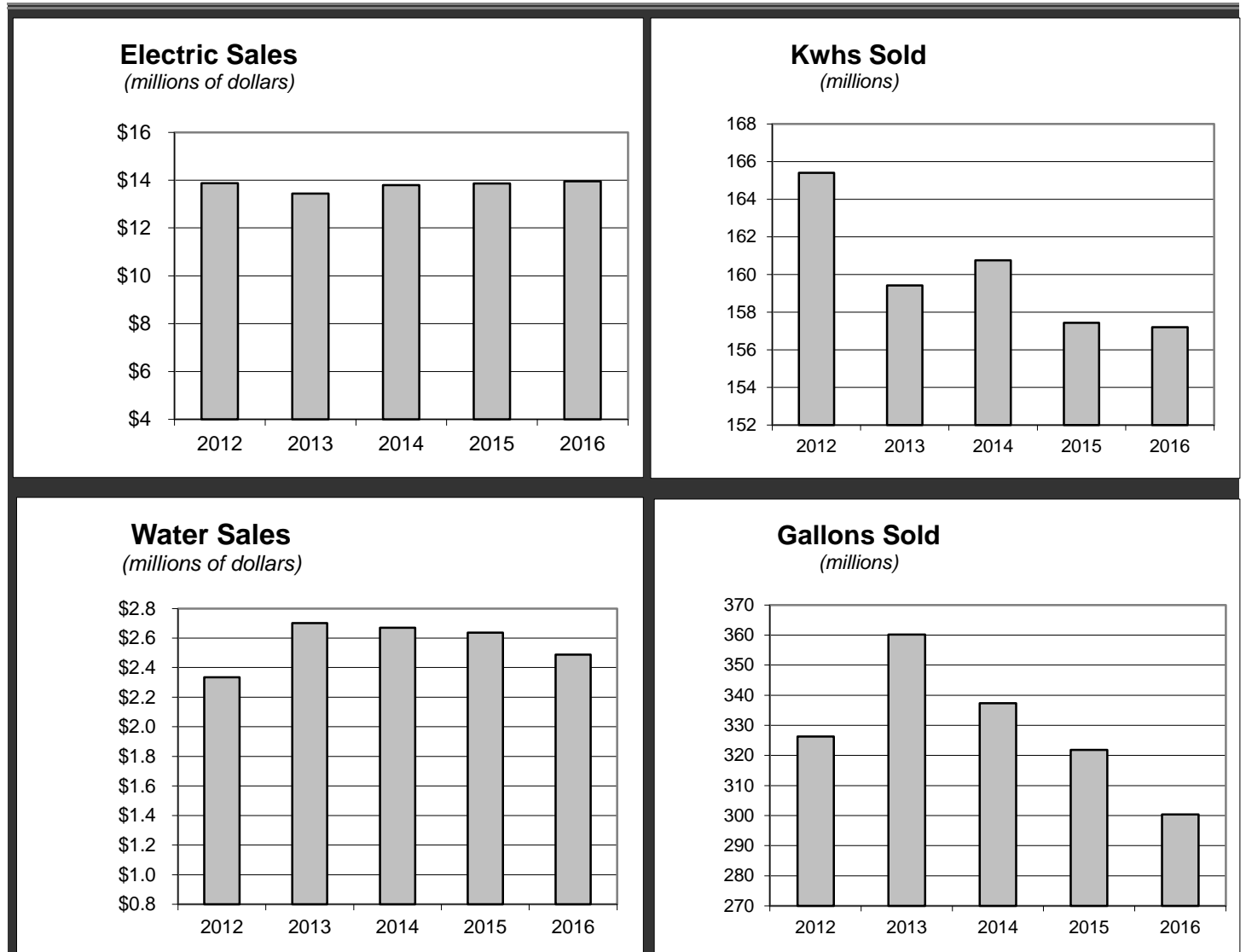
<u>APPOINTED OFFICIALS:</u>		<u>Term</u>	<u>Term Expires</u>
Commissioners	Tim Loven, President	3 years	12/31/16
	Mike Quirk, Vice President	3 years	12/31/17
	Josh Grinde	3 years	12/31/18
	Henry Tweten (Councilmember)		
<u>EMPLOYEES:</u>			<u>Start Date</u>
Customer Services and Administration	Dan Boyce, General Manager		06/30/90
	Keith Mykleseth, Incoming General Manager		10/10/16
	Bonnie Abel		01/06/86
	Brianna Feil		08/01/16
	Lori Maloney		01/01/90
	Maren Swingen		06/01/05
	Kristen Shipes		07/01/08
Electric Services	Jeff Olson, Superintendent		06/01/78
	Veronica Kostrzewski		09/24/80
	Dave Solarski		03/16/94
	Todd Grabanski		09/16/94
	Jamey David		05/16/98
	Micheal Coauette		05/16/98
	Lance Riel		06/16/98
	Corey Thompson		08/21/00
	Kris Kovar		04/23/07
	Seth Brown		07/14/08
	Matthew Konze		10/05/15
	Tyler Tretter		10/19/15
Melvin Metz		02/29/16	
Water Services	Randy Rapacz, Superintendent		09/28/81
	Chad Troitte		08/01/97
	James Beeman		09/21/98
	Mike Holweger		07/14/08
	Tom Schneiderman		07/14/08
	Randie Johnson		05/18/09
	Brian Johnson		03/14/11
Ray Rakoczy		01/23/12	

Financial Highlights

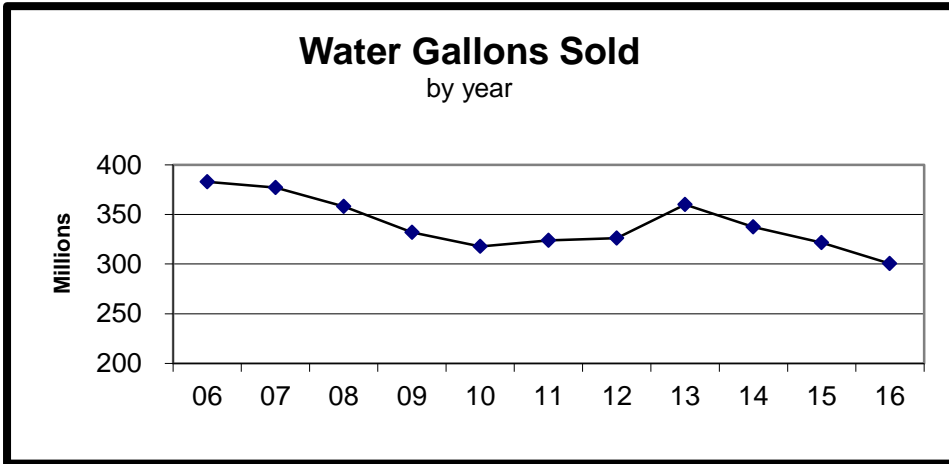
**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2016	2015	2014	2013	2012
Financial Results					
Electric Sales Revenue	\$ 13,953,243	\$ 13,858,882	\$ 13,801,275	\$ 13,446,065	\$ 13,875,019
Kilowatt Hours Sold (millions)	157.2	157.4	160.8	159.4	165.4
Water Sales Revenue	\$ 2,486,708	\$ 2,636,821	\$ 2,670,395	\$ 2,701,837	\$ 2,334,738
Gallons Sold (millions)	300.36	321.81	337.39	360.19	326.25
Financial Position					
Cash - Electric (unrestricted)	\$ 3,318,003	\$ 4,843,496	\$ 2,910,093	\$ 3,101,494	\$ 3,947,303
Investments - Electric	\$ 8,161,410	\$ 7,649,591	\$ 8,557,974	\$ 7,173,317	\$ 7,846,317
Cash - Water (unrestricted)	\$ 1,304,814	\$ 1,019,933	\$ 754,144	\$ 703,007	\$ 39,647

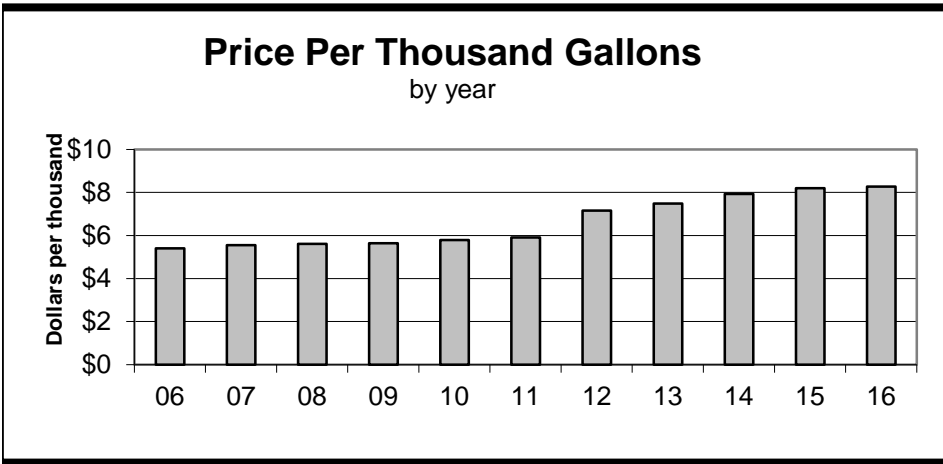
At A Glance



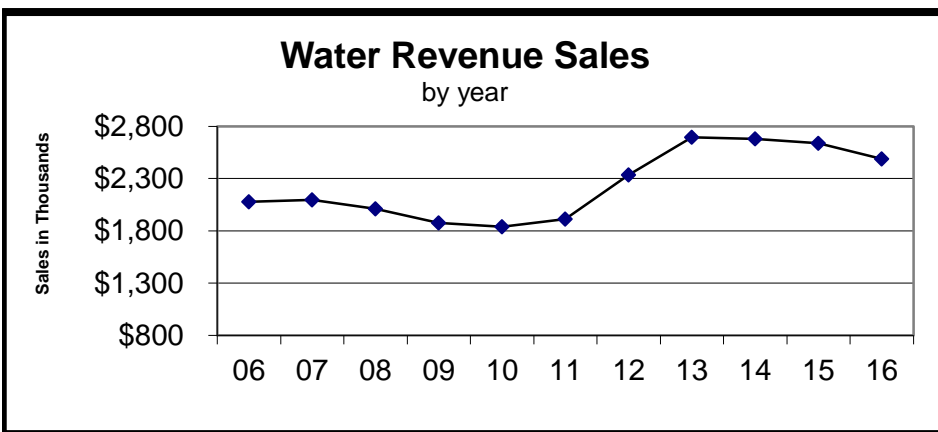
Water Sales Data:



Year	Gals. Sold
2006	383
2007	377
2008	358
2009	332
2010	318
2011	324
2012	326
2013	360
2014	337
2015	322
2016	300

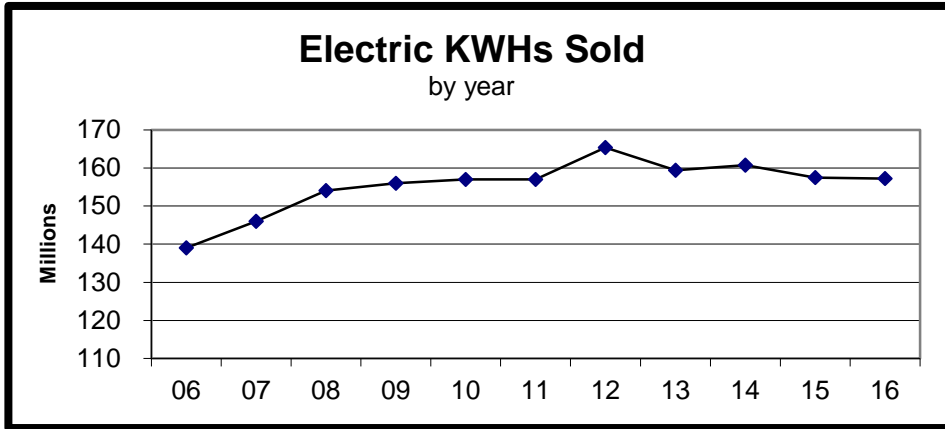


Year	Price
2006	\$5.41
2007	\$5.55
2008	\$5.61
2009	\$5.65
2010	\$5.79
2011	\$5.91
2012	\$7.16
2013	\$7.48
2014	\$7.94
2015	\$8.19
2016	\$8.28

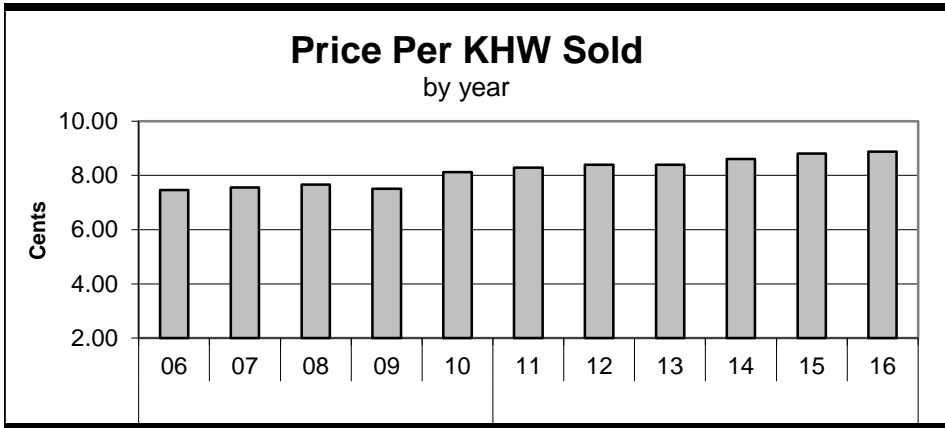


Year	Sales (000)
2006	\$2,076
2007	\$2,095
2008	\$2,010
2009	\$1,875
2010	\$1,839
2011	\$1,913
2012	\$2,335
2013	\$2,695
2014	\$2,680
2015	\$2,637
2016	\$2,487

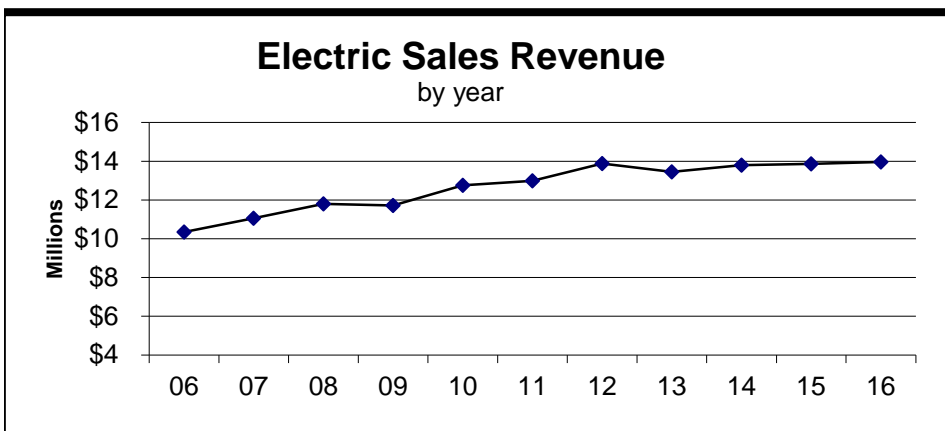
Electric Sales Data:



Year	KWHs Sold
2006	139
2007	146
2008	154
2009	156
2010	157
2011	157
2012	165
2013	159
2014	161
2015	157
2016	157



Year	Price
2006	\$0.0746
2007	\$0.0755
2008	\$0.0766
2009	\$0.0751
2010	\$0.0812
2011	\$0.0829
2012	\$0.0839
2013	\$0.0840
2014	\$0.0861
2015	\$0.0880
2016	\$0.0888



Year	Sales (Mil.)
2006	\$10.35
2007	\$11.05
2008	\$11.79
2009	\$11.72
2010	\$12.76
2011	\$12.98
2012	\$13.88
2013	\$13.45
2014	\$13.80
2015	\$13.86
2016	\$13.95

Electric Distribution System

Electric Distribution

Electric line crew personnel performed routine maintenance on the electric system and street lights, installed and terminated new equipment to new developments and rebuild areas. Crews responded to outages or any other reported system problems. The 2016 planned improvements were: 1) American Crystal Sugar Beet Freeze circuit; 2) EGF Senior High School expansion service relocations; 3) Cable replacement on aged conductors to maintain system reliability; and 4) New fiber to city facilities.

Underground Cable Replacement

Moorhead Electric was contracted for cable installation and replacement for 2016. This included American Crystal Sugar beet freeze circuit and circuit #6 from Sugar Hills Substation to American Crystal Sugar.

North-Holt was contracted for help with relocating primary cable that was going to be in the way for new apartments being built at Green Acres area on 5th Ave NE, the old Century properties. Also they bored in cable to feed the Emerson Estates twin home development.

New Commercial

4 new services were installed for Burlington Northern Santa Fe railroad.

Street Lights

Conversion to LED fixture project, which began in 2014, continued this year by replacing 285 Cobra head fixtures in the Northwest area of town.

Cables were replaced along 15th Ave NE to improve reliability.

Outages

There were 6 outages on the electrical system. One was due to transmission failure from WAPA; 4 outages were because of equipment failure; and the last outage occurred for installation of a new piece of equipment to the system.

Community Work

Water and Light personnel are also involved annually in non-utility activities on behalf of the City. Crews are responsible for a portion of the City's flood protection system. They do training, maintenance, inventory, erection, removal and storage of the downtown "invisible" (removable) floodwall, as well as the nine road closures and two railroad closures. The floodwall at each site must be erected and inspected at least once every five years. In 2015, no flood waters threatened the City of East Grand Forks.

Temporary electric and water services were provided for the Grand Cities Art Fest on River Street in June. Only temporary electric service was set up for Catfish Days and Bikes & Bites in July. The commission donated electricity and waived charges for set up and removal for the community events.

Holiday decorations were provided by the Department and maintained, installed and removed by Water & Light crews. The Dept continues to provide services for MNDOT, the Red River Campground and other city departments, as needed.

Water Distribution System

The water distribution crew performs maintenance on the water mains, valves, hydrants, and water meters that make up the City's water system. Yearly flushing and testing of all hydrants occurs in early June. This program ensures a fresh product and reveals where repairs are needed to maintain fire protection to the customers. The water crew also works on water meter repairs and change outs, water leaks, and works closely with contractors on water main replacement and new water main installation.

Water Main Replacement and Lead Service Replacement

The Water & Light Department replaces aged, cast iron water mains, valves and hydrants each year to keep the City's distribution system current. RJ Zavoral and Son's were contracted to install new plastic main in a 2 ½ block area on 1st Ave NE. This also started a new option for homeowners to have their lead service line replaced and have it financed at a low interest rate by the Water & Light Dept.

Water Leaks

The Water Distribution System did not experience any water main breaks in 2016.

Community Work

Set up portable water supply for Art Fest vendors in June.

Water Treatment Plant

Operations

The East Grand Forks Water Treatment Plant is a 4 million gallon per day surface water treatment facility, utilizing enhanced pretreatment, lime/soda ash softening, fluoridation, stabilization, conventional filtration, and chlorine/chloramines disinfection. The average daily water production in East Grand Forks is 1.2 million gallons. Our distribution system utilizes two elevated towers plus two ground reservoirs for a total storage capacity of 4 million gallons.

Community Service

East Grand Forks Water Treatment Operators provided hands-on presentations to 4th grade students again this year during the Heritage Village/Dakota Science Center's 19th Annual Water Festival May 4, 2016. Presentations included the Water Cycle, Surface Water Treatment, and Water Distribution Systems.

East Grand Forks Water Treatment staff also provided plant tours upon request. Participants include area pre-school, grade school, high school, and college students.

Water Plant Laboratory Renovation / Kitchen-Break Room Addition

This project was awarded to Schmitz Builders of Red Lake Falls, Minnesota, with a low bid of \$134,000.00 in July of 2015. Work on the project was scheduled to begin in late December of 2015. The start date was moved to January 4, 2016 because of material shipment delays, and completed on May 9, 2016.

The purpose of the project was to separate the Water Plant Lab from the employee Kitchen-Break Room. The benefits of the project are the expansion and upgrade of the Laboratory area and the separation / addition of the employee Kitchen-Break Room to help reduce the potential for cross contamination.

The scope of the work included removal of the existing casework, vinyl flooring, acoustical ceiling, structural block wall, plumbing piping, sinks, mechanical diffusers, receptacles, conduit, lights, and heating radiators to create two separate rooms. The renovation work included the construction of a new wall to separate the Lab from the Kitchen-Break Room, a metal door to allow access between the two rooms, new Laboratory casework including wood cabinets and acid resistant counter tops, and Kitchen-Break Room cabinets with solid surface counter tops. In addition, both rooms received new vinyl flooring, acoustical ceilings, sinks, heating radiators, and plumbing / electrical modification updates.

Disinfection By-Product Formation Evaluation Study

Widseth Smith Nolting of East Grand Forks, Minnesota, and Advanced Engineering & Environmental Services of Grand Forks, North Dakota, were contracted in November 2015 to provide a Disinfection By-Products (DPB) Formation Evaluation Study. The scope of the project was to determine the best possible solutions for additional DBP reduction beyond significant measures already taken.

Phase 1 of the project – Initial Water Treatment Facility and Data Review began in January 2016 and was completed in July 2016. Total cost \$23,000.00

Phase 2 of the project – Additional Data Collection and Process Improvement Development began in August 2016 with a target completion date of late December 2016. A Technical Memorandum and Phase 2 Evaluation Summary Draft is scheduled to be presented in January 2017. Estimated cost \$24,500.00

Water Plant Roof Replacement Project

Four areas of the Water Treatment Plant were budgeted for replacement in 2016. The project specification request included removal of the gravel ballast and rubber membrane down to the existing insulation, installation of new ½ inch fiber board, installation of new 60 mil rubber membrane, installation of new gravel ballast, removal /reuse of flashing-metal cap, and rubber walk pads.

A & R Roofing of Fargo, North Dakota, was awarded the project with a low bid of \$105,510.00. Work on the project started the second week of September 2016 and was completed the first week of November 2016.

Equipment Updates

The refrigeration condensing unit for the Water Treatment Plant liquid chlorine dioxide storage system was replaced in November of 2016. The addition of the new equipment restores the integrity of the system critical for PH control following the softening stage of our water treatment process. Total project cost \$15,470.00

Tower Project

An active mixing system was installed at the North Water Tower location in June of 2016. The addition of active mixing in the tower will help prevent stagnation, temperature stratification, nitrification, chlorine residual degradation, and reduce ice formation during the cold weather months. Eagle Electric of East Grand Forks, Minnesota, was contracted to complete necessary wiring updates, lift the mixer into position, and complete the suspended installation through the top hatch of the tower. Total project cost \$19,750.00

Carbon Feed System

Bids were opened on November 1, 2016 for the replacement of the original Water Treatment Plant Carbon Feed System installed in 1965. Carbon feed is beneficial for taste and odor removal and for the reduction of disinfection by-product formation precursors in the first stage of our water treatment process.

PKG Construction of Fargo, North Dakota, was awarded the project with the low bid at \$122,653.00. Work on the project is scheduled to start in February 2017.

Supervisory Control and Data Acquisition system (SCADA)

Bids for the Water Treatment Plant SCADA plant controls and master telemetry systems update were opened on December 13, 2016.

The plant control system originally installed in 1995 monitors flow rates and chemical feed dosages through the plant. This system also provides the control of all dry, liquid, and gas feed equipment required for daily plant operation.

The master telemetry system installed in 1990 monitors remote storage site water levels and sequences plant and remote location high service pumps to insure proper storage levels are maintained for residential/commercial usage and fire protection.

The project was awarded to Integrated Process Solutions, Inc. of Fosston, Minnesota, with the low bid at \$284,290.00. Work on the project is scheduled to start in February 2017.

Award

The Minnesota Department of Health Oral Health Program and Drinking Water Protection Sections presented the East Grand Forks Water Treatment Plant with the Centers for Disease Control and Prevention (CDC) 2015 Water Fluoridation Quality Award. This award recognizes those public water systems that adjust the fluoride concentration in drinking water and achieve a monthly average fluoride level that is in the optimal range for 12 consecutive months in a calendar year, as documented in the Water Fluoridation Reporting System (WFRS).

Energy Conservation

In 2016, the Department continued with the energy conservation programs that were offered to its customers in 2015. For 2016, Minnesota State law mandates that municipal electric utilities annually spend 1.5% of gross revenues from 2014 on energy conservation projects and requires a goal of energy savings equivalent to 1.5% of the average annual energy used based on the energy sales for the years 2012 – 2014. For East Grand Forks that is \$207,608.00 of required expenditure with a goal of saving 2,427,914 kWh annually. Below are explanations of the rebate programs the Water and Light offers to meet the state spending and energy saving requirements.

RESIDENTIAL REBATES

Weatherization Rebates – This program provides up to \$500 in rebates for residential customers to install conservation measures that improve the energy efficiency of their home. Some popular measures include replacing doors and windows, insulating, caulking and weather stripping.

Appliance & Heating/Cooling Rebates – This program started on January 1, 2009 and allows our customers to receive a rebate when they purchase Energy Star qualified appliances or heating/cooling equipment.

Central Air Conditioner Tune Up Rebate – This program started in July 2009 and will rebate up to \$60.00, once every 2 years, to customers when they have their central air conditioner tuned up by a licensed heating/cooling contractor.

Compact Fluorescent Light Bulb Rebate – When customers purchase Energy Star CFL bulbs they can receive a rebate of 50% of the bulb or package cost.

LED Light Bulb/Fixture Rebate – We started this program in 2014 with a rebate of 50% of the LED bulb price, up to \$10.00 per bulb and 50% of the fixture price, up to \$20.00 per fixture. This rebate has a \$400.00 lifetime limit per customer. This rebate continues to gain popularity as customers retrofit their homes with LED bulbs.

Low Income Weatherization – The Department contracted with Mahube Community Council to do our low income weatherization projects. Minnesota State law mandates that municipal electric utilities annually spend .2% of average gross revenues from residential customers from the years 2012-2015.

COMMERCIAL REBATES

Lighting Replacement Rebate – This program provides a rebate for commercial customers to upgrade the lighting in their facility to more energy efficient fixtures. The amount of the rebate for the customer is paid on a prescriptive basis on a per fixture rebate.

Weatherization Rebate – This program provides a rebate for commercial customers who perform conservation measures that will improve the energy efficiency of their building envelope, by replacing windows and doors and adding insulation, etc.

Variable Frequency Drive Rebate – This program provides a rebate to commercial customers to install new VFDs to either existing or new motors.

Custom Rebate – This program provides a rebate to commercial customers for energy efficient projects that they implement at their facility that do not fall under any of the other programs. The rebate amount is determined by how much energy the project will save.

ENERGY AUDITS

Home Energy Audits - In 2011 we began offering Home Energy Audits to our customers at 50% of the actual cost of the audit. There are two types of audits to choose from: Standard Audit – which includes a blower door test and walk through. An Infrared Audit – which includes the blower door test along with using an infrared camera.

Commercial Energy Assessments – In 2011 we contracted with a commercial energy consultant to help the Department achieve the goals mandated by the state of Minnesota by providing support to our staff and free energy assessments to our commercial customers. This assistance continued in 2016 and was very beneficial in helping us meet our energy savings goal.

DIRECT INSTALL PROGRAMS

The Direct Install program, which began in 2011 offers our customers with electric water heaters the chance to have a representative of the Department come into their home and install low flow shower heads, low flow faucet aerators on kitchen and bath faucets and install 6 CFL bulbs.

LED BULB GIVEAWAY AND FOOD DRIVE

The Department held its fourth annual LED Bulb Giveaway/Food Drive during Public Power Week. Customers bring in 6 non-perishable food items and we will exchange them for LED bulbs. In 2016 we had 211 customers take advantage of this program and 1200 pounds of food was donated to the East Grand Forks Food Shelf.

2016 Technology Services

Fiber Network Expansion

As part of an effort to unify electronic communications between utility and municipal departments, fiber connectivity was added to lift station #5, Civic Center, VFW Arena, NCTC lift station, swimming pool, and lift station #6. Planning has also been done to integrate the waste water interconnect in 2017.

Load Management System

Planning to modernize the electric utility load management/demand response in 2017 by migrating from power line carrier to RF mesh network was started.

Geographic Information System

Extensive work was done with water distribution system integration, including implementation of mobile applications for field crews to record and track hydrant and valve maintenance in real-time. Work continues on other data integration.

Broadcasting

Funded by a Knight Foundation grant given to the City, technology staff designed and implemented a system to do video production of meetings and provide live streams and on-demand access of them, with planning for an EGF PEG channel on local cable TV system.

Personnel Changes

Melvin Metz joined the team as an Application Specialist/Trainer.

Enterprise Software

Performed preparation for modernization of software used for many core functions, including utility billing, accounts payable, accounts receivable, payroll, general ledger, building permits, inventory, purchasing budgeting, and project management. Current vendor, Springbrook, failed twice implementing upgrades in June and August, and is still a work in progress. In addition to working with the current vendor, alternatives are being evaluated for future planning.

Library Software

Assisted the Campbell Library in migration of their library management software.

Ongoing

Operation, maintenance and repair of a metro area network connecting over 38 municipal sites, supporting over 150 staff technology users, 35 servers (mixed physical and virtual), 10,000 gigabytes of data storage, SCADA systems for electric, water and waste water utilities, electric utility load management system, automated metering system for electric and water utility, 300+ extension private phone system, and ensuring security and reliability of all systems.

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Combined Statements of Net Position

Combined Statements of Revenues, Expenses, and Changes in Net Position

Combined Statements of Cash Flows

Notes to the Financial Statements



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor
Water and Light Commission
And Members of the City Council
East Grand Forks, Minnesota

Report on the Financial Statements

We have audited the accompanying financial statements of the City of East Grand Forks Water and Electric Funds, a component unit of the City of East Grand Forks, Minnesota, as of and for the years ended December 31, 2016, 2015, 2014, 2013, and 2012, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Electric Funds basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of East Grand Forks Water and Electric Funds, as of December 31, 2016, 2015, 2014, 2013, and 2012, and the respective changes in financial position and cash flows thereof for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Emphasis of Matter

Prior Period Restatement

As described in Note 16 to the financial statements, the City of East Grand Forks Water and Electric Funds restated prior periods for unbilled revenue. Our opinions are not modified with respect to this matter.

Adoption of New Accounting Standards

As described in Note 16 to the financial statements in 2015 the City of East Grand Forks Water and Electric Funds adopted the provisions of Governmental Accounting Standards Board Statement No. 68, *Accounting and Financial Reporting for Pensions* and Statement No, 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date*. As discussed in Note 16 to the financial statements, the City of East Grand Forks Water and Electric Funds restated Net Position in accordance with this statement. Our opinions are not modified with respect to this matter.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, Schedule of Department's contribution to PERA retirement fund, and schedule of department's and non-employer proportionate share of the net pension liability as listed in the table of contents be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

The City of East Grand Forks Water and Electric Funds has not presented a Management's Discussion and Analysis for the year ended December 31, 2015, 2014, 2013, and 2012. Such missing information, although not a part of the basic financial statements, is required by the Government 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. Our opinion on the basic financial statements is not affected by this missing information.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Grand Forks Water and Electric Fund's basic financial statements. The introductory section, combining and individual fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements, individual statements, and the detail of revenues, expenses and object codes are 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements, individual statements, and the detail of revenues, expenses and object codes are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical information has not been subjected to the auditing procedures applied in the audit of the basic financial statements, and accordingly, we do not express an opinion or provide any assurance on it.

A handwritten signature in black ink that reads "Brady Martz". The signature is written in a cursive, flowing style.

BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

June 23, 2017

This section of the East Grand Forks Water and Light Department's annual financial report presents the analysis of the Department's financial performance during the fiscal year ended December 31, 2016. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Electric utility sales decreased 0.2 million kWh (0.2%) to 157.2 million kWh sold in 2016 compared to 157.4 million kWh sold in 2015. In 2016, electric sales revenues increased \$94,361 (0.7%) to \$13,953,243, compared to 2015 sales revenue of \$13,858,882.

Electric utility wholesale power purchase costs increased \$125,156 (1.4%) to \$8,790,271 in 2016 compared to \$8,665,115 in 2015.

Electric utility operating income decreased \$252,815 (36.0%) to \$450,117 in 2016, compared to 2015 operating income of \$702,932.

Water utility sales decreased 21.5 million gallons (6.7%) to 300.4 million gallons sold in 2016, compared to 321.8 gallons sold in 2015. In 2016, water sales revenues decreased \$150,113 (5.7%) to \$2,486,708, compared to 2015 sales revenue of \$2,636,821.

Water utility operating income decreased \$375,852 (80.3%) to \$92,421 in 2016, compared to a 2015 operating income of \$468,273.

The Department's net position increased \$622,869 (1.5%) to \$40,945,991 in 2016, compared to net position of \$40,323,122 in 2015.

The Department's 2016 long-term liabilities increased \$875,473 (43.0%) to \$2,910,726, compared to 2015 long-term liabilities of \$2,035,253. The increase in the current year is due to the net pension liability.

OVERVIEW OF FINANCIAL STATEMENTS

The Department has two enterprise funds: Electric and Water. The Department's basic financial statements are comprised of three parts: 1) management's discussion and analysis, 2) the basic financial statements, and 3) an optional section that presents detailed summaries and schedules of selected financial data.

Management's Discussion and Analysis (MD&A) serves as an introduction to the basic financial statements and supplementary information. The MD&A represents management's examination and analysis of the Department's financial condition and performance. Summary financial statement data, key financial and operational indicators used in the strategic plan, budget, bond resolutions and other management tools were used for this analysis.

The basic financial statements consist of entity-wide financial statements that provide both the short-term and long-term financial information about the Department's financial activities, all of which are operated like commercial enterprises. These statements report information about the Department using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all the Department's assets and liabilities, both financial and capital, and short-term and long-term are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. However, rate-regulated accounting principles applicable to private sector utilities are not used by the Department.

The basic financial statements of the Department include a statement of net position; a statement of revenues, expenses, and changes in net position; a statement of cash flows; and notes to the financial statements, which are described below:

- The statement of net position presents the financial position of the Department on a full accrual, historical cost basis. This statement provides information about the nature and amount of resources and obligations at year-end.
- The statement of revenues, expenses, and changes in net position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the 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 the related cash flows. This statement also provides certain information about the Department's recovery of its costs. Rate setting polices use different methods of cost recovery not fully provided by accounting standards

generally accepted in the United States of America. The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.

- The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.
- The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Department's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

The supplementary information presented by the Department includes statements and schedules that focus on the individual funds where more detailed financial data is desirable. Additionally, non-financial data is presented to the readers of the financial statements and provides a more complete understanding of operations.

The Department's entity-wide financial statements report its net position and how they have changed over the reporting period. Net position - the differences between assets and liabilities - may serve as a useful indicator of the Department's financial position. Over time, increases or decreases in the net position are a useful indicator of whether its financial health is improving or deteriorating, respectively. However, one also needs to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation to adequately assess its overall health.

	Net Position		Increase (Decrease)
	2016	2015	
ASSETS			
Current assets and other assets	\$ 19,796,726	\$ 19,642,890	\$ 153,836
Capital assets	<u>26,202,674</u>	<u>26,277,086</u>	<u>(74,412)</u>
Total assets	<u>45,999,400</u>	<u>45,919,976</u>	<u>79,424</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>971,510</u>	<u>208,309</u>	<u>763,201</u>
LIABILITIES			
Current liabilities	3,026,884	3,764,357	(737,473)
Noncurrent liabilities	<u>2,735,556</u>	<u>1,881,692</u>	<u>853,864</u>
Total liabilities	<u>5,762,440</u>	<u>5,646,049</u>	<u>116,391</u>
DEFERRED INFLOWS OF RESOURCES	<u>262,479</u>	<u>159,114</u>	<u>103,365</u>
NET POSITION			
Net Investment in Capital Assets	26,202,674	26,277,086	(74,412)
Unrestricted	<u>14,743,317</u>	<u>14,046,036</u>	<u>697,281</u>
Total net position	<u>\$ 40,945,991</u>	<u>\$ 40,323,122</u>	<u>\$ 622,869</u>

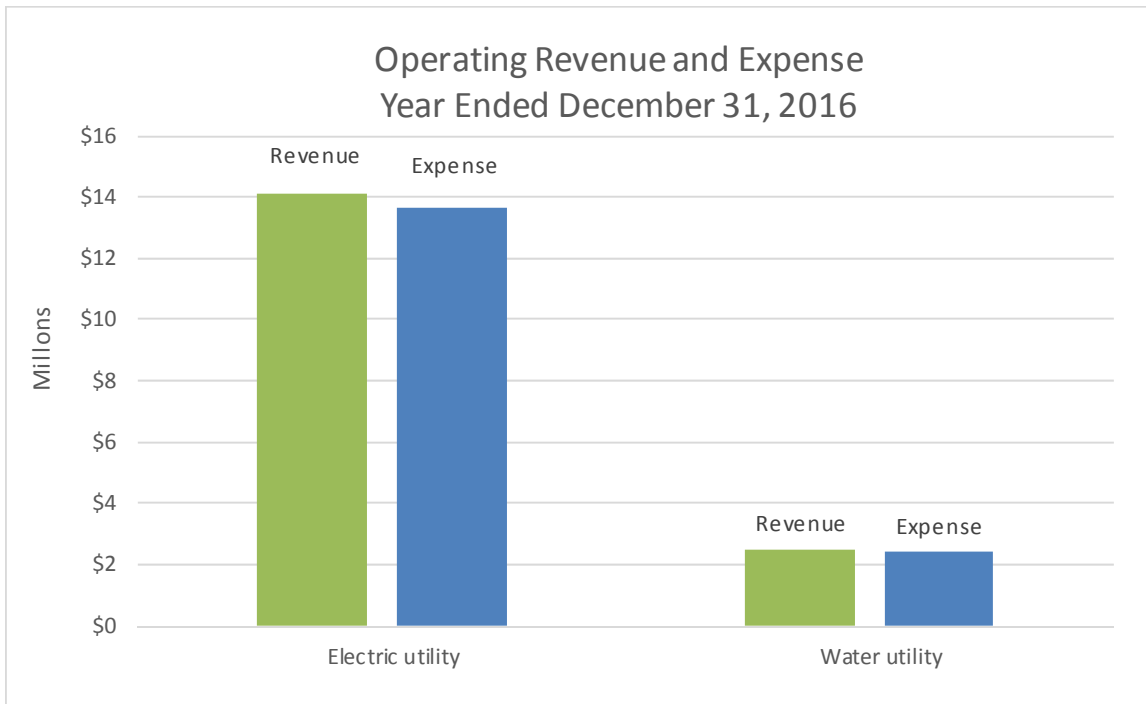
The entity-wide net position increased \$622,869 to \$40,945,991 in 2016. The decrease in the net investment in capital assets is the result of aging capital assets.

**Condensed Statement of Revenues,
Expenses, and Changes in Net Position**

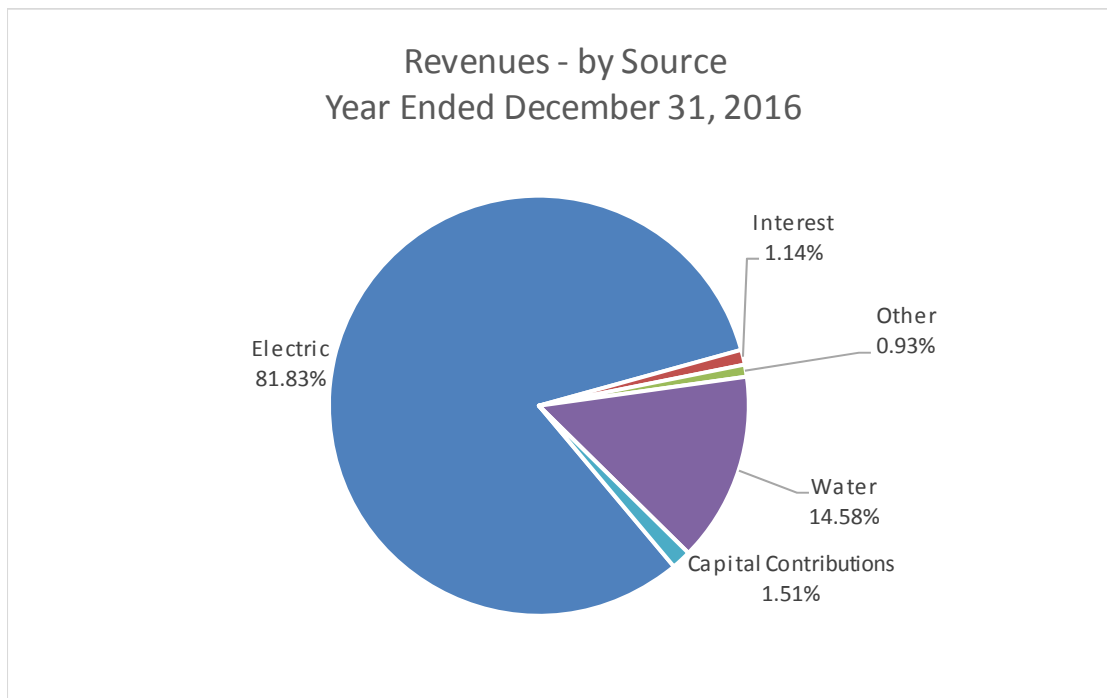
	2016	2015	Increase (Decrease)
Revenues:			
Charges for services:			
Electric utility	\$ 13,953,243	\$ 13,858,882	\$ 94,361
Water utility	2,486,708	2,636,821	(150,113)
Total charges for services	16,439,951	16,495,703	(55,752)
Interest earnings	195,192	225,935	(30,743)
Other	158,738	178,862	(20,124)
Total revenues	<u>16,793,881</u>	<u>16,900,500</u>	<u>(106,619)</u>
Expenses:			
Operating expenses:			
Electric utility	13,646,481	13,326,553	319,928
Water utility	2,397,670	2,176,807	220,863
Total operating expenses	<u>16,044,151</u>	<u>15,503,360</u>	<u>540,791</u>
Income before Capital Contributions and Transfers	749,730	1,397,140	(647,410)
Capital Contributions	258,293	-	258,293
Transfers Out	<u>(385,154)</u>	<u>(434,789)</u>	<u>49,635</u>
Change in Net Position	<u>\$ 622,869</u>	<u>\$ 962,351</u>	<u>\$ (339,482)</u>

While the balance sheet shows a snapshot of the Department's financial position at the end of each year, the above statement of revenues, expenses, and changes in net position provides answers as to the nature and source of these changes. A comparison of total charges for service shows a \$55,752 (0.3%) decrease and operating expenses increased \$540,791 (3.5%).

The following is a summary of the operating revenue and expense for the electric and water utility for the years ended December 31, 2016:



The following is a summary of the composition of 2016 revenue by source:



**Capital Assets
(net of accumulated depreciation)**

	2016	2015	Increase (Decrease)
Land	\$ 349,394	\$ 349,394	\$ -
Building, systems, and structures	25,640,763	25,763,632	(122,869)
Machinery and equipment	129,905	150,299	(20,394)
Construction in progress	<u>82,612</u>	<u>13,761</u>	<u>68,851</u>
Total capital assets, net	<u>\$ 26,202,674</u>	<u>\$ 26,277,086</u>	<u>\$ (74,412)</u>

In 2016, depreciation and disposals exceeded capital investments by \$74,412; new investment in capital assets totaled \$1,612,722 and depreciation totaled \$1,663,127. Major capital assets improvement projects for 2016 are mentioned in the Manager's annual narrative report.

**Long-term Liabilities
(net of unamortized discounts)**

	2016	2015	Increase (Decrease)
Compensated absences payable	\$ 577,358	\$ 519,988	\$ 57,370
Net pension liability	<u>2,333,368</u>	<u>1,515,265</u>	<u>818,103</u>
	<u>\$ 2,910,726</u>	<u>\$ 2,035,253</u>	<u>\$ 875,473</u>

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- According to data from the U.S. Bureau of Labor Statistics, the unemployment rate for Polk County, Minnesota area as of December 31, 2016 was 4.5%, which is slightly above the state average of 3.9% and slightly below the national (4.7%) average. The North Dakota Grand Forks County unemployment rate was 2.3% for December 2016. The Grand Forks-East Grand Forks metropolitan statistical area unemployment rate for December 2016 was 3%. Grand Forks is located across the Red River of the North and has an approximate population of 57,739.
- The economy of the state is gradually recovering and recent legislative actions have resulted in more certainty in local government aid (LGA) funding.

REQUESTS FOR INFORMATION

The financial report is designed to provide a general overview of the Department's finances for all those interested in government finances. Questions concerning any information in the report or requests for additional information should be addressed to the Water and Light Department, City of East Grand Forks, 600 DeMers Avenue NW, East Grand Forks, MN 56721.

**Combined Statements of Net Position
As of December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2016	2015	2014	2013	2012
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 4,622,817	\$ 5,863,429	\$ 3,664,237	\$ 3,804,501	\$ 3,986,950
Investments	8,161,410	7,649,591	8,557,974	7,173,317	7,846,317
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	136,750	118,655	87,950	83,800	78,150
Accounts Receivable	2,463,034	2,276,264	2,153,413	2,360,194	2,184,617
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	21,273	22,217	24,977	24,662	32,596
Material Inventory	924,786	896,612	881,373	902,857	1,060,589
Prepaid Expenses	9,031	78,435	7,564	56,921	20,962
Interfund Receivable	2,747,181	1,988,774	1,012,259	1,008,600	1,079,414
Due from Other Funds	405,055	443,524	408,692	114,605	107,595
Due from Other Governments	1,615	1,615	807	807	807
Total Current Assets	<u>19,444,952</u>	<u>19,291,116</u>	<u>16,751,246</u>	<u>15,482,264</u>	<u>16,349,997</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	349,394	349,394	349,394	349,394	349,394
Buildings, Structures, Etc.	20,291,806	20,025,523	19,892,263	19,161,332	14,765,287
Distribution Systems	32,684,739	31,554,259	30,317,662	29,129,389	28,431,073
Meters	1,238,974	1,234,797	1,232,252	1,647,835	1,635,126
Machinery and Equipment	2,428,608	2,369,644	2,347,290	2,590,235	2,580,644
Automotive Equipment	837,556	807,087	754,761	642,179	570,337
Office Equipment	699,459	699,459	699,459	679,373	671,349
Construction in Progress	82,612	13,761	-	-	2,282,420
Total Capital Assets	58,613,148	57,053,924	55,593,081	54,199,737	51,285,630
Less Accumulated Depreciation	<u>(32,410,474)</u>	<u>(30,776,838)</u>	<u>(29,113,711)</u>	<u>(27,481,051)</u>	<u>(26,133,413)</u>
Total Capital Assets (Net)	26,202,674	26,277,086	26,479,370	26,718,686	25,152,217
Customer Acquisition Costs	351,774	351,774	351,774	351,774	351,774
Total Noncurrent Assets	<u>26,554,448</u>	<u>26,628,860</u>	<u>26,831,144</u>	<u>27,070,460</u>	<u>25,503,991</u>
TOTAL ASSETS	<u>\$ 45,999,400</u>	<u>\$ 45,919,976</u>	<u>\$ 43,582,390</u>	<u>\$ 42,552,724</u>	<u>\$ 41,853,988</u>
DEFERRED OUTFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	\$ 971,510	\$ 208,309	\$ -	\$ -	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 971,510</u>	<u>\$ 208,309</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,515,063	\$ 2,358,003	\$ 1,126,614	\$ 1,634,979	\$ 1,497,962
Retainage Payable	30,051	5,545	6,838	-	-
Accrued Payroll	101,898	77,307	68,641	58,100	43,197
Accrued Vacation	130,170	108,561	108,780	95,288	95,765
Accrued Sick Leave	45,000	45,000	45,000	45,000	45,000
Due to Other Government Units	54,832	48,997	46,025	48,827	54,717
Due to Other Funds	1,013,120	1,002,289	898,763	276,019	251,318
Customer Deposits	136,750	118,655	87,950	83,800	78,150
Total Current Liabilities	<u>3,026,884</u>	<u>3,764,357</u>	<u>2,388,611</u>	<u>2,242,013</u>	<u>2,066,109</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	402,188	366,427	409,612	385,968	368,662
Net Pension Liability	<u>2,333,368</u>	<u>1,515,265</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Noncurrent Liabilities	<u>2,735,556</u>	<u>1,881,692</u>	<u>409,612</u>	<u>385,968</u>	<u>368,662</u>
TOTAL LIABILITIES	<u>\$ 5,762,440</u>	<u>\$ 5,646,049</u>	<u>\$ 2,798,223</u>	<u>\$ 2,627,981</u>	<u>\$ 2,434,771</u>
DEFERRED INFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	\$ 262,479	\$ 159,114	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 262,479</u>	<u>\$ 159,114</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION					
Net Investment in Capital Assets	\$ 26,202,674	\$ 26,277,086	\$ 26,479,370	\$ 26,718,686	\$ 25,152,217
Unrestricted	14,743,317	14,046,036	14,304,797	13,206,057	14,267,000
TOTAL NET POSITION	<u>\$ 40,945,991</u>	<u>\$ 40,323,122</u>	<u>\$ 40,784,167</u>	<u>\$ 39,924,743</u>	<u>\$ 39,419,217</u>

See Notes to the Financial Statements

**Combined Statements of Revenues, Expenses and Changes in Net Position
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPERATING REVENUES					
Electric Sales	\$ 13,953,243	\$ 13,858,882	\$ 13,801,275	\$ 13,446,065	\$ 13,875,019
Water Sales	2,486,708	2,636,821	2,670,395	2,701,837	2,334,738
Penalty Charges	92,577	102,359	104,116	94,325	100,091
Other Income	54,161	76,503	118,406	111,619	92,644
Total	<u>16,586,689</u>	<u>16,674,565</u>	<u>16,694,192</u>	<u>16,353,846</u>	<u>16,402,492</u>
OPERATING EXPENSES					
Cost of Sales and Services	12,129,182	11,750,620	12,058,599	11,715,453	12,110,564
Administration	1,033,247	886,246	896,299	835,896	747,894
Depreciation	1,687,135	1,663,126	1,632,656	1,593,191	1,472,148
Taxes and Tax Equivalents	1,194,587	1,203,368	1,218,637	1,190,529	1,219,013
Total	<u>16,044,151</u>	<u>15,503,360</u>	<u>15,806,191</u>	<u>15,335,069</u>	<u>15,549,619</u>
OPERATING INCOME	<u>542,538</u>	<u>1,171,205</u>	<u>888,001</u>	<u>1,018,777</u>	<u>852,873</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	195,192	225,935	392,825	(218,396)	208,272
Gain on Disposal of Assets	12,000	-	-	-	-
Interest Expenses	-	-	-	(216)	(336)
Total	<u>207,192</u>	<u>225,935</u>	<u>392,825</u>	<u>(218,612)</u>	<u>207,936</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS & TRANSFERS	749,730	1,397,140	1,280,826	800,165	1,060,809
CAPITAL CONTRIBUTIONS	258,293	-	-	-	-
TRANSFERS IN	-	-	-	-	2,000,000
TRANSFERS OUT	<u>(385,154)</u>	<u>(434,789)</u>	<u>(421,402)</u>	<u>(294,639)</u>	<u>(1,750,000)</u>
CHANGE IN NET POSITION	<u>622,869</u>	<u>962,351</u>	<u>859,424</u>	<u>505,526</u>	<u>1,310,809</u>
NET POSITION - JANUARY 1	40,323,122	40,784,167	39,924,743	39,419,217	37,601,295
ADJUSTMENT FOR GASB 68 and 71 - SEE NOTE 16	-	(1,423,396)	-	-	-
PRIOR PERIOD RESTATEMENT - SEE NOTE 16	-	-	-	-	507,113
NET POSITION - JANUARY 1, AS RESTATED	<u>40,323,122</u>	<u>39,360,771</u>	<u>39,924,743</u>	<u>39,419,217</u>	<u>38,108,408</u>
NET POSITION - DECEMBER 31	<u>\$ 40,945,991</u>	<u>\$ 40,323,122</u>	<u>\$ 40,784,167</u>	<u>\$ 39,924,743</u>	<u>\$ 39,419,217</u>

Combined Statements of Cash Flows
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2016	2015	2014	2013	2012
Cash flows from operating activities:					
Cash received from customers and users	\$ 15,744,233	\$ 15,740,018	\$ 15,939,032	\$ 15,243,125	\$ 15,971,373
Cash received from interfund activities	619,619	765,898	844,589	829,177	707,455
Cash paid to suppliers for goods and services	(11,121,240)	(8,927,969)	(11,521,248)	(10,109,846)	(10,675,431)
Cash paid for interfund activities	(221,304)	(224,570)	(51,645)	(91,113)	(208,680)
Cash paid to employees	(2,378,568)	(2,331,915)	(1,768,752)	(2,065,762)	(2,031,224)
Cash paid for taxes and tax equivalents	(1,191,548)	(1,200,396)	(1,221,439)	(1,190,529)	(1,219,013)
Other operating revenues (expenses)	54,161	76,500	118,405	111,619	92,644
Net cash provided (used) by operating activities	<u>1,505,353</u>	<u>3,897,566</u>	<u>2,338,942</u>	<u>2,726,671</u>	<u>2,637,124</u>
Cash flows from noncapital financing activities:					
Interfund receivable	(719,938)	(1,011,347)	(297,746)	63,804	102,927
Interfund payable	10,831	103,526	622,744	24,701	-
Operating Transfers from other funds	-	-	-	-	2,000,000
Operating Transfers to other funds	(385,154)	(434,789)	(421,402)	(294,639)	(1,750,000)
Net cash provided (used) by noncapital financing activities	<u>(1,094,261)</u>	<u>(1,342,610)</u>	<u>(96,404)</u>	<u>(206,134)</u>	<u>352,927</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,329,926)	(1,462,136)	(1,386,505)	(3,159,659)	(3,142,916)
Proceeds from sale of capital assets	12,000	-	-	-	-
Interest and fiscal charges on bonds	-	-	-	(215)	(337)
Net cash (used) by capital and related financing activities	<u>(1,317,926)</u>	<u>(1,462,136)</u>	<u>(1,386,505)</u>	<u>(3,159,874)</u>	<u>(3,143,253)</u>
Cash flows from investing activities:					
Interest received on investments	196,136	228,695	392,510	127,171	230,580
Proceeds from sales and maturities of investments	4,616,000	1,396,000	192,000	3,576,367	1,692,000
Purchase of investments	(5,127,819)	(487,618)	(1,576,657)	(3,241,000)	(528,858)
Net cash provided (used) by investing activities	<u>(315,683)</u>	<u>1,137,077</u>	<u>(992,147)</u>	<u>462,538</u>	<u>1,393,722</u>
Net increase (decrease) in cash and cash equivalents	(1,222,517)	2,229,897	(136,114)	(176,799)	1,240,520
Cash and cash equivalents - January 1	5,982,084	3,752,187	3,888,301	4,065,100	2,824,580
Cash and cash equivalents - December 31	<u>\$ 4,759,567</u>	<u>\$ 5,982,084</u>	<u>\$ 3,752,187</u>	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 542,538	\$ 1,171,205	\$ 888,001	\$ 1,018,777	\$ 852,873
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	1,687,135	1,663,126	1,632,656	1,593,191	1,472,148
Changes in assets and liabilities:					
Accounts receivable	(186,770)	(122,851)	206,775	(175,577)	370,680
Materials & supplies	(28,174)	(15,239)	21,484	157,732	(127,182)
Prepaid items	69,404	(70,873)	49,357	(35,959)	40,081
Due from other government units	-	(808)	-	-	(807)
Accounts payable	(842,938)	1,231,393	(508,356)	137,009	221,733
Deferred pension outflows	(763,201)	(147,957)	-	-	-
Accrued payroll	24,591	8,666	10,541	14,903	3,895
Accrued vacation	21,609	(219)	13,492	(471)	6,980
Accrued compensated absences	35,761	(43,185)	23,644	17,306	3,517
Due to other funds	-	-	-	-	(207,873)
Due to other government units	5,835	2,972	(2,802)	(5,890)	2,779
Net pension liability	818,103	31,517	-	-	-
Deferred pension inflows	103,365	159,114	-	-	-
Customer deposits	18,095	30,705	4,150	5,650	(1,700)
Net cash provided (used) by operating activities	<u>\$ 1,505,353</u>	<u>\$ 3,897,566</u>	<u>\$ 2,338,942</u>	<u>\$ 2,726,671</u>	<u>\$ 2,637,124</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ (337,633)	\$ 6,436	\$ 6,436
Acquisition of Capital Assets through Capital Contributions	258,293	-	-	-	-
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	4,622,817	5,863,429	3,664,237	3,804,501	3,986,950
Restricted assets	136,750	118,655	87,950	83,800	78,150
Cash and cash equivalents - December 31	<u>\$ 4,759,567</u>	<u>\$ 5,982,084</u>	<u>\$ 3,752,187</u>	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>

See Notes to the Financial Statements

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The accompanying financial statements include only the activities of the Water and Light Department. The Water and Light Department accounts for its activities in two enterprise funds, with each fund distinguished by the type of services provided to the city. These funds are reported separately from other city funds in order to provide meaningful information to the management of the Water and Light Department.

The accounting policies of the City of East Grand Forks Water and Light Department conform to accounting principles generally accepted in the United States of America applicable to governmental units. The following is a summary of significant accounting policies:

A. Basis of Presentation

The Water Fund and the Electric Fund are both proprietary funds. Proprietary funds are accounted for on the flow of economic resources measurement focus and use the accrual basis of accounting. Under this method, revenues are recorded when earned and expenses are recorded at the same time liabilities are incurred.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing or delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the utility funds are charges to customers for sales and services. Operating expenses for proprietary funds include the cost of sales and services, administrative expenses, taxes and tax equivalents, and depreciation of capital assets.

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

B. Cash and cash equivalents

For purposes of the statement of cash flows, the Water and Light Department considers cash on hand, demand deposit accounts, money market savings accounts, and non-negotiable certificates of deposit with original maturities of three months or less as cash and cash equivalents.

Investments are reported at fair value. The Minnesota Municipal Investment Pool is an external investment pool not registered with the Securities Exchange Commission (SEC) that follows the same regulatory rules of the SEC under Rule 2.a.7. The fair value of the city's position is the same value as the pool shares.

C. Fair Value Measurements

The Water and Light Department accounts for all assets and liabilities that are being measured and reported on a fair value basis in accordance with GAAP. GAAP defines fair value, established a framework for measuring fair value and expands disclosure about fair value measurements.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are arrived at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- | | |
|----------|---|
| Level 1: | Quoted market prices in active markets for identical assets or liabilities |
| Level 2: | Observable market based inputs or unobservable inputs that are corroborated by market data. |
| Level 3: | Unobservable inputs that are not corroborated by market data. |

D. Accounts Receivable

Accounts (trade) receivable are carried at original billing amount less an estimate made for doubtful receivables based on a review of all outstanding amounts on a regular basis. Management determines the allowance for doubtful accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written off when deemed uncollectible. Recoveries of trade receivables previously written off are recorded when received.

A receivable is considered past due if any portion of the receivable balance is outstanding for more than 30 days. Interest is charged on receivables that are outstanding for more than 30 days. Accrual of interest is not suspended until a receivable is determined to be uncollectible.

E. Short-Term Inter-Fund Receivables/Payables

During the course of operations, numerous transactions occur between individual funds, and the City of East Grand Forks, for goods provided or services rendered. These receivables and payables are classified as "due from other funds" or "due to other funds" on the balance sheet. Short-term inter-fund loans are classified as "inter-fund receivables/ payables".

F. Inventories

Inventories are carried at the lower of cost (first-in, first-out) or market.

G. Property, Plant and Equipment

Property, plant, and equipment are carried at cost less accumulated depreciation computed on the straight-line method. They are depreciated over their estimated useful lives as follows:

	<u>Lives</u>
Buildings, Structures, etc.	66 years maximum
Distribution Systems	20-50 years
Meters, Machinery and Equipment	5-10 years
Automotive Equipment	3-10 years
Office Equipment	5-10 years

When property, plant, and equipment assets are deleted, the related cost and accumulated depreciation are removed. Any resulting gains or losses are included in non-operating revenues or expenses. The capitalization threshold for assets is \$5,000.

H. Customer Acquisition Costs

The Department purchases electric and water service territories. Accordingly, under GAAP, as codified by FASB, Goodwill and Other Intangible Assets, the Department will periodically reassess the useful life of these costs (and all other capital asset costs) to determine if any impairment losses should be recognized.

I. Revenue Recognition

Revenue is recorded when it is measurable and available.

J. Power Cost

Wholesale power suppliers bill monthly on meter readings taken at the end of each month. The expense related to power delivered is the accrued amount billed by the supplier.

K. Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. Ultimate results could differ from those estimates.

L. Sales Tax

Sales taxes collected from customers and remitted to taxing authorities are excluded from revenues and cost of sales, respectively.

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resource (expense/expenditure) until then. The Department has one item reported on the statement of net position as *cost sharing defined benefit pension plan*, which represents actuarial differences within the PERA pension plan as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Department has one item reported on the statement of net position as *cost sharing defined benefit pension plan*, which represents actuarial differences within the PERA pension plan.

N. Pensions

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

O. Net Position

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

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of December 31, 2016, are classified in the accompanying financial statements as follows:

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
Statement of net position:					
Cash and cash equivalents	\$ 4,622,817	\$ 5,863,429	\$ 3,664,237	\$ 3,804,501	\$ 3,986,950
Investments	8,161,410	7,649,591	8,557,974	7,173,317	7,846,317
Restricted cash and cash equivalents:					
Cash in customer deposits	<u>136,750</u>	<u>118,655</u>	<u>87,950</u>	<u>83,800</u>	<u>78,150</u>
Total cash and investments	<u>\$ 12,920,977</u>	<u>\$ 13,631,675</u>	<u>\$ 12,310,161</u>	<u>\$ 11,061,618</u>	<u>\$ 11,911,417</u>

Cash and investments as of December 31, 2016, consist of the following:

	2016	2015	2014	2013	2012
Cash:					
Cash on hand	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300	\$ 1,300
Deposits with financial institutions	242,689	48,719	1,825,379	726,384	1,794,028
Cash equivalents:					
Money Market Funds	2,846,827	3,622,498	1,697,925	1,886,512	1,379,902
4M Local Government Investment Pool	1,668,751	2,309,567	227,583	1,274,105	869,637
Investments:					
Various	8,161,410	7,649,591	8,557,974	7,173,317	7,866,550
Total cash and investments	<u>\$ 12,920,977</u>	<u>\$ 13,631,675</u>	<u>\$ 12,310,161</u>	<u>\$ 11,061,618</u>	<u>\$ 11,911,417</u>

The 4M Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. Financial statements of the 4M Fund can be obtained by contracting RBC Global Management at 100 South Fifth Street, Suite 2300, Minneapolis, MN 55402-1240.

Investments Authorized by Minnesota Statutes and the City's Investment Policy

The table below identifies the investment types that are authorized for the City by Minnesota State statute. The City's investment policy does not restrict investment types beyond the limits set forth by state statute. The table also identifies any provisions in state statutes that address interest rate risk, credit risk, and concentration risk. This table also applies to investments of debt proceeds held by bond trustees that are governed by provisions of debt agreements and similarly restricted by state statute.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Maximum Investment in One Issuer
U.S. Treasury Obligations	None	None	None
U.S. Agency Securities	None	None	None
Banker's Acceptances	None	None	None
Commercial Paper	270 days	None	None
Negotiable Certificates of Deposits	None	None	\$250,000
MN State or Municipal Obligations	None	None	None
Repurchase Agreements	None	None	None

Disclosures Relating to 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. As of December 31, 2016, the Department's investments in U.S. Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The city's investments in negotiable certificates of deposit are below the F.D.I.C. \$250,000 insurance limit per institution. The local government investment pool is not rated.

Disclosures Relating to Interest Rate Risk

Interest rate risk is the risk that changes in the market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One way the Department manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments. The city also manages this risk by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity for operations. Further, the Department purchases some securities that have interest rates that step-up over time. The Department monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The city has no specific limitations with respect to this metric.

Investment Type	Fair Value	Weighted Avg. Maturity (in years)	Fair Value Level
2016			
Federal Agencies:			
Federal Home Loan Mortgage	\$ 731,678	8.00	1
Fannie Mae	487,625	5.00	1
Non-negotiable certificates of deposit	<u>6,942,107</u>	3.31	N/A
	<u>\$ 8,161,410</u>		
2015			
Federal Agencies:			
Federal Home Loan Mortgage	\$ 1,628,259	6.50	1
Fannie Mae	995,114	5.50	1
Non-negotiable certificates of deposit	<u>4,926,218</u>	3.58	N/A
	<u>\$ 7,549,591</u>		
2014			
Federal Agencies:			
Federal Home Loan Mortgage	\$ 2,398,529	8.30	1
Fannie Mae	979,650	10.54	1
Non-negotiable certificates of deposit	<u>5,179,795</u>	4.10	N/A
	<u>\$ 8,557,974</u>		
2013			
Federal Agencies:			
Federal Home Loan Mortgage	\$ 2,254,213	9.30	1
Fannie Mae	902,335	11.45	1
Non-negotiable certificates of deposit	<u>4,016,769</u>	37.13	N/A
	<u>\$ 7,173,317</u>		
2012			
Federal Agencies:			
Federal Home Loan Mortgage	\$ 2,695,032	9.65	1
Fannie Mae	949,994	10.04	1
Non-negotiable certificates of deposit	<u>4,221,524</u>	2.08	N/A
	<u>\$ 7,866,550</u>		

Concentration of Credit Risk

State statutes contain no limitations on the amount that can be invested in any one issuer. Investments in any one issuer representing 5% or more of the Department's total investments are as follows:

Investment Type	Fair Value	Percent of Investment Portfolio
2016		
Federal Agencies:		
Federal Home Loan Mortgage	\$ 731,678	8.97%
Fannie Mae	487,625	5.97%
2015		
Federal Agencies:		
Federal Home Loan Mortgage	\$ 1,628,259	21.29%
Fannie Mae	995,114	13.01%
2014		
Federal Agencies:		
Federal Home Loan Mortgage	\$ 2,398,529	28.03%
Fannie Mae	979,650	11.45%
2013		
Federal Agencies:		
Federal Home Loan Mortgage	\$ 2,254,213	31.42%
Fannie Mae	902,335	12.58%
2012		
Federal Agencies:		
Federal Home Loan Mortgage	\$ 2,695,032	34.26%
Fannie Mae	949,994	12.08%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Minnesota statutes do not contain legal requirements that would limit the exposure to custodial credit risk for deposits or investments, other than the following provision for deposits: Minnesota statutes require that all Department deposits be protected by insurance, surety bond, or collateral. The market value of the collateral must be a minimum of 110% of deposits not covered by insurance or bonds (140% in the case of mortgage backed collateral). Authorized collateral includes the legal investment described earlier, as well as certain first mortgage notes, and certain other state or local obligations. Minnesota statutes require that securities pledged as collateral be held in safekeeping by the clerk-treasurer or in a financial institution other than that furnishing the collateral.

The Department was adequately collateralized throughout the year.

NOTE 3 ACCOUNTS RECEIVABLE AND INTERFUND RECEIVABLE

An analysis of the accounts receivable at December 31, 2016, 2015, 2014, 2013, and 2012, is as follows:

	2016	2015	2014	2013	2012
Current	\$ 2,401,157	\$ 2,227,234	\$ 2,089,401	\$ 2,295,255	\$ 2,122,224
Delinquent:					
South end	37,182	27,487	17,606	30,399	23,548
North end	24,695	21,543	14,581	34,540	38,845
Large Commercial	-	-	31,825	-	-
	\$ 2,463,034	\$ 2,276,264	\$ 2,153,413	\$ 2,360,194	\$ 2,184,617

In 2009, \$1,275,000 was lent to finance special assessment projects that will be repaid over the next 15 years with annual payments of \$116,689 which includes 4.25% interest. On December 17, 2015, the Department approved an interfund loan for the renovation of the City pool. The loan has a maximum of \$2,122,529 with a 1% interest rate for a 20 year period. The balances of the interfund receivables as of December 31, 2016, 2015, 2014, 2013, and 2012, is as follows:

	2016	2015	2014	2013	2012
Special Assessment	\$ 777,584	\$ 857,816	\$ 1,012,259	\$ 1,008,600	\$ 1,079,414
Pool Renovation	1,969,597	1,130,958	-	-	-
	<u>\$ 2,747,181</u>	<u>\$ 1,988,774</u>	<u>\$ 1,012,259</u>	<u>\$ 1,008,600</u>	<u>\$ 1,079,414</u>

The due to and due from balances are current utility billing charges from and to the City of East Grand Forks.

NOTE 4 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. Plan Description

The City participates in the following cost-sharing multi-employer defined benefit pension plans administered by the Public Employees Retirement Association (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature.

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

The benefit provisions stated in the following paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions 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 and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2% of average salary for each of the first ten years of service and 2.7% for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2% of average salary for each of the first ten years and 1.7% for each remaining year. Under Method 2, the annuity accrual rate is 2.7% of average salary for Basic Plan members and 1.7% for Coordinated Plan members for each year of service. For members hired prior to July 1, 1989, a full annuity is available when age plus years of service equal 90 and normal retirement age is 65. For members hired on or after July 1, 1989, normal retirement age is the age for unreduced Social Security benefits capped at 66.

B. 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

Basic plan members and Coordinated plan members were required to contribute 9.1% and 6.50%, respectively, of their annual covered salary in calendar year 2016 and 2015. The Department was required to contribute 11.78% of pay for Basic Plan members and 7.50% for Coordinated Plan members in the calendar year 2016. In 2015 the Department was required to contribute 11.78% of pay for Basic Plan members and 7.25% for Coordinated Plan members. The Department's contributions to the General Employees Fund for the years ended December 31, 2016 and 2015, were \$133,223 and \$132,145 respectively. The City's contributions were equal to the required contributions for each year as set by state statute.

C. Pension CostsGeneral Employees Fund Pension Costs

At December 31, 2016 and 2015, the Department reported a liability of \$2,333,368 and \$1,515,265, respectively, for its proportionate share of the General Employees Fund's net pension liability. The department's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$6 million to the fund in 2016. 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 net pension liability was measured as of June 30, 2016 for the December 31, 2016 year end and measured as of June 30, 2015 for the December 31, 2015 year end, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportion of the net pension liability was based on the Department's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2015, through June 30, 2016 for the December 31, 2016 year end and July 1, 2014, through June 30, 2015 for the December 31, 2015 year end, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2016, the Department's proportion was 0.0650% which was a decrease of .0010% from its proportion measured as of June 30, 2015.

For the years ended December 31, 2016 and 2015, the Department recognized pension expense of \$158,265 and \$174,408, respectively, for its proportionate share of General Employees Plan's pension expense.

At December 31, 2016, the Department reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 190,388
Changes in actuarial assumptions	455,753	-
Difference between projected and actual investment earnings	443,895	-
Changes in proportion	-	72,091
Contributions paid to PERA subsequent to the measurement date	71,862	-
Total	<u>\$ 971,510</u>	<u>\$ 262,479</u>

\$71,862 reported as deferred outflows of resources related to pensions resulting from the department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2017. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense
2017	\$ 166,797
2018	166,797
2019	219,600
2020	83,975

At December 31, 2015, the Department reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ -	\$ 76,395
Changes in actuarial assumptions	-	-
Difference between projected and actual investment earnings	143,443	-
Changes in proportion	-	82,719
Contributions paid to PERA subsequent to the measurement date	64,866	-
Total	<u>\$ 208,309</u>	<u>\$ 159,114</u>

\$64,866 reported as deferred outflows of resources related to pensions resulting from the department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2016. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense	
		Amount
2016	\$	(17,177)
2017		(17,177)
2018		(17,177)
2019		35,860

D. Actuarial Assumptions

The total pension liability in the actuarial valuation was determined using the following actuarial assumptions:

	June 30, 2016	June 30, 2015
Inflation	2.50% per year	2.75% per year
Active Member Payroll Growth	3.25% per year	3.50% per year
Investment Rate of Return	7.50%	7.90%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments for the June 30, 2016 measurement and based on RP2000 tables for males or females, as appropriate with slight adjustments. Cost of living benefit increases for retirees are assumed to be 1% per year for all future years for the June 30, 2016 measurement and assumed to be 1% effective every January 1 through 2034 and 2.5% thereafter.

Actuarial assumptions used in the June 30, 2016, valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2016:

- The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years.
- The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%.
- Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

There were no changes in the actual assumptions in the 2015 measurement year.

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 Stocks	45.00%	5.50%
International Stocks	15.00%	6.00%
Bonds	18.00%	1.45%
Alternative Assets	20.00%	6.40%
Cash	2.00%	0.50%

E. Discount Rate

The discount rate used to measure the total pension liability in 2016 was 7.50%, a reduction from the 7.9% used in 2015. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and employers will be made at rates set in Minnesota Statutes. Based on that assumption, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

F. Pension Liability Sensitivity

The following presents the Department'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 Department'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 as of December 31, 2016:

	Department Proportionate Share of NPL		
	1% Decrease (6.5%)	Current (7.5%)	1% Increase (8.5%)
General Employees Fund	\$ 3,313,922	\$ 2,333,368	\$ 151,403

The following presents the Department'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 Departments 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 as of December 31, 2015:

	Department Proportionate Share of NPL		
	1% Decrease (6.9%)	Current (7.9%)	1% Increase (8.9%)
General Employees Fund	\$ 2,344,680	\$ 1,515,265	\$ 259,792

G. Pension Plan Fiduciary Net Position

Detailed information about each defined benefit 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.

NOTE 5 VACATION, SEVERANCE AND SICK TIME PAY

Vacation pay is charged to expense in the year earned and unused vacation amounts are carried forward. Upon resignation, employees are paid for accumulated unused vacation. The liability for accumulated vacation at December 31, 2016 for the last five years is as follows:

2016	\$ 130,170
2015	108,561
2014	108,780
2013	95,288
2012	95,765

Sick leave may be accumulated indefinitely, and is charged to expense in the year earned. Upon retirement, death, or disability, employees are paid accumulated unused sick leave, not exceeding 160 days. Upon resignation, department heads and nonunion employees receive 100% of accumulated sick leave not exceeding 160 days, and union employees receive 100% of accumulated sick leave not exceeding 120 days.

The liability for accumulated sick leave at December 31, 2016 for the last five years is as follows:

2016	\$ 447,188
2015	411,427
2014	454,612
2013	430,968
2012	413,662

Employees who have accumulated 120 days of sick leave may sell back to the City at current compensation rates, 50 percent of the unused sick pay accumulated during the year. The amount of sick leave sold back for the last five years is as follows:

2016	\$	6,029
2015		6,099
2014		6,437
2013		9,041
2012		7,900

NOTE 6 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the government-wide financial statement for the years ended December 31, 2016, 2015, 2014, 2013, and 2012 for compensated absences:

Year	Beginning Balance	Additions	Reduction	Ending Balance	Due Within One Year
2016	\$ 519,988	\$ 57,370	\$ -	\$ 577,358	\$ 175,170
2015	563,392	-	(43,404)	519,988	153,561
2014	526,259	37,133	-	563,392	153,780
2013	509,427	16,832	-	526,259	140,288
2012	498,930	10,497	-	509,427	140,768

NOTE 7 OPERATING TRANSFERS

The Electric Fund transfers out includes capital projects for street lighting, energy conservation, and flood control. Additionally, both un-reimbursed expenses and budgeted general fund support are included in transfers out.

NOTE 8 LEASE COMMITMENTS

At December 31, 2016, 2015, 2014, 2013, and 2012, rental commitments under operating leases were not significant.

NOTE 9 CAPITAL ASSETS

Capital asset activities for the years ended December 31, 2016, 2015, 2014, 2013, and 2012 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
2016				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	13,761	81,956	(13,105)	82,612
Total nondepreciable	363,155	81,956	(13,105)	432,006
Depreciable assets:				
Buildings, systems and structures	52,814,579	1,417,690	(16,750)	54,215,519
Machinery and equipment	3,876,190	126,181	(36,748)	3,965,623
Total depreciable	56,690,769	1,543,871	(53,498)	58,181,142
Less accumulated depreciation				
Buildings, systems and structures	(27,050,947)	(1,540,559)	16,750	(28,574,756)
Machinery and equipment	(3,725,891)	(146,575)	36,748	(3,835,718)
Total accumulated depreciation	(30,776,838)	(1,687,134)	53,498	(32,410,474)
Total capital assets, net	\$ 26,277,086	\$ (61,307)	\$ (13,105)	\$ 26,202,674

Notes to the Financial Statements

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	Beginning Balance	Additions	Deletions	Ending Balance
2015				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	-	1,650,493	(1,636,732)	13,761
Total nondepreciable	349,394	1,650,493	(1,636,732)	363,155
Depreciable assets:				
Buildings, systems and structures	51,442,177	1,372,402	-	52,814,579
Machinery and equipment	3,801,510	144,382	(69,702)	3,876,190
Total depreciable	55,243,687	1,516,784	(69,702)	56,690,769
Less accumulated depreciation				
Buildings, systems and structures	(25,532,307)	(1,518,640)	-	(27,050,947)
Machinery and equipment	(3,581,404)	(144,487)	-	(3,725,891)
Total accumulated depreciation	(29,113,711)	(1,663,127)	-	(30,776,838)
Total capital assets, net	\$ 26,479,370	\$ 1,504,150	\$ (1,706,434)	\$ 26,277,086

	Beginning Balance	Additions	Deletions	Ending Balance
2014				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	-	1,255,184	(1,255,184)	-
Total nondepreciable	349,394	1,255,184	(1,255,184)	349,394
Depreciable assets:				
Buildings, systems and structures	49,938,556	1,099,108	404,513	51,442,177
Machinery and equipment	3,911,787	294,236	(404,513)	3,801,510
Total depreciable	53,850,343	1,393,344	-	55,243,687
Less accumulated depreciation				
Buildings, systems and structures	(24,030,780)	(1,501,527)	-	(25,532,307)
Machinery and equipment	(3,450,271)	(131,133)	-	(3,581,404)
Total accumulated depreciation	(27,481,051)	(1,632,660)	-	(29,113,711)
Total capital assets, net	\$ 26,718,686	\$ 1,015,868	\$ (1,255,184)	\$ 26,479,370

	Beginning Balance	Additions	Deletions	Ending Balance
2013				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	2,282,420	-	(2,282,420)	-
Total nondepreciable	2,631,814	-	(2,282,420)	349,394
Depreciable assets:				
Buildings, systems and structures	44,831,486	5,352,621	(245,551)	49,938,556
Machinery and equipment	3,822,330	89,457	-	3,911,787
Total depreciable	48,653,816	5,442,078	(245,551)	53,850,343
Less accumulated depreciation				
Buildings, systems and structures	(22,930,891)	(1,345,440)	245,551	(24,030,780)
Machinery and equipment	(3,202,522)	(247,749)	-	(3,450,271)
Total accumulated depreciation	(26,133,413)	(1,593,189)	245,551	(27,481,051)
Total capital assets, net	\$ 25,152,217	\$ 3,848,889	\$ (2,282,420)	\$ 26,718,686

2012	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	851,417	3,017,370	(1,586,367)	2,282,420
Total nondepreciable	<u>1,200,811</u>	<u>3,017,370</u>	<u>(1,586,367)</u>	<u>2,631,814</u>
Depreciable assets:				
Buildings, systems and structures	43,254,515	1,576,971	-	44,831,486
Machinery and equipment	3,722,622	137,159	(37,451)	3,822,330
Total depreciable	<u>46,977,137</u>	<u>1,714,130</u>	<u>(37,451)</u>	<u>48,653,816</u>
Less accumulated depreciation				
Buildings, systems and structures	(21,619,556)	(1,311,335)	-	(22,930,891)
Machinery and equipment	(3,076,943)	(160,815)	35,236	(3,202,522)
Total accumulated depreciation	<u>(24,696,499)</u>	<u>(1,472,150)</u>	<u>35,236</u>	<u>(26,133,413)</u>
Total capital assets, net	<u>\$ 23,481,449</u>	<u>\$ 3,259,350</u>	<u>\$ (1,588,582)</u>	<u>\$ 25,152,217</u>

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Department has entered into an agreement to acquire electric service territory from Red River Valley Power Coop (RRVPC). The agreement, entered into January 2003, will be in effect as long as agreed upon by both parties. The Department paid to RRVPC the following amounts for electricity sold to the customers in the annexed service territory:

2016	\$ 3,046
2015	5,585
2014	7,990
2013	10,398
2012	12,357

The Department entered into an agreement in 2004 with PKM to acquire electric service territory. The Department will pay PKM ½ cent per kilowatt hour sold on every meter in the newly acquired area for 10 years. There were payments totaling \$2,912 on this agreement for 2016.

The Department entered into a joint membership agreement with the Minnesota Municipal Power Agency (MMPA) in 2004. The agreement is in effect until December 31, 2040 and requires the Department to purchase all required power above the Western Area Power Association (WAPA) allocation from MMPA.

NOTE 11 CONCENTRATION OF SALES

American Crystal Sugar Company is the Water and Light Department's largest customer, accounting for approximately the following percentage of total sales:

	<u>Electric Fund</u>	<u>Water Fund</u>
2016	43%	32%
2015	44%	25%
2014	44%	31%
2013	43%	30%
2012	47%	32%

NOTE 12 RESTRICTED FUNDS

Cash has been restricted for customer deposit balances.

NOTE 13 RISK MANAGEMENT AND LITIGATION

The Department is exposed to various risks of losses related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. For the past several years, the City obtained coverage from commercial insurance companies and has effectively managed risk through various employee education and prevention programs.

Additionally, the Department self-insures the electric distribution assets in the Electric Fund because the deductible for such coverage is \$50,000 per loss for maximum coverage of \$500,000 per loss.

All risk management activities are accounted for in the appropriate fund. Expenditures and claims are recognized when it is probable that a loss has occurred, the amount of the loss can be reasonably estimated, and the loss amount exceeds insurance coverage. In determining claims, events that might create claims, but for which none have been reported, are considered.

The city attorney estimates that the amount of actual or potential claims against the Department as of December 31, 2016 will not materially affect the financial condition of the Department.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The Department pays an annual premium to LMCIT. If deemed necessary, LMCIT may require the Department to pay supplemental assessments. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law.

The Department's coverage is retrospectively rated, where final premiums are determined after loss experience is known. Property, casualty, and liability insurances are provided by LMCIT through a pooled self-insurance program.

The Department's commercial insurance carrier has no set reserve losses or reserve expenses for claims filed after December 31, 2016, for incidents occurring prior to that date.

There were no significant reductions in insurance from the previous year and there were no settlements in excess of insurance coverage in each of the past three years.

NOTE 14 RECLASSIFICATION

Certain reclassifications have been made to the 2015, 2014, 2013 and 2012 financial statements in order to conform with the 2016 presentation.

NOTE 15 NEW PRONOUNCEMENTS

GASB Statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*, is to improve the usefulness of information about postemployment benefits other than pensions (other postemployment benefits or OPEB) included in the general purpose external financial reports of state and local governmental OPEB plans for making decisions and assessing accountability. This Statement is effective for financial statements for fiscal years beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*, is to improve accounting and financial reporting by state and local governments for postemployment benefits other than pensions (other postemployment benefits or OPEB). It also improves information provided by state and local governmental employers about financial support for OPEB that is provided by other entities. This Statement is effective for fiscal years beginning after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 80, *Blending Requirements for Certain Component Units and Amendment of GASB Statement No. 14*, amends the blending requirements for the financial statement presentation of component units of all state and local governments. The additional criteria require blending of a component unit incorporated as a not-for-profit corporation in which the primary government is the sole corporate member. The additional criterion does not apply to component units included in the financial reporting entity pursuant to the provisions of Statement No. 39, *Determining Whether Certain Organizations Are Component Units*. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016. Earlier application is encouraged.

GASB Statement No. 81, *Irrevocable Split-Interest Agreements*, provides recognition and measurement guidance for situations in which a government is a beneficiary of the agreement. This Statement requires that a government that receives resources pursuant to an irrevocable split-interest agreement recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Furthermore, this Statement requires that a government recognize assets representing its beneficial interests in irrevocable split-interest agreements that are administered by a third party, if the government controls the present service capacity of the beneficial interests. This Statement requires that a government recognize revenue when the resources become applicable to the reporting period. The requirements of this Statement are effective for financial statements for periods beginning after December 15, 2016, and should be applied retroactively. Earlier application is encouraged.

GASB Statement No. 82, *Pension Issues – an Amendment of GASB Statements No. 67 and No. 73*, provides further guidance regarding (1) the presentation of payroll-related measures in required supplementary information, (2) the selection of assumptions and the treatment of deviations from the guidance in an Actuarial Standard of Practice for financial reporting purposes, and (3) the classification of payments made by employers to satisfy employee (plan member) contribution requirements. This Statement amends GASB Statements No. 67 and No. 68 to require the presentation of covered payroll to be defined as the payroll on which contributions to a pension plan are based, rather than the payroll of employees that are provided with pensions through the pension plan. The requirements of this Statement are effective for reporting periods beginning after June 15, 2016, except for the requirements of this Statement for the selection of assumptions in a circumstance in which an employer’s pension liability is measured as of a date other than the employer’s most recent fiscal year-end. In that circumstance, the requirements for the selection of assumptions are effective for that employer in the first reporting period in which the measurement date of the pension liability is on or after June 15, 2017. Earlier application is encouraged.

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. It also establishes disclosure of information about the nature of a government’s AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 85, *Omnibus 2017*, addresses practice issues that have been identified during implementation and application of certain GASB Statements. This Statement addresses a variety of topics including issues related to blending component units, goodwill, fair value measurement and application, and postemployment benefits (pensions and other postemployment benefits [OPEB]). The requirements of this Statement are effective for reporting periods beginning after June 15, 2017. Earlier application is encouraged.

Management has not yet determined the effect these statements will have on the City’s financial statements.

NOTE 16 CHANGE IN ACCOUNTING PRINCIPLES & RESTATEMENT OF NET POSITION

The Department restated net position for unbilled utility revenue increasing receivables and net position in the Electric and Water as of January 1, 2012 as follows:

	<u>Water</u>	<u>Electric</u>	<u>Total</u>
Net Position January 1, 2012, as previously reported	\$ 9,778,361	\$ 27,822,934	\$ 37,601,295
Restatement for Unbilled Revenue	107,595	399,518	507,113
Net Position January 1, 2012, as restated	<u>\$ 9,885,956</u>	<u>\$ 28,222,452</u>	<u>\$ 38,108,408</u>

This prior period restatement increased revenues and related net position by the following:

	<u>Water</u>	<u>Electric</u>	<u>Total</u>
Unbilled Adjustment by year:			
2012	\$ 107,595	\$ 399,518	\$ 507,113
2013	7,010	58,741	65,751
2014	(9,160)	(36,854)	(46,014)
2015	(1,726)	1,408	(318)

Due to the Electric fund collecting utility bills for all funds, accounts receivable has been increased in the Electric fund with corresponding due to other funds, which the Water fund shows an increase in due from other funds.

For the year ended December 31, 2015, the Department implemented GASB Statement No. 68, *Accounting and Financial Reporting for Pensions – An Amendment of GASB Statement No. 27* and GASB Statement No. 71, *Pension Transition for Contributions Made Subsequent to the Measurement Date – An Amendment of GASB Statement No. 68*. As a result, beginning net position has been restated to reflect the related net pension liability and deferred outflows of resources as of January 1, 2015 as follows:

	<u>Water</u>	<u>Electric</u>	<u>Total</u>
Net Position January 1, 2015, as Previously Reported	\$ 12,828,221	\$ 27,955,946	\$ 40,784,167
Restatement for Pension Accounting:			
Net Pension Liability	(448,809)	(1,034,939)	(1,483,748)
Pension Related Deferred Outflows of Resources	18,256	42,096	60,352
Net Position January 1, 2015, as restated	<u>\$ 12,397,668</u>	<u>\$ 26,963,103</u>	<u>\$ 39,360,771</u>

Required Supplementary Section

Schedule of Department's Contribution
to PERA Retirement Fund

Schedule of Department's and Non-Employer
Proportionate Share of the Net Pension Liability

Schedule of Department's Contribution to PERA Retirement Fund**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

<u>Year Ended</u>	<u>Statutorily Required Contributions</u>	<u>Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Departments Covered Employee Payroll</u>	<u>Contributions as a % of Covered Employee Payroll</u>
2016	\$ 133,223	\$ 133,223	\$ -	\$ 1,776,307	7.50%
2015	\$ 132,145	\$ 132,145	\$ -	\$ 1,767,708	7.48%

The amounts presented for each fiscal year were determined as of the Department's year end which is December 31.

The Department implemented GASB Statement No. 68 for its year ended December 31, 2015. Information for prior years is not available.

Schedule of Department's and Non-Employer Proportionate Share of the Net Pension Liability

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

Year Ended	Department's Proportion of the Net Pension Liability (Asset)	Department's Proportionate Share of the Net Pension Liability (Asset)	Department's Covered-Employee Payroll	Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered-employee Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2016	0.0650%	\$ 2,333,368	\$ 1,777,905	131.2%	68.91%
2015	0.0660%	\$ 1,515,265	\$ 1,767,708	85.7%	78.19%

The amounts presented for each fiscal year were determined as of the measurement date of the Department's net pension liability which is June 30, of the previous fiscal year for PERA.

The Department implemented GASB Statement No. 68 for its year ended December 31, 2015. Information for prior years is not available.

Supplementary Section

Combining Statements of Net Position

Combining Statements of Revenues, Expenses and Changes in Net Position

Combining Statements of Cash Flows

**Combining Statements of Net Position
As of December 31, 2016**

(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	<u>WATER</u>	<u>ELECTRIC</u>	<u>2016</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,304,814	\$ 3,318,003	\$ 4,622,817
Investments	-	8,161,410	8,161,410
Restricted Cash and Cash Equivalents:			
Cash in Customer Deposits	-	136,750	136,750
Accounts Receivable	35,002	2,428,032	2,463,034
Allowance for Doubtful Accounts	-	(48,000)	(48,000)
Interest Receivable	-	21,273	21,273
Material Inventory	131,993	792,793	924,786
Prepaid Expenses	1,699	7,332	9,031
Interfund Receivable	-	2,747,181	2,747,181
Due from Other Funds	304,154	100,901	405,055
Due from Other Government Units	1,615	-	1,615
Total Current Assets	<u>1,779,277</u>	<u>17,665,675</u>	<u>19,444,952</u>
NONCURRENT ASSETS			
Capital Assets:			
Land	44,000	305,394	349,394
Buildings, Structures, Etc.	11,060,745	9,231,061	20,291,806
Distribution Systems	13,543,960	19,140,779	32,684,739
Meters	-	1,238,974	1,238,974
Machinery and Equipment	1,284,588	1,144,020	2,428,608
Automotive Equipment	47,162	790,394	837,556
Office Equipment	125,799	573,660	699,459
Construction in Progress	34,578	48,034	82,612
Total Capital Assets	26,140,832	32,472,316	58,613,148
Less Accumulated Depreciation	<u>(14,116,899)</u>	<u>(18,293,575)</u>	<u>(32,410,474)</u>
Total Capital Assets (Net)	12,023,933	14,178,741	26,202,674
Customer Acquisition Costs	83,668	268,106	351,774
Total Noncurrent Assets	<u>12,107,601</u>	<u>14,446,847</u>	<u>26,554,448</u>
TOTAL ASSETS	<u>\$ 13,886,878</u>	<u>\$ 32,112,522</u>	<u>\$ 45,999,400</u>
DEFERRED OUTFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	\$ 289,978	\$ 681,532	\$ 971,510
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 289,978</u>	<u>\$ 681,532</u>	<u>\$ 971,510</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 222,034	\$ 1,293,029	\$ 1,515,063
Retainage Payable	22,691	7,360	30,051
Accrued Payroll	28,813	73,085	101,898
Accrued Vacation	34,819	95,351	130,170
Accrued Sick Leave	13,000	32,000	45,000
Due to Other Government Units	2,796	52,036	54,832
Due to Other Funds	27,662	985,458	1,013,120
Customer Deposits	-	136,750	136,750
Total Current Liabilities	<u>351,815</u>	<u>2,675,069</u>	<u>3,026,884</u>
NONCURRENT LIABILITIES			
Compensated Absences Payable-Net	86,173	316,015	402,188
Net Pension Liability	701,637	1,631,731	2,333,368
Total Noncurrent Liabilities	<u>787,810</u>	<u>1,947,746</u>	<u>2,735,556</u>
TOTAL LIABILITIES	<u>\$ 1,139,625</u>	<u>\$ 4,622,815</u>	<u>\$ 5,762,440</u>
DEFERRED INFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	\$ 78,869	\$ 183,610	\$ 262,479
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 78,869</u>	<u>\$ 183,610</u>	<u>\$ 262,479</u>
NET POSITION			
Net Investment in Capital Assets	\$ 12,023,933	\$ 14,178,741	\$ 26,202,674
Unrestricted	<u>934,429</u>	<u>13,808,888</u>	<u>14,743,317</u>
TOTAL NET POSITION	<u>\$ 12,958,362</u>	<u>\$ 27,987,629</u>	<u>\$ 40,945,991</u>

**Combining Statements of Net Position
As of December 31, 2016**

(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$	5,863,429	\$ 3,664,237	\$ 3,804,501	\$ 3,986,950
	7,649,591	8,557,974	7,173,317	7,846,317
	118,655	87,950	83,800	78,150
	2,276,264	2,153,413	2,360,194	2,184,617
	(48,000)	(48,000)	(48,000)	(48,000)
	22,217	24,977	24,662	32,596
	896,612	881,373	902,857	1,060,589
	78,435	7,564	56,921	20,962
	1,988,774	1,012,259	1,008,600	1,079,414
	443,524	408,692	114,605	107,595
	1,615	807	807	807
	<u>19,291,116</u>	<u>16,751,246</u>	<u>15,482,264</u>	<u>16,349,997</u>
	349,394	349,394	349,394	349,394
	20,025,523	19,892,263	19,161,332	14,765,287
	31,554,259	30,317,662	29,129,389	28,431,073
	1,234,797	1,232,252	1,647,835	1,635,126
	2,369,644	2,347,290	2,590,235	2,580,644
	807,087	754,761	642,179	570,337
	699,459	699,459	679,373	671,349
	13,761	-	-	2,282,420
	57,053,924	55,593,081	54,199,737	51,285,630
	<u>(30,776,838)</u>	<u>(29,113,711)</u>	<u>(27,481,051)</u>	<u>(26,133,413)</u>
	26,277,086	26,479,370	26,718,686	25,152,217
	351,774	351,774	351,774	351,774
	<u>26,628,860</u>	<u>26,831,144</u>	<u>27,070,460</u>	<u>25,503,991</u>
\$	<u>45,919,976</u>	<u>43,582,390</u>	<u>42,552,724</u>	<u>41,853,988</u>
\$	208,309	\$ -	\$ -	\$ -
\$	<u>208,309</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	2,358,003	\$ 1,126,614	\$ 1,634,979	\$ 1,497,962
	5,545	6,838	-	-
	77,307	68,641	58,100	43,197
	108,561	108,780	95,288	95,765
	45,000	45,000	45,000	45,000
	48,997	46,025	48,827	54,717
	1,002,289	898,763	276,019	251,318
	118,655	87,950	83,800	78,150
	<u>3,764,357</u>	<u>2,388,611</u>	<u>2,242,013</u>	<u>2,066,109</u>
	366,427	409,612	385,968	368,662
	1,515,265	-	-	-
	<u>1,881,692</u>	<u>409,612</u>	<u>385,968</u>	<u>368,662</u>
\$	<u>5,646,049</u>	<u>2,798,223</u>	<u>2,627,981</u>	<u>2,434,771</u>
\$	159,114	\$ -	\$ -	\$ -
\$	<u>159,114</u>	<u>-</u>	<u>-</u>	<u>-</u>
\$	26,277,086	\$ 26,479,370	\$ 26,718,686	\$ 25,152,217
	14,046,036	14,304,797	13,206,057	14,267,000
\$	<u>40,323,122</u>	<u>40,784,167</u>	<u>39,924,743</u>	<u>39,419,217</u>

**Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2016**

(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	<u>WATER</u>	<u>ELECTRIC</u>	<u>2016</u>
OPERATING REVENUES			
Electric Sales	\$ -	\$ 13,953,243	\$ 13,953,243
Water Sales	2,486,708	-	2,486,708
Penalty Charges	-	92,577	92,577
Other Income	3,383	50,778	54,161
Total	<u>2,490,091</u>	<u>14,096,598</u>	<u>16,586,689</u>
OPERATING EXPENSES			
Cost of Sales and Services	1,430,828	10,698,354	12,129,182
Administration	320,542	712,705	1,033,247
Depreciation	646,300	1,040,835	1,687,135
Taxes and Tax Equivalents	-	1,194,587	1,194,587
Total	<u>2,397,670</u>	<u>13,646,481</u>	<u>16,044,151</u>
OPERATING INCOME (LOSS)	<u>92,421</u>	<u>450,117</u>	<u>542,538</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	-	195,192	195,192
Gain on Disposal of Assets	-	12,000	12,000
Interest Expenses	-	-	-
Total	<u>-</u>	<u>207,192</u>	<u>207,192</u>
INCOME BEFORE TRANSFERS	92,421	657,309	749,730
CAPITAL CONTRIBUTIONS	-	258,293	258,293
TRANSFERS IN	-	-	-
TRANSFERS OUT	<u>-</u>	<u>(385,154)</u>	<u>(385,154)</u>
CHANGE IN NET POSITION	<u>92,421</u>	<u>530,448</u>	<u>622,869</u>
NET POSITION - JANUARY 1	12,865,941	27,457,181	40,323,122
ADJUSTMENT FOR GASB 68 and 71 - SEE NOTE 16	-	-	-
ADJUSTMENT FOR UNBILLED REVENUE - SEE NOTE 16	-	-	-
NET POSITION - JANUARY 1, AS RESTATED	<u>12,865,941</u>	<u>27,457,181</u>	<u>40,323,122</u>
NET POSITION - DECEMBER 31	<u>\$ 12,958,362</u>	<u>\$ 27,987,629</u>	<u>\$ 40,945,991</u>

**Combining Statements of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2016**

(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
\$ 13,858,882	\$ 13,801,275	\$ 13,446,065	\$ 13,875,019
2,636,821	2,670,395	2,701,837	2,334,738
102,359	104,116	94,325	100,091
<u>76,503</u>	<u>118,406</u>	<u>111,619</u>	<u>92,644</u>
<u>16,674,565</u>	<u>16,694,192</u>	<u>16,353,846</u>	<u>16,402,492</u>
11,750,620	12,058,599	11,715,453	12,110,564
886,246	896,299	835,896	747,894
1,663,126	1,632,656	1,593,191	1,472,148
<u>1,203,368</u>	<u>1,218,637</u>	<u>1,190,529</u>	<u>1,219,013</u>
<u>15,503,360</u>	<u>15,806,191</u>	<u>15,335,069</u>	<u>15,549,619</u>
<u>1,171,205</u>	<u>888,001</u>	<u>1,018,777</u>	<u>852,873</u>
225,935	392,825	(218,396)	208,272
-	-	-	-
<u>-</u>	<u>-</u>	<u>(216)</u>	<u>(336)</u>
<u>225,935</u>	<u>392,825</u>	<u>(218,612)</u>	<u>207,936</u>
1,397,140	1,280,826	800,165	1,060,809
-	-	-	-
-	-	-	2,000,000
<u>(434,789)</u>	<u>(421,402)</u>	<u>(294,639)</u>	<u>(1,750,000)</u>
<u>962,351</u>	<u>859,424</u>	<u>505,526</u>	<u>1,310,809</u>
40,784,167	39,924,743	39,419,217	37,601,295
(1,423,396)	-	-	-
-	-	-	507,113
<u>39,360,771</u>	<u>39,924,743</u>	<u>39,419,217</u>	<u>38,108,408</u>
<u>\$ 40,323,122</u>	<u>\$ 40,784,167</u>	<u>\$ 39,924,743</u>	<u>\$ 39,419,217</u>

Combining Statements of Cash Flows
For the Year Ended December 31, 2016
(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	WATER	ELECTRIC	2016
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,396,542	\$ 13,347,691	\$ 15,744,233
Cash received from interfund activities	55,164	564,455	619,619
Cash paid to suppliers for goods and services	(469,784)	(10,651,456)	(11,121,240)
Cash paid for interfund activities	(317,746)	96,442	(221,304)
Cash paid to employees	(709,109)	(1,669,459)	(2,378,568)
Cash paid for taxes and tax equivalents	-	(1,191,548)	(1,191,548)
Other operating revenues (expenses)	3,383	50,778	54,161
Net cash provided (used) by operating activities	<u>958,450</u>	<u>546,903</u>	<u>1,505,353</u>
Cash flows from noncapital financing activities:			
Interfund receivable	(963)	(718,975)	(719,938)
Interfund payable	548	10,283	10,831
Operating transfers from other funds	-	-	-
Operating transfers to other funds	-	(385,154)	(385,154)
Net cash provided (used) by noncapital financing activities	<u>(415)</u>	<u>(1,093,846)</u>	<u>(1,094,261)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(673,154)	(656,772)	(1,329,926)
Proceeds from sale of capital assets	-	12,000	12,000
Interest and fiscal charges on bonds	-	-	-
Net cash (used) by capital and related financing activities	<u>(673,154)</u>	<u>(644,772)</u>	<u>(1,317,926)</u>
Cash flows from investing activities:			
Interest received on investments	-	196,136	196,136
Proceeds from sales and maturities of investments	-	4,616,000	4,616,000
Purchase of investments	-	(5,127,819)	(5,127,819)
Net cash provided (used) by investing activities	<u>-</u>	<u>(315,683)</u>	<u>(315,683)</u>
Net increase (decrease) in cash and cash equivalents	284,881	(1,507,398)	(1,222,517)
Cash and cash equivalents - January 1	<u>1,019,933</u>	<u>4,962,151</u>	<u>5,982,084</u>
Cash and cash equivalents - December 31	<u>\$ 1,304,814</u>	<u>\$ 3,454,753</u>	<u>\$ 4,759,567</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 92,421	\$ 450,117	\$ 542,538
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	646,300	1,040,835	1,687,135
Changes in assets and liabilities:			
Accounts receivable	(35,002)	(151,768)	(186,770)
Materials & supplies	(19,229)	(8,945)	(28,174)
Prepaid items	16,468	52,936	69,404
Due from other government units	-	-	-
Deferred pension outflows	(226,968)	(536,233)	(763,201)
Accounts payable	181,601	(1,024,539)	(842,938)
Accrued payroll	6,636	17,955	24,591
Accrued vacation	7,482	14,127	21,609
Accrued compensated absences	11,910	23,851	35,761
Due to other funds	-	-	-
Due to other government units	2,796	3,039	5,835
Net pension liability	243,295	574,808	818,103
Deferred pension inflows	30,740	72,625	103,365
Customer deposits	-	18,095	18,095
Net cash provided (used) by operating activities	<u>\$ 958,450</u>	<u>\$ 546,903</u>	<u>\$ 1,505,353</u>
Schedule of noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ -
Acquisition of Capital Assets through Capital Contributions	258,293	-	258,293
Cash and cash equivalents are shown on the balance sheet under the following captions:			
Cash and cash equivalents	1,304,814	3,318,003	4,622,817
Restricted assets	-	136,750	136,750
Cash and cash equivalents - December 31	<u>\$ 1,304,814</u>	<u>\$ 3,454,753</u>	<u>\$ 4,759,567</u>

**Combining Statements of Cash Flows
For the Year Ended December 31, 2016**

(With Comparative totals for December 31, 2015, 2014, 2013, 2012)

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

2015	2014	2013	2012
\$15,740,018	\$15,939,032	\$15,243,125	\$15,971,373
765,898	844,589	829,177	707,455
(8,927,969)	(11,521,248)	(10,109,846)	(10,675,431)
(224,570)	(51,645)	(91,113)	(208,680)
(2,331,915)	(1,768,752)	(2,065,762)	(2,031,224)
(1,200,396)	(1,221,439)	(1,190,529)	(1,219,013)
76,500	118,405	111,619	92,644
<u>3,897,566</u>	<u>2,338,942</u>	<u>2,726,671</u>	<u>2,637,124</u>
(1,011,347)	(297,746)	63,804	102,927
103,526	622,744	24,701	-
-	-	-	2,000,000
(434,789)	(421,402)	(294,639)	(1,750,000)
<u>(1,342,610)</u>	<u>(96,404)</u>	<u>(206,134)</u>	<u>352,927</u>
(1,462,136)	(1,386,505)	(3,159,659)	(3,142,916)
-	-	-	-
-	-	(215)	(337)
<u>(1,462,136)</u>	<u>(1,386,505)</u>	<u>(3,159,874)</u>	<u>(3,143,253)</u>
228,695	392,510	127,171	230,580
1,396,000	192,000	3,576,367	1,692,000
(487,618)	(1,576,657)	(3,241,000)	(528,858)
<u>1,137,077</u>	<u>(992,147)</u>	<u>462,538</u>	<u>1,393,722</u>
2,229,897	(136,114)	(176,799)	1,240,520
<u>3,752,187</u>	<u>3,888,301</u>	<u>4,065,100</u>	<u>2,824,580</u>
<u>\$ 5,982,084</u>	<u>\$ 3,752,187</u>	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>
\$ 1,171,205	\$ 888,001	\$ 1,018,777	\$ 852,873
1,663,126	1,632,656	1,593,191	1,472,148
(122,851)	206,775	(175,577)	370,680
(15,239)	21,484	157,732	(127,182)
(70,873)	49,357	(35,959)	40,081
(808)	-	-	(807)
(147,957)	-	-	-
1,231,393	(508,356)	137,009	221,733
8,666	10,541	14,903	3,895
(219)	13,492	(471)	6,980
(43,185)	23,644	17,306	3,517
-	-	-	(207,873)
2,972	(2,802)	(5,890)	2,779
31,517	-	-	-
159,114	-	-	-
30,705	4,150	5,650	(1,700)
<u>\$ 3,897,566</u>	<u>\$ 2,338,942</u>	<u>\$ 2,726,671</u>	<u>\$ 2,637,124</u>
\$ -	\$ (337,633)	\$ 6,436	\$ 6,436
-	-	-	-
5,863,429	3,664,237	3,804,501	3,986,950
118,655	87,950	83,800	78,150
<u>\$ 5,982,084</u>	<u>\$ 3,752,187</u>	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>

Water Fund

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

Statistics

Details of Revenues, Expenses, and Object Codes

Statements of Net Position – Water Fund
As of December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2016	2015	2014	2013	2012
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,304,814	\$ 1,019,933	\$ 754,144	\$ 703,007	\$ 39,647
Accounts Receivable	35,002	-	-	-	-
Materials & Supplies	131,993	112,764	96,619	101,534	128,154
Prepaid Expenses	1,699	18,167	849	1,718	16,328
Due from Other Funds	304,154	303,191	272,642	114,605	107,595
Due from Other Government Units	1,615	1,615	807	807	807
Total Current Assets	<u>1,779,277</u>	<u>1,455,670</u>	<u>1,125,061</u>	<u>921,671</u>	<u>292,531</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	44,000	44,000	44,000	44,000	44,000
Buildings, Structures, Etc.	11,060,745	10,794,462	10,661,202	9,930,271	7,569,447
Distribution Systems	13,543,960	13,174,059	12,533,305	11,841,706	11,527,731
Meters	-	-	-	419,737	414,841
Machinery and Equipment	1,284,588	1,262,496	1,240,142	1,483,087	1,473,496
Automotive Equipment	47,162	47,162	47,162	111,690	111,690
Office Equipment	125,799	125,799	125,799	125,799	117,775
Construction in Progress	34,578	13,761	-	-	2,164,186
Total Capital Assets	26,140,832	25,461,739	24,651,610	23,956,290	23,423,166
Less Accumulated Depreciation	<u>(14,116,899)</u>	<u>(13,487,349)</u>	<u>(12,848,279)</u>	<u>(12,218,421)</u>	<u>(11,667,604)</u>
Total Capital Assets (Net)	12,023,933	11,974,390	11,803,331	11,737,869	11,755,562
Customer Acquisition Costs	83,668	83,668	83,668	83,668	83,668
Total Noncurrent Assets	<u>12,107,601</u>	<u>12,058,058</u>	<u>11,886,999</u>	<u>11,821,537</u>	<u>11,839,230</u>
TOTAL ASSETS	<u>\$ 13,886,878</u>	<u>\$ 13,513,728</u>	<u>\$ 13,012,060</u>	<u>\$ 12,743,208</u>	<u>\$ 12,131,761</u>
DEFERRED OUTFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	\$ 289,978	\$ 63,010	\$ -	\$ -	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>\$ 289,978</u>	<u>\$ 63,010</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 222,034	\$ 40,435	\$ 24,792	\$ 181,840	\$ 136,743
Retainage Payable	22,691	-	3,748	-	-
Accrued Payroll	28,813	22,177	18,886	17,590	13,135
Accrued Vacation	34,819	27,337	25,377	26,374	25,851
Due to Other Governmental Units	2,796	-	-	-	-
Due To Other Funds	27,662	27,114	25,962	-	-
Compensated Absences Payable-Current	13,000	13,000	13,000	13,000	13,000
Deferred Pension Outflows	-	-	-	-	-
Total Current Liabilities	<u>351,815</u>	<u>130,063</u>	<u>111,765</u>	<u>238,804</u>	<u>188,729</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	86,173	74,263	72,074	68,179	62,152
Net Pension Liability	701,637	458,342	-	-	-
Total Noncurrent Liabilities	<u>787,810</u>	<u>532,605</u>	<u>72,074</u>	<u>68,179</u>	<u>62,152</u>
TOTAL LIABILITIES	<u>\$ 1,139,625</u>	<u>\$ 662,668</u>	<u>\$ 183,839</u>	<u>\$ 306,983</u>	<u>\$ 250,881</u>
DEFERRED INFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	\$ 78,869	\$ 48,129	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>\$ 78,869</u>	<u>\$ 48,129</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
NET POSITION					
Net Investment in Capital Assets	\$ 12,023,933	\$ 11,974,390	\$ 11,803,331	\$ 11,737,869	\$ 11,755,562
Unrestricted	934,429	891,551	1,024,890	698,356	125,318
TOTAL NET POSITION	<u>\$ 12,958,362</u>	<u>\$ 12,865,941</u>	<u>\$ 12,828,221</u>	<u>\$ 12,436,225</u>	<u>\$ 11,880,880</u>

**Statements of Revenues, Expenses, and
Changes in Net Position – Water Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>
OPERATING REVENUES					
Water Sales	\$ 2,486,708	\$ 2,636,821	\$ 2,670,395	\$ 2,701,837	\$ 2,334,738
Other Income	3,383	8,259	12,089	5,813	3,394
Total	<u>2,490,091</u>	<u>2,645,080</u>	<u>2,682,484</u>	<u>2,707,650</u>	<u>2,338,132</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,430,828	1,260,850	1,393,209	1,357,422	1,543,771
Administration	320,542	276,888	267,424	244,065	245,746
Depreciation	646,300	639,069	629,855	550,818	553,691
Total	<u>2,397,670</u>	<u>2,176,807</u>	<u>2,290,488</u>	<u>2,152,305</u>	<u>2,343,208</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	92,421	468,273	391,996	555,345	(5,076)
TRANSFERS IN	-	-	-	-	2,000,000
CHANGE IN NET POSITION	<u>92,421</u>	<u>468,273</u>	<u>391,996</u>	<u>555,345</u>	<u>1,994,924</u>
NET POSITION - JANUARY 1	12,865,941	12,828,221	12,436,225	11,880,880	9,778,361
ADJUSTMENT FOR GASB 68 and 71 - SEE NOTE 16	-	(430,553)	-	-	-
ADJUSTMENT TO UNBILLED REVENUE - SEE NOTE 17	-	-	-	-	107,595
NET POSITION - JANUARY 1, AS RESTATED	<u>12,865,941</u>	<u>12,397,668</u>	<u>12,436,225</u>	<u>11,880,880</u>	<u>9,885,956</u>
NET POSITION - DECEMBER 31	<u>\$ 12,958,362</u>	<u>\$ 12,865,941</u>	<u>\$ 12,828,221</u>	<u>\$ 12,436,225</u>	<u>\$ 11,880,880</u>

**Statements of Cash Flows – Water Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2016	2015	2014	2013	2012
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,396,542	\$ 2,592,282	\$ 2,623,590	\$ 2,643,749	\$ 2,277,334
Cash received from interfund activities	55,164	44,539	46,805	58,089	57,404
Cash paid to suppliers for goods and services	(469,784)	(584,233)	(866,465)	(603,517)	(942,363)
Cash paid for interfund activities	(317,746)	(277,695)	(281,295)	(258,201)	(469,985)
Cash paid to employees	(709,109)	(674,085)	(659,939)	(642,439)	(632,206)
Other operating revenues (expenses)	3,383	8,255	12,088	5,813	3,394
Net cash provided (used) by operating activities	<u>958,450</u>	<u>1,109,063</u>	<u>874,784</u>	<u>1,203,494</u>	<u>293,578</u>
Cash flows from noncapital financing activities:					
Interfund receivable	(963)	(30,549)	(158,037)	(7,010)	-
Interfund payable	548	1,152	25,962	-	-
Transfers from other funds	-	-	-	-	2,000,000
Net cash provided (used) by noncapital financing activities	<u>(415)</u>	<u>(29,397)</u>	<u>(132,075)</u>	<u>(7,010)</u>	<u>2,000,000</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(673,154)	(813,877)	(691,572)	(533,124)	(2,253,931)
Net cash (used) by capital and related financing activities	<u>(673,154)</u>	<u>(813,877)</u>	<u>(691,572)</u>	<u>(533,124)</u>	<u>(2,253,931)</u>
Net increase (decrease) in cash and cash equivalents	284,881	265,789	51,137	663,360	39,647
Cash and cash equivalents - January 1	1,019,933	754,144	703,007	39,647	-
Cash and cash equivalents - December 31	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>	<u>\$ 754,144</u>	<u>\$ 703,007</u>	<u>\$ 39,647</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 92,421	\$ 468,273	\$ 391,996	\$ 555,345	\$ (5,076)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	646,300	639,069	629,855	550,818	553,691
Changes in assets and liabilities:					
Materials & supplies	(19,229)	(16,145)	4,915	26,620	34,303
Accounts Receivable	(35,002)	-	-	-	-
Prepaid items	16,468	(17,319)	869	14,610	(1,976)
Due from other government units	-	(808)	-	-	(807)
Deferred pension outflows	(226,968)	(44,754)	-	-	-
Accounts payable	181,601	15,645	(157,045)	45,096	(90,449)
Accrued payroll	6,636	3,291	1,296	4,455	2,308
Accrued vacation	7,482	1,960	(997)	523	5,318
Accrued compensated absences	11,910	2,189	3,895	6,027	4,139
Due to other funds	-	-	-	-	(207,873)
Due to other government units	2,796	-	-	-	-
Net pension liability	243,295	9,533	-	-	-
Deferred pension inflows	30,740	48,129	-	-	-
Net cash provided (used) by operating activities	<u>\$ 958,450</u>	<u>\$ 1,109,063</u>	<u>\$ 874,784</u>	<u>\$ 1,203,494</u>	<u>\$ 293,578</u>
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	\$ 1,304,814	\$ 1,019,933	\$ 754,144	\$ 703,007	\$ 39,647
Restricted assets	-	-	-	-	-
Cash and cash equivalents - December 31	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>	<u>\$ 754,144</u>	<u>\$ 703,007</u>	<u>\$ 39,647</u>

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

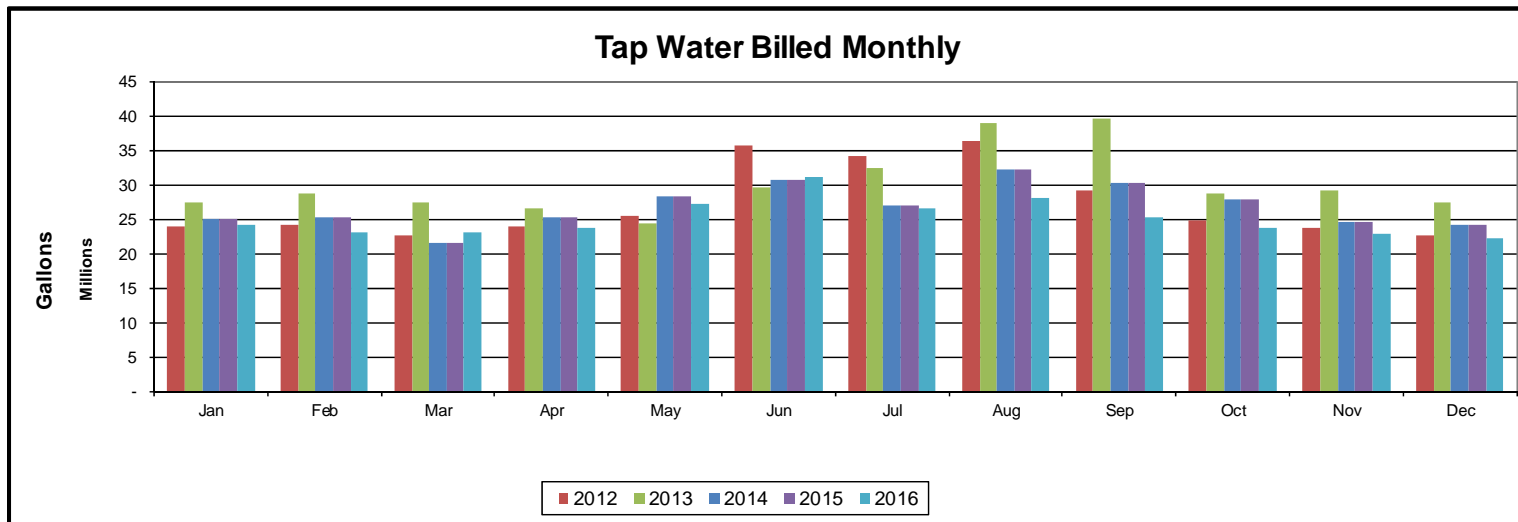
CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2016			2015			2014			2013			2012		
	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand
Water Division Sales															
Residential	113,587,300	\$750,597	\$6.608	119,495,000	\$788,243	\$6.596	118,738,400	\$769,379	\$6.557	111,370,722	\$817,867	\$7.281	113,116,106	\$673,495	\$5.954
Apartment	49,067,000	322,245	\$6.567	49,251,000	319,223	\$6.482	48,121,000	309,552	\$6.433	51,686,000	328,090	\$6.348	49,977,000	303,649	\$6.076
Sprinkling										18,286,678			19,384,594	111,377	\$5.746
Commercial	137,706,100	1,039,433	\$7.548	153,065,600	1,157,168	\$7.560	170,528,300	1,223,723	\$7.176	178,844,500	1,212,036	\$6.777	143,772,900	946,137	\$6.581
Customer Charge - Residential		265,071			263,232			261,587			243,302			207,266	
Apartment		23,407			23,237			22,584			20,494			19,006	
Commercial		85,952			85,718			83,570			80,047			73,808	
Total	300,360,400	\$2,486,705	\$8.279	321,811,600	\$2,636,821	\$8.194	337,387,700	\$2,670,395	\$7.942	360,187,900	\$2,701,836	\$7.482	326,250,600	\$2,334,738	\$7.156
Other Operating Revenue															
Remote Connections & Other		\$ 3,384			\$ 8,259			\$ 12,088			\$ 5,813			\$ 3,394	
Total		3,384			8,259			12,088			5,813			3,394	
Total Operating Revenue		\$ 2,490,089			\$ 2,645,080			\$ 2,682,483			\$ 2,707,649			\$ 2,338,132	
Percent of Operating Revenues															
		Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent
Operating Revenues	\$	2,490,089	100.0%	\$	2,645,080	100.0%	\$	2,682,483	100.0%	\$	2,707,649	100.0%	\$	2,338,132	100.0%
Treatment Cost		1,086,771	43.6%		1,082,257	40.9%		1,184,609	44.0%		1,062,080	39.3%		987,811	42.2%
Treatment Cost Margin		1,403,318	56.4%		1,562,823	59.1%		1,497,874	56.0%		1,645,569	60.7%		1,350,321	57.8%
Distribution Cost		990,356	39.8%		688,972	26.0%		697,060	25.9%		727,118	26.9%		946,105	40.5%
Gross Margin		412,962	16.6%		873,851	33.1%		800,814	30.1%		918,451	33.7%		404,216	17.3%
Administrative and Customer Cost		320,542	12.9%		405,578	15.3%		408,818	15.2%		363,106	13.4%		409,292	17.5%
Operating Income (Loss)		\$92,420	3.7%		\$468,273	17.8%		\$391,996	14.9%		\$555,345	20.3%		(\$5,076)	-0.2%

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,548,400	8,896,100	8,298,600	9,019,600	9,715,100	11,026,300	10,629,300	10,144,500	9,663,300	8,865,400	8,946,100	8,834,600	113,587,300
Apartment	4,084,000	4,205,000	3,893,000	4,159,000	3,979,000	4,198,000	4,056,000	4,101,000	4,116,000	4,080,000	4,201,000	3,995,000	49,067,000
Sprinkling	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	10,416,400	10,003,500	10,929,400	10,437,600	13,437,400	15,789,200	11,769,200	13,764,900	11,437,700	10,668,100	9,604,700	9,448,000	137,706,100
Total	24,048,800	23,104,600	23,121,000	23,616,200	27,131,500	31,013,500	26,454,500	28,010,400	25,217,000	23,613,500	22,751,800	22,277,600	300,360,400
2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,853,000	9,055,900	8,161,300	9,171,800	9,898,200	10,713,300	11,171,500	12,022,300	11,726,600	9,626,400	9,108,900	8,985,800	119,495,000
Apartment	4,037,000	4,240,000	3,901,000	4,037,000	3,894,000	4,075,000	4,125,000	4,352,000	4,320,000	3,995,000	4,250,000	4,025,000	49,251,000
Sprinkling	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	11,104,900	12,008,800	9,484,700	12,071,200	14,451,600	15,825,800	11,614,300	15,891,600	14,136,900	14,147,000	11,126,900	11,201,900	153,065,600
Total	24,994,900	25,304,700	21,547,000	25,280,000	28,243,800	30,614,100	26,910,800	32,265,900	30,183,500	27,768,400	24,485,800	24,212,700	321,811,600
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,812,700	9,280,800	8,275,200	9,346,200	9,238,300	10,698,400	10,517,700	12,807,400	10,947,000	9,456,300	9,179,400	9,179,000	118,738,400
Apartment	4,008,000	4,086,000	3,705,000	4,140,000	3,998,000	4,122,000	3,985,000	4,088,000	4,100,000	3,849,000	3,923,000	4,117,000	48,121,000
Sprinkling	-	-	-	-	-	-	-	-	-	-	-	-	-
Commercial	14,581,400	12,238,600	11,807,800	12,880,700	11,929,200	16,622,300	11,498,700	19,240,300	17,455,500	17,251,100	12,702,300	12,320,400	170,528,300
Total	28,402,100	25,605,400	23,788,000	26,366,900	25,165,500	31,442,700	26,001,400	36,135,700	32,502,500	30,556,400	25,804,700	25,616,400	337,387,700
2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	10,106,100	9,505,500	8,437,900	9,503,100	5,896,354	7,008,963	9,674,014	11,526,184	10,774,407	10,168,400	9,512,400	9,257,400	111,370,722
Apartment	4,343,000	4,475,000	3,921,000	4,418,000	4,594,000	4,821,000	4,380,000	4,710,000	4,478,000	3,959,000	3,903,000	3,684,000	51,686,000
Sprinkling	-	-	-	-	3,639,546	3,646,837	3,655,586	3,678,916	3,665,793	-	-	-	18,286,678
Commercial	12,991,200	14,821,700	14,967,900	12,562,100	10,113,600	14,176,800	14,589,300	18,935,900	20,752,700	14,627,700	15,801,300	14,504,300	178,844,500
Total	27,440,300	28,802,200	27,326,800	26,483,200	24,243,500	29,653,600	32,298,900	38,851,000	39,670,900	28,755,100	29,216,700	27,445,700	360,187,900
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,960,400	9,435,500	8,741,300	9,605,800	8,158,694	9,229,330	9,306,983	9,919,965	8,687,234	10,926,700	9,755,000	9,389,200	113,116,106
Apartment	4,132,000	4,219,000	3,665,000	3,875,000	3,567,000	4,225,000	4,249,000	4,696,000	4,610,000	4,121,000	4,294,000	4,324,000	49,977,000
Sprinkling	-	-	-	-	2,272,506	3,994,270	4,412,117	5,404,735	3,300,966	-	-	-	19,384,594
Commercial	9,766,500	10,448,600	10,136,100	10,475,600	11,335,000	18,179,000	16,153,600	16,370,500	12,600,100	9,758,900	9,560,100	8,988,900	143,772,900
Total	23,858,900	24,103,100	22,542,400	23,956,400	25,333,200	35,627,600	34,121,700	36,391,200	29,198,300	24,806,600	23,609,100	22,702,100	326,250,600



Residential - Meters

Month	2016	2015	2014	2013	2012
January	2,555	2,540	2,517	2,484	2,473
February	2,553	2,544	2,516	2,486	2,476
March	2,554	2,539	2,519	2,496	2,471
April	2,557	2,539	2,525	2,497	2,474
May	2,559	2,543	2,529	2,496	2,476
June	2,563	2,550	2,536	2,501	2,481
July	2,560	2,555	2,533	2,507	2,490
August	2,575	2,549	2,535	2,523	2,489
September	2,571	2,556	2,538	2,514	2,490
October	2,565	2,549	2,540	2,521	2,486
November	2,566	2,556	2,548	2,516	2,484
December	2,570	2,549	2,540	2,516	2,485
Average	2,562	2,547	2,531	2,505	2,481

Apartment - Meters

Month	2016	2015	2014	2013	2012
January	75	75	74	76	76
February	75	75	74	76	76
March	75	75	74	76	76
April	75	75	74	76	76
May	75	75	74	77	76
June	75	75	74	74	76
July	75	75	74	73	76
August	75	75	74	74	78
September	75	75	75	74	76
October	75	75	75	74	76
November	75	75	75	75	76
December	75	75	75	74	76
Average	75	75	74	75	76

Commercial - Meters

Month	2016	2015	2014	2013	2012
January	260	255	254	256	254
February	260	255	251	256	254
March	261	256	252	256	254
April	263	261	252	257	256
May	268	266	258	262	259
June	278	273	270	270	269
July	276	278	270	277	272
August	275	276	272	275	275
September	276	277	273	273	271
October	277	272	268	268	268
November	264	262	260	257	257
December	263	260	254	258	258
Average	268	266	261	264	262

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2016								
January	28,550,000	26,541,000	599,320	19,520	25,922,160	24,048,800	1,873,360	7.2%
February	25,996,000	26,089,000	2,297,080	9,000	23,782,920	23,104,600	678,320	2.9%
March	27,893,000	28,662,000	2,862,800	7,280	25,791,920	23,121,000	2,670,920	10.4%
April	27,003,000	28,127,000	2,721,920	3,520	25,401,560	23,616,200	1,785,360	7.0%
May	35,214,000	34,890,000	2,078,120	6,280	32,805,600	27,131,500	5,674,100	17.3%
June	34,426,000	32,924,000	1,179,200	12,600	31,732,200	31,013,500	718,700	2.3%
July	32,192,000	30,959,000	1,212,360	44,520	29,702,120	26,454,500	3,247,620	10.9%
August	33,913,000	32,294,000	1,179,640	43,240	31,071,120	28,010,400	3,060,720	9.9%
September	29,723,000	27,838,000	1,125,040	3,440	26,709,520	25,217,000	1,492,520	5.6%
October	29,044,000	27,026,000	1,132,000	1,000	25,893,000	23,613,500	2,279,500	8.8%
November	27,794,000	25,093,000	982,280	8,120	24,102,600	22,751,800	1,350,800	5.6%
December	29,754,000	26,395,000	753,000	6,240	25,635,760	22,277,600	3,358,160	13.1%
1st Quarter	82,439,000	81,292,000	5,759,200	35,800	75,497,000	70,274,400	5,222,600	6.9%
2nd Quarter	96,643,000	95,941,000	5,979,240	22,400	89,939,360	81,761,200	8,178,160	9.1%
3rd Quarter	95,828,000	91,091,000	3,517,040	91,200	87,482,760	79,681,900	7,800,860	8.9%
4th Quarter	86,592,000	78,514,000	2,867,280	15,360	75,631,360	68,642,900	6,988,460	9.2%
Total	361,502,000	346,838,000	18,122,760	164,760	328,550,480	300,360,400	28,190,080	8.6%
2015								
January	31,153,000	29,433,000	2,108,720	1,280	27,323,000	24,994,900	2,328,100	8.5%
February	27,755,000	28,082,000	2,625,640	1,360	25,455,000	25,304,700	150,300	0.6%
March	29,511,000	28,706,000	1,912,160	1,160	26,792,680	21,547,000	5,245,680	19.6%
April	29,036,000	27,830,000	977,000	1,200	26,851,800	25,280,000	1,571,800	5.9%
May	35,567,000	33,850,000	1,167,600	2,120	32,680,280	28,243,800	4,436,480	13.6%
June	35,229,000	33,452,000	1,253,320	32,240	32,166,440	30,614,100	1,552,340	4.8%
July	34,071,000	31,939,000	1,371,440	60,720	30,506,840	26,910,800	3,596,040	11.8%
August	39,517,000	37,207,000	1,347,200	32,320	35,827,480	32,265,900	3,561,580	9.9%
September	33,438,000	31,480,000	1,230,440	12,080	30,237,480	30,183,500	53,980	0.2%
October	32,346,000	30,292,000	1,127,880	55,120	29,109,000	27,768,400	1,340,600	4.6%
November	28,373,000	26,484,000	1,082,480	1,800	25,399,720	24,485,800	913,920	3.6%
December	29,353,000	27,680,000	1,062,080	1,200	26,616,720	24,222,700	2,394,020	9.0%
1st Quarter	88,419,000	86,221,000	6,646,520	3,800	79,570,680	71,846,600	7,724,080	9.7%
2nd Quarter	99,832,000	95,132,000	3,397,920	35,560	91,698,520	84,137,900	7,560,620	8.2%
3rd Quarter	107,026,000	100,626,000	3,949,080	105,120	96,571,800	89,360,200	7,211,600	7.5%
4th Quarter	90,072,000	84,456,000	3,272,440	58,120	81,125,440	76,476,900	4,648,540	5.7%
Total	385,349,000	366,435,000	17,265,960	202,600	348,966,440	321,821,600	27,144,840	7.8%
2014								
January	32,152,000	30,780,000	1,005,320	1,520	29,773,160	28,402,100	1,371,060	4.6%
February	27,751,000	27,804,000	1,637,480	5,520	26,161,000	25,605,400	555,600	2.1%
March	32,523,000	31,113,000	982,840	1,360	30,128,800	23,788,000	6,340,800	21.0%
April	29,131,000	28,533,000	988,320	1,480	27,543,200	26,366,900	1,176,300	4.3%
May	33,418,000	33,155,000	1,187,960	8,360	31,958,680	25,165,500	6,793,180	21.3%
June	34,374,000	33,227,000	1,169,320	29,840	32,027,840	31,442,700	585,140	1.8%
July	35,827,000	34,238,000	1,162,760	41,360	33,033,880	26,001,400	7,032,480	21.3%
August	41,882,000	39,522,000	1,246,000	49,200	38,226,800	36,135,700	2,091,100	5.5%
September	32,086,000	30,468,000	1,097,960	3,440	29,366,600	32,502,500	(3,135,900)	-10.7%
October	32,333,000	30,631,000	1,172,960	1,360	29,456,680	30,556,400	(1,099,720)	-3.7%
November	31,665,000	29,100,000	1,051,240	1,440	28,047,320	25,804,700	2,242,620	8.0%
December	33,369,000	29,388,000	1,061,560	1,840	28,324,600	25,616,400	2,708,200	9.6%
1st Quarter	92,426,000	89,697,000	3,625,640	8,400	86,062,960	77,795,500	8,267,460	9.6%
2nd Quarter	96,923,000	94,915,000	3,345,600	39,680	91,529,720	82,975,100	8,554,620	9.3%
3rd Quarter	109,795,000	104,228,000	3,506,720	94,000	100,627,280	94,639,600	5,987,680	6.0%
4th Quarter	97,367,000	89,119,000	3,285,760	4,640	85,828,600	81,977,500	3,851,100	4.5%
Total	396,511,000	377,959,000	13,763,720	146,720	364,048,560	337,387,700	26,660,860	7.3%

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2013								
January	31,174,000	29,536,000	967,280	62,600	28,506,120	27,440,300	1,065,820	3.7%
February	33,010,000	30,932,000	685,040	66,400	30,180,560	28,802,200	1,378,360	4.6%
March	31,716,000	30,730,000	816,200	62,880	29,850,920	27,326,800	2,524,120	8.5%
April	29,009,000	28,860,000	1,102,160	7,320	27,750,520	26,483,200	1,267,320	4.6%
May	29,422,000	28,972,000	977,480	4,080	27,990,440	24,243,500	3,746,940	13.4%
June	36,308,000	34,607,000	1,079,400	84,760	33,442,840	29,653,600	3,789,240	11.3%
July	41,315,000	39,138,000	1,188,840	127,320	37,821,840	32,298,900	5,522,940	14.6%
August	47,986,000	46,803,000	3,129,400	129,160	43,544,440	38,851,000	4,693,440	10.8%
September	37,735,000	38,938,000	3,108,120	59,240	35,770,640	39,670,900	(3,900,260)	-10.9%
October	33,921,000	34,800,000	3,303,320	1,560	31,495,120	28,755,100	2,740,020	8.7%
November	31,975,000	31,328,000	1,802,920	1,440	29,523,640	29,216,700	306,940	1.0%
December	34,437,000	32,698,000	1,119,720	2,080	31,576,200	24,445,700	7,130,500	22.6%
1st Quarter	95,900,000	91,198,000	2,468,520	191,880	88,537,600	83,569,300	4,968,300	5.6%
2nd Quarter	94,739,000	92,439,000	3,159,040	96,160	89,183,800	80,380,300	8,803,500	9.9%
3rd Quarter	127,036,000	124,879,000	7,426,360	315,720	117,136,920	110,820,800	6,316,120	5.4%
4th Quarter	100,333,000	98,826,000	6,225,960	5,080	92,594,960	82,417,500	10,177,460	11.0%
Total	418,008,000	407,342,000	19,279,880	608,840	387,453,280	357,187,900	30,265,380	7.8%
2012								
January	28,088,000	30,062,000	1,924,320	11,600	28,126,080	23,858,900	4,267,180	15.2%
February	27,708,000	26,191,000	929,000	1,640	25,260,360	24,103,100	1,157,260	4.6%
March	27,260,000	28,153,000	2,502,160	1,640	25,649,200	22,542,400	3,106,800	12.1%
April	28,894,000	28,049,000	1,914,680	3,360	26,130,960	23,956,400	2,174,560	8.3%
May	36,834,000	36,176,000	2,538,400	4,800	33,632,800	25,333,200	8,299,600	24.7%
June	40,689,000	39,373,000	1,543,960	32,960	37,796,080	35,627,600	2,168,480	5.7%
July	43,808,000	41,853,000	2,400,760	63,840	39,388,400	34,121,700	5,266,700	13.4%
August	41,198,000	38,818,000	2,702,840	14,600	36,100,560	36,391,200	(290,640)	-0.8%
September	32,950,000	31,196,000	1,466,840	2,440	29,726,720	29,198,300	528,420	1.8%
October	28,734,000	28,018,000	2,658,240	1,840	25,357,920	24,806,600	551,320	2.2%
November	26,114,000	26,329,000	2,274,440	22,160	24,032,400	23,609,100	423,300	1.8%
December	30,465,000	29,326,000	1,099,800	72,040	28,154,160	22,702,100	5,452,060	19.4%
1st Quarter	83,056,000	84,406,000	5,355,480	14,880	79,035,640	70,504,400	8,531,240	10.8%
2nd Quarter	106,417,000	103,598,000	5,997,040	41,120	97,559,840	84,917,200	12,642,640	13.0%
3rd Quarter	117,956,000	111,867,000	6,570,440	80,880	105,215,680	99,711,200	5,504,480	5.2%
4th Quarter	85,313,000	83,673,000	6,032,480	96,040	77,544,480	71,117,800	6,426,680	8.3%
Total	392,742,000	383,544,000	23,955,440	232,920	359,355,640	326,250,600	33,105,040	9.2%

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Raw Water	2016			2015			2014			2013			2012		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,230,000	615,000	920,968	1,275,000	643,000	1,004,935	1,430,000	465,000	1,037,161	1,307,000	438,000	1,005,613	1,610,000	605,000	906,065
February	1,153,000	564,000	896,414	1,285,000	605,000	991,250	1,427,000	505,000	991,107	2,259,000	745,000	1,178,929	1,207,000	750,000	955,448
March	1,341,000	575,000	899,774	1,247,000	664,000	951,968	1,734,000	651,000	1,049,129	1,471,000	814,000	1,023,097	1,255,000	532,000	879,355
April	1,168,000	666,000	900,100	1,265,000	572,000	967,867	1,262,000	731,000	971,033	1,227,000	606,000	966,967	1,352,000	586,000	963,133
May	1,828,000	671,000	1,135,935	1,757,000	657,000	1,147,323	2,079,000	713,000	1,078,000	1,488,000	414,000	949,097	1,738,000	745,000	1,188,194
June	1,881,000	429,000	1,147,533	1,430,000	814,000	1,174,300	1,518,000	779,000	1,145,800	2,377,000	568,000	1,210,267	2,303,000	918,000	1,356,300
July	1,500,000	613,000	1,038,452	1,426,000	514,000	1,099,065	1,714,000	631,000	1,155,710	1,904,000	392,000	1,332,742	2,105,000	821,000	1,414,000
August	1,627,000	714,000	1,093,968	1,877,000	508,000	1,274,742	1,943,000	525,000	1,351,032	2,088,000	970,000	1,547,935	1,972,000	785,000	1,328,968
September	1,215,000	651,000	990,767	1,399,000	730,000	1,114,600	1,347,000	757,000	1,069,533	1,983,000	674,000	1,257,833	1,728,000	476,000	1,098,333
October	1,217,000	590,000	936,903	1,409,000	685,000	1,043,419	1,430,000	701,000	1,043,000	1,450,000	426,000	1,094,226	1,400,000	516,000	926,903
November	1,157,000	541,000	926,467	1,242,000	714,000	945,767	1,355,000	469,000	1,055,500	1,447,000	637,000	1,065,833	1,118,000	553,000	870,467
December	1,246,000	540,000	959,806	1,169,000	611,000	946,871	1,287,000	778,000	1,076,419	1,609,000	779,000	1,110,871	1,407,000	461,000	982,742
Tap Water	2016			2015			2014			2013			2012		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,091,000	581,000	856,161	1,257,000	585,000	949,452	1,426,000	273,000	992,903	1,220,000	468,000	952,774	1,433,000	639,000	886,290
February	1,276,000	362,000	899,621	1,326,000	667,000	1,002,893	1,330,000	426,000	993,000	2,079,000	714,000	1,104,714	1,140,000	729,000	903,138
March	1,133,000	804,000	934,714	1,255,000	625,000	927,767	1,736,000	560,000	1,010,333	1,474,000	655,000	991,290	1,185,000	573,000	908,161
April	1,230,000	590,000	937,567	1,305,000	575,000	927,667	1,234,000	644,000	951,100	1,286,000	642,000	962,000	1,303,000	585,000	934,967
May	1,639,000	713,000	1,125,484	1,446,000	660,000	1,091,935	1,891,000	749,000	1,069,516	1,556,000	458,000	934,581	1,618,000	749,000	1,166,968
June	2,051,000	401,000	1,097,000	1,469,000	789,000	1,115,067	1,508,000	763,000	1,107,567	2,110,000	676,000	1,153,567	2,207,000	676,000	1,312,433
July	1,617,000	599,000	998,677	1,396,000	514,000	1,030,290	1,713,000	595,000	1,104,452	1,763,000	432,000	1,262,516	2,041,000	760,000	1,350,097
August	1,456,000	562,000	1,041,742	1,810,000	465,000	1,200,226	1,861,000	447,000	1,274,903	2,049,000	892,000	1,509,774	1,951,000	820,000	1,252,194
September	1,155,000	661,000	927,933	1,364,000	557,000	1,049,333	1,328,000	461,000	1,015,600	1,956,000	773,000	1,297,933	1,518,000	492,000	1,039,867
October	1,244,000	482,000	871,806	1,301,000	546,000	977,161	1,456,000	736,000	988,097	1,504,000	605,000	1,122,581	1,277,000	511,000	903,806
November	1,119,000	521,000	836,433	1,137,000	611,000	882,800	1,394,000	350,000	970,000	1,429,000	662,000	1,044,267	1,178,000	509,000	877,633
December	1,150,000	493,000	851,452	1,190,000	649,000	892,903	1,244,000	585,000	948,000	1,498,000	746,000	1,054,774	1,379,000	537,000	946,000
NTU	2016			2015			2014			2013			2012		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	0.14	0.02	0.09	0.21	0.06	0.12	0.06	0.02	0.03	0.30	0.02	0.03	0.15	0.02	0.05
February	0.16	0.04	0.08	0.18	0.02	0.06	0.08	0.02	0.04	0.08	0.02	0.03	0.10	0.01	0.04
March	0.15	0.03	0.08	0.11	0.02	0.04	0.04	0.02	0.02	0.06	0.02	0.02	0.20	0.02	0.05
April	0.15	0.03	0.08	0.26	0.02	0.06	0.13	0.02	0.05	0.18	0.02	0.05	0.14	0.01	0.06
May	0.32	0.04	0.12	0.07	0.02	0.03	0.10	0.02	0.06	0.18	0.01	0.04	0.38	0.02	0.09
June	0.16	0.03	0.06	0.19	0.02	0.04	0.11	0.02	0.03	0.06	0.02	0.02	0.24	0.02	0.09
July	0.11	0.02	0.05	0.08	0.02	0.04	0.15	0.02	0.07	0.15	0.02	0.03	0.17	0.02	0.07
August	0.10	0.04	0.07	0.14	0.04	0.09	0.11	0.02	0.05	0.17	0.02	0.07	0.15	0.01	0.07
September	0.13	0.04	0.07	0.14	0.02	0.05	0.09	0.02	0.04	0.16	0.01	0.06	0.16	0.02	0.06
October	0.12	0.04	0.07	0.08	0.02	0.05	0.07	0.02	0.03	0.04	0.01	0.02	0.09	0.02	0.03
November	0.15	0.02	0.05	0.11	0.03	0.05	0.14	0.07	0.10	0.09	0.02	0.04	0.16	0.02	0.03
December	0.12	0.02	0.06	0.16	0.02	0.06	0.15	0.07	0.10	0.12	0.02	0.04	0.08	0.02	0.03

WATER FUND

REVENUES

Account Number		12/31/12 Actual	12/31/13 Actual	12/31/14 Actual	12/31/15 Actual	12/31/16 Actual
602-37-000-37110	Res. Water Sales	\$ 673,495	\$ 817,869	\$ 769,379	\$ 788,243	\$ 750,597
602-37-000-37111	Apt. Water Sales	303,649	328,090	309,552	319,223	322,245
602-37-000-37120	Sprinkling	111,377	-	-	-	-
602-37-000-37130	Com. Water Sales	946,137	1,212,036	1,223,723	1,157,168	1,039,433
602-37-000-37145	Temp. Hydrant	508	-	179	-	-
602-37-000-37150	Remote Meter Fee	2,560	4,416	5,835	6,653	2,995
602-37-000-37446	Res. Meter Charge	207,266	243,302	261,587	263,232	265,071
602-37-000-37447	Apt. Meter Charge	19,006	20,494	22,584	23,237	23,407
602-37-000-37448	Com. Meter Charge	73,808	80,047	83,570	85,718	85,952
602-37-000-37488	Repairs	-	-	496	-	-
602-37-000-37490	Miscellaneous	326	1,396	5,579	1,606	389
602-37-000-39203	Transfers In	2,000,000	-	-	-	-
		\$4,338,132	\$2,707,649	\$ 2,682,484	\$ 2,645,080	\$ 2,490,089

WATER FUND

Expenses OBJECT CODES	12/31/12 Actual	12/31/13 Actual	12/31/14 Actual	12/31/15 Actual	12/31/16 Actual
41010 Salaries - Reg.	\$ 421,607	\$ 444,793	\$ 457,645	\$ 458,865	\$ 511,230
41020 Salaries - O.T.	7,616	9,872	8,636	9,367	10,087
41070 Vacations, etc.	80,490	56,722	53,810	59,291	53,223
41210 PERA	33,025	36,166	36,969	38,755	40,037
41220 FICA	36,768	36,479	38,041	38,684	40,209
41300 Insurance	48,257	55,049	53,209	55,316	60,157
41510 Workers Comp	16,208	14,362	15,823	21,247	20,194
42110 General Supplies	900	495	583	1,247	613
42120 Fuel & Lubes	21,588	4,256	9,478	9,300	3,262
42160 Chemicals	224,810	262,203	197,479	216,258	208,773
42170 Lab Supplies	17,172	11,758	9,236	8,639	11,474
42180 Uniforms	1,069	1,243	833	1,233	1,591
42270 Parts & Supplies	49,314	53,500	35,267	26,120	32,544
42400 Small Tools	5,688	2,544	255	7,238	15,176
43030 Engineering	77,517	45,192	24,661	10,821	67,481
43310 Travel & School	13,500	14,054	14,975	13,471	15,467
43810 Utilities	108,481	129,514	128,205	126,401	119,775
43830 Utilities - Gas	21,190	19,116	20,603	22,605	14,406
44040 Contracted Services	296,585	113,574	219,941	103,372	98,346
44050 Cleaning Services	17,379	18,164	20,942	7,411	23,557
44200 Depreciation	553,691	550,818	629,856	639,069	646,300
44300 Miscellaneous	18,379	3,015	1,723	1,209	6,627
44330 Dues & Subscript.	4,374	4,467	24,013	4,850	20,562
44410 Permits & Fees	6,295	6,746	7,009	6,242	8,970
49900 Pension Expense	-	-	-	12,908	47,067
99900 Reimbursed	261,306	258,200	281,295	276,887	320,542
	\$ 2,343,209	\$ 2,152,302	\$ 2,290,487	\$ 2,176,806	\$ 2,397,670

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
EXPENSES	Actual	Actual	Actual	Actual	Actual
Raw Water Pumping					
602-49-400-41010 Salaries - Reg.	\$ 1,897	\$ 1,308	\$ 1,257	\$ 878	\$ 972
602-49-400-41020 Salaries - O.T.	50	101	85	87	134
602-49-400-41210 PERA	141	102	93	67	82
602-49-400-41220 FICA	145	102	101	74	83
602-49-400-42110 General Supplies	-	-	-	-	-
602-49-400-43810 Utilities	-	-	-	-	-
602-49-400-44040 Contracted Services	6,178	6,765	3,896	10,541	7,143
602-49-400-44200 Depreciation	4,254	-	-	-	-
602-49-400-44300 Miscellaneous	5	-	3	-	19
Total	12,671	8,378	5,435	11,647	8,433
Treatment - Plant					
602-49-420-41010 Salaries - Reg.	178,572	179,019	186,713	188,893	209,906
602-49-420-41020 Salaries - O.T.	4,717	6,629	5,631	5,773	6,181
602-49-420-41210 PERA	13,289	13,460	13,944	14,471	15,570
602-49-420-41220 FICA	16,519	13,429	14,079	14,357	15,925
602-49-420-41300 Insurance	30,149	32,502	33,194	34,001	34,160
602-49-420-42110 General Supplies	900	495	583	1,247	613
602-49-420-42120 Fuels & Lubes	4,516	1,751	2,293	6,179	733
602-49-420-42160 Chemicals	224,810	262,203	197,479	216,258	208,773
602-49-420-42170 Lab Supplies	17,172	11,758	9,236	8,639	11,474
602-49-420-42270 Parts & Supplies	2,581	456	32	140	2,386
602-49-420-43030 Engineering	619	4,500	11,720	5,806	20,881
602-49-420-43310 Travel & School	6,307	5,312	7,494	7,667	8,844
602-49-420-43810 Utility Charges	90,938	102,906	102,707	102,711	88,281
602-49-420-43830 Utility Charges - Gas	21,190	19,116	20,603	22,605	14,406
602-49-420-44040 Contracted Services	12,437	24,907	7,508	9,775	10,296
602-49-420-44050 Cleaning Services	17,379	18,164	20,942	7,411	23,557
602-49-420-44200 Depreciation	158,685	166,896	251,344	244,035	241,050
602-49-420-44300 Miscellaneous	1,281	803	396	146	300
Total	802,062	864,306	885,898	890,114	913,336
Treatment - M & E					
602-49-421-41010 Salaries - Reg.	67,605	75,118	72,207	78,168	72,306
602-49-421-41020 Salaries - O.T.	1,030	977	1,007	1,434	1,304
602-49-421-41210 PERA	4,976	5,517	5,286	5,965	5,509
602-49-421-41220 FICA	4,795	5,359	5,270	5,736	5,311
602-49-421-42270 Parts & Supplies	25,002	17,310	9,286	7,221	11,574
602-49-421-42400 Small Tools & Equip.	3,383	-	-	5,523	11,725
602-49-421-44040 Contracted Services	13,539	25,875	165,708	45,547	26,575
Total	120,330	130,156	258,764	149,594	134,304
Treatment - B & G					
602-49-422-41010 Salaries - Reg.	4,483	4,740	8,370	7,934	6,423
602-49-422-41020 Salaries - O.T.	211	477	126	-	271
602-49-422-41210 PERA	335	378	431	461	502
602-49-422-41220 FICA	347	384	640	601	504
602-49-422-42270 Parts & Supplies	6,299	5,771	8,297	5,374	3,533
602-49-422-42400 Small Tools & Equip.	2,306	2,544	255	1,715	3,451
602-49-422-44040 Contracted Services	38,766	44,944	16,395	14,817	16,014
Total	52,748	59,238	34,514	30,902	30,698
Distribution - Pumping					
602-49-430-41010 Salaries - Reg.	727	520	358	388	839
602-49-430-41020 Salaries - O.T.	123	-	42	-	-
602-49-430-41210 PERA	62	38	24	28	63
602-49-430-41220 FICA	63	37	30	29	62
602-49-430-42270 Parts & Supplies	1,470	2,417	2,046	664	118
602-49-430-43810 Electric Utilities	12,455	21,739	20,538	18,880	27,010
602-49-430-44040 Contracted Services	3,531	422	1,303	661	277
Total	18,431	25,173	24,341	20,650	28,369

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
EXPENSES	Actual	Actual	Actual	Actual	Actual
Distribution - Lines					
602-49-433-41010 Salaries - Reg.	53,622	57,263	62,352	56,860	56,714
602-49-433-41020 Salaries - O.T.	321	558	935	1,348	1,185
602-49-433-41210 PERA	3,786	4,152	4,584	4,366	4,230
602-49-433-41220 FICA	3,964	4,139	4,711	4,372	4,262
602-49-433-42270 Parts & Supplies	5,823	12,643	4,461	1,019	7,532
602-49-433-44040 Contracted Services	4,285	1,363	12,174	15,038	1,535
602-49-433-44300 Miscellaneous	79	-	-	-	-
Total	71,881	80,118	89,217	83,003	75,458
Distribution - Storage					
602-49-436-41010 Salaries - Reg.	6,607	3,352	5,393	2,024	2,849
602-49-436-41020 Salaries - O.T.	292	157	125	129	335
602-49-436-41210 PERA	500	254	381	150	231
602-49-436-41220 FICA	514	258	404	162	239
602-49-436-42270 Parts & Supplies	451	151	516	770	734
602-49-436-43810 Utilities	5,088	4,869	4,960	4,810	4,484
602-49-436-44040 Contracted Services	211,506	7,047	10,439	4,276	34,834
602-49-436-44300 Miscellaneous	324	-	-	-	-
Total	225,282	16,088	22,218	12,321	43,706
Distribution - Meters					
602-49-449-41010 Salaries - Reg.	4,801	6,661	10,191	8,882	13,757
602-49-449-41020 Salaries - O.T.	-	-	-	-	-
602-49-449-41210 PERA	348	475	739	658	1,032
602-49-449-41220 FICA	353	479	761	661	1,009
602-49-449-42270 Parts & Supplies	6,089	8,068	8,063	8,327	4,737
602-49-449-44040 Contracted Services	-	280	-	-	-
Total	11,591	15,963	19,754	18,528	20,535
Distribution - Hydrants					
602-49-450-41010 Salaries - Reg.	7,980	13,558	9,543	7,979	14,070
602-49-450-41020 Salaries - O.T.	-	-	-	123	-
602-49-450-41210 PERA	456	744	539	531	949
602-49-450-41220 FICA	593	987	720	608	1,036
602-49-450-42270 Parts & Supplies	277	4,508	227	155	649
602-49-450-44040 Contracted Services	-	-	-	148	115
Total	9,306	19,797	11,029	9,544	16,819
Distribution - Vehicles					
602-49-453-41010 Salaries - Reg.	1,202	1,997	1,613	2,185	2,518
602-49-453-41020 Salaries - O.T.	-	-	-	-	-
602-49-453-41210 PERA	87	132	113	160	187
602-49-453-41220 FICA	88	145	120	163	185
602-49-453-42120 Fuels & Lubes	17,071	2,505	7,185	3,121	2,529
602-49-453-42270 Parts & Supplies	20	368	5	-	5
602-49-453-44040 Contracted Services	6,342	1,912	2,518	2,569	1,309
602-49-453-44300 Miscellaneous	-	-	32	-	32
Total	24,810	7,060	11,586	8,198	6,765
Distribution - DSC					
602-49-458-44200 Depreciation	31,576	17,005	14,707	23,382	26,883
602-49-458-49990 Reimbursed to 601-49576	15,560	14,138	13,871	13,380	28,334
Total	47,136	31,143	28,578	36,762	55,217

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/12	12/31/13	12/31/14	12/31/15	12/31/16
EXPENSES	Actual	Actual	Actual	Actual	Actual
Distribution - Other					
602-49-459-41010 Salaries - Reg.	-	391	-	-	-
602-49-459-41210 PERA	-	28	-	-	-
602-49-459-41220 FICA	-	53	-	-	-
602-49-459-41300 Insurance	11,273	14,959	12,169	13,245	17,946
602-49-459-42270 Parts & Supplies	1,303	1,808	2,334	2,450	1,276
602-49-459-43030 Engineering	67,432	34,461	4,209	-	-
602-49-459-43310 Travel & School	847	740	204	819	1,168
602-49-459-44040 Contracted Services	-	59	-	-	248
602-49-459-44200 Depreciation	358,860	365,991	361,883	369,836	376,762
602-49-459-44300 Miscellaneous	48	94	128	25	184
Total	439,762	418,584	380,927	386,375	397,584
Operations - Supervision					
602-49-466-41010 Salaries - Reg.	75,543	87,557	83,620	89,542	91,590
602-49-466-41020 Salaries - O.T.	-	-	-	-	-
602-49-466-41210 PERA	5,195	5,912	5,960	6,464	6,471
602-49-466-41220 FICA	5,481	6,202	6,254	6,544	6,461
602-49-466-41300 Insurance	6,836	7,588	7,846	8,070	8,051
602-49-466-42180 Uniforms	-	-	-	-	-
602-49-466-43310 Travel & School	4,851	5,932	5,727	2,971	4,097
Total	97,906	113,191	109,407	113,591	116,670
General - Unallocated					
602-49-467-41010 Salaries - Reg.	18,567	13,308	16,028	15,132	39,286
602-49-467-41020 Salaries - O.T.	871	973	685	473	677
602-49-467-41070 Holiday, Vacation, etc	80,490	56,722	53,810	59,291	53,223
602-49-467-41210 PERA	3,850	4,973	4,875	5,434	5,211
602-49-467-41220 FICA	3,905	4,904	4,951	5,377	5,132
602-49-467-41510 Workers Comp	16,208	14,362	15,823	21,247	20,194
602-49-467-42180 Uniforms	1,069	1,243	833	1,233	1,591
602-49-467-43030 Engineering	9,466	6,232	8,732	5,015	46,600
602-49-467-43190 Other Professional Services	-	-	-	-	-
602-49-467-43310 Travel & School	1,494	2,070	1,550	2,014	1,358
602-49-467-44300 Miscellaneous	16,641	2,118	1,164	1,038	6,092
602-49-467-44330 Dues & Subscriptions	4,374	4,467	24,013	4,850	20,562
602-49-467-44410 Permits & Fees	6,295	6,746	7,009	6,242	8,970
602-49-467-44490 Loss on Asset Disposal	-	-	-	-	-
602-00-000-49900 Pension Expense	-	-	-	12,908	47,067
Total	163,231	118,120	139,473	140,254	255,963
Meter Rdrs Reimbursed					
602-49-610-49990 Reimbursed to 601	5,239	5,114	6,298	6,762	7,307
Total	5,239	5,114	6,298	6,762	7,307
G. & A. - Reimbursed					
602-49-620-44200 Depreciation	316	926	1,922	1,816	1,605
602-49-620-49990 Reimbursed to 601	240,507	238,948	261,126	256,745	284,901
Total	240,823	239,874	263,048	258,561	286,506
Debt Service					
602-49-621-46110 Bond Interest	-	-	-	-	-
602-49-621-46200 Fiscal Agent Fees	-	-	-	-	-
Total	-	-	-	-	-
Total Expenses	\$ 2,343,209	\$ 2,152,302	\$ 2,290,487	\$ 2,176,806	\$ 2,397,670

Electric Fund

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

Statistics

Details of Revenues, Expenses, and Object Codes

**Statements of Net Position – Electric Fund
As of December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2016	2015	2014	2013	2012
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,318,003	\$ 4,843,496	\$ 2,910,093	\$3,101,494	\$3,947,303
Investments	8,161,410	7,649,591	8,557,974	7,173,317	7,846,317
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	136,750	118,655	87,950	83,800	78,150
Accounts Receivable	2,428,032	2,276,264	2,153,413	2,360,194	2,184,617
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	21,273	22,217	24,977	24,662	32,596
Materials & Supplies	792,793	783,848	784,754	801,323	932,435
Prepaid Expenses	7,332	60,268	6,715	55,203	4,634
Interfund Receivable	2,747,181	1,988,774	1,012,259	1,008,600	1,079,414
Due from Other Funds	100,901	140,333	136,050	-	-
Total Current Assets	<u>17,665,675</u>	<u>17,835,446</u>	<u>15,626,185</u>	<u>14,560,593</u>	<u>16,057,466</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	305,394	305,394	305,394	305,394	305,394
Buildings, Structures, Etc.	9,231,061	9,231,061	9,231,061	9,231,061	7,195,840
Distribution Systems	19,140,779	18,380,200	17,784,357	17,287,683	16,903,342
Meters	1,238,974	1,234,797	1,232,252	1,228,098	1,220,285
Machinery and Equipment	1,144,020	1,107,148	1,107,148	1,107,148	1,107,148
Automotive Equipment	790,394	759,925	707,599	530,489	458,647
Office Equipment	573,660	573,660	573,660	553,574	553,574
Construction in Progress	48,034	-	-	-	118,234
Total Capital Assets	32,472,316	31,592,185	30,941,471	30,243,447	27,862,464
Less Accumulated Depreciation	(18,293,575)	(17,289,489)	(16,265,432)	(15,262,630)	(14,465,809)
Total Capital Assets (Net)	14,178,741	14,302,696	14,676,039	14,980,817	13,396,655
Customer Acquisition Costs	268,106	268,106	268,106	268,106	268,106
Total Noncurrent Assets	<u>14,446,847</u>	<u>14,570,802</u>	<u>14,944,145</u>	<u>15,248,923</u>	<u>13,664,761</u>
TOTAL ASSETS	<u><u>\$32,112,522</u></u>	<u><u>\$32,406,248</u></u>	<u><u>\$30,570,330</u></u>	<u><u>\$29,809,516</u></u>	<u><u>\$29,722,227</u></u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - PERA	\$ 681,532	\$ 145,299	\$ -	\$ -	\$ -
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u><u>\$ 681,532</u></u>	<u><u>\$ 145,299</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,293,029	\$ 2,317,568	\$ 1,101,822	\$ 1,453,139	\$ 1,361,219
Retainage Payable	7,360	5,545	3,090	-	-
Accrued Payroll	73,085	55,130	49,755	40,510	30,062
Accrued Vacation	95,351	81,224	83,403	68,914	69,914
Compensated Absences Payable-Current	32,000	32,000	32,000	32,000	32,000
Due to Other Funds	985,458	975,175	872,801	276,019	251,318
Due to Other Government Units	52,036	48,997	46,025	48,827	54,717
Customer Deposits	136,750	118,655	87,950	83,800	78,150
Total Current Liabilities	<u>2,675,069</u>	<u>3,634,294</u>	<u>2,276,846</u>	<u>2,003,209</u>	<u>1,877,380</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	316,015	292,164	337,538	317,789	306,510
Net Pension Liability	1,631,731	1,056,923	-	-	-
Total Noncurrent Liabilities	<u>1,947,746</u>	<u>1,349,087</u>	<u>337,538</u>	<u>317,789</u>	<u>306,510</u>
TOTAL LIABILITIES	<u><u>\$ 4,622,815</u></u>	<u><u>\$ 4,983,381</u></u>	<u><u>\$ 2,614,384</u></u>	<u><u>\$ 2,320,998</u></u>	<u><u>\$ 2,183,890</u></u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - PERA	\$ 183,610	\$ 110,985	\$ -	\$ -	\$ -
TOTAL DEFERRED INFLOWS OF RESOURCES	<u><u>\$ 183,610</u></u>	<u><u>\$ 110,985</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
NET POSITION					
Net Investment in Capital Assets	\$ 14,178,741	\$ 14,302,696	\$ 14,676,039	\$ 14,980,817	\$ 13,396,655
Unrestricted	13,808,888	13,154,485	13,279,907	12,507,701	14,141,682
TOTAL NET POSITION	<u><u>\$27,987,629</u></u>	<u><u>\$27,457,181</u></u>	<u><u>\$27,955,946</u></u>	<u><u>\$27,488,518</u></u>	<u><u>\$27,538,337</u></u>

**Statements of Revenues, Expenses and
Changes in Net Position – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2016	2015	2014	2013	2012
OPERATING REVENUES					
Electric Sales	\$ 13,953,243	\$ 13,858,882	\$ 13,801,275	\$ 13,446,065	\$ 13,875,019
Penalty Charges	\$92,577	102,359	104,116	94,325	100,091
Other Income	\$50,778	68,244	106,317	105,806	89,250
Total	14,096,598	14,029,485	14,011,708	13,646,196	14,064,360
OPERATING EXPENSES					
Cost of Sales and Services	10,698,354	10,489,770	10,665,390	10,358,031	10,566,793
Administration	712,705	609,358	628,875	591,831	502,148
Depreciation	1,040,835	1,024,057	1,002,801	1,042,373	918,457
Taxes and Tax Equivalents	1,194,587	1,203,368	1,218,637	1,190,529	1,219,013
Total	13,646,481	13,326,553	13,515,703	13,182,764	13,206,411
OPERATING INCOME	450,117	702,932	496,005	463,432	857,949
NONOPERATING REVENUES (EXPENSES)					
Investment Income	195,192	225,935	392,825	(218,396)	208,272
Gain (Loss) on Disposal of Assets	12,000	-	-	-	-
Interest Expenses	-	-	-	(216)	(336)
Total	207,192	225,935	392,825	(218,612)	207,936
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	657,309	928,867	888,830	244,820	1,065,885
CAPITAL CONTRIBUTIONS	258,293	-	-	-	-
TRANSFERS IN	-	-	-	-	-
TRANSFERS OUT	(385,154)	(434,789)	(421,402)	(294,639)	(1,750,000)
CHANGE IN NET POSITION	530,448	494,078	467,428	(49,819)	(684,115)
NET POSITION - JANUARY 1	27,457,181	27,955,946	27,488,518	27,538,337	27,822,934
ADJUSTMENT FOR GASB 68 and 71 - SEE NOTE 16	-	(992,843)	-	-	-
ADJUSTMENT TO UNBILLED REVENUE - SEE NOTE 16	-	-	-	-	399,518
NET POSITION - JANUARY 1, AS RESTATED	27,457,181	26,963,103	27,488,518	27,538,337	28,222,452
NET POSITION - DECEMBER 31	\$ 27,987,629	\$ 27,457,181	\$ 27,955,946	\$ 27,488,518	\$ 27,538,337

Statements of Cash Flows – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2016	2015	2014	2013	2012
Cash flows from operating activities:					
Cash received from customers and users	\$ 13,347,691	\$13,147,736	\$13,315,442	\$12,599,376	\$ 13,694,039
Cash received from interfund activities	564,455	721,359	797,784	771,088	650,051
Cash paid to suppliers for goods and services	(10,651,456)	(8,343,736)	(10,654,783)	(9,506,329)	(9,733,068)
Cash paid for interfund activities	96,442	53,125	229,650	167,088	261,305
Cash paid to employees	(1,669,459)	(1,657,830)	(1,108,813)	(1,423,323)	(1,399,018)
Cash paid for taxes and tax equivalents	(1,191,548)	(1,200,396)	(1,221,439)	(1,190,529)	(1,219,013)
Other operating revenues (expenses)	50,778	68,245	106,317	105,806	89,250
Net cash provided (used) by operating activities	<u>\$546,903</u>	<u>\$2,788,503</u>	<u>1,464,158</u>	<u>\$1,523,177</u>	<u>2,343,546</u>
Cash flows from noncapital financing activities:					
Interfund receivable	(718,975)	(980,798)	(139,709)	70,814	102,927
Interfund payable	10,283	102,374	596,782	24,701	-
Operating transfers from other funds	-	-	-	-	-
Operating transfers to other funds	(385,154)	(434,789)	(421,402)	(294,639)	(1,750,000)
Net cash provided (used) by noncapital financing activities	<u>(1,093,846)</u>	<u>(1,313,213)</u>	<u>35,671</u>	<u>(199,124)</u>	<u>(1,647,073)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(656,772)	(648,259)	(694,933)	(2,626,535)	(888,985)
Proceeds from sale of capital assets	12,000	-	-	-	-
Interest and fiscal charges on bonds	-	-	-	(215)	(337)
Net cash (used) by capital and related financing activities	<u>(644,772)</u>	<u>(648,259)</u>	<u>(694,933)</u>	<u>(2,626,750)</u>	<u>(889,322)</u>
Cash flows from investing activities:					
Interest received on investments	196,136	228,695	392,510	127,171	230,580
Proceeds from sales and maturities of investments	4,616,000	1,396,000	192,000	3,576,367	1,692,000
Purchase of investments	(5,127,819)	(487,618)	(1,576,657)	(3,241,000)	(528,858)
Net cash provided (used) by investing activities	<u>(315,683)</u>	<u>1,137,077</u>	<u>(992,147)</u>	<u>462,538</u>	<u>1,393,722</u>
Net increase (decrease) in cash and cash equivalents	(1,507,398)	1,964,108	(187,251)	(840,159)	1,200,873
Cash and cash equivalents - January 1	<u>4,962,151</u>	<u>2,998,043</u>	<u>3,185,294</u>	<u>4,025,453</u>	<u>2,824,580</u>
Cash and cash equivalents - December 31	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>	<u>\$ 2,998,043</u>	<u>\$ 3,185,294</u>	<u>\$ 4,025,453</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 450,117	\$ 702,932	\$ 496,005	\$ 463,432	\$ 857,949
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	1,040,835	1,024,057	1,002,801	1,042,373	918,457
Changes in assets and liabilities:					
Accounts receivable	(151,768)	(122,851)	206,775	(175,577)	370,680
Materials & supplies	(8,945)	906	16,569	131,112	(161,485)
Prepaid items	52,936	(53,554)	48,488	(50,569)	42,057
Due from other government units	-	-	-	-	-
Deferred pension outflows	(536,233)	(103,203)	-	-	-
Accounts payable	(1,024,539)	1,215,748	(351,311)	91,913	312,182
Accrued payroll	17,955	5,375	9,245	10,448	1,587
Accrued vacation	14,127	(2,179)	14,489	(994)	1,662
Accrued compensated absences	23,851	(45,374)	19,749	11,279	(622)
Due to other government units	3,039	2,972	(2,802)	(5,890)	2,779
Net pension liability	574,808	21,984	-	-	-
Deferred pension inflows	72,625	110,985	-	-	-
Customer deposits	18,095	30,705	4,150	5,650	(1,700)
Net cash provided (used) by operating activities	<u>\$ 546,903</u>	<u>\$ 2,788,503</u>	<u>\$ 1,464,158</u>	<u>\$ 1,523,177</u>	<u>\$ 2,343,546</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ -	\$ (337,633)	\$ 6,436
Acquisition of Capital Assets through Capital Contributions	258,293	-	-	-	-
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	3,318,003	4,843,496	2,910,093	3,101,494	3,947,303
Restricted assets	136,750	118,655	87,950	83,800	78,150
Cash and cash equivalents - December 31	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>	<u>\$ 2,998,043</u>	<u>\$ 3,185,294</u>	<u>\$ 4,025,453</u>

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2016			2015			2014			2013			2012		
	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH
Electric Division Sales															
Residential	33,536,133	\$ 3,418,641	\$0.1019	34,137,120	\$ 3,331,901	\$0.0976	35,076,734	\$ 3,411,201	\$0.0983	34,705,735	\$ 3,353,603	\$0.0949	33,542,932	\$ 3,010,395	\$0.0897
Commercial	31,801,686	2,560,860	\$0.0805	29,511,883	2,330,110	\$0.0790	29,118,988	2,345,340	\$0.0805	29,430,636	2,305,694	\$0.0783	27,584,177	2,099,120	\$0.0761
Large Commercial	10,097,529	558,905	\$0.0554	10,022,730	573,457	\$0.0572	9,659,182	570,763	\$0.0591	10,313,123	577,327	\$0.0560	10,034,320	569,413	\$0.0567
Off Peak Heating	735,759	52,713	\$0.0716	843,731	59,893	\$0.0710	1,222,369	88,086	\$0.0721	1,160,647	79,492	\$0.0685	889,449	58,367	\$0.0656
City Electric	7,234,017	675,910	\$0.0934	7,480,886	693,050	\$0.0926	8,138,996	763,255	\$0.0938	8,131,234	740,420	\$0.0911	7,478,149	626,026	\$0.0837
All Electric	2,786,358	267,022	\$0.0958	3,023,429	283,890	\$0.0939	3,558,279	327,881	\$0.0921	3,503,042	313,799	\$0.0896	3,120,850	269,922	\$0.0865
Governmental	249,954	19,060	\$0.0763	225,981	17,745	\$0.0785	302,021	23,969	\$0.0794	267,116	20,186	\$0.0756	213,071	14,144	\$0.0664
Industrial	69,768,315	4,822,103	\$0.0691	70,987,982	4,966,617	\$0.0700	72,737,765	4,789,885	\$0.0659	71,260,452	4,525,416	\$0.0635	80,570,039	5,664,698	\$0.0703
Industrial Standby	991,410	335,049	\$0.3380	1,208,108	361,694	\$0.2994	940,162	244,561	\$0.2601	653,770	286,419	\$0.4381	1,969,479	317,654	\$0.1613
KVAR		58,215			57,061			53,039			53,323			53,865	
Night Watch		8,309			8,139			8,170			8,224			7,721	
LCE Facility Charge		76,680			76,680			83,070			85,200			85,200	
Industrial Facility Charge		570,000			570,000			570,000			570,000			570,000	
Industrial Excess		(1,302)			(613)			(6,955)			1,014			6,207	
Customer Charge -															
Residential		356,046			354,994			350,847			345,838			343,117	
Commercial		57,217			56,544			55,743			55,445			54,450	
Large Commercial		45,360			45,360			49,140			50,400			50,400	
Industrial		97,800			97,800			97,800			97,800			97,800	
City		10,593			10,564			10,560			10,482			9,881	
Green Power		5,381			5,452			5,714			6,339			6,613	
Air Conditioner Credit		(6,318)			(6,262)			(6,247)			(6,128)			(6,089)	
Load Control Credit		(35,002)			(35,193)			(34,547)			(34,230)			(33,886)	
	157,201,161	\$ 13,953,243	\$0.0888	157,441,850	\$ 13,858,882	\$0.0880	160,754,496	\$ 13,801,275	\$0.0861	159,425,755	\$ 13,446,065	\$0.0840	165,402,466	\$ 13,875,019	\$0.0839
Other Operating Revenue															
Reconnections		\$ 5,040			\$ 6,010			\$ 5,320			\$ 2,510			\$ 3,140	
Temporary Services		\$520			760			705			600			680	
Underground		\$3,266			3,376			4,511			6,415			16,366	
Repairs		\$5,807			14,263			7,704			12,037			14,298	
Penalties		\$92,577			102,359			104,116			94,325			100,091	
Uncollectible Accounts		(\$25,741)			(26,856)			(42,766)			(27,320)			(19,163)	
Miscellaneous		\$61,886			70,691			130,842			111,564			73,929	
		\$143,355			170,603			210,433			200,131			189,341	
Total Operating Revenue		\$ 14,096,598			\$ 14,029,485			\$ 14,011,709			\$ 13,646,196			\$ 14,064,360	
Percent of Operating Revenues															
		2016			2015			2014			2013			2012	
		Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent		Amount	Percent
Operating Revenues		\$ 14,096,598	100.0%		\$ 14,029,485	100.0%		\$ 14,011,709	100.0%		\$ 13,646,196	100.0%		\$ 14,064,360	100.0%
Power Cost		8,790,271	62.4%		8,665,115	61.5%		8,782,578	62.5%		8,669,897	63.8%		8,866,201	63.0%
Power Cost Margin		5,306,327	37.6%		5,364,370	38.1%		5,229,131	37.5%		4,976,299	36.2%		5,198,159	37.0%
Distribution		2,606,175	18.5%		2,420,489	17.2%		2,499,125	20.3%		2,695,850	19.8%		2,584,416	18.4%
Gross Margin		2,700,152	19.2%		2,943,881	20.9%		2,730,006	17.2%		2,280,449	16.4%		2,613,743	18.6%
Meter Reading		14,613	0.1%		13,524	0.1%		12,596	0.1%		10,229	0.1%		10,478	0.1%
General and Administrative		1,040,835	7.4%		1,024,057	7.3%		1,002,768	4.4%		616,259	4.5%		526,303	3.7%
Taxes and Tax Equivalents		1,194,587	8.5%		1,203,368	8.5%		1,218,637	8.7%		1,190,529	8.8%		1,219,013	8.7%
Operating Income		\$450,117	3.2%		\$702,932	5.0%		\$496,005	4.0%		\$463,432	3.0%		\$857,949	6.1%

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Selected Financial Data	2016	2015	2014	2013	2012
Utility operating revenues	\$ 14,096,598	\$ 14,029,485	\$ 14,011,708	\$ 13,646,196	\$ 14,064,360
Utility operating expenses	13,646,481	13,326,553	13,515,703	13,182,764	13,206,411
Operating income	450,117	702,932	496,005	463,432	857,949
Net income (loss)	530,448	494,078	467,428	(49,819)	(684,115)
Total assets	32,112,522	32,406,248	30,570,330	29,809,516	29,722,227
Total liabilities	4,622,815	4,983,381	2,614,384	2,320,998	2,183,890
Capital expenditures	880,132	650,714	698,023	2,626,535	888,985
Depreciation	1,040,835	1,024,057	1,002,801	1,042,373	918,457
Taxes and tax equivalents	1,194,587	1,203,368	1,218,637	1,190,529	1,219,013
Operating transfers out	385,154	434,789	421,402	294,639	1,750,000
Cash flow from operations	546,903	2,788,503	1,464,158	1,523,177	2,343,546
Selected Financial Statistics	2016	2015	2014	2013	2012
Avg. utility plant investment per \$ of revenue	\$ 2.30	\$ 2.21	\$ 2.15	\$ 2.23	\$ 1.97
Accum. deprec. as a % of depreciable plant	56.96%	53.09%	50.98%	50.98%	52.72%
Deprec. expense as a % of depreciable plant	3.24%	3.34%	3.35%	3.48%	3.35%
Return on equity	2.05%	2.66%	1.95%	1.50%	3.16%
Return on assets	1.80%	2.45%	2.70%	1.39%	2.95%
Miscellaneous Statistics	2016	2015	2014	2013	2012
Maximum Demand in MW	33.78	32.30	33.10	33.12	31.84
Date of Maximum Demand	12/14/2016	1/5/2015	1/2/2014	12/11/2013	12/10/2012
KWH purchased from WAPA	73,304,000	73,051,000	73,051,000	73,051,000	73,304,000
WAPA percentage of total power purchases	44.9%	44.9%	43.8%	43.9%	42.5%
KWH purchased from MMPA	89,830,139	89,504,730	93,886,766	93,284,971	99,053,865
MMPA percentage of total power purchases	55.1%	55.1%	56.2%	56.1%	57.5%
KWH Line loss or billing differential	(6,924,388)	(6,321,988)	(7,123,432)	(7,563,986)	(8,924,878)
Line loss or billing differential percent	-4.24%	-3.89%	-4.27%	-4.55%	-5.18%
Average number of customers with discount	476	475	472	468	464
Average number of residential meters	3777	3767	3724	3668	3637
Average number of commercial meters	565	558	554	550	540
Average number of large commercial meters	9	9	9	10	10
Average number of industrial meters	1	1	1	1	1
Management Efficiency	2016	2015	2014	2013	2012
Benefit employees	27	24	25	25	24
Electric employee allocation	13	14	14	14	14
Operating income (loss) per employee	34,624	50,209	38,259	28,906	61,282
Revenue per employee	1,084,354	1,002,106	1,003,471	970,533	1,004,597
Accounts receivable turnover	8.6	9.8	8.9	8.5	9.4
Asset turnover	0.4	0.5	0.7	0.5	0.5
Selected Owners Data	2016	2015	2014	2013	2012
Population	8,774	8,640	8,640	8,601	8,601
One employee per number of owners	675	617	617	614	614
Operating revenue per owner	\$ 1,607	\$ 1,624	\$ 1,626	\$ 1,580	\$ 1,635
Operating expenses per owner	1,543	1,539	1,564	1,533	1,535
Operating income (loss) per owner	832	1,186	868	659	1,397
Net income (loss) per owner	244	322	310	(69)	(418)
Net assets per owner	3,562	3,459	2,297	3,380	3,380
Liabilities per owner	429	272	40	238	225
Capital expenditures per owner	100	304	304	305	103
Taxes and tax equivalents per owner	136	139	141	138	142

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

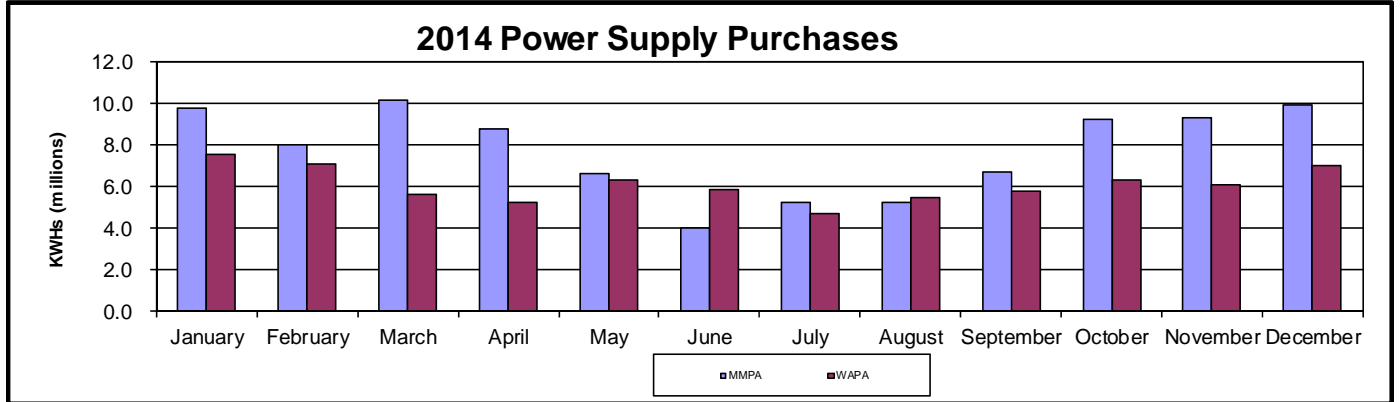
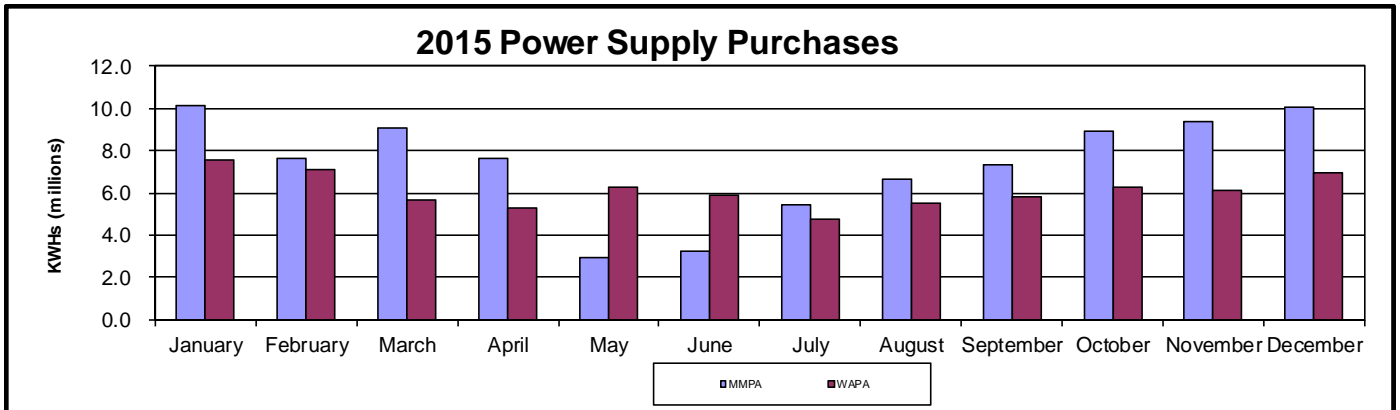
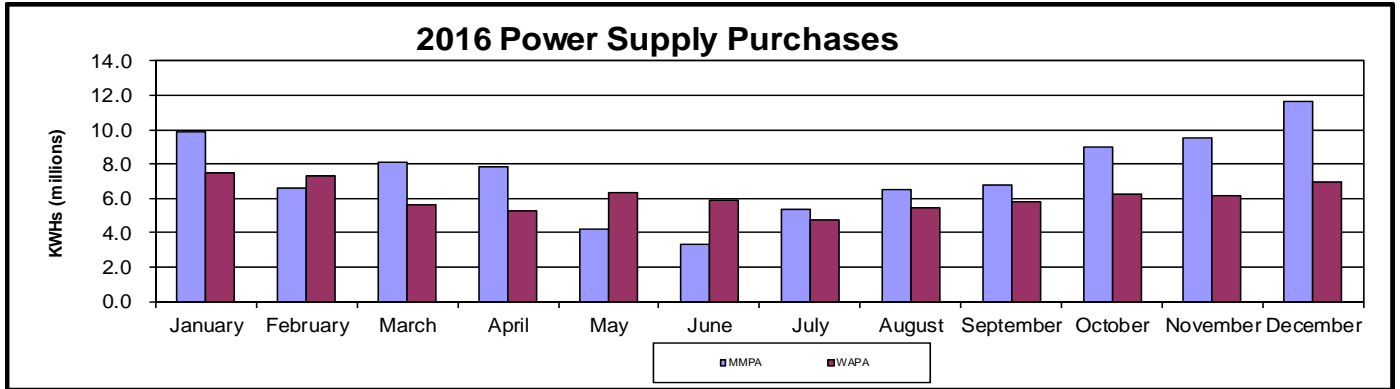
CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

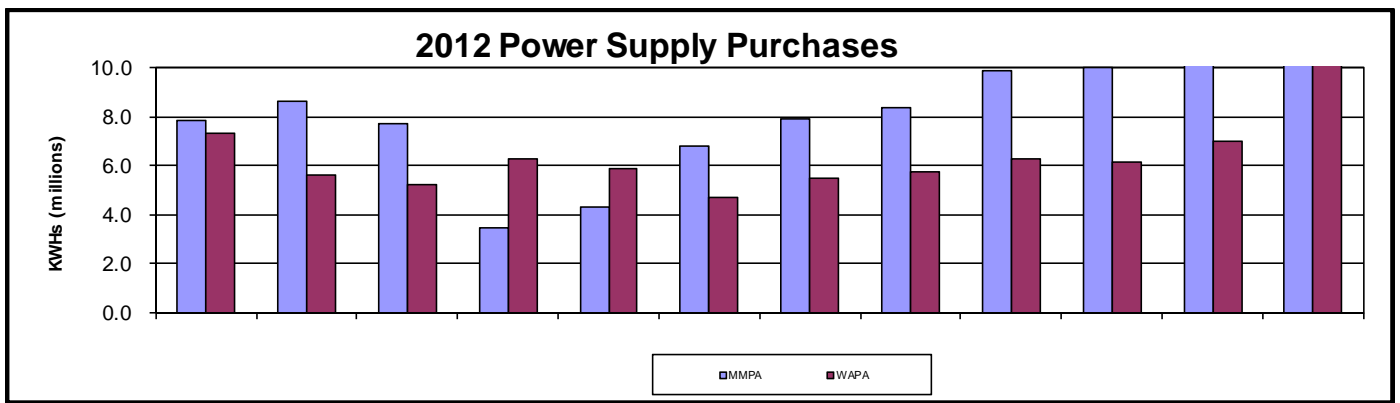
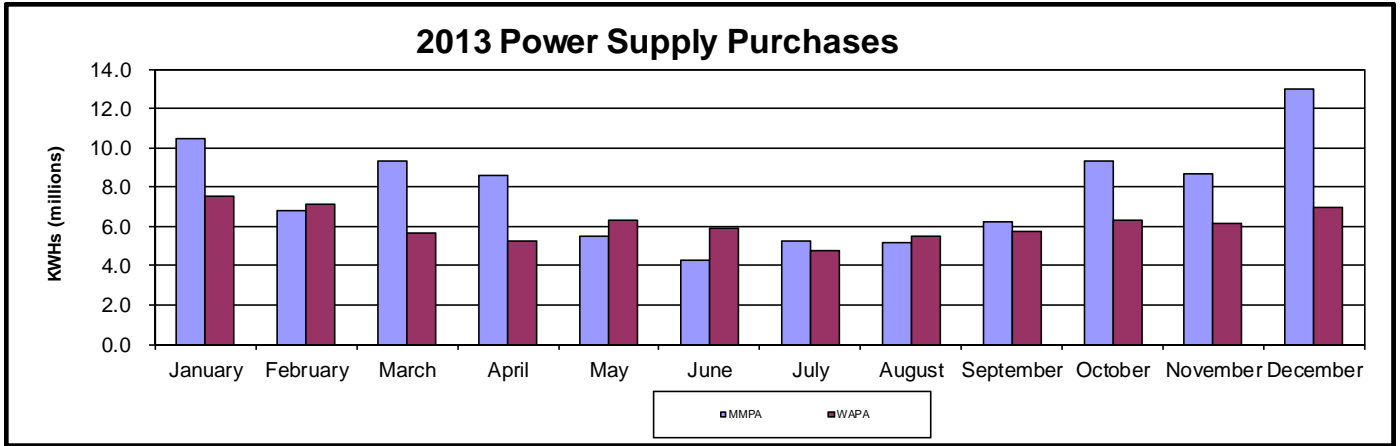
KWHs	...	Demand	Energy	...	WAPA +	Loss	Standby
	MMPA	WAPA	System	MMPA	WAPA	System	MMPA		at wholesale
2016									
January	17,307	13,235	30,741	9,908,933	7,519,000	17,427,933	17,427,933	-	7,265
February	12,285	12,370	25,381	6,640,619	7,349,000	13,989,619	13,989,619	-	46,951
March	11,527	11,069	22,596	8,092,997	5,630,000	13,722,997	13,722,997	-	9,459
April	12,824	9,192	22,154	7,874,292	5,244,000	13,118,292	13,118,292	-	326,350
May	10,226	11,650	22,051	4,218,787	6,302,000	10,520,787	10,520,787	-	-
June	7,657	11,276	19,102	3,351,039	5,876,000	9,227,039	9,227,039	-	-
July	10,911	9,899	20,958	5,371,843	4,729,000	10,100,843	10,100,843	-	-
August	14,042	11,092	25,300	6,504,270	5,492,000	11,996,270	11,996,270	-	12,594
September	10,421	12,097	22,699	6,739,898	5,774,000	12,513,898	12,513,898	-	50,377
October	14,727	12,661	27,578	8,992,675	6,287,000	15,279,675	15,279,675	-	292,377
November	17,888	11,104	29,159	9,554,944	6,117,000	15,671,944	15,671,944	-	14,165
December	20,349	13,325	33,783	11,611,669	6,985,000	18,596,669	18,596,669	-	208,635
1st Quarter	41,119	36,674	78,718	24,642,549	20,498,000	45,140,549	45,140,549	-	63,675
2nd Quarter	30,707	32,118	63,307	15,444,118	17,422,000	32,866,118	32,866,118	-	326,350
3rd Quarter	35,374	33,088	68,957	18,616,011	15,995,000	34,611,011	34,611,011	-	62,971
4th Quarter	52,964	37,090	90,520	30,159,288	19,389,000	49,548,288	49,548,288	-	515,177
Total	160,164	138,970	301,502	88,861,966	73,304,000	162,165,966	162,165,966	-	968,173
2015									
January	18,867	13,235	32,301	10,116,589	7,519,000	17,635,589	17,635,589	-	-
February	14,933	12,370	27,489	7,617,601	7,096,000	14,713,601	14,713,601	-	196,355
March	14,863	10,905	25,932	9,090,900	5,630,000	14,720,900	14,720,900	-	246,927
April	12,823	9,192	22,153	7,645,179	5,244,000	12,889,179	12,889,179	-	36,175
May	4,786	11,650	16,611	2,910,391	6,302,000	9,212,391	9,212,391	-	121,349
June	6,956	11,276	18,401	3,219,700	5,876,000	9,095,700	9,095,700	-	10,756
July	10,923	9,899	20,970	5,427,731	4,729,000	10,156,731	10,156,731	-	-
August	12,633	11,092	23,891	6,620,776	5,492,000	12,112,776	12,112,776	-	51,233
September	15,176	12,097	27,454	7,292,205	5,774,000	13,066,205	13,066,205	-	6,449
October	12,659	12,661	25,510	8,942,128	6,287,000	15,229,128	15,229,128	-	53,673
November	15,836	11,104	27,107	9,386,939	6,117,000	15,503,939	15,503,939	-	254,776
December	16,514	13,325	29,948	10,054,799	6,985,000	17,039,799	17,039,799	-	202,099
1st Quarter	48,663	36,510	85,722	26,825,090	20,245,000	47,070,090	47,070,090	-	443,282
2nd Quarter	24,565	32,118	57,165	13,775,270	17,422,000	31,197,270	31,197,270	-	168,280
3rd Quarter	38,732	33,088	72,315	19,340,712	15,995,000	35,335,712	35,335,712	-	57,682
4th Quarter	45,009	37,090	82,565	28,383,866	19,389,000	47,772,866	47,772,866	-	510,548
Total	156,969	138,806	297,767	88,324,938	73,051,000	161,375,938	161,375,938	-	1,179,792
2014									
January	19,666	13,235	33,100	9,798,634	7,519,000	17,317,634	17,317,634	-	2,483
February	15,830	12,370	28,186	8,036,658	7,096,000	15,132,658	15,132,658	-	67,790
March	15,391	10,905	26,460	10,139,580	5,630,000	15,769,580	15,769,580	-	227,875
April	15,049	9,192	24,379	8,804,493	5,244,000	14,048,493	14,048,493	-	72,654
May	10,755	11,650	22,580	6,625,114	6,302,000	12,927,114	12,927,114	-	-
June	8,204	11,276	19,649	4,039,915	5,876,000	9,915,915	9,915,915	-	-
July	11,751	9,899	21,798	5,204,862	4,729,000	9,933,862	9,933,862	-	-
August	9,512	11,092	20,770	5,214,533	5,492,000	10,706,533	10,706,533	-	-
September	10,397	12,097	22,675	6,675,348	5,774,000	12,449,348	12,449,348	-	76,123
October	14,537	12,661	27,388	9,201,288	6,287,000	15,488,288	15,488,288	-	121,305
November	16,372	11,104	27,643	9,327,430	6,117,000	15,444,430	15,444,430	-	304,534
December	19,113	13,325	32,547	9,900,784	6,985,000	16,885,784	16,885,784	-	45,363
1st Quarter	50,887	36,510	87,746	27,974,872	20,245,000	48,219,872	48,219,872	-	298,148
2nd Quarter	34,008	32,118	66,608	19,469,522	17,422,000	36,891,522	36,891,522	-	72,654
3rd Quarter	31,660	33,088	65,243	17,094,743	15,995,000	33,089,743	33,089,743	-	76,123
4th Quarter	50,022	37,090	87,578	28,429,502	19,389,000	47,818,502	47,818,502	-	471,202
Total	166,577	138,806	307,175	92,968,639	73,051,000	166,019,639	166,019,639	-	918,127

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

KWHs	...	Demand	Energy	...	WAPA +		Standby
	MMPA	WAPA	System	MMPA	WAPA	System	MMPA	Loss	at wholesale
2013									
January	17,908	13,235	31,342	10,446,799	7,519,000	17,965,799	17,965,799	-	58,051
February	15,203	12,556	27,759	6,802,453	7,096,000	13,898,453	13,898,453	-	53,617
March	14,683	10,905	25,752	9,357,897	5,630,000	14,987,897	14,987,897	-	55,356
April	15,761	9,192	25,091	8,571,552	5,244,000	13,815,552	13,815,552	-	29,168
May	11,322	11,650	23,147	5,489,053	6,302,000	11,791,053	11,791,053	-	94,408
June	9,788	11,276	21,233	4,291,040	5,876,000	10,167,040	10,167,040	-	88,348
July	10,327	9,899	20,374	5,233,234	4,729,000	9,962,234	9,962,234	-	-
August	12,536	11,092	23,794	5,191,324	5,492,000	10,683,324	10,683,324	-	-
September	10,425	12,097	22,703	6,237,750	5,774,000	12,011,750	12,011,750	-	213,105
October	14,741	12,661	27,952	9,342,015	6,287,000	15,629,015	15,629,015	-	16,299
November	16,680	11,104	27,951	8,647,480	6,117,000	14,764,480	14,764,480	-	25,101
December	19,687	13,325	33,121	13,035,926	6,985,000	20,020,926	20,020,926	-	4,995
1st Quarter	47,794	36,696	84,853	26,607,149	20,245,000	46,852,149	46,852,149	-	167,024
2nd Quarter	36,871	32,118	69,471	18,351,645	17,422,000	35,773,645	35,773,645	-	211,924
3rd Quarter	33,288	33,088	66,871	16,662,308	15,995,000	32,657,308	32,657,308	-	213,105
4th Quarter	51,108	37,090	89,024	31,025,421	19,389,000	50,414,421	50,414,421	-	46,395
Total	169,061	138,992	310,219	92,646,523	73,051,000	165,697,523	165,697,523	-	638,448
2012									
January	18,396	13,235	31,830	10,126,288	7,519,000	17,645,288	17,645,288	-	122,932
February	17,358	12,370	29,914	7,843,545	7,349,000	15,192,545	15,192,545	-	55,724
March	15,232	10,905	26,301	8,625,687	5,630,000	14,255,687	14,255,687	-	40,595
April	13,119	9,192	22,449	7,696,380	5,244,000	12,940,380	12,940,380	-	121,819
May	7,726	11,650	19,551	3,445,403	6,302,000	9,747,403	9,747,403	-	210,396
June	9,839	11,276	21,284	4,333,149	5,876,000	10,209,149	10,209,149	-	3,490
July	11,163	9,899	21,210	6,799,816	4,729,000	11,528,816	11,528,816	-	-
August	19,664	11,092	30,922	7,883,023	5,492,000	13,375,023	13,375,023	-	-
September	12,838	12,097	25,116	8,346,550	5,774,000	14,120,550	14,120,550	-	1,028,736
October	14,546	12,661	27,397	9,863,735	6,287,000	16,150,735	16,150,735	-	32,167
November	16,940	11,104	28,211	10,005,115	6,117,000	16,122,115	16,122,115	-	59,414
December	18,404	13,325	31,838	12,161,857	6,985,000	19,146,857	19,146,857	-	248,044
1st Quarter	50,986	36,510	88,045	26,595,520	20,498,000	47,093,520	47,093,520	-	219,251
2nd Quarter	30,684	32,118	63,284	15,474,932	17,422,000	32,896,932	32,896,932	-	335,705
3rd Quarter	43,665	33,088	77,248	23,029,389	15,995,000	39,024,389	39,024,389	-	1,028,736
4th Quarter	49,890	37,090	87,446	32,030,707	19,389,000	51,419,707	51,419,707	-	339,625
Total	175,225	138,806	316,023	97,130,548	73,304,000	170,434,548	170,434,548	-	1,923,317





Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,315,757	3,173,610	2,696,015	2,558,354	2,295,204	2,603,852	2,890,147	3,490,638	2,977,804	2,296,589	2,409,381	2,828,782	33,536,133
All Electric	432,729	409,292	303,890	258,502	167,959	130,440	135,195	160,476	137,816	137,829	190,035	322,195	2,786,358
Commercial	3,273,052	2,671,157	2,293,350	2,282,667	2,151,977	2,308,483	2,231,099	2,428,515	2,281,744	2,502,754	3,428,614	3,948,274	31,801,686
Large Commercial	913,192	885,978	904,334	800,863	797,673	747,575	772,902	872,639	830,073	839,361	834,002	898,937	10,097,529
City Electric	826,566	829,070	703,477	579,332	486,349	505,894	464,053	481,971	446,667	531,001	643,209	736,428	7,234,017
City Off Peak	58,642	45,910	28,475	34,964	12,299	2,318	1,251	46	2,202	5,751	8,459	49,637	249,954
Off Peak	192,333	157,687	106,293	65,841	25,404	8,785	5,392	5,861	3,789	12,472	35,135	116,767	735,759
Industrial	7,987,166	6,045,634	6,356,600	6,500,499	4,181,041	2,511,453	2,751,872	4,567,682	6,046,552	7,515,833	7,392,440	7,911,543	69,768,315
Industrial Standby	7,439	48,078	9,686	334,182	-	-	-	12,897	51,586	299,395	14,505	213,642	991,410
Total	17,006,876	14,266,416	13,402,120	13,415,204	10,117,906	8,818,800	9,251,911	12,020,725	12,778,233	14,140,985	14,955,780	17,026,205	157,201,161

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,441,417	3,286,587	2,903,680	2,589,881	2,278,383	2,487,870	2,975,176	3,485,905	3,144,253	2,331,989	2,403,947	2,808,032	34,137,120
All Electric	466,351	466,728	376,862	265,394	181,168	145,098	149,849	171,068	148,284	131,941	203,977	316,709	3,023,429
Commercial	3,112,085	2,683,578	2,309,329	2,196,160	2,109,086	2,213,385	2,256,911	2,482,999	2,327,244	2,379,256	2,778,677	2,663,173	29,511,883
Large Commercial	949,103	894,194	883,864	794,919	757,183	757,595	802,634	810,320	847,273	813,362	829,964	882,319	10,022,730
City Electric	894,165	879,486	795,173	559,102	512,506	502,284	446,301	469,992	461,750	557,438	659,464	743,225	7,480,886
City Off Peak	43,337	37,976	30,675	17,135	8,169	3,184	660	241	2,312	8,095	15,938	58,259	225,981
Off Peak	205,547	210,702	165,433	70,820	24,133	9,673	4,833	3,929	3,424	10,001	38,163	97,073	843,731
Industrial	7,907,917	6,010,087	6,815,657	6,320,951	3,337,139	2,866,012	2,603,123	4,772,918	6,299,809	8,168,687	7,828,778	8,056,904	70,987,982
Industrial Standby	-	201,068	252,852	37,043	124,262	11,014	-	52,462	6,604	54,962	260,891	206,950	1,208,108
Total	17,019,922	14,670,406	14,533,525	12,851,405	9,332,029	8,996,115	9,239,487	12,249,834	13,240,953	14,455,731	15,019,799	15,832,644	157,441,850

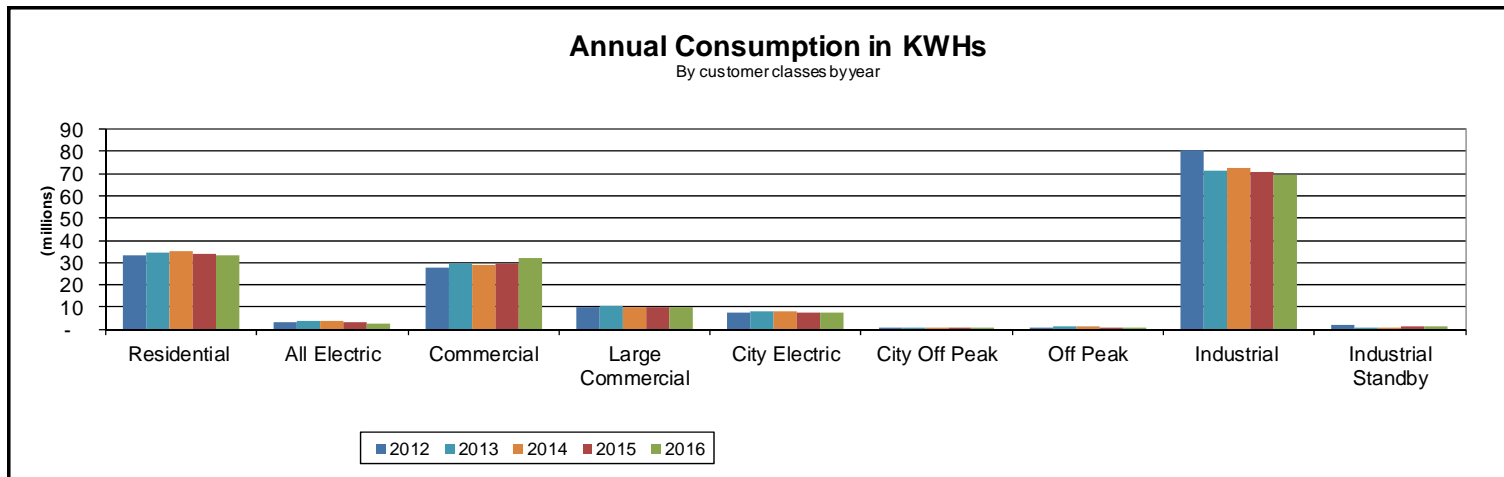
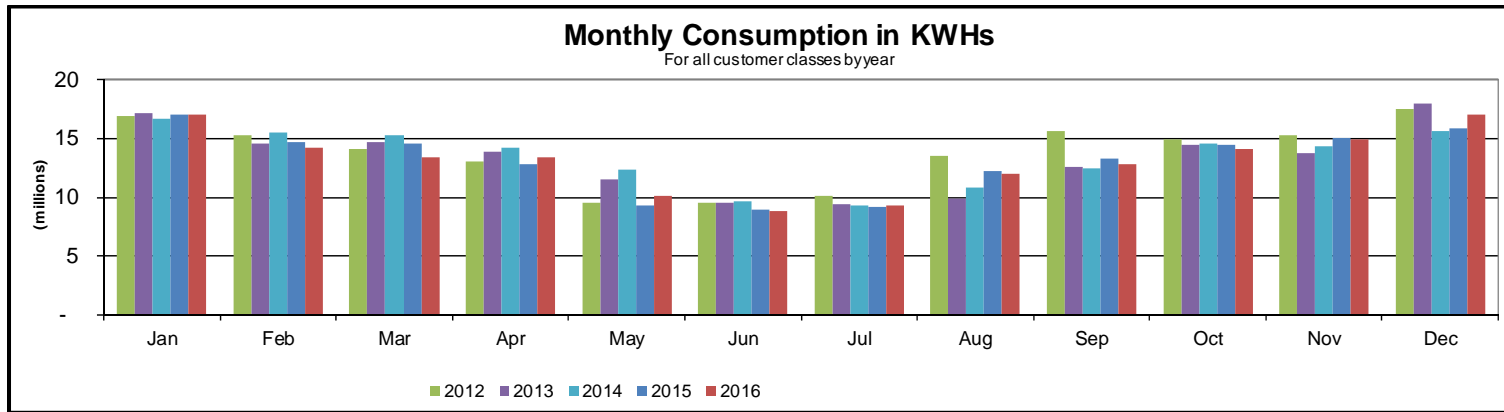
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,800,850	3,595,111	3,029,051	2,858,497	2,393,607	2,637,275	2,850,846	3,209,567	2,801,734	2,318,099	2,482,909	3,099,188	35,076,734
All Electric	559,814	542,513	445,866	345,290	221,659	156,110	146,817	164,159	146,276	152,101	260,165	417,509	3,558,279
Commercial	3,016,307	2,834,261	2,425,685	2,346,251	2,102,370	2,292,584	2,201,259	2,393,803	2,175,036	2,292,972	2,510,904	2,527,556	29,118,988
Large Commercial	970,192	838,875	810,464	730,580	713,499	687,692	728,399	764,550	798,479	842,130	852,090	922,232	9,659,182
City Electric	1,005,381	957,505	829,967	653,841	562,480	542,428	477,469	509,400	482,460	567,129	717,917	833,019	8,138,996
City Off Peak	46,052	64,048	30,922	19,969	20,750	2,848	1,721	84	5,288	14,238	38,519	57,582	302,021
Off Peak	261,525	246,316	213,487	136,246	55,308	16,737	11,248	6,401	8,579	16,119	73,045	177,358	1,222,369
Industrial	7,027,910	6,310,936	7,198,347	7,077,358	6,250,231	3,361,637	2,823,654	3,717,038	5,997,021	8,275,513	7,135,754	7,562,366	72,737,765
Industrial Standby	2,542	69,418	233,344	74,397	-	-	-	-	77,950	124,216	311,843	46,452	940,162
Total	16,690,573	15,458,983	15,217,133	14,242,429	12,319,904	9,697,311	9,241,413	10,765,002	12,492,823	14,602,517	14,383,146	15,643,262	160,754,496

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,420,871	3,407,051	2,783,911	2,850,864	2,455,452	2,418,810	3,197,332	2,954,760	3,142,537	2,356,910	2,577,206	3,140,031	34,705,735
All Electric	493,228	515,763	384,962	356,020	225,391	151,380	171,815	154,390	168,062	154,374	274,882	452,775	3,503,042
Commercial	3,142,346	2,843,347	2,250,128	2,348,440	2,078,266	2,161,918	2,347,251	2,242,803	2,382,180	2,230,870	2,393,265	3,009,822	29,430,636
Large Commercial	1,004,680	933,520	935,560	867,920	746,120	645,000	713,760	805,640	862,920	942,479	886,122	969,402	10,313,123
City Electric	904,528	898,199	779,338	656,596	541,616	531,767	487,799	503,494	506,347	608,594	785,438	927,518	8,131,234
City Off Peak	30,132	43,288	34,140	58,488	1,966	370	46	45	46	5,724	33,639	59,232	267,116
Off Peak	220,088	242,600	169,351	144,438	62,856	16,552	7,011	6,776	7,418	18,222	71,373	193,962	1,160,647
Industrial	7,917,051	5,609,120	7,330,741	6,517,898	5,370,860	3,505,309	2,539,282	3,200,722	5,332,445	8,130,544	6,654,701	9,151,779	71,260,452
Industrial Standby	59,444	54,904	56,684	29,869	96,673	90,468	-	-	218,220	16,690	25,703	5,115	653,770
Total	17,192,368	14,547,792	14,724,815	13,830,533	11,579,200	9,521,574	9,464,296	9,868,630	12,620,175	14,464,407	13,702,329	17,909,636	159,425,755

Statistics
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,169,188	3,079,370	2,706,420	2,419,029	2,246,158	2,492,342	3,293,327	3,546,539	2,904,200	2,202,048	2,559,225	2,925,086	33,542,932
All Electric	416,490	429,962	342,223	227,254	169,386	153,259	188,449	183,404	157,397	172,418	282,039	398,569	3,120,850
Commercial	2,523,134	2,563,557	2,173,417	2,087,475	2,007,636	2,092,553	2,307,612	2,284,758	2,195,362	2,160,473	2,485,203	2,702,997	27,584,177
Large Commercial	901,320	876,080	874,360	765,000	780,760	686,720	793,080	828,760	748,560	929,120	896,080	954,480	10,034,320
City Electric	790,945	778,269	730,873	537,682	486,107	516,717	489,357	503,171	488,224	585,842	753,799	817,163	7,478,149
City Off Peak	52,879	33,990	25,765	9,105	2,199	251	44	43	81	18,088	29,423	41,203	213,071
Off Peak	172,997	192,277	148,709	48,841	32,432	12,281	5,594	4,942	5,857	26,770	89,184	149,565	889,449
Industrial	8,802,551	7,317,466	7,032,500	6,773,682	3,642,820	3,621,533	3,089,573	6,207,562	8,036,203	8,775,938	8,059,035	9,211,176	80,570,039
Industrial Standby	125,883	57,061	41,569	124,743	215,446	3,574	-	-	1,053,426	32,939	60,840	253,998	1,969,479
Total	16,955,387	15,328,032	14,075,836	12,992,811	9,582,944	9,579,230	10,167,036	13,559,179	15,589,310	14,903,636	15,214,828	17,454,237	165,402,466



**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

Load Factors	2016	2015	2014	2013	2012
MMPA Power Factor					
January	84.3000	88.6300	86.9200	87.5600	88.2000
February	91.4000	91.4000	91.5200	90.3200	88.3700
March	90.3500	91.7900	91.9000	91.5600	90.3900
April	87.7100	92.3300	89.4000	90.7900	89.7200
May	86.9000	95.0700	87.9800	89.7500	86.5600
June	94.4100	95.0800	93.7800	95.8500	92.3900
July	94.5300	94.5300	93.5300	96.1000	93.5500
August	83.7600	82.8300	90.1100	90.5300	89.3400
September	86.6200	83.7600	90.8300	84.9100	84.9400
October	77.9100	80.0200	82.3700	82.7100	84.8500
November	85.2700	80.4100	84.8400	84.4600	85.7900
December	86.2700	84.0300	87.8800	86.9300	86.7600
Average	87.4525	88.3233	89.2550	89.2892	88.4050
WAPA Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3590	85.3590	85.3590	85.3590	85.3590
March	69.3921	69.3921	69.3921	69.3921	69.3921
April	79.2356	79.2356	79.2356	79.2356	79.2356
May	72.7076	72.7076	72.7076	72.7076	72.7076
June	72.3759	72.3759	72.3759	72.3759	72.3759
July	64.2104	64.2104	64.2104	64.2104	64.2104
August	66.5499	66.5499	66.5499	66.5499	66.5499
September	66.2928	66.2928	66.2928	66.2928	66.2928
October	66.7425	66.7425	66.7425	66.7425	66.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	72.2228	72.2228	72.2228	72.2228	72.2228
System Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3590	85.3590	85.3590	85.3590	85.3590
March	69.3921	69.3921	69.3921	69.3921	69.3921
April	79.2356	79.2356	79.2356	79.2356	79.2356
May	72.7076	72.7076	72.7076	72.7076	72.7076
June	72.3759	72.3759	72.3759	72.3759	72.3759
July	64.2104	64.2104	64.2104	64.2104	64.2104
August	66.5499	66.5499	66.5499	66.5499	66.5499
September	66.2928	66.2928	66.2928	66.2928	66.2928
October	36.7425	36.7425	36.7425	66.7425	66.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	69.7228	69.7228	69.7228	72.2228	72.2228

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

Revenues Account Number	2012 Actual	2013 Actual	2014 Actual	2015 Actual	2016 Actual
601-37-000-37410 Res. Regular	\$ 3,007,589	\$ 3,350,300	\$ 3,409,135	\$ 3,329,772	\$ 3,416,512
601-37-000-37412 Res. All Electric	269,922	313,799	327,881	283,890	267,022
601-37-000-37415 Res. Off Peak	32,538	44,217	48,710	35,735	31,488
601-37-000-37416 Res. Seasonal	2,806	3,303	2,066	2,128	2,129
601-37-000-37420 Com. Regular	2,097,503	2,303,989	2,343,221	2,327,261	2,558,624
601-37-000-37421 Com. Large	569,413	577,327	570,763	573,457	558,905
601-37-000-37422 Com. Industrial Standby	317,654	286,419	244,561	361,694	335,049
601-37-000-37425 Com. Off Peak	25,828	35,276	39,376	24,158	21,225
601-37-000-37426 Com. Seasonal	1,618	1,705	2,119	2,849	2,237
601-37-000-37427 Industrial	5,664,698	4,525,416	4,789,885	4,966,617	4,822,103
601-37-000-37428 Industrial Excess	6,207	1,014	(6,955)	(613)	(1,302)
601-37-000-37435 LCE Facility	85,200	85,200	83,070	76,680	76,680
601-37-000-37436 Industrial Facility	570,000	570,000	570,000	570,000	570,000
601-37-000-37440 KVAR	53,865	53,323	53,039	57,061	58,215
601-37-000-37441 Res. Off Peak Customer	5,715	5,806	5,870	5,861	5,857
601-37-000-37442 Com. Off Peak Customer	1,472	1,449	1,449	1,449	1,449
601-37-000-37443 Res. Customer	292,943	294,474	296,255	299,242	301,060
601-37-000-37444 Com. Customer	52,978	53,996	54,294	55,095	55,768
601-37-000-37445 LCE. Customer	50,400	50,400	49,140	45,360	45,360
601-37-000-37446 Industrial Customer	97,800	97,800	97,800	97,800	97,800
601-37-000-37447 Res. All Elect. Customer	44,460	45,558	48,722	49,891	49,130
601-37-000-37448 City Elect. Customer	9,467	10,068	10,146	10,150	10,179
601-37-000-37449 City Off-Peak Customer	414	414	414	414	414
601-37-000-37450 Reconnection	3,140	2,510	5,320	6,010	5,040
601-37-000-37451 Remote Meter	-	-	-	-	-
601-37-000-37452 Temporary Service	680	600	705	760	520
601-37-000-37453 Underground	16,366	6,415	4,511	3,376	3,266
601-37-000-37471 Night Watch	7,721	8,224	8,170	8,139	8,309
601-37-000-37472 City Electric	626,026	740,420	763,255	693,050	675,910
601-37-000-37473 City Special	14,144	20,186	23,969	17,745	19,060
601-37-000-37474 Fiber Optic Lease	3,876	3,876	3,876	2,795	2,640
601-37-000-37480 Interest Earnings	208,272	119,237	392,825	225,935	195,192
601-37-000-37481 Change-Investment Value	-	(337,633)	-	-	-
601-37-000-37482 Green Power	6,613	6,339	5,714	5,452	5,381
601-37-000-37484 Curtailment Credit	-	-	-	-	-
601-37-000-37485 Discount Air Conditioner	(6,089)	(6,128)	(6,247)	(6,262)	(6,318)
601-37-000-37486 Discount Electric	(33,886)	(34,230)	(34,547)	(35,193)	(35,002)
601-37-000-37487 Gain on Sale of Fixed Asset	-	-	-	-	12,000
601-37-000-37488 Repairs	14,298	12,037	7,704	14,263	5,807
601-37-000-37489 Penalties	100,091	94,325	104,116	102,359	92,577
601-37-000-37490 Miscellaneous	70,053	107,688	126,967	67,896	59,246
601-37-000-37491 Bad Debt - Uncollectible	(19,163)	(27,320)	(42,766)	(26,856)	(25,741)
	<u>\$ 14,272,632</u>	<u>\$ 13,427,800</u>	<u>\$ 14,404,533</u>	<u>\$ 14,255,420</u>	<u>\$ 14,303,791</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Expenses		2012	2013	2014	2015	2016
OBJECT CODES		Actual	Actual	Actual	Actual	Actual
41010	Salaries - Reg.	\$ 1,036,755	\$ 1,036,860	\$ 1,130,655	\$ 1,131,084	\$ 1,191,648
41020	Salaries - O.T.	17,681	19,175	21,642	15,470	15,062
41070	Vacations, etc.	106,289	104,666	104,545	103,730	120,082
41210	PERA	82,212	81,399	87,288	89,090	94,618
41220	FICA	82,430	81,093	86,363	87,834	92,790
41300	Insurance	145,418	163,471	168,853	157,334	178,450
41510	Workers Comp	26,925	21,988	24,276	31,110	32,742
42000	Office Supplies	13,917	9,473	13,168	7,916	15,024
42110	General & Cleaning Supplies	915	1,346	1,268	1,421	1,808
42120	General Supplies	16,670	20,024	13,307	12,638	11,306
42180	Uniforms	3,850	2,317	1,736	7,008	7,657
42270	Parts & Supplies	66,989	129,016	120,917	82,565	75,541
42400	Small Tools	19,816	28,760	31,399	56,680	54,945
42800	WAPA Purchases	2,334,738	2,330,556	2,330,159	2,327,443	2,282,229
42810	NSP Purchases	67,499	67,499	56,117	48,735	49,709
42820	MMPA	6,326,174	6,271,844	6,396,302	6,288,937	6,458,333
43010	Auditing	28,028	18,675	14,155	17,025	17,525
43030	Engineering	74,401	37,414	98,741	114,202	112,816
43040	Legal Fees	19,279	15,986	16,925	15,228	21,736
43090	EDP/Accounting	62,651	66,723	65,576	67,954	62,952
43190	Other Professional	14,645	14,719	15,125	19,373	46,335
43200	Communications	22,500	22,713	20,810	20,452	21,074
43220	Postage	25,026	17,373	29,744	33,556	23,283
43310	Travel & School	33,195	26,125	20,709	21,035	34,867
43330	Freight & Express	-	-	-	-	-
43400	Promotion/Advertising	23,220	24,681	24,235	29,552	25,498
43500	Printing & Publishing	2,553	2,228	2,355	3,065	2,608
43610	Liability Insurance	40,482	19,576	53,172	48,636	13,808
43620	Property Insurance	30,067	55,775	33,021	33,645	40,081
43810	Electric Utilities	57,728	69,013	73,575	67,172	72,250
43830	Utilities	3,966	5,956	6,066	5,152	2,832
44040	Contracted Services	162,079	78,167	158,173	79,241	130,706
44120	Office Rent	18,000	18,000	18,000	18,000	18,000
44200	Depreciation	918,457	1,042,373	1,002,801	1,024,057	1,040,835
44300	Miscellaneous	249,777	206,841	254,169	223,259	242,451
44330	Dues & Subscript.	44,556	91,215	39,029	46,322	29,715
44340	Collections Fees	758	-	-	-	6,032
44350	Banking/Credit Card Fees	14,050	17,863	24,053	23,991	28,967
44410	Permits & Fees	28,924	30,262	26,996	36,633	10,820
45200	Capital Outlay	282,660	266,041	180,067	184,789	135,154
46110	Bond Interest	337	215	85	-	-
46200	Fiscal Agent Fees	-	-	-	-	-
47200	Franchise Taxes	1,219,013	1,190,529	1,218,637	1,203,368	1,194,587
47210	Cash Transfers to Other	-	36,639	250,000	250,000	250,000
47220	Cash Transfers to Water	1,500,000	-	-	-	-
49900	Pension Expense	-	-	-	29,766	111,200
49990	Reimbursed	(267,880)	(266,970)	(297,109)	(303,125)	(346,442)
		<u>\$ 14,956,747</u>	<u>\$ 13,477,618</u>	<u>\$ 13,937,105</u>	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

EXPENSES	2012	2013	2014	2015	2016
Account Number	Actual	Actual	Actual	Actual	Actual
Power Purchases					
601-49-560-42800 WAPA	\$ 2,334,738	\$ 2,330,556	\$ 2,330,159	\$ 2,327,443	\$ 2,282,229
601-49-560-42810 NSP/NSP Facility	67,499	67,499	56,117	48,735	49,709
601-49-560-42820 MMPA/NSP	6,326,174	6,271,844	6,396,302	6,288,937	6,458,333
Total	<u>8,728,410</u>	<u>8,669,899</u>	<u>8,782,578</u>	<u>8,665,115</u>	<u>8,790,271</u>
Distribution Lines					
601-49-570-41010 Salaries - Reg.	182,861	161,781	177,439	198,627	194,813
601-49-570-41020 Salaries - O.T.	5,750	4,969	8,963	4,322	5,594
601-49-570-41210 PERA	13,646	12,061	13,603	15,207	15,027
601-49-570-41220 FICA	13,337	11,792	13,345	14,550	14,381
601-49-570-42270 Parts & Supplies	9,461	50,541	14,784	13,156	20,155
601-49-570-44040 Contracted Services	438	372	361	992	1,427
Total	<u>225,493</u>	<u>241,515</u>	<u>228,495</u>	<u>246,854</u>	<u>251,397</u>
Transformers					
601-49-571-41010 Salaries - Reg.	8,589	7,350	5,840	3,867	4,207
601-49-571-41020 Salaries - O.T.	-	162	-	310	-
601-49-571-41210 PERA	558	545	425	313	316
601-49-571-41220 FICA	608	510	396	296	285
601-49-571-42270 Parts & Supplies	3,460	5,047	34,588	16,503	4,646
601-49-571-43030 Engineering	-	-	-	-	-
601-49-571-44040 Contracted Services	14,628	14,802	2,663	5,080	431
Total	<u>27,842</u>	<u>28,416</u>	<u>43,912</u>	<u>26,369</u>	<u>9,885</u>
Meters					
601-49-572-41010 Salaries - Reg.	17,894	20,141	14,069	9,850	5,425
601-49-572-41020 Salaries - O.T.	145	-	-	-	-
601-49-572-41210 PERA	1,294	1,443	1,001	737	407
601-49-572-41220 FICA	1,241	1,427	991	687	344
601-49-572-42270 Parts & Supplies	10,219	1,991	8,084	2,979	2,985
601-49-572-44040 Contracted Services	3,895	827	3,307	3,332	4,060
Total	<u>34,688</u>	<u>25,829</u>	<u>27,452</u>	<u>17,585</u>	<u>13,221</u>
Substations					
601-49-574-41010 Salaries - Reg.	6,899	10,558	13,153	14,637	13,105
601-49-574-41020 Salaries - O.T.	54	-	280	-	-
601-49-574-41210 PERA	456	765	974	1,098	983
601-49-574-41220 FICA	473	740	957	1,037	942
601-49-574-42270 Parts & Supplies	572	490	20,596	154	1,121
601-49-574-43030 Engineering	-	-	-	-	-
601-49-574-43810 Electric Utilities	7,687	9,842	14,853	13,267	13,166
601-49-574-44040 Contracted Services	2,658	2,860	51,015	3,842	23,892
Total	<u>18,799</u>	<u>25,255</u>	<u>101,828</u>	<u>34,035</u>	<u>53,209</u>
Street Lights					
601-49-575-41010 Salaries - Reg.	32,427	33,519	67,448	53,787	36,581
601-49-575-41020 Salaries - O.T.	453	818	-	-	457
601-49-575-41210 PERA	2,328	2,469	4,894	4,034	2,772
601-49-575-41220 FICA	2,311	2,399	4,726	3,817	2,629
601-49-575-42270 Parts & Supplies	20,380	14,094	24,222	24,290	23,077
601-49-575-44040 Contracted Services	42,258	1,620	4,888	1,935	-
Total	<u>100,157</u>	<u>54,919</u>	<u>106,178</u>	<u>87,863</u>	<u>65,516</u>
Distribution Service Center					
601-49-576-41010 Salaries - Reg.	40,615	50,598	43,538	41,731	53,154
601-49-576-41020 Salaries - O.T.	161	164	-	-	-
601-49-576-41210 PERA	2,615	3,232	2,836	2,642	3,347
601-49-576-41220 FICA	2,842	3,563	3,130	3,049	3,828
601-49-576-42270 Parts & Supplies	4,924	2,137	3,775	5,169	3,449
601-49-576-42400 Small Tools & Equipment	203	-	-	-	29,298
601-49-576-43810 Electric Utilities	50,041	59,171	58,722	53,905	59,084
601-49-576-43830 Utilities	3,966	5,956	6,066	5,152	2,832
601-49-576-44040 Contracted Services	50,238	16,364	20,643	22,147	47,044
601-49-576-44200 Depreciation	84,265	83,128	81,301	81,301	81,301
601-49-576-49990 Reimbursed from 602 (10%)	(15,560)	(14,138)	(13,871)	(13,380)	(28,334)
Total	<u>224,308</u>	<u>210,174</u>	<u>206,140</u>	<u>201,716</u>	<u>255,003</u>

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

EXPENSES	2012	2013	2014	2015	2016
Account Number	Actual	Actual	Actual	Actual	Actual
Location Services					
601-49-577-41010 Salaries - Reg.	39,552	42,000	45,565	51,053	59,537
601-49-577-41020 Salaries - O.T.	398	369	279	614	440
601-49-577-41210 PERA	2,896	3,072	3,325	3,875	4,498
601-49-577-41220 FICA	2,951	3,091	3,362	3,788	4,400
Total	45,798	48,532	52,531	59,330	68,875
Vehicles					
601-49-578-41010 Salaries - Reg.	3,236	5,133	5,897	5,282	4,015
601-49-578-41020 Salaries - O.T.	-	-	-	-	-
601-49-578-41210 PERA	235	364	425	393	300
601-49-578-41220 FICA	225	357	408	376	281
601-49-578-42120 Fuels & Lubricants	16,670	20,024	13,307	12,638	11,306
601-49-578-42270 Parts & Supplies	1,151	3,419	641	1,081	275
601-49-578-44040 Contracted Services	15,123	23,970	25,303	16,320	20,858
601-49-578-44300 Miscellaneous	336	-	379	76	394
Total	36,976	53,268	46,360	36,166	37,429
Energy/Load Mgt					
601-49-580-41010 Salaries - Reg.	57,842	59,658	62,229	69,889	70,029
601-49-580-41020 Salaries - O.T.	120	123	376	108	171
601-49-580-41210 PERA	4,202	4,179	4,521	5,062	5,097
601-49-580-41220 FICA	3,663	3,545	3,927	4,756	4,819
601-49-580-41300 Insurance	12,916	14,245	14,473	6,961	7,269
601-49-580-42270 Parts & Supplies	2,226	16,756	383	3	1,768
601-49-580-43400 Promotion	20,089	22,453	22,133	19,876	19,124
601-49-580-44040 Contracted Services	9,330	7,792	9,249	8,600	8,930
601-49-580-44300 Miscellaneous	240,182	194,807	237,835	202,415	223,193
Total	350,570	323,557	355,126	317,670	340,400
Information Systems					
601-49-585-41010 Salaries - Reg.	91,706	125,181	106,138	108,086	136,413
601-49-585-41020 Salaries - O.T.	2,752	2,873	2,924	2,963	1,470
601-49-585-41210 PERA	6,801	6,738	7,412	7,885	9,916
601-49-585-41220 FICA	6,221	6,135	6,639	6,957	9,120
601-49-585-41300 Insurance	-	-	-	-	3,113
601-49-585-42270 Parts & Supplies	2,058	1,056	1,438	3,028	4,137
601-49-585-42400 Small Tools & Equipment	10,244	7,211	20,535	52,926	18,796
601-49-585-43310 Travel & School	178	132	-	-	-
601-49-585-44040 Contracted Services	1,192	-	2	-	189
601-49-585-44300 Miscellaneous	2,949	2,278	1,740	2,155	2,075
Total	124,101	151,604	146,828	184,000	185,229
Supervision					
601-49-588-41010 Salaries - Reg.	84,767	89,902	95,607	137,893	93,652
601-49-588-41210 PERA	6,146	6,352	6,588	6,396	6,897
601-49-588-41220 FICA	6,254	6,564	6,936	7,008	6,956
601-49-588-41300 Insurance	7,202	7,375	7,322	3,528	1,438
601-49-588-43310 Travel & School	2,156	1,946	3,433	3,111	4,504
Total	106,525	112,138	119,886	157,936	113,447
General - Unallocated					
601-49-590-41010 Salaries - Reg.	76,622	63,461	93,004	56,073	108,721
601-49-590-41020 Salaries - O.T.	1,803	3,475	1,795	2,228	3,072
601-49-590-41070 Vacation, etc.	106,289	104,666	104,545	103,730	120,082
601-49-590-41210 PERA	13,105	13,642	13,467	13,885	15,453
601-49-590-41220 FICA	13,315	13,927	13,544	13,575	15,027
601-49-590-41300 Insurance	89,782	92,816	96,532	103,297	125,869
601-49-590-41510 Workers Comp	23,079	19,664	21,661	26,763	28,788
601-49-590-42110 General & Cleaning Supplies	915	1,346	1,268	1,421	1,808
601-49-590-42180 Uniforms	3,750	2,317	1,736	7,008	7,557
601-49-590-42270 Parts & Supplies	8,777	6,804	11,187	9,841	12,459
601-49-590-42400 Small Tools & Equipment	7,679	17,507	10,814	2,612	5,773
601-49-590-43030 Engineering	74,401	37,414	98,741	114,202	112,816
601-49-590-43190 Other Professional	125	-	-	-	-
601-49-590-43310 Travel & School	14,874	13,044	9,016	10,779	12,503
601-49-590-43330 Freight & Express	-	-	-	-	-
601-49-590-43400 Advertising	521	528	539	540	201
601-49-590-44040 Contracted Services	2,327	1,740	1,835	1,532	3,633
601-49-590-44200 Depreciation	799,560	924,589	885,178	908,252	925,931
601-49-590-44300 Miscellaneous	3,403	6,382	8,472	12,185	7,353
601-49-590-44330 Dues & Subscript.	19,908	67,056	14,140	20,129	3,837
601-49-590-44410 Permits & Fees	28,924	30,262	26,996	36,633	10,820
Total	1,289,159	1,420,642	1,414,470	1,444,685	1,521,703

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES	2012	2013	2014	2015	2016
Account Number	Actual	Actual	Actual	Actual	Actual
Meter Readers					
601-49-610-41010 Salaries - Reg.	12,809	12,539	15,956	16,368	18,447
601-49-610-41020 Salaries - O.T.	948	869	539	1,318	651
601-49-610-41210 PERA	970	969	1,196	1,326	1,432
601-49-610-41220 FICA	990	966	1,202	1,274	1,390
601-49-610-41300 Insurance	-	-	-	-	-
601-49-610-41510 Workers Comp	-	-	-	-	-
601-49-610-42120 Fuels & Lubricants	-	-	-	-	-
601-49-610-42180 Uniforms	-	-	-	-	-
601-49-610-42270 Parts & Supplies	-	-	-	-	-
601-49-610-43310 Travel & School	-	-	-	-	-
601-49-610-44040 Contracted Services	-	-	-	-	-
601-49-610-44200 Depreciation	-	-	-	-	-
601-49-610-44300 Miscellaneous	-	-	-	-	-
601-49-610-49990 Reimbursed	(5,239)	(5,114)	(6,298)	(6,762)	(7,307)
Total	<u>10,478</u>	<u>10,229</u>	<u>12,595</u>	<u>13,524</u>	<u>14,613</u>
W&L Commission					
601-49-615-41010 Salaries - Reg.	9,900	11,700	10,800	11,300	14,400
601-49-615-41220 FICA	757	895	826	864	1,102
Total	<u>10,657</u>	<u>12,595</u>	<u>11,626</u>	<u>12,164</u>	<u>15,502</u>
Administrative					
601-49-620-41010 Salaries - Reg.	290,595	290,279	328,576	302,881	331,038
601-49-620-41020 Salaries - O.T.	1,445	1,775	1,397	1,517	1,976
601-49-620-41210 PERA	20,884	21,501	22,965	22,353	24,485
601-49-620-41220 FICA	21,348	21,291	22,540	22,145	23,791
601-49-620-41300 Insurance	35,517	49,035	50,526	43,548	40,761
601-49-620-41510 Workers Comp	3,846	2,324	2,615	4,347	3,954
601-49-620-42000 Office Supplies	13,917	9,473	13,168	7,916	15,024
601-49-620-42180 Uniforms	100	-	-	-	100
601-49-620-42400 Small tools	1,690	4,042	50	1,142	1,078
601-49-620-43010 Auditing	28,028	18,675	14,155	17,025	17,525
601-49-620-43040 Legal Fees	19,279	15,986	16,925	15,228	21,736
601-49-620-43090 EDP/Accounting	62,651	66,723	65,576	67,954	62,952
601-49-620-43190 Other Professional	14,520	14,719	15,125	19,373	46,335
601-49-620-43200 Communications	22,500	22,713	20,810	20,452	21,074
601-49-620-43220 Postage	25,026	17,373	29,744	33,556	23,283
601-49-620-43310 Travel & School	15,987	11,004	8,260	7,145	17,860
601-49-620-43500 Printing & Publishing	2,553	2,228	2,355	3,065	2,608
601-49-620-43610 Liability Insurance	40,482	19,576	53,172	48,636	13,808
601-49-620-43620 Property Insurance	30,067	55,775	33,021	33,645	40,081
601-49-620-44040 Contracted Services	8,111	7,258	8,148	14,557	17,146
601-49-620-44120 Office Rent	18,000	18,000	18,000	18,000	18,000
601-49-620-44200 Depreciation	34,632	34,656	36,322	34,504	33,603
601-49-620-44300 Miscellaneous	2,907	3,374	5,743	6,428	9,436
601-49-620-44330 Dues & Subscript.	24,648	24,159	24,889	26,193	25,878
601-49-620-44340 Collections Fees	758	-	-	-	6,032
601-49-620-44350 Banking/Credit Card Fees	14,050	17,863	24,053	23,991	28,967
601-49-620-44390 Promotion	2,609	1,699	1,563	9,136	6,173
601-00-000-49900 Pension Expense	-	-	-	29,766	111,200
601-49-620-49990 Reimbursed	(240,507)	(238,948)	(261,126)	(256,745)	(284,901)
Total	<u>515,645</u>	<u>512,551</u>	<u>558,572</u>	<u>577,758</u>	<u>681,003</u>
Debt Service					
601-49-651-46110 Interest expense	337	215	-	-	-
601-49-621-46110 Interest expense	-	-	85	-	-
601-49-651-46120 Loss on bond defeasance	-	-	-	-	-
601-49-651-46200 Fiscal Agent Fees	-	-	-	-	-
Total	<u>337</u>	<u>215</u>	<u>85</u>	<u>-</u>	<u>-</u>
City Energy Cons.					
601-49-631-42270 Parts & Supplies	-	-	-	-	-
601-49-631-44040 Contracted Services	11,844	-	30,759	904	3,080
601-49-631-45200 Capital Outlay	32,660	8,041	8,665	-	-
Total	<u>44,504</u>	<u>8,041</u>	<u>39,424</u>	<u>904</u>	<u>3,080</u>

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2016, 2015, 2014, 2013, 2012**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

EXPENSES	2012	2013	2014	2015	2016
Account Number	Actual	Actual	Actual	Actual	Actual
Expenses for City					
601-49-632-41010 Salaries - Reg.	80,442	53,060	45,396	49,760	48,111
601-49-632-41020 Salaries - O.T.	3,653	3,577	5,089	2,090	1,231
601-49-632-41210 PERA	6,076	4,066	3,656	3,884	3,688
601-49-632-41220 FICA	5,894	3,892	3,434	3,655	3,495
601-49-632-42270 Parts & Supplies	3,762	26,683	1,219	6,361	1,469
601-49-632-44040 Contracted Services	35	563	-	-	16
601-49-632-45200 Capital Outlay	250,000	258,000	171,402	184,789	135,154
601-49-632-47200 Transfer to General	1,219,013	1,190,529	1,218,637	1,203,368	1,194,587
601-49-632-47210 Transfer to Other	-	36,639	250,000	250,000	250,000
601-49-632-47220 Transfer to Water Fund	1,500,000	-	-	-	-
601-49-632-49990 City - Reimbursed	(6,575)	(8,770)	(15,814)	(26,238)	(25,900)
Total	<u>3,062,300</u>	<u>1,568,239</u>	<u>1,683,019</u>	<u>1,677,669</u>	<u>1,611,851</u>
Total Expenses	<u>\$ 14,956,747</u>	<u>\$ 13,477,618</u>	<u>\$ 13,937,105</u>	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>

**List of Unrestricted Securities and Deposits
As of December 31, 2016**

**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

Institution	Purchase Date	Due Date	Call	Interest Rate	Par Value	Carrying Value	Market Value
WATER & LIGHT							
--SmithBarney/Bonds--							
Fed Home Loan	5/17/16	5/17/24	2/17/17	1.5% step	\$ 350,000	\$ 341,648	\$ 341,648
Fed Home Loan	3/30/16	3/30/26	3/30/17	1.75% step	400,000	390,030	390,030
					<u>750,000</u>	<u>731,678</u>	<u>731,678</u>
--SmithBarney/Certificates of Deposit--							
State Bank of India - NY	1/25/13	1/25/18		1.200%	96,000	95,650	95,650
Goldman Sachs New York NY	9/30/14	10/8/20		2.350%	96,000	97,055	97,055
Capital One Bank Glen Allen VA	10/8/14	10/9/18		1.800%	130,000	130,629	130,629
NBT Bank CD Norwich NY	8/27/14	8/27/19		2.100%	245,000	246,389	246,389
Capital One, N.A. - VA	7/15/15	7/15/19		1.950%	245,000	245,303	245,303
World Financial Capital Bk -UT	10/14/11	10/15/18		2.100%	245,000	248,266	248,266
World Financial Network-Wilmington	5/31/12	5/31/17		1.800%	200,000	200,631	200,631
First Merchant Bank Muncie Indiana	4/1/13	4/1/19	4/1/2017	1.300%	245,000	243,616	243,616
Nat'l Bnk of Superior WI	3/28/13	3/28/19	1/28/2017	1.250%	245,000	244,132	244,132
Oriental Bank & Trust Puerto Rico	4/19/13	4/19/17	1/19/2017	0.900%	245,000	244,961	244,961
1st Nat'l Bank East Lansing Mich	4/30/13	4/29/22	1/30/2017	2.000%	150,000	148,962	148,962
Compass Bank-Birmingham AL	8/7/13	8/7/18		1.750%	220,000	220,286	220,286
Vallience Bank McKenae TX	9/30/13	9/30/20		2.550%	220,000	226,488	226,488
First Business BK Madison WI	4/11/13	4/11/19	4/11/2017	1.300%	245,000	243,666	243,666
Everbank Jacksonville FL	7/30/15	7/30/20		2.000%	245,000	245,330	245,330
Alma Bank Astoria NY	9/11/15	9/11/20		1.800%	245,000	245,202	245,202
Merrick Bank South Jordan UT	9/21/15	9/21/20		1.850%	145,000	147,518	147,518
Barclays Bank Wilmington DE	9/23/15	9/23/20		2.200%	96,000	97,171	97,171
Celtic Bank Salt Lake City UT	9/4/15	9/3/21		2.100%	245,000	245,639	245,639
Gulf Coast BK CD New Orleans	6/6/13	6/14/21	3/14/2017	2.000%	185,000	185,234	185,234
Bank Leumi USA New York NY	9/27/16	9/27/29		1.250%	245,000	241,396	241,396
Ally Bank Midvale UT	9/29/16	9/30/19		1.300%	245,000	241,365	241,365
Webbank Salt Lake City UT	9/28/16	9/30/19		1.300%	245,000	242,210	242,210
Bank of Baroda New York NY	11/23/16	11/23/20		1.600%	245,000	240,008	240,008
Worlds Foremost Bank Sydney NE	5/5/16	5/5/21		1.750%	200,000	196,143	196,143
Privatebank Chicago IL	5/6/16	5/6/21		1.500%	245,000	242,690	242,690
Isabella Bank Mount Pleasant MI	6/16/16	6/16/21		1.500%	245,000	241,184	241,184
Toyota Finl Savings Henderson NV	9/4/15	1/27/22	1/27/2017	2.300%	245,000	242,817	242,817
BOKF National Tulsa OK	3/9/16	3/9/23	2/9/2017	2.100%	245,000	242,359	242,359
Somerset Trust Somerset PA	6/10/16	6/12/23		1.800%	245,000	238,582	238,582
EvaBank ALA	7/27/16	7/27/23		1.600%	245,000	233,867	233,867
Stone Bank	6/15/16	6/14/24		2.000%	245,000	236,756	236,756
					<u>6,883,000</u>	<u>6,841,505</u>	<u>6,841,505</u>
--Dain/Bonds--							
Fannie or Freddie	06/30/16	12/30/22	03/30/17	1.250%	500,000	487,625	487,625
					<u>500,000</u>	<u>487,625</u>	<u>487,625</u>
--Community Bank -- CDs							
CB 807799	7/23/16	7/23/17		1.200%	100,000	100,602	100,602
					<u>100,000</u>	<u>100,602</u>	<u>100,602</u>
TOTAL W & L 12/31/16					<u>\$ 8,233,000</u>	<u>\$ 8,161,410</u>	<u>\$ 8,161,410</u>