

# City of East Grand Forks

Minnesota



## ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2024

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

**Year ended December 31, 2024**



CITY OF EAST GRAND FORKS, MINNESOTA  
PREPARED BY DEPARTMENT OF ADMINISTRATION & FINANCE

**Reid Huttunen**  
CITY ADMINISTRATOR

**KARLA ANDERSON**  
FINANCE DIRECTOR

# INTRODUCTORY SECTION



CITY OF EAST GRAND FORKS, MINNESOTA

# Annual Comprehensive Financial Report

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### December 31, 2024

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## Administration and Finance

June 24, 2025

To the Honorable Mayor, Members of the City Council, and the Citizens of the City of East Grand Forks:

Minnesota statutes require all cities to issue an annual report on its financial position and activity prepared in accordance with accounting principles generally accepted in the United States of America (GAAP) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants or the Office of State Auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of East Grand Forks for the fiscal year ended December 31, 2024.

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

The City of East Grand Forks' financial statements have been audited by Brady Martz and Associates, P.C., a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of East Grand Forks for the fiscal year ended December 31, 2024, are free of misstatement. The independent audit involved examining on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an

unmodified opinion that the City of East Grand Forks' financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

GAAP requires that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The City of East Grand Forks' MD&A can be found immediately following the report of the independent auditor.

### PROFILE OF THE GOVERNMENT

The City of East Grand Forks, incorporated on April 13, 1887, is in Polk County on the Minnesota and North Dakota border 70 miles south of the Canadian border. The City currently has a land area of nearly six square miles and a service population of 8,937. The City of East Grand Forks is empowered to levy a property tax on both real and personal properties located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which is done periodically when deemed appropriate by the governing council.

The City of East Grand Forks is governed by home rule charter City under Minnesota Statutes with a council-mayor form of government. Policy-making and legislative authority are vested in a governing council consisting of the Mayor, the council president and six other council members. The governing council is responsible, among other things, for passing ordinances, adopting the budget, appointing commissions, authorities, and committees, and hiring both the City administrator and City attorney. The City administrator is responsible for carrying out the policies and ordinances of the governing council, for overseeing the day-to-day operations of the City government, and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Two council members and the mayor are elected at large, and five council members are elected to represent wards. Council members and the mayor serve staggered four-year terms, with elections occurring every even year. Council members for wards 1, 3, and 5, the mayor, and one at large council member are elected in one even year. Council members for wards 2 and 4 and one at large council member are elected the next even year. The council members select a council president every two years.

The City of East Grand Forks provides a full range of services, including police and fire protection; construction and maintenance of streets and infrastructure; recreational facilities, library, and senior center; water, sewer, electric, refuse, and transit services. Additionally, the City owns a 65-unit housing complex, Sunshine Terrace, and one commercial property building, the Infill Building, leased for dining and professional service activities.

The annual budget serves as the foundation for the City of East Grand Forks financial planning and control. All departments of the City submit requests for appropriation to

the City administrator in July of each year. The City administrator uses these requests as the starting point for developing a proposed budget. The City administrator then presents this proposed budget to the council for review prior to August 31. The council is required to hold public hearings on the proposed budget and to adopt a final budget by no later than December 31, the close of the City of East Grand Forks' fiscal year. Department heads may make transfers of appropriation within a department. Transfers of appropriations between funds, however, require the special approval of the City council. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an annual budget has been adopted. For the general fund, this comparison is presented on page 27 as part of the basic financial statements of the governmental funds. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is present in the governmental fund subsection of this report, which starts on page 70.

### FACTORS AFFECTING FINANCIAL CONDITION

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the specific environment within which the City of East Grand Forks operates.

**Local economy.** The City of East Grand Forks is located on the Minnesota side of the intersection of U.S. Highway 2 and I-29. The City serves as part of a regional shopping hub for northwest Minnesota and northeast North Dakota. The City's main shopping attractions are the 60,000 square-foot Cabela's retail outlet and the 65,000 square-foot Riverwalk Centre. Additionally, along the well-maintained shores of the scenic Red River of the North, the City has a popular boardwalk section where several restaurants and entertainment facilities are located. Led by American Crystal Sugar and several other potato and bean companies, agribusinesses are a major portion of the City's economy. The American Crystal Sugar plant in East Grand Forks is the second largest sugar processing plant in North America and it employs over 300 people.

The City of East Grand Forks employment picture is healthy with a 2.4% unemployment rate (Grand Forks-East Grand Forks metropolitan area), while the state and the country have unemployment rates of 2.7% and 4.1%, respectively. The City of Grand Forks, located just across the river in North Dakota, has an unemployment rate of 2.4%.

East Grand Forks has worked hard to provide more housing in the community. Affordable lot prices and deferred loan/grant programs have helped the sale of lots. In 2023 and 2024, residential lot sales have slowed down, due in part to increases in interest rates and cost of construction. City owned residential lots are listed, marketed, and sold by professional realtors and this has accelerated the sale of the City's remaining residential lots. In early 2024, the City began working with and entered into a purchase agreement with a Northwest Minnesota non-profit organization, NorthStar Neighbors, a community land trust, in developing four (4) residential lots with affordable family homes. There is a groundbreaking ceremony set for June 19, 2025. The City continues to work on additional affordable housing options. The City in cooperation with the Polk County and the Independent School District 595 authorized a two-year rebate

for New Home Construction through the year 2026 to entice owner-occupied single family housing, including town homes and twin homes. The City's share of the reimbursement to homeowners in 2024, was \$38,787.

### FINANCIAL INFORMATION

Management of the City is responsible for establishing and maintaining internal control designed to ensure that the assets of the government are protected from loss, theft, or misuse, and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States of America. Internal control is designed to provide reasonable, but not absolute, assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived, and (2) the valuation of costs and benefits requires estimates and judgments by management.

This report consists of management's representations concerning the finance of the City. As a result, management assumes full responsibility for the completeness and reliability of all the information presented in this report. Management asserts that, to the best of their knowledge and belief, this financial report is complete and reliable in all material respects.

**Long-term financial planning.** Throughout 2023 and 2024, the City Parks & Recreation Department continued planning for necessary upgrades and improvements to its indoor and outdoor recreation facilities. Improvements included in the proposed plan are refrigeration upgrades to replace aged R22 ice plants, building envelope improvements, HVAC/Mechanical upgrades, and ADA improvements. The City Council authorized a request to the MN Legislature for a 1% Sales Tax increase for 20 years or until \$14.745 million in project construction funds have been collected, to fund improvements at the Civic Center, VFW Memorial Arena, and Itts Williams Baseball Complex. The City received approval during the 2023 legislative session to include a vote for its proposed 1% Sales Tax increase in the November 2024 general election. The citizens approved the project(s) in the general election in 2024. In addition to sales tax funding, the City will continue working with local sports clubs/organizations to establish fundraising goals for these projects. The City is looking to expand their Industrial Park. The present Industrial Park needs infrastructure improvements around \$11 million, with this needed infrastructure it will be easier to enlarge the Industrial Park. The City is trying to get funding to help defray these costs with the hope of expanding the Industrial Park.

**State Budget.** The State of Minnesota political structures are aligned in a redistributive manner, in which a large portion of the tax burden is affixed at the state level. Cities receive formulaic disbursements of state general fund appropriations known as Local Government Aid (LGA). Historically, LGA had composed approximately one third of the City's total general fund revenues. The City's share of LGA in 2018 and in 2019 were reduced over \$87,000 each year. In 2018 the percentage of LGA was approximately 22% and 21% in 2019 of the total general fund revenues. The City addressed the past

LGA cuts through a combination of increased user fees, reduced staffing through attrition, tax levy increases and freezes in non-fixed operating expenses. The 2019 Legislature addressed the LGA formula and the City received the same allocation for 2020 as it did in 2019. The LGA amount for 2021 was reduced by \$88,750. In 2022, the City received a small increase in LGA of \$1,269 and in 2023 it again had a small increase of \$10,299. In 2023, the State of Minnesota had a large budget surplus (approximately \$17 Billion) and voted during the 2023 Legislative session to increase LGA allocations. With this increase, the City did receive an increase of \$226,213 for the year 2024. The City will be receiving the same amount in 2025 and 2026. The State of Minnesota also approved one-time Public Safety Aid funding. In late 2023, the City received \$398,427 in one time Public Safety Aid funding this was used for replacement of the City's early warning sirens, new radio systems for Police and Fire Departments, Police retention bonuses, ballistic gear for firefighters, and rifle proof vest plates for Police. There was discussion in the 2025 session to reduce LGA with a projected deficit of \$6 billion for 2028-2029, other measures were taken and the same 2025 allocation amount is set for 2026.

**Revenue.** In the past, with the LGA cuts and the State of Minnesota in prior years limited the percentage of allowable City property tax increases to an index known as the Implicit Price Deflator (IPD). The City had broadened its use of user fees and utility rates to compensate for the decrease in LGA funding and the corresponding cap on property tax revenues. The City increased recreation fees, street lighting fees, and storm water utility fee. The City instituted a new Greenway Maintenance Fee in 2009 to provide for the ongoing maintenance of approximately nine miles of asphalt walking and biking trails that are adjacent to the City's levee system and have made many repairs to the trails through this fund. In 2022, the fee went from \$1 per utility account to \$2. There will be an increase of 5% each year starting January 2023, to help defray Greenway trail maintenance costs. The City in 2012 and 2014, adjusted the fixed sewer utility rates with the anticipation of a new \$12 million waste water project. The fee was raised to \$17 in 2014 to help fund the project and for ongoing operation and maintenance. The City increased the Storm Water-Flood Protection rates in 2015 and again in 2022 to maintain the levee system that was built after the 1997 flood, and have used these dollars to maintain lift stations, levies and other needed items. The City has worked hard to keep these fees steady in recent years. The City has only made a slight increase to recreation fees, water, and electric usage in the past year.

**Fund Balance.** The City's General Fund balance and its total governmental funds balance meets or exceeds the recommendations prescribed by the Office of the State Auditor. The City has positive cash flow relative to its peer cities in Minnesota because of proactive fiscal management.

**Capital Investment.** The City has reinvested significantly in capital replacement despite fiscal challenges at the state level. Since 2014, the Water and Light department has invested over \$17.5 million on water line replacement, upgraded water meters, LED street lights, Electric meters, and electric distribution lines. They are currently working with the Minnesota Department of Transportation on installing LED lights on US Highway 2 within the City limits. The City has invested over \$28 million on street

replacement, ADA improvements, sewer line replacement and building maintenance. The City had a mill and overlay project split into three years, 2015, 2016 and 2017 for approximately all the City's streets that are not concrete. In 2024, \$2.26 million was spent on street improvements and \$344,424 was spent on a high-intensity activated crosswalk beacon (HAWK) which was installed on the intersection of Bygland Road and 13<sup>th</sup> St SW to enhance safety for school age pedestrians. In 2024 and 2025, the City is working with Burlington Northern Santa Fe (BNSF) on a "quiet zone" project around \$1.4 million for the railroad tracks running through the City. The Wastewater Interconnect and Pond Decommissioning were completed in 2020 for a combined total of over \$12 million, The City received a state grant of \$5.3 million for the waste water projects. The City renovated swimming pool opened in June of 2016, within the \$2.2 million budget. The City swimming pool is popular with the community and the region. The City has diligently studied the need for improvements in the City's indoor recreation facilities. In the 2024 General Election, the residents approved a 1% Sales Tax increase to fund its Recreation Facility Improvement initiative. This project and proposed sales tax will fund necessary upgrades improvements to the Civic Center and VFW Memorial Arena refrigeration plants, HVAC/Mechanical systems, gender equity related improvements, and ADA (Americans with Disabilities Act) improvements. The Fire Department has completed a building assessment of Fire Station 2 and proposed to City Council a multi-year plan for renovation and upgrades to the station. Improvements will address gender equity for its living quarters and necessary code compliance upgrades. Fire Station 2 renovation design and specifications are budgeted in the 2025 Capital Improvement budget.

**Labor.** Salaries and benefits compose over 60% of the City's General Fund budget. Five distinct unionized bargaining groups work with the City. The City has adopted a unified compensation plan for all bargaining groups that addresses the City's compliance with state Pay Equity and Comparable Worth guidelines. The City negotiated a 2% Cost of Living Allowance increase for 2023. In 2023, the City completed a Wage Market Comparison Analysis and beginning in 2024 the City council implemented an updated Pay Plan with two additional salary steps, as well as a 3% cost of living Allowance increase for 2024 and 2025. The Water and Light division bargains with its employees separately, and in 2022 they negotiated a 6% cost of living allowance for the year 2023, 5% for 2024, and 4% for 2025. The City and Water and Light division will be negotiating in 2025 for future years.

#### **AWARDS AND ACKNOWLEDGEMENTS**

The Government Finance Officers Association (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of East Grand Forks, Minnesota for its annual comprehensive financial report for the fiscal year ending December 31, 2023. This is the 31st year the City has received this prestigious award. To be awarded the Certificate of Achievement, the government must publish an easily readable and efficiently organized annual comprehensive financial report. This report satisfies both accounting principles generally accepted in the United States of America and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current report continues to conform to the Certificate of Achievement Program's requirements, and we are submitting it to GFOA to determine its eligibility for another certificate.

The preparation of this report could not be accomplished without the professional, efficient services of the staff in the Administration and Finance Office. We would like to express our appreciation to all members of the office who assisted and contributed to the preparation of this report. Due credit also should be given to the Mayor and the City Council for their support in planning and conducting the operations of the government in a responsible and progressive manner.



Reid Huttunen  
City Administrator



Karla Anderson, CPA,  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of East Grand Forks  
Minnesota**

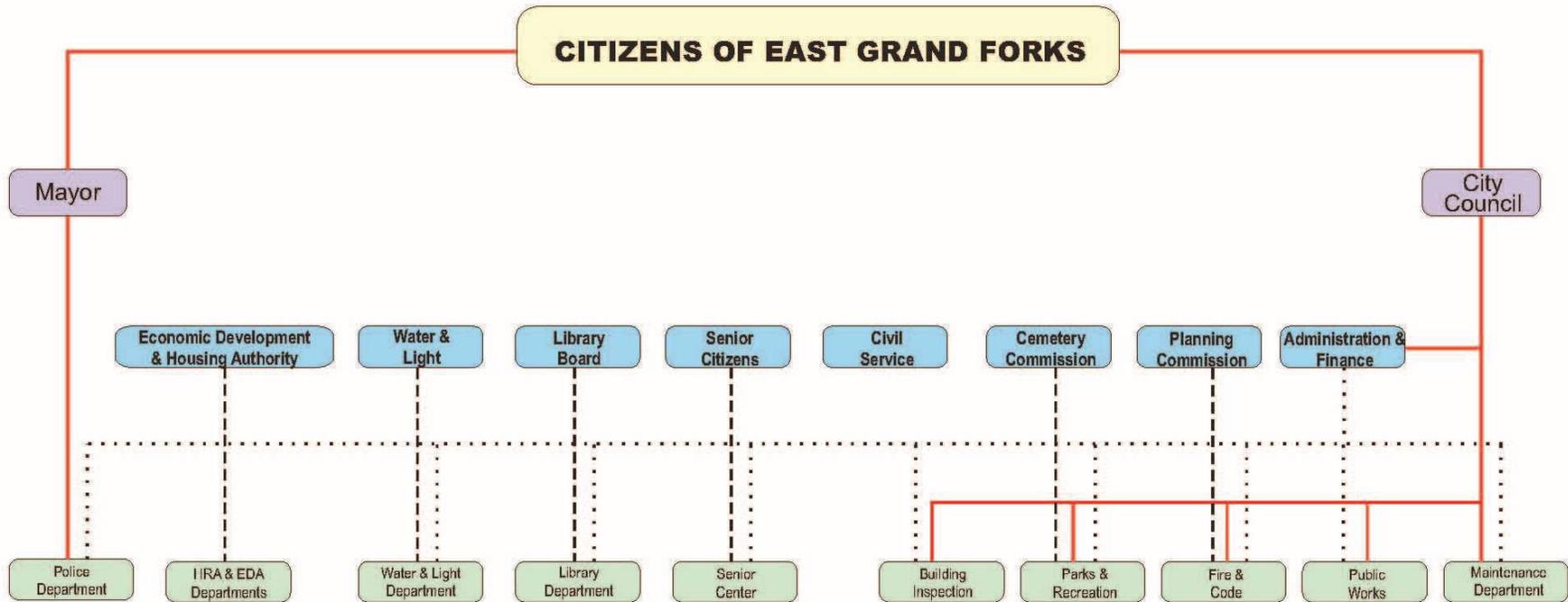
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morrill*

Executive Director/CEO

# CITY OF EAST GRAND FORKS ORGANIZATION CHART



- Direct Responsibility
- Commissions Direct Responsibility
- ..... Communicate Council Policy, Orders, and Budget Enforcement

<u>ELECTED OFFICIALS:</u>		<u>Term</u>	<u>Term Expires</u>
Mayor	Mark Olstad	4 Years	12/31/28
Council member at Large	Brian Larson	4 Years	12/31/28
Council member at Large	Karen Peterson	4 Years	12/31/26
Council member - 1st Ward	Tami Schumacher	4 Years	12/31/28
Council member - 2nd Ward	Ben Pokrzywinski	4 Years	12/31/26
Council member - 3rd Ward	Tim Riopelle	4 Years	12/31/28
Council member - 4th Ward	Dale Helms	4 Years	12/31/26
Council member - 5th Ward	Donald Casmey	4 Years	12/31/28

OFFICIALS NOT ELECTED:

City Administrator/Clerk-Treasurer	Reid Huttunen
Finance Director	Karla Anderson
Police Chief	Michael Hedlund
Fire Chief	Jeff Boushee
Parks & Recreation Superintendent	Jeremy King
Public Works Superintendent	Jason Stordahl
City Planner	Nancy Ellis
Library Director	Charlotte Helgeson
Senior Center Director	Judy DeValle
City Attorney	Ronald Galstad
City Engineer	Widseth, Smith & Nolting
Water & Light Department	
Commissioner	Randy Rapacz
Commissioner	Josh Grinde
Commissioner	Mike Quirk
General Manager	Keith Mykleseth
Electric Distribution Superintendent	Todd Grabanski
Water Plant Superintendent	Brian Johnson



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# FINANCIAL SECTION



CITY OF EAST GRAND FORKS, MINNESOTA

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of East Grand Forks, Minnesota

### Report on the Audit of Financial Statements

#### *Opinions*

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2024, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of East Grand Forks, Minnesota, as of December 31, 2024, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### *Basis for Opinions*

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

#### *Emphasis of Matter*

##### *Change in Accounting Principle*

As described in Note 2 to the financial statements, the City has adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### *Responsibilities of Management for the Financial Statements*

Management is responsible for the preparation and fair presentation of 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.

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

#### *Auditor's Responsibility for the Audit of the Financial Statements*

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the City's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in the City's total OPEB liability and related ratios, schedule of City's contributions to PERA retirement fund, schedule of City's and nonemployer proportionate share of net pension liability, schedule of net pension liability and related ratios – East Grand Forks Fire Department, schedule of employer contributions – East Grand Forks Fire Department, and notes to the required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with

management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of East Grand Forks, Minnesota's basic financial statements. The accompanying combining and individual non-major fund financial statements and other schedules listed in the table of contents as supplementary information are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and related directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements and other schedules listed in the table of contents as supplementary information are fairly stated, in all material respects in relation to the basic financial statements as a whole.

### **Other Information**

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

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

## **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated June 24, 2025, on our consideration of the City of East Grand Forks, Minnesota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Grand Forks, Minnesota's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.  
GRAND FORKS, NORTH DAKOTA**

June 24, 2025



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# MANAGEMENT'S DISCUSSION AND ANALYSIS



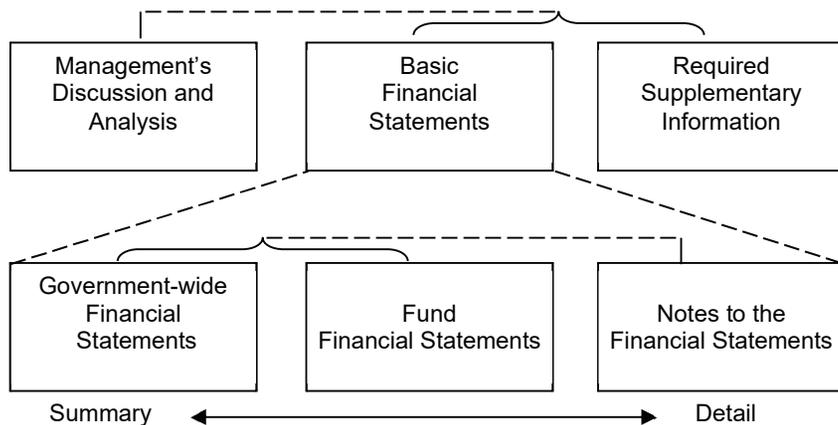
CITY OF EAST GRAND FORKS, MINNESOTA

As management of the City of East Grand Forks (City), we offer readers of the City’s basic financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages 1-4 of this report. Certain amounts presented in the prior year data have been reclassified in order to be consistent with the current year’s presentation.

**OVERVIEW OF THE BASIC FINANCIAL STATEMENTS**

The discussion and analysis are intended to serve as an introduction to the City’s basic financial statements. The City’s basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

**COMPONENTS OF THE ANNUAL FINANCIAL REPORT**



**Government-wide financial statements.** The government-wide financial statements are designed to provide readers with a broad overview of the City of East Grand Forks’ finances, in a manner similar to a private-sector business.

The statement of net position presents information on all of the City’s assets, liabilities, and deferred inflows/outflows of resources with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

The statement of activities presents information showing how the City’s net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g. uncollected taxes and earned but unused vacation leave).

Both of the government-wide financial statements distinguish functions of the City of East Grand Forks that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include general government, public safety, public works, transit, community development, cemetery and culture and recreation. The business-type activities of the City include electric, water, sewage, storm water, refuse, and commercial rental property.

The government-wide financial statements can be found on pages 20-22 of this report.

**Fund financial statements.** The fund financial statements focus on current available resources and are organized and operate on the basis of funds, each which is defined as fiscal and accounting entity with a self-balancing set of accounts established for the purpose of carrying on specific or attaining certain objectives in accordance with special regulations, restriction or limitations. The City, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

**Governmental funds.** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government’s near-term financial requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the City’s near term financial decisions. Both the governmental fund balance sheet and governmental fund statement of revenues, expenditures, and change in fund balances provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The City maintains four major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, two capital projects funds, and one debt service fund, all of which are considered major funds. Data from the other 24 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements elsewhere in this report.

The City adopts an annual appropriated budget for its general, special revenue, and proprietary funds. A budgetary comparison statement has been provided for the general fund and special revenue funds to demonstrate compliance with this budget.

The basic governmental fund financial statements can be found on pages 23-27 of this report.

**Proprietary funds.** The City of East Grand Forks maintains two different types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the governmental-wide financial statements. The City uses enterprise funds to account for its electric, water, sewer, refuse, storm water protection and commercial rental property operations. Internal service funds are accounting devices used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for its central equipment and benefit accrual operations. Because both of these services predominately benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water, sewage, storm water protection, commercial properties, and refuse. Conversely, both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. The basic proprietary fund financial statements can be found on pages 28-32 of this report.

**Notes to the financial statements.** The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 33-54 of this report.

**Other information.** The combining statements referred to earlier in connection with nonmajor funds and internal service funds can be found immediately following the footnotes. Combining and individual fund statements can be found on pages 62-69.

## FINANCIAL HIGHLIGHTS

- The City's net position (assets plus deferred outflows minus liabilities and deferred inflows) increased by 1.42% as a result of this year's operations. The net position of the City's governmental activities increased \$2,032,855 (1.6%) and net position of the City's business type activities increased \$805,967 (1.1%).
- Capital assets decreased \$71,714 (0.05%), with most of the decrease due to depreciation.
- The City's long-term liabilities, excluding pension and OPEB liabilities, decreased \$1,287,073 (10.6%) during the fiscal year ended December 31, 2024. Governmental long-term liabilities decreased \$696,935 (12.2%), which was due to scheduled payments on outstanding debt. Business type long-term liabilities decreased \$590,138 (9.1%), which was due to scheduled payments on outstanding debt.
- At the close of the current fiscal year, the City's governmental funds reported total ending fund balances of \$13,651,257, a decrease of \$84,893 (0.6%).
- The General Fund's fund balance increased \$943,069 (13.0%) to \$8,187,999. The unassigned fund balance is 64.7% of expenditures, and 59.0% of revenues.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS  
NET POSITION**

	Governmental Activities		Business-type Activities		Total Government	
	2024	2023	2024	2023	2024	2023
Current and other assets	\$ 20,073,420	\$ 20,793,667	\$ 29,475,367	\$ 28,195,156	\$ 49,548,787	\$ 48,988,823
Capital assets	117,886,806	116,727,136	57,137,091	58,368,475	175,023,897	175,095,611
Total Assets	<u>137,960,226</u>	<u>137,520,803</u>	<u>86,612,458</u>	<u>86,563,631</u>	<u>224,572,684</u>	<u>224,084,434</u>
Deferred Outflows of Resources	4,749,545	6,242,378	261,958	522,647	5,011,503	6,765,025
Other liabilities	2,296,157	3,126,896	2,700,894	2,534,342	4,997,051	5,661,238
Long-term liabilities	7,945,475	10,100,139	6,416,392	7,833,155	14,361,867	17,933,294
Total Liabilities	<u>10,241,632</u>	<u>13,227,035</u>	<u>9,117,286</u>	<u>10,367,497</u>	<u>19,358,918</u>	<u>23,594,532</u>
Deferred Inflows of Resources	6,396,453	6,497,315	1,114,025	881,643	7,510,478	7,378,958
Net position:						
Net investment in capital assets	113,618,300	111,760,449	51,815,475	52,464,149	165,433,775	164,224,598
Restricted	9,338,154	9,868,874	-	-	9,338,154	9,868,874
Unrestricted	3,115,232	2,409,508	24,827,630	23,372,989	27,942,862	25,782,497
Total Net Position	<u>\$ 126,071,686</u>	<u>\$ 124,038,831</u>	<u>\$ 76,643,105</u>	<u>\$ 75,837,138</u>	<u>\$ 202,714,791</u>	<u>\$ 199,875,969</u>

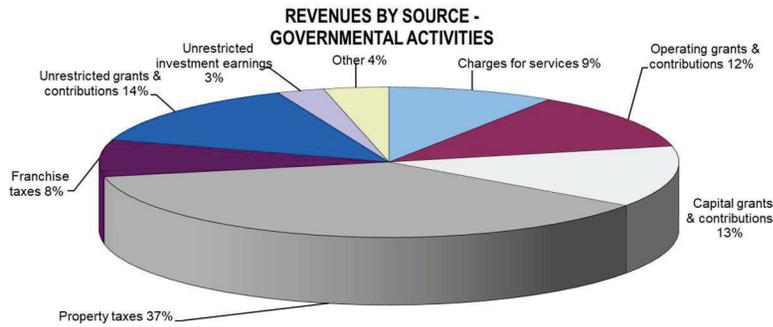
By far the largest portion of the City’s net position (81.6%) reflects investments in capital assets (e.g. land, buildings, structures, systems, machinery, equipment and infrastructure) used to acquire those assets that are still outstanding. The City uses assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City’s investment in capital assets is reported net of related debt, it should be noted that resources needed to repay this debt must be provided from other sources, since capital assets themselves cannot be used to liquidate these liabilities.

A small portion of the City’s net position (4.6%) represents resources that are subject to external restrictions on how they can be used. The remaining unrestricted net position of \$27,942,862 may be used to meet the ongoing obligations to citizens and creditors. Of the unrestricted net position, \$24,827,630 is attributable to business-type activities.

Unrestricted governmental activities net position increased \$705,724 (29.3%), while business-type activities unrestricted net position increased \$1,454,641 (6.2%). Government-wide total unrestricted net position increased \$2,160,365, (8.4%).

CHANGE IN NET POSITION

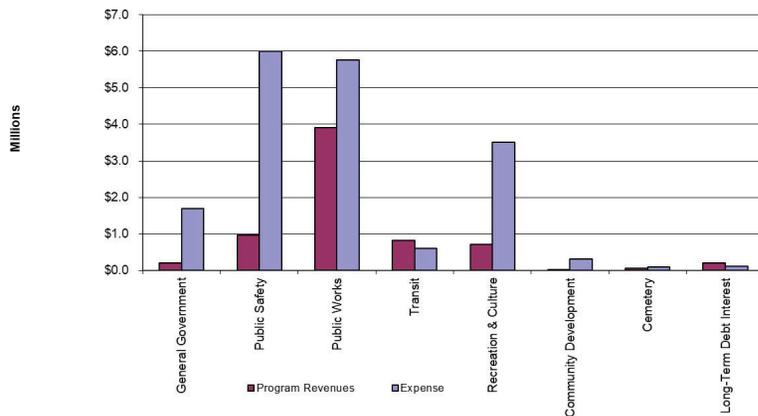
	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2024	2023	2024	2023	2024	2023
<b>REVENUES</b>						
Program revenues:						
Charges for services	\$ 1,829,129	\$ 1,864,579	\$ 23,252,177	\$ 22,124,284	\$ 25,081,306	\$ 23,988,863
Operating grants and contributions	2,414,096	1,994,498	10,915	51,775	2,425,011	2,046,273
Capital grants and contributions	2,597,023	1,589,465	72,355	47,442	2,669,378	1,636,907
General revenues:						
Property taxes	7,281,902	6,633,007	-	-	7,281,902	6,633,007
Franchise taxes	1,558,345	1,596,113	-	-	1,558,345	1,596,113
Unrestricted grants and contributions	2,746,239	2,827,820	-	-	2,746,239	2,827,820
Unrestricted investment earnings	516,979	446,477	649,083	1,783,762	1,166,062	2,230,239
Refunds and Returns	(140,000)	-				
Other	713,655	443,691	27,534	92,007	741,189	535,698
Total revenues	<u>19,517,368</u>	<u>17,395,650</u>	<u>24,012,064</u>	<u>24,099,270</u>	<u>43,669,432</u>	<u>41,494,920</u>
<b>EXPENSES</b>						
Program activities:						
Governmental activities:						
General government	1,696,015	1,791,895	-	-	1,696,015	1,791,895
Public safety	5,895,360	5,025,906	-	-	5,895,360	5,025,906
Public works	5,765,200	6,452,568	-	-	5,765,200	6,452,568
Transit	602,503	679,433	-	-	602,503	679,433
Recreation and culture	3,506,258	2,848,845	-	-	3,506,258	2,848,845
Community development	308,443	318,537	-	-	308,443	318,537
Cemetery	87,523	66,674	-	-	87,523	66,674
Interest on long-term debt	104,530	131,749	-	-	104,530	131,749
Business-type activities:						
Electric	-	-	15,477,978	15,367,781	15,477,978	15,367,781
Water	-	-	2,748,391	2,541,404	2,748,391	2,541,404
Sewer	-	-	2,444,913	1,881,033	2,444,913	1,881,033
Storm water	-	-	745,327	679,237	745,327	679,237
Commercial properties	-	-	77,395	78,494	77,395	78,494
Refuse	-	-	1,230,774	1,100,321	1,230,774	1,100,321
Total expenses	<u>17,965,832</u>	<u>17,315,607</u>	<u>22,724,778</u>	<u>21,648,270</u>	<u>40,690,610</u>	<u>38,963,877</u>
Excess (deficiency) before transfers	1,551,536	80,043	1,287,286	2,451,000	2,978,822	2,531,043
Transfers in (out)	<u>481,319</u>	<u>423,035</u>	<u>(481,319)</u>	<u>(423,035)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>2,032,855</u>	<u>503,078</u>	<u>805,967</u>	<u>2,027,965</u>	<u>2,978,822</u>	<u>2,531,043</u>
Net position at beginning of the year	<u>124,038,831</u>	<u>123,535,753</u>	<u>75,837,138</u>	<u>73,809,173</u>	<u>199,875,969</u>	<u>197,344,926</u>
Net position at the end of the year	<u>\$ 126,071,686</u>	<u>\$ 124,038,831</u>	<u>\$ 76,643,105</u>	<u>\$ 75,837,138</u>	<u>\$ 202,854,791</u>	<u>\$ 199,875,969</u>



Plan Act grant of \$733,336 was used for capital repairs to City Hall. The State of Minnesota awarded \$398,438 Public Safety dollars in late 2023, the grant was spent in 2024 to support Police and Fire departments. There was \$107,000 more than expected for Police and Fire Aid and training reimbursement. Tax revenue collected increased by \$648,895. A majority of the increase was due to the collection of delinquent taxes and penalties of \$333,579. The property tax levy increase was \$207,903 (3%).

Governmental activities expenses increased \$650,225 (3.6%) in the current year. The most significant changes in program expenses were within public safety, \$398,438 with the public safety dollars from the State of Minnesota was the majority of it.

EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES

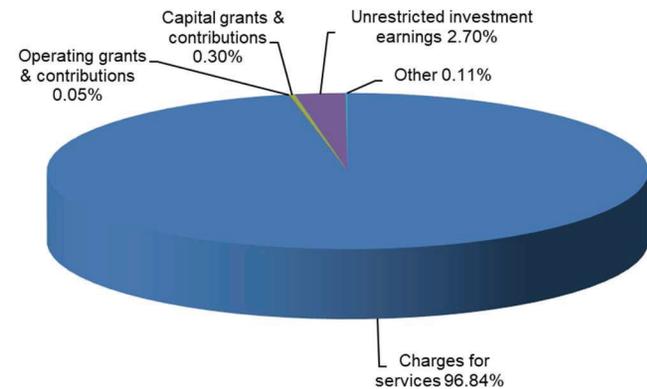


**Governmental Activities.** Property taxes and franchise taxes accounted for 37% and 8% of total revenues, respectively. Unrestricted grants and contributions in the form of local government aid and other State aids contributed 14% to total revenues. Charges for services brought in 9%.

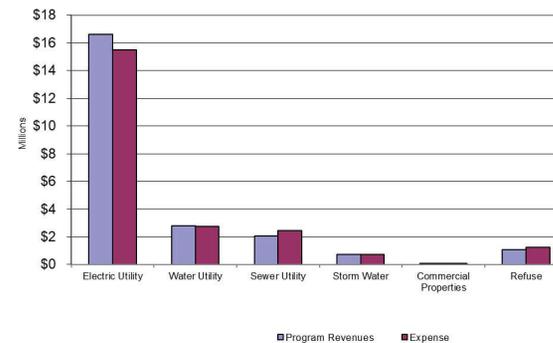
Public safety (32.8%) expenses are the most significant, followed by public works (32.1%), recreation and culture (19.5%), general government (9.4%) and transit (3.3%). Interest on long-term debt and community development expenses accounted for 0.6% and 1.7% of total expenses, respectively.

Governmental revenues increased \$2,121,718 (12.2%) in the current year. The largest increase was from Capital grants and contributions of 63% from 2023. American Rescue

REVENUES BY SOURCE - BUSINESS-TYPE ACTIVITIES



EXPENSES AND PROGRAM REVENUES - BUSINESS-TYPE EXPENSES



**Business-type activities.** Business-type activities increased the City's net position by \$805,967 from the prior fiscal year. The electric enterprise fund had income before transfers of \$1,594,156, which is the City's largest enterprise fund. Electric sales increased 4.8 million kwh due to a large industrial customer. The Water fund had income before transfers of \$52,728. Water utility sales increased 1.1 million gallons overall, due to a large industrial customer. Commercial usage has gone up while residential in the past years usage has gone down. Residential usage going down has been the trend due to water conservation by the residents Sewage had a loss before transfers of (\$344,991), due to Cost of Services Allocation to the City of Grand Forks and the concentration of the wastewater collected and sent to Grand Forks. Refuse has a loss before transfers of (\$140,490), due to increases in landfill disposal charges and contractor residential refuse collection increase. Storm water protection had income before transfers of \$35,946, this was mainly due to reimbursement from the State of Minnesota disaster funding of \$10,915 and rent/leasing of land for agriculture crops of \$25,359. Commercial rental property operations had income before transfers of \$17,582, mainly due to interest income earned from the cash balance available in this fund. .

## FINANCIAL ANALYSIS OF THE CITY'S FUNDS

**Governmental funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unreserved fund balances may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

At the end of 2024, the City's governmental funds reported total ending fund balances of \$13,651,257, a decrease of \$84,893 in comparison with the prior year. About 55% of the total ending fund balances constituted unassigned fund balances of \$7,539,290, which are considered available for appropriation. The remainder of the fund balances is restricted to indicate that it is not available for new spending because it has already been restricted by legislative or outside sources or is considered nonspendable.

At the end of the current year, the General Fund reported a fund balance of \$8,187,999, increasing \$943,069 from the previous year. General fund revenues were \$1,046,544 (8.28%) more than in the prior fiscal year and expenditures by \$ (.). General taxes, including property taxes and franchise fees, increased \$609,940 (7.41%). Intergovernmental revenue increased \$286,062 (10.76%) and charges for services decreased \$40,077 (-2.74%). The tax revenues increased \$703,336. A majority of the increase was due to the collection of delinquent taxes and penalty of \$333,579. \$207,903 (3%) was due to the property tax levy increase. Intergovernmental revenue increased \$286,062 (10.76%) with the majority, \$398,438 from the State of Minnesota Public Safety allocation and charges for services decreased \$40,077 (-2.74%).

The Capital Projects Fund experienced a \$245,542 fund balance increase over the prior year due to transfers in and current projects in excess of current year contributions and collections of special assessments.

The Current City Projects Fund decreased \$112,385 from the prior year fund balance due to expenditures greater than transfers and intergovernmental revenues in the current year because of the timing of projects and timing of funding for the projects.

The 2017 Assessment Bonds Fund (ABF) fund balance decreased \$126,807 as assessment collections were less than debt payments. This is due to the option that taxpayers could pay the special assessment all at once and save the interest amount. Many taxpayers took this option, so the fund is not receiving the expected interest from the taxpayers as anticipated.

**Proprietary funds.** The proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

The electric utility's net position increased \$1,314,844 (4.1%). Operating revenues increased \$898,994 (5.7%) to \$16,544,282. Wholesale purchased power costs increased \$40,063 (0.4%). Transfers out were \$350,000. Other factors of the changes in income from operations have previously been discussed in the government-wide financial analysis of business-type activities.

The water utility's net position increased \$54,395 (0.4%) in the current year. Operating revenue increased \$124,449 (4.7%) and operating expenses increased \$206,987 (8.1%) from the prior year. Other significant factors of the changes in income from operations have been previously discussed in the government-wide financial analysis of business-type activities.

The sewer utility's net position decreased \$344,991 (2.0%) due to higher expenses than revenues during the year. Majority of the increase has to do with Cost of Service Allocation paid to the City of Grand Forks for the Interconnection of the City of East Grand Forks wastewater to Grand Forks for processing. There was an increase of \$382,370 in 2024 from 2023. This was mainly due to the concentration of bio in the wastewater.

The storm water utilities net position decreased \$95,373 primarily due to delaying improvements and upgrades to 2024. Transfers out of \$131,319 were to the City projects fund for the LaFave park project and the Quiet Zone project that were specific to storm water repairs/improvements.

The Commercial Properties Fund contains the operations of one commercial property, the Infill Building. Net position increased \$17,582.

The Refuse Fund net position decreased \$140,490. Operating revenue increased \$12,393 from the prior year. Operating expenses increased \$153,870 from the prior year. Refuse rates have been reviewed after an increase in landfill disposal charges and contractual residential vendor refuse collection fee increases. New rates will be implemented July 1, 2025 along with a slight increase again January 1, 2026 and again July 1, 2026.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

General Fund revenues were \$627,181 more than budget and General Fund expenditures overall were less than budget by \$509,163.

The General Fund year end fund balances since 2012 are as follows:

2012	\$ 3,195,155	2016	\$ 4,596,019	2020	\$ 6,815,105
2013	3,178,595	2017	5,431,535	2021	6,859,459
2014	2,948,560	2018	6,019,602	2022	6,501,303
2015	2,776,298	2019	6,524,064	2023	7,244,930
2024	8,187,999				

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**CAPITAL ASSETS**

(Net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2024	2023	2024	2023	2024	2023
Land	\$ 31,203,471	\$ 31,203,471	\$ 630,302	\$ 630,302	\$ 31,833,773	\$ 31,833,773
Construction in progress	4,298,514	2,706,334	531,654	689,185	4,830,168	3,395,519
Building, structures, & improvements	49,978,248	51,569,300	54,549,844	55,909,055	104,528,092	107,478,355
Machinery and equipment	4,703,663	4,512,253	1,425,291	1,139,933	6,128,954	5,652,186
Infrastructure	27,614,635	26,708,900	-	-	27,614,635	26,708,900
Right to use lease asset	13,479	26,878	-	-	13,479	26,878
SBITA asset	74,796	-	-	-	74,796	-
Total	<u>\$ 117,886,806</u>	<u>\$ 116,727,136</u>	<u>\$ 57,137,091</u>	<u>\$ 58,368,475</u>	<u>\$ 175,023,897</u>	<u>\$ 175,095,611</u>

**Capital assets.** The City’s investment in capital assets for its governmental and business-type activities at December 31, 2024 totaled \$175,023,897 (net of accumulated depreciation/amortization). This investment in capital assets included land, construction in progress, structures, systems, machinery and equipment, infrastructure and right to use assets.

Additional information on the City’s capital assets can be found in Note 6 to these financial statements.

**LONG-TERM DEBT**

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2024	2023	2024	2023	2024	2023
General obligation bonds	\$ 1,845,186	\$ 2,643,411	\$ -	\$ -	\$ 1,845,186	\$ 2,643,411
General obligation PFA Improv bonds	2,159,000	2,276,000	5,278,000	5,846,000	7,437,000	8,122,000
Right of use lease	13,996	27,525	-	-	13,996	27,525
SBITA	68,915	-	-	-	68,915	-
Total	<u>\$ 4,087,097</u>	<u>\$ 4,946,936</u>	<u>\$ 5,278,000</u>	<u>\$ 5,846,000</u>	<u>\$ 9,365,097</u>	<u>\$ 10,792,936</u>

**Long-term debt.** The City’s outstanding debt, including bonds and certificates of indebtedness, totaled \$9,365,097 at December 31, 2024. Of this total, \$4,087,097 (43.6%) is in governmental activities and \$5,278,000 (56.4%) is in business-type activities.

Additional information on the City’s long-term liabilities can be found in Note 8 to these financial statements.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

Electric utility sales increased from 2023; therefore, electric wholesale purchases also increased. The costs have been passed on to the customer through monthly power adjustments. The electric utility purchased approximately 43.50% of their power from Western Area Power Administration (WAPA). WAPA did not raise wholesale power costs for 2024. There will be an increase of 7.33% from 2024 in 2025. Future increase may be inevitable due to drought conditions and the use of hydrogen electrical generation.

The City is still slightly impacted due to the COVID-19 outbreak and/or future tariffs; financial markets, supply chain disruption and inflation both directly and indirectly, utility has been one of the most recognizable increases. Estimates on how this will affect future costs have not been determined and will vary based on the duration and the increase in inflation. Estimates of the effect cannot be determined at the time of the report. Measures have been done with inventory and other things to alleviate some of these issues. There has been an increase in construction costs for all projects. This has been a concern in planning and budgeting for projects.

**REQUESTS FOR INFORMATION**

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



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# BASIC FINANCIAL STATEMENTS



CITY OF EAST GRAND FORKS, MINNESOTA



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**Statement of Net Position  
December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		EDA
<b>ASSETS</b>				
Cash and cash equivalents	\$ 4,201,750	\$ 3,667,796	\$ 7,869,546	\$ 959,404
Investments	10,519,909	20,552,684	31,072,593	3,683,532
Accrued interest receivable	45,173	39,707	84,880	-
Accounts receivable, net	128,210	3,634,147	3,762,357	-
Notes receivable, net	56,407	-	56,407	1,023,497
Taxes receivable - property	236,959	-	236,959	-
Taxes receivable - other	133,387	-	133,387	-
Special assessments receivable	2,834,948	-	2,834,948	-
Pledges receivable	45,000	-	45,000	-
Internal balances (net)	764,363	(764,363)	-	-
Due from other government units	103,721	16,665	120,386	-
Prepaid items	90,000	12,575	102,575	-
Land held for resale	101,303	-	101,303	779,877
Lease receivable	240,390	137,037	377,427	-
Materials and supplies	19,492	1,691,395	1,710,887	-
Restricted cash and investments	-	135,950	135,950	-
Net pension asset - VFD	552,408	-	552,408	-
Customer acquisition costs	-	351,774	351,774	-
Capital assets:				
Nondepreciable	35,501,985	1,161,956	36,663,941	50,300
Depreciable/Amortizable, net	82,384,821	55,975,135	138,359,956	2,584,632
<b>TOTAL ASSETS</b>	<b>137,960,226</b>	<b>86,612,458</b>	<b>224,572,684</b>	<b>9,081,242</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Cost Sharing Defined Benefit - Pensions	4,708,377	238,053	4,946,430	18,136
Deferred Outflows of Resources - OPEB	41,168	23,905	65,073	1,330
<b>TOTAL DEFERRED OUTFLOWS OF RESOURCES</b>	<b>4,749,545</b>	<b>261,958</b>	<b>5,011,503</b>	<b>19,466</b>
<b>LIABILITIES</b>				
Accounts payable	316,887	1,256,044	1,572,931	23,682
Retainage payable	181,409	43,616	225,025	-
Accrued wages payable	518,301	102,919	621,220	7,559
Due to other government units	138,994	275,422	414,416	5,750
Accrued interest payable	49,782	25,879	75,661	16
Customer deposits	-	135,950	135,950	27,413
Noncurrent liabilities:				
Due within one year	1,090,784	861,064	1,951,848	5,770
Due in more than one year	3,929,911	5,019,184	8,949,095	15,052
Net pension liability	3,694,371	1,210,709	4,905,080	92,244
Other postemployment benefit liability	321,193	186,499	507,692	10,362
<b>TOTAL LIABILITIES</b>	<b>10,241,632</b>	<b>9,117,286</b>	<b>19,358,918</b>	<b>187,848</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Cost Sharing Defined Benefit - Pensions	6,057,155	949,066	7,006,221	72,306
Deferred Inflows of Resources - OPEB	59,705	34,668	94,373	1,926
Leases	279,593	130,291	409,884	-
<b>TOTAL DEFERRED INFLOWS OF RESOURCES</b>	<b>6,396,453</b>	<b>1,114,025</b>	<b>7,510,478</b>	<b>74,232</b>

See Notes to the Financial Statements

**Statement of Net Position  
December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Primary Government</u>		<u>Total</u>	<u>Component Unit</u>
	<u>Governmental Activities</u>	<u>Business-type Activities</u>		<u>EDA</u>
<b>NET POSITION</b>				
Net investment in capital assets	113,618,300	51,815,475	165,433,775	2,634,932
Restricted for:				
Capital Projects	2,651,900	-	2,651,900	-
Community Growth	72,593	-	72,593	-
New Home Incentive	397,116	-	397,116	-
Cemetery	13,214	-	13,214	-
Insect Control	335,121	-	335,121	-
Perpetual Care	328,797	-	328,797	-
Greenway Maintenance	210,363	-	210,363	-
Park Facilities	1,730	-	1,730	-
Seized Property	36,185	-	36,185	-
Grants	263,799	-	263,799	-
08 PFA Loan 23rd Street	167,502	-	167,502	-
Building Improvements	104,167	-	104,167	-
Debt Service	4,120,566	-	4,120,566	-
Library	6,693	-	6,693	-
Library - Nonexpendable	76,000	-	76,000	-
Net Pension Asset - VFD	552,408	-	552,408	-
Unrestricted	<u>3,115,232</u>	<u>24,827,630</u>	<u>27,942,862</u>	<u>6,203,696</u>
<b>TOTAL NET POSITION</b>	<u>\$ 126,071,686</u>	<u>\$ 76,643,105</u>	<u>\$ 202,714,791</u>	<u>\$ 8,838,628</u>

See Notes to the Financial Statements



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**Statement of Activities  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position			
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government			Component Unit
					Governmental Activities	Business-type Activities	Total	
Governmental activities:								
General government	\$ 1,696,015	\$ 191,925	\$ 5,967	\$ -	\$ (1,498,123)	\$ -	\$ (1,498,123)	\$ -
Public safety	5,895,360	490,575	473,825	-	(4,930,960)	-	(4,930,960)	-
Public works	5,765,200	401,519	907,127	2,594,523	(1,862,031)	-	(1,862,031)	-
Transit	602,503	-	817,636	-	215,133	-	215,133	-
Recreation and culture	3,506,258	695,285	11,713	-	(2,799,260)	-	(2,799,260)	-
Community development	308,443	1,024	-	2,500	(304,919)	-	(304,919)	-
Cemetery	87,523	48,801	-	-	(38,722)	-	(38,722)	-
Interest on long-term debt	104,530	-	197,828	-	93,298	-	93,298	-
Total governmental activities	<u>17,965,832</u>	<u>1,829,129</u>	<u>2,414,096</u>	<u>2,597,023</u>	<u>(11,125,584)</u>	<u>-</u>	<u>(11,125,584)</u>	<u>-</u>
Business-type activities:								
Electric Utility	15,477,978	16,544,282	-	70,688	-	1,136,992	1,136,992	-
Water Utility	2,748,391	2,792,416	-	1,667	-	45,692	45,692	-
Sewer Utility	2,444,913	2,045,200	-	-	-	(399,713)	(399,713)	-
Storm Water	745,327	709,621	10,915	-	-	(24,791)	(24,791)	-
Commercial Properties	77,395	77,735	-	-	-	340	340	-
Refuse	1,230,774	1,082,923	-	-	-	(147,851)	(147,851)	-
Total business-type activities	<u>22,724,778</u>	<u>23,252,177</u>	<u>10,915</u>	<u>72,355</u>	<u>-</u>	<u>610,669</u>	<u>610,669</u>	<u>-</u>
Total primary government	<u>\$ 40,690,610</u>	<u>\$ 25,081,306</u>	<u>\$ 2,425,011</u>	<u>\$ 2,669,378</u>	<u>(11,125,584)</u>	<u>610,669</u>	<u>(10,514,915)</u>	<u>-</u>
Component unit:								
Community development	<u>\$ 1,136,528</u>	<u>\$ 540,685</u>	<u>\$ -</u>	<u>\$ -</u>				<u>(595,843)</u>
General Revenues:								
Property taxes					7,281,902	-	7,281,902	-
Franchise taxes					1,558,345	-	1,558,345	-
Unrestricted grants and contributions					2,746,239	-	2,746,239	-
Unrestricted investment income (loss)					516,979	649,083	1,166,062	37,139
Other					516,007	25,359	541,366	257,469
Returns and Refunds					(140,000)	-	(140,000)	-
Gain on sale of asset					197,648	2,175	199,823	-
Transfers					481,319	(481,319)	-	-
Total general revenues and transfers					<u>13,158,439</u>	<u>195,298</u>	<u>13,353,737</u>	<u>294,608</u>
Change in Net Position					2,032,855	805,967	2,838,822	(301,235)
Net Position - January 1					124,038,831	75,837,138	199,875,969	9,139,863
Net Position - December 31					<u>\$ 126,071,686</u>	<u>\$ 76,643,105</u>	<u>\$ 202,714,791</u>	<u>\$ 8,838,628</u>

See Notes to the Financial Statements

**Balance Sheet  
Governmental Funds  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Current City Projects Fund</u>	<u>2017 Assessment Bonds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
<b>ASSETS</b>						
Cash and cash equivalents	\$ 1,705,145	\$ 103,298	\$ -	\$ 12,290	\$ 1,986,395	\$ 3,807,128
Investments	6,269,683	959,934	-	-	2,864,941	10,094,558
Interest receivable	45,173	-	-	-	-	45,173
Accounts receivable	113,760	-	-	-	14,450	128,210
Taxes receivable - property taxes	236,959	-	-	-	-	236,959
Taxes receivable - other	133,387	-	-	-	-	133,387
Special assessments receivable	1,895	1,579,716	-	243,628	1,009,709	2,834,948
Pledges receivable	-	-	-	-	45,000	45,000
Due from other funds	625,653	-	-	-	20,823	646,476
Due from other government units	88,613	8,952	-	3,232	2,924	103,721
Land held for resale	-	-	-	-	101,303	101,303
Lease receivable	240,390	-	-	-	-	240,390
Notes receivable	-	-	-	-	56,407	56,407
Prepaid items	90,000	-	-	-	-	90,000
Materials and supplies	19,492	-	-	-	-	19,492
<b>TOTAL ASSETS</b>	<u>\$ 9,570,150</u>	<u>\$ 2,651,900</u>	<u>\$ -</u>	<u>\$ 259,150</u>	<u>\$ 6,101,952</u>	<u>\$ 18,583,152</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 205,560	\$ -	\$ 38,806	\$ -	\$ 72,521	\$ 316,887
Retainage payable	-	-	145,544	-	35,865	181,409
Accrued wages payable	516,426	-	-	-	1,875	518,301
Due to other funds	89,776	-	147,374	-	142,654	379,804
Due to other government units	51,942	-	-	-	87,052	138,994
<b>Total Liabilities</b>	<u>863,704</u>	<u>-</u>	<u>331,724</u>	<u>-</u>	<u>339,967</u>	<u>1,535,395</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue -						
Property taxes and spec. assessments	238,854	1,579,716	-	243,628	1,009,709	3,071,907
Pledges	-	-	-	-	45,000	45,000
Leases	279,593	-	-	-	-	279,593
<b>Total Deferred Inflows of Resources</b>	<u>518,447</u>	<u>1,579,716</u>	<u>-</u>	<u>243,628</u>	<u>1,054,709</u>	<u>3,396,500</u>
<b>FUND BALANCE</b>						
Nonspendable	109,492	-	-	-	76,000	185,492
Restricted	-	1,072,184	-	15,522	4,838,769	5,926,475
Unassigned	8,078,507	-	(331,724)	-	(207,493)	7,539,290
<b>Total Fund Balance</b>	<u>8,187,999</u>	<u>1,072,184</u>	<u>(331,724)</u>	<u>15,522</u>	<u>4,707,276</u>	<u>13,651,257</u>
<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE</b>	<u>\$ 9,570,150</u>	<u>\$ 2,651,900</u>	<u>\$ -</u>	<u>\$ 259,150</u>	<u>\$ 6,101,952</u>	<u>\$ 18,583,152</u>

See Notes to the Financial Statements

**Reconciliation of the Governmental Funds Balance Sheet  
to the Statement of Net Position  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

Total fund balances - governmental funds		\$ 13,651,257
Amounts reported for the governmental activities in the statement of net position are different because:		
Capital assets used in the governmental activities are not financial resources and, therefore, are not reported in the governmental funds.		
Land	\$ 31,203,471	
Construction in progress	4,298,514	
Buildings, structures and improvements	85,834,927	
Machinery and equipment	7,544,388	
Infrastructure	60,661,550	
Accumulated depreciation and amortization	<u>(73,369,231)</u>	116,173,619
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		3,116,907
Volunteer Fire Department Net Pension Asset		552,408
Internal service funds are used by management to charge the costs of central equipment and compensated absences to individual funds. These assets and liabilities of the internal service fund are included in governmental activities in the statement of net position.		
Cash and cash equivalents	394,621	
Investments	425,351	
Machinery and equipment	4,693,310	
Accumulated depreciation	(2,980,122)	
Due from other funds	497,691	
Compensated absences payable	<u>(933,597)</u>	2,097,254
Net deferred outflows/(inflows) of resources relating to the cost sharing defined benefit plans and other postemployment benefits in the governmental activities are not financial resources and, therefore, are not reported as deferred outflows (inflows) of resources in the governmental funds.		
Deferred outflows of resources	4,749,545	
Deferred inflows of resources	<u>(6,116,860)</u>	(1,367,315)
Long-term liabilities of the governmental funds, including bonds, certificates of participation, equipment certificates of indebtedness, notes and loans payable, lease liabilities and accrued interest payable, are not due in the current period and therefore are not reported in the funds.		
Long-term liabilities	(4,087,098)	
Accrued interest payable	(49,782)	
Net pension liability	(3,694,371)	
Other post employment benefit obligations	<u>(321,193)</u>	<u>(8,152,444)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 126,071,686</u>

See Notes to the Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balances  
Governmental Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>General</u>	<u>Capital Projects Fund</u>	<u>Current City Projects Fund</u>	<u>2017 Assessment Bonds</u>	<u>Nonmajor Governmental Funds</u>	<u>Total Governmental Funds</u>
Revenues:						
General taxes	\$ 8,840,247	\$ -	\$ -	\$ -	\$ -	\$ 8,840,247
Special assessments	475	214,766	-	143,599	418,590	777,430
Licenses and permits	133,205	-	-	-	-	133,205
Intergovernmental	2,943,964	75,591	2,281,730	-	1,927,571	7,228,856
Charges for services	1,423,960	-	-	-	203,429	1,627,389
Fines and forfeitures	54,265	-	-	-	-	54,265
Interest and other revenues	292,361	21,308	-	599	213,942	528,210
Refunds and Returns	-	-	-	-	(140,001)	(140,001)
Total revenues	<u>13,688,477</u>	<u>311,665</u>	<u>2,281,730</u>	<u>144,198</u>	<u>2,623,531</u>	<u>19,049,601</u>
Expenditures:						
Current:						
General government	1,517,496	-	-	-	-	1,517,496
Public safety	5,337,108	-	-	-	290,303	5,627,411
Public works	1,536,552	-	-	-	24,800	1,561,352
Transit	-	-	-	-	612,552	612,552
Recreation and culture	2,936,446	-	-	-	5,066	2,941,512
Community development	281,851	-	-	-	26,592	308,443
Cemetery	-	-	-	-	67,333	67,333
Other expenditures	327,819	-	-	-	-	327,819
Capital outlay	510,905	8,901	3,850,624	-	1,371,361	5,741,791
Debt service:						
Principal retirement	38,109	-	-	345,000	542,000	925,109
Interest and fiscal agent charges	-	-	-	16,005	125,464	141,469
Total expenditures	<u>12,486,286</u>	<u>8,901</u>	<u>3,850,624</u>	<u>361,005</u>	<u>3,065,471</u>	<u>19,772,287</u>
Excess (deficiency) of revenues over expenditures	<u>1,202,191</u>	<u>302,764</u>	<u>(1,568,894)</u>	<u>(216,807)</u>	<u>(441,940)</u>	<u>(722,686)</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	33,947	-	-	-	86,618	120,565
Insurance proceeds	-	-	17,414	-	-	17,414
Issuance of lease/sbita	93,495	-	-	-	-	93,495
Transfers in	76,787	-	1,439,095	90,000	532,686	2,138,568
Transfers out	(463,351)	(57,222)	-	-	(1,211,676)	(1,732,249)
Total other financing sources (uses)	<u>(259,122)</u>	<u>(57,222)</u>	<u>1,456,509</u>	<u>90,000</u>	<u>(592,372)</u>	<u>637,793</u>
Net change in fund balances	943,069	245,542	(112,385)	(126,807)	(1,034,312)	(84,893)
Fund balance at beginning of year	<u>7,244,930</u>	<u>826,642</u>	<u>(219,339)</u>	<u>142,329</u>	<u>5,741,588</u>	<u>13,736,150</u>
Fund balance at end of year	<u>\$ 8,187,999</u>	<u>\$ 1,072,184</u>	<u>\$ (331,724)</u>	<u>\$ 15,522</u>	<u>\$ 4,707,276</u>	<u>\$ 13,651,257</u>

See Notes to the Financial Statements

**Reconciliation of the Statement of Revenues, Expenditures and Changes  
in Fund Balances of Governmental Funds to the Statement of Activities  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

Net change in fund balances - total governmental funds		\$ (84,893)
Amounts reported for the governmental activities in the statement of activities are different because:		
Governmental funds reported capital outlays as expenditures. However, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.		
Capital outlays	\$ 4,990,924	
Depreciation	<u>(3,875,861)</u>	1,115,063
Issuance of leases is an other financing source in the governmental funds, but the repayment increases long-term liabilities in the statement of net position.		
		(93,495)
Lease payments are reported in governmental funds as expenditures. However, in the statement of activities, those assets are set up as lease assets and amortized over the life of the lease along with interest expenses. In the current period, this resulted in the following differences:		
Amortization expense - leases	(32,097)	
Interest expense - leases	<u>3,373</u>	(28,724)
Repayment of long-term debt principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		
		925,109
Change in net pension asset.		
		289,082
Change in net pension liability.		
		1,533,866
Change in deferred outflows and inflows of resources related to net pension liability.		
		(1,442,050)
Change in deferred outflows and inflows of resources related to other postemployment benefits.		
		12,606
Revenue in the statement of activities that does not provide current financial resources are not reported as revenues in the governmental funds.		
Unavailable Revenue - December 31, 2023	(3,246,021)	
Unavailable Revenue - December 31, 2024	<u>3,116,907</u>	(129,114)
Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds.		
Amortization of bond premiums	28,225	
Other postemployment benefit obligations	<u>(12,063)</u>	16,162
Changes in long-term debt interest payable.		
		5,979
Internal service funds are used by management to charge the costs of certain activities to individual funds. The net revenue of the internal service funds is reported with governmental activities on the statement of activities.		
		<u>(86,736)</u>
Change in net position of governmental activities		<u>\$ 2,032,855</u>

See Notes to the Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balance  
Budget to Actual - General Fund  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<b>Original and Final Budgeted Amounts</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
Revenues:			
General taxes	\$ 8,495,864	\$ 8,840,722	\$ 344,858
Licenses and permits	116,275	133,205	16,930
Intergovernmental	2,839,577	2,943,964	104,387
Charges for services	1,456,380	1,423,960	(32,420)
Fines and forfeitures	118,000	54,265	(63,735)
Interest and other revenues	35,200	292,361	257,161
Total revenues	<u>13,061,296</u>	<u>13,688,477</u>	<u>627,181</u>
Expenditures:			
Current:			
General government	1,527,950	1,517,496	10,454
Public safety	5,388,307	5,337,108	51,199
Public works	1,760,131	1,536,552	223,579
Recreation and culture	3,068,929	2,936,446	132,483
Community development	288,963	281,851	7,112
Other expenditures	314,939	327,819	(12,880)
Debt service - principal	13,570	38,109	(24,539)
Capital outlay	632,660	510,905	121,755
Total expenditures	<u>12,995,449</u>	<u>12,486,286</u>	<u>509,163</u>
Excess (Deficiency) of revenues over expenditures	<u>65,847</u>	<u>1,202,191</u>	<u>1,136,344</u>
Other financing sources (uses)			
Proceeds from sale of capital asset	-	33,947	33,947
Issuance of leases/SBITA's	-	93,495	93,495
Transfers in	266,600	76,787	(189,813)
Transfers out	<u>(459,121)</u>	<u>(463,351)</u>	<u>(4,230)</u>
Total other financing sources (uses)	<u>(192,521)</u>	<u>(259,122)</u>	<u>(66,601)</u>
Net change in fund balances	(126,674)	943,069	1,069,743
Fund balance at beginning of year	<u>7,244,930</u>	<u>7,244,930</u>	<u>-</u>
Fund balance at end of year	<u>\$ 7,118,256</u>	<u>\$ 8,187,999</u>	<u>\$ 1,069,743</u>

See Notes to the Financial Statements



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**Statement of Net Position  
Proprietary Funds  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Electric	Water	Sewage	Storm Water	Commercial Properties	Nonmajor (Refuse)		Totals
<b>ASSETS</b>								
Current assets:								
Cash and cash equivalents	\$ 1,649,006	\$ 949,377	\$ 323,350	\$ 354,840	\$ 117,401	\$ 273,822	\$ 3,667,796	\$ 394,621
Investments	16,798,015	-	2,015,251	1,283,545	455,873	-	20,552,684	425,351
Restricted cash and investments:								
Cash in customer deposits	135,950	-	-	-	-	-	135,950	-
Interest receivable	39,364	-	-	-	343	-	39,707	-
Accounts receivable (net)	3,622,991	10,118	-	-	-	1,038	3,634,147	-
Materials and supplies	1,366,316	325,079	-	-	-	-	1,691,395	-
Prepaid items	7,844	4,731	-	-	-	-	12,575	-
Lease receivable	-	-	-	-	137,037	-	137,037	-
Due from other funds	118,649	329,368	278,800	95,651	-	144,694	967,162	497,691
Due from other government units	5,750	-	-	10,915	-	-	16,665	-
Total current assets	<u>23,743,885</u>	<u>1,618,673</u>	<u>2,617,401</u>	<u>1,744,951</u>	<u>710,654</u>	<u>419,554</u>	<u>30,855,118</u>	<u>1,317,663</u>
Noncurrent assets:								
Capital assets:								
Land	322,818	44,000	257,184	-	6,300	-	630,302	-
Buildings and systems	34,185,144	31,489,572	30,871,128	16,630,978	1,472,900	-	114,649,722	-
Machinery and equipment	3,732,072	57,847	1,519,966	634,314	-	1,459,155	7,403,354	4,693,310
Construction in progress	161,750	259,803	2,783	107,318	-	-	531,654	-
Total capital assets	<u>38,401,784</u>	<u>31,851,222</u>	<u>32,651,061</u>	<u>17,372,610</u>	<u>1,479,200</u>	<u>1,459,155</u>	<u>123,215,032</u>	<u>4,693,310</u>
Less accumulated depreciation	<u>(24,753,360)</u>	<u>(18,878,098)</u>	<u>(12,524,228)</u>	<u>(8,055,796)</u>	<u>(885,600)</u>	<u>(980,859)</u>	<u>(66,077,941)</u>	<u>(2,980,122)</u>
Total capital assets (net)	<u>13,648,424</u>	<u>12,973,124</u>	<u>20,126,833</u>	<u>9,316,814</u>	<u>593,600</u>	<u>478,296</u>	<u>57,137,091</u>	<u>1,713,188</u>
Customer acquisition costs	268,106	83,668	-	-	-	-	351,774	-
Total noncurrent assets	<u>13,916,530</u>	<u>13,056,792</u>	<u>20,126,833</u>	<u>9,316,814</u>	<u>593,600</u>	<u>478,296</u>	<u>57,488,865</u>	<u>1,713,188</u>
<b>TOTAL ASSETS</b>	<u>37,660,415</u>	<u>14,675,465</u>	<u>22,744,234</u>	<u>11,061,765</u>	<u>1,304,254</u>	<u>897,850</u>	<u>88,343,983</u>	<u>3,030,851</u>
Deferred outflows of resources								
Cost sharing defined benefit - PERA	140,563	58,946	18,137	6,804	-	13,603	238,053	-
Deferred outflows of resources - OPEB	13,944	6,640	1,328	-	-	1,993	23,905	-
Total deferred outflows of resources	<u>154,507</u>	<u>65,586</u>	<u>19,465</u>	<u>6,804</u>	<u>-</u>	<u>15,596</u>	<u>261,958</u>	<u>-</u>

See Notes to the Financial Statements

**Statement of Net Position  
Proprietary Funds  
As of December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	Business-Type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds	
	Electric	Water	Sewage	Storm Water	Commercial Properties	Nonmajor (Refuse)		Totals
<b>LIABILITIES</b>								
Current liabilities:								
Accounts payable	918,235	73,304	25,825	109,917	2,126	126,637	1,256,044	-
Retainage payable	21,484	11,678	-	10,454	-	-	43,616	-
Due to other funds	1,167,711	48,343	6,266	41,037	1,000	467,168	1,731,525	-
Due to other government units	67,032	5,858	157,817	-	-	44,715	275,422	-
Accrued interest payable	-	-	25,879	-	-	-	25,879	-
Accrued wages payable	63,367	26,084	9,558	516	-	3,394	102,919	-
Customer deposits	135,950	-	-	-	-	-	135,950	-
Compensated absences payable - current	177,960	59,878	37,942	-	-	8,284	284,064	247,261
G.O. revenue bonds payable - current	-	-	577,000	-	-	-	577,000	-
Total current liabilities	<u>2,551,739</u>	<u>225,145</u>	<u>840,287</u>	<u>161,924</u>	<u>3,126</u>	<u>650,198</u>	<u>4,432,419</u>	<u>247,261</u>
Noncurrent liabilities:								
Compensated absences payable	255,445	46,453	12,344	-	-	3,942	318,184	686,336
Net pension liability	714,895	299,795	92,244	34,592	-	69,183	1,210,709	-
Total other postemployment benefit liability	108,791	51,805	10,361	-	-	15,542	186,499	-
G.O. revenue bonds payable, net	-	-	4,701,000	-	-	-	4,701,000	-
Total noncurrent liabilities	<u>1,079,131</u>	<u>398,053</u>	<u>4,815,949</u>	<u>34,592</u>	<u>-</u>	<u>88,667</u>	<u>6,416,392</u>	<u>686,336</u>
TOTAL LIABILITIES	<u>3,630,870</u>	<u>623,198</u>	<u>5,656,236</u>	<u>196,516</u>	<u>3,126</u>	<u>738,865</u>	<u>10,848,811</u>	<u>933,597</u>
Deferred inflows of resources								
Cost sharing defined benefit - PERA	560,402	235,006	72,309	27,117	-	54,232	949,066	-
Deferred inflows of resources - OPEB	20,223	9,630	1,926	-	-	2,889	34,668	-
Leases	-	-	-	-	130,291	-	130,291	-
Total deferred inflows of resources	<u>580,625</u>	<u>244,636</u>	<u>74,235</u>	<u>27,117</u>	<u>130,291</u>	<u>57,121</u>	<u>1,114,025</u>	<u>-</u>
<b>NET POSITION</b>								
Net investment in capital assets	13,626,940	12,961,446	14,848,833	9,306,360	593,600	478,296	51,815,475	1,713,188
Unrestricted	19,976,487	911,771	2,184,395	1,538,576	577,237	(360,836)	24,827,630	384,066
TOTAL NET POSITION	<u>\$ 33,603,427</u>	<u>\$ 13,873,217</u>	<u>\$ 17,033,228</u>	<u>\$ 10,844,936</u>	<u>\$ 1,170,837</u>	<u>\$ 117,460</u>	<u>\$ 76,643,105</u>	<u>\$ 2,097,254</u>

See Notes to the Financial Statements

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Proprietary Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Business-Type Activities – Enterprise Funds						Totals	Governmental Activities - Internal Service Funds
	Electric	Water	Sewage	Storm Water	Commercial Properties	Nonmajor (Refuse)		
Operating revenues:								
Electric charges	\$ 16,544,282	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 16,544,282	\$ -
Water charges	-	2,792,416	-	-	-	-	2,792,416	-
Sewer charges	-	-	2,045,200	-	-	-	2,045,200	-
Rental charges	-	-	-	-	77,735	-	77,735	-
Refuse charges	-	-	-	-	-	1,045,343	1,045,343	-
Storm water charges	-	-	-	709,621	-	-	709,621	-
Other	-	-	-	-	-	37,580	37,580	265,677
Total operating revenues	<u>16,544,282</u>	<u>2,792,416</u>	<u>2,045,200</u>	<u>709,621</u>	<u>77,735</u>	<u>1,082,923</u>	<u>23,252,177</u>	<u>265,677</u>
Operating expenses:								
Purchased power	10,055,890	-	-	-	-	-	10,055,890	-
Operations and maintenance	2,343,675	1,471,122	1,441,097	370,906	42,105	1,155,543	6,824,448	-
Administration	664,526	404,409	98,877	-	-	28,564	1,196,376	-
Compensated absences	-	-	-	-	-	-	-	138,568
Depreciation and amortization	1,059,595	872,860	827,223	373,064	35,290	46,667	3,214,699	396,498
Tax and tax equivalents	1,354,292	-	-	-	-	-	1,354,292	-
Total operating expenses	<u>15,477,978</u>	<u>2,748,391</u>	<u>2,367,197</u>	<u>743,970</u>	<u>77,395</u>	<u>1,230,774</u>	<u>22,645,705</u>	<u>535,066</u>
Operating income (loss)	<u>1,066,304</u>	<u>44,025</u>	<u>(321,997)</u>	<u>(34,349)</u>	<u>340</u>	<u>(147,851)</u>	<u>606,472</u>	<u>(269,389)</u>
Nonoperating revenues (expenses)								
Interest income	525,677	8,703	54,722	35,378	17,242	7,361	649,083	22,653
Interest expense	-	-	(77,716)	(1,357)	-	-	(79,073)	-
Gain (loss) on asset disposal	2,175	-	-	-	-	-	2,175	85,000
Intergovernmental	-	-	-	10,915	-	-	10,915	-
Miscellaneous	-	-	-	25,359	-	-	25,359	-
Total nonoperating revenues (expenses)	<u>527,852</u>	<u>8,703</u>	<u>(22,994)</u>	<u>70,295</u>	<u>17,242</u>	<u>7,361</u>	<u>608,459</u>	<u>107,653</u>
Income (loss) before transfers	<u>1,594,156</u>	<u>52,728</u>	<u>(344,991)</u>	<u>35,946</u>	<u>17,582</u>	<u>(140,490)</u>	<u>1,214,931</u>	<u>(161,736)</u>
Transfers in	-	-	-	-	-	-	-	75,000
Transfers out	(350,000)	-	-	(131,319)	-	-	(481,319)	-
Capital contribution	<u>70,688</u>	<u>1,667</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>72,355</u>	<u>-</u>
Change in net position	<u>1,314,844</u>	<u>54,395</u>	<u>(344,991)</u>	<u>(95,373)</u>	<u>17,582</u>	<u>(140,490)</u>	<u>805,967</u>	<u>(86,736)</u>
Total net position - January 1	<u>32,288,583</u>	<u>13,818,822</u>	<u>17,378,219</u>	<u>10,940,309</u>	<u>1,153,255</u>	<u>257,950</u>	<u>75,837,138</u>	<u>2,183,990</u>
Total net position - December 31	<u>\$ 33,603,427</u>	<u>\$ 13,873,217</u>	<u>\$ 17,033,228</u>	<u>\$ 10,844,936</u>	<u>\$ 1,170,837</u>	<u>\$ 117,460</u>	<u>\$ 76,643,105</u>	<u>\$ 2,097,254</u>

See Notes to the Financial Statements



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**Statement of Cash Flows  
Proprietary Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Business-Type Activities – Enterprise Funds						Governmental Activities - Internal Service Funds	
	Electric	Water	Sewage	Storm Water	Commercial Properties	Nonmajor (Refuse)		Totals
<b>Cash flows from operating activities:</b>								
Cash received from customers and users	\$ 16,028,962	\$ 2,795,073	\$ 2,045,200	\$ 698,706	\$ 76,593	\$ 1,082,626	\$ 22,727,160	\$ -
Cash received from interfund activities	-	-	-	-	-	-	-	265,677
Cash paid to suppliers for goods and services	(11,484,007)	(1,029,096)	(1,109,703)	(187,070)	(41,061)	(924,835)	(14,775,772)	-
Cash paid for interfund activities	2,369	-	(13,281)	(8,344)	75	(2,100)	(21,281)	-
Cash paid to employees	(2,274,383)	(925,273)	(327,142)	(74,864)	(667)	(241,873)	(3,844,202)	24,335
Cash paid for taxes and tax equivalents	(1,354,292)	-	-	-	-	-	(1,354,292)	-
Other operating revenues (expenses)	-	-	-	36,274	-	-	36,274	-
Net cash provided (used) by operating activities	918,649	840,704	595,074	464,702	34,940	(86,182)	2,767,887	290,012
<b>Cash flows from noncapital financing activities:</b>								
Transfers from (to) other funds	(350,000)	-	-	(131,319)	-	-	(481,319)	75,000
Interfund receivable	(42,529)	(1,885)	-	-	-	-	(44,414)	(452,461)
Interfund payable	61,227	4,075	-	-	-	467,691	532,993	-
Net cash provided (used) by noncapital financing activities	(331,302)	2,190	-	(131,319)	-	467,691	7,260	(377,461)
<b>Cash flows from capital and related financing activities:</b>								
Proceeds from disposal of capital assets	2,175	-	-	-	-	-	2,175	85,000
Acquisition of capital assets	(879,347)	(456,693)	(508)	(107,318)	-	(467,094)	(1,910,960)	(473,203)
Principal payments on long-term debt	-	-	(568,000)	-	-	-	(568,000)	-
Interest and fiscal charges on bonds	-	-	(81,175)	(1,357)	-	-	(82,532)	-
Net cash used by capital and related financing activities	(877,172)	(456,693)	(649,683)	(108,675)	-	(467,094)	(2,559,317)	(388,203)
<b>Cash flows from investing activities:</b>								
Interest received on investments	520,731	8,703	54,721	35,378	17,243	7,361	644,137	22,653
Proceeds from sales and maturities of investments	-	-	-	-	-	-	-	214,279
Purchase of investments	(233,095)	-	-	(538,356)	(34,016)	-	(805,467)	(282,131)
Net cash provided (used) by investing activities	287,636	8,703	54,721	(502,978)	(16,773)	7,361	(161,330)	(45,199)
Net increase (decrease) in cash and cash equivalents	(2,189)	394,904	112	(278,270)	18,167	(78,224)	54,500	(520,851)
Cash and cash equivalents - January 1	1,787,145	554,473	323,238	633,110	99,234	352,046	3,749,246	915,472
Cash and cash equivalents - December 31	\$ 1,784,956	\$ 949,377	\$ 323,350	\$ 354,840	\$ 117,401	\$ 273,822	\$ 3,803,746	\$ 394,621

See Notes to the Financial Statements

**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	Business-Type Activities – Enterprise Funds						Governmental Activities - Internal Service Funds	
	Electric	Water	Sewage	Storm Water	Commercial Properties	Nonmajor (Refuse)		Totals
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>								
Operating income (loss)	\$ 1,066,304	\$ 44,025	\$ (321,997)	\$ (34,349)	\$ 340	\$ (147,851)	\$ 606,472	\$ (269,389)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation and amortization	1,059,595	872,860	827,223	373,064	35,290	46,667	3,214,699	396,498
Miscellaneous revenue	-	-	-	36,274	-	-	36,274	-
Changes in assets and liabilities:								
Accounts receivable	(512,863)	2,657	-	-	190	(297)	(510,313)	-
Interfund receivable	5,750	-	(16,040)	(123)	-	(1,577)	(11,990)	-
Materials and supplies	(455,560)	19,224	-	-	-	-	(436,336)	-
Prepaid items	(568)	(181)	-	-	-	-	(749)	-
Lease receivable	-	-	-	-	76,024	-	76,024	-
Due from other government units	(307)	-	-	(10,915)	-	-	(11,222)	-
Accounts payable	(196,952)	(14,593)	12,674	103,375	377	68,305	(26,814)	-
Retainage payable	13,817	(38,981)	-	10,454	-	-	(14,710)	-
Interfund payable	(3,381)	-	2,759	(8,221)	75	(523)	(9,291)	-
Accrued wages payable	20,645	6,630	2,269	412	-	(258)	29,698	-
Accrued compensated absences	28,050	(5,136)	(1,272)	-	-	(43,780)	(22,138)	162,903
Due to other government units	5,314	(60)	103,521	-	-	3,693	112,468	-
Customer deposits	(2,150)	-	-	-	-	-	(2,150)	-
Net pension liability	(450,007)	(188,713)	(58,065)	(21,775)	-	(43,549)	(762,109)	-
Total other postemployment benefit liability	4,086	1,945	389	-	-	584	7,004	-
Deferred pension inflows	188,645	79,109	24,341	9,128	-	18,257	319,480	-
Deferred pension outflows	152,500	63,951	19,678	7,378	-	14,758	258,265	-
Deferred OPEB inflows	(5,683)	(2,706)	(541)	-	-	(812)	(9,742)	-
Deferred OPEB outflows	1,414	673	135	-	-	201	2,423	-
Deferred lease inflows	-	-	-	-	(77,356)	-	(77,356)	-
Net cash provided (used) by operating activities	<u>\$ 918,649</u>	<u>\$ 840,704</u>	<u>\$ 595,074</u>	<u>\$ 464,702</u>	<u>\$ 34,940</u>	<u>\$ (86,182)</u>	<u>\$ 2,767,887</u>	<u>\$ 290,012</u>
<b>Cash and cash equivalents are shown on the balance sheet under the following captions:</b>								
Cash and cash equivalents	\$ 1,649,006	\$ 949,377	\$ 323,350	\$ 354,840	\$ 117,401	\$ 273,822	\$ 3,667,796	\$ 394,621
Restricted assets:								
Cash in customer deposits	135,950	-	-	-	-	-	135,950	-
Total cash and cash equivalents - December 31	<u>\$ 1,784,956</u>	<u>\$ 949,377</u>	<u>\$ 323,350</u>	<u>\$ 354,840</u>	<u>\$ 117,401</u>	<u>\$ 273,822</u>	<u>\$ 3,803,746</u>	<u>\$ 394,621</u>

See Notes to the Financial Statements

**NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The basic financial statements of the City of East Grand Forks, Minnesota (the City) have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP) as applied to governmental units, as applied by the Governmental Accounting Standards Board (GASB). GASB is the accepted standard-setting body for establishing governmental accounting and financial reporting principles.

**A. Reporting entity**

The City of East Grand Forks was incorporated April 13, 1887 and is a home rule charter city under Minnesota Statutes with a Council-Mayor form of government. The seven-member council and mayor are elected on staggered, four-year terms in each even-numbered year. The council consists of two at-large members and five ward members.

In accordance with GASB Statement No. 61, *The Financial Reporting Entity Omnibus*, the financial statements present the City and its component units. The City includes all funds, organizations, institutions, agencies, departments, and offices that are not legally separate from it. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic statements because of the significance of their operational or financial relationships to the City.

The City is considered financially accountable for a component unit if it appoints a voting majority of the organization's governing body and the City is able to impose its will on the organization by significantly influencing the programs, projects, activities, or level of services performed or provided by the organization, or if there is a potential for the organization to provide specific financial benefits to or impose specific burdens on the City.

As a result of applying the component unit definition criteria above, one organization has been defined in accordance with GASB Statement No. 61 and is presented in this report as follows:

***Discretely Presented Component Unit***

Economic Development Authority (EDA). The EDA promotes economic development through the use of various city, state and federal programs. The entire governing board of the authority was appointed by the City Council. Although it is legally separate from the City, the EDA is reported as if it were part of the City because its sole purpose is to provide services for the City's businesses and residents.

The majority of operating funds for economic development programs is provided through tax increment financing and local government aid. Any bonded debt issued by the EDA would be general obligation debt.

Complete financial statements of the component unit may be obtained at the Office of Administration and Finance, City of East Grand Forks, 600 DeMers Avenue NW, East Grand Forks, MN 56721.

**B. Government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the primary government and its component unit. For the most part, the effect of inter-fund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from the legally separate component unit for which the primary government is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operation or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

**C. Measurement focus, basis of accounting, and financial statement presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenue to be available if they are collected within 60 days of the end

of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, including lease liabilities, as well as expenditures related to claims and judgments, are recorded when payment is due. Sick leave payable, except for the Electric and Water Funds, are recorded as liabilities in an Internal Service Fund.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current period is considered susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

Since governmental fund statements are presented using a measurement focus and basis of accounting different from that used in the government-wide statements' governmental column, a reconciliation is presented that briefly explains the adjustments necessary to reconcile ending net position and the change in net position.

In the fund financial statements, financial transactions and accounts of the City are organized on the basis of funds. The operation of each fund is considered to be an independent fiscal and separate accounting entity, with a self-balancing set of accounts recording cash and/or other financial resources together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations.

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

Major Governmental Funds – The major governmental funds reported by the City are as follows:

*General Fund.* The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

*Capital Projects Fund.* This capital projects fund accounts for construction of infrastructure projects financed by special assessments, state grants and city funds.

*Current City Projects Fund.* This capital projects fund is used to account for locally funded projects with multiple year construction periods.

*2017 Assessment Bonds Fund.* This fund is used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest, and related costs. Debt issued for and serviced by enterprise funds is not included in this fund.

Major Proprietary Funds – The City reports the following major proprietary funds:

*Electric Fund.* This enterprise fund accounts for the operations of the city-owned electric distribution system.

*Water Fund.* This enterprise fund accounts for the operations of the city-owned water treatment and distribution system.

*Sewage Fund.* This enterprise fund accounts for the operations of the city-owned sewage collection and treatment system.

*Storm Water Fund.* This enterprise fund accounts for the operations of the city-owned storm water system.

*Commercial Properties Fund.* This enterprise fund accounts for the operations of the city-owned commercial rental property.

Additionally, the City reports the following fund type:

*Internal Service Funds.* The operations of the Benefit Accrual Fund and the Central Equipment Fund are reported in internal service funds because they provide services to other departments of the City on a cost reimbursement basis.

As a general rule, the effect of inter-fund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments-in-lieu of (franchise) taxes, which are reported as taxes and tax equivalents, and other charges between the City's enterprise funds and various other functions of the City. Elimination of these charges would distort the direct costs and program revenues of the various functions concerned.

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

**D. Assets, deferred outflows, liabilities, deferred inflows and net position or equity**

1. Cash (including cash equivalents) and investments

Cash balances from all funds, except the Electric and Water Fund, are combined to the extent available for investments authorized by state statutes. Earnings from such investments are allocated to respective funds on the basis of applicable cash balance participation by each fund. Likewise, the Electric and Water Fund are combined for investment purposes.

Investments for the City, as well as for its component units, 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 in this pool is the same value as the pool shares.

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, and investments with original maturities of three months or less.

2. Fair Value Measurements

The City 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.

3. Receivables

Account (trade) receivables 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.

Interest receivable is recorded as revenue in the year the interest is earned and is available to pay liabilities of the current period.

Revenue is recorded when it is measurable and available.

4. Short-term inter-fund receivables/payables

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

5. Materials & supplies inventory

Materials and supplies are valued at average cost method. The consumption method is used to account for inventories. Inventory costs are recorded as expenditures when individual inventory items are consumed. Reported inventories are equally offset by a fund balance reserve which indicates that they do not constitute "available spendable resources" even though they are a component of net current assets. The net change in restricted fund balances is not presented because the combined statements of revenues, expenditures, and changes in fund balances reflects the changes in total fund balances rather than just the unrestricted fund balances.

6. Prepaid items

Payments made to vendors for services that will benefit periods beyond December 31, 2024, are recorded as prepaid items and are recorded as expenses/expenditures when consumed, rather than when purchased.

7. Restricted assets

The Water Fund maintains customer deposit accounts that are restricted assets. These deposits are applied against the customer's account when services to them are discontinued.

8. Capital assets (property, plant, and equipment)

Capital assets, including property, plant, and equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years.

Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Right-to-use lease assets are measured as discussed in number 12 below. Donated capital assets are recorded at estimated acquisition value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend asset lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as projects are constructed. Interest incurred during the construction phase of capital assets of business-type activities is included as part of the capitalized value of the assets constructed, net of interest earned on the invested debt proceeds over the same period.

Property, plant and equipment and right-to-use leases are capitalized when acquired, and depreciation/amortization is provided using the straight-line method applied over the following estimated useful lives of the assets:

Buildings, Structures & Improvements	10-50 Years
Infrastructure	20-50 Years
Machinery and Equipment	5-15 Years
Right of use - Lease Assets	5 Years

GASB Statement No. 34 requires the City to report and depreciate new infrastructure assets. Infrastructure assets include roads, bridges, underground pipes (other than related to utilities), traffic signals, etc. These infrastructure assets are likely to be the largest asset class of the City. Neither their historical cost nor related depreciation has historically been reported in the financial statements.

**9. Customer acquisition costs**

The Water and Light 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.

**10. Compensated absences**

The City compensates all employees upon termination for unused vacation pay and for unused sick pay up to a limit of 1,280 hours if hired before January 1, and 960 hours if hired after January 1, 2010. Vacation is accrued as an expenditure or expense as earned in all funds. Accumulated sick leave in the proprietary funds are recorded as expenses and liabilities in those funds as the benefits accrue to their employees. The State of Minnesota implemented a new Employee Sick and Safe time, which is covered.

Fund	Liability	Accumulated Hours	
		Sick	Vacation
Electric	\$ 433,405	7,083	2,081
Water	106,331	2,061	808
Sewage	50,286	959	329
Refuse	12,226	62	327

Additionally, the EDA has accrued a liability of \$14,504 for 811 accumulated sick and vacation leave hours. All other accrued sick leave expenses are charged to specific funds and departments, with the liability maintained in a Benefit Accrual Fund.

The Benefit Accrual Fund, an internal service fund, was added to pay for those benefits actually used by governmental fund employees or employees which split their time between proprietary and governmental funds. A liability for unpaid accumulated sick leave of \$933,597 is recorded in this fund, reflecting 26,708 accumulated sick leave hours. Sick leave hours exceeding the eligible reimbursement limit of 1,280 hours totaled 38. Internal service funds predominately serve the governmental funds. Accordingly, long-term liabilities for them are included as part of governmental activities. The general fund is generally used to liquidate compensated absences in the governmental activities.

The Entity accounts for compensated absences using a days-used approach. This approach consists of gathering the historical usage of compensated absences used to determine both a liability related to leave to be used as time off and leave to be settled in cash upon termination of employment. Salary-related employer payments are included in the calculation of the compensated absence liability

**11. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premium or discount.

In the governmental fund financial statements, governmental funds recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of the debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from actual debt proceeds received, are reported as debt service expenditures.

12. Leases

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

The City is a lessor of the City owned Infill Building. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

The City uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the noncancellable period of the lease. Lease receipts included

in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

13. Fund balance

In the fund financial statements, governmental funds report aggregate amounts for five classifications of fund balances based on the constraints imposed on the use of these resources.

Below are the classifications:

*Nonspendable* – consists of amounts that are not in spendable form, such as inventory and prepaid items.

*Restricted* – consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by law through constitutional provisions or enabling legislation.

*Committed* – The committed fund balance classification includes amounts that can be used only for the specific purposes determined by a formal action of the government's highest level of decision-making authority. The governing council is the highest level of decision-making authority for the government that can, by adoption of an ordinance prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the ordinance remains in place until a similar action is taken to remove or revise the limitation.

*Assigned* – consists of internally imposed constraints. These constraints reflect the specific purpose for which it is the City's intended use. These constraints are established by the City Council. Pursuant to Council resolution, the City's Clerk-Treasurer is authorized to establish assignments of fund balance.

*Unassigned* – is the residual classification for the general fund and also reflects negative residual amounts in other funds.

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

When committed, assigned or unassigned resources are available for use, it is the City's policy to use resources in the following order; 1) committed, 2) assigned and 3) unassigned.

14. Net Position

Net position represents the difference between (a) assets and deferred outflows of resources and (b) liabilities and deferred inflows of resources in the City's financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balances of any long-term debt 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 restricted component of net position.

15. Net Position Flow Assumption

Sometimes the government will fund outlays for particular purposes for both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted net position and unrestricted net position in the government-wide financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted net position to have been depleted before unrestricted net position is applied.

16. 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 assets that applies to a future period(s) and so will not be recognized as an outflow of resource (expense/expenditure) until then. The City has two items that qualify for reporting in this category named *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 plan 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 assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has two items which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, unavailable revenue – property taxes and special assessments, are reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has an item, leases, which is reported in both the governmental funds balance sheet and the statement of net position. The other item, *Cost Sharing Defined Benefit Pension Plan* and *Other Postemployment Benefits* represent actuarial

differences within the PERA pension plan and other postemployment benefits and are reported only on the statement of net position.

17. Comparative data

Comparative total data for the prior year has been presented in the accompanying financial statements in order to provide an understanding of changes in the government's financial position and operations. However, comparative data has not been presented in all statements because their inclusion would make certain statements unduly complex and difficult to understand.

18. Property taxes

Property tax levies are set by the City Council in October each year and are certified to the county for collection the following year. In Minnesota, counties act as collection agents for all property taxes.

The county spreads the levies over all taxable property in the City. Such taxes become receivables of the City as of January 1.

Property taxes are payable in equal installments by property owners to the county as follows: Personal Property - February 28 and June 30; and Real Property - May 15 and October 15.

The county remits the collections to the City and other taxing districts three times a year, in January, July and December.

Unpaid taxes at December 31 become liens on the respective property and are classified in the financial statements as delinquent taxes receivable. The receivable is fully offset by deferred revenue as it is not available to finance current expenditures.

Taxes payable on homestead property (as defined by Minnesota Statutes) are partially reduced by a homestead credit. This credit is paid to the City by the state in lieu of taxes levied against homestead property. The state remits this credit in December each year.

19. Special assessments receivables

Special assessments are levied against the benefited properties for the assessable costs of special assessment improvement projects in accordance with Minnesota Statutes. The City usually adopts the assessment rolls when the individual projects are complete or substantially complete. The assessments are collectible over a term of years generally consistent with the term of years of the related bond issue.

Collection of annual installments (including interest) is handled by the county in the same manner as property taxes. Property owners are allowed to prepay total future installments without interest or prepayment penalties.

Once a special assessment roll is adopted, the amount attributed to each parcel is a lien upon that property until full payment is made or the amount is determined to be excessive by the City Council or court action. If special assessments are allowed to go delinquent, the property is subject to tax forfeited sale and the first proceeds of that sale (after costs, penalties, and expenses of sale) are remitted to the City in payment of delinquent special assessments. Generally, the City will collect the full amount of its special assessments not adjusted by City Council or court action. Pursuant to state statutes, a property shall be subject to tax forfeit sale after three years of delinquency except for homestead, agricultural or seasonal recreational property, which is subject to sale after five years.

Special assessments receivable includes the following components:

Delinquent - amounts billed to property owners but not paid.

Deferred - assessment installments which will be billed to property owners in future years.

Unremitted special assessment amounts collected by Polk County are recorded in due from other government units.

20. Power cost

The 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.

21. 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.

22. Pensions

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

**NOTE 2. CHANGE IN ACCOUNTING PRINCIPLES**

The City implemented GASB Statement No. 101, *Compensated Absences* in the fiscal year ended December 31, 2024. GASB Statement No. 101 establishes uniform accounting and financial reporting requirements for compensated absences.

**NOTE 3. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. Budgetary Information**

Annual budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America. Annual appropriated budgets are legally adopted by Council resolution for the General and Special Revenue Funds with the exception of the Sales Tax Pool fund and the Economic and Community Development Fund, which adopts project length budgets. The City did not adopt a budget for the Sales Tax Pool, ARPA, Park Facilities and Seized Property funds in 2024.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue Funds. Formal budgetary integration is not employed for the Debt Service Fund because effective budgetary control is alternately achieved through general obligation bond indenture provisions. Budgetary control for Capital Project Funds is based on a project completion time cycle rather than an annual basis; therefore, budgetary comparisons on an annual basis would not present meaningful information.

The City follows these legal compliance procedures in establishing the budgetary data reflected in the financial statements:

1. The city administrator submits a proposed operating budget to the City Council prior to the end of the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and means of financing them.
2. Public hearings are conducted to obtain taxpayer comments.
3. Prior to December 30, the budget is legally enacted through the passage of a budget resolution.
4. Management may not legally exceed budgeted expenditures at the department level. Monitoring of budgets is maintained at the sub-department level (i.e., police administration, police investigations, police patrols, etc.) and the category level (i.e., personal services; supplies; other services and charges; capital outlay) within each department. Management can alter the budget at the category or activity level within their department but cannot exceed the total budgeted expenditures for the department that was approved by the City Council. Management cannot amend the budget at the department level. During the year, no formal supplementary appropriations were made. However, the City Council approves all payments of vouchers and payroll at its regular meetings held twice a month, even though budgets may have been exceeded.

5. All budgeted appropriations lapse at the end of the fiscal year. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is at the department level.

**B. Excess of Expenditures over Appropriations**

For the year ended December 31, 2024, expenditures were over appropriations in the Transit Fund and Greenway Maintenance funds by \$4,923 and \$3,038, respectively.

**C. Deficit Fund Equity**

At December 31, 2024, there are three governmental funds with a deficit fund balance; the \$331,724 deficit fund balance in the Current City Projects fund, the \$36,074 deficit fund balance in the Transit fund, and the \$28,896 deficit fund balance in the ARPA fund. In addition, the Benefit Accrual internal service fund has a deficit of \$148,582. These will be eliminated with future revenues and transfers from governmental and enterprise funds.

**NOTE 4. CASH, CASH EQUIVALENTS, AND INVESTMENTS**

Cash, cash equivalents, and investments at December 31, 2024 are classified in the accompanying financial statements as follows:

	<u>Primary Government</u>	<u>Component Unit</u>
Statement of net position:		
Cash and cash equivalents	\$ 7,869,546	\$ 959,404
Investments	31,072,593	3,683,532
Restricted cash and cash equivalents	135,950	-
Total cash and investments	<u>\$ 39,078,089</u>	<u>\$ 4,642,936</u>

Cash and investments at December 31, 2024 consist of the following:

	<u>Primary Government</u>	<u>Component Unit</u>
Cash:		
Cash on hand	\$ 1,150	\$ -
Deposit with financial institutions	6,300,992	959,404
Cash equivalents:		
Money Market Funds (4M Fund)	1,703,354	-
Investments:		
Various	31,072,593	3,683,532
Total cash, cash equivalents, and investments	<u>\$ 39,078,089</u>	<u>\$ 4,642,936</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 2a-7. 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 trustee that are governed by provisions of debt agreements and similarly restricted by state statute.

<u>Authorized Investment Type</u>	<u>Maximum Maturity</u>	<u>Maximum Percentage of Portfolio</u>	<u>Investment in One Issuer</u>
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 deposit	None	None	\$250,000
Non-negotiable certificates of deposit	None	None	None
MN state or municipal obligations	None	None	None
Repurchase agreements	None	None	None

**Disclosures Relating to Credit Risk**

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. As of December 31, 2024, the City's investments in U.S. Agencies are rated AAA by Standard & Poor's and AAA by Moody's Investors Service. The City's investments in negotiable certificates of deposit are below the F.D.I.C. \$250,000 insurance limit per institution. Non-negotiable certificates of deposits exceeding \$250,000 per institution must be collateralized by the limits defined in the custodial credit risk section of this footnote. The City's investment in the 4M – Local Government Investment Pool is a common law trust organized and existing under the laws of the State of Minnesota, in accordance with the provisions of the Minnesota Joint Powers Act. This requires it meets all of the requirements of Rule 2a-7 of the Securities and Exchange Commission. The general objective of the Fund is to provide a high yield for the participants while maintaining liquidity and preserving

capital investing only in instruments authorized by Minnesota Statutes, which govern the temporary investment of municipality monies. In addition, the fixed rate/fixed term portion of the program is also structured with safety of principal as the major objective. Subject to the power of the participants to amend the Declaration of Trust, the Board of Directors of the League of Minnesota Cities serves as the Board of Trustees of the Trust. The City has recently adopted an investment policy.

**Disclosures Relating to Interest Rate Risk**

Interest rate risk is the risk that changes in market interest rate will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value is to changes in market interest rates. One way the City manages its exposure to interest rate risk is by purchasing a combination of shorter term and longer term investments.

The City also manages this risk by timing cash flows from maturities so that a portion of the portfolio is maturing or coming close to maturity evenly over time as necessary to provide cash flow and liquidity for operations. Further, the City purchases some securities that have interest rates that step-up over time. The City monitors the interest rate risk inherent in its portfolio by measuring the weighted average maturity of its portfolio. The City has no specific limitations with respect to this metric.

Investment Type	Fair Value	Weighted Average Maturity (in years)	Fair Value Level
Federal Farm Credit Bank	\$ 959,039	2.0	1
Federal Home Loan Bank	2,243,332	3.4	1
Farmer Mac	299,754	4.98	1
Non-negotiable certificates of deposit	31,254,000	2.6	N/A
Total Investments	<u>\$ 34,756,125</u>		

There are five Federal Farm Credit Bank investments, the last one matures on August 19, 2027 and has credit ratings of AAA and AA+ from the Moody's and S&P rating agencies, respectively.

**Concentration of Credit Risk**

State statutes contain no limitations on the amount that can be invested in any one issuer.

**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. The

custodial credit risk for investments is the risk that, in the event of failure of the counterparty (e.g., broker-dealer) to a transaction, a government will not be able to cover the value of its investment or collateral securities that are in possession of another 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 City 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. The City has no formal policy relating to custodial credit risk. The City was not exposed to custodial credit risk as of December 31, 2024.

**NOTE 5. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS**

At December 31, 2024, there are interfund balances that are generally short-term loans used to cover temporary cash deficits in various funds. The interfund transfers generally are made for the purposes of debt service payments made from a debt service fund but funded from an operating fund or subsidy transfers. There were no significant transfers during the fiscal year that were either non-routine in nature or inconsistent with the activities of the fund making the transfer.

**Transfers.** The following interfund transfers are reflected in the fund financial statements at December 31, 2024:

Transfer In	Transfer Out	Amount
General Fund	Nonmajor Governmental Fund	\$ 76,787 (1)
Nonmajor Governmental Fund	Electric Fund	350,000 (1)
Current City Projects Fund	General Fund	122,887 (1)
Current City Projects Fund	Storm Water Fund	131,319 (1)
Current City Projects Fund	Nonmajor Governmental Fund	1,134,888 (1)
2017 Assessment Bonds Fund	General Fund	90,000 (1)
Nonmajor Governmental Fund	General Fund	125,464 (1)
Nonmajor Governmental Fund	Current Capital Project	57,222 (1)
Internal Service Fund	General Fund	75,000 (2)
Current City Projects Fund	General Fund	50,000 (3)
		<u>\$ 2,213,567</u>

1. Transfer share of debt service payments, capital and project expenses, and wages.
2. Transfer to replenish benefit accrual fund
3. Matching fund transfer

**Notes to the Financial Statements**  
**December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

**Due From Other Funds.** The following due from other funds are reflected on the financial statements at December 31, 2024:

<u>Receivable Fund</u>	<u>Payable Fund</u>	<u>Amount</u>
General Fund	Current City Projects Fund	\$ 147,374 (1)
Electric Fund	General Fund	89,776 (2)
General Fund	Nonmajor Governmental Funds	142,523 (1)
Electric Fund	Nonmajor Governmental Funds	131 (2)
Electric Fund	Water Fund	10,962 (2)
Water Fund	Electric Fund	329,368 (2)
General Fund	Electric Fund	298,375 (2)
General Fund	Water Fund	37,381 (2)
Nonmajor Governmental Funds	Electric Fund	20,823 (2)
Refuse Fund	Electric Fund	144,694 (2)
Sewage Fund	Electric Fund	278,800 (2)
Storm Water Fund	Electric Fund	95,651 (2)
Central Equipment	Storm Water Fund	30,597 (3)
Central Equipment	Refuse Fund	467,094 (3)
Electric Fund	Commercial Properties	1,000 (2)
Electric Fund	Sewage Fund	6,266 (2)
Electric Fund	Storm Water Fund	10,440 (2)
Electric Fund	Refuse Fund	74 (2)
		<u>\$ 2,111,329</u>

1. The purpose of this Interfund receivable is to maintain a positive cash balance at year end.
2. The purpose of this Interfund receivable is to cover year end utility billings between funds.
3. Purpose is purchase of equipment for finance the equipment.

**NOTE 6. CAPITAL ASSETS**

Capital asset activities for the year ended December 31, 2024, were as follows:

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 31,203,471	\$ -	\$ -	\$ 31,203,471
Construction in progress	2,706,334	4,006,847	(2,414,667)	4,298,514
Total	<u>33,909,805</u>	<u>4,006,847</u>	<u>(2,414,667)</u>	<u>35,501,985</u>
Depreciable capital assets:				
Buildings, structures, and improvements	85,645,317	189,610	-	85,834,927
Machinery and equipment	11,413,040	987,939	(307,873)	12,093,106
Infrastructure	58,081,732	2,608,818	(29,000)	60,661,550
Lease assets - equipment	51,094	-	-	51,094
SBITA assets	-	93,495	-	93,495
Total	<u>155,191,183</u>	<u>3,879,862</u>	<u>(336,873)</u>	<u>158,734,172</u>
Total capital assets	<u>189,100,988</u>	<u>7,886,709</u>	<u>(2,751,540)</u>	<u>194,236,157</u>
Less accumulated depreciation and amortization for:				
Buildings, structures and improvements	(34,076,017)	(1,780,662)	-	(35,856,679)
Machinery and equipment	(6,900,787)	(788,614)	299,958	(7,389,443)
Infrastructure	(31,372,832)	(1,703,083)	29,000	(33,046,915)
Lease asset - equipment	(24,216)	(13,399)	-	(37,615)
SBITA assets	-	(18,699)	-	(18,699)
Total accumulated depreciation/amortization	<u>(72,373,852)</u>	<u>(4,304,457)</u>	<u>328,958</u>	<u>(76,349,351)</u>
Total capital assets, being amortized/depreciated, net	<u>82,817,331</u>	<u>(424,595)</u>	<u>(7,915)</u>	<u>82,384,821</u>
Governmental activities capital assets, net	<u>\$ 116,727,136</u>	<u>\$ 3,582,252</u>	<u>\$ (2,422,582)</u>	<u>\$ 117,886,806</u>
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Business-type activities:				
Nondepreciable capital assets				
Land	\$ 630,302	\$ -	\$ -	\$ 630,302
Construction in progress	689,185	398,806	(556,337)	531,654
Total	<u>1,319,487</u>	<u>398,806</u>	<u>(556,337)</u>	<u>1,161,956</u>
Depreciable capital assets:				
Buildings, structures, and improvements	112,857,637	1,584,662	-	114,442,299
Machinery and equipment	7,074,581	556,184	(19,988)	7,610,777
Total	<u>119,932,218</u>	<u>2,140,846</u>	<u>(19,988)</u>	<u>122,053,076</u>
Total capital assets	<u>121,251,705</u>	<u>2,539,652</u>	<u>(576,325)</u>	<u>123,215,032</u>
Less accumulated depreciation for:				
Buildings, structures, and improvements	(56,948,582)	(2,943,873)	-	(59,892,455)
Machinery and equipment	(5,934,648)	(270,826)	19,988	(6,185,486)
Total accumulated depreciation	<u>(62,883,230)</u>	<u>(3,214,699)</u>	<u>19,988</u>	<u>(66,077,941)</u>
Total business-type activities capital assets, net	<u>\$ 58,368,475</u>	<u>\$ (675,047)</u>	<u>\$ (556,337)</u>	<u>\$ 57,137,091</u>

Depreciation/amortization was charged to function/programs of the City as follows:

Governmental Activities:	
General Government	\$ 232,004
Public Safety	442,995
Public Works	2,714,487
Culture and Recreation	724,110
Transit	170,671
Cemetery	20,190
Total Depreciation and Amortization Expenses - Governmental Activities	<u>\$ 4,304,457</u>
Business-Type Activities:	
Electric Fund	\$ 1,059,595
Water Fund	872,860
Sewer Fund	827,223
Storm Water Fund	373,064
Commerical Properties Fund	35,290
Refuse Fund	46,667
Total Depreciation Expenses - Business-Type Activities	<u>\$ 3,214,699</u>

Governmental Activities depreciation expense includes Internal Service fund depreciation of \$396,498.

**Discretely presented component unit**

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 50,300	\$ -	\$ -	\$ 50,300
Total	<u>50,300</u>	<u>-</u>	<u>-</u>	<u>50,300</u>
Depreciable capital assets:				
Buildings, structures, and improvements	5,745,503	-	-	5,745,503
Machinery and equipment	174,258	-	(9,749)	164,509
Lease assets - equipment	9,270	-	-	9,270
Total	<u>5,929,031</u>	<u>-</u>	<u>(9,749)</u>	<u>5,919,282</u>
Total capital assets	<u>5,979,331</u>	<u>-</u>	<u>(9,749)</u>	<u>5,969,582</u>
Less accumulated depreciation, amortization for:				
Buildings, structures and improvements	(3,034,725)	(149,213)	-	(3,183,938)
Machinery and equipment	(153,800)	(3,571)	9,749	(147,622)
Lease asset - equipment	(1,236)	(1,854)	-	(3,090)
Total accumulated depreciation	<u>(3,189,761)</u>	<u>(154,638)</u>	<u>9,749</u>	<u>(3,334,650)</u>
Total governmental activities capital assets, net	<u>\$ 2,789,570</u>	<u>\$ (154,638)</u>	<u>\$ -</u>	<u>\$ 2,634,932</u>

**NOTE 7. LEASES**

The City has entered into lease agreements with various tenants in the City owned Infill Building. Tenant payments are based on square foot annually. Lease terms are from one to six years. The following is the total lease-related revenue for the year ended December 31, 2024:

<b>Lease-related Revenue</b>	
Lease Revenue	
Office Space	\$ 23,979
Equipment	1,010
Building	166,117
Land	<u>20,341</u>
Total Lease Revenue	211,447
Interest Revenue	14,617
Variable & Other Revenue	-
<b>Total</b>	<u>\$ 226,064</u>

The following is a schedule by years of future minimum rental receipts required under the leases:

<b>Maturity Analysis</b>	Principal	Interest	Total Receipts
2025	\$ 121,188	\$ 10,951	\$ 132,139
2026	66,092	7,508	73,600
2027	9,480	6,470	15,950
2028	15,276	6,164	21,440
2029	11,669	5,601	17,270
2030-2034	68,597	22,044	90,641
2035-2039	59,057	10,352	69,409
2040-2044	14,464	5,036	19,500
2045-2049	11,604	1,147	12,751
Total Future Receipts	<u>\$ 377,427</u>	<u>\$ 75,273</u>	<u>\$ 452,700</u>

**NOTE 8. LONG-TERM LIABILITIES.**

**GENERAL OBLIGATION BONDS.** The government issues general obligation bonds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds have been issued for both governmental and business-type activities. In addition, general obligation bonds have been issued to refund general obligation bonds.

General obligation bonds are direct obligations and pledge the full faith and credit of the government. These bonds generally are issued as 7 or 15-year serial bonds, except for refunding issues. General obligation bonds currently outstanding are as follows:

**Notes to the Financial Statements  
December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

**Governmental activities**

General Obligation Improvement Bonds:	Final Maturity	Interest Rates	Issue Amount	Outstanding 12/31/24
12/01/12	02/01/34	2.0%-2.75%	\$ 660,000	\$ 365,000
12/01/15	02/01/31	2.0%-4.0%	870,000	150,000
12/1/15 Refunding	02/01/25	2.0%-4.0%	2,095,000	190,000
12/1/15 Refunding	02/01/27	2.0%-4.0%	760,000	140,000
2017A Improvement and Refunding	02/01/28	2.3%-3.0%	3,950,000	850,000
				<u>1,695,000</u>
MN PFA-Transportation	08/20/38	3.645%	3,466,577	2,159,000
Total governmental activities				<u>\$ 3,854,000</u>

**Business-type activities**

Revenue bonds:	Final Maturity	Interest Rates	Issue Amount	Outstanding 12/31/24
MN PFA - Clean Water	08/20/28	2.687%	\$ 4,012,598	\$ 1,005,000
MN PFA - Clean Water	08/20/36	1.039%	6,721,426	4,273,000
Total business-type activities				<u>\$ 5,278,000</u>

Special assessment bonds are backed by the full faith and credit of the City. Currently all governmental activities general obligation bonds are supported by special assessments.

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending December 31	Governmental Activities		Business-type Activities	
	Principal	Interest	Principal	Interest
2025	\$ 816,000	\$ 113,826	\$ 577,000	\$ 71,400
2026	405,000	96,321	588,000	61,434
2027	400,000	85,002	598,000	51,238
2028	290,000	74,213	608,000	40,822
2029	194,000	67,576	351,000	30,203
2030-2034	1,018,000	235,279	1,807,000	95,610
2035-2038	731,000	67,833	749,000	11,690
Total	<u>\$ 3,854,000</u>	<u>\$ 740,050</u>	<u>\$ 5,278,000</u>	<u>\$ 362,397</u>

The City leases various office equipment. The maturity dates of the leases range from 2025 to 2028.

Annual debt service requirements to maturity for leases are as follows:

Maturity Analysis	Primary Government Principal	DPCU Principal	Primary Government Interest	DPCU Interest	Total Payments
	2025	\$ 11,295	\$ 1,829	\$ 251	\$ 165
2026	2,701	1,887	34	109	4,731
2027	-	1,942	1	51	1,994
2028	-	660	-	4	664
Total Future Payments	<u>\$ 13,996</u>	<u>\$ 6,318</u>	<u>\$ 286</u>	<u>\$ 329</u>	<u>\$ 20,929</u>

Annual debt service requirements to maturity for SBITA's are as follows:

Maturity Analysis	Principal	Interest	Total Payments
2025	\$ 16,228	\$ 2,758	\$ 18,986
2026	16,878	2,108	18,986
2027	17,553	1,433	18,986
2028	18,256	730	18,986
Total Future Payments	<u>\$ 68,915</u>	<u>\$ 7,029</u>	<u>\$ 75,944</u>

The following is a summary of changes in long-term liabilities reported in the government-wide financial statements for the year ended December 31, 2024:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
<b>Governmental Activities:</b>					
Bonds payable:					
General obligation	\$ 2,465,000	\$ -	\$ (770,000)	\$ 1,695,000	\$ 695,000
Unamortized premium	178,411	-	(28,225)	150,186	-
Total	<u>2,643,411</u>	<u>-</u>	<u>(798,225)</u>	<u>1,845,186</u>	<u>695,000</u>
G.O. Transportation Improvement Bonds	2,276,000	-	(117,000)	2,159,000	121,000
Leases	27,525	-	(13,529)	13,996	11,295
SBITAs	-	93,495	(24,580)	68,915	16,228
Compensated absences	770,694	162,904 *	-	933,598	247,261
Governmental Activities Total:	<u>5,717,630</u>	<u>256,399</u>	<u>(953,334)</u>	<u>5,020,695</u>	<u>1,090,784</u>
<b>Business-type activities:</b>					
Bonds payable:					
G.O. Clean Water Improvement Bonds	1,240,000	-	(235,000)	1,005,000	241,000
G.O. Wastewater Improvement Bonds	4,606,000	-	(333,000)	4,273,000	336,000
Compensated absences	624,386	-	(22,138) *	602,248	284,064
Business-type activities total	<u>6,470,386</u>	<u>-</u>	<u>(590,138)</u>	<u>5,880,248</u>	<u>861,064</u>
Government-wide Total	<u>\$ 12,188,016</u>	<u>\$ 256,399</u>	<u>\$ (1,543,472)</u>	<u>\$ 10,900,943</u>	<u>\$ 1,951,848</u>

\*The change in compensated absences is shown as a net change.

**Discretely presented component unit – Economic Development and Housing Authority (EDA)**

CHANGES IN LONG-TERM LIABILITIES. Long-term liability activity for the year ended December 31, 2024, was as follows:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Component Unit activities:					
Leases	\$ 8,093	\$ -	\$ (1,775)	\$ 6,318	\$ 1,829
Compensated absences	22,716	-	(8,212) *	14,504	3,941
Component Unit activities total	\$ 30,809	\$ -	\$ (9,987)	\$ 20,822	\$ 5,770

\*The change in compensated absences is shown as a net change.

**NOTE 9. RISK MANAGEMENT AND LITIGATION**

The City 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 City 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 City as of December 31, 2024 will not materially affect the financial condition of the City.

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

An analysis of claims activities for the last three fiscal periods ended December 31 is presented below:

	2022	2023	2024
Paid Losses	\$ 58,593	\$ 119,903	\$ 19,601
Paid Expenses	49,126	-	-
Reserve Losses	50,000	2,328	-
Reserve Expenses	51,143	-	-
Total Incurred	208,862	122,231	19,601
Deductible Recovery	(8,000)	-	(5,000)

The City's commercial insurance carrier has no set reserve losses or reserve expenses for claims filed after December 31, 2024, 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 10. CLAIMS AND CONTINGENCIES**

**Grant Awards**

The City participates in a number of federal and state programs that are fully or partially funded by grants received from other governmental units. Expenditures financed by grants are subject to audit by the appropriate grantor government. If expenditures are disallowed due to noncompliance with grant program regulations, the City may be required to reimburse the grantor government.

As of December 31, 2024, significant amounts of grant expenditures have not been audited, but the City believes that disallowed expenditures discovered in subsequent audits, if any, will not have a material effect on any of the individual funds or the overall financial position of the City.

Additionally, unearned revenues are recognized in those funds that have received grant monies in advance of future, reimbursable expenditures.

**NOTE 11. DEFINED BENEFIT PENSION PLANS**

**PUBLIC EMPLOYEES' RETIREMENT ASSOCIATION- STATE-WIDE PLAN**

**A. Plan Description**

The City participates in the following cost-sharing multi-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes chapters 353, 353D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are established and administered in accordance with *Minnesota*

*Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Plan (General Plan)

Membership in the General Plan includes employees of counties, cities, townships, schools in non-certified positions, and other governmental entities whose revenues are derived from taxation, fees, or assessments. Plan membership is required for any employee who is expected to earn more than \$425 in a month, unless the employee meets exclusion criteria.

2. Public Employees Police & Fire Plan (Police and Fire Plan)

Membership in the Police & Fire Plan includes full-time, licensed police officers and firefighters who meet the membership criteria defined in Minnesota Statutes section 353.64 and who are not earning service credit in any other PERA retirement plan or a local relief association for the same service. Employers can provide Police & Fire Plan coverage for part-time positions and certain other public safety positions by submitting a resolution adopted by the entity's governing body. The resolution must state that the position meets plan requirements.

**B. Benefits Provided**

PERA provides retirement, disability, and death benefits. Benefit provisions are established by state statute and can only be modified by the state Legislature. Vested, terminated employees who are entitled to benefits, but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service. When a member is "vested," they have earned enough service credit to receive a lifetime monthly benefit after leaving public service and reaching an eligible retirement age. Members who retire at or over their Social Security full retirement age with at least one year of service qualify for a retirement benefit.

1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. 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 General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by .25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of .25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before

July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. The 2024 annual increase was 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase.

2. Police and Fire Plan Benefits

Benefits for the Police and Fire Plan members hired before July 1, 2010, are vested after three years of service. Members hired on or after July 1, 2010, are 50 percent vested after five years of service and 100 percent vested after ten years. After five years, vesting increase by 10 percent each full year of service until members are 100 percent vested after ten years. Police and Fire Plan members receive 3 percent of highest average salary for all years of service. Police and Fire Plan members receive a full retirement benefit when they are age 55 and vested, or when their age plus their years of service equals 90 or greater if they were first hired before July 1, 1989. Early retirement starts at age 50, and early retirement benefits are reduced by 0.417 percent each month members are younger than age 55.

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least 25 months but less than 36 months as of June 30 before the effective date of the increase will receive a reduced prorated increase.

**C. Contributions**

*Minnesota Statutes* Chapter 353, 353E, 353G, and 356 set the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

General Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2024 and the City was required to contribute 7.50% for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024 were \$409,544. The City's contributions were equal to the required contributions for each year as set by state statute.

2. Police and Fire Fund Contributions

Police and Fire members were required to contribute 11.8% of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.7% for Police and

Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024, were \$518,903. The City's contributions were equal to the required contributions as set by state statute.

**D. Pension Costs**

**1. General Employees Fund Pension Costs**

At December 31, 2024, the City reported a liability of \$2,306,112 for its proportionate share of the General Employees Fund's net pension liability. The City's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$59,631.

	Primary Government	Component Unit
City's proportionate share of the net pension liability	\$ 2,213,868	\$ 92,244
State of Minnesota's proportionate share of the net pension liability associated with the City	57,246	2,385
<b>Total</b>	<b>\$ 2,271,114</b>	<b>\$ 94,629</b>

The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0624% at the end of the measurement period and 0.0672% for the beginning of the period.

For the year ended December 31, 2024, the City recognized pension expense of \$129,158 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$(1,145) 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.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$10,240 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the General Employees Fund.

At December 31, 2024, the City 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	
	Primary Government	Component Unit	Primary Government	Component Unit
Differences between expected and actual economic experience	\$ 213,514	\$ 8,895	\$ -	\$ -
Difference between projected and actual investment earnings	-	-	633,006	26,375
Changes in actuarial assumptions	11,627	484	885,279	36,883
Changes in proportion	13,575	566	217,152	9,048
Contributions paid to PERA subsequent to the measurement date	196,581	8,191	-	-
<b>Total</b>	<b>\$ 435,297</b>	<b>\$ 18,136</b>	<b>\$ 1,735,437</b>	<b>\$ 72,306</b>

The \$204,772 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense Amount	
	Primary Government	Component Unit
2025	\$ (791,604)	\$ (32,984)
2026	(186,066)	(7,753)
2027	(349,311)	(14,555)
2028	(169,740)	(7,069)

**2. Police and Fire Fund Pension Costs**

At December 31, 2024, the City reported a liability of \$2,691,213 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023 through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2064% at the end of the measurement period and 0.2081% for the beginning of the period.

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each

year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$102,588.

City's proportionate share of the net pension liability	\$ 2,691,213
State of Minnesota's proportionate share of the net pension liability associated with the City	<u>102,588</u>
<b>Total</b>	<b><u>\$ 2,793,801</u></b>

For the year ended December 31, 2024, the City recognized pension expense of \$459,221 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$9,962 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City also recognized \$18,410 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

At December 31, 2024, the City reported its proportionate share of Police and Fire 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	\$ 1,078,042	\$ -
Difference between projected and actual investment earnings	-	890,471
Changes in actuarial assumptions	3,173,640	4,032,187
Changes in proportion	-	237,630
Contributions paid to PERA subsequent to the measurement date	<u>259,451</u>	<u>-</u>
<b>Total</b>	<b><u>\$ 4,511,133</u></b>	<b><u>\$ 5,160,288</u></b>

The \$259,451 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a

reduction of the net pension liability in the year ending December 31, 2024. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense Amount
2025	\$ (189,535)
2026	749,831
2027	(427,488)
2028	(1,093,189)
2029	51,775

**E. Long-Term Expected Return on Investment**

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	35.50%	5.10%
Private Markets	25.00%	5.90%
Fixed Income	25.00%	0.75%
International Equity	16.50%	5.30%

**F. Actuarial Methods and Assumptions**

The total pension liability for each of the cost-sharing defined benefit plans was determined by an actuarial valuation as of June 30, 2024, using the entry age normal actuarial cost method. The long-term rate of return on pension plan investments used to determine the total liability is 7%. The 7% assumption is based on a review of inflation and investment return assumptions from a number of national investment consulting firms. The review provided a range of investment return rates considered reasonable by the actuary. An investment return of 7% is within that range.

- Inflation is assumed to be 2.25% for the General Employees Plan and Police and Fire Plan.
- Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan and 1% for the Police and Fire Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service. In the Police and Fire Plan, salary growth assumptions range from 11.75% after one year of service to 3.0% after 24 years of service.

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The General Employees Plan was last reviewed in 2022. The assumption changes were adopted by the board and became effective with the July 1, 2023 actuarial valuation. The Police & Fire Plan was reviewed in 2024. PERA anticipates the experience study will be approved by the Legislative Commission on Pensions and Retirement and become effective with the July 1, 2025 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2024:

**General Employees Fund**

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**Police and Fire Fund**

Changes in Actuarial Assumptions:

- None.

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of

assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.

- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**G. Discount Rate**

The discount rate used to measure the total pension liability in 2024 was 7.0%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

**H. Pension Liability Sensitivity**

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

	1% Decrease (6.0%)	Current (7.0%)	1% Increase (8.0%)
Primary Government	\$ 4,835,443	\$ 2,213,868	\$ 57,383
Component Unit	201,477	92,244	2,391
<b>Total General Employees Fund</b>	<b>\$ 5,036,920</b>	<b>\$ 2,306,112</b>	<b>\$ 59,774</b>
	1% Decrease (6.0%)	Current (7.0%)	1% Increase (8.0%)
Police and Fire Fund	\$ 6,359,863	\$ 2,691,213	\$ (321,516)

**I. Pension Plan Fiduciary Net Position**

Detailed information about each pension plan's fiduciary net position is available in a separately issued PERA financial report. That report may be obtained on the Internet at [www.mnpera.org](http://www.mnpera.org).

**NOTE 12. DEFINED CONTRIBUTION PLAN - STATEWIDE**

Six City Council members and the mayor are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The defined contribution plan is a tax qualified plan under section 401(a) of the Internal Revenue

Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. *Minnesota Statutes*, Chapter 353D and 356, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2% of employer contributions and twenty-five hundredths of one percent (0.25%) of the assets in each member's account annually.

Total contributions made by the City during the fiscal year 2024 were:

Amount		Percentage of Covered Payroll		Required Rates
Employees	Employer	Employees	Employer	
\$ 1,380	\$ 1,380	5.00%	5.00%	5.00%

**NOTE 13. EAST GRAND FORKS FIRE DEPARTMENT PENSION PLAN**

**Plan Description**

The East Grand Forks Fire Department Pension Plan is the administrator of a single employer lump-sum defined benefit pension plan available to firefighters, retired and active, of the City of East Grand Forks. The plan operates under the provisions of Minn. Stat. §§ 69.051 and 69.80. The assets of the fund are dedicated to providing pension benefits to the plan members.

**Plan Membership**

At January 1, 2024, the membership of the Department consisted of:

Active Members	29
Vested Terminated and Transfer Members	<u>5</u>
Total Members	34

**Benefit Provisions**

Twenty Year Service Pension

Each member who is at least 50 years of age; has retired from the East Grand Forks Fire Department, has served at least twenty (20) years of active service with such department before retirement; shall be entitled to a lump sum service pension in the amount of \$4,500 for each completed full year of service (including each year over 20) but not exceeding the maximum amount per year of service allowed by law for the minimum average amount of available financing per firefighter as prescribed by law.

Disability Benefits

If a member of this Association shall become totally and permanently disabled to the extent that a physician or surgeon acceptable to the board of trustees shall certify that such disability will permanently prevent said member from performing their duties in the East Grand Forks Fire Department, the Department shall pay to such member the sum of \$4,500 for each year that they have served as an active member of said fire department. If a member who has received such disability pension should subsequently recover and return to active duty in the East Grand Forks Fire Department, any amount paid to them as a disability pension shall be deducted from their retirement pension.

Death Benefits

Upon the death of any member of the Department who is in good standing at the time of their death, the Department shall pay to the surviving spouse, if any, and if no surviving spouse, to surviving child or children, if any, and if no child or children survive, to the estate of such deceased member the sum of \$4,500 for each year that they served as an active member of the East Grand Forks Fire Department.

**Pension Costs**

At December 31, 2024, the City reported a net pension asset of \$552,408 for the plan. The net pension asset was measured as of December 31, 2023. The total pension liability used to calculate the net pension asset in accordance with GASB 68 was determined by applying an actuarial formula to specific census data certified by the fire department as of December 31, 2023. The following table presents the changes in net pension liability (asset) during the year.

**Changes in Net Pension Liability**

	Increase (Decrease)		
	Total Pension Liability	Plan Fiduciary Net Position	Net Pension Liability
	(a)	(b)	(c) = (a) - (b)
Balance at previous Measurement Date 12/31/23	\$ 1,043,387	\$ 1,306,713	\$ (263,326)
Changes for the year:			
Service cost	51,123	-	51,123
Interest	54,310	-	54,310
Assumption Changes	(59,818)	-	(59,818)
Nonemployer contributions	-	88,992	(88,992)
Projected investment return	-	66,949	(66,949)
Gain or Loss	(5,328)	181,290	(186,618)
Benefit payments	(16,614)	(16,614)	-
Administrative expense	-	(7,862)	7,862
Net changes	<u>23,673</u>	<u>312,755</u>	<u>(289,082)</u>
Balance at current Measurement Date 12/31/24	\$ <u>1,067,060</u>	\$ <u>1,619,468</u>	\$ <u>(552,408)</u>

For the year ended December 31, 2024, the City recognized pension expense of \$(107,314).

At December 31, 2024, the City reported deferred outflows and inflows of resources related to pension from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between expected and actual liability	\$ -	\$ 40,534
Changes in assumptions	-	55,216
Net difference between projected and actual investment earnings	-	14,746
Total	<u>\$ -</u>	<u>\$ 110,496</u>

Amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

31-Dec	Amount
2025	\$ (31,070)
2026	(2,332)
2027	28,214
2028	(45,158)
2029	(8,900)
Thereafter	(51,250)

**Actuarial Assumptions**

The total pension liability was determined by an actuarial valuation as of January 1, 2024, based on the measurement date of December 31, 2023, and using the following actuarial assumptions.

- Investment rate of return is 6.5%;
- Inflation rate is 2.5%;
- Entry age normal in accordance with the requirements of GASB 67;

**Long-Term Expected Rate of Return**

The best-estimate range for the long-term expected rate of return is determined by adding expected inflation to expected long-term real returns and reflecting expected volatility and correlation. The capital market assumptions are per the actuary's investment consulting practice as of December 31, 2024.

Asset Class	Portfolio Weight	Expected Class Return
Cash	5.00%	3.00%
Fixed Income	35.00%	4.50%
Equities	60.00%	8.00%

**Discount Rate**

The discount rate used to measure the total pension liability was 6.5%. The projection of cash flows used to determine the discount rate assumed that City contributions will be made at the actual statutory contribution rate. Based on those assumptions, the Association's net position was projected to be available to make all projected future benefit payments of the 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.

**Sensitivity Analysis**

The following presents the net pension liability calculated using the discount rate of 6.5%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (5.5%) or one-percentage-point higher (7.5%) than the current rate:

1% Decrease (5.5%)	Current (6.5%)	1% Increase (7.5%)
\$ (513,041)	\$ (552,408)	\$ (589,626)

**NOTE 14. CONCENTRATION OF SALES AND REVENUES**

American Crystal Sugar Company is the largest customer of the Water and Electric Fund. The company's power purchases account for approximately 49% of the Electric Fund's operating revenue; the company's water purchases account for approximately 26% of the Water Fund's operating revenue. The City collected \$708,184 in franchise fees from the Electric Fund for sales to American Crystal. The fee, calculated at \$.0085

per KWH sold, is classified as general tax revenue in the General Fund and is classified as tax and tax equivalent expense in the Electric Fund.

**NOTE 15. FUND BALANCE**

	General Fund	Capital Projects Fund	Current City Projects Fund	2017 Assessment Bond	Nonmajor Governmental Funds
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
Materials and Supplies	\$ 19,492	\$ -	\$ -	\$ -	\$ -
Prepaid Items	90,000	-	-	-	-
Campbell Library	-	-	-	-	76,000
Total	<u>109,492</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,000</u>
<b>Restricted:</b>					
Debt Service	-	-	-	15,522	2,901,489
Capital Projects	-	1,072,184	-	-	-
Community Growth	-	-	-	-	72,593
New Home Incentive	-	-	-	-	397,116
Cemetery	-	-	-	-	13,214
Insect Control	-	-	-	-	335,121
Perpetual Care	-	-	-	-	328,797
Greenway Maintenance	-	-	-	-	210,363
Park Facilities	-	-	-	-	1,730
Seized Property	-	-	-	-	36,185
Grants	-	-	-	-	263,799
08 PFA Loan 23rd Street	-	-	-	-	167,502
Campbell Library	-	-	-	-	6,693
Building Improvements	-	-	-	-	104,167
Total	<u>-</u>	<u>1,072,184</u>	<u>-</u>	<u>15,522</u>	<u>4,838,769</u>
<b>Unassigned:</b>	<u>8,078,507</u>	<u>-</u>	<u>(331,724)</u>	<u>-</u>	<u>(207,493)</u>
<b>TOTAL FUND BALANCE</b>	<u>\$8,187,999</u>	<u>\$ 1,072,184</u>	<u>\$ (331,724)</u>	<u>\$ 15,522</u>	<u>\$ 4,707,276</u>

**NOTE 16. COMMITTED CONTRACTS**

The City 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 City paid RRVPC \$783 during 2024 for electricity sold to the customers in the annexed service territory.

The City entered into an agreement in 2004 with PKM to acquire electric service territory. The City will pay PKM ½ cent per kilowatt hour sold on every meter in the newly acquired area for 10 years. There were payments totaling \$2,201 on this agreement for 2024. The City entered into another agreement in 2017 with PKM to acquire electric service territory. The City will pay PKM \$.006 kilowatt per hour sold on

every meter in the newly acquired area for 10 years. There were no payments on this agreement in 2024.

The City 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 City to purchase all required power above the Western Area Power Association (WAPA) allocation from MMPA.

As of December 31, 2024 the City had construction commitments for project 23CP2 LaFave, project 23CP3 ADA Improvements and project 22CP3 Quiet Zone. The 23CP2 LaFave project contract is for \$1,986,647 and has a remaining commitment for \$87,900. The 23CP3 ADA Improvement project contract is for \$101,567 and has a remaining commitment for \$5,078. The 22CP3 Quiet Zone project contract is for \$1,384,363 and has a remaining commitment of \$52,566.

**NOTE 17. CONDUIT DEBT OBLIGATION**

The City has issued Industrial Development Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of commercial and industrial facilities which are deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private sector entity served by the bond issue. The City is not obligated in any manner for the payment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2024, one series of Industrial Revenue Bonds were outstanding with a remaining principal balance of \$8,000,000.

**NOTE 18. ARBITRAGE REBATE**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of December 31, 2024, there are no amounts for arbitrage rebates.

**NOTE 19. NEW PRONOUNCEMENTS**

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management’s discussion and analysis with the goal of making it more readable and understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds’ statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

GASB Statement No. 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note. These items include disclosing separately lease assets, intangible right-to-use assets, subscription assets and intangible assets. In addition, additional disclosures will be required for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

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

**NOTE 20. OTHER POSTEMPLOYMENT BENEFITS**

**Plan Description:**

Other postemployment benefits provided by the City include allowing retirees to continue their health insurance coverage through the City 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 plan. Any amendments to the plan must be approved by the City Council. There is not a separate audited plan financial report.

**Benefits Provided:**

The City 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 retiree.

**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. As such, the City has no assets accumulated in a GASB-compliance trust.

**Employees Covered by Benefit Term:**

At December 31, 2024, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	6
Active plan members	97
Total Members	<u>103</u>

**Total OPEB Liability:**

The City’s total OPEB liability of \$518,054 was measured as of January 1, 2024 and was determined by an actuarial valuation as January 1, 2023. The OPEB liability is generally liquidated by the fund in which it was allocated.

**Actuarial Assumptions:**

The total OPEB liability in the January 1, 2023 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%
Salary increases	vary by service and contract group
Healthcare cost trend rates	6.50% as of January 1, 2023 grading to 5% over 6 years and then to 4% over the next 48 years

Mortality rates were based on the RP-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 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 4.0%.

In January 1, 2023 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

**Changes in the Total OPEB Liability**

	Total OPEB Liability	
	Primary Government	Component Unit
Balance at 12/31/2023	\$ 488,625	\$ 9,972
Changes for the year:		
Service Cost	38,875	794
Interest Cost	20,306	414
Benefit Payments	(40,113)	(819)
Net Changes	19,067	390
Balance at 12/31/2024	<u>\$ 507,692</u>	<u>\$ 10,362</u>

**Sensitivity of the Total OPEB Liability to Changes in the Discount Rate**

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (3 percent) or one percentage point higher (5 percent) than the current rate:

Department Total OPEB Liability			
	1% Decrease (3%)	Current (4%)	1% Increase (5%)
Primary Government	\$ 550,130	\$ 507,693	\$ 468,955
Component Unit	11,227	10,361	9,570
Total	\$ 561,357	\$ 518,054	\$ 478,525

**Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates**

The following presents the total OPEB Liability of the City, as well as what the City's total OPEB liability would be if it were calculated using healthcare cost trend rates of 6.5%, gradually decreasing over 6 years to an ultimate rate of 4.0%.

Department Healthcare Cost Trend Rates			
	(5.5% decreasing to 3.0% over 6 years)	(6.5% decreasing to 4.0% over 6 years)	(7.5% decreasing to 5.0% over 6 years)
Primary Government	\$ 447,813	\$ 507,693	\$ 580,601
Component Unit	9,139	10,361	11,849
Total	\$ 456,952	\$ 518,054	\$ 592,450

**OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB:**

For the year ended December 31, 2024, the City recognized OPEB expense of \$43,953. Pension liabilities are generally liquidated by the fund in which the liability is earned. At December 31, 2024, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Primary Government	Component Unit	Primary Government	Component Unit
Changes in actuarial assumptions	\$ 13,250	\$ 270	\$ 52,504	\$ 1,072
Difference between expected and actual economic experience	12,850	265	41,869	854
Employer contributions paid subsequent to the measurement date	38,973	795	-	-
Total	\$ 65,073	\$ 1,330	\$ 94,373	\$ 1,926

\$39,768 reported as deferred outflows of resources related to OPEB resulting from City 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, 2025.

Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending December 31	Pension Expense Amount	
	Primary Government	Component Unit
2025	\$ (21,066)	\$ (430)
2026	(21,066)	(430)
2027	(7,055)	(144)
2028	(7,055)	(144)
2029	(6,018)	(123)
Thereafter	(6,013)	(120)

**NOTE 21. TAX ABATEMENTS**

In accordance with Minnesota Statutes 469.1812 through 469.1815, the statute authorizes Property Tax Abatement for Community Development purposes. The City of East Grand Forks authorized a two-year Tax Rebate for New Home Construction through the year 2026. The program applies to owner-occupied single-family dwellings, including town homes and twin homes. The abatement is for the first two years where payment of taxes are based upon the full value of the new dwelling. The City's amount for 2024 is \$38,787.



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**Required Supplementary Information  
Schedule of Changes in the City's  
Total OPEB Liability and Related Ratios  
Last 10 Years**

**CITY OF EAST GRAND FORKS**

	<u>2024</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability							
Service Cost	\$ 39,669	\$ 38,514	\$ 48,579	\$ 47,164	\$ 35,836	\$ 34,792	\$ 39,358
Interest	20,720	11,086	10,729	19,377	18,288	19,185	18,916
Changes in Actuarial Assumptions	-	(66,623)	-	27,048	-	(14,425)	-
Difference between projected and actual investment earnings	-	17,490	-	(35,500)	-	(99,940)	-
Benefit Payments	<u>(40,932)</u>	<u>(35,271)</u>	<u>(27,384)</u>	<u>(38,340)</u>	<u>(35,831)</u>	<u>(45,148)</u>	<u>(45,962)</u>
Net Change in Total OPEB Liability	19,457	(34,804)	31,924	19,749	18,293	(105,536)	12,312
Total OPEB Liability - Beginning	<u>498,597</u>	<u>533,401</u>	<u>501,477</u>	<u>481,728</u>	<u>463,435</u>	<u>568,971</u>	<u>556,659</u>
Total OPEB Liability - Ending	<u>\$ 518,054</u>	<u>\$ 498,597</u>	<u>\$ 533,401</u>	<u>\$ 501,477</u>	<u>\$ 481,728</u>	<u>\$ 463,435</u>	<u>\$ 568,971</u>
Covered Payroll	\$ 7,615,713	\$ 7,393,896	\$ 7,338,628	\$ 7,124,882	\$ 6,599,847	\$ 6,407,618	\$ 6,376,059
City's Total OPEB Liability as a Percentage of a Covered Employee Payroll	6.80%	6.74%	7.27%	7.04%	7.30%	7.23%	8.92%

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

**Required Supplementary Information  
Schedule of City's Contributions to PERA Retirement Fund  
Last 10 Years**

**CITY OF EAST GRAND FORKS**

	Fiscal Year Ended December 31	Contributions in Relation to the		Contribution Deficiency (Excess)	City's Covered Payroll	Contributions as a % of Covered Payroll
		Statutorily Required Contributions	Statutorily Required Contributions			
General Employees Fund	2015	\$ 296,341	\$ 296,341	\$ -	\$ 3,951,212	7.50%
	2016	318,174	318,174	-	4,240,440	7.50%
	2017	329,665	329,665	-	4,395,536	7.50%
	2018	330,577	330,577	-	4,407,691	7.50%
	2019	353,808	353,808	-	4,717,438	7.50%
	2020	372,333	372,333	-	4,964,456	7.50%
	2021	368,253	368,253	-	4,910,034	7.50%
	2022	380,810	380,810	-	5,077,466	7.50%
	2023	389,528	389,528	-	5,193,158	7.50%
	2024	409,544	409,544	-	5,460,586	7.50%
Police and Fire Fund	2015	\$ 372,285	\$ 372,285	\$ -	\$ 2,298,054	16.20%
	2016	376,199	376,199	-	2,321,891	16.20%
	2017	392,706	392,706	-	2,424,109	16.20%
	2018	399,268	399,268	-	2,464,617	16.20%
	2019	436,592	436,592	-	2,575,764	16.95%
	2020	476,870	476,870	-	2,694,177	17.70%
	2021	466,522	466,522	-	2,635,716	17.70%
	2022	463,074	463,074	-	2,616,238	17.70%
	2023	477,321	477,321	-	2,696,730	17.70%
	2024	518,903	518,903	-	2,931,653	17.70%

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

See Notes to the Required Supplementary Information

**Required Supplementary Information**  
**Schedule of City's and Non-Employer Proportionate Share of the Net Pension Liability**  
**Last 10 Years**

**CITY OF EAST GRAND FORKS**

	Fiscal Year Ended December 31	City's	City's	State's	Total	City's Covered Payroll	City's	Plan Fiduciary
		Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability (Asset)	Proportionate Share of the Net Pension Liability Associated with the City			Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Net Position as a Percentage of the Total Pension Liability
General Employees Fund	2015	0.0660%	\$ 3,420,463	\$ -	\$ 3,420,463	\$ 3,812,160	89.7%	78.20%
	2016	0.0650%	5,277,678	68,982	5,346,660	4,007,733	131.7%	68.90%
	2017	0.0682%	4,353,844	54,725	4,408,569	4,201,635	103.6%	75.90%
	2018	0.0659%	3,655,862	119,810	3,775,672	4,428,547	82.6%	79.53%
	2019	0.0645%	3,566,061	110,829	3,676,890	4,562,565	78.2%	80.23%
	2020	0.0676%	4,052,929	125,006	4,177,935	4,840,947	83.7%	79.06%
	2021	0.0663%	2,831,307	86,431	2,917,738	4,937,245	57.3%	87.00%
	2022	0.0671%	5,314,342	155,875	5,470,217	4,993,750	106.4%	76.67%
	2023	0.0672%	3,757,749	103,659	3,861,408	5,135,312	73.2%	83.10%
	2024	0.0624%	2,306,112	59,631	2,365,743	5,326,872	43.3%	89.08%
Police and Fire Fund	2015	0.2390%	\$ 2,715,599	\$ -	\$ 2,715,599	\$ 2,131,642	127.4%	86.61%
	2016	0.2410%	9,671,749	-	9,671,749	2,317,136	417.4%	63.90%
	2017	0.2320%	3,132,276	-	3,132,276	2,370,623	132.1%	85.40%
	2018	0.2322%	2,475,013	-	2,475,013	2,446,747	101.2%	88.84%
	2019	0.2391%	2,545,461	-	2,545,461	2,520,191	101.0%	89.26%
	2020	0.2258%	2,976,286	70,110	3,046,396	2,634,971	113.0%	87.19%
	2021	0.2248%	1,735,218	78,008	1,813,226	2,664,947	65.1%	93.66%
	2022	0.2170%	9,442,983	412,559	9,855,542	2,625,977	359.6%	70.53%
	2023	0.2081%	3,593,616	144,765	3,738,381	2,656,484	135.3%	86.47%
	2024	0.2064%	2,691,213	102,588	2,793,801	2,814,192	95.6%	90.17%

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

**Required Supplementary Information**  
**Schedule of Net Pension Liability and Related Ratios – East Grand Forks Fire Department**  
**Last 10 Years**

**CITY OF EAST GRAND FORKS**

Fiscal Year	2024	2023	2022	2021	2020	2019	2018
Total Pension Liability							
Service Cost	\$ 51,123	\$ 49,876	\$ 45,616	\$ 44,503	\$ 49,539	\$ 45,806	\$ 44,689
Interest Cost	54,310	53,028	50,911	51,295	44,535	43,604	46,800
Assumption Changes	(59,818)	-	-	-	-	-	-
Plan Changes	-	-	141,799	-	104,176	53,981	-
Gain or Loss	(5,328)	-	(36,442)	-	(13,006)	-	-
Benefit Payments	<u>(16,614)</u>	<u>(140,392)</u>	<u>(187,211)</u>	<u>(21,994)</u>	<u>(68,000)</u>	<u>(189,039)</u>	<u>(123,980)</u>
Net Change in Total Pension Liability	23,673	(37,488)	14,673	73,804	117,244	(45,648)	(32,491)
Total Pension Liability - Beginning	<u>1,043,387</u>	<u>1,080,875</u>	<u>1,066,202</u>	<u>992,398</u>	<u>875,154</u>	<u>920,802</u>	<u>953,293</u>
Total Pension Liability - Ending	<u>\$ 1,067,060</u>	<u>\$ 1,043,387</u>	<u>\$ 1,080,875</u>	<u>\$ 1,066,202</u>	<u>\$ 992,398</u>	<u>\$ 875,154</u>	<u>\$ 920,802</u>
Plan Fiduciary Net Position							
Nonemployer Contributions	\$ 88,992	\$ 79,285	\$ 76,184	\$ 73,100	\$ 69,887	\$ 70,691	\$ 69,476
Net Investment Income	66,949	81,165	74,258	65,537	53,405	58,131	55,569
Gain or Loss	181,290	(366,868)	152,744	143,701	167,970	(89,114)	86,866
Benefit Payments	(16,614)	(140,392)	(187,211)	(21,994)	(68,000)	(189,039)	(123,980)
Pension Plan Administrative Expense	<u>(7,862)</u>	<u>(649)</u>	<u>(4,934)</u>	<u>(4,805)</u>	<u>(5,652)</u>	<u>(4,982)</u>	<u>(4,543)</u>
Net Change in Plan Fiduciary Net Position	312,755	(347,459)	111,041	255,539	217,610	(154,313)	83,388
Plan Fiduciary Net Position - Beginning	<u>1,306,713</u>	<u>1,654,172</u>	<u>1,543,131</u>	<u>1,287,592</u>	<u>1,069,982</u>	<u>1,224,295</u>	<u>1,140,907</u>
Plan Fiduciary Net Position - Ending	<u>\$ 1,619,468</u>	<u>\$ 1,306,713</u>	<u>\$ 1,654,172</u>	<u>\$ 1,543,131</u>	<u>\$ 1,287,592</u>	<u>\$ 1,069,982</u>	<u>\$ 1,224,295</u>
Net Pension (Asset) Liability - Ending	\$ (552,408)	\$ (263,326)	\$ (573,297)	\$ (476,929)	\$ (295,194)	\$ (194,828)	\$ (303,493)
Plan Fiduciary Net Position as a Percentage of Total Pension (Asset) Liability	151.77%	125.24%	153.04%	144.73%	129.75%	122.26%	132.96%
Covered Payroll *	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Notes:

The City implemented GASB No. 68 for the year ended December 31, 2018.  
Information for prior years is not available.

\* Because all active plan members are volunteers, there is no actual payroll.

See Notes to the Required Supplementary Information

**Required Supplementary Information  
Schedule of Employer Contributions – East Grand Forks Fire Department  
Last 10 Years**

**CITY OF EAST GRAND FORKS**

<u>Fiscal Year Ended December 31,</u>	<u>Actuarially Determined Contribution</u>	<u>Actual Employer Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Covered Payroll*</u>
2015	\$ 65,147	\$ 65,147	-	
2016	68,281	68,281	-	
2017	67,476	67,476	-	
2018	68,691	68,691	-	
2019	68,887	68,887	-	
2020	71,845	71,845	-	
2021	74,184	74,184	-	
2022	76,184	76,184	-	
2023	79,285	79,285	-	
2024	88,992	88,992	-	

\*Because all active plan members are volunteers, there is no actual payroll.

The information presented in the required supplementary schedules was determined as part of the actuarial valuations at the dates indicated. Additional information as of the latest actuarial valuation follows:

Valuation date	1/1/2024
Actuarial cost method	Entry Age Normal
Amortization method	Level Dollar
	Closed
Remaining amortization period:	
Normal cost	20 Years
Prior service cost	10 Years
Asset valuation method	Market
Actuarial assumptions:	
Investment rate of return	6.50%
Projected salary increases	N/A
Includes inflation	N/A

See Notes to the Required Supplementary Information

**NOTE 1. DEFINED BENEFIT PLANS**

**PERA**

**General Employees Fund**

*2024 Changes*

Changes in Actuarial Assumptions:

- Rates of merit and seniority were adjusted, resulting in slightly higher rates.
- Assumed rates of retirement were adjusted as follows: increase the rate of assumed unreduced retirements, slight adjustments to Rule of 90 retirement rates, and slight adjustments to early retirement rates for Tier 1 and Tier 2 members.
- Minor increase in assumed withdrawals for males and females.
- Lower rates of disability.
- Continued use of Pub-2010 general mortality table with slight rate adjustments as recommended in the most recent experience study.
- Minor changes to form of payment assumptions for male and female retirees.
- Minor changes to assumptions made with respect to missing participant data.

Changes in Plan Provisions:

- The workers' compensation offset for disability benefits was eliminated. The actuarial equivalent factors updated to reflect the changes in assumptions.

**Police and Fire Fund**

*2024 Changes*

Changes in Actuarial Assumptions:

- None.

Changes in Plan Provisions:

- The State contribution of \$9.0 million per year will continue until the earlier of 1) both the Police & Fire Plan and the State Patrol Retirement Fund attain 90 percent funded status for three consecutive years (on an actuarial value of assets basis) or 2) July 1, 2048. The contribution was previously due to expire after attaining a 90 percent funded status for one year.
- The additional \$9.0 million contribution will continue until the Police & Fire Plan is fully funded for a minimum of three consecutive years on an actuarial value of assets basis, or July 1, 2048, whichever is earlier. This contribution was previously due to expire upon attainment of fully funded status on an actuarial value of assets basis for one year (or July 1, 2048 if earlier).

**NOTE 2. OTHER POSTEMPLOYMENT BENEFITS**

There are no assets accumulated in a trust that meets the criteria of GASB codification P22.101 or P52.101 to pay related benefits for the OPEB plan.

*2024 Changes*

Benefit Changes:

- None

Assumption Changes:

- The discount rate changed from 5.00% to 6.50%

# NONMAJOR GOVERNMENTAL FUNDS



CITY OF EAST GRAND FORKS, MINNESOTA

**SPECIAL REVENUE FUNDS** are used to account for revenues derived from specific taxes or other earmarked revenue sources. They are usually required by statute, charter provisions, or local ordinance to finance particular functions or activities of government.

Community and Economic Growth Fund This fund is used to account for various programs that promote community and economic growth. These programs often have external revenue sources with spending restrictions.

ARPA This fund is used to account for the receipt and disbursement of the American Rescue Plan Act.

State Aid Street This fund is used to account for the receipt and disbursement of Minnesota State Aid for streets.

Transit This fund is used to account for providing contracted transportation services to the community. The services are contracted from the City of Grand Forks, which are funded mostly by state and federal grants.

New Home Incentive This fund is used to account for the disbursement of deferred loans for new home construction to residents that meet certain income limits. The fund is supported with proceeds from the sale of city owned residential lots.

Sales Tax Pool Fund This fund is used to account for sales tax proceeds for the renovation of the City pool.

Cemetery Fund This fund is used to account for the activities of the Cemetery Fund, which is funded by revenue from plot sales.

Insect Control This fund is used to account for the activities of the Insect Control Fund, supported by \$1.00 per month from each utility customer.

Perpetual Care Fund This fund is used to accumulate resources to maintain the cemetery operations after all the plots are sold. A portion of the revenue from each plot sold is attributed to this fund.

Greenway Maintenance Fund This fund is used to accumulate fee revenue to pay for improvements to the Cities greenway areas.

Park Facilities Fund This fund is used to accumulate fee revenue to pay for improvements to the Cities park facilities.

Seized Property Fund This fund is used to accumulate the receipt and sale of seized property.

**DEBT SERVICE FUNDS** are used to account for the accumulation of resources for, and payment of, general long-term debt principal, interest and related costs. Debt issued for and serviced by an enterprise fund is not included in this category.

General obligation bond debt service funds presently established are as follows: 2012 Improvement & Refunding, 12-1-01, 4-1-04, 12-1-03, 3-1-06, 2007, 2015, and 12-1-04.

**CAPITAL PROJECTS FUNDS** are used to account for the acquisition and construction of major capital facilities other than those financed by proprietary funds and trust funds.

Grants This fund is used to better track grant revenue and expenses for budgeting purposes.

1997 Downtown Development Projects This fund is used to account for the construction of new and public facilities, which is primarily funded with a United States Housing and Urban Development grant.

08 PFA Loan 23<sup>rd</sup> Street Project This fund is used to account for street improvements financed by a PFA bond issue.

Building Improvement Projects This fund is used to account for City building improvements.

**PERMANENT FUNDS** are used to account for resources that are legally restricted to the extent that only earnings, and not principal, may be used for purposes that support the reporting government's programs.

Campbell – Olson Fund This fund is used to account for the principal and interest on endowments for the benefit of the library.

**Combining Balance Sheet  
Nonmajor Governmental Funds by Fund Type  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Nonmajor Special Revenue Funds	Nonmajor Debt Service Funds	Nonmajor Capital Projects Funds	Nonmajor Permanent Campbell- Olson Fund	Total Nonmajor Governmental Funds
<b>ASSETS</b>					
Cash and cash equivalents	\$ 778,520	\$ 510,980	\$ 614,202	\$ 82,693	\$ 1,986,395
Investments	477,356	2,387,585	-	-	2,864,941
Accounts receivable	14,450	-	-	-	14,450
Due from other funds	20,823	-	-	-	20,823
Due from other government units	-	2,924	-	-	2,924
Special assessments receivable:					
Deferred	-	1,009,709	-	-	1,009,709
Notes receivable	56,407	-	-	-	56,407
Pledges receivable	-	-	45,000	-	45,000
Land held for resale	101,303	-	-	-	101,303
Total Assets	<u>\$ 1,448,859</u>	<u>\$ 3,911,198</u>	<u>\$ 659,202</u>	<u>\$ 82,693</u>	<u>\$ 6,101,952</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 29,652	\$ -	\$ 42,869	\$ -	\$ 72,521
Accrued wages payable	1,875	-	-	-	1,875
Due to other funds	142,654	-	-	-	142,654
Due to other government units	87,052	-	-	-	87,052
Unearned revenue	-	-	-	-	-
Total Liabilities	<u>261,233</u>	<u>-</u>	<u>78,734</u>	<u>-</u>	<u>339,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable Revenue - Property Taxes and Spec. Assessments	-	1,009,709	-	-	1,009,709
Unavailable Revenue - Pledges	-	-	45,000	-	45,000
Total Deferred Inflows of Resources	<u>-</u>	<u>1,009,709</u>	<u>45,000</u>	<u>-</u>	<u>1,054,709</u>
<b>FUND BALANCES</b>					
Nonspendable	-	-	-	76,000	76,000
Restricted	1,395,119	2,901,489	535,468	6,693	4,838,769
Unassigned	(207,493)	-	-	-	(207,493)
Total Fund Balances	<u>1,187,626</u>	<u>2,901,489</u>	<u>535,468</u>	<u>82,693</u>	<u>4,707,276</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,448,859</u>	<u>\$ 3,911,198</u>	<u>\$ 659,202</u>	<u>\$ 82,693</u>	<u>\$ 6,101,952</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Governmental Funds by Fund Type  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<b>Nonmajor Special Revenue Funds</b>	<b>Nonmajor Debt Service Funds</b>	<b>Nonmajor Capital Projects Funds</b>	<b>Nonmajor Permanent Campbell- Olson Fund</b>	<b>Total Nonmajor Governmental Funds</b>
Revenues:					
Intergovernmental	\$ 1,724,763	\$ -	\$ 202,808	\$ -	\$ 1,927,571
Special assessments	-	418,590	-	-	418,590
Charges for services	203,429	-	-	-	203,429
Interest and other revenues	76,988	58,942	76,191	1,821	213,942
Refunds and Returns	(140,001)	-	-	-	(140,001)
Total revenues	<u>1,865,179</u>	<u>477,532</u>	<u>278,999</u>	<u>1,821</u>	<u>2,623,531</u>
Expenditures:					
Current:					
Public safety	290,303	-	-	-	290,303
Public works	24,800	-	-	-	24,800
Recreation and culture	4,024	-	-	1,042	5,066
Transit	612,552	-	-	-	612,552
Community development	26,592	-	-	-	26,592
Cemetery	67,333	-	-	-	67,333
Capital outlay	1,038,638	-	332,723	-	1,371,361
Debt service:					
Principal retirement	-	425,000	117,000	-	542,000
Interest and fiscal agent fees	-	42,504	82,960	-	125,464
Total expenditures	<u>2,064,242</u>	<u>467,504</u>	<u>532,683</u>	<u>1,042</u>	<u>3,065,471</u>
Excess (deficiency) of revenues over expenditures	<u>(199,063)</u>	<u>10,028</u>	<u>(253,684)</u>	<u>779</u>	<u>(441,940)</u>
Other financing sources (uses):					
Proceeds from sale of capital asset	86,618	-	-	-	86,618
Insurance proceeds	-	-	-	-	-
Transfers in	182,686	-	350,000	-	532,686
Transfers out	(1,069,629)	-	(142,047)	-	(1,211,676)
Total other financing sources (uses)	<u>(800,325)</u>	<u>-</u>	<u>207,953</u>	<u>-</u>	<u>(592,372)</u>
Net change in fund balances	(999,388)	10,028	(45,731)	779	(1,034,312)
Fund balance at beginning of year	<u>2,187,014</u>	<u>2,891,461</u>	<u>581,199</u>	<u>81,914</u>	<u>5,741,588</u>
Fund balance at end of year	<u>\$ 1,187,626</u>	<u>\$ 2,901,489</u>	<u>\$ 535,468</u>	<u>\$ 82,693</u>	<u>\$ 4,707,276</u>

**Combining Balance Sheet  
Nonmajor Special Revenue Funds  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Community and Economic Growth	ARPA	State Aid Street	Transit	New Home Incentive	Sales Tax Pool Fund	Cemetery	Insect Control	Perpetual Care	Greenway Maintenance	Park Facilities	Seized Property	Total
<b>ASSETS</b>													
Cash and cash equivalents	\$ 72,593	\$ -	\$ -	\$ 52,040	\$ 239,541	\$ -	\$ -	\$ 126,858	\$ 53,546	\$ 196,027	\$ 1,730	\$ 36,185	\$ 778,520
Investments	-	-	-	-	-	-	-	202,105	275,251	-	-	-	477,356
Accounts receivable	-	-	-	-	-	-	14,450	-	-	-	-	-	14,450
Due from other funds	-	-	-	-	-	-	-	6,487	-	14,336	-	-	20,823
Due from other government units	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable (net)	-	-	-	-	56,407	-	-	-	-	-	-	-	56,407
Land held for resale	-	-	-	-	101,303	-	-	-	-	-	-	-	101,303
Total Assets	<u>\$ 72,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,040</u>	<u>\$ 397,251</u>	<u>\$ -</u>	<u>\$ 14,450</u>	<u>\$ 335,450</u>	<u>\$ 328,797</u>	<u>\$ 210,363</u>	<u>\$ 1,730</u>	<u>\$ 36,185</u>	<u>\$ 1,448,859</u>
<b>LIABILITIES</b>													
Accounts payable	\$ -	\$ 28,896	\$ -	\$ 192	\$ 135	\$ -	\$ 429	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,652
Accrued wages payable	-	-	-	870	-	-	676	329	-	-	-	-	1,875
Due to other funds	-	-	142,523	-	-	-	131	-	-	-	-	-	142,654
Due to other government units	-	-	-	87,052	-	-	-	-	-	-	-	-	87,052
Unearned revenue	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Liabilities	<u>-</u>	<u>28,896</u>	<u>142,523</u>	<u>88,114</u>	<u>135</u>	<u>-</u>	<u>1,236</u>	<u>329</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>261,233</u>
<b>FUND BALANCES</b>													
Restricted	72,593	-	-	-	397,116	-	13,214	335,121	328,797	210,363	1,730	36,185	1,395,119
Unassigned	-	(28,896)	(142,523)	(36,074)	-	-	-	-	-	-	-	-	(207,493)
Total fund balances	<u>72,593</u>	<u>(28,896)</u>	<u>(142,523)</u>	<u>(36,074)</u>	<u>397,116</u>	<u>-</u>	<u>13,214</u>	<u>335,121</u>	<u>328,797</u>	<u>210,363</u>	<u>1,730</u>	<u>36,185</u>	<u>1,187,626</u>
Total liabilities and fund balances	<u>\$ 72,593</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 52,040</u>	<u>\$ 397,251</u>	<u>\$ -</u>	<u>\$ 14,450</u>	<u>\$ 335,450</u>	<u>\$ 328,797</u>	<u>\$ 210,363</u>	<u>\$ 1,730</u>	<u>\$ 36,185</u>	<u>\$ 1,448,859</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Special Revenue Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	Community and Economic Growth	ARPA	State Aid Street	Transit	New Home Incentive	Sales Tax Pool Fund	Cemetery	Insect Control	Perpetual Care	Greenway Maintenance	Park Facilities	Seized Property	Total
<b>Revenues:</b>													
Intergovernmental	\$ -	\$ 704,440	\$ 202,687	\$ 817,636	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 1,724,763
Charges for services	-	-	-	-	-	-	48,801	48,091	-	106,537	-	-	203,429
Other revenue:													
Interest revenue	1,620	-	11,184	-	7,415	-	146	7,253	6,700	3,157	-	-	37,475
Sale of Seized Property	-	-	-	-	-	-	-	-	-	-	-	15,259	15,259
Refunds and Returns	-	-	-	-	-	(140,001)	-	-	-	-	-	-	(140,001)
Other	-	-	-	-	20,000	-	-	-	-	-	4,254	-	24,254
Total revenues	1,620	704,440	213,871	817,636	27,415	(140,001)	48,947	55,344	6,700	109,694	4,254	15,259	1,865,179
<b>Expenditures:</b>													
<b>Current:</b>													
Public Safety	-	-	-	-	-	-	-	-	-	-	-	290,303	290,303
Public works	-	-	-	-	-	-	-	24,800	-	-	-	-	24,800
Recreation and culture	-	-	-	-	-	-	-	-	-	-	4,024	-	4,024
Community development	1,475	-	-	-	25,117	-	-	-	-	-	-	-	26,592
Transit	-	-	-	612,552	-	-	-	-	-	-	-	-	612,552
Cemetery	-	-	-	-	-	-	67,333	-	-	-	-	-	67,333
Capital outlay	-	733,336	-	181,721	-	-	-	22,500	-	3,038	-	98,043	1,038,638
Total expenditures	1,475	733,336	-	794,273	25,117	-	67,333	47,300	-	3,038	4,024	388,346	2,064,242
Excess (deficiency) of revenues over expenditures	145	(28,896)	213,871	23,363	2,298	(140,001)	(18,386)	8,044	6,700	106,656	230	(373,087)	(199,063)
<b>Other financing sources (uses):</b>													
Proceeds from sale of capital asset	-	-	-	-	69,068	-	(5,890)	-	23,440	-	-	-	86,618
Insurance proceeds	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers in	-	-	57,222	100,000	-	-	25,464	-	-	-	-	-	182,686
Transfers out	-	-	(772,961)	-	(38,787)	(219,881)	-	-	-	-	-	(38,000)	(1,069,629)
Total other financing sources (uses)	-	-	(715,739)	100,000	30,281	(219,881)	19,574	-	23,440	-	-	(38,000)	(800,325)
Net change in fund balances	145	(28,896)	(501,868)	123,363	32,579	(359,882)	1,188	8,044	30,140	106,656	230	(411,087)	(999,388)
Fund balance at beginning of year	72,448	-	359,345	(159,437)	364,537	359,882	12,026	327,077	298,657	103,707	1,500	447,272	2,187,014
Fund balance at end of year	\$ 72,593	\$ (28,896)	\$ (142,523)	\$ (36,074)	\$ 397,116	\$ -	\$ 13,214	\$ 335,121	\$ 328,797	\$ 210,363	\$ 1,730	\$ 36,185	\$ 1,187,626

**Combining Balance Sheet  
Nonmajor Debt Service Funds  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>2012 Improvement &amp; Refunding Bonds</u>	<u>12-1-01 Assessment Bonds</u>	<u>04-1-04 Assessment Bonds</u>	<u>12-1-03 Assessment Bonds</u>	<u>3-1-06 Assessment Bonds</u>	<u>2007 Assessment Bonds</u>	<u>2015 Assessment Bonds</u>	<u>12-1-04 Assessment Bonds</u>	<u>Total</u>
<b>ASSETS</b>									
Cash and cash equivalents	\$ 73,178	\$ 24,155	\$ 25,106	\$ 72,924	\$ 30,066	\$ 125,506	\$ 46,743	\$ 113,302	\$ 510,980
Investments	265,874	455,460	241,900	371,277	165,876	887,198	-	-	2,387,585
Due from other government units	1,480	-	-	-	-	-	-	1,444	2,924
Special assessments receivable:									
Deferred	348,101	8,827	-	627	86,122	252,120	149,984	163,928	1,009,709
Total assets	<u>\$ 688,633</u>	<u>\$ 488,442</u>	<u>\$ 267,006</u>	<u>\$ 444,828</u>	<u>\$ 282,064</u>	<u>\$ 1,264,824</u>	<u>\$ 196,727</u>	<u>\$ 278,674</u>	<u>\$ 3,911,198</u>
<b>LIABILITIES</b>									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Unavailable revenue-special assessments	348,101	8,827	-	627	86,122	252,120	149,984	163,928	1,009,709
Total deferred inflows of resources	<u>348,101</u>	<u>8,827</u>	<u>-</u>	<u>627</u>	<u>86,122</u>	<u>252,120</u>	<u>149,984</u>	<u>163,928</u>	<u>1,009,709</u>
<b>FUND BALANCES</b>									
Restricted	340,532	479,615	267,006	444,201	195,942	1,012,704	46,743	114,746	2,901,489
Total fund balances	<u>340,532</u>	<u>479,615</u>	<u>267,006</u>	<u>444,201</u>	<u>195,942</u>	<u>1,012,704</u>	<u>46,743</u>	<u>114,746</u>	<u>2,901,489</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 688,633</u>	<u>\$ 488,442</u>	<u>\$ 267,006</u>	<u>\$ 444,828</u>	<u>\$ 282,064</u>	<u>\$ 1,264,824</u>	<u>\$ 196,727</u>	<u>\$ 278,674</u>	<u>\$ 3,911,198</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Debt Service Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>2012 Improvement &amp; Refunding Bonds</u>	<u>12-1-01 Assessment Bonds</u>	<u>04-1-04 Assessment Bonds</u>	<u>12-1-03 Assessment Bonds</u>	<u>3-1-06 Assessment Bonds</u>	<u>2007 Assessment Bonds</u>	<u>2015 Assessment Bonds</u>	<u>12-1-04 Assessment Bonds</u>	<u>Total</u>
Revenues:									
Special assessments	\$ 46,211	\$ 9,440	\$ -	\$ 1,182	\$ 43,239	\$ 169,955	\$ 17,821	\$ 130,742	\$ 418,590
Other revenue:									
Interest on investments	<u>7,032</u>	<u>10,380</u>	<u>5,858</u>	<u>9,748</u>	<u>3,759</u>	<u>20,442</u>	<u>575</u>	<u>1,148</u>	<u>58,942</u>
Total revenues	<u>53,243</u>	<u>19,820</u>	<u>5,858</u>	<u>10,930</u>	<u>46,998</u>	<u>190,397</u>	<u>18,396</u>	<u>131,890</u>	<u>477,532</u>
Expenditures:									
Debt service:									
Principal retirement	30,000	-	-	-	45,000	145,000	20,000	185,000	425,000
Interest and fiscal agent fees	<u>10,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>4,875</u>	<u>14,230</u>	<u>4,800</u>	<u>8,451</u>	<u>42,504</u>
Total expenditures	<u>40,148</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>49,875</u>	<u>159,230</u>	<u>24,800</u>	<u>193,451</u>	<u>467,504</u>
Net change in fund balances	13,095	19,820	5,858	10,930	(2,877)	31,167	(6,404)	(61,561)	10,028
Other financing sources (uses):									
Transfers in	-	-	-	-	-	-	-	-	-
Transfers out	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net change in fund balances	13,095	19,820	5,858	10,930	(2,877)	31,167	(6,404)	(61,561)	10,028
Fund balance at beginning of year	<u>327,437</u>	<u>459,795</u>	<u>261,148</u>	<u>433,271</u>	<u>198,819</u>	<u>981,537</u>	<u>53,147</u>	<u>176,307</u>	<u>2,891,461</u>
Fund balance at end of year	<u>\$ 340,532</u>	<u>\$ 479,615</u>	<u>\$ 267,006</u>	<u>\$ 444,201</u>	<u>\$ 195,942</u>	<u>\$1,012,704</u>	<u>\$ 46,743</u>	<u>\$ 114,746</u>	<u>\$ 2,901,489</u>

Combining Balance Sheet  
 Nonmajor Capital Projects Funds  
 As of December 31, 2024

CITY OF EAST GRAND FORKS

	<u>Grants</u>	<u>1997 Downtown Development</u>	<u>08 PFA Loan 23rd Street Project</u>	<u>Building Improvements</u>	<u>Total</u>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 264,319	\$ -	\$ 167,502	\$ 182,381	\$ 614,202
Pledges receivable	45,000	-	-	-	45,000
Total assets	<u>\$ 309,319</u>	<u>\$ -</u>	<u>\$ 167,502</u>	<u>\$ 182,381</u>	<u>\$ 659,202</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 520	\$ -	\$ -	\$ 42,349	\$ 42,869
Retainage payable	-	-	-	35,865	35,865
Total liabilities	<u>520</u>	<u>-</u>	<u>-</u>	<u>78,214</u>	<u>78,734</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - Pledges	45,000	-	-	-	45,000
Total deferred inflows of resources	<u>45,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>45,000</u>
<b>FUND BALANCES</b>					
Restricted	263,799	-	167,502	104,167	535,468
Total fund balances	<u>263,799</u>	<u>-</u>	<u>167,502</u>	<u>104,167</u>	<u>535,468</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 309,319</u>	<u>\$ -</u>	<u>\$ 167,502</u>	<u>\$ 182,381</u>	<u>\$ 659,202</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances  
Nonmajor Capital Projects Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Grants</u>	<u>1997 Downtown Development</u>	<u>08 PFA Loan 23rd Street Project</u>	<u>Building Improvements</u>	<u>Total</u>
Revenues:					
Intergovernmental	\$ 4,980	\$ -	\$ 197,828	\$ -	\$ 202,808
Other income	69,582	-	-	6,609	76,191
Total revenues	<u>74,562</u>	<u>-</u>	<u>197,828</u>	<u>6,609</u>	<u>278,999</u>
Expenditures:					
Capital outlay:	33,785	5,390	-	293,548	332,723
Debt service:					
Principal retirement	-	-	117,000	-	117,000
Interest and fiscal agent charges	-	-	82,960	-	82,960
Total expenditures	<u>33,785</u>	<u>5,390</u>	<u>199,960</u>	<u>293,548</u>	<u>532,683</u>
Excess (deficiency) of revenues over expenditures	<u>40,777</u>	<u>(5,390)</u>	<u>(2,132)</u>	<u>(286,939)</u>	<u>(253,684)</u>
Other financing sources (uses):					
Transfers in	-	-	-	350,000	350,000
Transfers out	-	-	-	(142,047)	(142,047)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>207,953</u>	<u>207,953</u>
Net change in fund balances	40,777	(5,390)	(2,132)	(78,986)	(45,731)
Fund balance at beginning of year	<u>223,022</u>	<u>5,390</u>	<u>169,634</u>	<u>183,153</u>	<u>581,199</u>
Fund balance at end of year	<u>\$ 263,799</u>	<u>\$ -</u>	<u>\$ 167,502</u>	<u>\$ 104,167</u>	<u>\$ 535,468</u>

Community and Economic Growth Fund  
 Schedule of Revenues, Expenditures and Changes in Fund Balances  
 Budget to Actual  
 For the Year Ended December 31, 2024

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Other revenues:			
Interest revenue	\$ -	\$ 1,620	\$ 1,620
Total revenues	<u>-</u>	<u>1,620</u>	<u>1,620</u>
Expenditures:			
Community development:			
Professional services	10,000	1,475	8,525
Total expenditures	<u>10,000</u>	<u>1,475</u>	<u>8,525</u>
Net changes in fund balances	(10,000)	145	10,145
Fund balance at beginning of year	<u>72,448</u>	<u>72,448</u>	<u>-</u>
Fund balance at end of year	<u>\$ 62,448</u>	<u>\$ 72,593</u>	<u>\$ 10,145</u>

**State Aid Street Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget to Actual  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 183,804	\$ 202,687	\$ 18,883
Other revenues:			
Interest revenue	-	11,184	11,184
Total revenue	<u>183,804</u>	<u>213,871</u>	<u>30,067</u>
 Expenditures:			
Public works:			
Contractual services	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
 Excess of revenues over expenditures	<u>183,804</u>	<u>213,871</u>	<u>30,067</u>
 Other financing sources (uses):			
Transfers in	-	57,222	57,222
Transfers out	<u>(696,408)</u>	<u>(772,961)</u>	<u>(76,553)</u>
Total other financing sources (uses)	<u>(696,408)</u>	<u>(715,739)</u>	<u>(19,331)</u>
 Net changes in fund balances	(512,604)	(501,868)	10,736
 Fund balance at beginning of year	<u>359,345</u>	<u>359,345</u>	<u>-</u>
Fund balance at end of year	<u>\$ (153,259)</u>	<u>\$ (142,523)</u>	<u>\$ 10,736</u>

**Transit Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual**  
**For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 839,380	\$ 817,636	\$ (21,744)
Other revenues:			
Other	1,000	-	(1,000)
Total revenues	<u>840,380</u>	<u>817,636</u>	<u>(22,744)</u>
Expenditures:			
Transit:			
Contractual services	789,350	612,552	176,798
Capital outlay	-	181,721	(181,721)
Total expenditures	<u>789,350</u>	<u>794,273</u>	<u>(4,923)</u>
Excess (deficiency) of revenues over expenditures	<u>51,030</u>	<u>23,363</u>	<u>(27,667)</u>
Other financing sources:			
Insurance proceeds	-	-	-
Transfers in	100,000	100,000	-
Total other financing sources	<u>100,000</u>	<u>100,000</u>	<u>-</u>
Net changes in fund balances	151,030	123,363	(27,667)
Fund balance at beginning of year	(159,437)	(159,437)	-
Fund balance at end of year	<u>\$ (8,407)</u>	<u>\$ (36,074)</u>	<u>\$ (27,667)</u>

**New Home Incentive Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget to Actual  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest revenue	\$ -	\$ 7,415	\$ 7,415
Other revenues	10,000	20,000	10,000
Total revenues	<u>10,000</u>	<u>27,415</u>	<u>17,415</u>
Expenditures:			
Community development:			
Supplies	300	-	300
Contractual services	1,200	11,847	(10,647)
Other expenditures	44,300	13,270	31,030
Total expenditures	<u>45,800</u>	<u>25,117</u>	<u>20,683</u>
Excess (deficiency) of revenues over expenditures	<u>(35,800)</u>	<u>2,298</u>	<u>38,098</u>
Other financing sources (uses):			
Proceeds from sale of capital asset	20,000	69,068	49,068
Transfers out	(66,600)	(38,787)	27,813
Total other financing sources (uses)	<u>(46,600)</u>	<u>30,281</u>	<u>76,881</u>
Net changes in fund balances	(82,400)	32,579	114,979
Fund balance at beginning of year	364,537	364,537	-
Fund balance at end of year	<u>\$ 282,137</u>	<u>\$ 397,116</u>	<u>\$ 114,979</u>

**Cemetery Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual**  
**For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 20,500	\$ 48,801	\$ 28,301
Other revenue:			
Interest revenue	-	146	146
Total revenues	<u>20,500</u>	<u>48,947</u>	<u>28,447</u>
Expenditures:			
Cemetery:			
Personal services	34,856	43,048	(8,192)
Supplies	2,000	199	1,801
Contractual services	10,000	7,460	2,540
Capital Outlay	20,000	-	20,000
Other expenditures	<u>14,878</u>	<u>16,626</u>	<u>(1,748)</u>
Total expenditures	<u>81,734</u>	<u>67,333</u>	<u>14,401</u>
Excess (deficiency) of revenues over expenditures	<u>(61,234)</u>	<u>(18,386)</u>	<u>42,848</u>
Other financing sources:			
Proceeds from sale of capital asset	20,000	(5,890)	(25,890)
Transfers in	<u>21,234</u>	<u>25,464</u>	<u>4,230</u>
Total other financing sources	<u>41,234</u>	<u>19,574</u>	<u>(21,660)</u>
Net changes in fund balances	(20,000)	1,188	21,188
Fund balance at beginning of year	<u>12,026</u>	<u>12,026</u>	<u>-</u>
Fund balance at end of year	<u>\$ (7,974)</u>	<u>\$ 13,214</u>	<u>\$ 21,188</u>

**Insect Control Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual**  
**For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 47,520	\$ 48,091	\$ 571
Other revenue:			
Interest revenue	-	7,253	7,253
Total revenues	<u>47,520</u>	<u>55,344</u>	<u>7,824</u>
Expenditures:			
Public Works:			
Personal services	7,485	6,751	734
Supplies	24,000	13,402	10,598
Other expenditures	<u>6,156</u>	<u>4,647</u>	<u>1,509</u>
Total expenditures	<u>54,641</u>	<u>47,300</u>	<u>7,341</u>
Net changes in fund balances	(7,121)	8,044	15,165
Fund balance at beginning of year	<u>327,077</u>	<u>327,077</u>	-
Fund balance at end of year	<u>\$ 319,956</u>	<u>\$ 335,121</u>	<u>\$ 15,165</u>

**Perpetual Care Fund**  
**Schedule of Revenues, Expenditures and Changes in Fund Balances**  
**Budget to Actual**  
**For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Other revenue:			
Interest revenue	\$ 3,000	\$ 6,700	\$ 3,700
Total revenues	<u>3,000</u>	<u>6,700</u>	<u>3,700</u>
Other financing sources (uses):			
Proceeds from sale of capital asset	15,000	23,440	8,440
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>23,440</u>	<u>28,440</u>
Net change in fund balances	(2,000)	30,140	32,140
Fund balance at beginning of year	<u>298,657</u>	<u>298,657</u>	<u>-</u>
Fund balance at end of year	<u>\$ 296,657</u>	<u>\$ 328,797</u>	<u>\$ 32,140</u>

**Greenway Maintenance Fund  
Schedule of Revenues, Expenditures and Changes in Fund Balances  
Budget to Actual  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 103,950	\$ 106,537	\$ 2,587
Interest income	-	3,157	3,157
Total revenues	<u>103,950</u>	<u>109,694</u>	<u>5,744</u>
Expenditures:			
Public Works:			
Capital Outlay	-	3,038	(3,038)
Total expenditures	<u>-</u>	<u>3,038</u>	<u>(3,038)</u>
Net change in fund balances	103,950	106,656	2,706
Fund balance at beginning of year	103,707	103,707	-
Fund balance at end of year	<u>\$ 207,657</u>	<u>\$ 210,363</u>	<u>\$ 2,706</u>



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# INTERNAL SERVICE FUNDS



CITY OF EAST GRAND FORKS, MINNESOTA

**INTERNAL SERVICE FUNDS** are used to account for the financing of goods or services provided by one department or agency to other departments or agencies of the government and to other government units, on a cost reimbursement basis.

Benefit Accrual Fund This fund is used to account for the expenses associated with accrual of fringe benefits, primarily sick leave accumulations.

Central Equipment Fund This fund is used to account for purchases of capital equipment and the subsequent rental of that equipment to various city departments.

**Combining Statement of Net Position  
Internal Service Funds  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 359,664	\$ 34,957	\$ 394,621
Investments	425,351	-	425,351
Due from other funds	-	497,691	497,691
Total current assets	<u>785,015</u>	<u>532,648</u>	<u>1,317,663</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	4,693,310	4,693,310
Less accumulated depreciation	-	(2,980,122)	(2,980,122)
Capital assets (net)	<u>-</u>	<u>1,713,188</u>	<u>1,713,188</u>
TOTAL ASSETS	<u>785,015</u>	<u>2,245,836</u>	<u>3,030,851</u>
<b>LIABILITIES</b>			
Current Liabilities:			
Compensated absences payable- current	<u>247,261</u>	-	<u>247,261</u>
Total current liabilities	<u>247,261</u>	-	<u>247,261</u>
Noncurrent liabilities:			
Compensated absences payable - net current portion	<u>686,336</u>	-	<u>686,336</u>
Total noncurrent liabilities	<u>686,336</u>	-	<u>686,336</u>
TOTAL LIABILITIES	<u>933,597</u>	-	<u>933,597</u>
<b>NET POSITION</b>			
Net investment in capital assets	-	1,713,188	1,713,188
Unrestricted	<u>(148,582)</u>	<u>532,648</u>	<u>384,066</u>
TOTAL NET POSITION	<u>\$ (148,582)</u>	<u>\$ 2,245,836</u>	<u>\$ 2,097,254</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position  
Internal Service Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ -	\$ 265,677	\$ 265,677
Total operating revenues	<u>-</u>	<u>265,677</u>	<u>265,677</u>
Operating expenses:			
Compensated absences	138,568	-	138,568
Depreciation	-	396,498	396,498
Total operating expenses	<u>138,568</u>	<u>396,498</u>	<u>535,066</u>
Operating income (loss)	<u>(138,568)</u>	<u>(130,821)</u>	<u>(269,389)</u>
Nonoperating revenues (expenses):			
Interest revenue	15,085	7,568	22,653
Gain on Sale of Asset	-	85,000	85,000
Total nonoperating revenues (expenses)	<u>15,085</u>	<u>92,568</u>	<u>107,653</u>
Income (loss) before transfers	(123,483)	(38,253)	(161,736)
Transfers in	<u>75,000</u>	<u>-</u>	<u>75,000</u>
Change in net position	(48,483)	(38,253)	(86,736)
Net position at beginning of year	<u>(100,099)</u>	<u>2,284,089</u>	<u>2,183,990</u>
Net position at end of year	<u>\$ (148,582)</u>	<u>\$ 2,245,836</u>	<u>\$ 2,097,254</u>

**Combining Statement of Cash Flows  
Internal Service Funds  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
<b>Cash flow from operating activities:</b>			
Receipts from interfund service provided	\$ -	\$ 265,677	\$ 265,677
Payments for compensated absences	24,335	-	24,335
Net cash provided (used) by operating activities	<u>24,335</u>	<u>265,677</u>	<u>290,012</u>
<b>Cash flows from noncapital financing activities:</b>			
Transfers in	75,000	-	75,000
Interfund receivable	-	(452,461)	(452,461)
Net cash provided by noncapital financing activities	<u>75,000</u>	<u>(452,461)</u>	<u>(377,461)</u>
<b>Cash flows from capital financing activities:</b>			
Proceeds from Sale of Assets	-	85,000	85,000
Acquisition of capital assets	-	(473,203)	(473,203)
Net cash used by capital financing activities	<u>-</u>	<u>(388,203)</u>	<u>(388,203)</u>
<b>Cash flows from investing activities:</b>			
Interest on investments	15,085	7,568	22,653
Proceeds from sales and maturities of investments	-	214,279	214,279
Purchase of investments	(282,131)	-	(282,131)
Net cash provided by investing activities	<u>(267,046)</u>	<u>221,847</u>	<u>(45,199)</u>
Increase (decrease) in cash and cash equivalents	(167,711)	(353,140)	(520,851)
Cash and cash equivalents - January 1	527,375	388,097	915,472
Cash and cash equivalents - December 31	<u>\$ 359,664</u>	<u>\$ 34,957</u>	<u>\$ 394,621</u>
<b>Reconciliation of operating income (loss) to net cash provided by operating activities:</b>			
Operating income (loss)	\$ (138,568)	\$ (130,821)	\$ (269,389)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	-	396,498	396,498
Changes in assets and liabilities:			
Compensated absences	162,903	-	162,903
Net cash provided (used) by operating activities	<u>\$ 24,335</u>	<u>\$ 265,677</u>	<u>\$ 290,012</u>

# OTHER SUPPLEMENTARY SCHEDULES



CITY OF EAST GRAND FORKS, MINNESOTA



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**Schedule of Revenues and Other Sources  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Taxes:				
Property taxes	\$ 6,930,081	\$ 7,206,595	\$ 276,514	\$ 6,562,480
Mobile home taxes	-	4,588	4,588	2,803
Hotel/Motel taxes	40,000	70,719	30,719	67,724
Franchise taxes	1,525,683	1,558,345	32,662	1,596,113
Special assessments	100	475	375	1,662
Total Taxes	<u>8,495,864</u>	<u>8,840,722</u>	<u>344,858</u>	<u>8,230,782</u>
Licenses and permits:				
Liquor and malt licenses	55,575	49,300	(6,275)	57,125
Tobacco licenses	350	400	50	350
Pet licenses	1,000	810	(190)	680
Other licenses	4,000	14,508	10,508	3,690
Building permits	50,000	60,893	10,893	55,182
Excavation permits	2,000	2,250	250	2,116
Plumbing permits	1,000	688	(312)	1,100
Other permits	2,350	4,356	2,006	4,605
Total Licenses and Permits	<u>116,275</u>	<u>133,205</u>	<u>16,930</u>	<u>124,848</u>
Intergovernmental:				
Federal grants	15,000	13,536	(1,464)	4,748
Local government aid	2,459,838	2,459,838	-	2,233,625
Police state aid	200,000	257,492	57,492	232,308
Fire state aid	78,000	94,910	16,910	82,275
Ambulance subsidy	21,939	21,939	-	21,939
Other	64,800	96,249	31,449	83,007
Total Intergovernmental	<u>2,839,577</u>	<u>2,943,964</u>	<u>104,387</u>	<u>2,657,902</u>
Charges for services:				
General government	17,400	27,204	9,804	28,006
Rescue unit	252,000	272,577	20,577	254,324

**Schedule of Revenues and Other Sources  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Charges for services (continued):				
Police services	83,073	87,239	4,166	17,025
Protective inspection services	-	25	25	-
Rural fire service	59,897	59,897	-	61,218
Public safety - other	1,400	1,315	(85)	1,572
Streets and highways	750	(515)	(1,265)	8,260
Street lights	214,464	236,007	21,543	216,753
Swimming pool	80,000	89,901	9,901	79,802
Summer recreation programs	83,600	85,141	1,541	80,529
Winter recreation programs	190,500	145,993	(44,507)	140,782
Recreation - other	252,000	147,994	(104,006)	224,478
Senior Center	13,500	16,458	2,958	14,791
City hall rent	42,596	42,596	-	41,946
Blue Line Arena rent	3,500	4,366	866	4,733
VFW arena rent	44,000	69,865	25,865	67,853
Civic center rent	112,000	127,276	15,276	213,177
Zoning	500	320	(180)	660
Library	5,200	10,301	5,101	8,128
Total charges for services	<u>1,456,380</u>	<u>1,423,960</u>	<u>(32,420)</u>	<u>1,464,037</u>
Fines and forfeits:				
Court fines	80,000	47,611	(32,389)	62,390
Parking fines	2,000	55	(1,945)	1,598
Other fines	-	413	413	-
Impound fees	6,000	5,189	(811)	5,481
Sale of seized property	30,000	997	(29,003)	6,010
Total fines and forfeits	<u>118,000</u>	<u>54,265</u>	<u>(63,735)</u>	<u>75,479</u>
Miscellaneous revenues:				
Interest revenue	2,000	186,556	184,556	115,170
Donations	9,000	5,456	(3,544)	7,627
Insurance dividends and proceeds	1,000	65,306	64,306	54,586
Other	23,200	35,043	11,843	(88,498)
Total miscellaneous	<u>35,200</u>	<u>292,361</u>	<u>257,161</u>	<u>88,885</u>
Total revenues	<u>13,061,296</u>	<u>13,688,477</u>	<u>627,181</u>	<u>12,641,933</u>
Other financing sources:				
Proceeds from sale of capital asset	-	33,947	33,947	5,000
Issuance of leases/sbta's	-	93,495	93,495	12,380
Transfers in	266,600	76,787	(189,813)	149,239
Total other financing sources	<u>266,600</u>	<u>204,229</u>	<u>(62,371)</u>	<u>166,619</u>
Total revenues and other financing sources	<u>\$ 13,327,896</u>	<u>\$ 13,892,706</u>	<u>\$ 564,810</u>	<u>\$ 12,808,552</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
General government:				
Council:				
Personal services	\$ 47,313	\$ 46,113	\$ 1,200	\$ 46,163
Other expenditures	6,931	1,732	5,199	3,305
Total	<u>54,244</u>	<u>47,845</u>	<u>6,399</u>	<u>49,468</u>
Ordinances and proceedings:				
Contractual services	1,000	891	109	2,978
Total	<u>1,000</u>	<u>891</u>	<u>109</u>	<u>2,978</u>
Mayor:				
Personal services	10,814	10,814	-	10,814
Supplies	186	74	112	-
Contractual services	773	278	495	298
Other expenditures	8,000	8,808	(808)	6,089
Total	<u>19,773</u>	<u>19,974</u>	<u>(201)</u>	<u>17,201</u>
Elections:				
Personal services	23,065	19,388	3,677	363
Other expenditures	10,000	3,261	6,739	-
Total	<u>33,065</u>	<u>22,649</u>	<u>10,416</u>	<u>363</u>
City administration:				
Personal services	433,195	423,008	10,187	390,568
Supplies	5,500	1,693	3,807	2,453
Contractual services	36,600	42,977	(6,377)	69,143
Other expenditures	18,750	13,789	4,961	10,243
Total	<u>494,045</u>	<u>481,467</u>	<u>12,578</u>	<u>472,407</u>
Accounting and auditing:				
Contractual services	62,000	56,321	5,679	58,861
Total	<u>62,000</u>	<u>56,321</u>	<u>5,679</u>	<u>58,861</u>
City assessor:				
Contractual services	30,000	32,778	(2,778)	29,048
Total	<u>30,000</u>	<u>32,778</u>	<u>(2,778)</u>	<u>29,048</u>
City attorney:				
Contractual services	285,000	279,968	5,032	267,031
Other expenditures	2,500	-	2,500	-
Total	<u>287,500</u>	<u>279,968</u>	<u>7,532</u>	<u>267,031</u>
Planning and zoning:				
Personal services	48,048	49,829	(1,781)	45,878
Supplies	250	32	218	-
Contractual services	92,200	97,257	(5,057)	110,751
Other expenditures	1,100	325	775	1,042
Total	<u>141,598</u>	<u>147,443</u>	<u>(5,845)</u>	<u>157,671</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
General government (continued):				
Civil service commission:				
Personal Services	4,683	3,875	808	3,934
Total	<u>4,683</u>	<u>3,875</u>	<u>808</u>	<u>3,934</u>
Finance and accounting:				
Personal services	156,522	157,918	(1,396)	145,493
Other expenditures	6,725	4,180	2,545	5,211
Total	<u>163,247</u>	<u>162,098</u>	<u>1,149</u>	<u>150,704</u>
Building:				
Personal services	13,495	21,592	(8,097)	17,429
Supplies	3,500	2,774	726	4,211
Contractual services	219,700	237,801	(18,101)	196,524
Other expenditures	100	20	80	42
Total	<u>236,795</u>	<u>262,187</u>	<u>(25,392)</u>	<u>218,206</u>
Summary:				
Current	1,527,950	1,517,496	10,454	1,427,872
Capital outlay	-	-	-	-
Total general government	<u>\$ 1,527,950</u>	<u>\$ 1,517,496</u>	<u>\$ 10,454</u>	<u>\$ 1,427,872</u>
Public safety:				
Police:				
Personal services	\$ 3,310,514	\$ 3,312,688	\$ (2,174)	\$ 2,985,608
Supplies	127,287	89,419	37,868	113,968
Contractual services	187,200	169,386	17,814	153,455
Other expenditures	32,613	13,212	19,401	28,463
Capital outlay	116,500	217,079	(100,579)	95,823
Total	<u>3,774,114</u>	<u>3,801,784</u>	<u>(27,670)</u>	<u>3,377,317</u>
Fire:				
Personal services	1,316,851	1,347,011	(30,160)	1,224,215
Supplies	43,500	31,857	11,643	33,411
Contractual services	135,808	101,103	34,705	129,132
Other expenditures	20,000	12,206	7,794	16,246
Total	<u>1,516,159</u>	<u>1,492,177</u>	<u>23,982</u>	<u>1,403,004</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Public safety (continued):				
Building inspection:				
Personal services	76,942	73,612	3,330	67,942
Supplies	350	316	34	616
Contractual services	50,500	65,116	(14,616)	42,545
Other expenditures	1,700	965	735	1,077
Total	<u>129,492</u>	<u>140,009</u>	<u>(10,517)</u>	<u>112,180</u>
Traffic engineering:				
Personal services	24,042	67,423	(43,381)	42,796
Supplies	11,500	10,661	839	8,620
Contractual services	32,500	21,579	10,921	19,962
Other expenditures	7,000	8,366	(1,366)	6,564
Total	<u>75,042</u>	<u>108,029</u>	<u>(32,987)</u>	<u>77,942</u>
Animal control:				
Contractual services	10,000	12,188	(2,188)	8,572
Total	<u>10,000</u>	<u>12,188</u>	<u>(2,188)</u>	<u>8,572</u>
Summary:				
Current	5,388,307	5,337,108	51,199	4,883,192
Capital outlay	116,500	217,079	(100,579)	95,823
Total public safety	<u>\$ 5,504,807</u>	<u>\$ 5,554,187</u>	<u>\$ (49,380)</u>	<u>\$ 4,979,015</u>
Public works:				
Administration:				
Personal services	\$ 163,770	\$ 154,467	\$ 9,303	\$ 189,965
Supplies	5,700	2,173	3,527	1,476
Contractual services	4,300	7,676	(3,376)	3,477
Other expenditures	4,800	1,657	3,143	2,135
Total	<u>178,570</u>	<u>165,973</u>	<u>12,597</u>	<u>197,053</u>
Streets:				
Personal services	387,029	294,794	92,235	266,804
Supplies	6,500	2,623	3,877	4,426
Contractual services	11,000	11,432	(432)	11,222
Other expenditures	17,500	11,990	5,510	11,761
Capital outlay	187,113	187,113	-	256,062
Total	<u>609,142</u>	<u>507,952</u>	<u>101,190</u>	<u>550,275</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Public works (continued):				
Engineering services:				
Other professional services	76,000	44,446	31,554	34,302
Total	<u>76,000</u>	<u>44,446</u>	<u>31,554</u>	<u>34,302</u>
Downtown parking lots:				
Personal services	9,202	5,188	4,014	826
Contractual services	-	3,425	(3,425)	-
Total	<u>9,202</u>	<u>8,613</u>	<u>589</u>	<u>826</u>
Ice and snow removal:				
Personal services	143,750	74,685	69,065	149,915
Supplies	450	12	438	167
Contractual services	131,000	148,600	(17,600)	120,999
Other expenditures	600	64	536	2,025
Total	<u>275,800</u>	<u>223,361</u>	<u>52,439</u>	<u>273,106</u>
Equipment:				
Supplies	74,400	56,363	18,037	82,302
Contractual services	256,296	276,254	(19,958)	238,745
Other expenditures	500	223	277	-
Total	<u>331,196</u>	<u>332,840</u>	<u>(1,644)</u>	<u>321,047</u>
Equipment building:				
Supplies	13,700	11,182	2,518	12,066
Contractual services	51,600	52,460	(860)	71,424
Other expenditures	800	-	800	-
Total	<u>66,100</u>	<u>63,642</u>	<u>2,458</u>	<u>83,490</u>
City shop:				
Personal services	219,805	215,175	4,630	189,576
Charged back	(90,000)	(92,382)	2,382	(91,350)
Supplies	255,000	321,992	(66,992)	335,130
Charged back	(255,000)	(299,285)	44,285	(307,318)
Other expenditures	2,500	809	1,691	873
Total	<u>132,305</u>	<u>146,309</u>	<u>(14,004)</u>	<u>126,911</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Public works (continued):				
Street lighting:				
Contractual services	117,500	109,719	7,781	110,584
Total	<u>117,500</u>	<u>109,719</u>	<u>7,781</u>	<u>110,584</u>
Street cleaning:				
Personal services	41,874	38,921	2,953	29,789
Contractual services	58,739	56,319	2,420	58,740
Total	<u>100,613</u>	<u>95,240</u>	<u>5,373</u>	<u>88,529</u>
Weed control:				
Personal services	48,316	24,177	24,139	14,459
Supplies	1,500	1,318	182	743
Other expenditures	1,000	75	925	150
Capital outlay	12,000	10,194	1,806	18,351
Total	<u>62,816</u>	<u>35,764</u>	<u>27,052</u>	<u>33,703</u>
Summary:				
Current	1,760,131	1,536,552	223,579	1,545,413
Capital outlay	199,113	197,307	1,806	274,413
Total public works	<u>\$ 1,959,244</u>	<u>\$ 1,733,859</u>	<u>\$ 225,385</u>	<u>\$ 1,819,826</u>
Recreation and culture:				
Parks and recreation administration				
Personal services	\$ 285,604	\$ 273,590	\$ 12,014	\$ 267,492
Supplies	3,400	1,879	1,521	1,422
Contractual services	12,250	13,373	(1,123)	5,708
Other expenditures	4,950	2,887	2,063	4,652
Total	<u>306,204</u>	<u>291,729</u>	<u>14,475</u>	<u>279,274</u>
Playgrounds:				
Personal services	15,071	17,094	(2,023)	17,227
Supplies	500	172	328	153
Other expenditures	1,500	1,425	75	3,205
Total	<u>17,071</u>	<u>18,691</u>	<u>(1,620)</u>	<u>20,585</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Recreation and culture (continued):				
Swimming pool:				
Personal services	112,564	136,520	(23,956)	117,145
Supplies	25,250	21,928	3,322	21,778
Contractual services	55,000	65,008	(10,008)	49,087
Other expenditures	1,750	1,383	367	1,996
Total	<u>194,564</u>	<u>224,839</u>	<u>(30,275)</u>	<u>190,006</u>
Tennis:				
Personal services	5,705	3,861	1,844	5,744
Supplies	1,000	-	1,000	718
Other expenditures	300	-	300	-
Total	<u>7,005</u>	<u>3,861</u>	<u>3,144</u>	<u>6,462</u>
Skating rinks:				
Personal services	5,383	579	4,804	-
Supplies	1,000	999	1	-
Total	<u>6,383</u>	<u>1,578</u>	<u>4,805</u>	<u>-</u>
Hockey:				
Personal services	56,516	55,315	1,201	49,450
Supplies	3,500	9,067	(5,567)	1,679
Contractual services	-	4,500	(4,500)	-
Other expenditures	20,500	18,878	1,622	14,884
Total	<u>80,516</u>	<u>87,760</u>	<u>(7,244)</u>	<u>66,013</u>
Figure skating:				
Personal services	57,862	50,963	6,899	47,835
Supplies	2,000	2,023	(23)	445
Other expenditures	7,750	6,640	1,110	9,386
Total	<u>67,612</u>	<u>59,626</u>	<u>7,986</u>	<u>57,666</u>
Baseball:				
Personal services	51,080	32,280	18,800	28,499
Supplies	15,500	11,662	3,838	12,161
Other expenditures	22,500	23,758	(1,258)	22,040
Total	<u>89,080</u>	<u>67,700</u>	<u>21,380</u>	<u>62,700</u>
Softball:				
Personal services	26,374	16,138	10,236	22,117
Supplies	3,500	1,102	2,398	1,405
Other expenditures	3,500	3,954	(454)	1,323
Total	<u>33,374</u>	<u>21,194</u>	<u>12,180</u>	<u>24,845</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>	<u>Prior Year Actual</u>
Recreation and culture (continued):				
Civic center:				
Personal services	170,517	164,125	6,392	172,386
Supplies	17,500	9,877	7,623	15,261
Contractual services	145,583	142,653	2,930	116,509
Other expenditures	2,400	1,345	1,055	1,027
Total	<u>336,000</u>	<u>318,000</u>	<u>18,000</u>	<u>305,183</u>
VFW arena:				
Personal services	147,818	166,166	(18,348)	166,360
Supplies	21,000	15,502	5,498	14,904
Contractual services	155,865	156,167	(302)	122,620
Other expenditures	2,200	2,085	115	1,176
Capital outlay	60,000	48,517	11,483	-
Total	<u>386,883</u>	<u>388,437</u>	<u>(1,554)</u>	<u>305,060</u>
Library:				
Personal services	574,052	567,837	6,215	515,903
Supplies	8,250	6,937	1,313	9,555
Other expenditures	171,769	150,800	20,969	151,138
Capital outlay	8,547	5,448	3,099	3,679
Total	<u>762,618</u>	<u>731,022</u>	<u>31,596</u>	<u>680,275</u>
Senior Center:				
Personal services	103,355	104,130	(775)	94,568
Supplies	4,700	5,340	(640)	5,261
Other expenditures	37,982	32,832	5,150	33,833
Total	<u>146,037</u>	<u>142,302</u>	<u>3,735</u>	<u>133,662</u>
Blue Line Arena:				
Personal services	16,148	15,130	1,018	14,228
Supplies	4,000	295	3,705	516
Contractual services	56,000	49,241	6,759	55,899
Total	<u>76,148</u>	<u>64,666</u>	<u>11,482</u>	<u>70,643</u>
Park areas:				
Personal services	240,895	213,550	27,345	162,795
Supplies	47,000	33,721	13,279	37,979
Contractual services	124,224	98,323	25,901	107,338
Other expenditures	4,250	2,088	2,162	1,758
Capital outlay	-	-	-	-
Total	<u>416,369</u>	<u>347,682</u>	<u>68,687</u>	<u>309,870</u>
Campground-Recreation Area:				
Personal services	122,112	151,618	(29,506)	124,461
Supplies	8,000	5,132	2,868	5,990
Contractual services	75,000	59,187	15,813	54,708
Other expenditures	6,500	5,387	1,113	2,638
Total	<u>211,612</u>	<u>221,324</u>	<u>(9,712)</u>	<u>187,797</u>
Summary:				
Current	3,068,929	2,936,446	132,483	2,696,362
Capital outlay	68,547	53,965	14,582	3,679
Total Recreation and culture	<u>\$ 3,137,476</u>	<u>\$ 2,990,411</u>	<u>\$ 147,065</u>	<u>\$ 2,700,041</u>

**Schedule of Expenditures and Other Uses  
Budget to Actual – General Fund  
For the Year Ended December 31, 2024 (Continued)**

**CITY OF EAST GRAND FORKS**

	<u>Original and Final Budget</u>	<u>Current Year Actual</u>	<u>Variance with Final Budget</u>
Community Development:			
Residential tax abatement	\$ 66,600	\$ 38,787	\$ 27,813
General community development	222,363	243,064	(20,701)
Total	<u>288,963</u>	<u>281,851</u>	<u>7,112</u>
Summary:			
Current	288,963	281,851	7,112
Total community development	<u>\$ 288,963</u>	<u>\$ 281,851</u>	<u>\$ 7,112</u>
Debt service			
Principal payments on lease	<u>\$ 13,570</u>	<u>\$ 38,109</u>	<u>\$ (24,539)</u>
Other expenditures:			
Workers compensation	\$ 6,889	\$ 5,677	\$ 1,212
General liability and other insurance	227,620	246,782	(19,162)
Promotional (Lodging)	40,000	67,183	(27,183)
Memberships and dues	27,000	20,709	6,291
Miscellaneous	13,430	(12,532)	25,962
Contributed capital outlay	200,000	-	200,000
Capital outlay	48,500	42,554	5,946
Total	<u>563,439</u>	<u>370,373</u>	<u>193,066</u>
Summary:			
Current	314,939	327,819	(12,880)
Capital outlay	248,500	42,554	205,946
Total other expenditures	<u>\$ 563,439</u>	<u>\$ 370,373</u>	<u>\$ 193,066</u>
Total expenditures	<u>\$ 12,995,449</u>	<u>\$ 12,486,286</u>	<u>\$ 509,163</u>
Other financing uses:			
Transfers out	\$ 459,121	\$ 463,351	\$ (4,230)
Total other financing uses	<u>459,121</u>	<u>463,351</u>	<u>(4,230)</u>
Total expenditures and other financing uses	<u>\$ 13,454,570</u>	<u>\$ 12,949,637</u>	<u>\$ 504,933</u>

**Combining Statement of Net Position  
Discretely Presented Component Unit – by Focus  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Housing</u>	<u>Economic Development</u>	<u>Total</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 467,187	\$ 492,217	\$ 959,404
Investments	1,548,532	2,135,000	3,683,532
Notes receivable (current portion)	-	248,626	248,626
Total current assets	<u>2,015,719</u>	<u>2,875,843</u>	<u>4,891,562</u>
Noncurrent assets:			
Capital assets:			
Land	50,300	-	50,300
Buildings and systems	5,745,503	-	5,745,503
Machinery and equipment	164,509	9,270	173,779
Total capital assets	5,960,312	9,270	5,969,582
Less accumulated depreciation/amortization	(3,331,560)	(3,090)	(3,334,650)
Total capital assets (net)	<u>2,628,752</u>	<u>6,180</u>	<u>2,634,932</u>
Land held for resale	-	779,877	779,877
Notes receivable (net current portion)	-	774,871	774,871
Allowance for uncollectible	-	-	-
Total noncurrent assets	<u>-</u>	<u>1,554,748</u>	<u>1,554,748</u>
<b>TOTAL ASSETS</b>	<u>4,644,471</u>	<u>4,436,771</u>	<u>9,081,242</u>
Deferred outflows of resources			
Cost sharing defined benefit - PERA	9,068	9,068	18,136
Deferred outflows of resources - OPEB	665	665	1,330
Total deferred outflows of resources	<u>9,733</u>	<u>9,733</u>	<u>19,466</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	13,221	10,461	23,682
Accrued wages payable	4,159	3,400	7,559
Due to other government units	5,750	-	5,750
Accrued interest payable	-	16	16
Lease liability - current	-	1,829	1,829
Compensated absences payable - current	3,715	226	3,941
Total current liabilities	<u>26,845</u>	<u>15,932</u>	<u>42,777</u>
Noncurrent liabilities:			
Customer deposits	27,413	-	27,413
Compensated absences payable (net current)	8,049	2,515	10,564
Lease liability (net current)	-	4,488	4,488
Net pension liability	46,122	46,122	92,244
Total other postemployment benefit liability	5,181	5,181	10,362
Total noncurrent liabilities	<u>86,765</u>	<u>58,306</u>	<u>145,071</u>
Deferred inflows of resources			
Cost sharing defined benefit - PERA	36,153	36,153	72,306
Deferred inflows of resources - OPEB	963	963	1,926
Total deferred inflows of resources	<u>37,116</u>	<u>37,116</u>	<u>74,232</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,628,752	6,180	2,634,932
Unrestricted	1,874,726	4,328,970	6,203,696
<b>TOTAL NET POSITION</b>	<u>\$ 4,503,478</u>	<u>\$ 4,335,150</u>	<u>\$ 8,838,628</u>

**Statement of Revenues, Expenses and Changes in Fund Net Position  
Discretely Presented Component Unit – by Focus  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Housing</u>	<u>Economic Development</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 519,164	\$ 21,521	\$ 540,685
Other	10,491	-	10,491
Total operating revenues	<u>529,655</u>	<u>21,521</u>	<u>551,176</u>
Operating expenses:			
Community development:			
Administration	490,043	179,196	669,239
Depreciation and amortization	152,784	-	152,784
Other:			
Business development	-	314,505	314,505
Total operating expenses	<u>642,827</u>	<u>493,701</u>	<u>1,136,528</u>
Operating income (loss)	<u>(113,172)</u>	<u>(472,180)</u>	<u>(585,352)</u>
Nonoperating revenues:			
Interest revenue	37,139	-	37,139
Donations	-	1,500	1,500
Miscellaneous revenue	-	245,478	245,478
Total nonoperating revenues	<u>37,139</u>	<u>246,978</u>	<u>284,117</u>
Change in net position	(76,033)	(225,202)	(301,235)
Net position at beginning of year	<u>4,579,511</u>	<u>4,560,352</u>	<u>9,139,863</u>
Net position at end of year	<u>\$ 4,503,478</u>	<u>\$ 4,335,150</u>	<u>\$ 8,838,628</u>

**Combining Schedule of Net Position  
Discretely Presented Component Unit – Economic Development Focus  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>General</u>	<u>TIF #1-1 Triangle</u>	<u>TIF #1-2 E. DeMers</u>	<u>IRP Loan</u>	<u>DRLF Loan</u>	<u>DEED MIF</u>	<u>Total</u>
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ 56,229	\$ 159,537	\$ 247,542	\$ 28,909	\$ 492,217
Investments	-	-	335,000	255,000	1,545,000	-	2,135,000
Notes receivable (current portion)	-	-	12,196	47,116	174,606	14,708	248,626
Total current assets	-	-	403,425	461,653	1,967,148	43,617	2,875,843
Noncurrent assets:							
Capital assets:							
Machinery and equipment	9,270	-	-	-	-	-	9,270
Total capital assets	9,270	-	-	-	-	-	9,270
Less accumulated depreciation/amortization	(3,090)	-	-	-	-	-	(3,090)
Total capital assets (net)	6,180	-	-	-	-	-	6,180
Land held for resale	-	737,877	42,000	-	-	-	779,877
Notes receivable (net current portion)	-	-	(12,196)	53,223	665,318	68,526	774,871
Allowance for uncollectible	-	-	-	-	-	-	-
Total noncurrent assets	6,180	737,877	29,804	53,223	665,318	68,526	1,560,928
<b>TOTAL ASSETS</b>	<b>6,180</b>	<b>737,877</b>	<b>433,229</b>	<b>514,876</b>	<b>2,632,466</b>	<b>112,143</b>	<b>4,436,771</b>
Deferred outflows of resources							
Cost sharing defined benefit - PERA	9,068	-	-	-	-	-	9,068
Deferred outflows of resources - OPEB	665	-	-	-	-	-	665
Total deferred outflows of resources	9,733	-	-	-	-	-	9,733
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	10,461	-	-	-	-	-	10,461
Accrued wages payable	3,400	-	-	-	-	-	3,400
Accrued interest payable	16	-	-	-	-	-	16
Lease liability - current	1,829	-	-	-	-	-	1,829
Compensated absences payable - current	226	-	-	-	-	-	226
Total current liabilities	15,932	-	-	-	-	-	15,932
Noncurrent liabilities:							
Compensated absences payable (net current)	2,515	-	-	-	-	-	2,515
Lease liability (net current)	4,488	-	-	-	-	-	4,488
Net pension liability	46,122	-	-	-	-	-	46,122
Total other postemployment liability	5,181	-	-	-	-	-	5,181
Total noncurrent liabilities	58,306	-	-	-	-	-	58,306
Total liabilities	74,238	-	-	-	-	-	74,238
Deferred inflows of resources							
Cost sharing defined benefit - PERA	36,153	-	-	-	-	-	36,153
Deferred inflows of resources - OPEB	963	-	-	-	-	-	963
Total deferred inflows of resources	37,116	-	-	-	-	-	37,116
<b>NET POSITION</b>							
Net investment in capital assets	6,180	-	-	-	-	-	6,180
Unrestricted	(101,621)	737,877	433,229	514,876	2,632,466	112,143	4,328,970
<b>TOTAL NET POSITION</b>	<b>\$ (95,441)</b>	<b>\$ 737,877</b>	<b>\$ 433,229</b>	<b>\$ 514,876</b>	<b>\$2,632,466</b>	<b>\$ 112,143</b>	<b>\$4,335,150</b>

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Discretely Presented Component Unit – Economic Development Focus  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>General</u>	<u>TIF #1-1 Triangle</u>	<u>TIF #1-2 E. DeMers</u>	<u>IRP Loan</u>	<u>DRLF Loan</u>	<u>DEED MIF</u>	<u>Total</u>
Operating revenues:							
Charges for services:							
Interest on loans	\$ -	\$ -	\$ -	\$ 1,327	\$ 19,281	\$ 913	\$ 21,521
Total operating revenues	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,327</u>	<u>19,281</u>	<u>913</u>	<u>21,521</u>
Operating expenses:							
Administration	179,196	-	-	-	-	-	179,196
Business development	305,044	-	-	-	-	9,461	314,505
Total operating expenses	<u>484,240</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>9,461</u>	<u>493,701</u>
Operating income (loss)	<u>(484,240)</u>	<u>-</u>	<u>-</u>	<u>1,327</u>	<u>19,281</u>	<u>(8,548)</u>	<u>(472,180)</u>
Nonoperating revenues:							
Donations	1,500	-	-	-	-	-	1,500
Miscellaneous revenue	243,574	-	-	-	1,904	-	245,478
Total nonoperating revenues	<u>245,074</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,904</u>	<u>-</u>	<u>246,978</u>
Change in net position	(239,166)	-	-	1,327	21,185	(8,548)	(225,202)
Net position at beginning of year	<u>143,725</u>	<u>737,877</u>	<u>433,229</u>	<u>513,549</u>	<u>2,611,281</u>	<u>120,691</u>	<u>4,560,352</u>
Net position at end of year	<u>\$ (95,441)</u>	<u>\$ 737,877</u>	<u>\$ 433,229</u>	<u>\$ 514,876</u>	<u>\$ 2,632,466</u>	<u>\$ 112,143</u>	<u>\$ 4,335,150</u>

**Combining Schedule of Net Position  
Discretely Presented Component Unit – Housing Focus  
As of December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Sunshine Terrace</u>	<u>Housing Loan</u>	<u>Totals</u>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 295,297	\$ 171,890	\$ 467,187
Investments	1,548,532	-	1,548,532
Total current assets	<u>1,843,829</u>	<u>171,890</u>	<u>2,015,719</u>
Noncurrent Assets:			
Capital assets:			
Land	50,300	-	50,300
Buildings and systems	5,745,503	-	5,745,503
Machinery and equipment	164,509	-	164,509
Total capital assets	<u>5,960,312</u>	<u>-</u>	<u>5,960,312</u>
Less accumulated depreciation	<u>(3,331,560)</u>	<u>-</u>	<u>(3,331,560)</u>
Total capital assets (net)	<u>2,628,752</u>	<u>-</u>	<u>2,628,752</u>
Total noncurrent assets	<u>2,628,752</u>	<u>-</u>	<u>2,628,752</u>
<b>TOTAL ASSETS</b>	<u>4,472,581</u>	<u>171,890</u>	<u>4,644,471</u>
Deferred outflows of resources			
Cost sharing defined benefit - PERA	9,068	-	9,068
Deferred outflows of resources - OPEB	665	-	665
Total deferred outflows of resources	<u>9,733</u>	<u>-</u>	<u>9,733</u>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	13,221	-	13,221
Accrued wages payable	4,159	-	4,159
Due to other funds	5,750	-	5,750
Compensated absences payable - current	3,715	-	3,715
Total current liabilities	<u>26,845</u>	<u>-</u>	<u>26,845</u>
Noncurrent liabilities:			
Customer deposits	27,413	-	27,413
Compensated absences payable (net current)	8,049	-	8,049
Net pension liability	46,122	-	46,122
Total other postemployment benefit liability	<u>5,181</u>	<u>-</u>	<u>5,181</u>
Total noncurrent liabilities	<u>86,765</u>	<u>-</u>	<u>86,765</u>
<b>TOTAL LIABILITIES</b>	<u>113,610</u>	<u>-</u>	<u>113,610</u>
Deferred inflows of resources			
Cost sharing defined benefit - PERA	36,153	-	36,153
Deferred inflows of resources - OPEB	963	-	963
Total deferred inflows of resources	<u>37,116</u>	<u>-</u>	<u>37,116</u>
<b>NET POSITION</b>			
Net investment in capital assets	2,628,752	-	2,628,752
Unrestricted	<u>1,702,836</u>	<u>171,890</u>	<u>1,874,726</u>
<b>TOTAL NET POSITION</b>	<u>\$ 4,331,588</u>	<u>\$ 171,890</u>	<u>\$ 4,503,478</u>

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position  
Discretely Presented Component Unit – Housing Focus  
For the Year Ended December 31, 2024**

**CITY OF EAST GRAND FORKS**

	<u>Sunshine Terrace</u>	<u>Housing Loan</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 519,164	\$ -	\$ 519,164
Other	10,491	-	10,491
Total operating revenues	<u>529,655</u>	<u>-</u>	<u>529,655</u>
Operating expenses:			
Community development:			
Personal services	98,080	-	98,080
Supplies	682	-	682
Contractual services	152,913	-	152,913
Depreciation	152,784	-	152,784
Other expenditures	212,268	26,100	238,368
Total operating expenses	<u>616,727</u>	<u>26,100</u>	<u>642,827</u>
Operating income (loss)	<u>(87,072)</u>	<u>(26,100)</u>	<u>(113,172)</u>
Nonoperating revenues:			
Interest revenue	37,138	1	37,139
Total nonoperating revenues	<u>37,138</u>	<u>1</u>	<u>37,139</u>
Change in net position	(49,934)	(26,099)	(76,033)
Net position at beginning of year	<u>4,381,522</u>	<u>197,989</u>	<u>4,579,511</u>
Net position at end of year	<u>\$ 4,331,588</u>	<u>\$ 171,890</u>	<u>\$ 4,503,478</u>



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# STATISTICAL SECTION



CITY OF EAST GRAND FORKS, MINNESOTA

## Statistical Information

(Unaudited)

CITY OF EAST GRAND FORKS

The Statistical Section is included to provide financial statement users with additional historical perspective, context, and detail for them to use in evaluating the information contained within the financial statements, notes to the financial statements, and required supplementary information with the goal of providing the user a better understanding of the City's economic condition.

### Contents

#### **Financial Trends**

These schedules contain information to help the reader understand how the City's financial performance and well-being have changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

#### **Revenue Capacity**

These schedules contain information to help the reader assess the City's most significant local revenue sources.

- Tax Revenues by Source
- State Intergovernmental Revenues by Program
- Tax Capacity and Estimated Market Value of all Taxable Property
- Property Tax Rates - All Direct and Overlapping Governments
- Principal Property Taxpayers
- Property Tax Levies and Tax Collections
- Special Assessment Levies and Collections

#### **Debt Capacity**

These schedules contain information to help the reader assess the affordability of the City's current levels of outstanding debt and the City's ability to issue additional debt in the future.

- Ratio of Net Bonded Debt to Tax Capacity and Estimated Values, and Net Bonded Debt per Capita
- Computation of Direct and Overlapping Debt
- Legal Debt Margin Information
- Computation of Legal Debt Margin

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the reader understand the environment within which the City's financial activities take place.

- Construction
- Demographic and Economic Statistics
- Principal Employers
- Demographic Statistics U.S. Census Data

#### **Operating Information**

These schedules contain service and infrastructure data to help the reader understand how the information in the City's financial report relates to the services the City provides and activities it performs.

- Full-time Employees by Function/Program
- Operating Indicators by Function
- Schedule of Insurance in Force
- Miscellaneous Statistical Information
- Significant Tax Policies

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



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**Net Position by Component  
Last Ten Years**  
(Accrual basis of accounting)

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Governmental activities</b>										
Net investment in capital assets	\$ 114,210,487	\$ 118,579,744	\$ 116,652,177	\$ 117,249,450	\$ 116,317,785	\$ 115,003,576	\$ 113,403,279	\$ 111,418,567	\$ 111,760,449	\$ 113,618,300
Restricted	13,061,790	10,764,788	12,941,049	12,483,478	11,850,506	12,349,366	11,581,825	10,210,452	9,868,874	9,338,154
Unrestricted	1,041,983	(1,346,405)	(2,267,633)	(528,273)	653,859	976,932	1,817,315	1,906,734	2,409,508	3,115,232
Total governmental activities net position	<u>\$ 128,314,260</u>	<u>\$ 127,998,127</u>	<u>\$ 127,325,593</u>	<u>\$ 129,204,655</u>	<u>\$ 128,822,150</u>	<u>\$ 128,329,874</u>	<u>\$ 126,802,419</u>	<u>\$ 123,535,753</u>	<u>\$ 124,038,831</u>	<u>\$ 126,071,686</u>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 47,340,484	\$ 49,138,750	\$ 49,242,841	\$ 52,177,632	\$ 53,596,678	\$ 53,716,308	\$ 52,335,957	\$ 51,602,782	\$ 52,464,149	\$ 51,815,475
Unrestricted	17,271,336	17,307,983	18,911,475	19,731,246	21,110,837	21,397,470	22,571,181	22,206,391	23,372,989	24,827,630
Total business-type activities net position	<u>\$ 64,611,820</u>	<u>\$ 66,446,733</u>	<u>\$ 68,154,316</u>	<u>\$ 71,908,878</u>	<u>\$ 74,707,515</u>	<u>\$ 75,113,778</u>	<u>\$ 74,907,138</u>	<u>\$ 73,809,173</u>	<u>\$ 75,837,138</u>	<u>\$ 76,643,105</u>
<b>Primary government</b>										
Net investment in capital assets	\$ 161,550,971	\$ 167,718,494	\$ 165,895,018	\$ 169,427,082	\$ 169,914,463	\$ 168,719,884	\$ 165,739,236	\$ 163,021,349	\$ 164,224,598	\$ 165,433,775
Restricted	13,061,790	10,764,788	12,941,049	12,483,478	11,850,506	12,349,366	11,581,825	10,210,452	9,868,874	9,338,154
Unrestricted	18,313,319	15,961,578	16,643,842	19,202,973	21,764,696	22,374,402	24,388,496	24,113,125	25,782,497	27,942,862
Total primary government net position	<u>\$ 192,926,080</u>	<u>\$ 194,444,860</u>	<u>\$ 195,479,909</u>	<u>\$ 201,113,533</u>	<u>\$ 203,529,665</u>	<u>\$ 203,443,652</u>	<u>\$ 201,709,557</u>	<u>\$ 197,344,926</u>	<u>\$ 199,875,969</u>	<u>\$ 202,714,791</u>

**Changes in Net Position  
Last Ten Years**  
(Accrual basis of accounting)

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Expenses</b>										
Governmental activities:										
General government	\$ 1,421,703	\$ 2,813,025	\$ 1,509,524	\$ 1,342,550	\$ 1,673,184	\$ 1,482,469	\$ 1,521,091	\$ 2,027,606	\$ 1,791,895	\$ 1,696,015
Public safety	4,250,080	4,408,879	4,194,432	4,413,214	4,712,127	5,422,717	4,164,685	5,251,952	5,025,906	5,895,360
Public works	4,080,295	3,849,162	4,741,124	5,259,137	4,983,919	5,231,154	5,645,044	6,025,630	6,452,568	5,765,200
Transit	387,385	409,700	467,747	506,202	830,716	939,616	751,475	839,101	679,433	602,503
Recreation and culture	2,638,367	2,919,265	2,899,898	2,495,130	2,905,261	3,005,154	3,085,770	3,322,150	2,848,845	3,506,258
Community development	109,984	531,305	410,613	509,748	287,297	602,997	323,804	393,175	318,537	308,443
Cemetery	50,317	68,904	68,978	71,304	69,227	62,996	74,614	70,314	66,674	87,523
Interest on long-term debt	504,927	381,875	488,843	369,483	291,521	244,977	209,702	176,829	131,749	104,530
Total governmental activities expenses	<u>13,443,058</u>	<u>15,382,115</u>	<u>14,781,159</u>	<u>14,966,768</u>	<u>15,753,252</u>	<u>16,992,080</u>	<u>15,776,185</u>	<u>18,106,757</u>	<u>17,315,607</u>	<u>17,965,832</u>
Business-type activities										
Electric utility	13,603,441	13,646,481	14,034,533	14,217,687	13,686,747	11,734,175	13,295,308	15,416,597	15,367,781	15,477,978
Water utility	2,176,802	2,397,668	2,257,695	2,297,615	2,369,405	2,703,771	2,230,648	2,389,938	2,541,404	2,748,391
Sewer utility	885,940	951,449	1,062,574	1,513,841	1,797,530	2,048,509	2,276,357	2,071,588	1,881,033	2,444,913
Commercial properties	1,697,935	63,549	73,689	76,146	78,291	79,805	96,739	87,572	78,494	77,395
Storm water	606,720	614,981	562,484	609,428	753,368	889,915	684,280	850,563	679,237	745,327
Refuse collection	946,497	1,115,119	944,928	1,028,401	1,016,395	993,390	998,564	1,116,605	1,100,321	1,230,774
Total business-type activities expenses	<u>19,917,335</u>	<u>18,789,247</u>	<u>18,935,903</u>	<u>19,743,118</u>	<u>19,701,736</u>	<u>18,449,565</u>	<u>19,581,896</u>	<u>21,932,863</u>	<u>21,648,270</u>	<u>22,724,778</u>
Total primary government expenses	<u>\$ 33,360,393</u>	<u>\$ 34,171,362</u>	<u>\$ 33,717,062</u>	<u>\$ 34,709,886</u>	<u>\$ 35,454,988</u>	<u>\$ 35,441,645</u>	<u>\$ 35,358,081</u>	<u>\$ 40,039,620</u>	<u>\$ 38,963,877</u>	<u>\$ 40,690,610</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 62,347	\$ 71,145	\$ 200,787	\$ 160,092	\$ 174,975	\$ 161,679	\$ 156,212	\$ 159,975	\$ 184,391	\$ 191,925
Public safety	308,678	302,641	459,527	462,094	501,446	466,917	541,895	481,162	435,220	490,575
Public works	315,286	315,553	313,607	317,059	318,600	315,898	322,840	373,381	384,091	401,519
Recreation and culture	516,167	554,879	553,589	691,104	625,337	504,236	491,051	775,126	831,147	695,285
Community development	1,103	2,212	2,143	2,029	1,622	716	976	2,283	1,725	1,024
Cemetery	21,310	13,945	14,311	7,594	19,193	19,695	22,040	25,155	28,005	48,801
Operating grants and contributions	3,158,208	3,221,755	1,107,433	2,305,017	1,509,949	2,643,388	1,385,529	1,559,879	1,994,498	2,414,096
Capital grants and contributions	16,883	1,150,836	1,371,508	1,506,801	6,768	741,315	949,798	89,706	1,589,465	2,597,023
Total governmental activities program revenues	<u>4,399,982</u>	<u>5,632,966</u>	<u>4,022,905</u>	<u>5,451,790</u>	<u>3,157,890</u>	<u>4,853,844</u>	<u>3,870,341</u>	<u>3,466,667</u>	<u>5,448,542</u>	<u>6,840,248</u>

**Changes in Net Position**  
**Last Ten Years (Continued)**  
*(Accrual basis of accounting)*

**CITY OF EAST GRAND FORKS**

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Business-type activities:										
Charges for services:										
Electric utility	14,304,963	14,096,598	14,255,245	15,024,875	14,689,006	12,681,376	14,213,753	16,038,189	15,645,288	16,544,282
Water utility	2,646,805	2,490,088	2,615,520	2,600,636	2,317,806	2,344,906	2,592,272	2,424,122	2,667,967	2,792,416
Sewer utility	1,629,153	1,647,609	1,660,340	1,668,778	1,632,242	1,615,642	1,664,566	1,861,368	1,958,438	2,045,200
Commercial properties	109,489	64,842	66,318	66,189	68,611	73,169	75,134	75,570	75,719	77,735
Storm water	286,021	479,086	482,463	485,348	486,107	487,305	494,944	711,861	706,342	709,621
Refuse collection	914,545	1,039,110	1,011,456	1,042,996	1,044,029	1,034,899	1,053,764	1,059,168	1,070,530	1,082,923
Operating grants and contributions	-	-	-	-	-	180,573	118,457	84,064	51,775	10,915
Capital grants and contributions	-	-	486,277	2,903,474	1,857,467	52,782	-	32,542	47,442	72,355
Total business-type activities program revenues	19,890,976	19,817,333	20,577,619	23,792,296	22,095,268	18,470,652	20,212,890	22,286,884	22,223,501	23,335,447
Total primary government program revenues	\$ 24,290,958	\$ 25,450,299	\$ 24,600,524	\$ 29,244,086	\$ 25,253,158	\$ 23,324,496	\$ 24,083,231	\$ 25,753,551	\$ 27,672,043	\$ 30,175,695
Net (expense)/revenue										
Governmental activities	\$ (9,043,076)	\$ (9,749,149)	\$ (10,758,254)	\$ (9,514,978)	\$ (12,595,362)	\$ (12,138,236)	\$ (11,905,844)	\$ (14,640,090)	\$ (11,867,065)	\$ (11,125,584)
Business-type activities	(26,359)	1,028,086	1,641,716	4,049,178	2,393,532	21,087	630,994	354,021	575,231	610,669
Total primary government net expense	\$ (9,069,435)	\$ (8,721,063)	\$ (9,116,538)	\$ (5,465,800)	\$ (10,201,830)	\$ (12,117,149)	\$ (11,274,850)	\$ (14,286,069)	\$ (11,291,834)	\$ (10,514,915)
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes	\$ 4,071,021	\$ 5,384,765	\$ 4,494,800	\$ 3,948,855	\$ 5,112,790	\$ 5,316,585	\$ 5,480,971	\$ 5,701,296	\$ 6,633,007	\$ 7,281,902
Franchise taxes	1,431,503	1,411,787	1,531,556	1,614,958	1,616,436	1,378,386	1,471,638	1,646,755	1,596,113	1,558,345
Sales taxes	-	-	-	802,604	1,002,469	779,080	-	-	-	-
Unrestricted grants and contributions	1,101,345	1,077,233	2,629,546	3,505,420	2,623,301	2,643,907	2,322,337	2,728,494	2,827,820	2,746,239
Investment earnings	84,835	125,608	494,906	56,116	810,552	651,837	139,401	360,263	446,477	516,979
Other	1,045,580	1,021,419	797,628	1,010,547	694,937	688,512	342,133	508,291	443,691	713,655
Returns and Refunds	-	-	-	-	-	-	-	-	-	(140,000)
Transfers	1,103,174	385,154	137,284	287,877	352,372	187,653	621,909	428,325	423,035	481,319
Total governmental activities	8,837,458	9,405,966	10,085,720	11,226,377	12,212,857	11,645,960	10,378,389	11,373,424	12,370,143	13,158,439
Business-type activities										
Investment earnings	273,526	237,847	194,186	169,612	757,277	565,004	(223,225)	(1,062,535)	1,783,762	649,083
Gain on sale	-	8,249	-	-	-	-	-	31,552	50,089	2,175
Capital contributions	-	258,293	-	-	-	-	-	-	-	-
Other	-	7,500	8,965	7,500	200	7,825	7,500	7,322	41,918	25,359
Transfers	(1,259,323)	(385,154)	(137,284)	(287,877)	(352,372)	(187,653)	(621,909)	(428,325)	(423,035)	(481,319)
Total business-type activities	(985,797)	126,735	65,867	(110,765)	405,105	385,176	(837,634)	(1,451,986)	1,452,734	195,298
Total primary government	\$ 7,851,661	\$ 9,532,701	\$ 10,151,587	\$ 11,115,612	\$ 12,617,962	\$ 12,031,136	\$ 9,540,755	\$ 9,921,438	\$ 13,822,877	\$ 13,353,737
<b>Changes in Net Position</b>										
Governmental activities	\$ (205,618)	\$ (343,183)	\$ (672,534)	\$ 1,711,399	\$ (382,505)	\$ (492,276)	\$ (1,527,455)	\$ (3,266,666)	\$ 503,078	\$ 2,032,855
Business-type activities	(1,012,156)	1,154,821	1,707,583	3,938,413	2,798,637	406,263	(206,640)	(1,097,965)	2,027,965	805,967
Total primary government	\$ (1,217,774)	\$ 811,638	\$ 1,035,049	\$ 5,649,812	\$ 2,416,132	\$ (86,013)	\$ (1,734,095)	\$ (4,364,631)	\$ 2,531,043	\$ 2,838,822

**Fund Balances of Governmental Funds  
Last Ten Years**

*(Modified Accrual basis of accounting)*

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Fund										
Nonspendable	\$ 18,438	\$ 18,834	\$ 24,249	\$ 18,546	\$ 13,710	\$ 7,644	\$ 31,254	\$ 115,523	\$ 33,003	\$ 109,492
Assigned	824,534	-	-	-	-	-	-	-	-	-
Unassigned	1,910,902	4,577,185	5,407,286	6,001,056	6,510,353	6,807,461	6,828,205	6,385,780	7,211,927	8,078,507
Total general fund	<u>\$ 2,753,874</u>	<u>\$ 4,596,019</u>	<u>\$ 5,431,535</u>	<u>\$ 6,019,602</u>	<u>\$ 6,524,063</u>	<u>\$ 6,815,105</u>	<u>\$ 6,859,459</u>	<u>\$ 6,501,303</u>	<u>\$ 7,244,930</u>	<u>\$ 8,187,999</u>
All other governmental funds										
Nonspendable	\$ 202,219	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000
Restricted	7,867,046	5,185,436	7,000,958	5,844,071	6,186,397	7,366,290	7,235,350	6,694,042	6,788,082	5,926,475
Unassigned	(443,018)	(2,902,243)	(2,051,907)	(1,315,136)	(369,488)	(253,476)	(464,554)	(474,675)	(372,862)	(539,217)
Total all other governmental funds	<u>\$ 7,626,247</u>	<u>\$ 2,359,193</u>	<u>\$ 5,025,051</u>	<u>\$ 4,604,935</u>	<u>\$ 5,892,909</u>	<u>\$ 7,188,814</u>	<u>\$ 6,846,796</u>	<u>\$ 6,295,367</u>	<u>\$ 6,491,220</u>	<u>\$ 5,463,258</u>

**Changes in Fund Balances of Governmental Funds  
Last Ten Years**

*(Modified accrual basis of accounting)*

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
<b>Revenues</b>										
General Taxes	\$ 4,682,355	\$ 5,261,885	\$ 6,026,359	\$ 7,279,298	\$ 7,731,694	\$ 7,474,051	\$ 6,952,609	\$ 7,348,051	\$ 8,229,120	\$ 8,840,247
Special Assessments	1,245,386	1,500,017	1,534,432	1,448,823	1,266,385	1,344,335	1,196,278	1,033,327	1,072,939	777,430
Licenses and Permits	128,766	141,650	141,454	110,687	120,630	107,263	104,258	107,019	124,848	133,205
Intergovernmental	4,164,660	4,874,995	3,693,302	5,751,681	4,042,333	5,490,221	4,168,810	4,277,857	6,086,797	7,228,856
Charges for Services	1,228,243	1,272,883	1,259,032	1,408,655	1,364,979	1,252,704	1,292,590	1,608,309	1,640,052	1,627,389
Fines and Forfeitures	96,018	134,397	143,477	120,626	155,566	110,300	141,116	80,312	75,479	54,265
Investment Earnings & Other Revenues	378,562	790,796	387,111	511,322	805,672	590,196	65,757	329,090	396,346	528,210
Returns and Refunds	-	-	-	-	-	-	-	-	-	(140,001)
Total Revenues	<u>11,923,990</u>	<u>13,976,623</u>	<u>13,185,167</u>	<u>16,631,092</u>	<u>15,487,259</u>	<u>16,369,070</u>	<u>13,921,418</u>	<u>14,783,965</u>	<u>17,625,581</u>	<u>19,049,601</u>
<b>Expenditures</b>										
General Government	996,073	1,082,021	1,074,528	1,191,847	1,286,762	1,311,421	1,462,820	1,617,420	1,427,872	1,517,496
Public Safety	4,008,399	4,094,298	4,213,347	4,323,543	4,476,947	5,316,358	4,711,996	4,683,245	4,883,190	5,627,411
Public Works	1,263,546	1,285,161	1,272,744	1,409,335	1,441,427	1,436,234	1,480,007	1,797,753	1,582,914	1,561,352
Transit	353,824	373,701	422,206	435,960	727,424	829,958	600,149	697,219	690,436	612,552
Culture and Recreation	2,041,966	2,244,883	2,284,037	2,395,072	2,575,444	2,385,162	2,527,567	2,689,964	2,697,609	2,941,512
Community Development	109,985	531,305	410,613	509,749	287,296	602,997	323,804	393,176	318,537	308,443
Cemetery	44,799	56,943	79,324	53,398	50,240	43,616	63,002	48,858	45,218	67,333
Other	261,263	241,159	395,249	260,466	295,204	268,812	290,172	325,944	329,097	327,819
Capital Outlay	4,178,606	3,684,508	2,721,705	3,527,284	1,433,153	1,419,489	2,325,379	2,234,064	3,943,516	5,741,791
Debt Service										
Principal	709,000	3,858,000	841,000	2,519,000	1,207,000	1,206,000	1,015,000	995,401	1,011,570	925,109
Interest	449,626	401,875	409,402	398,866	326,295	282,303	248,323	217,322	174,148	141,469
Other Charges	57,745	-	62,055	3,100	-	-	-	-	-	-
Total All Other Governmental Funds	<u>14,474,832</u>	<u>17,853,854</u>	<u>14,186,210</u>	<u>17,027,620</u>	<u>14,107,192</u>	<u>15,102,350</u>	<u>15,048,219</u>	<u>15,700,366</u>	<u>17,104,107</u>	<u>19,772,287</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,550,842)</u>	<u>(3,877,231)</u>	<u>(1,001,043)</u>	<u>(396,528)</u>	<u>1,380,067</u>	<u>1,266,720</u>	<u>(1,126,801)</u>	<u>(916,401)</u>	<u>521,474</u>	<u>(722,686)</u>
<b>Other Financing Sources (Uses)</b>										
Transfers In	4,539,727	2,912,888	1,137,270	1,180,691	683,759	649,433	1,307,581	1,228,707	1,255,439	2,138,568
Transfers Out	(3,236,555)	(2,527,734)	(900,269)	(923,814)	(331,387)	(461,780)	(685,672)	(1,271,916)	(930,404)	(1,732,249)
Long-term Debt Issued	3,725,000	-	2,375,000	-	-	-	-	-	-	-
Refunding Debt Issued	-	-	1,575,000	-	-	-	-	-	-	-
Premium on Long-term Debt	172,980	-	199,307	-	-	-	-	-	-	-
Contributions	42,050	-	-	-	-	-	-	-	-	-
Insurance Proceeds	-	-	144,099	186,558	-	-	-	-	2,077	17,414
Lease Issuance	-	-	-	-	-	-	-	6,102	12,380	93,495
Sale of Capital Assets	106,060	40,118	72,010	121,044	59,996	132,574	207,228	43,923	78,514	120,565
Total Other Financing Sources (Uses)	<u>5,349,262</u>	<u>425,272</u>	<u>4,602,417</u>	<u>564,479</u>	<u>412,368</u>	<u>320,227</u>	<u>829,137</u>	<u>6,816</u>	<u>418,006</u>	<u>637,793</u>
Net Change in Fund Balances	<u>\$ 2,798,420</u>	<u>\$ (3,451,959)</u>	<u>\$ 3,601,374</u>	<u>\$ 167,951</u>	<u>\$ 1,792,435</u>	<u>\$ 1,586,947</u>	<u>\$ (297,664)</u>	<u>\$ (909,585)</u>	<u>\$ 939,480</u>	<u>\$ (84,893)</u>

**Tax Revenues by Source  
Last Ten Years**

*(Modified accrual basis of accounting)*

**CITY OF EAST GRAND FORKS**

<u>Year</u>	<u>Property Taxes</u>	<u>Electric Franchise (1)</u>	<u>Gas Franchise(2)</u>	<u>Cable TV Franchise(3)</u>	<u>Other</u>	<u>Total</u>
2015	\$3,219,544	\$1,203,368	\$ 84,168	\$ 143,967	\$ 31,308	\$4,682,355
2016	3,803,949	1,194,587	68,520	148,679	46,149	5,261,884
2017	4,453,551	1,304,715	77,863	148,978	41,252	6,026,359
2018	4,815,813	1,383,262	87,882	143,814	45,924	6,476,695
2019	5,069,878	1,394,826	88,520	133,090	42,911	6,729,225
2020	5,279,713	1,184,113	73,123	121,150	36,873	6,694,972
2021	5,436,780	1,268,543	84,883	118,211	44,192	6,952,609
2022	5,646,259	1,352,038	180,487	114,230	54,538	7,347,552
2023	5,646,259	1,352,038	180,487	114,230	54,538	7,347,552
2024	7,206,595	1,330,594	119,726	108,025	75,308	8,840,248
Change 2015-2024	123.8%	10.6%	42.2%	-25.0%	140.5%	88.8%

Notes:

General Fund only.

(1) The electric franchise fee is \$.0085 per kwh sold by the city-owned utility.

(2) The gas franchise fee is 3% of gross revenues generated by NSP/Xcel Energy.

(3) The cable franchise fee is 5% of gross revenues.

Source:

Administration and Finance

**State Intergovernmental Revenues by Program  
Last Ten Years**  
*(Modified accrual basis of accounting)*

**CITY OF EAST GRAND FORKS**

<u>Year</u>	<u>Local Government Aid</u>	<u>Market Value Credit</u>	<u>Disparity Reduction Credit</u>	<u>Police State Aid</u>	<u>PERA and Fire Aid</u>	<u>Total</u>
2015	\$ 2,520,671	\$ 784	\$ 686,780	\$ 144,226	\$ 80,835	\$ 3,433,296
2016	2,492,055	56	682,499	179,157	83,969	3,437,736
2017	2,491,273	-	862,776	183,341	87,164	3,624,554
2018	2,399,237	-	829,698	169,652	84,379	3,482,966
2019	2,310,807	-	864,597	199,983	88,575	3,463,962
2020	2,310,807	-	857,298	207,135	71,845	3,447,085
2021	2,222,057	-	811,344	194,576	76,184	3,304,161
2022	2,223,326	-	778,629	214,519	78,285	3,294,759
2023	2,233,625	-	-	232,308	82,275	2,548,208
2024	2,459,838	-	-	257,492	94,910	2,812,240
Change 2015-2024	-2.4%	0.0%	-100.0%	78.5%	17.4%	-18.1%

Notes: General Fund only.

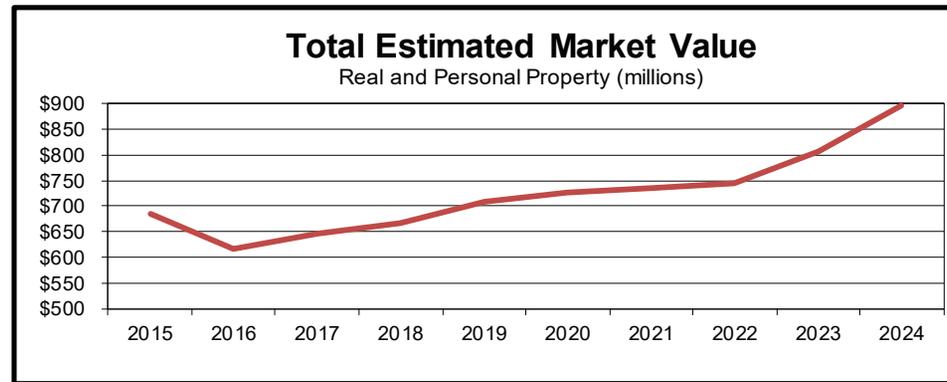
Source: Administration and Finance

**Tax Capacity and Estimated Market Value of all Taxable Property  
Last Ten Years**  
(Unaudited)

**CITY OF EAST GRAND FORKS**

Year	Real Property		Personal Property		Total		Direct Tax Rate	Tax Cap % of Mkt Value
	Tax Capacity	Estimated Market Value	Tax Capacity	Estimated Market Value	Tax Capacity	Estimated Market Value		
2015	\$ 5,504,832	\$ 682,547,100	\$ 70,198	\$ 3,600,700	\$ 5,575,030	\$ 686,147,800	55.81	0.8%
2016	6,522,297	612,179,400	70,198	3,600,700	6,592,495	615,780,100	61.28	1.1%
2017	6,894,302	640,767,200	77,183	3,951,600	6,971,485	644,718,800	64.48	1.1%
2018	7,192,028	664,363,600	77,455	3,967,800	7,269,483	668,331,400	68.53	1.1%
2019	7,609,999	704,248,200	70,082	3,628,600	7,680,081	707,876,800	67.09	1.1%
2020	7,828,869	722,071,500	76,029	3,935,900	7,904,898	726,007,400	71.36	1.1%
2021	7,965,215	731,129,900	85,604	4,386,700	8,050,819	735,516,600	71.21	1.1%
2022	8,044,989	741,107,000	72,934	3,755,300	8,117,923	744,862,300	74.15	1.1%
2023	8,766,931	803,917,300	75,970	3,913,500	8,842,901	807,830,800	75.24	1.1%
2024	9,763,500	891,770,600	83,048	4,273,600	9,846,548	896,044,200	70.89	1.1%

Source: County Assessor

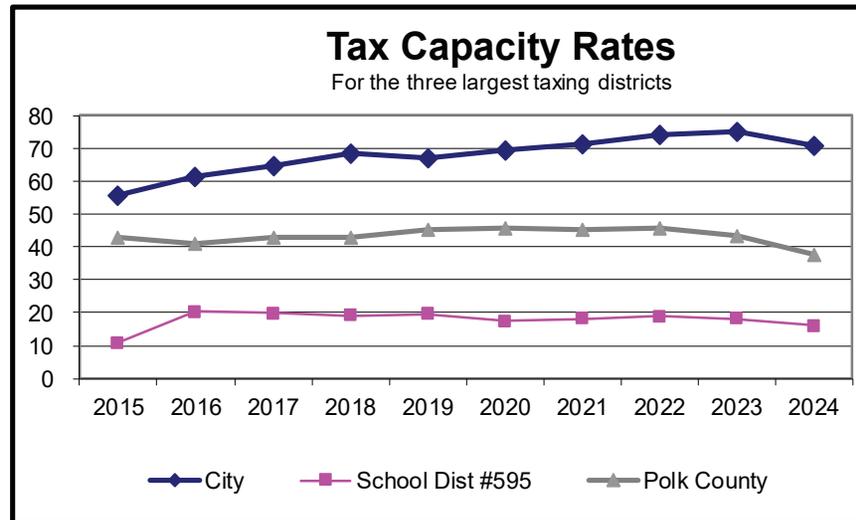


Note: The county assessor is occasionally required to make city wide adjustments to estimated market values. The State of Minnesota will instruct the county assessor to make these type of adjustments when data comparing actual sales to assessed values warrant such actions.

**Property Tax Rates – All Direct and Overlapping Governments  
Last Ten Years  
(Unaudited)**

Year	Tax Rates per \$1,000 of Tax Capacity								
	General	Debt	Total City	School Dist #595	Polk County	Watershed Value	NWRDC	Ambulance District	Total
2015	53.39	2.42	55.81	10.80	42.99	3.68	0.19	0.83	114.31
2016	59.05	2.23	61.28	20.27	41.11	3.98	0.19	0.74	127.57
2017	60.56	3.92	64.48	19.76	42.86	4.14	0.20	0.66	132.10
2018	64.08	4.45	68.53	19.10	42.90	5.11	0.20	0.65	136.48
2019	61.21	5.89	67.09	19.50	45.05	5.31	0.21	0.60	137.76
2020	64.53	4.67	69.20	17.36	45.64	4.06	0.21	0.59	137.06
2021	66.54	4.67	71.21	18.17	45.39	4.09	0.21	0.58	139.65
2022	69.46	4.69	74.15	18.83	45.73	4.11	0.22	0.58	143.62
2023	71.02	4.22	75.24	18.19	43.26	3.69	0.20	0.53	141.11
2024	68.63	2.27	70.90	16.07	37.46	3.48	0.16	0.48	128.55

Source: County Auditor



Notes: State paid tax credits comprise the difference between the city's gross and net tax levies.

**Principal Property Taxpayers**  
**Current Year and Nine Years Ago**  
*(Unaudited)*

**CITY OF EAST GRAND FORKS**

<u>Taxpayer</u>	<b>2024</b>			<b>2015</b>		
	<u>Tax Capacity</u>	<u>Rank</u>	<u>% of Total Tax Capacity of \$9,846,548</u>	<u>Tax Capacity</u>	<u>Rank</u>	<u>% of Total Tax Capacity of \$5,575,030</u>
American Crystal Sugar Co	\$ 359,694	1	3.65%	\$ 375,714	1	6.74%
Burlington Northern Tax Dept	138,658	2	1.41%	83,590	2	1.50%
Pierce Investments LLC	127,736	3	1.30%	80,806	4	1.45%
GMR East Grand Forks LLC	112,686	4	1.14%			
Green Acres II LLP	105,113	5	1.07%	60,184	7	1.08%
Riverview Terrace LLC	98,996	6	1.01%	75,836	5	
SPT Prairie 210 Demers Avenue LLC	96,884	7	0.98%			0.00%
Valley Markets	91,458	8	0.93%	58,882	8	1.06%
EVI MN Heights LLC	80,683	9	0.82%			
Proll LLC	77,142	10	0.78%			
Xcel Energy				80,877	3	1.45%
Cabela's				68,268	6	1.22%
City of EGF				33,656	9	0.60%
RJ Zavoral & Sons Inc.				32,264	10	0.58%
	<u>\$ 1,289,050</u>		<u>13.09%</u>	<u>\$ 950,077</u>		<u>15.68%</u>

Note: Tax capacity is calculated by multiplying the estimated market value by property classification rates prescribed by Minnesota state law.  
 Total includes rounding errors.

Source: County Auditor

**Property Tax Levies and Tax Collections  
Last Ten Years  
(Unaudited)**

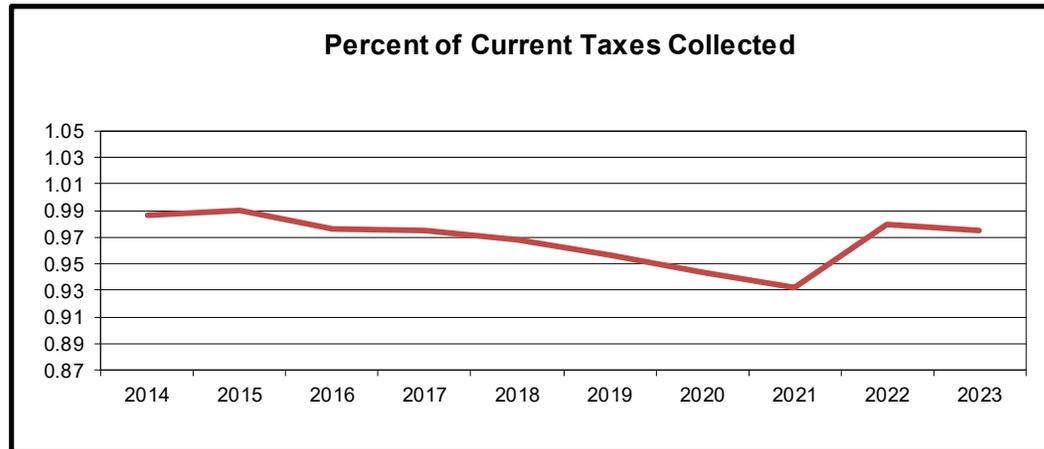
**CITY OF EAST GRAND FORKS**

Levy Year (1)	Collected Within the Year of Levy		Percent of Levy	Collections in Subsequent Years	Total Tax Collection	Total as % of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as a % of Levy
	Net Tax Levy	Current Tax Collection						
2014	\$ 2,515,399	\$ 2,483,433	98.7%	\$ 35,907	\$ 2,519,341	100.2%	\$ 97,795	3.9%
2015	3,121,752	3,089,866	99.0%	22,896	3,112,762	99.7%	70,068	2.2%
2016	4,527,998	4,420,906	97.6%	30,561	4,451,467	98.3%	76,531	1.7%
2017	4,912,878	4,792,886	97.6%	31,361	4,824,247	98.2%	88,631	1.8%
2018	5,183,086	5,018,098	96.8%	51,780	5,069,878	97.8%	113,209	2.2%
2019	5,442,241	5,206,297	95.7%	73,416	5,279,713	97.0%	162,528	3.0%
2020	5,714,353	5,394,904	94.4%	41,876	5,436,780	95.1%	277,573	4.9%
2021	6,000,070	5,591,854	93.2%	54,405	5,646,259	94.1%	353,311	5.9%
2022	6,600,077	6,469,950	98.0%	92,530	6,562,480	99.4%	442,958	6.7%
2023	6,930,081	6,761,582	97.6%	445,013	7,206,595	104.0%	236,959	3.4%

(1) Collection year is one year later (i.e., Levy Year 2023 Collection Year 2024)

(2) The County changed how they report their total collections from years 2014 and forward

Source: County Auditor



**Special Assessment Levies and Collections  
Last Ten Years**  
(Unaudited)

CITY OF EAST GRAND FORKS

<u>Year</u>	<u>Special Assessment Billings</u>	<u>Special Assessment Collections</u>		<u>Uncertified (2) Special Assessments</u>	<u>Prepayment of Special Assessments</u>	<u>Prepayment Ratio (3) as a % of Uncertified</u>	<u>Total Special Assessments Collected</u>
		<u>Amount(1)</u>	<u>% of Billings</u>				
2015	\$ 1,080,944	\$ 1,081,464	100.0%	\$ 6,184,225	\$ 164,769	2.6%	\$ 1,246,233
2016	1,112,629	1,118,284	100.5%	6,570,326	381,734	5.5%	1,500,018
2017	1,186,246	1,176,146	99.1%	6,555,362	361,292	5.2%	1,537,438
2018	1,292,363	1,284,441	99.4%	6,365,898	167,892	2.6%	1,452,333
2019	1,188,961	1,176,494	99.0%	5,634,588	93,687	1.6%	1,270,181
2020	1,105,273	1,090,174	98.6%	5,209,226	255,315	4.7%	1,345,489
2021	998,500	1,004,486	100.6%	4,184,512	60,249	1.4%	1,064,735
2022	994,469	983,295	98.9%	3,378,041	44,549	1.3%	1,027,844
2023	821,963	818,493	99.6%	2,911,933	84,680	2.8%	903,173
2024	689,024	694,668	100.8%	2,814,513	3,390	0.1%	698,058

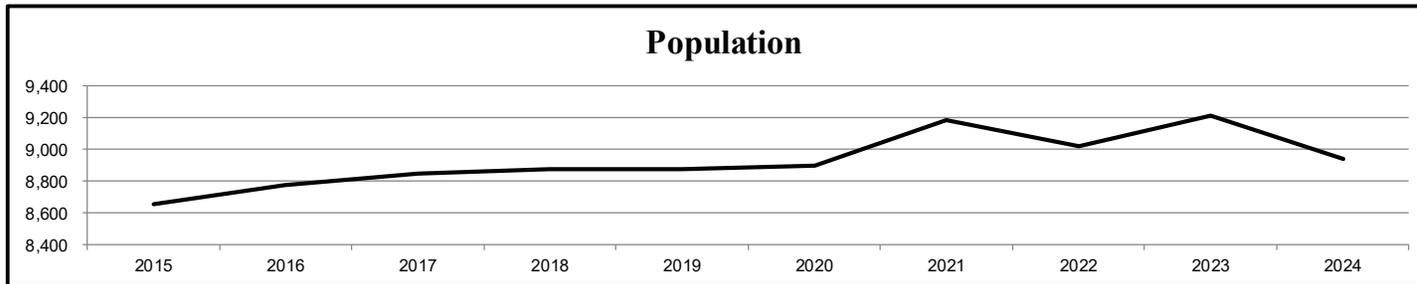
Source: Administration and Finance

- Notes:
- (1) Includes current and delinquent assessments, and assessments collected by the general fund after debt service obligations have been satisfied (miscellaneous revenues - other).
  - (2) In 2004, the city deferred \$3,197,276 on city-owned residentially zoned property, which will be assessed as the lots are sold.
  - (3) Prepayment ratio is calculated by dividing the prepayments by the sum of uncertified special assessments and prepayments.

**Ratio of Net Bonded Debt to Tax Capacity and Estimated Values, and Net Bonded Debt per Capita  
Last Ten Years**  
(Unaudited)

**CITY OF EAST GRAND FORKS**

Year	Popu- lation(1)	Tax Capacity	Bonded Debt Type			Governmental		Total Gross Bonded Debt	Less Amount for Retirement	Net Bonded Debt	As a % of Tax Capacity	Estimated Market Values	Bonded Debt Per Capita
			Governmental		Business	Governmental							
			G.O. Improvement Bonds	Certificate of Indebtedness	G.O. Revenue Bonds	Leases	SBITA's						
2015	8,651	5,575,030	\$ 10,782,089	\$ 3,786,086	\$ 2,911,000	\$ -	\$ -	\$ 6,697,086	\$ 5,393,270	\$ 1,303,816	120.1%	0.2%	774
2016	8,774	6,592,495	6,737,279	3,871,119	5,658,815	-	-	9,529,934	2,505,321	7,024,613	144.6%	1.1%	1,086
2017	8,843	6,971,485	10,098,675	3,646,788	8,365,346	-	-	12,012,134	4,624,130	7,388,004	172.3%	1.1%	1,358
2018	8,876	7,269,483	7,669,203	3,423,727	7,840,347	-	-	18,933,277	3,264,438	15,668,839	260.4%	2.3%	2,133
2019	8,875	7,680,081	6,556,313	3,182,666	7,306,347	-	-	10,489,013	3,256,338	7,232,675	136.6%	1.0%	1,182
2020	8,893	7,904,898	5,398,088	2,937,606	7,104,245	-	-	10,041,851	3,315,131	6,726,720	127.0%	0.9%	1,129
2021	9,179	8,050,819	4,459,863	2,688,545	6,942,971	-	-	9,631,516	3,146,515	6,485,001	119.6%	0.9%	1,050
2022	9,015	8,117,923	3,556,637	2,430,484	6,404,000	28,715	-	8,863,199	3,089,696	5,773,503	109.2%	0.8%	983
2023	9,206	8,766,931	2,643,411	2,276,000	5,846,000	27,575	-	8,149,575	3,033,790	5,115,785	93.0%	0.6%	885
2024	8,937	9,846,548	1,845,186	2,159,000	5,278,000	13,996	68,915	7,519,911	2,917,011	4,602,900	76.4%	0.5%	841



Notes: (1) The annual population estimates are obtained from the state demographer. When current year populations are not available, previous year estimates are carried forward.

Source: Administration and Finance and Polk County Auditor

**Computation of Direct and Overlapping Debt  
As of December 31, 2024  
(Unaudited)**

**CITY OF EAST GRAND FORKS**

<u>Jurisdiction</u>	<u>Debt Outstanding</u>	<u>Percentage Applicable to City (1)</u>	<u>Overlapping Debt</u>	<u>Amount Applicable to City</u>
DIRECT DEBT:				
City of East Grand Forks	<u>\$ 4,087,097</u>	<u>100.0%</u>		<u>\$ 4,087,097</u>
OVERLAPPING DEBT:				
I.S.D. 595	22,935,000	47.4%	\$ 10,871,190	
Polk County	<u>22,290,000</u>	<u>10.0%</u>	<u>2,229,000</u>	
Total Overlapping Debt				<u>13,100,190</u>
Total direct and overlapping debt				<u>\$ 17,187,287</u>

Source: Taxable value data used to estimate applicable percentages provided by Polk County.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the City. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the City of East Grand Forks. This process recognizes that, when considering the government's ability to repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident and is therefore responsible for repaying the debt of each overlapping government.

(1) The percentage overlapping debt applicable is estimated using taxable property values. Applicable percentages are estimated by determining the portion of the county's taxable value that is within the City's boundaries and dividing it by the county's total taxable valuation.



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**Legal Debt Margin Information**  
**Last Ten Years**  
*(Unaudited)*

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Estimated market value	<u>\$ 686,147,800</u>	<u>\$ 615,780,100</u>	<u>\$ 644,718,800</u>	<u>\$ 668,331,400</u>	<u>\$ 707,876,800</u>	<u>\$ 726,007,400</u>	<u>\$ 735,516,600</u>	<u>\$ 744,862,300</u>	<u>\$ 807,830,800</u>	<u>\$ 896,044,200</u>
Total debt	\$ 17,285,000	\$ 16,084,815	\$ 21,765,346	\$ 18,596,347	\$ 16,715,347	\$ 15,167,245	\$ 13,850,971	\$ 12,183,000	\$ 10,587,000	\$ 9,132,000
Deductions:										
Bonds:										
G.O. Improvement Bonds	10,610,000	6,575,000	9,775,000	7,350,000	6,240,000	5,135,000	4,225,000	3,350,000	2,465,000	1,695,000
Certificates of indebtedness	690,000	865,000	730,000	605,000	465,000	325,000	185,000	40,000	-	-
G.O. Clean Water Improvement Bonds	2,911,000	2,721,000	2,526,000	2,326,000	2,120,000	1,909,000	1,692,000	1,469,000	1,240,000	1,005,000
G.O. Transportation Improvement Bonds	3,074,000	2,986,000	2,895,000	2,801,000	2,704,000	2,603,000	2,498,000	2,389,000	2,276,000	2,159,000
G.O. Wastewater Improvement Bonds	-	2,937,815	5,839,346	5,514,347	5,186,347	5,195,245	5,250,971	4,935,000	4,606,000	4,273,000
Debt service funds:										
Cash, securities, and restricted cash	5,371,084	2,483,795	3,014,680	3,242,696	3,259,448	3,290,148	3,138,533	3,080,174	3,030,238	2,910,855
Less amount applicable to excluded bonds	<u>(5,371,084)</u>	<u>(2,483,795)</u>	<u>(3,014,680)</u>	<u>(3,242,696)</u>	<u>(3,259,448)</u>	<u>(3,290,148)</u>	<u>(3,138,533)</u>	<u>(3,080,174)</u>	<u>(3,030,238)</u>	<u>(2,910,855)</u>
Total net debt applicable to debt limit	<u>\$ -</u>									
Debt limit is 2% of estimated market value	\$ 13,722,956	\$ 12,315,602	\$ 12,894,376	\$ 13,366,628	\$ 14,157,536	\$ 14,520,148	\$ 14,710,332	\$ 14,897,246	\$ 16,156,616	\$ 17,920,884
Legal Debt Margin	\$ 13,722,956	\$ 12,315,602	\$ 12,894,376	\$ 13,366,628	\$ 14,157,536	\$ 14,520,148	\$ 14,710,332	\$ 14,897,246	\$ 16,156,616	\$ 17,920,884
Total net debt applicable to limit as a percentage of debt limit	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%	0.0%

COMPUTATION OF LEGAL DEBT MARGIN

**Note (A): Minnesota Statutes 475.53 et seq.**

Limit on Net Debt

"Subdivision 1. Generally, except as otherwise provided in sections 475.51 to 475.74, no municipality, except a school district or a city of the first class, shall incur or be subject to a net debt in excess of 3% of the estimated market value of taxable property in the municipality"

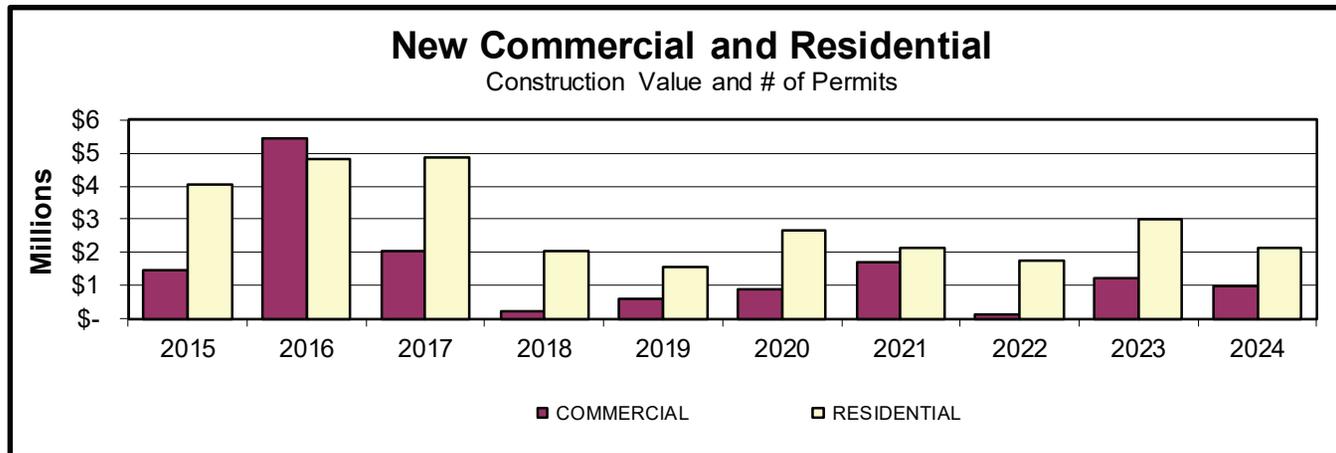
**Note (B): Minnesota Statutes 475.51**

Subdivision 4. 'Net Debt' means the amount remaining after deducting from its gross debt the amount of current revenues which are applicable within the current fiscal year to the payment of any debt, and the aggregate of the principal of the following:

- (1) Obligations issued for improvements which are payable wholly or partly from the proceeds of special assessments levied upon property specially benefited thereby, including those which are general obligations of the municipality issuing them, if the municipality is entitled to reimbursement in whole or in part from the proceeds of the special assessments.
- (2) Warrants or orders having no definite or fixed maturity.
- (3) Obligations payable wholly from the income from revenue-producing conveniences.
- (4) Obligations issued to create or maintain a permanent improvement revolving fund.
- (5) Obligations issued for the acquisition and betterment of public water-works systems and public lighting, heating, or power systems, and of any combination thereof or for any other public convenience from which revenue is or may be derived.

Year	CONSTRUCTION (1)				Total
	COMMERCIAL		RESIDENTIAL		
	Permits	Value	Permits	Value	
2015	5	1,493,000	16	4,046,951	5,539,951
2016	3	5,430,459	18	4,832,228	10,262,687
2017	4	2,059,021	19	4,876,287	6,935,308
2018	1	222,419	11	2,028,460	2,250,879
2019	1	619,587	5	1,565,541	2,185,128
2020	3	882,143	19	2,681,968	3,564,111
2021	3	1,724,515	8	2,135,445	3,859,960
2022	1	123,000	6	1,745,664	1,868,664
2023	3	1,211,180	6	2,990,420	4,201,600
2024	3	972,277	5	2,138,973	3,111,250

Source: City Planner



Notes: (1) Only new construction permits.

**Demographic and Economic Statistics**  
**Last Ten Years**  
*(Unaudited)*

**CITY OF EAST GRAND FORKS**

<b>Calendar Year</b>	<b>Population (1)</b>	<b>Personal Income (thousands of dollars)</b>	<b>Per Capita Personal Income (1)</b>	<b>Median Age (2)</b>	<b>Population 25 yrs &amp; over-Bachelor's degree or higher (1)</b>	<b>School Enrollment (3)</b>	<b>Unemployment Rate (1)</b>
2015	*8,651	na	24764	35	2,111	2,281	2.8%
2016	*8,774	na	26,658	35	2,509	2,340	2.5%
2017	*8,843	na	27,315	35	2,595	2,393	2.7%
2018	*8,876	na	27,940	34	2,698	2,535	2.5%
2019	*8,875	na	28,748	34	2,751	2,553	2.5%
2020	8,893	na	30,073	34	2,792	2,676	3.6%
2021	9,176	na	28,913	35	2,441	2,751	3.0%
2022	*9,105	na	31,046	35	2,367	2,640	2.3%
2023	*9,206	na	34,821	34	2,651	2,706	1.8%
2024	*8,937	na	36,017	34	2,582	2,819	2.1%

Data Sources: (1) State of Minnesota Demographic Center.  
 (2) U.S. Census Data.  
 (3) East Grand Forks Public School District, East Grand Forks private schools.  
 \*Estimated Projection

**Principal Employers**  
**Current Year and Nine Years Ago**  
*(Unaudited)*

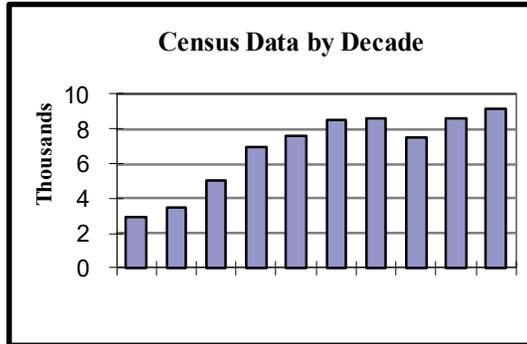
**CITY OF EAST GRAND FORKS**

<u>Taxpayer</u>	<u>2024</u>			<u>Taxpayer</u>	<u>2015</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment 2,532</u>		<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment 2,550</u>
ISD 595	358	1	14.14%	ISD 595	308	1	12.1%
American Crystal	350	2	13.82%	American Crystal	303	2	11.9%
R. J. Zavoral and Sons, Inc.	150	3	5.92%	Northwest Technical College	295	3	11.6%
City of East Grand Forks	96	4	3.79%	Valley Markets	140	4	5.5%
Sacred Heart	78	5	3.08%	Cabela's	126	5	4.9%
Northland College-NTC-EGF	74	6	2.92%	R.J. Zavoral and Sons, Inc.	105	6	4.1%
Northern Valley	65	7	2.57%	City of East Grand Forks	81	7	3.2%
Sanford	55	8	2.17%	Blue Moose	80	8	3.1%
Valley Markets	42	9	1.66%	Northern Valley	71	9	2.8%
Mayo Manufacturing Inc.	36	10	1.42%	Sacred Heart	65	10	2.5%
	<u>1,304</u>		<u>51.50%</u>		<u>1,574</u>		<u>61.7%</u>

Source: Various businesses contact via phone or email.

Population Changes:

1930	2,922
1940	3,511
1950	5,049
1960	6,988
1970	7,607
1980	8,537
1990	8,658
2000	7,501
2010	8,601
2020	9,176



Population Characteristic:	2010 (1)	% Total	2020	% Total
Under 18	2,490	29%	2,478	27%
18 and Over	6,111	71%	6,698	73%
	8,601	100%	9,176	100%

Miscellaneous:	2010	2020
Median Age:	35.00 Years	34.50 Years
Household Size:	2.33 People	3.26 People
Number of Households:	3,488.00 Units	3,831.00 Units

Notes: (1) In 2010, data was categorized by being either Under 20, or 20 and Over  
 2020 data is now categorized as either Under 18, or 18 and Over

**Full-time Employees by Function/Program  
Last Ten Years**  
(Unaudited)

CITY OF EAST GRAND FORKS

<u>Function</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government:										
Administration and Finance	5	5	5	5	5	5	5	5	4	5
EDA-Community Develop	3	4	4	4	4	4	4	4	4	4
Public Safety:										
Building Official	-	-	-	-	-	-	-	-	-	-
Fire	9	10	11	11	10	10	10	10	10	10
Police	25	25	25	25	25	24	23	23	22	22
Public Works:										
Administration	-	3	3	3	3	3	3	3	2	2
Refuse	5	5	4	4	4	4	4	4	4	4
Sewage	2	2	3	3	3	3	3	3	3	3
Streets	6	5	6	6	6	6	6	6	6	6
Culture and Recreation:										
Administration	2	3	2	2	3	3	3	3	3	3
Parks	2	2	2	2	2	2	2	2	2	2
Arenas	3	3	2	3	3	3	3	3	3	3
Library	3	3	4	4	4	4	3	4	4	4
Senior center	1	1	1	1	1	1	1	1	1	1
Water and Light										
Administration	4	7	6	6	7	6	6	6	6	6
Electric	12	13	13	12	12	13	13	13	13	13
Water	8	8	9	9	9	8	8	8	8	8
<b>Total</b>	<u>90</u>	<u>99</u>	<u>100</u>	<u>100</u>	<u>101</u>	<u>99</u>	<u>97</u>	<u>98</u>	<u>95</u>	<u>96</u>

Note: Excludes seasonal and part-time positions.

Source: Administration and Finance

**Operating Indicators by Function**  
**Last Ten Years**  
*(Unaudited)*

**CITY OF EAST GRAND FORKS**

<u>Function</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
General Government										
On Sale Liquor license by entity	12	13	14	14	15	15	14	14	14	13
Off Sale Liquor license by entity	2	3	5	5	4	4	4	4	5	5
Number of AP checks written	2,476	2,547	2,538	2,513	2,487	2,331	2,167	2,014	2,054	1,833
Police										
DUI arrests	105	87	182	147	170	39	77	73	56	41
Traffic violations	802	667	721	840	742	526	560	559	388	455
No. of dog/cat licenses	113	129	108	70	115	101	96	79	83	94
Fire										
No. of rescue & EMS incidents	798	826	906	907	921	686	791	849	842	935
No. of fire calls	102	105	90	104	145	31	43	31	38	29
Building Official										
Building permits issued	287	425	460	377	337	348	266	289	312	310
Other permits issued	1,106	195	1	-	1	-	-	-	-	-
Refuse collection										
Refuse collected annually (tons)	4,365	4,280	4,297	4,350	4,335	4,256	4,553	4,668	4,709	4,861
Recyclables collected annually (tons)	399	443	448	509	478	488	455	418	398	394
Recreation and culture										
Number of summer registrants	545	556	537	583	570	425	604	595	613	621
Number of winter registrants	490	475	475	469	471	440	460	445	498	472
Attendance for general swim	-	10,531	-	14,452	16,002	14,614	21,925	19,334	20,739	20,160
Library										
Volumes in collection	50,422	49,230	50,936	50,243	49,900	49,620	49,471	42,510	38,280	35,549
Total volumes borrowed	30,051	29,388	26,842	33,446	36,154	26,314	31,188	31,675	37,710	40,296
Water										
Annual tap water billed (millions)	322	300	312	304	274	266	286	260	272	275
Average number of monthly meters	2,888	2,906	2,924	2,940	2,957	2,965	2,987	2,996	3,009	3,013
Electric										
Annual Kwhs billed (millions)	157	157	156	165	162	140	150	159	156	161
Cemetery										
No. of Lots Sold	57	45	47	49	42	34	31	32	18	26
No. of Interments	26	40	42	37	43	43	29	37	42	29
No. of Columbarium Niches						8	16	8	11	17
Transit										
Total route miles	16	16	16	26	26	26	20	20	20	20
Passengers	31,586	27,563	22,883	28,665	26,318	13,401	15,700	25,504	25,369	25,647

Source: Various city departments

**Schedule of Insurance in Force  
As of December 31, 2024  
(Unaudited)**

**CITY OF EAST GRAND FORKS**

<u>Name of Company</u>	<u>Policy Number</u>	<u>Policy Period</u>	<u>Type of Coverage</u>	<u>Liability Limits</u>
<b>PROPERTY</b>				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	General Limit of Coverage excluding flood.	\$166,351,174 \$50,000,000 Terrorism Activity \$500,000 Valuable Papers per location
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	Boiler and Machinery (Equipment Breakdown)	\$100,000,000
<b>BONDS</b>				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	Public Officials	\$250,000
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	Commercial Bond/Crime	\$250,000
<b>LIABILITY</b>				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	General/Public Officials Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	General Auto Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/24-1/1/25	General Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	VA 1000922-5	1/13/24-1/12/25	Accident Plan for Volunteers	\$500,000 Per Accident
<b>OPEN MEETING LAW</b>				
League of Minnesota Cities (C&H Insurance)	OML1000405-5	1/1/24-1/1/25	Open Meeting Law Defense Cost Reimbursement	\$50,000 Per City Official \$250,000 aggregate
<b>WORKERS COMPENSATION</b>				
League of Minnesota Cities (Berkley Risk Administrators)	WC1000923-5	1/13/24-1/13/25	Workers Compensation	\$1,500,000 Bodily Injury Each Occurrence \$1,500,000 Bodily Injury by Disease

Source: League of Minnesota Cities Insurance Trust.

**Miscellaneous Statistical Information**  
(Unaudited)

**CITY OF EAST GRAND FORKS**

	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u>	<u>2024</u>
Number of employees	90	99	100	100	101	99	97	97	95	96
Area in square miles	6	6	6	6	6	6	6	6	6	6
Developed	5	5	5	5	5	5	5	5	5	5
Undeveloped	1	1	1	1	1	1	1	1	1	1
Miles of streets	70	70	70	70	70	70	70	70	70	70
<b>Culture and Recreation:</b>										
Senior Center	1	1	1	1	1	1	1	1	1	1
Library	1	1	1	1	1	1	1	1	1	1
Arenas	3	3	3	3	3	3	3	3	3	3
Parks	14	14	17	17	17	17	17	17	17	17
Park acreage owned	278	278	157	157	157	157	157	157	157	157
Park acreage developed	218	218	146	146	146	146	146	146	146	146
Red River State Recreation Area Campground Acreage	103	103	103	103	103	103	103	103	103	103
Red River State Recreation Area Campground Sites	113	113	113	113	113	113	113	113	113	113
Greenway Acres in East Grand Forks	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300	1,300
Swimming Pools	1	1	1	1	1	1	1	1	1	1
Tennis Courts	3	3	3	1	1	1	-	-	-	-
Pickle Ball Courts	2	2	2	5	5	5	8	8	8	8
<b>Fire Protection:</b>										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	14	14	13	14	14	11	10	11	11	11
Number of full-time Firefighters	10	10	11	10	10	10	10	10	10	10
Number of volunteer Firefighters	24	24	19	21	18	19	21	21	21	21
Fire Insurance Rating	4	4	4	3	3	3	3	3	3	3
<b>Police Protection:</b>										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	22	22	22	22	23	23	22	22	22	22
Number of patrol units	5	5	5	5	6	6	6	6	6	6
<b>Sewage System:</b>										
Miles of force mains	9	9	10	10	10	10	10	10	10	10
Miles of sewer mains	40	40	46	46	46	46	46	46	46	46
Miles of storm sewers	54	54	55	55	55	55	55	55	55	55
Number of lift stations	12	12	13	13	13	13	13	13	13	13
Number of storm sewer lift stations	14	14	13	13	13	13	13	13	13	13
<b>Water System:</b>										
Miles of water mains	52	52	58	60	60	60	60	60	60	60
Number of fire hydrants	461	461	494	494	494	494	494	494	494	494
Gallons of storage capacity	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Daily treatment capacity	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Towers and reservoirs	4	4	4	4	4	4	4	4	4	4
<b>Electric System:</b>										
Number of substations	3	3	3	3	3	3	3	3	3	3
Miles of distribution lines	60.3	60.3	104.0	105.0	105.0	105.0	105.0	105.0	106.4	106.5
Peak Demand in MW	33.10	33.10	36.11	34.30	34.07	30.38	30.99	34.19	30.60	36.01
<b>Public Education Facilities/Services Not Included In Reporting Entity:</b>										
Number of elementary schools	2	2	2	2	2	2	2	2	2	2
Number of middle schools	1	1	1	1	1	1	1	1	1	1
Number of senior high schools	1	1	1	1	1	1	1	1	1	1
Northland Community & Technical College	1	1	1	1	1	1	1	1	1	1
<b>Bond rating</b>	A1	A1	A1	Aa3						

**SIGNIFICANT MINNESOTA TAX POLICIES  
DECEMBER 31, 2024**

**GENERAL**

All non-exempt property in Minnesota is subject to taxation by local taxing districts. The tax levied on a property is determined by computing its tax capacity, which is the property's market value multiplied by the appropriate class rates. The taxes on a property are computed by multiplying the tax rate by the property's tax capacity. The tax rate is determined by the County Auditor, dividing each tax levy by the taxing jurisdiction adjusted net tax capacity.

Properties are physically reviewed by assessors at least once every four years.

The Minnesota Department of Revenue analyzes sales of properties annually, comparing sales prices with the local assessor's market value. This establishes a sales ratio. The sales ratio is also used in determining municipal and school district state aids.

The assessor's market value is multiplied by the appropriate class rates to arrive at the Adjusted Net Tax Capacity (taxable value). The class rates vary by class of property. The schedule below shows some of the major classes of property and their applicable class rate:

TYPE OF PROPERTY	2024 TAXES <u>PAYABLE</u>
<u>Residential Homestead</u>	
First \$500,000	1.00%
Over \$500,000	1.25%
<u>Commercial/Industrial</u>	
First \$150,000	1.50%
Over \$150,000	2.00%
<u>Rentals</u>	
Regular (4 or more units)	1.25%
Low income per unit:	
First \$162,000	0.75%
Over \$162,000	0.25%

**Property Tax Refund.** Residential property tax credits are gauged by percentages of the net property tax to household income: homeowners may receive up to a \$3,310 refund.

**Special Refund.** Residential property taxpayers may be entitled to a special property tax refund if the net property tax on their homestead increased by more than 12% from 2024-2025, and the increase was \$100 or more. The refund is 60% of the amount of tax paid that exceeds the 12% increase up to \$1,000.

Source: 2024 Property Tax Refund Booklet and Minnesota Department of Revenue website.

**TAX RATES AND LEVIES**

**Tax Limitation by Statute:**

The City Tax Levy is pursuant to the limitations instituted by Minnesota Statute 275.70.

Debt Service, certain special levies and special assessments for local improvements are not included in the above limitation.

**Taxes Due Date:**

January 2<sup>nd</sup> of the following year

**Taxes Delinquent Date:**

Personal Property, amounts less than \$50.00 - May 1; Amounts over \$50.00 First Half, May 15; Second Half, October 15.

Real Estate - First Half, May 15; Second Half, October 15.

No Discount Allowed

**Penalties for Late Payments:**

If the tax is not paid by the due date of the installment, a late penalty will be assessed at the percentage rate provided by law. The following table shows the rate of penalty if the tax installment remains unpaid on the 16th of each month:

Penalty Month of:	May	June	July	Aug	Sep	Oct	Nov	Dec
<b>On Homestead Property:</b>								
1st half installment	2%	4%	5%	6%	7%	8%	8%	8%
2nd half installment						2%	4%	5%
Both unpaid						5%	6%	7%
<b>On Non-Homestead Property</b>								
1st half installment	4%	8%	9%	10%	11%	12%	12%	12%
2nd half installment						4%	8%	9%
Both unpaid						8%	10%	12%

On the first Monday in January, following the year in which taxes were due, the penalty will increase to a maximum of:

Homestead	10%	Non-Homestead	14%
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Tax Sale can take place any time after Judgment has been in effect for 5 years on Homestead Properties and 3 years on Non-Homestead Properties; with a handful of exceptions.

Taxes are certified to Polk County and collected by the county treasurer and remitted to the city.

Source: County Auditor, Polk County.



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