

City of East Grand Forks

Minnesota



ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year Ended December 31, 2023

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Year ended December 31, 2023



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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Administration and Finance

June 13, 2024

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, 2023.

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, 2023, 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, 2023, 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 9,206. 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 26 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 71.

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 1.8% unemployment rate (Grand Forks-East Grand Forks metropolitan area), while the state and the country have unemployment rates of 2.7% and 2.5%, respectively. The City of Grand Forks, located just across the river in North Dakota, has an unemployment rate of 1.8%.

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, residential lot sales have slowed down, due in part to increased interest rates and cost of construction. A few years ago, to promote new home construction, The City implemented a revolving building loan for contractors to build homes on City lots. Up to three \$100,000 building loans were funded by the Economic Development Authority (EDA). The \$100,000 builders' loan is paid off when the house and lot is sold. This loan program has been successful and is being funded again 2024. 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. The City continues to work on additional affordable housing options.

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. The City has had many large projects in the past few years. In August 2016, the City broke ground on its Interconnect project, to replace the current Wastewater system. This project completed in two phases, sends the wastewater to the City of Grand Forks, ND for treatment. The Interconnect project and Wastewater Pond Decommissioning project were completed in 2020 at a total project cost of \$12,248,514. Wastewater charges for customers were increased in 2013 in anticipation of these improvements. The fixed rates were increased in January of 2022 to help defray maintenance, operation, and debt costs. The usage rate is tied to the water rate, which typically has an inflation factor built in the rate. The City secured funding from the MN Public Facilities Authority for \$6,933,456. And a \$5.3 million grant from the State of Minnesota State 2017 bonding bill to pay for the completion of the interconnect project. In June 2016, the Sherlock Park Swimming Pool renovation was completed at a total cost of \$2.2 million. The completely renovated outdoor pool serves residents of East Grand Forks and the surrounding region and has become a destination for many visitors of our community in the summer months. To fund the swimming pool project, the City Council approved a Special Election for a 1% City sales tax to finance the project. With approval of our residents in the special election, the 1% sales tax went into effect January 1, 2018. The 1% Sales Tax was sunset on September 30, 2020, as the necessary funds to pay for the pool improvements had been collected. Throughout 2023, 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. In addition to sales tax funding, the City will continue working with local sports clubs/organizations to establish fundraising goals for these projects.

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 will receive an increase of \$226,213 for the year 2024. The State of Minnesota also approved one-time Public Safety Aid funding. In 2023, the City received \$398,427 in one time Public Safety Aid funding to be used for replacement of the City's early warning sirens, new radio systems for Police and Fire Departments, and other miscellaneous upgrades to Police and Fire safety Personnel Protective Equipment.

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 \$16 million on water line replacement, upgraded water meters, LED street lights, Electric meters, and electric distribution lines. The City has invested over \$26 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. 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 City will ask its residents to vote on a proposed 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 improvements are being planned in Capital Improvement budgets for 2025 and 2026.

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.

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, 2022. This is the 30th 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**

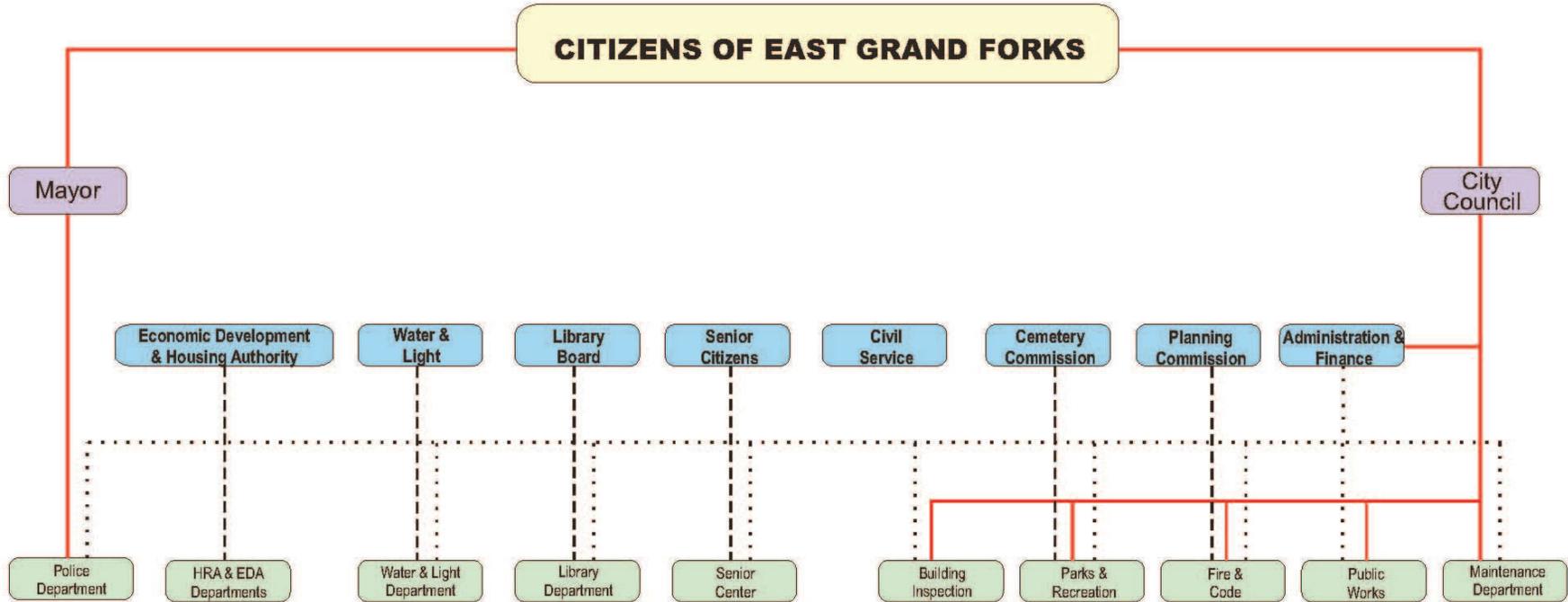
For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2022

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	Steven Gander	4 Years	12/31/24
Council member at Large	Brian Larson	4 Years	12/31/24
Council member at Large	Karen Peterson	4 Years	12/31/26
Council member - 1st Ward	Clarence Vetter	4 Years	12/31/24
Council member - 2nd Ward	Ben Pokrzywinski	4 Years	12/31/26
Council member - 3rd Ward	Tim Riopelle	4 Years	12/31/24
Council member - 4th Ward	Dale Helms	4 Years	12/31/26
Council member - 5th Ward	Mark Olstad	4 Years	12/31/24

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 DelValle
City Attorney	Ronald Galstad
City Engineer	Widseth, Smith & Nolting
Water & Light Department	
Commissioner	Robert Beauchamp
Commissioner	Josh Grinde
Commissioner	Mike Quirk
General Manager	Keith Mykleseth
Electric Distribution Superintendent	Jeff Olson
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, 2023, 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, 2023, 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.

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 13, 2024, 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 13, 2024



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MANAGEMENT'S DISCUSSION AND ANALYSIS



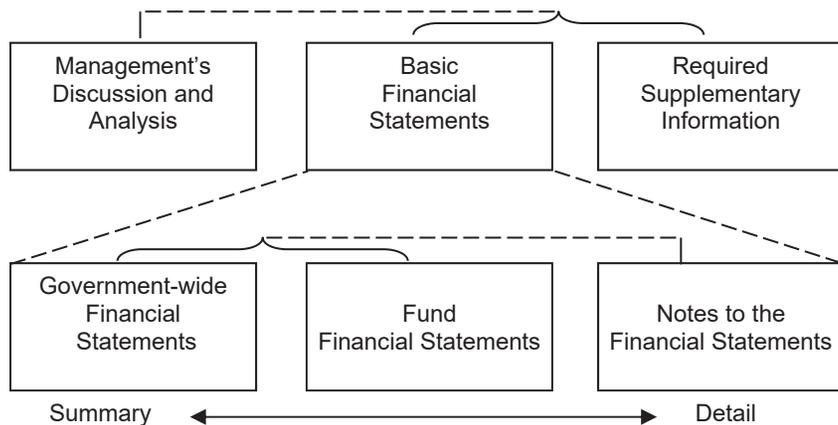
CITY OF EAST GRAND FORKS, MINNESOTA

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, 2023. 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 19-21 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 22-26 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 27-31 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 32-53 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 63-70.

FINANCIAL HIGHLIGHTS

- The City's net position (assets plus deferred outflows minus liabilities and deferred inflows) increased by 1.28% as a result of this year's operations. The net position of the City's governmental activities increased \$503,078 (0.4%) and net position of the City's business type activities increased \$2,027,965 (2.7%).
- Capital assets decreased \$428,675 (0.30%), with most of the decrease due to depreciation.
- The City's long-term liabilities, excluding pension and OPEB liabilities, decreased \$1,622,882 (11.8%) during the fiscal year ended December 31, 2023. Governmental long-term liabilities decreased \$1,097,694 (16.1%), which was due to scheduled payments on outstanding debt. Business type long-term liabilities decreased \$525,188 (7.5%), 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 \$13,736,150, an increase of \$939,480 (7.3%).
- The General Fund's fund balance increased \$743,627 (11.4%) to \$7,244,930. The unassigned fund balance is 62.3% of expenditures, and 57.0% of revenues.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS
NET POSITION**

	Governmental Activities		Business-type Activities		Total Government	
	2023	2022	2023	2022	2023	2022
Current and other assets	\$ 20,793,667	\$ 20,609,700	\$ 28,195,156	\$ 27,058,605	\$ 48,988,823	\$ 47,668,305
Capital assets	116,727,136	117,497,230	58,368,475	58,027,056	175,095,611	175,524,286
Total Assets	<u>137,520,803</u>	<u>138,106,930</u>	<u>86,563,631</u>	<u>85,085,661</u>	<u>224,084,434</u>	<u>223,192,591</u>
Deferred Outflows of Resources	6,242,378	7,271,264	522,647	872,579	6,765,025	8,143,843
Other liabilities	3,126,896	3,349,195	2,534,342	2,674,153	5,661,238	6,023,348
Long-term liabilities	10,100,139	17,585,148	7,833,155	9,209,123	17,933,294	26,794,271
Total Liabilities	<u>13,227,035</u>	<u>20,934,343</u>	<u>10,367,497</u>	<u>11,883,276</u>	<u>23,594,532</u>	<u>32,817,619</u>
Deferred Inflows of Resources	6,497,315	908,098	881,643	265,791	7,378,958	1,173,889
Net position:						
Net investment in capital assets	111,760,449	111,418,567	52,464,149	51,602,782	164,224,598	163,021,349
Restricted	9,868,874	10,210,452	-	-	9,868,874	10,210,452
Unrestricted	2,409,508	1,906,734	23,372,989	22,206,391	25,782,497	24,113,125
Total Net Position	<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>

By far the largest portion of the City’s net position (82.2%) 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.

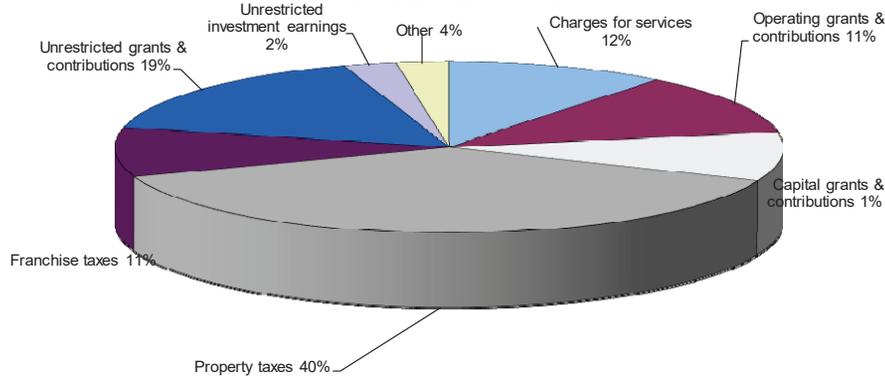
A small portion of the City’s net position (4.9%) represents resources that are subject to external restrictions on how they can be used. The remaining unrestricted net position of \$25,782,497 may be used to meet the ongoing obligations to citizens and creditors. Of the unrestricted net position, \$23,372,989 is attributable to business-type activities.

Unrestricted governmental activities net position increased \$502,774 (26.4%), while business-type activities unrestricted net position increased \$1,166,598 (5.3%). Government-wide total unrestricted net position increased \$1,669,372, (6.9%).

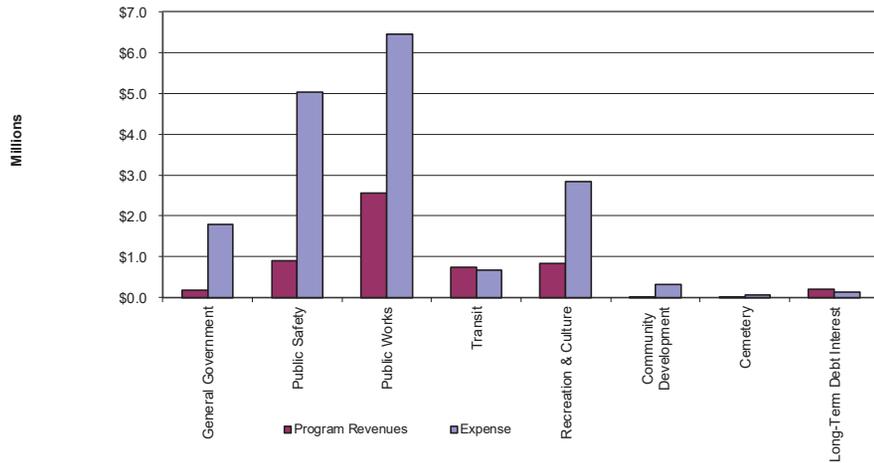
CHANGE IN NET POSITION

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2023	2022	2023	2022	2023	2022
REVENUES						
Program revenues:						
Charges for services	\$ 1,864,579	\$ 1,817,082	\$ 22,124,284	\$ 22,170,278	\$ 23,988,863	\$ 23,987,360
Operating grants and contributions	1,994,498	1,559,879	51,775	84,064	2,046,273	1,643,943
Capital grants and contributions	1,589,465	89,706	47,442	32,542	1,636,907	122,248
General revenues:						
Property taxes	6,633,007	5,701,296	-	-	6,633,007	5,701,296
Franchise taxes	1,596,113	1,646,755	-	-	1,596,113	1,646,755
Unrestricted grants and contributions	2,827,820	2,728,494	-	-	2,827,820	2,728,494
Unrestricted investment earnings	446,477	360,263	1,783,762	(1,062,535)	2,230,239	(702,272)
Other	443,691	508,291	92,007	38,874	535,698	547,165
Total revenues	<u>17,395,650</u>	<u>14,411,766</u>	<u>24,099,270</u>	<u>21,263,223</u>	<u>41,494,920</u>	<u>35,674,989</u>
EXPENSES						
Program activities:						
Governmental activities:						
General government	1,791,895	2,027,606	-	-	1,791,895	2,027,606
Public safety	5,025,906	5,251,952	-	-	5,025,906	5,251,952
Public works	6,452,568	6,025,630	-	-	6,452,568	6,025,630
Transit	679,433	839,101	-	-	679,433	839,101
Recreation and culture	2,848,845	3,322,150	-	-	2,848,845	3,322,150
Community development	318,537	393,175	-	-	318,537	393,175
Cemetery	66,674	70,314	-	-	66,674	70,314
Interest on long-term debt	131,749	176,829	-	-	131,749	176,829
Business-type activities:						
Electric	-	-	15,367,781	15,416,597	15,367,781	15,416,597
Water	-	-	2,541,404	2,389,938	2,541,404	2,389,938
Sewer	-	-	1,881,033	2,071,588	1,881,033	2,071,588
Storm water	-	-	679,237	850,563	679,237	850,563
Commercial properties	-	-	78,494	87,572	78,494	87,572
Refuse	-	-	1,100,321	1,116,605	1,100,321	1,116,605
Total expenses	<u>17,315,607</u>	<u>18,106,757</u>	<u>21,648,270</u>	<u>21,932,863</u>	<u>38,963,877</u>	<u>40,039,620</u>
Excess (deficiency) before transfers	80,043	(3,694,991)	2,451,000	(669,640)	2,531,043	(4,364,631)
Transfers in (out)	<u>423,035</u>	<u>428,325</u>	<u>(423,035)</u>	<u>(428,325)</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	<u>503,078</u>	<u>(3,266,666)</u>	<u>2,027,965</u>	<u>(1,097,965)</u>	<u>2,531,043</u>	<u>(4,364,631)</u>
Net position at beginning of the year	<u>123,535,753</u>	<u>126,802,419</u>	<u>73,809,173</u>	<u>74,907,138</u>	<u>197,344,926</u>	<u>201,709,557</u>
Net position at the end 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>

REVENUES BY SOURCE - GOVERNMENTAL ACTIVITIES



EXPENSES AND PROGRAM REVENUES - GOVERNMENTAL ACTIVITIES



Governmental Activities. Property taxes and franchise taxes accounted for 40% and 11% of total revenues, respectively. Unrestricted grants and contributions in the form of local government aid and other State aids contributed 19% to total revenues. Charges for services brought in 12%.

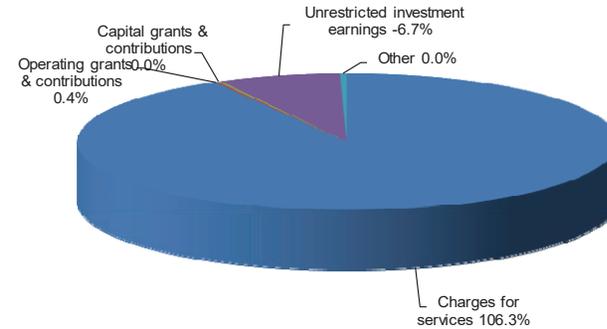
Public Works (35.8%) expenses are the most significant, followed by public safety (26.4%), recreation and culture (19.8%), general government (9.6%) and transit (4.8%).

Interest on long-term debt and community development expenses accounted for 1.3% and 2.0% of total expenses, respectively.

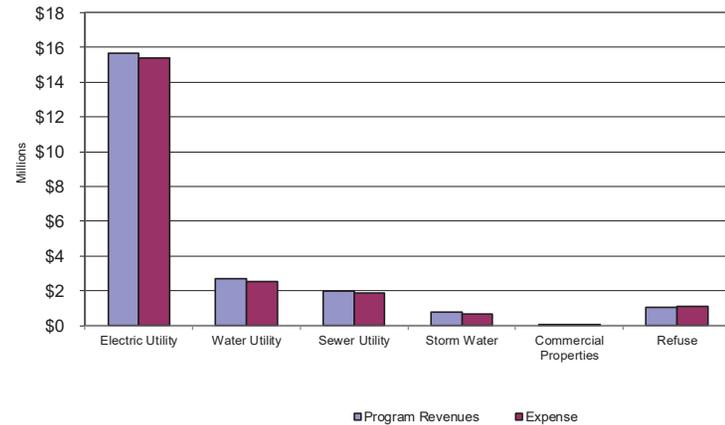
Governmental revenues increased \$2,983,884 (20.7%) in the current year.

Governmental activities expenses decreased \$791,150 (4.6%) in the current year. The most significant changes in program expenses were within public safety.

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 \$2,027,965 from the prior fiscal year.

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 2023, the City’s governmental funds reported total ending fund balances of \$13,736,150, an increase of \$939,480 in comparison with the prior year. About 50% of the total ending fund balances constituted unassigned fund balances of \$6,839,065, 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 \$7,244,930, increasing \$743,627 from the previous year. General fund revenues were \$566,823 (4.69%) more than in the prior fiscal year and expenditures decreased by \$236,102 (2.00%). General taxes, including property taxes and franchise fees, increased \$881,177 (11.99%). Intergovernmental revenue decreased \$-285,623 (-9.70%) and charges for services increased \$24,568 (1.71%).

The Capital Projects Fund experienced a \$561,868 fund balance decrease 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 \$9,486 from the prior year fund balance due to expenditures greater than transfers and intergovernmental revenues in the current year.

The 2017 Assessment Bonds Fund (ABF) fund balance decreased \$45,879 as assessment collections were less than debt payments.

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 \$1,627,347 (5.3%). Operating revenues decreased \$392,901 (2.4%) to \$15,645,288. Wholesale purchased power costs decreased \$77,679 (0.8%). 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 \$195,922 (1.4%) in the current year. Operating revenue increased \$243,845 (10.1%) and operating expenses increased \$151,466 (6.3%) 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 increased \$153,717 (0.9%) due to higher revenues than expenses during the year.

The storm water utilities net position increased \$134,884 primarily due to delaying improvements and upgrades to 2024.

The Commercial Properties Fund contains the operations of one commercial property, the Infill Building. Net position decreased \$61,642.

The Refuse Fund net position decreased \$22,263. Operating revenue increased \$11,362 from the prior year. Operating expenses decreased \$9,738 from the prior year.

GENERAL FUND BUDGETARY HIGHLIGHTS

General Fund revenues were \$240,881 more than budget and General Fund expenditures overall were less than budget by \$922,575.

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

CAPITAL ASSETS AND DEBT ADMINISTRATION

CAPITAL ASSETS

(Net of accumulated depreciation)

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2023	2022	2023	2022	2023	2022
Land	\$ 31,203,471	\$ 31,203,471	\$ 630,302	\$ 630,302	\$ 31,833,773	\$ 31,833,773
Construction in progress	2,706,334	1,141,957	689,185	353,037	3,395,519	1,494,994
Building, structures, & improvements	51,569,300	52,229,018	55,909,055	56,061,064	107,478,355	108,290,082
Machinery and equipment	4,512,253	4,919,233	1,139,933	982,653	5,652,186	5,901,886
Infrastructure	26,708,900	27,975,179	-	-	26,708,900	27,975,179
Right to use lease asset	26,878	-	-	-	26,878	28,372
Total	\$ 116,727,136	\$ 117,497,230	\$ 58,368,475	\$ 58,027,056	\$ 175,095,611	\$ 175,524,286

Capital assets. The City’s investment in capital assets for its governmental and business-type activities at December 31, 2023 totaled \$175,095,611 (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 5 to these financial statements.

LONG-TERM DEBT

	Governmental		Business-type		Total	
	Activities		Activities		Government	
	2023	2022	2023	2022	2023	2022
General obligation bonds	\$ 2,643,411	\$ 3,556,637	\$ -	\$ -	\$ 2,643,411	\$ 3,556,637
General obligation PFA Improv bonds	2,276,000	2,389,000	5,846,000	6,404,000	8,122,000	8,793,000
General obligation cert of indebtedness	-	41,484	-	-	-	41,484
Total	\$ 4,919,411	\$ 5,987,121	\$ 5,846,000	\$ 6,404,000	\$ 10,765,411	\$ 12,391,121

Long-term debt. The City’s outstanding debt, including bonds and certificates of indebtedness, totaled \$10,765,411 at December 31, 2023. Of this total, \$4,919,411 (45.7%) is in governmental activities and \$5,846,000 (54.3%) is in business-type activities.

Additional information on the City’s long-term liabilities can be found in Note 7 to these financial statements.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The unemployment rate for the Polk County, Minnesota area for December 31, 2023 was 2.5%, which is slightly below the state average (2.7%) and slightly below the national average (3.7%). The Grand Forks County unemployment rate was 1.8%. The Grand Forks-East Grand Forks metropolitan statistical area unemployment rate was 1.8%. The City of Grand Forks, located in Grand Forks County, is located across the Red River of the North and has a population of approximately 61,000.

- On March 13, 2020, a national emergency was declared for the COVID-19 outbreak in the United States of America. The event has been declared over; however, it is still affecting the economy and financial markets. The City received American Rescue Plan Act dollars in 2021 and 2022, as Revenue Recapture. In 2021 and 2022 these dollars were used to replace lead water service lines to property owners in the City of East Grand Forks. The remaining dollars will be spent in 2024 for facility repairs and improvements to City property. The State of Minnesota has had a surplus budget for the past few years. The City received an increase of \$10,299 for Local Government Aid(LGA) in 2023. The 2024 increase will be \$226,213. LGA was about 17% of the General Fund Revenue in 2023.
- The City's electric utility experienced increases in wholesale power in 2023. The costs have been passed to the customer through monthly power adjustments. The electric utility purchased approximately 45.07% of their power from Western Area Power Administration(WAPA). WAPA did not raise wholesale power costs for 2024. Electric utility sales decreased from 2022; therefore, electric wholesale purchases also decreased.
- The City is still inversely impacted due to the COVID-19 outbreak, financial markets, supply chain disruption and inflation both directly and indirectly, utility was the most recognizable increase. Estimates on how this will affect future costs have not been determined and will vary based on the duration and the increase to inflation. Estimates of the effect cannot be determined at the time of the report.

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.

BASIC FINANCIAL STATEMENTS



CITY OF EAST GRAND FORKS, MINNESOTA



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Statement of Net Position
December 31, 2023

CITY OF EAST GRAND FORKS

	Primary Government		Total	Component Unit
	Governmental Activities	Business-type Activities		EDA
ASSETS				
Cash and cash equivalents	\$ 6,150,583	\$ 3,611,146	\$ 9,761,729	\$ 977,458
Investments	9,791,816	19,747,217	29,539,033	3,513,946
Accrued interest receivable	46,417	34,951	81,368	-
Accounts receivable, net	72,145	3,123,644	3,195,789	-
Notes receivable, net	71,790	-	71,790	1,360,148
Taxes receivable - property	442,958	-	442,958	-
Taxes receivable - other	159,917	-	159,917	-
Special assessments receivable	2,713,064	-	2,713,064	-
Pledges receivable	90,000	-	90,000	-
Internal balances (net)	297,065	(297,065)	-	-
Due from other government units	339,518	5,443	344,961	-
Prepaid items	-	11,826	11,826	-
Land held for resale	139,482	-	139,482	779,877
Lease receivable	182,583	213,061	395,644	-
Materials and supplies	33,003	1,255,059	1,288,062	-
Restricted cash and investments	-	138,100	138,100	-
Net pension asset - VFD	263,326	-	263,326	-
Customer acquisition costs	-	351,774	351,774	-
Capital assets:				
Nondepreciable	33,909,805	1,319,488	35,229,293	50,300
Depreciable/Amortizable, net	82,817,331	57,048,987	139,866,318	2,739,270
TOTAL ASSETS	137,520,803	86,563,631	224,084,434	9,420,999
DEFERRED OUTFLOWS OF RESOURCES				
Cost Sharing Defined Benefit - Pensions	6,197,037	496,318	6,693,355	37,814
Deferred Outflows of Resources - OPEB	45,341	26,329	71,670	1,464
TOTAL DEFERRED OUTFLOWS OF RESOURCES	6,242,378	522,647	6,765,025	39,278
LIABILITIES				
Accounts payable	546,510	1,282,859	1,829,369	40,157
Retainage payable	19,751	58,326	78,077	-
Accrued wages payable	407,432	73,221	480,653	5,826
Due to other government units	234,770	162,954	397,724	5,443
Accrued interest payable	59,135	29,338	88,473	20
Customer deposits	-	138,100	138,100	27,444
Unearned revenue	704,440	-	704,440	-
Noncurrent liabilities:				
Due within one year	1,154,858	789,544	1,944,402	9,990
Due in more than one year	4,562,773	5,680,842	10,243,615	20,818
Net pension liability	5,228,236	1,972,818	7,201,054	150,310
Other postemployment benefit liability	309,130	179,495	488,625	9,972
TOTAL LIABILITIES	13,227,035	10,367,497	23,594,532	269,980
DEFERRED INFLOWS OF RESOURCES				
Cost Sharing Defined Benefit - Pensions	6,103,766	629,586	6,733,352	47,966
Deferred Inflows of Resources - OPEB	76,484	44,410	120,894	2,468
Leases	317,065	207,647	524,712	-
TOTAL DEFERRED INFLOWS OF RESOURCES	6,497,315	881,643	7,378,958	50,434

See Notes to the Financial Statements

Statement of Net Position
December 31, 2023 (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>
NET POSITION				
Net investment in capital assets	111,760,449	52,464,149	164,224,598	2,781,536
Restricted for:				
Capital Projects	1,896,487	-	1,896,487	-
Community Growth	72,448	-	72,448	-
State Aid Street	359,345	-	359,345	-
New Home Incentive	364,537	-	364,537	-
Sales Tax Pool	359,882	-	359,882	-
Cemetery	12,026	-	12,026	-
Insect Control	327,077	-	327,077	-
Perpetual Care	298,657	-	298,657	-
Greenway Maintenance	103,707	-	103,707	-
Park Facilities	1,500	-	1,500	-
Seized Property	447,272	-	447,272	-
Grants	313,022	-	313,022	-
1997 Downtown Development	5,390	-	5,390	-
08 PFA Loan 23rd Street	169,634	-	169,634	-
Building Improvements	183,153	-	183,153	-
Debt Service	4,615,411	-	4,615,411	-
Library - Nonexpendable	76,000	-	76,000	-
Net Pension Asset - VFD	263,326	-	263,326	-
Unrestricted	<u>2,409,508</u>	<u>23,372,989</u>	<u>25,782,497</u>	<u>6,358,327</u>
TOTAL NET POSITION	<u>\$ 124,038,831</u>	<u>\$ 75,837,138</u>	<u>\$ 199,875,969</u>	<u>\$ 9,139,863</u>

See Notes to the Financial Statements



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Statement of Activities
For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			
	Expenses	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	\$ 1,791,895	\$ 184,391	\$ 2,901	\$ -	\$ (1,604,603)	\$ -	\$ (1,604,603)	\$ -
Public safety	5,025,906	435,220	468,794	-	(4,121,892)	-	(4,121,892)	-
Public works	6,452,568	384,091	582,242	1,586,965	(3,899,270)	-	(3,899,270)	-
Transit	679,433	-	731,114	-	51,681	-	51,681	-
Recreation and culture	2,848,845	831,147	11,427	-	(2,006,271)	-	(2,006,271)	-
Community development	318,537	1,725	-	2,500	(314,312)	-	(314,312)	-
Cemetery	66,674	28,005	-	-	(38,669)	-	(38,669)	-
Interest on long-term debt	131,749	-	198,020	-	66,271	-	66,271	-
Total governmental activities	17,315,607	1,864,579	1,994,498	1,589,465	(11,867,065)	-	(11,867,065)	-
Business-type activities								
Electric Utility	15,367,781	15,645,288	5,806	16,442	-	299,755	299,755	-
Water Utility	2,541,404	2,667,967	3,909	-	-	130,472	130,472	-
Sewer Utility	1,881,033	1,958,438	-	31,000	-	108,405	108,405	-
Storm Water	679,237	706,342	42,060	-	-	69,165	69,165	-
Commercial Properties	78,494	75,719	-	-	-	(2,775)	(2,775)	-
Refuse	1,100,321	1,070,530	-	-	-	(29,791)	(29,791)	-
Total business-type activities	21,648,270	22,124,284	51,775	47,442	-	575,231	575,231	-
Total primary government	\$ 38,963,877	\$ 23,988,863	\$ 2,046,273	\$ 1,636,907	(11,867,065)	575,231	(11,291,834)	-
Component unit:								
Community development	\$ 812,449	\$ 546,425	\$ -	\$ -				(266,024)
General Revenues:								
Property taxes					6,633,007	-	6,633,007	-
Franchise taxes					1,596,113	-	1,596,113	-
Unrestricted grants and contributions					2,827,820	-	2,827,820	-
Unrestricted investment income (loss)					446,477	1,783,762	2,230,239	81,612
Other					365,177	41,918	407,095	225,052
Gain on sale of asset					78,514	50,089	128,603	-
Transfers					423,035	(423,035)	-	-
Total general revenues and transfers					12,370,143	1,452,734	13,822,877	306,664
Change in Net Position					503,078	2,027,965	2,531,043	40,640
Net Position - January 1					123,535,753	73,809,173	197,344,926	9,099,223
Net Position - December 31					\$ 124,038,831	\$ 75,837,138	\$ 199,875,969	\$ 9,139,863

See Notes to the Financial Statements

**Balance Sheet
Governmental Funds
As of December 31, 2023**

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>
ASSETS						
Cash and cash equivalents	\$ 1,933,424	\$ 26,526	\$ -	\$ 139,499	\$ 3,135,661	\$ 5,235,110
Investments	5,318,891	850,485	-	-	3,264,941	9,434,317
Interest receivable	46,417	-	-	-	-	46,417
Accounts receivable	8,275	-	50,320	-	13,550	72,145
Taxes receivable - property taxes	442,958	-	-	-	-	442,958
Taxes receivable - other	159,917	-	-	-	-	159,917
Special assessments receivable	2,462	1,069,845	-	371,776	1,268,980	2,713,063
Pledges receivable	-	-	-	-	90,000	90,000
Due from other funds	454,316	-	-	-	20,084	474,400
Due from other government units	315,680	6,879	12,857	2,830	1,272	339,518
Land held for resale	-	-	-	-	139,482	139,482
Lease receivable	182,583	-	-	-	-	182,583
Notes receivable	-	-	-	-	71,790	71,790
Materials and supplies	33,003	-	-	-	-	33,003
TOTAL ASSETS	\$ 8,897,926	\$ 1,953,735	\$ 63,177	\$ 514,105	\$ 8,005,760	\$ 19,434,703
LIABILITIES						
Accounts payable	\$ 345,241	\$ 57,248	\$ 103,275	\$ -	\$ 40,743	\$ 546,507
Retainage payable	-	-	19,751	-	-	19,751
Accrued wages payable	406,402	-	-	-	1,030	407,432
Due to other funds	62,952	-	159,490	-	125	222,567
Due to other government units	75,916	-	-	-	158,854	234,770
Unearned revenue	-	-	-	-	704,440	704,440
Total Liabilities	890,511	57,248	282,516	-	905,192	2,135,467
DEFERRED INFLOWS OF RESOURCES						
Unavailable Revenue -						
Property taxes and spec. assessments	445,420	1,069,845	-	371,776	1,268,980	3,156,021
Pledges	-	-	-	-	90,000	90,000
Leases	317,065	-	-	-	-	317,065
Total Deferred Inflows of Resources	762,485	1,069,845	-	371,776	1,358,980	3,563,086
FUND BALANCE						
Nonspendable	33,003	-	-	-	76,000	109,003
Restricted	-	826,642	-	142,329	5,819,111	6,788,082
Unassigned	7,211,927	-	(219,339)	-	(153,523)	6,839,065
Total Fund Balance	7,244,930	826,642	(219,339)	142,329	5,741,588	13,736,150
TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCE	\$ 8,897,926	\$ 1,953,735	\$ 63,177	\$ 514,105	\$ 8,005,760	\$ 19,434,703

See Notes to the Financial Statements

**Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
As of December 31, 2023**

CITY OF EAST GRAND FORKS

Total fund balances - governmental funds		\$ 13,736,150
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	2,706,334	
Buildings, structures and improvements	85,645,317	
Machinery and equipment	7,021,850	
Infrastructure	58,081,732	
Accumulated depreciation and amortization	<u>(69,568,050)</u>	115,090,654
Other long-term assets are not available to pay for current period expenditures and, therefore, are unavailable in the governmental funds.		3,246,021
Volunteer Fire Department Net Pension Asset		263,326
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	915,472	
Investments	357,499	
Machinery and equipment	4,442,285	
Accumulated depreciation	(2,805,802)	
Due from other funds	45,230	
Compensated absences payable	<u>(770,694)</u>	2,183,990
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	6,242,378	
Deferred inflows of resources	<u>(6,180,250)</u>	62,128
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	(4,946,937)	
Accrued interest payable	(59,135)	
Net pension liability	(5,228,236)	
Other post employment benefit obligations	<u>(309,130)</u>	<u>(10,543,438)</u>
NET POSITION OF GOVERNMENTAL ACTIVITIES		<u>\$ 124,038,831</u>

See Notes to the Financial Statements

**Statement of Revenues, Expenditures and Changes in Fund Balances
Governmental Funds
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	General	Capital Projects Fund	Current City Projects Fund	2017 Assessment Bonds	Nonmajor Governmental Funds	Total Governmental Funds
Revenues:						
General taxes	\$ 8,229,120	\$ -	\$ -	\$ -	\$ -	\$ 8,229,120
Special assessments	1,662	208,452	-	219,818	643,007	1,072,939
Licenses and permits	124,848	-	-	-	-	124,848
Intergovernmental	2,657,902	530,099	1,337,420	-	1,561,376	6,086,797
Charges for services	1,464,037	-	-	-	176,015	1,640,052
Fines and forfeitures	75,479	-	-	-	-	75,479
Interest and other revenues	88,885	21,617	-	583	285,261	396,346
Total revenues	<u>12,641,933</u>	<u>760,168</u>	<u>1,337,420</u>	<u>220,401</u>	<u>2,665,659</u>	<u>17,625,581</u>
Expenditures:						
Current:						
General government	1,427,872	-	-	-	-	1,427,872
Public safety	4,883,190	-	-	-	-	4,883,190
Public works	1,563,764	-	-	-	19,150	1,582,914
Transit	-	-	-	-	690,436	690,436
Recreation and culture	2,696,938	-	-	-	671	2,697,609
Community development	237,910	-	-	-	80,627	318,537
Cemetery	-	-	-	-	45,218	45,218
Other expenditures	329,097	-	-	-	-	329,097
Capital outlay	415,835	1,418,191	1,648,838	-	460,652	3,943,516
Debt service:						
Principal retirement	13,570	-	-	340,000	658,000	1,011,570
Interest and fiscal agent charges	-	-	-	26,280	147,868	174,148
Total expenditures	<u>11,568,176</u>	<u>1,418,191</u>	<u>1,648,838</u>	<u>366,280</u>	<u>2,102,622</u>	<u>17,104,107</u>
Excess (deficiency) of revenues over expenditures	<u>1,073,757</u>	<u>(658,023)</u>	<u>(311,418)</u>	<u>(145,879)</u>	<u>563,037</u>	<u>521,474</u>
Other financing sources (uses):						
Proceeds from sale of capital assets	5,000	-	-	-	73,514	78,514
Insurance proceeds	-	-	-	-	2,077	2,077
Issuance of lease	12,380	-	-	-	-	12,380
Transfers in	149,239	96,155	301,932	100,000	608,113	1,255,439
Transfers out	(496,749)	-	-	-	(433,655)	(930,404)
Total other financing sources (uses)	<u>(330,130)</u>	<u>96,155</u>	<u>301,932</u>	<u>100,000</u>	<u>250,049</u>	<u>418,006</u>
Net change in fund balances	743,627	(561,868)	(9,486)	(45,879)	813,086	939,480
Fund balance at beginning of year	<u>6,501,303</u>	<u>1,388,510</u>	<u>(209,853)</u>	<u>188,208</u>	<u>4,928,502</u>	<u>12,796,670</u>
Fund balance at end 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>

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, 2023**

CITY OF EAST GRAND FORKS

Net change in fund balances - total governmental funds		\$ 939,480
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	\$ 3,443,690	
Depreciation	<u>(3,936,363)</u>	(492,673)
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.		(12,380)
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	(12,472)	
Interest expense - leases	<u>1,025</u>	(11,447)
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.		1,011,570
Change in net pension asset.		(309,971)
Change in net pension liability.		6,526,485
Change in deferred outflows and inflows of resources related to net pension liability.		(6,515,362)
Change in deferred outflows and inflows of resources related to other postemployment benefits.		(13,625)
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, 2022	(3,868,458)	
Unavailable Revenue - December 31, 2023	<u>3,246,021</u>	(622,437)
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	28,226	
Other postemployment benefit obligations	<u>21,578</u>	49,804
Changes in long-term debt interest payable.		12,822
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>(59,188)</u>
Change in net position of governmental activities		<u>\$ 503,078</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, 2023**

CITY OF EAST GRAND FORKS

	<u>Original and Final Budgeted Amounts</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
General taxes	\$ 8,148,868	\$ 8,230,782	\$ 81,914
Licenses and permits	105,775	124,848	19,073
Intergovernmental	2,613,304	2,657,902	44,598
Charges for services	1,381,105	1,464,037	82,932
Fines and forfeitures	118,000	75,479	(42,521)
Interest and other revenues	34,000	88,885	54,885
Total revenues	<u>12,401,052</u>	<u>12,641,933</u>	<u>240,881</u>
Expenditures:			
Current:			
General government	1,546,418	1,427,872	118,546
Public safety	5,077,321	4,883,190	194,131
Public works	1,657,657	1,563,764	93,893
Recreation and culture	2,979,784	2,696,938	282,846
Community development	294,306	237,910	56,396
Other expenditures	312,939	329,097	(16,158)
Debt service - principal	13,570	13,570	-
Capital outlay	608,756	415,835	192,921
Total expenditures	<u>12,490,751</u>	<u>11,568,176</u>	<u>922,575</u>
Excess (Deficiency) of revenues over expenditures	<u>(89,699)</u>	<u>1,073,757</u>	<u>1,163,456</u>
Other financing sources (uses)			
Proceeds from sale of capital asset	-	5,000	5,000
Issuance of leases	-	12,380	12,380
Transfers in	224,874	149,239	(75,635)
Transfers out	(262,188)	(496,749)	(234,561)
Total other financing sources (uses)	<u>(37,314)</u>	<u>(330,130)</u>	<u>(292,816)</u>
Net change in fund balances	(127,013)	743,627	870,640
Fund balance at beginning of year	<u>6,501,303</u>	<u>6,501,303</u>	<u>-</u>
Fund balance at end of year	<u>\$ 6,374,290</u>	<u>\$ 7,244,930</u>	<u>\$ 870,640</u>

See Notes to the Financial Statements



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**Statement of Net Position
Proprietary Funds
As of December 31, 2023**

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
ASSETS								
Current assets:								
Cash and cash equivalents	\$ 1,649,045	\$ 554,473	\$ 323,238	\$ 633,110	\$ 99,234	\$ 352,046	\$ 3,611,146	\$ 915,472
Investments	16,564,920	-	2,015,251	745,189	421,857	-	19,747,217	357,499
Restricted cash and investments:								
Cash in customer deposits	138,100	-	-	-	-	-	138,100	-
Interest receivable	34,418	-	-	-	533	-	34,951	-
Accounts receivable (net)	3,110,128	12,775	-	-	-	741	3,123,644	-
Materials and supplies	910,756	344,303	-	-	-	-	1,255,059	-
Prepaid items	7,276	4,550	-	-	-	-	11,826	-
Lease receivable	-	-	-	-	213,061	-	213,061	-
Due from other funds	81,870	327,483	262,760	95,528	-	143,117	910,758	45,230
Total current assets	<u>22,501,956</u>	<u>1,243,584</u>	<u>2,601,249</u>	<u>1,473,827</u>	<u>734,685</u>	<u>495,904</u>	<u>29,051,205</u>	<u>1,318,201</u>
Noncurrent assets:								
Capital assets:								
Land	322,818	44,000	257,184	-	6,300	-	630,302	-
Buildings and systems	32,787,316	31,223,141	30,871,128	16,630,978	1,472,900	-	112,985,463	-
Machinery and equipment	3,742,567	57,847	1,519,966	634,314	-	992,061	6,946,755	4,442,285
Construction in progress	619,036	67,875	2,275	-	-	-	689,186	-
Total capital assets	37,471,737	31,392,863	32,650,553	17,265,292	1,479,200	992,061	121,251,706	4,442,285
Less accumulated depreciation	(23,713,753)	(18,005,238)	(11,697,006)	(7,682,732)	(850,309)	(934,193)	(62,883,231)	(2,805,802)
Total capital assets (net)	13,757,984	13,387,625	20,953,547	9,582,560	628,891	57,868	58,368,475	1,636,483
Customer acquisition costs	268,106	83,668	-	-	-	-	351,774	-
Total noncurrent assets	14,026,090	13,471,293	20,953,547	9,582,560	628,891	57,868	58,720,249	1,636,483
TOTAL ASSETS	<u>36,528,046</u>	<u>14,714,877</u>	<u>23,554,796</u>	<u>11,056,387</u>	<u>1,363,576</u>	<u>553,772</u>	<u>87,771,454</u>	<u>2,954,684</u>
Deferred outflows of resources								
Cost sharing defined benefit - PERA	293,063	122,897	37,815	14,182	-	28,361	496,318	-
Deferred outflows of resources - OPEB	15,358	7,313	1,463	-	-	2,195	26,329	-
Total deferred outflows of resources	<u>308,421</u>	<u>130,210</u>	<u>39,278</u>	<u>14,182</u>	<u>-</u>	<u>30,556</u>	<u>522,647</u>	<u>-</u>

See Notes to the Financial Statements

**Statement of Net Position
Proprietary Funds
As of December 31, 2023 (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
LIABILITIES								
Current liabilities:								
Accounts payable	1,115,187	87,898	13,151	6,542	1,749	58,332	1,282,859	-
Retainage payable	7,667	50,659	-	-	-	-	58,326	-
Due to other funds	1,109,865	44,268	3,507	49,258	925	-	1,207,823	-
Due to other government units	61,718	5,918	54,296	-	-	41,022	162,954	-
Accrued interest payable	-	-	29,338	-	-	-	29,338	-
Accrued wages payable	42,722	19,454	7,289	104	-	3,652	73,221	-
Customer deposits	138,100	-	-	-	-	-	138,100	-
Compensated absences payable - current	136,680	52,601	14,673	-	-	17,590	221,544	267,089
G.O. revenue bonds payable - current	-	-	568,000	-	-	-	568,000	-
Total current liabilities	<u>2,611,939</u>	<u>260,798</u>	<u>690,254</u>	<u>55,904</u>	<u>2,674</u>	<u>120,596</u>	<u>3,742,165</u>	<u>267,089</u>
Noncurrent liabilities:								
Compensated absences payable	268,675	58,866	36,885	-	-	38,416	402,842	503,605
Net pension liability	1,164,902	488,508	150,309	56,367	-	112,732	1,972,818	-
Total other postemployment benefit liability	104,705	49,860	9,972	-	-	14,958	179,495	-
G.O. revenue bonds payable, net	-	-	5,278,000	-	-	-	5,278,000	-
Total noncurrent liabilities	<u>1,538,282</u>	<u>597,234</u>	<u>5,475,166</u>	<u>56,367</u>	<u>-</u>	<u>166,106</u>	<u>7,833,155</u>	<u>503,605</u>
TOTAL LIABILITIES	<u>4,150,221</u>	<u>858,032</u>	<u>6,165,420</u>	<u>112,271</u>	<u>2,674</u>	<u>286,702</u>	<u>11,575,320</u>	<u>770,694</u>
Deferred inflows of resources								
Cost sharing defined benefit - PERA	371,757	155,897	47,968	17,989	-	35,975	629,586	-
Deferred inflows of resources - OPEB	25,906	12,336	2,467	-	-	3,701	44,410	-
Leases	-	-	-	-	207,647	-	207,647	-
Total deferred inflows of resources	<u>397,663</u>	<u>168,233</u>	<u>50,435</u>	<u>17,989</u>	<u>207,647</u>	<u>39,676</u>	<u>881,643</u>	<u>-</u>
NET POSITION								
Net investment in capital assets	13,750,317	13,336,966	15,107,547	9,582,560	628,891	57,868	52,464,149	1,636,483
Unrestricted	18,538,266	481,856	2,270,672	1,357,749	524,364	200,082	23,372,989	547,507
TOTAL NET POSITION	<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>

See Notes to the Financial Statements

Statement of Revenues, Expenses and Changes in Fund Net Position
Proprietary Funds
For the Year Ended December 31, 2023

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	\$ 15,645,288	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,645,288	\$ -
Water charges	-	2,667,967	-	-	-	-	2,667,967	-
Sewer charges	-	-	1,958,438	-	-	-	1,958,438	-
Rental charges	-	-	-	-	75,719	-	75,719	-
Refuse charges	-	-	-	-	-	1,032,314	1,032,314	-
Storm water charges	-	-	-	706,342	-	-	706,342	-
Other	-	-	-	-	-	38,216	38,216	273,856
Total operating revenues	<u>15,645,288</u>	<u>2,667,967</u>	<u>1,958,438</u>	<u>706,342</u>	<u>75,719</u>	<u>1,070,530</u>	<u>22,124,284</u>	<u>273,856</u>
Operating expenses:								
Purchased power	10,015,827	-	-	-	-	-	10,015,827	-
Operations and maintenance	2,161,470	1,512,869	854,578	305,642	43,203	1,016,631	5,894,393	-
Administration	782,343	369,648	114,143	-	-	33,218	1,299,352	-
Compensated absences	-	-	-	-	-	-	-	84,171
Depreciation and amortization	1,076,859	658,887	825,024	371,811	35,291	27,055	2,994,927	386,283
Tax and tax equivalents	1,331,282	-	-	-	-	-	1,331,282	-
Total operating expenses	<u>15,367,781</u>	<u>2,541,404</u>	<u>1,793,745</u>	<u>677,453</u>	<u>78,494</u>	<u>1,076,904</u>	<u>21,535,781</u>	<u>470,454</u>
Operating income (loss)	<u>277,507</u>	<u>126,563</u>	<u>164,693</u>	<u>28,889</u>	<u>(2,775)</u>	<u>(6,374)</u>	<u>588,503</u>	<u>(196,598)</u>
Nonoperating revenues (expenses)								
Interest income	1,673,503	19,450	45,312	23,801	14,168	7,528	1,783,762	38,061
Interest expense	-	-	(87,288)	(1,784)	-	(23,417)	(112,489)	1,349
Gain (loss) on asset disposal	4,089	46,000	-	-	-	-	50,089	-
Intergovernmental	5,806	3,909	-	42,060	-	-	51,775	-
Miscellaneous	-	-	-	41,918	-	-	41,918	-
Total nonoperating revenues (expenses)	<u>1,683,398</u>	<u>69,359</u>	<u>(41,976)</u>	<u>105,995</u>	<u>14,168</u>	<u>(15,889)</u>	<u>1,815,055</u>	<u>39,410</u>
Income (loss) before transfers	<u>1,960,905</u>	<u>195,922</u>	<u>122,717</u>	<u>134,884</u>	<u>11,393</u>	<u>(22,263)</u>	<u>2,403,558</u>	<u>(157,188)</u>
Transfers in	-	-	-	-	-	-	-	98,000
Transfers out	(350,000)	-	-	-	(73,035)	-	(423,035)	-
Capital contribution	<u>16,442</u>	<u>-</u>	<u>31,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>47,442</u>	<u>-</u>
Change in net position	<u>1,627,347</u>	<u>195,922</u>	<u>153,717</u>	<u>134,884</u>	<u>(61,642)</u>	<u>(22,263)</u>	<u>2,027,965</u>	<u>(59,188)</u>
Total net position - January 1	<u>30,661,236</u>	<u>13,622,900</u>	<u>17,224,502</u>	<u>10,805,425</u>	<u>1,214,897</u>	<u>280,213</u>	<u>73,809,173</u>	<u>2,243,178</u>
Total net position - December 31	<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>

See Notes to the Financial Statements



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**Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023**

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
Cash flows from operating activities:								
Cash received from customers and users	\$ 14,080,156	\$ 2,601,349	\$ 1,958,438	\$ 790,406	\$ 74,573	\$ 1,073,507	\$ 20,578,429	\$ -
Cash received from interfund activities	781,459	76,515	-	-	-	29,816	887,790	273,856
Cash paid to suppliers for goods and services	(10,749,647)	(292,775)	(609,915)	(178,506)	(33,815)	(859,782)	(12,724,440)	-
Cash paid for interfund activities	(98,127)	(122,367)	(65,634)	(51,339)	(6,614)	(9,136)	(353,217)	-
Cash paid to employees	(2,133,732)	(897,179)	(293,216)	(94,497)	(1,813)	(178,861)	(3,599,298)	(112,965)
Cash paid for taxes and tax equivalents	(1,331,282)	-	-	-	-	-	(1,331,282)	-
Other operating revenues (expenses)	-	-	-	83,978	-	-	83,978	-
Net cash provided (used) by operating activities	<u>548,827</u>	<u>1,365,543</u>	<u>989,673</u>	<u>550,042</u>	<u>32,331</u>	<u>55,544</u>	<u>3,541,960</u>	<u>160,891</u>
Cash flows from noncapital financing activities:								
Transfers from (to) other funds	(350,000)	-	-	-	(73,035)	-	(423,035)	98,000
State grant proceeds	5,806	3,909	-	-	-	-	9,715	-
Interfund receivable	89,783	(46,199)	-	-	-	-	43,584	34,384
Interfund payable	81,388	4,291	-	(32,140)	-	(45,776)	7,763	-
Net cash provided (used) by noncapital financing activities	<u>(173,023)</u>	<u>(37,999)</u>	<u>-</u>	<u>(32,140)</u>	<u>(73,035)</u>	<u>(45,776)</u>	<u>(361,973)</u>	<u>132,384</u>
Cash flows from capital and related financing activities:								
Proceeds from disposal of capital assets	4,089	46,000	-	-	-	-	50,089	-
Acquisition of capital assets	(1,083,001)	(1,826,276)	(270,113)	(109,511)	-	-	(3,288,901)	(121,334)
Principal payments on long-term debt	-	-	(558,000)	-	-	-	(558,000)	(40,000)
Interest and fiscal charges on bonds	-	-	(90,747)	(1,784)	-	(23,417)	(115,948)	(800)
Net cash used by capital and related financing activities	<u>(1,078,912)</u>	<u>(1,780,276)</u>	<u>(918,860)</u>	<u>(111,295)</u>	<u>-</u>	<u>(23,417)</u>	<u>(3,912,760)</u>	<u>(162,134)</u>
Cash flows from investing activities:								
Interest received on investments	1,670,892	19,450	45,312	23,801	14,168	7,528	1,781,151	38,061
Purchase of investments	(2,176,488)	-	-	-	-	-	(2,176,488)	-
Net cash provided (used) by investing activities	<u>(505,596)</u>	<u>19,450</u>	<u>45,312</u>	<u>23,801</u>	<u>14,168</u>	<u>7,528</u>	<u>(395,337)</u>	<u>38,061</u>
Net increase (decrease) in cash and cash equivalents	(1,208,704)	(433,282)	116,125	430,408	(26,536)	(6,121)	(1,128,110)	169,202
Cash and cash equivalents - January 1	<u>2,995,849</u>	<u>987,755</u>	<u>207,113</u>	<u>202,702</u>	<u>125,770</u>	<u>358,167</u>	<u>4,877,356</u>	<u>746,270</u>
Cash and cash equivalents - December 31	<u>\$ 1,787,145</u>	<u>\$ 554,473</u>	<u>\$ 323,238</u>	<u>\$ 633,110</u>	<u>\$ 99,234</u>	<u>\$ 352,046</u>	<u>\$ 3,749,246</u>	<u>\$ 915,472</u>

See Notes to the Financial Statements

Statement of Cash Flows
Proprietary Funds
For the Year Ended December 31, 2023 (Continued)

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)		
Reconciliation of operating income to net cash provided (used) by operating activities:								
Operating income (loss)	\$ 277,507	\$ 126,563	\$ 164,693	\$ 28,889	\$ (2,775)	\$ (6,374)	\$ 588,503	\$ (196,598)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:								
Depreciation and amortization	1,076,859	658,887	825,024	371,811	35,291	27,055	2,994,927	386,283
Miscellaneous revenue	-	-	-	83,978	-	-	83,978	-
Changes in assets and liabilities:								
Accounts receivable	(787,634)	9,897	-	-	(88)	2,977	(774,848)	-
Interfund receivable	(5,554)	-	(17,575)	(2,449)	-	(4,137)	(29,715)	-
Materials and supplies	72,404	531,278	-	-	-	-	603,682	-
Prepaid items	(762)	1,704	-	-	-	-	942	-
Lease receivable	-	-	-	-	(34,771)	-	(34,771)	-
Due from other government units	111	-	-	84,064	-	-	84,175	-
Accounts payable	(171,696)	(36,711)	(50,141)	(15,255)	1,221	(39,051)	(311,633)	-
Retainage payable	7,667	30,385	-	-	-	-	38,052	-
Interfund payable	(3,367)	-	(4,103)	(4,156)	(260)	25,511	13,625	-
Accrued wages payable	3,223	1,677	1,205	104	-	112	6,321	-
Accrued compensated absences	8,727	12,979	8,402	-	-	2,704	32,812	(28,794)
Due to other government units	7,035	3,684	54,276	-	-	41,022	106,017	-
Customer deposits	3,850	-	-	-	-	-	3,850	-
Net pension liability	(482,544)	(202,357)	(62,264)	(23,349)	-	(46,698)	(817,212)	-
Total other postemployment benefit liability	(7,309)	(3,480)	(696)	-	-	(1,044)	(12,529)	-
Deferred pension inflows	335,330	140,622	43,268	16,226	-	32,451	567,897	-
Deferred pension outflows	210,365	88,217	27,145	10,179	-	20,357	356,263	-
Deferred OPEB inflows	8,308	3,956	791	-	-	1,187	14,242	-
Deferred OPEB outflows	(3,693)	(1,758)	(352)	-	-	(528)	(6,331)	-
Deferred lease inflows	-	-	-	-	33,713	-	33,713	-
Net cash provided (used) by operating activities	<u>\$ 548,827</u>	<u>\$ 1,365,543</u>	<u>\$ 989,673</u>	<u>\$ 550,042</u>	<u>\$ 32,331</u>	<u>\$ 55,544</u>	<u>\$ 3,541,960</u>	<u>\$ 160,891</u>
Cash and cash equivalents are shown on the balance sheet under the following captions:								
Cash and cash equivalents	\$ 1,649,045	\$ 554,473	\$ 323,238	\$ 633,110	\$ 99,234	\$ 352,046	\$ 3,611,146	\$ 915,472
Restricted assets:								
Cash in customer deposits	138,100	-	-	-	-	-	138,100	-
Total cash and cash equivalents - December 31	<u>\$ 1,787,145</u>	<u>\$ 554,473</u>	<u>\$ 323,238</u>	<u>\$ 633,110</u>	<u>\$ 99,234</u>	<u>\$ 352,046</u>	<u>\$ 3,749,246</u>	<u>\$ 915,472</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 two city-owned commercial rental properties.

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, 2023, 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 6 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
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. 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.

Fund	Liability	Accumulated Hours	
		Sick	Vacation
Electric	\$ 405,355	6,269	2,143
Water	111,467	1,548	939
Sewage	51,558	1,096	399
Refuse	56,006	1,343	644

Additionally, the EDA has accrued a liability of \$22,978 for 544 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 \$770,694 is recorded in this fund, reflecting 24,835 accumulated sick leave hours. Sick leave hours exceeding the eligible reimbursement limit of 1,280 hours totaled 209. 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.

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* which 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 forfeit 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. 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 2023.

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, 2023, expenditures were over appropriations in the State Aid Street Fund and Greenway Maintenance funds by \$6,819 and \$5,000, respectively.

C. Deficit Fund Equity

At December 31, 2023, there are three governmental funds with a deficit fund balance; the \$219,339 deficit fund balance in the Current City Projects fund and the \$159,437 deficit fund balance in the Transit fund. In addition, the Benefit Accrual internal service fund has a deficit of \$100,099. These will be eliminated with future revenues and transfers from governmental and enterprise funds.

NOTE 3. CASH, CASH EQUIVALENTS, AND INVESTMENTS

Cash, cash equivalents, and investments at December 31, 2023 are classified in the accompanying financial statements as follows:

	Primary Government	Component Unit
Statement of net position:		
Cash and cash equivalents	\$ 9,761,729	\$ 977,458
Investments	29,539,033	3,513,946
Restricted cash and cash equivalents	138,100	-
Total cash and investments	<u>\$ 39,438,862</u>	<u>\$ 4,491,404</u>

Cash and investments at December 31, 2023 consist of the following:

	Primary Government	Component Unit
Cash:		
Cash on hand	\$ 1,150	\$ -
Deposit with financial institutions	9,883,514	977,458
Cash equivalents:		
Money Market Funds	15,165	-
Investments:		
Various	29,539,033	3,513,946
Total cash, cash equivalents, and investments	<u>\$ 39,438,862</u>	<u>\$ 4,491,404</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.

Authorized Investment Type	Maximum Maturity	Maximum Percentage of Portfolio	Investment in One Issuer
U.S. treasury obligations	None	None	None
U.S. agency securities	None	None	None
Banker's acceptances	None	None	None
Commercial paper	270 days	None	None
Negotiable certificates of 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, 2023, 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.

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in years)</u>	<u>Fair Value Level</u>
Federal Farm Credit Bank	\$ 933,521	3.1	1
Federal Home Loan Bank	2,208,158	4.9	1
Non-negotiable certificates of deposit	29,911,300	3.02	N/A
Total Investments	<u>\$ 33,052,979</u>		
Portfolio weighted average maturity		3.67	

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, 2023.

NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

At December 31, 2023, 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, 2023:

<u>Transfer In</u>	<u>Transfer Out</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Fund	\$ 76,204 (1)
Nonmajor Governmental Fund	Electric Fund	350,000 (1)
General Fund	Nonmajor Proprietary Fund	73,035 (1)
Capital Projects Fund	Nonmajor Governmental Fund	96,155 (1)
Current City Projects Fund	General Fund	90,636 (1)
Current City Projects Fund	Nonmajor Governmental Fund	161,296 (1)
2017 Assessment Bonds Fund	Nonmajor Governmental Fund	100,000 (1)
Nonmajor Governmental Fund	General Fund	258,113 (1)
Internal Service Fund	General Fund	98,000 (2)
Current City Projects Fund	General Fund	50,000 (3)
		<u>\$ 1,353,439</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

Due From Other Funds. The following due from other funds are reflected on the financial statements at December 31, 2023:

Receivable Fund	Payable Fund	Amount
General Fund	Current City Projects Fund	\$ 159,490 (1)
Electric Fund	General Fund	62,952 (2)
Electric Fund	Nonmajor Governmental Funds	125 (2)
Electric Fund	Water Fund	10,333 (2)
Water Fund	Electric Fund	327,483 (2)
General Fund	Electric Fund	260,892 (2)
General Fund	Water Fund	33,935 (2)
Nonmajor Governmental Funds	Electric Fund	20,085 (2)
Refuse Fund	Electric Fund	143,117 (2)
Sewage Fund	Electric Fund	262,761 (2)
Storm Water Fund	Electric Fund	95,528 (2)
Central Equipment	Storm Water Fund	45,230 (2)
Central Equipment	Refuse Fund	- (2)
Electric Fund	Commercial Properties	925 (2)
Electric Fund	Sewage Fund	3,507 (2)
Electric Fund	Storm Water Fund	4,028 (2)
Electric Fund	Refuse Fund	- (2)
		<u>\$ 1,430,391</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.

NOTE 5. CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2023, were as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 31,203,471	\$ -	\$ -	\$ 31,203,471
Construction in progress	1,141,957	2,562,275	(997,898)	2,706,334
Total	<u>32,345,428</u>	<u>2,562,275</u>	<u>(997,898)</u>	<u>33,909,805</u>
Depreciable capital assets:				
Buildings, structures, and improvements	84,528,185	1,117,132	-	85,645,317
Machinery and equipment	12,198,428	349,236	(1,134,624)	11,413,040
Infrastructure	57,558,432	523,300	-	58,081,732
Leased assets - equipment	40,116	10,978	-	51,094
Total	<u>154,325,161</u>	<u>2,000,646</u>	<u>(1,134,624)</u>	<u>155,191,183</u>
Total capital assets	<u>186,670,589</u>	<u>4,562,921</u>	<u>(2,132,522)</u>	<u>189,100,988</u>
Less accumulated depreciation and amortization for:				
Buildings, structures and improvements	(32,299,167)	(1,776,850)	-	(34,076,017)
Machinery and equipment	(7,279,195)	(756,216)	1,134,624	(6,900,787)
Infrastructure	(29,583,253)	(1,789,579)	-	(31,372,832)
Lease equipment	(11,744)	(12,472)	-	(24,216)
Total accumulated depreciation	<u>(69,173,359)</u>	<u>(4,335,117)</u>	<u>1,134,624</u>	<u>(72,373,852)</u>
Total capital assets, being amortized/depreciated, net	<u>85,151,802</u>	<u>(2,334,471)</u>	<u>-</u>	<u>82,817,331</u>
Governmental activities capital assets, net	<u>\$ 117,497,230</u>	<u>\$ 227,804</u>	<u>\$ (997,898)</u>	<u>\$ 116,727,136</u>
	Beginning Balance	Additions	Deletions	Ending Balance
Business-type activities:				
Nondepreciable capital assets				
Land	\$ 630,302	\$ -	\$ -	\$ 630,302
Construction in progress	353,037	661,981	(325,833)	689,185
Total	<u>983,339</u>	<u>661,981</u>	<u>(325,833)</u>	<u>1,319,487</u>
Depreciable capital assets:				
Buildings, structures, and improvements	112,141,613	2,607,492	(1,891,468)	112,857,637
Machinery and equipment	6,993,876	392,704	(311,999)	7,074,581
Total	<u>119,135,489</u>	<u>3,000,196</u>	<u>(2,203,467)</u>	<u>119,932,218</u>
Total capital assets	<u>120,118,828</u>	<u>3,662,177</u>	<u>(2,529,300)</u>	<u>121,251,705</u>
Less accumulated depreciation for:				
Buildings, structures, and improvements	(56,080,549)	(2,759,502)	1,891,469	(56,948,582)
Machinery and equipment	(6,011,223)	(235,424)	311,999	(5,934,648)
Total accumulated depreciation	<u>(62,091,772)</u>	<u>(2,994,926)</u>	<u>2,203,468</u>	<u>(62,883,230)</u>
Total business-type activities capital assets, net	<u>\$ 58,027,056</u>	<u>\$ 667,251</u>	<u>\$ (325,832)</u>	<u>\$ 58,368,475</u>

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

Governmental Activities:	
General Government	\$ 212,380
Public Safety	427,694
Public Works	2,805,729
Culture and Recreation	717,815
Transit	150,043
Cemetery	21,456
Total Depreciation and Amortization Expenses - Governmental Activities	<u>\$ 4,335,117</u>
Business-Type Activities:	
Electric Fund	\$ 1,076,859
Water Fund	658,886
Sewer Fund	825,024
Storm Water Fund	371,811
City Mall Fund	35,291
Refuse Fund	27,055
Total Depreciation Expenses - Business-Type Activities	<u>\$ 2,994,926</u>

Governmental Activities depreciation expense includes Internal Service fund depreciation of \$386,283.

Discretely presented component unit

	Beginning Balance	Additions	Deletions	Ending Balance
Governmental activities:				
Nondepreciable capital assets				
Land	\$ 50,300	\$ -	\$ -	\$ 50,300
Total	50,300	-	-	50,300
Depreciable capital assets:				
Buildings, structures, and improvements	5,694,609	50,894	-	5,745,503
Machinery and equipment	174,258	-	-	174,258
Leased assets - equipment	-	9,270	-	9,270
Total	5,868,867	60,164	-	5,929,031
Total capital assets	5,919,167	60,164	-	5,979,331
Less accumulated depreciation, amortization for:				
Buildings, structures and improvements	(2,888,357)	(146,368)	-	(3,034,725)
Machinery and equipment	(149,051)	(4,749)	-	(153,800)
Leased equipment	-	(1,236)	-	(1,236)
Total accumulated depreciation	(3,037,408)	(152,353)	-	(3,189,761)
Total governmental activities capital assets, net	<u>\$ 2,881,759</u>	<u>\$ (92,189)</u>	<u>\$ -</u>	<u>\$ 2,789,570</u>

NOTE 6. 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, 2023:

Lease-related Revenue	
Lease Revenue	
Building	\$ 165,720
Land	19,166
Total Lease Revenue	<u>184,886</u>
Interest Revenue	13,969
Variable & Other Revenue	-
Total	<u>\$ 198,855</u>

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

Maturity Analysis	Principal	Interest	Total Receipts
2024	\$ 90,132	\$ 14,062	\$ 104,194
2025	97,130	7,952	105,082
2026	65,920	5,180	71,100
2027	9,050	4,150	13,200
2028	10,325	3,865	14,190
2029-2033	59,430	14,259	73,689
2034-2038	63,657	4,224	67,881
Total Future Receipts	<u>\$ 395,644</u>	<u>\$ 53,692</u>	<u>\$ 449,336</u>

NOTE 7. 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 20-year serial bonds, except for refunding issues. General obligation bonds currently outstanding are as follows:

Governmental activities

General Obligation Improvement Bonds:	Final Maturity	Interest Rates	Issue Amount	Outstanding 12/31/23
12/01/12	02/01/34	2.0%-2.75%	\$ 660,000	\$ 395,000
12/01/15	02/01/31	2.0%-4.0%	870,000	170,000
12/1/15 Refunding	02/01/25	2.0%-4.0%	2,095,000	375,000
12/1/15 Refunding	02/01/27	2.0%-4.0%	760,000	185,000
2017A Improvement and Refunding	02/01/28	2.3%-3.0%	3,950,000	1,340,000
				<u>2,465,000</u>
MN PFA-Transportation	08/20/38	3.645%	3,466,577	2,276,000
Total governmental activities				<u>\$ 4,741,000</u>

Notes to the Financial Statements
December 31, 2023 (Continued)

CITY OF EAST GRAND FORKS

Business-type activities

Revenue bonds:	Final Maturity	Interest Rates	Issue Amount	Outstanding 12/31/23
MN PFA - Clean Water	08/20/28	2.687%	\$ 4,012,598	\$ 1,240,000
MN PFA - Clean Water	08/20/36	1.039%	6,721,426	4,606,000
Total business-type activities				<u>\$ 5,846,000</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
2024	\$ 887,000	\$ 140,418	\$ 568,000	\$ 81,175
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
2029-2033	1,005,000	269,572	1,789,000	114,197
2034-2038	938,000	101,115	1,118,000	23,306
Total	<u>\$ 4,741,000</u>	<u>\$ 880,467</u>	<u>\$ 5,846,000</u>	<u>\$ 443,572</u>

The City leases various office equipment. The maturity dates of the leases range from 2023 to 2028. The following is the total lease expenditure for the year ended December 31, 2023.

Lease expense

Amortization expense by class of underlying asset	
Equipment	\$ 15,371
Total amortization expense	15,371
Interest on lease liabilities	1,190
Variable lease expense	-
Total	<u>\$ 16,561</u>

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

Maturity Analysis	Principal	Interest	Total Payments
2024	\$ 15,304	\$ 859	\$ 16,163
2025	13,124	416	13,540
2026	4,588	143	4,731
2027	1,942	52	1,994
2028	660	4	664
Total Future Payments	<u>\$ 35,618</u>	<u>\$ 1,474</u>	<u>\$ 37,092</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, 2023:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Governmental Activities:					
Bonds payable:					
General obligation	\$ 3,350,000	\$ -	\$ (885,000)	\$ 2,465,000	\$ 770,000
Unamortized premium	206,637	-	(28,226)	178,411	-
Total	<u>3,556,637</u>	<u>-</u>	<u>(913,226)</u>	<u>2,643,411</u>	<u>770,000</u>
G.O. Transportation Improvement Bonds	2,389,000	-	(113,000)	2,276,000	117,000
Certificates of indebtedness	40,000	-	(40,000)	-	-
Unamortized premium	1,484	-	(1,484)	-	-
Leases	28,715	12,380	(13,570)	27,525	13,529
Compensated absences	799,488	587,321	(616,115)	770,694	254,329
Governmental Activities Total:	<u>6,815,324</u>	<u>599,701</u>	<u>(1,697,395)</u>	<u>5,717,630</u>	<u>1,154,858</u>
Business-type activities:					
Bonds payable:					
G.O. Clean Water Improvement Bonds	1,469,000	-	(229,000)	1,240,000	235,000
G.O. Wastewater Improvement Bonds	4,935,000	-	(329,000)	4,606,000	333,000
Compensated absences	591,574	237,217	(204,405)	624,386	221,544
Business-type activities total	<u>6,995,574</u>	<u>237,217</u>	<u>(762,405)</u>	<u>6,470,386</u>	<u>789,544</u>
Government-wide Total	<u>\$ 13,810,898</u>	<u>\$ 836,918</u>	<u>\$ (2,459,800)</u>	<u>\$ 12,188,016</u>	<u>\$ 1,944,402</u>

Compensated absences and leases are generally liquidated by the fund in which it was earned.

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, 2023, was as follows:

	Beginning Balance	Additions/ Proceeds	Reductions/ Payments	Ending Balance	Due Within One Year
Component Unit activities:					
Leases	\$ -	\$ 9,270	\$ (1,177)	\$ 8,093	\$ 1,775
Compensated absences	22,978	28,175	(28,437)	22,716	8,215
Component Unit activities total	<u>\$ 22,978</u>	<u>\$ 37,445</u>	<u>\$ (29,614)</u>	<u>\$ 30,809</u>	<u>\$ 9,990</u>

NOTE 8. 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, 2023 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:

	<u>2021</u>	<u>2022</u>	<u>2023</u>
Paid Losses	\$ 21,162	\$ 58,593	\$ 119,903
Paid Expenses	-	49,126	-
Reserve Losses	11,190	50,000	2,328
Reserve Expenses	-	51,143	-
Total Incurred	32,351	208,862	122,231
Deductible Recovery	(6,520)	(8,000)	-

The City's commercial insurance carrier has no set reserve losses or reserve expenses for claims filed after December 31, 2023, 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 9. 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, 2023, 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 10. 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). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

1. General Employees Retirement Plan

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

2. Public Employees Police & Fire Plan

The Police and Fire Plan, originally established for police officers and firefighters not covered by a local relief association, now covers all police officers and firefighters hired since 1980. Effective July 1, 1999, the Police and Fire Plan also covers police

officers and firefighters belonging to local relief associations that elected to merge with and transfer assets and administration to PERA.

B. Benefits Provided

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

1. General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is equal to 50 percent of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1 percent and a maximum of 1.5 percent. Recipients that have been receiving the annuity or benefit for at least a full year as of June 30 before the effective date of the increase will receive the full increase. Recipients receiving the annuity or benefit for at least one month but less than a full year as of June 30 before the effective date of the increase will receive a reduced prorated increase. In 2023, legislation repealed the statute delaying increases for members retiring before full retirement age.

2. Police and Fire Plan Benefits

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

Benefit increases are provided to benefit recipients each January. The postretirement increase is fixed at 1 percent. Recipients that have been receiving the annuity or benefit for at least 36 months as of June 30 before the effective date of the increase

will receive the full increase. For 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 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state Legislature.

1. General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2023 and the City was required to contribute 7.50% for Coordinated Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2023 were \$389,528. 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 2023 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, 2023, were \$477,321. 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, 2023, the City reported a liability of \$3,757,749 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 \$103,659. The net pension liability is generally liquidated by the fund in which it was allocated.

The net pension liability was measured as of June 30, 2023, 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, 2022, through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.0672% at the end of the measurement period and 0.0671% for the beginning of the period.

	Primary Government	Component Unit
City's proportionate share of the net pension liability	\$ 3,607,439	\$ 150,310
State of Minnesota's proportionate share of the net pension liability associated with the City	99,513	4,146
Total	<u>\$ 3,706,952</u>	<u>\$ 154,456</u>

For the year ended December 31, 2023, the City recognized pension expense of \$100,482 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$466 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2023, 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		Primary	
	Government	Component Unit	Government	Component Unit
Differences between expected and actual economic experience	\$ 118,433	\$ 4,935	\$ 24,515	\$ 1,020
Difference between projected and actual investment earnings	-	-	118,980	4,958
Changes in actuarial assumptions	576,450	24,019	988,768	41,199
Changes in proportion	25,701	1,069	18,978	789
Contributions paid to PERA subsequent to the measurement date	186,973	7,791	-	-
Total	<u>\$ 907,557</u>	<u>\$ 37,814</u>	<u>\$ 1,151,241</u>	<u>\$ 47,966</u>

The \$194,764 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	
	Primary Government	Component Unit
2024	\$ 83,155	\$ 3,465
2025	(520,551)	(21,690)
2026	84,989	3,541
2027	(78,253)	(3,259)

2. Police and Fire Fund Pension Costs

At December 31, 2023, the City reported a liability of \$3,593,616 for its proportionate share of the Police and Fire Fund's net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2022 through June 30, 2023, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was 0.2081% at the end of the measurement period and 0.2170% for the beginning of the period. The net pension liability is generally liquidated by the fund in which it was allocated.

The State of Minnesota contributed \$18 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2023. The contribution consisted of \$9 million in direct state aid that does meet the definition of a special funding situation and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. The \$9 million direct state was paid on October 1, 2022. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later.

The State of Minnesota is included as a non-employer contributing entity in the Police and Fire Retirement Plan Schedule of Employer Allocations and Schedule of Pension Amounts by Employer, Current Reporting Period Only (pension allocation schedules) for the \$9 million in direct state aid. Police and Fire Plan employers need to recognize their proportionate share of the State of Minnesota's pension expense (and grant revenue) under GASB 68 special funding situation accounting and financial reporting requirements. For the year ended December 31, 2023, the City recognized pension expense of (\$116,335) for its proportionate share of the Police and Fire Plan's pension expense. In addition, the City recognized an additional (\$8,719) as grant revenue for its proportionate share of the State of Minnesota's contribution of \$9 million to the Police and Fire Fund.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$9 million in supplemental state aid. The City also recognized \$18,729 for the year ended December 31, 2023 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, 2023, 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	\$ 1,015,302	\$ -
Difference between projected and actual investment earnings	-	220,119
Changes in actuarial assumptions	4,401,540	5,055,158
Changes in proportion	19,519	267,330
Contributions paid to PERA subsequent to the measurement date	238,661	-
Total	\$ 5,675,022	\$ 5,542,607

The \$238,661 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
2024	\$ 136,312
2025	(10,079)
2026	929,285
2027	(248,035)
2028	(913,729)

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 in the June 30, 2023, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 7.0%. This 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 return investment return rates deemed to be reasonable by the actuary. An investment return of 7.0% was deemed to be within that range of reasonableness for financial reporting purposes.

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

Salary growth assumptions in the General Employees Plan range in 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 most recent four-year experience study for the General Employees Plan was completed in 2022. The assumption changes were adopted by the Board and became effective with the July 1, 2023 actuarial valuation. The most recent four-year experience study for the Police and Fire Plan was completed in 2020 and was adopted by the Board and became effective with the July 1, 2021 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2023:

General Employees Fund

Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.5 percent to 7.0 percent.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023.
- The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service.

- The benefit increase delay for early retirements on or after January 1, 2024, was eliminated.
- A one-time non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024.

Police and Fire Fund

Changes in Actuarial Assumptions:

- The investment return assumption was changed from 6.5 percent to 7.0 percent.
- The single discount rate changed from 5.40% to 7.00%.

Changes in Plan Provisions:

- An additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023.
- Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100 percent after 10 years.
- A one-time non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024.
- Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation.
- The total and permanent duty disability benefit was increased, effective July 1, 2023.

G. Discount Rate

The discount rate used to measure the total pension liability in 2023 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	\$ 6,381,849	\$ 3,607,439	\$ 1,325,381
Component Unit	265,910	150,310	55,224
Total General Employees Fund	\$ 6,647,759	\$ 3,757,749	\$ 1,380,605

	1% Decrease (6.0%)	Current (7.0%)	1% Increase (8.0%)
Police and Fire Fund	\$ 7,130,164	\$ 3,593,616	\$ 686,102

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.

NOTE 11. 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.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5% 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 2023 were:

Amount		Percentage of Covered Payroll		Required Rates
Employees	Employer	Employees	Employer	
\$ 1,430	\$ 1,430	5.00%	5.00%	5.00%

NOTE 12. 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, 2023, the membership of the Department consisted of:

Active Members	30
Vested Terminated and Transfer Members	<u>4</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, 2023, the City reported a net pension asset of \$263,326 for the plan. The net pension asset was measured as of December 31, 2022. 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, 2022. The following table presents the changes in net pension liability (asset) during the year.

Changes in Net Pension Liability

	Increase (Decrease)		
	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (c) = (a) - (b)
Balance at previous Measurement Date 12/31/22	\$ 1,080,875	\$ 1,654,172	\$ (573,297)
Changes for the year:			
Service cost	49,876	-	49,876
Interest	53,028	-	53,028
Nonemployer contributions	-	79,285	(79,285)
Projected investment return	-	81,165	(81,165)
Gain or Loss	-	(366,868)	366,868
Benefit payments	(140,392)	(140,392)	-
Administrative expense	-	(649)	649
Net changes	<u>(37,488)</u>	<u>(347,459)</u>	<u>309,971</u>
Balance at current Measurement Date 12/31/23	<u>\$ 1,043,387</u>	<u>\$ 1,306,713</u>	<u>\$ (263,326)</u>

For the year ended December 31, 2023, the City recognized pension expense of \$(62,473).

At December 31, 2023, 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	\$ -	\$ 39,504
Net difference between projected and actual investment earnings	<u>110,776</u>	<u>-</u>
Total	<u>\$ 110,776</u>	<u>\$ 39,504</u>

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

31-Dec	Amount
2024	\$ (23,398)
2025	10,200
2026	38,938
2027	69,484
2028	(3,888)
Thereafter	(20,064)

1% Decrease (4.0%)	Current (5.0%)	1% Increase (6.0%)
\$ (229,147)	\$ (263,326)	\$ (295,562)

Actuarial Assumptions

The total pension liability was determined by an actuarial valuation as of January 1, 2022, based on the measurement date of December 31, 2022, and using the following actuarial assumptions.

- Investment rate of return is 5.0%;
- 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, 2023.

Asset Class	Portfolio Weight	Expected Class Return
Cash	9.00%	1.80%
Fixed Income	34.00%	3.00%
Equities	57.00%	6.80%

Discount Rate

The discount rate used to measure the total pension liability was 5.0%. 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 5.0%, as well as what the net pension liability would be if it were calculated using a discount rate that is one-percentage-point lower (4.0%) or one-percentage-point higher (6.0%) than the current rate:

NOTE 13. 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 45% of the Electric Fund's operating revenue; the company's water purchases account for approximately 23% of the Water Fund's operating revenue. The City collected \$627,522 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 14. FUND BALANCE

	General Fund	Capital Projects Fund	Current City Projects Fund	2017 Assessment Bond	Nonmajor Governmental Funds
Fund Balances:					
Nonspendable:					
Materials and Supplies	\$ 33,003	\$ -	\$ -	\$ -	\$ -
Campbell Library	-	-	-	-	76,000
Total	<u>33,003</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>76,000</u>
Restricted:					
Debt Service	-	-	-	142,329	2,891,461
Capital Projects	-	826,642	-	-	-
Community Growth	-	-	-	-	72,448
State Aid Street	-	-	-	-	359,345
New Home Incentive	-	-	-	-	364,537
Sales Tax Pool	-	-	-	-	359,882
Cemetery	-	-	-	-	12,026
Insect Control	-	-	-	-	327,077
Perpetual Care	-	-	-	-	298,657
Greenway Maintenance	-	-	-	-	103,707
Park Facilities	-	-	-	-	1,500
Seized Property	-	-	-	-	447,272
Grants	-	-	-	-	223,022
1997 Downtown Development	-	-	-	-	5,390
08 PFA Loan 23rd Street	-	-	-	-	169,634
Building Improvements	-	-	-	-	183,153
Total	<u>-</u>	<u>826,642</u>	<u>-</u>	<u>142,329</u>	<u>5,819,111</u>
Unassigned:	<u>7,211,927</u>	<u>-</u>	<u>(219,339)</u>	<u>-</u>	<u>(153,523)</u>
TOTAL FUND BALANCE	<u>\$7,244,930</u>	<u>\$ 826,642</u>	<u>\$ (219,339)</u>	<u>\$ 142,329</u>	<u>\$ 5,741,588</u>

NOTE 15. 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 \$899 during 2023 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 \$2,393 on this agreement for 2023. 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 2023.

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, 2023 the City had construction commitments for project 23CP3 ADA Improvements and project 22CP6 HAWKS system on Bygland Rd SE. The 23CP3 ADA Improvement project contract is for \$101,567 and has a remaining commitment for \$5,078. The 22CP6 HAWKS system on Bygland Rd SE project contract is for \$245,807 and has a remaining commitment of \$14,673.

NOTE 16. 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, 2023, one series of Industrial Revenue Bonds were outstanding with a remaining principal balance of \$8,000,000.

NOTE 17. 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, 2023, there are no amounts for arbitrage rebates.

NOTE 18. NEW PRONOUNCEMENTS

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions

in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.

- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal years beginning after December 15, 2023.

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.

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

NOTE 19. 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, 2023, 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 \$498,597 was measured as of January 1, 2023 and was determined by an actuarial valuation as of that date. The OPEB liability is generally liquidated by the fund in which it was allocated.

Actuarial Assumptions:

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

Inflation	2.0%
Salary increases	vary by service and contract group
Healthcare cost trend rates	6.50% as of January 1, 2021 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-2020 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 2.0%.

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 12/31/2022	\$ 522,733	\$ 10,668
Changes for the year:		
Service Cost	37,744	770
Interest Cost	10,864	222
Changes in Actuarial Assumptions	(65,291)	(1,332)
Difference between projected and actual investment earnings	17,140	350
Benefit Payments	(34,566)	(705)
Net Changes	(34,108)	(696)
Balance at 12/31/2023	\$ 488,625	\$ 9,972

	Deferred Outflows of Resources		Deferred Inflows of Resources	
	Primary Government	Component Unit	Primary Government	Component Unit
Changes in actuarial assumptions	\$ 14,998	\$ 307	\$ 58,468	\$ 1,194
Difference between expected and actual economic experience	16,559	338	62,426	1,274
Employer contributions paid subsequent to the measurement date	40,113	819	-	-
Total	\$ 71,670	\$ 1,464	\$ 120,894	\$ 2,468

\$40,932 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, 2024.

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

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 (1 percent) or one percentage point higher (3 percent) than the current rate:

	Department Total OPEB Liability		
	1% Decrease (1%)	Current (2%)	1% Increase (3%)
Primary Government	\$ 527,591	\$ 488,625	\$ 452,969
Component Unit	10,767	9,972	9,244
Total	\$ 538,358	\$ 498,597	\$ 462,213

Year Ending December 31	Pension Expense Amount	
	Primary Government	Component Unit
2024	\$ (21,066)	\$ (430)
2025	(21,066)	(430)
2026	(21,055)	(430)
2027	(7,055)	(144)
2028	(7,054)	(144)
Thereafter	(12,041)	(245)

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 6.50%, gradually decreasing over 6 years to an ultimate rate of 5.0%.

	Department Healthcare Cost Trend Rates		
	(5.5% decreasing to 4.0% over 6 years)	(6.5% decreasing to 5.0% over 6 years)	(7.5% decreasing to 6.0% over 6 years)
Primary Government	\$ 437,299	\$ 488,625	\$ 550,689
Component Unit	8,924	9,972	11,239
Total	\$ 446,223	\$ 498,597	\$ 561,928

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

For the year ended December 31, 2023, 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, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

NOTE 20. 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 2023 is \$26,205.



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

CITY OF EAST GRAND FORKS

	<u>2023</u>	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Total OPEB Liability						
Service Cost	\$ 38,514	\$ 48,579	\$ 47,164	\$ 35,836	\$ 34,792	\$ 39,358
Interest	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>(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	(34,804)	31,924	19,749	18,293	(105,536)	12,312
Total OPEB Liability - Beginning	<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>\$ 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	 \$ 7,393,896	 \$ 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 Payroll	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.

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

CITY OF EAST GRAND FORKS

	Fiscal Year Ended December 31	Statutorily Required Contributions	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%	
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%	

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

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

**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 Proportionate Share of the Net Pension Liability (Asset)	City's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the City	Total	City's Covered Payroll	City's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
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%
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%

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.

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

See Notes to the 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	2023	2022	2021	2020	2019	2018
Total Pension Liability						
Service Cost	\$ 49,876	\$ 45,616	\$ 44,503	\$ 49,539	\$ 45,806	\$ 44,689
Interest Cost	53,028	50,911	51,295	44,535	43,604	46,800
Plan Changes	-	141,799	-	104,176	53,981	-
Gain or Loss	-	(36,442)	-	(13,006)	-	-
Benefit Payments	<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	(37,488)	14,673	73,804	117,244	(45,648)	(32,491)
Total Pension Liability - Beginning	<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>\$ 1,043,387</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	\$ 79,285	\$ 76,184	\$ 73,100	\$ 69,887	\$ 70,691	\$ 69,476
Net Investment Income	81,165	74,258	65,537	53,405	58,131	55,569
Gain or Loss	(366,868)	152,744	143,701	167,970	(89,114)	86,866
Benefit Payments	(140,392)	(187,211)	(21,994)	(68,000)	(189,039)	(123,980)
Pension Plan Administrative Expense	<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	(347,459)	111,041	255,539	217,610	(154,313)	83,388
Plan Fiduciary Net Position - Beginning	<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>\$ 1,306,713</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 Liability - Ending	\$ (263,326)	\$ (573,297)	\$ (476,929)	\$ (295,194)	\$ (194,828)	\$ (303,493)
Plan Fiduciary Net Position as a Percentage of Total Pension Liability	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

**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>
2014	\$ 58,794	\$ 58,794	-	
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	-	

*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	1/1/2022
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	5.00%
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

2023 Changes - Changes in Plan Provisions: An additional one-time direct state aid contribution of \$170.1 million will be contributed to the Plan on October 1, 2023. The vesting period of those hired after June 30, 2010, was changed from five years of allowable service to three years of allowable service. The benefit increase delay for early retirements on or after January 1, 2024, was eliminated. A one-time, non-compounding benefit increase of 2.5 percent minus the actual 2024 adjustment will be payable in a lump sum for calendar year 2024 by March 31, 2024. *Changes in Actuarial Assumptions*: The investment return assumption and single discount rate were changed from 6.5 percent to 7.00 percent

2022 Changes - Changes in Plan Provisions: There were no changes in plan provisions since the previous valuation. *Changes in Actuarial Assumptions*: The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021.

2021 Changes - Changes in Plan Provisions: There were no changes in plan provisions since the previous valuation. *Changes in Actuarial Assumptions*: The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The mortality improvement scale was changed from Scale MP-2019 to Scale MP-2020.

2020 Changes - Changes in Plan Provisions: Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020. *Changes in Actuarial Assumptions*: The price inflation assumption was decreased from 2.50% to 2.25%. The payroll growth assumption was decreased from 3.25% to 3.00%. Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates. Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements. Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter. Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher

disabled annuitant mortality table, with adjustments. The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019. The assumed spouse age difference was changed from two years older for females to one year older. The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

2019 Changes - Changes in Plan Provisions: The employer supplemental contribution was changed prospectively, decreasing from \$31.0 million to \$21.0 million per year. The State's special funding contribution was changed prospectively, requiring \$16.0 million due per year through 2031. *Changes in Actuarial Assumptions*: The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes - Changes in Plan Provisions: The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Contribution stabilizer provisions were repealed. Postretirement benefit increases were changed from 1.00 percent per year with a provision to increase to 2.50 percent upon attainment of 90.00 percent funding ratio to 50.00 percent of the Social Security Cost of Living Adjustment, not less than 1.00 percent and not more than 1.50 percent, beginning January 1, 2019. For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions. *Changes in Actuarial Assumptions*: The mortality projection scale was changed from MP-2015 to MP-2017. The assumed benefit increase was changed from 1.00 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

2017 Changes - Changes in Plan Provisions: The State's contribution for the Minneapolis Employees Retirement Fund equals \$16,000,000 in 2017 and 2018, and \$6,000,000 thereafter. The Employer Supplemental Contribution for the Minneapolis Employees Retirement Fund changed from \$21,000,000 to \$31,000,000 in calendar years 2019 to 2031. The state's contribution changed from \$16,000,000 to \$6,000,000 in calendar years 2019 to 2031. *Changes in Actuarial Assumptions*: The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes - Changes in Plan Provisions: There have been no changes since the prior valuation. **Changes in Actuarial Assumptions:** The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years. The assumed investment return **2015 Changes - Changes in Plan Provisions:** On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised; the State's contribution of \$6 million, which meets the special funding situation definition, was due September 2015. **Changes in Actuarial Assumptions:** The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

Police and Fire Fund

2023 Changes - Changes in Plan Provisions: Additional one-time direct state aid contribution of \$19.4 million will be contributed to the Plan on October 1, 2023. Vesting requirement for new hires after June 30, 2014, was changed from a graded 20-year vesting schedule to a graded 10-year vesting schedule, with 50 percent vesting after five years, increasing incrementally to 100% after 10 years. A one-time, non-compounding benefit increase of 3.0 percent will be payable in a lump sum for calendar year 2024 by March 31, 2024. Psychological treatment is required effective July 1, 2023, prior to approval for a duty disability benefit for a psychological condition relating to the member's occupation. The total and permanent duty disability benefit was increased, effective July 1, 2023. **Changes in Actuarial Assumptions:** The investment return assumption was changed from 6.5 percent to 7.00 percent. The single discount rate changed from 5.4 percent to 7.0 percent.

2022 Changes - Changes in Plan Provisions: There were no changes in plan provisions since the previous valuation. **Changes in Actuarial Assumptions:** The mortality improvement scale was changed from Scale MP-2020 to Scale MP-2021. The single discount rate changed from 6.5% to 5.4%.

2021 Changes - Changes in Plan Provisions: There were no changes in plan provisions since the previous valuation. **Changes in Actuarial Assumptions:** The investment return and single discount rates were changed from 7.50 percent to 6.50 percent for financial reporting purposes. The inflation assumption was changed from 2.50 percent to 2.25 percent. The payroll growth assumption was changed from 3.25 percent to 3.00 percent. The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MP-2020. The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with

was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation. future mortality improvement according to Scale MP-2020). Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates. Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements. Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations. Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities. Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied

2020 Changes - Changes in Plan Provisions: There have been no changes since the prior valuation. **Changes in Actuarial Assumptions:** The mortality projection scale was changed from MP-2018 to MP-2019.

2019 Changes - Changes in Plan Provisions: There have been no changes since the prior valuation. **Changes in Actuarial Assumptions:** The mortality projection scale was changed from MP-2017 to MP-2018.

2018 Changes - Changes in Plan Provisions: Postretirement benefit increases were changed to 1.00 percent for all years, with no trigger. An end date of July 1, 2048 was added to the existing \$9.0 million state contribution. New annual state aid will equal \$4.5 million in fiscal years 2019 and 2020, and \$9.0 million thereafter until the plan reaches 100 percent funding, or July 1, 2048, if earlier. Member contributions were changed from 10.80 percent to 11.30 percent of pay, effective January 1, 2019 and 11.80 percent of pay, effective January 1, 2020. Employer contributions were changed from 16.20 percent to 16.95 percent of pay, effective January 1, 2019 and 17.70 percent of pay, effective January 1, 2020. Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018. Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply. Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions. **Changes in Actuarial Assumptions:** The mortality projection scale was changed from MP-2016 to MP-2017.

2017 Changes - Changes in Plan Provisions: There have been no changes since the prior valuation. **Changes in Actuarial Assumptions:** Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates. Assumed rates of retirement were changed, resulting in fewer retirements. The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred

members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members. The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees. Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall. Assumed percentage of married female members was decreased from 65.00 percent to 60.00 percent. Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females. The assumed percentage of female members electing joint and survivor annuities was increased. The assumed postretirement benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter. The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

2016 Changes - Changes in Plan Provisions: There have been no changes since the prior valuation. **Changes in Actuarial Assumptions:** The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years. The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 5.60 percent. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

2015 Changes - Changes in Plan Provisions: The postretirement benefit increases to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent **Changes in Actuarial Assumptions:** The assumed postretirement benefit increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

NOTE 2. OTHER POSTEMPLOYMENT BENEFITS

2023 Changes -

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale to the Pub-2010 Public Retirement Plans

Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

- The inflation rate was changed from 2.00% to 2.50%.
- The discount rate was changed from 2.00% to 4.00%.
- The retirement, withdrawal, and salary increase rates for public safety employees were updated to reflect the latest experience study

2022 Changes -

- None

2021 Changes -

- The health care trend rates were changed to better anticipate short term and long-term medical increases.
- The mortality tables were updated from the RP-2014 Mortality Tables (Blue Collar for Public Safety, White Collar for others) with MP-2018 Generational Improvement Scale to the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2020 Generational Improvement Scale.
- The inflation rate was changed from 2.50% to 2.00%.
- The discount rate was changed from 3.80% to 2.00%.
- The salary increase rates were changed from a flat 3.00% per year for all employees to rates which vary by service and contract group.
- The retirement and withdrawal rates for non-public-safety employees were updated to reflect the latest experience study.
- These changes increase the liability \$27,037.

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 23rd 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, 2023**

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
ASSETS					
Cash and cash equivalents	\$ 1,982,814	\$ 453,154	\$ 617,779	\$ 81,914	\$ 3,135,661
Investments	827,356	2,437,585	-	-	3,264,941
Accounts receivable	13,550	-	-	-	13,550
Due from other funds	20,084	-	-	-	20,084
Due from other government units	-	1,272	-	-	1,272
Special assessments receivable:					
Deferred	-	1,268,980	-	-	1,268,980
Notes receivable	71,790	-	-	-	71,790
Pledges receivable	-	-	90,000	-	90,000
Land held for resale	139,482	-	-	-	139,482
Total Assets	<u>\$ 3,055,076</u>	<u>\$ 4,160,991</u>	<u>\$ 707,779</u>	<u>\$ 81,914</u>	<u>\$ 8,005,760</u>
LIABILITIES					
Accounts payable	\$ 3,613	\$ 550	\$ 36,580	\$ -	\$ 40,743
Accrued wages payable	1,030	-	-	-	1,030
Due to other funds	125	-	-	-	125
Due to other government units	158,854	-	-	-	158,854
Unearned revenue	704,440	-	-	-	704,440
Total Liabilities	<u>868,062</u>	<u>550</u>	<u>36,580</u>	<u>-</u>	<u>905,192</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue - Property Taxes and Spec. Assessments	-	1,268,980	-	-	1,268,980
Unavailable Revenue - Pledges	-	-	90,000	-	90,000
Total Deferred Inflows of Resources	<u>-</u>	<u>1,268,980</u>	<u>90,000</u>	<u>-</u>	<u>1,358,980</u>
FUND BALANCES					
Nonspendable	-	-	-	76,000	76,000
Restricted	2,346,451	2,891,461	581,199	-	5,819,111
Unassigned	(159,437)	-	-	5,914	(153,523)
Total Fund Balances	<u>2,187,014</u>	<u>2,891,461</u>	<u>581,199</u>	<u>81,914</u>	<u>5,741,588</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 3,055,076</u>	<u>\$ 4,160,991</u>	<u>\$ 707,779</u>	<u>\$ 81,914</u>	<u>\$ 8,005,760</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Governmental Funds by Fund Type
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Nonmajor Special Revenue Funds</u>	<u>Nonmajor Debt Service Funds</u>	<u>Nonmajor Capital Projects Funds</u>	<u>Nonmajor Permanent Campbell- Olson Fund</u>	<u>Total Nonmajor Governmental Funds</u>
Revenues:					
Intergovernmental	\$ 1,313,356	\$ -	\$ 248,020	\$ -	\$ 1,561,376
Special assessments	-	643,007	-	-	643,007
Charges for services	176,015	-	-	-	176,015
Interest and other revenues	166,844	52,755	64,056	1,606	285,261
Total revenues	<u>1,656,215</u>	<u>695,762</u>	<u>312,076</u>	<u>1,606</u>	<u>2,665,659</u>
Expenditures:					
Current:					
Public works	19,150	-	-	-	19,150
Recreation and culture	-	-	-	671	671
Transit	690,436	-	-	-	690,436
Community development	80,627	-	-	-	80,627
Cemetery	45,218	-	-	-	45,218
Capital outlay	186,684	-	273,968	-	460,652
Debt service:					
Principal retirement	-	545,000	113,000	-	658,000
Interest and fiscal agent fees	-	60,789	87,079	-	147,868
Total expenditures	<u>1,022,115</u>	<u>605,789</u>	<u>474,047</u>	<u>671</u>	<u>2,102,622</u>
Excess (deficiency) of revenues over expenditures	<u>634,100</u>	<u>89,973</u>	<u>(161,971)</u>	<u>935</u>	<u>563,037</u>
Other financing sources (uses):					
Proceeds from sale of capital asset	73,514	-	-	-	73,514
Insurance proceeds	2,077	-	-	-	2,077
Transfers in	258,113	-	386,406	-	644,519
Transfers out	(283,656)	(100,000)	(86,405)	-	(470,061)
Total other financing sources (uses)	<u>50,048</u>	<u>(100,000)</u>	<u>300,001</u>	<u>-</u>	<u>250,049</u>
Net change in fund balances	684,148	(10,027)	138,030	935	813,086
Fund balance at beginning of year	1,502,866	2,901,488	443,169	80,979	4,928,502
Fund balance at end 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>

**Combining Balance Sheet
Nonmajor Special Revenue Funds
As of December 31, 2023**

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
ASSETS													
Cash and cash equivalents	\$ 72,448	\$ 704,440	\$ 362,004	\$ 2	\$ 153,265	\$ 9,882	\$ -	\$ 118,494	\$ 23,406	\$ 90,101	\$ 1,500	\$ 447,272	\$ 1,982,814
Investments	-	-	-	-	-	350,000	-	202,105	275,251	-	-	-	827,356
Accounts receivable	-	-	-	-	-	-	13,550	-	-	-	-	-	13,550
Due from other funds	-	-	-	-	-	-	-	6,478	-	13,606	-	-	20,084
Due from other government units	-	-	-	-	-	-	-	-	-	-	-	-	-
Notes receivable (net)	-	-	-	-	71,790	-	-	-	-	-	-	-	71,790
Land held for resale	-	-	-	-	139,482	-	-	-	-	-	-	-	139,482
Total Assets	<u>\$ 72,448</u>	<u>\$ 704,440</u>	<u>\$ 362,004</u>	<u>\$ 2</u>	<u>\$ 364,537</u>	<u>\$ 359,882</u>	<u>\$ 13,550</u>	<u>\$ 327,077</u>	<u>\$ 298,657</u>	<u>\$ 103,707</u>	<u>\$ 1,500</u>	<u>\$ 447,272</u>	<u>\$ 3,055,076</u>
LIABILITIES													
Accounts payable	\$ -	\$ -	\$ 2,659	\$ -	\$ -	\$ -	\$ 954	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,613
Accrued wages payable	-	-	-	585	-	-	445	-	-	-	-	-	1,030
Due to other funds	-	-	-	-	-	-	125	-	-	-	-	-	125
Due to other government units	-	-	-	158,854	-	-	-	-	-	-	-	-	158,854
Unearned revenue	-	704,440	-	-	-	-	-	-	-	-	-	-	704,440
Total Liabilities	<u>-</u>	<u>704,440</u>	<u>2,659</u>	<u>159,439</u>	<u>-</u>	<u>-</u>	<u>1,524</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>868,062</u>
FUND BALANCES													
Restricted	72,448	-	359,345	-	364,537	359,882	12,026	327,077	298,657	103,707	1,500	447,272	2,346,451
Unassigned	-	-	-	(159,437)	-	-	-	-	-	-	-	-	(159,437)
Total fund balances	<u>72,448</u>	<u>-</u>	<u>359,345</u>	<u>(159,437)</u>	<u>364,537</u>	<u>359,882</u>	<u>12,026</u>	<u>327,077</u>	<u>298,657</u>	<u>103,707</u>	<u>1,500</u>	<u>447,272</u>	<u>2,187,014</u>
Total liabilities and fund balances	<u>\$ 72,448</u>	<u>\$ 704,440</u>	<u>\$ 362,004</u>	<u>\$ 2</u>	<u>\$ 364,537</u>	<u>\$ 359,882</u>	<u>\$ 13,550</u>	<u>\$ 327,077</u>	<u>\$ 298,657</u>	<u>\$ 103,707</u>	<u>\$ 1,500</u>	<u>\$ 447,272</u>	<u>\$ 3,055,076</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Special Revenue Funds
For the Year Ended December 31, 2023**

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
Revenues:													
Intergovernmental	\$ -	\$ -	\$ 183,804	\$ 731,114	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 398,438	\$ 1,313,356
Charges for services	-	-	-	-	-	-	28,005	47,685	-	100,325	-	-	176,015
Other revenue:													
Interest revenue	1,432	-	10,143	-	4,944	-	-	5,974	5,554	1,035	-	-	29,082
Sale of Seized Property	-	-	-	-	-	-	-	-	-	-	-	25,602	25,602
Other	-	-	-	911	109,749	-	-	-	-	-	1,500	-	112,160
Total revenues	<u>1,432</u>	<u>-</u>	<u>193,947</u>	<u>732,025</u>	<u>114,693</u>	<u>-</u>	<u>28,005</u>	<u>53,659</u>	<u>5,554</u>	<u>101,360</u>	<u>1,500</u>	<u>424,040</u>	<u>1,656,215</u>
Expenditures:													
Current:													
Public works	-	-	6,819	-	-	-	-	12,331	-	-	-	-	19,150
Community development	1,475	-	-	-	79,152	-	-	-	-	-	-	-	80,627
Transit	-	-	-	690,436	-	-	-	-	-	-	-	-	690,436
Cemetery	-	-	-	-	-	-	45,218	-	-	-	-	-	45,218
Capital outlay	-	-	-	161,045	-	-	10,639	-	-	15,000	-	-	186,684
Total expenditures	<u>1,475</u>	<u>-</u>	<u>6,819</u>	<u>851,481</u>	<u>79,152</u>	<u>-</u>	<u>55,857</u>	<u>12,331</u>	<u>-</u>	<u>15,000</u>	<u>-</u>	<u>-</u>	<u>1,022,115</u>
Excess (deficiency) of revenues over expenditures	<u>(43)</u>	<u>-</u>	<u>187,128</u>	<u>(119,456)</u>	<u>35,541</u>	<u>-</u>	<u>(27,852)</u>	<u>41,328</u>	<u>5,554</u>	<u>86,360</u>	<u>1,500</u>	<u>424,040</u>	<u>634,100</u>
Other financing sources (uses):													
Proceeds from sale of capital asset	-	-	-	-	54,844	-	4,186	-	14,484	-	-	-	73,514
Insurance proceeds	-	-	-	2,077	-	-	-	-	-	-	-	-	2,077
Transfers in	-	-	-	227,743	-	-	30,370	-	-	-	-	-	258,113
Transfers out	-	-	(217,588)	-	(26,205)	(39,863)	-	-	-	-	-	-	(283,656)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(217,588)</u>	<u>229,820</u>	<u>28,639</u>	<u>(39,863)</u>	<u>34,556</u>	<u>-</u>	<u>14,484</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>50,048</u>
Net change in fund balances	(43)	-	(30,460)	110,364	64,180	(39,863)	6,704	41,328	20,038	86,360	1,500	424,040	684,148
Fund balance at beginning of year	72,491	-	389,805	(269,801)	300,357	399,745	5,322	285,749	278,619	17,347	-	23,232	1,502,866
Fund balance at end of year	<u>\$ 72,448</u>	<u>\$ -</u>	<u>\$ 359,345</u>	<u>\$ (159,437)</u>	<u>\$ 364,537</u>	<u>\$ 359,882</u>	<u>\$ 12,026</u>	<u>\$ 327,077</u>	<u>\$ 298,657</u>	<u>\$ 103,707</u>	<u>\$ 1,500</u>	<u>\$ 447,272</u>	<u>\$ 2,187,014</u>

**Combining Balance Sheet
Nonmajor Debt Service Funds
As of December 31, 2023**

CITY OF EAST GRAND FORKS

	2012 Improvement & Refunding Bonds	12-1-01 Assessment Bonds	04-1-04 Assessment Bonds	12-1-03 Assessment Bonds	3-1-06 Assessment Bonds	2007 Assessment Bonds	2015 Assessment Bonds	12-1-04 Assessment Bonds	Total
ASSETS									
Cash and cash equivalents	\$ 61,563	\$ 3,279	\$ 19,248	\$ 61,994	\$ 32,801	\$ 94,339	\$ 3,623	\$ 176,307	\$ 453,154
Investments	265,874	455,460	241,900	371,277	165,876	887,198	50,000	-	2,437,585
Due from other government units	-	1,056	-	-	142	-	74	-	1,272
Special assessments receivable:									
Deferred	377,291	17,007	-	1,524	121,935	347,900	160,606	242,717	1,268,980
Total assets	<u>\$ 704,728</u>	<u>\$ 476,802</u>	<u>\$ 261,148</u>	<u>\$ 434,795</u>	<u>\$ 320,754</u>	<u>\$1,329,437</u>	<u>\$ 214,303</u>	<u>\$ 419,024</u>	<u>\$ 4,160,991</u>
LIABILITIES									
Accounts payable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 550	\$ -	\$ 550
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>550</u>	<u>-</u>	<u>550</u>
DEFERRED INFLOWS OF RESOURCES									
Unavailable revenue-special assessments	377,291	17,007	-	1,524	121,935	347,900	160,606	242,717	1,268,980
Total deferred inflows of resources	<u>377,291</u>	<u>17,007</u>	<u>-</u>	<u>1,524</u>	<u>121,935</u>	<u>347,900</u>	<u>160,606</u>	<u>242,717</u>	<u>1,268,980</u>
FUND BALANCES									
Restricted	327,437	459,795	261,148	433,271	198,819	981,537	53,147	176,307	2,891,461
Total fund balances	<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>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 704,728</u>	<u>\$ 476,802</u>	<u>\$ 261,148</u>	<u>\$ 434,795</u>	<u>\$ 320,754</u>	<u>\$1,329,437</u>	<u>\$ 214,303</u>	<u>\$ 419,024</u>	<u>\$ 4,160,991</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
Nonmajor Debt Service Funds
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>2012 Improvement & 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	\$ 51,420	\$ 21,479	\$ -	\$ 40,832	\$ 56,084	\$ 204,389	\$ 61,786	\$ 207,017	\$ 643,007
Other revenue:									
Interest on investments	<u>5,902</u>	<u>10,703</u>	<u>5,104</u>	<u>8,052</u>	<u>3,281</u>	<u>17,344</u>	<u>544</u>	<u>1,825</u>	<u>52,755</u>
Total revenues	<u>57,322</u>	<u>32,182</u>	<u>5,104</u>	<u>48,884</u>	<u>59,365</u>	<u>221,733</u>	<u>62,330</u>	<u>208,842</u>	<u>695,762</u>
Expenditures:									
Debt service:									
Principal retirement	30,000	-	-	-	40,000	190,000	110,000	175,000	545,000
Interest and fiscal agent fees	<u>10,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>6,575</u>	<u>19,255</u>	<u>8,500</u>	<u>15,651</u>	<u>60,789</u>
Total expenditures	<u>40,808</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>46,575</u>	<u>209,255</u>	<u>118,500</u>	<u>190,651</u>	<u>605,789</u>
Net change in fund balances	16,514	32,182	5,104	48,884	12,790	12,478	(56,170)	18,191	89,973
Other financing sources (uses):									
Transfers out	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Total other financing sources (uses)	<u>-</u>	<u>(100,000)</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(100,000)</u>
Net change in fund balances	16,514	(67,818)	5,104	48,884	12,790	12,478	(56,170)	18,191	(10,027)
Fund balance at beginning of year	<u>310,923</u>	<u>527,613</u>	<u>256,044</u>	<u>384,387</u>	<u>186,029</u>	<u>969,059</u>	<u>109,317</u>	<u>158,116</u>	<u>2,901,488</u>
Fund balance at end 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>

**Combining Balance Sheet
Nonmajor Capital Projects Funds
As of December 31, 2023**

CITY OF EAST GRAND FORKS

	Grants	1997 Downtown Development	08 PFA Loan 23rd Street Project	Building Improvements	Total
ASSETS					
Cash and cash equivalents	\$ 223,022	\$ 6,498	\$ 169,634	\$ 218,625	\$ 617,779
Pledges receivable	90,000	-	-	-	90,000
Total assets	<u>\$ 313,022</u>	<u>\$ 6,498</u>	<u>\$ 169,634</u>	<u>\$ 218,625</u>	<u>\$ 707,779</u>
LIABILITIES					
Accounts payable	\$ -	\$ 1,108	\$ -	\$ 35,472	\$ 36,580
Total liabilities	<u>-</u>	<u>1,108</u>	<u>-</u>	<u>35,472</u>	<u>36,580</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue - Pledges	90,000	-	-	-	90,000
Total deferred inflows of resources	<u>90,000</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>90,000</u>
FUND BALANCES					
Restricted	<u>223,022</u>	<u>5,390</u>	<u>169,634</u>	<u>183,153</u>	<u>581,199</u>
Total fund balances	<u>223,022</u>	<u>5,390</u>	<u>169,634</u>	<u>183,153</u>	<u>581,199</u>
Total liabilities, deferred inflows of resources and fund balances	<u>\$ 313,022</u>	<u>\$ 6,498</u>	<u>\$ 169,634</u>	<u>\$ 218,625</u>	<u>\$ 707,779</u>

**Combining Statement of Revenues, Expenditures and Changes in Fund Balances
 Nonmajor Capital Projects Funds
 For the Year Ended December 31, 2023**

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	\$ 50,000	\$ -	\$ 198,020	\$ -	\$ 248,020
Other income	57,773	260	-	6,023	64,056
Total revenues	<u>107,773</u>	<u>260</u>	<u>198,020</u>	<u>6,023</u>	<u>312,076</u>
Expenditures:					
Capital outlay:	30,585	10,982	-	232,401	273,968
Debt service:					
Principal retirement	-	-	113,000	-	113,000
Interest and fiscal agent charges	-	-	87,079	-	87,079
Total expenditures	<u>30,585</u>	<u>10,982</u>	<u>200,079</u>	<u>232,401</u>	<u>474,047</u>
Excess (deficiency) of revenues over expenditures	<u>77,188</u>	<u>(10,722)</u>	<u>(2,059)</u>	<u>(226,378)</u>	<u>(161,971)</u>
Other financing sources (uses):					
Transfers in	-	-	-	386,406	386,406
Transfers out	(86,405)	-	-	-	(86,405)
Total other financing sources (uses)	<u>(86,405)</u>	<u>-</u>	<u>-</u>	<u>386,406</u>	<u>300,001</u>
Net change in fund balances	(9,217)	(10,722)	(2,059)	160,028	138,030
Fund balance at beginning of year	<u>232,239</u>	<u>16,112</u>	<u>171,693</u>	<u>23,125</u>	<u>443,169</u>
Fund balance at end of year	<u>\$ 223,022</u>	<u>\$ 5,390</u>	<u>\$ 169,634</u>	<u>\$ 183,153</u>	<u>\$ 581,199</u>

Community and Economic Growth Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget to Actual
 For the Year Ended December 31, 2023

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	\$ -	\$ 1,432	\$ 1,432
Total revenues	<u>-</u>	<u>1,432</u>	<u>1,432</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)	(43)	9,957
Fund balance at beginning of year	72,491	72,491	-
Fund balance at end of year	<u>\$ 62,491</u>	<u>\$ 72,448</u>	<u>\$ 9,957</u>

State Aid Street Fund
 Schedule of Revenues, Expenditures and Changes in Fund Balances
 Budget to Actual
 For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 190,000	\$ 183,804	\$ (6,196)
Other revenues:			
Interest revenue	-	10,143	10,143
Total revenue	<u>190,000</u>	<u>193,947</u>	<u>3,947</u>
Expenditures:			
Public works:			
Contractual services	-	6,819	(6,819)
Total expenditures	<u>-</u>	<u>6,819</u>	<u>(6,819)</u>
Excess of revenues over expenditures	<u>190,000</u>	<u>187,128</u>	<u>(2,872)</u>
Other financing uses:			
Transfers out	<u>(518,481)</u>	<u>(217,588)</u>	<u>300,893</u>
Total other financing uses	<u>(518,481)</u>	<u>(217,588)</u>	<u>300,893</u>
Net changes in fund balances	(328,481)	(30,460)	298,021
Fund balance at beginning of year	389,805	389,805	-
Fund balance at end of year	<u>\$ 61,324</u>	<u>\$ 359,345</u>	<u>\$ 298,021</u>

Transit Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Intergovernmental	\$ 708,315	\$ 731,114	\$ 22,799
Other revenues:			
Other	-	911	911
Total revenues	<u>708,315</u>	<u>732,025</u>	<u>23,710</u>
Expenditures:			
Transit:			
Contractual services	703,602	690,436	13,166
Capital outlay	-	161,045	(161,045)
Total expenditures	<u>703,602</u>	<u>851,481</u>	<u>(147,879)</u>
Excess (deficiency) of revenues over expenditures	<u>4,713</u>	<u>(119,456)</u>	<u>(124,169)</u>
Other financing sources:			
Insurance proceeds	-	2,077	(2,077)
Transfers in	105,287	227,743	122,456
Total other financing sources	<u>105,287</u>	<u>229,820</u>	<u>120,379</u>
Net changes in fund balances	110,000	110,364	(3,790)
Fund balance at beginning of year	<u>(269,801)</u>	<u>(269,801)</u>	<u>-</u>
Fund balance at end of year	<u>\$ (159,801)</u>	<u>\$ (159,437)</u>	<u>\$ (3,790)</u>

**New Home Incentive Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Interest revenue	\$ -	\$ 4,944	\$ 4,944
Other revenues	10,000	109,749	99,749
Total revenues	<u>10,000</u>	<u>114,693</u>	<u>104,693</u>
Expenditures:			
Community development:			
Supplies	300	-	300
Contractual services	1,200	25,598	(24,398)
Other expenditures	<u>342,300</u>	<u>53,554</u>	<u>288,746</u>
Total expenditures	<u>343,800</u>	<u>79,152</u>	<u>264,648</u>
Excess (deficiency) of revenues over expenditures	<u>(333,800)</u>	<u>35,541</u>	<u>369,341</u>
Other financing sources (uses):			
Proceeds from sale of capital asset	42,000	54,844	12,844
Transfers out	<u>(65,000)</u>	<u>(26,205)</u>	<u>38,795</u>
Total other financing sources (uses)	<u>(23,000)</u>	<u>28,639</u>	<u>51,639</u>
Net changes in fund balances	(356,800)	64,180	420,980
Fund balance at beginning of year	<u>300,357</u>	<u>300,357</u>	<u>-</u>
Fund balance at end of year	<u>\$ (56,443)</u>	<u>\$ 364,537</u>	<u>\$ 420,980</u>

Cemetery Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023

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	\$ 28,005	\$ 7,505
Total revenues	<u>20,500</u>	<u>28,005</u>	<u>7,505</u>
Expenditures:			
Cemetery:			
Personal services	35,174	22,417	12,757
Supplies	2,000	676	1,324
Contractual services	10,000	10,344	(344)
Capital Outlay	20,000	10,639	9,361
Other expenditures	<u>14,878</u>	<u>11,781</u>	<u>3,097</u>
Total expenditures	<u>82,052</u>	<u>55,857</u>	<u>26,195</u>
Excess (deficiency) of revenues over expenditures	<u>(61,552)</u>	<u>(27,852)</u>	<u>33,700</u>
Other financing sources:			
Proceeds from sale of capital asset	20,000	4,186	(15,814)
Transfers in	<u>21,552</u>	<u>30,370</u>	<u>8,818</u>
Total other financing sources	<u>41,552</u>	<u>34,556</u>	<u>(6,996)</u>
Net changes in fund balances	(20,000)	6,704	26,704
Fund balance at beginning of year	5,322	5,322	-
Fund balance at end of year	<u>\$ (14,678)</u>	<u>\$ 12,026</u>	<u>\$ 26,704</u>

Insect Control Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 47,800	\$ 47,685	\$ (115)
Other revenue:			
Interest revenue	-	5,974	5,974
Total revenues	<u>47,800</u>	<u>53,659</u>	<u>5,859</u>
Expenditures:			
Public Works:			
Personal services	11,515	1,840	9,675
Supplies	32,400	9,350	23,050
Other expenditures	<u>6,156</u>	<u>1,141</u>	<u>5,015</u>
Total expenditures	<u>50,071</u>	<u>12,331</u>	<u>37,740</u>
Net changes in fund balances	(2,271)	41,328	43,599
Fund balance at beginning of year	285,749	285,749	-
Fund balance at end of year	<u>\$ 283,478</u>	<u>\$ 327,077</u>	<u>\$ 43,599</u>

Perpetual Care Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023

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	\$ -	\$ 5,554	\$ 5,554
Total revenues	<u>-</u>	<u>5,554</u>	<u>5,554</u>
Other financing sources (uses):			
Proceeds from sale of capital asset	15,000	14,484	(516)
Transfers out	<u>(20,000)</u>	<u>-</u>	<u>20,000</u>
Total other financing sources (uses)	<u>(5,000)</u>	<u>14,484</u>	<u>19,484</u>
Net change in fund balances	(5,000)	20,038	25,038
Fund balance at beginning of year	<u>278,619</u>	<u>278,619</u>	<u>-</u>
Fund balance at end of year	<u>\$ 273,619</u>	<u>\$ 298,657</u>	<u>\$ 25,038</u>

Greenway Maintenance Fund
Schedule of Revenues, Expenditures and Changes in Fund Balances
Budget to Actual
For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

	<u>Original and Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
Revenues:			
Charges for services	\$ 99,000	\$ 100,325	\$ 1,325
Interest income	-	1,035	1,035
Total revenues	<u>99,000</u>	<u>101,360</u>	<u>2,360</u>
Expenditures:			
Public Works:			
Capital Outlay	10,000	15,000	(5,000)
Total expenditures	<u>10,000</u>	<u>15,000</u>	<u>(5,000)</u>
Net change in fund balances	89,000	86,360	(2,640)
Fund balance at beginning of year	17,347	17,347	-
Fund balance at end of year	<u>\$ 106,347</u>	<u>\$ 103,707</u>	<u>\$ (2,640)</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, 2023**

CITY OF EAST GRAND FORKS

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 527,375	\$ 388,097	\$ 915,472
Investments	143,220	214,279	357,499
Due from other funds	-	45,230	45,230
Total current assets	<u>670,595</u>	<u>647,606</u>	<u>1,318,201</u>
Noncurrent assets:			
Capital assets:			
Machinery and equipment	-	4,442,285	4,442,285
Less accumulated depreciation	-	(2,805,802)	(2,805,802)
Capital assets (net)	<u>-</u>	<u>1,636,483</u>	<u>1,636,483</u>
TOTAL ASSETS	<u>670,595</u>	<u>2,284,089</u>	<u>2,954,684</u>
LIABILITIES			
Current Liabilities:			
Compensated absences payable- current	267,089	-	267,089
Accrued interest payable	-	-	-
G.O. revenue bonds payable - current	-	-	-
Total current liabilities	<u>267,089</u>	<u>-</u>	<u>267,089</u>
Noncurrent liabilities:			
Compensated absences payable - net current portion	503,605	-	503,605
Total noncurrent liabilities	<u>503,605</u>	<u>-</u>	<u>503,605</u>
TOTAL LIABILITIES	<u>770,694</u>	<u>-</u>	<u>770,694</u>
NET POSITION			
Net investment in capital assets	-	1,636,483	1,636,483
Unrestricted	(100,099)	647,606	547,507
TOTAL NET POSITION	<u>\$ (100,099)</u>	<u>\$ 2,284,089</u>	<u>\$ 2,183,990</u>

**Combining Statement of Revenues, Expenses and Changes in Fund Net Position
Internal Service Funds
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ -	\$ 273,856	\$ 273,856
Total operating revenues	<u>-</u>	<u>273,856</u>	<u>273,856</u>
Operating expenses:			
Compensated absences	84,171	-	84,171
Depreciation	-	386,283	386,283
Total operating expenses	<u>84,171</u>	<u>386,283</u>	<u>470,454</u>
Operating income (loss)	<u>(84,171)</u>	<u>(112,427)</u>	<u>(196,598)</u>
Nonoperating revenues (expenses):			
Interest revenue	12,860	25,201	38,061
Interest expense	-	1,349	1,349
Total nonoperating revenues (expenses)	<u>12,860</u>	<u>26,550</u>	<u>39,410</u>
Income (loss) before transfers	(71,311)	(85,877)	(157,188)
Net position at beginning of year	(126,788)	2,369,966	2,243,178
Net position at end of year	<u>\$ (100,099)</u>	<u>\$ 2,284,089</u>	<u>\$ 2,183,990</u>

Combining Statement of Cash Flows
Internal Service Funds
For the Year Ended December 31, 2023

CITY OF EAST GRAND FORKS

	<u>Benefit Accrual</u>	<u>Central Equipment</u>	<u>Total</u>
Cash flow from operating activities:			
Receipts from interfund service provided	\$ -	\$ 273,856	\$ 273,856
Payments for compensated absences	<u>(112,965)</u>	<u>-</u>	<u>(112,965)</u>
Net cash provided (used) by operating activities	<u>(112,965)</u>	<u>273,856</u>	<u>160,891</u>
Cash flows from noncapital financing activities:			
Transfers in	98,000	-	98,000
Interfund receivable	<u>-</u>	<u>34,384</u>	<u>34,384</u>
Net cash provided by noncapital financing activities	<u>98,000</u>	<u>34,384</u>	<u>132,384</u>
Cash flows from capital financing activities:			
Principal payments on long-term debt	-	(40,000)	(40,000)
Interest payments on long-term debt	-	(800)	(800)
Acquisition of capital assets	<u>-</u>	<u>(121,334)</u>	<u>(121,334)</u>
Net cash used by capital financing activities	<u>-</u>	<u>(162,134)</u>	<u>(162,134)</u>
Cash flows from investing activities:			
Interest on investments	<u>12,860</u>	<u>25,201</u>	<u>38,061</u>
Net cash provided by investing activities	<u>12,860</u>	<u>25,201</u>	<u>38,061</u>
Increase (decrease) in cash and cash equivalents	(2,105)	171,307	169,202
Cash and cash equivalents - January 1	<u>529,480</u>	<u>216,790</u>	<u>746,270</u>
Cash and cash equivalents - December 31	<u>\$ 527,375</u>	<u>\$ 388,097</u>	<u>\$ 915,472</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:			
Operating income (loss)	\$ (84,171)	\$ (112,427)	\$ (196,598)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization	-	386,283	386,283
Changes in assets and liabilities:			
Compensated absences	<u>(28,794)</u>	<u>-</u>	<u>(28,794)</u>
Net cash provided (used) by operating activities	<u>\$ (112,965)</u>	<u>\$ 273,856</u>	<u>\$ 160,891</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, 2023**

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	\$ 6,600,077	\$ 6,562,480	\$ (37,597)	\$ 5,646,759
Mobile home taxes	-	2,803	2,803	2,834
Hotel/Motel taxes	40,000	67,724	27,724	51,703
Franchise taxes	1,508,691	1,596,113	87,422	1,646,755
Special assessments	100	1,662	1,562	1,554
Total Taxes	<u>8,148,868</u>	<u>8,230,782</u>	<u>81,914</u>	<u>7,349,605</u>
Licenses and permits:				
Liquor and malt licenses	55,575	57,125	1,550	56,533
Tobacco licenses	350	350	-	500
Pet licenses	1,000	680	(320)	710
Other licenses	4,000	3,690	(310)	4,554
Building permits	40,000	55,182	15,182	38,728
Excavation permits	1,500	2,116	616	1,794
Plumbing permits	1,000	1,100	100	920
Other permits	2,350	4,605	2,255	3,280
Total Licenses and Permits	<u>105,775</u>	<u>124,848</u>	<u>19,073</u>	<u>107,019</u>
Intergovernmental:				
Federal grants	15,000	4,748	(10,252)	25,565
Local government aid	2,233,625	2,233,625	-	2,223,326
Police state aid	200,000	232,308	32,308	214,519
Fire state aid	75,000	82,275	7,275	78,285
Ambulance subsidy	21,939	21,939	-	21,939
Other	67,740	83,007	15,267	379,891
Total Intergovernmental	<u>2,613,304</u>	<u>2,657,902</u>	<u>44,598</u>	<u>2,943,525</u>
Charges for services:				
General government	17,068	28,006	10,938	22,619
Rescue unit	252,000	254,324	2,324	258,232

**Schedule of Revenues and Other Sources
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	60,800	17,025	(43,775)	57,864
Protective inspection services	16,000	-	(16,000)	65
Rural fire service	58,723	61,218	2,495	59,664
Public safety - other	1,400	1,572	172	1,793
Streets and highways	750	8,260	7,510	(836)
Street lights	214,464	216,753	2,289	220,470
Swimming pool	70,000	79,802	9,802	66,642
Summer recreation programs	82,100	80,529	(1,571)	77,414
Winter recreation programs	148,500	140,782	(7,718)	128,633
Recreation - other	252,000	226,765	(25,235)	347,970
Senior Center	9,000	12,504	3,504	11,739
City hall rent	38,000	41,946	3,946	39,784
Blue Line Arena rent	3,500	4,733	1,233	2,553
VFW arena rent	40,000	67,853	27,853	39,983
Civic center rent	112,000	213,177	101,177	96,436
Zoning	500	660	160	615
Library	4,300	8,128	3,828	7,829
Total charges for services	<u>1,381,105</u>	<u>1,464,037</u>	<u>82,932</u>	<u>1,439,469</u>
Fines and forfeits:				
Court fines	80,000	62,390	(17,610)	66,816
Parking fines	2,000	1,598	(402)	1,235
Impound fees	6,000	5,481	(519)	5,479
Sale of seized property	30,000	6,010	(23,990)	6,782
Total fines and forfeits	<u>118,000</u>	<u>75,479</u>	<u>(42,521)</u>	<u>80,312</u>
Miscellaneous revenues:				
Interest revenue	2,000	115,170	113,170	68,369
Donations	9,000	7,627	(1,373)	7,325
Insurance dividends and proceeds	1,000	54,586	53,586	68,080
Other	22,000	(88,498)	(110,498)	11,406
Total miscellaneous	<u>34,000</u>	<u>88,885</u>	<u>54,885</u>	<u>155,180</u>
Total revenues	<u>12,401,052</u>	<u>12,641,933</u>	<u>240,881</u>	<u>12,075,110</u>
Other financing sources:				
Proceeds from sale of capital asset	-	5,000	5,000	9,435
Issuance of leases	-	12,380	12,380	6,102
Transfers in	224,874	149,239	(75,635)	123,850
Total other financing sources	<u>224,874</u>	<u>166,619</u>	<u>(58,255)</u>	<u>139,387</u>
Total revenues and other financing sources	<u>\$ 12,625,926</u>	<u>\$ 12,808,552</u>	<u>\$ 182,626</u>	<u>\$ 12,214,497</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023**

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	\$ 46,163	\$ 1,150	\$ 46,713
Other expenditures	6,931	3,305	3,626	6,141
Total	<u>54,244</u>	<u>49,468</u>	<u>4,776</u>	<u>52,854</u>
Ordinances and proceedings:				
Contractual services	1,000	2,978	(1,978)	435
Total	<u>1,000</u>	<u>2,978</u>	<u>(1,978)</u>	<u>435</u>
Mayor:				
Personal services	10,814	10,814	-	10,814
Supplies	186	-	186	-
Contractual services	773	298	475	288
Other expenditures	8,000	6,089	1,911	7,692
Total	<u>19,773</u>	<u>17,201</u>	<u>2,572</u>	<u>18,794</u>
Elections:				
Personal services	-	363	(363)	12,620
Other expenditures	10,000	-	10,000	11,541
Total	<u>10,000</u>	<u>363</u>	<u>9,637</u>	<u>24,161</u>
City administration:				
Personal services	487,727	390,568	97,159	468,058
Supplies	7,450	2,453	4,997	3,646
Contractual services	29,500	62,760	(33,260)	30,828
Other expenditures	30,100	16,626	13,474	15,168
Total	<u>554,777</u>	<u>472,407</u>	<u>82,370</u>	<u>517,700</u>
Accounting and auditing:				
Contractual services	58,000	58,861	(861)	42,459
Total	<u>58,000</u>	<u>58,861</u>	<u>(861)</u>	<u>42,459</u>
City assessor:				
Contractual services	30,000	29,048	952	29,048
Total	<u>30,000</u>	<u>29,048</u>	<u>952</u>	<u>29,048</u>
City attorney:				
Contractual services	285,000	267,031	17,969	277,556
Other expenditures	2,500	-	2,500	-
Total	<u>287,500</u>	<u>267,031</u>	<u>20,469</u>	<u>277,556</u>
Planning and zoning:				
Personal services	43,485	43,784	(299)	43,179
Contractual services	92,000	110,751	(18,751)	96,761
Other expenditures	3,786	3,136	650	2,635
Total	<u>139,271</u>	<u>157,671</u>	<u>(18,400)</u>	<u>142,575</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	3,934	749	3,660
Total	<u>4,683</u>	<u>3,934</u>	<u>749</u>	<u>3,660</u>
Finance and accounting:				
Personal services	145,415	145,493	(78)	142,128
Other expenditures	6,856	5,211	1,645	4,664
Total	<u>152,271</u>	<u>150,704</u>	<u>1,567</u>	<u>146,792</u>
Building:				
Personal services	12,599	17,429	(4,830)	19,051
Supplies	2,500	4,211	(1,711)	3,490
Contractual services	19,700	18,038	1,662	18,214
Other expenditures	200,100	178,528	21,572	320,631
Capital outlay	500	-	500	-
Total	<u>235,399</u>	<u>218,206</u>	<u>17,193</u>	<u>361,386</u>
Summary:				
Current	1,546,418	1,427,872	118,546	1,617,420
Capital outlay	500	-	500	-
Total general government	<u>\$ 1,546,918</u>	<u>\$ 1,427,872</u>	<u>\$ 119,046</u>	<u>\$ 1,617,420</u>
Public safety:				
Police:				
Personal services	\$ 3,080,006	\$ 2,985,685	\$ 94,321	\$ 2,816,095
Supplies	127,100	113,968	13,132	111,194
Contractual services	191,000	160,185	30,815	153,495
Other expenditures	29,118	31,454	(2,336)	28,371
Capital outlay	85,000	95,823	(10,823)	71,491
Total	<u>3,512,224</u>	<u>3,387,115</u>	<u>125,109</u>	<u>3,180,646</u>
Fire:				
Personal services	1,237,997	1,224,215	13,782	1,198,484
Supplies	3,000	2,423	577	1,677
Contractual services	186,671	162,605	24,066	155,425
Other expenditures	14,500	13,761	739	11,614
Capital outlay	-	-	-	45,721
Total	<u>1,442,168</u>	<u>1,403,004</u>	<u>39,164</u>	<u>1,412,921</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	74,321	67,942	6,379	66,086
Supplies	350	616	(266)	687
Contractual services	50,600	42,545	8,055	29,134
Other expenditures	1,550	1,077	473	1,479
Total	<u>126,821</u>	<u>112,180</u>	<u>14,641</u>	<u>97,386</u>
Traffic engineering:				
Personal services	20,108	32,996	(12,888)	26,389
Supplies	11,500	8,620	2,880	5,634
Contractual services	37,000	23,831	13,169	43,821
Other expenditures	2,500	2,695	(195)	8,613
Total	<u>71,108</u>	<u>68,142</u>	<u>2,966</u>	<u>84,457</u>
Animal control:				
Contractual services	10,000	8,572	1,428	13,325
Total	<u>10,000</u>	<u>8,572</u>	<u>1,428</u>	<u>13,325</u>
COVID -19				
Supplies	-	-	-	11,722
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>11,722</u>
Summary:				
Current	5,077,321	4,883,190	194,131	4,683,245
Capital outlay	85,000	95,823	(10,823)	117,212
Total public safety	<u>\$ 5,162,321</u>	<u>\$ 4,979,013</u>	<u>\$ 183,308</u>	<u>\$ 4,800,457</u>
Public works:				
Administration:				
Personal services	\$ 204,190	\$ 189,965	\$ 14,225	\$ 202,071
Supplies	1,500	952	548	1,002
Contractual services	4,400	2,611	1,789	2,959
Other expenditures	8,900	3,525	5,375	9,338
Total	<u>218,990</u>	<u>197,053</u>	<u>21,937</u>	<u>215,370</u>
Streets:				
Personal services	315,229	266,804	48,425	262,915
Supplies	4,500	4,426	74	2,708
Contractual services	2,000	-	2,000	-
Other expenditures	28,500	22,983	5,517	24,604
Capital outlay	256,062	256,062	-	243,218
Total	<u>606,291</u>	<u>550,275</u>	<u>56,016</u>	<u>533,445</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	34,302	34,302	-	96,964
Total	<u>34,302</u>	<u>34,302</u>	<u>-</u>	<u>96,964</u>
Downtown parking lots:				
Personal services	9,443	826	8,617	312
Total	<u>9,443</u>	<u>826</u>	<u>8,617</u>	<u>312</u>
Ice and snow removal:				
Personal services	146,764	149,915	(3,151)	182,259
Supplies	450	167	283	-
Contractual services	106,000	120,999	(14,999)	93,695
Other expenditures	600	2,025	(1,425)	2,275
Total	<u>253,814</u>	<u>273,106</u>	<u>(19,292)</u>	<u>278,229</u>
Equipment:				
Supplies	74,400	82,302	(7,902)	91,314
Contractual services	265,554	238,745	26,809	274,713
Other expenditures	500	-	500	308
Capital outlay	-	-	-	15,295
Total	<u>340,454</u>	<u>321,047</u>	<u>19,407</u>	<u>381,630</u>
Equipment building:				
Supplies	13,700	12,066	1,634	12,163
Contractual services	51,600	71,424	(19,824)	52,071
Other expenditures	800	-	800	188
Total	<u>66,100</u>	<u>83,490</u>	<u>(17,390)</u>	<u>64,422</u>
City shop:				
Personal services	200,163	189,576	10,587	192,864
Charged back	(90,000)	(91,350)	1,350	(86,010)
Supplies	255,000	335,130	(80,130)	310,248
Charged back	(255,000)	(307,318)	52,318	(257,343)
Other expenditures	2,500	873	1,627	3,957
Total	<u>112,663</u>	<u>126,911</u>	<u>(14,248)</u>	<u>163,716</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	119,500	110,584	8,916	105,370
Total	<u>119,500</u>	<u>110,584</u>	<u>8,916</u>	<u>105,370</u>
Street cleaning:				
Personal services	29,699	29,789	(90)	30,317
Contractual services	58,739	58,740	(1)	58,740
Total	<u>88,438</u>	<u>88,529</u>	<u>(91)</u>	<u>89,057</u>
Weed control:				
Personal services	49,724	14,459	35,265	20,865
Supplies	1,000	743	257	343
Other expenditures	13,000	18,501	(5,501)	5,527
Capital outlay	500	-	500	-
Total	<u>64,224</u>	<u>33,703</u>	<u>30,521</u>	<u>26,735</u>
Summary:				
Current	1,657,657	1,563,764	93,893	1,696,737
Capital outlay	256,562	256,062	500	258,513
Total public works	<u>\$ 1,914,219</u>	<u>\$ 1,819,826</u>	<u>\$ 94,393</u>	<u>\$ 1,955,250</u>
Recreation and culture:				
Parks and recreation administration				
Personal services	\$ 273,683	\$ 267,492	\$ 6,191	\$ 282,617
Supplies	3,400	1,422	1,978	2,518
Contractual services	11,500	7,666	3,834	9,787
Other expenditures	2,050	2,695	(645)	2,323
Total	<u>290,633</u>	<u>279,275</u>	<u>11,358</u>	<u>297,245</u>
Playgrounds:				
Personal services	13,456	17,227	(3,771)	14,710
Supplies	500	153	347	485
Other expenditures	1,000	3,205	(2,205)	1,458
Total	<u>14,956</u>	<u>20,585</u>	<u>(5,629)</u>	<u>16,653</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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	107,140	117,145	(10,005)	87,912
Supplies	20,250	21,778	(1,528)	21,829
Contractual services	8,000	18,432	(10,432)	8,387
Other expenditures	43,750	32,651	11,099	44,521
Capital outlay	-	-	-	18,170
Total	<u>179,140</u>	<u>190,006</u>	<u>(10,866)</u>	<u>180,819</u>
Tennis:				
Personal services	5,383	5,744	(361)	4,584
Supplies	1,000	718	282	317
Other expenditures	300	-	300	-
Total	<u>6,683</u>	<u>6,462</u>	<u>221</u>	<u>4,901</u>
Skating rinks:				
Personal services	10,227	-	10,227	3,783
Supplies	1,000	-	1,000	-
Total	<u>11,227</u>	<u>-</u>	<u>11,227</u>	<u>3,783</u>
Hockey:				
Personal services	56,516	49,450	7,066	45,859
Supplies	3,500	1,679	1,821	542
Other expenditures	20,500	14,884	5,616	18,851
Total	<u>80,516</u>	<u>66,013</u>	<u>14,503</u>	<u>65,252</u>
Figure skating:				
Personal services	51,134	47,835	3,299	54,311
Supplies	2,000	445	1,555	468
Other expenditures	7,500	9,386	(1,886)	6,188
Total	<u>60,634</u>	<u>57,666</u>	<u>2,968</u>	<u>60,967</u>
Baseball:				
Personal services	48,120	28,499	19,621	44,788
Supplies	23,500	23,243	257	15,331
Other expenditures	14,500	10,958	3,542	12,505
Total	<u>86,120</u>	<u>62,700</u>	<u>23,420</u>	<u>72,624</u>
Softball:				
Personal services	21,530	22,117	(587)	24,742
Supplies	5,500	2,293	3,207	905
Other expenditures	1,500	435	1,065	393
Total	<u>28,530</u>	<u>24,845</u>	<u>3,685</u>	<u>26,040</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (Continued)**

CITY OF EAST GRAND FORKS

	Original and Final Budget	Current Year Actual	Variance with Final Budget	Prior Year Actual
Recreation and culture (continued):				
Civic center:				
Personal services	165,768	172,386	(6,618)	180,744
Supplies	15,500	15,261	239	15,950
Contractual services	163,083	116,509	46,574	130,494
Other expenditures	2,400	1,027	1,373	1,082
Total	<u>346,751</u>	<u>305,183</u>	<u>41,568</u>	<u>328,270</u>
VFW arena:				
Personal services	163,277	166,360	(3,083)	126,144
Supplies	17,500	14,904	2,596	12,867
Contractual services	148,365	122,620	25,745	134,571
Other expenditures	2,200	1,176	1,024	1,460
Total	<u>381,342</u>	<u>305,060</u>	<u>76,282</u>	<u>275,042</u>
Library:				
Personal services	525,155	515,903	9,252	477,869
Supplies	8,250	9,555	(1,305)	10,408
Other expenditures	171,769	151,138	20,631	157,524
Capital outlay	8,320	3,679	4,641	6,002
Total	<u>713,494</u>	<u>680,275</u>	<u>33,219</u>	<u>651,803</u>
Senior Center:				
Personal services	105,974	94,568	11,406	88,765
Supplies	4,700	5,261	(561)	4,034
Other expenditures	37,982	33,833	4,149	31,346
Total	<u>148,656</u>	<u>133,662</u>	<u>14,994</u>	<u>124,145</u>
Blue Line Arena:				
Personal services	21,180	14,228	6,952	11,813
Supplies	4,000	516	3,484	735
Contractual services	51,000	55,899	(4,899)	49,260
Total	<u>76,180</u>	<u>70,643</u>	<u>5,537</u>	<u>61,808</u>
Park areas:				
Personal services	233,156	162,795	70,361	180,849
Supplies	45,000	37,979	7,021	51,310
Contractual services	124,224	107,338	16,886	98,673
Other expenditures	4,250	1,758	2,492	1,085
Capital outlay	-	-	-	2,307
Total	<u>406,630</u>	<u>309,870</u>	<u>96,760</u>	<u>334,224</u>
Campground-Recreation Area:				
Personal services	122,112	125,037	(2,925)	129,092
Supplies	8,000	5,990	2,010	4,906
Contractual services	73,000	56,125	16,875	76,495
Other expenditures	3,500	1,220	2,280	1,899
Total	<u>206,612</u>	<u>188,372</u>	<u>18,240</u>	<u>212,392</u>
Summary:				
Current	2,979,784	2,696,938	282,846	2,689,489
Capital outlay	58,320	3,679	54,641	26,479
Total Recreation and culture	<u>\$ 3,038,104</u>	<u>\$ 2,700,617</u>	<u>\$ 337,487</u>	<u>\$ 2,715,968</u>

**Schedule of Expenditures and Other Uses
Budget to Actual – General Fund
For the Year Ended December 31, 2023 (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>
Community Development:				
Residential tax abatement	\$ 65,000	\$ 26,205	\$ 38,795	\$ 45,526
General community development	229,306	211,705	17,601	228,416
Total	<u>294,306</u>	<u>237,910</u>	<u>56,396</u>	<u>273,942</u>
Summary:				
Current	294,306	237,910	56,396	273,942
Total community development	<u>\$ 294,306</u>	<u>\$ 237,910</u>	<u>\$ 56,396</u>	<u>\$ 273,942</u>
Debt service				
Principal payments on lease	\$ 13,570	\$ 13,570	\$ -	\$ 11,401
Other expenditures:				
Workers compensation	\$ 6,889	\$ 5,928	\$ 961	\$ 5,991
General liability and other insurance	227,620	224,151	3,469	206,928
Promotional (Lodging)	40,000	64,337	(24,337)	49,119
Memberships and dues	25,000	26,500	(1,500)	25,212
Miscellaneous	13,430	8,181	5,249	13,934
Contributed capital outlay	159,874	-	159,874	78,325
Capital outlay	48,500	60,271	(11,771)	50,331
Total	<u>521,313</u>	<u>389,368</u>	<u>131,945</u>	<u>429,840</u>
Summary:				
Current	312,939	329,097	(16,158)	301,184
Capital outlay	208,374	60,271	148,103	128,656
Total other expenditures	<u>\$ 521,313</u>	<u>\$ 389,368</u>	<u>\$ 131,945</u>	<u>\$ 429,840</u>
Total expenditures	<u>\$ 12,490,751</u>	<u>\$ 11,568,176</u>	<u>\$ 922,575</u>	<u>\$ 11,804,278</u>
Other financing uses:				
Transfers out	\$ 262,188	\$ 496,749	\$ (234,561)	\$ 768,375
Total other financing uses	<u>262,188</u>	<u>496,749</u>	<u>(234,561)</u>	<u>768,375</u>
Total expenditures and other financing uses	<u>\$ 12,752,939</u>	<u>\$ 12,064,925</u>	<u>\$ 688,014</u>	<u>\$ 12,572,653</u>

**Combining Statement of Net Position
Discretely Presented Component Unit – by Focus
As of December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Housing</u>	<u>Economic Development</u>	<u>Total</u>
ASSETS			
Current assets:			
Cash and cash equivalents	\$ 575,715	\$ 401,743	\$ 977,458
Investments	1,378,946	2,135,000	3,513,946
Notes receivable (current portion)	-	248,626	248,626
Total current assets	<u>1,954,661</u>	<u>2,785,369</u>	<u>4,740,030</u>
Noncurrent assets:			
Capital assets:			
Land	50,300	-	50,300
Buildings and systems	5,745,503	-	5,745,503
Machinery and equipment	164,509	19,019	183,528
Total capital assets	5,960,312	19,019	5,979,331
Less accumulated depreciation/amortization	(3,178,776)	(10,985)	(3,189,761)
Total capital assets (net)	<u>2,781,536</u>	<u>8,034</u>	<u>2,789,570</u>
Land held for resale	-	779,877	779,877
Notes receivable (net current portion)	-	1,111,522	1,111,522
Allowance for uncollectible	-	-	-
Total noncurrent assets	<u>-</u>	<u>1,891,399</u>	<u>1,891,399</u>
TOTAL ASSETS	<u>4,736,197</u>	<u>4,684,802</u>	<u>9,420,999</u>
Deferred outflows of resources			
Cost sharing defined benefit - PERA	18,907	18,907	37,814
Deferred outflows of resources - OPEB	732	732	1,464
Total deferred outflows of resources	<u>19,639</u>	<u>19,639</u>	<u>39,278</u>
LIABILITIES			
Current liabilities:			
Accounts payable	25,296	14,861	40,157
Accrued wages payable	2,518	3,308	5,826
Due to other government units	5,132	311	5,443
Accrued interest payable	-	20	20
Lease liability - current	-	1,775	1,775
Compensated absences payable - current	2,910	5,305	8,215
Total current liabilities	<u>35,856</u>	<u>25,580</u>	<u>61,436</u>
Noncurrent liabilities:			
Customer deposits	27,444	-	27,444
Compensated absences payable (net current)	7,667	6,834	14,501
Lease liability (net current)	-	6,317	6,317
Net pension liability	75,155	75,155	150,310
Total other postemployment benefit liability	4,986	4,986	9,972
Total noncurrent liabilities	<u>115,252</u>	<u>93,292</u>	<u>208,544</u>
Deferred inflows of resources			
Cost sharing defined benefit - PERA	23,983	23,983	47,966
Deferred inflows of resources - OPEB	1,234	1,234	2,468
Total deferred inflows of resources	<u>25,217</u>	<u>25,217</u>	<u>50,434</u>
NET POSITION			
Net investment in capital assets	2,781,536	-	2,781,536
Unrestricted	1,797,975	4,560,352	6,358,327
TOTAL NET POSITION	<u>\$ 4,579,511</u>	<u>\$ 4,560,352</u>	<u>\$ 9,139,863</u>

**Statement of Revenues, Expenses and Changes in Fund Net Position
Discretely Presented Component Unit – by Focus
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Housing</u>	<u>Economic Development</u>	<u>Total</u>
Operating revenues:			
Charges for services	\$ 523,153	\$ 23,272	\$ 546,425
Other	11,167	95	11,262
Total operating revenues	<u>534,320</u>	<u>23,367</u>	<u>557,687</u>
Operating expenses:			
Community development:			
Administration	491,266	169,257	660,523
Depreciation and amortization	151,117	235	151,352
Other:			
Business development	-	574	574
Total operating expenses	<u>642,383</u>	<u>170,066</u>	<u>812,449</u>
Operating income (loss)	<u>(108,063)</u>	<u>(146,699)</u>	<u>(254,762)</u>
Nonoperating revenues:			
Interest revenue	34,120	47,492	81,612
Miscellaneous revenue	-	2,085	2,085
Total nonoperating revenues	<u>34,120</u>	<u>49,577</u>	<u>83,697</u>
Change in net position before transfers	(73,943)	(97,122)	(171,065)
Transfers in	<u>-</u>	<u>211,705</u>	<u>211,705</u>
Change in net position	(73,943)	114,583	40,640
Net position at beginning of year	<u>4,653,454</u>	<u>4,445,769</u>	<u>9,099,223</u>
Net position at end of year	<u>\$ 4,579,511</u>	<u>\$ 4,560,352</u>	<u>\$ 9,139,863</u>

**Combining Schedule of Net Position
Discretely Presented Component Unit – Economic Development Focus
As of December 31, 2023**

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>
ASSETS							
Current assets:							
Cash and cash equivalents	\$ -	\$ -	\$ 56,229	\$ 98,691	\$ 224,222	\$ 22,601	\$ 401,743
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	400,807	1,943,828	37,309	2,785,369
Noncurrent assets:							
Capital assets:							
Machinery and equipment	19,019	-	-	-	-	-	19,019
Total capital assets	19,019	-	-	-	-	-	19,019
Less accumulated depreciation/amortization	(10,985)	-	-	-	-	-	(10,985)
Total capital assets (net)	8,034	-	-	-	-	-	8,034
Land held for resale	-	737,877	42,000	-	-	-	779,877
Notes receivable (net current portion)	260,141	-	(12,196)	112,742	667,453	83,382	1,111,522
Allowance for uncollectible	-	-	-	-	-	-	-
Total noncurrent assets	268,175	737,877	29,804	112,742	667,453	83,382	1,899,433
TOTAL ASSETS	268,175	737,877	433,229	513,549	2,611,281	120,691	4,684,802
Deferred outflows of resources							
Cost sharing defined benefit - PERA	18,907	-	-	-	-	-	18,907
Deferred outflows of resources - OPEB	732	-	-	-	-	-	732
Total deferred outflows of resources	19,639	-	-	-	-	-	19,639
LIABILITIES							
Current liabilities:							
Accounts payable	14,861	-	-	-	-	-	14,861
Accrued wages payable	3,308	-	-	-	-	-	3,308
Due to other governments	311	-	-	-	-	-	311
Accrued interest payable	20	-	-	-	-	-	20
Lease liability - current	1,775	-	-	-	-	-	1,775
Compensated absences payable - current	5,305	-	-	-	-	-	5,305
Total current liabilities	25,580	-	-	-	-	-	25,580
Noncurrent liabilities:							
Compensated absences payable (net current)	6,834	-	-	-	-	-	6,834
Lease liability (net current)	6,317	-	-	-	-	-	6,317
Net pension liability	75,155	-	-	-	-	-	75,155
Total other postemployment liability	4,986	-	-	-	-	-	4,986
Total noncurrent liabilities	93,292	-	-	-	-	-	93,292
Total liabilities	118,872	-	-	-	-	-	118,872
Deferred inflows of resources							
Cost sharing defined benefit - PERA	23,983	-	-	-	-	-	23,983
Deferred inflows of resources - OPEB	1,234	-	-	-	-	-	1,234
Total deferred inflows of resources	25,217	-	-	-	-	-	25,217
NET POSITION							
Unrestricted	143,725	737,877	433,229	513,549	2,611,281	120,691	4,560,352
TOTAL NET POSITION	\$ 143,725	\$ 737,877	\$ 433,229	\$ 513,549	\$2,611,281	\$ 120,691	\$4,560,352

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
Discretely Presented Component Unit – Economic Development Focus
For the Year Ended December 31, 2023**

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	\$ -	\$ -	\$ -	\$ 1,919	\$ 20,379	\$ 974	\$ 23,272
Other revenues:							
Business development	-	-	95	-	-	-	95
Total operating revenues	<u>-</u>	<u>-</u>	<u>95</u>	<u>1,919</u>	<u>20,379</u>	<u>974</u>	<u>23,367</u>
Operating expenses:							
Administration	169,257	-	-	-	-	-	169,257
Business development	52,068	-	-	-	(60,955)	9,461	574
Depreciation and Amortization	235	-	-	-	-	-	235
Total operating expenses	<u>221,560</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(60,955)</u>	<u>9,461</u>	<u>170,066</u>
Operating income (loss)	<u>(221,560)</u>	<u>-</u>	<u>95</u>	<u>1,919</u>	<u>81,334</u>	<u>(8,487)</u>	<u>(146,699)</u>
Nonoperating revenues:							
Interest revenue	-	-	7,591	6,312	33,589	-	47,492
Miscellaneous revenue	10	-	-	-	1,989	86	2,085
Total nonoperating revenues	<u>10</u>	<u>-</u>	<u>7,591</u>	<u>6,312</u>	<u>35,578</u>	<u>86</u>	<u>49,577</u>
Income (loss) before transfers	<u>(221,550)</u>	<u>-</u>	<u>7,686</u>	<u>8,231</u>	<u>116,912</u>	<u>(8,401)</u>	<u>(97,122)</u>
Transfers in	<u>211,705</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>211,705</u>
Change in net position	<u>(9,845)</u>	<u>-</u>	<u>7,686</u>	<u>8,231</u>	<u>116,912</u>	<u>(8,401)</u>	<u>114,583</u>
Net position at beginning of year	<u>153,570</u>	<u>737,877</u>	<u>425,543</u>	<u>505,318</u>	<u>2,494,369</u>	<u>129,092</u>	<u>4,445,769</u>
Net position at end 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>

**Combining Schedule of Net Position
Discretely Presented Component Unit – Housing Focus
As of December 31, 2023**

CITY OF EAST GRAND FORKS

	Sunshine Terrace	Housing Loan	Town Square	Totals
ASSETS				
Current assets:				
Cash and cash equivalents	\$ 377,726	\$ 197,989	\$ -	\$ 575,715
Investments	1,378,946	-	-	1,378,946
Total current assets	<u>1,756,672</u>	<u>197,989</u>	<u>-</u>	<u>1,954,661</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>-</u>	<u>5,960,312</u>
Less accumulated depreciation	<u>(3,178,776)</u>	<u>-</u>	<u>-</u>	<u>(3,178,776)</u>
Total capital assets (net)	<u>2,781,536</u>	<u>-</u>	<u>-</u>	<u>2,781,536</u>
Total noncurrent assets	<u>2,781,536</u>	<u>-</u>	<u>-</u>	<u>2,781,536</u>
TOTAL ASSETS	<u>4,538,208</u>	<u>197,989</u>	<u>-</u>	<u>4,736,197</u>
Deferred outflows of resources				
Cost sharing defined benefit - PERA	18,907	-	-	18,907
Deferred outflows of resources - OPEB	732	-	-	732
Total deferred outflows of resources	<u>19,639</u>	<u>-</u>	<u>-</u>	<u>19,639</u>
LIABILITIES				
Current liabilities:				
Accounts payable	25,296	-	-	25,296
Accrued wages payable	2,518	-	-	2,518
Due to other funds	5,132	-	-	5,132
Compensated absences payable - current	2,910	-	-	2,910
Total current liabilities	<u>35,856</u>	<u>-</u>	<u>-</u>	<u>35,856</u>
Noncurrent liabilities:				
Customer deposits	27,444	-	-	27,444
Compensated absences payable (net current)	7,667	-	-	7,667
Net pension liability	75,155	-	-	75,155
Total other postemployment benefit liability	4,986	-	-	4,986
Total noncurrent liabilities	<u>115,252</u>	<u>-</u>	<u>-</u>	<u>115,252</u>
TOTAL LIABILITIES	<u>151,108</u>	<u>-</u>	<u>-</u>	<u>151,108</u>
Deferred inflows of resources				
Cost sharing defined benefit - PERA	23,983	-	-	23,983
Deferred inflows of resources - OPEB	1,234	-	-	1,234
Total deferred inflows of resources	<u>25,217</u>	<u>-</u>	<u>-</u>	<u>25,217</u>
NET POSITION				
Net investment in capital assets	2,781,536	-	-	2,781,536
Unrestricted	1,599,986	197,989	-	1,797,975
TOTAL NET POSITION	<u>\$ 4,381,522</u>	<u>\$ 197,989</u>	<u>\$ -</u>	<u>\$ 4,579,511</u>

**Combining Schedule of Revenues, Expenses and Changes in Fund Net Position
Discretely Presented Component Unit – Housing Focus
For the Year Ended December 31, 2023**

CITY OF EAST GRAND FORKS

	<u>Sunshine Terrace</u>	<u>Housing Loan</u>	<u>Town Square</u>	<u>Total</u>
Operating revenues:				
Charges for services	\$ 523,153	\$ -	\$ -	\$ 523,153
Other	<u>11,167</u>	<u>-</u>	<u>-</u>	<u>11,167</u>
Total operating revenues	<u>534,320</u>	<u>-</u>	<u>-</u>	<u>534,320</u>
Operating expenses:				
Community development:				
Personal services	104,829	-	-	104,829
Supplies	7,582	-	-	7,582
Contractual services	154,021	-	-	154,021
Depreciation	151,117	-	-	151,117
Other expenditures	<u>181,334</u>	<u>43,500</u>	<u>-</u>	<u>224,834</u>
Total operating expenses	<u>598,883</u>	<u>43,500</u>	<u>-</u>	<u>642,383</u>
Operating income (loss)	<u>(64,563)</u>	<u>(43,500)</u>	<u>-</u>	<u>(108,063)</u>
Nonoperating revenues:				
Interest revenue	<u>29,765</u>	<u>4,355</u>	<u>-</u>	<u>34,120</u>
Total nonoperating revenues	<u>29,765</u>	<u>4,355</u>	<u>-</u>	<u>34,120</u>
Income (loss) before transfers				
Transfers in	185,392	-	-	185,392
Transfers out	<u>-</u>	<u>-</u>	<u>(185,392)</u>	<u>(185,392)</u>
Change in net position	150,594	(39,145)	(185,392)	(73,943)
Net position at beginning of year	<u>4,230,928</u>	<u>237,134</u>	<u>185,392</u>	<u>4,653,454</u>
Net position at end of year	<u>\$ 4,381,522</u>	<u>\$ 197,989</u>	<u>\$ -</u>	<u>\$ 4,579,511</u>



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STATISTICAL SECTION



CITY OF EAST GRAND FORKS, MINNESOTA

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>2014</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>
Governmental activities										
Net investment in capital assets	\$ 116,911,181	\$ 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
Restricted	8,957,932	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
Unrestricted	6,540,397	1,041,983	(1,346,405)	(2,267,633)	(528,273)	653,859	976,932	1,817,315	1,906,734	2,409,508
Total governmental activities net position	<u>\$132,409,510</u>	<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>
Business-type activities										
Net investment in capital assets	\$ 49,290,648	\$ 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
Unrestricted	17,889,666	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
Total business-type activities net position	<u>\$ 67,180,314</u>	<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>
Primary government										
Net investment in capital assets	\$ 166,201,829	\$ 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
Restricted	8,957,932	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
Unrestricted	24,430,063	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
Total primary government net position	<u>\$199,589,824</u>	<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>

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

CITY OF EAST GRAND FORKS

	<u>2014</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>
Expenses										
Governmental activities:										
General government	\$ 1,300,311	\$ 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
Public safety	3,919,550	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
Public works	4,896,908	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
Transit	385,912	387,385	409,700	467,747	506,202	830,716	939,616	751,475	839,101	679,433
Recreation and culture	2,748,617	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
Community development	132,490	109,984	531,305	410,613	509,748	287,297	602,997	323,804	393,175	318,537
Cemetery	43,389	50,317	68,904	68,978	71,304	69,227	62,996	74,614	70,314	66,674
Interest on long-term debt	458,606	504,927	381,875	488,843	369,483	291,521	244,977	209,702	176,829	131,749
Total governmental activities expenses	<u>13,885,783</u>	<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>
Business-type activities										
Electric utility	13,796,998	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
Water utility	2,290,490	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
Sewer utility	868,049	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
Commercial properties	346,560	1,697,935	63,549	73,689	76,146	78,291	79,805	96,739	87,572	78,494
Storm water	621,122	606,720	614,981	562,484	609,428	753,368	889,915	684,280	850,563	679,237
Refuse collection	906,560	946,497	1,115,119	944,928	1,028,401	1,016,395	993,390	998,564	1,116,605	1,100,321
Total business-type activities expenses	<u>18,829,779</u>	<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>
Total primary government expenses	<u>\$ 32,715,562</u>	<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>
Program Revenues										
Governmental activities:										
Charges for services:										
General government	\$ 64,999	\$ 62,347	\$ 71,145	\$ 200,787	\$ 160,092	\$ 174,975	\$ 161,679	\$ 156,212	\$ 159,975	\$ 184,391
Public safety	308,152	308,678	302,641	459,527	462,094	501,446	466,917	541,895	481,162	435,220
Public works	305,410	315,286	315,553	313,607	317,059	318,600	315,898	322,840	373,381	384,091
Recreation and culture	382,199	516,167	554,879	553,589	691,104	625,337	504,236	491,051	775,126	831,147
Community development	1,417	1,103	2,212	2,143	2,029	1,622	716	976	2,283	1,725
Cemetery	7,875	21,310	13,945	14,311	7,594	19,193	19,695	22,040	25,155	28,005
Operating grants and contributions	3,001,462	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
Capital grants and contributions	377,027	16,883	1,150,836	1,371,508	1,506,801	6,768	741,315	949,798	89,706	1,589,465
Total governmental activities program revenues	<u>4,448,541</u>	<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>

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

CITY OF EAST GRAND FORKS

	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
Business-type activities:										
Charges for services:										
Electric utility	14,329,858	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
Water utility	2,691,644	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
Sewer utility	1,659,431	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
Commercial properties	192,156	109,489	64,842	66,318	66,189	68,611	73,169	75,134	75,570	75,719
Storm water	235,222	286,021	479,086	482,463	485,348	486,107	487,305	494,944	711,861	706,342
Refuse collection	868,003	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
Operating grants and contributions	15,000	-	-	-	-	-	180,573	118,457	84,064	51,775
Capital grants and contributions	-	-	-	486,277	2,903,474	1,857,467	52,782	-	32,542	47,442
Total business-type activities program revenues	19,991,314	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
Total primary government program revenues	<u>\$ 24,439,855</u>	<u>\$ 24,290,958</u>	<u>\$ 25,450,299</u>	<u>\$ 24,600,524</u>	<u>\$ 29,244,086</u>	<u>\$ 25,253,158</u>	<u>\$ 23,324,496</u>	<u>\$ 24,083,231</u>	<u>\$ 25,753,551</u>	<u>\$ 27,672,043</u>
Net (expense)/revenue										
Governmental activities	\$ (9,437,242)	\$ (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)
Business-type activities	1,161,535	(26,359)	1,028,086	1,641,716	4,049,178	2,393,532	21,087	630,994	354,021	575,231
Total primary government net expense	<u>\$ (8,275,707)</u>	<u>\$ (9,069,435)</u>	<u>\$ (8,721,063)</u>	<u>\$ (9,116,538)</u>	<u>\$ (5,465,800)</u>	<u>\$ (10,201,830)</u>	<u>\$ (12,117,149)</u>	<u>\$ (11,274,850)</u>	<u>\$ (14,286,069)</u>	<u>\$ (11,291,834)</u>
General Revenues and Other Changes in Net Position										
Governmental activities:										
Taxes										
Property taxes	\$ 4,970,612	\$ 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
Franchise taxes	1,466,924	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
Sales taxes	-	-	-	-	802,604	1,002,469	779,080	-	-	-
Unrestricted grants and contributions	1,597,294	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
Investment earnings	174,674	84,835	125,608	494,906	56,116	810,552	651,837	139,401	360,263	446,477
Other	888,472	1,045,580	1,021,419	797,628	1,010,547	694,937	688,512	342,133	508,291	443,691
Transfers	555,506	1,103,174	385,154	137,284	287,877	352,372	187,653	621,909	428,325	423,035
Total governmental activities	<u>9,653,482</u>	<u>8,837,458</u>	<u>9,405,966</u>	<u>10,085,720</u>	<u>11,226,377</u>	<u>12,212,857</u>	<u>11,645,960</u>	<u>10,378,389</u>	<u>11,373,424</u>	<u>12,370,143</u>
Business-type activities										
Investment earnings	470,668	273,526	237,847	194,186	169,612	757,277	565,004	(223,225)	(1,062,535)	1,783,762
Gain on sale	-	-	8,249	-	-	-	-	-	31,552	50,089
Capital contributions	-	-	258,293	-	-	-	-	-	-	-
Other	-	-	7,500	8,965	7,500	200	7,825	7,500	7,322	41,918
Transfers	(555,506)	(1,259,323)	(385,154)	(137,284)	(287,877)	(352,372)	(187,653)	(621,909)	(428,325)	(423,035)
Total business-type activities	<u>(84,838)</u>	<u>(985,797)</u>	<u>126,735</u>	<u>65,867</u>	<u>(110,765)</u>	<u>405,105</u>	<u>385,176</u>	<u>(837,634)</u>	<u>(1,451,986)</u>	<u>1,452,734</u>
Total primary government	<u>\$ 9,568,644</u>	<u>\$ 7,851,661</u>	<u>\$ 9,532,701</u>	<u>\$ 10,151,587</u>	<u>\$ 11,115,612</u>	<u>\$ 12,617,962</u>	<u>\$ 12,031,136</u>	<u>\$ 9,540,755</u>	<u>\$ 9,921,438</u>	<u>\$ 13,822,877</u>
Changes in Net Position										
Governmental activities	\$ 216,240	\$ (205,618)	\$ (343,183)	\$ (672,534)	\$ 1,711,399	\$ (382,505)	\$ (492,276)	\$ (1,527,455)	\$ (3,266,666)	\$ 503,078
Business-type activities	1,076,697	(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
Total primary government	<u>\$ 1,292,937</u>	<u>\$ (1,217,774)</u>	<u>\$ 811,638</u>	<u>\$ 1,035,049</u>	<u>\$ 5,649,812</u>	<u>\$ 2,416,132</u>	<u>\$ (86,013)</u>	<u>\$ (1,734,095)</u>	<u>\$ (4,364,631)</u>	<u>\$ 2,531,043</u>

**Fund Balances of Governmental Funds
Last Ten Years**
(Modified Accrual basis of accounting)

CITY OF EAST GRAND FORKS

	<u>2014</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>
General Fund										
Nonspendable	\$ 90,799	\$ 18,438	\$ 18,834	\$ 24,249	\$ 18,546	\$ 13,710	\$ 7,644	\$ 31,254	\$ 115,523	\$ 33,003
Assigned	-	824,534	-	-	-	-	-	-	-	-
Unassigned	<u>2,857,761</u>	<u>1,910,902</u>	<u>4,577,185</u>	<u>5,407,286</u>	<u>6,001,056</u>	<u>6,510,353</u>	<u>6,807,461</u>	<u>6,828,205</u>	<u>6,385,780</u>	<u>7,211,927</u>
Total general fund	<u>\$ 2,948,560</u>	<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>
All other governmental funds										
Nonspendable	\$ 209,754	\$ 202,219	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000	\$ 76,000
Restricted	5,101,261	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
Unassigned	<u>(534,491)</u>	<u>(443,018)</u>	<u>(2,902,243)</u>	<u>(2,051,907)</u>	<u>(1,315,136)</u>	<u>(369,488)</u>	<u>(253,476)</u>	<u>(464,554)</u>	<u>(474,675)</u>	<u>(372,862)</u>
Total all other governmental funds	<u>\$ 4,776,524</u>	<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>

**Changes in Fund Balances of Governmental Funds
Last Ten Years**
(Modified accrual basis of accounting)

CITY OF EAST GRAND FORKS

	<u>2014</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>
Revenues										
General Taxes	\$ 4,548,543	\$ 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
Special Assessments	1,284,961	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
Licenses and Permits	119,602	128,766	141,650	141,454	110,687	120,630	107,263	104,258	107,019	124,848
Intergovernmental	4,909,773	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
Charges for Services	1,070,052	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
Fines and Forfeitures	110,954	96,018	134,397	143,477	120,626	155,566	110,300	141,116	80,312	75,479
Investment Earnings & Other Revenues	350,201	378,562	790,796	387,111	511,322	805,672	590,196	65,757	329,090	396,346
Total Revenues	<u>12,394,086</u>	<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>
Expenditures										
General Government	960,902	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
Public Safety	3,681,664	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
Public Works	1,563,762	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
Transit	350,484	353,824	373,701	422,206	435,960	727,424	829,958	600,149	697,219	690,436
Culture and Recreation	2,084,534	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
Community Development	132,491	109,985	531,305	410,613	509,749	287,296	602,997	323,804	393,176	318,537
Cemetery	43,389	44,799	56,943	79,324	53,398	50,240	43,616	63,002	48,858	45,218
Other	240,002	261,263	241,159	395,249	260,466	295,204	268,812	290,172	325,944	329,097
Capital Outlay	2,493,270	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
Debt Service										
Principal	1,096,000	709,000	3,858,000	841,000	2,519,000	1,207,000	1,206,000	1,015,000	995,401	1,011,570
Interest	459,405	449,626	401,875	409,402	398,866	326,295	282,303	248,323	217,322	174,148
Other Charges	-	57,745	-	62,055	3,100	-	-	-	-	-
Total All Other Governmental Funds	<u>13,105,903</u>	<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>
Excess (Deficiency) of Revenues Over Expenditures	<u>(711,817)</u>	<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>
Other Financing Sources (Uses)										
Transfers In	1,634,691	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
Transfers Out	(1,079,187)	(3,236,555)	(2,527,734)	(900,269)	(923,814)	(331,387)	(461,780)	(685,672)	(1,271,916)	(930,404)
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
Lease Issuance	-	-	-	-	-	-	-	-	6,102	12,380
Sale of Capital Assets	138,023	106,060	40,118	72,010	121,044	59,996	132,574	207,228	43,923	78,514
Total Other Financing Sources (Uses)	<u>693,527</u>	<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>
Net Change in Fund Balances	<u>\$ (18,290)</u>	<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>
Debt Service as % of Noncapital Expenditures	13.5%	11.0%	30.1%	10.6%	21.3%	11.8%	10.6%	9.2%	8.4%	8.7%

**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>
2014	\$3,062,285	\$1,216,484	\$ 110,593	\$ 139,847	\$ 19,334	\$4,548,543
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	6,562,480	1,338,332	146,731	111,050	70,527	8,229,120
Change 2014-2023	114.3%	10.0%	32.7%	-20.6%	264.8%	80.9%

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>
2014	\$ 2,514,149	\$ -	\$ 620,651	\$ 145,338	\$ 74,482	\$ 3,354,620
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
Change 2014-2023	-11.2%	0.0%	-100.0%	59.8%	10.5%	-24.0%

Notes: General Fund only.

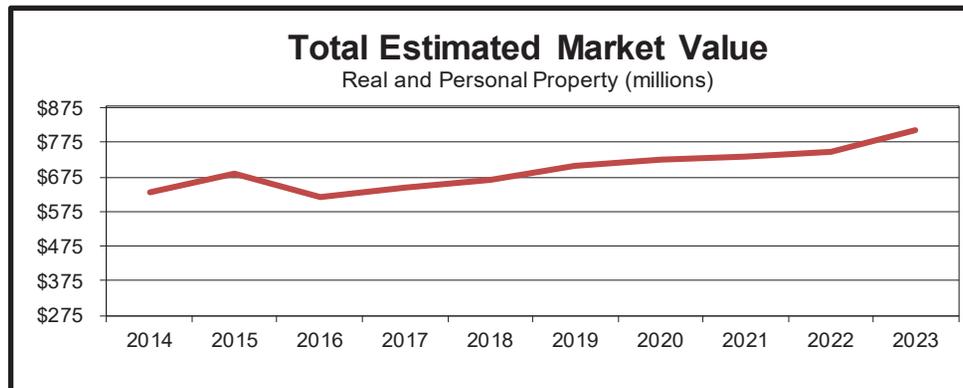
Source: Administration and Finance

**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		
2014	\$ 5,085,984	\$ 628,323,900	\$ 64,158	\$ 3,293,000	\$ 5,150,142	\$ 631,616,900	57.53	0.8%
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%

Source: County Assessor

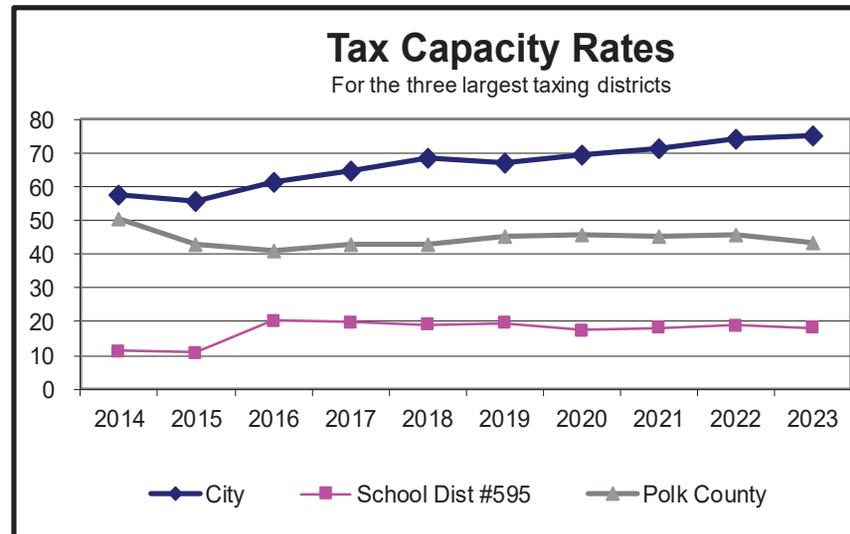


Note: The county assessor is occasionally required to make city wide adjustments to estimated market values. The State of Minnesota will instruct the county assessor to make these type of adjustments when data comparing actual sales to assessed values warrant such actions.

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

Year	General	Debt	Tax Rates per \$1,000 of Tax Capacity					Ambulance District	Total
			Total City	School Dist #595	Polk County	Watershed Value	NWRDC		
2014	55.04	2.49	57.53	11.37	50.61	5.28	0.24	0.90	125.93
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

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>	2023			2014		
	<u>Tax Capacity</u>	<u>Rank</u>	<u>% of Total Tax Capacity of \$8,766,931</u>	<u>Tax Capacity</u>	<u>Rank</u>	<u>% of Total Tax Capacity of \$5,150,142</u>
American Crystal Sugar Co	\$ 358,112	1	4.08%	\$ 451,124	1	8.76%
Burlington Northern Tax Dept	147,182	2	1.68%	67,316	2	1.31%
Pierce Investments LLC	117,732	3	1.20%	57,348	4	1.11%
Green Acres II LLP	105,113	4	1.34%	54,095	7	1.05%
GMR East Grand Forks LLC	102,296	5	1.17%			
Riverview Terrace LLC	98,996	6	1.01%	56,309	5	
SPT Prairie 210 Demers Avenue LLC	88,784	7	1.13%			0.00%
Valley Markets	84,612	8	0.97%	52,728	8	1.02%
EVI MN Heights LLC	76,326	9	0.87%			
Proll LLC	71,952	10	0.82%			
Xcel Energy				61,010	3	1.18%
Cabela's				55,146	6	1.07%
City of EGF				29,583	9	0.57%
RJ Zavoral & Sons Inc.				28,388	10	0.55%
	<u>\$ 1,251,105</u>		<u>14.27%</u>	<u>\$ 913,047</u>		<u>16.64%</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

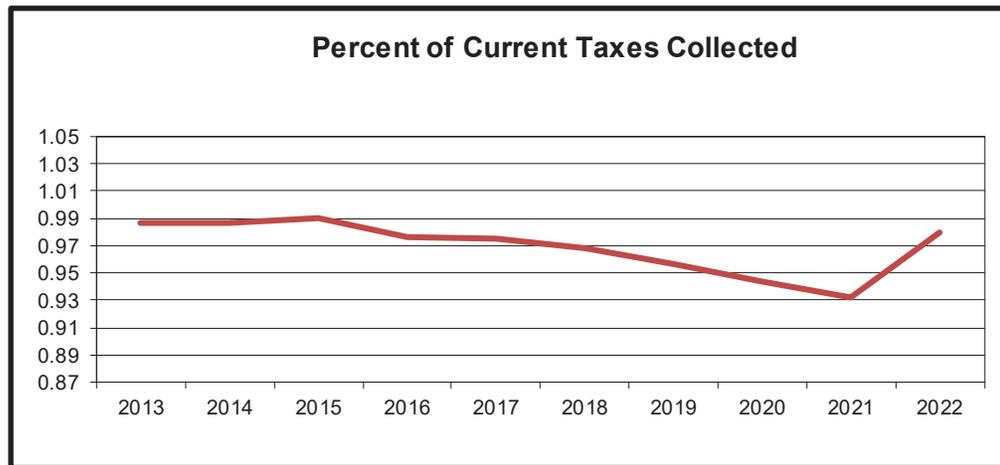
**Property Tax Levies and Tax Collections
Last Ten Years**
(Unaudited)

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						
2013	\$2,424,552	\$2,391,898	98.7%	\$ 49,735	\$2,441,633	100.7%	\$ 111,449	4.6%
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%

(1) Collection year is one year later (i.e., Levy Year 2022 Collection Year 2023)

(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>				
2014	\$ 1,150,497	\$ 1,133,817	98.6%	\$ 6,739,704	\$ 161,588	2.3%	\$ 1,295,405
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

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.

**Computation of Direct and Overlapping Debt
As of December 31, 2023
(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	\$ 4,946,936	100.0%		\$ 4,946,936
OVERLAPPING DEBT:				
I.S.D. 595	24,435,000	57.7%	\$ 14,098,995	
Polk County	<u>22,145,000</u>	<u>13.6%</u>	<u>3,011,720</u>	
Total Overlapping Debt				<u>17,110,715</u>
Total direct and overlapping debt				<u>\$ 22,057,651</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>2014</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>
Estimated market value	\$ 631,616,900	\$ 686,147,800	\$ 615,780,100	\$ 644,718,800	\$ 668,331,400	\$ 707,876,800	\$ 726,007,400	\$ 735,516,600	\$ 744,862,300	\$ 807,830,800
Total debt	\$ 14,279,000	\$ 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
Deductions:										
Bonds:										
G.O. Improvement Bonds	7,245,000	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
Certificates of indebtedness	780,000	690,000	865,000	730,000	605,000	465,000	325,000	185,000	40,000	0
G.O. Clean Water Improvement Bonds	3,096,000	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
G.O. Transportation Improvement Bonds	3,158,000	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
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
Debt service funds:										
Cash, securities, and restricted cash	2,202,530	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
Less amount applicable to excluded bonds	(2,202,530)	(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)
Total net debt applicable to debt limit	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Debt limit is 2% of estimated market value	\$ 12,632,338	\$ 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
Legal Debt Margin	\$ 12,632,338	\$ 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
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"

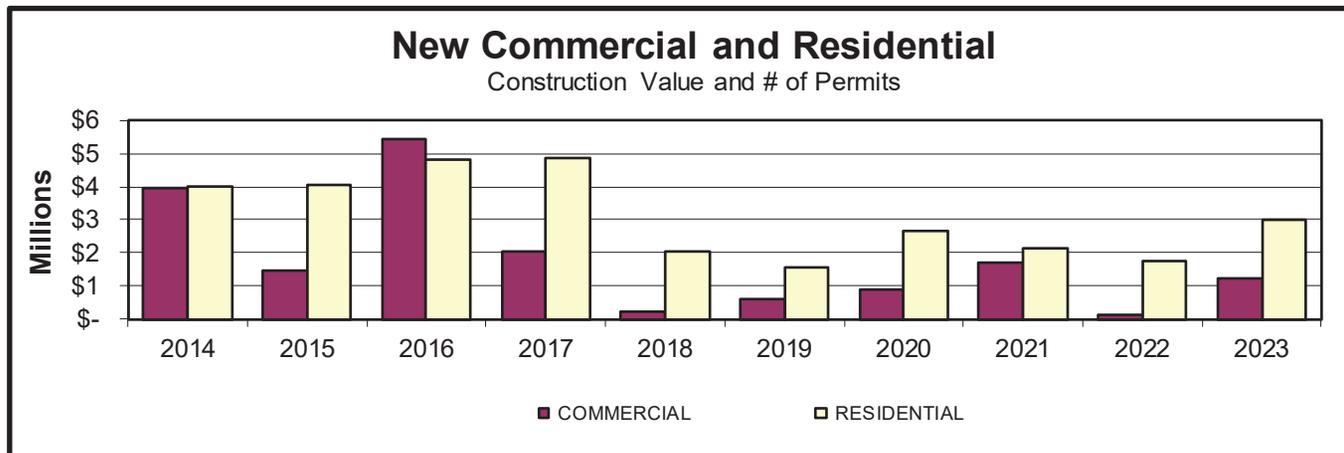
Note (B): Minnesota Statutes 475.51

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	
2014	2	3,965,000	17	3,993,700	7,958,700
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

Source: City Planner



Notes: (1) Only new construction permits.

Demographic and Economic Statistics
Last Ten Years
(Unaudited)

CITY OF EAST GRAND FORKS

Calendar Year	Population (1)	Personal Income (thousands of dollars)	Per Capita Personal Income (1)	Median Age (2)	Population 25 yrs & over-Bachelor's degree or higher (1)	School Enrollment (3)	Unemployment Rate (1)
2014	*8,601	na	25885	35	2,098	2,239	3.1%
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%

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)

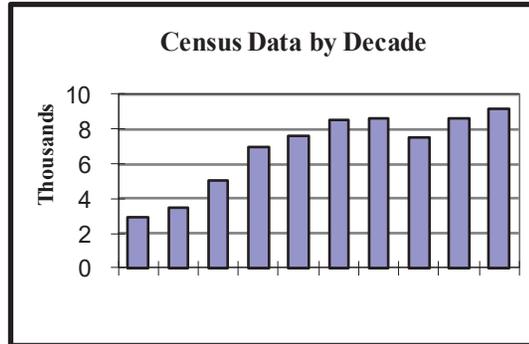
CITY OF EAST GRAND FORKS

<u>Taxpayer</u>	<u>2023</u>			<u>Taxpayer</u>	<u>2014</u>		
	<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment 2,511</u>		<u>Employees</u>	<u>Rank</u>	<u>% of Total City Employment 2,550</u>
ISD 595	367	1	14.62%	ISD 595	308	1	12.1%
American Crystal	320	2	12.74%	American Crystal	303	2	11.9%
R. J. Zavoral and Sons, Inc.	151	3	6.01%	Northwest Technical College	295	3	11.6%
City of East Grand Forks	95	4	3.78%	Valley Markets	140	4	5.5%
Northland College-NTC-EGF	77	5	3.07%	Cabela's	126	5	4.9%
Sacred Heart	75	6	2.99%	R.J. Zavoral and Sons, Inc.	105	6	4.1%
Northern Valley	70	7	2.79%	City of East Grand Forks	81	7	3.2%
Sanford	59	8	2.35%	Blue Moose	80	8	3.1%
Valley Markets	52	9	2.07%	Northern Valley	71	9	2.8%
Mayo Manufacturing Inc.	35	10	1.39%	Sacred Heart	65	10	2.5%
	<u>1,301</u>		<u>51.81%</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>2014</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>
General Government:										
Administration and Finance	5	5	5	5	5	5	5	5	5	4
EDA-Community Develop	2	3	4	4	4	4	4	4	4	4
Public Safety:										
Fire	10	9	10	11	11	10	10	10	10	10
Police	23	25	25	25	25	25	24	23	23	22
Public Works:										
Administration	-	-	3	3	3	3	3	3	3	2
Refuse	5	5	5	4	4	4	4	4	4	4
Sewage	2	2	2	3	3	3	3	3	3	3
Streets	6	6	5	6	6	6	6	6	6	6
Culture and Recreation:										
Administration	3	2	3	2	2	3	3	3	3	3
Parks	2	2	2	2	2	2	2	2	2	2
Arenas	3	3	3	2	3	3	3	3	3	3
Library	3	3	3	4	4	4	4	3	4	4
Senior center	1	1	1	1	1	1	1	1	1	1
Water and Light										
Administration	5	4	7	6	6	7	6	6	6	6
Electric	12	12	13	13	12	12	13	13	13	13
Water	8	8	8	9	9	9	8	8	8	8
Total	<u>90</u>	<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>

Note: Excludes seasonal and part-time positions.

Source: Administration and Finance

Operating Indicators by Function
Last Ten Years
(Unaudited)

CITY OF EAST GRAND FORKS

Function	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023
General Government										
On Sale Liquor license by entity	13	12	13	14	14	15	15	14	14	14
Off Sale Liquor license by entity	3	2	3	5	5	4	4	4	4	5
Number of AP checks written	2,980	2,476	2,547	2,538	2,513	2,487	2,331	2,167	2,014	2,054
Police										
DUI arrests	98	105	87	182	147	170	39	77	73	56
Traffic violations	600	802	667	721	840	742	526	560	559	388
No. of dog/cat licenses	99	113	129	108	70	115	101	96	79	83
Fire										
No. of rescue & EMS incidents	736	798	826	906	907	921	686	791	849	842
No. of fire calls	99	102	105	90	104	145	31	43	31	38
Building Official										
Building permits issued	285	287	425	460	377	337	348	266	289	312
Other permits issued	189	1,106	195	1	0	1	0	0	0	0
Refuse collection										
Refuse collected annually (tons)	4,265	4,365	4,280	4,297	4,350	4,335	4,256	4,553	4,668	4,709
Recyclables collected annually (tons)	530	399	443	448	509	478	488	455	418	398
Recreation and culture										
Number of summer registrants	620	545	556	537	583	570	425	604	595	613
Number of winter registrants	480	490	475	475	469	471	440	460	445	498
Attendance for general swim	9,853	0	10,531	0	14,452	16,002	14,614	21,925	19,334	20,739
Library										
Volumes in collection	55,071	50,422	49,230	50,936	50,243	49,900	49,620	49,471	42,510	38,280
Total volumes borrowed	34,929	30,051	29,388	26,842	33,446	36,154	26,314	31,188	31,675	37,710
Water										
Annual tap water billed (millions)	337	322	300	312	304	274	266	286	260	272
Average number of monthly meters	2,867	2,888	2,906	2,924	2,940	2,957	2,965	2,987	2,996	3,009
Electric										
Annual Kwhs billed (millions)	161	157	157	156	165	162	140	150	159	156
Cemetery										
No. of Lots Sold	40	57	45	47	49	42	34	31	32	18
No. of Interments	24	26	40	42	37	43	43	29	37	42
No. of Columbarium Niches							8	16	8	11
Transit										
Total route miles	16	16	16	16	26	26	26	20	20	20
Passengers	37,426	31,586	27,563	22,883	28,665	26,318	13,401	15,700	25,504	25,369

Source: Various city departments

**Schedule of Insurance in Force
As of December 31, 2023
(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>
PROPERTY				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	General Limit of Coverage excluding flood.	\$152,814,365 \$50,000,000 Terrorism Activity \$500,000 Valuable Papers per location
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	Boiler and Machinery (Equipment Breakdown)	\$100,000,000
BONDS				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	Public Officials	\$250,000
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	Commercial Bond/Crime	\$250,000
LIABILITY				
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	General/Public Officials Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	General Auto Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	CMC 1000404-5	1/1/23-1/1/24	General Liability	\$2,000,000 Per Occurrence
League of Minnesota Cities (C&H Insurance)	VA 1000922-5	1/13/23-1/12/24	Accident Plan for Volunteers	\$500,000 Per Accident
OPEN MEETING LAW				
League of Minnesota Cities (C&H Insurance)	OML1000405-5	1/1/23-1/1/24	Open Meeting Law Defense Cost Reimbursement	\$50,000 Per City Official \$250,000 aggregate
WORKERS COMPENSATION				
League of Minnesota Cities (Berkley Risk Administrators)	WC1000923-5	1/13/23-1/13/24	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>2014</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>
Number of employees	81	90	99	100	100	101	99	97	97	95
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
Culture and Recreation:										
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	14	17	17	17	17	17	17	17
Park acreage owned	278	278	278	157	157	157	157	157	157	157
Park acreage developed	218	218	218	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	3	1	1	1	-	-	-
Pickle Ball Courts	2	2	2	2	5	5	5	8	8	8
Fire Protection:										
Number of stations	2	2	2	2	2	2	2	2	2	2
Number of vehicles	14	14	14	13	14	14	11	10	11	11
Number of full-time Firefighters	10	10	10	11	10	10	10	10	10	10
Number of volunteer Firefighters	24	24	24	19	21	18	19	21	21	21
Fire Insurance Rating	4	4	4	4	3	3	3	3	3	3
Police Protection:										
Number of stations	1	1	1	1	1	1	1	1	1	1
Number of police officers	22	22	22	22	22	23	23	22	22	22
Number of patrol units	5	5	5	5	5	6	6	6	6	6
Sewage System:										
Miles of force mains	9	9	9	10	10	10	10	10	10	10
Miles of sewer mains	40	40	40	46	46	46	46	46	46	46
Miles of storm sewers	54	54	54	55	55	55	55	55	55	55
Number of lift stations	12	12	12	13	13	13	13	13	13	13
Number of storm sewer lift stations	14	14	14	13	13	13	13	13	13	13
Water System:										
Miles of water mains	52	52	52	58	60	60	60	60	60	60
Number of fire hydrants	461	461	461	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
Electric System:										
Number of substations	3	3	3	3	3	3	3	3	3	3
Miles of distribution lines	60.3	60.3	60.3	104.0	105.0	105.0	105.0	105.0	105.0	106.4
Peak Demand in MW	33.10	33.10	33.10	36.11	34.30	34.07	30.38	30.99	34.19	30.60
Public Education Facilities/Services Not Included In Reporting Entity:										
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
Bond rating	A1	A1	A1	A1	Aa3	Aa3	Aa3	Aa3	Aa3	Aa3

**SIGNIFICANT MINNESOTA TAX POLICIES
DECEMBER 31, 2023**

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	2023 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 2023-2024, 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: 2023 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 2nd 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
On Homestead Property:								
1st half installment	2%	4%	5%	6%	7%	8%	8%	8%
2nd half installment						2%	4%	5%
Both unpaid						5%	6%	7%
On Non-Homestead Property								
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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