



# ANNUAL COMPREHENSIVE FINANCIAL REPORT

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FOR THE YEAR ENDED DEC. 31, 2024

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CITY OF MOORHEAD, MINNESOTA



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

**FOR THE YEAR ENDED DECEMBER 31, 2024**

**PREPARED BY THE FINANCE DIVISION**

**JENICA FLANAGAN, FINANCE DIRECTOR**

**MEGAN ZAHRADKA, FINANCE MANAGER**

**JOEL HERR, ACCOUNTANT**

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

## TABLE OF CONTENTS

### INTRODUCTORY SECTION

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

### FINANCIAL SECTION

Independent Auditors' Report.....	1
Management's Discussion and Analysis.....	5
Basic Financial Statements:	
Government-wide Financial Statements:	
Statement of Net Position .....	13
Statement of Activities .....	15
Fund Financial Statements:	
Balance Sheet – Governmental Funds and Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position .....	16
Reconciliation of Governmental Funds Balance Sheet to the Statement of Net Position.....	17
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds .....	18
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities .....	19
Statement of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual – General Fund .....	20
Statement of Net Position – Proprietary Funds .....	22
Statement of Revenues, Expenses, and Changes in Net Position – Proprietary Funds .....	24
Statement of Cash Flows – Proprietary Funds.....	25
Statement of Fiduciary Net Position.....	27
Statement of Changes in Fiduciary Net Position .....	28
Notes to the Financial Statements.....	29
Required Supplementary Information	
Schedule of Changes to Total OPEB Liability and Related Ratios .....	72
Schedule of Employer's Share of Net Pension Liability .....	73
Schedule of Employer's Pension Plan Contributions .....	74
Combining and Individual Fund Schedules and Statements:	
Combining Balance Sheet – Nonmajor Governmental Funds.....	81
Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Nonmajor Governmental Funds .....	83

Schedule of Revenues, Expenditures and Changes in Fund Balance –

Budget and Actual:

Park Fund.....	86
Library Fund.....	87
Community Development Fund .....	88
American Rescue Plan Act Fund.....	89
Mass Transit Fund .....	90
Economic Development Fund .....	91
Public Safety Aid Fund .....	92
Affordable Housing Aid Fund.....	93
National Opioid Settlements.....	94
Combining Statement of Net Position – Nonmajor Proprietary Funds .....	96
Combining Statement of Revenues, Expenses and Changes in Net Position – Nonmajor Proprietary Funds .....	98
Combining Statement of Cash Flows – Nonmajor Proprietary Funds.....	99
Combining Statement of Net Position– Internal Service Funds .....	102
Combining Statement of Revenues, Expenses and Changes in Net Position – Internal Service Funds .....	104
Combining Statement of Cash Flows – Internal Service Funds .....	105

Capital Assets Used in the Operation of Governmental Funds:

Schedule by Source.....	108
Schedule of Changes by Function and Activity.....	109
Schedule by Function and Activity.....	110

## **STATISTICAL SECTION**

Net Position by Component.....	113
Changes in Net Position.....	114
Fund Balances of Governmental Funds.....	116
Changes in Fund Balances of Governmental Funds .....	117
Assessed Value and Estimated Actual Value of Taxable Property .....	118
Property Tax Rates.....	119
Principal Property Taxpayers.....	120
Property Tax Levies and Collections.....	121
Electric Transfers to Governmental Funds .....	122
Ratios of Outstanding Debt by Type .....	123
Ratios of General Bonded Debt Outstanding.....	124
Direct and Overlapping Governmental Activities Debt.....	125
Legal Debt Margin Information.....	126
Schedule of Electric Fund Pledged-Revenue Coverage .....	127
Schedule of Water Fund Pledged-Revenue Coverage .....	128
Schedule of Wastewater Fund Pledged-Revenue Coverage .....	129
Schedule of Golf Course Fund Pledged-Revenue Coverage .....	130
Schedule of Municipal Improvement Fund Pledged-Revenue Coverage .....	131
Schedule of Special Assessment Fund Pledged-Revenue Coverage .....	132
Schedule of Sales Tax Revenue Fund Pledged-Revenue Coverage .....	133
Schedule of Tax Increment Fund Pledged-Revenue Coverage .....	134
Demographic and Economic Statistics .....	135
Principal Employers.....	136
Full-Time Equivalent City Employees by Function .....	137
Operating Indicators by Function .....	138
Capital Asset Statistics by Function .....	139



# **INTRODUCTORY SECTION**



June 18, 2025

To the Honorable Mayor, City Council, City Manager and Citizens of the City of Moorhead:

Minnesota statutes require that all cities with a population over 2,500 (currently the City of Moorhead has a 2024 population of 45,726 as estimated by the U.S. Census Bureau) to issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the state auditor. Pursuant to that requirement, we hereby issue the annual comprehensive financial report of the City of Moorhead for the fiscal year ended December 31, 2024.

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

The City of Moorhead's financial statements have been audited by Eide Bailly, LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2024, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion that the City's financial statements for the fiscal year ended December 31, 2024, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The City of Moorhead is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditors' report on the internal control and compliance with applicable laws, regulations, contracts and grants, are provided under a separate cover.

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

## CITY OF MOORHEAD PROFILE

The City of Moorhead, incorporated in 1881, is situated in the heart of the Red River Valley, 250 miles northwest of Minneapolis. It is the county seat of Clay County and a community rich in history, tradition and diversity. While Moorhead is part of a growing metropolitan region, it is distinct because of its liberal arts based college atmosphere, quality educational system, plentiful parks and strong, diverse neighborhoods. The City covers approximately 22.2 square miles with a population of 44,505 as of the 2020 U.S. Census.



The City of Moorhead has operated under the council-manager form of government since 1985. Policy-making and legislative authority are vested in a city council consisting of the mayor and eight other members. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees and hiring the city manager. The city manager is responsible for carrying out the policies and ordinances of the council, for overseeing the day-to-day operations of the city government and for appointing the heads of the various departments. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with four council members elected every four years and the mayor and four council members elected in staggered four-year terms. The mayor is elected at large and the council members are elected by ward.

The City of Moorhead provides a full range of services. The general governmental functions include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, neighborhood services, rental registration, transit, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, storm water collection, sanitation, golf course, pest control, forestry, airport and street light utility. Vehicles and equipment, radio and weapons, information technology and maintenance shop services are provided through internal service funds. The Moorhead Public Housing Agency is included as a discretely presented component unit of the reporting entity because the city council appoints the governing body and is able to impose its will on the agency.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Moorhead prepare departmental budgets, which are submitted to the city manager by July 1 of each year. The city manager uses these to develop a citywide proposed budget. The city manager then presents this proposed budget to the council for review and approval prior to September 30<sup>th</sup>. The council is required to hold a public meeting where the citizens are allowed to speak on the proposed budget and to adopt a final budget prior to December 28<sup>th</sup>. After the budget resolution has been adopted, the Council does not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate.

The appropriated budget is prepared by fund, department and activity. Department heads may make adjustments of appropriations within their respective departments. When drawing from reserves or increasing the overall size of the budget, special approval of the city council is required. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund, this comparison is presented as part of the Fund Financial Statements within the Basic Financial Statements section of this report. For governmental funds, other than the general fund, with appropriated annual budgets, this comparison is presented in the Schedule of Revenues, Expenditures and Changes in Fund Balance - Budget and Actual section of this report.

### Local Economy

The City of Moorhead is located at a natural crossing point of the Red River of the North, a place where Minnesota and the Dakotas meet and where one enjoys easy access to business, markets and recreation. Moorhead has access to the major market areas of North America with the intersection of Interstates 94 and 29 lying just west of the city limits. Trucking with overnight delivery from Minneapolis/St. Paul, Duluth, Sioux Falls, Omaha, Bismarck and Winnipeg is also available. Hector International Airport is located nearby in Fargo, ND with multiple non-stop flights to Minneapolis, Chicago and Denver, and the Moorhead Municipal Airport is just 3 miles southeast of the City, which is staffed by Moorhead Aviation Services, LLC, offering aircraft maintenance, fuel and onsite management. In addition, mainline rail services from Canada to Mexico and from west coast ports to the GreatLakes and daily Amtrak passenger services are nearby. The metropolitan area serves as a regional center for surrounding agricultural communities in Minnesota with stable operations reported at the city's top property taxpayer, American Crystal Sugar. While distribution and transfer industries remain a vital part of the business environment, education and service industries have played an increasingly important role. The Moorhead public school's enrollment of over 7,000 students places it among the largest 10% of school districts in Minnesota and is known for its superior academic achievement, far-reaching extracurricular activities, and efficiency in operating costs. In addition, Moorhead offers St. Joseph's Catholic School, a K-12 Catholic school, and Park Christian

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City of Moorhead | 500 Center Avenue | PO Box 779 | Moorhead MN 56561 | [www.cityofmoorhead.com](http://www.cityofmoorhead.com)

School, a K-12 interdenominational Christian school. The Metropolitan Area Transit serves all Moorhead residents and major shopping and educational facilities.

Minnesota State University Moorhead and Concordia College are both located in the City, which provides a measure of institutional stability to the economy. Minnesota State University Moorhead is a comprehensive liberal arts university with nearly 6,000 students and about 750 full- and part- time faculty and Concordia College is a four-year private liberal arts college with over 1,800 students, known for its outstanding choral and instrumental music and world language instruction. Moorhead is also home to Minnesota State Community and Technical College which provides “hands-on” training to 2,300 students and Rasmussen University offering career focused degrees in business, design, education, health sciences, justice studies, nursing, and technology.

### **Long-term Financial Planning**

The City Council has established a cash reserve policy retaining a minimum of 40% of the next year's General Fund and Park Fund operating budget for working capital to allow for cash flow until tax settlements are received and to allow for unforeseen contingencies. Over the past several years, Engineering Staff has worked on the development of the City's Pavement Management System (PMS). The objective of a formal PMS is to establish a uniform definition of pavement condition and procedures for the timely application of various maintenance strategies to extend the overall life of City streets in the most economical and efficient manner. Utility rates are monitored with long term projects and operational costs to assure positive cash flow. The City is in the process of implementing a new asset management system. This system will aid financial planning by providing real-time updates and accurate data on asset conditions and maintenance needs. It will facilitate more informed decision-making, allowing the City to allocate resources efficiently and plan for future infrastructure investments with greater precision.

### **Major Initiatives**

- Construction for the new Community Center Library began in June 2024, marking the start of a transformative project set to be completed in 2026. The facility is primarily funded by a 0.5% local option sales tax approved by the voters during the 2022 general election.
- The City of Moorhead purchased the Moorhead Center Mall area for \$24 million as part of the Moorhead Downtown Redevelopment project. This strategic acquisition aims to revitalize the downtown area and enhance the city's growth and development.
- Moorhead achieved the highest new commercial construction valuation on record, amounting to \$58.75 million.
- In 2024, Moorhead issued a total of 1,414 permits, reflecting a robust development year for the City. This includes significant residential and commercial projects, contributing to the City's growth and infrastructure enhancement.
- The Minnesota Department of Transportation and the City of Moorhead have partnered to construct an underpass at 11<sup>th</sup> Street in Moorhead. This project broke ground in the Spring of 2024. The project includes two grade separations of 11<sup>th</sup> Street under the BNSF rail lines, paving, pedestrian accessibility (ADA) improvements, utility replacements and signals. Moorhead is bisected by multiple rail lines and this project provides many safety and mobility benefits by removing crossing blockages caused by heavy rail traffic. When completed, the 11st Street Grade Separation project will enable traffic, bicyclists, and pedestrians to travel under the rail lines that go through town.
- Moorhead Renaissance Zone is intended to encourage economic development and investment opportunities within the defined Moorhead RZ boundary by offering property tax exemptions for qualified projects. In 2024, an incentive was approved for Sterling Development Mixed Use Building.
- Median single-family home sales prices rose from \$260,000 to \$270,500, a healthy level of appreciation. There were 72 single family attached and detached homes permitted in 2024 and 155 multifamily units.
- Major commercial/industrial projects in 2024 included the following: BNSF Engineering Facility, Minko Construction Inc, Spaulding Stone Expansion, Sprenger Midwest Warehouse, Valley Green & Associates Addition, Apex Fitness, Armory Annex, Waabigwan Mashkiki, Chipotle, Courts and Pints, Diamond Rock Self-Storage, Enz Gym, Holiday Station Stores Diesel Expansion, Lakes & Prairies Community Action Accessibility Improvements, Moorhead Drug, Moorhead Vision Associates, Nurtured Nest Daycare, Red River Triumph, Starbird Lounge, State Farm Expansion, Thor Business Condos, and Women's Care Center.



- In 2024, the City opened a couple of new parks. The Rotary Natural Play Hill & Bike Path was opened in June 2024, and the inclusive playground at Southside Regional Park was completed in the fall of 2024.
- The City was awarded a \$5 million U.S. Department of Interior Outdoor Recreation Grant for the Reimagine Romkey Park – Pool Replacement and Park Renewal project. This project began in 2024 and has an estimated cost of \$11.3 million. By replacing underutilized amenities, expanding recreational opportunities, and reconstructing the Moorhead Municipal Pool, the project seeks to revitalize the park and promote community engagement in outdoor activities.
- In the fall of 2024, City Hall was temporarily relocated to 403 Center Ave while renovation work takes place at City Hall. The City Hall Renovation project is set to be completed in 2026.
- The City's Moorhead Community Fund accepts private support for a variety of community, park, and art projects, which include Natural playground, Matson Field, Reimagine Romkey, and the Community Center Library.

### **Awards and Acknowledgments**

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moorhead, Minnesota, for its annual comprehensive financial report (ACFR) for the fiscal year ended December 31, 2023. This was the 41<sup>st</sup> consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance Department. We would like to express our appreciation to all the members of the City departments who assisted and contributed to the preparation of this report. Credit must also be given to the City Council Members and the City Manager for their support in planning and conducting the financial operations of the City in a responsible, professional and progressive manner.

Respectfully submitted,



Jenica Flanagan, CPA  
Finance Director





Government Finance Officers Association

**Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting**

Presented to

**City of Moorhead  
Minnesota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2023

*Christopher P. Morill*

Executive Director/CEO

**CITY OF MOORHEAD  
LISTING OF CITY OFFICIALS  
AS OF DECEMBER 31, 2024**

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	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
MICHELLE CARLSON	MAYOR	2026
MATTHEW GILBERTSON <sup>1</sup>	COUNCIL MEMBER, WARD 1	2024
RYAN NELSON	COUNCIL MEMBER, WARD 1	2026
HEATHER NESEMEIER	COUNCIL MEMBER, WARD 2	2026
LAURA CAROON <sup>2</sup>	COUNCIL MEMBER, WARD 2	2024
DEB WHITE	COUNCIL MEMBER, WARD 3	2026
LARRY SELJEVOLD <sup>3</sup>	COUNCIL MEMBER, WARD 3	2024
SEBASTIAN MCDOUGALL	COUNCIL MEMBER, WARD 4	2024
CHUCK HENDRICKSON	COUNCIL MEMBER, WARD 4	2026

APPOINTED OFFICIALS

DAN MAHLI                      CITY MANAGER

DEPARTMENT DIRECTORS

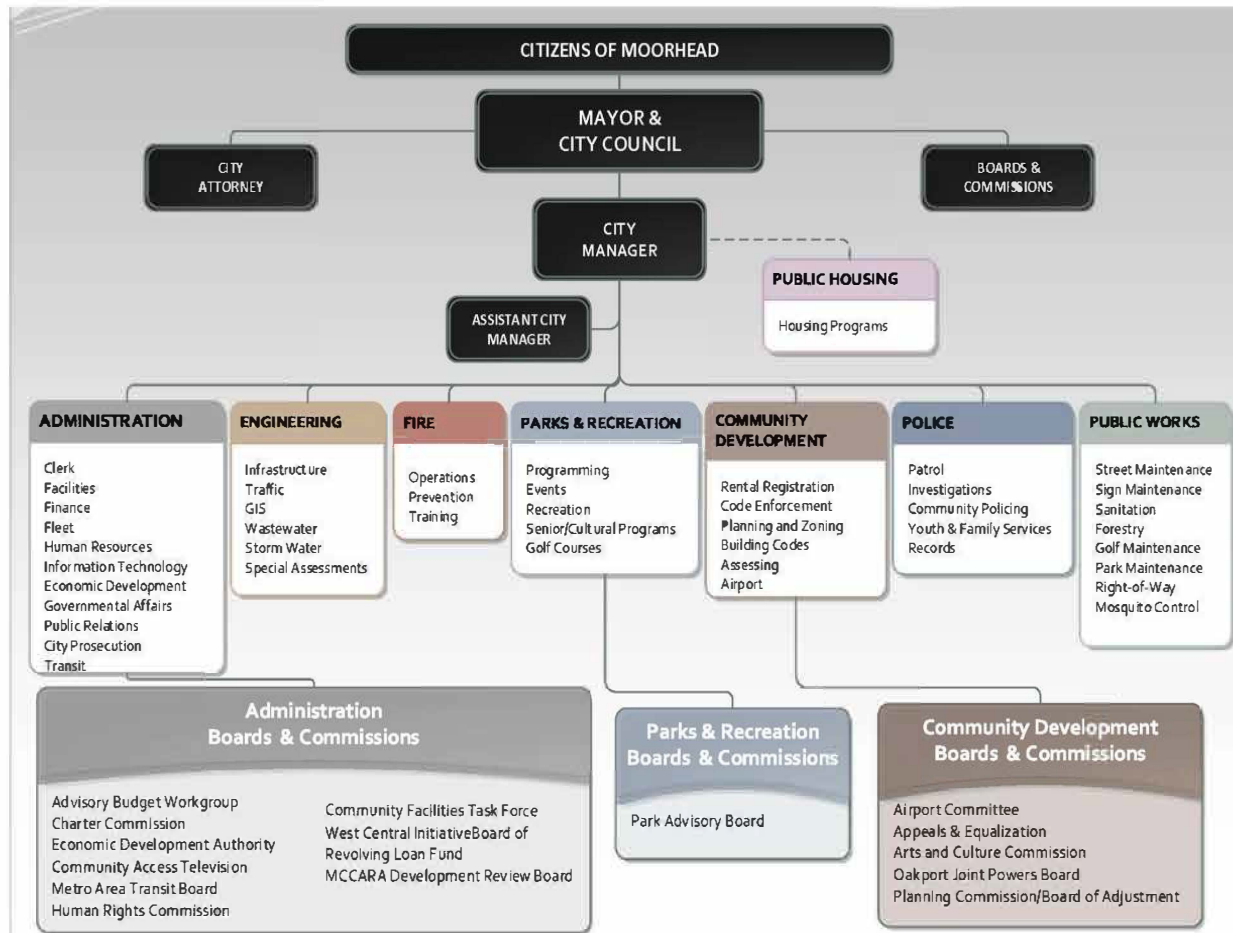
MIKE RIETZ	ASSISTANT CITY MANAGER
KRISTIE LESHOVSKY	COMMUNITY DEVELOPMENT
SEAN BRANDENBURG	PARKS & RECREATION
ROBERT ZIMMERMAN	ENGINEERING
CHRIS HELMICK	POLICE CHIEF
JEFF WALLIN	FIRE CHIEF
PAUL FIECHTNER	PUBLIC WORKS

<sup>1</sup> Replaced by Nicole Mattson effective January 1, 2025

<sup>2</sup> Replaced by Emily Moore effective January 1, 2025

<sup>3</sup> Replaced by Lisa Borgen effective January 1, 2025

# City of Moorhead Organizational Chart



# **FINANCIAL SECTION**



## Independent Auditor's Report

To the City Council  
City of Moorhead, Minnesota

### Report on the Audit of the Financial Statements

#### *Opinions*

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

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

We did not audit the financial statements of the Moorhead Public Housing Agency, which represent 1.4%, 1.7%, and 3.6%, respectively, of the assets, net position, and revenues of the governmental activities as of December 31, 2024. Those statements were audited by other auditors whose report has been furnished to us, and our opinion, insofar as it relates to the amounts included for the Moorhead Public Housing Agency, is based solely on the report of the other auditors.

#### *Basis for Opinions*

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



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

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

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

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

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

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

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

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

### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, Schedule of Changes to Total OPEB Liability and Related Ratios, Schedule of Employer's Share of Net Pension Liability and Schedule of Employer's Pension Plan Contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

### ***Supplementary Information***

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

### ***Other Information***

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

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

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

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2025, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

#### **Report on Other Legal and Regulatory Requirements**

In accordance with the Legal Compliance Audit Guide prepared by the Office of the State Auditor pursuant to Minn. Stat. §6.65, we have also issued a report dated June 18, 2025 on our consideration of the City's compliance with aspects of the provisions of the Minnesota Legal Compliance Audit Guide for Cities. The purpose of that report is to describe the scope of our testing of compliance and the results of that testing, and not directed primarily toward obtaining knowledge of noncompliance. That report is an integral part of procedures performed in accordance with the Office of the State Auditor's Minnesota Legal Compliance Audit Guide for Counties in considering the City's compliance with certain regulatory requirements pursuant to Minn. Stat. §6.65.

The image shows a handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Mankato, Minnesota  
June 18, 2025

## **CITY OF MOORHEAD, MINNESOTA MANAGEMENT'S DISCUSSION AND ANALYSIS**

This section of the annual comprehensive financial report of the City of Moorhead (the City) presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2024. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the City exceeded liabilities and deferred inflows at the close of the most recent fiscal year by \$688,590,181.
- The City's total net position increased by \$26,254,994.
- The City's governmental funds reported combined ending fund balances of \$89,419,784, an increase of \$20,118,199 in comparison with the prior year. Of this total amount, \$5.9M is unassigned, \$15.2M committed, \$65.2M restricted and \$3.1M nonspendable.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$20,870,868 or 61% of total general fund expenditures of \$34,441,953.

### **OVERVIEW OF THE FINANCIAL STATEMENTS**

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

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

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

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

Both of the government-wide financial statements distinguish functions of the City of Moorhead that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, community services, rental registration, transit, library, parks and recreation, economic and community development and general legislative and administrative services. The business-type activities of the City include electric, water, wastewater, storm water, sanitation, golf course, pest control, forestry, airport and street light.

The government-wide financial statements include not only the City of Moorhead itself, but also a legally separate Public Housing Agency for which the City Council appoints the governing body and on which it is able to impose its will. Financial information for the Public Housing Agency is reported separately from the financial information presented for the primary government itself.

The government-wide financial statements can be found in the basic financial statements of this report.

**Fund financial statements.** A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Moorhead, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Moorhead maintains six individual major governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general, special assessment debt service, special assessment capital projects, permanent improvement funds, library community center, and capital improvements which are all considered major funds. Data from the other fifteen governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining schedules elsewhere in this report.

The City of Moorhead adopts an annual appropriated budget for its general and special revenue funds. Budgetary comparisons have been provided for all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found in the Basic Financial Statements of this report.

**Proprietary funds.** Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater treatment, storm water, sanitation, golf course, pest control, forestry, municipal airport, and street light utility. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses four internal service funds to account for vehicles & equipment, information technology, maintenance shop, and radios and weapons. Because the internal service funds benefit both the governmental and business-type functions, \$295,761 has been reflected within the business-type activities and \$894,600 within the governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for electric, water, wastewater treatment, and storm water which are considered to be major funds of the City of Moorhead. Data from the other six enterprise funds are combined into a single, aggregated presentation, with individual data available elsewhere in this report. The four internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining schedules elsewhere in this report.

The basic proprietary fund financial statements can be found in the basic financial statements of this report.

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

The fiduciary fund financial statements can be found in the basic financial statements of this report.

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

**Other information.** In addition to the basic financial statements and accompanying notes, this report also presents required supplementary information concerning the City of Moorhead's progress in funding its obligation to provide pension and OPEB benefits to its employees. This information can be found in the required supplementary information section of this report.

The combining schedules referred to earlier in connection with non-major governmental funds, non-major proprietary funds and internal service funds are presented immediately following the required supplementary information on pensions and OPEB. Combining and individual fund schedules can be found in the Combining and Individual Fund Schedules and Statements portion of the Financial Section of this report.



## GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Moorhead, assets and deferred outflows of resources exceeded liabilities and deferred inflows by \$688,590,181 at the close of the most recent fiscal year.

The largest portion of the City's net position is the net investment in capital assets of \$454,706,271 ( 66%) (e.g., land, buildings, infrastructure, machinery, and equipment). The City of Moorhead uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City of Moorhead's net position, \$150,642,863 (22%), represents resources that are subject to external restrictions on how they may be used. The remaining balance of \$83,241,047 (12%) is unrestricted and may be used to meet the government's ongoing obligations to its citizens and creditors.

The following two tables present condensed financial information on the City's Net Position and Changes in Net Position for the fiscal years ending December 31, 2024 and 2023.

### CITY OF MOORHEAD'S NET POSITION

	Governmental Activities		Business-type Activities			
	2024	2023	2024	2023	Total 2024	Total 2023
<b>Assets:</b>						
Current and other assets	\$ 194,683,835	\$ 179,210,693	\$ 89,514,281	\$ 72,911,168	\$ 284,198,116	\$ 252,121,861
Capital / Right to use assets	483,225,417	442,804,258	279,118,216	257,585,237	762,343,633	700,389,495
Total assets	677,909,252	622,014,951	368,632,497	330,496,405	1,046,541,749	952,511,356
Deferred outflows of resources	15,731,068	20,441,640	988,092	1,544,386	16,719,160	21,986,026
<b>Liabilities</b>						
Long-term liabilities outstanding	235,355,154	194,850,235	95,393,544	72,250,544	330,748,698	267,100,779
Other liabilities	13,143,598	15,397,451	5,192,634	4,254,286	18,336,232	19,651,737
Total liabilities	248,498,752	210,247,686	100,586,178	76,504,830	349,084,930	286,752,516
Deferred inflows of resources	21,871,238	22,113,116	3,714,560	3,296,563	25,585,798	25,409,679
<b>Net Position:</b>						
Net investment in capital assets	265,030,770	270,397,929	189,675,501	192,343,236	454,706,271	462,741,165
Restricted	144,037,000	133,632,135	6,605,863	4,543,880	150,642,863	138,176,015
Unrestricted	14,202,560	6,065,725	69,038,487	55,352,282	83,241,047	61,418,007
Total net position	\$ 423,270,330	\$ 410,095,789	\$ 265,319,851	\$ 252,239,398	\$ 688,590,181	\$ 662,335,187

Governmental activities current and other assets increased \$15,473,142 primarily due to an increased tax levy and unspent sales tax bond proceeds related to Library/Community Center capital project. The increase in governmental activities capital assets is due to the completion of a number of street projects as well as purchase of land in the Moorhead Center Mall area. The increase in current and other assets in business-type activities is mainly due to the unspent bond proceeds in the Electric Fund. The increase in business-type activities capital assets is primarily due to lift station and wastewater treatment facility upgrades as well as major water utility infrastructure updates. In both the governmental activities and business-type activities, fluctuations in deferred outflows of resources, long-term liabilities outstanding, and deferred inflows of resources are attributable to changes in actuarial assumptions and the difference between projected and actual investment earnings relating to the reporting of the City's pension liability under GASB Statement 68.

At the end of the current fiscal year, the City of Moorhead is able to report positive balances in all reported categories of net position.

In addition, the City of Moorhead's overall net position increased by \$26,254,994 over the prior fiscal year. The components of this increase are discussed in the following sections for governmental activities and business-type activities.

#### CITY OF MOORHEAD'S CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total 2024	Total 2023
	2024	2023	2024	2023		
Revenues:						
Program revenues:						
Charges for services	\$ 6,858,927	\$ 5,278,203	\$ 79,949,088	\$ 79,588,932	\$ 86,808,015	\$ 84,867,135
Operating grants and contributions	13,297,650	12,008,114	639,628	1,047,606	13,937,278	13,055,720
Capital grants and contributions	17,758,543	20,724,676	7,295,858	5,012,997	25,054,401	25,737,673
General Revenues:						
Taxes	18,078,671	18,389,735			18,078,671	18,389,735
Tax Increments	914,332	632,785			914,332	632,785
Franchise Fees	958,687	1,208,260			958,687	1,208,260
State aid	12,322,618	11,207,599			12,322,618	11,207,599
Grants and contributions not restricted to specific programs	58,632	35,820			58,632	35,820
Investment earnings	3,641,744	2,616,981	3,518,780	2,726,143	7,160,524	5,343,124
Miscellaneous	201,287	109,837	635,348	968,464	836,635	1,078,301
Total revenues	74,091,091	72,212,010	92,038,702	89,344,142	166,129,793	161,556,152
Expenses:						
General government	12,480,379	11,480,987			12,480,379	11,480,987
Public safety	19,249,097	19,082,979			19,249,097	19,082,979
Highways and streets	20,421,049	20,396,181			20,421,049	20,396,181
Culture and recreation	6,848,279	7,131,321			6,848,279	7,131,321
Public transportation	5,764,753	4,901,964			5,764,753	4,901,964
Urban and economic development	2,263,180	1,900,555			2,263,180	1,900,555
Interest on long-term debt	6,627,720	5,591,629			6,627,720	5,591,629
Electric			32,398,036	31,409,767	32,398,036	31,409,767
Water			11,571,561	10,408,839	11,571,561	10,408,839
Wastewater treatment			8,664,453	8,128,298	8,664,453	8,128,298
Storm water			2,693,852	2,580,510	2,693,852	2,580,510
Sanitation			4,967,457	5,156,733	4,967,457	5,156,733
Golf course			2,330,545	2,182,001	2,330,545	2,182,001
Pest control			797,947	603,719	797,947	603,719
Forestry			1,272,837	1,368,283	1,272,837	1,368,283
Municipal airport			627,869	627,998	627,869	627,998
Street light utility			895,785	630,224	895,785	630,224
Total expenses	73,654,457	70,485,616	66,220,342	63,096,372	139,874,799	133,581,988
Increase/decrease in net position before transfers	436,634	1,726,394	25,818,360	26,247,770	26,254,994	27,974,164
Transfers	12,737,907	11,616,373	(12,737,907)	(11,616,373)		
Change in net position	13,174,541	13,342,767	13,080,453	14,631,397	26,254,994	27,974,164
Net position - beginning	410,095,789	396,753,022	252,239,398	237,608,001	662,335,187	634,361,023
Net position - end of year	\$ 423,270,330	\$ 410,095,789	\$ 265,319,851	\$ 252,239,398	\$ 688,590,181	\$ 662,335,187

**Governmental activities.** The governmental activities net position increased by \$13,174,541 during the current fiscal year. Revenues increased \$1,879,081 due to the timing of grant revenue recognition as well as increased investment earnings, or 3% from 2023. Expenses had an increase of \$3,168,841 or 4% from 2023. This increase was principally due to increased salary related expenditures for all departments, increased Transit capital grant spending, and interest on long-term obligations.

**Business-type activities.** Business-type activities increased the City's net position by \$13,080,453. Revenues increased \$2,694,560, or 3% from 2023 mainly due to capital grants associated with various infrastructure projects and increase in investment earnings. Expenses in the business-type activities increased \$3,123,970. This increase was principally due to increased costs associated with water treatment, purchased power, and increased costs in the street light utility fund for improvements.

## GOVERNMENT FUNDS FINANCIAL ANALYSIS

As noted earlier, the City of Moorhead uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$89,419,784 an increase of \$20,118,199 in comparison with the prior year. Approximately 6.60%, or \$5,898,319, of this combined ending fund balance is unassigned. The remainder of fund balance is committed (\$15,258,174, 17.06%), restricted (\$65,174,008, 72.89%) or nonspendable (\$3,089,283, 3.45%).

The general fund is the chief operating fund of the City of Moorhead. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$20,870,868. This measure represents the portion of the fund balance that is available for any purpose and provides a cushion for unexpected expenses and maintaining liquidity. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total future budgeted expenditures. The unassigned and assigned fund balance represents 54.1% of total general fund expenditures, which is over the reserve policy target of 60% for total unrestricted general fund balance. This indicates that the city is maintaining a healthy financial position, aligning with its financial policies and goals to ensure long-term stability and effective financial planning.

The net change in fund balance of the general fund was a decrease of \$1,634,626 or 6.5% from 2023. Property tax revenue had an increase of \$1,323,873. Franchise fees had a decrease of \$249,573 due to slight changes in usage by various utility sources. Federal revenues remained stable with a slight increase of \$41,544. State revenues increased \$1,293,968 primarily due to an increase in Local Government Aid. Charges for services decreased \$545,751 due to a decrease in internal engineering charges to various infrastructure projects in 2024 as well as increased revenues for housing and building registration fees. Total expenditures increased \$1,430,249 due to increased personnel costs. Net transfers totaled \$5,516,265 and were completed as authorized by City charter and as reoccurring subsidies of specific programs. The 2024 adopted budget anticipated a balanced net change to fund balance, while the revised budget anticipated a \$4,296,389 draw on fund balance; however changes in expected revenues, along with a combined decrease in expenditures resulted in a smaller decrease in the fund balance than expected of \$1,634,626.

The special assessment debt service fund balance decreased \$1,439,732. This decrease was mainly due variances in timing of collections in special assessments and the scheduled repayments of various bond issued which drew on fund balance. The special assessment capital projects fund balance decreased by \$10,132,686 which is primarily due to timing of expenditures related to infrastructure projects. The permanent improvement fund balance increased \$685,033 which is primarily attributable to collection of state-aid monies applied as well as transfers in from other funds to close various projects. The library community center fund balance increased \$22,175,699 primarily due to the issuance of sales tax revenue bonds to finance the construction. The capital improvements fund balance increased \$5,304,647 primarily due to the issuance of temporary tax increment financing bonds to finance the construction of the project area.

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

Unrestricted net position of the enterprise funds at the end of the year totaled \$68,742,726. The total change in net position in the enterprise funds was an increase of \$12,661,724 which is \$2,006,804 (13.7%) lower than the 2023 increase.

The electric fund reported an increase of \$6,649,929 (8.0%) in net position primarily due to an issuance of bonds in 2024 while the water fund reported an increase of \$1,646,013 (2.8%) resulting from variances in usage. The wastewater treatment fund reported an increase in net position from operations of \$1,911,390 (3.5%) and the storm water fund also reported an increase in net position of \$2,357,953 (6.1%) primarily due to capital contributions recognized from the completion of various infrastructure projects throughout the city.

## GENERAL FUND BUDGETARY HIGHLIGHTS

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

Budgets were amended during the year to account for changes approved by the City Council during the year, for capital outlay and open encumbrance carryovers from the previous fiscal year, new grant awards and supplemental appropriations. The original revenue budget including transfers of \$35,499,453 was amended as final totaling \$35,950,205 for an increase of \$450,752. The original expenditure budget including transfers of \$35,499,453 was amended as final totaling \$40,246,594 for an increase of \$4,747,141.

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

Total actual revenues including transfers were \$36,807,327 which was \$857,122 over budget. Actual revenue exceeded projections by 2.4%. Principal increases were due to licenses and permit fees and interest on investments.

Actual expenditures including transfers totaling \$38,441,953 were under budget by \$1,804,641. Principle savings were in the police department due to various vacant employee positions.

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

**Capital assets - right to use leased assets.** The City's investment in capital assets and right to use leased assets for its governmental and business-type activities as of December 31, 2024, amounts to \$762,343,633 (net of accumulated depreciation and amortization), an increase of \$62.0M. This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, infrastructure and right to use leased and subscription assets.

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

- \$3.9M in vehicles and equipment
- \$24.4M in land purchases
- \$6.5M in infrastructure improvements
- \$7.6M in water and wastewater capital assets
- \$18.6 in electric capital assets

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

	Governmental Activities 2024	Business-type Activities 2024	Total
Land	\$ 100,086,689	\$ 9,336,840	\$ 109,423,529
Construction in progress	32,265,227	2,800,173	35,065,400
Buildings	11,500,954	157,915,241	169,416,195
Improvements other than buildings	53,359,697	45,163,335	98,523,032
Machinery and equipment	16,914,334	7,209,509	24,123,843
Infrastructure	264,783,711	56,684,529	321,468,240
Right to use leased assets	4,275,029	8,589	4,283,618
Subscription assets	39,776		39,776
Total	\$ 483,225,417	\$ 279,118,216	\$ 762,343,633

Additional information on the City's capital assets can be found in the notes to the financial statements Note 4(D) of this report.

**Long-Term Debt.** At the end of the current fiscal year, the City of Moorhead had total bonded debt outstanding of \$259,260,000. Of this amount, \$198,080,000 of G.O. Special Assessment, Sales Tax, and Tax Increment debt and \$19,715,000 of General Obligation Revenue debt are backed by the full faith and credit of the City in the event of insufficient pledged revenues. The remaining \$41,465,000 of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds) and \$24,932,000 in Public Facilities Authority Notes. Various right to use lease assets are secured with lease liabilities totaling \$4,797,723 at year-end. The City also has \$675,767 Note Payable at year-end and net pension liability totaling \$17,096,825. See Note 4(F) for further information on the City's net pension liability.

The City had a net increase in long-term bonded debt of \$67,070,000 during the current fiscal year. This increase is due to the issuance of various bonds, which are listed below, debt service principal payments of \$15,665,000. During the current fiscal year, the City issued:

- \$27,810,000 G.O. Electric Revenue Bonds, Series 2024A to finance various improvements to the City's infrastructure.
- \$26,910,000 G.O. Sales Tax Revenue Bonds, Series 2024B to finance the construction of the library community center.
- \$28,015,000 Temporary Tax Increment Bonds, Series 2024C. The proceeds of the bonds will be used to finance land acquisition, demolition and related costs for redevelopment of the properties within the project area in anticipation of long-term financing.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of estimated market value of taxable property. The current debt limitation for the City of Moorhead is \$110,013,166. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$675,767 leaving a legal debt margin of \$109,337,399.

#### CITY OF MOORHEAD'S OUTSTANDING DEBT

General Obligation Bonds, Revenue Bonds, Long-Term Notes, Compensated Absences and Other Post-Employment Benefits

Type of Issue	Governmental Activities	Business-type Activities	Total
Special assessment	\$ 141,900,000	\$ -	\$ 141,900,000
G.O. Tax Increment	29,270,000	-	29,270,000
G.O. Revenue	-	19,715,000	19,715,000
G.O. Sales Tax Revenue	26,910,000	-	26,910,000
Revenue Refunding	-	1,080,000	1,080,000
Revenue	-	40,385,000	40,385,000
Premiums/Discounts	13,886,534	3,288,744	17,175,278
Long-term notes	675,767	24,969,090	25,644,857
Leases	4,788,783	8,940	4,797,723
Subscriptions	41,346	-	41,346
Compensated absences	2,867,027	1,851,617	4,718,644
Other Post-Employment Benefits	1,633,712	380,313	2,014,025
Net Pension Liability	13,381,985	3,714,840	17,096,825
Total	\$ 235,355,154	\$ 95,393,544	\$ 330,748,698

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

#### Economic Factors and Next Year's Budgets

The Moorhead economy ended 2024 in a solid financial position. The local economy remained strong throughout the year, with \$43.6 million in residential and commercial permit related valuations. The downtown area has been a major focus, designated as a qualified Opportunity Zone for development incentives. Work has commenced on the 11th Street underpass project, which, when completed, will enable traffic, bicyclists, and pedestrians to travel under the rail lines that go through town.

The 2025 budget emphasizes our commitment to public safety, employee compensation, and the enhancement of downtown areas, neighborhoods, and recreational parks. In formulating this budget, the City has balanced the strong local economy with the potential impacts of the federal government's monetary tightening policy. The City of Moorhead's 2025 Operating & Capital Budget totals \$142,643,811, an increase of \$7,819,363 (5.48%) from the previous year.

Infrastructure investments continue to be the largest portion of the budget as the City invests in maintaining our city's roadways, facilities, downtown revitalization, park amenities, and utility systems for a growing community. The budget also reflects the City's commitment to public safety by authorizing two additional positions and a cost of living adjustment for employee compensation. Included in the budget is \$2.3 million for wage and benefit increases for existing employees, as well as funding one new position and authorizing two new positions. This increase in staffing supports the strategic plan objective to maintain service levels commensurate with community growth.



When looking specifically at the General Fund and Parks, the 2025 budget reflects an increase of \$3,315,366 (8.3%) from 2024 levels. Much of this increase is attributable to wage and benefit increases, as well as increases for the following operating needs: street striping and street repair, fleet and equipment, software maintenance, general and auto liability insurance, and street maintenance and ice control. Scheduled wage step increases and a cost of living adjustment were included in the budget. Union negotiations were completed for three of the City's five unions, resulting in three-year union contracts covering the years 2025, 2026, and 2027.

The 2025 Legislative session includes the following priorities for the City of Moorhead: Capital Investment/Flood Mitigation, Preserving and Protecting Border Cities, Tax Increment Finance District Timing Extension, Sales Tax Exemption for City Hall Renovations, Downtown Redevelopment project, Public Safety/Workforce and Partnerships, Transit Assistance Funding Apportionment, Sustainable Aviation Fuel Project, Continued Partnerships and Recreational Amenities.

### **Requests for Information**

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director at 403 Center Avenue, Moorhead, MN 56560 or visit the City's web site at [www.cityofmoorhead.com](http://www.cityofmoorhead.com).

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
<b>ASSETS</b>				
Cash and investments	\$ 101,506,900	\$ 25,383,571	\$ 126,890,471	\$ 1,458,591
Receivables:				
Accounts and notes	371,428	10,723,785	11,095,213	36,298
Delinquent property taxes	389,317		389,317	
Accrued interest		318,065	318,065	
Special assessments	5,043,373	80,221	5,123,594	
Leases	1,520,724		1,520,724	
Internal balances	1,060,908	(1,060,908)		
Due from other governmental units	9,503,452	1,004,907	10,508,359	39,568
Inventories	35,061	2,644,449	2,679,510	
Prepaid items	274,782	87,727	362,509	41,366
Restricted assets:				
Cash and cash equivalents	1,321,209	4,676,110	5,997,319	133,827
Bond operation and maintenance reserve		6,346,000	6,346,000	
Long-term receivables:				
Special assessments	68,568,910	1,849,532	70,418,442	
Notes receivable, less current portion	5,087,771	13,054	5,100,825	16,010
Other long-term investments		37,447,768	37,447,768	
Capital assets:				
Intangible plant		1,288,813	1,288,813	
Land	100,086,689	9,336,840	109,423,529	464,977
Buildings	30,235,551	266,543,874	296,779,425	15,865,821
Improvements other than buildings	81,170,827	71,644,563	152,815,390	
Machinery and equipment	47,516,198	17,966,263	65,482,461	664,814
Infrastructure	382,414,279	93,570,897	475,985,176	
Construction in progress	32,265,227	2,800,173	35,065,400	35,867
Less accumulated depreciation	(194,778,159)	(184,041,796)	(378,819,955)	(10,274,490)
Right to use lease assets	5,425,057	10,020	5,435,077	
Less accumulated amortization	(1,150,028)	(1,431)	(1,151,459)	
Subscription assets	119,329		119,329	
Less accumulated amortization	(79,553)		(79,553)	
<b>Total assets</b>	<b>677,909,252</b>	<b>368,632,497</b>	<b>1,046,541,749</b>	<b>8,482,649</b>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Pension plans	14,908,242	944,868	15,853,110	
Other post-employment benefits	262,168	43,224	305,392	
Advance refundings of debt	560,658		560,658	
<b>Total deferred outflows of resources</b>	<b>15,731,068</b>	<b>988,092</b>	<b>16,719,160</b>	

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
DECEMBER 31, 2024**

	Primary Government		
	Governmental Activities	Business-type Activities	Component Unit
			Total
<b>LIABILITIES</b>			
Accounts payable	2,582,446	4,240,639	6,823,085
Contracts payable - retainage	3,420,099	39,562	3,459,661
Accrued wages payable	1,265,379	244,024	1,509,403
Due to other governmental units	6,576		6,576
Customer deposits		107,000	107,000
Unearned revenue	2,633,960	107,726	2,741,686
Other liabilities	230,091	11,521	241,612
Accrued interest payable	3,005,047	442,162	3,447,209
Long-term liabilities:			
Due within one year	18,080,572	7,995,481	26,076,053
Due in more than one year			
Accrued compensated absences		56,743	56,743
Leases	4,232,584	8,558	4,241,142
Other post-employment benefits	1,514,451	369,632	1,884,083
Net pension liability	13,381,985	3,714,840	17,096,825
Notes payable	666,607	22,481,000	23,147,607
Bonds payable	197,478,955	60,767,290	258,246,245
Total liabilities	248,498,752	100,586,178	349,084,930
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Pension plans	19,834,492	2,477,226	22,311,718
Other post-employment benefits	516,022	175,964	691,986
Lease related	1,520,724		1,520,724
Other deferred credits		1,061,370	1,061,370
Total deferred inflows of resources	21,871,238	3,714,560	25,585,798
<b>NET POSITION</b>			
Net investment in capital assets	265,030,770	189,675,501	454,706,271
Restricted			
Public Safety	2,498,670		2,498,670
Culture and recreation	25,382,120		25,382,120
Public transportation	266		266
Urban and economic development	7,140,614		7,140,614
Contributions	102,308		102,308
Capital projects	1,829,554	1,929,753	3,759,307
Debt service	106,903,236	4,676,110	111,579,346
Employee benefits	180,232		180,232
Unrestricted	14,202,560	69,038,487	83,241,047
Total net position	\$ 423,270,330	\$ 265,319,851	\$ 688,590,181
			\$ 6,955,268

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF ACTIVITIES  
YEAR ENDED DECEMBER 31, 2024**

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 Units
					Governmental Activities	Business-type Activities	Total	
<b>Primary Government:</b>								
Governmental Activities:								
General government	\$ 12,480,379	\$ 2,945,222	\$ 371,655	\$ 29,261	\$ (9,134,241)	\$ -	\$ (9,134,241)	\$
Public safety	19,249,097	827,694	2,694,568		(15,726,835)		(15,726,835)	
Highways and streets	20,421,049	717,101	2,162,357	15,883,679	(1,657,912)		(1,657,912)	
Culture and recreation	6,848,279	1,528,763	3,251,387		(2,068,129)		(2,068,129)	
Public transportation	5,764,753	405,516	3,455,462	1,845,603	(58,172)		(58,172)	
Urban and economic development	2,263,180	434,631	1,362,221		(466,328)		(466,328)	
Interest on long-term debt	6,627,720				(6,627,720)		(6,627,720)	
Total governmental activities	73,654,457	6,858,927	13,297,650	17,758,543	(35,739,337)	-	(35,739,337)	
Business-type Activities:								
Electric	32,398,036	44,237,308		1,545,034		13,384,306	13,384,306	
Water	11,571,561	12,160,496		1,118,975		1,707,910	1,707,910	
Wastewater treatment	8,664,453	10,037,203		1,417,112		2,789,862	2,789,862	
Storm water	2,693,852	2,984,750		3,161,431		3,452,329	3,452,329	
Sanitation	4,967,457	5,433,919	225,000			691,462	691,462	
Golf Course	2,330,545	2,129,925		21,498		(179,122)	(179,122)	
Pest Control	797,947	808,034				10,087	10,087	
Forestry	1,272,837	1,198,598	107,897			33,658	33,658	
Municipal airport	627,869	79,428	151,566	31,808		(365,067)	(365,067)	
Street light utility	895,785	879,427	155,165			138,807	138,807	
Total business-type activities	66,220,342	79,949,088	639,628	7,295,858	-	21,664,232	21,664,232	
Total primary government	\$ 139,874,799	\$ 86,808,015	\$ 13,937,278	\$ 25,054,401	(35,739,337)	21,664,232	(14,075,105)	
<b>Component Units:</b>								
Public Housing Agency	\$ 2,046,762	\$ 725,538	\$ 876,638	\$ 245,575	\$	\$	\$	\$ (199,011)
General Revenues:								
Property taxes levied for general purposes					11,361,371		11,361,371	
Property taxes levied for debt service					3,833,694		3,833,694	
City sales taxes					2,883,606		2,883,606	
Tax increments					914,332		914,332	
Franchise fees					958,687		958,687	
State aid unrestricted					12,322,618		12,322,618	
Grants and contributions					58,632		58,632	
Unrestricted investment earnings					3,641,744	3,518,780	7,160,524	22,907
Miscellaneous					201,287	635,348	836,635	200,985
Transfers					12,737,907	(12,737,907)		
Total general revenues and transfers					48,913,878	(8,583,779)	40,330,099	223,892
Change in net position					13,174,541	13,080,453	26,254,994	24,881
Net position - beginning					410,095,789	252,239,398	662,335,187	6,930,387
Net position - ending					\$ 423,270,330	\$ 265,319,851	\$ 688,590,181	\$ 6,955,268

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

**CITY OF MOORHEAD, MINNESOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Library Community Center	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Assets:								
Cash and investments	\$ 20,385,331	\$ 15,438,572	\$	\$ 5,191,301	\$ 26,959,686	\$ 8,982,690	\$ 16,246,904	\$ 93,204,484
Restricted cash	1,321,209							1,321,209
Receivables:								
Accounts	330,736	17,514				6,561	16,231	371,042
Notes	128,200	532,996				161,403	4,265,172	5,087,771
Leases	126,055	1,384,639					10,030	1,520,724
Delinquent property taxes	210,954	88,421					89,942	389,317
Special assessments		73,612,283						73,612,283
Due from other funds	1,116,717	15,675,666	881,127			45,766		17,719,276
Due from other governmental units	512,048	239,645	2,429,554	4,609,761		612,006	1,075,727	9,478,741
Advances to other funds	2,693,645						300,000	2,993,645
Prepaid items	41,916						53,722	95,638
Total Assets	<u>\$ 26,866,811</u>	<u>\$ 106,989,736</u>	<u>\$ 3,310,681</u>	<u>\$ 9,801,062</u>	<u>\$ 26,959,686</u>	<u>\$ 9,808,426</u>	<u>\$ 22,057,728</u>	<u>\$ 205,794,130</u>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 283,974	\$ 32,770	\$ 205,621	\$ 174,757	\$ 968,803	\$ 94,570	\$ 626,576	\$ 2,387,071
Contracts payable - retainage			572,389	2,535,272	250,124	62,314		3,420,099
Accrued wages payable	1,046,159						204,034	1,250,193
Due to other funds	42,208		15,675,666			3,217	29,040	15,750,131
Due to other governmental units	4,692							4,692
Advances from other funds				104,000			2,889,645	2,993,645
Other liabilities	38,243					130,500	62,947	231,690
Unearned revenue	1,901				989,200	56,321	1,586,538	2,633,960
Total Liabilities	<u>1,417,177</u>	<u>32,770</u>	<u>16,453,676</u>	<u>2,814,029</u>	<u>2,208,127</u>	<u>346,922</u>	<u>5,398,780</u>	<u>28,671,481</u>
Deferred inflows of resources:								
Unavailable revenue - taxes	210,954	88,421					89,942	389,317
Unavailable revenue - special assessments		73,612,283						73,612,283
Unavailable revenue - lease related	126,055	1,384,639					10,030	1,520,724
Unavailable revenue - other	184,987	532,996	1,829,554	4,597,863		768,669	4,266,472	12,180,541
Total Deferred Inflows of Resources	<u>521,996</u>	<u>75,618,339</u>	<u>1,829,554</u>	<u>4,597,863</u>		<u>768,669</u>	<u>4,366,444</u>	<u>87,702,865</u>
Fund Balance:								
Nonspendable	2,735,561						353,722	3,089,283
Restricted								
Public safety	1,111,294						1,387,376	2,498,670
Culture and recreation					24,751,559		529,658	25,281,217
Urban and economic development	29,683						2,845,746	2,875,429
Contributions							102,308	102,308
Debt service		31,338,627					2,897,525	34,236,152
Employee benefits	180,232							180,232
Committed				2,389,170		8,692,835	4,176,169	15,258,174
Unassigned	20,870,868		(14,972,549)					5,898,319
Total Fund Balance	<u>24,927,638</u>	<u>31,338,627</u>	<u>(14,972,549)</u>	<u>2,389,170</u>	<u>24,751,559</u>	<u>8,692,835</u>	<u>12,292,504</u>	<u>89,419,784</u>
Total Liabilities, Deferred Inflows of Resources & Fund Balance	<u>\$ 26,866,811</u>	<u>\$ 106,989,736</u>	<u>\$ 3,310,681</u>	<u>\$ 9,801,062</u>	<u>\$ 26,959,686</u>	<u>\$ 9,808,426</u>	<u>\$ 22,057,728</u>	<u>\$ 205,794,130</u>

**CITY OF MOORHEAD, MINNESOTA  
RECONCILIATION OF GOVERNMENTAL FUNDS BALANCE SHEET  
TO THE STATEMENT OF NET POSITION  
YEAR ENDED DECEMBER 31, 2024**

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

Fund balance governmental funds	\$ 89,419,784
Capital assets, right to use assets, and subscription assets used in governmental activities are not financial resources and therefore are not reported in the funds.	483,225,417
Deferred outflows of resources resulting from pension obligations, OPEB, and debt refundings are not available resource and, therefore are not reported in governmental funds.	15,731,068
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are deferred in the funds.	87,702,865
Long-term liabilities, including bonds payable, leases, subscriptions, net pension liability, OPEB, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(238,360,201)
Deferred inflows resulting from pension obligations and OPEB are not due and payable in the current period and, therefore are not reported in the governmental funds.	(21,871,238)
Internal service funds are used by management to charge the costs of vehicle and equipment replacement, information technology services, maintenance shop and radio equipment and weapons replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of position.	7,422,635
Net position of governmental activities	\$ 423,270,330

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

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Library Community Center	Capital Improvements	Other Governmental Funds	Total Governmental Funds
<b>REVENUES</b>								
Taxes:								
Property	\$ 9,695,755	\$ 3,833,694	\$	\$	\$	\$	\$ 5,614,430	\$ 19,143,879
Franchise	958,687							958,687
Licenses and permits	1,066,644							1,066,644
Intergovernmental revenues:								
Federal	129,723				10,800	47,396	5,951,112	6,139,031
State	12,305,613	725,569	4,867,163	2,164,606			5,310,009	25,372,960
County	231,184	217,300		176,027				624,511
Other	15,074		1,491,597	9,605	619,228		2,264,378	4,399,882
Charges for services	1,215,654	17,693					615,007	1,848,354
Fines and forfeits	314,849							314,849
Facility rentals	1,600			1,921			178,712	182,233
Donations	30,000					2,000	68,376	100,376
Investment income	907,795	1,159,947			523,001	214,223	517,360	3,322,326
Special assessments		8,228,684						8,228,684
Miscellaneous	403,732	128,405	6,053	9,595		659,155	722,218	1,929,158
Total revenues	27,276,310	14,311,292	6,364,813	2,361,754	1,153,029	922,774	21,241,602	73,631,574
<b>EXPENDITURES</b>								
Current:								
General government	9,576,664	167,712				479,119	378,762	10,602,257
Public safety	18,276,491					24,547	1,372,346	19,673,384
Highways and streets	6,576,798		695,268	97,782		8,904	16,028	7,394,780
Culture and recreation						551,033	4,800,015	5,351,048
Public transportation							4,962,391	4,962,391
Urban and economic development						373,516	1,727,639	2,101,155
Capital outlay	12,000		15,916,863	1,578,939	10,100,904	27,752,267	1,306,788	56,667,761
Debt service:								
Bond and note principal		11,350,000					290,000	11,640,000
Bond and note interest		5,561,094					395,298	5,956,392
Fiscal and other charges		8,700					956,123	964,823
Total expenditures	34,441,953	17,087,506	16,612,131	1,676,721	10,100,904	29,189,386	16,205,390	125,313,991
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(7,165,643)</b>	<b>(2,776,214)</b>	<b>(10,247,318)</b>	<b>685,033</b>	<b>(8,947,875)</b>	<b>(28,266,612)</b>	<b>5,036,212</b>	<b>(51,682,417)</b>
<b>OTHER FINANCING SOURCES (USES)</b>								
Issuance of debt					26,910,000	25,095,698	2,919,302	54,925,000
Premium on issuance of debt					1,986,904	907,406	330,895	3,225,205
Transfers from other funds	9,516,265	1,305,853	150,000		2,226,670	7,075,874	200,000	20,474,662
Transfers to other funds	(4,000,000)		(35,368)			(670,000)	(3,871,186)	(8,576,554)
Leases	14,752	30,629					140,298	185,679
Proceeds from sale of capital assets						1,162,281	404,343	1,566,624
Total other financing sources (uses)	5,531,017	1,336,482	114,632		31,123,574	33,571,259	123,652	71,800,616
<b>NET CHANGE IN FUND BALANCE</b>	<b>(1,634,626)</b>	<b>(1,439,732)</b>	<b>(10,132,686)</b>	<b>685,033</b>	<b>22,175,699</b>	<b>5,304,647</b>	<b>5,159,864</b>	<b>20,118,199</b>
<b>FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED</b>	<b>26,562,264</b>	<b>32,778,359</b>	<b>(4,839,863)</b>	<b>1,704,137</b>			<b>13,096,688</b>	<b>69,301,585</b>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)</b>					<b>2,575,860</b>	<b>3,388,188</b>	<b>(5,964,048)</b>	
<b>FUND BALANCE - BEGINNING, AS ADJUSTED</b>	<b>26,562,264</b>	<b>32,778,359</b>	<b>(4,839,863)</b>	<b>1,704,137</b>	<b>2,575,860</b>	<b>3,388,188</b>	<b>7,132,640</b>	<b>69,301,585</b>
<b>FUND BALANCE - ENDING</b>	<b>\$ 24,927,638</b>	<b>\$ 31,338,627</b>	<b>\$ (14,972,549)</b>	<b>\$ 2,389,170</b>	<b>\$ 24,751,559</b>	<b>\$ 8,692,835</b>	<b>\$ 12,292,504</b>	<b>\$ 89,419,784</b>

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

**CITY OF MOORHEAD, MINNESOTA**  
**RECONCILIATION OF THE STATEMENT OF REVENUES,**  
**EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL**  
**FUNDS TO THE STATEMENT OF ACTIVITIES**  
**YEAR ENDED DECEMBER 31, 2024**

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

Net change in fund balances - total governmental funds (page 18)	\$ 20,118,199
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Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 56,667,761	
Transfer of assets to internal service funds	839,799	
The net effect of various miscellaneous transactions involving assets (i.e. sales, trade-ins, and donations) is to increase net position	(4,584,623)	
Depreciation/Amortization expense	<u>(13,664,152)</u>	39,258,785

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(45,580)
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The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonded debt issued	(54,925,000)	
Premium on bonded debt	(3,225,205)	
Bond & note principal payments	11,640,000	
Lease payments	<u>165,950</u>	(46,344,255)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds.

Compensated absences	(427,403)	
Other post-employment benefits	(123,942)	
Net pension liability	5,578,355	
Deferred outflows of resources	(4,526,628)	
Deferred inflows of resources	85,939	
Loss on disposal of capital assets	(1,760,248)	
Accrued interest	<u>466,719</u>	(707,208)

Internal service funds are used by management to charge the costs of radio, vehicle and information technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities.

894,600

Change in net position of governmental activities (page 15)	<u><u>\$ 13,174,541</u></u>
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The notes to the financial statements are an integral part of this statement.



**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL**  
**GENERAL FUND**  
**YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Taxes:				
Property	9,732,644	9,732,644	9,695,755	(36,889)
Franchise	1,150,000	1,150,000	958,687	(191,313)
Licenses and permits	766,050	766,050	1,066,644	300,594
Intergovernmental:				
Federal	73,000	93,000	129,723	36,723
State	11,861,623	12,262,375	12,305,613	43,238
County	232,182	232,182	231,184	(998)
Other	125,650	125,650	15,074	(110,576)
Charges for services	1,272,053	1,272,053	1,215,654	(56,399)
Fines and forfeits	361,100	361,100	314,849	(46,251)
Facility rentals	1,200	1,200	1,600	400
Donations		30,000	30,000	
Investment income	250,000	250,000	907,795	657,795
Miscellaneous	247,026	247,026	403,732	156,706
Total revenues	26,072,528	26,523,280	27,276,310	753,030
<b>EXPENDITURES</b>				
Administration department:				
Current:				
Personnel	5,022,225	5,022,225	4,841,007	181,218
Supplies	79,084	109,084	73,708	35,376
Other services & charges	2,072,849	2,212,849	2,388,248	(175,399)
	7,174,158	7,344,158	7,302,963	41,195
Police department:				
Current:				
Personnel	9,847,152	10,052,427	8,871,986	1,180,441
Supplies	374,535	376,535	352,619	23,916
Other services & charges	2,512,301	2,728,530	2,689,438	39,092
	12,733,988	13,157,492	11,914,043	1,243,449
Fire department:				
Current:				
Personnel	4,882,103	4,882,103	4,747,248	134,855
Supplies	176,622	176,622	164,910	11,712
Other services & charges	1,401,275	1,426,275	1,450,290	(24,015)
	6,460,000	6,485,000	6,362,448	122,552
Community development department:				
Current:				
Personnel	2,028,722	2,093,722	1,990,083	103,639
Supplies	24,405	24,405	16,008	8,397
Other services & charges	223,308	223,308	267,610	(44,302)
	2,276,435	2,341,435	2,273,701	67,734
Engineering department:				
Current:				
Personnel	2,129,405	2,129,405	2,016,500	112,905
Supplies	28,527	28,527	34,193	(5,666)
Other services & charges	1,094,403	1,158,040	1,069,319	88,721
	3,252,335	3,315,972	3,120,012	195,960
Public works department:				
Current:				
Personnel	1,464,919	1,464,919	1,420,947	43,972
Supplies	778,266	778,266	845,822	(67,556)
Other services & charges	1,326,352	1,326,352	1,190,017	136,335
	3,569,537	3,569,537	3,456,786	112,751
Capital outlay	33,000	33,000	12,000	21,000
Total expenditures	35,499,453	36,246,594	34,441,953	1,804,641
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<b>(9,426,925)</b>	<b>(9,723,314)</b>	<b>(7,165,643)</b>	<b>2,557,671</b>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	9,426,925	9,426,925	9,516,265	89,340
Transfers to other funds		(4,000,000)	(4,000,000)	
Leases			14,752	14,752
Total other financing sources (uses)	9,426,925	5,426,925	5,531,017	104,092
<b>NET CHANGE IN FUND BALANCE</b>		<b>(4,296,389)</b>	<b>(1,634,626)</b>	<b>2,661,763</b>
<b>FUND BALANCE - BEGINNING</b>	<b>26,562,264</b>	<b>26,562,264</b>	<b>26,562,264</b>	
<b>FUND BALANCE - ENDING</b>	<b>\$ 26,562,264</b>	<b>\$ 22,265,875</b>	<b>\$ 24,927,638</b>	<b>\$ 2,661,763</b>

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

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 7,617,887	\$ 3,222,062	\$ 6,712,741	\$ 4,171,242	\$ 3,659,639	\$ 25,383,571	\$ 8,302,416
Receivables:							
Accounts and notes	5,731,093	1,311,261	1,436,979	442,588	1,801,864	10,723,785	386
Accrued interest	258,577	59,488				318,065	
Special assessments			80,221			80,221	
Due from other city funds	3,064,858	9,711	875,933	244,935	746,550	4,941,987	36,834
Due from other governmental units	357,799	94,105	7,459		545,544	1,004,907	24,711
Inventories	2,218,071	426,378				2,644,449	35,061
Prepaid items	52,940	34,332			455	87,727	179,144
Total current assets	19,301,225	5,157,337	9,113,333	4,858,765	6,754,052	45,184,712	8,578,552
Long-term assets:							
Restricted assets:							
Cash and cash equivalents	4,114,354	561,756				4,676,110	
Bond operation and maintenance reserve	4,915,000	1,431,000				6,346,000	
Long-term receivables:							
Special assessments			1,849,532			1,849,532	
Notes receivable	13,054					13,054	
Other long-term investments	29,500,507	7,947,261				37,447,768	
Intangible plant	1,288,813					1,288,813	
Capital assets:							
Land	1,071,555	979,967	2,664,038		4,621,280	9,336,840	
Buildings	113,538,705	110,495,186	37,485,584	836,537	4,187,862	266,543,874	
Improvements other than buildings	4,501,116		50,200,737	3,497,865	13,444,845	71,644,563	
Machinery and equipment	10,842,346	3,724,876	2,466,580	303,565	628,896	17,966,263	32,880,243
Infrastructure			37,870,825	55,700,072		93,570,897	
Construction in progress	129,972	566,542	1,852,529	251,130		2,800,173	
Less accumulated depreciation	(50,697,128)	(39,545,072)	(57,886,177)	(24,174,572)	(11,738,847)	(184,041,796)	(21,466,883)
Right to use lease assets					10,020	10,020	464,041
Less accumulated amortization					(1,431)	(1,431)	(187,498)
Subscription assets							119,329
Less accumulated amortization							(79,553)
Total long-term assets	119,218,294	86,161,516	76,503,648	36,414,597	11,152,625	329,450,680	11,729,679
Total assets	138,519,519	91,318,853	85,616,981	41,273,362	17,906,677	374,635,392	20,308,231
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension plans	431,497	287,665	60,747	12,961	151,998	944,868	11,782
Other post-employment benefits	11,846	7,898	9,369	2,342	11,769	43,224	1,685
Total deferred outflows of resources	443,343	295,563	70,116	15,303	163,767	988,092	13,467

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS (CONTINUED)  
DECEMBER 31, 2024**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	3,066,221	625,355	272,560	18,170	258,333	4,240,639	195,660
Accrued wages payable			80,138	15,138	148,748	244,024	15,186
Contracts Payable - Retainage			37,051	2,511		39,562	
Accrued compensated absences	770,518	513,678	236,159	15,270	259,249	1,794,874	34,879
Due to other city funds	2,173,645	4,001,078	61,244	9,383	53,306	6,298,656	649,310
Customer deposits	107,000					107,000	
Other liabilities					11,521	11,521	
Accrued interest payable	243,444	73,639	124,922		157	442,162	9,322
Leases					382	382	92,556
Subscriptions							41,346
Other post-employment benefits			4,262	1,066	5,353	10,681	767
Unearned revenue			16,200		91,526	107,726	
Current maturities of long-term debt	2,079,392	1,204,890	2,905,262			6,189,544	
Total current liabilities	8,440,220	6,418,640	3,737,798	61,538	828,575	19,486,771	1,039,026
Long-term liabilities:							
Accrued compensated absences			26,240	1,697	28,806	56,743	
Leases					8,558	8,558	194,308
Other post-employment benefits	140,397	93,598	54,123	13,530	67,984	369,632	9,735
Net pension liability	1,578,722	1,052,481	291,652	62,227	729,758	3,714,840	56,570
Notes payable		7,273,000	15,208,000			22,481,000	
Bonds payable	36,560,445	15,348,384	8,858,461			60,767,290	
Total long-term liabilities	38,279,564	23,767,463	24,438,476	77,454	835,106	87,398,063	260,613
Total liabilities	46,719,784	30,186,103	28,176,274	138,992	1,663,681	106,884,834	1,299,639
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Pension plans	1,053,382	702,253	194,210	41,437	485,944	2,477,226	37,670
Other post-employment benefits	77,849	51,900	18,441	4,610	23,164	175,964	3,317
Other deferred credits	1,061,370					1,061,370	
Total deferred inflows of resources	2,192,601	754,153	212,651	46,047	509,108	3,714,560	40,987
<b>NET POSITION</b>							
Net investment in capital assets	42,042,070	52,432,315	47,645,345	36,412,086	11,143,685	189,675,501	11,401,469
Restricted							
Debt service	4,114,354	561,756				4,676,110	
Capital projects			1,929,753			1,929,753	
Unrestricted	43,894,053	7,680,089	7,723,074	4,691,540	4,753,970	68,742,726	7,579,603
Total net position	\$ 90,050,477	\$ 60,674,160	\$ 57,298,172	\$ 41,103,626	\$ 15,897,655	265,024,090	\$ 18,981,072
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						295,761	
Net position of business-type activities						\$ 265,319,851	

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
<b>OPERATING REVENUES</b>							
Charges for services	\$ 41,360,911	\$ 12,068,427	\$ 10,015,745	\$ 2,984,705	\$ 10,338,549	\$ 76,768,337	\$ 6,352,773
Other	2,818,518	60,939			44,073	2,923,530	
Total operating revenues	44,179,429	12,129,366	10,015,745	2,984,705	10,382,622	79,691,867	6,352,773
<b>OPERATING EXPENSES</b>							
Personnel	5,550,257	3,898,221	1,847,411	340,231	4,142,155	15,778,275	342,126
Purchased power	17,585,736					17,585,736	
Disposal fee					1,810,123	1,810,123	
Professional services	424,927	184,918	478,550	197,067	288,467	1,573,929	
Insurance	180,900	138,395	226,315	32,638	75,726	653,974	2,167
Repair and maintenance	1,505,575	1,866,440	1,020,455	370,447	1,006,326	5,769,243	852,009
Supplies	78,396	2,497,669	689,710	13,069	819,700	4,098,544	1,964,563
Utilities			733,228	69,410	801,551	1,604,189	12,890
Equipment rental			239,084	33,215	1,043,809	1,316,108	
Depreciation	3,087,194	2,381,469	2,402,648	1,301,206	638,922	9,811,439	2,217,968
Amortization			12,344		477	12,821	169,838
Miscellaneous	2,575,372	78,169	521,020	356,103	597,188	4,127,852	48,907
Total operating expenses	30,988,357	11,045,281	8,170,765	2,713,386	11,224,444	64,142,233	5,610,468
Operating income (loss)	13,191,072	1,084,085	1,844,980	271,319	(841,822)	15,549,634	742,305
<b>NONOPERATING INCOME (EXPENSE)</b>							
Investment income	2,354,103	514,427	321,197	153,630	175,423	3,518,780	319,418
Interest on indebtedness	(1,409,679)	(526,280)	(559,506)		(273)	(2,495,738)	(15,406)
Fiscal and other charges			(1,100)			(1,100)	
Gain (loss) on disposal of assets	57,879	31,130				89,009	180,202
Intergovernmental					590,860	590,860	
Miscellaneous	462,286	155,276	27,575	1,677	79,684	726,498	86,807
Total nonoperating income (expense)	1,464,589	174,553	(211,834)	155,307	845,694	2,428,309	571,021
Income (loss) before contributions and transfers	14,655,661	1,258,638	1,633,146	426,626	3,872	17,977,943	1,313,326
Capital contributions	1,545,034	1,118,975	1,417,112	3,161,431	179,136	7,421,688	
Transfers from other funds					557,775	557,775	1,031,559
Transfers to other funds	(9,550,766)	(731,600)	(1,138,868)	(1,230,104)	(644,344)	(13,295,682)	(191,760)
Total contributions and transfers	(8,005,732)	387,375	278,244	1,931,327	92,567	(5,316,219)	839,799
<b>CHANGE IN NET POSITION</b>	6,649,929	1,646,013	1,911,390	2,357,953	96,439	12,661,724	2,153,125
<b>TOTAL NET POSITION - BEGINNING</b>	83,400,548	59,028,147	55,386,782	38,745,673	15,801,216		16,827,947
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 90,050,477</u>	<u>\$ 60,674,160</u>	<u>\$ 57,298,172</u>	<u>\$ 41,103,626</u>	<u>\$ 15,897,655</u>		<u>\$ 18,981,072</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds						418,729	
Change in net position of business-type activities						<u>\$ 13,080,453</u>	

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS (CONTINUED)  
YEAR ENDED DECEMBER 31, 2024**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 45,391,082	\$ 12,380,962	\$ 9,971,001	\$ 2,936,805	\$ 10,115,088	\$ 80,794,938	\$ 6,289,752
Payments to suppliers	(24,076,176)	(2,387,969)	(3,408,298)	(706,318)	(4,046,324)	(34,625,085)	(2,745,394)
Payments to employees	(3,698,836)	(1,907,659)	(1,866,727)	(344,445)	(4,167,312)	(11,984,979)	(342,609)
Other receipts (payments)	(2,087,602)	77,107	(478,413)	(354,426)	(2,312,243)	(5,155,577)	37,899
Net cash provided by (used in) operating activities	15,528,468	8,162,441	4,217,563	1,531,616	(410,791)	29,029,297	3,239,648
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Intergovernmental					590,860	590,860	
Transfers from other funds					557,775	557,775	1,031,559
Transfers to other funds	(9,550,766)	(731,600)	(1,138,868)	(1,230,104)	(644,344)	(13,295,682)	(191,760)
Net cash provided by (used in) noncapital financing activities	(9,550,766)	(731,600)	(1,138,868)	(1,230,104)	504,291	(12,147,047)	839,799
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Proceeds from sale of capital assets	57,879	31,130				89,009	226,455
Purchase of assets	(18,648,902)	(5,700,392)	(1,176,922)	(248,619)	(74,571)	(25,849,406)	(3,990,088)
Proceeds from issuance of long-term debt	30,341,879		151,859			30,493,738	
Principal payments - bonds and notes	(2,467,200)	(1,139,800)	(2,837,400)			(6,444,400)	
Interest payments - bonds and notes	(1,210,355)	(549,046)	(556,382)			(2,315,783)	
Cash paid for lease liabilities - principal			(12,962)		(371)	(13,333)	(124,657)
Cash paid for lease liabilities - interest			(513)		(279)	(792)	(15,937)
Cash received on lease receivables			38,667		18,769	57,436	
Cash received for interest on lease receivables			773		376	1,149	
Cash paid for subscription liabilities - principal							(43,100)
Cash paid for subscription liabilities - interest							(3,377)
Capital grants from other governments					132,898	132,898	
Special assessment collections			340,548			340,548	
Net cash provided by (used in) capital and related financing activities	8,073,301	(7,358,108)	(4,052,332)	(248,619)	76,822	(3,508,936)	(3,950,704)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>							
Interest received and market adjustments	2,244,983	513,061	320,424	153,630	175,047	3,407,145	319,418
Purchase of investments	(14,448,657)	(1,338,360)				(15,787,017)	
Net cash provided by (used in) investing activities	(12,203,674)	(825,299)	320,424	153,630	175,047	(12,379,872)	319,418
Net increase (decrease) in cash and cash equivalents	1,847,329	(752,566)	(653,213)	206,523	345,369	993,442	448,161
Current and restricted cash equivalents at beginning of year	9,884,912	4,536,384	7,365,954	3,964,719	3,314,270	29,066,239	7,854,255
Current and restricted cash equivalents at end of year	\$ 11,732,241	\$ 3,783,818	\$ 6,712,741	\$ 4,171,242	\$ 3,659,639	\$ 30,059,681	\$ 8,302,416

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Business-type Activities - Enterprise Funds						Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Storm Water	Other Enterprise Funds	Total	
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:							
Operating income (loss)	\$ 13,191,072	\$ 1,084,085	\$ 1,844,980	\$ 271,319	\$ (841,822)	\$ 15,549,634	\$ 742,305
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation/Amortization	3,087,194	2,381,469	2,414,992	1,301,206	639,399	9,824,260	2,387,806
Change in other deferred credits	(172,114)					(172,114)	
Customer contributions to capital assets	1,545,034	155,276				1,700,310	
Other miscellaneous nonoperating income (expense)	462,286		27,575	1,677	79,684	571,222	86,806
Change in assets and liabilities:							
Accounts and notes receivable	(774,212)	(9,405)	(82,286)	(41,363)	(157,501)	(1,064,767)	(210)
Due from other funds	(2,943,625)	13,166	11,559	(6,537)	(119,552)	(3,044,989)	(28,992)
Due from other governments	13,384		(928)		22,563	35,019	(9,824)
Special assessment receivable			22,707			22,707	
Inventories	367,527	14,251				381,778	9,583
Prepaid items	21,065	1,916	3,276		25	26,282	(23,995)
Deferred outflows of resources	226,755	151,169	50,189	11,362	116,819	556,294	10,720
Accounts payable	239,700	506,129	(20,957)	5,964	31,968	762,804	18,894
Accrued wages payable			7,366	2,152	20,806	30,324	1,997
Compensated absences payable	401,748	267,831	13,877	4,038	10,313	697,807	9,248
Other post employment benefits	14,532	9,689	1,052	2,168	(4,377)	23,064	229
Net pension liability	(719,544)	(479,696)	(143,209)	(34,305)	(314,282)	(1,691,036)	(31,527)
Due to other funds	325,905	3,913,455	16,801	3,564	7,282	4,267,007	57,758
Due to other governments					(42,818)	(42,818)	
Deferred inflows of resources	229,661	153,106	51,409	10,371	145,564	590,111	8,850
Other current liabilities	12,100				(5,576)	6,524	
Unearned revenue			(840)		714	(126)	
Net cash provided by (used in) operating activities	<u>\$ 15,528,468</u>	<u>\$ 8,162,441</u>	<u>\$ 4,217,563</u>	<u>\$ 1,531,616</u>	<u>\$ (410,791)</u>	<u>\$ 29,029,297</u>	<u>\$ 3,239,648</u>
Noncash capital financing activities:							
Contributions of capital assets from government / customers	\$ -	\$ 970,762	\$ 1,417,112	\$ 3,161,431	\$ 46,238	\$ 5,595,543	

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

**CITY OF MOORHEAD, MINNESOTA**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**DECEMBER 31, 2024**

	Police Custodial Fund
	<hr/>
Assets	
Cash and investments	\$ 135,620
	<hr/>
Net Position	
Restricted	
Police Custodial Fund	\$ 135,620
	<hr/>

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

**CITY OF MOORHEAD, MINNESOTA  
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
FIDUCIARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Police Custodial Fund
	<hr/>
Additions	
Police funds received into custody	\$ 67,868
Deductions	
Police funds released from custody	<hr/> 39,517
Change in Net Position	28,351
Net Position - Beginning	<hr/> 107,269
Net Position - Ending	<hr/> <hr/> \$ 135,620

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



**CITY OF MOORHEAD**  
**Notes to the Financial Statements**  
**December 31, 2024**

**NOTE 1: - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

The financial statements of the City of Moorhead, Minnesota (the City) have been prepared in conformity with generally accepted accounting principles (GAAP) as applied to governmental units. The Governmental Accounting Standards Board (GASB) is the accepted standard setting body for establishing governmental accounting and financial reporting principles. The City's significant accounting policies are described below.

**Change in Accounting Principle**

As of January 1, 2024, the City adopted GASB Statement No. 101, *Compensated Absences*. This statement establishes recognition and measurement criteria for all types of compensated absences, such as vacation, sick leave, and paid time off, that are attributable to services already rendered and are expected to be paid when leave is taken or upon termination. Implementing this standard did not have an effect on beginning net position.

**A. Description of government-wide financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component unit. All fiduciary activities are reported only in the fund financial statements. *Governmental activities*, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges to external customers for support. Likewise, the *primary government* is reported separately from its *component unit* for which the City is considered financially accountable.

**B. Reporting entity**

The City of Moorhead was incorporated February 24, 1881, and is a home rule charter city under Minnesota Statutes. The City operates under a Council/Manager form of government comprised of an elected mayor and an eight-member council. The accompanying financial statements present the government and its component unit. The discretely presented component unit is reported in a separate column in the government-wide financial statements to emphasize that it is legally separate from the government.

**Blended component unit.** The Economic Development Authority (EDA) serves all the citizens of the City of Moorhead by promoting and assisting industrial and commercial development and redevelopment within the City. The EDA is comprised of a volunteer Board of Commissioners appointed by the Mayor and City Council. The EDA was determined to be a blended component unit due to the component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit and management of the primary government has operational responsibility for the component unit. The EDA is reported as a Special Revenue Fund and does not issue separate financial statements.

Maple Court Ownership Development (Maple Court) serves the citizens of the City of Moorhead by providing affordable housing options to qualifying residents. Maple Court is controlled by the Mayor of the City of Moorhead in their job capacity. Maple Court was determined to be a blended component unit due to the governing body being substantively the same and the city having operational responsibility for Maple Court. Maple Court is reported as a Special Revenue Fund and does not issue separate financial statements.

Moorhead Public Service (MPS) provides electric utility and water utility services to the citizens and business community of Moorhead, MN. Moorhead Public Service was determined to be a blended component unit due to the component unit's governing body is substantively the same as the governing body of the primary government and there is either a financial benefit or burden relationship between the primary government and the component unit and management of the primary government has operational responsibility for the component unit. The Electric and Water funds are reported as major proprietary funds. Separate audited financial statements for the year ended December 31, 2024 are available for MPS. These financial statements may be obtained by contacting MPS at PO Box 779, Moorhead, MN 56561-0779.

**Discretely presented component unit.** The Moorhead Public Housing Agency is reported as a component of the City because the City Council appoints the governing body and is able to impose its will on the Agency. The financial information reported for this component unit is for their fiscal year ending June 30, 2024. Separate audited financial statements for the year ended June 30, 2024 are available from the agency. These financial statements may be obtained by contacting the Agency at 800 2<sup>nd</sup> Avenue North, Moorhead, MN 56560.

### **C. Basis of presentation - government-wide financial statements**

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds and proprietary funds.

As discussed earlier, the City has one discretely presented component unit. The Moorhead Public Housing Agency is shown in a separate column in the government-wide financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are payments in-lieu of taxes and other charges between the City's electric, water and sewer utilities and other functions of the City. Elimination of these charges would distort the direct costs and program revenues reported from the various functions concerned.

### **D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the City's funds. Separate statements for each fund category – governmental and proprietary – are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

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

Special Assessment Debt Service funds - Account for resources accumulated and payments for principal and interest on long term general obligation special assessment debt.

Permanent Improvement and Special Assessment Capital Projects funds - Account for the construction of public improvements or services deemed to benefit the properties against which special assessments are levied or in the case of permanent improvement projects, funded by municipal state aid and other city funds.

Library Community Center - Accounts for the collection of city sales tax and capital outlay related to the construction of a new city library and community center building.

Capital Improvement - Accounts for capital outlay related to City buildings, improvements and equipment.

The City reports the following major proprietary funds:

Electric and Water funds - Account for the activities related to the operation and maintenance of the City's electric and water utilities.

Wastewater Treatment fund - Accounts for the operation and maintenance of the City's wastewater treatment facility, sewage pumping stations, sewer lines and sanitary sewer system.

Storm Water fund – Accounts for the operation and maintenance of the City's storm water pumping stations, ditches and water retention system.

Additionally, the City reports the following fund type:

Internal Service funds - Account for data processing, mobile communications, weapons management, fleet management and maintenance services provided to other departments of the City on a cost reimbursement basis.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due to/from other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included as business-type activities are eliminated so that only the net amount is included as transfers in the business-type activities column.

#### **E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as *current financial resources* or *economic resources*. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

The governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period except for grant related intergovernmental revenues and for sales tax collections which use 90 days as a collection period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under capital leases are reported as other financing sources.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Expenditure-driven grants are recognized as revenue when eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 90 days of year-end). All other revenue items are considered to be measurable and available only when cash is received by the City.

The proprietary funds are reported using the *economic resources measurement focus* and *accrual basis of accounting*.

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

## **F. Budgetary information**

### ***Budgetary basis of accounting***

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for all governmental funds except the Maple Court Ownership Development, contribution, debt service and capital projects funds. For those funds without budgets, effective control is alternatively achieved through general obligation bond indenture provisions and capital project contracts. All annual appropriations lapse at fiscal year-end.

Before July 1, of each year, all department directors of the City submit their requests for appropriations to the City Manager so that a budget may be prepared. By September 1, the City Manager is required to submit to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Before September 30, the proposed budget is presented to the City Council for review and approval. By September 30, the proposed budget and tax levy must be submitted to the County Auditor. The City Council holds public meetings to obtain taxpayer comments and a final budget and tax levy must be prepared, adopted and submitted to the County Auditor no later than December 28.

Once the budget resolution has been adopted, the City Council shall not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate. The legal level of budgetary control (i.e. the level at which expenditures may not legally exceed appropriations) is the department level. Generally, department heads can make amendments from one expenditure line item to another line item within their departmental budgets without City Council approval. Generally, the City Manager can make amendments from one fund to the other without City Council approval. Budget amendments for drawing from reserves or unbudgeted expenditures must have approval of the City Council. Budgeted amounts are as originally adopted, or as amended by the City Council. Individual amendments were not material in relation to original appropriations.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed (executory) contracts for goods and services (i.e. purchase orders, contracts, and commitments). Encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate effective cash planning and control. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances (those for which performance under the executory contract is expected in the next year) are re-appropriated and become part of the subsequent year's budget pursuant to state regulations.

## **G. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### **1. Cash, Cash Equivalents, and Investments**

The City maintains a cash and investment pool that is used by all funds. Each fund's portion of the pool is displayed on the statements as "Cash and Investments". Interest income on such investments is allocated to certain funds on the basis of the participating funds' balance in the cash and investments pool. In addition, investments are separately held by various funds.

Investments are reported at fair value (generally based on quoted market prices). The City's cash and cash equivalents are considered to be cash on hand, demand deposits and investments with an original maturity of less than three months.

### **2. Receivables and payables**

All outstanding balances between funds are reported as "due to/from other funds" (current portion) or "advances to/from other funds" (non-current portion). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances".

Advances to other funds reported in the General Fund have been offset by a fund reserve account to indicate that they are not available for appropriation and are not expendable available financial resources.

The City calculates its allowance for uncollectible accounts using historical collection data. Accounts receivable of the City are considered to be fully collectible and, therefore, there is no allowance for uncollectible accounts as of December 31, 2024.

### **3. Inventories and prepaid items**

Inventories consisting primarily of materials, chemicals, and fuel to be charged out (resold to customers and other government agencies) are stated at the lower of cost (first-in, first-out) or market. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

### **4. Restricted assets**

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "operating reserve account" may be used to pay operating deficits whereas monies in the "reserve account" are to be used only when other sources are insufficient to pay the principal and interest on the bonds.

### **5. Capital assets**

Capital assets which include property, plant and equipment, infrastructure assets (e.g., roads, bridges, sidewalks, and similar items) are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are recorded at their acquisition value at the date of donation.

Land and construction in progress are not depreciated. The other property, plant, equipment, and infrastructure of the City are depreciated using the straight line method over the following estimated useful lives. Since surplus assets are sold for an immaterial amount when declared as no longer needed for public purposes by the City, no salvage value is taken into consideration for depreciation purposes.

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

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

Subscription-based information technology arrangements (SBITAs) are recognized at the arrangement commencement date and represent the City's right to use an underlying asset for the term of the agreement. The subscription asset is initially measured as the sum of the initial subscription liability amount, payments made to the SBITA vendor before commencement of the subscription term, and capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Subscription assets are amortized over the shorter of the subscription term or useful life of the underlying asset using the straight-line method. The amortization period varies from 3 to 5 years.

## **6. Lease Receivables**

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

## **7. Deferred outflows /inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represent a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The City has three items that qualify for reporting in this category. One is the deferred charge on advance refunding of debt reported in the government-wide statement of net position. A deferred charge on refunding results from the difference in the carrying value of the refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. Second are the contributions made to pension plans after the measurement date and prior to the fiscal year-end and changes in the net pension liability not included in pension expense reported in the statement of net position. Third are the contributions related to other post-employment benefits plans after the measurement date and prior to the fiscal year-end and changes in the net OPEB liability not included in OPEB expense reported in the statement of net position. These outflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue relating to long-term receivables in the governmental funds. Unavailable revenue arises only under the modified accrual basis of accounting and, accordingly, is reported only in the governmental funds balance sheet. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In addition, there are deferred inflows on the statement of net position related to pensions and other post-employment benefit plans. These inflows arise only under the full accrual basis of accounting and, accordingly, are reported only in the statement of net position. The City also reports deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) using the straight-line basis over the term of the lease. The City also reports deferred inflows related to other credits reported in the Electric Fund. These credits are reported both on the proprietary funds statement of net position as well as the government-wide statement of net position. The credits result from an agreement relating to rate increases where the City will be receiving future benefit to be applied to transmission overcharges. These deferred credits will be recognized using the straight-line basis through September 2030.

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

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

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

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

Subscription-based information technology arrangements represent the City's obligation to make payments arising from the agreement. The liabilities are recognized at the commencement date based on the present value of future subscription payments expected to be made during the remaining term. The present value of subscription payments are discounted based on a borrowing rate determined by the City.

#### **9. *Net position flow assumptions***

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

#### **10. *Fund balance flow assumptions***

Sometimes the government will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered applied. It is the City's policy to consider restricted fund balance to have been depleted before using any of the components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

#### **11. *Fund balance policies***

Fund balance of governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The City itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance).

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

Amounts in the assigned fund balance classification are intended to be used by the City for specific purposes but do not meet the criteria to be classified as committed. The Council has by resolution authorized the City Manager and Finance Director to assign fund balance. The Council may also assign fund balance as it does when appropriating fund balances to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally only exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. Conversely, as discussed above, an additional action is essential to either remove or revise a commitment.

The unassigned fund balance for the General Fund includes all spendable amounts not contained in other fund balance classifications. In other governmental funds, the unassigned fund balance classification is used only to report a deficit balance resulting from overspending for specific purposes for which amounts had been restricted, committed, or assigned.

To ensure the financial strength and stability of the City, the Council will endeavor to maintain at least 60% of the City's General Fund operating budget, excluding those accounts associated within the Restricted category, in the combined total of the General Fund Committed, Assigned and Unassigned fund balances. When the Unrestricted General Fund balance is projected to drop below 40%, the City shall initiate measures to either generate additional revenue or to reduce expenditures through a budget reduction, or a combination of both.

## **12. *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 or other liabilities attributable to the acquisition, construction, or improvement of those assets. Restricted net position consists of restricted assets and deferred outflows reduced by liabilities and deferred inflows of resources related to those assets. Unrestricted net position is the net amount of assets, deferred outflows of resources, liabilities, and deferred inflows of resources that are not included in the determination of net investment in capital assets or the restricted component of net position.

## **13. *Other Postemployment Benefits***

The City of Moorhead provides a single-employer defined benefit healthcare plan to retirees and their spouses. The plan offers medical insurance benefits. The total OPEB liability, deferred outflows of resources, and deferred inflows of resources related to OPEB and OPEB expense were measured actuarially in accordance with GASB Statement No. 75, based on the entry age, level percentage of pay method.

## **14. *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 end 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.

## **15. *Net investment in capital assets***

Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding principal of capital related debt (adjusted by any unamortized premiums, discounts, and unspent proceeds related to debt) and any other (non-debt) capital related liabilities as of fiscal year end, including accounts payable and retainage payable.

The City reports capital and operating related liabilities in business-type activities; therefore, these amounts may not directly tie to the financial statements. The calculation of the City's net investment in capital assets is as follows:



	Governmental Activities	Business-Type Activities
Capital assets net of accumulated depreciation	\$ 478,910,612	\$ 279,109,627
Right to use leased assets net of accumulated amortization	4,275,029	8,589
Right to use subscribed assets net of accumulated amortization	39,776	
Outstanding principal of capital related debt		
Special assessment bonds	(141,900,000)	
Revenue bonds		(61,180,000)
Sales tax bonds	(26,910,000)	
Note payable	(675,767)	(24,969,090)
Temporary tax increment bonds	(28,015,000)	
Leases payable	(4,788,784)	(8,940)
Subscriptions payable	(41,346)	
Capital related liabilities (retainage payable)		
Capital infrastructure	(3,420,099)	(39,562)
Unamortized balance of original issue premiums on outstanding capital refunding debt	(13,004,309)	(3,278,411)
Unamortized balance of original issue discounts on outstanding capital refunding debt		33,288
Capital related deferred outflows of resources		
Deferred charge on refunding	560,658	
Total net investment in capital assets	<u>\$ 265,030,770</u>	<u>\$ 189,675,501</u>

## H. Revenues and expenditures/expenses

### 1. Program revenues

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

### 2. Property taxes

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

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

### 3. Compensated absences

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

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

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

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

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

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

The details of this \$87,702,865 difference are as follows:

Special assessments receivable	\$	73,612,283
Property taxes		389,317
Escrowed special assessments		29,683
Notes receivable		4,921,971
Leases receivable		1,520,724
Grants and prepayments		7,228,887
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	\$	<u>87,702,865</u>

Another element of that reconciliation explains that “long-term liabilities, including bonds payable, leases, net pension liability, OPEB, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds”.

The details of this \$238,360,201 difference are as follows:

Bonds payable	\$	211,966,534
Notes payable		675,767
Leases payable		4,788,783
Subscriptions payable		41,346
Accrued interest payable		3,005,047
Compensated absences payable		2,867,027
Other post-employment benefits		1,633,712
Net pension liability		13,381,985
Net adjustment to reduce fund balance – total governmental funds to arrive at net position – governmental activities	\$	<u>238,360,201</u>

Another element of that reconciliation explains that “internal service funds are used by management to charge costs of vehicle and equipment replacement, information technology services, maintenance shop and radio equipment and weapons replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position.

The details of this \$8,014,157 difference are as follows:

Internal service fund net position	\$	18,981,072
Net capital assets included in governmental activities		(11,413,360)
Net right to use leased assets in governmental activities		(276,543)
Net subscription assets in governmental activities		(39,776)
Deferred outflows included in governmental activities		(13,467)
Accrued interest payable included in governmental activities		9,322
Accrued compensated absences payable included in governmental activities		34,879
Leases		286,864
Subscriptions		41,346
Other post-employment benefits included in governmental activities		10,502
Net pension liability included in governmental activities		56,570
Deferred inflows included in governmental activities		40,987
Internal service fund activity reflected in business-type activities		(295,761)
Net adjustment to increase fund balance – total governmental funds to arrive at net position – governmental activities	\$	<u>7,422,635</u>

**B. Explanation of certain differences between the governmental fund statement of revenues, expenditures and changes in fund balances and the government-wide statement of activities.**

The reconciliation of the statement of revenues, expenditures, and changes in fund balances of governmental funds to the government-wide statement of activities provides details of differences between the two statements. One element of that reconciliation explains that "Governmental fund report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense." The details of this \$39,258,785 difference are as follows:

Capital Outlay	\$	56,667,761
Plus: construction in progress added as asset in current year		14,769,883
Less: construction in progress show as additions to business-type activities		(4,488,324)
Plus: contributed assets		4,677,643
Plus: net change in retainage payables		606,777
Capital asset increases per footnote 4.D	\$	72,233,740
Less: construction in progress added as asset in current year		(14,769,883)
Plus: construction in progress shown as additions to business-type activities		4,488,324
Less: contributed assets		(4,677,643)
Less: net change in retainage payables		(606,777)
Plus: transfer of assets to internal service funds		839,799
Less: net effect of various miscellaneous transactions involving capital assets		(4,584,623)
Depreciation expense		(13,664,152)
Net adjustment to increase net changes in fund balances - total governmental funds to arrive at changes in net position of governmental activities	\$	39,258,785

**C. Explanation of certain differences between the proprietary fund statement of net position and the government-wide statement of net position.**

The proprietary fund statement of net position includes a reconciliation between net position – total enterprise funds and net position of business-type activities as reported in the government-wide statement of net position. The description of the sole element of that reconciliation is "Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds."

The details of this \$295,761 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$	(122,968)
Internal receivable representing charges in excess of cost to business-type activities - current year		418,729
Net adjustment to increase net position - total enterprise funds to arrive at net position - business-type activities	\$	295,761

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

#### **A. Deficit fund equity**

The Special Assessment Capital Projects Fund has a deficit of \$14,972,549 as of December 31, 2024. This deficit is expected to be recovered through a combination of Municipal State Aid funds, other state grant funding, and the City's annual infrastructure bond sale.

The Maintenance Shop Internal Service Fund has a deficit fund balance of \$850,711 at December 31, 2024 which will be recovered by future charges to departments using the shop's services.

### **NOTE 4:- DETAILED NOTES ON ALL ACTIVITIES AND FUNDS**

#### **A. Cash deposits with financial institutions**

In accordance with Minnesota Statutes, the City maintains deposits at those financial institutions authorized by the City Council. All such depositories are members of the Federal Reserve System.

Minnesota Statute requires that all City deposits be protected by insurance, surety bond, or collateral. The market value of collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes treasury bills, notes and bonds; issues of U.S. government agencies; general obligations rated "A" or better, revenue obligations rated "AA" or better; irrevocable standard letters of credit issued by the Federal Home Loan Bank; and certificates of deposit. Minnesota Statutes require that securities pledged as collateral be held in safekeeping by the City Treasurer or in a financial institution other than that furnishing the collateral.

*Custodial credit risk.* Custodial credit risk is the risk that in the event of a financial institution failure, the City's deposits may not be returned to it. The City requires collateral for deposits over Federal Deposit Insurance Company (FDIC) insurance amounts. At year-end, the carrying amount and bank amount of the City's deposits, including Moorhead Public Service was \$23,769,824 and \$23,812,073, respectively. At December 31, 2024, the City's bank balance was fully insured or collateralized. The City of Moorhead does not include cash for the Moorhead Public Housing Agency in its deposits. Please see Note 5.D.1 for details of the component unit cash information.

#### **B. Investments and Other Long-term Investments**

Minnesota Statutes 118A.04 and 118A.05 generally authorize the types of investments available to the City as; securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota statute 118A.04 subd. 6; mutual funds through share of registered investment companies provided the mutual fund receives certain ratings depending on its investments; general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service; bankers' acceptances of United States banks, commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and certain restrictions, in repurchase agreements, securities lending agreements, joint powers investment trusts, and guaranteed investment contracts.

The City is invested in the Minnesota Municipal Money Market Fund (4M Fund). The 4M Fund is an external investment pool not registered with the Securities and Exchange Commission (SEC). The City's investment in the 4M Fund is measured at the net asset value per share provided by the pool, which is based on amortized cost method that approximates fair value. At December 31, 2024, the City had an investment in the 4M Fund in the amount of \$26,313,083.

*Custodial credit risk.* The custodial risk for investments is the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in the possession of an outside party. At December 31, 2024, none of the City's investments were subject to custodial credit risk.

*Concentration of credit risk.* The concentration of credit risk is the risk of loss that may be caused by the City's investment in a single issuer. The City's investment policy limits the amount invested in a single security type to no more than 50% of the City's investment portfolio, and no more than 5% in the securities of a single issuer. The City has no investments with a single issuer that comprise greater than 5% of investments.

*Interest rate risk.* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City's investment procedures provide guidelines for maximum maturities.

State law limits investments as discussed above. The City has no investment policy that would further limit its investment choices.

At December 31, 2024, the City had the following investments:

<b>Investments Measured at Fair Value</b>	<b>Fair Value</b>
Federal Farm Credit Bank	\$ 8,847,947
Negotiable Certificates of Deposit	6,126,218
Federal Home Loan Bank	12,487,888
Federal Home Loan Mortgage Corporation	3,537,882
Federal National Mortgage Association	237,315
Government National Mortgage Association	7,165
US Treasury Obligations with maturities at time of purchase greater than one year	18,381,091
Municipal Bonds	2,756,343
<b>Total Investments Measured at Fair Value</b>	<b>\$ 52,381,849</b>
<b>Investments Measured at Amortized Cost</b>	<b>Amortized Cost</b>
Money Markets	\$ 74,310,173
Minnesota Municipal Money Market (4M Fund)	26,313,083
<b>Total Investments Measured at Amortized Cost</b>	<b>\$ 100,623,256</b>
<b>Total Investments</b>	<b>\$ 153,005,105</b>

**Credit risk.** Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. It is the City's policy to invest only in securities that meet the ratings requirements set by state statute.

Investment Type	Total	Maturity Duration in Years				Rating
		Less Than 1	1 to 5	6 to 10	More Than 10	
Negotiable Certificates of Deposit	\$ 6,126,218	\$ 6,126,218	\$ -	\$ -	\$ -	Not Rated
Federal Farm Credit Bank	8,847,947	269,956	6,787,499	1,790,492	-	AA
Federal Home Loan Bank	12,487,888	1,308,987	8,800,452	2,378,449	-	AA
Federal Home Loan Mortgage Corporation	3,537,882	2,428,121	1,109,761	-	-	AA
Federal National Mortgage Association	237,315	569	205,390	-	31,356	AA
Government National Mortgage Association	7,165	-	7,165	-	-	AA
US Treasury Obligations	18,381,091	5,695,615	12,685,476	-	-	AA
Municipal Bonds	2,756,343	1,021,103	1,511,269	223,971	-	See Below
Money Markets	93,124,665	93,124,665	-	-	-	Not Rated
Minnesota Municipal Money Market (4M Fund)	7,498,591	7,498,591	-	-	-	Not Rated
	<b>\$ 153,005,105</b>	<b>\$ 117,473,825</b>	<b>\$ 31,107,012</b>	<b>\$ 4,392,912</b>	<b>\$ 31,356</b>	

The following table summarizes the ratings for the City's municipal bond investments as rated by Moody's as of December 31, 2024.

<b>Credit Rating</b>	<b>Fair Value</b>
Aaa	\$ 857,627
Aa1	781,938
Aa2	832,138
Aa3	284,640
	<b>\$ 2,756,343</b>

The City categorizes its fair value measurements within the fair value hierarchy established by accounting principles generally accepted in the United States. The hierarchy gives the highest priority to unadjusted quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs. The three levels of the fair value hierarchy are described as follows:

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

Level 2 – Inputs to the valuation methodology include:

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

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

The City has the following investments valued at recurring fair value measurements at December 31, 2024:

Investment Type	Level 1	Level 2	Level 3	Total
Negotiable Certificates of Deposit	\$ -	\$ 6,126,218	\$ -	\$ 6,126,218
Federal Farm Credit Bank	-	8,847,947	-	8,847,947
Federal Home Loan Bank	-	12,487,888	-	12,487,888
Federal Home Loan Mortgage Corporation	-	3,537,882	-	3,537,882
Federal National Mortgage Association	-	237,315	-	237,315
Government National Mortgage Association	-	7,165	-	7,165
US Treasury Obligations	18,381,091	-	-	18,381,091
Municipal Bonds	-	2,756,343	-	2,756,343
	<u>\$ 18,381,091</u>	<u>\$ 34,000,758</u>	<u>\$ -</u>	<u>52,381,849</u>
Investments Measured at Amortized Cost				100,623,256
				<u>\$ 153,005,105</u>

The City's total deposits and investments are presented in the financial statements as follows:

Financial Statement Presentation:

Cash and Investments - Statement of Net Position	\$ 126,890,471
Restricted Cash and Investments - Statement of Net Position	5,997,319
Bond Operation and Maintenance Reserve - Statement of Net Position	6,346,000
Other Long-Term Investments - Statement of Net Position	37,447,768
Cash and Investments - Statement of Fiduciary Net Position	135,620
	<u>\$ 176,817,178</u>

### C. Receivables

Amounts are aggregated into a single accounts receivable line for certain funds and aggregated columns. Below is the detail of receivables for the General Fund, Special Assessment Debt Service, Special Assessment Capital Projects, Permanent Improvement, Capital Improvements, and the nonmajor governmental funds in the aggregate:

Receivables	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Capital Improvements	Other Governmental Funds	Total Governmental Funds
Accounts	\$ 330,736	\$ 17,514	\$ -	\$ -	\$ 6,561	\$ 16,231	\$ 371,042
Notes	128,200	532,996	-	-	161,403	4,265,172	5,087,771
Leases	126,055	1,384,639	-	-	-	10,030	1,520,724
Property taxes	210,954	88,421	-	-	-	89,942	389,317
Special Assessments	-	73,612,283	-	-	-	-	73,612,283
Due from other							
Governmental units	512,048	239,645	2,429,554	4,609,761	612,006	1,075,727	9,478,741
Total Receivables	<u>\$ 1,307,993</u>	<u>\$ 75,875,498</u>	<u>\$ 2,429,554</u>	<u>\$ 4,609,761</u>	<u>\$ 779,970</u>	<u>\$ 5,457,102</u>	<u>\$ 90,459,878</u>

## D. Capital Assets

Capital asset activity for the year ended December 31, 2024 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 74,760,373	\$ 25,489,586	\$ (163,270)	\$ 100,086,689
Construction in progress	15,669,769	31,658,881	(15,063,423)	32,265,227
Total capital assets, not being depreciated/amortized	90,430,142	57,148,467	(15,226,693)	132,351,916
Capital assets, being depreciated/amortized:				
Buildings	29,432,413	803,138	-	30,235,551
Improvements other than buildings	80,328,575	842,252	-	81,170,827
Machinery and equipment	43,182,585	6,440,024	(2,106,411)	47,516,198
Lease buildings	4,419,350	533,836	-	4,953,186
Lease machinery and equipment	575,673	-	(103,802)	471,871
Subscription machinery and equipment	125,888	-	(6,559)	119,329
Infrastructure	375,948,256	6,466,023	-	382,414,279
Total capital assets being depreciated/amortized	534,012,740	15,085,273	(2,216,772)	546,881,241
Less accumulated depreciation/amortization for:				
Buildings	(17,887,117)	(847,480)	-	(18,734,597)
Improvements other than buildings	(25,218,230)	(2,592,900)	-	(27,811,130)
Machinery and equipment	(28,790,399)	(3,278,015)	1,466,550	(30,601,864)
Lease buildings	(519,923)	(437,908)	-	(957,831)
Lease machinery and equipment	(167,651)	(128,348)	103,802	(192,197)
Subscription machinery and equipment	(43,056)	(43,056)	6,559	(79,553)
Infrastructure	(109,012,248)	(8,618,320)	-	(117,630,568)
Total accumulated depreciation/amortization	(181,638,624)	(15,946,027)	1,576,911	(196,007,740)
Total capital assets, being depreciated/amortized, net	352,374,116	(860,754)	(639,861)	350,873,501
Governmental activities capital assets, net	\$ 442,804,258	\$ 56,287,713	\$ (15,866,554)	\$ 483,225,417

	Beginning Balance	Increases	Decreases	Ending Balance
Business-type activities:				
Capital assets, not being depreciated/amortized				
Land	\$ 9,336,840	\$ -	\$ -	\$ 9,336,840
Construction in progress	26,340,287	26,476,689	(50,016,803)	2,800,173
Total capital assets, not being depreciated/amortized	35,677,127	26,476,689	(50,016,803)	12,137,013
Capital assets, being depreciated/amortized:				
Intangible plant	1,288,813	-	-	1,288,813
Buildings	228,563,080	40,082,626	(2,101,832)	266,543,874
Improvements other than buildings	63,653,070	7,991,493	-	71,644,563
Machinery and equipment	15,790,764	2,334,910	(159,411)	17,966,263
Lease land	34,709	-	(24,689)	10,020
Infrastructure	89,082,573	4,488,324	-	93,570,897
Total capital assets being depreciated/amortized	398,413,009	54,897,353	(2,285,932)	451,024,430
Less accumulated depreciation/amortization for:				
Intangible plant	(925,840)	(103,344)	-	(1,029,184)
Buildings	(105,856,101)	(5,133,992)	2,101,832	(108,888,261)
Improvements other than buildings	(24,771,960)	(1,709,270)	-	(26,481,230)
Machinery and equipment	(9,971,401)	(944,763)	159,411	(10,756,753)
Lease land	(13,298)	(12,822)	24,689	(1,431)
Infrastructure	(34,966,299)	(1,920,069)	-	(36,886,368)
Total accumulated depreciation/amortization	(176,504,899)	(9,824,260)	2,285,932	(184,043,227)
Total capital assets, being depreciated, net	221,908,110	45,073,093	-	266,981,203
Business-type activities capital assets, net	\$ 257,585,237	\$ 71,549,782	\$ (50,016,803)	\$ 279,118,216

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

Governmental activities:	
General Government	\$ 1,991,556
Public Safety	376,370
Highways & Streets, including depreciation of general infrastructure assets	8,761,507
Parks & Recreation	1,638,789
Economic Development	1,239
Mass Transit	788,760
Subtotal	13,558,221
Internal Service	2,387,806
Total depreciation/ amortization expense - governmental activities	<u>\$ 15,946,027</u>
Business-type activities:	
Electric	\$ 3,087,194
Water	2,381,469
Wastewater	2,414,992
Storm Water	1,301,206
Sanitation	14,647
Golf Course	123,160
Forestry	17,206
Airport	484,386
Total depreciation/ amortization expense - business-type activities	<u>\$ 9,824,260</u>

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

As noted in Note 1.G.6 above, the City has reported outflows and deferred inflows of resources at December 31, 2024.

Deferred outflows of resources arise only under the full accrual basis of accounting and consist of pension plan and OPEB plan subsequent contributions, differences between expected and actual economic experience, changes in assumptions, differences between projected and actual investment earnings, and changes in proportions. Deferred outflows for pension and OPEB plans are \$15,853,110 and \$305,392 respectively. A deferred outflow of resources is also recognized for the deferred charge on the advance refunding of various general obligation improvement bonds totaling \$560,658. This results from the difference in the carrying value of the refunded debt and its reacquisition price.

Deferred pension inflows arise only under the full accrual basis of accounting and consist of differences between expected and actual economic experience, changes in assumptions, projected and actual investment earnings and changes in proportions. Deferred inflows for pension and OPEB plans are \$22,311,718 and \$691,986 respectively. Another item is deferred inflows related to leases where the City is the lessor and is reported in the governmental funds balance sheet and statement of net position. The City reports deferred inflows related to leases of \$1,520,724. Deferred inflows of resources related to leases are recognized as an inflow of resources using the straight-line basis over the term of the lease. The City also reports a deferred inflow for other deferred credits of \$1,061,370. These credits result from an agreement relating to electric rate increases where the City will be receiving future benefit to be applied to transmission overcharges. These deferred credits will be recongnized using the straight-line basis through September 2030.

Governmental funds also report unearned revenue in connection with resources that have been received, but not year earned. At December 31, 2024 the City reported unearned revenue in the amount of \$2,633,960 representing early collections on various loans and receivables. This amount includes an amount of \$1,455,944 specific to collections from the American Rescue Plan Act which have not been spent as of year-end.

The following shows a breakdown of the sources that make up the balance of the deferred inflows of resources on the governmental fund financial statements at December 31, 2024.



	General	Special Assessment Debt	Special Assessment Capital Projects	Permanent Improvement	Capital Improvement	Other Governmental Funds	Total Governmental Funds
Letter of credit	\$ 29,683	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 29,683
Leases	126,055	1,384,639	-	-	-	10,030	1,520,724
Property taxes	210,954	88,421	-	-	-	89,942	389,317
Special assessments	-	73,612,283	-	-	-	-	73,612,283
MPS note	-	55,225	-	-	-	-	55,225
County road turnback	-	165,800	-	-	-	-	165,800
State Aid Construction	-	-	-	4,597,863	-	-	4,597,863
MYHA note	-	310,678	-	-	161,403	-	472,081
Customer deposits	-	-	-	-	-	1,300	1,300
Bulltetproof vest grant	27,104	-	-	-	-	-	27,104
Playground note	128,200	-	-	-	-	-	128,200
Construction grant proceeds	-	-	1,829,554	-	607,266	-	2,436,820
CDBG rehabilitation loans	-	1,293	-	-	-	4,165,172	4,166,465
First and new program	-	-	-	-	-	100,000	100,000
	<u>\$ 521,996</u>	<u>\$ 75,618,339</u>	<u>\$ 1,829,554</u>	<u>\$ 4,597,863</u>	<u>\$ 768,669</u>	<u>\$ 4,366,444</u>	<u>\$ 87,702,865</u>

#### F. Pension obligations – Employee retirement system pension plans - Statewide

For the year ended December 31, 2024 the City reported its proportionate share of net pension liabilities, deferred outflows of resources, deferred inflows of resources, and pension expense (income) for each of the plans as follows:

	Deferred Outflows of Resources	Net Pension Liability	Deferred Inflows of Resources	Pension Expense (Income)
PERA - General Employees Fund (City)	\$ 1,309,200	\$ 6,285,599	\$ 4,185,560	\$ 355,214
PERA - Police and Fire Fund (City)	13,824,748	8,180,023	16,370,523	936,095
PERA - General Employees Fund (Public Service Utility)	719,162	2,631,203	1,755,635	171,884
Total all plans	<u>\$ 15,853,110</u>	<u>\$ 17,096,825</u>	<u>\$ 22,311,718</u>	<u>\$ 1,463,193</u>

#### 1. Defined Benefit

##### a. Plan Description

The City of Moorhead participates in the following cost-sharing multiple employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). These plan provisions are established and administered according to Minnesota Statutes 353, 35D, 353E, 353G, and 356. Minnesota Statutes chapter 356 defines each plan's financial reporting requirements. PERA's defined benefit pension plans are tax qualified under Section 401(a) of the Internal Revenue Code.

##### 1. General Employees Retirement Plan (General Plan)

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

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

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

## b. Benefits Provided

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

### 1. General Employees Plan Benefits

General Employees Plan requires three years of service to vest. Benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service. Two methods are used to compute benefits for General Plan members. Members hired prior to July 1, 1989, receive the higher of the Step or Level formulas. Only the Level formula is used for members hired after June 30, 1989. Under the Step formula, General Plan members receive 1.2 percent of the highest average salary for each of the first 10 years of service and 1.7 percent for each additional year. Under the Level formula, General Plan members receive 1.7 percent of highest average salary for all years of service. For members hired prior to July 1, 1989 a full retirement benefit is available when age plus years of service equal 90 and normal retirement age is 65. Members can receive a reduced requirement benefit as early as age 55 if they have three or more years of service. Early retirement benefits are reduced by 0.25 percent for each month under age 65. Members with 30 or more years of service can retire at any age with a reduction of 0.25 percent for each month the member is younger than age 62. The Level formula allows General Plan members to receive a full retirement benefit at age 65 if they were first hired before July 1, 1989 or at age 66 if they were hired on or after July 1, 1989. Early retirement begins at age 55 with an actuarial reduction applied to the benefit.

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

### 2. Police and Fire Plan Benefits

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

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

## c. Contributions

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

### 1. General Employees Fund Contributions

General Plan members were required to contribute 6.50 percent of their annual covered salary in fiscal year 2024 and the City of Moorhead was required to contribute 7.50 percent for General Plan members. The City's contributions to the General Employees Fund for the year ended December 31, 2024 were \$1,120,121. Contributions made by Moorhead Public Service to the General Employees Fund for the year ended December 31, 2024 were \$481,341. The City's and Moorhead Public Service's contributions were equal to the required contributions as set by state statute.

## 2. Police and Fire Fund Contributions

Police and Fire Plan member's were required to contribute 11.80 percent of their annual covered salary in fiscal year 2024 and the City was required to contribute 17.70 percent for Police and Fire Plan members. The City's contributions to the Police and Fire Fund for the year ended December 31, 2024 were \$1,526,988. The City's contributions were equal to the required contributions as set by state statute.

### d. Pension Costs

#### 1. General Employees Fund Pension Costs

City:

At December 31, 2024, the City reported a liability of \$6,285,599 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 \$162,533. The net pension liability was measured as of June 30, 2024 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for the employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportion share was .1700 percent at the end of the measurement period and .1676 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 6,285,599
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	162,533
Total	\$ 6,448,132

For the year ended December 31, 2024, the City recognized pension expense of \$355,214 for its proportionate share of the General Employees Plan's pension expense. In addition, the City recognized an additional \$4,357 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

During the plan year ended June 30, 2024, the State of Minnesota contributed \$170.1 million to the General Employees Fund. The State of Minnesota is not included as a non-employer contributing entity in the General Employees Plan pension allocation schedules for the \$170.1 million in direct state aid because this contribution was not considered to meet the definition of a special funding situation.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 588,378	\$ -
Changes in actuarial assumptions	\$ 30,378	\$ 2,354,247
Net collective difference between projected and actual investment earnings	\$ -	\$ 1,803,594
Changes in proportion	\$ 122,937	\$ 27,719
Contributions paid to PERA subsequent to the measurement date	\$ 567,507	\$ -
Total	\$ 1,309,200	\$ 4,185,560

The \$567,507 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2025	\$ (1,908,744)
2026	\$ (320,045)
2027	\$ (733,324)
2028	\$ (481,754)

Public Service Utility:

At December 31, 2024, MPS reported a liability of \$2,631,203 for its proportionate share of the GERF's net pension liability. MPS' net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with MPS totaled \$68,038. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. MPS' proportion of the net pension liability was based on the MPS' contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. MPS' proportion share was 0.0712 percent at the end of the measurement period and .0685 percent for the beginning of the period.

MPS' proportionate share of the net pension liability	\$ 2,631,203
State of Minnesota's proportionate share of the net pension liability Associated with MPS	68,038
Total	\$ 2,699,241

For the year ended December 31, 2024, MPS recognized pension expense of \$171,884 for its proportionate share of the GERF's pension expense. In addition, MPS recognized an additional \$1,824 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, 2024, MPS reported its proportionate share of the GERF's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 243,752	\$ -
Changes in actuarial assumptions	\$ 11,895	\$ 968,557
Net collective difference between projected and actual investment earnings	\$ -	\$ 781,740
Changes in proportion	\$ 215,051	\$ 5,338
Contributions paid to PERA subsequent to the measurement date	\$ 248,464	\$ -
Total	\$ 719,162	\$ 1,755,635

The \$248,464 reported as deferred outflows of resources related to pensions resulting from MPS' contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2025	\$ (725,107)
2026	\$ (76,390)
2027	\$ (281,775)
2028	\$ (201,665)

## 2. Police and Fire Fund Pension Costs

At December 31, 2024, the City reported a liability of \$8,180,023 for its proportionate share of the Police and Fire Fund's net pension liability. 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 \$311,819. The net pension liability was measured as of June 30, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportionate share of the net pension liability was based on the City's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2023, through June 30, 2024, relative to the total employer contributions received from all of PERA's participating employers. The City's proportionate share was .6218 percent at the end of the measurement period and .6483 percent for the beginning of the period.

City of Moorhead's proportionate share of the net pension liability	\$ 8,180,023
State of Minnesota's proportionate share of the net pension liability Associated with the City of Moorhead	311,819
Total	\$ 8,491,842

The State of Minnesota contributed \$37.4 million to the Police and Fire Fund in the plan fiscal year ended June 30, 2024. The contribution consisted of \$9 million in direct state aid that meets the definition of a special funding situation, additional one-time direct state aid contribution of \$19.4 million, and \$9 million in supplemental state aid that does not meet the definition of a special funding situation. Additionally, \$9 million supplemental state aid was paid on October 1, 2024. Thereafter, by October 1 of each year, the state will pay \$9 million to the Police and Fire Fund until full funding is reached or July 1, 2048, whichever is earlier. The \$9 million in supplemental state aid will continue until the fund is 90 percent funded, or until the State Patrol Plan (administered by the Minnesota State Retirement System) is 90 percent funded, whichever occurs later. The State of Minnesota's proportionate share of the net pension liability associated with the City totaled \$311,819. For the year ended December 31, 2024 the City recognized pension expense of \$936,095 for its proportionate share of the Police and Fire Plan's pension expense. The City recognized \$30,280 as grant revenue and pension expense for its proportionate share of the State of Minnesota's pension expense for the contribution of \$9 million to the Police and Fire Fund special funding situation.

The State of Minnesota is not included as a non-employer contributing entity in the Police and Fire Pension Plan pension allocation schedules for the \$28.4 million in supplemental state aid because this contribution was not considered to meet the definition of a special funding situation. The City recognized \$55,959 for the year ended December 31, 2024 as revenue and an offsetting reduction of net pension liability for its proportionate share of the State of Minnesota's on-behalf contributions to the Police and Fire Fund.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 3,319,486	\$ -
Changes in actuarial assumptions	\$ 9,731,087	\$ 12,561,145
Net collective difference between projected and actual investment earnings	\$ -	\$ 2,655,858
Changes in proportion	\$ -	\$ 1,153,520
Contributions paid to PERA subsequent to the measurement date	\$ 774,175	\$ -
Total	\$ 13,824,748	\$ 16,370,523

The \$774,175 reported as deferred outflows of resources related to pensions resulting from the City's contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2025. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ended December 31:	Pension Expense Amount
2025	\$ (627,870)
2026	\$ 2,149,091
2027	\$ (1,429,182)
2028	\$ (3,524,124)
2029	\$ 112,135

The total pension expense for all plans recognized by the City for the year ended December 31, 2024, was \$1,463,193.

e. Long-Term Expected Return on Investment

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

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	33.5%	5.10%
International Equity	16.5%	5.30%
Fixed Income	25.0%	0.75%
Private Markets	25.0%	5.90%
Total	100%	

#### f. Actuarial Methods and Assumptions

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

Inflation is assumed to be 2.25% for the General Employees Plan and the Police and Fire Plan.

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

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

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

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

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

##### General Employees Fund

###### Changes in Actuarial Assumptions:

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

###### Changes in Plan Provisions:

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

##### Police and Fire Fund

###### Changes in Plan Provisions:

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

#### g. Discount Rate

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

#### h. Pension Liability Sensitivity

City:

The following presents the City's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the City's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the General Employees Fund net pension liability:	\$ 13,728,765	\$ 6,285,599	\$ 162,920

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
City's proportionate share of the Police and Fire Fund net pension liability:	\$ 19,330,991	\$ 8,180,023	\$(977,256)

Public Service Utility:

The following presents MPS' proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what MPS' proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate (6.0%)	Discount Rate (7.0%)	1% Increase in Discount Rate (8.0%)
MPS' proportionate share of the General Employees Fund net pension liability:	\$ 5,746,972	\$ 2,631,203	\$ 68,200

#### i. Pension Plan Fiduciary Net Position

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

## 2. Defined Contribution Plan

Seven council members of the City of Moorhead are covered by the Defined Contribution Plan, a multiple-employer deferred compensation plan administered by PERA. The Defined Contribution Plan is a tax qualified plan under Section 401(a) of the Internal Revenue Code and all contributions by or on behalf of employees are tax deferred until time of withdrawal.

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

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

<u>Contribution Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required Rates</u>
<u>Employee</u>	<u>Employer</u>	<u>Employee</u>	<u>Employer</u>	
\$ 3,652	\$ 3,652	5.0%	5.0%	5.0%

#### **G. Other postemployment benefit (OPEB) obligations**

For the year ended December 31, 2024 the City reported its proportionate share of net OPEB liabilities, deferred outflows of resources, deferred inflows of resources, and OPEB expense (income) for each of the plans as follows:

	<u>Deferred Outflows of Resources</u>	<u>Net OPEB Liability</u>	<u>Deferred Inflows of Resources</u>	<u>OPEB Expense (Income)</u>
OPEB - General Employees Fund (City)	\$ 285,648	\$ 1,780,030	\$ 562,237	\$ 100,047
OPEB - General Employees Fund (Public Service Utility)	19,744	233,995	129,749	2,276
Total all plans	<u>\$ 305,392</u>	<u>\$ 2,014,025</u>	<u>\$ 691,986</u>	<u>\$ 102,323</u>

City:

##### **1. Plan Description**

The plan is a single employer defined benefit healthcare plan administered by the City. All employees are allowed upon meeting the eligibility requirements under Minn. Stat. 471.61 subd. 2b, to participate in the City's health insurance plan after retirement. The plan covers active and retired employees. Benefit provisions are established through negotiations between the City and the unions representing employees and are renegotiated at the end of each contract period. No plan assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. The retiree health plan does not issue a publicly available financial report. The OPEB liability has typically been fully liquidated by the general fund for governmental activities.

##### **2. Benefits Provided**

The City allows access to the contract groups other post-retirement benefits of the blended medical premiums of \$684 for single and \$1,467 for single plus 1. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life benefits.

##### **3. Contributions**

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by the City. The City's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$124,164. Total OPEB liability will be paid by the general fund and enterprise funds.



#### 4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	22
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>263</u>
	<u>285</u>

#### 5. Total OPEB Liability

The City's total OPEB liability of \$1,780,030 was measured as of January 1, 2024 and was determined by an actuarial valuation as of that date.

#### 6. Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	Service graded
Discount Rate	3.70 percent
Healthcare Cost Trend Rates	6.50 percent in 2024 grading to 5.00 percent over 6 years and then to 4.00 percent over the next 48 years
Retiree Plan Participation	Future Retirees Electing Coverage: Pre-65 subsidy available: NA Pre-65 subsidy not available: 45 percent
Percent of Married Retirees Electing Spouse Coverage	Percent of Future Retirees Electing Pre-65 Spouse Coverage: Spouse subsidy available: NA Spouse subsidy not available: 25 percent

Since the plan is not funded by an irrevocable trust, the discount rate is equal to the 20-Year Municipal Bond Yield.

Mortality rates were based on the Pub-2010 Public Retirement Plans Headcount-Weighted Mortality Tables (General, Safety) with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2024, valuation were based on the results of an actuarial experience study as of January 1, 2023.

#### 7. Changes in the Total OPEB Liability

Balance at January 1, 2024	\$ 1,657,016
Changes from the prior year:	
Service cost	119,195
Interest cost	68,842
Differences between expected and actual experience	(28,582)
Assumption changes	74,959
Benefit payments	<u>(111,400)</u>
Total Changes	<u>123,014</u>
Balance at December 31, 2024	<u>\$ 1,780,030</u>

8. Sensitivity to the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower and 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	2.70%	3.70%	4.70%
Total OPEB Liability	\$ 1,916,075	\$ 1,780,030	\$ 1,653,864

The following presents the total OPEB liability of the City, as well as what the City's total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower and 1 percentage point higher than the current healthcare trend rate:

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total OPEB Liability	\$ 1,606,400	\$ 1,780,030	\$ 1,984,996
Medical Trent Rate	5.50% decreasing to 4.00% over 6 years	6.50% decreasing to 5.00% over 6 years	7.50% decreasing to 6.00% over 6 years

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

For the year ended December 31, 2024, the City recognized OPEB expense of \$100,047. At December 31, 2024, the City reported \$285,648 in deferred outflows of resources related to OPEB and \$562,237 in deferred inflows of resources related to OPEB.

	Deferred Outflows of Resource	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 369,880
Assumption Changes	\$ 161,484	\$ 192,357
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Subsequent Employer Contributions	\$ 124,164	\$ -
Total	\$ 285,648	\$ 562,237

City contributions subsequent to the measurement date of \$124,164 are reported as deferred outflows of resources and will be recognized as a reduction of the total OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2025	\$ (87,991)
2026	\$ (87,991)
2027	\$ (87,990)
2028	\$ (79,932)
2029	\$ (40,416)
Thereafter	\$ (16,433)

## Public Service Utility - Electric and Water

### 1. Plan Description

The plan is a single employer defined benefit healthcare plan administered by Moorhead Public Service. All employees are allowed to, upon meeting the eligibility requirements under Minn. Stat. 471.61 subd, 2b, participate in Moorhead Public Service's health insurance plan after retirement. The plan covers active and retired employees who have reached age 55 with at least 5 years of service. Benefit provisions are established through negotiations between Moorhead Public Service and the unions representing employees and are renegotiated at the end of each contract period. No plan assets have been accumulated in a trust that meets the criteria in paragraph 4 of GASB 75. A separately issued report is not available.

### 2. Benefits Provided

Moorhead Public Service allows access to the contract groups other post-retirement benefits of the blended medical premiums of \$841 for single and \$1,734 for employee plus spouse coverage. The implicit rate subsidy is only until Medicare eligibility. There are no subsidized post-employment medical, dental, or life benefits.

### 3. Contributions

The required contribution is based on projected pay-as-you-go financing requirements, with additional amounts to prefund benefits as determined periodically by Moorhead Public Service. Moorhead Public Service's current year required pay-as-you-go contributions to finance the benefits described in the previous section totaled \$7,118. Total OPEB liability will be paid by the general fund.

### 4. Employees Covered by Benefit Terms

At the valuation date of January 1, 2024, the following employees were covered by the benefit terms:

Inactive employees or beneficiaries currently receiving benefit payments	2
Inactive employees entitled to but not yet receiving benefit payments	-
Active employees	<u>57</u>
	<u>59</u>

### 5. Total OPEB Liability

Moorhead Public Service's total OPEB liability of \$233,995 was measured as of January 1, 2024 and was determined by an actuarial valuation as of January 1, 2024.

### 6. Actuarial Assumptions

The total OPEB liability in the January 1, 2024 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.50 percent
Salary Increases	Per service graded table
Healthcare Cost Trend Rates	4.00 percent
Healthcare Cost Trend Rates	6.25 percent decreasing to 5.00 percent over 6 years and then to 4.00 percent over the next 48 years
Retiree Plan Participation	Future Retirees Electing Coverage: Pre-65 subsidy available: NA Pre-65 subsidy not available: 40 percent
Percent of Married Retirees Electing Spouse Coverage	Percent of Future Retirees Electing Pre-65 Spouse Coverage: Spouse subsidy available: NA Spouse subsidy not available: 25 percent

Since the plan is not funded (has no assets), the discount rate was developed by estimating the long term investment yield on the employer funds that will be used to pay benefits as they come due.

Mortality rates were based on the Pub-2010 Public Retirement Plans General Headcount-Weighted Mortality Tables with MP-2021 Generational Improvement Scale.

The actuarial assumptions used in the January 1, 2023, valuation were based on the results of an actuarial experience study as of January 1, 2023.

#### 7. Changes in the Total OPEB Liability

Balance at January 1, 2024	\$ 209,774
Changes from the prior year:	
Service cost	22,201
Interest cost	9,138
Assumption Changes	-
Differences between Expected and Actual Experience	-
Benefit payments	(7,118)
Total Changes	24,221
Balance at December 31, 2024	\$ 233,995

#### 8. Sensitivity to the Total OPEB Liability to Changes in Discount Rate and the Healthcare Cost Trend Rates

The following presents the total OPEB liability of Moorhead Public Service, as well as what Moorhead Public Service's total OPEB liability would be if it were calculated using a discount rate 1 percentage point lower and 1 percentage point higher than the current discount rate:

	1% Decrease in Discount Rate	Discount Rate	1% Increase in Discount Rate
Discount Rate	3.00%	4.00%	5.00%
Total OPEB Liability	\$ 255,083	\$ 233,995	\$ 214,368

The following presents the total OPEB liability of Moorhead Public Service, as well as what Moorhead Public Service's total OPEB liability would be if it were calculated using a healthcare trend rate 1 percentage point lower and 1 percentage point higher than the current healthcare trend rate:

	1% Decrease in Healthcare Trend Rate	Selected Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
Total OPEB Liability	\$ 202,352	\$ 233,995	\$ 272,294
Medical Trent Rate	5.25% decreasing to 4.00% over 6 years	6.25% decreasing to 5.00% over 6 years	7.25% decreasing to 6.00% over 6 years

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

For the year ended December 31, 2024, Moorhead Public Service recognized OPEB expense of \$2,276. At December 31, 2024, Moorhead Public Service had \$19,744 in deferred outflows of resources related to OPEB and \$129,749 in deferred inflows or resources related to OPEB.

	Deferred Outflows of Resources	Deferred Inflows of Resources
Liability Losses	\$ -	\$ -
Liability Gains	\$ -	\$ 91,837
Assumption Changes	\$ 7,798	\$ 37,912
Investment Gains	\$ -	\$ -
Investment Losses	\$ -	\$ -
Subsequent Employer Contributions	\$ 11,946	\$ -
Total	\$ 19,744	\$ 129,749

Moorhead Public Service contributions subsequent to the measurement date of \$11,946 are reported as deferred outflows of resources and will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended December 31:	OPEB Expense Amount
2025	\$ (33,615)
2026	\$ (33,615)
2027	\$ (22,335)
2028	\$ (10,799)
2029	\$ (10,799)
Thereafter	\$ (10,788)

The total OPEB expense for all plans recognized by the City for the year ended December 31, 2024, was \$102,323.

#### H. Construction and other significant commitments

Under its wholesale power agreement, the municipality is committed to purchase a fixed amount of electric power and energy requirements from the Western Area Power Administration until December 31, 2050.

The municipality is also committed to purchase its supplemental power from the Missouri River Energy Services. The agreement, which runs until January 1, 2057, provides that the municipality purchase electric power in excess of that available from Western Area Power Administration, up to the level required in 2020. Beginning in 2027, and each 5th year thereafter, the municipality has the opportunity to continue receiving 100% of its supplemental power from Missouri River Energy Services or establish a maximum rate of delivery.

The City of Moorhead has a one-year contract for the period January 1, 2024 through December 31, 2024, with First Transit Inc. to provide bus services and driver management. The annual costs for First Transit during 2024 were \$1,849,542. The City of Moorhead has entered into a Joint Powers Agreement with the City of Fargo for the joint ownership and operation of the Metro Transit Garage (MTG) located at 650 23rd Street North in Fargo, ND. Moorhead has a one-third ownership of the MTG and pays operating costs for the building on a one-third basis of actual cost. Moorhead pays actual costs for their fleet maintenance, including vehicle parts, fuel and labor. Other maintenance costs for the MTG are shared pro rata based on a percentage of total vehicles stored and maintained in the facility.

##### *Construction Commitments*

The City has active construction projects as of December 31, 2024, which includes street construction and reconstruction, library, wastewater utilities, and various capital asset purchases and improvements. At year-end the City's remaining commitments with contractors are \$27,856,468. As discussed in Note 1.F, *Budgetary Information*, the encumbrances and related appropriation technically lapse at the end of the year, but, are reappropriated and become part of the subsequent year's budget because performance under the executory contract is expected in the next year.

Project	Spent-to-Date	Remaining Commitment
Southeast Main Avenue railroad grade separation	\$ 49,343,544	\$ 1,267,244
Mill and overlay various locations/Street rehab	13,708,544	958,136
Underground utilities	2,103,659	59,809
Library/Community center	7,689,184	24,177,685
Capital asset purchases/ improvements	4,836,876	1,393,594
	<u>\$ 77,681,807</u>	<u>\$ 27,856,468</u>

#### *Encumbrances*

As discussed in Note 1.F, *Budgetary Information*, encumbrance accounting is utilized to the extent necessary to assure effective budgetary control and accountability and to facilitate cash planning and control. At year end, the amount of encumbrances expected to be honored upon performance by the vendor in the next year were as follows:

Special Assessment Capital Projects Fund	\$ 2,086,297
Permanent Improvement Fund	1,470,363
Library Community Center Fund	24,177,685
Capital Improvement Fund	62,314
Wastewater Fund	50,369
Storm Water Fund	9,440
	<u>\$ 27,856,468</u>

#### **I. Risk management**

The City is exposed to various risks of loss related to torts; theft or damage to, and destruction of assets; errors and omissions; injuries to employees; and disasters. The City participates in a group workers' compensation plan with the League of Minnesota Cities Insurance Trust (LMCIT), which is a public entity risk pool currently operating as a common risk management and insurance program for member Minnesota cities. The plan is administered by Berkley Administrators.

The workers' compensation plan is self-sustaining based on the premiums charged, so that total contributions plus compounded earnings on these contributions will equal the amount needed to satisfy claims liabilities and other expenses. The City has entered into a regular premium plan with LMCIT. The City pays its premium in quarterly installments based on current year budgeted salaries with a premium adjustment after annual actual salaries are determined. All charges are distributed to each City department based upon salary and workers' compensation class code. LMCIT is responsible for Worker's Compensation Reinsurance Association premiums and for general administrative and claims expenses.

The general insurance plan with LMCIT provides the City's liability, property and auto coverage, except that a separate property policy is required to cover the wastewater facility and the public utility's power plant and substations, which is obtained through ACE American Insurance Company. The City continues to carry commercial insurance for employee health and life insurance. Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There has been no substantial change in coverage from the prior year.

#### **J. Leases and Subscription Agreements**

##### **Lessee Activities**

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

- Operating space at the county law enforcement center for the City's police department. The City is required to make principal and interest payments through October 31, 2038. As of December 31, 2024, the value of the lease liability was \$4,032,186. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.
- Equipment lease for a folder/insert for use by staff at City Hall. The City is required to make principal and interest payments through May 1, 2027. As of December 31, 2024, the value of the lease liability was \$9,331. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.

- Equipment lease for a postage machine for use by staff at City Hall. The City is required to make principal and interest payments through November 1, 2026. As of December 31, 2024, the value of the lease liability was \$3,191. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.
- Operating space at the FM Building for the City Hall staff during renovations at the City Hall building. The City is required to make principal and interest payments through August 31, 2026. As of December 31, 2024, the value of the lease liability was \$466,543. The lease has an interest rate of 4% as determined by the City's incremental borrowing rate.
- Equipment lease for body worn cameras for use by the City's police officers. The City is required to make principal and interest payments through February 28, 2028. As of December 31, 2024, the value of the lease liability was \$277,533. The lease has an interest rate of 4% as determined by the City's incremental borrowing rate.
- Lease for land improvements for a water irrigation line used by one of the City's golf courses. The City is required to make principal and interest payments through May 31, 2042. As of December 31, 2024, the value of the lease liability was \$8,940. The lease has an interest rate of 3% as determined by the City's incremental borrowing rate.

### **Lessor Activities**

The City has accrued a receivable for tower space utilized by a cell phone company. The remaining receivable and deferred inflows related to this lease were \$126,055 at December 31, 2024. Interest revenue of \$8,061 and principal receipts of \$14,752 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2030.

The City has accrued a receivable for usage of various sports facilities by local organizations. The remaining receivable and deferred inflows related to these leases were \$10,030 at December 31, 2024. Interest revenue of \$1,750 and principal receipts of \$34,955 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2026.

The City has accrued a receivable for usage of a city owned hockey arena by the Moorhead Youth Hockey Association. The remaining receivable and deferred inflows related to this lease were \$1,384,639 at December 31, 2024. Interest revenue of \$93,471 and principal receipts of \$30,629 were recognized during the fiscal year. The interest rate was set at 3%. Final receipt is expected in fiscal year 2044.

### **Subscription Agreements**

The city has entered into one subscription in the Information Technology Internal Service Fund for use of various software systems. The total initial liability for this agreement was \$119,329. As of December 31, 2024 the value of this subscription liability was \$41,346. Total required annual fixed payments for this agreement is \$46,448. This subscription has an interest rate of 4 percent. The value of the right to use asset for this subscription is \$119,329 as of December 31, 2024 with accumulated amortization of \$79,553.

## **K. Long-term liabilities**

### **Notes Payable**

Notes payable at December 31, 2024 consists of the following:

Governmental Activities: Promissory Note of \$678,000 issued August 30, 2021, at 4.00% maturing August 30, 2046.

Business-type activities:

- Watermain loan issued January 1, 2011 in the amount of \$455,413 at 3.00% interest maturing on January 1, 2026.
- Public Facilities Authority note issued July 18, 2007 in the amount of \$12,407,226 at 1.99% interest maturing on August 20, 2026.
- Public Facilities Authority note issued August 26, 2014 in the amount of \$12,736,089 at 1.02% interest maturing on November 1, 2034.
- Public Facilities Authority note issued March 14, 2016 in the amount of \$2,471,358 at 1.00% interest maturing on August 20, 2035.
- Public Facilities Authority note issued August 13, 2020 in the amount of \$18,048,080 at 1.00% interest maturing on August 20, 2040.

## **Bonds**

The City issues G.O. bonds to provide for financing construction, tax increment projects and to refinance (refund) previous bond issues. The City has also issued G.O. sales tax revenue bonds to finance the construction of a new library/community center. Debt service is covered respectively by tax increments, revenue generated from projects, special assessments against benefited properties, and sales taxes with any shortfalls being paid from general taxes. G.O. bonds are direct obligations and pledge the full faith and credit of the City.

Bonds payable at December 31, 2024 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2024
<b><u>Governmental Activities</u></b>					
G.O. Special Assessment					
2014 Series C	12/29/2014	2/1/1936	2.00 – 4.00	\$ 6,170,000	\$ 3,880,000
2014 Refunding Series D	12/29/2014	2/1/2025	3.00 – 4.00	7,660,000	975,000
2014 Refunding Series E	12/29/2014	2/1/2027	3.00 – 4.00	9,785,000	2,520,000
2015 Series A	9/24/2015	2/1/1942	3.00 – 4.00	12,270,000	9,095,000
2016 Series B	11/10/2016	2/1/1942	2.00 – 5.00	20,920,000	15,365,000
2016 Refunding Series C	11/10/2016	2/1/1933	3.00 – 5.00	11,135,000	4,830,000
2017 Series A	12/14/2017	2/1/1943	2.00 – 3.25	10,905,000	8,295,000
2017 Refunding Series B	12/14/2017	2/1/2029	2.50 – 5.00	5,000,000	2,415,000
2018 Series A	11/20/2018	2/1/2044	4.00 – 5.00	11,690,000	10,015,000
2018 Refunding Series B	11/20/2018	2/1/2031	5.00	4,870,000	2,830,000
2019 Series A	12/30/2019	2/1/2046	2.00 – 5.00	6,815,000	5,975,000
2019 Refunding Series B	12/30/2019	2/1/2032	2.00 – 4.00	6,070,000	3,920,000
2021 Series A	12/9/2021	2/1/2042	2.00 – 5.00	10,775,000	9,965,000
2021 Refunding Series B	12/9/2021	2/1/2039	2.00 – 5.00	24,025,000	19,830,000
2021 Refunding Series C	12/9/2021	2/1/2033	3.00 – 5.00	9,945,000	8,480,000
2022 Series A	12/13/2022	2/1/2043	4.00 – 5.00	18,265,000	17,525,000
2023 Series A	10/12/2023	2/1/2044	4.00 – 5.00	15,985,000	15,985,000
				<u>192,285,000</u>	<u>141,900,000</u>
G.O Tax Increment					
2010 Regency/Holiday Mall Refunding Series B	9/9/2010	2/1/2028	2.00-3.70	\$ 1,390,000	\$ 440,000
2019 Regency/Holiday Mall Refunding Series A	12/30/2019	2/1/2028	2.00-4.00	1,550,000	815,000
2024 Temporary Tax Increment Series C	10/16/2024	10/1/2027	4.00	28,015,000	28,015,000
				<u>30,955,000</u>	<u>29,270,000</u>
G.O Sales Tax					
2024 Sales Tax Revenue Bonds Series B	8/22/2024	8/1/2024	4.00-5.00	\$ 26,910,000	\$ 26,910,000
Total Governmental Activities				<u>\$ 250,150,000</u>	<u>\$ 198,080,000</u>
<b><u>Business-Type Activities</u></b>					
G.O Revenue Bonds					
2012 G.O. Wastewater Refunding, Series B	5/15/2012	11/1/2029	3.00 – 3.125	\$ 10,790,000	\$ 4,625,000
2007 Electric MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,405,150	639,200
2007 Water MMUA Revenue Series A	7/12/2007	6/1/2027	5.17	3,838,850	720,800
G.O. Water Revenue Note of 2020	5/27/2020	11/1/2040	2.00 – 5.00	13,985,000	13,730,000
				<u>32,019,000</u>	<u>19,715,000</u>
Revenue Bonds					
2012 Electric Utility Revenue & Refunding Series E	9/1/2012	11/1/2027	2.00 – 3.00	\$ 6,240,000	\$ 1,080,000
2014 G.O. Wastewater Revenue Bonds, Series A	7/24/2014	11/1/2034	4.00 – 5.00	7,200,000	5,240,000
2016 Electric Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	11,330,000	7,627,300
2016 Water Utility Revenue Series A	8/25/2016	11/1/2036	2.00 – 4.00	1,400,000	942,700
2024 Electric Utility Revenue Series A	2/22/2024	11/1/2043	4.00-5.00	27,810,000	26,575,000
				<u>53,980,000</u>	<u>41,465,000</u>
Total Bonds				<u>85,999,000</u>	<u>61,180,000</u>
Public Facilities Authority Loans					
G.O. Sewer Revenue Note of 2007	6/29/2007	8/20/2026	1.99	\$ 12,407,226	\$ 1,642,000
G.O. Water Revenue Note of 2014	8/26/2014	8/20/2034	1.02	12,736,089	6,598,000
G.O. Water Revenue Note of 2016	3/14/2016	8/20/2035	1.00	2,471,358	1,429,000
G.O. Sewer Revenue Note of 2020	8/13/2020	8/20/2040	1.00	18,048,080	15,263,000
				<u>45,662,753</u>	<u>24,932,000</u>
Total Business-Type Activities				<u>\$ 131,661,753</u>	<u>\$ 86,112,000</u>



## **Conduit Debt**

To further economic development in the City, the City has issued bonds to provide capital financing to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The properties financed are pledged as collateral, and the bonds are payable solely from payments received from the private-sector entities on the underlying mortgage or promissory notes. In addition, no commitments beyond the collateral, the payments from the private-sector entities, and maintenance of the tax-exempt status of the conduit debt obligation were extended by the City for any of those bonds. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. As of December 31, 2024, there were 11 Industrial Revenue Bonds and 3 Facility Revenue Notes outstanding, with an aggregate outstanding principal amount payable of \$93,222,188.

## **Changes in long-term liabilities**

Special assessment bonds and general obligation bonds together comprise the governmental activity bonds payable. General Obligation includes tax increment bonds and sales tax bonds. The compensated absences liability and other post-employment benefits attributable to the governmental activities will be liquidated primarily by the General Fund. If special assessments are not adequate to retire the outstanding debt, the City's full faith and credit are pledged for their redemption.

<u>Type of Bonds</u>	<u>Balance at January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
<b>Governmental Activities:</b>					
Bonds Payable					
G.O. Special Assessment	\$ 153,250,000	\$ -	\$ 11,350,000	\$ 141,900,000	\$ 12,005,000
G.O. Tax Increment	1,545,000	28,015,000	290,000	29,270,000	300,000
G.O. Sales Tax	-	26,910,000	-	26,910,000	825,000
Premiums	11,750,388	3,225,204	1,089,058	13,886,534	1,357,579
Total Bonds Payable	166,545,388	58,150,204	12,729,058	211,966,534	14,487,579
Note From Direct Borrowing					
Maple Court	678,000	-	2,233	675,767	9,160
Leases	4,610,617	533,836	355,670	4,788,783	556,199
Subscriptions	84,446	-	43,100	41,346	41,346
Other post employment benefits	1,509,541	124,171	-	1,633,712	119,261
Compensated Absences	2,430,376	436,651 *	-	2,867,027	2,867,027
Governmental Activity Long-Term Liabilities	<u>\$ 175,858,368</u>	<u>\$ 59,244,862</u>	<u>\$ 13,130,061</u>	<u>\$ 221,973,169</u>	<u>\$ 18,080,572</u>

<u>Type of Bonds</u>	<u>Balance at January 1, 2024</u>	<u>Additions</u>	<u>Reductions</u>	<u>Balance at December 31, 2024</u>	<u>Due Within One Year</u>
<b>Business-Type Activities:</b>					
Bonds Payable					
Electric Utility	\$ 10,578,700	\$ 27,810,000	\$ 2,467,200	\$ 35,921,500	\$ 2,016,200
Water Utility	15,786,300	-	392,800	15,393,500	413,800
Wastewater	11,030,000	-	1,165,000	9,865,000	1,215,000
Discount	(224,040)	-	(190,752)	(33,288)	(6,738)
Premiums	850,141	2,768,784	296,893	3,322,032	63,192
Total Bonds Payable	38,021,101	30,578,784	4,131,141	64,468,744	3,701,454
Notes From Direct Borrowing					
Public Facilities Authority	27,199,541	151,859	2,419,400	24,932,000	2,451,000
Watermain Loan	90,694	-	53,604	37,090	37,090
Leases	22,273	-	13,333	8,940	382
Other post employment benefits	357,249	23,064	-	380,313	10,681
Compensated Absences	1,153,810	697,807 *	-	1,851,617	1,794,874
Business-Type Activity Long-Term Liabilities	<u>\$ 66,844,668</u>	<u>\$ 31,451,514</u>	<u>\$ 6,617,478</u>	<u>\$ 91,678,704</u>	<u>\$ 7,995,481</u>

\* Current year additions and reductions have been netted for reporting purposes.

The annual requirement to amortize notes from direct borrowing outstanding as of December 31, 2024, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2025	\$ 9,160	\$ 26,864	2025	\$ 2,488,090	\$ 267,733
2026	9,534	26,491	2026	2,484,000	234,211
2027	9,922	26,102	2027	1,672,000	201,036
2028	10,326	25,698	2028	1,688,000	184,188
2029	10,747	25,277	2029	1,704,000	167,178
2030-2034	60,670	119,451	2030-2034	8,786,000	574,702
2035-2039	74,078	106,044	2035-2039	5,120,000	203,250
2040-2044	90,449	89,673	2040	1,027,000	10,270
2045-2046	400,881	26,830		<u>\$ 24,969,090</u>	<u>\$ 1,842,568</u>
	<u>\$ 675,767</u>	<u>\$ 472,430</u>			

The requirement to amortize leases as of December 31, 2024, follows:

Year	Governmental Activities		Year	Business-Type Activities	
	Principal	Interest		Principal	Interest
2025	\$ 556,199	\$ 277,189	2025	\$ 382	\$ 268
2026	485,935	250,710	2026	393	257
2027	308,664	231,243	2027	405	245
2028	224,176	213,823	2028	417	233
2029	238,649	199,328	2029	430	220
2030-2034	1,445,248	744,639	2030-2034	2,350	900
2035-2038	1,529,912	222,002	2035-2039	2,724	526
	<u>\$ 4,788,783</u>	<u>\$ 2,138,934</u>	2040-2042	1,839	111
			<u>\$ 8,940</u>	<u>\$ 2,760</u>	

The requirement to amortize subscriptions as of December 31, 2024, follows:

Year	Governmental Activities	
	Principal	Interest
2025	<u>\$ 41,346</u>	<u>\$ 41,346</u>

The requirement to amortize all bonded debt outstanding as of December 31, 2024, follows:

Year	Governmental Activities		Business-Type Activities		Total
	Principal	Interest	Principal	Interest	
2025	\$ 13,130,000	\$ 7,493,869	\$ 3,645,000	\$ 2,278,492	\$ 26,547,361
2026	12,255,000	7,062,924	3,760,000	2,128,926	25,206,850
2027	40,045,000	6,540,041	3,675,000	1,985,026	52,245,067
2028	11,205,000	4,924,139	3,460,000	1,853,443	21,442,582
2029	10,365,000	4,460,419	3,615,000	1,722,407	20,162,826
2030-2034	47,245,000	16,313,188	16,380,000	6,685,138	86,623,326
2035-2039	33,435,000	8,976,238	17,125,000	3,558,488	63,094,726
2040-2044	28,025,000	2,989,819	9,520,000	842,000	41,376,819
2045-2046	2,375,000	88,946			2,463,946
	<u>\$ 198,080,000</u>	<u>\$ 58,849,583</u>	<u>\$ 61,180,000</u>	<u>\$ 21,053,920</u>	<u>\$ 339,163,503</u>

## L. Fund balance

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Library Community Center	Capital Improvements	Other Governmental Funds	Total
<b>Fund Balances:</b>								
Nonspendable:								
Advances	\$ 2,693,645	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 300,000	\$ 2,993,645
Prepaid items	41,916	-	-	-	-	-	53,722	95,638
Total Nonspendable	2,735,561	-	-	-	-	-	353,722	3,089,283
Restricted for:								
Public safety	1,111,294	-	-	-	-	-	1,387,376	2,498,670
Culture and Recreation	-	-	-	-	24,751,559	-	529,658	25,281,217
Urban and Economic Development	29,683	-	-	-	-	-	2,845,746	2,875,429
Contributions	-	-	-	-	-	-	102,308	102,308
Debt Service	-	31,338,627	-	-	-	-	2,897,525	34,236,152
Employee Benefits	180,232	-	-	-	-	-	-	180,232
Total Restricted	1,321,209	31,338,627	-	-	24,751,559	-	7,762,613	65,174,008
Committed to:								
Public safety	-	-	-	-	-	-	42,906	42,906
Culture and Recreation	-	-	-	-	-	-	1,349,193	1,349,193
Highways and Streets	-	-	-	2,389,170	-	-	-	2,389,170
Transit	-	-	-	-	-	-	1,392,271	1,392,271
Urban and Economic Development	-	-	-	-	-	-	1,391,799	1,391,799
Capital Projects	-	-	-	-	-	8,692,835	-	8,692,835
Total Committed	-	-	-	2,389,170	-	8,692,835	4,176,169	15,258,174
Unassigned:	20,870,868	-	(14,972,549)	-	-	-	-	5,898,319
Total Fund Balances	\$ 24,927,638	\$ 31,338,627	\$ (14,972,549)	\$ 2,389,170	\$ 24,751,559	\$ 8,692,835	\$ 12,292,504	\$ 89,419,784

## M. Interfund receivables and payables

Interfund receivables/payables are used when a fund has a cash deficit or to record accrued obligations between funds. The composition of inter-fund balances as of December 31, 2024, is as follows:

### ***Due to/from other funds:***

The outstanding balances between funds result mainly from the time lag between the dates that (1) interfund goods and services are provided or reimbursable expenditures occur, (2) transactions are recorded in the accounting system, and (3) payments between funds are made.

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund	\$ 1,116,717	\$ 42,208
Special Assessment Debt Service	15,675,666	-
Special Assessment Capital Project Fund	881,127	15,675,666
Capital Improvements	45,766	3,217
Other Governmental Funds	-	29,040
Governmental Activities - Internal Service Funds	36,834	649,310
	<u>17,756,110</u>	<u>16,399,441</u>
 <u>Fund</u>	 <u>Receivable</u>	 <u>Payable</u>
Business-type activities:		
Electric Fund	3,064,858	2,173,645
Water Fund	9,711	4,001,078
Waste Water Fund	875,933	61,244
Storm Water Fund	244,935	9,383
Other Enterprise Funds	746,550	53,306
	<u>4,941,987</u>	<u>6,298,656</u>
	<u>\$ 22,698,097</u>	<u>\$ 22,698,097</u>

### Advances to/from other funds:

Advances in the amount of \$2,589,645 from the general fund to the tax increment debt service funds will be repaid with future tax increment collections. The advance from the general fund to the permanent improvement fund in the amount of \$104,000 will be repaid with future land sale proceeds. The advance from the economic development special revenue fund to the tax increment debt service fund in the amount of \$300,000 will be repaid with future land sale proceeds.

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental funds:		
General Fund	\$ 2,693,645	\$ -
Permanent Improvement Fund		104,000
Other Governmental Funds	300,000	2,889,645
	<u>\$ 2,993,645</u>	<u>\$ 2,993,645</u>

### N. Interfund transfers

The composition of interfund transfers for the year ended December 31, 2024 is as follows:

		Transfers In						
		Major Funds:					Nonmajor Funds:	
		Transfers	Special Assmt		Library	Capital	Governmental	Enterprise
<u>Major Funds</u>		Out	General	Capital	Community Center	Improvements		
General	\$ 4,000,000	\$ -	\$ -	\$ -	\$ -	\$ 4,000,000	\$ -	\$ -
Special Assmt Capital Projects	35,368	-	-	-	-	35,368	-	-
Capital Improvements	670,000	-	-	400,000	-	-	150,000	120,000
Electric	9,550,766	7,475,000	-	-	-	2,025,766	50,000	-
Water	731,600	605,600	-	126,000	-	-	-	-
Wastewater	1,138,868	519,320	-	180,000	-	-	-	439,548
Storm Water	1,230,104	422,001	150,000	599,853	-	-	-	58,250
Totals	17,356,706	9,021,921	150,000	1,305,853	-	6,061,134	200,000	617,798
<u>Non-Major Funds</u>								
Governmental	3,871,186	-	-	-	2,226,670	744,991	-	899,525
Enterprise	836,104	494,344	-	-	-	269,749	-	72,011
Totals	4,707,290	494,344	-	-	2,226,670	1,014,740	-	971,536
	<u>\$ 22,063,996</u>	<u>\$ 9,516,265</u>	<u>\$ 150,000</u>	<u>\$ 1,305,853</u>	<u>\$ 2,226,670</u>	<u>\$ 7,075,874</u>	<u>\$ 200,000</u>	<u>\$ 1,589,334</u>

A breakdown of the detailed interfund transfers for the year ended December 31, 2024 is as follows:

Transfer to General Fund from Electric Enterprise Fund	\$ 7,475,000	To transfer revenue per city charter
Transfer to General Fund from Water Enterprise Fund	605,600	To transfer revenue per city charter
Transfer to General Fund from Storm Water Enterprise Fund	422,001	To transfer revenue per city charter
Transfer to General Fund from Wastewater Enterprise Fund	519,320	To transfer revenue per city charter
Transfer to General Fund from Sanitation Enterprise Fund	284,524	To transfer revenue per city charter
Transfer to General Fund from Pest Control Enterprise Fund	98,716	To transfer revenue per city charter
Transfer to General Fund from Forestry Enterprise Fund	61,247	To transfer revenue per city charter
Transfer to General Fund from Street Light Utility Enterprise Fund	49,857	To transfer revenue per city charter
Transfer to Mass Transit Special Revenue Fund from Capital Improvement Capital Projects Fund	150,000	To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Capital Improvement Capital Projects Fund	400,000	To transfer funds per current year budget

Transfer to Special Assessment Debt Service Fund from Storm Water Enterprise Fund	599,853 To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Water Enterprise Fund	126,000 To transfer funds per current year budget
Transfer to Special Assessment Debt Service Fund from Wastewater Enterprise Fund	180,000 To transfer funds per current year budget
Transfer to Economic Development Special Revenue Fund from Electric Enterprise Fund	50,000 To transfer revenue per state statute
Transfer to Special Assessment Capital Projects Fund from Storm Water Enterprise Fund	150,000 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects from Public Safety Aid Special Revenue Fund	300,000 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects from the General Fund	4,000,000 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects from Tax Increment Financing Debt Service Fund	143,683 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects Fund from Electric Enterprise Fund	2,025,766 To transfer revenue per city charter
Transfer to Capital Improvement Capital Projects from Park Special Revenue Fund	87,000 To transfer revenue per city charter
Transfer to Capital Improvement Capital Projects from American Rescue Plan Act Special Revenue Fund	177,865 To transfer funds to set up new project
Transfer to Capital Improvement Capital Projects from Contributions Special Revenue Fund	36,343 To transfer funds to set up new project
Transfer to Capital Improvement Capital Projects from from Information Technology Internal Service Fund	119,749 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects from from Golf Course Enterprise Fund	150,000 To transfer funds per current year budget
Transfer to Capital Improvement Capital Projects from from Special Assessment Capital Projects Fund	35,368 To transfer residual funds after project completion
Transfer to Capital Improvement Capital Projects from from Contributions Special Revenue Fund	100 To transfer funds to set up new project
Transfer to Library Community Center Capital Projects Fund from American Resuce Plan Act Special Revenue Fund	2,226,670 To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from Park Special Revenue Fund	499,525 To transfer funds per current year budget
Transfer to Golf Course Enterprise Fund from Storm Water Enterprise Fund	58,250 To transfer funds per current year budget
Transfer to Vehicles and Equipment Internal Service Fund from Public Safety Aid Special Revenue Fund	400,000 To transfer funds per current year budget
Transfer to Vehicles and Equipment Internal Service Fund from Wastewater Enterprise Fund	439,548 To transfer funds per current year budget
Transfer to Information Technology Internal Service Fund from Capital Improvement Capital Projects Fund	50,000 To transfer funds per current year budget
Transfer to Maintenance Shop Internal Service Fund from Vehicles and Equipment Internal Service Fund	72,011 To transfer funds per current year budget
Transfer to Radio and Weapons Internal Service Fund from Capital Improvement Capital Projects Fund	70,000 To transfer funds per current year budget
Total Interfund Transfers	<u>\$ 22,063,996</u>

## **NOTE 5:- OTHER INFORMATION**

### **A. Joint Powers Agreements**

#### **1. Regional Dispatch Center**

In December of 2002, the City of Moorhead, Minnesota, City of Fargo, North Dakota, Clay County of Minnesota and Cass County of North Dakota entered into a joint powers agreement to establish a framework that allows for the joint operation of dispatch functions by the two aforementioned cities and the two aforementioned counties. Additionally, the City of West Fargo, ND entered into the joint powers agreement in 2008. Combining the communications and dispatch of these five agencies benefits each one by reducing and/or eliminating duplication of equipment and staff time. The goal is to reduce the financial burden to the respective governments' taxpayers through the sharing of one communications center, as well as to improve communications services.

Prior to 2015, each governmental entity contributed to the joint operations in the following percentages:

- City of Fargo – 50.6%
- City of Moorhead – 18.2%
- Cass County – 8.8%
- Clay County – 10.0
- City of West Fargo – 12.4%

Effective January 1, 2015 the joint powers agreement was amended as a result of a Cass County vote in November 2014, which ended the City of West Fargo and City of Fargo collections of emergency communication system fees on an individual city-wide basis. Cass County emergency fee collection, which is collected per user by the county, is expected to be sufficient to cover the contribution for the City of Fargo, West Fargo and Cass County. Cass County has agreed to pay all valid billings from vendors of emergency service communication system funds for all users in Cass County.

From 2015 through 2022, each governmental entity contributed to the joint operations in the following percentages:

- City of Fargo – 0%
- City of Moorhead – 18.2%
- Cass County – 71.8%
- Clay County – 10.0%
- City of West Fargo – 0%

Effective January 1, 2023 the joint powers agreement was amended to reflect a new cost share structure adopting the following updated percentages:

- City of Fargo – 0%
- City of Moorhead – 17.8%
- Cass County – 73.9%
- Clay County – 8.3%
- City of West Fargo – 0%

Any governmental entity may elect to withdraw from participation upon giving a 1-year written notice. Additional financial information may be obtained from the Red River Regional Dispatch Center located at 300 NP Avenue, Suite 206, Fargo, ND 58102.

#### **2. Metro Flood Diversion Project**

In June of 2010, the City of Moorhead, Minnesota; City of Fargo, North Dakota; Clay County of Minnesota; Cass County of North Dakota; the Cass County Joint Water Resource District; and the Buffalo Red River Watershed District entered into a joint powers agreement for the purpose of building and operating a flood diversion channel along the Red River of the North to reduce the flood risk of the stakeholder communities and counties. The Diversion Authority and its members worked with the United States Army Corps of Engineers on the FM Metro Risk Management Feasibility Study to develop the flood diversion channel project plan.

In June of 2016, the joint powers agreement was revised to exclude the Buffalo Red River Watershed District.

This joint powers agreement will continue to be in full force and effect until it is terminated upon unanimous approval of the members to this Agreement. Additional information regarding the authority may be obtained by contacting: Flood Diversion Board of Authority, 207 Fourth Street North, Fargo, ND 58102.

## **B. Postponed Special Assessments**

There are infrastructure investments in the Wastewater Treatment Fund in the amount of \$9,079,043 for local improvements where the affected property is unplatted and undeveloped. The City is therefore unable to assess the costs at this time, but may subsequently reimburse itself once the abutting property is developed. There is an additional \$18,727,900 of improvement costs in the Special Assessment Debt Service Funds under the same situation.

## **C. Tax Abatements**

The City of Moorhead offers tax abatements through two programs – a Property Tax Exemption Program and a Make Moorhead Home Property Tax Rebate Program.

### **Property Tax Exemption:**

The property tax exemption is authorized under Minnesota Statute 469.1734 subd. 3, and is available for new construction or substantial expansion/rehabilitation of an existing building classified as commercial, industrial, multi-family residential or mixed use or for the conversion of an existing facility from a commercial or industrial use to a multi-family and/or mixed-use facility. The project must meet minimum project requirements for new building value and/or jobs. Only building improvements are eligible for the exemption. Land and existing improvements (unless demolished) remain taxable. The term of exemption for commercial and industrial properties ranges from two years to 20 years dependent upon FTE jobs created or retained and the increased taxable value of the new construction. The term of the exemption for multi-family residential or mixed-use properties is either two or four years depending on the new building value per unit.

The City also offers a variation of this program targeting urban development, infill, and redevelopment of commercial or residential properties within the zone to concentrate reinvestment in Moorhead's downtown, near downtown, and transitional areas which is referred to as Urban Progress (UP) Zone Property Tax Exemption. This variation offers an additional four years of phase out dependent upon FTE jobs created or retained and the increased taxable value of the new construction.

### **Make Moorhead Home Property Tax Rebate Program**

The City of Moorhead offers a property tax abatement (rebate) program to individuals constructing new residential homes in Moorhead pursuant to Minnesota Statutes 469.1813 – 469.1816. The property taxes are paid when due and subsequently rebated to the homeowner in December. This rebate is available for the first two years of property taxes.

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2024:

<u>Tax Abatement Program</u>	<u>Amount of Taxes Abated</u>
Property Tax Exemption	\$ 679,471
Make Moorhead Home Property Tax Rebate	304,057

### **Tax Increment Financing**

The City of Moorhead has established a tax abatement program pursuant to Minnesota Statutes, Sections 469.1812 through 469.1815. As part of the City's program the City enters into agreements through the use of tax increment financing districts under Minnesota Statutes Section 469.174 to 469.179 (the Tax Increment Act). Under these statutes the City annually abates taxes collected above the district's base tax capacity which is established during adoption of the tax increment district. These agreements are established to foster economic development and redevelopment through creating jobs, removing blight and providing affordable housing.

For the fiscal year ending December 31, 2024, the City has five agreements established under Minnesota Statutes Section 469.174 to 469.179 which resulted in property taxes totaling \$1,250,764 being abated. Individual abatement payments included:

- A pay-as-you go note resulting in an abatement amount of \$539,177, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$295,792, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$192,797, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$186,706, for an industrial developer.
- A pay-as-you go note resulting in an abatement amount of \$36,292, for an industrial developer.

#### **D. Component Unit - Moorhead Public Housing Agency**

##### **1. Deposits and Investments**

Deposits - In accordance with Minnesota statutes, the Agency maintains deposits at those depository banks and brokerages authorized by the Agency board, all of which are covered by Federal Depository Insurance. Statutes require that all Agency deposits be protected by insurance or collateral.

The following is considered the most significant risk associated with deposits:

Custodial Credit Risk - In the case of deposits, this is the risk that in the event of a bank failure, the Agency's deposits may be lost.

In accordance with Minnesota statutes, the Agency maintains deposits at those depository banks and brokerages authorized by the Agency, all of which are covered by Federal Depository Insurance. Statutes require that all Agency deposits be protected by insurance or collateral. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. At June 30, 2024, the carrying amount of the Agency's deposits was \$1,592,418, and the bank balance was \$1,648,224. The Agency's deposits at its financial institutions were fully collateralized at June 30, 2024.

Interest Rate Risk – The Agency does not have a formal investment policy that limits investment maturities as a means of managing its exposure to fair value losses arising from changing interest rates.

Credit Risk – The Agency may invest idle funds in deposits that are properly secured by FDIC insurance coverage and are with designated depositories, which meet or exceed the Governmental National Mortgage Association Ratings.

##### **2. Restricted Cash**

Restricted assets consist of cash which is restricted to comply with HUD requirements for tenant security deposits.

##### **3. Accounts Receivable**

Accounts receivable of \$36,298 consists of amounts due from tenants across multiple programs, which includes an allowance of \$28,278.



4. Capital assets are defined by the Agency as assets with an initial, individual cost equal to or greater than \$5,000. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at acquisition value at the date of the donation. Capital asset activity for the fiscal year ended June 30, 2024 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$ -	\$ -	\$ 464,977
Construction in progress	-	35,867	-	35,867
Total Capital assets not being depreciated	464,977	35,867	-	500,844
Capital assets, being depreciated:				
Buildings & Improvements	15,422,911	442,910	-	15,865,821
Furniture, equipment & machinery	659,058	5,756	-	664,814
Total Capital assets being depreciated	16,081,969	448,666	-	16,530,635
Less accumulated depreciation for:				
Buildings & Improvements	(9,247,171)	(368,910)	-	(9,616,081)
Furniture, equipment & machinery	(652,760)	(5,649)	-	(658,409)
Total accumulated depreciation	(9,899,931)	(374,559)	-	(10,274,490)
Total capital assets, being depreciated, net	6,182,038	74,107	-	6,256,145
Total Capital assets, net	\$ 6,647,015	\$ 109,974	\$ -	\$ 6,756,989

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

Business-type activities	
Low-Rent Public Housing	\$ 374,559

#### 5. Accounts Payable

Accounts payable of \$88,579 represents expenses incurred but not paid to vendors at June 30, 2024.

#### 6. Compensated Absences

Changes in compensated absences for the year ended June 30, 2024 are as follows:

Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
\$ 13,357	\$ 3,834	\$ 209	\$ 16,982	\$ -

#### 7. Payments in Lieu of Taxes

The Agency is obligated to make annual payments in lieu of property taxes based on a predetermined percent of dwelling rents net of utilities expense. At June 30, 2024, the amount payable to local governments in lieu of taxes was \$39,053.

8. The Agency entered into a POHP (Publicly Owned Housing Program) loan on June 14, 2019, for \$390,000. The loan is a 20-year deferred forgivable loan with a zero percent interest rate. There are also some minimal requirements for reporting that are in effect until June 14, 2054. Loan funds of \$78,541 and \$292,950 were received in fiscal years 2021 and 2020, respectively. This POHP loan for \$390,000 is labeled as a construction loan, meaning the Agency closes on the loan and then starts the renovation work with drawdowns from the loan as payments become due. The Agency also has a second POHP loan to fund elevator modernization work at Sharp View. The Agency entered into the second POHP loan, know as an End Loan Commitment, on October 17, 2019, for up to \$58,871. On July 27, 2020, the terms of the loan changed the loan amount to \$58,009, all of which was drawn down in fiscal year 2021. The loan is also a 20-year deferred forgivable loan with a zero percent interest rate.

On August 30, 2021, the Agency entered into two separate loan agreements with the Minnesota Housing Finance Agency and Greater Minnesota Housing Fund to finance the acquisition and rehabilitation of Maple Court Townhomes, a 17-unit project owned by Maple Court, LLC, a limited liability company for which the Agency is the sole member of, and the Maple Court Ownership Development LLC, which is owned by the City of Moorhead. The principal amounts for each loan are \$446,374 and \$575,000 and interest rates are zero percent and four percent, respectively. Maturity dates for the loans are May 1, 2046 and August 30, 2046 respectively. The total project cost is estimated at \$1,021,374.

## 9. Management Agreement

The Agency entered into a contract for services with the Housing and Redevelopment Authority of Clay County effective March 1, 2023. The Housing and Redevelopment Authority of Clay County is performing program and property management and maintenance, and finance and human resources functions. The Agency terminated all employees other than the Executive Director and employees were offered employment at the Housing and Redevelopment Authority of Clay County on an at will basis. Management fees charged to the Low-Rent Public Housing program were based on per unit month (PUM) count, charged at a HUD-approved rate, while all other programs were charged at 10 percent of monthly program revenues. During the year ended June 30 2024, the Agency paid the Housing and Redevelopment Authority of Clay County \$415,994 in management fees.

## 10. Retirement Plan

The Agency has a nonintegrated, discretionary contribution Money Purchase Plan covering substantially all employees. The plan is funded through payments to Security Benefit, Inc. where the contributions are allocated to the account of each participant in the same portion as the participant's compensation bears to all participants' compensation for the year. The Agency contributes 7% of employees' eligible salaries and employees must contribute up to 7% of salaries to the plan. In this master multiple-employee plan, the accumulated benefits and plan assets are not determined or allocated separately by individual employer. The approximated total cost of this plan for the years ended June 30, 2024, 2023, and 2022 was \$8,249, \$13,923, and \$29,164, respectively.

## 11. Commitments

As of June 30, 2024, the Agency has commitments totaling approximately \$8,297 for a unit rehabilitation project for Low-Rent Public Housing program. This project is scheduled to be completed July 2024.

### E. Change Within Reporting Entity

The governmental fund balances as of January 1, 2024, were reclassified to enhance presentation and align with new reporting pronouncements. The restatement did not have a net affect on the total governmental fund balance nor the beginning net position on the government-wide statements.

	Governmental Funds		
	Library Community Center	Capital Improvements	Non-major
Fund Balance, January 1, 2024 as previously reported	\$ -	\$ -	\$ 13,096,688
Change from nonmajor to major fund	2,575,860	3,388,188	(5,964,048)
Fund Balance, January 1, 2024 as restated	<u>\$ 2,575,860</u>	<u>\$ 3,388,188</u>	<u>\$ 7,132,640</u>

## **F. Future Implementation of Approved GASB Standards**

As of December 31, 2024, there are a number of GASB Standards that have been issued by the Governmental Accounting Standards Board (GASB) that are not effective as of December 31, 2024 but will be implemented in future years.

GASB Statement No. 102, *Certain Risk Disclosures*, provides guidance on risks that governments face that could negatively affect the level of service they provide or their ability to meet obligations as they come due. This statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Earlier application is encouraged.

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

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

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

## REQUIRED SUPPLEMENTARY INFORMATION

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

City:	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	119,195	104,674	142,626	152,548	127,497	124,534	132,300
Interest	68,842	38,116	42,420	55,884	81,814	70,273	67,250
Changes in assumptions	74,959	(224,216)	6,786	107,195	72,245	(72,584)	-
Differences between Expected and Actual Experience	(28,582)	-	(247,530)	-	(427,877)	-	-
Benefit payments	(111,400)	(124,747)	(118,380)	(104,936)	(104,241)	(99,252)	(101,115)
Net change in total OPEB liability	123,014	(206,173)	(174,078)	210,691	(250,562)	22,971	98,435
Total OPEB Liability - beginning	1,657,016	1,863,189	2,037,267	1,826,576	2,077,138	2,054,167	1,955,732
Total OPEB Liability - ending	1,780,030	1,657,016	1,863,189	2,037,267	1,826,576	2,077,138	2,054,167
Covered employee payroll	20,674,401	19,725,395	19,150,869	19,466,999	18,854,236	16,609,056	16,125,297
Total OPEB liability as a percentage of covered employee payroll	8.6%	8.4%	9.7%	10.5%	9.7%	12.5%	12.7%
Public Service Utility:	12/31/2024	12/31/2023	12/31/2022	12/31/2021	12/31/2020	12/31/2019	12/31/2018
Service cost	22,201	21,554	30,327	29,444	33,344	27,943	31,306
Interest	9,138	6,119	6,235	11,700	14,341	15,515	15,851
Changes in assumptions	-	(33,467)	-	(26,325)	20,804	(6,128)	-
Differences between Expected and Actual Experience	-	(52,915)	-	(72,618)	-	(84,126)	-
Benefit payments	(7,118)	(31,658)	(35,492)	(34,020)	(42,921)	(59,686)	(48,391)
Net change in total OPEB liability	24,221	(90,367)	1,070	(91,819)	25,568	(106,482)	(1,234)
Total OPEB Liability - beginning	209,774	300,141	299,071	390,890	365,322	471,804	473,038
Total OPEB Liability - ending	233,995	209,774	300,141	299,071	390,890	365,322	471,804
Covered employee payroll	5,285,542	5,131,594	4,674,070	4,537,932	4,638,093	4,503,003	4,375,925
Total OPEB liability as a percentage of covered employee payroll	4.4%	4.1%	6.4%	6.6%	8.4%	8.1%	10.8%

- GASB Statement No. 75 requires ten years of information to be presented in this table. However, until a full 10-year trend is compiled, the City of Moorhead will present information for those years for which information is available.

#### Notes to the Schedule of Changes in Total OPEB Liability and Related Ratios

No assets are accumulated in a trust that meets the criteria in paragraph 4 of GASB Statement No. 75.

## Schedule of Employer's Share of Net Pension Liability

City:

Pension Plan	Measurement Date	Employer's Proportionate Share (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	State's Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (c) (a + b)	Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2024	0.1700%	\$ 6,285,599	\$ 162,533	\$ 6,448,132	\$ 14,813,377	42.4%	89.1%
PEFFF	6/30/2024	0.6220%	\$ 8,180,023	\$ 311,819	\$ 8,491,842	\$ 9,943,310	82.3%	90.2%
GERF	6/30/2023	0.1700%	\$ 9,372,004	\$ 258,323	\$ 9,630,327	\$ 13,386,835	70.0%	83.1%
PEFFF	6/30/2023	0.6500%	\$ 11,195,298	\$ 450,945	\$ 11,646,243	\$ 9,796,247	114.3%	86.5%
GERF	6/30/2022	0.1700%	\$ 13,329,416	\$ 390,702	\$ 13,720,118	\$ 11,806,119	112.9%	76.7%
PEFFF	6/30/2022	0.6700%	\$ 29,147,050	\$ 1,273,377	\$ 30,420,427	\$ 8,615,508	338.3%	70.5%
GERF	6/30/2021	0.1700%	\$ 7,101,755	\$ 216,774	\$ 7,318,529	\$ 12,156,354	58.4%	87.0%
PEPFF	6/30/2021	0.6800%	\$ 5,245,792	\$ 235,852	\$ 5,481,644	\$ 9,027,437	58.1%	93.7%
GERF	6/30/2020	0.1600%	\$ 9,826,554	\$ 303,098	\$ 10,129,652	\$ 11,954,059	82.2%	79.1%
PEPFF	6/30/2020	0.6900%	\$ 9,130,527	\$ 215,093	\$ 9,345,620	\$ 7,823,375	116.7%	87.2%
GERF	6/30/2019	0.1600%	\$ 8,635,948	\$ 268,488	\$ 8,904,436	\$ 11,375,582	75.9%	80.2%
PEPFF	6/30/2019	0.7200%	\$ 7,689,613	N/A	\$ 7,689,613	\$ 8,664,933	88.7%	89.3%
GERF	6/30/2018	0.1500%	\$ 8,437,884	\$ 276,797	\$ 8,714,681	\$ 11,429,880	73.8%	79.5%
PEPFF	6/30/2018	0.6700%	\$ 7,192,673	N/A	\$ 7,192,673	\$ 7,207,246	99.8%	79.5%
GERF	6/30/2017	0.1500%	\$ 9,920,633	\$ 124,766	\$ 10,045,399	\$ 10,310,813	96.2%	75.9%
PEPFF	6/30/2017	0.6800%	\$ 9,221,313	N/A	\$ 9,221,313	\$ 8,075,441	114.2%	75.9%
GERF	6/30/2016	0.1500%	\$ 11,797,639	\$ 154,084	\$ 11,951,723	\$ 9,034,080	130.6%	68.9%
PEPFF	6/30/2016	0.6500%	\$ 25,884,972	N/A	\$ 25,884,972	\$ 6,450,180	401.3%	68.9%
GERF	6/30/2015	0.1400%	\$ 7,338,447	N/A	\$ 7,338,447	\$ 8,503,085	86.3%	78.2%
PEPFF	6/30/2015	0.6490%	\$ 7,374,159	N/A	\$ 7,374,159	\$ 6,799,858	108.4%	78.2%

Public Service Utility:

Pension Plan	Measurement Date	Employer's Proportion (Percentage) of the Net Pension Liability	Employer's Proportionate Share (Amount) of the Net Pension Liability (a)	Proportionate Share (Amount) of the Net Pension Liability Associated with the City (b)	Total (c) (a + b)	Covered Payroll (d)	Employer's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll (a/d)	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
GERF	6/30/2024	0.0685%	\$ 2,631,203	\$ 68,038	\$ 2,699,241	\$ 6,438,554	40.9%	89.1%
GERF	6/30/2023	0.0685%	\$ 3,830,443	\$ 105,610	\$ 3,936,053	\$ 5,723,329	66.9%	83.1%
GERF	6/30/2022	0.0659%	\$ 5,219,302	\$ 152,942	\$ 5,372,244	\$ 5,173,015	100.9%	76.7%
GERF	6/30/2021	0.0664%	\$ 2,835,577	\$ 86,558	\$ 2,922,135	\$ 5,009,349	56.6%	87.0%
GERF	6/30/2020	0.0731%	\$ 4,382,679	\$ 135,049	\$ 4,517,728	\$ 4,905,566	89.3%	79.1%
GERF	6/30/2019	0.0708%	\$ 3,914,373	\$ 121,661	\$ 4,036,034	\$ 5,308,088	73.7%	80.2%
GERF	6/30/2018	0.0712%	\$ 3,949,884	\$ 129,501	\$ 4,079,385	\$ 4,484,756	88.1%	79.5%
GERF	6/30/2017	0.0715%	\$ 4,564,514	\$ 57,367	\$ 4,621,881	\$ 7,092,367	64.4%	75.9%
GERF	6/30/2016	0.0706%	\$ 5,732,370	\$ 74,844	\$ 5,807,214	\$ 6,664,177	86.0%	68.9%
GERF	6/30/2015	0.0686%	\$ 3,555,208	N/A	\$ 3,555,208	\$ 6,393,326	55.6%	78.2%

The accompanying required supplementary information notes are an integral part of this schedule.

## Schedule of Employer's Pension Plan Contributions

City:

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
GERF	12/31/2024	\$ 1,120,121	\$ 1,120,121	\$ -	\$ 15,040,052	7.4%
PEPFF	12/31/2024	\$ 1,526,988	\$ 1,526,988	\$ -	\$ 10,126,399	15.1%
GERF	12/31/2023	\$ 1,041,339	\$ 1,041,339	\$ -	\$ 14,004,721	10.9%
PEPFF	12/31/2023	\$ 1,520,499	\$ 1,520,499	\$ -	\$ 10,085,708	9.6%
GERF	12/31/2022	\$ 969,835	\$ 969,835	\$ -	\$ 13,140,580	11.1%
PEPFF	12/31/2022	\$ 1,460,400	\$ 1,460,400	\$ -	\$ 9,392,202	9.8%
GERF	12/31/2021	\$ 924,316	\$ 924,316	\$ -	\$ 12,383,958	11.5%
PEPFF	12/31/2021	\$ 1,429,351	\$ 1,429,351	\$ -	\$ 9,031,218	9.9%
GERF	12/31/2020	\$ 893,378	\$ 893,378	\$ -	\$ 11,985,663	11.7%
PEPFF	12/31/2020	\$ 1,398,393	\$ 1,398,393	\$ -	\$ 8,629,394	10.1%
GERF	12/31/2019	\$ 868,105	\$ 868,105	\$ -	\$ 11,738,272	11.1%
PEPFF	12/31/2019	\$ 1,303,542	\$ 1,303,542	\$ -	\$ 8,681,443	9.0%
GERF	12/31/2018	\$ 777,774	\$ 777,774	\$ -	\$ 10,737,644	11.1%
PEPFF	12/31/2018	\$ 1,196,569	\$ 1,196,569	\$ -	\$ 8,402,666	8.3%
GERF	12/31/2017	\$ 700,910	\$ 700,910	\$ -	\$ 10,140,633	11.5%
PEPFF	12/31/2017	\$ 1,167,768	\$ 1,167,768	\$ -	\$ 7,777,052	8.3%
GERF	12/31/2016	\$ 645,126	\$ 645,126	\$ -	\$ 9,546,541	11.6%
PEPFF	12/31/2016	\$ 1,103,542	\$ 1,103,542	\$ -	\$ 7,253,057	9.4%
GERF	12/31/2015	\$ 683,737	\$ 683,737	\$ -	\$ 8,923,750	11.5%
PEPFF	12/31/2015	\$ 1,023,130	\$ 1,023,130	\$ -	\$ 6,612,690	15.5%

Public Service Utility:

Pension Plan	Fiscal Year Ending	Statutorily Required Contribution (a)	Contributions in Relation to the Statutorily Required Contribution (b)	Contribution Deficiency (Excess) (a-b)	Covered Payroll (c)	Contributions as a Percentage of Covered Payroll (b/c)
GERF	12/31/2024	\$ 451,779	\$ 451,779	\$ -	\$ 6,023,720	7.5%
GERF	12/31/2023	\$ 408,577	\$ 408,577	\$ -	\$ 5,447,693	7.5%
GERF	12/31/2022	\$ 370,291	\$ 370,291	\$ -	\$ 4,937,213	7.5%
GERF	12/31/2021	\$ 358,277	\$ 358,277	\$ -	\$ 4,777,027	7.5%
GERF	12/31/2020	\$ 369,839	\$ 369,839	\$ -	\$ 4,931,187	7.5%
GERF	12/31/2019	\$ 376,011	\$ 376,011	\$ -	\$ 5,013,480	7.5%
GERF	12/31/2018	\$ 358,722	\$ 358,722	\$ -	\$ 4,782,960	7.5%
GERF	12/31/2017	\$ 345,294	\$ 345,294	\$ -	\$ 4,603,920	7.5%
GERF	12/31/2016	\$ 335,637	\$ 335,637	\$ -	\$ 4,475,155	7.5%
GERF	12/31/2015	\$ 311,115	\$ 311,115	\$ -	\$ 4,148,200	7.5%

The accompanying required supplementary information notes are an integral part of this schedule.

## Notes to the Schedule of Changes in Net Pension Liabilities and Related Ratios

### General Employees Fund

#### 2024 Changes

##### Changes in Actuarial Assumptions:

The following changes in assumptions are effective with the July 1, 2024 valuation, as recommended in the most recent experience study (dated June 29, 2023):

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

##### Changes in Plan Provisions

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

#### 2023 Changes

##### Changes in Actuarial Assumptions:

- The investment return assumption and single discount rate were changed from 6.50 percent to 7.00 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.

#### 2022 Changes

##### Changes in Actuarial Assumptions:

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

##### Changes in Plan Provisions:

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

#### 2021 Changes

##### Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The mortality improvement scale was changed from MP-2019 to Scale MP-2020.

##### Changes in Plan Provisions:

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

#### 2020 Changes

##### Changes in Actuarial Assumptions:

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from RP-2014 table to

the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.

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

Changes in Plan Provisions:

- Augmentation for current privatized members was reduced to 2.0% for the period July 1, 2020 through December 31, 2023 and 0.0% after. Augmentation was eliminated for privatizations occurring after June 30, 2020.

2019 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2018 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019 resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00 percent to 3.00 percent, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00 percent, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Annual increases were changed from 1 percent per year with a provision to increase to 2.5 percent upon attainment of 90 percent funding ratio to 50 percent of the Social Security Cost-of Living Adjustment, not less than 1 percent and not more than 1.5 percent, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

2017 Changes

Changes in Actuarial Assumptions:

- The combined service annuity (CSA) loads were changed from 0.80 percent for active members and 60.00 percent for vested and non-vested deferred members. The revised CSA load are now 0.00 percent for active member liability, 15.00 percent for vested deferred member liability, and 3.00 percent for non-vested deferred member liability.
- The assumed annual increase rate was changed for 1.00 percent per year for all years to 1.00 percent per year through 2044 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

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

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00 percent per year through 2035 and 2.50 percent per year thereafter to 1.00 percent per year for all years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent. The single discount rate changed from 7.90 percent to 7.50 percent.



- Other assumptions were changed pursuant to the experience study June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2015 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2035 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state, and employer contributions were revised; the State's contribution of \$6.0 million, which meets the special funding situation definition, was due September 2015.

**Police and Fire Fund**

2024 Changes

Changes in Plan Provisions

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

2023 Changes

Changes in Actuarial Assumptions

- The investment return assumption was changed from 6.50 to 7.00 percent.
- The single discount rate changed from 5.40 percent to 7.00 percent.

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 3.00 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.

2022 Changes

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

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

2021 Changes

Changes in Actuarial Assumptions:

- The investment return and single discount rates were changed from 7.50 percent to 6.50 percent, for financial reporting purposes.
- The inflation assumption was changed from 2.50 percent to 2.25 percent.
- The payroll growth assumption was changed from 3.25 percent to 3.00 percent.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 Public Safety Mortality table. The mortality improvement scale was changed from MP-2019 to MN-2020.

- The base mortality table for disabled annuitants was changed from the RP-2014 healthy annuitant mortality table (with future mortality improvement according to Scale MP-2019) to the Pub-2010 Public Safety disabled annuitant mortality table (with future mortality improvement according to Scale MP-2020).
- Assumed rates of salary increase were modified as recommended in the July 14, 2020 experience study. The overall impact is a decrease in gross salary increase rates.
- Assumed rates of retirement were changed as recommended in the July 14, 2020 experience study. The changes result in slightly more unreduced retirements and fewer assumed early retirements.
- Assumed rates of withdrawal were changed from select and ultimate rates to service-based rates. The changes result in more assumed terminations.
- Assumed rates of disability were increased for ages 25-44 and decreased for ages over 49. Overall, proposed rates result in more projected disabilities.
- Assumed percent married for active female members was changed from 60 percent to 70 percent. Minor changes to form of payment assumptions were applied.

#### Changes in Plan Provisions:

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

#### 2020 Changes

##### Changes in Actuarial Assumptions:

- The mortality projection scale was changed from MP-2018 to MP-2019.

#### Changes in Plan Provisions:

- There have been no changes since the prior valuation

#### 2019 Changes

##### Changes in Actuarial Assumptions:

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

#### Changes in Plan Provisions:

- There have been no changes since the prior valuation

#### 2018 Changes

##### Changes in Actuarial Assumptions:

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

#### Changes in Plan Provisions:

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

#### 2017 Changes

##### Changes in Actuarial Assumptions:

- Assumed salary increases were changed as recommended in the June 30, 2016 experience study. The net effect is proposed rates that average 0.34 percent lower than the previous rates.
- Assumed rates of retirement were changed, resulting in fewer retirements.
- The combined service annuity (CSA) load was 30.00 percent for vested and non-vested, deferred members. The CSA has been changed to 33.00 percent for vested members and 2.00 percent for non-vested members.
- The base mortality table for healthy annuitants was changed from the RP-2000 fully generational table to the RP-2014 fully generational table (with a base year of 2006), with male rates adjusted by a factor of 0.96. The mortality improvement scale was changed from Scale AA to Scale MP-2016. The base mortality table for disabled annuitants was changed from the RP-2000 disabled mortality table to the mortality tables assumed for healthy retirees.
- Assumed termination rates were decreased to 3.00 percent for the first three years of service. Rates beyond the select period of three years were adjusted, resulting in more expected terminations overall.
- Assumed percentage of married female members was decreased from 65.00 percent to 60.00

- percent.
- Assumed age difference was changed from separate assumptions for male members (wives assumed to be three years younger) and female members (husbands assumed to be four years older) to the assumption that males are two years older than females.
- The assumed percentage of female members electing joint and survivor annuities was increased.
- The assumed annual benefit increase rate was changed from 1.00 percent for all years to 1.00 percent per year through 2064 and 2.50 percent thereafter.
- The single discount rate was changed from 5.60 percent per annum to 7.50 percent per annum.

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

2016 Changes

Changes in Actuarial Assumptions:

- The assumed annual benefit increase rate was changed from 1.00 percent per year through 2037 and 2.50 percent per year thereafter to 1.00 percent per year for all future years.
- The assumed investment return was changed from 7.90 percent to 7.50 percent.
- The single discount rate changed from 7.90 percent to 5.60 percent.
- The assumed future salary increases, payroll growth, and inflation were decreased by 0.25 percent to 3.25 percent for payroll growth and 2.50 percent for inflation.

Changes in Plan Provisions:

- There have been no changes since the prior valuation

2015 Changes

Changes in Actuarial Assumptions:

- The assumed annual increase rate was changed from 1.00 percent per year through 2030 and 2.50 percent per year thereafter to 1.00 percent per year through 2037 and 2.50 percent per year thereafter.

Changes in Plan Provisions:

- The annual increase to be paid after the attainment of the 90.00 percent funding threshold was changed from inflation up to 2.50 percent, to a fixed rate of 2.50 percent.

## SUPPLEMENTARY INFORMATION

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### NONMAJOR GOVERNMENTAL FUNDS

#### Special Revenue Funds

Special Revenue Funds are used to account for specific revenue sources (other than special assessments, or major capital projects) that are legally restricted or committed to expenditures for particular purposes.

Park - accounts for recreational programs offered to the citizens of Moorhead.

Library - accounts for City aid to the Lake Agassiz Regional Library.

Community Development - accounts for Federal Community Development Block Grant entitlements.

American Rescue Plan Act - accounts for the American Rescue Plan Act proceeds and activities.

Mass Transit - accounts for the operation of the City bus system.

Economic Development - accounts for the preparation of recreational, commercial and cultural activities.

Public Safety Aid – accounts for the proceeds and expenditures associated with the shared funding from the State of Minnesota for public aid programs.

Affordable Housing Aid – accounts for the proceeds and expenditures associated the shared funding from the State of Minnesota to make housing affordable to lower income households.

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

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

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

#### Debt Service Funds

Debt Service Funds are used to account for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

G.O. Bond - accounts for the accumulation of resources for payment of general obligation bond principal and interest. Provisions are made annually within the City's general property tax levy to provide sufficient money to meet these requirements.

Tax Increment - accounts for the accumulation of resources for payment of tax increment general obligation bond principal and interest. Tax increments are received by the City to meet these requirements.

Municipal Improvement - accounts for the accumulation of resources for payment of municipal improvement bond principal and interest. Transfers are made annually from the Capital Improvement Fund to provide sufficient money to meet these requirements.

G.O Sales Tax Revenue Bonds - accounts for the accumulation of local sales tax revenue for payment of general obligation bond principal and interest.

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
DECEMBER 31, 2024**

	Special Revenue							
	Park	Library	Community Development	American Rescue Plan Act	Mass Transit	Economic Development	Public Safety Aid	Affordable Housing Aid
<b>ASSETS</b>								
Assets:								
Cash and investments	\$ 1,630,911	\$ 206,449	\$	\$ 1,641,219	\$ 1,783,436	\$ 3,533,957	\$ 1,005,018	\$ 535,450
Receivables:								
Accounts	14,777				1,236	29	110	
Notes			4,165,172			100,000		
Leases	10,030							
Special assessments								
Delinquent property taxes	71,107	18,466			266	13		
Due from other governmental units	50,137	11,265	39,873		210,897	8,188		
Advances to other funds						300,000		
Prepaid items	50,720							
<b>Total Assets</b>	<b>\$ 1,827,682</b>	<b>\$ 236,180</b>	<b>\$ 4,205,045</b>	<b>\$ 1,641,219</b>	<b>\$ 1,995,835</b>	<b>\$ 3,942,187</b>	<b>\$ 1,005,128</b>	<b>\$ 535,450</b>
<b>LIABILITIES, DEFERRED INFLOWS OF RESOURCES &amp; FUND BALANCE</b>								
Liabilities:								
Accounts payable	\$ 40,832	\$ 14,916	\$ 23,464	\$	\$ 424,339	\$ 50,041	\$	\$ 50,000
Accrued wages payable	135,138		5,694		48,336	6,996	4,004	
Due to other funds	18,456	5,084	5,274		29	197		
Advances from other funds								
Other liabilities	4,237		4,100			43,500		
Unearned revenue				1,455,944	130,594			
<b>Total Liabilities</b>	<b>198,663</b>	<b>20,000</b>	<b>38,532</b>	<b>1,455,944</b>	<b>603,298</b>	<b>100,734</b>	<b>4,004</b>	<b>50,000</b>
Deferred inflows of resources:								
Taxes	71,107	18,466			266	13		
Lease related	10,030							
Other	1,300		4,165,172			100,000		
<b>Total Deferred Inflows of Resources</b>	<b>82,437</b>	<b>18,466</b>	<b>4,165,172</b>		<b>266</b>	<b>100,013</b>		
Fund Balance:								
Nonspendable	50,720					300,000		
Restricted								
Public safety							958,218	
Culture and recreation	146,669	197,714		185,275		2,063,676		471,415
Urban and economic development			1,341					
Contributions								
Debt service								
Committed	1,349,193				1,392,271	1,377,764	42,906	14,035
<b>Total Fund Balance</b>	<b>1,546,582</b>	<b>197,714</b>	<b>1,341</b>	<b>185,275</b>	<b>1,392,271</b>	<b>3,741,440</b>	<b>1,001,124</b>	<b>485,450</b>
<b>Total Liabilities, Deferred Inflows of Resources &amp; Fund Balance</b>	<b>\$ 1,827,682</b>	<b>\$ 236,180</b>	<b>\$ 4,205,045</b>	<b>\$ 1,641,219</b>	<b>\$ 1,995,835</b>	<b>\$ 3,942,187</b>	<b>\$ 1,005,128</b>	<b>\$ 535,450</b>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)  
DECEMBER 31, 2024**

Special Revenue				Debt Service					Total Nonmajor Governmental Funds
National Opioid Settlements	Contributions	Maple Court Ownership Development	Total	G.O. Bond	Tax Increment	Municipal Improvement	GO Sales Tax Revenue Bonds	Total	
\$ 432,945	\$ 103,855	\$ 318,837	\$ 11,192,077	\$ 15,704	\$ 3,417,046	\$ 85,691	\$ 1,536,386	\$ 5,054,827	\$ 16,246,904
79			16,231						16,231
			4,265,172						4,265,172
			10,030						10,030
			89,852	88	2			90	89,942
		15,486	335,846		2,513		737,368	739,881	1,075,727
			300,000						300,000
		3,002	53,722						53,722
<u>\$ 433,024</u>	<u>\$ 103,855</u>	<u>\$ 337,325</u>	<u>\$ 16,262,930</u>	<u>\$ 15,792</u>	<u>\$ 3,419,561</u>	<u>\$ 85,691</u>	<u>\$ 2,273,754</u>	<u>\$ 5,794,798</u>	<u>\$ 22,057,728</u>
\$ 3,866	\$ 1,547	\$ 13,899	\$ 619,038	\$	\$ 7,538	\$	\$	\$ 7,538	\$ 626,576
			204,034						204,034
			29,040						29,040
					2,889,645			2,889,645	2,889,645
		11,110	62,947						62,947
			1,586,538						1,586,538
<u>3,866</u>	<u>1,547</u>	<u>25,009</u>	<u>2,501,597</u>		<u>2,897,183</u>			<u>2,897,183</u>	<u>5,398,780</u>
			89,852	88	2			90	89,942
			10,030						10,030
			4,266,472						4,266,472
			4,366,354	88	2			90	4,366,444
		3,002	353,722						353,722
429,158			1,387,376						1,387,376
			529,658						529,658
		309,314	2,845,746						2,845,746
	102,308		102,308						102,308
				15,704	522,376	85,691	2,273,754	2,897,525	2,897,525
			4,176,169						4,176,169
<u>429,158</u>	<u>102,308</u>	<u>312,316</u>	<u>9,394,979</u>	<u>15,704</u>	<u>522,376</u>	<u>85,691</u>	<u>2,273,754</u>	<u>2,897,525</u>	<u>12,292,504</u>
<u>\$ 433,024</u>	<u>\$ 103,855</u>	<u>\$ 337,325</u>	<u>\$ 16,262,930</u>	<u>\$ 15,792</u>	<u>\$ 3,419,561</u>	<u>\$ 85,691</u>	<u>\$ 2,273,754</u>	<u>\$ 5,794,798</u>	<u>\$ 22,057,728</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Special Revenue						
	Park	Library	Community Development	American Rescue Plan Act	Mass Transit	Economic Development	Public Safety Aid
<b>REVENUES</b>							
Property taxes	\$ 3,300,197	\$ 808,105	\$	\$	150	\$ 591,646	\$
Intergovernmental revenues:							
Federal			490,934	3,680,635	1,779,543		
State	678,696	152,981			3,521,522	112,430	
Other							
Charges for services	241,794				371,638	1,575	
Facility rentals	159,104	19,608					
Donations							
Investment income	14,852			185,275	77,877	127,767	42,906
Miscellaneous	83,367	619	159,608		17,042	5,209	
Total revenues	<u>4,478,010</u>	<u>981,313</u>	<u>650,542</u>	<u>3,865,910</u>	<u>5,767,772</u>	<u>838,627</u>	<u>42,906</u>
<b>EXPENDITURES</b>							
Current:							
General government				200,000			26,340
Public safety				1,000,000			261,008
Highways and streets				16,028			
Culture and recreation	3,813,996	983,010					
Public transportation					4,962,391		
Urban and economic development			448,232			781,320	
Capital outlay	1,761		202,130	60,072	1,042,825		
Debt service:							
Bond and note principal							
Bond and note interest							
Fiscal and other charges							
Total expenditures	<u>3,815,757</u>	<u>983,010</u>	<u>650,362</u>	<u>1,276,100</u>	<u>6,005,216</u>	<u>781,320</u>	<u>287,348</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>662,253</u>	<u>(1,697)</u>	<u>180</u>	<u>2,589,810</u>	<u>(237,444)</u>	<u>57,307</u>	<u>(244,442)</u>
<b>OTHER FINANCING SOURCES (USES)</b>							
Issuance of debt							
Premium on issuance of debt							
Transfers from other funds					150,000	50,000	
Transfers to other funds	(586,525)			(2,404,535)			(700,000)
Leases	34,955					105,343	
Proceeds from sale of capital assets					16,836	387,507	
Total other financing sources (uses)	<u>(551,570)</u>			<u>(2,404,535)</u>	<u>166,836</u>	<u>542,850</u>	<u>(700,000)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>110,683</u>	<u>(1,697)</u>	<u>180</u>	<u>185,275</u>	<u>(70,608)</u>	<u>600,157</u>	<u>(944,442)</u>
<b>FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED</b>	<u>1,435,899</u>	<u>199,411</u>	<u>1,161</u>		<u>1,462,879</u>	<u>3,141,283</u>	<u>1,945,566</u>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)</b>							
<b>FUND BALANCE - BEGINNING, AS ADJUSTED</b>	<u>1,435,899</u>	<u>199,411</u>	<u>1,161</u>		<u>1,462,879</u>	<u>3,141,283</u>	<u>1,945,566</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,546,582</u>	<u>\$ 197,714</u>	<u>\$ 1,341</u>	<u>\$ 185,275</u>	<u>\$ 1,392,271</u>	<u>\$ 3,741,440</u>	<u>\$ 1,001,124</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

Special Revenue					Debt Service			
Affordable Housing Aid	National Opioid Settlements	Contributions	Maple Court Ownership Development	Total Special Revenue	G.O. Bond	Tax Increment	Municipal Improvement	GO Sales Tax Revenue Bonds
\$	\$	\$	\$	\$	\$	\$	\$	\$
260,817				4,700,098		914,332		
				5,951,112				
				4,726,446		583,563		2,264,378
				615,007				
		68,376		178,712				
14,035	13,884		11,702	68,376				
	284,546		171,827	488,298	630	4,272	9,194	14,966
274,852	298,430	68,376	183,529	722,218				
				17,450,267	630	1,502,167	9,194	2,279,344
	10,539			236,879				141,883
	94,125	17,213		1,372,346				
				16,028				
		3,009		4,800,015				
50,219			119,085	4,962,391				
				1,398,856		328,783		
				1,306,788				
						290,000		
						395,298		
						761,521		194,602
50,219	104,664	20,222	119,085	14,093,303		1,775,602		336,485
224,633	193,766	48,154	64,444	3,356,964	630	(273,435)	9,194	1,942,859
						2,588,407		330,895
						330,895		
		(36,443)		200,000				
				(3,727,503)			(143,683)	
				140,298				
				404,343				
		(36,443)		(2,982,862)		2,919,302	(143,683)	330,895
224,633	193,766	11,711	64,444	374,102	630	2,645,867	(134,489)	2,273,754
260,817	235,392	90,597	247,872	9,020,877	15,074	(2,123,491)	220,180	
260,817	235,392	90,597	247,872	9,020,877	15,074	(2,123,491)	220,180	
\$ 485,450	\$ 429,158	\$ 102,308	\$ 312,316	\$ 9,394,979	\$ 15,704	\$ 522,376	\$ 85,691	\$ 2,273,754



**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES**  
**NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)**  
**YEAR ENDED DECEMBER 31, 2024**

	Debt Service			Total
	Total Debt Service	Formerly Nonmajor Fund Library Community Center Project	Formerly Nonmajor Fund Capital Improvement	Nonmajor Governmental Funds
<b>REVENUES</b>				
Property taxes	\$ 914,332	\$	\$	\$ 5,614,430
Intergovernmental revenues:				
Federal				5,951,112
State	583,563			5,310,009
Other	2,264,378			2,264,378
Charges for services				615,007
Facility rentals				178,712
Donations				68,376
Investment income	29,062			517,360
Miscellaneous				722,218
Total revenues	<u>3,791,335</u>			<u>21,241,602</u>
<b>EXPENDITURES</b>				
Current:				
General government	141,883			378,762
Public safety				1,372,346
Highways and streets				16,028
Culture and recreation				4,800,015
Public transportation				4,962,391
Urban and economic development	328,783			1,727,639
Capital outlay				1,306,788
Debt service:				
Bond and note principal	290,000			290,000
Bond and note interest	395,298			395,298
Fiscal and other charges	956,123			956,123
Total expenditures	<u>2,112,087</u>			<u>16,205,390</u>
<b>REVENUE OVER (UNDER)</b>				
<b>EXPENDITURES</b>	<u>1,679,248</u>			<u>5,036,212</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Issuance of debt	2,919,302			2,919,302
Premium on issuance of debt	330,895			330,895
Transfers from other funds				200,000
Transfers to other funds	(143,683)			(3,871,186)
Leases				140,298
Proceeds from sale of capital assets				404,343
Total other financing sources (uses)	<u>3,106,514</u>			<u>123,652</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>4,785,762</u>			<u>5,159,864</u>
<b>FUND BALANCE - BEGINNING, AS PREVIOUSLY REPORTED</b>	<u>(1,888,237)</u>	<u>2,575,860</u>	<u>3,388,188</u>	<u>5,964,048</u>
<b>CHANGE WITHIN FINANCIAL REPORTING ENTITY (NONMAJOR TO MAJOR FUND)</b>		<u>(2,575,860)</u>	<u>(3,388,188)</u>	<u>(5,964,048)</u>
<b>FUND BALANCE - BEGINNING, AS ADJUSTED</b>	<u>(1,888,237)</u>			<u>7,132,640</u>
<b>FUND BALANCE - ENDING</b>	<u>\$ 2,897,525</u>	<u>\$</u>	<u>\$</u>	<u>\$ 12,292,504</u>

**CITY OF MOORHEAD, MINNESOTA  
PARK FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
General property taxes	\$ 3,326,380	\$ 3,326,380	\$ 3,300,197	\$ (26,183)
Intergovernmental:				
State	625,670	667,012	678,696	11,684
Charges for services	222,700	222,700	241,794	19,094
Facility rentals	145,840	145,840	159,104	13,264
Investment income	7,358	7,358	14,852	7,494
Miscellaneous	65,300	65,300	83,367	18,067
Total revenues	<u>4,393,248</u>	<u>4,434,590</u>	<u>4,478,010</u>	<u>43,420</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	2,309,765	2,309,765	2,297,922	11,843
Supplies	276,027	276,027	260,442	15,585
Other services & charges	1,220,931	1,220,931	1,255,632	(34,701)
Capital outlay		41,342	1,761	39,581
Total expenditures	<u>3,806,723</u>	<u>3,848,065</u>	<u>3,815,757</u>	<u>32,308</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>586,525</u>	<u>586,525</u>	<u>662,253</u>	<u>75,728</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers to other funds	(586,525)	(586,525)	(586,525)	
Leases			34,955	34,955
Total other financing sources (uses)	<u>(586,525)</u>	<u>(586,525)</u>	<u>(551,570)</u>	<u>34,955</u>
<b>NET CHANGE IN FUND BALANCE</b>			110,683	110,683
<b>FUND BALANCE - BEGINNING</b>	<u>1,435,899</u>	<u>1,435,899</u>	<u>1,435,899</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,435,899</u>	<u>\$ 1,435,899</u>	<u>\$ 1,546,582</u>	<u>\$ 110,683</u>

**CITY OF MOORHEAD, MINNESOTA  
LIBRARY FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
General property taxes	\$ 813,223	\$ 813,223	\$ 808,105	\$ (5,118)
Intergovernmental:				
State	152,962	152,962	152,981	19
Facility rentals	21,442	21,442	19,608	(1,834)
Investment income	998	998		(998)
Miscellaneous			619	619
Total revenues	<u>988,625</u>	<u>988,625</u>	<u>981,313</u>	<u>(7,312)</u>
<b>EXPENDITURES</b>				
Current:				
Supplies	6,000	6,000	10,253	(4,253)
Other services & charges	<u>982,625</u>	<u>982,625</u>	<u>972,757</u>	<u>9,868</u>
Total expenditures	<u>988,625</u>	<u>988,625</u>	<u>983,010</u>	<u>5,615</u>
<b>NET CHANGE IN FUND BALANCE</b>			(1,697)	(1,697)
<b>FUND BALANCE - BEGINNING</b>	<u>199,411</u>	<u>199,411</u>	<u>199,411</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 199,411</u>	<u>\$ 199,411</u>	<u>\$ 197,714</u>	<u>\$ (1,697)</u>

**CITY OF MOORHEAD, MINNESOTA  
COMMUNITY DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
Intergovernmental:				
Federal	\$ 313,000	\$ 500,230	\$ 490,934	\$ (9,296)
Miscellaneous	176,532	176,532	159,608	(16,924)
Total revenues	<u>489,532</u>	<u>676,762</u>	<u>650,542</u>	<u>(26,220)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	100,715	100,715	121,437	(20,722)
Supplies	975	975	324	651
Other services & charges	325,871	385,503	326,471	59,032
Capital outlay	42,615	180,213	202,130	(21,917)
Total expenditures	<u>470,176</u>	<u>667,406</u>	<u>650,362</u>	<u>17,044</u>
<b>NET CHANGE IN FUND BALANCE</b>	19,356	9,356	180	(9,176)
<b>FUND BALANCE - BEGINNING</b>	<u>1,161</u>	<u>1,161</u>	<u>1,161</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 20,517</u>	<u>\$ 10,517</u>	<u>\$ 1,341</u>	<u>\$ (9,176)</u>

**CITY OF MOORHEAD, MINNESOTA  
AMERICAN RESCUE PLAN ACT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental:				
Federal	\$	\$ 4,791,053	\$ 3,680,635	\$ (1,110,418)
Investment income			185,275	185,275
Total revenues		4,791,053	3,865,910	(925,143)
EXPENDITURES				
Current:				
Other services & charges		1,456,225	1,216,028	240,197
Capital outlay		34,175	60,072	(25,897)
Total expenditures		1,490,400	1,276,100	214,300
REVENUE OVER (UNDER) EXPENDITURES		3,300,653	2,589,810	(710,843)
OTHER FINANCING SOURCES (USES)				
Transfers to other funds		(3,646,179)	(2,404,535)	1,241,644
Total other financing sources (uses)		(3,646,179)	(2,404,535)	1,241,644
NET CHANGE IN FUND BALANCE		(345,526)	185,275	530,801
FUND BALANCE - BEGINNING				
FUND BALANCE - ENDING	\$	\$ (345,526)	\$ 185,275	\$ 530,801

**CITY OF MOORHEAD, MINNESOTA  
MASS TRANSIT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
General property taxes	\$	\$	\$ 150	\$ 150
Intergovernmental:				
Federal	1,249,895	2,883,179	1,779,543	(1,103,636)
State	3,407,725	3,540,785	3,521,522	(19,263)
Charges for services	371,507	421,507	371,638	(49,869)
Investment income	25,000	25,000	77,877	52,877
Miscellaneous	1,450	1,450	17,042	15,592
Total revenues	<u>5,055,577</u>	<u>6,871,921</u>	<u>5,767,772</u>	<u>(1,104,149)</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	368,236	368,236	423,096	(54,860)
Supplies	7,600	7,600	6,343	1,257
Other services & charges	4,334,890	4,398,502	4,532,952	(134,450)
Capital outlay	305,490	2,392,474	1,042,825	1,349,649
Total expenditures	<u>5,016,216</u>	<u>7,166,812</u>	<u>6,005,216</u>	<u>1,161,596</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>39,361</u>	<u>(294,891)</u>	<u>(237,444)</u>	<u>57,447</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	150,000	335,805	150,000	(185,805)
Proceeds from sale of capital assets	2,000	2,000	16,836	14,836
Total other financing sources (uses)	<u>152,000</u>	<u>337,805</u>	<u>166,836</u>	<u>(170,969)</u>
<b>NET CHANGE IN FUND BALANCE</b>	<u>191,361</u>	<u>42,914</u>	<u>(70,608)</u>	<u>(113,522)</u>
<b>FUND BALANCE - BEGINNING</b>	<u>1,462,879</u>	<u>1,462,879</u>	<u>1,462,879</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 1,654,240</u>	<u>\$ 1,505,793</u>	<u>\$ 1,392,271</u>	<u>\$ (113,522)</u>

**CITY OF MOORHEAD, MINNESOTA  
ECONOMIC DEVELOPMENT FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
<b>REVENUES</b>				
General property taxes	\$ 596,620	\$ 596,620	\$ 591,646	\$ (4,974)
Intergovernmental:				
State	112,403	112,403	112,430	27
Charges for services	5,250	5,250	1,575	(3,675)
Investment income	19,467	19,467	127,767	108,300
Miscellaneous			5,209	5,209
Total revenues	<u>733,740</u>	<u>733,740</u>	<u>838,627</u>	<u>104,887</u>
<b>EXPENDITURES</b>				
Current:				
Personnel	188,886	188,886	169,210	19,676
Supplies	5,700	5,700	5,261	439
Other services & charges	561,136	664,831	606,849	57,982
Total expenditures	<u>755,722</u>	<u>859,417</u>	<u>781,320</u>	<u>78,097</u>
<b>REVENUE OVER (UNDER) EXPENDITURES</b>	<u>(21,982)</u>	<u>(125,677)</u>	<u>57,307</u>	<u>182,984</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers from other funds	50,000	50,000	50,000	
Leases	120,000	120,000	105,343	(14,657)
Proceeds from sale of capital assets			387,507	387,507
Total other financing sources (uses)	<u>170,000</u>	<u>170,000</u>	<u>542,850</u>	<u>372,850</u>
<b>NET CHANGE IN FUND BALANCE</b>	148,018	44,323	600,157	555,834
<b>FUND BALANCE - BEGINNING</b>	<u>3,141,283</u>	<u>3,141,283</u>	<u>3,141,283</u>	
<b>FUND BALANCE - ENDING</b>	<u>\$ 3,289,301</u>	<u>\$ 3,185,606</u>	<u>\$ 3,741,440</u>	<u>\$ 555,834</u>

**CITY OF MOORHEAD, MINNESOTA  
PUBLIC SAFETY AID FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts			Variance with Final Budget - Positive (Negative)
	Original	Final	Actual	
REVENUES				
Intergovernmental:				
Investment income	\$	\$	\$ 42,906	\$ 42,906
Total revenues			42,906	42,906
EXPENDITURES				
Current:				
Personnel	373,784	373,784	236,893	136,891
Other services & charges	200,000	200,000	50,455	149,545
Total expenditures	573,784	573,784	287,348	286,436
REVENUE OVER (UNDER) EXPENDITURES	(573,784)	(573,784)	(244,442)	329,342
OTHER FINANCING SOURCES (USES)				
Transfers to other funds	(700,000)	(700,000)	(700,000)	
Total other financing sources (uses)	(700,000)	(700,000)	(700,000)	
NET CHANGE IN FUND BALANCE	(1,273,784)	(1,273,784)	(944,442)	329,342
FUND BALANCE - BEGINNING	1,945,566	1,945,566	1,945,566	
FUND BALANCE - ENDING	\$ 671,782	\$ 671,782	\$ 1,001,124	\$ 329,342



**CITY OF MOORHEAD, MINNESOTA  
AFFORDABLE HOUSING AID FUND  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Intergovernmental:				
State	\$ 260,817	\$ 260,817	\$ 260,817	\$
Investment income			14,035	14,035
Total revenues	<u>260,817</u>	<u>260,817</u>	<u>274,852</u>	<u>14,035</u>
EXPENDITURES				
Current:				
Other services & charges	<u>260,817</u>	<u>521,634</u>	<u>50,219</u>	<u>471,415</u>
Total expenditures	<u>260,817</u>	<u>521,634</u>	<u>50,219</u>	<u>471,415</u>
NET CHANGE IN FUND BALANCE		(260,817)	224,633	485,450
FUND BALANCE - BEGINNING	<u>260,817</u>	<u>260,817</u>	<u>260,817</u>	
FUND BALANCE - ENDING	<u>\$ 260,817</u>	<u>\$</u>	<u>\$ 485,450</u>	<u>\$ 485,450</u>

**CITY OF MOORHEAD, MINNESOTA  
NATIONAL OPIOID SETTLEMENTS  
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL  
YEAR ENDED DECEMBER 31, 2024**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Investment income	\$	\$	\$ 13,884	\$ 13,884
Miscellaneous	64,641	64,641	284,546	219,905
Total revenues	64,641	64,641	298,430	233,789
EXPENDITURES				
Personnel	81,681	87,456	91,310	(3,854)
Other services & charges	70,000	64,225	13,354	50,871
Total expenditures	151,681	151,681	104,664	47,017
NET CHANGE IN FUND BALANCE	(87,040)	(87,040)	193,766	280,806
FUND BALANCE - BEGINNING	235,392	235,392	235,392	
FUND BALANCE - ENDING	\$ 148,352	\$ 148,352	\$ 429,158	\$ 280,806

## NONMAJOR PROPRIETARY FUNDS

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Proprietary Funds are used to account for operations (a) that are financed and operated in a manner similar to private business enterprises - where the intent of the governing body is that the costs (expenses, including depreciation) of providing goods or services to the general public on a continuing basis be financed or recovered primarily through user charges; or (b) where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability, or other purposes.

Sanitation - accounts for the operation and maintenance of the City's solid waste collection system.

Golf Course - accounts for the operation and maintenance of the City's Golf Courses.

Pest Control - accounts for the operation and maintenance of the City's animal control system.

Forestry - accounts for the operation and maintenance of the City's Shade Tree and Disease Control Program.

Municipal Airport - accounts for the operation and maintenance of the City's airport facility.

Street Light Utility – accounts for the operation and maintenance of the City's street light utility.

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
DECEMBER 31, 2024**

	Sanitation	Golf Course	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
<b>ASSETS</b>							
Current assets:							
Cash and cash equivalents	\$ 454,928	\$ 1,107,666	\$ 936,439	\$ 1,177	\$ 271,021	\$ 888,408	\$ 3,659,639
Receivables:							
Accounts	1,260,059	240	155,142	255,703	99	130,621	1,801,864
Due from other city funds	521,519		58,875	93,381		72,775	746,550
Due from other governmental units	227,568		77,062	77,800	78,773	84,341	545,544
Prepaid items		455					455
Total current assets	2,464,074	1,108,361	1,227,518	428,061	349,893	1,176,145	6,754,052
Long-term assets:							
Capital assets:							
Land	364,908	3,954,534			301,838		4,621,280
Buildings	310,380	2,246,306			1,631,176		4,187,862
Improvements other than buildings	517,819	3,387,008			9,540,018		13,444,845
Machinery and equipment	144,025	158,130		172,062	154,679		628,896
Less accumulated depreciation	(880,244)	(4,816,072)		(68,825)	(5,973,706)		(11,738,847)
Right to use lease assets		10,020					10,020
Less accumulated amortization		(1,431)					(1,431)
Total long-term assets	456,888	4,938,495		103,237	5,654,005		11,152,625
Total assets	2,920,962	6,046,856	1,227,518	531,298	6,003,898	1,176,145	17,906,677
<b>DEFERRED OUTFLOWS OF RESOURCES</b>							
Pension plans	64,020	48,440	11,259	28,279			151,998
Other post-employment benefits	8,312	2,457		1,000			11,769
Total deferred outflows of resources	72,332	50,897	11,259	29,279			163,767
<b>LIABILITIES</b>							
Current liabilities:							
Accounts payable	194,051	40,566	11,223	9,785	2,708		258,333
Accrued wages payable	79,027	34,797	5,717	29,207			148,748
Accrued compensated absences	146,467	60,631	14,065	38,086			259,249
Due to other city funds	1,161	6,920			1,234	43,991	53,306
Other liabilities					11,521		11,521
Accrued interest payable		157					157
Leases		382					382
Other post-employment benefits	3,781	1,117		455			5,353
Unearned revenue		79,368			12,158		91,526
Total current liabilities	424,487	223,938	31,005	77,533	27,621	43,991	828,575
Long-term liabilities:							
Accrued compensated absences	16,274	6,737	1,563	4,232			28,806
Leases		8,558					8,558
Other post-employment benefits	48,018	14,191		5,775			67,984
Net pension liability	307,366	232,567	54,056	135,769			729,758
Total long-term liabilities	371,658	262,053	55,619	145,776			835,106
Total liabilities	796,145	485,991	86,624	223,309	27,621	43,991	1,663,681

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
NONMAJOR PROPRIETARY FUNDS  
DECEMBER 31, 2024**

	Sanitation	Golf Course	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
DEFERRED INFLOWS OF RESOURCES							
Pension plans	204,674	154,866	35,996	90,408			485,944
Other post-employment benefits	16,361	4,835		1,968			23,164
Total deferred inflows of resources	221,035	159,701	35,996	92,376			509,108
NET POSITION							
Net investment in capital assets	456,888	4,929,555		103,237	5,654,005		11,143,685
Unrestricted	1,519,226	522,506	1,116,157	141,655	322,272	1,132,154	4,753,970
Total net position	<u>\$ 1,976,114</u>	<u>\$ 5,452,061</u>	<u>\$ 1,116,157</u>	<u>\$ 244,892</u>	<u>\$ 5,976,277</u>	<u>\$ 1,132,154</u>	<u>\$ 15,897,655</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**NONMAJOR PROPRIETARY FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Sanitation	Golf Course	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
<b>OPERATING REVENUES</b>							
Charges for services	\$ 5,397,128	\$ 2,082,567	\$ 729,982	\$ 1,178,399	\$ 71,046	\$ 879,427	\$ 10,338,549
Other		44,073					44,073
Total operating revenues	5,397,128	2,126,640	729,982	1,178,399	71,046	879,427	10,382,622
<b>OPERATING EXPENSES</b>							
Personnel	1,819,868	1,262,503	311,416	748,368			4,142,155
Disposal fee	1,810,123						1,810,123
Professional services	28,090	12,131	200,657	13,450	34,139		288,467
Insurance	35,842	16,910	3,722	7,499	11,043	710	75,726
Repair and maintenance	411,696	91,156	65,921	154,086	33,380	250,087	1,006,326
Supplies	295,587	271,690	59,552	186,511	6,360		819,700
Utilities	45,929	115,092			14,092	626,438	801,551
Equipment rental	498,495	269,847	98,466	128,576	48,425		1,043,809
Depreciation	14,647	122,683		17,206	484,386		638,922
Amortization		477					477
Miscellaneous	171,484	269,439	92,784	42,118	2,813	18,550	597,188
Total operating expenses	5,131,761	2,431,928	832,518	1,297,814	634,638	895,785	11,224,444
Operating income (loss)	265,367	(305,288)	(102,536)	(119,415)	(563,592)	(16,358)	(841,822)
<b>NONOPERATING INCOME (EXPENSE)</b>							
Investment income	27,788	53,015	42,941	5,440	7,236	39,003	175,423
Interest on indebtedness		(273)					(273)
Intergovernmental	225,000		77,062	107,897	25,736	155,165	590,860
Miscellaneous	40,954	6,769	1,389	20,993	9,560	19	79,684
Total nonoperating income (expense)	293,742	59,511	121,392	134,330	42,532	194,187	845,694
Income (loss) before contributions and transfers	559,109	(245,777)	18,856	14,915	(521,060)	177,829	3,872
Capital contributions		21,498			157,638		179,136
Transfers from other funds		557,775					557,775
Transfers to other funds	(284,524)	(150,000)	(98,716)	(61,247)		(49,857)	(644,344)
Total contributions and transfers	(284,524)	429,273	(98,716)	(61,247)	157,638	(49,857)	92,567
<b>CHANGE IN NET POSITION</b>	274,585	183,496	(79,860)	(46,332)	(363,422)	127,972	96,439
<b>TOTAL NET POSITION - BEGINNING</b>	1,701,529	5,268,565	1,196,017	291,224	6,339,699	1,004,182	15,801,216
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 1,976,114</u>	<u>\$ 5,452,061</u>	<u>\$ 1,116,157</u>	<u>\$ 244,892</u>	<u>\$ 5,976,277</u>	<u>\$ 1,132,154</u>	<u>\$ 15,897,655</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Sanitation	Golf Course	Pest Control	Forestry	Municipal Airport	Street Light Utility	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>							
Receipts from customers	\$ 5,173,336	\$ 2,083,627	\$ 721,551	\$ 1,131,304	\$ 221,482	\$ 783,788	\$ 10,115,088
Payments to suppliers	(1,290,882)	(759,526)	(435,816)	(515,232)	(167,487)	(877,381)	(4,046,324)
Payments to employees	(1,863,486)	(1,255,972)	(278,446)	(769,408)			(4,167,312)
Other receipts (payments)	(1,941,028)	(220,021)	(88,707)	(54,127)	7,321	(15,681)	(2,312,243)
Net cash provided by (used in) operating activities	<u>77,940</u>	<u>(151,892)</u>	<u>(81,418)</u>	<u>(207,463)</u>	<u>61,316</u>	<u>(109,274)</u>	<u>(410,791)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>							
Intergovernmental	225,000		77,062	107,897	25,736	155,165	590,860
Transfers from other funds		557,775					557,775
Transfers to other funds	(284,524)	(150,000)	(98,716)	(61,247)		(49,857)	(644,344)
Net cash provided by (used in) noncapital financing activities	<u>(59,524)</u>	<u>407,775</u>	<u>(21,654)</u>	<u>46,650</u>	<u>25,736</u>	<u>105,308</u>	<u>504,291</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>							
Purchase of assets					(74,571)		(74,571)
Cash paid for lease liabilities - principal		(371)					(371)
Cash paid for lease liabilities - interest		(279)					(279)
Cash received on lease receivables		9,630			9,139		18,769
Cash received for interest on lease receivables		193			183		376
Capital grants from other governments					132,898		132,898
Net cash provided by (used in) capital and related financing activities	<u>-</u>	<u>9,173</u>	<u>-</u>	<u>-</u>	<u>67,649</u>	<u>-</u>	<u>76,822</u>
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>							
Interest received and market adjustments	<u>27,788</u>	<u>52,822</u>	<u>42,941</u>	<u>5,440</u>	<u>7,053</u>	<u>39,003</u>	<u>175,047</u>
Net increase (decrease) in cash and cash equivalents	46,204	317,878	(60,131)	(155,373)	161,754	35,037	345,369
Current and restricted cash equivalents at beginning of year	<u>408,724</u>	<u>789,788</u>	<u>996,570</u>	<u>156,550</u>	<u>109,267</u>	<u>853,371</u>	<u>3,314,270</u>
Current and restricted cash equivalents at end of year	<u>\$ 454,928</u>	<u>\$ 1,107,666</u>	<u>\$ 936,439</u>	<u>\$ 1,177</u>	<u>\$ 271,021</u>	<u>\$ 888,408</u>	<u>\$ 3,659,639</u>

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
NONMAJOR PROPRIETARY FUNDS  
YEAR ENDED DECEMBER 31, 2024**

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

Operating income (loss)	\$ 265,367	\$ (305,288)	\$ (102,536)	\$ (119,415)	\$ (563,592)	\$ (16,358)	\$ (841,822)
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:							
Depreciation/Amortization	14,647	123,160		17,206	484,386		639,399
Other miscellaneous nonoperating income	40,954	6,769	1,389	20,993	9,560	19	79,684
Change in assets and liabilities:							
Accounts receivable	(113,660)	1,060	(7,742)	(39,566)	12,843	(10,436)	(157,501)
Due from other city funds	(110,132)		(689)	(7,869)		(862)	(119,552)
Due from other governments	(375)		2,688	(33,002)	137,593	(84,341)	22,563
Prepaid items		(315)		340			25
Deferred outflows of resources	60,545	29,381	1,339	25,554			116,819
Accounts payable	67,155	17,615	(7,498)	(25,110)	(20,048)	(146)	31,968
Accrued wages payable	6,410	10,635	2,802	959			20,806
Compensated absences payable	23,029	(18,876)	3,054	3,106			10,313
Other post-employment benefits	(66)	(2,919)		(1,392)			(4,377)
Net pension liability	(179,041)	(68,274)	5,322	(72,289)			(314,282)
Due to other funds	420	4,177			(165)	2,850	7,282
Due to other governments	(42,818)						(42,818)
Deferred inflows of resources	45,505	56,584	20,453	23,022			145,564
Other current liabilities		(5,601)			25		(5,576)
Unearned revenue					714		714
Net cash provided by (used in) operating activities	<u>\$ 77,940</u>	<u>\$ (151,892)</u>	<u>\$ (81,418)</u>	<u>\$ (207,463)</u>	<u>\$ 61,316</u>	<u>\$ (109,274)</u>	<u>\$ (410,791)</u>

Noncash capital financing activities:

Contributions of capital assets from government / customers	<u>\$ 21,498</u>			<u>\$ 24,740</u>		<u>\$ 46,238</u>
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## **INTERNAL SERVICE FUNDS**

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The Internal Service Funds are used to account for the financing of services provided to other departments or agencies of the City, on a cost-reimbursement basis.

Vehicles and Equipment - accounts for the rental of motor vehicles and maintenance equipment to other departments.

Information Technology - accounts for the accumulation and allocation of costs associated with electronic data processing.

Maintenance Shop - accounts for the accumulation and allocation of costs associated with maintaining the City's equipment and general shop expenses.

Radio and Weapons - accounts for the accumulation and allocation of costs associated with mobile communications and maintenance and replacement of weapons.

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**DECEMBER 31, 2024**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>ASSETS</b>					
<b>Current assets:</b>					
Cash and cash equivalents	\$ 4,309,684	\$ 545,991	\$	\$ 3,446,741	\$ 8,302,416
Receivables:					
Accounts			386		386
Due from other city funds	316	23,500	13,018		36,834
Due from other governmental units	608		24,103		24,711
Inventories			35,061		35,061
Prepaid items		179,144			179,144
Total current assets	<u>4,310,608</u>	<u>748,635</u>	<u>72,568</u>	<u>3,446,741</u>	<u>8,578,552</u>
<b>Long-term assets:</b>					
<b>Capital assets:</b>					
Machinery and equipment	30,133,717	1,905,260		841,266	32,880,243
Less accumulated depreciation	(19,243,622)	(1,509,342)		(713,919)	(21,466,883)
Right to use lease assets		18,821		445,220	464,041
Less accumulated amortization		(9,410)		(178,088)	(187,498)
Subscription assets		119,329			119,329
Less accumulated amortization		(79,553)			(79,553)
Total capital assets	<u>10,890,095</u>	<u>445,105</u>		<u>394,479</u>	<u>11,729,679</u>
Total assets	<u>15,200,703</u>	<u>1,193,740</u>	<u>72,568</u>	<u>3,841,220</u>	<u>20,308,231</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Pension plans	1,047		10,735		11,782
Other post-employment benefits			1,685		1,685
Total deferred outflows of resources	<u>1,047</u>		<u>12,420</u>		<u>13,467</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF NET POSITION  
INTERNAL SERVICE FUNDS  
DECEMBER 31, 2024**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>LIABILITIES</b>					
Current liabilities:					
Accounts payable	13,713	39,303	142,250	394	195,660
Accrued wages payable	1,417		13,769		15,186
Accrued compensated absences	4,192		30,687		34,879
Due to other city funds			649,310		649,310
Accrued interest payable		46		9,276	9,322
Leases		3,649		88,907	92,556
Subscriptions		41,346			41,346
Other post-employment benefits			767		767
Total current liabilities	<u>19,322</u>	<u>84,344</u>	<u>836,783</u>	<u>98,577</u>	<u>1,039,026</u>
Long-term liabilities:					
Leases		5,682		188,626	194,308
Other post-employment benefits			9,735		9,735
Net pension liability	5,028		51,542		56,570
Total long-term liabilities	<u>5,028</u>	<u>5,682</u>	<u>61,277</u>	<u>188,626</u>	<u>260,613</u>
Total liabilities	<u>24,350</u>	<u>90,026</u>	<u>898,060</u>	<u>287,203</u>	<u>1,299,639</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Pension plans	3,348		34,322		37,670
Other post-employment benefits			3,317		3,317
Total deferred inflows of resources	<u>3,348</u>		<u>37,639</u>		<u>40,987</u>
<b>NET POSITION</b>					
Net investment in capital assets	10,890,095	394,428		116,946	11,401,469
Unrestricted	<u>4,283,957</u>	<u>709,286</u>	<u>(850,711)</u>	<u>3,437,071</u>	<u>7,579,603</u>
Total net position	<u>\$ 15,174,052</u>	<u>\$ 1,103,714</u>	<u>\$ (850,711)</u>	<u>\$ 3,554,017</u>	<u>\$ 18,981,072</u>

**CITY OF MOORHEAD, MINNESOTA**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**YEAR ENDED DECEMBER 31, 2024**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>OPERATING REVENUES</b>					
Charges for services	\$ 2,830,056	\$ 1,105,917	\$ 2,010,457	\$ 406,343	\$ 6,352,773
<b>OPERATING EXPENSES</b>					
Personnel	32,406		309,720		342,126
Insurance		473	1,527	167	2,167
Repair and maintenance	1,328	807,016	7,551	36,114	852,009
Supplies	34,153	49,832	1,840,920	39,658	1,964,563
Utilities			12,890		12,890
Depreciation	1,999,932	184,302		33,734	2,217,968
Amortization		46,193		123,645	169,838
Miscellaneous	29,776	7,237	8,394	3,500	48,907
Total operating expenses	<u>2,097,595</u>	<u>1,095,053</u>	<u>2,181,002</u>	<u>236,818</u>	<u>5,610,468</u>
Operating income (loss)	<u>732,461</u>	<u>10,864</u>	<u>(170,545)</u>	<u>169,525</u>	<u>742,305</u>
<b>NONOPERATING INCOME (EXPENSE)</b>					
Investment income	167,135	16,745		135,538	319,418
Interest on indebtedness		(3,707)		(11,699)	(15,406)
Gain (loss) on disposal of assets	178,102			2,100	180,202
Miscellaneous	66,134		20,641	32	86,807
Total nonoperating income (expense)	<u>411,371</u>	<u>13,038</u>	<u>20,641</u>	<u>125,971</u>	<u>571,021</u>
Income (loss) before contributions and transfers	1,143,832	23,902	(149,904)	295,496	1,313,326
Transfers from other funds	839,548	50,000	72,011	70,000	1,031,559
Transfers to other funds	<u>(72,011)</u>	<u>(119,749)</u>			<u>(191,760)</u>
Total contributions and transfers	<u>767,537</u>	<u>(69,749)</u>	<u>72,011</u>	<u>70,000</u>	<u>839,799</u>
<b>CHANGE IN NET POSITION</b>	1,911,369	(45,847)	(77,893)	365,496	2,153,125
<b>TOTAL NET POSITION - BEGINNING</b>	<u>13,262,683</u>	<u>1,149,561</u>	<u>(772,818)</u>	<u>3,188,521</u>	<u>16,827,947</u>
<b>TOTAL NET POSITION - ENDING</b>	<u>\$ 15,174,052</u>	<u>\$ 1,103,714</u>	<u>\$ (850,711)</u>	<u>\$ 3,554,017</u>	<u>\$ 18,981,072</u>

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers	\$ 2,830,097	\$ 1,058,422	\$ 1,994,890	\$ 406,343	\$ 6,289,752
Payments to suppliers	(35,100)	(863,161)	(1,767,026)	(80,107)	(2,745,394)
Payments to employees	(30,487)		(312,122)		(342,609)
Other receipts (payments)	36,357	(7,237)	12,247	(3,468)	37,899
Net cash provided by (used in) operating activities	2,800,867	188,024	(72,011)	322,768	3,239,648
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Transfers from other funds	839,548	50,000	72,011	70,000	1,031,559
Transfers to other funds	(72,011)	(119,749)			(191,760)
Net cash provided by (used in) noncapital financing activities	767,537	(69,749)	72,011	70,000	839,799
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Proceeds from sale of assets	224,355			2,100	226,455
Purchase of assets	(3,656,211)	(210,251)		(123,626)	(3,990,088)
Cash paid for lease liabilities - principal		(3,541)		(121,116)	(124,657)
Cash paid for lease liabilities - interest		(347)		(15,590)	(15,937)
Cash paid for subscription liabilities - principal		(43,100)			(43,100)
Cash paid for subscription liabilities - interest		(3,377)			(3,377)
Net cash used in capital and related financing activities	(3,431,856)	(260,616)	-	(258,232)	(3,950,704)
<b>CASH FLOWS FROM INVESTING ACTIVITY</b>					
Interest received and market adjustments	167,135	16,745	-	135,538	319,418
Net increase in cash and cash equivalents	303,683	(125,596)	-	270,074	448,161
Current and restricted cash equivalents at beginning of year	4,006,001	671,587		3,176,667	7,854,255
Current and restricted cash equivalents at end of year	\$ 4,309,684	\$ 545,991	\$ -	\$ 3,446,741	\$ 8,302,416

(Continued)

**CITY OF MOORHEAD, MINNESOTA  
COMBINING STATEMENT OF CASH FLOWS  
INTERNAL SERVICE FUNDS  
YEAR ENDED DECEMBER 31, 2024**

	Vehicles & Equipment	Information Technology	Maintenance Shop	Radio and Weapons	Total
Reconciliation of operating income (loss) to net cash provided by (used in) operating activities:					
Operating income (loss)	\$ 732,461	\$ 10,864	\$ (170,545)	\$ 169,525	\$ 742,305
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:					
Depreciation/Amortization	1,999,932	230,495		157,379	2,387,806
Other miscellaneous nonoperating income	66,133		20,641	32	86,806
Change in assets and liabilities:					
Accounts receivable	176		(386)		(210)
Due from other funds	(44)	(23,500)	(5,448)		(28,992)
Due from other governments	(91)		(9,733)		(9,824)
Inventories			9,583		9,583
Prepaid items		(23,995)			(23,995)
Deferred outflows of resources	891		9,829		10,720
Accounts payable	381	(5,840)	28,521	(4,168)	18,894
Accrued wages payable	261		1,736		1,997
Compensated absences payable	2,280		6,968		9,248
Due to other funds			57,758		57,758
Other post-employment benefits			229		229
Net pension liability	(2,470)		(29,057)		(31,527)
Deferred inflows of resources	957		7,893		8,850
Net cash provided by (used in) operating activities	<u>\$ 2,800,867</u>	<u>\$ 188,024</u>	<u>\$ (72,011)</u>	<u>\$ 322,768</u>	<u>\$ 3,239,648</u>

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY SOURCE <sup>1</sup>**  
**DECEMBER 31, 2024**

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 100,086,689
Buildings	30,235,551
Improvements other than buildings	81,170,827
Machinery and equipment	14,635,955
Infrastructure	382,414,279
Construction in progress	32,265,227
Lease buildings	4,953,186
Lease machinery and equipment	<u>\$ 7,831</u>
Total governmental funds capital assets	<u><u>\$ 645,769,545</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 609,212,926
General Fund	5,706,750
Special Revenue Funds	17,464,685
Enterprise Funds	12,062
Gifts	<u>13,373,122</u>
Total governmental funds capital assets	<u><u>\$ 645,769,545</u></u>

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



**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY <sup>1</sup>**  
**YEAR ENDED DECEMBER 31, 2024**

FUNCTION AND ACTIVITY	CAPITAL ASSETS 1/1/2024	ADDITIONS	DEDUCTIONS	CAPITAL ASSETS 12/31/2024
<b>GENERAL GOVERNMENT:</b>				
City Manager	\$ 21,056	\$ -	\$ -	\$ 21,056
Assessing	8,843	39,186	-	48,029
Accounting	566,456	-	-	566,456
Planning & Zoning	7,955	-	-	7,955
General Government Building	117,134,876	26,174,055	-	143,308,931
<b>Total General Government</b>	<b>117,739,186</b>	<b>26,213,241</b>	<b>-</b>	<b>143,952,427</b>
<b>PUBLIC SAFETY:</b>				
Police Protection	5,006,300	12,000	-	5,018,300
Fire Protection	2,642,230	103,300	-	2,745,530
<b>Total Public Safety</b>	<b>7,648,530</b>	<b>115,300</b>	<b>-</b>	<b>7,763,830</b>
HIGHWAYS & STREETS	384,880,624	6,615,483	28,803	391,467,304
PARKS & RECREATION	44,228,173	1,608,331	-	45,836,504
LIBRARY	2,356,665	-	-	2,356,665
COMMUNITY DEVELOPMENT	404,200	202,130	-	606,330
MASS TRANSIT	9,386,023	973,492	220,223	10,139,292
PLAINS ART MUSEUM	490,409	-	-	490,409
ECONOMIC DEVELOPMENT	11,054,827	-	163,270	10,891,557
CONSTRUCTION IN PROGRESS	15,376,228	31,658,881	14,769,882	32,265,227
<b>Total governmental funds capital assets</b>	<b>\$ 593,564,865</b>	<b>\$ 67,386,858</b>	<b>\$ 15,182,178</b>	<b>\$ 645,769,545</b>

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY <sup>1</sup>**  
**DECEMBER 31, 2024**

	TOTAL	LAND	BUILDINGS	IMPROVEMENTS OTHER THAN BUILDINGS
<b>FUNCTION AND ACTIVITY</b>				
<b>GENERAL GOVERNMENT:</b>				
City Manager	\$ 21,056	\$ -	\$ -	\$ -
Assessing	48,029	-	-	-
Accounting	566,456	-	-	-
Planning & Zoning	7,955	-	-	-
General Government Building	<u>143,792,359</u>	<u>88,720,757</u>	<u>4,837,867</u>	<u>48,744,488</u>
Total General Government	<u>144,435,855</u>	<u>88,720,757</u>	<u>4,837,867</u>	<u>48,744,488</u>
<b>PUBLIC SAFETY:</b>				
Police Protection	5,018,300	-	-	61,711
Fire Protection	<u>2,745,530</u>	<u>54,743</u>	<u>1,559,813</u>	<u>19,500</u>
Total Public Safety	<u>7,763,830</u>	<u>54,743</u>	<u>1,559,813</u>	<u>81,211</u>
HIGHWAYS & STREETS	410,322,729	5,032,530	2,996,048	303,725
PARKS & RECREATION	47,607,887	2,080,440	8,897,618	31,604,960
LIBRARY	13,412,549	102,500	2,049,248	149,323
COMMUNITY DEVELOPMENT	606,330	507,270	-	46,991
MASS TRANSIT	10,238,399	-	2,270,682	90,667
PLAINS ART MUSEUM	490,409	-	490,409	-
ECONOMIC DEVELOPMENT	<u>10,891,557</u>	<u>3,588,449</u>	<u>7,133,866</u>	<u>149,462</u>
Total governmental funds capital assets	<u>\$ 645,769,545</u>	<u>\$ 100,086,689</u>	<u>\$ 30,235,551</u>	<u>\$ 81,170,827</u>

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

**CITY OF MOORHEAD, MINNESOTA**  
**CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS**  
**SCHEDULE BY FUNCTION AND ACTIVITY (CONTINUED) <sup>1</sup>**  
**DECEMBER 31, 2024**

<u>MACHINERY AND EQUIPMENT</u>	<u>INFRA- STRUCTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>	<u>LEASE BUILDINGS</u>	<u>LEASE MACHINERY AND EQUIPMENT</u>
\$ 21,056	\$ -	\$ -	\$ -	\$ -
48,029	-	-	-	-
566,456	-	-	-	-
7,955	-	-	-	-
<u>464,152</u>	<u>-</u>	<u>483,428</u>	<u>533,836</u>	<u>7,831</u>
<u>1,107,648</u>	<u>-</u>	<u>483,428</u>	<u>533,836</u>	<u>7,831</u>
537,239	-	-	4,419,350	-
<u>1,111,474</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>1,648,713</u>	<u>-</u>	<u>-</u>	<u>4,419,350</u>	<u>-</u>
720,722	382,414,279	18,855,425	-	-
3,253,486	-	1,771,383	-	-
55,594	-	11,055,884	-	-
52,069	-	-	-	-
7,777,943	-	99,107	-	-
-	-	-	-	-
<u>19,780</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 14,635,955</u>	<u>\$ 382,414,279</u>	<u>\$ 32,265,227</u>	<u>\$ 4,953,186</u>	<u>\$ 7,831</u>

# STATISTICAL SECTION

This part of the City of Moorhead's annual comprehensive financial report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the city's overall financial health.

<b>Contents</b>	<b>Page</b>
Financial Trends	113
These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	
Revenue Capacity	118
These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	
Debt Capacity	123
These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future	
Demographic and Economic Information	135
These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	
Operating Information	137
These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	

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

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Governmental activities</b>										
Net investment in capital assets	\$ 188,292,907	\$ 223,160,997	\$ 223,017,288	\$ 190,131,897	\$ 230,476,976	\$ 249,347,298	\$ 219,568,317	\$ 272,400,401	\$ 270,397,929	\$ 265,030,770
Restricted	117,010,569	136,900,935	137,019,387	137,882,638	125,043,570	135,512,242	170,378,593	122,906,554	133,632,135	144,037,000
Unrestricted	17,023,920	(18,540,961)	1,086,649	(5,842,815)	15,037,953	(3,975,809)	4,673,340	1,446,067	6,065,725	14,202,560
<b>Total governmental activities net position</b>	<b>\$ 322,327,396</b>	<b>\$ 341,520,971</b>	<b>\$ 361,123,324</b>	<b>\$ 322,171,720</b>	<b>\$ 370,558,499</b>	<b>\$ 380,883,731</b>	<b>\$ 394,620,250</b>	<b>\$ 396,753,022</b>	<b>\$ 410,095,789</b>	<b>\$ 423,270,330</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 91,710,240	\$ 91,229,486	\$ 97,267,818	\$ 152,405,046	\$ 156,065,972	\$ 166,749,401	\$ 165,328,912	\$ 173,290,831	\$ 192,343,236	\$ 189,675,501
Restricted	6,763,217	12,344,488	9,912,659	6,490,259	6,175,554	10,601,200	4,440,922	6,507,771	4,543,880	6,605,863
Unrestricted	21,073,048	23,703,296	31,048,190	40,582,354	42,262,600	41,765,122	59,141,828	57,809,399	55,352,282	69,038,487
<b>Total business-type activities net position</b>	<b>\$ 119,546,505</b>	<b>\$ 127,277,270</b>	<b>\$ 138,228,667</b>	<b>\$ 199,477,659</b>	<b>\$ 204,504,126</b>	<b>\$ 219,115,723</b>	<b>\$ 228,911,662</b>	<b>\$ 237,608,001</b>	<b>\$ 252,239,398</b>	<b>\$ 265,319,851</b>
<b>Primary government</b>										
Net investment in capital assets	\$ 280,003,147	\$ 314,390,483	\$ 320,285,106	\$ 342,536,943	\$ 386,542,948	\$ 416,096,699	\$ 384,897,229	\$ 445,691,232	\$ 462,741,165	\$ 454,706,271
Restricted	123,773,786	149,245,423	146,932,046	144,372,897	131,219,124	146,113,442	174,819,515	129,414,325	138,176,015	150,642,863
Unrestricted	38,096,968	5,162,335	32,134,839	34,739,539	57,300,553	37,789,313	63,815,168	59,255,466	61,418,007	83,241,047
<b>Total primary government net position</b>	<b>\$ 441,873,901</b>	<b>\$ 468,798,241</b>	<b>\$ 499,351,991</b>	<b>\$ 521,649,379</b>	<b>\$ 575,062,625</b>	<b>\$ 599,999,454</b>	<b>\$ 623,531,912</b>	<b>\$ 634,361,023</b>	<b>\$ 662,335,187</b>	<b>\$ 688,590,181</b>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Expenses</b>										
Governmental activities:										
General government	\$ 4,140,728	\$ 5,355,803	\$ 4,977,547	\$ 5,128,445	\$ 6,134,526	\$ 10,275,610	\$ 9,028,462	\$ 10,396,733	\$ 11,480,987	\$ 12,480,379
Public safety	12,699,743	15,536,547	15,256,052	15,398,739	16,218,093	15,935,688	15,160,861	17,939,929	19,082,979	19,249,097
Highways and streets	12,439,423	12,271,658	13,370,437	14,704,535	13,721,752	14,100,216	14,530,534	16,334,969	20,396,181	20,421,049
Culture and recreation	4,548,729	4,967,578	4,908,210	5,639,499	5,203,139	5,034,371	5,307,360	6,355,223	7,131,321	6,848,279
Rental Registration	274,323	300,560	309,793	329,216	290,136	-	-	-	-	-
Public transportation	2,819,080	2,903,025	3,179,629	3,409,312	3,570,729	3,810,477	4,126,722	4,594,440	4,901,964	5,764,753
Urban and economic development	1,353,775	1,460,620	1,658,265	1,394,295	1,275,112	1,136,790	1,305,142	2,991,101	1,900,555	2,263,180
Interest on long-term debt	6,876,729	7,785,669	6,749,582	6,679,837	6,255,942	5,877,983	5,547,489	4,318,798	5,591,629	6,627,720
Total governmental activities expenses	<u>45,152,530</u>	<u>50,581,460</u>	<u>50,409,515</u>	<u>52,683,878</u>	<u>52,669,429</u>	<u>56,171,135</u>	<u>55,006,570</u>	<u>62,931,193</u>	<u>70,485,616</u>	<u>73,654,457</u>
Business-type activities:										
Electric	29,476,309	31,817,993	30,922,240	31,146,001	30,853,105	28,786,968	29,579,831	30,051,274	31,409,767	32,398,036
Water	5,795,414	6,384,007	7,242,254	7,568,515	7,903,624	7,265,394	7,680,318	9,467,881	10,408,839	11,571,561
Wastewater treatment	6,058,003	6,420,340	6,137,591	7,184,981	7,737,436	8,004,679	7,589,256	7,826,714	8,128,298	8,664,453
Storm water	1,316,273	1,279,110	1,414,865	2,254,089	2,206,737	2,174,572	2,480,135	2,657,078	2,580,510	2,693,852
Sanitation	3,532,179	3,657,006	5,043,175	4,310,799	4,279,139	4,557,093	4,558,548	5,501,208	5,156,733	4,967,457
Golf courses	1,658,863	1,813,363	1,711,988	1,614,758	1,669,502	2,410,181	1,876,506	2,041,369	2,182,001	2,330,545
Sports center	975,858	1,032,354	1,079,640	917,379	2,711,189	334,275	366,309	67,781	-	-
Pest control	442,730	569,291	639,495	561,178	654,738	630,653	466,766	491,079	603,719	797,947
Forestry	696,965	853,299	848,802	825,002	828,932	975,194	912,125	1,136,875	1,368,283	1,272,837
Municipal airport	322,277	324,577	482,636	613,016	661,486	899,720	532,366	585,869	627,998	627,869
Street light utility	647,483	695,149	748,809	732,172	714,799	636,419	652,819	619,478	630,224	895,785
Total business-type activities expenses	<u>50,922,354</u>	<u>54,846,489</u>	<u>56,271,495</u>	<u>57,727,890</u>	<u>60,220,687</u>	<u>56,675,148</u>	<u>56,694,979</u>	<u>60,446,606</u>	<u>63,096,372</u>	<u>66,220,342</u>
Total primary government expenses	<u>\$ 96,074,884</u>	<u>\$ 105,427,949</u>	<u>\$ 106,681,010</u>	<u>\$ 110,411,768</u>	<u>\$ 112,890,116</u>	<u>\$ 112,846,283</u>	<u>\$ 111,701,549</u>	<u>\$ 123,377,799</u>	<u>\$ 133,581,988</u>	<u>\$ 139,874,799</u>
<b>Program Revenues</b>										
Governmental activities:										
Charges for services:										
General government	\$ 1,129,204	\$ 1,441,569	\$ 1,113,817	\$ 990,975	\$ 941,400	\$ 1,273,071	\$ 1,698,470	\$ 1,939,619	\$ 1,921,756	\$ 2,945,222
Public safety	657,825	689,929	721,893	720,682	608,415	453,207	439,448	854,302	751,926	827,694
Highways and streets	1,581,472	1,414,476	1,980,995	612,589	1,965,585	231,790	1,583,481	5,949,742	1,191,754	717,101
Other activities	1,523,424	1,504,664	1,570,260	1,733,525	1,709,315	891,427	1,117,346	1,473,198	1,412,767	2,368,910
Operating grants and contributions	4,045,822	7,030,078	5,770,187	6,543,764	6,803,405	9,680,774	8,494,441	4,353,414	12,008,114	13,297,650
Capital grants and contributions	13,758,664	25,995,042	25,592,385	20,137,228	12,429,868	14,268,025	16,725,442	9,357,440	20,724,676	17,758,543
Total governmental activities program revenues	<u>22,696,411</u>	<u>38,075,758</u>	<u>36,749,537</u>	<u>30,738,763</u>	<u>24,457,988</u>	<u>26,798,294</u>	<u>30,058,628</u>	<u>23,927,715</u>	<u>38,010,993</u>	<u>37,915,120</u>
Business-type activities:										
Charges for services:										
Electric	39,193,818	41,489,080	44,791,531	44,230,894	43,811,642	42,685,696	43,350,341	44,163,839	44,875,020	44,237,308
Water	7,421,973	8,130,880	9,042,967	9,299,474	9,366,724	9,947,560	11,157,121	11,156,901	12,010,752	12,160,496
Wastewater treatment	7,287,615	7,720,651	8,066,664	8,164,057	8,662,682	8,857,094	10,013,520	9,911,883	10,047,862	10,037,203
Storm water	2,603,250	2,663,816	2,725,287	2,857,390	2,761,590	2,845,601	2,893,277	2,810,877	2,862,684	2,984,750
Sanitation	4,052,656	4,160,055	4,455,041	4,500,422	4,765,892	4,546,511	5,050,674	4,992,072	4,987,699	5,433,919
Golf courses	1,273,297	1,410,009	1,311,686	1,251,522	1,270,548	1,450,195	1,751,388	1,764,035	1,994,937	2,129,925
Other activities	2,903,247	3,051,096	2,958,886	3,336,457	3,211,184	2,782,023	2,809,018	2,786,218	2,809,975	2,965,487
Operating grants and contributions	250,277	263,022	625,699	205,573	52,061	380,367	325,919	1,047,606	1,047,606	639,628
Capital grants and contributions	176,178	1,854,572	1,658,727	3,516,441	2,346,902	7,877,562	3,879,198	4,426,618	5,012,997	7,295,858
Total business-type activities program revenues	<u>65,162,311</u>	<u>70,716,181</u>	<u>75,636,488</u>	<u>77,362,230</u>	<u>76,249,225</u>	<u>81,372,609</u>	<u>81,230,456</u>	<u>82,524,807</u>	<u>85,649,532</u>	<u>87,884,574</u>
Total primary government program revenues	<u>\$ 87,858,722</u>	<u>\$ 108,791,939</u>	<u>\$ 112,386,025</u>	<u>\$ 108,100,993</u>	<u>\$ 100,707,213</u>	<u>\$ 108,170,903</u>	<u>\$ 111,289,084</u>	<u>\$ 106,452,522</u>	<u>\$ 123,660,525</u>	<u>\$ 125,799,694</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Net (expense) / revenue:										
Governmental activities	\$ (22,456,119)	\$ (12,505,702)	\$ (13,659,978)	\$ (21,945,115)	\$ (28,211,441)	\$ (29,372,841)	\$ (24,947,942)	\$ (39,003,478)	\$ (32,474,623)	\$ (35,739,337)
Business-type activities	14,239,957	15,869,692	19,364,993	19,634,340	16,028,538	24,697,461	24,535,477	22,078,201	22,553,163	21,664,232
Total primary government net expense	<u>\$ (8,216,162)</u>	<u>\$ 3,363,990</u>	<u>\$ 5,705,015</u>	<u>\$ (2,310,775)</u>	<u>\$ (12,182,903)</u>	<u>\$ (4,675,380)</u>	<u>\$ (412,465)</u>	<u>\$ (16,925,277)</u>	<u>\$ (9,921,460)</u>	<u>\$ (14,075,105)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental activities:										
Taxes										
Property taxes levied for general purposes	\$ 4,075,760	\$ 5,001,334	\$ 6,070,868	\$ 7,152,264	\$ 8,124,044	\$ 9,329,565	\$ 9,568,469	\$ 10,669,918	\$ 12,463,758	\$ 11,361,371
Property taxes levied for debt service	3,811,113	3,824,307	4,624,111	3,633,936	4,386,808	3,999,426	3,612,736	3,565,350	3,798,797	3,833,694
City sales taxes	-	-	-	-	-	-	-	-	2,127,180	2,883,606
Tax increments	514,527	498,896	518,118	546,662	571,287	553,324	612,648	615,794	632,785	914,332
Franchise fees	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833	929,937	1,368,191	1,208,260	958,687
State aid unrestricted	9,927,631	10,352,919	10,169,504	10,519,127	10,686,998	10,953,872	11,106,713	11,261,087	11,207,599	12,322,618
Unrestricted grants and contributions	171,160	101,072	141,104	-	2,674,199	41,175	184,857	58,632	35,820	58,632
Investment earnings	96,413	116,946	372,095	892,127	1,328,000	888,103	86,300	906,409	2,616,981	3,641,744
Miscellaneous	1,308,002	1,909,098	631,340	117,662	925,710	1,401,683	1,286,884	557,033	109,837	201,287
Transfers	9,929,999	8,972,310	9,741,636	10,251,796	12,388,791	11,642,092	11,295,917	12,133,836	11,616,373	12,737,907
Special Item	15,812,220	-	-	-	-	-	-	-	-	-
Total governmental activities	<u>46,659,870</u>	<u>31,699,277</u>	<u>33,262,331</u>	<u>34,153,589</u>	<u>42,101,858</u>	<u>39,698,073</u>	<u>38,684,461</u>	<u>41,136,250</u>	<u>45,817,390</u>	<u>48,913,878</u>
Business-type activities:										
State aid unrestricted	11,562	11,562	4,960	6,185	4,960	-	-	-	-	-
Investment earnings	245,689	42,817	429,624	553,607	1,397,683	621,570	(248,237)	(2,161,351)	2,726,143	3,518,780
Miscellaneous	610,959	994,136	893,456	911,461	1,060,135	934,658	764,338	913,325	968,464	635,348
Transfers	(9,929,999)	(8,972,310)	(9,741,636)	(10,251,796)	(12,388,791)	(11,642,092)	(11,295,917)	(12,133,836)	(11,616,373)	(12,737,907)
Special Item	(1,532,204)	(215,132)	-	-	-	-	-	-	-	-
Total business-type activities	<u>(10,593,993)</u>	<u>(8,138,927)</u>	<u>(8,413,596)</u>	<u>(8,780,543)</u>	<u>(9,926,013)</u>	<u>(10,085,864)</u>	<u>(10,779,816)</u>	<u>(13,381,862)</u>	<u>(7,921,766)</u>	<u>(8,583,779)</u>
Total primary government	<u>\$ 36,065,877</u>	<u>\$ 23,560,350</u>	<u>\$ 24,848,735</u>	<u>\$ 25,373,046</u>	<u>\$ 32,175,845</u>	<u>\$ 29,612,209</u>	<u>\$ 27,904,645</u>	<u>\$ 27,754,388</u>	<u>\$ 37,895,624</u>	<u>\$ 40,330,099</u>
<b>Change in Net Position</b>										
Governmental activities	\$ 24,203,751	\$ 19,193,575	\$ 19,602,353	\$ 12,208,474	\$ 13,890,417	\$ 10,325,232	\$ 13,736,519	\$ 2,132,772	\$ 13,342,767	\$ 13,174,541
Business-type activities	3,645,964	7,730,765	10,951,397	10,853,797	6,102,525	14,611,597	13,755,661	8,696,339	14,631,397	13,080,453
Total primary government	<u>\$ 27,849,715</u>	<u>\$ 26,924,340</u>	<u>\$ 30,553,750</u>	<u>\$ 23,062,271</u>	<u>\$ 19,992,942</u>	<u>\$ 24,936,829</u>	<u>\$ 27,492,180</u>	<u>\$ 10,829,111</u>	<u>\$ 27,974,164</u>	<u>\$ 26,254,994</u>

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General fund										
Nonspendable	\$ 1,132,614	\$ 3,715,273	\$ 3,653,737	\$ 3,563,015	\$ 3,544,307	\$ 3,526,413	\$ 3,512,811	\$ 3,558,649	\$ 2,795,785	\$ 2,735,561
Restricted	-	-	448,443	533,289	854,039	970,599	1,071,833	1,176,401	1,257,518	1,321,209
Committed	79,534	38,645	-	-	-	-	-	-	-	-
Assigned	-	-	379,417	403,929	-	-	-	-	4,000,000	-
Unassigned	15,466,755	13,423,346	14,794,555	15,030,435	16,499,895	16,850,832	18,569,878	21,690,814	18,508,961	20,870,868
Total General fund	<u>\$ 16,678,903</u>	<u>\$ 17,177,264</u>	<u>\$ 19,276,152</u>	<u>\$ 19,530,668</u>	<u>\$ 20,898,241</u>	<u>\$ 21,347,844</u>	<u>\$ 23,154,522</u>	<u>\$ 26,425,864</u>	<u>\$ 26,562,264</u>	<u>\$ 24,927,638</u>
All other governmental funds										
Nonspendable	\$ 348,968	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 122,011	\$ 113,440	\$ 353,722
Restricted	57,662,812	54,537,821	48,256,249	50,248,858	56,926,969	47,163,637	83,860,990	34,426,506	40,408,949	63,852,799
Committed	921,172	1,072,520	1,608,169	533,264	3,022,448	4,374,638	5,935,939	6,067,373	9,181,260	15,258,174
Assigned	4,802,314	6,233,333	6,725,895	6,349,223	-	-	-	-	-	-
Unassigned	(1,449,313)	(2,010,686)	(3,726,011)	(5,979,092)	(4,705,036)	(12,991,770)	(11,057,129)	(8,241,964)	(6,964,328)	(14,972,549)
Total all other governmental funds	<u>\$ 62,285,953</u>	<u>\$ 59,832,988</u>	<u>\$ 52,864,302</u>	<u>\$ 51,152,253</u>	<u>\$ 55,244,381</u>	<u>\$ 38,546,505</u>	<u>\$ 78,739,800</u>	<u>\$ 32,373,926</u>	<u>\$ 42,739,321</u>	<u>\$ 64,492,146</u>



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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Revenues</b>										
Taxes										
Property	\$ 8,401,400	\$ 9,324,536	\$ 10,713,097	\$ 11,832,862	\$ 12,838,360	\$ 13,470,035	\$ 13,826,074	\$ 14,882,929	\$ 16,816,143	\$ 19,143,879
Franchise	1,013,045	922,395	993,555	1,040,015	1,016,021	888,833	929,937	1,368,191	1,208,260	958,687
Licenses and permits	803,311	1,174,852	882,095	770,467	704,116	713,324	1,229,826	890,131	1,062,070	1,066,644
Intergovernmental	20,286,634	27,188,071	18,790,647	30,411,438	52,217,435	31,593,376	26,811,174	22,375,945	31,386,940	36,536,384
Charges for services	2,595,514	2,498,985	2,973,730	1,691,783	2,654,379	874,316	2,380,524	3,574,959	2,427,606	1,848,354
Fines and forfeits	488,692	513,874	517,771	504,021	452,359	263,809	287,969	357,881	345,414	314,849
Facility rentals	179,458	165,001	171,689	167,490	169,875	95,046	139,569	132,840	120,769	182,233
Donations	18,947	32,336	25,620	9,765	38,842	26,666	57,160	20,840	45,747	100,376
Special assessments	9,738,840	9,513,547	10,480,746	9,255,056	10,213,442	9,370,172	9,524,393	9,528,819	7,786,784	8,228,684
Sale of property	57,892	72,131	266,872	66,463	821,435	816,157	1,199,639	150,760	-	-
Interest on investments	92,660	114,859	351,280	847,283	1,201,316	835,182	84,735	858,261	2,374,894	3,322,326
Miscellaneous	2,239,411	2,646,489	1,236,261	822,080	1,476,398	1,007,989	3,133,010	5,225,365	1,276,238	1,929,158
Total revenues	<u>45,915,804</u>	<u>54,167,076</u>	<u>47,403,363</u>	<u>57,418,723</u>	<u>83,803,978</u>	<u>59,954,905</u>	<u>59,604,010</u>	<u>59,366,921</u>	<u>64,850,865</u>	<u>73,631,574</u>
<b>Expenditures</b>										
General government	4,037,972	4,637,537	4,784,554	4,918,836	5,824,953	8,659,916	7,405,602	7,763,706	9,147,819	10,602,257
Public safety	12,291,749	13,320,836	14,185,429	15,004,164	16,024,295	16,037,055	16,360,330	16,801,477	17,964,272	19,673,384
Highways and streets	5,167,384	5,416,122	4,763,995	5,493,210	6,181,368	6,078,471	5,515,758	5,912,265	6,888,745	7,394,780
Culture and recreation	3,604,816	3,675,817	3,798,305	4,306,274	3,935,069	3,790,758	4,191,927	4,822,813	5,605,154	5,351,048
Rental registration	274,323	300,560	312,250	328,176	296,871	3,172	-	-	-	-
Public transportation	2,348,827	2,449,064	2,707,346	2,858,630	3,041,536	3,136,419	3,483,636	3,898,380	4,162,079	4,962,391
Urban and economic development	1,144,995	1,180,031	1,430,803	1,157,989	1,040,866	906,918	1,092,321	1,701,556	1,328,386	2,101,155
Capital outlay	24,863,377	33,908,144	17,987,366	30,678,440	47,177,959	23,213,444	25,416,920	26,750,338	21,154,575	56,667,761
Debt service:										
Bond and note principal	18,469,823	27,988,634	9,187,639	11,026,848	10,491,271	11,083,986	11,585,753	59,745,000	10,295,000	11,640,000
Bond and note interest	6,559,789	6,398,233	6,273,804	6,367,153	6,529,037	6,153,343	5,644,516	6,026,755	5,562,109	5,956,392
Fiscal and other charges	305,028	1,482,794	409,394	234,831	162,389	36,788	209,909	548,397	528,171	964,823
Total Expenditures	<u>79,068,083</u>	<u>100,757,772</u>	<u>65,840,885</u>	<u>82,374,551</u>	<u>100,705,614</u>	<u>79,100,270</u>	<u>80,906,672</u>	<u>133,970,687</u>	<u>82,636,310</u>	<u>125,313,991</u>
Revenues over (under) expenditures	<u>(33,152,279)</u>	<u>(46,590,696)</u>	<u>(18,437,522)</u>	<u>(24,955,828)</u>	<u>(16,901,636)</u>	<u>(19,145,365)</u>	<u>(21,302,662)</u>	<u>(74,603,766)</u>	<u>(17,785,445)</u>	<u>(51,682,417)</u>
<b>Other financing sources (uses)</b>										
Bond and note proceeds	12,270,000	32,055,000	15,905,000	16,560,000	14,435,000	-	45,423,000	18,265,000	15,985,000	54,925,000
Payment to refunding agent	-	-	(13,810,000)	(4,870,000)	(5,510,000)	(8,745,000)	-	-	-	-
Premium on issuance of debt	475,107	2,881,002	881,517	1,349,861	631,564	-	6,878,222	882,731	658,586	3,225,205
Transfers from other funds	12,717,331	11,906,083	12,171,988	14,227,186	14,142,842	13,989,021	13,069,483	14,935,202	19,747,094	20,474,662
Transfers to other funds	(2,679,836)	(2,205,993)	(1,580,781)	(3,768,752)	(1,338,069)	(2,346,929)	(2,068,070)	(2,801,366)	(8,300,720)	(8,576,554)
Leases	-	-	-	-	-	-	-	227,667	197,280	185,679
Sale of capital assets	-	-	-	-	-	-	-	-	-	1,566,624
Total other financing sources (uses)	<u>22,782,602</u>	<u>44,636,092</u>	<u>13,567,724</u>	<u>23,498,295</u>	<u>22,361,337</u>	<u>2,897,092</u>	<u>63,302,635</u>	<u>31,509,234</u>	<u>28,287,240</u>	<u>71,800,616</u>
Net change in fund balances	<u>\$ (10,369,677)</u>	<u>\$ (1,954,604)</u>	<u>\$ (4,869,798)</u>	<u>\$ (1,457,533)</u>	<u>\$ 5,459,701</u>	<u>\$ (16,248,273)</u>	<u>\$ 41,999,973</u>	<u>\$ (43,094,532)</u>	<u>\$ 10,501,795</u>	<u>\$ 20,118,199</u>
Debt service as a percentage of noncapital expenditures (1)	46.18%	51.44%	32.31%	33.65%	31.80%	30.84%	31.05%	61.34%	25.79%	25.63%

(1) Calculated as a percentage of debt service principal and interest divided by total expenditures less those identified as capital outlay.

**CITY OF MOORHEAD, MINNESOTA**  
**ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY**  
**LAST TEN FISCAL YEARS**

Fiscal Year	Net Tax Capacity			Less: Captured Tax Increment Tax Capacity	Taxable Net Tax Capacity	Tax Capacity Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value	Market Value Tax Exempt Real Property (1)
	Real Property		Personal Property						
	Residential	Commercial							
2015	\$ 17,985,731	\$ 7,889,876	\$ 172,656	\$ (880,047)	\$ 25,168,216	38.662%	\$ 2,153,993,100	1.17%	\$ 822,225,400
2016	20,377,855	8,621,546	202,998	(894,861)	28,307,538	39.543%	2,444,259,300	1.27%	846,323,500
2017	22,787,981	8,822,272	243,566	(867,303)	30,986,516	40.235%	2,683,132,200	1.15%	846,323,500
2018	24,315,198	8,845,295	229,935	(905,613)	32,484,815	42.226%	2,830,285,800	1.15%	846,323,500
2019	25,423,602	9,172,320	196,595	(861,237)	33,931,280	43.477%	2,946,867,700	1.15%	846,323,500
2020	26,183,456	9,072,713	213,381	(844,300)	34,625,250	44.862%	3,019,384,700	1.15%	846,323,500
2021	26,778,454	9,178,770	237,917	(933,061)	35,262,080	44.931%	3,082,426,300	1.14%	846,323,500
2022	27,489,651	9,268,975	322,223	(911,233)	36,169,616	47.148%	3,161,512,000	1.14%	879,784,700
2023	30,180,349	9,532,283	340,862	(894,606)	39,158,888	48.454%	3,443,357,650	1.14%	879,784,700
2024	32,430,783	10,190,883	360,693	(1,159,268)	41,823,091	50.492%	3,689,631,100	1.13%	879,784,700

Source: Clay County Auditor

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

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

**CITY OF MOORHEAD, MINNESOTA  
PROPERTY TAX RATES  
DIRECT AND OVERLAPPING GOVERNMENTS  
LAST TEN FISCAL YEARS**

Fiscal Year	Direct Rates		Total Direct Rate	Overlapping Rates			Total Overlapping Rate	Total Direct & Overlapping Rates
	City	Econ Devl Authority		County	School District	Buffalo Watershed		
2015	38.662%	1.398%	40.060%	45.286%	26.399%	1.733%	73.418%	113.478%
2016	39.543%	1.278%	40.821%	44.433%	34.097%	1.724%	80.254%	121.075%
2017	40.235%	1.268%	41.503%	45.703%	30.439%	1.698%	77.840%	119.343%
2018	42.226%	1.231%	43.457%	47.102%	31.741%	1.706%	80.549%	124.006%
2019	43.477%	1.855%	45.332%	48.071%	30.220%	1.675%	79.966%	125.298%
2020	44.862%	1.788%	46.650%	50.390%	35.151%	1.694%	87.235%	133.885%
2021	44.931%	1.436%	46.367%	51.538%	37.633%	1.838%	91.009%	137.376%
2022	47.148%	1.399%	48.547%	52.749%	35.819%	1.905%	90.473%	139.020%
2023	48.454%	1.449%	49.903%	49.604%	31.962%	1.741%	83.307%	133.210%
2024	50.492%	1.961%	52.453%	44.889%	31.315%	1.744%	77.948%	130.401%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
PRINCIPAL PROPERTY TAXPAYERS  
DECEMBER 31, 2024**

Taxpayer	2024			2015		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 449,063	1	1.07%	\$ 466,301	1	1.85%
Busch Agricultural Resources, Inc.	358,879	2	0.86%	388,975	2	1.55%
Sanford Medical Center	351,619	3	0.84%	286,330	4	1.14%
Meridan Mortgage LLC	308,280	4	0.74%			
Menards Inc.	254,094	5	0.61%	317,816	3	1.26%
Kassenborg Partners	235,877	6	0.56%			
Skaff Apartments	228,633	7	0.55%	135,813	10	0.54%
Proffutt Ltd Partnership	208,262	8	0.50%	176,736	7	0.70%
Eventide Moorhead Senior Living LLC	201,958	9	0.48%			
Emery Apartments	195,753	10	0.47%			
C-III Asset Management LLC				210,404	5	0.84%
Moorhead Lodging Association				179,250	6	0.71%
Eventide Lutheran Home				156,278	8	0.62%
Sterling Development Group				148,339	9	0.59%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA  
PROPERTY TAX LEVIES AND COLLECTIONS  
LAST TEN FISCAL YEARS**

Fiscal Year	Total Tax Levy for Fiscal Year	Less: State Credits	Net Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy		Amount	Percent of Levy
2015	\$ 9,652,974	\$ (2,243,826)	\$ 7,409,148	\$ 7,354,140	99.26%	\$ 54,857	\$ 7,408,997	99.998%
2016	11,112,844	(2,540,915)	8,571,929	8,490,199	99.05%	80,981	8,571,180	99.991%
2017	12,423,387	(2,542,330)	9,881,057	9,770,161	98.88%	109,982	9,880,143	99.991%
2018	13,693,015	(2,661,848)	11,031,167	10,846,450	98.33%	182,314	11,028,764	99.978%
2019	14,728,234	(2,804,462)	11,923,772	11,760,828	98.63%	161,228	11,922,056	99.986%
2020	15,525,614	(3,029,804)	12,495,810	12,388,260	99.14%	103,460	12,491,720	99.967%
2021	15,847,429	(3,102,590)	12,744,839	12,631,998	99.11%	106,025	12,738,023	99.947%
2022	17,041,836	(3,269,482)	13,772,354	13,657,454	99.17%	92,672	13,750,126	99.839%
2023	18,947,564	(3,201,024)	15,746,540	15,543,087	98.71%	156,381	15,699,468	99.701%
2024	21,079,756	(3,335,166)	17,744,590	17,442,226	98.30%	-	17,442,226	98.296%

Source: Clay County Auditor

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

Fiscal Year	Operating Revenues	ELECTRIC FUND			General Fund Transfer	Transfer as	Economic Development Transfer	Transfer as	Capital Improvement Transfer	Transfer as	Total Transfer	Transfer as
		Non-operating Revenues	Capital Contributions	Gross Revenues		Percentage of Gross Revenues		Percentage of Gross Revenues		Percentage of Gross Revenues		Percentage of Gross Revenues
2015	\$ 39,123,231	\$ 589,107	\$ 176,178	\$ 39,888,516	\$ 6,350,000	15.92%	\$ 50,000	0.13%	\$ 1,810,108	4.54%	\$ 8,210,108	20.58%
2016	41,466,385	383,868	1,187,730	43,037,983	6,475,000	15.04%	50,000	0.12%	1,875,152	4.36%	8,400,152	19.52%
2017	45,049,837	837,401	489,767	46,377,005	6,600,000	14.23%	50,000	0.11%	1,968,696	4.24%	8,618,696	18.58%
2018	44,630,198	851,319	69,867	45,551,384	6,725,000	14.76%	50,000	0.11%	2,047,765	4.50%	8,822,765	19.37%
2019	43,800,063	1,552,217	29,758	45,382,038	6,850,000	15.09%	50,000	0.11%	1,993,466	4.39%	8,893,466	19.60%
2020	42,685,696	837,248	30,629	43,553,573	6,975,000	16.01%	50,000	0.11%	1,947,223	4.47%	8,972,223	20.60%
2021	43,325,016	418,064	92,246	43,835,326	7,100,000	16.20%	50,000	0.11%	1,965,772	4.48%	9,115,772	20.80%
2022	44,120,099	497,137	775,500	45,392,736	7,225,000	15.92%	50,000	0.11%	2,011,238	4.43%	9,286,238	20.46%
2023	44,797,473	2,292,570	617,313	47,707,356	7,350,000	15.41%	50,000	0.10%	2,044,851	4.29%	9,444,851	19.80%
2024	44,179,429	2,874,268	1,545,034	48,598,731	7,475,000	15.38%	50,000	0.10%	2,025,766	4.17%	9,550,766	19.65%

Note: City Charter

Section 12.11; Subd. 4. The council may by a vote of six members transfer in any fiscal year to the capital improvement fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility 5 percent of gross revenues..

Section 12.11; Subd. 4. The council may by a vote of six members transfer in any fiscal year to the general revenue fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility the following amounts:

- (a) from the electric utility, an amount not to exceed 20 percent of gross revenues, (due to timing of utility billing cutoffs, slight fluctuation may occur resulting in percentages over 20% being shown)
- (b) from the district heating utility, an amount not to exceed 10 percent of gross revenues,
- (c) from any other city owned utility, an amount not to exceed 5 percent of gross revenues, and
- (d) any amount authorized by law to be so transferred.

Section 12.11 Subd. 5. In this chapter the term "gross revenues" means all operating and non-operating revenues of a utility from whatever source derived; the term "net revenues" means gross revenues less current expenses of the operation of the utilities. The amounts of gross revenues and net revenues must be determined by the commission in accordance with generally accepted accounting principles. Transfers made pursuant to this section must be consistent with covenants with bondholders in city resolutions authorizing the issuance of obligations payable from revenues of the utilities.

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

Fiscal Year	Governmental Activities						Business-Type Activities				Total Primary Government	Percentage of Personal Income <sup>1</sup>	Per Capita <sup>1</sup>
	Sales Tax Revenue	Special Assessment	Tax Increment	Municipal Improvement	Notes Payable	Right to Use Assets	G.O. Revenue	Revenue	Notes Payable	Right to Use Assets			
	Bonds	Bonds	Bonds	Bonds			Bonds	Bonds					
2015	\$ -	\$ 175,630,000	\$ 3,930,000	\$ 470,000	\$ 485,089	\$ -	\$ 39,710,407	\$ 22,300,000	\$ 325,570	-	\$ 242,851,066	15.29%	\$ 5,897
2016	-	180,455,000	3,585,000	135,000	406,455	-	39,806,511	34,050,000	297,200	-	258,735,166	15.37%	6,175
2017	-	173,860,000	3,240,000	65,000	323,816	-	36,969,682	32,510,000	267,972	-	247,236,470	14.10%	5,806
2018	-	175,045,000	2,870,000	-	236,968	-	34,087,099	30,530,000	237,861	-	243,006,928	13.64%	5,594
2019	-	172,255,000	4,185,000	-	145,697	-	11,660,000	28,425,000	19,643,939	-	236,314,636	12.57%	5,430
2020	-	161,911,224	2,412,954	-	49,777	-	25,163,042 <sup>1</sup>	20,541,947	17,552,980 <sup>1</sup>	-	227,631,924	11.71%	5,154
2021	-	201,957,103	2,144,773	-	678,000	-	23,456,498	19,313,963	25,389,858	-	272,940,195	12.91%	6,133
2022	-	159,303,230	1,871,592	-	678,000	4,345,323	22,268,236	18,065,979	22,824,008	9,670	229,366,038	10.04%	5,145
2023	-	164,966,977	1,578,411	-	678,000	4,695,063	21,418,106	16,602,995	27,290,235	22,273	237,252,060	10.23%	5,214
2024	29,190,862	152,623,447	30,152,225	-	675,767	4,830,129	19,681,712	44,787,032	24,969,090	8,940	306,919,204	12.58%	6,786

1 - For 2019 \$19,437,099 in Public Facilities Authority Notes were reclassified from G.O. Revenue Bonds to Notes Payable

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

(1) See the Schedule of Demographic and Economic Statistics for personal income and population data.

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

Fiscal Year	Governmental Activities				Business-Type Activities	Business-Type Activities	Total General Obligation Debt	Accumulated Resources Restricted for General Obligation Debt Repayment	Net General Bonded Debt	Percentage of Estimated Actual Taxable Value of Property	Per Capita <sup>1</sup>
	Sales Tax Revenue Bonds	Special Assessment Bonds	Tax Increment Bonds	Municipal Improvement Bonds	G.O. Revenue Bonds	Revenue Bonds					
2015	\$ -	\$ 175,630,000	\$ 3,930,000	\$ 470,000	\$ 39,710,407	\$ 22,300,000	\$ 242,040,407	\$ 123,773,786	\$ 118,266,621	5.49%	\$ 2,872
2016	-	180,455,000	3,585,000	135,000	39,806,511	34,050,000	258,031,511	135,435,423	122,596,088	5.02%	2,926
2017	-	173,860,000	3,240,000	65,000	36,969,682	32,510,000	246,644,682	146,932,046	99,712,636	3.72%	2,342
2018	-	177,191,510	2,870,000	-	34,087,099	30,530,000	244,678,609	144,372,897	100,305,712	3.54%	2,309
2019	-	180,131,452	4,251,135	-	11,660,000	28,425,000	224,467,587	120,612,909	103,854,678	3.52%	2,386
2020	-	161,911,224	2,412,954	-	25,163,042	20,541,947	210,029,167	121,275,562	88,753,605	2.94%	2,010
2021	-	201,957,103	2,144,773	-	23,456,498	19,313,963	246,872,337	152,263,601	94,608,736	3.07%	2,126
2022	-	159,303,230	1,871,592	-	22,268,236	18,065,979	201,509,037	107,152,762	94,356,275	2.98%	2,116
2023	-	164,966,977	1,578,411	-	21,418,106	16,602,995	204,566,489	110,526,259	94,040,230	2.73%	2,067
2024	29,190,862	152,623,447	30,152,225	-	19,681,712	44,787,032	276,435,278	111,579,346	164,855,932	4.47%	3,645

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

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



**CITY OF MOORHEAD, MINNESOTA  
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT  
AS OF DECEMBER 31, 2024**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable</u>	<u>City's Share of Debt</u>
Overlapping debt repaid with property taxes:			
Independent School District #152	\$ 186,530,000	77.30%	\$ 144,187,690
Clay County	54,465,000	44.50%	<u>24,236,925</u>
Total overlapping debt			168,424,615
City of Moorhead direct debt			<u>217,472,429</u>
Total direct and overlapping debt			<u>\$ 385,897,044</u>

Source: Clay County Auditor

Note: Overlapping governments are those that coincide, at least in part, with geographic boundaries of the city. This schedule estimates the portion of outstanding debt of those overlapping governments that is borne by the property taxpayers of the City of Moorhead. The rates are calculated by taking the City's tax capacity divided by the overlapping governments' tax capacity.

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

	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Debt limit	\$ 71,964,231	\$ 73,327,779	\$ 80,493,966	\$ 84,908,574	\$ 88,406,031	\$ 90,581,541	\$ 92,472,789	\$ 94,845,360	\$ 103,300,730	\$ 116,767,164
Total net debt applicable to limit	<u>485,089</u>	<u>406,455</u>	<u>323,816</u>	<u>236,968</u>	<u>145,697</u>	<u>49,777</u>	<u>678,000</u>	<u>678,000</u>	<u>678,000</u>	<u>675,767</u>
Legal debt margin	<u>\$ 71,479,142</u>	<u>\$ 72,921,324</u>	<u>\$ 80,170,150</u>	<u>\$ 84,671,606</u>	<u>\$ 88,260,334</u>	<u>\$ 90,531,764</u>	<u>\$ 91,794,789</u>	<u>\$ 94,167,360</u>	<u>\$ 102,622,730</u>	<u>\$ 116,091,397</u>
Total net debt applicable to the limit as a percentage of debt limit	0.67%	0.55%	0.40%	0.28%	0.16%	0.05%	0.73%	0.71%	0.66%	0.58%

**LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2024**

Estimated market value - taxable property	\$ 3,689,631,100
Debt limit 3% of estimated market value	110,688,933
Debt applicable to limit:	
General obligation notes	<u>\$ 675,767</u>
Total net debt applicable to limit	<u>675,767</u>
Legal debt margin	<u>\$ 110,013,166</u>

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

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

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

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage <sup>2</sup>
				Principal	Interest	Total	
2015	\$ 39,888,516	\$ 26,378,966	\$ 13,509,550	\$ 1,188,350	\$ 669,331	\$ 1,857,681	7.27
2016	43,037,983	28,595,154	14,442,829	1,230,200	635,356	1,865,556	7.74
2017	46,377,005	27,816,757	18,560,248	1,629,750	980,230	2,609,980	7.11
2018	45,551,384	27,902,421	17,648,963	1,789,250	872,600	2,661,850	6.63
2019	45,382,038	27,276,993	18,105,045	1,864,350	814,531	2,678,881	6.76
2020	43,553,573	25,078,389	18,475,184	1,926,850	522,901	2,449,751	7.54
2021	43,835,326	26,062,505	17,772,821	1,096,450 <sup>3</sup>	484,167	1,580,617	11.24
2022	45,392,736	26,505,499	18,887,237	1,138,650	442,675	1,581,325	11.94
2023	47,707,356	27,586,414	20,120,942	1,187,650	385,814	1,573,464	12.79
2024	48,598,731	27,901,163	20,697,568	2,467,200	1,204,130	3,671,330	5.64

<sup>1</sup> Expenses exclude depreciation and amortization.

<sup>2</sup> High coverage is due to City Charter Section 12.11.

Subd. 2. The commission's charge to the city for the use and availability of fire hydrants for municipal fire protection may not exceed \$40.00 for each hydrant in the city unless otherwise provided by written agreement between the city and the commission.

Subd. 3. The city may not levy taxes of any nature on utilities under the control of the commission or on the revenues of the commission.

Subd. 4. The council may by a vote of six members transfer in any fiscal year to the general revenue fund of the city from the net revenues of a utility or service under the control of the commission and from the net revenues of any city owned utility the following amounts:

- (a) from the electric utility, an amount not to exceed 20 percent of gross revenues,
- (b) from the district heating utility, an amount not to exceed 10 percent of gross revenues,
- (c) from any other city owned utility, an amount not to exceed 5 percent of gross revenues, and
- (d) any amount authorized by law to be so transferred.

Subd. 5. In this chapter the term "gross revenues" means all operating and non-operating revenues of a utility from whatever source derived; the term "net revenues" means gross revenues less current expenses of the operation of the utilities. The amounts of gross revenues and net revenues must be determined by the commission in accordance with generally accepted accounting principles. Transfers made pursuant to this section must be consistent with covenants with bondholders in city resolutions authorizing the issuance of obligations payable from revenues of the utilities.

<sup>3</sup> For comparative purposes, this figure excludes a \$5,047,500 additional principal payment made to retire Public Utility Revenue Bond of 2010, Series C resulting from the Public Utility Revenue Refunding Bonds of 2020, Series A.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 8,558,796	\$ 4,196,836	\$ 4,361,960	\$ 231,650	\$ 215,257	\$ 446,907	9.76
2016	9,512,407	4,684,829	4,827,578	239,800	204,660	444,460	10.86
2017	10,956,493	5,107,268	5,849,225	1,026,466	376,811	1,403,277	4.17
2018	9,969,467	5,318,997	4,650,470	1,138,750	353,387	1,492,137	3.12
2019	10,376,709	5,596,146	4,780,563	1,155,650	329,716	1,485,366	3.22
2020	10,338,475	4,629,495	5,708,980	1,158,150	500,572	1,658,722	3.44
2021	11,480,004	4,898,574	6,581,430	1,067,550 <sup>2</sup>	655,388	1,722,938	3.82
2022	12,355,703	6,424,243	5,931,460	1,092,350	638,731	1,731,081	3.43
2023	13,044,608	7,436,055	5,608,553	1,116,350	598,346	1,714,696	3.27
2024	13,949,174	8,663,812	5,285,362	1,139,800	545,289	1,685,089	3.14

<sup>1</sup> Expenses exclude depreciation and amortization.

<sup>2</sup> For comparative purposes, this figure excludes a \$997,500 additional principal payment made to retire Public Utility Revenue Bond of 2010, Series C resulting from the Public Utility Revenue Refunding Bonds of 2020, Series A.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 7,294,826	\$ 4,173,434	\$ 3,121,392	\$ 1,817,608	\$ 917,844	\$ 2,735,452	1.14
2016	7,728,284	4,675,014	3,053,270	1,789,223	872,975	2,662,198	1.15
2017	8,466,858	4,271,566	4,195,292	1,902,970	829,461	2,732,431	1.54
2018	9,188,716	4,559,603	4,629,113	1,971,331	781,586	2,752,917	1.68
2019	8,982,831	5,220,636	3,762,195	2,075,000	731,896	2,806,896	1.34
2020	13,552,658	5,436,385	8,116,273	2,144,000	647,950	2,791,950	2.91
2021	11,431,621	4,797,577	6,634,044	2,378,000	638,747	3,016,747	2.20
2022	11,420,666	4,893,588	6,527,078	3,186,000	644,002	3,830,002	1.70
2023	10,388,306	5,268,266	5,120,040	3,204,099	579,020	3,783,119	1.35
2024	10,364,517	5,755,773	4,608,744	2,837,400	556,382	3,393,782	1.36

<sup>1</sup> Expenses exclude depreciation and amortization.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses <sup>1</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 1,891,633	\$ 1,429,334	\$ 462,299	\$ 250,000	\$ 123,375	\$ 373,375	1.24
2016 <sup>2</sup>	2,065,912	1,577,925	487,987	260,000	128,095	388,095	1.26

<sup>1</sup> Expenses exclude depreciation and amortization.

<sup>2</sup> For comparative purposes, a transfer of \$550,000 from the General Fund and bond principal of \$1,590,000 to retire Golf Course Gross Revenue Refunding Bonds of 1998B have been excluded from this schedule.

NOTE: Final payment was made on these bonds in 2016.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 368,319	\$ 3,227	\$ 365,092	\$ 315,000	\$ 31,368	\$ 346,368	1.05
2016	166,355	2,284	164,071	335,000	17,415	352,415	0.47
2017	144,392	3,641	140,751	70,000	4,265	74,265	1.90
2018	7,788	850	6,938	65,000	1,398	66,398	0.10

NOTE: Final payment was made on these bonds in 2018.

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

Fiscal Year	Gross Revenue <sup>1</sup>	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 17,307,772	\$ 74,564	\$ 17,233,208	\$ 7,845,000 <sup>2</sup>	\$ 5,798,583	\$ 13,643,583	1.26
2016	18,213,910	145,045	18,068,865	7,955,000 <sup>3</sup>	5,742,517	13,697,517	1.32
2017	17,992,088	273,312	17,718,776	8,690,000 <sup>4</sup>	5,688,988	14,378,988	1.23
2018	18,819,851	239,440	18,580,411	9,325,000 <sup>5</sup>	5,642,577	14,967,577	1.24
2019	17,751,047	213,486	17,537,561	10,165,000 <sup>6</sup>	5,796,338	15,961,338	1.10
2020	15,845,562	43,550	15,802,012	10,425,000 <sup>7</sup>	5,586,738	16,011,738	0.99
2021	15,645,205	331,448	15,313,757	10,915,000	5,162,424	16,077,424	0.95
2022	15,651,777	282,065	15,369,712	11,240,000 <sup>8</sup>	5,163,848	16,403,848	0.94
2023	15,243,528	556,280	14,687,248	10,010,000	5,143,835	15,153,835	0.97
2024	15,647,774	176,412	15,471,362	11,350,000	5,561,094	16,911,094	0.91

<sup>1</sup> For comparative purposes these amounts exclude proceeds from issuance of new bonds.

<sup>2</sup> For comparative purposes this amount excludes \$9,720,000 used to retire General Obligation Improvement Bonds of 2004A.

<sup>3</sup> For comparative purposes this amount excludes \$9,260,000 used to retire General Obligation Improvement Bonds of 2005A and \$10,015,000 to retire General Obligation Improvement Bonds of 2005B.

<sup>4</sup> For comparative purposes this amount excludes \$6,285,000 used to retire General Obligation Improvement Bonds of 2006B and \$7,525,000 to retire General Obligation Improvement Bonds of 2006C.

<sup>5</sup> For comparative purposes this amount excludes \$6,050,000 used to retire General Obligation Improvement Bonds of 2008B.

<sup>6</sup> For comparative purposes this amount excludes \$1,715,000 used to retire General Obligation Improvement Bonds of 2009A and \$3,795,000 to retire General Obligation Flood Mitigation Bonds of 2009B.

<sup>7</sup> For comparative purposes this amount excludes \$7,170,000 used to retire General Obligation Improvement Bonds of 2010A.

<sup>8</sup> For comparative purposes this amount excludes \$2,415,000 used to retire General Obligation Improvement Bonds of 2011A; \$2,500,000 used to retire General Obligation Improvement Flood Mitigation Bonds of 2011C; \$10,025,000 used to retire General Obligation Improvement Flood Mitigation Bonds of 2012A; \$6,755,000 used to retire General Obligation Improvement Refunding Bonds of 2012C; \$3,355,000 used to retire General Obligation Improvement Refunding Bonds of 2012D; \$7,160,000 used to retire General Obligation Improvement Bonds of 2012F; \$1,390,000 used to retire General Obligation Improvement Bonds of 2013A; and \$14,640,000 used to retire General Obligation Improvement Advance Refunding Bonds of 2014B.



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

Fiscal Year	Gross Revenue <sup>1</sup>	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2024	\$ 2,279,344	\$ 336,485	\$ 1,942,859	\$ -	\$ -	\$ -	-

Prior to December 31, 2024 reporting, the City of Moorhead did not have any Sales Tax Revenue Bonds outstanding. During 2024 the City did issue bonds with this identity, however, the first principal and interest payments are not due until 2025. Therefore, no debt service requirements have been shown above.

<sup>1</sup> For comparative purposes these amounts exclude proceeds from issuance of new bonds.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2015	\$ 1,021,632	\$ 110,537	\$ 911,095	\$ 320,000	\$ 540,349	\$ 860,349	1.06
2016	1,084,682	7,469	1,077,213	345,000	614,878	959,878	1.12
2017	1,243,445 <sup>1</sup>	328,814 <sup>2</sup>	914,631	345,000	131,425	476,425	1.92
2018	1,178,046	101,916	1,076,130	370,000	118,775	488,775	2.20
2019	1,093,845	53,144	1,040,701	235,000	107,462	342,462	3.04
2020	1,116,047	329,304	786,743	255,000	560,468	815,468	0.96
2021	1,220,851	41,620 <sup>3</sup>	1,179,231	260,000	64,305	324,305	3.64
2022	1,801,922	697,557	1,104,365	265,000	54,613	319,613	3.46
2023	1,152,866	740,439	412,427	285,000	44,375	329,375	1.25
2024	1,502,167	1,090,304	411,863	290,000	35,505	325,505	1.27

<sup>1</sup> For comparative purposes this amount excludes \$1,151,700 relating to a State of Minnesota DEED cleanup grant.

<sup>2</sup> For comparative purposes this amount excludes \$1,133,985 spent from clean-up grant and \$1,337,101 land purchase

<sup>3</sup> For comparative purposes this amount excludes \$1,575,000 used to retire General Obligation Tax Increment Bonds 2009A.

**CITY OF MOORHEAD, MINNESOTA  
DEMOGRAPHIC AND ECONOMIC STATISTICS  
LAST TEN FISCAL YEARS**

<u>Fiscal Year</u>	<u>Population <sup>1</sup></u>	<u>Estimated Personal Income <sup>2</sup></u>	<u>Per Capita Personal Income <sup>3</sup></u>	<u>K-12 School Enrollment <sup>4</sup></u>	<u>Unemployment Rate <sup>5</sup></u>
2015	41,181	\$ 1,588,186,446	\$ 38,566	6,077	2.2%
2016	41,901	16,834,565,477	40,177	6,178	2.9%
2017	42,581	1,753,187,513	41,173	6,661	2.3%
2018	43,440	1,781,821,920	41,018	6,799	2.9%
2019	43,522	1,879,279,960	43,180	6,973	2.0%
2020	44,167	1,944,363,841	44,023	7,189	2.6%
2021	44,505	2,114,966,610	47,522	7,143	2.7%
2022	44,583	2,285,324,580	51,260	7,266	2.8%
2023	45,504	2,319,020,352	50,963	7,412	2.6%
2024	45,726	2,465,774,550	53,925	7,466	2.7%

Data Sources:

<sup>1</sup> U.S. Census Bureau

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

<sup>3</sup> Federal Reserve Bank. The per capita personal income used is for that of Clay County, in which the city resides, the smallest applicable region for which this information is available.

<sup>4</sup> Independent School District 152

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

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

Employer	2024			2015		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,000 <sup>1</sup>	1	2.39%	903 <sup>1</sup>	1	2.50%
Concordia College	784 <sup>1</sup>	2	2.09%	780 <sup>1</sup>	2	2.16%
Minnesota State University-Moorhead	750 <sup>1</sup>	3	1.99%	724 <sup>1</sup>	3	2.00%
American Crystal Sugar Company	648	4	1.72%	419	6	1.16%
Creative Care for Reaching Independence (CCRI)	475	5	1.26%	299	8	0.83%
Eventide Lutheran Home	400	6	1.06%	500	4	1.38%
Cash Wise Foods	299	7	0.80%			
City of Moorhead	284	8	0.76%	265	10	0.73%
Minnesota State Community and Technical College	137	9	0.36%			
Access of Red River Valley	120	10	0.32%			
Clay County				375	7	1.04%
Advance Security				450	5	1.25%
Hornbacher's Food, Inc.				285 <sup>1</sup>	9	0.79%

<sup>1</sup> Includes full and part-time employees.

Source: D&B Hoovers

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
General Government	38.00	38.00	38.00	49.00	54.00	52.50	49.63	52.88	56.89	62.26
Public Safety										
Police										
Officers	55.00	58.00	60.00	60.00	61.00	61.00	61.00	61.00	61.00	62.00
Civilians	16.00	17.00	17.00	-	-	17.00	17.00	17.00	17.00	19.00
Fire										
Firefighters & officers	36.00	36.00	37.00	37.00	37.00	37.00	37.00	37.00	37.00	38.00
Civilians	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Parks and Recreation	13.00	13.00	15.75	15.75	15.75	17.10	17.00	19.00	18.00	18.00
Planning & Neighborhood Services	17.85	19.00	18.00	-	-	-	-	-	-	-
Community Development	-	-	-	11	11.00	12.00	15.85	15.85	17.00	19.00
Mass Transit	3.00	3.00	3.50	3.50	1.00	3.00	3.00	3.00	3.00	2.00
Economic Development	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Electric	36.00	37.00	37.00	34.00	38.00	37.00	38.00	37.00	41.00	43.00
Water	20.00	22.00	22.00	24.00	24.00	21.00	21.00	22.00	19.00	21.00
Wastewater Treatment	18.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00	17.00
Storm Water	1.00	2.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Highways and Streets	17.63	17.63	18.63	18.63	18.63	19.63	20.26	20.00	19.00	16.63
Sanitation	20.00	21.00	20.00	19.00	19.00	20.00	19.00	19.00	19.00	19.00
Golf Courses	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	8.00	9.00
Sports Center	3.00	3.00	3.00	3.00	3.00	3.00	3.00	1.00	-	-
Pest Control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-	-
Forestry	6.00	6.00	6.00	7.00	7.00	8.00	8.00	8.00	8.00	8.00
Total FTE's	311.48	320.63	324.88	310.88	318.38	337.23	338.74	341.73	343.89	356.89

Source: City Human Resources Department

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
<b>Police</b>										
Group A Offenses (serious crime - murder, rape, robbery, assault, theft, arson, assault, stolen property, vandalism, narcotics)	1,056	1,041	979	1,087	673	1,477	2,991	2,383	2,040	1,865
Group B Offenses (D.U.I., liquor laws, disorderly, trespass, other)	2,264	2,029	1,820	2,077	1,189	1,429	371	381	335	365
<b>Fire</b>										
Medical responses	2,042	2,194	2,305	2,469	2,568	2,392	2,879	2,896	2,831	2,844
Fire & other responses	1,195	1,164	1,240	1,341	1,471	1,985	1,767	1,701	1,709	1,840
<b>Library</b>										
Visits	258,076	227,735	192,771	195,086	193,309	55,523	96,013	120,543	130,117	139,625
Circulation	227,745	249,330	248,844	246,915	236,196	177,867	225,977	229,535	243,506	259,676
<b>Mass Transit</b>										
Fixed Routes ridership	459,288	445,506	451,854	521,444	480,887	426,105	366,211	344,986	377,130	384,647
Paratransit ridership	9,490	10,696	10,673	9,593	9,010	5,967	9,952	10,444	11,121	10,995
Metro Senior Ride ridership	10,143	10,765	10,907	10,454	9,836	5,695	6,891	7,932	8,351	7,934
<b>Community Development</b>										
New Residential Permits	213	169	84	141	128	133	110	63	114	76
New Residential Valuation	64,431,779	60,222,748	20,981,400	45,660,287	34,986,672	35,778,447	49,860,375	38,615,125	56,404,922	42,905,710
New Commercial Permits	30	31	27	16	20	13	17	21	36	25
New Commercial Valuation	10,467,380	33,067,240	55,698,017	10,151,660	11,693,761	24,521,938	34,241,837	20,423,717	51,139,456	58,743,567
<b>Sanitation</b>										
Curbside Recycling (tons)	510	551	1,464	2,498	3,502	2,517.000	2,334	2,245	2,020	1,873
Refuse Collected (landfill tonnage)	30,303	31,764	26,573	34,269	27,528	17,699.000	17,266	18,731	23,815	24,142
Yard Waste (tons)	3,182	3,624	2,944	3,276	2,923	2,293.000	2,123	2,155	1,782	2,599
<b>Wastewater Treatment</b>										
Average daily sewage treatment (millions of gallons)	3.75	3.91	3.81	3.78	4.88	4.42	3.63	4.35	4.26	4.40
<b>Electric</b>										
Annual Sales (millions of kwh)	431.05	434.04	414.06	450.00	437.03	421.25	419.20	434.47	429.14	408.00
<b>Water</b>										
Water Sales (billions of gallons)	1.35	1.37	1.44	1.43	1.32	1.34	2.97	1.36	1.51	1.41

Source: Various city departments.  
Note: Indicators are not available for general government functions.

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

Function	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Highways & Streets:										
Street (miles)	227.80	230.70	233.00	234.60	235.30	235.70	238.18	239.64	240.29	239.60
Culture and recreation										
Parks	47	47	47	48	48	48	48	48	48	48
Swimming/wading pools	9	9	9	9	9	9	9	9	9	9
Sanitation:										
Collection trucks	10	11	11	11	11	11	11	11	9	9
Wastewater										
Storm sewers (miles)	138.20	144.00	146.10	146.75	147.00	147.00	193.91	194.23	194.60	190.30
Sanitary sewers (miles)	157.70	160.50	165.30	162.10	162.70	162.70	163.22	163.20	164.16	165.10
Force mains (miles)	23.50	23.50	23.50	23.50	23.52	23.52	23.52	23.52	23.31	23.31

Source: Various city departments.