

EAST GRAND FORKS WATER AND LIGHT 2019 COMPREHENSIVE ANNUAL FINANCIAL REPORT *For the Year Ending December 31, 2019*



Retirees

New Employee

**Commissioner
Water & Light Commission**

Water Plant Operator

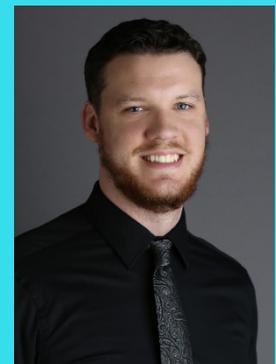
Energy & Customer Service Specialist



Doug Gregoire (right)



James Beeman (left)



Kevin Hatcher

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2019

Introductory Section

Table of Contents

Water and Light Department Officials & Employees

Financial Highlights

Water Sales Data

Electric Sales Data

Letter of Transmittal

INTRODUCTORY SECTION

Table of Contents	ii
List of Water & Light Officials and Employees	iv
Financial Highlights	v
Letter of Transmittal	viii

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussion and Analysis	5
Combined Statement of Net Position	10
Combined Statement of Revenues, Expenses, and Changes in Net Position	12
Combined Statement of Cash Flows	13
Notes to the Financial Statements	15

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Department's Contribution to PERA Retirement Fund	29
Schedule of Department's and Non-Employer Proportionate Share of the Net Pension Liability	30
Schedule of Changes in the Department's Total OPEB Liability and Related Ratios	31
Notes to the Required Supplementary Information	32

SUPPLEMENTARY SECTION

Water and Electric Funds:

Combining Statement of Net Position	35
Combining Statement of Revenues, Expenses, and Changes in Net Position	37
Combining Statement of Cash Flows	38

STATISTICAL SECTION

Water Fund:

Statements of Net Position	41
Statements of Revenues, Expenses and Changes in Net Position	42
Statements of Cash Flows	43
Statistics	44
Details of Revenues, Expenses and Object Codes	50

Electric Fund:

Statements of Net Position	56
Statements of Revenues, Expenses and Changes in Net Position	57
Statements of Cash Flows	58
Statistics	59
Details of Revenues, Expenses and Object Codes	68

List of Unrestricted Securities and Deposits	74
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	75

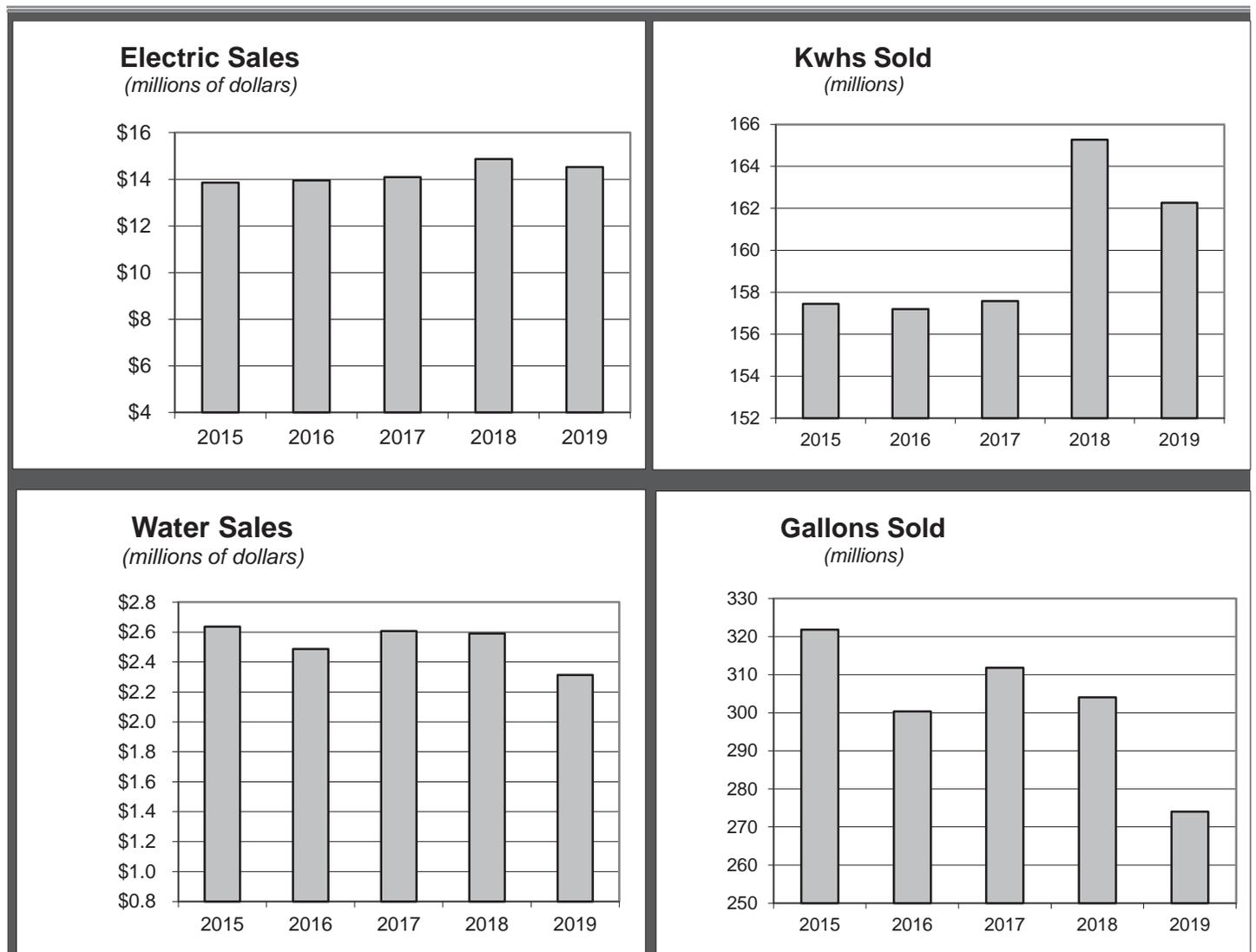
<u>APPOINTED OFFICIALS:</u>		<u>Term</u>	<u>Term Expires</u>
Commissioners	Doug Gregoire, President	3 years	12/31/19
	Mike Quirk, Vice President	3 years	12/31/20
	Josh Grinde	3 years	12/31/21
	Marc DeMers (Councilmember)		
<u>EMPLOYEES:</u>			<u>Start Date</u>
Customer Services and Administration	Keith Mykleseth, General Manager		10/10/16
	Brianna Feil		08/01/16
	Lori Maloney		01/01/90
	Maren Swingen		06/01/05
	Kristen Shipes		07/01/08
	Kevin Hatcher		01/14/19
Electric Services	Jeff Olson, Superintendent		06/01/78
	Veronica Kostrzewski		09/24/80
	Dave Solarski		03/16/94
	Todd Grabanski		09/16/94
	Michael Coauette		05/16/98
	Jamey David		05/16/98
	Lance Riel		06/16/98
	Corey Thompson		08/21/00
	Kris Kovar		04/23/07
	Seth Brown		07/14/08
	Melvin Metz		02/29/16
	Tyler Tretter		10/19/15
Water Services	Brian Johnson, Superintendent		03/14/11
	Mike Holweger		07/14/08
	Tom Schneiderman		07/14/08
	Randie Johnson		05/18/09
	Ray Rakoczy		01/23/12
	Alan Neer		08/07/17
	Seth Baune		06/18/18
	Jeffrey Holbeck		06/25/18

Financial Highlights

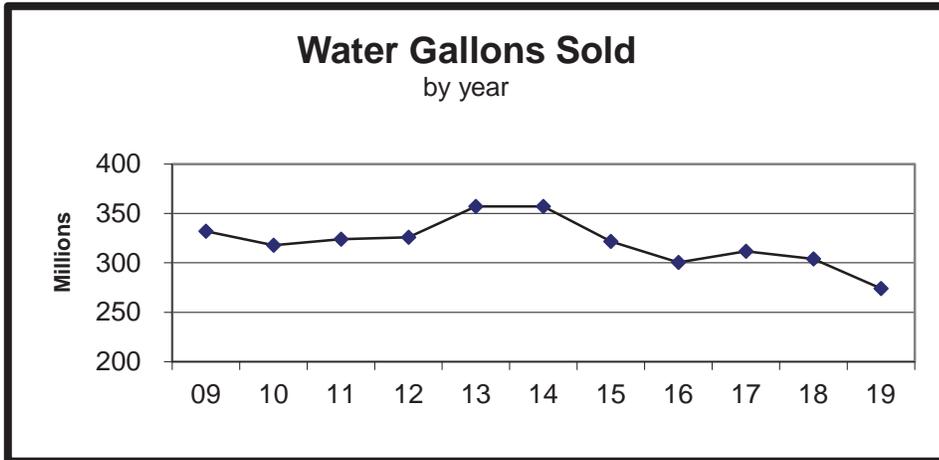
**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2019	2018	2017	2016	2015
Financial Results					
Electric Sales Revenue	\$ 14,519,100	\$ 14,866,529	\$ 14,099,760	\$ 13,953,243	\$ 13,858,882
Kilowatt Hours Sold (millions)	162.3	165.3	157.6	157.2	157.4
Water Sales Revenue	\$ 2,312,677	\$ 2,590,932	\$ 2,606,292	\$ 2,486,708	\$ 2,636,821
Gallons Sold (millions)	274.01	304.01	311.81	300.36	321.82
Financial Position					
Cash - Electric (unrestricted)	\$ 4,864,875	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496
Investments - Electric	\$ 10,222,130	\$ 9,693,847	\$ 9,654,831	\$ 8,161,410	\$ 7,649,591
Cash - Water (unrestricted)	\$ 1,784,066	\$ 1,494,186	\$ 1,190,008	\$ 1,304,814	\$ 1,019,931

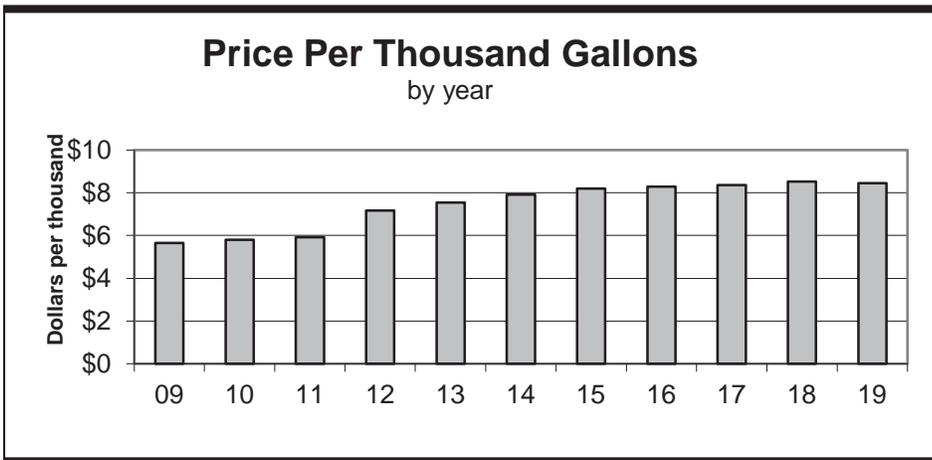
At A Glance



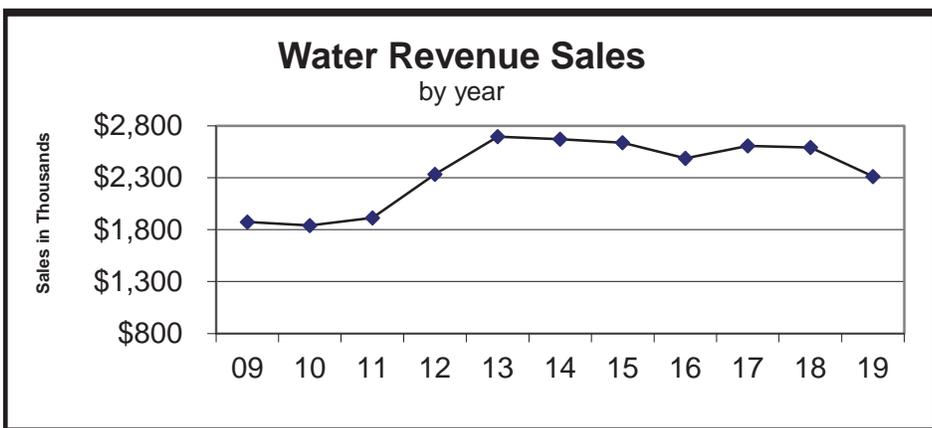
Water Sales Data:



Year	Gals. Sold
2009	332
2010	318
2011	324
2012	326
2013	357
2014	357
2015	322
2016	300
2017	312
2018	304
2019	274

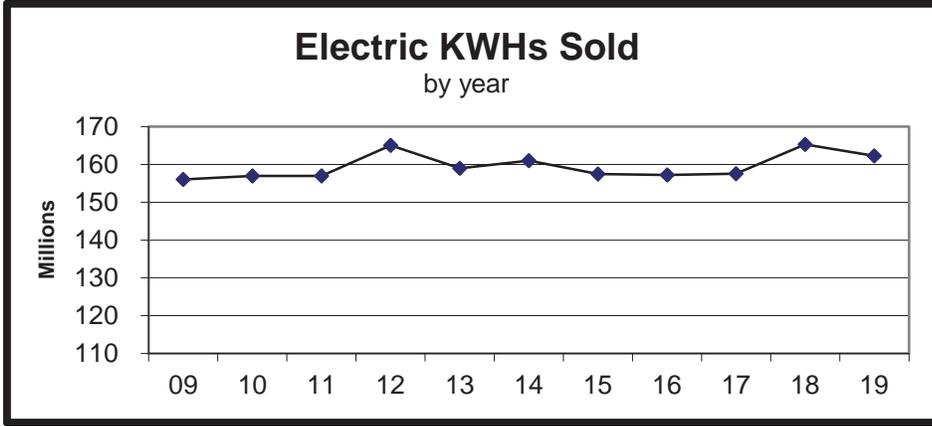


Year	Price
2009	\$5.65
2010	\$5.79
2011	\$5.91
2012	\$7.16
2013	\$7.54
2014	\$7.91
2015	\$8.19
2016	\$8.28
2017	\$8.36
2018	\$8.52
2019	\$8.44



Year	Sales (000)
2009	\$1,875
2010	\$1,839
2011	\$1,913
2012	\$2,335
2013	\$2,695
2014	\$2,670
2015	\$2,637
2016	\$2,487
2017	\$2,606
2018	\$2,591
2019	\$2,313

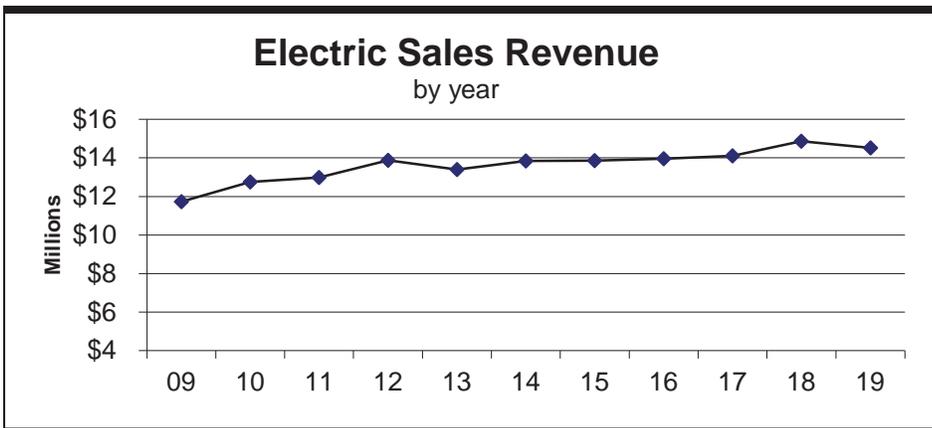
Electric Sales Data:



Year	KWHs Sold
2009	156
2010	157
2011	157
2012	165
2013	159
2014	161
2015	157
2016	157
2017	158
2018	165
2019	162



Year	Price
2009	\$0.0751
2010	\$0.0812
2011	\$0.0829
2012	\$0.0839
2013	\$0.0840
2014	\$0.0861
2015	\$0.0880
2016	\$0.0888
2017	\$0.0895
2018	\$0.0900
2019	\$0.0895



Year	Sales (Mil.)
2009	\$11.72
2010	\$12.76
2011	\$12.98
2012	\$13.88
2013	\$13.39
2014	\$13.84
2015	\$13.86
2016	\$13.95
2017	\$14.10
2018	\$14.87
2019	\$14.52

Electric Distribution System

Electric Distribution

Electric distribution personnel performed routine maintenance on the electric system and street lights, trenched services lines for new homes, LED street light upgrades on Highway 2 East of 220 North, and a second power transformer was put online at Sugar Hills Substation.

Underground Cable Replacement

Fusion Electric was contracted to replace cable for Industrial Park Circuit Number 3 and the American Crystal Sugar switch gear cable replacement. This project was put on hold because of permitting delays and the wetter than usual fall.

Street Lights

Streetlights were converted to LED fixtures along Highway 2 East, from the intersection of Highway 2 and 220 N to 15th Ave NE.

Outages

There were 2 outages on the electric system in 2019. 1) Sugar Hills Substation Circuit Number 2 had a cable failure that was located in O'Leary Park. 2) Sugar Hills and Central Substations were affected by an Xcel transmission failure from a storm that knocked down their transmission poles north of East Grand Forks.

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 2019, all but four sites were erected and inspected due to rising river levels.

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 Department continues to provide services for MNDOT, the Red River Campground, and other city departments, as needed.

2019 saw the start of a shelter belt along the north side of 23rd St NW. The project will be continued and completed in 2020. A total of 462 trees will be planted; 167 flowering crab, 170 black hills spruce, and 125 lilac bushes.

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 reliable 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 projects.

Water Main Replacement and Lead Service Replacement

The Water & Light Dept replaces aged, cast iron water mains, valves and hydrants each year to maintain system reliability. Spruce Valley Corporation was contracted to replace the water main along Forrest Ct NW and the 400 thru 500 Blocks of 3rd Ave SE.

Water Leaks

There are no water main leaks to report for 2019.

Water Treatment Plant

Operations

The East Grand Forks Water Treatment Plant is a three million gallon per day surface water treatment facility, utilizing enhanced pretreatment, lime and soda ash softening, fluoridation, stabilization, conventional filtration and chlorine/chloramines disinfection. The average daily water production in East Grand Forks is 1.0 million gallons. Our distribution system utilizes two elevated towers plus two ground reservoirs for a total storage capacity of four million gallons.

Community Service

East Grand Forks Water Treatment Operators provided hands-on presentations to 4th grade students during the Heritage Village/Dakota Science Center's Annual Water Festival and plan to do it again in 2020. Presentations include the Water Cycle, surface water treatment and water distribution systems.

East Grand Forks Water Plant staff also provide plant tours upon request. Participants have included grade school, high school and college students. As well as local community organizations.

Carbon Dioxide Dosage Automation

The Water Plant introduces Carbon Dioxide (Co2) gas to lower the pH of our process water following softening. Traditionally, operators had to manually test the pH level of the water and adjust the Co2 feed valve to achieve the desired pH set point. After extensive research we found equipment capable of real time monitoring of the pH level. This data was then relayed to our SCADA system. A program within the SCADA, controls an automated valve telling it to open or close to adjust the basin pH up or down. In the past large pH swings were common at startup and during Raw water changes. Using our SCADA programming capabilities, pH throughout the plant is now smooth and consistent.

The original cost estimate to complete the project was \$33,925. After further research and some "outside the box" thought process we were able to buy all the necessary equipment and fully integrate the project into our system for \$19,050.

Water Plant Clearwell and 1 Million Gallon Reservoir

The Clearwell and 1MG Plant Reservoir were both drained cleaned and manually inspected by KLM Engineering of Woodbury, MN in June of 2019.

For the Clearwell an abrasive blast and recoat of the interior piping and abrasive blast and coat of exposed roof reinforcement bars was recommended within the next 3 to 5 years.

The 1.0MG reservoir was found to be in overall good shape. However, it does have some minor structural repairs that are recommended to be completed in the next 3 to 5 years.

An active mixing system was installed in the 1.0MG reservoir on September 13th, 2019. Installation of the mixer was performed by KLM Engineering. The addition of active mixing in the reservoir will help prevent stagnation, temperature stratification, nitrification, chlorine residual degradation and reduce ice formation during the cold weather months. Total project cost \$21,996.

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) 2018 Water Fluoridation 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 2019, the Department continued with the energy conservation programs that were offered to its customers in 2018. For 2019, Minnesota State law mandates that municipal electric utilities annually spend 1.5 % of gross revenues from 2017 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 2015 – 2017. For East Grand Forks that is \$211,908.00 of required expenditure with a goal of saving 2,361,130 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 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 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.

LED Light Bulb/Fixture Rebate – This program offers 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 0.2% of average gross revenues from residential customers from the year 2017.

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, 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 – We offer 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. Infrared Audit – which includes the blower door test along with using an infrared camera.

Commercial Energy Assessments – We contract 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 2019 and was very beneficial in helping us meet our energy savings goal.

DIRECT INSTALL PROGRAMS

The Direct Install program 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 LED bulbs.

LED BULB GIVEAWAY AND FOOD DRIVE

The Department held its fifth 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 2019, we had 141 customers take advantage of this program and up to 900 pounds of food was donated to the East Grand Forks Food Shelf.

Technology Services

Water and Light Technology Services maintains the data infrastructure for all of the City of East Grand Forks departments, including a metro area network that connects 51 municipally owned sites, 50 TB of data storage, supporting over 150 staff users. There are also a few spans of "dark" fiber that are leased to other entities. Water and Light also operates a citywide PBX phone system that has over 200 extensions spread out over the MAN connected sites. Maintenance and improvements to these systems are ongoing.

Discussions with the Utility and City's enterprise software vendor, Springbrook, are ongoing. Issues with customized items, annual maintenance fees, and upgrade paths are unresolved as of the end of 2019.

Much efforts were focused on upgrades to automated metering infrastructure (AMI) in 2019. System infrastructure was installed, configured and tested throughout the year and meter replacement started in October.

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Combined Statement of Net Position

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

Combined Statement of Cash Flows

Notes to the Financial Statements

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 Light Department, a component unit of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the Department's basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the 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 opinion.

Opinion

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 Light Department, as of December 31, 2019, and the respective changes in financial position and cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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 changes in the Department's total OPEB liability and related ratios, and notes to the required supplementary information 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.

Other Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, combining 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 are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

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

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 29, 2020, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Grand Forks Water & Light's internal control over financial reporting and compliance.



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

June 29, 2020

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, 2019. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Electric utility sales decreased 3.0 million kWh (1.8%) to 162.3 million kWh sold in 2019, compared to 165.3 million kWh sold in 2018. In 2019, electric sales revenues decreased \$347,429 (2.3%) to \$14,519,100, compared to 2018 sales revenue of \$14,866,529.

Electric utility wholesale power purchase costs decreased \$451,448 (4.9%) to \$8,844,974 in 2019, compared to \$9,296,422 in 2018.

Electric utility operating income increased \$195,076 (24.2%) to \$1,002,256 in 2019, compared to 2018 operating income of \$807,180.

Water utility sales decreased 30.0 million gallons (9.9%) to 274.0 million gallons sold in 2019, compared to 304.0 gallons sold in 2018. In 2019, water sales revenues decreased \$278,255 (10.7%) to \$2,312,677, compared to 2018 sales revenue of \$2,590,932.

Water utility operating income decreased \$354,610 (117.0%) to -\$51,594 in 2019, compared to a 2018 operating income of \$303,016.

The Department's net position increased \$1,166,860 (2.8%) to \$43,530,456 in 2019, compared to net position of \$42,363,596 in 2018.

The Department's 2019 long-term liabilities decreased \$50,215 (2.3%) to \$2,163,432, compared to 2018 long-term liabilities of \$2,213,647. The decrease in the current year is due to the net pension liability fluctuation.

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 is 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		
	2019	2018	Increase (Decrease)
ASSETS			
Current assets and other assets	\$ 22,651,636	\$ 21,044,566	\$ 1,607,070
Capital assets	25,811,534	26,189,209	(377,675)
Total assets	<u>48,463,170</u>	<u>47,233,775</u>	<u>1,229,395</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>155,097</u>	<u>325,253</u>	<u>(170,156)</u>
LIABILITIES			
Current liabilities	2,687,018	2,671,251	15,767
Noncurrent liabilities	2,011,462	2,063,396	(51,934)
Total liabilities	<u>4,698,480</u>	<u>4,734,647</u>	<u>(36,167)</u>
DEFERRED INFLOWS OF RESOURCES	<u>389,331</u>	<u>460,785</u>	<u>(71,454)</u>
NET POSITION			
Net Investment in Capital Assets	25,811,534	26,189,209	(377,675)
Unrestricted	17,718,922	16,174,387	1,544,535
Total net position	<u>\$ 43,530,456</u>	<u>\$ 42,363,596</u>	<u>\$ 1,166,860</u>

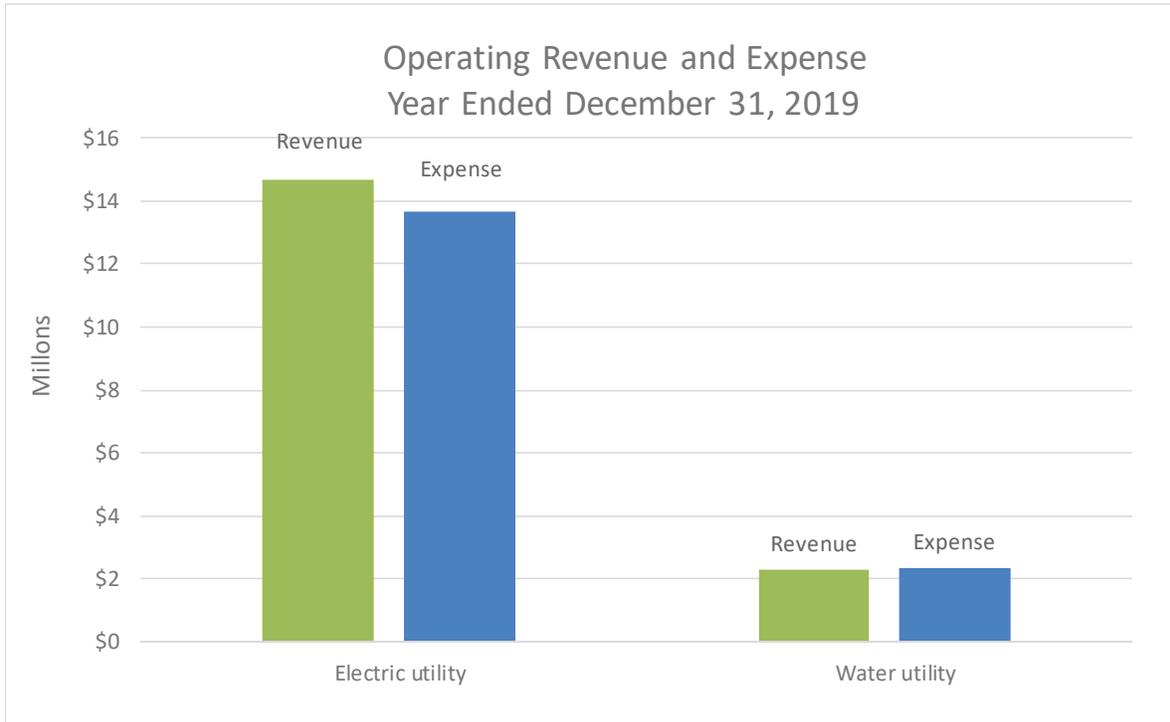
The entity-wide net position increased \$1,166,860 to \$43,530,456 in 2019. The increase in unrestricted net position is largely attributable to the decrease in the net pension liability as a result of changes in the fluctuating discount rate as well as an increase in current year net income.

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

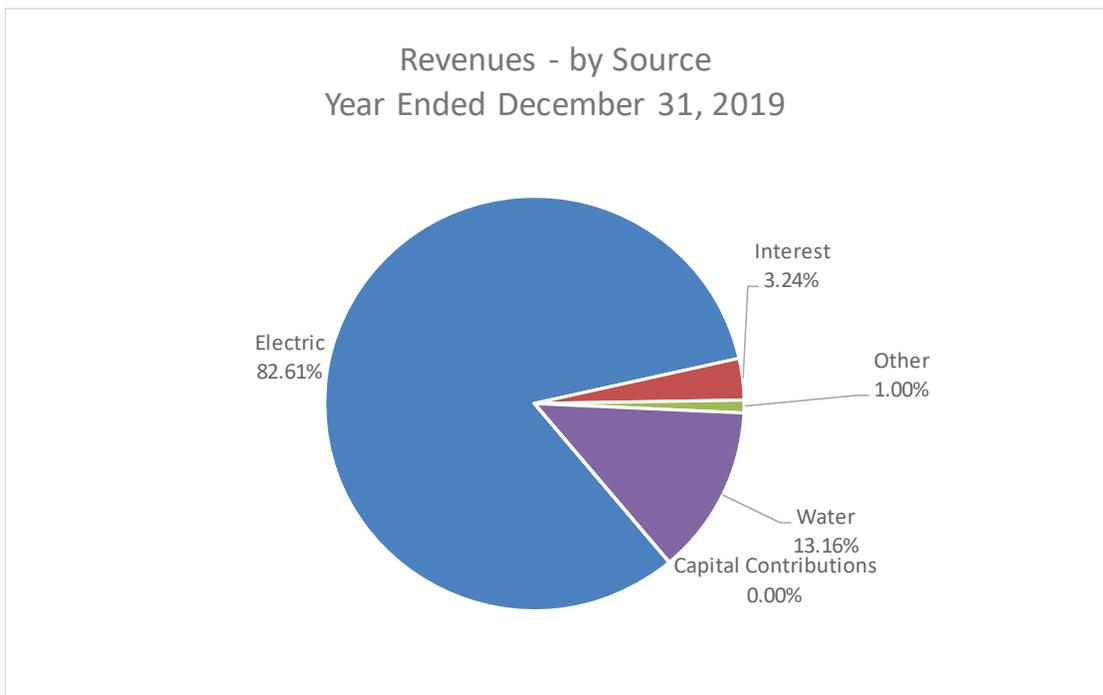
	<u>2019</u>	<u>2018</u>	<u>Increase (Decrease)</u>
Revenues:			
Charges for services:			
Electric utility	\$ 14,519,100	\$ 14,866,529	\$ (347,429)
Water utility	2,312,677	2,590,932	(278,255)
Total charges for services	<u>16,831,777</u>	<u>17,457,461</u>	<u>(625,684)</u>
Interest earnings	568,570	155,157	413,413
Other	<u>175,035</u>	<u>168,051</u>	<u>6,984</u>
Total revenues	<u>17,575,382</u>	<u>17,780,669</u>	<u>(205,287)</u>
Expenses:			
Operating expenses:			
Electric utility	13,686,750	14,217,696	(530,946)
Water utility	<u>2,369,400</u>	<u>2,297,620</u>	<u>71,780</u>
Total operating expenses	<u>16,056,150</u>	<u>16,515,316</u>	<u>(459,166)</u>
Total expenses	<u>16,056,150</u>	<u>16,515,316</u>	<u>(459,166)</u>
Income before Capital Contributions and Transfers	1,519,232	1,265,353	253,879
Capital Contributions		1,500	(1,500)
Transfers Out	<u>(352,372)</u>	<u>(289,377)</u>	<u>(62,995)</u>
Change in Net Position	<u>\$ 1,166,860</u>	<u>\$ 977,476</u>	<u>\$ 189,384</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 \$625,684 (3.6%) decrease and operating expenses decreased \$459,166 (2.8%).

The following is a summary of the operating revenue and expense for the electric and water utility for the year ended December 31, 2019:



The following is a summary of the composition of 2019 revenue by source:



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

	<u>2019</u>	<u>2018</u>
Land	\$ 366,818	\$ 349,394
Building, systems, and structures	23,473,036	24,283,206
Machinery and equipment	772,829	788,636
Construction in progress	<u>1,198,851</u>	<u>767,973</u>
Total capital assets, net	<u>\$ 25,811,534</u>	<u>\$ 26,189,209</u>

In 2019, depreciation and disposals exceeded capital investments by \$377,675; new investment in capital assets totaled \$1,303,582 and depreciation totaled \$1,681,257. Major capital assets improvement projects for 2019 are mentioned in the Manager’s annual narrative report. Additional information on the Department’s capital assets can be found in Note 4 to these financial statements.

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, 2019 was 3.9%, which is slightly above the state average of 3.5% and in line with the national (3.5%) average. The North Dakota Grand Forks County unemployment rate was 1.8% for December 2019. The Grand Forks-East Grand Forks metropolitan statistical area unemployment rate for December 2019 was 2.5%. Grand Forks is located across the Red River of the North and has an approximate population of 60,636.
- 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 Statement of Net Position
As of December 31, 2019**

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

	<u>2019</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 6,648,941
Investments	10,222,130
Restricted Cash and Cash Equivalents:	
Cash in Customer Deposits	135,150
Accounts Receivable	2,726,527
Allowance for Doubtful Accounts	(48,000)
Interest Receivable	33,740
Material Inventory	1,323,735
Prepaid Expenses	12,722
Due from Other Governmental Units	5,624
Interfund Receivable	826,997
Due from Other Funds	412,296
Total Current Assets	<u>22,299,862</u>
NONCURRENT ASSETS	
Capital Assets:	
Land	366,818
Buildings, Structures, Etc.	20,438,235
Distribution Systems	35,449,461
Meters	1,259,318
Machinery and Equipment	2,992,491
Automotive Equipment	867,300
Office Equipment	705,665
Construction in Progress	1,198,851
Total Capital Assets	63,278,139
Less Accumulated Depreciation	<u>(37,466,605)</u>
Total Capital Assets (Net)	25,811,534
Customer Acquisition Costs	351,774
Total Noncurrent Assets	<u>26,163,308</u>
TOTAL ASSETS	<u>48,463,170</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost Sharing Defined Benefit - PERA	143,989
Deferred Outflows of Resources - OPEB	11,108
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>155,097</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	1,188,708
Retainage Payable	7,159
Accrued Payroll	122,960
Accrued Vacation	106,970
Accrued Sick Leave	45,000
Due to Other Government Units	51,772
Due to Other Funds	1,029,299
Customer Deposits	135,150
Total Current Liabilities	<u>2,687,018</u>

NONCURRENT LIABILITIES

Compensated Absences Payable-Net	298,730
Net Pension Liability	1,569,067
Total Other Postemployment Benefit Liability	143,665
Total Noncurrent Liabilities	<u>2,011,462</u>

TOTAL LIABILITIES

4,698,480

DEFERRED INFLOWS OF RESOURCES

Cost Sharing Defined Benefit - PERA	358,309
Cost Sharing Defined Benefit - OPEB	31,022

**TOTAL DEFERRED INFLOWS
OF RESOURCES**

389,331

NET POSITION

Net Investment in Capital Assets	25,811,534
Unrestricted	17,718,922

TOTAL NET POSITION

\$ 43,530,456

Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2019

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	<u>2019</u>
OPERATING REVENUES	
Electric Sales	\$ 14,519,100
Water Sales	2,312,677
Penalty Charges	120,831
Other Income	<u>54,204</u>
Total	<u>17,006,812</u>
OPERATING EXPENSES	
Cost of Sales and Services	11,981,245
Administration	1,007,610
Depreciation	1,681,258
Taxes and Tax Equivalents	<u>1,386,037</u>
Total	<u>16,056,150</u>
OPERATING INCOME	<u>950,662</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	<u>568,570</u>
Total	<u>568,570</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS & TRANSFERS	1,519,232
TRANSFERS OUT	<u>(352,372)</u>
CHANGE IN NET POSITION	<u>1,166,860</u>
NET POSITION - JANUARY 1	<u>42,363,596</u>
NET POSITION - DECEMBER 31	<u>\$ 43,530,456</u>

**Combined Statement of Cash Flows
For the Year Ended December 31, 2019**

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

	<u>2019</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 15,793,532
Cash received from interfund activities	866,862
Cash paid to suppliers for goods and services	(10,387,233)
Cash paid for interfund activities	(198,090)
Cash paid to employees	(2,595,801)
Cash paid for taxes and tax equivalents	(1,386,037)
Other operating revenues (expenses)	<u>54,204</u>
Net cash provided (used) by operating activities	<u>2,147,437</u>
Cash flows from noncapital financing activities:	
Interfund receivable	1,173,086
Interfund payable	(16,441)
Operating transfers to other funds	<u>(352,372)</u>
Net cash provided (used) by noncapital financing activities	<u>804,273</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,300,720)</u>
Net cash (used) by capital and related financing activities	<u>(1,300,720)</u>
Cash flows from investing activities:	
Interest received on investments	570,998
Purchase of investments	<u>(528,283)</u>
Net cash provided (used) by investing activities	<u>42,715</u>
Net increase (decrease) in cash and cash equivalents	1,693,705
Cash and cash equivalents - January 1	<u>5,090,386</u>
Cash and cash equivalents - December 31	<u>\$ 6,784,091</u>

Reconciliation of operating income to net cash provided (used) by operating activities:

Operating income	\$ 950,662
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,681,258
Changes in assets and liabilities:	
Accounts receivable	(291,917)
Materials & supplies	(268,747)
Prepaid items	(1,286)
Due from other government units	1,353
Accounts payable	20,944
Deferred pension outflows	167,268
Deferred OPEB outflows	2,888
Accrued payroll	13,743
Accrued vacation	1,719
Accrued compensated absences	20,294
Due to other government units	(5,410)
Net pension liability	(39,512)
Total other postemployment benefit liability	(32,716)
Deferred pension inflows	(102,476)
Deferred OPEB inflows	31,022
Customer deposits	(1,650)
Net cash provided (used) by operating activities	<u>\$ 2,147,437</u>

Cash and cash equivalents are shown on the balance sheet under the following captions:

Cash and cash equivalents	\$ 6,648,941
Restricted assets	<u>135,150</u>
Cash and cash equivalents - December 31	<u>\$ 6,784,091</u>

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 statement of net position. Short-term inter-fund loans are classified as "inter-fund receivables/payables".

F. Inventories

Inventories are carried using the average cost method.

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	3-7 years
Office Equipment	5-10 years

When property, plant, and equipment assets are disposed, 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 two items reported on the statement of net position as *cost sharing defined benefit pension plan* and *other postemployment benefits* 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's 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, 2019, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 6,648,941
Investments	10,222,130
Restricted cash and cash equivalents:	
Cash in customer deposits	135,150
Total cash and investments	<u>\$ 17,006,221</u>

Cash and investments as of December 31, 2019, consist of the following:

Cash:	
Cash on hand	\$ 600
Deposits with financial institutions	351,057
Cash equivalents:	
Money Market Funds	2,999,236
4M Local Government Investment Pool	3,433,198
Investments:	
Non-negotiable certificates of deposit	10,222,130
Total cash and investments	<u>\$ 17,006,221</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. The 4M Fund is administered by PMA Financial Network, with RBC Capital Markets as investment advisor and fund representative. Financial statements of the 4M Fund can be obtained by contacting the 4M Fund at 5301 Kyler Avenue NE, Second Floor, Albertville, MN 55301.

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. 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.

Concentration of Credit Risk

State statutes contain no limitations on the amount that can be invested in any one issuer. There are no amounts invested in one issuer over 5% of the total investments.

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, 2019 is as follows:

	<u>2019</u>
Current	\$ 2,672,709
Delinquent:	
South end	23,434
North end	<u>30,384</u>
	<u>\$ 2,726,527</u>

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, 2019 is as follows:

	<u>2019</u>
Special Assessment	\$ 515,844
Pool Renovation	<u>311,153</u>
	<u>\$ 826,997</u>

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

NOTE 4 CAPITAL ASSETS

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

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable assets:				
Land	\$ 349,394	\$ 17,424	\$ -	\$ 366,818
Construction in progress	767,973	430,878	-	1,198,851
Total nondepreciable	<u>1,117,367</u>	<u>448,302</u>	<u>-</u>	<u>1,565,669</u>
Depreciable assets:				
Buildings, systems and structures	56,379,957	767,057	-	57,147,014
Machinery and equipment	4,477,233	88,223	-	4,565,456
Total depreciable	<u>60,857,190</u>	<u>855,280</u>	<u>-</u>	<u>61,712,470</u>
Less accumulated depreciation				
Buildings, systems and structures	(32,096,751)	(1,577,227)	-	(33,673,978)
Machinery and equipment	(3,688,597)	(104,030)	-	(3,792,627)
Total accumulated depreciation	<u>(35,785,348)</u>	<u>(1,681,257)</u>	<u>-</u>	<u>(37,466,605)</u>
Total capital assets, net	<u>\$ 26,189,209</u>	<u>\$ (377,675)</u>	<u>\$ -</u>	<u>\$ 25,811,534</u>

NOTE 5 DEFINED BENEFIT PENSION PLANS

Plan Description

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

General Employees Retirement Plan

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

Benefits Provided

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

General Employees Plan Benefits

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

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

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2019, and the Department was required to contribute 7.50% for Coordinated Plan members. The Department's contributions to the General Employees Fund for the year ended December 31, 2019 was \$155,675. The City's contributions were equal to the required contributions for each year as set by state statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2019, the Department reported a liability of \$1,569,067 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 \$16 million to the fund in 2019. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Department totaled \$48,765. The net pension liability was measured as of June 30, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportionate share 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, 2018, through June 30, 2019, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2019, the Department's proportion was 0.0645% which was a decrease of .0014% from its proportionate share measured as of June 30, 2018.

Department's proportionate share of the net pension liability	\$ 1,569,067
State of Minnesota's proportionate share of the net pension liability associated with the Department	48,765
Total	<u>\$ 1,617,832</u>

For the year ended December 31, 2019, the Department recognized pension expense of \$177,044 for its proportionate share of General Employees Plan's pension expense. In addition, the Department recognized an additional \$3,652 as

pension expense (and grant revenue) for its proportionate share of the State of Minnesota’s contribution of \$16 million to the General Employees Fund.

At December 31, 2019, the 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	44,654	\$ -
Changes in actuarial assumptions	-	127,610
Difference between projected and actual investment earnings	-	169,360
Changes in proportion	21,461	61,339
Contributions paid to PERA subsequent to the measurement date	77,874	-
Total	\$ 143,989	\$ 358,309

\$77,874 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, 2020. 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
2019	\$ (95,320)
2020	(157,693)
2021	(41,708)
2022	2,527

Actuarial Assumptions

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

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

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 to fit PERA’s experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2019 valuation were based on the results of actuarial experience studies. The most recent four-year experience study in the General Employees Plan was completed in 2019. Economic assumptions were updated in 2018 based on a review of inflation and investment return assumptions.

The following changes in actuarial assumptions and plan provisions occurred in 2019:

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

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	35.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	20.00%	0.75%
International Equity	17.50%	5.90%
Cash	2.00%	0.00%

Discount Rate

The discount rate used to measure the total pension liability in 2019 was 7.50%. 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 these assumptions, 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.

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 one percentage point lower or one percentage point higher than the current discount rate as of December 31, 2019:

	Department Proportionate Share of NPL		
	1% Decrease (6.5%)	Current (7.5%)	1% Increase (8.5%)
General Employees Fund	\$ 2,579,461	\$ 1,569,067	\$ 734,785

Pension Plan Fiduciary Net Position

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

NOTE 6 OTHER POSTEMPLOYMENT BENEFITS

Plan Description - Other postemployment benefits provided by the Department include allowing retirees to continue their health insurance coverage through the Department group plan at their own cost. This plan was established under the authority of the City Council and is of the single-employer defined benefit variety. Any amendments to the plan must be approved by the City Council. There is not a separate audited plan financial report.

Benefits Provided – The Department provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Funding Policy – The City Council establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. The City Council has chosen to fund the healthcare benefits on a pay as you go basis.

Employees Covered by Benefit Term – At December 31, 2019, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	9
Active plan members	98
Total Members	<u>107</u>

Total OPEB Liability – The District’s total OPEB liability of \$143,665 was measured as of January 1, 2019 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Healthcare Cost Trend Rates	6.50 percent decreasing to 5.0 percent over 6 years

Mortality rates were based on the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale.

The discount rate is based on the estimated yield of 20-year AA-rated municipal bonds. The overall single discount rate is 3.80%.

In the January 1, 2019 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

Changes in the Total OPEB Liability

	Total OPEB Liability
Balance at 12/31/2018	\$ 176,381
Changes for the year:	
Service Cost	\$ 10,786
Interest Cost	5,947
Changes in Actuarial Assumptions	(4,472)
Difference between projected and actual investment earnings	(30,981)
Benefit Payments	(13,996)
Net Changes	<u>(32,716)</u>
Balance at 12/31/2019	<u>\$ 143,665</u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Department, as well as what the Department’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.8 percent) or one percentage point higher (4.8 percent) than the current rate:

Department Total OPEB Liability		
1% Decrease (2.8%)	Current (3.8%)	1% Increase (4.8%)
\$ 154,146	\$ 143,665	\$ 134,015

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Department, as well as what the Department’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (6.5 percent decreasing to 5.0 percent over 6 years) or one percentage point higher (7.5 percent decreasing to 5.0 percent over 6 years) than the current healthcare cost trend rates:

Department Healthcare Cost Trend Rates		
(5.5% decreasing to 4.0% over 5 years)	(6.5% decreasing to 5.0% over 5 years)	(7.5% decreasing to 6.0% over 5 years)
\$ 130,400	\$ 143,665	\$ 159,481

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2019, the Department recognized OPEB expense of \$39,680. At December 31, 2019, the Department reported outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Changes in actuarial assumptions	\$ -	\$ 3,913
Difference between projected and actual investment earnings	-	27,109
Employer contributions paid subsequent to the measurement date	11,108	-
Total	<u>\$ 11,108</u>	<u>\$ 31,022</u>

\$11,108 reported as deferred outflows of resources related to OPEB resulting from Department contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30	OPEB Expense Amount
2019	\$ (4,432)
2020	(4,432)
2021	(4,432)
2022	(4,432)
2023	(4,432)
2024-2025	(8,862)

NOTE 7 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, 2019 was \$106,970.

For all union employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees hired before January 1, 2011 are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees hired after January 1, 2011 are paid 50% of their accumulated unused sick leave, not exceeding 160 days. Union employees who have accumulated 120 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year.

For all department head employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees hired before April 1, 2011 are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees hired after April 1, 2011 are paid 50% of their accumulated unused sick leave, not exceeding 160 days. Department head employees who have accumulated 80 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year.

For all remaining employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees with 30 years of service are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees with less than 30 years of service are paid out 80% of accumulated unused sick leave, not exceeding 160 days. Remaining employees who have accumulated 120 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year. The liability for accumulated sick leave at December 31, 2019 was \$343,730.

During the current year, the Department bought back sick leave from employees of \$4,464.

NOTE 8 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the financial statements for the year ended December 31, 2019 for compensated absences:

Year	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2019	\$ 428,687	\$ 22,013	-	\$ 450,700	\$ 151,970

NOTE 9 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 10 LEASE COMMITMENTS

At December 31, 2019, rental commitments under operating leases were not significant.

NOTE 11 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 RRVPC \$1,267 during 2019 for electricity sold to the customers in the annexed service territory.

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 \$2,372 on this agreement for 2019. The Department entered into another agreement in 2017 with PKM to acquire electric service territory. The Department will pay PKM \$.006 per kilowatt hour sold on every meter in the newly acquired area for 10 years. There were no payments on this agreement in 2019.

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 12 CONCENTRATION OF SALES

American Crystal Sugar Company is the Water and Light Department's largest customer, accounting for approximately 44% of total electric fund sales and 23% of water fund sales during the year ended December 31, 2019.

NOTE 13 RESTRICTED FUNDS

Cash has been restricted for customer deposit balances.

NOTE 14 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, 2019 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, 2019, 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 15 NEW PRONOUNCEMENTS

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 92, *Omnibus 2020*, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

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

derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 2021. Earlier application is encouraged.

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined the effect these statements will have on the Department's financial statements.

NOTE 16 SUBSEQUENT EVENT

On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. This event affects the economy and financial markets. The extent of the impact on the City may be both direct and indirect and will vary based on the duration of the outbreak and various other factors. An estimate of the financial effect on the City's financial statements at December 31, 2019 cannot be determined at this time.

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 Changes in the Department's
Total OPEB Liability and Related Ratios

Notes to the Required Supplementary Information

**Schedule of Department's Contribution to PERA Retirement Fund
Last 10 Years**

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

Year Ended	Statutorily Required Contributions	Contributions in Relation to the Statutorily Required Contributions	Contribution Deficiency (Excess)	Department's Covered Payroll	Contributions as a % of Covered Payroll
2019	\$ 155,675	\$ 155,675	-	\$ 2,075,673	7.50%
2018	145,053	145,053	-	1,934,036	7.50%
2017	144,977	144,977	-	1,933,027	7.50%
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 Last 10 Years

**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)	State's Proportionate Share of the Net Pension Liability Associated with the Department	Total	Department's Covered Payroll	Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2019	0.0645%	\$ 1,569,067	\$ 48,765	\$ 1,617,832	\$ 2,075,673	75.6%	80.23%
2018	0.0659%	1,608,579	52,716	1,661,295	1,935,036	83.1%	79.53%
2017	0.0682%	1,911,176	24,022	1,935,198	1,933,027	98.9%	75.90%
2016	0.0650%	2,333,368	30,498	2,363,866	1,777,905	131.2%	68.91%
2015	0.0660%	1,515,265	-	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.

**Schedule of Changes in the Department's
Total OPEB Liability and Related Ratios
Last 10 Years**

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

	<u>2018</u>	<u>2019</u>
Total OPEB Liability		
Service Cost	\$ 12,201	\$ 10,786
Interest	5,864	5,947
Changes in Actuarial Assumptions		(4,472)
Difference between projected and actual investment earnings		(30,981)
Benefit Payments	(14,248)	(13,996)
Net Change in Total OPEB Liability	<u>3,817</u>	<u>(32,716)</u>
Total OPEB Liability - Beginning	172,564	176,381
Total OPEB Liability - Ending	<u>\$ 176,381</u>	<u>\$ 143,665</u>
Covered - Employee Payroll	\$ 1,995,706	\$ 1,986,362
Department's Total OPEB Liability as a Percentage of a Covered Payroll	8.84%	7.23%

The Department implemented GASB No 75 for the fiscal year ended December 31, 2018. Information from prior years is not available.

NOTE 1 DEFINED BENEFIT PLANS

PERA

General Employees Fund

2019 Changes

Changes in Actuarial Assumptions: The mortality projection scale was changed from MP-2017 to MP-2018.

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

2018 Changes

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

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

2017 Changes

Changes in Actuarial Assumptions: The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

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

2016 Changes

Changes in Actuarial Assumptions: The assumed 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.

2015 Changes

Changes in Plan Provisions: On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Changes in Actuarial Assumptions: The assumed post-retirement benefit increase was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

Plan Experience: There was a liability gain due to updated census data and claims and premiums lower than expected.

Plan Changes: None

Assumption Changes:

- The healthcare trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2016 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2018 Generational Improvement Scale.
- The discount rate was changed from 3.30% to 3.80%.

Method Changes: None

Supplementary Section

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Net Position

Combining Statement of Cash Flows

**Combining Statement of Net Position
As of December 31, 2019**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,784,066	\$ 4,864,875	\$ 6,648,941
Investments	-	10,222,130	10,222,130
Restricted Cash and Cash Equivalents:			
Cash in Customer Deposits	-	135,150	135,150
Accounts Receivable	30,111	2,696,416	2,726,527
Allowance for Doubtful Accounts	-	(48,000)	(48,000)
Interest Receivable	-	33,740	33,740
Material Inventory	110,274	1,213,461	1,323,735
Prepaid Expenses	2,223	10,499	12,722
Due from Other Governmental Units	-	5,624	5,624
Interfund Receivable	-	826,997	826,997
Due from Other Funds	266,934	145,362	412,296
Total Current Assets	<u>2,193,608</u>	<u>20,106,254</u>	<u>22,299,862</u>
NONCURRENT ASSETS			
Capital Assets:			
Land	44,000	322,818	366,818
Buildings, Structures, Etc.	11,207,174	9,231,061	20,438,235
Distribution Systems	14,852,084	20,597,377	35,449,461
Meters	-	1,259,318	1,259,318
Machinery and Equipment	1,802,888	1,189,603	2,992,491
Automotive Equipment	47,162	820,138	867,300
Office Equipment	125,799	579,866	705,665
Construction in Progress	57,797	1,141,054	1,198,851
Total Capital Assets	28,136,904	35,141,235	63,278,139
Less Accumulated Depreciation	<u>(16,093,905)</u>	<u>(21,372,700)</u>	<u>(37,466,605)</u>
Total Capital Assets (Net)	12,042,999	13,768,535	25,811,534
Customer Acquisition Costs	83,668	268,106	351,774
Total Noncurrent Assets	<u>12,126,667</u>	<u>14,036,641</u>	<u>26,163,308</u>
TOTAL ASSETS	<u>14,320,275</u>	<u>34,142,895</u>	<u>48,463,170</u>
DEFERRED OUTFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	42,542	101,447	143,989
Deferred Outflows of Resources - OPEB	3,583	7,525	11,108
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>46,125</u>	<u>108,972</u>	<u>155,097</u>

LIABILITIES	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
CURRENT LIABILITIES			
Accounts Payable	67,386	1,121,322	1,188,708
Retainage Payable	-	7,159	7,159
Accrued Payroll	35,957	87,003	122,960
Accrued Vacation	21,687	85,283	106,970
Accrued Sick Leave	13,000	32,000	45,000
Due to Other Government Units	-	51,772	51,772
Due to Other Funds	38,530	990,769	1,029,299
Customer Deposits	-	135,150	135,150
Total Current Liabilities	<u>176,560</u>	<u>2,510,458</u>	<u>2,687,018</u>
NONCURRENT LIABILITIES			
Compensated Absences Payable-Net	30,503	268,227	298,730
Net Pension Liability	463,588	1,105,479	1,569,067
Total Other Postemployment Benefit Liability	<u>46,344</u>	<u>97,321</u>	<u>143,665</u>
Total Noncurrent Liabilities	<u>540,435</u>	<u>1,471,027</u>	<u>2,011,462</u>
TOTAL LIABILITIES	<u>716,995</u>	<u>3,981,485</u>	<u>4,698,480</u>
DEFERRED INFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	105,864	252,445	358,309
Cost Sharing Defined Benefit - OPEB	<u>10,007</u>	<u>21,015</u>	<u>31,022</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>115,871</u>	<u>273,460</u>	<u>389,331</u>
NET POSITION			
Net Investment in Capital Assets	12,042,999	13,768,535	25,811,534
Unrestricted	<u>1,490,535</u>	<u>16,228,387</u>	<u>17,718,922</u>
TOTAL NET POSITION	<u>\$ 13,533,534</u>	<u>\$ 29,996,922</u>	<u>\$ 43,530,456</u>

Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2019

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
OPERATING REVENUES			
Electric Sales	\$ -	\$ 14,519,100	\$ 14,519,100
Water Sales	2,312,677	-	2,312,677
Penalty Charges	-	120,831	120,831
Other Income	5,129	49,075	54,204
Total	<u>2,317,806</u>	<u>14,689,006</u>	<u>17,006,812</u>
OPERATING EXPENSES			
Cost of Sales and Services	1,366,372	10,614,873	11,981,245
Administration	304,113	703,497	1,007,610
Depreciation	698,915	982,343	1,681,258
Taxes and Tax Equivalents	-	1,386,037	1,386,037
Total	<u>2,369,400</u>	<u>13,686,750</u>	<u>16,056,150</u>
OPERATING INCOME (LOSS)	<u>(51,594)</u>	<u>1,002,256</u>	<u>950,662</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	302	568,268	568,570
Total	<u>302</u>	<u>568,268</u>	<u>568,570</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	(51,292)	1,570,524	1,519,232
TRANSFERS OUT	<u>-</u>	<u>(352,372)</u>	<u>(352,372)</u>
CHANGE IN NET POSITION	(51,292)	1,218,152	1,166,860
NET POSITION - JANUARY 1	<u>13,584,826</u>	<u>28,778,770</u>	<u>42,363,596</u>
NET POSITION - DECEMBER 31	<u>\$ 13,533,534</u>	<u>\$ 29,996,922</u>	<u>\$ 43,530,456</u>

**Combining Statement of Cash Flows
For the Year Ended December 31, 2019**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,241,057	\$ 13,552,475	\$ 15,793,532
Cash received from interfund activities	72,712	794,150	866,862
Cash paid to suppliers for goods and services	(678,843)	(9,708,390)	(10,387,233)
Cash paid for interfund activities	(120,809)	(77,281)	(198,090)
Cash paid to employees	(802,297)	(1,793,504)	(2,595,801)
Cash paid for taxes and tax equivalents	-	(1,386,037)	(1,386,037)
Other operating revenues (expenses)	5,129	49,075	54,204
Net cash provided (used) by operating activities	<u>716,949</u>	<u>1,430,488</u>	<u>2,147,437</u>
Cash flows from noncapital financing activities:			
Interfund receivable	39,095	1,133,991	1,173,086
Interfund payable	251	(16,692)	(16,441)
Operating transfers to other funds	-	(352,372)	(352,372)
Net cash provided (used) by noncapital financing activities	<u>39,346</u>	<u>764,927</u>	<u>804,273</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(466,716)	(834,004)	(1,300,720)
Net cash (used) by capital and related financing activities	<u>(466,716)</u>	<u>(834,004)</u>	<u>(1,300,720)</u>
Cash flows from investing activities:			
Interest received on investments	301	570,697	570,998
Purchase of investments	-	(528,283)	(528,283)
Net cash provided (used) by investing activities	<u>301</u>	<u>42,414</u>	<u>42,715</u>
Net increase (decrease) in cash and cash equivalents	289,880	1,403,825	1,693,705
Cash and cash equivalents - January 1	1,494,186	3,596,200	5,090,386
Cash and cash equivalents - December 31	<u>\$ 1,784,066</u>	<u>\$ 5,000,025</u>	<u>\$ 6,784,091</u>

**Combining Statement of Cash Flows - Continued
For the Year Ended December 31, 2019**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ (51,594)	\$ 1,002,256	\$ 950,662
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	698,915	982,343	1,681,258
Changes in assets and liabilities:			
Accounts receivable	1,092	(293,009)	(291,917)
Materials & supplies	2,275	(271,022)	(268,747)
Prepaid items	(431)	(855)	(1,286)
Due from other government units	-	1,353	1,353
Deferred pension outflows	49,420	117,848	167,268
Deferred OPEB outflows	932	1,956	2,888
Accounts payable	44,439	(23,495)	20,944
Accrued payroll	2,364	11,379	13,743
Accrued vacation	3,328	(1,609)	1,719
Accrued compensated absences	8,706	11,588	20,294
Due to other government units	-	(5,410)	(5,410)
Net pension liability	(11,674)	(27,838)	(39,512)
Total other postemployment benefit liability	(10,553)	(22,163)	(32,716)
Deferred pension inflows	(30,277)	(72,199)	(102,476)
Deferred OPEB inflows	10,007	21,015	31,022
Customer deposits	-	(1,650)	(1,650)
Net cash provided (used) by operating activities	<u>\$ 716,949</u>	<u>\$ 1,430,488</u>	<u>\$ 2,147,437</u>
Cash and cash equivalents are shown on the balance sheet under the following captions:			
Cash and cash equivalents	\$ 1,784,066	\$ 4,864,875	\$ 6,648,941
Restricted assets	-	135,150	135,150
Cash and cash equivalents - December 31	<u>\$ 1,784,066</u>	<u>\$ 5,000,025</u>	<u>\$ 6,784,091</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, 2019, 2018, 2017, 2016, 2015**

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

	2019	2018	2017	2016	2015
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,784,066	\$ 1,494,186	\$ 1,190,008	\$ 1,304,814	\$ 1,019,931
Accounts Receivable	30,111	31,203	33,413	35,002	-
Materials & Supplies	110,274	112,549	117,080	131,993	112,764
Prepaid Expenses	2,223	1,792	1,742	1,699	18,167
Due from Other Funds	266,934	306,029	299,743	304,154	303,191
Due from Other Government Units	-	-	-	1,615	1,615
Total Current Assets	<u>2,193,608</u>	<u>1,945,759</u>	<u>1,641,986</u>	<u>1,779,277</u>	<u>1,455,668</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	44,000	44,000	44,000	44,000	44,000
Buildings, Structures, Etc.	11,207,174	11,181,369	11,153,273	11,060,745	10,794,462
Distribution Systems	14,852,084	14,508,625	14,010,810	13,543,960	13,174,059
Machinery and Equipment	1,802,888	1,761,695	1,426,272	1,284,588	1,262,496
Automotive Equipment	47,162	47,162	47,162	47,162	47,162
Office Equipment	125,799	125,799	125,799	125,799	125,799
Construction in Progress	57,797	1,538	320,955	34,578	13,761
Total Capital Assets	28,136,904	27,670,188	27,128,271	26,140,832	25,461,739
Less Accumulated Depreciation	<u>(16,093,905)</u>	<u>(15,394,991)</u>	<u>(14,770,395)</u>	<u>(14,116,899)</u>	<u>(13,487,349)</u>
Total Capital Assets (Net)	12,042,999	12,275,197	12,357,876	12,023,933	11,974,390
Customer Acquisition Costs	83,668	83,668	83,668	83,668	83,668
Total Noncurrent Assets	<u>12,126,667</u>	<u>12,358,865</u>	<u>12,441,544</u>	<u>12,107,601</u>	<u>12,058,058</u>
TOTAL ASSETS	<u>14,320,275</u>	<u>14,304,624</u>	<u>14,083,530</u>	<u>13,886,878</u>	<u>13,513,726</u>
DEFERRED OUTFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	42,542	91,962	158,921	289,978	63,010
Deferred Outflows of Resources - OPEB	3,583	4,515	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>46,125</u>	<u>96,477</u>	<u>158,921</u>	<u>289,978</u>	<u>63,010</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	67,386	22,947	46,097	222,034	40,435
Retainage Payable	-	-	29,045	22,691	-
Accrued Payroll	35,957	33,593	30,546	28,813	22,177
Accrued Vacation	21,687	18,359	24,536	34,819	27,337
Due to Other Governmental Units	-	-	3,252	2,796	-
Due To Other Funds	38,530	38,279	34,130	27,662	27,114
Compensated Absences Payable-Current	13,000	13,000	13,000	13,000	13,000
Deferred Pension Outflows					
Total Current Liabilities	<u>176,560</u>	<u>126,178</u>	<u>180,606</u>	<u>351,815</u>	<u>130,063</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	30,503	21,797	37,866	86,173	74,263
Net Pension Liability	463,588	475,262	587,359	701,637	458,342
Other Postemployment Benefit Liability	46,344	56,897	-	-	-
Total Noncurrent Liabilities	<u>540,435</u>	<u>553,956</u>	<u>625,225</u>	<u>787,810</u>	<u>532,605</u>
TOTAL LIABILITIES	<u>716,995</u>	<u>680,134</u>	<u>805,831</u>	<u>1,139,625</u>	<u>662,668</u>
DEFERRED INFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	105,864	136,141	104,111	78,869	48,129
Cost Sharing Defined Benefit - OPEB	10,007	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>115,871</u>	<u>136,141</u>	<u>104,111</u>	<u>78,869</u>	<u>48,129</u>
NET POSITION					
Net Investment in Capital Assets	12,042,999	12,275,197	12,357,876	12,023,933	11,974,390
Unrestricted	1,490,535	1,309,629	974,633	934,429	891,549
TOTAL NET POSITION	<u>\$ 13,533,534</u>	<u>\$ 13,584,826</u>	<u>\$ 13,332,509</u>	<u>\$ 12,958,362</u>	<u>\$ 12,865,939</u>

**Statements of Revenues, Expenses, and
Changes in Net Position – Water Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

	2019	2018	2017	2016	2015
OPERATING REVENUES					
Water Sales	\$ 2,312,677	\$ 2,590,932	\$ 2,606,292	\$ 2,486,708	\$ 2,636,821
Other Income	5,129	9,704	9,225	3,385	8,259
Total	<u>2,317,806</u>	<u>2,600,636</u>	<u>2,615,517</u>	<u>2,490,093</u>	<u>2,645,080</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,366,372	1,312,244	1,274,881	1,430,828	1,274,233
Administration	304,113	309,728	329,319	320,542	263,507
Depreciation	698,915	675,648	653,496	646,300	639,068
Total	<u>2,369,400</u>	<u>2,297,620</u>	<u>2,257,696</u>	<u>2,397,670</u>	<u>2,176,808</u>
OPERATING INCOME (LOSS)	<u>(51,594)</u>	<u>303,016</u>	<u>357,821</u>	<u>92,423</u>	<u>468,272</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	302	371	326	-	-
Total	<u>302</u>	<u>371</u>	<u>326</u>	<u>-</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(51,292)	303,387	358,147	92,423	468,272
CAPITAL CONTRIBUTIONS	-	-	16,000	-	-
CHANGE IN NET POSITION	<u>(51,292)</u>	<u>303,387</u>	<u>374,147</u>	<u>92,423</u>	<u>468,272</u>
NET POSITION - JANUARY 1	13,584,826	13,332,509	12,958,362	12,865,939	12,828,220
ADJUSTMENT FOR GASB 68 and 71	-	-	-	-	(430,553)
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	-	(51,070)	-	-	-
NET POSITION - JANUARY 1, AS RESTATED	<u>13,584,826</u>	<u>13,281,439</u>	<u>12,958,362</u>	<u>12,865,939</u>	<u>12,397,667</u>
NET POSITION - DECEMBER 31	<u>\$ 13,533,534</u>	<u>\$ 13,584,826</u>	<u>\$ 13,332,509</u>	<u>\$ 12,958,362</u>	<u>\$ 12,865,939</u>

**Statements of Cash Flows – Water Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

	2019	2018	2017	2016	2015
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,241,057	\$ 2,539,488	\$ 2,555,845	\$ 2,396,542	\$ 2,592,282
Cash received from interfund activities	72,712	53,650	53,650	55,164	44,539
Cash paid to suppliers for goods and services	(678,843)	(751,846)	(876,038)	(469,784)	(584,233)
Cash paid for interfund activities	(120,809)	(125,880)	(125,880)	(317,746)	(277,695)
Cash paid to employees	(802,297)	(797,160)	(777,727)	(709,109)	(674,085)
Other operating revenues (expenses)	5,129	9,704	9,225	3,383	8,255
Net cash provided (used) by operating activities	<u>716,949</u>	<u>927,956</u>	<u>839,075</u>	<u>958,450</u>	<u>1,109,063</u>
Cash flows from noncapital financing activities:					
Interfund receivable	39,095	(6,286)	4,411	(963)	(30,549)
Interfund payable	251	4,149	6,468	548	1,152
Net cash provided (used) by noncapital financing activities	<u>39,346</u>	<u>(2,137)</u>	<u>10,879</u>	<u>(415)</u>	<u>(29,397)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(466,716)	(622,013)	(942,393)	(673,154)	(813,877)
Payments on construction accounts payable	-	-	(22,692)	-	-
Net cash (used) by capital and related financing activities	<u>(466,716)</u>	<u>(622,013)</u>	<u>(965,085)</u>	<u>(673,154)</u>	<u>(813,877)</u>
Cash flows from investing activities:					
Interest received on investments	301	371	326	-	-
Net cash provided (used) by investing activities	<u>301</u>	<u>371</u>	<u>326</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	289,880	304,177	(114,805)	284,881	265,789
Cash and cash equivalents - January 1	<u>1,494,186</u>	<u>1,190,009</u>	<u>1,304,814</u>	<u>1,019,933</u>	<u>754,144</u>
Cash and cash equivalents - December 31	<u>\$ 1,784,066</u>	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (51,594)	\$ 303,016	\$ 357,821	\$ 92,423	\$ 468,272
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	698,915	675,648	653,496	646,300	639,069
Changes in assets and liabilities:					
Materials & supplies	2,275	4,531	14,913	(19,229)	(16,145)
Accounts receivable	1,092	2,206	1,588	(35,002)	-
Prepaid items	(431)	(50)	(43)	16,468	(17,318)
Due from other government units	-	-	1,615	-	(808)
Deferred pension outflows	49,420	66,959	131,057	(226,968)	(44,754)
Deferred OPEB outflows	932	81	-	-	-
Accounts payable	44,439	(23,148)	(175,935)	181,599	15,645
Accrued payroll	2,364	3,047	1,733	6,636	3,291
Accrued vacation	3,328	(6,177)	(10,283)	7,482	1,960
Accrued compensated absences	8,706	(16,069)	(48,307)	11,910	2,189
Due to other government units	-	(3,252)	456	2,796	-
Net pension liability	(11,674)	(112,097)	(114,278)	243,295	9,533
Total OPEB liability	(10,553)	1,231	-	-	-
Deferred OPEB inflows	10,007	-	-	-	-
Deferred pension inflows	(30,277)	32,030	25,242	30,740	48,129
Net cash provided (used) by operating activities	<u>\$ 716,949</u>	<u>\$ 927,956</u>	<u>\$ 839,075</u>	<u>\$ 958,450</u>	<u>\$ 1,109,063</u>
Schedule of noncash investing, capital and financing activities:					
Acquisition of capital assets through capital contributions	\$ -	\$ -	\$ 16,000	\$ -	\$ -
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	<u>\$ 1,784,066</u>	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>
Cash and cash equivalents - December 31	<u>\$ 1,784,066</u>	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2019			2018			2017			2016			2015		
	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	110,928,900	\$684,372	\$6.169	116,220,200	\$793,029	\$6.824	117,774,600	\$791,202	\$6.718	113,587,300	\$750,597	\$6.608	119,505,000	\$788,243	\$6.596
Apartment	50,893,000	348,592	\$6.850	53,969,000	364,115	\$6.747	54,780,000	366,927	\$6.698	49,067,000	322,245	\$6.567	49,251,000	319,223	\$6.482
Sprinkling															
Commercial	112,185,000	880,154	\$7.846	133,823,400	1,042,808	\$7.792	139,252,600	1,067,710	\$7.667	137,706,100	1,039,433	\$7.548	153,065,600	1,157,168	\$7.560
Customer Charge -															
Residential		282,535			276,203			269,913			265,071			263,232	
Apartment		25,276			24,825			24,085			23,407			23,237	
Commercial		91,748			89,952			86,455			85,955			85,718	
Total	274,006,900	\$2,312,677	\$8.440	304,012,600	\$2,590,932	\$8.522	311,807,200	\$2,606,292	\$8.359	300,360,400	\$2,486,708	\$8.279	321,821,600	\$2,636,821	\$8.193
Other Operating Revenue															
Remote Connections & Other		\$ 5,129			\$ 9,704			\$ 9,225			\$ 3,385			\$ 8,259	
Total		5,129			9,704			9,225			3,385			8,259	
Total Operating Revenue		\$ 2,317,806			\$ 2,600,636			\$ 2,615,517			\$ 2,490,093			\$ 2,645,080	
Percent of Operating Revenues															
Operating Revenues		\$ 2,317,806	100.0%		\$ 2,600,636	100.0%		\$ 2,615,517	100.0%		\$ 2,490,093	100.0%		\$ 2,645,080	100.0%
Treatment Cost		1,164,205	50.2%		1,159,423	44.6%		1,029,013	39.3%		1,086,771	43.6%		1,082,257	40.9%
Treatment Cost Margin		1,153,601	49.8%		1,441,213	55.4%		1,586,504	60.7%		1,403,322	56.4%		1,562,823	59.1%
Distribution Cost		782,268	33.8%		835,923	32.1%		899,364	34.4%		990,356	39.8%		688,972	26.0%
Gross Margin		371,333	16.0%		605,290	23.3%		687,140	26.3%		412,966	16.6%		873,851	33.0%
Administrative and Customer Cost		422,927	18.2%		302,274	11.6%		329,319	12.6%		320,543	12.9%		405,579	15.3%
Operating Income (Loss)		\$ (51,594)	-2.2%		\$ 303,016	11.7%		\$ 357,821	13.7%		\$ 92,423	3.7%		\$ 468,272	17.7%

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

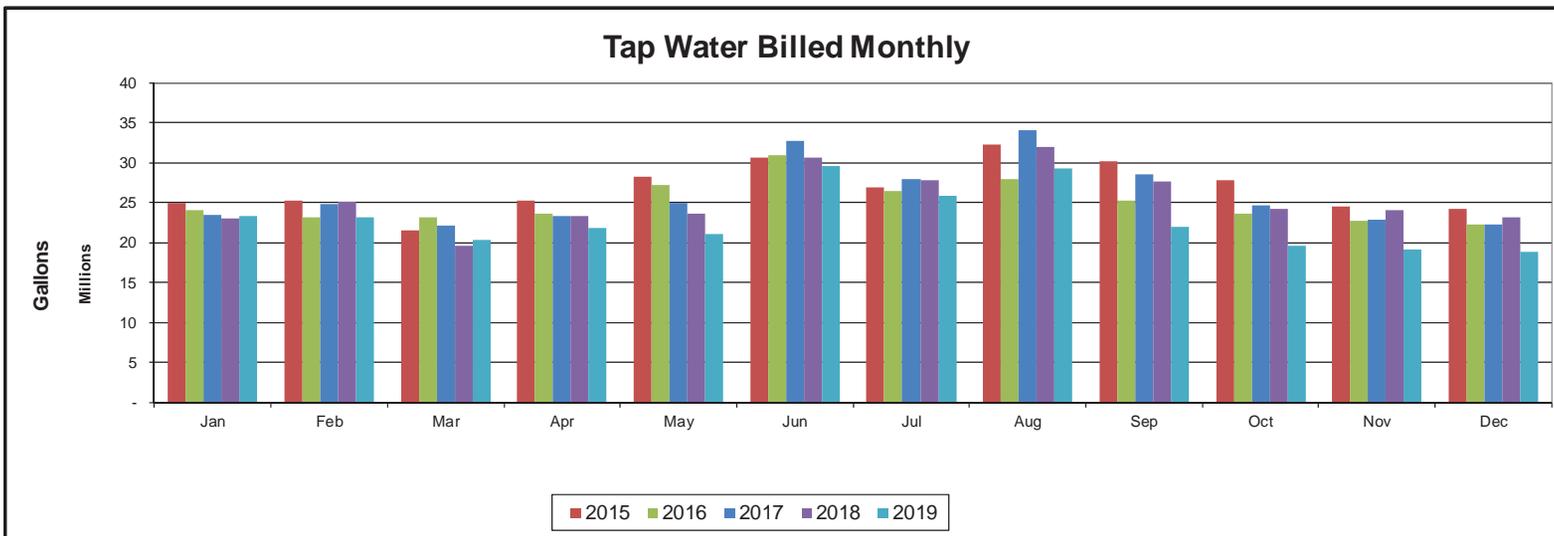
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,124,300	8,785,000	7,702,700	8,581,800	8,966,500	11,084,800	10,390,200	11,344,400	9,338,600	8,556,600	8,676,600	8,377,400	110,928,900
Apartment	4,760,000	5,011,000	4,351,000	4,700,000	4,339,000	4,078,000	3,979,000	4,245,000	4,026,000	3,703,000	3,754,000	3,947,000	50,893,000
Commercial	9,394,800	9,350,500	8,350,200	8,563,100	7,844,400	14,399,900	11,437,400	13,727,500	8,595,000	7,293,700	6,665,500	6,563,000	112,185,000
Total	23,279,100	23,146,500	20,403,900	21,844,900	21,149,900	29,562,700	25,806,600	29,316,900	21,959,600	19,553,300	19,096,100	18,887,400	274,006,900

2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,160,200	8,925,200	7,940,500	8,891,800	9,204,000	11,704,300	10,732,800	11,873,400	11,238,300	8,831,000	8,931,700	8,787,000	116,220,200
Apartment	4,743,000	4,630,000	3,900,000	4,343,000	4,244,000	4,680,000	4,727,000	4,678,000	4,816,000	4,199,000	4,405,000	4,604,000	53,969,000
Commercial	9,050,700	11,599,700	7,683,400	10,128,600	10,131,000	14,193,000	12,396,900	15,398,800	11,608,600	11,114,200	10,702,000	9,816,500	133,823,400
Total	22,953,900	25,154,900	19,523,900	23,363,400	23,579,000	30,577,300	27,856,700	31,950,200	27,662,900	24,144,200	24,038,700	23,207,500	304,012,600

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,196,200	8,937,800	7,937,600	8,761,800	9,202,000	11,024,600	10,509,200	13,078,900	11,766,300	9,404,500	9,205,900	8,749,800	117,774,600
Apartment	4,292,000	4,782,000	4,068,000	4,731,000	4,659,000	4,916,000	4,890,000	4,817,000	4,772,000	4,214,000	4,192,000	4,447,000	54,780,000
Commercial	9,925,400	11,135,600	10,186,700	9,797,900	11,163,600	16,771,000	12,525,200	16,178,100	12,020,200	11,013,600	9,471,800	9,063,500	139,252,600
Total	23,413,600	24,855,400	22,192,300	23,290,700	25,024,600	32,711,600	27,924,400	34,074,000	28,558,500	24,632,100	22,869,700	22,260,300	311,807,200

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
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	8,995,800	119,505,000
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
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	24,222,700	321,821,600



Residential - Meters

Month	2019	2018	2017	2016	2015
January	2,603	2,581	2,568	2,555	2,540
February	2,601	2,588	2,566	2,553	2,544
March	2,596	2,586	2,566	2,554	2,539
April	2,598	2,584	2,572	2,557	2,539
May	2,608	2,593	2,573	2,559	2,543
June	2,616	2,592	2,586	2,563	2,550
July	2,612	2,601	2,583	2,560	2,555
August	2,613	2,601	2,581	2,575	2,549
September	2,614	2,594	2,589	2,571	2,556
October	2,614	2,594	2,593	2,565	2,549
November	2,615	2,601	2,587	2,566	2,556
December	2,614	2,600	2,592	2,570	2,549
Average	2,609	2,593	2,580	2,562	2,547

Apartment - Meters

Month	2019	2018	2017	2016	2015
January	77	75	75	75	75
February	76	75	76	75	75
March	75	75	75	75	75
April	76	75	75	75	75
May	75	75	75	75	75
June	75	75	76	75	75
July	75	77	76	75	75
August	75	75	76	75	75
September	75	75	76	75	75
October	80	75	75	75	75
November	75	75	75	75	75
December	75	75	75	75	75
Average	76	75	75	75	75

Commercial - Meters

Month	2019	2018	2017	2016	2015
January	266	263	261	260	255
February	267	263	263	260	255
March	266	265	261	261	256
April	266	264	261	263	261
May	276	270	267	268	266
June	280	278	275	278	273
July	280	281	278	276	278
August	280	281	278	275	276
September	280	282	280	276	277
October	280	282	277	277	272
November	265	268	263	264	262
December	265	266	263	263	260
Average	273	272	269	268	266

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

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
2019								
January	29,092	26,026	-	24	26,002	23,279	2,723	10.5%
February	25,517	23,153	-	2	23,152	23,147	5	0.0%
March	27,433	25,069	-	4	25,065	20,404	4,661	18.6%
April	25,816	23,615	-	3	23,613	21,845	1,768	7.5%
May	30,372	27,688	-	7	27,680	21,150	6,530	23.6%
June	34,547	31,091	-	15	31,076	29,563	1,513	4.9%
July	36,674	33,213	-	47	33,166	25,807	7,359	22.2%
August	32,794	29,402	-	17	29,384	29,317	67	0.2%
September	24,161	22,392	-	3	22,389	21,960	429	1.9%
October	24,705	22,408	-	2	22,406	19,553	2,853	12.7%
November	23,404	21,125	-	2	21,123	19,096	2,027	9.6%
December	23,605	21,902	-	3	21,899	18,887	3,012	13.8%
1st Quarter	82,042	74,248	-	30	74,219	66,830	7,389	10.0%
2nd Quarter	90,735	82,394	-	25	82,369	72,558	9,811	11.9%
3rd Quarter	93,629	85,007	-	67	84,939	77,084	7,855	9.2%
4th Quarter	71,714	65,435	-	7	65,428	57,536	7,892	12.1%
Total	338,120	307,084	-	129	306,955	274,008	32,947	10.7%
2018								
January	28,534	26,898	607	2	26,289	22,954	3,335	12.7%
February	25,846	26,358	2,116	1	24,241	25,155	(914)	-3.8%
March	26,877	26,369	1,468	1	24,899	19,524	5,375	21.6%
April	25,991	24,107	-	3	24,104	23,363	741	3.1%
May	33,005	29,427	-	9	29,418	23,579	5,839	19.8%
June	35,644	32,412	-	25	32,387	30,577	1,809	5.6%
July	37,862	34,060	-	54	34,005	27,858	6,148	18.1%
August	41,289	35,502	-	18	35,483	31,950	3,533	10.0%
September	31,365	27,675	-	4	27,671	27,663	8	0.0%
October	30,422	27,248	-	2	27,246	24,144	3,102	11.4%
November	28,668	25,896	-	2	25,894	24,039	1,855	7.2%
December	30,737	28,097	-	2	28,095	23,208	4,887	17.4%
1st Quarter	81,257	79,625	4,191	4	75,429	67,633	7,796	10.3%
2nd Quarter	94,640	85,946	-	37	85,909	77,519	8,389	9.8%
3rd Quarter	110,516	97,237	-	76	97,159	87,471	9,689	10.0%
4th Quarter	89,827	81,241	-	6	81,235	71,391	9,844	12.1%
Total	376,240	344,049	4,191	123	339,732	304,014	35,718	10.5%
2017								
January	29,328	27,375	1,196	1	26,178	23,414	2,764	10.6%
February	26,914	26,146	1,774	1	24,371	24,855	(484)	-2.0%
March	29,708	28,653	1,248	3	27,402	22,192	5,210	19.0%
April	26,283	25,972	1,585	2	24,385	23,291	1,094	4.5%
May	36,384	34,388	1,109	3	33,276	25,025	8,251	24.8%
June	36,572	34,884	1,768	14	33,102	32,712	390	1.2%
July	37,789	37,035	2,213	42	34,780	27,924	6,856	19.7%
August	40,820	37,102	1,154	22	35,926	34,074	1,852	5.2%
September	29,624	29,689	1,565	3	28,121	28,559	(438)	-1.6%
October	29,906	30,603	2,804	5	27,794	24,632	3,162	11.4%
November	25,375	25,444	1,661	4	23,779	22,870	909	3.8%
December	26,039	26,545	1,786	5	24,755	22,260	2,495	10.1%
1st Quarter	85,950	82,174	4,218	5	77,951	70,461	7,490	9.6%
2nd Quarter	99,239	95,244	4,462	19	90,763	81,028	9,735	10.7%
3rd Quarter	108,233	103,826	4,932	67	98,827	90,557	8,270	8.4%
4th Quarter	81,320	82,592	6,251	14	76,328	69,762	6,566	8.6%
Total	374,742	363,836	19,863	105	343,869	311,808	32,061	9.3%

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

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	26,541	599	20	25,922	24,049	1,873	7.2%
February	25,996	26,089	2,297	9	23,783	23,105	678	2.9%
March	27,893	28,662	2,863	7	25,792	23,121	2,671	10.4%
April	27,003	28,127	2,722	4	25,402	23,616	1,786	7.0%
May	35,214	34,890	2,078	6	32,806	27,132	5,674	17.3%
June	34,426	32,924	1,179	13	31,732	31,014	718	2.3%
July	32,192	30,959	1,212	45	29,702	26,455	3,247	10.9%
August	33,913	32,294	1,180	43	31,071	28,010	3,061	9.9%
September	29,723	27,838	1,125	3	26,710	25,217	1,493	5.6%
October	29,044	27,026	1,132	1	25,893	23,614	2,279	8.8%
November	27,794	25,093	982	8	24,103	22,752	1,351	5.6%
December	29,754	26,395	753	6	25,636	22,278	3,358	13.1%
1st Quarter	82,439	81,292	5,759	36	75,497	70,275	5,222	6.9%
2nd Quarter	96,643	95,941	5,979	23	89,940	81,762	8,178	9.1%
3rd Quarter	95,828	91,091	3,517	91	87,483	79,682	7,801	8.9%
4th Quarter	86,592	78,514	2,867	15	75,632	68,644	6,988	9.2%
Total	361,502	346,838	18,122	165	328,552	300,363	28,189	8.6%
2015								
January	31,153	29,433	2,109	1	27,323	24,995	2,328	8.5%
February	27,755	28,082	2,626	1	25,455	25,305	150	0.6%
March	29,511	28,706	1,912	1	26,793	21,547	5,246	19.6%
April	29,036	27,830	977	1	26,852	25,280	1,572	5.9%
May	35,567	33,850	1,168	2	32,680	28,244	4,436	13.6%
June	35,229	33,452	1,253	32	32,166	30,614	1,552	4.8%
July	34,071	31,939	1,371	61	30,507	26,911	3,596	11.8%
August	39,517	37,207	1,347	32	35,827	32,266	3,561	9.9%
September	33,438	31,480	1,230	12	30,237	30,184	53	0.2%
October	32,346	30,292	1,128	55	29,109	27,768	1,341	4.6%
November	28,373	26,484	1,082	2	25,400	24,486	914	3.6%
December	29,353	27,680	1,062	1	26,617	24,223	2,394	9.0%
1st Quarter	88,419	86,221	6,647	3	79,571	71,847	7,724	9.7%
2nd Quarter	99,832	95,132	3,398	35	91,698	84,138	7,560	8.2%
3rd Quarter	107,026	100,626	3,948	105	96,571	89,361	7,210	7.5%
4th Quarter	90,072	84,456	3,272	58	81,126	76,477	4,649	5.7%
Total	385,349	366,435	17,265	201	348,966	321,823	27,143	7.8%

Note: Data in 1000's of gallons

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Raw Water	2019			2018			2017			2016			2015		
	Maximum	Minimum	Average												
January	1,209	469	938	1,398	467	920	1,336	605	946	1,230	615	921	1,275	643	1,005
February	1,216	381	911	1,227	537	923	1,227	704	961	1,153	564	896	1,285	605	991
March	1,181	484	885	1,982	451	867	1,171	613	958	1,341	575	900	1,247	664	952
April	1,209	437	861	1,241	434	866	1,157	433	876	1,168	666	900	1,265	572	968
May	1,662	607	1,065	1,730	504	1,137	1,679	542	1,263	1,828	671	1,136	1,757	657	1,147
June	1,969	577	1,152	1,838	485	1,188	1,841	283	1,219	1,881	429	1,148	1,430	814	1,174
July	1,794	743	1,183	1,945	452	1,221	1,585	753	1,219	1,500	613	1,038	1,426	514	1,099
August	1,784	397	1,058	2,011	468	1,332	1,876	824	1,317	1,627	714	1,094	1,877	508	1,275
September	1,099	394	805	1,623	514	1,045	1,432	311	987	1,215	651	991	1,399	730	1,115
October	1,024	395	797	1,422	424	981	1,425	551	965	1,217	590	937	1,409	685	1,043
November	1,025	347	780	1,175	441	956	1,133	577	846	1,157	541	926	1,242	714	946
December	1,056	423	707	1,626	361	906	1,296	528	856	1,246	540	960	1,169	611	947
Tap Water	2019			2018			2017			2016			2015		
	Maximum	Minimum	Average												
January	1,147	494	840	1,283	493	868	1,184	384	883	1,091	581	856	1,257	585	949
February	1,128	510	827	1,192	618	941	1,272	643	934	1,276	362	900	1,326	667	1,003
March	1,035	551	841	983	632	806	1,308	730	959	1,133	804	935	1,255	625	928
April	1,097	436	787	1,054	468	804	1,176	500	866	1,230	590	938	1,305	575	928
May	1,662	517	893	1,499	519	949	1,687	556	1,109	1,639	713	1,125	1,446	660	1,092
June	1,683	610	1,036	1,644	552	1,080	1,714	341	1,163	2,051	401	1,097	1,469	789	1,115
July	1,662	762	1,071	1,753	428	1,099	1,759	696	1,195	1,617	599	999	1,396	514	1,030
August	1,487	398	948	1,724	549	1,145	1,689	759	1,197	1,456	562	1,042	1,810	465	1,200
September	1,006	410	746	1,361	481	922	1,381	423	990	1,155	661	928	1,364	557	1,049
October	979	319	723	1,146	576	879	1,515	482	987	1,244	482	872	1,301	546	977
November	996	381	704	1,053	547	863	1,135	537	848	1,119	521	836	1,137	611	883
December	1,056	423	707	1,626	361	906	1,296	528	856	1,150	493	851	1,190	649	893
NTU	2019			2018			2017			2016			2015		
	Maximum	Minimum	Average												
January	0.09	0.02	0.05	0.11	0.02	0.05	0.14	0.02	0.04	0.14	0.02	0.09	0.21	0.06	0.12
February	0.18	0.02	0.07	0.07	0.02	0.04	0.17	0.02	0.08	0.16	0.04	0.08	0.18	0.02	0.06
March	0.09	0.02	0.04	0.08	0.02	0.05	0.12	0.02	0.05	0.15	0.03	0.08	0.11	0.02	0.04
April	0.07	0.02	0.03	0.10	0.03	0.06	0.20	0.04	0.07	0.15	0.03	0.08	0.26	0.02	0.06
May	0.09	0.02	0.03	0.12	0.02	0.05	0.14	0.03	0.06	0.32	0.04	0.12	0.07	0.02	0.03
June	0.16	0.01	0.05	0.15	0.02	0.06	0.21	0.04	0.09	0.16	0.03	0.06	0.19	0.02	0.04
July	0.15	0.02	0.05	0.11	0.02	0.05	0.18	0.04	0.11	0.11	0.02	0.05	0.08	0.02	0.04
August	0.09	0.01	0.03	0.11	0.02	0.04	0.16	0.02	0.07	0.10	0.04	0.07	0.14	0.04	0.09
September	0.09	0.01	0.05	0.10	0.02	0.06	0.12	0.02	0.05	0.13	0.04	0.07	0.14	0.02	0.05
October	0.08	0.02	0.05	0.07	0.02	0.03	0.20	0.02	0.07	0.12	0.04	0.07	0.08	0.02	0.05
November	0.06	0.02	0.04	0.08	0.02	0.05	0.09	0.03	0.06	0.15	0.02	0.05	0.11	0.03	0.05
December	0.05	0.02	0.02	0.11	0.02	0.06	0.12	0.02	0.05	0.12	0.02	0.06	0.16	0.02	0.06

Note: Data in 1000's of gallons

WATER FUND

REVENUES

Account Number	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual	12/31/19 Actual
602-37-000-37110 Res. Water Sales	\$ 788,243	\$ 750,597	\$ 791,201	\$ 793,029	\$ 684,372
602-37-000-37111 Apt. Water Sales	319,223	322,245	366,927	364,115	348,592
602-37-000-37130 Com. Water Sales	1,157,168	1,039,433	1,067,710	1,042,808	880,154
602-37-000-37145 Temp. Hydrant	-	-	-	-	-
602-37-000-37150 Remote Meter Fee	6,653	2,995	6,709	3,645	2,035
602-37-000-37446 Res. Meter Charge	263,232	265,071	269,913	276,203	282,535
602-37-000-37447 Apt. Meter Charge	23,237	23,407	24,085	24,825	25,276
602-37-000-37448 Com. Meter Charge	85,718	85,952	86,456	89,952	91,748
602-37-000-37454 Capital Contributions	-	-	16,000	-	-
602-37-000-37480 Interest Earnings	-	-	326	371	302
602-37-000-37488 Repairs	-	-	-	-	-
602-37-000-37490 Miscellaneous	1,606	391	2,517	6,060	3,094
	<u>\$ 2,645,080</u>	<u>\$ 2,490,091</u>	<u>\$ 2,631,844</u>	<u>\$ 2,601,008</u>	<u>\$ 2,318,108</u>

WATER FUND

Expenses OBJECT CODES	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual	12/31/19 Actual
41010 Salaries - Reg.	\$ 458,866	\$ 511,230	\$ 460,247	\$ 501,491	\$ 532,221
41020 Salaries - O.T.	9,367	10,087	9,722	11,067	12,341
41070 Vacations, etc.	59,291	53,223	70,428	64,163	58,702
41210 PERA	38,755	40,037	39,239	41,535	44,243
41220 FICA	38,684	40,209	41,186	43,729	43,557
41300 Insurance	55,316	60,157	78,498	102,748	108,711
41510 Workers Comp	21,247	20,194	21,550	14,540	17,306
42110 General Supplies	1,247	613	606	789	594
42120 Fuel & Lubes	9,300	3,262	5,094	3,944	7,413
42160 Chemicals	216,258	208,773	203,344	237,176	220,180
42170 Lab Supplies	8,639	11,474	11,370	10,786	12,951
42180 Uniforms	1,233	1,591	2,002	2,493	1,331
42270 Parts & Supplies	26,120	32,544	17,087	32,164	24,753
42400 Small Tools	7,238	15,176	3,797	646	4,714
43030 Engineering	10,821	67,481	16,976	9,839	6,850
43190 Other Professional	-	-	349	-	-
43310 Travel & School	13,471	15,467	9,258	10,565	10,968
43810 Utilities	126,401	119,775	125,880	126,665	120,809
43830 Utilities - Gas	22,605	14,406	18,492	20,240	20,721
44040 Contracted Services	103,372	98,346	69,329	71,312	87,344
44050 Cleaning Services	7,411	23,557	7,392	7,339	7,861
44200 Depreciation	639,069	646,300	653,496	675,648	698,915
44300 Miscellaneous	1,209	6,627	7,779	6,546	2,188
44330 Dues & Subscript.	4,850	20,562	7,877	4,934	5,017
44410 Permits & Fees	6,242	8,970	5,358	641	8,128
49900 Pension Expense	12,908	47,067	42,021	(13,108)	7,469
49990 Reimbursed	276,887	320,542	329,319	309,728	304,113
	<u>\$ 2,176,807</u>	<u>\$ 2,397,670</u>	<u>\$ 2,257,696</u>	<u>\$ 2,297,620</u>	<u>\$ 2,369,400</u>

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/15	12/31/16	12/31/17	12/31/18	12/31/19
EXPENSES	Actual	Actual	Actual	Actual	Actual
Raw Water Pumping					
602-49-400-41010 Salaries - Reg.	\$ 879	\$ 972	\$ 1,105	\$ 863	\$ 832
602-49-400-41020 Salaries - O.T.	87	134	173	51	225
602-49-400-41210 PERA	67	82	96	69	79
602-49-400-41220 FICA	74	83	94	67	80
602-49-400-44040 Contracted Services	10,541	7,143	5,035	2,300	4,420
602-49-400-44300 Miscellaneous	-	19	-	24	-
Total	11,648	8,433	6,503	3,374	5,636
Treatment - Plant					
602-49-420-41010 Salaries - Reg.	188,893	209,906	205,263	221,177	198,152
602-49-420-41020 Salaries - O.T.	5,773	6,181	8,571	6,770	8,907
602-49-420-41210 PERA	14,471	15,570	15,316	15,102	15,136
602-49-420-41220 FICA	14,357	15,925	15,742	16,711	14,618
602-49-420-41300 Insurance	34,001	34,160	53,645	69,450	73,478
602-49-420-42110 General Supplies	1,247	613	606	789	594
602-49-420-42120 Fuels & Lubes	6,179	733	2,317	1,149	4,265
602-49-420-42160 Chemicals	216,258	208,773	203,344	237,176	220,180
602-49-420-42170 Lab Supplies	8,639	11,474	11,370	10,786	12,951
602-49-420-42270 Parts & Supplies	140	2,386	149	204	149
602-49-420-43030 Engineering	5,806	20,881	-	-	-
602-49-420-43310 Travel & School	7,667	8,844	4,587	6,641	4,759
602-49-420-43810 Utility Charges	102,711	88,281	103,376	96,246	95,173
602-49-420-43830 Utility Charges - Gas	22,605	14,406	18,492	20,240	20,721
602-49-420-44040 Contracted Services	9,775	10,296	5,545	5,555	9,237
602-49-420-44050 Cleaning Services	7,411	23,557	7,392	7,339	7,861
602-49-420-44200 Depreciation	244,035	241,050	240,241	253,803	273,312
602-49-420-44300 Miscellaneous	146	300	1,859	1,785	376
Total	890,114	913,336	897,815	970,923	959,869
Treatment - M & E					
602-49-421-41010 Salaries - Reg.	78,168	72,306	58,300	87,221	100,455
602-49-421-41020 Salaries - O.T.	1,434	1,304	616	581	1,287
602-49-421-41210 PERA	5,965	5,509	4,391	5,994	7,631
602-49-421-41220 FICA	5,736	5,311	4,347	6,576	7,618
602-49-421-42270 Parts & Supplies	7,221	11,574	2,546	9,352	5,525
602-49-421-42400 Small Tools & Equip.	5,523	11,725	3,797	646	4,714
602-49-421-44040 Contracted Services	45,547	26,575	29,181	27,153	25,675
Total	149,594	134,304	103,178	137,523	152,905
Treatment - B & G					
602-49-422-41010 Salaries - Reg.	7,934	6,423	5,190	19,456	29,396
602-49-422-41020 Salaries - O.T.	-	271	-	-	-
602-49-422-41210 PERA	461	502	389	1,355	2,205
602-49-422-41220 FICA	601	504	383	1,467	2,211
602-49-422-42270 Parts & Supplies	5,374	3,533	3,191	1,794	2,359
602-49-422-42400 Small Tools & Equip.	1,715	3,451	-	-	-
602-49-422-44040 Contracted Services	14,817	16,014	12,364	16,077	9,624
Total	30,902	30,698	21,517	40,149	45,795
Distribution - Pumping					
602-49-430-41010 Salaries - Reg.	388	839	595	579	837
602-49-430-41210 PERA	28	63	45	33	63
602-49-430-41220 FICA	29	62	46	43	63
602-49-430-42270 Parts & Supplies	664	118	-	862	1,353
602-49-430-43810 Electric Utilities	18,880	27,010	19,128	26,056	21,221
602-49-430-44040 Contracted Services	661	277	326	-	124
Total	20,650	28,369	20,140	27,573	23,661

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number EXPENSES	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual	12/31/19 Actual
Distribution - Lines					
602-49-433-41010 Salaries - Reg.	56,860	56,714	57,015	56,196	56,761
602-49-433-41020 Salaries - O.T.	1,348	1,185	223	2,663	1,386
602-49-433-41210 PERA	4,366	4,230	4,293	4,414	4,355
602-49-433-41220 FICA	4,372	4,262	4,223	4,316	4,261
602-49-433-42270 Parts & Supplies	1,019	7,532	841	2,473	873
602-49-433-44040 Contracted Services	15,038	1,535	-	5,855	3,500
602-49-433-44300 Miscellaneous	-	-	354	30	124
Total	83,003	75,458	66,949	75,947	71,260
Distribution - Storage					
602-49-436-41010 Salaries - Reg.	2,024	2,849	3,120	4,576	4,408
602-49-436-41020 Salaries - O.T.	129	335	139	655	52
602-49-436-41210 PERA	150	231	257	377	335
602-49-436-41220 FICA	162	239	256	393	335
602-49-436-42270 Parts & Supplies	770	734	1,414	2,799	608
602-49-436-43810 Utilities	4,810	4,484	3,376	4,363	4,415
602-49-436-44040 Contracted Services	4,276	34,834	16,201	12,859	34,321
Total	12,321	43,706	24,763	26,022	44,474
Distribution - Meters					
602-49-449-41010 Salaries - Reg.	8,882	13,757	15,269	15,722	11,492
602-49-449-41210 PERA	658	1,032	1,145	1,176	862
602-49-449-41220 FICA	661	1,009	1,127	1,151	842
602-49-449-42270 Parts & Supplies	8,327	4,737	8,535	12,493	10,474
602-49-449-44040 Contracted Services	-	-	-	50	-
Total	18,528	20,535	26,076	30,592	23,670
Distribution - Hydrants					
602-49-450-41010 Salaries - Reg.	7,979	14,070	12,256	16,148	19,872
602-49-450-41020 Salaries - O.T.	123	-	-	-	-
602-49-450-41210 PERA	531	949	794	1,121	1,409
602-49-450-41220 FICA	608	1,036	908	1,184	1,457
602-49-450-42270 Parts & Supplies	155	649	150	761	1,042
602-49-450-44040 Contracted Services	148	115	-	-	-
Total	9,544	16,819	14,108	19,214	23,780
Distribution - Vehicles					
602-49-453-41010 Salaries - Reg.	2,185	2,518	3,079	1,970	1,038
602-49-453-41210 PERA	160	187	233	148	65
602-49-453-41220 FICA	163	185	230	149	77
602-49-453-42120 Fuels & Lubes	3,121	2,529	2,777	2,795	3,148
602-49-453-42270 Parts & Supplies	-	5	-	-	-
602-49-453-44040 Contracted Services	2,569	1,309	617	1,463	443
602-49-453-44300 Miscellaneous	-	32	-	32	-
Total	8,198	6,765	6,936	6,557	4,771
Distribution - DSC					
602-49-458-44200 Depreciation	23,382	26,883	27,463	28,658	27,625
602-49-458-49990 Reimbursed to 601-49576	13,380	28,334	22,442	23,671	12,616
Total	36,762	55,217	49,905	52,329	40,241

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number EXPENSES	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual	12/31/19 Actual
Distribution - Other					
602-49-459-41010 Salaries - Reg.	-	-	2,762	600	2,247
602-49-459-41210 PERA	-	-	207	45	135
602-49-459-41220 FICA	-	-	207	44	128
602-49-459-41300 Insurance	13,245	17,946	23,504	32,948	34,404
602-49-459-42180 Uniforms	-	-	1,379	266	268
602-49-459-42270 Parts & Supplies	2,450	1,276	261	1,426	2,370
602-49-459-43310 Travel & School	819	1,168	2,445	1,931	2,212
602-49-459-44040 Contracted Services	-	248	60	-	-
602-49-459-44200 Depreciation	369,836	376,762	384,187	392,190	397,978
602-49-459-44300 Miscellaneous	25	184	135	110	50
Total	<u>386,375</u>	<u>397,584</u>	<u>415,147</u>	<u>429,560</u>	<u>439,792</u>
Operations - Supervision					
602-49-466-41010 Salaries - Reg.	89,542	91,590	109,384	85,264	93,154
602-49-466-41210 PERA	6,464	6,471	6,675	6,209	6,748
602-49-466-41220 FICA	6,544	6,461	7,672	6,184	6,747
602-49-466-41300 Insurance	8,070	8,051	1,349	350	443
602-49-466-42180 Uniforms	-	-	-	-	150
602-49-466-43310 Travel & School	2,971	4,097	1,726	1,917	3,377
Total	<u>113,591</u>	<u>116,670</u>	<u>126,806</u>	<u>99,924</u>	<u>110,619</u>
General - Unallocated					
602-49-467-41010 Salaries - Reg.	15,132	39,286	(13,091)	(8,281)	13,577
602-49-467-41020 Salaries - O.T.	473	677	-	347	484
602-49-467-41070 Holiday, Vacation, etc.	59,291	53,223	70,428	64,163	58,702
602-49-467-41210 PERA	5,434	5,211	5,398	5,492	5,220
602-49-467-41220 FICA	5,377	5,132	5,951	5,444	5,120
602-49-467-41300 Insurance Contributions	-	-	-	-	386
602-49-467-41510 Workers Comp	21,247	20,194	21,550	14,540	17,306
602-49-467-42180 Uniforms	1,233	1,591	623	2,227	913
602-49-467-43030 Engineering	5,015	46,600	16,976	9,839	6,850
602-49-467-43190 Other Professional Services	-	-	349	-	-
602-49-467-43310 Travel & School	2,014	1,358	500	76	620
602-49-467-44300 Miscellaneous	1,038	6,092	5,431	4,565	1,638
602-49-467-44330 Dues & Subscriptions	4,850	20,562	7,877	4,934	5,017
602-49-467-44410 Permits & Fees	6,242	8,970	5,358	641	8,128
602-49-467-49900 Pension Expense	-	-	-	(13,108)	7,469
602-00-000-49900 Pension Expense	12,908	47,067	42,021	-	-
Total	<u>140,254</u>	<u>255,963</u>	<u>169,371</u>	<u>90,879</u>	<u>131,430</u>
Meter Rdrs Reimbursed					
602-49-610-49990 Reimbursed to 601	6,762	7,307	6,315	9,369	10,712
Total	<u>6,762</u>	<u>7,307</u>	<u>6,315</u>	<u>9,369</u>	<u>10,712</u>
G. & A. - Reimbursed					
602-49-620-44200 Depreciation	1,816	1,605	1,605	997	-
602-49-620-49990 Reimbursed to 601	256,745	284,901	300,562	276,688	280,785
Total	<u>258,561</u>	<u>286,506</u>	<u>302,167</u>	<u>277,685</u>	<u>280,785</u>
Total Expenses	<u>\$ 2,176,807</u>	<u>\$ 2,397,670</u>	<u>\$ 2,257,696</u>	<u>\$ 2,297,620</u>	<u>\$ 2,369,400</u>

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, 2019, 2018, 2017, 2016, 2015**

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

	2019	2018	2017	2016	2015
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 4,864,875	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496
Investments	10,222,130	9,693,847	9,654,831	8,161,410	7,649,591
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	135,150	136,800	136,150	136,750	118,655
Accounts Receivable	2,696,416	2,403,407	3,058,431	2,428,032	2,276,264
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	33,740	36,169	31,362	21,273	22,217
Materials & Supplies	1,213,461	942,439	777,683	792,793	783,848
Prepaid Expenses	10,499	9,644	7,143	7,333	60,269
Due from Other Governmental Units	5,624	6,977	6,724	-	-
Interfund Receivable	826,997	1,972,899	2,610,095	2,747,181	1,988,774
Due from Other Funds	145,362	133,451	141,264	100,901	140,333
Total Current Assets	<u>20,106,254</u>	<u>18,747,033</u>	<u>18,127,014</u>	<u>17,665,676</u>	<u>17,835,447</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	322,818	305,394	305,394	305,394	305,394
Buildings, Structures, Etc.	9,231,061	9,231,061	9,231,061	9,231,061	9,231,061
Distribution Systems	20,597,377	20,208,836	19,823,791	19,140,779	18,380,200
Meters	1,259,318	1,250,066	1,247,423	1,238,974	1,234,797
Machinery and Equipment	1,189,603	1,174,473	1,166,580	1,144,020	1,107,148
Automotive Equipment	820,138	788,238	788,238	790,394	759,925
Office Equipment	579,866	579,866	579,866	573,660	573,660
Construction in Progress	1,141,054	766,435	125,992	48,034	-
Total Capital Assets	35,141,235	34,304,369	33,268,345	32,472,316	31,592,185
Less Accumulated Depreciation	(21,372,700)	(20,390,357)	(19,318,226)	(18,293,575)	(17,289,489)
Total Capital Assets (Net)	13,768,535	13,914,012	13,950,119	14,178,741	14,302,696
Customer Acquisition Costs	268,106	268,106	268,106	268,106	268,106
Total Noncurrent Assets	<u>14,036,641</u>	<u>14,182,118</u>	<u>14,218,225</u>	<u>14,446,847</u>	<u>14,570,802</u>
TOTAL ASSETS	<u>34,142,895</u>	<u>32,929,151</u>	<u>32,345,239</u>	<u>32,112,523</u>	<u>32,406,249</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - PERA	101,447	219,295	328,408	681,532	145,299
Deferred Outflows of Resources - OPEB	7,525	9,481	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>108,972</u>	<u>228,776</u>	<u>328,408</u>	<u>681,532</u>	<u>145,299</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	1,121,322	1,144,817	1,215,817	1,293,029	2,317,570
Retainage Payable	7,159	4,297	-	7,360	5,545
Accrued Payroll	87,003	75,624	72,788	73,085	55,130
Accrued Vacation	85,283	86,892	85,365	95,351	81,224
Compensated Absences Payable-Current	32,000	32,000	32,000	32,000	32,000
Due to Other Funds	990,769	1,007,461	991,720	985,458	975,175
Due to Other Government Units	51,772	57,182	49,916	52,036	48,997
Customer Deposits	135,150	136,800	136,150	136,750	118,655
Total Current Liabilities	<u>2,510,458</u>	<u>2,545,073</u>	<u>2,583,756</u>	<u>2,675,069</u>	<u>3,634,296</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	268,227	256,639	302,526	316,015	292,164
Net Pension Liability	1,105,479	1,133,317	1,323,817	1,631,731	1,056,923
Other Postemployment Benefit Liability	97,321	119,484	-	-	-
Total Noncurrent Liabilities	<u>1,471,027</u>	<u>1,509,440</u>	<u>1,626,343</u>	<u>1,947,746</u>	<u>1,349,087</u>
TOTAL LIABILITIES	<u>3,981,485</u>	<u>4,054,513</u>	<u>4,210,099</u>	<u>4,622,815</u>	<u>4,983,383</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - PERA	252,445	324,644	251,621	183,610	110,985
Deferred Inflows of Resources - OPEB	21,015	-	-	-	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>273,460</u>	<u>324,644</u>	<u>251,621</u>	<u>183,610</u>	<u>110,985</u>
NET POSITION					
Net Investment in Capital Assets	13,768,535	13,914,012	13,950,119	14,178,741	14,302,696
Unrestricted	16,228,387	14,864,758	14,261,808	13,808,889	13,154,484
TOTAL NET POSITION	<u>\$ 29,996,922</u>	<u>\$ 28,778,770</u>	<u>\$ 28,211,927</u>	<u>\$ 27,987,630</u>	<u>\$ 27,457,180</u>

**Statements of Revenues, Expenses and
Changes in Net Position – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
OPERATING REVENUES					
Electric Sales	\$ 14,519,100	\$ 14,866,529	\$ 14,099,760	\$ 13,953,243	\$ 13,858,882
Penalty Charges	120,831	107,298	104,574	92,577	102,359
Other Income	<u>49,075</u>	<u>51,049</u>	<u>50,913</u>	<u>50,779</u>	<u>68,244</u>
Total	<u>14,689,006</u>	<u>15,024,876</u>	<u>14,255,247</u>	<u>14,096,599</u>	<u>14,029,485</u>
OPERATING EXPENSES					
Cost of Sales and Services	10,614,873	11,142,599	10,903,182	10,698,353	10,489,771
Administration	703,497	614,884	776,863	712,705	609,358
Depreciation	982,343	1,072,132	1,049,774	1,040,835	1,024,057
Taxes and Tax Equivalents	<u>1,386,037</u>	<u>1,388,081</u>	<u>1,304,715</u>	<u>1,194,587</u>	<u>1,203,368</u>
Total	<u>13,686,750</u>	<u>14,217,696</u>	<u>14,034,534</u>	<u>13,646,480</u>	<u>13,326,554</u>
OPERATING INCOME	<u>1,002,256</u>	<u>807,180</u>	<u>220,713</u>	<u>450,119</u>	<u>702,931</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	568,268	154,786	169,868	195,192	225,935
Gain (Loss) on Disposal of Assets	<u>-</u>	<u>-</u>	<u>-</u>	<u>12,000</u>	<u>-</u>
Total	<u>568,268</u>	<u>154,786</u>	<u>169,868</u>	<u>207,192</u>	<u>225,935</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	1,570,524	961,966	390,581	657,311	928,866
CAPITAL CONTRIBUTIONS	-	1,500	83,716	258,293	-
TRANSFERS OUT	<u>(352,372)</u>	<u>(289,377)</u>	<u>(250,000)</u>	<u>(385,154)</u>	<u>(434,789)</u>
CHANGE IN NET POSITION	<u>1,218,152</u>	<u>674,089</u>	<u>224,297</u>	<u>530,450</u>	<u>494,077</u>
NET POSITION - JANUARY 1	28,778,770	28,211,927	27,987,630	27,457,180	27,955,946
ADJUSTMENT FOR GASB 68 and 71	-	-	-	-	(992,843)
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	<u>-</u>	<u>(107,246)</u>	<u>-</u>	<u>-</u>	<u>-</u>
NET POSITION - JANUARY 1, AS RESTATED	<u>28,778,770</u>	<u>28,104,681</u>	<u>27,987,630</u>	<u>27,457,180</u>	<u>26,963,103</u>
NET POSITION - DECEMBER 31	<u>\$ 29,996,922</u>	<u>\$ 28,778,770</u>	<u>\$ 28,211,927</u>	<u>\$ 27,987,630</u>	<u>\$ 27,457,180</u>

**Statements of Cash Flows – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

	2019	2018	2017	2016	2015
Cash flows from operating activities:					
Cash received from customers and users	\$ 13,552,475	\$14,902,109	\$13,090,384	\$13,347,691	\$13,147,736
Cash received from interfund activities	794,150	727,139	476,227	564,455	721,359
Cash paid to suppliers for goods and services	(9,708,390)	(9,929,600)	(9,643,069)	(10,651,456)	(8,343,736)
Cash paid for interfund activities	(77,281)	(264,949)	(75,449)	96,442	53,125
Cash paid to employees	(1,793,504)	(1,841,057)	(1,936,109)	(1,669,459)	(1,657,830)
Cash paid for taxes and tax equivalents	(1,386,037)	(1,388,081)	(1,304,715)	(1,191,548)	(1,200,396)
Other operating revenues (expenses)	49,075	51,049	50,913	50,778	68,245
Net cash provided (used) by operating activities	<u>1,430,488</u>	<u>2,256,610</u>	<u>658,182</u>	<u>546,903</u>	<u>2,788,503</u>
Cash flows from noncapital financing activities:					
Interfund receivable	1,133,991	645,009	96,723	(718,975)	(980,798)
Interfund payable	(16,692)	15,741	6,262	10,283	102,374
Operating transfers to other funds	(352,372)	(289,377)	(250,000)	(385,154)	(434,789)
Net cash provided (used) by noncapital financing activities	<u>764,927</u>	<u>371,373</u>	<u>(147,015)</u>	<u>(1,093,846)</u>	<u>(1,313,213)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(834,004)	(1,030,227)	(737,437)	(656,772)	(648,259)
Payments on construction accounts payable	-	-	(7,360)	-	-
Proceeds from sale of capital assets	-	-	-	12,000	-
Net cash (used) by capital and related financing activities	<u>(834,004)</u>	<u>(1,030,227)</u>	<u>(744,797)</u>	<u>(644,772)</u>	<u>(648,259)</u>
Cash flows from investing activities:					
Interest received on investments	570,697	149,979	159,779	196,136	228,695
Proceeds from sales and maturities of investments	-	881,699	578,000	4,616,000	1,396,000
Purchase of investments	(528,283)	(920,715)	(2,071,421)	(5,127,819)	(487,618)
Net cash provided (used) by investing activities	<u>42,414</u>	<u>110,963</u>	<u>(1,333,642)</u>	<u>(315,683)</u>	<u>1,137,077</u>
Net increase (decrease) in cash and cash equivalents	1,403,825	1,708,719	(1,567,272)	(1,507,398)	1,964,108
Cash and cash equivalents - January 1	<u>3,596,200</u>	<u>1,887,481</u>	<u>3,454,753</u>	<u>4,962,151</u>	<u>2,998,043</u>
Cash and cash equivalents - December 31	<u>\$ 5,000,025</u>	<u>\$ 3,596,200</u>	<u>\$ 1,887,481</u>	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 1,002,256	\$ 807,180	\$ 220,713	\$ 450,119	\$ 702,931
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	982,343	1,072,132	1,049,774	1,040,835	1,024,057
Changes in assets and liabilities:					
Accounts receivable	(293,009)	655,024	(630,399)	(151,768)	(122,851)
Materials & supplies	(271,022)	(164,756)	15,110	(8,945)	907
Prepaid items	(855)	(2,501)	191	52,936	(53,554)
Due from other government units	1,353	(253)	(6,724)	-	-
Deferred pension outflows	117,848	109,113	353,124	(536,233)	(103,203)
Deferred OPEB outflows	1,956	171	-	-	-
Accounts payable	(23,495)	(71,001)	(77,212)	(1,024,541)	1,215,748
Retainage payable					
Accrued payroll	11,379	2,836	(297)	17,955	5,375
Accrued vacation	(1,609)	1,527	(9,986)	14,127	(2,179)
Accrued compensated absences	11,588	(45,887)	(13,489)	23,851	(45,374)
Due to other government units	(5,410)	7,266	(2,120)	3,039	2,972
Net pension liability	(27,838)	(190,500)	(307,914)	574,808	21,984
Total other postemployment benefit liability	(22,163)	2,586	-	-	-
Deferred pension inflows	(72,199)	73,023	68,011	72,625	110,985
Deferred OPEB inflows	21,015	-	-	-	-
Customer deposits	(1,650)	650	(600)	18,095	30,705
Net cash provided (used) by operating activities	<u>\$ 1,430,488</u>	<u>\$ 2,256,610</u>	<u>\$ 658,182</u>	<u>\$ 546,903</u>	<u>\$ 2,788,503</u>
Schedule of noncash investing, capital and financing activities:					
Acquisition of capital assets through capital contributions	\$ -	\$ 1,500	\$ 83,716	\$ 258,293	\$ -
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	\$ 4,864,875	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496
Restricted assets	<u>135,150</u>	<u>136,800</u>	<u>136,150</u>	<u>136,750</u>	<u>118,655</u>
Cash and cash equivalents - December 31	<u>\$ 5,000,025</u>	<u>\$ 3,596,200</u>	<u>\$ 1,887,481</u>	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2019			2018			2017			2016			2015		
	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	35,040,147	\$ 3,494,567	\$0.0997	35,238,237	\$ 3,531,325	\$0.1002	33,194,336	\$ 3,322,833	\$0.1001	33,536,133	\$ 3,418,641	\$0.1019	34,137,120	\$ 3,331,901	\$0.0976
Commercial	31,594,632	2,519,731	\$0.0798	31,630,063	2,524,661	\$0.0798	30,720,283	2,430,723	\$0.0791	31,801,686	2,560,860	\$0.0805	29,511,883	2,330,110	\$0.0790
Large Commercial	7,989,779	446,561	\$0.0559	10,127,757	578,048	\$0.0571	10,086,247	580,681	\$0.0576	10,097,529	558,905	\$0.0554	10,022,730	573,457	\$0.0572
Off Peak Heating	1,021,213	69,736	\$0.0683	942,896	64,679	\$0.0686	833,709	56,041	\$0.0672	735,759	52,713	\$0.0716	843,731	59,893	\$0.0710
City Electric	7,819,948	759,608	\$0.0971	7,332,738	703,292	\$0.0959	7,142,003	658,059	\$0.0921	7,234,017	675,910	\$0.0934	7,480,886	693,050	\$0.0926
All Electric	2,861,847	273,670	\$0.0956	2,967,129	283,824	\$0.0957	2,800,492	264,072	\$0.0943	2,786,358	267,022	\$0.0958	3,023,429	283,890	\$0.0939
Governmental	349,319	23,815	\$0.0682	221,225	15,150	\$0.0685	271,354	18,327	\$0.0675	249,954	19,060	\$0.0763	225,981	17,745	\$0.0785
Industrial	72,840,463	5,077,975	\$0.0697	74,346,324	5,320,272	\$0.0716	70,590,493	5,049,276	\$0.0715	69,768,315	4,822,103	\$0.0691	70,987,982	4,966,617	\$0.0700
Industrial Standby	2,746,003	661,235	\$0.2408	2,459,902	589,694	\$0.2397	1,943,978	469,550	\$0.2415	991,410	335,049	\$0.3380	1,208,108	361,694	\$0.2994
KVAR		59,868			60,816			61,402			58,215			57,061	
Night Watch		7,926			8,531			8,400			8,309			8,139	
LCE Facility Charge		41,890			76,680			76,680			76,680			76,680	
Industrial Facility Charge		570,000			570,000			570,000			570,000			570,000	
Industrial Excess		(4,611)			2,280			346			(1,302)			(613)	
Customer Charge -															
Residential		366,224			364,094			360,515			356,046			354,994	
Commercial		55,983			57,695			57,803			57,217			56,544	
Large Commercial		24,780			45,360			45,360			45,360			45,360	
Industrial		97,800			97,800			97,800			97,800			97,800	
City		10,727			10,737			10,689			10,593			10,564	
Green Power		3,016			2,890			2,880			5,381			5,452	
Air Conditioner Credit		(6,465)			(6,388)			(6,403)			(6,318)			(6,262)	
Load Control Credit		(34,936)			(34,911)			(35,274)			(35,001)			(35,193)	
	<u>162,263,351</u>	<u>14,519,100</u>	<u>\$0.0895</u>	<u>165,266,271</u>	<u>14,866,529</u>	<u>\$0.0900</u>	<u>157,582,895</u>	<u>14,099,760</u>	<u>\$0.0895</u>	<u>157,201,161</u>	<u>13,953,243</u>	<u>\$0.0888</u>	<u>157,441,850</u>	<u>13,858,883</u>	<u>\$0.0880</u>
Other Operating Revenue															
Reconnections		\$ 5,870			\$ 5,880			\$ 5,690			\$ 5,040			\$ 6,010	
Temporary Services		240			660			720			520			760	
Underground		3,624			2,858			4,740			3,266			3,376	
Repairs		5,407			8,985			13,194			5,807			14,263	
Penalties		120,831			107,298			104,574			92,577			102,359	
Uncollectible Accounts		(46,142)			(11,760)			(24,447)			(25,741)			(26,856)	
Miscellaneous		80,076			44,426			51,016			61,887			70,691	
		<u>169,906</u>			<u>158,347</u>			<u>155,487</u>			<u>143,356</u>			<u>170,603</u>	
Total Operating Revenue		<u>\$ 14,689,006</u>			<u>\$ 15,024,876</u>			<u>\$ 14,255,247</u>			<u>\$ 14,096,599</u>			<u>\$ 14,029,486</u>	
Percent of Operating Revenues															
		<u>2019</u>			<u>2018</u>			<u>2017</u>			<u>2016</u>			<u>2015</u>	
		Amount	Percent												
Operating Revenues		\$ 14,689,006	100.0%		\$ 15,024,876	100.0%		\$ 14,255,247	100.0%		\$ 14,096,599	100.0%		\$ 14,029,486	100.0%
Power Cost		8,844,974	60.2%		9,296,422	61.9%		8,832,638	58.8%		8,790,271	58.5%		8,665,115	62.5%
Power Cost Margin		5,844,032	39.8%		5,728,454	38.1%		5,422,609	36.1%		5,306,328	35.3%		5,364,371	37.5%
Distribution		2,451,973	16.7%		2,442,321	16.3%		2,834,777	18.9%		2,606,175	17.3%		2,420,489	20.3%
Gross Margin		3,392,059	23.1%		3,286,133	21.9%		2,587,832	17.2%		2,700,153	18.0%		2,943,882	17.2%
Meter Reading		21,423	0.1%		18,740	0.1%		12,631	0.1%		14,613	0.1%		13,524	0.1%
General and Administrative		982,343	6.7%		1,072,132	7.1%		1,049,774	7.0%		1,040,834	6.9%		1,024,057	4.4%
Taxes and Tax Equivalents		1,386,037	9.4%		1,388,081	9.2%		1,304,714	8.7%		1,194,587	8.0%		1,203,369	8.7%
Operating Income		<u>\$ 1,002,256</u>	<u>6.8%</u>		<u>\$ 807,180</u>	<u>5.4%</u>		<u>\$ 220,713</u>	<u>1.5%</u>		<u>\$ 450,119</u>	<u>3.0%</u>		<u>\$ 702,932</u>	<u>4.0%</u>

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Selected Financial Data	2019	2018	2017	2016	2015
Utility operating revenues	\$ 14,689,006	\$ 15,024,876	\$ 14,255,247	\$ 14,096,599	\$ 14,029,485
Utility operating expenses	13,686,750	14,217,696	14,034,534	13,646,480	13,326,554
Operating income	1,002,256	807,180	220,713	450,119	702,931
Net income (loss)	1,218,152	674,089	224,297	530,450	494,077
Total assets	34,142,895	32,929,151	32,345,239	32,112,523	32,406,249
Total liabilities	3,981,485	4,054,513	4,210,099	4,622,815	4,983,383
Capital expenditures	(834,004)	1,030,227	869,187	880,132	650,714
Depreciation	982,343	1,072,132	1,049,774	1,040,835	1,024,057
Taxes and tax equivalents	1,386,037	1,388,081	1,304,715	1,194,587	1,203,368
Operating transfers out	352,372	289,377	250,000	385,154	434,789
Cash flow from operations	1,430,488	2,256,610	658,182	546,903	2,788,503
Selected Financial Statistics	2019	2018	2017	2016	2015
Avg. utility plant investment per \$ of revenue	\$ 2.31	\$ 2.20	\$ 2.28	\$ 2.30	\$ 2.15
Accum. deprec. as a % of depreciable plant	61.36%	61.35%	56.96%	56.96%	53.09%
Deprec. expense as a % of depreciable plant	2.92%	3.23%	4.34%	3.24%	3.34%
Return on equity	1.57%	2.33%	0.80%	2.05%	2.66%
Return on assets	1.26%	2.04%	0.69%	1.80%	2.45%
Miscellaneous Statistics	2019	2018	2017	2016	2015
Maximum Demand in MW	34.07	34.30	36.11	33.78	32.30
Date of Maximum Demand	1/1/2019	12/31/2018	12/6/2017	12/14/2016	1/5/2015
KWH purchased from WAPA	73,051,000	73,051,000	73,051,000	73,304,000	73,051,000
WAPA percentage of total power purchases	44.0%	42.8%	44.3%	44.9%	44.9%
KWH purchased from MMPA	93,142,569	97,451,530	91,855,564	89,830,139	89,504,730
MMPA percentage of total power purchases	56.0%	57.2%	55.7%	55.1%	55.1%
KWH Line loss or billing differential	(3,930,218)	(5,236,259)	(7,323,669)	(5,932,978)	(5,113,880)
Line loss or billing differential percent	-2.36%	-3.07%	-4.44%	-3.64%	-3.15%
Average number of customers with discount	476	476	476	476	475
Average number of residential meters	3867	3837	3810	3777	3767
Average number of commercial meters	551	565	567	565	558
Average number of large commercial meters	6	9	9	9	9
Average number of industrial meters	1	1	1	1	1
Management Efficiency	2019	2018	2017	2016	2015
Benefit employees	26	27	28	27	24
Electric employee allocation	12	12	13	13	14
Operating income (loss) per employee	38,699	63,458	16,978	34,625	50,209
Revenue per employee	1,225,826	1,253,236	1,096,557	1,084,354	1,002,106
Accounts receivable turnover	6.2	9.1	4.7	5.9	6.9
Asset turnover	0.4	0.5	0.4	0.4	0.5
Selected Owners Data	2019	2018	2017	2016	2015
Population	8,875	8,876	8,843	8,774	8,640
One employee per number of owners	740	740	680	675	617
Operating revenue per owner	\$ 1,657	\$ 1,694	\$ 1,608	\$ 1,607	\$ 1,624
Operating expenses per owner	1,605	1,609	1,467	1,543	1,539
Operating income (loss) per owner	628	1,030	1,833	832	1,188
Net income (loss) per owner	438	370	726	244	323
Net assets per owner	4,160	3,439	1,930	3,562	3,459
Liabilities per owner	459	424	426	429	272
Capital expenditures per owner	94	117	83	100	304
Taxes and tax equivalents per owner	156	156	148	136	139

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

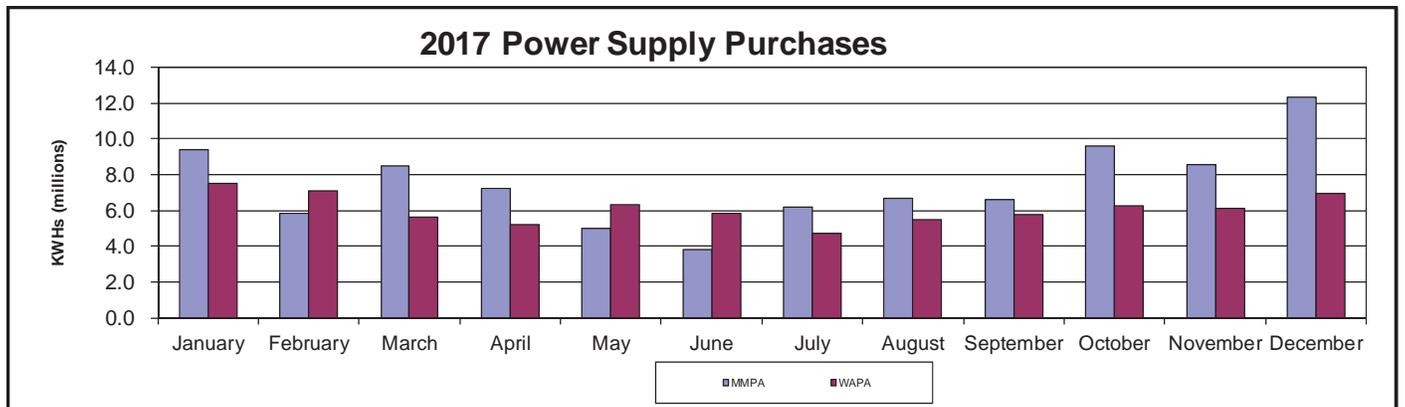
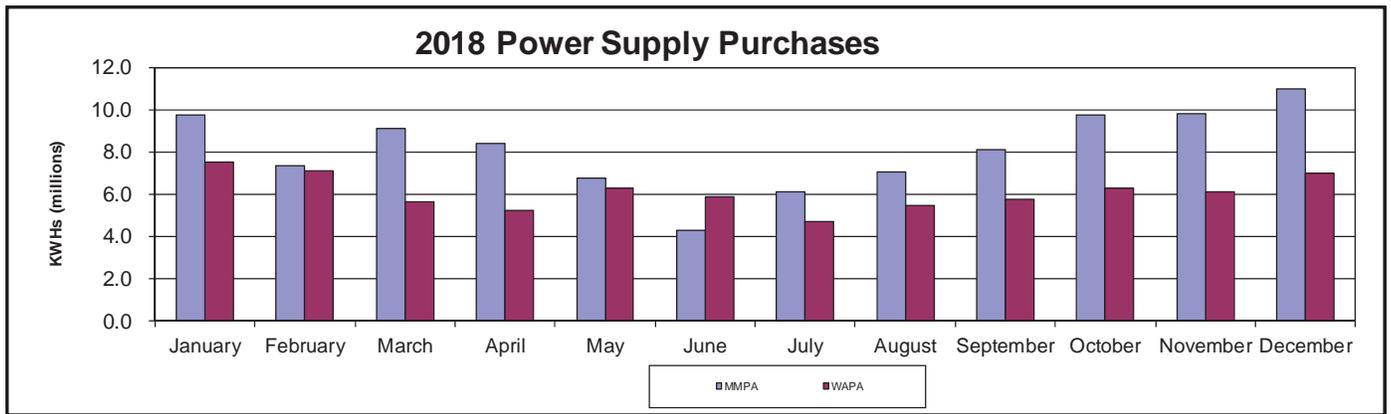
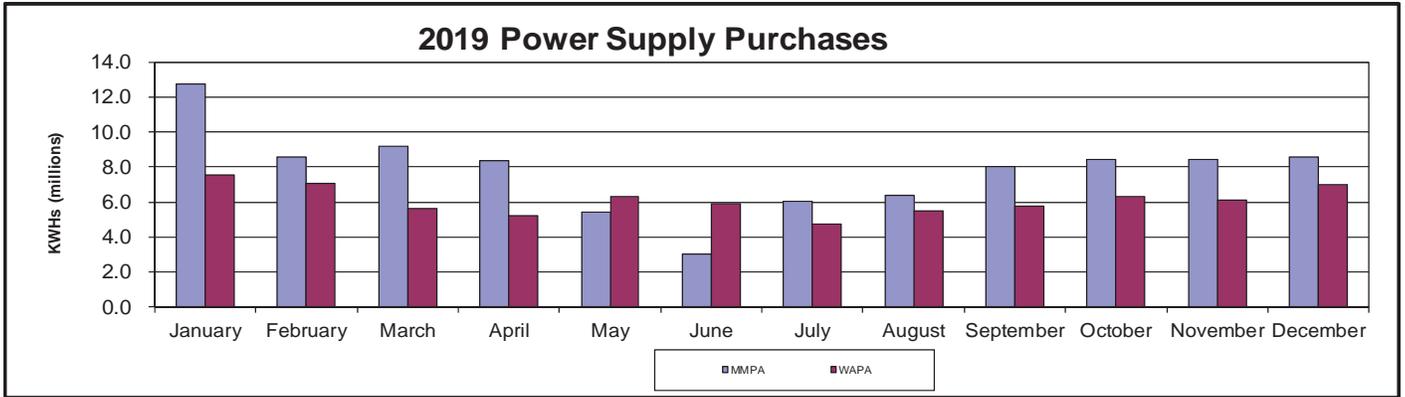
CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

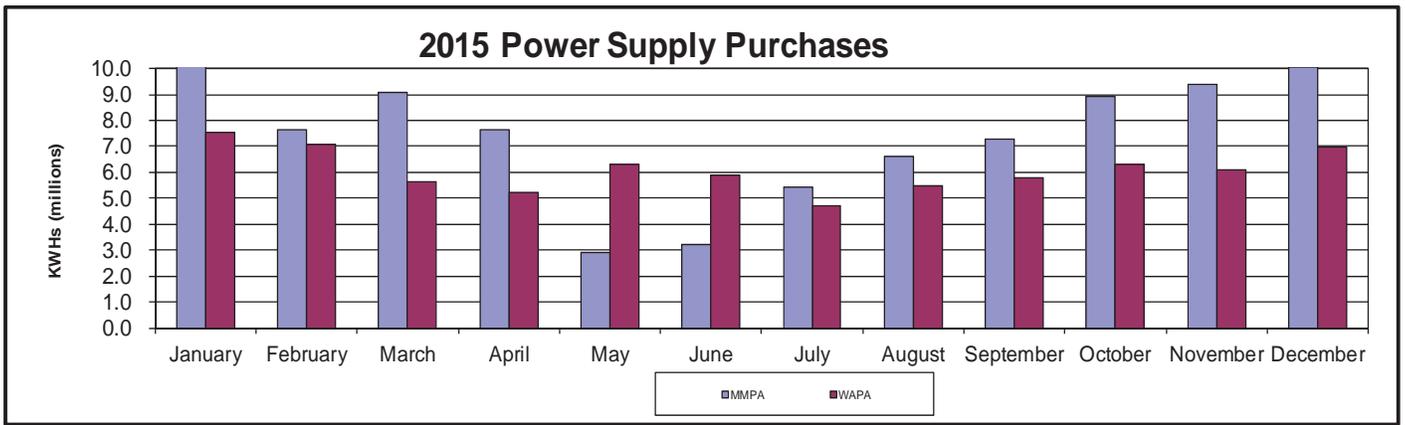
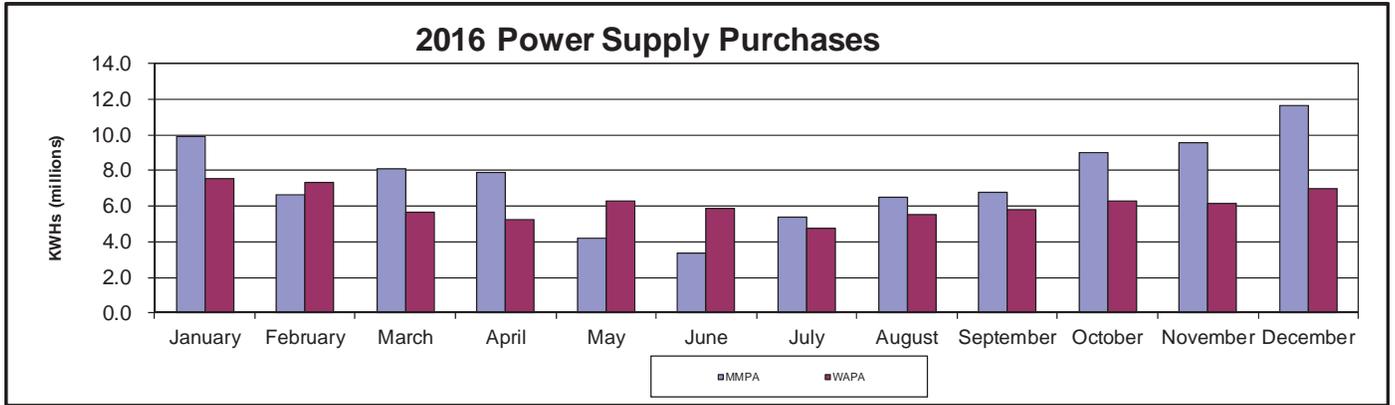
	KW ... MMPA	KW Demand WAPA	KW ... System	KWH ... MMPA	KWH Energy WAPA	KWH ... System	KWH WAPA + MMPA	KWH Loss	KWH Standby at wholesale
2019									
January	20,832	13,235	34,067	12,740,044	7,519,000	20,259,044	20,259,044	-	31,160
February	15,519	12,370	27,889	8,534,956	7,096,000	15,630,956	15,630,956	-	157,364
March	14,196	10,905	25,101	9,180,717	5,630,000	14,810,717	14,810,717	-	157,889
April	14,571	9,192	23,763	8,378,968	5,244,000	13,622,968	13,622,968	-	194,756
May	10,593	11,650	22,243	5,434,407	6,302,000	11,736,407	11,736,407	-	91,510
June	8,777	11,276	20,053	3,032,460	5,876,000	8,908,460	8,908,460	-	-
July	11,328	9,899	21,227	6,019,215	4,729,000	10,748,215	10,748,215	-	-
August	11,423	11,092	22,515	6,407,753	5,492,000	11,899,753	11,899,753	-	322,429
September	12,077	12,097	24,174	8,000,124	5,774,000	13,774,124	13,774,124	-	491,735
October	11,261	12,661	23,922	8,404,612	6,287,000	14,691,612	14,691,612	-	140,776
November	12,565	11,104	23,669	8,450,670	6,117,000	14,567,670	14,567,670	-	480,733
December	13,186	13,235	26,421	8,558,643	6,985,000	15,543,643	15,543,643	-	677,651
1st Quarter	50,547	36,510	87,057	30,455,717	20,245,000	50,700,717	50,700,717	-	346,413
2nd Quarter	33,941	32,118	66,059	16,845,835	17,422,000	34,267,835	34,267,835	-	286,266
3rd Quarter	34,828	33,088	67,916	20,427,092	15,995,000	36,422,092	36,422,092	-	814,164
4th Quarter	37,012	37,000	74,012	25,413,925	19,389,000	44,802,925	44,802,925	-	1,299,160
Total	156,328	138,716	295,044	93,142,569	73,051,000	166,193,569	166,193,569	-	2,746,003
2018									
January	19,374	13,235	32,609	9,727,238	7,519,000	17,246,238	17,246,238	-	377,637
February	14,356	12,370	26,726	7,315,188	7,096,000	14,411,188	14,411,188	-	282,005
March	13,174	10,905	24,079	9,126,628	5,630,000	14,756,628	14,756,628	-	119,925
April	15,037	9,192	24,229	8,391,940	5,244,000	13,635,940	13,635,940	-	72,227
May	12,207	11,650	23,857	6,730,593	6,302,000	13,032,593	13,032,593	-	301,019
June	9,935	11,276	21,211	4,302,194	5,876,000	10,178,194	10,178,194	-	-
July	11,167	9,899	21,066	6,134,888	4,729,000	10,863,888	10,863,888	-	-
August	12,620	11,092	23,712	7,043,996	5,492,000	12,535,996	12,535,996	-	699,141
September	13,189	12,097	25,286	8,117,648	5,774,000	13,891,648	13,891,648	-	239,627
October	17,229	12,661	29,890	9,747,136	6,287,000	16,034,136	16,034,136	-	63,629
November	19,311	11,104	30,415	9,807,821	6,117,000	15,924,821	15,924,821	-	42,975
December	21,069	13,235	34,304	11,006,260	6,985,000	17,991,260	17,991,260	-	261,717
1st Quarter	46,904	36,510	83,414	26,169,054	20,245,000	46,414,054	46,414,054	-	779,567
2nd Quarter	37,179	32,118	69,297	19,424,727	17,422,000	36,846,727	36,846,727	-	373,246
3rd Quarter	36,976	33,088	70,064	21,296,532	15,995,000	37,291,532	37,291,532	-	938,768
4th Quarter	57,609	37,000	94,609	30,561,217	19,389,000	49,950,217	49,950,217	-	368,321
Total	178,668	138,716	317,384	97,451,530	73,051,000	170,502,530	170,502,530	-	2,459,902
2017									
January	20,132	13,235	33,566	9,412,813	7,519,000	16,931,813	16,931,813	-	14,538
February	11,972	12,370	24,528	5,849,908	7,096,000	12,945,908	12,945,908	-	323,011
March	12,740	10,905	23,809	8,506,274	5,630,000	14,136,274	14,136,274	-	400,346
April	12,605	9,192	21,935	7,219,534	5,244,000	12,463,534	12,463,534	-	135,690
May	10,520	11,650	22,345	5,028,248	6,302,000	11,330,248	11,330,248	-	168,944
June	8,795	11,276	20,240	3,830,244	5,876,000	9,706,244	9,706,244	-	-
July	11,603	9,899	21,650	6,223,979	4,729,000	10,952,979	10,952,979	-	-
August	13,209	11,092	24,467	6,654,631	5,492,000	12,146,631	12,146,631	-	12,594
September	13,609	12,097	25,887	6,645,338	5,774,000	12,419,338	12,419,338	-	197,359
October	15,716	12,661	28,567	9,632,750	6,287,000	15,919,750	15,919,750	-	120,439
November	16,299	11,104	27,570	8,593,596	6,117,000	14,710,596	14,710,596	-	130,499
December	22,676	13,235	36,110	12,301,677	6,985,000	19,286,677	19,286,677	-	453,152
1st Quarter	44,844	36,510	81,902	23,768,995	20,245,000	44,013,995	44,013,995	-	737,895
2nd Quarter	31,920	32,118	64,520	16,078,026	17,422,000	33,500,026	33,500,026	-	304,634
3rd Quarter	38,421	33,088	72,004	19,523,948	15,995,000	35,518,948	35,518,948	-	209,953
4th Quarter	54,691	37,000	92,246	30,528,023	19,389,000	49,917,023	49,917,023	-	704,090
Total	169,876	138,716	310,674	89,898,992	73,051,000	162,949,992	162,949,992	-	1,956,572

Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	KW ... MMPA	KW Demand WAPA	KW ... System	KWH ... MMPA	KWH Energy WAPA	KWH ... System	KWH WAPA + MMPA	KWH Loss	KWH Standby 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	13,235	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	37,000	90,520	30,159,288	19,389,000	49,548,288	49,548,288	-	515,177
Total	160,164	138,880	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	13,235	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	37,000	82,565	28,383,866	19,389,000	47,772,866	47,772,866	-	510,548
Total	156,969	138,716	297,767	88,324,938	73,051,000	161,375,938	161,375,938	-	1,179,792



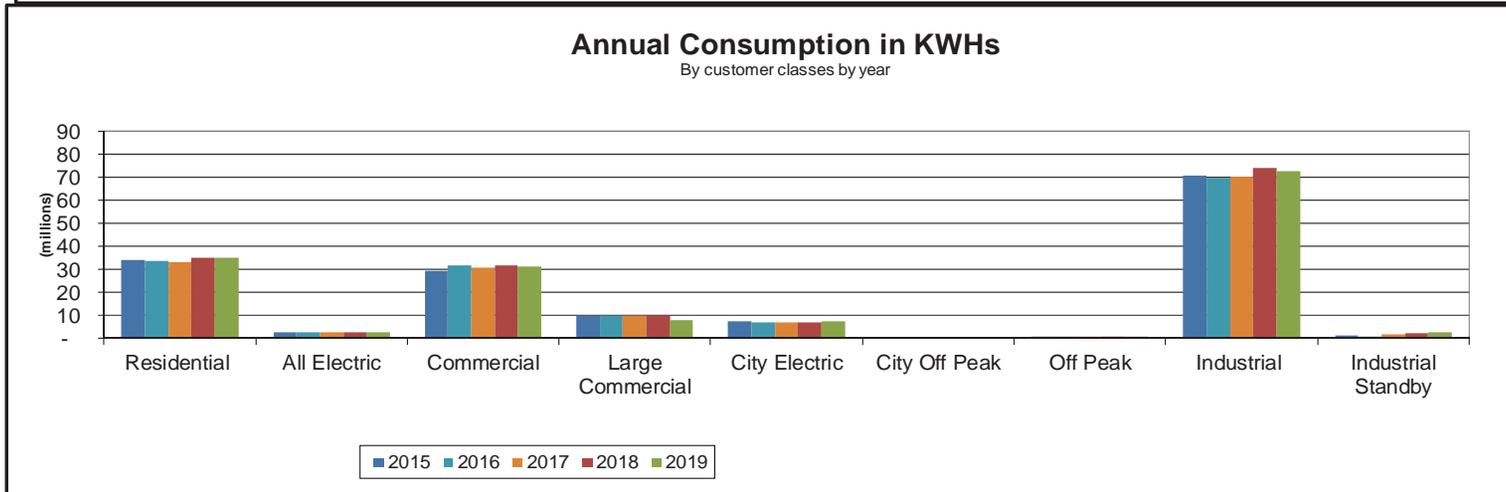
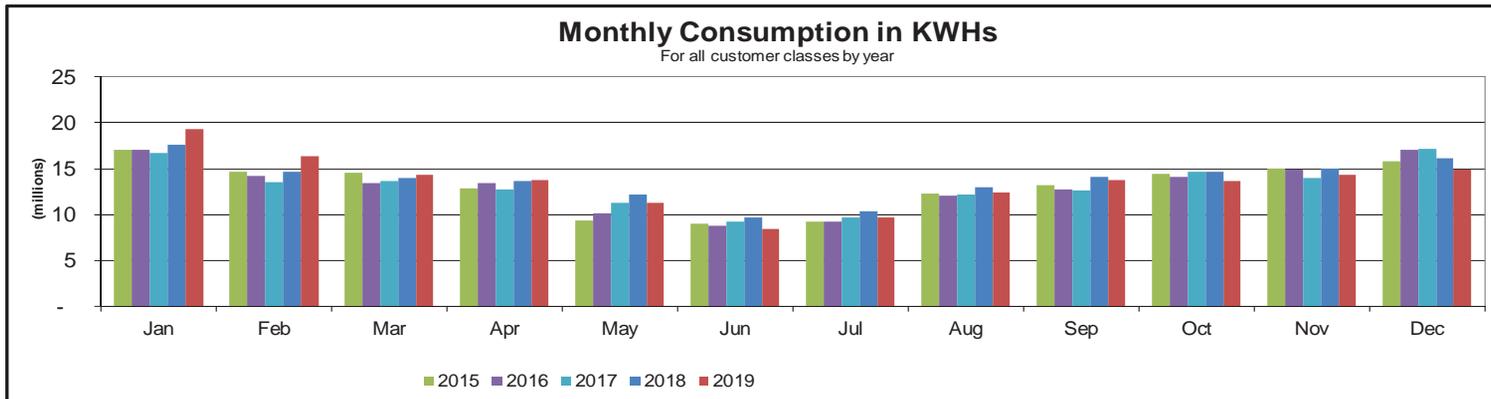


Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

KWHs													
2019	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,331,918	3,642,269	3,023,449	2,714,407	2,347,256	2,514,906	2,979,023	3,463,781	2,608,077	2,619,243	2,827,672	2,968,146	35,040,147
All Electric	389,399	471,279	346,395	244,673	157,633	126,829	133,723	140,767	114,553	151,509	260,823	324,264	2,861,847
Commercial	4,344,389	3,375,316	2,580,196	2,436,228	2,236,297	2,253,142	2,343,430	2,456,577	2,313,852	2,206,315	2,506,672	2,542,218	31,594,632
Large Commercial	614,075	661,386	659,317	650,878	657,647	630,832	728,065	713,363	682,396	658,359	657,110	676,351	7,989,779
City Electric	875,523	908,561	766,156	621,337	503,334	494,524	435,801	457,128	401,819	603,538	839,635	912,592	7,819,948
City Off Peak	45,856	68,256	41,187	35,588	16,491	7,213	5,364	44	155	36,447	42,449	50,269	349,319
Off Peak	193,431	245,973	177,559	87,515	33,267	14,622	9,126	6,338	6,678	18,748	76,463	151,493	1,021,213
Industrial	9,475,877	6,789,523	6,579,376	6,734,864	5,286,591	2,402,531	3,100,941	4,910,470	7,150,189	7,238,777	6,595,275	6,576,049	72,840,463
Industrial Standby	31,160	157,364	157,889	194,756	91,510	-	-	322,429	491,735	140,776	480,733	677,651	2,746,003
Total	19,301,628	16,319,927	14,331,524	13,720,246	11,330,026	8,444,599	9,735,473	12,470,897	13,769,454	13,673,712	14,286,832	14,879,033	162,263,351
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,526,381	3,388,699	2,759,307	2,754,238	2,308,570	2,886,656	3,352,393	3,379,120	2,917,149	2,333,981	2,647,678	2,984,065	35,238,237
All Electric	457,392	434,585	310,566	290,871	154,018	142,407	153,484	152,136	127,523	166,797	252,856	324,494	2,967,129
Commercial	4,001,800	2,826,440	2,411,282	2,464,470	2,224,820	2,610,085	2,582,736	2,510,952	2,379,684	2,260,564	2,856,524	2,500,706	31,630,063
Large Commercial	939,226	838,829	876,394	836,365	855,044	782,215	844,270	859,896	792,998	824,264	841,587	836,669	10,127,757
City Electric	889,652	857,663	718,061	603,407	445,055	473,122	437,852	443,156	431,561	516,740	710,093	806,376	7,332,738
City Off Peak	53,372	25,230	33,589	29,286	3,563	470	42	43	426	9,537	28,975	36,692	221,225
Off Peak	218,047	193,745	128,766	96,914	32,601	12,924	11,360	9,568	8,846	24,980	67,559	137,586	942,896
Industrial	7,164,289	5,839,964	6,637,319	6,482,626	5,870,796	2,835,200	2,993,996	4,941,457	7,265,409	8,447,620	7,566,002	8,301,646	74,346,324
Industrial Standby	377,637	282,005	119,925	72,227	301,019	-	-	699,141	239,627	63,629	42,975	261,717	2,459,902
Total	17,627,796	14,687,160	13,995,209	13,630,404	12,195,486	9,743,079	10,376,133	12,995,469	14,163,223	14,648,112	15,014,249	16,189,951	165,266,271
2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,475,194	3,159,634	2,653,556	2,616,837	2,271,911	2,524,197	2,779,474	3,332,498	2,740,154	2,245,553	2,551,038	2,844,290	33,194,336
All Electric	435,173	378,868	321,212	243,032	169,830	139,689	132,532	151,473	129,768	130,321	257,554	311,040	2,800,492
Commercial	3,618,643	2,682,351	2,374,366	2,323,738	2,157,401	2,261,428	2,202,654	2,347,571	2,264,248	2,707,608	2,756,430	3,023,845	30,720,283
Large Commercial	951,994	830,321	923,488	785,764	754,360	745,388	815,370	802,668	793,422	845,042	886,765	951,665	10,086,247
City Electric	863,339	800,173	712,189	557,673	461,580	478,824	416,291	434,494	445,543	502,558	693,930	775,409	7,142,003
City Off Peak	57,882	53,922	42,189	14,249	11,276	3,870	546	42	1,312	9,643	35,585	40,838	271,354
Off Peak	188,021	165,927	141,430	76,717	27,499	10,111	6,053	4,725	5,653	9,733	75,455	122,385	833,709
Industrial	7,084,465	5,176,642	6,050,743	5,982,206	5,231,564	3,094,656	3,390,580	5,106,765	6,038,370	8,113,074	6,636,448	8,684,980	70,590,493
Industrial Standby	14,538	323,011	400,346	135,690	168,944	-	-	-	197,359	120,439	130,499	453,152	1,943,978
Total	16,689,249	13,570,849	13,619,519	12,735,906	11,254,365	9,258,163	9,743,500	12,180,236	12,615,829	14,683,971	14,023,704	17,207,604	157,582,895
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

KWHs													
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



Statistics
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Load Factors	2019	2018	2017	2016	2015
MMPA Power Factor					
January	86.2000	84.5000	87.5000	84.3000	88.6300
February	92.2000	90.5000	91.2000	91.4000	91.4000
March	90.5000	87.7000	91.4000	90.3500	91.7900
April	90.0000	88.7000	89.7000	87.7100	92.3300
May	82.0000	86.7000	91.0000	86.9000	95.0700
June	93.2000	94.6000	96.0000	94.4100	95.0800
July	95.4000	95.0000	93.0000	94.5300	94.5300
August	92.7000	90.7000	81.4000	83.7600	82.8300
September	88.6000	86.7000	83.0000	86.6200	83.7600
October	91.0000	82.8000	79.2000	77.9100	80.0200
November	92.3000	82.0000	82.1000	85.2700	80.4100
December	94.1000	85.9000	83.5000	86.2700	84.0300
Average	90.6833	87.9833	87.4167	87.4525	88.3233

WAPA Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3640	85.3640	85.3640	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	72.2232	72.2232	72.2232	72.2228	72.2228

System Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3640	85.3640	85.3640	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	36.7425	36.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	72.2232	72.2232	72.2232	69.7228	69.7228

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

Revenues Account Number	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
601-37-000-37410 Res. Regular	\$ 3,329,772	\$ 3,416,512	\$ 3,320,966	\$ 3,528,427	\$ 3,491,887
601-37-000-37412 Res. All Electric	283,890	267,022	264,072	283,824	273,670
601-37-000-37415 Res. Off Peak	35,735	31,488	32,835	38,929	38,541
601-37-000-37416 Res. Seasonal	2,128	2,129	1,867	2,899	2,680
601-37-000-37420 Com. Regular	2,327,261	2,558,624	2,429,312	2,523,222	2,518,108
601-37-000-37421 Com. Large	573,457	558,905	580,681	578,048	446,561
601-37-000-37422 Com. Industrial Standby	361,694	335,049	469,550	589,694	661,235
601-37-000-37425 Com. Off Peak	24,158	21,225	23,206	25,750	31,195
601-37-000-37426 Com. Seasonal	2,849	2,237	1,411	1,439	1,623
601-37-000-37427 Industrial	4,966,617	4,822,103	5,049,276	5,320,272	5,077,975
601-37-000-37428 Industrial Excess	(613)	(1,302)	346	2,280	(4,611)
601-37-000-37434 Muni Facility	-	-	-	2,040	6,120
601-37-000-37435 LCE Facility	76,680	76,680	76,680	76,680	41,890
601-37-000-37436 Industrial Facility	570,000	570,000	570,000	570,000	570,000
601-37-000-37440 KVAR	57,061	58,215	61,402	60,816	59,868
601-37-000-37441 Res. Off Peak Customer	5,861	5,857	7,119	7,903	7,873
601-37-000-37442 Com. Off Peak Customer	1,449	1,449	1,774	2,147	2,232
601-37-000-37443 Res. Customer	299,242	301,060	304,422	306,864	307,408
601-37-000-37444 Com. Customer	55,095	55,768	56,029	55,548	53,751
601-37-000-37445 LCE. Customer	45,360	45,360	45,360	45,360	24,780
601-37-000-37446 Industrial Customer	97,800	97,800	97,800	97,800	97,800
601-37-000-37447 Res. All Elect. Customer	49,891	49,130	48,975	49,327	50,943
601-37-000-37448 City Elect. Customer	10,150	10,179	10,179	10,179	10,169
601-37-000-37449 City Off-Peak Customer	414	414	510	558	558
601-37-000-37450 Reconnection	6,010	5,040	5,690	5,880	5,870
601-37-000-37452 Temporary Service	760	520	720	660	240
601-37-000-37453 Underground	3,376	3,266	4,740	2,858	3,624
601-37-000-37454 Contributed Capital	-	258,293	83,716	1,500	-
601-37-000-37471 Night Watch	8,139	8,309	8,400	8,531	7,926
601-37-000-37472 City Electric	693,050	675,910	658,059	701,252	753,488
601-37-000-37473 City Special	17,745	19,060	18,327	15,150	23,815
601-37-000-37474 Fiber Optic Lease	2,795	2,640	2,970	3,000	8,480
601-37-000-37480 Interest Earnings	225,935	195,192	169,868	154,786	568,268
601-37-000-37482 Green Power	5,452	5,381	2,880	2,890	3,016
601-37-000-37485 Discount Air Conditioner	(6,262)	(6,318)	(6,403)	(6,388)	(6,465)
601-37-000-37486 Discount Electric	(35,193)	(35,002)	(35,274)	(34,911)	(34,936)
601-37-000-37487 Gain on Sale of Fixed Asset	-	12,000	-	-	-
601-37-000-37488 Repairs	14,263	5,807	13,194	8,985	5,407
601-37-000-37489 Penalties	102,359	92,577	104,574	107,298	120,831
601-37-000-37490 Miscellaneous	67,896	59,246	48,045	41,425	71,596
601-37-000-37491 Bad Debt - Uncollectible	(26,856)	(25,741)	(24,447)	(11,760)	(46,142)
	<u>\$ 14,255,420</u>	<u>\$ 14,562,084</u>	<u>\$ 14,508,831</u>	<u>\$ 15,181,162</u>	<u>\$ 15,257,274</u>

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

Expenses OBJECT CODES	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
41010 Salaries - Reg.	\$ 1,131,084	\$ 1,191,648	\$ 1,306,974	\$ 1,234,409	\$ 1,215,636
41020 Salaries - O.T.	15,470	15,062	14,186	11,970	15,857
41070 Vacations, etc.	103,730	120,082	131,473	128,721	132,710
41210 PERA	89,090	94,618	105,740	100,310	99,570
41220 FICA	87,834	92,790	105,740	100,562	99,318
41300 Insurance	157,334	178,450	208,181	206,816	231,646
41510 Workers Comp	31,110	32,742	40,043	19,502	20,933
42000 Office Supplies	7,916	15,024	12,315	9,229	11,837
42110 General & Cleaning Supplies	1,421	1,808	1,997	1,007	1,449
42120 General Supplies	12,638	11,306	12,698	12,131	13,089
42180 Uniforms	7,008	7,657	4,395	8,489	10,467
42270 Parts & Supplies	82,565	75,541	91,861	44,625	53,782
42400 Small Tools	56,680	54,945	34,960	19,333	12,083
42800 WAPA Purchases	2,327,443	2,282,229	1,940,112	1,671,659	1,659,543
42810 NSP Purchases	48,735	49,709	50,703	51,717	52,752
42820 MMPA	6,288,937	6,458,333	6,841,822	7,573,046	7,132,679
43010 Auditing	17,025	17,525	18,425	17,200	17,490
43030 Engineering	114,202	112,816	194,305	119,143	112,654
43040 Legal Fees	15,228	21,736	22,556	24,100	25,157
43090 EDP/Accounting	67,954	62,952	55,075	57,829	47,659
43190 Other Professional	19,373	46,335	22,167	28,379	34,549
43200 Communications	20,452	21,074	21,115	18,180	22,864
43220 Postage	33,556	23,283	23,111	21,630	26,525
43310 Travel & School	21,035	34,867	43,538	23,426	22,884
43400 Promotion/Advertising	29,552	25,498	21,541	19,538	20,405
43500 Printing & Publishing	3,065	2,608	2,654	3,108	3,216
43610 Liability Insurance	48,636	13,808	39,405	47,826	56,225
43620 Property Insurance	33,645	40,081	42,749	26,418	26,969
43810 Electric Utilities	67,172	72,250	75,449	67,862	77,281
43830 Utilities	5,152	2,832	3,469	5,878	6,071
44040 Contracted Services	79,241	130,706	106,797	96,764	89,914
44120 Office Rent	18,000	18,000	18,000	18,000	18,000
44200 Depreciation	1,024,057	1,040,835	1,049,774	1,072,132	982,343
44300 Miscellaneous	223,259	242,451	234,186	222,342	173,104
44330 Dues & Subscript.	46,322	29,715	39,067	40,016	42,064
44340 Collections Fees	-	6,032	4,637	4,138	5,149
44350 Banking/Credit Card Fees	23,991	28,967	27,115	33,418	37,254
44410 Permits & Fees	36,633	10,820	17,096	22,399	18,941
45200 Transfers	184,789	135,154	-	39,377	102,372
47200 Franchise Taxes	1,203,368	1,194,587	1,304,715	1,388,081	1,386,037
47210 Cash Transfers to Other	250,000	250,000	250,000	250,000	250,000
49900 Pension Expense	29,766	111,200	113,221	(8,364)	17,811
49990 Reimbursed	(303,125)	(346,442)	(368,833)	(345,273)	(347,167)
	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>	<u>\$ 14,284,534</u>	<u>\$ 14,507,073</u>	<u>\$ 14,039,122</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES Account Number	2015 Actual	2016 Actual	2017 Actual	2018 Actual	2019 Actual
Power Purchases					
601-49-560-42800 WAPA	\$ 2,327,443	\$ 2,282,229	\$ 1,940,112	\$ 1,671,659	\$ 1,659,543
601-49-560-42810 NSP/NSP Facility	48,735	49,709	50,703	51,717	52,752
601-49-560-42820 MMPA/NSP	6,288,937	6,458,333	6,841,822	7,573,046	7,132,679
Total	8,665,115	8,790,271	8,832,637	9,296,422	8,844,974
Distribution Lines					
601-49-570-41010 Salaries - Reg.	198,627	194,813	228,328	223,310	216,374
601-49-570-41020 Salaries - O.T.	4,322	5,594	3,768	4,887	3,891
601-49-570-41210 PERA	15,207	15,027	17,403	17,115	16,520
601-49-570-41220 FICA	14,550	14,381	16,950	16,770	16,345
601-49-570-42270 Parts & Supplies	13,156	20,155	10,814	3,760	9,676
601-49-570-44040 Contracted Services	992	1,427	510	293	3,292
Total	246,854	251,397	277,773	266,135	266,098
Transformers					
601-49-571-41010 Salaries - Reg.	3,867	4,207	6,336	800	3,664
601-49-571-41020 Salaries - O.T.	310	-	-	-	181
601-49-571-41210 PERA	313	316	475	60	288
601-49-571-41220 FICA	296	285	448	58	281
601-49-571-42270 Parts & Supplies	16,503	4,646	21,727	6,329	5,261
601-49-571-44040 Contracted Services	5,080	431	540	1,411	118
Total	26,369	9,885	29,526	8,658	9,793
Meters					
601-49-572-41010 Salaries - Reg.	9,850	5,425	10,550	5,002	7,559
601-49-572-41210 PERA	737	407	791	375	567
601-49-572-41220 FICA	687	344	767	364	557
601-49-572-42270 Parts & Supplies	2,979	2,985	6,186	870	6,799
601-49-572-44040 Contracted Services	3,332	4,060	3,765	3,871	3,722
Total	17,585	13,221	22,059	10,482	19,204
Fiber					
601-49-573-41010 Salaries - Reg.	-	-	854	288	157
601-49-573-41210 PERA	-	-	64	22	12
601-49-573-41220 FICA	-	-	61	21	12
601-49-573-44040 Contracted Services	-	-	6,855	-	-
Total	-	-	7,834	331	181
Substations					
601-49-574-41010 Salaries - Reg.	14,637	13,105	12,349	12,520	10,558
601-49-574-41020 Salaries - O.T.	-	-	-	-	-
601-49-574-41210 PERA	1,098	983	926	939	792
601-49-574-41220 FICA	1,037	942	897	911	759
601-49-574-42270 Parts & Supplies	154	1,121	9,745	1,057	2,447
601-49-574-43030 Engineering	-	-	-	1,455	-
601-49-574-43810 Electric Utilities	13,267	13,166	13,936	14,261	15,738
601-49-574-44040 Contracted Services	3,842	23,892	23,855	4,204	1,140
Total	34,035	53,209	61,708	35,347	31,434
Street Lights					
601-49-575-41010 Salaries - Reg.	53,787	36,581	25,196	22,541	19,169
601-49-575-41020 Salaries - O.T.	-	457	62	-	-
601-49-575-41210 PERA	4,034	2,772	1,894	1,691	1,438
601-49-575-41220 FICA	3,817	2,629	1,828	1,640	1,402
601-49-575-42270 Parts & Supplies	24,290	23,077	19,104	10,258	15,427
601-49-575-44040 Contracted Services	1,935	-	730	1,120	208
Total	87,863	65,516	48,814	37,250	37,644

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES		2015	2016	2017	2018	2019
Account Number		Actual	Actual	Actual	Actual	Actual
Distribution Service Center						
601-49-576-41010	Salaries - Reg.	41,731	53,154	47,932	44,505	32,784
601-49-576-41020	Salaries - O.T.	-	-	-	-	259
601-49-576-41210	PERA	2,642	3,347	2,666	2,898	1,931
601-49-576-41220	FICA	3,049	3,828	3,521	3,258	2,439
601-49-576-42270	Parts & Supplies	5,169	3,449	2,734	6,462	1,906
601-49-576-42400	Small Tools & Equipment	-	29,298	-	1,522	137
601-49-576-43810	Electric Utilities	53,905	59,084	61,513	53,601	61,543
601-49-576-43830	Utilities	5,152	2,832	3,469	5,878	6,071
601-49-576-44040	Contracted Services	22,147	47,044	21,290	30,723	19,096
601-49-576-44200	Depreciation	81,301	81,301	81,301	81,301	81,301
601-49-576-49990	Reimbursed from 602 (10%)	(13,380)	(28,334)	(22,442)	(23,671)	(12,616)
	Total	201,716	255,003	201,984	206,477	194,851
Location Services						
601-49-577-41010	Salaries - Reg.	51,053	59,537	58,916	60,324	55,226
601-49-577-41020	Salaries - O.T.	614	440	-	310	952
601-49-577-41210	PERA	3,875	4,498	4,419	4,548	4,213
601-49-577-41220	FICA	3,788	4,400	4,358	4,503	4,179
	Total	59,330	68,875	67,693	69,685	64,570
Vehicles						
601-49-578-41010	Salaries - Reg.	5,282	4,015	2,970	4,454	2,052
601-49-578-41210	PERA	393	300	223	334	154
601-49-578-41220	FICA	376	281	215	325	149
601-49-578-42120	Fuels & Lubricants	12,638	11,306	12,698	12,131	13,089
601-49-578-42270	Parts & Supplies	1,081	275	3,081	1,758	2,314
601-49-578-44040	Contracted Services	16,320	20,858	13,896	17,946	25,503
601-49-578-44300	Miscellaneous	76	394	-	352	-
	Total	36,166	37,429	33,083	37,300	43,261
Energy/Load Mgt						
601-49-580-41010	Salaries - Reg.	69,889	70,029	69,102	71,651	68,801
601-49-580-41020	Salaries - O.T.	108	171	345	-	387
601-49-580-41210	PERA	5,062	5,097	5,155	5,179	5,167
601-49-580-41220	FICA	4,756	4,819	4,852	4,885	4,587
601-49-580-41300	Insurance	6,961	7,269	7,682	11,227	17,700
601-49-580-42270	Parts & Supplies	3	1,768	126	126	189
601-49-580-43400	Promotion	19,876	19,124	20,305	18,737	19,520
601-49-580-44040	Contracted Services	8,600	8,930	9,483	13,528	13,243
601-49-580-44300	Miscellaneous	202,415	223,193	209,864	204,273	155,901
	Total	317,670	340,400	326,914	329,606	285,495
Information Systems						
601-49-585-41010	Salaries - Reg.	108,086	136,413	172,472	167,629	158,191
601-49-585-41020	Salaries - O.T.	2,963	1,470	2,862	1,192	1,836
601-49-585-41210	PERA	7,885	9,916	12,285	12,099	11,522
601-49-585-41220	FICA	6,957	9,120	11,702	11,820	11,471
601-49-585-41300	Insurance	-	3,113	35,627	37,290	38,860
601-49-585-42270	Parts & Supplies	3,028	4,137	2,497	3,388	1,229
601-49-585-42400	Small Tools & Equipment	52,926	18,796	29,637	13,928	10,273
601-49-585-43190	Professional Services	-	-	3,498	691	283
601-49-585-44040	Contracted Services	-	189	27	152	603
601-49-585-44300	Miscellaneous	2,155	2,075	10,424	2,502	4,154
	Total	184,000	185,229	281,031	250,691	238,422

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

EXPENSES		2015	2016	2017	2018	2019
Account Number		Actual	Actual	Actual	Actual	Actual
Supervision						
601-49-588-41010	Salaries - Reg.	137,893	93,652	99,895	106,890	106,669
601-49-588-41210	PERA	6,396	6,897	7,291	7,587	7,814
601-49-588-41220	FICA	7,008	6,956	7,303	7,732	7,909
601-49-588-41300	Insurance	3,528	1,438	3,506	1,301	1,359
601-49-588-42180	Uniforms	-	-	-	136	102
601-49-588-43310	Travel & School	3,111	4,504	3,326	2,215	1,491
	Total	157,936	113,447	121,321	125,861	125,344
General - Unallocated						
601-49-590-41010	Salaries - Reg.	56,073	108,721	94,651	79,946	65,814
601-49-590-41020	Salaries - O.T.	2,228	3,072	2,807	694	-
601-49-590-41070	Vacation, etc.	103,730	120,082	131,473	128,721	132,710
601-49-590-41210	PERA	13,885	15,453	16,683	15,670	14,875
601-49-590-41220	FICA	13,575	15,027	16,385	16,151	14,517
601-49-590-41300	Insurance	103,297	125,869	106,486	101,941	113,839
601-49-590-41510	Workers Comp	26,763	28,788	35,972	16,619	16,804
601-49-590-42110	General & Cleaning Supplies	1,421	1,808	1,997	1,007	1,449
601-49-590-42180	Uniforms	7,008	7,557	4,395	8,353	10,365
601-49-590-42270	Parts & Supplies	9,841	12,459	10,386	7,942	7,040
601-49-590-42400	Small Tools & Equipment	2,612	5,773	4,827	2,353	676
601-49-590-43030	Engineering	114,202	112,816	194,305	117,688	112,654
601-49-590-43190	Other Professional	-	-	1,529	-	-
601-49-590-43310	Travel & School	10,779	12,503	13,325	5,918	7,316
601-49-590-43400	Advertising	540	201	421	220	-
601-49-590-44040	Contracted Services	1,532	3,633	3,007	1,327	1,815
601-49-590-44200	Depreciation	908,252	925,931	933,884	956,089	891,560
601-49-590-44300	Miscellaneous	12,185	7,353	4,407	10,513	3,712
601-49-590-44330	Dues & Subscript.	20,129	3,837	11,954	12,193	12,376
601-49-590-44410	Permits & Fees	36,633	10,820	17,096	22,399	18,941
	Total	1,444,685	1,521,703	1,605,990	1,505,744	1,426,463
Meter Readers						
601-49-610-41010	Salaries - Reg.	16,368	18,447	15,565	22,782	26,209
601-49-610-41020	Salaries - O.T.	1,318	651	923	1,692	1,758
601-49-610-41210	PERA	1,326	1,432	1,237	1,836	2,098
601-49-610-41220	FICA	1,274	1,390	1,221	1,799	2,070
601-49-610-49990	Reimbursed	(6,762)	(7,307)	(6,315)	(9,369)	(10,712)
	Total	13,524	14,613	12,631	18,740	21,423
W&L Commission						
601-49-615-41010	Salaries - Reg.	11,300	14,400	14,413	14,400	14,400
601-49-615-41210	PERA	-	-	1,244	58	-
601-49-615-41220	FICA	864	1,102	1,103	1,102	1,102
	Total	12,164	15,502	16,760	15,560	15,502

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2019, 2018, 2017, 2016, 2015**

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

EXPENSES	2015	2016	2017	2018	2019
Account Number	Actual	Actual	Actual	Actual	Actual
Administrative					
601-49-620-41010 Salaries - Reg.	302,881	331,038	368,938	364,064	375,188
601-49-620-41020 Salaries - O.T.	1,517	1,976	1,396	624	351
601-49-620-41210 PERA	22,353	24,485	26,944	27,214	27,782
601-49-620-41220 FICA	22,145	23,791	28,270	26,652	27,194
601-49-620-41300 Insurance	43,548	40,761	54,880	55,055	59,888
601-49-620-41510 Workers Comp	4,347	3,954	4,071	2,883	4,129
601-49-620-42000 Office Supplies	7,916	15,024	12,315	9,229	11,837
601-49-620-42180 Uniforms	-	100	-	-	-
601-49-620-42400 Small tools	1,142	1,078	496	1,530	997
601-49-620-43010 Auditing	17,025	17,525	18,425	17,200	17,490
601-49-620-43040 Legal Fees	15,228	21,736	22,556	24,100	25,157
601-49-620-43090 EDP/Accounting	67,954	62,952	55,075	57,829	47,659
601-49-620-43190 Other Professional	19,373	46,335	17,140	27,688	34,266
601-49-620-43200 Communications	20,452	21,074	21,115	18,180	22,864
601-49-620-43220 Postage	33,556	23,283	23,111	21,630	26,525
601-49-620-43310 Travel & School	7,145	17,860	26,887	15,293	14,077
601-49-620-43500 Printing & Publishing	3,065	2,608	2,654	3,108	3,216
601-49-620-43610 Liability Insurance	48,636	13,808	39,405	47,826	56,225
601-49-620-43620 Property Insurance	33,645	40,081	42,749	26,418	26,969
601-49-620-44040 Contracted Services	14,557	17,146	13,500	11,336	10,423
601-49-620-44120 Office Rent	18,000	18,000	18,000	18,000	18,000
601-49-620-44200 Depreciation	34,504	33,603	34,589	34,742	9,482
601-49-620-44300 Miscellaneous	6,428	9,436	9,491	4,702	9,337
601-49-620-44330 Dues & Subscript.	26,193	25,878	27,113	27,823	29,688
601-49-620-44340 Collections Fees	-	6,032	4,637	4,138	5,149
601-49-620-44350 Banking/Credit Card Fees	23,991	28,967	27,115	33,418	37,254
601-49-620-44390 Promotion	9,136	6,173	815	581	885
601-00-000-49900 Pension Expense	29,766	111,200	113,221	(8,364)	17,811
601-49-620-49990 Reimbursed	(256,745)	(284,901)	(300,562)	(276,688)	(280,785)
Total	<u>577,758</u>	<u>681,003</u>	<u>714,346</u>	<u>596,211</u>	<u>639,058</u>
City Energy Cons.					
601-49-631-44040 Contracted Services	904	3,080	9,339	10,853	10,751
Total	<u>904</u>	<u>3,080</u>	<u>9,339</u>	<u>10,853</u>	<u>10,751</u>
Expenses for City					
601-49-632-41010 Salaries - Reg.	49,760	48,111	78,507	33,303	52,821
601-49-632-41020 Salaries - O.T.	2,090	1,231	2,023	2,571	6,242
601-49-632-41210 PERA	3,884	3,688	6,040	2,685	4,397
601-49-632-41220 FICA	3,655	3,495	5,859	2,571	4,345
601-49-632-41300 Insurance	-	-	-	2	-
601-49-632-42270 Parts & Supplies	6,361	1,469	5,461	2,675	1,494
601-49-632-44040 Contracted Services	-	16	-	-	-
601-49-632-45200 Transfer to Other	184,789	135,154	-	39,377	102,372
601-49-632-47200 Transfer to General	1,203,368	1,194,587	1,304,715	1,388,081	1,386,037
601-49-632-47210 Transfer to Other	250,000	250,000	250,000	250,000	250,000
601-49-632-49990 City - Reimbursed	(26,238)	(25,900)	(39,514)	(35,545)	(43,054)
Total	<u>1,677,669</u>	<u>1,611,851</u>	<u>1,613,091</u>	<u>1,685,720</u>	<u>1,764,654</u>
Total Expenses	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>	<u>\$ 14,284,534</u>	<u>\$ 14,507,073</u>	<u>\$ 14,039,122</u>

**List of Unrestricted Securities and Deposits
As of December 31, 2019**

**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							
--RBC/Certificates of Deposit--							
Everbank CD Jacksonville FL CD	7/30/15	7/30/20		2.000%	245,000	245,486	245,486
Morgan Stanley Private Bk Natl Assn Pur NY CD	8/9/18	8/10/20		2.750%	245,000	246,630	246,630
Alma Bank CD Astoria NY CD	9/11/15	9/11/20		1.800%	245,000	245,255	245,255
Merrick Bank South Jordan UT CD	9/21/15	9/21/20		1.850%	145,000	145,629	145,629
Barclays Bank CD Wilmington DE CD	9/23/15	9/23/20		2.200%	96,000	96,418	96,418
Valliance Bk Mckinney Tx	9/30/13	9/30/20		2.550%	220,000	221,529	221,529
Goldman Sachs New York NY CD	10/8/14	10/8/20		2.350%	96,000	96,434	96,434
Compass Bank CD Birmingham AL CD	10/26/18	10/26/20		3.000%	245,000	247,693	247,693
Iberia Bank CD LaFayette LA CD	10/30/18	10/30/20		3.000%	100,000	101,113	101,113
Bank of Baroda New York NY CD	11/23/16	11/23/20		1.600%	245,000	244,226	244,226
Bank of Amer NA Charlotte NC	2/6/19	2/8/21		2.550%	245,000	247,367	247,367
Worlds Foremost Bk Sydney Nev CD	5/5/16	5/5/21		1.750%	200,000	200,058	200,058
Private Bank CD Chicago IL	5/6/16	5/6/21		1.500%	245,000	245,233	245,233
Gulf Coast Bk New Orleans LA CD	6/14/13	6/14/21	3/14/20	2.000%	185,000	185,152	185,152
IsabellaBank CD Mount Pleasant MI	6/16/16	6/16/21		1.500%	245,000	244,704	244,704
Franklin Syn Bk CD Franklin TN CD	1/31/17	7/28/21		1.900%	245,000	245,804	245,804
Celtic Bank CD Salt Lake City UT CD	9/4/15	9/3/21		2.100%	245,000	246,642	246,642
Morgan Stanley Bank CD Salt Lake City UT CD	1/25/18	1/25/22		2.500%	200,000	203,162	203,162
Toyota Finl Svgs Henderson NV	1/27/16	1/27/22		2.300%	245,000	245,069	245,069
First Federal Savings Bank FLA Live Oak	3/18/19	3/18/22		2.700%	245,000	250,135	250,135
AMEX Centurion SaltLake City UT CD	4/19/17	4/19/22		2.400%	150,000	151,697	151,697
Marlin Business Salt Lake City UT CD	4/26/17	4/26/22		2.100%	135,000	136,077	136,077
First National Bank Amer East	4/30/13	4/29/22	1/30/20	2.000%	150,000	150,036	150,036
Old Domion Natl Bank N Garden VA	12/28/18	6/28/22		3.200%	245,000	253,555	253,555
First Bank Puerto Rico	9/6/19	9/6/22		1.800%	245,000	245,064	245,064
Ally Bank Midvale Utah	9/26/19	9/26/22		1.950%	245,000	245,997	245,997
Synchrony Bk Retail CTF Dep Prog Book Entry MS	1/20/17	1/20/23		2.350%	245,000	248,785	248,785
Bank of Tulsa Oklahoma Fed (BOKF) Natl	3/9/16	3/9/23	2/9/20	2.100%	245,000	245,137	245,137
Somerset Trust CD Somerset PA	6/10/16	6/12/23		1.800%	245,000	245,554	245,554
Morton Community Bank III CD	3/20/19	6/20/23		2.750%	245,000	252,556	252,556
Evabank ALA CD	7/27/16	7/27/23		1.600%	245,000	243,018	243,018
Raymond James Bank National Assn CD	8/23/19	8/23/23		1.950%	245,000	245,990	245,990
Merrick Bank South Jordan UT CD	8/30/19	8/30/23		1.800%	100,000	99,876	99,876
Meridian Corporation CD	10/30/19	10/30/23		2.000%	245,000	245,069	245,069
First SVC Bank Greenbriar Ark	11/15/19	11/15/23		1.700%	245,000	243,741	243,741
M Y Safra Bank FSB New York	11/20/19	11/20/23	5/20/20	1.800%	180,000	179,752	179,752
Baycoast Bank Swansea Mass CD	1/31/19	1/31/24	1/31/20	3.000%	245,000	245,208	245,208
Fortis Private Bank Denver CO	3/29/19	3/28/24	1/29/20	2.800%	245,000	245,216	245,216
EagleBank Bethesda MD	4/12/19	4/18/24	4/18/20	2.750%	245,000	245,782	245,782
Stone Bank CD	6/15/16	6/14/24		2.000%	245,000	246,159	246,159
Capital One National Assn Mclean	8/7/19	8/7/24		2.250%	245,000	248,700	248,700
Capital One Bank USA National AS	8/7/19	8/7/24		2.250%	130,000	131,963	131,963
Washington Federal Seattle	8/30/19	8/30/24		2.000%	245,000	245,956	245,956
Enterprise Bank and Trust Clayton CD	11/8/19	11/8/24		1.800%	245,000	243,481	243,481
Rock Canyon Bank	11/27/19	11/27/24		1.750%	245,000	242,827	242,827
Texas Exchange Bank Crowley	1/10/20	1/10/25	4/10/20	2.000%	245,000	245,213	245,213
Signature Bank Chicago III CD	11/15/19	11/16/26	11/15/20	2.100%	245,000	245,982	245,982
					10,172,000	10,222,130	10,222,130
TOTAL W & L 12/31/19					\$ 10,172,000	\$ 10,222,130	\$ 10,222,130

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH GOVERNMENT AUDITING STANDARDS

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of East Grand Forks Water and Light Department, a component unit of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Light Department's basic financial statements and have issued our report thereon dated June 29, 2020.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

In connection with our audit, nothing came to our attention that caused us to believe that the City of East Grand Forks Water and Light Department failed to comply with the provisions of the contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the City of East Grand Forks Water and Light Department's noncompliance with the above referenced provisions, insofar as they relate to accounting matters.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



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

June 29, 2020