

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2012

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**CITY OF EAST GRAND FORKS, MINNESOTA
 WATER AND LIGHT DEPARTMENT
 (Water and Electric Funds)**

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CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND LIGHT DEPARTMENT OFFICIALS & EMPLOYEES
For the Year Ended December 31, 2012

<u>APPOINTED OFFICIALS:</u>		<u>Term</u>	<u>Term Expires</u>
Commissioners	Marilynn Ogden, President	3 years	12/31/12
	Mark Brickson, Vice President	3 years	12/31/13
	Mike Quirk	3 years	12/31/14
	Henry Tweten (Councilmember)		
<u>EMPLOYEES:</u>			<u>Start Date</u>
Customer Services and Administration	Dan Boyce, General Manager		06/30/90
	Bonnie Abel		01/06/86
	Lori Maloney		01/01/90
	Anna Hearn		06/01/92
	Maren Swingen		06/01/05
	Kristen Shipes		07/01/08
Electric Services	Scott Gravseth, Superintendent		06/01/78
	Veronica Kostrzewski		09/24/80
	Jeff Olson		06/01/78
	Dave Solarski		03/16/94
	Todd Grabanski		09/16/94
	Jamey David		05/16/98
	Micheal Coauette		05/16/98
	Lance Riel		06/16/98
	Corey Thompson		08/21/00
	Kris Kovar		04/23/07
Seth Brown		07/14/08	
Water Services	Randy Rapacz, Superintendent		09/28/81
	Chad Troitte		08/01/97
	James Beeman		09/21/98
	Mike Holweger		07/14/08
	Tom Schneiderman		07/14/08
	Randie Johnson		05/18/09
	Brian Johnson		03/14/11
	Ray Rakoczy		01/23/12

Financial Highlights

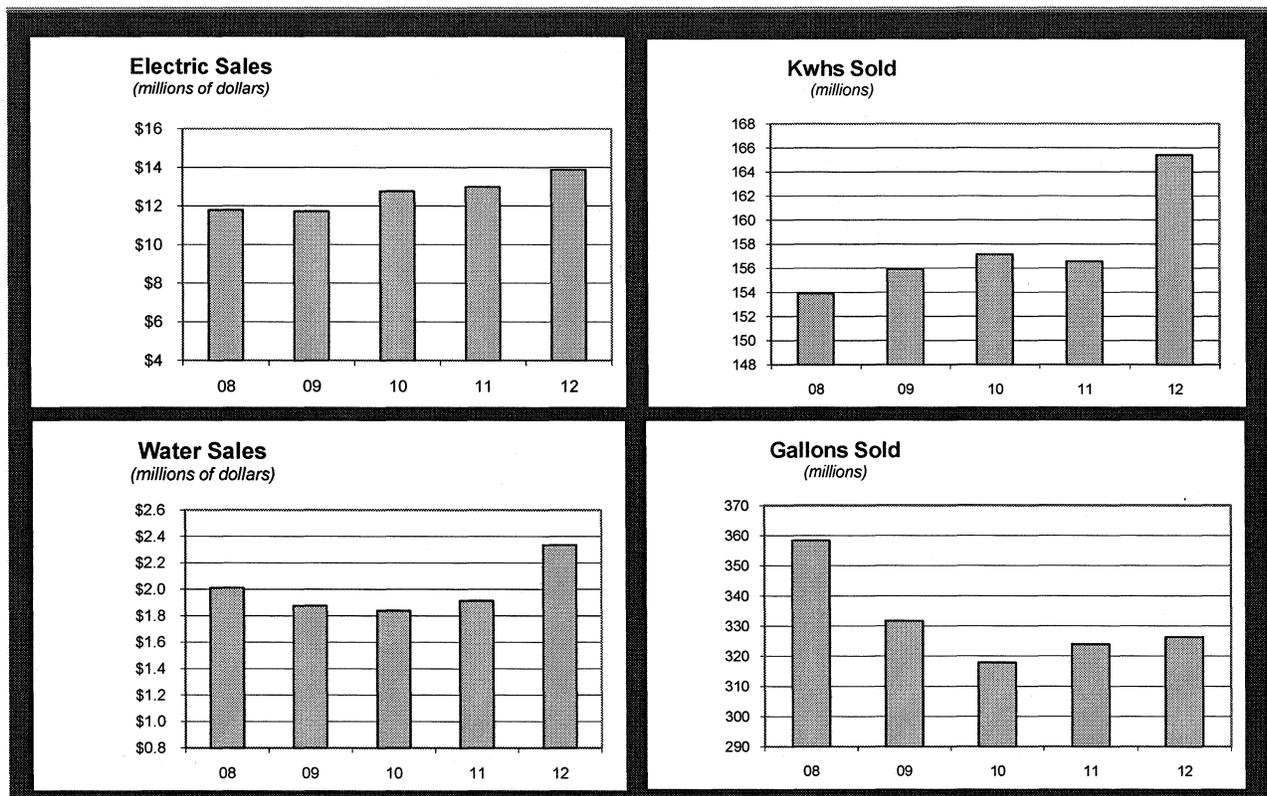
For the Year ended December 31, 2012

	2012	2011	2010	2009	2008
Financial Results					
Electric Sales Revenue	\$ 13,875,019	\$ 12,981,430	\$ 12,756,781	\$ 11,715,322	\$ 11,791,473
Kilowatt Hours Sold (millions)	165.4	156.6	157.1	155.9	153.9
Water Sales Revenue	\$ 2,334,738	\$ 1,913,119	\$ 1,838,719	\$ 1,875,322	\$ 2,010,277
Gallons Sold (millions)	326.25	323.92	317.84	331.69	358.44

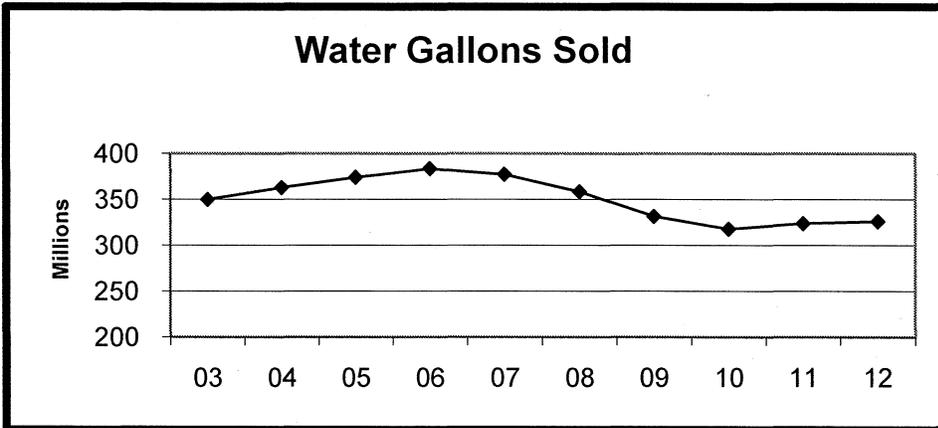
Financial Position

Cash - Electric (unrestricted)	\$ 3,947,303	\$ 2,744,730	\$ 2,154,141	\$ 893,266	\$ 2,174,359
Investments - Electric	\$ 7,846,317	\$ 9,009,459	\$ 8,194,924	\$ 8,975,551	\$ 8,297,999
Cash - Water (unrestricted)	\$ 39,647	\$ -	\$ 143,593	\$ 1,763,016	\$ 1,775,246
Investments - Water	\$ -	\$ -	\$ -	\$ -	\$ -
Bonded Debt - Electric	\$ -	\$ -	\$ -	\$ -	\$ -
Bonded Debt - Water	\$ -	\$ -	\$ -	\$ 1,188,000	\$ 1,262,250

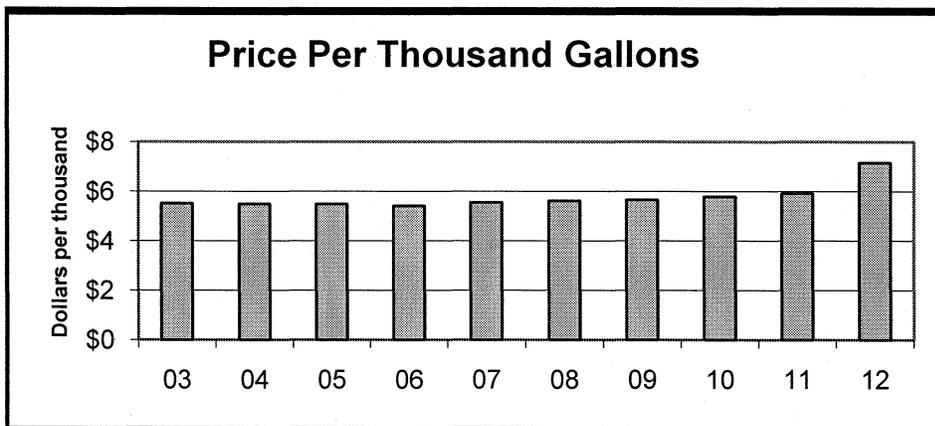
At A Glance



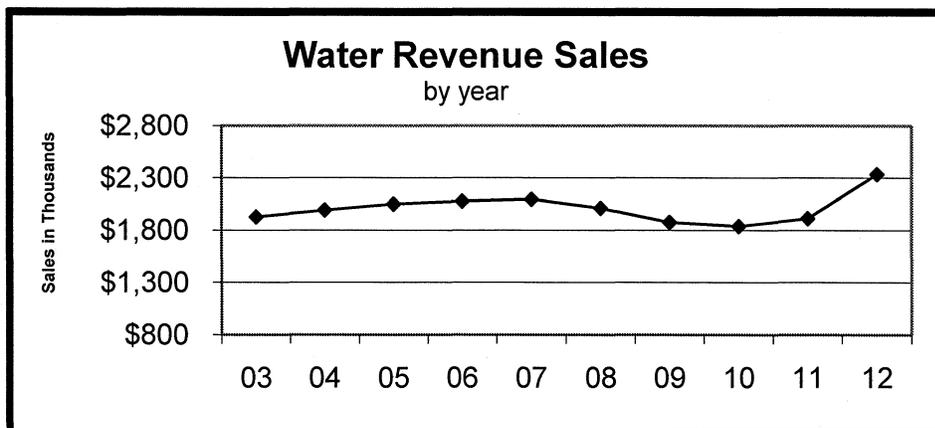
Water Sales Data:



Year	Gals. Sold
2003	350
2004	363
2005	374
2006	383
2007	377
2008	358
2009	332
2010	318
2011	324
2012	326

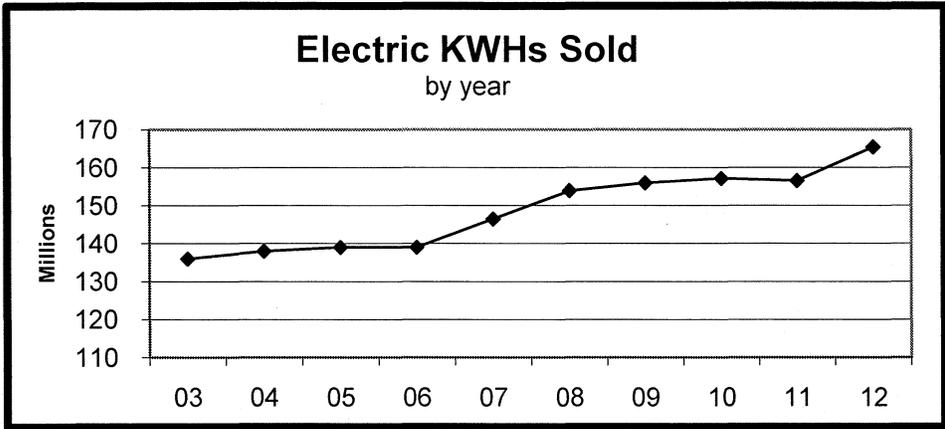


Year	Price
2003	\$5.51
2004	\$5.49
2005	\$5.48
2006	\$5.41
2007	\$5.55
2008	\$5.61
2009	\$5.65
2010	\$5.79
2011	\$5.91
2012	\$7.16

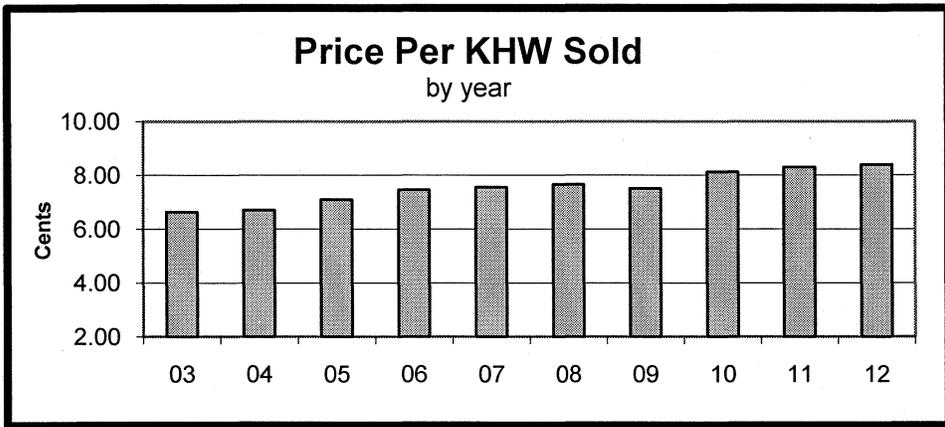


Year	Sales (000)
2003	\$1,927
2004	\$1,993
2005	\$2,049
2006	\$2,076
2007	\$2,095
2008	\$2,010
2009	\$1,875
2010	\$1,839
2011	\$1,913
2012	\$2,335

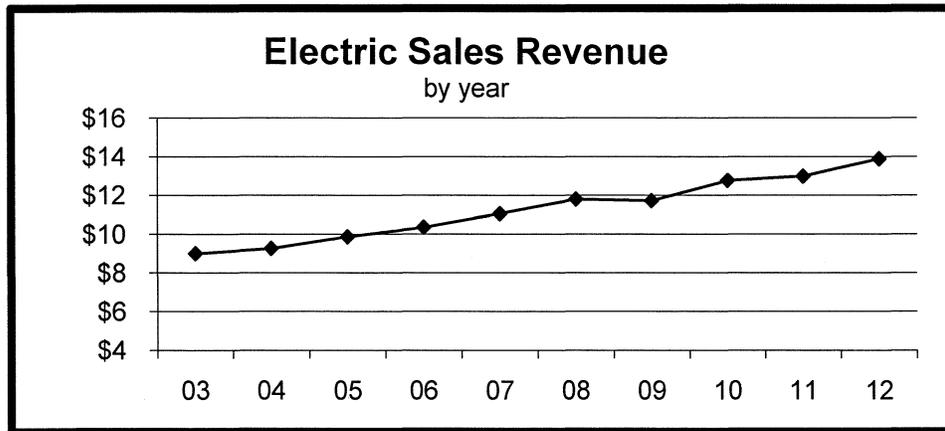
Electric Sales Data:



Year	KWHs Sold
2003	136
2004	138
2005	139
2006	139
2007	146
2008	154
2009	156
2010	157
2011	157
2012	165



Year	Price
2003	\$0.0664
2004	\$0.0671
2005	\$0.0709
2006	\$0.0746
2007	\$0.0755
2008	\$0.0766
2009	\$0.0751
2010	\$0.0812
2011	\$0.0829
2012	\$0.0839



Year	Sales (Mil.)
2003	\$9.00
2004	\$9.26
2005	\$9.86
2006	\$10.35
2007	\$11.05
2008	\$11.79
2009	\$11.72
2010	\$12.76
2011	\$12.98
2012	\$13.88

2012 Annual Report Narrative

East Grand Forks Water and Light Dept

Electric Distribution System

Electric Distribution

Electric distribution personnel perform routine maintenance on the city's electric system and street lights, install service equipment to new developments or rebuild areas, and respond to outages or any reported electrical problems.

To maintain these services to the public, improvements are made to the distribution system each year. The main areas of focus are converting the remaining overhead system to underground, replacing old underground primary electric cables installed in the 1970s with new cable, and upgrading the system voltage from 4,160 volts to 12,470 volts.

Overhead to Underground

One commercial service to Folsom Farms and two residential services on 17th Ave SE were converted from overhead to underground. Also, the three-phase overhead primary line on 5th Ave NE, between 10th St NE and Gateway Drive was converted to underground.

Underground Primary Cable Replacement

North Holt Electric was contracted to install primary cable to a large portion of northwestern residential sections of East Grand Forks. About 80% of this work has been accomplished and energized. The remainder will be completed in 2013. Primary cables were also replaced in the Town Square Apartments area.

Power Equipment

Two large stepdown transformers were installed to provide power to the northwest sections of the city. This will enable the rebuilding of Central Substation during the summer of 2013. A primary 4-way switch was replaced and relocated at 17th St NW and 3rd Ave NW. Also, several transformers were replaced in preparation of primary voltage conversion. Thirty single phase and eight three phase transformers were changed out and one three phase for new development. A conduit was installed to provide power to Minnesota Heights and the traffic light controller on 4th St NW and DeMers Ave was relocated to accommodate that housing project.

Outage Report

There were nine power outages in East Grand Forks in 2012. Five were caused by equipment failure and four by human error (cable dig in etc). There were 1,886 customers impacted and a total of 751 outage minutes.

Community Work

Water and Light personnel are also involved annually in non-utility activities on behalf of the City. Crews are responsible for a portion of the City's flood protection system. They do training, maintenance, inventory, erection, removal and storage of the downtown "invisible" (removable) floodwall, as well as the nine road closures and two railroad closures. The floodwall at each site must be erected and inspected at least once every five years.

Department crews also removed all electrical service panels and pedestals in the Red River State Recreation Area campground. Water and Light re-installed all equipment after the flood waters receded.

Temporary electric and water services were provided for Artfest on River Street in June. Only temporary electric service was set up for Catfish Days and the City's 125th Anniversary Celebration and the Shriner's Convention. The commission donated electricity and waived charges for set up and removal for the community events.

Holiday decorations were provided by the Department and maintained, installed and removed by Water & Light crews.

Tree trimming along the City's streets in the northwest part of town was accomplished by Water & Light crews.

Information Systems Services

Automated Meter Reading

Working with the vendor, the Sensus Flexnet system has made gains in reliability and stability during 2012. Work began on updating meters for the largest customers to allow real-time monitoring using Internet Protocol networking.

Computers and Network

In addition to ongoing hardware and software support to over 100 users, along with administration and maintenance of over 32 servers serving all municipal offices, and management of metro area and local area networks connecting 30 sites with around 1000 active nodes, much work was done in 2012 to improve the reliability, scalability, and manageability of systems, nearly all of the work is done with internal resources:

- Data storage was centralized and virtualized. A Storage Area Network (SAN) was implemented with replicated storage servers at 2 physically separated locations. This provides for dynamic allocation of storage resources, simplified backups, and improved disaster recovery.
- Server virtualization was expanded. This separates servers from physical hardware, allowing the dynamic sharing of and switching between hardware resources when combined with the storage virtualization.
- A network monitoring system was implemented, allowing for automated supervision of network link status and traffic flow, network hardware status and health, server status, and endpoint tracking. This provides timely alarms to abnormal conditions, many times before users notice an issue, so corrective action can be taken quickly. Also tracks traffic flow patterns allowing network administrators to balance network traffic more effectively. As most of these tasks were done manually and reactively prior to monitoring system

implementation, this allows a small technology staff to manage a large network and be proactive in its care.

- Network architecture was updated to include true multihoming of networks, balancing the internet load amongst multiple external network connections and providing seamless failover upon failure of an external connection.
- Technology staff continually adjusts operations to ensure security as targets and attack vectors change.
- Much planning has been done to allow growth and implementation of future technologies, such as: backbone speed increase to 10 or 40 Gbps; IPv6; multicast IPTV; secure remote access from staff owned devices; additional site connectivity.
- Expanded wireless network coverage at municipal facilities, including the Civic Center and VFW Arena.

SCADA and Controls

Planning and design of monitoring and control systems for the Central Substation replacement took center stage during 2012. A modern, efficient, and open approach is being used in the design, which should put the new electric substation near the forefront of such technologies.

Responded and repaired many issues on current Water and Light SCADA and control systems.

Assisted the wastewater department with SCADA and communications issues as necessary during year.

Assisted with building HVAC controls at multiple sites as necessary during 2012.

Water Distribution System

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

Water Main Replacement

Water & Light Department replaces old cast iron water mains, valves and hydrants each year to keep the city's distribution system current. RJ Zavoral and Sons were contracted to install new plastic main on Mero Court SE and River Drive SE. Also, a new system was installed late fall to Riverview 10th Addition. Testing and disinfection is scheduled for spring of 2013.

Water Treatment Plant

Variable Frequency Drives

Installation of the raw water variable frequency drive system began in January of 2012. Replacement of the original motor control drives will allow the Water Treatment Plant to benefit from the energy cost savings now available through the use of VDS's, improve plant performance, and extend raw water pump and motor life. The project was completed and fully operational February 9, 2012. Total project cost \$34,884, estimated annual energy cost saving \$20,000.

Lime Sludge Pond Relocation Project

The Lime Sludge Pond Relocation project was bid August 2011. The project was awarded to the low bidder (Spruce Valley Corporation, \$1,995,369) by the Water and Light Commission September of 2011. Work started in 2011 included cleaning one of the original lime sludge ponds and delivery of piping material to the work site.

Project continuation began February 2012 with electrical and lift station pump control system installation. Ground work to install force main, construct the new lime sludge ponds, lift station, and decant structures began April and continued through mid October 2012. The system was tested and placed into service October 29, 2012.

Completion of this project allows for lime sludge, generated through the treatment process, to be transferred to the new ponds, located approximately one mile from the Water Treatment plant, and stored out of the floodplain.

On December 17, 2012 The Minnesota Pollution Control Agency approved use of the original lime sludge ponds as a reclaim system for lime sludge pond decant and filter backwash water. When fully operational the water reclaim system would allow for approximately one million gallons of water a month to be diverted from the City Sanitation System back to the head of the Water Treatment Plant.

Water Tower

Bids were opened March 13, 2012 for the cleaning, repairing, reconditioning, and recoating of the South Water Tower. Champion Coatings, Inc was awarded the project based on the lowest total bid amount of \$207,000 including mobilization and full exterior dry containment. Total project cost including engineering and inspection fees was \$274,000.

The tower was drained on June 18, 2012. Work on the project began June 19, 2012 with exterior structural repairs and containment rigging. Interior bowl and access tube sandblasting, priming and recoating was started on June 26, 2012 and completed by late July. August 7, 2012 was the completion date for the exterior structural repair, spot coating repair, priming, cleaning and recoating.

On August 13, 2012 after a six day specified paint cure time, the tower was filled, and disinfected, following American Water Works standards. Bacteriological sample results returned on August 14, 2012 confirmed that disinfection was complete, and the tower was returned to service on August 15, 2012.

Engineering Executive Summaries indicate that the work completed should extend the overall life of the tower base coating to near thirty years. The tower will be inspected mid summer of 2014 near the end of the warranty period and every five years thereafter.

Active Mixing

An active mixing system was installed in the South Water Tower on August 6, 2012. Installation of the mixer was performed by Water Plant personnel, with assistance from Champion Coatings, and Eagle Electric, during the tower rehabilitation project. The mixer is suspended from an area just below the upper hatch of the tower to an area just above the coned lower portion of the bowl. The addition of active mixing in the tower will help prevent stagnation, temperature stratification, nitrification, chlorine residual degradation, and reduce ice formation during the cold weather months. Total project cost \$12,000.

Carbon Dioxide System

CO2 Systems, Inc. conducted an inspection on the Water Treatment Plant Carbon Dioxide System in August of 2012. That inspection indicated several modifications and upgrades necessary to comply with ASME pressure vessel compressed gas codes, and The Compressed Gas Association recommendations.

CO2 Systems began a rebuild of the system the evening of October 15, 2012 and completed the project the afternoon of October 16, 2012. The rebuild included the addition of a dual primary safety relief valve assembly, secondary relief valves for system service use, new pressure reducing valves, new vessel fill valves with safety relief pops, and the addition of a visual/audible alarm system. Total project cost \$14,500.

Water Emergency and Conservation Plan

On September 7, 2012 representatives from East Grand Forks – Grand Forks met to discuss the downward trend of the Red Lake River levels. Average flow at the Fisher, MN recording station (from 2000-2006)=1,821 cfs, flow prior to the September 7, 2012 meeting was 112cfs. Because a significant portion of Red Lake Watershed was experiencing moderate to severe drought conditions, agreement was reached to review emergency plans and begin monitoring river levels.

First stage implementation of our Water Emergency and Conservation Plan would begin when river flow is equal to or less than 100% of the EGF/GF water demand plus 8 cubic feet per second (cfs) downstream flow. Average demand for EGF of 1.8 cfs and GF demand of 12.4 cfs plus 8 cfs downstream flow would trigger the first stage at 26.6 cfs. First stage implementation is primarily advisory. The first two stages of the plan are voluntary and encourage conservation, the final three stages are mandatory and would require demand reduction.

The lowest daily flow of 2012 was recorded on September 28, at 42 cfs. This was sufficient flow to meet demand without implementing the plan. The Water Treatment staff is prepared to continue monitoring river levels in 2013 should dry conditions persist.

Disinfectants/Disinfection by-products Rule (DBPs) Optimization Report

In a November 2012 report from The Minnesota Department of Health (MDH) the Water Treatment Staff was given recognition for a series of procedural and treatment modifications toward optimizing disinfection and reducing DBPs formation potentials, including:

1. Requesting MDH training on regulations, compliance and treatment requirements
2. Initiated Disinfection Profiling-use daily real time data such as PH, pumping rate, water temperature, free and total chlorine residual levels to calculate levels of microbial inactivation achieved versus what are required by the rules; by doing so EGF was able to cut back the use of chlorine while achieving compliance.
3. Formulate a new cold-warm water disinfection strategy – continue the use of real-time data to calculate inactivation to ensure Surface Water Treatment Rule compliance (.5 log inactivation for Giardia and/or 2.0 log inactivation for viruses) while closely monitoring disinfection and making adjustments to reduce DBP formation potentials, i.e., minimize disinfection credits achieved via the use of free chlorine and maximize inactivation credits achieved by the use of chloramines.
4. Installed 1st Active Mixer in the 2MG ground reservoir in August of 2011 and a second Active Mixer in the South elevated water tower in August of 2012 to reduce temperature stratification, chlorine residual degradation, water age, and ice formation.

The report also noted that taking initiatives, implementing ideas, and taking steps toward finding allowances with the regulations has provided a very doable compliance strategy using existing treatment infrastructures, without the need of costly capital improvements, such as using ozone or UV technologies.

Energy Conservation

In 2012, the Department continued with the energy conservation programs that were offered to its customers in 2011. For 2012, Minnesota State law mandates that municipal electric utilities annually spend 1.5 % of gross revenues from 2010 on energy conservation projects and requires a goal of energy savings equivalent to 1.5% of the average annual energy used based on the energy sales for the years 2008 – 2010. For East Grand Forks that is \$192,144 of required expenditure with a goal of saving 2,292,822 kWh annually. The actual 2012 conservation program expenditure and savings figures are in the table below and it shows if we use Load Management figures and if we don't.

2011	Required	Actual w/LM	Actual w/o LM
SPEND	\$192,144	\$380,024	\$255,078
SAVE	2,292,822	2,278,855	1,755,091
		1.49%	1.15%

The rest of the Energy Conservation section of the management report provides an explanation of 2012 Energy Conservation Program offerings and rebates or credits issued to our customers.

RESIDENTIAL REBATES

Weatherization Rebates - This program provides up to \$500 in rebates for residential customers to install conservation measures that improve the energy efficiency of their home. Some popular measures include replacing doors and windows, insulating, caulking and weather stripping. In 2012, a total of 33 rebates were issued for the following measures:

Windows	14
Entry doors	1
Storm doors	3
Attic insulation	6
Insulate garage	1
Insulate basement	1
Wall insulation	1
Entry & Storm doors	3
Entry doors & windows	0
Patio door	3

Appliance & Heating/Cooling Rebates – This program started on January 1, 2009 and allows our customers to receive a rebate when they purchase an Energy Star qualified appliance. The appliances and rebates for 2012 are as follows:

Refrigerator	\$75.00
Freezers	\$75.00
Dishwasher	\$50.00
Washing Machine	\$100.00 or \$150.00
Electric Water Heater	\$50.00
Room Air Conditioner	\$25.00
Central Air Conditioner	\$200.00
Air Source Heat Pump	\$250.00
Mini Split Ductless A/C	\$100.00
ECM Fan Motor	\$150.00

In 2012 we rebated 198 appliances as follows:

Refrigerators	55
Front Load washers	37
Top Load Washers	35
Dishwashers	36
Freezers	3
Electric Water Heaters	5
Room Air Conditioners	0
Central Air Conditioner	11
Heat Pump	0
Mini Split Ductless A/C	0
ECM Fan Motor	16

Central Air Conditioner Tune Up Rebate – This program started in July 2009 and will rebate up to \$60.00 to customers when they have their central air conditioner tuned up by a licensed heating/cooling contractor. In 2012 we issued 122 rebates.

Compact Fluorescent Light Bulb Rebate – When customers purchase Energy Star CFL bulbs they can receive a rebate of 50% of the bulb or package cost. In 2012, 9 rebates were issued.

Low income weatherization - The Department contracted with Mahube Community Council to do our low income weatherization projects. In 2012, they weatherized 12 homes.

COMMERCIAL REBATES

Lighting Replacement Rebate – This program provides a rebate for commercial customers to upgrade the lighting in their facility to more energy efficient fixtures. In 2012, twenty-three rebates were issued to local businesses and three city buildings received lighting upgrades. The amount of the rebate for the customer is figured by the kwhs saved by the project.

Weatherization Rebate – This program provides a rebate for commercial customers who perform conservation measures that will improve the energy efficiency of their building envelope, by replacing windows and doors and adding insulation, etc. We paid out 2 rebates in 2012.

Variable Frequency Drive Rebate – This program provides a rebate to commercial customer to install new VFDs to either existing or new motors. In 2012 we had 3 VFDs installed at local businesses.

Cooling System Rebate – This program provides a rebate to commercial customers to install an energy efficient cooling system on their facility. In 2012 we did not pay out any rebates for this program.

Custom Rebate – This program provides a rebate to commercial customers for energy efficient projects that they implement at their facility that do not fall under any of the other programs. The rebate amount is determined by how much energy the project will save. We did not pay out any rebates for this program in 2012.

ENERGY AUDITS

Home Energy Audits - In 2011 we began offering Home Energy Audits to our customers at 50% of the actual cost of the audit. There are two types of audits to choose from: Standard Audit – which includes a blower door test and walk through. An Infrared Audit – which includes the blower door test along with using an infrared camera. In 2012 there was 1 home audit performed.

Commercial Energy Assessments – In 2011 we contracted with a commercial energy consultant to help the Department achieve the goals mandated by the state of Minnesota by providing support to our staff and free energy assessments to our commercial customers. This assistance continued in 2012 and was very beneficial in helping us meet our energy savings goal.

CFL LIGHT BULB AND DIRECT INSTALL PROGRAMS

The Department held its third annual CFL Swap during Public Power Week. Customers bring in 6 incandescent bulbs and we will exchange them for 6 CFL bulbs. In 2012 we had 256 customers take advantage of this program.

The Direct Install program, which began in 2011 offers our customers with electric water heaters the chance to have a representative of the Department come into their home and install low flow shower heads, low flow faucet aerators on kitchen and bath faucets and install 6 CFL bulbs. In 2012 we performed Direct Installs in 26 homes.

Financial Section

Independent Auditor's Report

Management's Discussion and Analysis

Combined Statement of Net Position

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

Combined Statement of Cash Flows

Notes to Financial Statements



CERTIFIED PUBLIC ACCOUNTANTS
AND CONSULTANTS

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

We have audited the accompanying financial statements of the City of East Grand Forks Water and Electric Funds, as of and for the years ended December 31, 2012, 2011, 2010, 2009 and 2008, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Electric Funds basic financial statements as listed in the table of contents.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the City of East Grand Forks Water and Electric Funds, as of December 31, 2012, 2011, 2010, 2009 and 2008, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

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

Other Information

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

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

Brady Martz

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

June 26, 2013

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the East Grand Forks Water and Light Department's annual financial report presents the analysis of the Department's financial performance during the fiscal year ended December 31, 2012. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Electric utility sales increased 8.841 million kWh (5.65%) to 165.4 million kWh sold in 2012 compared to 156.6 million kWh sold in 2011. In 2012, electric sales revenues increased \$893,589 (6.88%) to \$13,875,019, compared to 2011 sales revenue of \$12,981,430.

Electric utility wholesale power purchase costs increased \$891,900 (11.38%) to \$8,728,410 in 2012 compared to \$7,836,510 in 2011.

- Water utility sales increased 2.3 million gallons (0.7%) to 326.2 million gallons sold in 2012, compared to 323.9 gallons sold in 2011. In 2012, water sales revenues increased \$421,619 (22%) to \$2,334,738, compared to 2011 sales revenue of \$1,913,119.
- Electric utility operating income increased \$49,891 (5.8%) to \$857,950 in 2012, compared to 2011 operating income of \$808,059.
- Water utility operating income (loss) increased \$173,249 (99.5%) to \$(5,076) in 2012, compared to a 2011 operating income (loss) of \$(178,325).
- The Department's net assets increased \$1,310,809 (3.4%) to \$38,912,104 in 2012, compared to net assets of \$37,601,295 in 2011.
- The Department's 2012 noncurrent liabilities increased \$3,517 (0.9%) to \$368,662, compared to 2011 noncurrent liabilities of \$365,145.

OVERVIEW OF FINANCIAL STATEMENTS

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

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

The basic financial statements consist of entity-wide financial statements that provide both the short-term and long-term financial information about the Department's financial activities, all of which are operated like commercial enterprises. These statements report information about the Department using full accrual accounting methods and economic resources focus as utilized by similar business activities in the private sector. Information concerning all the Department's

assets and liabilities, both financial and capital, and short-term and long-term are included. Likewise, all revenues and expenses received during the year, regardless of when cash is received or paid are reported. However, rate-regulated accounting principles applicable to private sector utilities are not used by the Department.

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

- The balance sheet presents the financial position of the Department on a full accrual, historical cost basis. This statement provides information about the nature and amount of resources and obligations at year-end.
- The statement of revenues, expenses, and changes in net assets presents the results of the business activities over the course of the fiscal year and information as to how the net assets changed during the year. All changes in net assets are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Department's recovery of its costs. Rate setting policies use different methods of cost recovery not fully provided by accounting standards generally accepted in the United States of America. The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.
- The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.
- The notes to the financial statements provide required disclosures and other information that are essential to a full understanding of material data provided in the statements. The notes present information about the Department's significant accounting policies, account balances and activities, material risks, obligations, commitments, contingencies and subsequent events, if any.

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

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

Net Position

	2012	2011	Increase (decrease)
ASSETS			
Current assets and other assets	\$ 15,943,341	\$ 16,273,970	\$ (330,629)
Capital assets	25,152,217	23,481,449	1,670,768
Total assets	<u>41,095,558</u>	<u>39,755,419</u>	<u>1,340,139</u>
LIABILITIES			
Current liabilities	1,814,792	1,788,979	25,813
Noncurrent liabilities	368,662	365,145	3,517
Total liabilities	<u>2,183,454</u>	<u>2,154,124</u>	<u>29,330</u>
NET POSITION			
Invested in capital assets, net of related debt	25,152,217	23,481,449	1,670,768
Unrestricted	13,759,887	14,119,846	(359,959)
Total net position	<u>\$ 38,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 1,310,809</u>

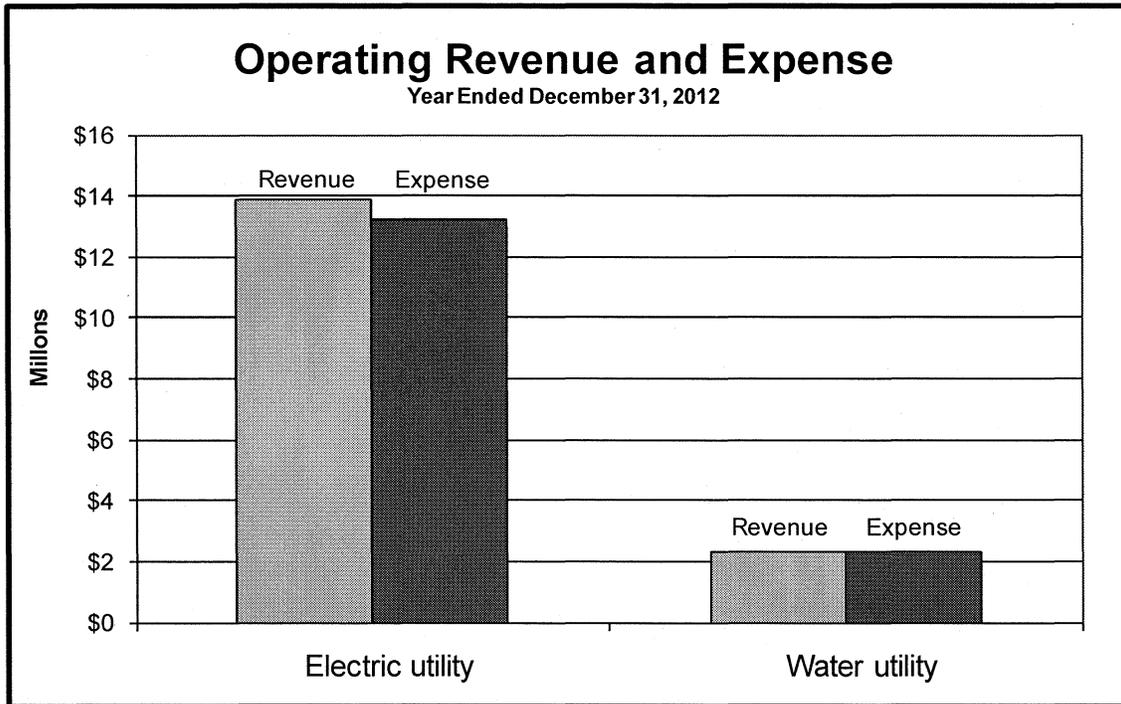
The entity-wide net position increased \$1,310,809 to \$38,912,104 in 2012. The increase in the amount invested in fixed assets exceeded decreases in the unrestricted net position the amounts restricted for debt services. The increase in the amount invested in capital assets, net of related debt, is the result of investment in new capital assets exceeding depreciation in 2012.

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

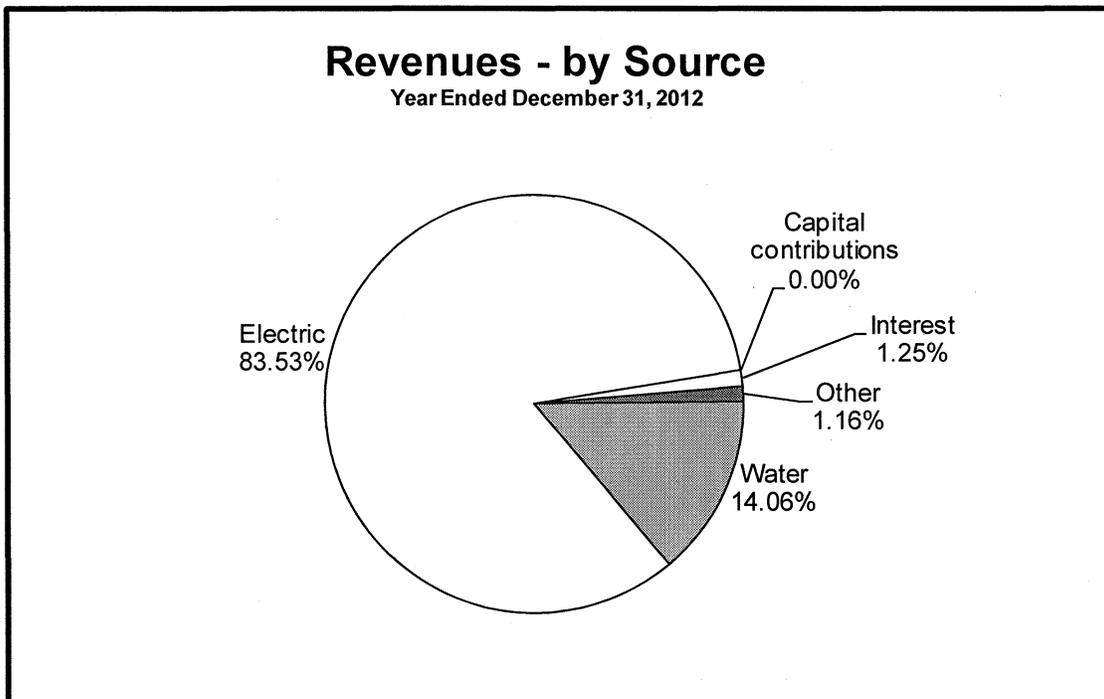
	2012	2011	Increase (decrease)
Revenues:			
Charges for services:			
Electric utility	\$ 13,875,019	\$ 12,981,430	\$ 893,589
Water utility	2,334,738	1,913,119	421,619
Total charges for services	16,209,757	14,894,549	1,315,208
Interest earnings	208,272	289,138	(80,866)
Other	192,735	99,033	93,702
Total revenues	16,610,764	15,282,720	1,328,044
Expenses:			
Operating expenses:			
Electric utility	13,206,410	12,267,730	938,680
Water utility	2,343,208	2,096,118	247,090
Total operating expenses	15,549,618	14,363,848	1,185,770
Interest expense	337	450	(113)
Total expenses	15,549,955	14,364,298	1,185,657
Income (loss) before capital contributions and transfers out	1,060,809	918,421	142,388
Transfers in	2,000,000	-	2,000,000
Transfers out	(1,750,000)	(456,816)	(1,293,184)
Change in net position	\$ 1,310,809	\$ 461,606	\$ 849,203

While the balance sheet shows a snapshot of the Department's financial position at the end of each year, the above statement of revenues, expenses, and changes in net position provides answers as to the nature and source of these changes. As can be seen above, income before capital contributions and transfers out of \$1,750,000 is the primary source of the increase in net position. A comparison of total charges for service shows a \$1,315,208 (8.8%) increase and operating expenses increased \$1,185,657 (7.6%). In 2012, as compared to 2011, the increase in operating expenses was driven by an increase in wholesale power purchase costs.

The following summary of the operating revenue and expense for the electric and water utility for 2012:



The following is a summary of the composition of 2012 revenue by source:



Capital Assets

(net of accumulated depreciation)

	2012	2011	Increase (decrease)
Land	\$ 349,394	\$ 349,394	\$ -
Building, systems, and structures	21,900,595	21,634,959	265,636
Machinery and equipment	619,808	645,679	(25,871)
Construction in progress	2,282,420	851,417	1,431,003
Total capital assets, net	\$ 25,152,217	\$ 23,481,449	\$ 1,670,768

In 2012, capital investments exceeded depreciation and disposals by \$1,670,768: new investment in capital assets totaled \$4,772,850, and depreciation totaled \$1,472,148. Major capital assets improvement projects for 2012 are mentioned in the Manager's annual narrative report.

Long-term Liabilities

(net of unamortized discounts)

	2012	2011	Increase (Decrease)
Compensated absences payable	\$ 413,662	\$ 410,145	\$ 3,517
	\$ 413,662	\$ 410,145	\$ 3,517

Compensated absences payable had severance payments exceeding new accruals by \$3,517.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES

- According to data from the U.S. Bureau of Labor Statistics, the unemployment rate for Polk County, Minnesota area as of December 31, 2012 was 5.3%, which is slightly below the state average of 5.4% and below the national (7.8%) average. The North Dakota Grand Forks County unemployment rate was 3.5% for December 2012. The Grand Forks-East Grand Forks metropolitan statistical area unemployment rate for December 2012 was 4.1%. Grand Forks is located across the Red River of the North and has an approximate population of 53,456.
- The economy of the state is slowly recovering and proposed legislative actions may result in more certainty and stability in local government aid (LGA) funding.

- The Western Area Power Administration (WAPA) has notified the Department that it will not raise wholesale power costs in 2013, but intends to do so in 2014 with that increase not yet finalized. The electric utility purchases approximately 48% of its wholesale power supply from WAPA.

REQUESTS FOR INFORMATION

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

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINED STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2012
 (With comparative totals for December 31, 2012, 2011, 2010, 2009, and 2008)

	2012	2011	2010	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,986,950	\$ 2,744,730	\$ 2,297,734	\$ 2,656,282	\$ 3,949,605
Investments	7,846,317	9,009,459	8,194,924	8,975,551	8,297,999
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	78,150	79,850	74,900	78,354	75,450
Cash in Bond Account	-	-	-	97,144	98,582
Accounts Receivable	1,533,781	1,904,461	2,147,679	1,392,039	1,447,016
Allowance for doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	32,596	54,905	63,269	85,286	96,462
Material Inventory	1,060,589	933,407	1,063,138	1,178,976	1,345,020
Prepaid Expenses	20,962	61,043	45,349	36,885	45,462
Interfund Receivable	1,079,415	1,182,341	1,377,499	1,560,000	405,000
Due from Other Governments	807	-	-	-	-
Total Current Assets	<u>15,591,567</u>	<u>15,922,196</u>	<u>15,216,493</u>	<u>16,012,517</u>	<u>15,712,596</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	349,394	349,394	349,394	349,394	349,394
Buildings, Structures, Etc.	14,765,287	14,756,230	14,756,230	14,756,230	14,323,851
Distribution Systems	28,431,073	26,869,699	24,996,996	24,319,122	23,439,823
Meters	1,635,126	1,629,830	1,629,830	1,629,830	584,927
Machinery and Equipment	2,580,644	2,585,254	2,551,201	2,544,235	2,518,515
Automotive Equipment	570,337	466,019	466,019	471,538	386,558
Office Equipment	671,349	671,349	671,349	601,730	589,118
Construction in Progress	2,282,420	850,173	1,191,106	85,255	1,053,597
Total Capital Assets	51,285,630	48,177,948	46,612,125	44,757,334	43,245,783
Less Accumulated Depreciation	(26,133,413)	(24,696,499)	(23,237,379)	(21,924,916)	(20,584,248)
Total Capital Assets (Net)	25,152,217	23,481,449	23,374,746	22,832,418	22,661,535
Deferred Charges	-	-	-	4,558	5,248
Customer Acquisition Costs	351,774	351,774	351,774	268,106	268,106
Total Noncurrent Assets	25,503,991	23,833,223	23,726,521	23,105,082	22,934,889
TOTAL ASSETS	<u>\$ 41,095,558</u>	<u>\$ 39,755,419</u>	<u>\$ 38,943,013</u>	<u>\$ 39,117,599</u>	<u>\$ 38,647,485</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,497,963	\$ 1,276,231	\$ 1,189,649	\$ 1,119,530	\$ 1,183,301
Accrued Payroll	43,197	39,302	33,354	27,899	66,684
Accrued Vacation	95,765	88,785	74,062	73,683	78,992
Accrued Sick Leave	45,000	45,000	44,700	41,100	37,700
Due to Other Government Units	54,717	51,938	59,969	59,022	70,018
Due to Other Funds	-	207,873	-	-	-
Customer Deposits	78,150	79,850	74,900	78,354	75,450
Accrued Bond Interest Payable	-	-	-	24,911	26,553
Bonds Payable - Current	-	-	-	75,000	75,000
Total Current Liabilities	<u>1,814,792</u>	<u>1,788,979</u>	<u>1,476,633</u>	<u>1,499,499</u>	<u>1,613,698</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	368,662	365,145	326,692	394,647	367,667
G.O. Revenue Bonds Payable	-	-	-	1,113,000	1,187,250
Total Noncurrent Liabilities	<u>368,662</u>	<u>365,145</u>	<u>326,692</u>	<u>1,507,647</u>	<u>1,554,917</u>
TOTAL LIABILITIES	<u>2,183,454</u>	<u>2,154,124</u>	<u>1,803,326</u>	<u>3,007,146</u>	<u>3,168,615</u>
NET POSITION					
Invested in capital assets, net related debt	25,152,217	23,481,449	23,374,746	21,644,418	21,399,285
Restricted for Debt Service	-	-	-	72,233	72,029
Unrestricted	13,759,887	14,119,846	13,764,941	14,393,802	14,007,556
TOTAL NET POSITION	<u>\$ 38,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 37,139,688</u>	<u>\$ 36,110,453</u>	<u>\$ 35,478,870</u>
TOTAL LIABILITIES AND NET POSITION	<u>\$ 41,095,558</u>	<u>\$ 39,755,419</u>	<u>\$ 38,943,013</u>	<u>\$ 39,117,599</u>	<u>\$ 38,647,485</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 AS OF DECEMBER 31, 2012, 2011, 2010, 2009 and 2008

	2012	2011	2010	2009	2008
OPERATING REVENUES					
Electric Sales	\$ 13,875,019	\$ 12,981,430	\$ 12,756,781	\$ 11,715,322	\$ 11,791,473
Water Sales	2,334,738	1,913,119	1,838,719	1,875,322	2,010,277
Penalty Charges	100,091	79,994	89,072	88,423	85,546
Other Income	92,644	19,039	145,095	55,151	89,461
Total	<u>16,402,492</u>	<u>14,993,583</u>	<u>14,829,669</u>	<u>13,734,219</u>	<u>13,976,758</u>
OPERATING EXPENSES					
Cost of Sales and Services	12,110,564	10,830,560	10,550,516	10,014,390	10,620,859
Administration	747,893	794,786	704,576	707,103	760,015
Depreciation	1,472,148	1,459,119	1,427,613	1,340,664	1,206,847
Taxes and Tax Equivalents	1,219,013	1,279,383	1,159,138	1,155,227	1,099,474
Total	<u>15,549,618</u>	<u>14,363,848</u>	<u>13,841,843</u>	<u>13,217,384</u>	<u>13,687,195</u>
OPERATING INCOME	<u>852,874</u>	<u>629,734</u>	<u>987,825</u>	<u>516,835</u>	<u>289,562</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenues	208,272	289,138	294,296	389,696	484,601
Gain on Disposal of Assets	-	-	3,600	-	-
Interest Expenses	(337)	(450)	(22,100)	(62,929)	(66,990)
Total	<u>207,936</u>	<u>288,689</u>	<u>275,798</u>	<u>326,767</u>	<u>417,613</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS & TRANSFERS	1,060,809	918,421	1,263,618	843,600	707,170
CAPITAL CONTRIBUTIONS	-	-	-	63,337	-
TRANSFERS IN	2,000,000	-	400,000	-	-
TRANSFERS OUT	<u>(1,750,000)</u>	<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>	<u>(150,752)</u>
CHANGE IN NET POSITION	1,310,809	461,606	1,029,235	631,583	556,419
NET POSITION - JANUARY 1	<u>37,601,295</u>	<u>37,139,688</u>	<u>36,110,454</u>	<u>35,478,870</u>	<u>34,922,450</u>
NET POSITION - DECEMBER 31	<u>\$ 38,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 37,139,687</u>	<u>\$ 36,110,453</u>	<u>\$ 35,478,870</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINED STATEMENT OF CASH FLOWS
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	2012	2011	2010	2009	2008
Cash flows from operating activities:					
Cash received from customers and users	\$ 15,971,373	\$ 14,541,604	\$ 13,242,991	\$ 13,057,643	\$ 13,322,725
Cash received from interfund activities	707,455	681,107	682,487	679,305	556,359
Cash paid to suppliers for goods and services	(10,675,431)	(8,854,432)	(8,954,460)	(8,516,957)	(9,347,615)
Cash paid for interfund activities	(208,680)	(337,436)	(206,995)	(200,513)	(173,717)
Cash paid to employees	(2,031,224)	(1,973,591)	(1,973,719)	(1,917,882)	(1,713,141)
Cash paid for taxes and tax equivalents	(1,219,013)	(1,279,383)	(1,159,138)	(1,155,227)	(1,099,474)
Other operating revenues (expenses)	92,644	19,039	145,095	55,151	89,461
Net cash provided (used) by operating activities	<u>2,637,124</u>	<u>2,796,908</u>	<u>1,776,263</u>	<u>2,001,521</u>	<u>1,634,598</u>
Cash flows from noncapital financing activities:					
Interfund loan	102,927	195,160	182,501	(1,155,000)	120,000
Operating Transfers from other funds	2,000,000	-	400,000	-	-
Operating Transfers to other funds	(1,750,000)	(456,816)	(634,384)	(275,354)	(150,752)
Net cash provided (used) by noncapital financing activities	<u>352,927</u>	<u>(261,656)</u>	<u>(51,883)</u>	<u>(1,430,354)</u>	<u>(30,752)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(3,142,916)	(1,565,824)	(1,969,946)	(1,448,215)	(1,540,407)
Proceeds from sale of capital assets	-	-	3,600	-	-
Customer acquisition costs	-	-	(83,668)	-	-
Principal payments on bonds	-	-	(1,200,000)	(75,000)	(70,000)
Interest and fiscal charges on bonds	(337)	(450)	(30,453)	(63,130)	(66,990)
Net cash (used) by capital and related financing activities	<u>(3,143,253)</u>	<u>(1,566,274)</u>	<u>(3,280,467)</u>	<u>(1,586,345)</u>	<u>(1,677,397)</u>
Cash flows from investing activities:					
Interest received on investments	230,580	297,502	316,316	400,875	463,472
Proceeds from sales and maturities of investments	1,692,000	5,399,000	5,619,000	3,847,000	6,398,330
Purchase of investments	(528,858)	(6,213,535)	(4,838,373)	(4,524,552)	(6,400,400)
Net cash provided (used) by investing activities	<u>1,393,722</u>	<u>(517,033)</u>	<u>1,096,943</u>	<u>(276,677)</u>	<u>461,402</u>
Net increase (decrease) in cash and cash equivalents	1,240,520	451,945	(459,146)	(1,291,857)	387,849
Cash and cash equivalents - January 1	<u>2,824,580</u>	<u>2,372,634</u>	<u>2,831,780</u>	<u>4,123,638</u>	<u>3,735,788</u>
Cash and cash equivalents - December 31	<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,635</u>	<u>\$ 2,831,781</u>	<u>\$ 4,123,638</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 852,874	\$ 629,734	\$ 987,824	\$ 516,834	\$ 289,561
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	1,472,149	1,459,119	1,427,613	1,340,664	1,206,847
Changes in assets and liabilities:					
Accounts receivable	370,680	243,218	(755,640)	54,977	(38,268)
Provision for losses on accounts receivable	-	-	-	-	23,006
Materials & supplies	(127,182)	129,731	115,838	166,044	(68,625)
Prepaid items	40,081	(15,694)	(8,464)	8,577	(28,175)
Due from other government units	(807)	-	-	-	-
Accounts payable	221,731	86,582	70,119	(63,771)	168,825
Accrued payroll	3,895	5,944	5,455	(38,785)	66,684
Accrued vacation	6,980	14,723	379	(5,309)	(30,690)
Accrued compensated absences	3,517	38,753	(64,355)	30,380	34,799
Due to other funds	(207,873)	207,876	-	-	-
Due to other government units	2,779	(8,031)	947	(10,996)	3,582
Customer deposits	(1,700)	4,950	(3,454)	2,904	7,050
Net cash provided (used) by operating activities	<u>\$ 2,637,124</u>	<u>\$ 2,796,908</u>	<u>\$ 1,776,263</u>	<u>\$ 2,001,521</u>	<u>\$ 1,634,598</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ 6,436	\$ 6,436	\$ (9,347)	\$ 35,392	\$ 26,776
Capital contributions	-	-	-	63,336	-
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	3,986,950	2,744,730	2,297,735	2,656,283	3,949,606
Restricted assets	78,150	79,850	74,900	175,498	174,032
Cash and cash equivalents - December 31	<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,635</u>	<u>\$ 2,831,781</u>	<u>\$ 4,123,638</u>

CITY OF EAST GRAND FORKS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2012

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

A. Basis of Presentation

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

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

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

The government applies all applicable FASB pronouncements issued after November 30, 1989 in accounting and reporting for its proprietary operations. Proprietary funds include the following fund types:

B. Cash (including cash equivalents) and Investments

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

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

C. Accounts Receivable

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

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

D. Short-Term Inter-Fund Receivables/Payables

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

E. Inventories

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

F. Property, Plant and Equipment

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

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

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

G. Customer Acquisition Costs

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

H. Revenue Recognition

Revenues from electric energy sales are reflected in the accounts only at the time meters are read. Accordingly, the revenues related to energy delivered, but not metered, are not accrued. The City has three billing cycles per month: North End, South End, and Large Commercial Electric. The North End cycle is billed at the end of each month, with meter readings taken between the 11th and 25th day of the same month. The South End cycle is billed in the middle of each month, with meter readings taken between the 26th of the previous month and the 10th day of the current billing month. The Large Commercial Electric cycle is billed in the middle of the month, with meter readings taken on the last day of the previous month. Large Commercial Electric sales revenues are accrued to the month of the meter readings. North End and South End sales revenues are recognized in the month billed, which is consistent with current and past revenue recognition practices.

I. Power Cost

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

J. Use of Estimates

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

K. Sales Tax

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

L. Net Position

For the year ended December 31, 2011, the Water and Light Funds implemented GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*. This statement provides guidance for reporting deferred outflows of resources, deferred inflows of resources, and net position in accordance with Concepts Statement No. 4, *Elements of Financial Statements*.

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

NOTE 2 CASH AND INVESTMENTS

Cash and investments as of December 31, 2012, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 3,986,950
Investments	7,846,317
Restricted cash and cash equivalents:	
Cash in customer deposits	78,150
Total cash and investments	<u>\$ 11,911,417</u>

Cash and investments as of December 31, 2012, consist of the following:

Cash:	
Cash on hand	\$ 1,300
Deposits with financial institutions	1,794,028
Cash equivalents:	
4M Local Government Investment Pool	1,379,902
Money Market Funds	869,637
Investments:	
Various	7,866,550
Total cash and investments	<u>\$ 11,911,417</u>

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

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

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

Disclosures Relating to Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally

recognized statistical rating organization. As of December 31, 2012, the Department's investments in U.S. Agencies are rated AAA by Standard & Poor's and Aaa by Moody's Investors Service. The city's investments in negotiable certificates of deposit are below the F.D.I.C. \$250,000 insurance limit per institution. The local government investment pool is not rated.

Disclosures Relating to Interest Rate Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Weighted Avg. Maturity (in years)</u>
Federal Agencies:		
Federal Home Loan Mortgage	\$2,695,032	9.65
Fannie Mae	949,994	10.04
Non-negotiable certificates of deposit	120,233	0.34
Negotiable certificates of deposit	<u>4,101,291</u>	1.74
	<u>\$7,866,550</u>	

Concentration of Credit Risk

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

<u>Investment Type</u>		<u>Percent of Investment Portfolio</u>
Federal Agencies:		
Federal Home Loan Mortgage	2,695,032	22.63%
Fannie Mae	949,994	7.98%

Custodial Credit Risk

Custodial credit risk for deposits is the risk that, in the event of the failure of a depository financial institution, a government will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party. Minnesota statutes do not contain legal requirements that would limit the exposure to custodial credit risk for

deposits or investments, other than the following provision for deposits: Minnesota statutes require that all Department deposits be protected by insurance, surety bond, or collateral. The market value of the collateral must be a minimum of 110% of deposits not covered by insurance or bonds (140% in the case of mortgage backed collateral). Authorized collateral includes the legal investment described earlier, as well as certain first mortgage notes, and certain other state or local obligations. Minnesota statutes require that securities pledged as collateral be held in safekeeping by the clerk-treasurer or in a financial institution other than that furnishing the collateral.

The Department was adequately collateralized throughout the year.

NOTE 3 ACCOUNTS RECEIVABLE

An analysis of the accounts receivable at December 31, 2012, 2011, 2010, 2009, and 2008, is as follows:

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
Current	\$ 1,471,388	\$ 1,807,888	\$ 1,362,541	\$ 1,254,523	\$ 1,336,755
Delinquent:					
South end	23,548	44,645	51,808	42,882	25,125
North end	38,845	51,928	93,800	84,697	66,174
Large Commercial	-	-	639,530	9,937	18,962
	<u>\$ 1,533,781</u>	<u>\$ 1,904,461</u>	<u>\$ 2,147,679</u>	<u>\$ 1,392,039</u>	<u>\$ 1,447,016</u>

The Electric Fund has an interfund receivable that is non-interest bearing, was originally \$600,000 and was being repaid at \$10,000 per month and was paid off during the 2012 fiscal year. In 2009, \$1,275,000 was lent to finance special assessment projects that will be repaid over the next 15 years with annual payments of \$116,689 which includes 4.25% interest. The balance on this receivable is \$1,079,414 at year end.

NOTE 4 DEFINED BENEFIT PENSION PLANS - STATEWIDE

A. Plan Description

All full-time and certain part-time employees of the City of East Grand Forks are covered by defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the General Employees Retirement Fund (GERF) and the Public Employees Police and Fire Fund (PEPFF) which are cost-sharing multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

GERF members belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. All police officers, firefighters and peace officers who qualify for membership by statute are covered by the PEPFF.

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by State Statute, and vest after three years of credited service. The defined retirement 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.

Two methods are used to compute benefits for Coordinated and Basic Plan members. The retiring member receives the higher of step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for Coordinated Plan members is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Using Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.5 percent for Coordinated Plan members. For PEPFF members, the annuity accrual rate is 3.00 percent for each year of service. For PERF and PEPFF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated Plan members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A normal annuity is a lifetime annuity that ceases upon the death of the retiree. No survivor annuity is payable. There are also various types of joint and survivor annuity options available which will reduce the monthly normal annuity amount, because the annuity is payable over joint lives. Members may also leave their contributions in the fund upon termination of public service, in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement benefits begin.

The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees, who are entitled to benefits but are not receiving them yet, are bound by the provisions in effect at the time they last terminated their public service.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERP and PEPFF. That report may be obtained on the web at mnpera.com, by writing to PERA, 60 Empire Drive #200, St. Paul, Minnesota 55103-2088 or by calling (651) 296-7460 or 1-800-652-9026.

B. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The Water & Light Department makes annual contributions to the pension plans equal to the amount required by state statutes. GERP Basic Plan members and Coordinated Plan members are required to contribute 9.10% and 6.25%, respectively, of their annual covered salary. The Water & Light Department is required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan PERF members, and 7.25% for Coordinated Plan members. The Department's contributions to the Public Employees Retirement Fund for the years ending December 31, 2012, 2011, 2010, 2009, and 2008 were \$114,268, \$114,611, \$105,341, \$98,091, and \$88,201, respectively. The Department's contributions were equal to the contractually required contributions for each year as set by state statute.

NOTE 5 VACATION, SEVERANCE AND SICK TIME PAY

Vacation pay is charged to expense in the year earned and unused vacation amounts are carried forward. Upon resignation, employees are paid for accumulated unused vacation. The liability for accumulated vacation at December 31, 2012 for the last five years is as follows:

2012	\$ 95,765
2011	88,785
2010	74,062
2009	73,683
2008	78,992

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

The liability for accumulated sick leave at December 31, 2012 for the last five years is as follows:

2012	\$ 413,662
2011	410,145
2010	371,392
2009	435,747
2008	405,367

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

2012	\$7,900
2011	9,913
2010	10,452
2009	7,565
2008	8,370

NOTE 6 LONG-TERM DEBT

GENERAL OBLIGATION REVENUE BONDS. The City issues general obligation bonds to provide funds for the acquisition and construction of major capital assets. General obligation water revenue bonds have been issued for the construction of the water plant generator addition and for a portion of the distribution service center.

General obligation revenue bonds are direct obligations and, while supported by revenues from proprietary funds, pledge the full faith and credit of the City. These bonds are reported as a liability in the Water Fund.

REVENUE BONDS. The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Electric revenue bonds have been issued for construction of the distribution service center. The distribution service center is a dual-purpose facility supporting the operations of both the water and electric fund.

DEFEASANCE. On June 1, 2006, the city defeased the remaining \$2,265,000 in outstanding Electric Revenue Bonds, Series 2001, dated June 1, 2001. The defeasance required the Electric Fund to purchase \$2,380,593 in U.S. government securities, which were deposited in an irrevocable trust with an escrow agent. The escrow agent will make all future debt service payments, including the full redemption occurring on February 1, 2010. The average interest rate on the defeased bonds is 5.9% and the average yield on escrowed U.S. government securities is 4.96%. The negative arbitrage until the bonds are redeemed equals \$59,342 and the interest payments foregone after redemption total \$657,122.

The following is a summary of changes in long-term liabilities reported in the government-wide financial statement for the years ended December 31, 2012, 2011, 2010, 2009, and 2008:

	Beginning Balance	Additions	Reduction	Ending Balance	Due within one year
2012					
Compensated Absences	\$ 410,145	\$ 3,517	\$ -	\$ 413,662	\$ 45,000
Total long-term debt	\$ 410,145	\$ 3,517	\$ -	\$ 413,662	\$ 45,000
2011					
Compensated Absences	\$ 371,392	\$ 38,753	\$ -	\$ 410,145	\$ 45,000
Total long-term debt	\$ 371,392	\$ 38,753	\$ -	\$ 410,145	\$ 45,000
2010					
Bonds payable:					
General obligation -					
Water revenue	\$ 1,200,000	\$ -	\$ (1,200,000)	\$ -	\$ -
Unamortized discount	(12,000)	-	12,000	-	-
Total	1,188,000	-	(1,188,000)	-	-
Compensated Absences	435,747	-	(64,355)	371,392	44,700
Total long-term debt	\$ 1,623,747	\$ -	\$ (1,252,355)	\$ 371,392	\$ 44,700
2009					
Bonds payable:					
General obligation -					
Water revenue	\$ 1,275,000	\$ -	\$ (75,000)	\$ 1,200,000	\$ 75,000
Unamortized discount	(12,750)	-	750	(12,000)	-
Total	1,262,250	-	(74,250)	1,188,000	75,000
Compensated Absences	405,367	30,380	-	435,747	41,100
Total long-term debt	\$ 1,667,617	\$ 30,380	\$ (74,250)	\$ 1,623,747	\$ 116,100

<u>2008</u>	<u>Beginning Balance</u>	<u>Additions</u>	<u>Reduction</u>	<u>Ending Balance</u>	<u>Due within one year</u>
Bonds payable:					
General obligation -					
Water revenue	\$ 1,345,000	\$ -	\$ (70,000)	\$ 1,275,000	\$ 75,000
Unamortized discount	(13,450)	-	700	(12,750)	-
Total	1,331,550	-	(69,300)	1,262,250	75,000
Compensated Absences	370,568	41,037	(6,238)	405,367	37,700
Total long-term debt	\$ 1,702,118	\$ 41,037	\$ (75,538)	\$ 1,667,617	\$ 112,700

NOTE 7 OPERATING TRANSFERS

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

NOTE 8 LEASE COMMITMENTS

At December 31, 2012, 2011, 2010, 2009, and 2008, rental commitments under operating leases were not significant.

NOTE 9 CAPITAL ASSETS

Capital asset activities for the years ended December 31, 2012, 2011, 2010, 2009, and 2008 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
2012				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	851,417	3,017,370	(1,586,367)	2,282,420
Total nondepreciable	<u>1,200,811</u>	<u>3,017,370</u>	<u>(1,586,367)</u>	<u>2,631,814</u>
Depreciable assets:				
Buildings, systems and structures	43,254,515	1,576,971		44,831,486
Machinery and equipment	3,722,622	137,159	(37,451)	3,822,330
Total depreciable	<u>46,977,137</u>	<u>1,714,130</u>	<u>(37,451)</u>	<u>48,653,816</u>
Less accumulated depreciation				
Buildings, systems and structures	(21,619,556)	(1,311,335)	-	(22,930,891)
Machinery and equipment	(3,076,943)	(160,815)	35,236	(3,202,522)
Total accumulated depreciation	<u>(24,696,499)</u>	<u>(1,472,150)</u>	<u>35,236</u>	<u>(26,133,413)</u>
Total capital assets, net	<u>\$ 23,481,449</u>	<u>\$ 3,259,350</u>	<u>\$ (1,588,582)</u>	<u>\$ 25,152,217</u>
2011				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	1,191,106	851,417	(1,191,106)	851,417
Total nondepreciable	<u>1,540,500</u>	<u>851,417</u>	<u>(1,191,106)</u>	<u>1,200,811</u>
Depreciable assets:				
Buildings, systems and structures	41,383,056	1,871,459	-	43,254,515
Machinery and equipment	3,688,568	34,054	-	3,722,622
Total depreciable	<u>45,071,624</u>	<u>1,905,513</u>	<u>-</u>	<u>46,977,137</u>
Less accumulated depreciation				
Buildings, systems and structures	(20,438,303)	(1,181,253)	-	(21,619,556)
Machinery and equipment	(2,799,075)	(277,868)	-	(3,076,943)
Total accumulated depreciation	<u>(23,237,378)</u>	<u>(1,459,121)</u>	<u>-</u>	<u>(24,696,499)</u>
Total capital assets, net	<u>\$ 23,374,746</u>	<u>\$ 1,297,809</u>	<u>\$ (1,191,106)</u>	<u>\$ 23,481,449</u>
2010				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	85,255	1,105,851	-	1,191,106
Total nondepreciable	<u>434,649</u>	<u>1,105,851</u>	<u>-</u>	<u>1,540,500</u>
Depreciable assets:				
Buildings, systems and structures	40,705,182	677,874	-	41,383,056
Machinery and equipment	3,617,503	186,216	(115,151)	3,688,568
Total depreciable	<u>44,322,685</u>	<u>864,090</u>	<u>(115,151)</u>	<u>45,071,624</u>
Less accumulated depreciation				
Buildings, systems and structures	(19,097,728)	(1,340,575)	-	(20,438,303)
Machinery and equipment	(2,827,188)	(87,038)	115,151	(2,799,075)
Total accumulated depreciation	<u>(21,924,916)</u>	<u>(1,427,613)</u>	<u>115,151</u>	<u>(23,237,378)</u>
Total capital assets, net	<u>\$ 22,832,418</u>	<u>\$ 542,328</u>	<u>\$ -</u>	<u>\$ 23,374,746</u>

2009	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	1,053,597	55,255	(1,023,597)	85,255
Total nondepreciable	1,402,991	55,255	(1,023,597)	434,649
Depreciable assets:				
Buildings, systems and structures	38,348,601	2,356,581	-	40,705,182
Machinery and equipment	3,494,191	123,312	-	3,617,503
Total depreciable	41,842,792	2,479,893	-	44,322,685
Less accumulated depreciation				
Buildings, systems and structures	(17,840,810)	(1,256,918)	-	(19,097,728)
Machinery and equipment	(2,743,438)	(83,750)	-	(2,827,188)
Total accumulated depreciation	(20,584,248)	(1,340,668)	-	(21,924,916)
Total capital assets, net	\$ 22,661,535	\$ 1,194,480	\$ (1,023,597)	\$ 22,832,418

2008	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	1,140,428	1,457,857	(1,544,688)	1,053,597
Total nondepreciable	1,489,822	1,457,857	(1,544,688)	1,402,991
Depreciable assets:				
Buildings, systems and structures	36,837,708	1,510,893	-	38,348,601
Machinery and equipment	3,377,485	116,706	-	3,494,191
Total depreciable	40,215,193	1,627,599	-	41,842,792
Less accumulated depreciation				
Buildings, systems and structures	(16,730,957)	(1,109,853)	-	(17,840,810)
Machinery and equipment	(2,646,447)	(96,991)	-	(2,743,438)
Total accumulated depreciation	(19,377,404)	(1,206,844)	-	(20,584,248)
Total capital assets, net	\$ 22,327,611	\$ 1,878,612	\$ (1,544,688)	\$ 22,661,535

NOTE 10 COMMITMENTS AND CONTINGENCIES

The Department entered into a joint membership agreement, through the Minnesota Municipal Utility Association (MMUA), with the Midcontinent Area Power Pool (MAAP). The agreement will provide the Department with useful information regarding transmission assets and schedules. The Department would be liable for four annual installments of \$8,000 if it decides to discontinue participation in the joint membership.

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

2012	\$12,357
2011	13,203
2010	14,146
2009	38,788
2008	24,803
2007	25,768
2006	22,999
2005	20,478

2004	19,591
2003	20,492

The Department entered into an agreement in 2004 with PKM to acquire electric service territory. The Department will pay PKM ½ cent per kilowatt hour sold on every meter in the newly acquired area for 10 years. There were payments totaling \$ 3,444 on this agreement for 2012.

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

At December 31, 2012, Water fund has a \$ 185,240 commitment for uncompleted work and project retainage on a lime sludge relocation project.

NOTE 11 CONCENTRATION OF SALES

American Crystal Sugar Company is the Water and Light Department's largest customer, accounting for approximately 50% of its total sales for the electric fund and approximately 25% of the water sales.

NOTE 12 RESTRICTED FUNDS

Bond resolutions in both the Electric Fund and Water Fund require the Department to deposit specific amounts into designated accounts for specified purposes. At December 31, all funds were in compliance with the requirements of the respective bond resolutions. The funds are invested in cash and cash equivalents and restricted for the following purpose:

Debt service funds - These funds include (1) debt service accounts, which are restricted for payment of the current portion of bond principal and interest and (2) debt service reserve accounts, which are to include sufficient funds to cover the maximum annual principal and interest requirements of the respective related issues.

NOTE 13 RISK MANAGEMENT AND LITIGATION

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

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

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

The city attorney estimates that the amount of actual or potential claims against the Department as of December 31, 2012 will not materially affect the financial condition of the Department.

Workers compensation coverage is provided through a pooled self-insurance program through the League of Minnesota Cities Insurance Trust (LMCIT). The Department pays an annual premium to LMCIT. If deemed necessary, LMCIT may require the Department to pay supplemental assessments. The LMCIT reinsures through Workers Compensation Reinsurance Association (WCRA) as required by law. The Department's coverage is retrospectively rated, where final premiums are determined after loss experience is known. Property, casualty, and liability insurances are provided by LMCIT through a pooled self-insurance program.

The Department's commercial insurance carrier has no set reserve losses or reserve expenses for claims filed after December 31, 2012, for incidents occurring prior to that date.

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

NOTE 14 ARBITRAGE REBATE

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of December 31, 2012 there were no amounts for arbitrage rebates.

Supplementary Section

Combining Statement of Net Position

Combining Statement of Revenues, Expenses
and Changes in Net Position

Combining Statement of Cash Flows

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CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2012

(With comparative totals for December 31, 2012, 2011, 2010, 2009, and 2008)

	WATER	ELECTRIC	2012
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 39,647	\$ 3,947,303	\$ 3,986,950
Investments	-	7,846,317	7,846,317
Restricted Cash and Cash Equivalents:			
Cash in Customer Deposits	-	78,150	78,150
Cash in Bond Account	-	-	-
Accounts Receivable	-	1,533,781	1,533,781
Allowance for doubtful Accounts	-	(48,000)	(48,000)
Interest Receivable	-	32,596	32,596
Material Inventory	128,154	932,435	1,060,589
Prepaid Expenses	16,328	4,634	20,962
Interfund Receivable	-	1,079,415	1,079,415
Due from Other Government Units	807	-	807
Total Current Assets	184,936	15,406,631	15,591,567
NONCURRENT ASSETS			
Capital Assets:			
Land	44,000	305,394	349,394
Buildings, Structures, Etc.	7,569,447	7,195,840	14,765,287
Distribution Systems	11,527,731	16,903,342	28,431,073
Meters	414,841	1,220,285	1,635,126
Machinery and Equipment	1,473,496	1,107,148	2,580,644
Automotive Equipment	111,690	458,647	570,337
Office Equipment	117,775	553,574	671,349
Construction in Progress	2,164,186	118,234	2,282,420
Total Capital Assets	23,423,166	27,862,464	51,285,630
Less Accumulated Depreciation	(11,667,604)	(14,465,809)	(26,133,413)
Total Capital Assets (Net)	11,755,562	13,396,655	25,152,217
Deferred Charges	-	-	-
Customer Acquisition Costs	83,668	268,106	351,774
Total Noncurrent Assets	11,839,230	13,664,761	25,503,991
TOTAL ASSETS	\$ 12,024,166	\$ 29,071,392	\$ 41,095,558
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 136,743	\$ 1,361,220	\$ 1,497,963
Accrued Payroll	13,135	30,062	43,197
Accrued Vacation	25,851	69,914	95,765
Accrued Sick Leave	13,000	32,000	45,000
Due to Other Government Units	-	54,717	54,717
Due to Other Funds	-	-	-
Customer Deposits	-	78,150	78,150
Accrued Bond Interest Payable	-	-	-
Bonds Payable - Current	-	-	-
Total Current Liabilities	188,729	1,626,063	1,814,792
NONCURRENT LIABILITIES			
Compensated Absences Payable-Net	62,152	306,510	368,662
G.O. Revenue Bonds Payable	-	-	-
Total Noncurrent Liabilities	62,152	306,510	368,662
TOTAL LIABILITIES	250,881	1,932,573	2,183,454
NET POSITION			
Invested in capital assets, net related det	11,755,562	13,396,655	25,152,217
Restricted for Debt Service	-	-	-
Unrestricted	17,723	13,742,164	13,759,887
TOTAL NET POSITION	\$ 11,773,285	\$ 27,138,819	\$ 38,912,104

2011	2010	2009	2008
\$ 2,744,730	\$ 2,297,734	\$ 2,656,282	\$ 3,949,605
9,009,459	8,194,924	8,975,551	8,297,999
79,850	74,900	78,354	75,450
-	-	97,144	98,582
1,904,461	2,147,679	1,392,039	1,447,016
(48,000)	(48,000)	(48,000)	(48,000)
54,905	63,269	85,286	96,462
933,407	1,063,138	1,178,976	1,345,020
61,043	45,349	36,885	45,462
1,182,341	1,377,499	1,560,000	405,000
-	-	-	-
<u>15,922,196</u>	<u>15,216,493</u>	<u>16,012,517</u>	<u>15,712,596</u>

349,394	349,394	349,394	349,394
14,756,230	14,756,230	14,756,230	14,323,851
26,869,699	24,996,996	24,319,122	23,439,823
1,629,830	1,629,830	1,629,830	584,927
2,585,254	2,551,201	2,544,235	2,518,515
466,019	466,019	471,538	386,558
671,349	671,349	601,730	589,118
850,173	1,191,106	85,255	1,053,597
<u>48,177,948</u>	<u>46,612,125</u>	<u>44,757,334</u>	<u>43,245,783</u>
<u>(24,696,499)</u>	<u>(23,237,379)</u>	<u>(21,924,916)</u>	<u>(20,584,248)</u>
23,481,449	23,374,746	22,832,418	22,661,535
-	-	4,558	5,248
351,774	351,774	268,106	268,106
<u>23,833,223</u>	<u>23,726,521</u>	<u>23,105,082</u>	<u>22,934,889</u>
<u>\$ 39,755,419</u>	<u>\$ 38,943,013</u>	<u>\$ 39,117,599</u>	<u>\$ 38,647,485</u>

\$ 1,276,231	\$ 1,189,649	\$ 1,119,530	\$ 1,183,301
39,302	33,354	27,899	66,684
88,785	74,062	73,683	78,992
45,000	44,700	41,100	37,700
51,938	59,969	59,022	70,018
207,873	-	-	-
79,850	74,900	78,354	75,450
-	-	24,911	26,553
-	-	75,000	75,000
<u>1,788,979</u>	<u>1,476,633</u>	<u>1,499,499</u>	<u>1,613,698</u>

365,145	326,692	394,647	367,667
-	-	1,113,000	1,187,250
<u>365,145</u>	<u>326,692</u>	<u>1,507,647</u>	<u>1,554,917</u>
<u>2,154,124</u>	<u>1,803,326</u>	<u>3,007,146</u>	<u>3,168,615</u>

23,481,449	23,374,746	21,644,418	21,399,285
-	-	72,233	72,029
<u>14,119,846</u>	<u>13,764,941</u>	<u>14,393,802</u>	<u>14,007,556</u>
<u>\$ 37,601,295</u>	<u>\$ 37,139,688</u>	<u>\$ 36,110,453</u>	<u>\$ 35,478,870</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	<u>WATER</u>	<u>ELECTRIC</u>	<u>2012</u>
OPERATING REVENUES			
Electric Sales	\$ -	\$ 13,875,019	\$ 13,875,019
Water Sales	2,334,738	-	2,334,738
Penalty Charges	-	100,091	100,091
Other Income	3,394	89,250	92,644
Total	<u>2,338,132</u>	<u>14,064,360</u>	<u>16,402,492</u>
OPERATING EXPENSES			
Cost of Sales and Services	1,543,772	10,566,792	12,110,564
Administration	245,745	502,148	747,893
Depreciation	553,691	918,457	1,472,148
Taxes and Tax Equivalentts	-	1,219,013	1,219,013
Total	<u>2,343,208</u>	<u>13,206,410</u>	<u>15,549,618</u>
OPERATING INCOME (LOSS)	<u>(5,076)</u>	<u>857,950</u>	<u>852,874</u>
NONOPERATING REVENUES (EXPENSES)			
Interest Revenues	-	208,272	208,272
Gain on Disposal of Assets	-	-	-
Interest Expenses	-	(337)	(337)
Total	<u>-</u>	<u>207,935</u>	<u>207,935</u>
INCOME BEFORE TRANSFERS	(5,076)	1,065,885	1,060,809
CAPITAL CONTRIBUTIONS	-	-	-
TRANSFERS IN	2,000,000	-	2,000,000
TRANSFERS OUT	<u>-</u>	<u>(1,750,000)</u>	<u>(1,750,000)</u>
CHANGE IN NET POSITION	1,994,924	(684,115)	1,310,809
NET POSITION - JANUARY 1	<u>9,778,361</u>	<u>27,822,934</u>	<u>37,601,295</u>
NET POSITION - DECEMBER 31	<u>\$ 11,773,285</u>	<u>\$ 27,138,819</u>	<u>\$ 38,912,104</u>

2011	2010	2009	2008
\$ 12,981,430	\$ 12,756,781	\$ 11,715,322	\$ 11,791,473
1,913,119	1,838,719	1,875,322	2,010,277
79,994	89,072	88,423	85,546
19,039	145,095	55,151	89,461
<u>14,993,582</u>	<u>14,829,668</u>	<u>13,734,219</u>	<u>13,976,757</u>
10,830,560	10,550,516	10,014,390	10,620,859
794,786	704,576	707,103	760,015
1,459,119	1,427,613	1,340,664	1,206,847
1,279,383	1,159,138	1,155,227	1,099,474
<u>14,363,848</u>	<u>13,841,843</u>	<u>13,217,384</u>	<u>13,687,195</u>
<u>629,734</u>	<u>987,825</u>	<u>516,835</u>	<u>289,562</u>
289,138	294,296	389,696	484,601
-	3,600	-	-
(450)	(22,100)	(62,929)	(66,990)
<u>288,688</u>	<u>275,797</u>	<u>326,768</u>	<u>417,612</u>
918,422	1,263,619	843,600	707,171
-	-	63,336	-
-	400,000	-	-
<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>	<u>(150,752)</u>
461,606	1,029,235	631,582	556,419
<u>37,139,689</u>	<u>36,110,452</u>	<u>35,478,869</u>	<u>34,922,450</u>
<u>\$ 37,601,295</u>	<u>\$ 37,139,687</u>	<u>\$ 36,110,452</u>	<u>\$ 35,478,869</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
COMBINING STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	WATER	ELECTRIC	2012
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,277,334	\$ 13,694,039	\$ 15,971,373
Cash received from interfund activities	57,404	650,051	707,455
Cash paid to suppliers for goods and services	(942,363)	(9,733,068)	(10,675,431)
Cash paid for interfund activities	(469,985)	261,305	(208,680)
Cash paid to employees	(632,206)	(1,399,018)	(2,031,224)
Cash paid for taxes and tax equivalents	-	(1,219,013)	(1,219,013)
Other operating revenues (expenses)	3,394	89,250	92,644
Net cash provided (used) by operating activities	<u>293,578</u>	<u>2,343,546</u>	<u>2,637,124</u>
Cash flows from noncapital financing activities:			
Interfund loan	-	102,927	102,927
Operating Transfers from other funds	2,000,000	-	2,000,000
Operating Transfers to other funds	-	(1,750,000)	(1,750,000)
Net cash provided (used) by noncapital financing activities	<u>2,000,000</u>	<u>(1,647,073)</u>	<u>352,927</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(2,253,931)	(888,985)	(3,142,916)
Proceeds from sale of capital assets	-	-	-
Customer acquisition costs	-	-	-
Principal payments on bonds	-	-	-
Interest and fiscal charges on bonds	-	(337)	(337)
Net cash (used) by capital and related financing activities	<u>(2,253,931)</u>	<u>(889,322)</u>	<u>(3,143,253)</u>
Cash flows from investing activities:			
Interest received on investments	-	230,580	230,580
Proceeds from sales and maturities of investments	-	1,692,000	1,692,000
Purchase of investments	-	(528,858)	(528,858)
Net cash provided (used) by investing activities	<u>-</u>	<u>1,393,722</u>	<u>1,393,722</u>
Net increase (decrease) in cash and cash equivalents	39,647	1,200,873	1,240,520
Cash and cash equivalents - January 1	-	2,824,580	2,824,580
Cash and cash equivalents - December 31	<u>\$ 39,647</u>	<u>\$ 4,025,453</u>	<u>\$ 4,065,100</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (Loss)	\$ (5,076)	\$ 857,950	\$ 852,874
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	553,692	918,457	1,472,149
Changes in assets and liabilities:			
Accounts receivable	-	370,680	370,680
Provision for losses on accounts receivable	-	-	-
Materials & supplies	34,303	(161,485)	(127,182)
Prepaid items	(1,976)	42,057	40,081
Due from other government units	(807)	-	(807)
Accounts payable	(90,450)	312,181	221,731
Accrued payroll	2,308	1,587	3,895
Accrued vacation	5,318	1,662	6,980
Accrued compensated absences	4,139	(622)	3,517
Due to other funds	(207,873)	-	(207,873)
Due to other government units	-	2,779	2,779
Customer deposits	-	(1,700)	(1,700)
Net cash provided (used) by operating activities	<u>\$ 293,578</u>	<u>\$ 2,343,546</u>	<u>\$ 2,637,124</u>
Schedule of noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	-	\$ 6,436	\$ 6,436
Cash and cash equivalents are shown on the balance sheet under the following captions:			
Cash and cash equivalents	\$ 39,647	3,947,303	3,986,950
Restricted assets	-	78,150	78,150
Cash and cash equivalents - December 31	<u>\$ 39,647</u>	<u>\$ 4,025,453</u>	<u>\$ 4,065,100</u>

2011	2010	2009	2008
\$ 14,541,604	\$ 13,242,991	\$ 13,057,643	\$ 13,322,725
681,107	682,487	679,305	556,359
(8,854,432)	(8,954,460)	(8,516,959)	(9,347,615)
(337,436)	(206,995)	(200,513)	(173,717)
(1,973,591)	(1,973,719)	(1,917,881)	(1,713,141)
(1,279,383)	(1,159,138)	(1,155,227)	(1,099,474)
19,039	145,095	55,151	89,461
<u>2,796,908</u>	<u>1,776,261</u>	<u>2,001,519</u>	<u>1,634,596</u>
195,160	182,501	(1,155,000)	120,000
-	400,000	-	-
<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>	<u>(150,752)</u>
<u>(368,201)</u>	<u>(51,883)</u>	<u>(1,430,354)</u>	<u>(30,752)</u>
(1,565,824)	(1,969,946)	(1,448,215)	(1,540,407)
-	3,600	-	-
-	(83,668)	-	-
-	(1,200,000)	(75,000)	(70,000)
<u>(450)</u>	<u>(30,453)</u>	<u>(63,130)</u>	<u>(66,990)</u>
<u>(1,566,274)</u>	<u>(3,280,467)</u>	<u>(1,586,345)</u>	<u>(1,677,397)</u>
297,502	316,316	400,875	463,472
5,399,000	5,619,000	3,847,000	6,398,330
<u>(6,213,535)</u>	<u>(4,838,373)</u>	<u>(4,524,552)</u>	<u>(6,400,400)</u>
<u>(517,033)</u>	<u>1,096,943</u>	<u>(276,677)</u>	<u>461,402</u>
451,945	(459,146)	(1,291,857)	387,849
<u>2,372,634</u>	<u>2,831,780</u>	<u>4,123,637</u>	<u>3,735,788</u>
<u>\$ 2,824,580</u>	<u>\$ 2,372,634</u>	<u>\$ 2,831,780</u>	<u>\$ 4,123,637</u>
\$ 629,734	\$ 987,824	\$ 516,834	\$ 289,561
1,459,119	1,427,613	1,340,664	1,206,847
243,218	(755,640)	54,976	(38,268)
-	-	-	23,006
129,731	115,838	166,044	(68,625)
<u>(15,694)</u>	<u>(8,464)</u>	<u>8,577</u>	<u>(28,175)</u>
-	-	-	-
86,582	70,119	(63,771)	168,825
5,948	5,455	(38,785)	66,684
14,723	379	(5,309)	(30,690)
38,753	(64,355)	30,380	34,799
207,876	-	-	-
(8,031)	947	(10,996)	3,582
<u>4,950</u>	<u>(3,454)</u>	<u>2,904</u>	<u>7,050</u>
<u>\$ 2,796,909</u>	<u>\$ 1,776,261</u>	<u>\$ 2,001,519</u>	<u>\$ 1,634,596</u>
\$ 6,436	\$ (9,347)	\$ 35,392	\$ 26,776
2,744,730	2,297,734	2,656,282	3,949,605
<u>79,850</u>	<u>74,900</u>	<u>175,498</u>	<u>174,032</u>
<u>\$ 2,824,580</u>	<u>\$ 2,372,634</u>	<u>\$ 2,831,780</u>	<u>\$ 4,123,637</u>

Water Fund

Statement of Net Position

Statement of Revenues, Expenses, and
Changes in Net Position

Statement of Cash Flows

Statistics

Details of Revenues, Expenses, and
Object Codes

CITY OF EAST GRAND FORKS, MINNESOTA
WATER FUND
 COMPARATIVE STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2012, 2011, 2010, 2009, and 2008

	2012	2011	2010	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 39,647	\$ -	\$143,593	\$1,763,016	\$1,775,246
Restricted Cash and Cash Equivalents:					
Cash in Bond Account	-	-	-	97,144	98,582
Materials & Supplies	128,154	162,457	195,730	196,066	195,243
Prepaid Expenses	16,328	14,352	334	324	12,951
Due from Other Government Units	807	-	-	-	-
Total Current Assets	<u>184,936</u>	<u>176,809</u>	<u>339,657</u>	<u>2,056,550</u>	<u>2,082,022</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	44,000	44,000	44,000	44,000	44,000
Buildings, Structures, Etc.	7,569,447	7,560,391	7,560,391	7,560,391	7,560,391
Distribution Systems	11,527,731	11,096,617	9,428,444	9,428,444	9,082,267
Meters	414,841	414,841	414,841	414,841	397,772
Machinery and Equipment	1,473,496	1,473,496	1,460,821	1,460,821	1,460,821
Automotive Equipment	111,690	111,691	111,690	111,690	111,690
Office Equipment	117,775	117,775	117,775	117,775	117,775
Construction in Progress	<u>2,164,186</u>	<u>350,423</u>	<u>1,191,106</u>	<u>85,255</u>	<u>30,000</u>
Total Capital Assets	23,423,166	21,169,234	20,329,068	19,223,217	18,804,716
Less Accumulated Depreciation	<u>(11,667,604)</u>	<u>(11,113,912)</u>	<u>(10,579,789)</u>	<u>(10,052,681)</u>	<u>(9,538,579)</u>
Total Capital Assets (Net)	11,755,562	10,055,322	9,749,279	9,170,536	9,266,137
Deferred Charges	-	-	-	4,558	5,248
Customer Acquisition Costs	<u>83,668</u>	<u>83,668</u>	<u>83,668</u>	<u>-</u>	<u>-</u>
Total Noncurrent Assets	<u>11,839,230</u>	<u>10,138,990</u>	<u>9,832,947</u>	<u>9,175,094</u>	<u>9,271,385</u>
TOTAL ASSETS	<u>\$ 12,024,166</u>	<u>\$ 10,315,799</u>	<u>\$ 10,172,604</u>	<u>\$ 11,231,644</u>	<u>\$ 11,353,407</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 136,743	\$ 227,192	\$ 104,222	\$ 37,974	\$ 55,312
Accrued Payroll	13,135	10,827	9,528	8,964	19,252
Accrued Vacation	25,851	20,533	17,257	17,325	21,423
Due To Other Funds	-	207,873	-	-	-
Compensated Absences Payable-Current	13,000	13,000	13,100	12,500	13,800
Accrued Bond Interest Payable	-	-	-	24,911	26,553
Bonds Payable - Current	-	-	-	75,000	75,000
Total Current Liabilities	<u>188,729</u>	<u>479,425</u>	<u>144,107</u>	<u>176,674</u>	<u>211,340</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	62,152	58,013	71,811	122,294	130,265
G.O. Revenue Bonds Payable	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,113,000</u>	<u>1,187,250</u>
Total Noncurrent Liabilities	<u>62,152</u>	<u>58,013</u>	<u>71,811</u>	<u>1,235,294</u>	<u>1,317,515</u>
TOTAL LIABILITIES	<u>250,881</u>	<u>537,438</u>	<u>215,918</u>	<u>1,411,968</u>	<u>1,528,855</u>
NET POSITION					
Invested in capital assets, net related debt	11,755,562	10,055,322	9,749,279	7,982,536	8,003,887
Restricted for Debt Service	-	-	-	72,233	72,029
Unrestricted	<u>17,723</u>	<u>(276,961)</u>	<u>207,406</u>	<u>1,764,907</u>	<u>1,748,636</u>
TOTAL NET POSITION	<u>\$ 11,773,285</u>	<u>\$ 9,778,361</u>	<u>\$ 9,956,686</u>	<u>\$ 9,819,676</u>	<u>\$ 9,824,552</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>	<u>2008</u>
OPERATING REVENUES					
Water Sales	\$ 2,334,738	\$ 1,913,119	\$ 1,838,719	\$ 1,875,322	\$ 2,010,277
Other Income	3,394	4,674	5,120	8,165	9,390
Total	<u>2,338,132</u>	<u>1,917,793</u>	<u>1,843,840</u>	<u>1,883,487</u>	<u>2,019,667</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,543,772	1,300,943	1,335,407	1,200,117	1,317,807
Administration	245,745	261,053	230,789	233,101	265,758
Depreciation	553,691	534,122	527,108	514,101	515,147
Total	<u>2,343,208</u>	<u>2,096,118</u>	<u>2,093,304</u>	<u>1,947,319</u>	<u>2,098,712</u>
OPERATING INCOME (LOSS)	<u>(5,076)</u>	<u>(178,325)</u>	<u>(249,465)</u>	<u>(63,831)</u>	<u>(79,045)</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenues	-	-	8,016	57,361	76,268
Interest Expenses	-	-	(21,541)	(61,742)	(65,642)
Total	<u>-</u>	<u>-</u>	<u>(13,525)</u>	<u>(4,381)</u>	<u>10,626</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	(5,076)	(178,325)	(262,989)	(68,212)	(68,418)
CAPITAL CONTRIBUTIONS	-	-	-	63,336	-
TRANSFERS IN	<u>2,000,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	1,994,924	(178,325)	137,011	(4,876)	(68,418)
NET POSITION - JANUARY 1	<u>9,778,361</u>	<u>9,956,686</u>	<u>9,819,676</u>	<u>9,824,552</u>	<u>9,892,970</u>
NET POSITION - DECEMBER 31	<u>\$ 11,773,285</u>	<u>\$ 9,778,361</u>	<u>\$ 9,956,686</u>	<u>\$ 9,819,676</u>	<u>\$ 9,824,552</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	2012	2011	2010	2009	2008
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,277,334	\$ 1,852,720	\$ 1,780,587	\$ 1,817,190	\$ 1,953,900
Cash received from interfund activities	57,404	60,399	58,132	58,132	56,377
Cash paid to suppliers for goods and services	(942,363)	(567,776)	(799,269)	(755,802)	(1,066,079)
Cash paid for interfund activities	(469,985)	(64,781)	(112,213)	(110,902)	(119,077)
Cash paid to employees	(632,206)	(588,663)	(637,526)	(595,704)	(546,534)
Other operating revenues (expenses)	3,394	4,674	5,120	8,165	9,390
Net cash provided (used) by operating activities	<u>293,578</u>	<u>696,573</u>	<u>294,831</u>	<u>421,079</u>	<u>287,977</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	<u>2,000,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Net cash provided (used) by noncapital financing activities	<u>2,000,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,253,932)	(840,166)	(1,105,852)	(355,165)	(603,114)
Purchase of Customer Acquisition Costs	-	-	(83,668)	-	-
Principal payments on bonds	-	-	(1,200,000)	(75,000)	(70,000)
Interest and fiscal charges on bonds	-	-	(29,894)	(61,943)	(65,642)
Net cash (used) by capital and related financing activities	<u>(2,253,932)</u>	<u>(840,166)</u>	<u>(2,419,414)</u>	<u>(492,108)</u>	<u>(738,756)</u>
Cash flows from investing activities:					
Interest received on investments	-	-	8,016	57,361	76,268
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>8,016</u>	<u>57,361</u>	<u>76,268</u>
Net increase (decrease) in cash and cash equivalents	39,646	(143,593)	(1,716,567)	(13,668)	(374,511)
Cash and cash equivalents - January 1	<u>-</u>	<u>143,593</u>	<u>1,860,160</u>	<u>1,873,828</u>	<u>2,248,339</u>
Cash and cash equivalents - December 31	<u>\$ 39,646</u>	<u>\$ -</u>	<u>\$ 143,593</u>	<u>\$ 1,860,160</u>	<u>\$ 1,873,828</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ (5,076)	\$ (178,325)	\$ (249,465)	\$ (63,831)	\$ (79,045)
Adjustments to reconcile net income (loss) to net cash provided by operating activities:					
Depreciation	553,692	534,122	527,108	514,101	515,147
Changes in assets and liabilities:					
Materials & supplies	34,303	33,273	336	(823)	(45,899)
Prepaid items	(1,976)	(14,018)	(10)	12,627	(609)
Due from other government units	(807)	-	-	-	-
Accounts payable	(90,450)	122,970	66,248	(17,338)	(122,208)
Accrued payroll	2,308	1,299	564	(10,288)	19,252
Accrued vacation	5,318	3,276	(68)	(4,098)	(10,132)
Accrued compensated absences	4,139	(13,898)	(49,883)	(9,271)	11,471
Due to other funds	(207,873)	207,875	-	-	-
Net cash provided (used) by operating activities	<u>\$ 293,578</u>	<u>\$ 696,573</u>	<u>\$ 294,831</u>	<u>\$ 421,079</u>	<u>\$ 287,977</u>

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	2012			2011			2010			2009			2008		
	Quantity (gallons)	Amount	Amount Per Thousand												
Water Division Sales															
Residential	113,116,106	\$673,495	\$5.954	112,816,254	\$588,284	\$5.215	114,205,718	\$554,309	\$4.854	114,116,800	\$544,200	\$4.769	114,162,800	\$542,127	\$4.749
Apartment	49,977,000	303,649	\$6.076	45,528,000	225,367	\$4.950	46,844,000	227,234	\$4.851	46,581,000	221,596	\$4.757	46,562,100	221,726	\$4.762
Sprinkling	19,384,594	111,377	\$5.746	11,105,946	54,974	\$4.950	14,576,282	70,695	\$4.850	15,811,500	45,865	\$2.901	19,245,500	120,656	\$6.269
Commercial	143,772,900	946,137	\$6.581	154,470,100	764,832	\$4.951	142,209,200	689,762	\$4.850	155,180,000	769,258	\$4.957	178,467,800	835,251	\$4.680
Customer Charge -															
Residential		207,266			193,340			209,700			206,927			204,022	
Apartment		19,006			17,816			17,814			17,827			17,361	
Commercial		73,808			68,505			69,205			69,649			69,133	
Total	326,250,600	\$2,334,738	\$7.156	323,920,300	\$1,913,119	\$5.906	317,835,200	\$1,838,719	\$5.785	331,689,300	\$1,875,322	\$5.654	358,438,200	\$2,010,277	\$5.608
Other Operating Revenue															
Remote Connections & Other		3,394			4,674			5,120			8,165			9,390	
Total		3,394			4,674			5,120			8,165			9,390	
Total Operating Revenue		\$2,338,132			\$1,917,793			\$1,843,840			\$1,883,487			\$2,019,667	
Percent of Operating Revenues															
		Amount	Percent												
Operating Revenues		\$2,338,132	100.0%		\$1,917,793	100.0%		\$1,843,840	100.0%		\$1,883,487	100.0%		\$2,019,667	100.0%
Treatment Cost		987,811	42.2%		1,014,462	52.9%		1,030,335	55.9%		990,745	52.6%		1,070,543	53.0%
Treatment Cost Margin		1,350,321	57.8%		903,331	47.1%		813,505	44.1%		892,743	47.4%		949,124	47.0%
Distribution Cost		946,105	40.5%		674,257	35.2%		690,919	37.5%		624,188	33.1%		641,129	31.7%
Gross Margin		404,216	17.3%		229,074	11.9%		122,585	6.6%		268,555	14.3%		307,995	15.2%
Administrative and Customer Cost		409,292	17.5%		407,399	21.2%		372,050	20.2%		332,386	17.6%		387,040	19.2%
Operating Income (Loss)		(\$5,076)	-0.2%		(\$178,325)	-9.3%		(\$249,465)	-13.5%		(\$63,831)	-3.4%		(\$79,045)	-3.9%

City of East Grand Forks, Minnesota
Water Fund Statistics
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

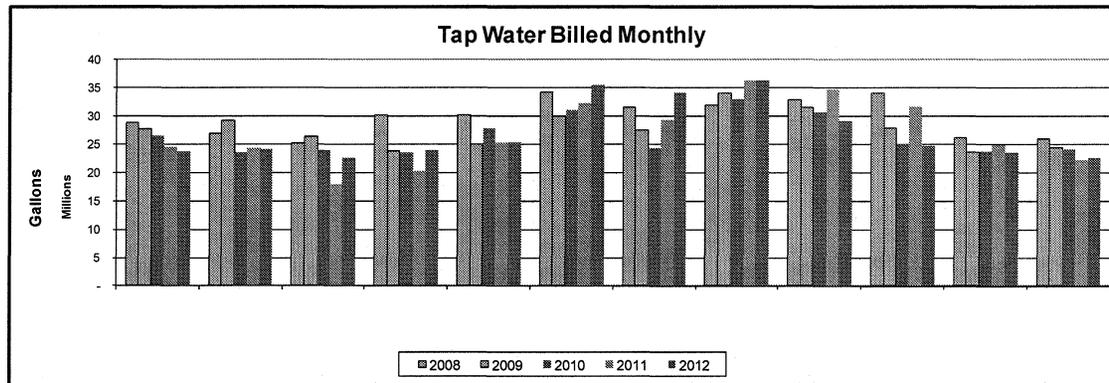
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,960,400	9,435,500	8,741,300	9,605,800	8,158,694	9,229,330	9,306,983	9,919,965	8,687,234	10,926,700	9,755,000	9,389,200	113,116,106
Apartment	4,132,000	4,219,000	3,665,000	3,875,000	3,567,000	4,225,000	4,249,000	4,696,000	4,610,000	4,121,000	4,294,000	4,324,000	49,977,000
Sprinkling	-	-	-	-	2,272,506	3,994,270	4,412,117	5,404,735	3,300,966	-	-	-	19,384,594
Commercial	9,766,500	10,448,600	10,136,100	10,475,600	11,335,000	18,179,000	16,153,600	16,370,500	12,600,100	9,758,900	9,560,100	8,988,900	143,772,900
Total	23,858,900	24,103,100	22,542,400	23,956,400	25,333,200	35,627,600	34,121,700	36,391,200	29,198,300	24,806,600	23,609,100	22,702,100	326,250,600

2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,791,900	9,832,800	8,691,000	9,675,700	8,955,541	9,226,044	8,980,414	9,013,370	8,975,285	10,120,700	9,892,000	9,661,500	112,816,254
Apartment	3,878,000	3,843,000	3,558,000	3,836,000	3,509,000	3,707,000	3,541,000	3,787,000	3,864,000	3,900,000	4,025,000	4,080,000	45,528,000
Sprinkling	-	-	-	-	704,959	2,126,856	2,382,486	2,960,630	2,931,015	-	-	-	11,105,946
Commercial	10,826,200	10,614,600	5,748,000	6,844,600	12,173,700	17,125,900	14,494,800	20,478,900	19,093,300	17,608,900	10,960,000	8,501,200	154,470,100
Total	24,496,100	24,290,400	17,997,000	20,356,300	25,343,200	32,185,800	29,398,700	36,239,900	34,863,600	31,629,600	24,877,000	22,242,700	323,920,300

2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	10,571,500	9,859,300	8,837,400	10,080,900	8,921,933	9,348,698	9,163,346	8,209,922	9,619,019	9,890,300	10,030,100	9,673,300	114,205,718
Apartment	4,112,000	4,225,000	3,712,000	4,061,000	3,619,000	3,711,000	3,628,000	4,007,000	4,094,000	3,823,000	4,046,000	3,806,000	46,844,000
Sprinkling	-	-	-	-	1,620,767	2,532,402	3,030,654	4,592,878	2,799,581	-	-	-	14,576,282
Commercial	11,760,900	9,515,300	11,463,300	9,401,400	13,741,100	15,514,400	8,516,700	16,190,800	14,289,200	11,484,900	9,677,200	10,654,000	142,209,200
Total	26,444,400	23,599,600	24,012,700	23,543,300	27,902,800	31,106,500	24,338,700	33,000,600	30,801,800	25,198,200	23,753,300	24,133,300	317,835,200

2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	10,503,000	9,787,900	9,177,900	9,905,700	8,719,900	8,998,100	8,881,900	8,915,000	8,813,200	10,655,200	9,936,500	9,822,500	114,116,800
Apartment	4,006,000	4,241,000	3,948,000	3,761,000	3,456,000	3,677,000	3,855,000	3,811,000	4,603,000	4,043,000	3,583,000	3,597,000	46,581,000
Sprinkling	-	-	-	-	1,092,800	2,973,900	4,125,800	4,694,700	2,924,300	-	-	-	15,811,500
Commercial	13,201,100	15,317,400	13,330,800	10,169,700	11,691,500	14,492,400	10,769,100	16,656,700	15,322,900	13,186,500	10,109,000	10,932,900	155,180,000
Total	27,710,100	29,346,300	26,456,700	23,836,400	24,960,200	30,141,400	27,631,800	34,077,400	31,663,400	27,884,700	23,628,500	24,352,400	331,689,300

2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	11,516,000	9,724,300	8,821,100	10,069,600	8,882,800	8,929,100	8,726,000	8,606,400	8,981,400	10,581,200	9,445,600	9,879,300	114,162,800
Apartment	3,937,500	3,718,200	3,275,400	3,849,000	3,797,000	3,636,000	4,128,000	4,270,000	4,323,000	4,272,000	3,497,000	3,859,000	46,562,100
Sprinkling	-	-	-	-	1,755,600	3,476,500	4,549,200	5,554,900	3,909,300	-	-	-	19,245,500
Commercial	13,341,200	13,544,100	13,180,400	16,367,100	15,781,000	18,237,800	14,271,200	13,568,200	15,636,700	19,192,700	13,162,500	12,184,900	178,467,800
Total	28,794,700	26,986,600	25,276,900	30,285,700	30,216,400	34,279,400	31,674,400	31,999,500	32,850,400	34,045,900	26,105,100	25,923,200	358,438,200



City of East Grand Forks, Minnesota

Water Fund Statistics

For the Year Ended December 31, 2012, 2011, 2010, 2009, and 2008

Residential - Meters

Month	2012	2011	2010	2009	2008
January	2,473	2,474	2,464	2,434	2,410
February	2,476	2,469	2,463	2,437	2,413
March	2,471	2,470	2,468	2,440	2,421
April	2,474	2,482	2,467	2,444	2,399
May	2,476	2,483	2,475	2,446	2,402
June	2,481	2,484	2,474	2,452	2,409
July	2,490	2,481	2,480	2,455	2,425
August	2,489	2,487	2,468	2,455	2,425
September	2,490	2,481	2,476	2,470	2,425
October	2,486	2,485	2,472	2,459	2,434
November	2,484	2,479	2,481	2,460	2,437
December	2,485	2,477	2,470	2,464	2,434
Average	2,481	2,479	2,472	2,451	2,420

Apartment - Meters

Month	2012	2011	2010	2009	2008
January	76	76	77	75	71
February	76	76	77	75	72
March	76	76	77	75	75
April	76	76	77	75	75
May	76	76	77	75	75
June	76	76	76	75	75
July	76	77	76	78	75
August	78	76	76	78	75
September	76	76	76	77	75
October	76	76	77	77	75
November	76	76	76	77	75
December	76	76	76	77	75
Average	76	76	77	76	74

Commercial - Meters

Month	2012	2011	2010	2009	2008
January	254	254	256	259	273
February	254	255	256	261	272
March	254	255	255	260	270
April	256	254	255	260	270
May	259	258	263	262	271
June	269	269	267	272	270
July	272	270	271	277	272
August	275	270	271	275	273
September	271	267	273	275	272
October	268	267	266	273	268
November	257	257	257	263	263
December	258	254	252	260	259
Average	262	261	262	266	269

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2012								
January	28,088,000	30,062,000	4,810,800	29,000	25,222,200	23,858,900	1,363,300	5.4%
February	27,708,000	26,191,000	2,322,500	4,100	23,864,400	24,103,100	(238,700)	-1.0%
March	27,260,000	28,153,000	6,255,400	4,100	21,893,500	22,542,400	(648,900)	-3.0%
April	28,894,000	28,049,000	4,786,700	8,400	23,253,900	23,956,400	(702,500)	-3.0%
May	36,834,000	36,176,000	6,346,000	12,000	29,818,000	25,333,200	4,484,800	15.0%
June	40,689,000	39,373,000	3,859,900	82,400	35,430,700	35,627,600	(196,900)	-0.6%
July	43,834,000	41,853,000	6,001,900	159,600	35,691,500	34,121,700	1,569,800	4.4%
August	41,198,000	38,818,000	6,757,100	36,500	32,024,400	36,391,200	(4,366,800)	-13.6%
September	32,950,000	31,196,000	3,667,100	6,100	27,522,800	29,198,300	(1,675,500)	-6.1%
October	28,734,000	28,018,000	6,645,600	4,600	21,367,800	24,806,600	(3,438,800)	-16.1%
November	26,114,000	26,329,000	5,686,100	55,400	20,587,500	23,609,100	(3,021,600)	-14.7%
December	30,465,000	29,326,000	2,749,500	180,100	26,396,400	22,702,100	3,694,300	14.0%
1st Quarter	83,056,000	84,406,000	13,388,700	37,200	70,980,100	70,504,400	475,700	0.7%
2nd Quarter	106,417,000	103,598,000	14,992,600	102,800	88,502,600	84,917,200	3,585,400	4.1%
3rd Quarter	117,982,000	111,867,000	16,426,100	202,200	95,238,700	99,711,200	(4,472,500)	-4.7%
4th Quarter	85,313,000	83,673,000	15,081,200	240,100	68,351,700	71,117,800	(2,766,100)	-4.0%
Total	392,768,000	383,544,000	59,888,600	582,300	323,073,100	326,250,600	(3,177,500)	-1.0%
2011								
January	29,252,000	30,010,000	7,084,400	3,700	22,921,900	24,496,100	(1,574,200)	-6.9%
February	25,198,000	25,764,000	6,596,400	5,000	19,162,600	24,290,400	(5,127,800)	-26.8%
March	25,226,000	26,015,000	6,829,200	6,400	19,179,400	17,997,000	1,182,400	6.2%
April	25,192,000	25,926,000	7,100,700	5,200	18,820,100	20,356,300	(1,536,200)	-8.2%
May	27,753,000	28,159,000	7,134,700	4,100	21,020,200	25,343,200	(4,323,000)	-20.6%
June	34,053,000	33,400,000	7,852,800	30,900	25,516,300	32,185,800	(6,669,500)	-26.1%
July	39,745,000	38,359,000	8,627,100	151,900	29,580,000	29,398,700	181,300	0.6%
August	43,106,000	41,774,000	8,384,200	156,300	33,233,500	36,239,900	(3,006,400)	-9.0%
September	36,973,000	36,039,000	7,030,200	59,600	28,949,200	34,863,600	(5,914,400)	-20.4%
October	34,350,000	32,898,000	4,103,400	55,800	28,738,800	31,629,600	(2,890,800)	-10.1%
November	27,229,000	26,464,000	5,092,400	45,200	21,326,400	24,877,000	(3,550,600)	-16.6%
December	26,818,000	25,003,000	2,048,800	54,800	22,899,400	22,242,700	656,700	2.9%
1st Quarter	79,676,000	81,789,000	20,510,000	15,100	61,263,900	66,783,500	(5,519,600)	-9.0%
2nd Quarter	86,998,000	87,485,000	22,088,200	40,200	65,356,600	77,885,300	(12,528,700)	-19.2%
3rd Quarter	119,824,000	116,172,000	24,041,500	367,800	91,762,700	100,502,200	(8,739,500)	-9.5%
4th Quarter	88,397,000	84,365,000	11,244,600	155,800	72,964,600	78,749,300	(5,784,700)	-7.9%
Total	374,895,000	369,811,000	77,884,300	578,900	291,347,800	323,920,300	(32,572,500)	-11.2%
2010								
January	29,902,000	29,874,000	6,702,900	-	23,171,100	26,444,400	(3,273,300)	-14.1%
February	26,994,000	25,739,000	4,732,100	-	21,006,900	23,599,600	(2,592,700)	-12.3%
March	29,430,000	28,863,000	6,567,000	-	22,296,000	24,012,700	(1,716,700)	-7.7%
April	29,337,000	29,132,000	6,853,000	-	22,279,000	23,543,300	(1,264,300)	-5.7%
May	34,916,000	34,321,000	7,189,800	-	27,131,200	27,902,800	(771,600)	-2.8%
June	33,690,000	32,884,000	7,459,100	-	25,424,900	31,106,500	(5,681,600)	-22.3%
July	32,685,000	31,955,000	5,636,800	-	26,318,200	24,338,700	1,979,500	7.5%
August	39,973,000	39,187,000	7,915,500	-	31,271,500	33,000,600	(1,729,100)	-5.5%
September	29,945,000	29,545,000	5,450,500	-	24,094,500	30,801,800	(6,707,300)	-27.8%
October	30,432,000	29,507,000	4,628,300	-	24,878,700	25,198,200	(319,500)	-1.3%
November	27,641,000	27,472,000	5,072,600	-	22,399,400	23,753,300	(1,353,900)	-6.0%
December	28,570,000	28,647,000	5,538,300	-	23,108,700	24,133,300	(1,024,600)	-4.4%
1st Quarter	86,326,000	84,476,000	18,002,000	-	66,474,000	74,056,700	(7,582,700)	-11.4%
2nd Quarter	97,943,000	96,337,000	21,501,900	-	74,835,100	82,552,600	(7,717,500)	-10.3%
3rd Quarter	102,603,000	100,687,000	19,002,800	-	81,684,200	88,141,100	(6,456,900)	-7.9%
4th Quarter	86,643,000	85,626,000	15,239,200	-	70,386,800	73,084,800	(2,698,000)	-3.8%
Total	373,515,000	367,126,000	73,745,900	-	293,380,100	317,835,200	(24,455,100)	-8.3%

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2009								
January	33,017,000	32,071,000	5,021,100	-	27,049,900	27,710,100	(660,200)	-2.4%
February	29,427,000	28,925,000	6,327,600	-	22,597,400	29,346,300	(6,748,900)	-29.9%
March	29,977,000	29,727,000	6,171,700	-	23,555,300	26,456,700	(2,901,400)	-12.3%
April	28,910,000	29,133,000	6,638,600	-	22,494,400	23,836,400	(1,342,000)	-6.0%
May	32,916,000	32,493,000	6,919,800	-	25,573,200	24,960,200	613,000	2.4%
June	40,737,000	39,211,000	7,719,700	-	31,491,300	30,141,400	1,349,900	4.3%
July	36,272,000	35,492,000	7,654,700	-	27,837,300	27,631,800	205,500	0.7%
August	39,314,000	38,141,000	6,265,300	-	31,875,700	34,077,400	(2,201,700)	-6.9%
September	32,718,000	32,102,000	7,352,000	-	24,750,000	31,663,400	(6,913,400)	-27.9%
October	30,404,000	29,417,000	6,615,300	-	22,801,700	27,884,700	(5,083,000)	-22.3%
November	27,183,000	27,265,000	6,961,800	-	20,303,200	23,628,500	(3,325,300)	-16.4%
December	31,472,000	30,208,000	7,484,300	-	22,723,700	24,352,400	(1,628,700)	-7.2%
1st Quarter	92,421,000	90,723,000	17,520,400	-	73,202,600	83,513,100	(10,310,500)	-14.1%
2nd Quarter	102,563,000	100,837,000	21,278,100	-	79,558,900	78,938,000	620,900	0.8%
3rd Quarter	108,304,000	105,735,000	21,272,000	-	84,463,000	93,372,600	(8,909,600)	-10.5%
4th Quarter	89,059,000	86,890,000	21,061,400	-	65,828,600	75,865,600	(10,037,000)	-15.2%
Total	392,347,000	384,185,000	81,131,900	-	303,053,100	331,689,300	(28,636,200)	-9.4%
2008								
January	34,573,000	31,293,000	5,442,000	7,400	25,843,600	28,794,700	(2,951,100)	-11.4%
February	31,340,000	29,890,000	5,689,900	7,100	24,193,000	26,986,600	(2,793,600)	-11.5%
March	33,044,000	31,572,000	5,487,900	9,500	26,074,600	25,276,900	797,700	3.1%
April	33,059,000	31,340,000	4,677,400	8,000	26,654,600	30,285,700	(3,631,100)	-13.6%
May	42,897,000	41,226,000	7,670,400	7,100	33,548,500	30,216,400	3,332,100	9.9%
June	43,269,000	39,166,000	6,346,200	21,300	32,798,500	34,279,400	(1,480,900)	-4.5%
July	37,275,000	35,755,000	4,762,000	106,300	30,886,700	31,674,400	(787,700)	-2.6%
August	41,136,000	38,899,000	6,813,400	163,200	31,922,400	31,999,500	(77,100)	-0.2%
September	41,253,000	38,974,000	6,336,000	24,200	32,613,800	32,850,400	(236,600)	-0.7%
October	33,589,000	31,898,000	5,424,900	33,000	26,440,100	34,045,900	(7,605,800)	-28.8%
November	33,797,000	28,878,000	4,958,300	7,300	23,912,400	26,105,100	(2,192,700)	-9.2%
December	36,919,000	33,467,000	3,977,700	6,700	29,482,600	25,923,200	3,559,400	12.1%
1st Quarter	98,957,000	92,755,000	16,619,800	24,000	76,111,200	81,058,200	(4,947,000)	-6.5%
2nd Quarter	119,225,000	111,732,000	18,694,000	36,400	93,001,600	94,781,500	(1,779,900)	-1.9%
3rd Quarter	119,664,000	113,628,000	17,911,400	293,700	95,422,900	96,524,300	(1,101,400)	-1.2%
4th Quarter	104,305,000	94,243,000	14,360,900	47,000	79,835,100	86,074,200	(6,239,100)	-7.8%
Total	442,151,000	412,358,000	67,586,100	401,100	344,370,800	358,438,200	(14,067,400)	-4.1%

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

Raw Water	2012			2011			2010			2009			2008		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,610,000	605,000	906,065	1,487,000	629,000	943,613	1,270,000	579,000	964,581	2,016,000	771,000	1,065,065	1,768,000	832,000	1,115,258
February	1,207,000	750,000	955,448	1,208,000	612,000	899,929	1,362,000	636,000	964,071	1,634,000	677,000	1,050,964	1,707,000	803,000	1,080,690
March	1,255,000	532,000	879,355	1,451,000	542,000	813,742	1,366,000	665,000	949,355	1,249,000	773,000	967,000	1,562,000	754,000	1,065,935
April	1,352,000	586,000	963,133	1,361,000	565,000	839,733	1,470,000	731,000	977,900	1,298,000	721,000	963,667	2,157,000	769,000	1,101,967
May	1,738,000	745,000	1,188,194	1,543,000	628,000	895,258	1,884,000	629,000	1,126,323	1,782,000	704,000	1,061,806	1,846,000	933,000	1,383,774
June	2,303,000	918,000	1,356,300	1,957,000	548,000	1,135,100	1,648,000	703,000	1,123,000	1,876,000	869,000	1,357,900	2,061,000	814,000	1,442,300
July	2,105,000	821,000	1,414,000	2,184,000	762,000	1,282,097	1,374,000	712,000	1,054,355	1,924,000	692,000	1,170,065	1,569,000	843,000	1,202,419
August	1,972,000	785,000	1,328,968	1,893,000	778,000	1,390,516	1,874,000	902,000	1,289,452	1,557,000	908,000	1,268,194	2,121,000	1,061,000	1,326,968
September	1,728,000	476,000	1,098,333	1,692,000	616,000	1,232,433	1,415,000	635,000	998,167	1,436,000	731,000	1,090,600	1,836,000	931,000	1,375,100
October	1,400,000	516,000	926,903	1,819,000	570,000	1,108,065	1,573,000	610,000	981,677	1,330,000	674,000	980,774	1,971,000	788,000	1,083,516
November	1,118,000	553,000	870,467	1,108,000	629,000	907,633	1,305,000	566,000	921,367	1,192,000	547,000	906,100	1,374,000	483,000	984,400
December	1,407,000	461,000	982,742	1,161,000	569,000	865,097	1,249,000	577,000	921,613	1,470,000	692,000	1,015,226	2,303,000	192,000	1,190,935
Tap Water	2012			2011			2010			2009			2008		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,433,000	639,000	886,290	1,470,000	734,000	968,065	1,237,000	684,000	963,677	1,914,000	795,000	1,034,548	1,598,000	755,000	1,009,452
February	1,140,000	729,000	903,138	1,198,000	660,000	920,143	1,266,000	718,000	919,250	1,487,000	723,000	1,033,036	1,432,000	857,000	1,030,690
March	1,185,000	573,000	908,161	1,544,000	573,000	839,194	1,160,000	699,000	931,065	1,230,000	810,000	958,935	1,303,000	794,000	1,018,452
April	1,303,000	585,000	934,967	1,362,000	507,000	864,200	1,361,000	762,000	971,067	1,314,000	740,000	971,100	1,913,000	762,000	1,044,667
May	1,618,000	749,000	1,166,968	1,429,000	502,000	908,355	1,596,000	690,000	1,107,129	1,646,000	734,000	1,048,161	1,769,000	986,000	1,329,871
June	2,207,000	676,000	1,312,433	1,775,000	622,000	1,113,333	1,581,000	778,000	1,096,133	1,695,000	884,000	1,307,033	1,804,000	900,000	1,305,533
July	2,041,000	760,000	1,350,097	1,672,000	799,000	1,237,387	1,395,000	686,000	1,030,806	1,712,000	762,000	1,144,903	1,583,000	803,000	1,153,387
August	1,951,000	820,000	1,252,194	1,795,000	851,000	1,347,548	1,846,000	1,001,000	1,264,097	1,576,000	902,000	1,230,355	1,735,000	993,000	1,254,806
September	1,518,000	492,000	1,039,867	1,584,000	656,000	1,201,300	1,380,000	677,000	984,833	1,459,000	760,000	1,070,067	1,780,000	836,000	1,299,133
October	1,277,000	511,000	903,806	1,695,000	636,000	1,061,226	1,373,000	629,000	951,839	1,210,000	730,000	948,935	1,781,000	733,000	1,028,968
November	1,178,000	509,000	877,633	1,070,000	593,000	882,133	1,234,000	532,000	915,733	1,303,000	591,000	908,833	1,372,000	611,000	962,600
December	1,379,000	537,000	946,000	1,048,000	553,000	806,548	1,254,000	557,000	924,097	1,410,000	683,000	974,452	1,908,000	160,000	1,079,581
NTU	2012			2011			2010			2009			2008		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	0.15	0.02	0.05	0.30	0.02	0.15	0.23	0.06	0.12	0.23	0.05	0.10	0.14	0.02	0.04
February	0.10	0.01	0.04	0.22	0.02	0.08	0.27	0.01	0.09	0.19	0.02	0.10	0.20	0.02	0.06
March	0.20	0.02	0.05	0.22	0.02	0.07	0.32	0.02	0.14	0.24	0.02	0.11	0.10	0.02	0.05
April	0.14	0.01	0.06	0.19	0.02	0.05	0.16	0.02	0.06	0.17	0.01	0.07	0.10	0.01	0.03
May	0.38	0.02	0.09	0.13	0.02	0.05	0.24	0.01	0.08	0.23	0.02	0.08	0.06	0.02	0.03
June	0.24	0.02	0.09	0.27	0.02	0.09	0.27	0.02	0.08	0.10	0.01	0.03	0.08	0.02	0.03
July	0.17	0.02	0.07	0.19	0.02	0.07	0.10	0.01	0.03	0.12	0.01	0.03	0.09	0.02	0.03
August	0.15	0.01	0.07	0.17	0.02	0.07	0.18	0.02	0.08	0.22	0.02	0.07	0.12	0.02	0.04
September	0.16	0.02	0.06	0.23	0.01	0.06	0.27	0.01	0.09	0.16	0.01	0.04	0.15	0.02	0.05
October	0.09	0.02	0.03	0.22	0.02	0.10	0.43	0.01	0.13	0.28	0.02	0.08	0.27	0.02	0.06
November	0.16	0.02	0.03	0.13	0.02	0.07	0.28	0.02	0.07	0.19	0.01	0.04	0.15	0.02	0.07
December	0.08	0.02	0.03	0.21	0.02	0.10	0.48	0.02	0.17	0.24	0.02	0.07	0.19	0.02	0.10

WATER FUND**REVENUES**

Account Number		12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
		Actual	Actual	Actual	Actual	Actual
602 37-000 37110	Res. Water Sales	\$ 542,127	\$ 544,200	\$ 554,309	\$ 588,284	\$ 673,495
602 37-000 37111	Apt. Water Sales	221,726	221,596	227,234	225,367	303,649
602 37-000 37120	Sprinkling	120,656	75,105	70,695	54,974	111,377
602 37-000 37130	Com. Water Sales	835,251	740,018	689,762	764,832	946,137
602 37-000 37145	Temp. Hydrant	143	(102)	314	72	508
602 37-000 37150	Remote Meter Fee	6,340	5,415	2,240	1,315	2,560
602 37-000 37446	Res. Meter Charge	204,022	206,927	209,700	193,340	207,266
602 37-000 37447	Apt. Meter Charge	17,361	17,827	17,814	17,816	19,006
602 37-000 37448	Com. Meter Charge	69,133	69,649	69,205	68,505	73,808
602 37-000 37480	Interest Earnings	76,268	57,361	8,016	-	-
602 37-000 37488	Repairs	181	-	-	-	-
602 37-000 37490	Miscellaneous	2,727	2,852	2,567	3,288	326
602 37-000 37500	Contributed Capital	-	63,336	-	-	-
602 37-000 39203	Transfers In	-	-	400,000	-	2,000,000
		\$2,095,935	\$2,004,184	\$2,251,856	\$ 1,917,793	\$ 4,338,132

WATER FUND

Expenses OBJECT CODES	12/31/08 Actual	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual
101 Salaries - Reg.	\$ 370,744	\$ 393,313	\$ 398,758	\$ 379,370	\$ 421,607
102 Salaries - O.T.	14,630	13,778	17,251	17,761	7,616
107 Vacations, etc.	54,427	37,690	39,172	56,950	80,490
121 PERA	28,184	29,239	31,152	33,101	33,025
122 FICA	32,482	33,034	33,594	35,387	36,768
130 Insurance	53,057	51,336	54,341	44,425	48,257
151 Workers Comp	13,601	13,657	13,872	12,346	16,208
211 General Supplies	895	384	456	548	900
212 Fuel & Lubes	8,325	6,210	7,361	15,748	21,588
216 Chemicals	266,417	239,243	249,053	228,025	224,810
217 Lab Supplies	18,333	7,443	10,088	15,635	17,172
218 Uniforms	795	1,460	1,207	1,221	1,069
227 Parts & Supplies	63,013	50,716	63,389	40,538	49,314
240 Small Tools	6,232	734	5,924	5,957	5,688
303 Engineering	13,490	40,706	58,622	51,280	77,517
319 Other Professional	-	-	750	-	-
331 Travel & School	3,176	4,798	8,783	9,969	13,500
381 Utilities	107,717	104,614	101,918	108,446	108,481
383 Utilities - Gas	34,543	32,001	25,363	24,827	21,190
404 Contracted Services	168,958	85,389	136,837	155,675	296,585
405 Cleaning Services	2,749	15,756	3,577	17,214	17,379
420 Depreciation	515,147	514,101	527,108	534,122	553,691
430 Miscellaneous	9,444	7,783	4,108	21,462	18,378
433 Dues & Subscript.	14,235	4,475	4,424	7,488	4,374
441 Permits & Fees	19,595	16,453	53,071	5,969	6,295
620 Interest Expense	65,210	61,311	21,541	-	-
621 Fiscal Agent Fees	431	431	-	-	-
999 Reimbursed	278,522	243,005	243,126	272,656	261,306
	<u>\$ 2,164,353</u>	<u>\$ 2,009,061</u>	<u>\$ 2,114,845</u>	<u>\$ 2,096,118</u>	<u>\$ 2,343,209</u>

WATER FUND

EXPENSES

Account Number		12/31/08 Actual	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual
Raw Water Pumping						
602 49-400 41010	Salaries - Reg.	\$ 383	\$ 284	\$ 37	\$ 1,088	\$ 1,897
602 49-400 41020	Salaries - O.T.	566	-	-	310	50
602 49-400 41210	PERA	59	19	3	101	141
602 49-400 41220	FICA	70	22	3	104	145
602 49-400 42110	General Supplies	-	-	-	62	-
602 49-400 43810	Utilities	-	-	-	-	-
602 49-400 44040	Contracted Services	-	-	221	6,099	6,178
602 49-400 44200	Depreciation	4,297	3,922	4,266	4,266	4,254
602 49-400 44300	Miscellaneous	-	-	-	59	5
	Total	5,375	4,247	4,529	12,090	12,671
Treatment - Plant						
602 49-420 41010	Salaries - Reg.	164,020	179,123	152,264	155,775	178,572
602 49-420 41020	Salaries - O.T.	8,797	8,778	9,803	7,979	4,717
602 49-420 41210	PERA	13,696	12,246	13,044	13,312	13,289
602 49-420 41220	FICA	15,999	13,797	13,967	13,587	16,519
602 49-420 41300	Insurance	27,171	27,864	33,507	33,771	30,149
602 49-420 42110	General Supplies	895	384	456	486	900
602 49-420 42120	Fuels & Lubes	399	26	1,387	3,776	4,516
602 49-420 42160	Chemicals	266,417	239,243	249,053	228,025	224,810
602 49-420 42170	Lab Supplies	18,333	7,443	10,088	15,635	17,172
602 49-420 42270	Parts & Supplies	301	7,643	8,756	891	2,581
602 49-420 43030	Engineering	8,694	32,303	39,821	17,551	619
602 49-420 43310	Travel & School	1,192	2,026	3,571	3,554	6,307
602 49-420 43810	Utility Charges	93,250	90,525	88,773	91,622	90,938
602 49-420 43830	Utility Charges - Gas	34,543	32,001	25,363	24,827	21,190
602 49-420 44040	Contracted Services	94,886	20,328	70,635	96,533	12,437
602 49-420 44050	Cleaning Services	2,749	15,756	3,577	17,214	17,379
602 49-420 44200	Depreciation	165,865	160,494	161,647	160,086	158,685
602 49-420 44300	Miscellaneous	372	869	842	1,853	1,281
	Total	917,580	850,848	886,554	886,476	802,062
Treatment - M & E						
602 49-421 41010	Salaries - Reg.	61,993	50,425	52,796	49,641	67,605
602 49-421 41020	Salaries - O.T.	1,069	1,118	2,255	2,072	1,030
602 49-421 41210	PERA	3,928	3,481	3,861	3,749	4,976
602 49-421 41220	FICA	4,489	3,860	4,069	3,782	4,795
602 49-421 42270	Parts & Supplies	22,750	19,526	23,088	10,157	25,002
602 49-421 42400	Small Tools & Equip.	6,232	734	5,059	4,438	3,383
602 49-421 44040	Contracted Services	10,033	23,908	15,949	9,206	13,539
	Total	110,494	103,051	107,077	83,046	120,330
Treatment - B & G						
602 49-422 41010	Salaries - Reg.	3,903	2,915	3,432	3,785	4,483
602 49-422 41020	Salaries - O.T.	433	112	154	-	211
602 49-422 41210	PERA	166	205	250	280	335
602 49-422 41220	FICA	196	231	272	292	347
602 49-422 42270	Parts & Supplies	7,358	5,460	3,774	4,206	6,299
602 49-422 42400	Small Tools & Equip.	-	-	866	1,518	2,306
602 49-422 44040	Contracted Services	25,039	23,676	23,427	22,768	38,766
	Total	37,095	32,599	32,176	32,850	52,748
Distribution - Pumping						
602 49-430 41010	Salaries - Reg.	706	149	591	573	727
602 49-430 41020	Salaries - O.T.	35	-	116	-	123
602 49-430 41210	PERA	48	10	49	42	62
602 49-430 41220	FICA	54	11	50	43	63
602 49-430 42270	Parts & Supplies	1,317	-	230	1,351	1,470
602 49-430 43810	Electric Utilities	10,964	10,780	9,584	12,934	12,455
602 49-430 44040	Contracted Services	-	-	3,411	2,878	3,531
	Total	13,125	10,950	14,030	17,821	18,431

Distribution - Lines						
602 49-433 41010	Salaries - Reg.	30,330	37,614	49,569	53,537	53,622
602 49-433 41020	Salaries - O.T.	2,137	2,039	2,992	626	321
602 49-433 41210	PERA	2,093	2,634	3,541	3,848	3,786
602 49-433 41220	FICA	2,430	2,990	3,852	3,937	3,964
602 49-433 42270	Parts & Supplies	6,826	3,236	4,423	5,782	5,823
602 49-433 44040	Contracted Services	21,028	6,045	15,360	7,202	4,285
602 49-433 44300	Miscellaneous	3,100	45	-	-	79
	Total	67,943	54,603	79,737	74,935	71,881
Distribution - Storage						
602 49-436 41010	Salaries - Reg.	1,568	1,275	2,988	5,468	6,607
602 49-436 41020	Salaries - O.T.	832	914	805	652	292
602 49-436 41210	PERA	155	148	265	444	500
602 49-436 41220	FICA	181	166	284	460	514
602 49-436 42270	Parts & Supplies	5,338	2,375	1,829	175	451
602 49-436 43810	Utilities	3,504	3,309	3,562	3,889	5,088
602 49-436 44040	Contracted Services	14,937	11,206	4,591	9,761	211,506
602 49-436 44300	Miscellaneous	-	-	-	-	324
	Total	26,515	19,393	14,323	20,848	225,282
Distribution - Meters						
602 49-449 41010	Salaries - Reg.	6,373	12,497	6,645	6,391	4,801
602 49-449 41210	PERA	422	836	463	461	348
602 49-449 41220	FICA	489	951	489	469	353
602 49-449 42270	Parts & Supplies	4,403	7,614	6,649	9,306	6,089
602 49-449 44040	Contracted Services	-	-	58	-	-
	Total	11,687	21,898	14,304	16,627	11,591
Distribution - Hydrants						
602 49-450 41010	Salaries - Reg.	14,225	15,404	16,310	13,946	7,980
602 49-450 41210	PERA	744	793	952	796	456
602 49-450 41220	FICA	1,066	1,170	1,210	1,029	593
602 49-450 42270	Parts & Supplies	8,656	2,719	13,827	6,028	277
602 49-450 44040	Contracted Services	-	148	250	-	-
	Total	24,692	20,234	32,549	21,799	9,306
Distribution - Vehicles						
602 49-453 41010	Salaries - Reg.	950	3,499	1,724	1,599	1,202
602 49-453 41210	PERA	60	236	111	116	87
602 49-453 41220	FICA	68	267	127	116	88
602 49-453 42120	Fuels & Lubes	7,927	6,184	5,974	11,972	17,071
602 49-453 42270	Parts & Supplies	-	30	44	-	20
602 49-453 44040	Contracted Services	3,035	78	2,934	638	6,342
	Total	12,039	10,295	10,915	14,441	24,810
Distribution - DSC						
602 49-458 44200	Depreciation	37,049	31,069	30,892	28,578	31,576
602 49-458 49990	Reimbursed to 601-49576	12,764	9,904	12,337	11,602	15,560
	Total	49,813	40,973	43,229	40,180	47,136
Distribution - Other						
602 49-459 41010	Salaries - Reg.	3,531	8,351	3,045	2,082	-
602 49-459 41020	Salaries - O.T.	99	-	-	-	-
602 49-459 41210	PERA	214	532	180	151	-
602 49-459 41220	FICA	256	637	225	168	-
602 49-459 41300	Insurance	15,150	9,447	9,798	10,654	11,273
602 49-459 42270	Parts & Supplies	6,065	2,113	769	2,643	1,303
602 49-459 43030	Engineering	1,064	-	12,454	9,916	67,432
602 49-459 43310	Travel & School	378	1,783	2,338	2,419	847
602 49-459 44040	Contracted Services	-	-	-	589	-
602 49-459 44200	Depreciation	306,375	317,073	329,267	340,278	358,860
602 49-459 44300	Miscellaneous	1,271	3,103	44	63	48
	Total	334,402	343,039	358,121	368,962	439,762

Operations - Supervision						
602 49-466 41010	Salaries - Reg.	78,327	77,042	101,401	78,458	75,543
602 49-466 41210	PERA	4,996	5,214	5,047	4,825	5,195
602 49-466 41220	FICA	5,371	5,532	5,455	5,069	5,481
602 49-466 41300	Insurance	10,664	14,025	11,036	6,544	6,836
602 49-466 42180	Uniforms	128	-	100	-	-
602 49-466 43310	Travel & School	1,427	989	673	3,748	4,851
	Total	100,913	102,802	123,712	98,645	97,906
General - Unallocated						
602 49-467 41010	Salaries - Reg.	4,435	4,735	7,956	7,026	18,567
602 49-467 41020	Salaries - O.T.	661	816	1,127	1,297	871
602 49-467 41070	Holiday, Vacation, etc	54,427	37,690	39,172	56,950	80,490
602 49-467 41210	PERA	1,603	2,885	3,384	4,732	3,850
602 49-467 122	FICA	1,812	3,402	3,592	4,855	3,905
602 49-467 130	Insurance	72	-	-	-	-
602 49-467 151	Workers Comp	13,601	13,657	13,872	12,346	16,208
602 49-467 218	Uniforms	667	1,460	1,107	1,221	1,069
602 49-467 303	Engineering	3,731	8,403	6,347	23,813	9,466
602 49-467 319	Other Professional Services	-	-	750	-	-
602 49-467 331	Travel & School	179	-	2,200	248	1,494
602 49-467 430	Miscellaneous	4,702	3,766	3,223	19,486	16,641
602 49-467 433	Dues & Subscriptions	14,235	4,475	4,424	7,488	4,374
602 49-467 441	Permits & Fees	19,595	16,453	53,071	5,969	6,295
602 49-467 449	Loss on Asset Disposal	-	-	-	-	-
	Total	119,721	97,742	140,225	145,432	163,231
Meter Rdrs Reimbursed						
602 49-610 49990	Reimbursed to 601	15,240	3,517	1,579	5,272	5,239
	Total	15,240	3,517	1,579	5,272	5,239
G. & A. - Reimbursed						
602 49-620 44200	Depreciation	1,561	1,544	1,036	914	316
602 49-620 49990	Reimbursed to 601	250,518	229,584	229,210	255,781	240,507
	Total	252,079	231,128	230,246	256,696	240,822
Debt Service						
602 49-621 46110	Bond Interest	65,210	61,311	21,541	-	-
602 49-621 46200	Fiscal Agent Fees	431	431	-	-	-
	Total	65,642	61,742	21,541	-	-
	Total Expenses	\$ 2,164,353	\$ 2,009,061	\$ 2,114,845	\$ 2,096,118	\$ 2,343,209

Electric Fund

Statement of Net Position

Statement of Revenues, Expenses, and
Changes in Net Position

Statement of Cash Flows

Statistics

Details of Revenues, Expenses, and
Object Codes

CITY OF EAST GRAND FORKS, MINNESOTA
ELECTRIC FUND
 COMPARATIVE STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2012, 2011, 2010, 2009, and 2008

	2012	2011	2010	2009	2008
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$3,947,303	\$2,744,730	\$2,154,141	\$893,266	\$2,174,359
Investments	7,846,317	9,009,459	8,194,924	8,975,551	8,297,999
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	78,150	79,850	74,900	78,354	75,450
Accounts Receivable	1,533,781	1,904,461	2,147,679	1,392,039	1,447,016
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	32,596	54,905	63,269	85,286	96,462
Materials & Supplies	932,435	770,950	867,408	982,910	1,149,777
Prepaid Expenses	4,634	46,691	45,015	36,561	32,511
Interfund Receivable	1,079,414	1,182,341	1,377,499	1,560,000	405,000
Total Current Assets	<u>15,406,630</u>	<u>15,745,387</u>	<u>14,876,836</u>	<u>13,955,967</u>	<u>13,630,574</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	305,394	305,394	305,394	305,394	305,394
Buildings, Structures, Etc.	7,195,840	7,195,839	7,195,839	7,195,839	6,763,460
Distribution Systems	16,903,342	15,773,082	15,568,552	14,890,678	14,357,556
Meters	1,220,285	1,214,989	1,214,989	1,214,989	187,155
Machinery and Equipment	1,107,148	1,111,758	1,090,380	1,083,414	1,057,694
Automotive Equipment	458,647	354,328	354,329	359,848	274,868
Office Equipment	553,574	553,574	553,574	483,955	471,343
Construction in Progress	118,234	499,750	-	-	1,023,597
Total Capital Assets	<u>27,862,464</u>	<u>27,008,714</u>	<u>26,283,056</u>	<u>25,534,117</u>	<u>24,441,067</u>
Less Accumulated Depreciation	<u>(14,465,809)</u>	<u>(13,582,587)</u>	<u>(12,657,589)</u>	<u>(11,872,235)</u>	<u>(11,045,669)</u>
Total Capital Assets (Net)	<u>13,396,655</u>	<u>13,426,127</u>	<u>13,625,467</u>	<u>13,661,882</u>	<u>13,395,398</u>
Deferred Charges					
Customer Acquisition Costs	268,106	268,106	268,106	268,106	268,106
Total Noncurrent Assets	<u>13,664,761</u>	<u>13,694,233</u>	<u>13,893,573</u>	<u>13,929,988</u>	<u>13,663,504</u>
TOTAL ASSETS	<u><u>\$29,071,391</u></u>	<u><u>\$29,439,620</u></u>	<u><u>\$28,770,409</u></u>	<u><u>\$27,885,955</u></u>	<u><u>\$27,294,078</u></u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,361,220	\$ 1,049,039	\$ 1,085,427	\$ 1,081,556	\$ 1,127,989
Accrued Payroll	30,062	28,475	23,826	18,935	47,432
Accrued Vacation	69,914	68,252	56,805	56,358	57,569
Compensated Absences Payable-Current	32,000	32,000	31,600	28,600	23,900
Due to Other Government Units	54,717	51,938	59,969	59,022	70,018
Customer Deposits	78,150	79,850	74,900	78,354	75,450
Total Current Liabilities	<u>1,626,063</u>	<u>1,309,554</u>	<u>1,332,526</u>	<u>1,322,825</u>	<u>1,402,358</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	306,510	307,132	254,881	272,353	237,402
Total Noncurrent Liabilities	<u>306,510</u>	<u>307,132</u>	<u>254,881</u>	<u>272,353</u>	<u>237,402</u>
TOTAL LIABILITIES	<u>1,932,573</u>	<u>1,616,686</u>	<u>1,587,407</u>	<u>1,595,178</u>	<u>1,639,760</u>
NET POSITION					
Invested in capital assets, net related debt	13,396,655	13,426,127	13,625,467	13,661,882	13,395,398
Unrestricted	13,742,164	14,396,807	13,557,534	12,628,895	12,258,920
TOTAL NET POSITION	<u><u>\$27,138,819</u></u>	<u><u>\$27,822,934</u></u>	<u><u>\$27,183,002</u></u>	<u><u>\$26,290,777</u></u>	<u><u>\$25,654,318</u></u>

CITY OF EAST GRAND FORKS, MINNESOTA
ELECTRIC FUND
 COMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	2012	2011	2010	2009	2008
OPERATING REVENUES					
Electric Sales	\$13,875,019	\$12,981,430	\$12,756,781	\$11,715,322	\$11,791,473
Penalty Charges	100,091	79,994	89,072	88,423	85,546
Other Income	89,250	14,365	139,975	46,985	80,070
Total	<u>14,064,360</u>	<u>13,075,789</u>	<u>12,985,828</u>	<u>11,850,730</u>	<u>11,957,089</u>
OPERATING EXPENSES					
Cost of Sales and Services	10,566,792	9,529,617	9,215,109	8,814,273	9,303,052
Administration	502,148	533,733	473,787	474,002	494,257
Depreciation	918,457	924,997	900,505	826,563	691,700
Taxes and Tax Equivalents	1,219,013	1,279,383	1,159,138	1,155,227	1,099,474
Total	<u>13,206,410</u>	<u>12,267,730</u>	<u>11,748,539</u>	<u>11,270,065</u>	<u>11,588,483</u>
OPERATING INCOME	<u>857,950</u>	<u>808,059</u>	<u>1,237,289</u>	<u>580,665</u>	<u>368,606</u>
NONOPERATING REVENUES (EXPENSES)					
Interest Revenues	208,272	289,138	286,280	332,335	408,333
Gain (Loss) on Disposal of Assets	-	-	3,600	-	-
Interest Expenses	(337)	(450)	(559)	(1,187)	(1,349)
Total	<u>207,935</u>	<u>288,688</u>	<u>289,321</u>	<u>331,148</u>	<u>406,984</u>
INCOME BEFORE TRANSFERS OUT	<u>1,065,885</u>	<u>1,096,747</u>	<u>1,526,610</u>	<u>911,813</u>	<u>775,590</u>
TRANSFERS OUT	<u>(1,750,000)</u>	<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>	<u>(150,752)</u>
CHANGE IN NET POSITION	<u>(684,115)</u>	<u>639,931</u>	<u>892,226</u>	<u>636,459</u>	<u>624,838</u>
NET POSITION - JANUARY 1	<u>27,822,934</u>	<u>27,183,003</u>	<u>26,290,777</u>	<u>25,654,318</u>	<u>25,029,480</u>
NET POSITION - DECEMBER 31	<u>\$27,138,819</u>	<u>\$27,822,934</u>	<u>\$27,183,003</u>	<u>\$26,290,777</u>	<u>\$25,654,318</u>

CITY OF EAST GRAND FORMS, MINNESOTA
ELECTRIC FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 For the Years Ended December 31, 2012, 2011, 2010, 2009 and 2008

	2012	2011	2010	2009	2008
Cash flows from operating activities:					
Cash received from customers and users	\$13,694,039	\$12,688,884	\$11,462,404	\$11,240,453	\$11,368,825
Cash received from interfund activities	650,051	620,708	624,355	621,172	499,982
Cash paid to suppliers for goods and services	(9,733,068)	(8,286,656)	(8,155,190)	(7,761,155)	(8,281,537)
Cash paid for interfund activities	261,305	(272,656)	(94,782)	(89,611)	(54,640)
Cash paid to employees	(1,399,018)	(1,384,927)	(1,336,193)	(1,322,178)	(1,166,607)
Cash paid for taxes and tax equivalents	(1,219,013)	(1,279,383)	(1,159,139)	(1,155,227)	(1,099,474)
Other operating revenues (expenses)	89,250	14,365	139,975	46,985	80,070
Net cash provided (used) by operating activities	<u>\$2,343,546</u>	<u>\$2,100,336</u>	<u>1,481,430</u>	<u>1,580,440</u>	<u>1,346,619</u>
Cash flows from noncapital financing activities:					
Interfund loan	102,927	195,160	182,501	(1,155,000)	120,000
Operating Transfers to other funds	(1,750,000)	(456,816)	(634,384)	(275,354)	(150,752)
Net cash provided (used) by noncapital financing activities	<u>(1,647,073)</u>	<u>(261,656)</u>	<u>(451,883)</u>	<u>(1,430,354)</u>	<u>(30,752)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(888,985)	(725,658)	(864,094)	(1,093,050)	(937,292)
Proceeds from sale of capital assets	-	-	3,600	-	-
Interest and fiscal charges on bonds	(337)	(450)	(559)	(1,187)	(1,349)
Net cash (used) by capital and related financing activities	<u>(889,322)</u>	<u>(726,108)</u>	<u>(861,053)</u>	<u>(1,094,237)</u>	<u>(938,641)</u>
Cash flows from investing activities:					
Interest received on investments	230,580	297,502	308,300	343,514	387,204
Proceeds from sales and maturities of investments	1,692,000	5,399,000	5,619,000	3,847,000	6,398,330
Purchase of investments	(528,858)	(6,213,535)	(4,838,373)	(4,524,552)	(6,400,400)
Net cash provided (used) by investing activities	<u>1,393,722</u>	<u>(517,033)</u>	<u>1,088,927</u>	<u>(334,038)</u>	<u>385,134</u>
Net increase (decrease) in cash and cash equivalents	1,200,873	595,539	1,257,421	(1,278,189)	762,360
Cash and cash equivalents - January 1	<u>2,824,580</u>	<u>2,229,041</u>	<u>971,620</u>	<u>2,249,809</u>	<u>1,487,449</u>
Cash and cash equivalents - December 31	<u>\$ 4,025,453</u>	<u>\$ 2,824,580</u>	<u>\$ 2,229,041</u>	<u>\$ 971,620</u>	<u>\$ 2,249,809</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	857,950	808,059	1,237,289	580,665	368,606
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	918,457	924,997	900,505	826,563	691,700
Changes in assets and liabilities:					
Accounts receivable	370,680	243,218	(755,640)	54,977	(38,268)
Provision for losses on accounts receivable	-	-	-	-	23,006
Materials & supplies	(161,485)	96,458	115,502	166,867	(22,726)
Prepaid items	42,057	(1,676)	(8,454)	(4,050)	(27,566)
Accounts payable	312,181	(36,388)	3,871	(46,433)	291,033
Accrued payroll	1,587	4,649	4,891	(28,497)	47,432
Accrued vacation	1,662	11,447	447	(1,211)	(20,558)
Accrued compensated absences	(622)	52,651	(14,474)	39,651	23,328
Due to other government units	2,779	(8,031)	947	(10,996)	3,582
Customer deposits	(1,700)	4,950	(3,454)	2,904	7,050
Net cash provided (used) by operating activities	<u>\$2,343,546</u>	<u>\$2,100,334</u>	<u>\$1,481,430</u>	<u>\$1,580,440</u>	<u>\$1,346,619</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ 6,436	\$ 6,436	\$ (9,347)	\$ 35,392	\$ 26,776
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	\$3,947,303	\$2,744,730	\$2,154,141	\$893,266	\$ 2,174,359
Restricted assets	78,150	79,850	74,900	78,354	75,450
Cash and cash equivalents - December 31	<u>\$4,025,453</u>	<u>\$2,824,580</u>	<u>\$2,229,041</u>	<u>\$971,620</u>	<u>\$ 2,249,809</u>

City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

	2012			2011			2010			2009			2008		
	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH
Electric Division Sales															
Residential	33,542,932	\$ 3,010,395	\$0.0897	33,680,208	\$ 2,961,648	\$0.0879	33,574,673	\$2,868,363	\$0.0854	33,217,667	\$2,572,366	\$0.0774	32,803,877	\$2,767,515	\$0.0844
Commercial	27,584,177	2,099,120	\$0.0761	27,144,481	1,964,103	\$0.0724	27,396,468	1,930,710	\$0.0705	28,678,845	2,001,945	\$0.0698	28,154,547	2,004,372	\$0.0712
Large Commercial	10,034,320	569,413	\$0.0567	10,191,360	566,264	\$0.0556	10,125,960	534,376	\$0.0528	9,917,760	474,380	\$0.0478	9,915,386	541,646	\$0.0546
Off Peak Heating	889,449	58,367	\$0.0656	1,091,642	68,988	\$0.0632	1,092,070	66,481	\$0.0609	1,277,807	77,542	\$0.0607	1,351,813	73,188	\$0.0541
City Electric	7,478,149	626,026	\$0.0837	7,311,147	593,510	\$0.0812	7,576,631	599,452	\$0.0791	7,678,932	595,088	\$0.0775	7,675,262	618,485	\$0.0806
All Electric	3,120,850	269,922	\$0.0865	3,462,451	297,825	\$0.0860	3,492,473	296,659	\$0.0849	3,887,035	304,507	\$0.0783	3,976,375	337,910	\$0.0850
Governmental	213,071	14,144	\$0.0664	273,237	17,314	\$0.0634	245,194	15,031	\$0.0613	276,761	16,532	\$0.0597	244,191	8,241	\$0.0337
Industrial	80,570,039	5,664,698	\$0.0703	70,783,870	4,925,879	\$0.0696	72,103,702	4,925,618	\$0.0683	68,660,462	4,099,147	\$0.0597	63,639,042	3,630,148	\$0.0570
Industrial Standby	1,969,479	317,654	\$0.1613	2,623,003	354,827	\$0.1353	1,527,721	296,083	\$0.1938	2,346,443	326,013	\$0.1389	6,138,601	604,081	\$0.0984
KVAR		53,865			44,320			43,423			39,940			43,316	
Night Watch		7,721			7,908			7,892			2,299			7,578	
LCE Facility Charge		85,200			85,224			83,780			76,680			76,680	
Industrial Facility Charge		570,000			570,000			570,000			570,000			570,000	
Industrial Excess		6,207			1,645			2,966			2,621			0	
Customer Charge -															
Residential		343,117			342,364			337,706			350,890			330,500	
Commercial		54,450			53,605			52,158			82,228			52,183	
Large Commercial		50,400			50,414			49,560			45,360			45,360	
Industrial		97,800			97,800			97,800			97,800			97,800	
City		9,881			9,885			9,872			9,552			13,191	
Green Power		6,613			7,197			7,689			7,428			7,338	
Air Conditioner Credit		(6,089)			(5,842)			(5,605)			(4,477)			(5,663)	
Load Control Credit		(33,886)			(33,448)			(33,233)			(32,520)			(32,394)	
Total	165,402,466	\$ 13,875,019	\$0.0839	156,561,399	\$12,981,430	\$0.0829	157,134,892	\$12,756,781	\$0.0812	155,941,712	\$11,715,322	\$0.0751	153,899,094	\$11,791,473	\$0.0766

Other Operating Revenue															
Reconnections		\$3,140			\$2,800			\$3,320			\$2,660			\$2,100	
Remote Connections		\$0			\$0			\$0			\$0			\$0	
Temporary Services		\$680			\$80			\$280			\$400			\$360	
Underground		\$16,366			\$25,114			\$39,952			\$11,152			\$3,468	
Repairs		\$14,298			\$3,945			\$5,411			\$15,121			\$8,174	
Penalties		\$100,091			\$79,994			\$89,072			\$88,423			\$85,546	
Uncollectible Accounts		(\$19,163)			(\$61,768)			(\$25,802)			(\$25,996)			(\$23,006)	
Miscellaneous		\$73,929			\$44,195			\$116,814			\$43,649			\$88,974	
Total		\$189,341			\$94,359			\$229,046			\$135,408			\$165,616	
Total Operating Revenue		\$14,064,360			\$13,075,789			\$12,985,828			\$11,850,730			\$11,957,089	

	2012		2011		2010		2009		2008	
	Amount	Percent								
Percent of Operating Revenues										
Operating Revenues	\$14,064,360	100.0%	\$13,075,789	100.0%	\$12,985,828	100.0%	\$11,850,730	100.0%	\$11,957,089	100.0%
Power Cost	8,728,410	62.1%	7,836,510	59.9%	7,622,425	58.7%	6,986,559	59.0%	7,687,935	64.3%
Power Cost Margin	5,335,950	37.9%	5,239,279	40.1%	5,363,402	41.3%	4,864,171	41.0%	4,269,154	35.7%
Distribution	2,584,416	18.4%	2,582,255	19.7%	2,459,055	18.9%	2,627,737	22.2%	2,303,389	19.3%
Gross Margin	2,751,535	19.6%	2,657,024	20.3%	2,904,348	22.4%	2,236,434	18.9%	1,965,765	16.4%
Meter Reading	10,478	0.1%	10,544	0.1%	3,158	0.0%	7,035	0.1%	30,479	0.3%
General and Administrative	526,302	3.7%	559,037	4.3%	504,763	3.9%	493,507	4.2%	467,206	3.9%
Taxes and Tax Equivalents	1,219,013	8.7%	1,172,838	9.0%	1,159,138	8.9%	1,155,227	9.7%	1,099,474	9.2%
Operating Income	\$995,741	7.1%	\$914,605	7.0%	\$1,237,289	9.5%	\$580,665	4.9%	\$368,606	3.1%

City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

Selected Financial Data	2012	2011	2010	2009	2008
Utility operating revenues	\$ 14,064,360	\$ 13,075,789	\$ 12,985,828	\$ 11,850,730	\$ 11,957,089
Utility operating expenses	13,206,410	12,267,730	11,748,539	11,270,065	11,588,483
Operating Income	857,950	808,059	1,237,289	580,665	368,606
Net Income (Loss)	(684,115)	639,931	892,226	636,459	624,838
Total assets	29,071,391	29,439,620	28,770,409	27,885,955	27,294,078
Total Liabilities	1,932,573	1,616,686	1,587,407	1,595,178	1,639,760
Capital expenditures	888,985	1,363,840	1,363,840	1,093,050	937,292
Depreciation	918,457	924,997	900,505	826,563	691,700
Taxes and Tax Equivalents	1,219,013	1,279,383	1,159,138	1,155,227	1,099,474
Operating Transfers Out	1,750,000	456,816	634,384	275,354	150,752
Cash Flow from Operations	2,343,546	2,100,334	1,481,430	1,580,440	1,346,619
Cash Flow to Long-Term Debt					

Selected Financial Statistics	2012	2011	2010	2009	2008
Avg. utility plant investment per \$ of revenue	\$ 1.97	\$ 2	\$ 2	\$ 2	\$ 2
Accum. deprec. as a % of depreciable plant	52.72%	51.83%	48.72%	47.06%	47.79%
Deprec. expense as a % of depreciable plant	3.35%	3.53%	3.47%	3.28%	2.99%
Return on equity	3.16%	2.90%	4.55%	2.21%	1.44%
Return on assets	2.95%	2.74%	4.30%	2.08%	1.35%

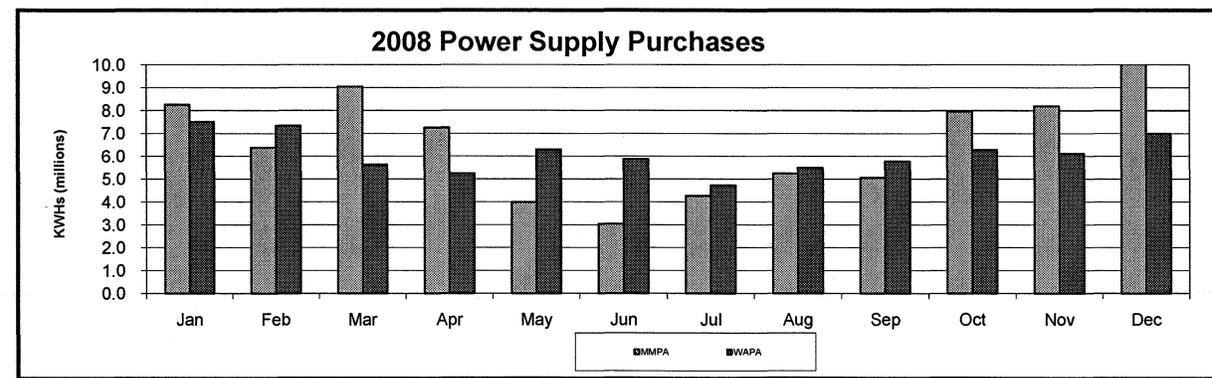
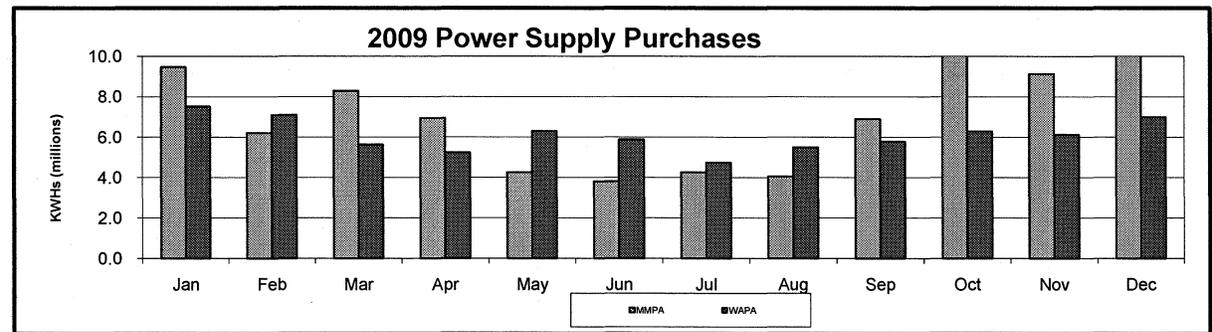
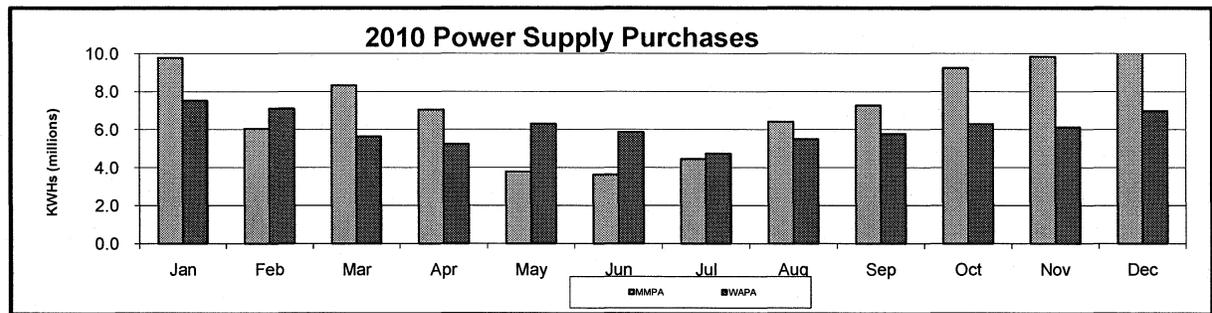
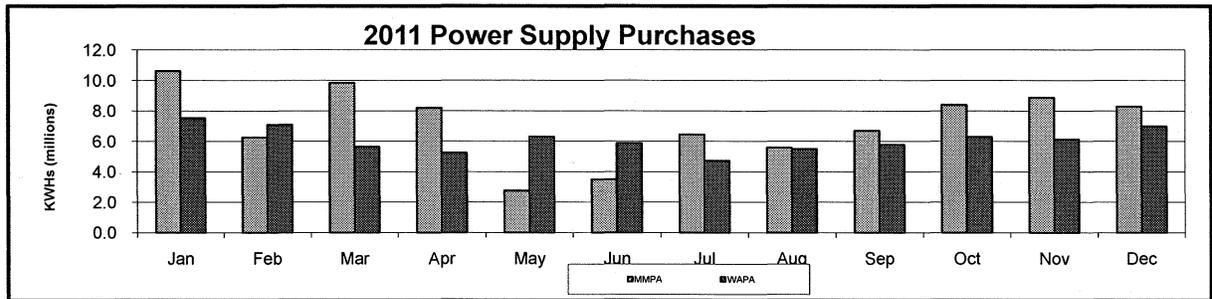
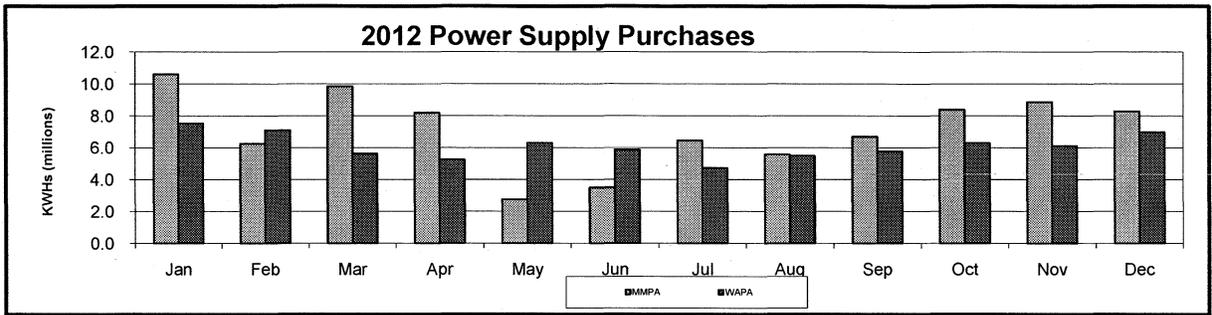
Miscellaneous Statistics	2012	2011	2010	2009	2008
Maximum Demand in MW	31.84	30.53	32.01	32.33	30.79
Date of Maximum Demand	12/10/2012	1/9/2011	1/5/2010	12/9/2009	12/14/2008
KWH purchased from WAPA	73,304,000	73,051,000	73,051,000	73,051,000	73,304,000
WAPA percentage of total power purchases	42.5%	45.4%	45.5%	46.4%	47.8%
KWH purchased from MMPA	99,053,865	87,947,759	87,670,669	84,536,994	80,003,407
NSP percentage of total power purchases	57.5%	54.6%	54.5%	53.6%	52.2%
KWH Line loss or billing differential	(8,924,878)	(7,060,363)	(5,114,498)	(3,992,725)	(5,546,914)
Line loss or billing differential percent	-5.18%	-4.39%	-3.18%	-2.53%	-3.62%
Average number of customers with discount	464	457	454	452	450
Average number of residential meters	3637	3635	3636	3629	3591
Average number of commercial meters	540	528	520	518	446
Average number of large commercial meters	10	10	10	9	9
Average number of industrial meters	1	1	1	1	1

Management Efficiency	2012	2011	2010	2009	2008
Benefit Employees	24	24	24	24	24
Electric Employee Allocation	14	14	14	14	14
Operating income (loss) per employee	61,282	57,719	88,378	41,476	26,329
Revenue per employee	1,004,597	933,985	927,559	846,481	854,078
Accounts receivable turnover	9.4	7.0	6.1	8.8	8.5
Asset Turnover	0.5	0.4	0.4	0.4	0.4

Selected Owners Data	2012	2011	2010	2009	2008
Population	8,601	8,601	8,601	7,879	7,879
One employee per number of owners	614	614	614	563	563
Operating Revenue per owner	\$ 1,635	\$ 1,520	\$ 1,510	\$ 1,504	\$ 1,518
Operating Expenses per owner	\$ 1,535	\$ 1,426	\$ 1,366	\$ 1,430	\$ 1,471
Operating income (loss) per owner	\$ 1,397	\$ 1,315	\$ 2,014	\$ 74	\$ 47
Net income (loss) per owner	\$ (418)	\$ 421	\$ 591	\$ 81	\$ 79
Net assets per owner	\$ 3,380	\$ 3,423	\$ 3,345	\$ 3,539	\$ 3,464
Liabilities per owner	\$ 225	\$ 188	\$ 185	\$ 202	\$ 208
Capital Expenditures per owner	\$ 103	\$ 159	\$ 159	\$ 139	\$ 119
Taxes and Tax Equivalents per owner	\$ 142	\$ 149	\$ 135	\$ 147	\$ 140

City of East Grand Forks, Minnesota
Electric Fund Statistics
 For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

KWs		Demand			Energy			WAPA + MMPA	Loss	Standby at wholesale
		MMPA	WAPA	System	MMPA	WAPA	System			
2012	January	18,396	13,235	31,830	10,126,288	7,519,000	17,645,288	17,645,288	-	122,932
	February	17,358	12,370	29,914	7,843,545	7,349,000	15,192,545	15,192,545	-	55,724
	March	15,232	10,905	26,301	8,625,687	5,630,000	14,255,687	14,255,687	-	40,595
	April	13,119	9,192	22,449	7,696,380	5,244,000	12,940,380	12,940,380	-	121,819
	May	7,726	11,650	19,551	3,445,403	6,302,000	9,747,403	9,747,403	-	210,396
	June	9,839	11,276	21,284	4,333,149	5,876,000	10,209,149	10,209,149	-	3,490
	July	11,163	9,899	21,210	6,799,816	4,729,000	11,528,816	11,528,816	-	-
	August	19,664	11,092	30,922	7,883,023	5,492,000	13,375,023	13,375,023	-	-
	September	12,838	12,097	25,116	8,346,550	5,774,000	14,120,550	14,120,550	-	1,028,736
	October	14,546	12,661	27,397	9,863,735	6,287,000	16,150,735	16,150,735	-	32,167
	November	16,940	11,104	28,211	10,005,115	6,117,000	16,122,115	16,122,115	-	59,414
	December	18,404	13,325	31,838	12,161,857	6,985,000	19,146,857	19,146,857	-	248,044
	1st Quarter	50,986	36,510	88,045	26,595,520	20,498,000	47,093,520	47,093,520	-	219,251
	2nd Quarter	30,684	32,118	63,284	15,474,932	17,422,000	32,896,932	32,896,932	-	335,705
3rd Quarter	43,665	33,088	77,248	23,029,389	15,995,000	39,024,389	39,024,389	-	1,028,736	
4th Quarter	49,890	37,090	87,446	32,030,707	19,389,000	51,419,707	51,419,707	-	339,625	
Total	175,225	138,806	316,023	97,130,548	73,304,000	170,434,548	170,434,548	-	1,923,317	
2011	January	17,091	13,235	30,525	10,610,423	7,519,000	18,129,423	18,129,423	-	43,562
	February	13,564	12,370	26,120	6,260,117	7,096,000	13,356,117	13,356,117	-	108,732
	March	14,195	10,905	25,264	9,832,152	5,630,000	15,462,152	15,462,152	-	43,628
	April	14,308	9,192	23,638	8,194,823	5,244,000	13,438,823	13,438,823	-	268,623
	May	9,199	11,650	21,024	2,744,821	6,302,000	9,046,821	9,046,821	-	52,337
	June	7,954	11,276	19,399	3,493,352	5,876,000	9,369,352	9,369,352	-	-
	July	11,538	9,899	21,585	6,442,092	4,729,000	11,171,092	11,171,092	-	-
	August	11,096	11,092	22,354	5,572,791	5,492,000	11,064,791	11,064,791	-	321,222
	September	10,348	12,097	22,626	6,689,746	5,774,000	12,463,746	12,463,746	-	532,576
	October	12,255	12,661	25,106	8,392,282	6,287,000	14,679,282	14,679,282	-	914,696
	November	17,284	11,104	28,555	8,865,252	6,117,000	14,982,252	14,982,252	-	67,711
	December	12,671	13,325	26,105	8,288,378	6,985,000	15,273,378	15,273,378	-	208,443
	1st Quarter	44,850	36,510	81,909	26,702,692	20,245,000	46,947,692	46,947,692	-	195,922
	2nd Quarter	31,461	32,118	64,061	14,432,996	17,422,000	31,854,996	31,854,996	-	320,960
3rd Quarter	32,982	33,088	66,565	18,704,629	15,995,000	34,699,629	34,699,629	-	853,798	
4th Quarter	42,210	37,090	79,766	25,545,912	19,389,000	44,934,912	44,934,912	-	1,190,850	
Total	151,503	138,806	292,301	85,386,229	73,051,000	158,437,229	158,437,229	-	2,561,530	
2010	January	18,571	13,235	32,005	9,777,174	7,519,000	17,296,174	17,296,174	-	70,854
	February	12,032	12,370	24,588	6,032,248	7,096,000	13,128,248	13,128,248	-	15,432
	March	12,249	10,905	23,318	8,322,339	5,630,000	13,952,339	13,952,339	-	121,081
	April	11,370	9,192	20,700	7,042,974	5,244,000	12,286,974	12,286,974	-	5,422
	May	7,520	11,650	19,345	3,792,602	6,302,000	10,094,602	10,094,602	-	-
	June	6,356	11,276	17,801	3,626,597	5,876,000	9,502,597	9,502,597	-	-
	July	8,633	9,899	18,680	4,446,078	4,729,000	9,175,078	9,175,078	-	-
	August	12,738	11,092	23,996	6,408,489	5,492,000	11,900,489	11,900,489	-	974,879
	September	9,295	12,097	21,573	7,271,438	5,774,000	13,045,438	13,045,438	-	88,958
	October	13,679	12,661	26,530	9,234,576	6,287,000	15,521,576	15,521,576	-	98,217
	November	16,216	11,104	27,487	9,834,911	6,117,000	15,951,911	15,951,911	-	53,128
	December	18,177	13,325	31,611	11,881,243	6,985,000	18,866,243	18,866,243	-	63,943
	1st Quarter	42,852	36,510	79,911	24,131,761	20,245,000	44,376,761	44,376,761	-	207,367
	2nd Quarter	25,246	32,118	57,846	14,462,173	17,422,000	31,884,173	31,884,173	-	5,422
3rd Quarter	30,666	33,088	64,249	18,126,005	15,995,000	34,121,005	34,121,005	-	1,063,837	
4th Quarter	48,072	37,090	85,628	30,950,730	19,389,000	50,339,730	50,339,730	-	215,288	
Total	146,836	138,806	287,634	87,670,669	73,051,000	160,721,669	160,721,669	-	1,491,914	
2009	January	16,878	13,235	30,113	9,471,137	7,519,000	16,990,137	16,990,137	-	580,449
	February	12,389	12,370	24,759	6,198,558	7,096,000	13,294,558	13,294,558	-	399,535
	March	12,816	10,905	23,721	8,290,435	5,630,000	13,920,435	13,920,435	-	240,746
	April	11,017	9,192	20,209	6,939,459	5,244,000	12,183,459	12,183,459	-	26,901
	May	9,720	11,650	21,370	4,256,713	6,302,000	10,558,713	10,558,713	-	235,164
	June	8,366	11,276	19,642	3,808,613	5,876,000	9,684,613	9,684,613	-	-
	July	8,359	9,899	18,258	4,255,348	4,729,000	8,984,348	8,984,348	-	-
	August	9,693	11,092	20,785	4,049,035	5,492,000	9,541,035	9,541,035	-	-
	September	12,216	12,097	24,313	6,887,652	5,774,000	12,661,652	12,661,652	-	236,371
	October	14,463	12,661	27,124	10,254,145	6,287,000	16,541,145	16,541,145	-	140,443
	November	15,767	11,104	26,871	9,134,590	6,117,000	15,251,590	15,251,590	-	38,197
	December	18,891	13,325	32,216	11,180,274	6,985,000	18,165,274	18,165,274	-	393,643
	1st Quarter	42,083	36,510	78,593	23,960,130	20,245,000	44,205,130	44,205,130	-	1,220,730
	2nd Quarter	29,103	32,118	61,221	15,004,785	17,422,000	32,426,785	32,426,785	-	262,065
3rd Quarter	30,268	33,088	63,356	15,192,035	15,995,000	31,187,035	31,187,035	-	236,371	
4th Quarter	49,121	37,090	86,211	30,569,009	19,389,000	49,958,009	49,958,009	-	572,283	
Total	150,575	138,806	289,381	84,725,959	73,051,000	157,776,959	157,776,959	-	2,291,449	
2008	January	15,214	13,235	28,648	8,246,293	7,519,000	15,765,293	15,765,293	-	28,665
	February	14,155	12,556	26,711	6,384,587	7,349,000	13,733,587	13,733,587	-	462,804
	March	13,159	10,905	24,228	9,032,620	5,630,000	14,662,620	14,662,620	-	253,699
	April	12,709	9,192	22,039	7,256,830	5,244,000	12,500,830	12,500,830	-	89,058
	May	7,651	11,650	19,476	3,997,135	6,302,000	10,299,135	10,299,135	-	179,989
	June	5,990	11,276	17,435	3,038,490	5,876,000	8,914,490	8,914,490	-	4,800
	July	8,555	9,899	18,602	4,262,454	4,729,000	8,991,454	8,991,454	-	-
	August	8,798	11,092	20,056	5,247,017	5,492,000	10,739,017	10,739,017	-	-
	September	8,092	12,097	20,370	5,057,968	5,774,000	10,831,968	10,831,968	-	1,085,614
	October	11,026	12,661	23,877	7,960,150	6,287,000	14,247,150	14,247,150	-	1,095,315
	November	13,799	11,104	25,070	8,181,784	6,117,000	14,298,784	14,298,784	-	1,689,341
	December	17,822	13,325	31,256	11,338,079	6,985,000	18,323,079	18,323,079	-	1,105,444
	1st Quarter	42,528	36,696	79,587	23,663,500	20,498,000	44,161,500	44,161,500	-	745,168
	2nd Quarter	26,350	32,118	58,950	14,292,455	17,422,000	31,714,455	31,714,455	-	273,847
3rd Quarter	25,445	33,088	59,028	14,567,439	15,995,000	30,562,439	30,562,439	-	1,085,614	
4th Quarter	42,647	37,090	80,203	27,480,013	19,389,000	46,869,013	46,869,013	-	3,890,100	
Total	136,970	138,992	277,768	80,003,407	73,304,000	153,307,407	153,307,407	-	5,994,729	



City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

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

2011	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,473,052	3,334,022	2,809,785	2,723,057	2,325,398	2,316,285	2,884,552	3,329,325	2,898,309	2,272,347	2,434,106	2,879,970	33,680,208
All Electric	520,264	504,064	426,184	330,567	216,917	163,077	175,292	183,746	164,882	157,084	252,316	368,058	3,462,451
Commercial	2,872,723	2,590,882	2,230,000	2,187,477	1,985,480	2,051,844	2,194,280	2,338,635	2,140,827	2,053,684	2,207,105	2,291,544	27,144,481
Large Commercial	975,960	864,160	976,680	806,680	757,160	711,400	779,560	867,920	902,720	835,720	857,200	856,200	10,191,360
City Electric	834,117	819,085	732,117	580,086	507,062	500,484	463,691	471,731	449,949	522,927	669,870	760,028	7,311,147
City Off Peak	62,252	55,065	43,407	23,453	10,542	3,480	1,061	383	1,396	3,041	23,952	45,205	273,237
Off Peak	277,143	260,401	193,009	104,971	34,699	16,429	5,833	2,568	2,713	6,763	50,507	136,606	1,091,642
Industrial	8,408,261	5,494,808	7,353,210	6,977,296	3,134,347	3,193,398	3,543,707	3,720,598	6,316,628	8,128,813	7,617,583	6,895,221	70,783,870
Industrial Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial Standby	44,608	111,341	44,676	275,067	53,593	-	-	328,931	545,357	936,648	69,336	213,446	2,623,003
Total	17,468,380	14,033,828	14,809,068	14,008,654	9,025,198	8,956,397	10,047,976	11,243,837	13,422,781	14,917,027	14,181,975	14,446,278	156,561,399

2010	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,293,599	3,223,107	2,722,100	2,572,485	2,223,285	2,460,772	2,935,679	3,268,366	2,887,963	2,175,935	2,437,481	3,024,901	33,574,673
All Electric	534,644	518,029	384,637	279,330	203,497	166,479	177,739	193,779	172,953	156,691	258,001	446,694	3,492,473
Commercial	2,874,481	2,744,741	2,202,022	2,098,828	1,924,712	2,085,862	2,145,358	2,272,962	2,058,791	2,095,196	2,283,936	2,609,579	27,396,468
Large Commercial	957,120	831,800	953,080	872,680	803,440	653,440	725,960	842,160	848,920	838,280	843,840	955,240	10,125,960
City Electric	883,635	824,221	752,692	570,964	473,714	556,983	515,251	527,474	462,224	560,551	674,301	774,621	9,175,631
City Off Peak	60,664	46,295	34,336	3,648	3,981	2,175	1,338	1,823	1,409	2,215	30,526	56,784	245,194
Off Peak	263,706	248,749	163,584	62,004	23,760	12,656	5,604	3,674	4,930	13,251	69,421	220,731	1,092,070
Industrial	7,697,876	5,070,118	6,256,950	6,114,102	3,819,468	3,267,803	1,852,679	4,434,285	7,105,189	8,764,319	8,340,258	9,380,655	72,103,702
Industrial Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial Standby	72,555	15,802	123,988	5,552	-	-	-	998,246	91,092	100,574	54,433	65,479	1,527,721
Total	16,917,280	13,592,862	13,593,389	12,579,593	9,475,857	9,206,170	8,359,608	12,542,769	13,633,471	14,707,012	14,992,197	17,534,684	157,134,892

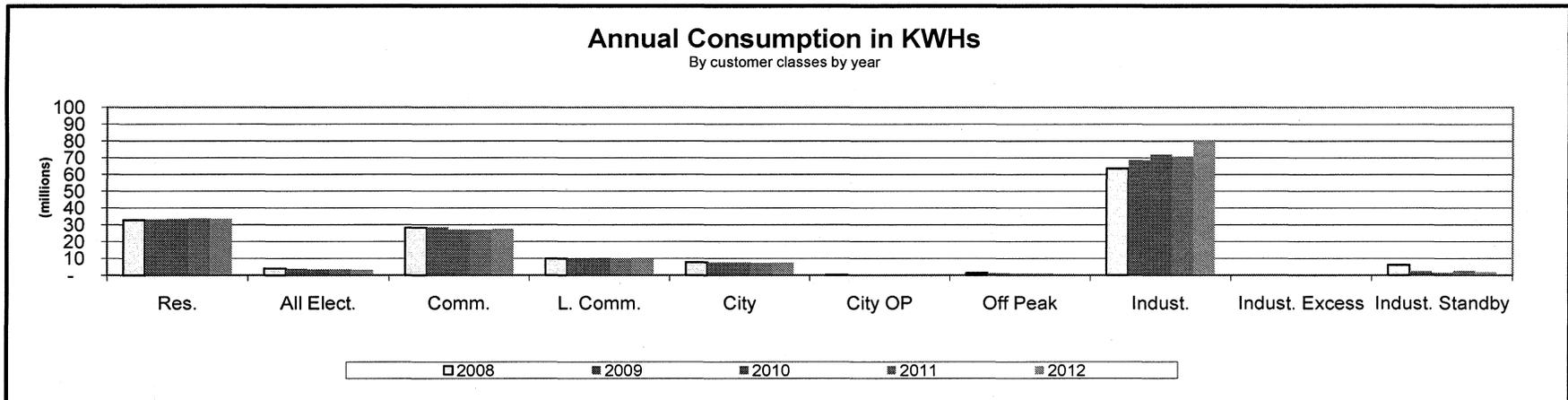
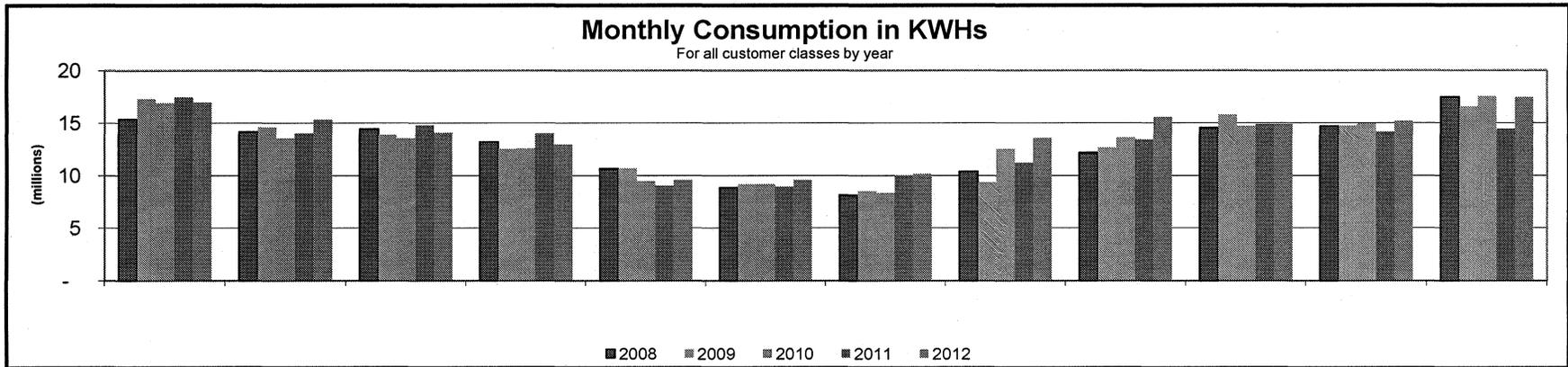
2009	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,755,853	3,401,600	2,891,998	2,759,934	2,286,630	2,263,442	2,603,611	2,692,540	2,739,266	2,473,006	2,513,821	2,835,966	33,217,667
All Electric	618,792	574,239	479,029	371,401	242,826	186,230	170,192	171,982	171,259	204,737	279,565	416,783	3,887,035
Commercial	2,983,675	2,873,990	2,554,619	2,277,416	2,047,586	2,101,684	2,099,494	2,236,539	2,309,458	2,243,771	2,329,313	2,621,300	28,678,845
Large Commercial	963,920	852,200	879,880	779,280	763,200	714,200	664,840	737,920	881,840	881,120	815,480	983,880	9,917,760
City Electric	740,660	891,932	762,496	625,798	529,154	559,060	490,826	496,285	482,760	612,162	700,523	787,276	7,678,932
City Off Peak	71,666	48,545	41,980	14,562	3,818	1,324	381	1,150	1,574	16,552	29,705	45,504	276,761
Off Peak	310,332	288,074	227,446	140,458	43,410	16,126	5,789	3,037	9,593	17,238	68,097	148,207	1,277,807
Industrial	7,258,146	5,269,885	5,813,991	5,544,587	4,553,158	3,337,432	2,482,616	3,022,111	5,834,399	9,224,932	7,986,340	8,332,865	68,660,462
Industrial Excess	-	-	-	-	-	-	-	-	-	-	-	-	-
Industrial Standby	594,380	409,124	246,524	27,546	240,807	-	-	-	242,045	143,813	39,114	403,090	2,346,443
Total	17,297,424	14,609,589	13,897,963	12,540,982	10,710,589	9,179,498	8,517,749	9,361,564	12,672,194	15,817,331	14,761,958	16,574,871	155,941,712

City of East Grand Forks, Minnesota

Electric Fund Statistics

For the Years Ended December 31, 2012, 2011, 2010, 2009, and 2008

2008	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,516,153	3,257,944	2,872,430	2,740,779	2,413,785	2,143,703	2,567,455	2,812,058	2,858,884	2,306,269	2,264,422	3,049,995	32,803,877
All Electric	577,975	573,515	472,431	380,487	262,641	172,165	175,903	274,241	182,170	174,208	261,100	469,539	3,976,375
Commercial	2,722,226	2,737,525	2,431,664	2,470,201	2,038,207	2,118,649	2,050,340	2,351,121	2,172,492	2,230,628	2,283,991	2,547,503	28,154,547
Large Commercial	1,089,307	875,440	837,365	786,097	724,657	647,640	776,840	778,960	689,240	826,160	863,000	1,020,680	9,915,386
City Electric	837,599	805,615	781,000	635,505	493,340	563,924	473,349	510,738	501,109	518,806	681,783	872,494	7,675,262
City Off Peak	26,514	58,592	27,028	35,000	7,625	881	741	667	409	2,974	30,620	53,140	244,191
Off Peak	302,397	297,835	236,284	150,671	50,243	13,930	4,541	1,875	2,874	11,159	74,101	205,903	1,351,813
Industrial	6,246,588	5,050,806	6,513,460	5,893,119	4,469,800	3,165,956	2,089,672	3,648,715	4,648,933	7,344,132	6,485,198	8,082,663	63,639,042
Industrial Excess													-
Industrial Standby	29,353	473,911	259,786	91,196	184,311	4,915	-	-	1,111,669	1,121,603	1,729,884	1,131,973	6,138,601
Total	15,348,112	14,131,183	14,431,448	13,183,055	10,644,609	8,831,763	8,138,841	10,378,375	12,167,780	14,535,939	14,674,099	17,433,890	153,899,094



City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2012, 2011, 2010, 2009 and 2008

Load Factors	2012	2011	2010	2009	2008
MMPA Power Factor					
January	88.2000	89.5200	89.7700	88.2200	90.5700
February	88.3700	93.6800	93.1000	93.1000	92.2700
March	90.3900	91.8100	93.4300	93.4300	92.5900
April	89.7200	91.2600	92.7800	92.2100	92.7500
May	86.5600	92.0800	92.4200	92.2500	90.4200
June	92.3900	93.0700	92.2300	92.2300	91.5500
July	93.5500	91.4100	92.3800	92.3800	91.3300
August	89.3400	87.5200	91.8600	91.8600	89.6700
September	84.9400	88.0100	89.9400	89.9400	82.5500
October	84.8500	87.0800	88.9300	88.9300	84.1400
November	85.7900	84.2700	88.0400	88.0400	89.1400
December	86.7600	90.0500	89.8100	89.8100	89.1300
Average	88.4050	89.9800	91.2242	91.0333	89.6758

WAPA Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3590	85.3640	85.3640	85.3640	85.3590
March	69.3921	69.3921	69.3921	69.3921	69.3921
April	79.2356	79.2356	79.2356	79.2356	79.2356
May	72.7076	72.7076	72.7076	72.7076	72.7076
June	72.3759	72.3759	72.3759	72.3759	72.3759
July	64.2104	64.2104	64.2104	64.2104	64.2104
August	66.5499	66.5499	66.5499	66.5499	66.5499
September	66.2928	66.2928	66.2928	66.2928	66.2928
October	66.7425	66.7425	66.7425	66.7425	66.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	72.2228	72.2232	72.2232	72.2232	72.2228

System Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.359	85.3640	85.3640	85.3640	85.3590
March	69.3921	69.3921	69.3921	69.3921	69.3921
April	79.2356	79.2356	79.2356	79.2356	79.2356
May	72.7076	72.7076	72.7076	72.7076	72.7076
June	72.3759	72.3759	72.3759	72.3759	72.3759
July	64.2104	64.2104	64.2104	64.2104	64.2104
August	66.5499	66.5499	66.5499	66.5499	66.5499
September	66.2928	66.2928	66.2928	66.2928	66.2928
October	66.7425	66.7425	66.7425	66.7425	66.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	72.2228	72.2232	72.2232	72.2232	72.2228

ELECTRIC FUND

REVENUES

Account Number		12/31/08	12/31/09	12/31/10	12/31/11	12/31/12
		<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>	<u>Actual</u>
601 37-000 37400	Res. Regular	\$ 2,765,014	\$ 2,568,532	\$ 2,866,121	\$ 2,958,672	\$ 3,007,589
601 37-000 37412	Res. All Electric	337,910	304,507	296,659	297,825	269,922
601 37-000 37415	Res. Off Peak	45,447	47,868	40,678	42,353	32,538
601 37-000 37416	Res. Seasonal	2,501	3,833	2,242	2,976	2,806
601 37-000 37420	Com. Regular	2,003,163	2,000,929	1,929,615	1,962,695	2,097,503
601 37-000 37421	Com. Large	541,646	474,380	534,376	566,264	569,413
601 37-000 37422	Com. Industrial Standby	604,081	326,013	296,083	354,827	317,654
601 37-000 37425	Com. Off Peak	27,741	29,675	25,803	26,635	25,828
601 37-000 37426	Com. Seasonal	1,208	1,016	1,095	1,408	1,618
601 37-000 37427	Industrial	3,630,148	4,099,147	4,925,618	4,925,879	5,664,698
601 37-000 37428	Industrial Excess	-	2,621	2,966	1,645	6,207
601 37-000 37435	LCE Facility	76,680	76,680	83,780	85,224	85,200
601 37-000 37436	Industrial Facility	570,000	570,000	570,000	570,000	570,000
601 37-000 37440	KVAR	43,316	39,940	43,423	44,320	53,865
601 37-000 37441	Res. Off Peak Customer	2,905	6,088	5,701	5,669	5,715
601 37-000 37442	Com. Off Peak Customer	828	1,530	1,547	1,518	1,472
601 37-000 37443	Res. Customer	307,409	324,802	287,681	291,710	292,943
601 37-000 37444	Com. Customer	51,355	80,699	50,611	52,087	52,978
601 37-000 37445	LCE. Customer	45,360	45,360	49,560	50,414	50,400
601 37-000 37446	Industrial Customer	97,800	97,800	97,800	97,800	97,800
601 37-000 37447	Res. All Elect. Customer	20,187	20,000	44,324	44,985	44,460
601 37-000 37448	City Elect. Customer	8,843	9,138	9,458	9,471	9,467
601 37-000 37449	City Off-Peak Customer	4,347	414	414	414	414
601 37-000 37450	Reconnection	2,100	2,660	3,320	2,800	3,140
601 37-000 37452	Temporary Service	360	400	280	80	680
601 37-000 37453	Underground	3,468	11,152	39,952	25,114	16,366
601 37-000 37471	Night Watch	7,578	2,299	7,892	7,908	7,721
601 37-000 37472	City Electric	618,485	595,088	599,452	593,510	626,026
601 37-000 37473	City Special	8,241	16,532	15,031	17,314	14,144
601 37-000 37474	Fiber Optic Lease	-	-	-	3,876	3,876
601 37-000 37480	Interest Earnings	408,333	332,335	286,280	289,138	208,272
601 37-000 37482	Green Power	7,338	7,428	7,689	7,197	6,613
601 37-000 37485	Discount Air Conditioner	(5,663)	(4,477)	(5,605)	(5,842)	(6,089)
601 37-000 37486	Discount Electric	(32,394)	(32,520)	(33,233)	(33,448)	(33,886)
601 37-000 37487	Gain on sale of Fixed Ass	-	-	3,600	-	-
601 37-000 37488	Repairs	8,174	15,121	5,411	3,945	14,298
601 37-000 37489	Penalties	85,546	88,423	89,072	79,994	100,091
601 37-000 37490	Miscellaneous	88,974	43,649	116,814	40,319	70,053
601 37-000 37491	Bad Debt - Uncollectible	(23,006)	(25,996)	(25,802)	(61,768)	(19,163)
		<u>\$ 12,365,422</u>	<u>\$ 12,183,065</u>	<u>\$ 13,275,708</u>	<u>\$ 13,364,927</u>	<u>\$ 14,272,632</u>

ELECTRIC FUND

Expenses OBJECT CODES	12/31/08 Actual	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual
101 Salaries - Reg.	\$ 873,369	\$ 959,038	\$ 960,144	\$ 1,097,284	\$ 1,036,755
102 Salaries - O.T.	36,912	18,489	15,875	16,080	17,681
107 Vacations, etc.	84,836	97,157	106,551	94,305	106,289
121 PERA	60,124	68,852	74,189	81,010	82,212
122 FICA	71,948	75,429	78,949	81,921	82,430
130 Insurance	113,926	137,816	142,693	148,331	145,418
151 Workers Comp	22,202	24,003	16,821	16,152	26,925
200 Office Supplies	20,384	10,306	12,017	10,920	13,917
211 General & Cleaning Supplies	-	-	-	1,154	915
212 General Supplies	13,548	13,768	15,755	12,516	16,670
218 Uniforms	5,832	1,936	10,955	4,805	3,850
227 Parts & Supplies	157,490	221,778	111,563	135,833	66,989
240 Small Tools	4,272	1,916	5,233	11,731	19,816
280 WAPA Purchases	1,718,805	2,021,865	2,331,656	2,330,159	2,334,738
281 NSP Purchases	63,975	64,830	65,702	66,591	67,499
282 MMPA	5,905,156	4,899,864	5,225,067	5,439,760	6,326,174
301 Auditing	13,975	14,675	14,675	14,675	28,028
303 Engineering	82,275	111,408	79,510	74,062	74,401
304 Legal Fees	8,149	18,398	24,380	22,686	19,279
309 EDP/Accounting	24,445	56,634	60,097	61,023	62,651
319 Other Professional	47,943	26,194	14,209	20,398	14,645
320 Communications	20,681	27,876	26,442	23,820	22,500
322 Postage	19,143	22,054	19,653	24,170	25,026
331 Travel & School	24,214	43,589	27,316	31,086	33,195
333 Freight & Express	-	-	-	178	-
340 Promotion/Advertising	25,148	26,871	21,952	36,951	23,220
350 Printing & Publishing	11,041	2,904	2,899	3,125	2,553
361 Liability Insurance	32,618	40,303	48,872	46,118	40,482
362 Property Insurance	15,695	25,972	29,664	29,076	30,067
381 Electric Utilities	49,000	51,372	51,011	58,978	57,728
383 Utilities	3,336	2,445	5,027	4,896	3,966
404 Contracted Services	145,708	118,287	170,245	83,458	162,079
412 Office Rent	18,000	18,000	18,000	18,000	18,000
420 Depreciation	697,751	826,563	900,505	924,997	918,457
430 Miscellaneous	358,386	261,259	188,037	249,266	249,777
431 Cash Short	(199)	-	-	-	-
433 Dues & Subscript.	32,109	32,872	32,014	38,077	44,556
434 Collections Fees	2,391	3,768	3,252	3,765	758
435 Banking/Credit Card Fees	2,266	2,683	6,891	11,207	14,050
441 Permits & Fees	38,163	53,041	32,806	32,217	28,924
520 Capital Outlay	109,672	66,036	135,291	481,504	282,660
611 Bond Interest	918	756	559	450	337
620 Fiscal Agent Fees	431	431	-	-	-
720 Franchise Taxes	1,099,474	1,155,227	1,159,138	1,172,838	1,219,013
721 Cash Transfers to Other	-	180,000	-	-	-
722 Cash Transfers to Water	-	-	400,000	-	1,500,000
999 Reimbursed	(294,928)	(260,060)	(262,133)	(290,580)	(267,880)
	<u>\$ 11,740,584</u>	<u>\$ 11,546,606</u>	<u>\$ 12,383,482</u>	<u>\$ 12,724,995</u>	<u>\$ 14,956,747</u>

ELECTRIC FUND

EXPENSES

Account Number	12/31/08 Actual	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual
Power Purchases					
601 49-560 42800 WAPA	\$ 1,718,805	\$ 2,021,865	\$ 2,331,656	\$ 2,330,159	\$ 2,334,738
601 49-560 42810 NSP/NSP Facility	63,975	64,830	65,702	66,591	67,499
601 49-560 42820 MMPA/NSP	5,905,156	4,899,864	5,225,067	5,439,760	6,326,174
Total	7,687,935	6,986,559	7,622,425	7,836,510	8,728,410
Distribution Lines					
601 49-570 41010 Salaries - Reg.	119,061	156,222	158,812	192,726	182,861
601 49-570 41020 Salaries - O.T.	7,313	10,184	7,645	5,420	5,750
601 49-570 41210 PERA	7,984	11,110	11,599	14,363	13,646
601 49-570 41220 FICA	9,209	12,196	11,870	14,080	13,337
601 49-570 42270 Parts & Supplies	45,672	43,864	22,130	15,613	9,461
601 49-570 44040 Contracted Services	1,621	44,215	22,926	10,551	438
Total	190,860	277,791	234,982	252,752	225,493
Transformers					
601 49-571 41010 Salaries - Reg.	3,500	3,343	5,366	3,373	8,589
601 49-571 41020 Salaries - O.T.	-	129	-	186	-
601 49-571 41210 PERA	222	236	376	258	558
601 49-571 41220 FICA	256	248	374	260	608
601 49-571 42270 Parts & Supplies	21,472	51,402	7,151	12,659	3,460
601 49-571 43030 Engineering	-	-	5,637	-	-
601 49-571 44040 Contracted Services	545	6,965	2,269	1,100	14,628
Total	25,995	62,323	21,174	17,836	27,842
Meters					
601 49-572 41010 Salaries - Reg.	16,383	21,566	23,548	20,015	17,894
601 49-572 41020 Salaries - O.T.	45	394	49	463	145
601 49-572 41210 PERA	1,062	1,476	1,644	1,465	1,294
601 49-572 41220 FICA	1,165	1,561	1,620	1,410	1,241
601 49-572 42270 Parts & Supplies	8,127	16,083	7,113	10,546	10,219
601 49-572 44040 Contracted Services	20	-	3,178	3,937	3,895
Total	26,802	41,080	37,152	37,835	34,688
Substations					
601 49-574 41010 Salaries - Reg.	5,366	5,722	6,792	6,676	6,899
601 49-574 41020 Salaries - O.T.	390	144	286	-	54
601 49-574 41210 PERA	354	396	478	507	456
601 49-574 41220 FICA	411	433	502	501	473
601 49-574 42270 Parts & Supplies	222	4,722	3,086	8,048	572
601 49-574 43030 Engineering	-	-	15,572	-	-
601 49-574 43810 Electric Utilities	8,044	8,210	7,777	8,478	7,687
601 49-574 44040 Contracted Services	6,420	2,334	25,836	190	2,658
Total	21,208	21,960	60,330	24,400	18,799
Street Lights					
601 49-575 41010 Salaries - Reg.	32,771	41,154	40,444	35,062	32,427
601 49-575 41020 Salaries - O.T.	105	524	294	301	453
601 49-575 41210 PERA	2,121	2,721	2,797	2,541	2,328
601 49-575 41220 FICA	2,368	2,997	2,856	2,399	2,311
601 49-575 42270 Parts & Supplies	19,690	65,509	15,638	26,478	20,380
601 49-575 44040 Contracted Services	30,055	2,006	8,160	4,696	42,258
Total	87,110	114,911	70,188	71,476	100,157
Distribution Service Center					
601 49-576 41010 Salaries - Reg.	51,905	32,833	45,507	39,335	40,615
601 49-576 41020 Salaries - O.T.	-	432	147	491	161
601 49-576 41210 PERA	3,110	1,906	2,810	2,424	2,615
601 49-576 41220 FICA	3,703	2,461	3,270	2,817	2,842
601 49-576 42270 Parts & Supplies	5,006	2,854	4,948	1,151	4,924
601 49-576 42400 Small Tools & Equipment	-	-	-	414	203
601 49-576 43810 Electric Utilities	40,956	43,162	43,233	50,500	50,041
601 49-576 43830 Utilities	3,336	2,445	5,027	4,896	3,966
601 49-576 44040 Contracted Services	19,621	12,945	18,427	13,993	50,238
601 49-576 44200 Depreciation	67,138	67,350	84,434	84,434	84,265
601 49-576 49990 Reimbursed from 602 (10%)	(12,764)	(9,904)	(12,337)	(11,602)	(15,560)
Total	182,010	156,485	195,466	188,853	224,308

Location Services						
601 49-577 41010 Salaries - Reg.	37,618	40,571	40,731	40,159	39,552	
601 49-577 41020 Salaries - O.T.	224	164	63	394	398	
601 49-577 41210 PERA	2,266	2,681	2,840	2,658	2,896	
601 49-577 41220 FICA	2,595	2,886	3,021	2,746	2,951	
Total	42,702	46,301	46,655	45,958	45,798	
Vehicles						
601 49-578 41010 Salaries - Reg.	9,520	4,339	4,669	4,522	3,236	
601 49-578 41020 Salaries - O.T.	-	-	-	152	-	
601 49-578 41210 PERA	597	292	325	339	235	
601 49-578 41220 FICA	642	320	340	330	225	
601 49-578 42120 Fuels & Lubricants	13,548	13,768	15,755	12,516	16,670	
601 49-578 42270 Parts & Supplies	2,773	2,977	3,958	2,423	1,151	
601 49-578 44040 Contracted Services	16,647	19,208	18,931	18,782	15,123	
601 49-578 44300 Miscellaneous	1,975	1,621	500	-	336	
Total	45,702	42,526	44,479	39,064	36,976	
Energy/Load Mgt						
601 49-580 41010 Salaries - Reg.	53,390	56,891	64,776	59,153	57,842	
601 49-580 41020 Salaries - O.T.	143	458	380	113	120	
601 49-580 41210 PERA	3,420	3,821	4,586	4,184	4,202	
601 49-580 41220 FICA	3,532	3,688	4,239	3,571	3,663	
601 49-580 41300 Insurance	10,886	10,941	11,634	12,374	12,916	
601 49-580 42270 Parts & Supplies	1,356	758	8,084	4,064	2,226	
601 49-580 43400 Promotion	19,527	20,404	20,230	20,113	20,089	
601 49-580 44040 Contracted Services	6,687	7,136	7,243	9,805	9,330	
601 49-580 44300 Miscellaneous	341,007	246,920	173,424	228,078	240,182	
Total	439,947	351,017	294,595	341,455	350,570	
Information Systems						
601 49-585 41010 Salaries - Reg.	57,148	58,630	59,963	89,122	91,706	
601 49-585 41020 Salaries - O.T.	1,407	978	993	1,688	2,752	
601 49-585 41210 PERA	3,774	3,994	4,237	6,490	6,801	
601 49-585 41220 FICA	4,063	4,174	4,132	6,126	6,221	
601 49-585 42270 Parts & Supplies	3,306	2,639	2,223	2,955	2,058	
601 49-585 42400 Small Tools & Equipment	23,553	22,157	13,639	34,601	10,244	
601 49-585 43310 Travel & School	-	-	-	2,124	178	
601 49-585 44040 Contracted Services	1,123	492	1,111	1,718	1,192	
601 49-585 44300 Miscellaneous	6,051	588	2,003	2,339	2,949	
Total	100,427	93,652	88,301	147,162	124,101	
Supervision						
601 49-588 41010 Salaries - Reg.	88,081	81,781	83,283	91,328	84,767	
601 49-588 41210 PERA	5,369	5,604	5,823	6,150	6,146	
601 49-588 41220 FICA	6,519	6,361	6,373	6,375	6,254	
601 49-588 41300 Insurance	5,200	6,347	6,645	7,040	7,202	
601 49-588 43310 Travel & School	1,806	1,104	1,757	1,438	2,156	
Total	106,975	101,196	103,880	112,331	106,525	
General - Unallocated						
601 49-590 41010 Salaries - Reg.	49,846	123,694	85,153	105,845	76,622	
601 49-590 41020 Salaries - O.T.	1,220	1,869	1,684	1,904	1,803	
601 49-590 41070 Vacation, etc.	84,836	97,157	106,551	94,305	106,289	
601 49-590 41210 PERA	7,428	13,547	12,935	12,862	13,105	
601 49-590 41220 FICA	9,698	13,635	14,199	13,181	13,315	
601 49-590 41300 Insurance	58,153	83,674	85,912	86,270	89,782	
601 49-590 41510 Workers Comp	19,557	20,697	13,470	12,252	23,079	
601 49-590 42110 General & Cleaning Supplies	-	-	-	1,154	915	
601 49-590 42180 Uniforms	5,757	1,736	10,855	4,805	3,750	
601 49-590 42270 Parts & Supplies	17,321	11,101	14,929	8,007	8,777	
601 49-590 42400 Small Tools & Equipment	2,355	1,916	5,233	10,021	7,679	
601 49-590 43030 Engineering	82,275	111,408	58,301	74,062	74,401	
601 49-590 43190 Other Professional	-	-	-	-	125	
601 49-590 43310 Travel & School	9,619	26,240	10,599	10,967	14,874	
601 49-590 43330 Freight & Express	-	-	-	178	-	
601 49-590 43400 Advertising	1,724	707	530	485	521	
601 49-590 44040 Contracted Services	3,282	2,961	12,441	776	2,327	
601 49-590 44200 Depreciation	621,134	732,673	781,937	804,715	799,560	
601 49-590 44300 Miscellaneous	4,526	5,923	4,618	14,722	3,403	
601 49-590 44330 Dues & Subscript.	16,756	16,515	9,699	14,402	19,908	
601 49-590 44410 Permits & Fees	38,163	53,041	32,806	32,217	28,924	
Total	1,033,651	1,318,495	1,261,853	1,303,131	1,289,159	

Meter Readers

601 49-610 41010 Salaries - Reg.	-	-	3,960	13,845	12,809
601 49-610 41020 Salaries - O.T.	-	-	189	-	948
601 49-610 41210 PERA	-	-	289	992	970
601 49-610 41220 FICA	-	-	298	980	990
601 49-610 44040 Contracted Services	45,719	10,552	-	-	-
601 49-610 49990 Reimbursed	(15,240)	(3,517)	(1,579)	(5,272)	(5,239)
Total	<u>30,479</u>	<u>7,035</u>	<u>3,158</u>	<u>10,544</u>	<u>10,478</u>

W&L Commission

601 49-615 41010 Salaries - Reg.	-	10,260	11,340	10,800	9,900
601 49-615 41220 FICA	-	785	868	826	757
Total	<u>-</u>	<u>11,045</u>	<u>12,208</u>	<u>11,626</u>	<u>10,657</u>

Administrative

601 49-620 41010 Salaries - Reg.	312,117	282,793	269,865	320,014	290,595
601 49-620 41020 Salaries - O.T.	24,760	2,009	2,227	1,580	1,445
601 49-620 41210 PERA	19,911	18,353	19,414	20,815	20,884
601 49-620 41220 FICA	25,062	20,820	20,935	21,524	21,348
601 49-620 41300 Insurance	36,379	34,216	36,280	39,692	35,517
601 49-620 41410 Unemployment	-	-	-	-	-
601 49-620 41510 Workers Comp	2,645	3,306	3,351	3,900	3,846
601 49-620 42000 Office Supplies	20,384	10,306	12,017	10,920	13,917
601 49-620 42180 Uniforms	75	200	100	-	100
601 49-620 42400 Small tools	1,917	-	-	1,297	1,690
601 49-620 43010 Auditing	13,975	14,675	14,675	14,675	28,028
601 49-620 43040 Legal Fees	8,149	18,398	24,380	22,686	19,279
601 49-620 43050 Medical Fees	-	-	-	-	-
601 49-620 43090 EDP/Accounting	24,445	56,634	60,097	61,023	62,651
601 49-620 43190 Other Professional	47,943	26,194	14,209	20,398	14,520
601 49-620 43200 Communications	20,681	27,876	26,442	23,820	22,500
601 49-620 43220 Postage	19,143	22,054	19,653	24,170	25,026
601 49-620 43310 Travel & School	12,789	16,245	14,959	16,558	15,987
601 49-620 43500 Printing & Publishing	11,041	2,904	2,899	3,125	2,553
601 49-620 43610 Liability Insurance	32,618	40,303	48,872	46,118	40,482
601 49-620 43620 Property Insurance	15,695	25,972	29,664	29,076	30,067
601 49-620 44040 Contracted Services	11,982	9,473	8,448	8,827	8,111
601 49-620 44120 Office Rent	18,000	18,000	18,000	18,000	18,000
601 49-620 44200 Depreciation	3,428	26,540	34,134	35,848	34,632
601 49-620 44300 Miscellaneous	10,878	6,206	7,492	4,128	2,907
601 49-620 44310 Cash Short	(199)	-	-	-	-
601 49-620 44330 Dues & Subscript.	15,353	16,358	22,315	23,675	24,648
601 49-620 44340 Collections Fees	2,391	3,768	3,252	3,765	758
601 49-620 44350 Banking/Credit Card Fees	2,266	2,683	6,891	11,207	14,050
601 49-620 44390 Promotion	3,897	5,760	1,192	16,353	2,609
601 49-620 49990 Reimbursed	(250,518)	(229,584)	(229,210)	(255,781)	(240,507)
Total	<u>467,206</u>	<u>482,462</u>	<u>492,555</u>	<u>547,411</u>	<u>515,645</u>

Debt Service

601 49-651 46110 Interest expense	918	756	559	450	337
601 49-651 46200 Fiscal Agent Fees	431	431	-	-	-
Total	<u>1,349</u>	<u>1,187</u>	<u>559</u>	<u>450</u>	<u>337</u>

Fire Pay

601 49-630 41010 Salaries - Reg.	1,244	-	-	-	-
601 49-630 41210 PERA	107	-	-	-	-
601 49-630 41220 FICA	144	-	-	-	-
Total	<u>1,495</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>

City Energy Cons.

601 49-631 42270 Parts & Supplies	-	-	-	10,689	-
601 49-631 44040 Contracted Services	1,960	-	41,274	9,084	11,844
601 49-631 45200 Capital Outlay	4,823	-	-	24,688	32,660
Total	<u>6,783</u>	<u>-</u>	<u>41,274</u>	<u>44,461</u>	<u>44,504</u>

Expenses for City

601 49-632 41010 Salaries - Reg.	35,418	39,240	55,936	65,309	80,442
601 49-632 41020 Salaries - O.T.	1,306	1,203	1,919	3,389	3,653
601 49-632 41210 PERA	2,401	2,717	4,035	4,963	6,076
601 49-632 41220 FICA	2,582	2,864	4,052	4,793	5,894
601 49-632 42270 Parts & Supplies	12,297	350	10,886	1,553	3,762
601 49-632 44040 Contracted Services	27	-	-	-	35
601 49-632 45200 Capital Outlay	104,849	66,036	135,291	456,816	250,000
601 49-632 47200 Transfer to General	1,099,474	1,155,227	1,159,138	1,172,838	1,219,013
601 49-632 47210 Transfer to Other	-	180,000	-	-	-
601 49-632 47220 Transfer to Water Fund	-	-	400,000	-	1,500,000
601 49-632 49990 City - Reimbursed	(16,406)	(17,055)	(19,007)	(17,924)	(6,575)
Total	<u>1,241,947</u>	<u>1,430,581</u>	<u>1,752,248</u>	<u>1,691,737</u>	<u>3,062,300</u>
Total Expenses	<u>\$ 11,740,584</u>	<u>\$ 11,546,606</u>	<u>\$ 12,383,482</u>	<u>\$ 12,724,995</u>	<u>\$ 14,956,747</u>

**East Grand Forks Water & Light
List of Unrestricted Securities and Deposits
December 31, 2012**

Institution	Purchase Date	Due Date	Call	Interest Rate	Par Value	Carrying Value	Market Value
WATER & LIGHT							
--SmithBarney/Bonds--							
Fed Home Ln Mtg-Freddie Mac	3/21/12	3/21/22	3/21/13	2% step	500,000	500,000.00	501,540
Fed Natl Mtg Assn-Fannie Mae	3/29/12	3/28/22	3/28/13	2.125% step	450,000	450,000.00	451,944
Fed Home Loan	5/25/12	5/25/22	11/25/13	2% step	500,000	500,000.00	503,585
Fed Home Loan	9/7/12	9/7/22	3/7/13	1.5% step	300,000	300,000.00	300,294
Fed Home Loan	11/9/12	11/9/22	5/9/13	1.5% step	500,000	500,000.00	494,710
Fed Home Loan	12/19/12	12/19/22	6/19/13	1.5% step	400,000	399,996.00	399,088
		10 yr			2,650,000	2,649,996	2,651,161
--SmithBarney/Certificates of Deposit--							
M & I Bank FSB NV	1/4/08	1/16/13		4.600%	96,000	99,264	96,132
State Bank of India - NY	1/4/08	1/16/13		4.600%	96,000	99,264	96,132
Banco Popular North America	4/25/08	4/30/13		4.350%	96,000	99,854	97,206
Capmark Bank UT	4/25/08	4/30/13		4.400%	96,000	99,917	97,221
Capmark Bank UT	6/2/09	6/10/13		3.400%	75,000	77,411	75,956
Capmark Bank UT	6/2/09	6/10/13		3.400%	70,000	72,251	70,893
Lehman Brothers (Woodlands) Commercial Bank UT	7/22/08	7/30/13		5.000%	96,000	100,913	97,986
CIT Bank - UT	1/18/07	1/24/14		5.100%	96,000	102,485	100,508
CIT Bank - UT	6/2/09	6/10/13		3.400%	75,000	77,411	75,956
CIT Bank - UT	6/2/09	6/10/13		3.400%	70,000	72,251	70,893
Goldman Sachs Bank USA - UT	9/27/07	10/3/14		5.100%	96,000	103,810	102,956
M&I Marshall & Ilsley Bk - WI	11/15/07	12/1/14		5.000%	96,000	103,986	103,282
Southwest Bk of St Louis - MO	11/15/07	12/1/14		5.000%	96,000	103,986	103,282
Capital One, N.A. - VA	1/4/08	1/12/15		5.000%	96,000	104,125	103,910
Morgan Stanley Bank UT	11/12/08	11/12/13		5.050%	96,000	101,889	99,664
Barclays Bank of Delaware	10/7/09	10/7/14		3.250%	96,000	99,741	99,907
GE Money Bank	8/20/10	8/20/13		1.550%	150,000	150,234	151,203
Ally Bank (GMAC)	8/20/10	8/20/13		1.600%	150,000	150,356	151,317
State Bank of India - NY	9/28/10	9/30/13		1.350%	150,000	149,742	151,220
Wilmington Trust	10/29/10	10/29/13		1.350%	245,000	244,554	246,977
Gulf Coast Bank & Trust, Louisiana	5/20/11	5/20/15		1.750%	164,000	163,462	167,260
Banco Popular Puerto Rico	8/24/11	8/24/14		1.200%	245,000	241,203	247,443
Goldman Sachs Bank USA - UT	8/24/11	8/24/16		1.850%	150,000	146,711	153,195
World Financial Capital Bk -UT	10/14/11	10/15/18		2.100%	245,000	231,532	255,386
World Financial Network-Wilmington(now called Comenity)	5/31/12	5/31/17		1.800%	200,000	200,000	197,886
Marlin Business Bank	12/24/12	12/24/13		0.400%	145,000	145,000	144,730
Bank of India	12/19/12	12/18/13		0.450%	248,000	248,000	247,678
Beal Bank-Las Vegas	12/19/12	12/18/13		0.350%	248,000	248,000	247,442
Bank Baroda - NY	12/21/12	12/20/13		0.450%	248,000	248,000	247,670
					4,030,000	4,085,351	4,101,291
--Dain/Bonds--							
Fed Natl Mtg Assn-Fannie Mae	07/30/12	07/30/27	07/30/13	1% step	500,000	500,000	498,050
Fed Home Loan	12/28/12	12/28/22	06/28/13	1.125%step	500,000	500,000	495,815
					1,000,000	1,000,000	993,865
--Community Bank -- CDs							
CB 509123	1/8/12	1/8/13		0.220%	20,000	20,000	20,079
CB 807799	7/23/12	7/23/13		0.350%	100,000		100,154
					120,000	20,000	120,233
Smith Barney Money Market					869,637	869,637	869,637
4M Money Market					1,379,902	1,379,902	1,379,902
Cash in Bank Frandsen							
Checking							348,979
Checks & deps in transit							(4,954)
Savings							1,736,918
Sec Deposits							52,793
Adj to reconcile to City							
Security deposits held							(339,707)
Due to/from other funds							1,300
Add Petty Cash							
							<u>\$11,911,417</u>