

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2013

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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, 2013

<u>APPOINTED OFFICIALS:</u>	<u>Term</u>	<u>Term Expires</u>
Commissioners	Mark Brickson, President	3 years 12/31/13
	Mike Quirk, Vice President	3 years 12/31/14
	Marilynn Ogden	3 years 12/31/15
	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 Coaquette	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	

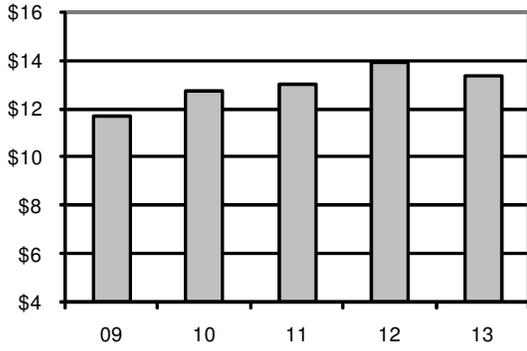
Financial Highlights

For the Year ended December 31, 2013

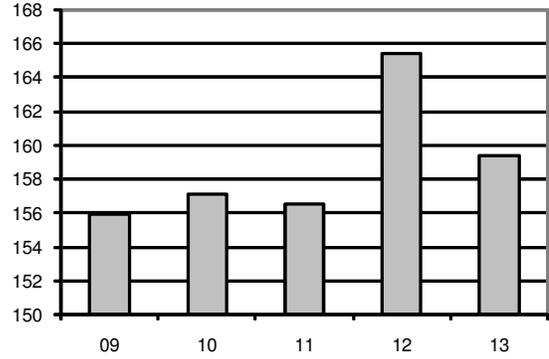
	2013	2012	2011	2010	2009
Financial Results					
Electric Sales Revenue	\$ 13,387,324	\$ 13,875,019	\$ 12,981,430	\$ 12,756,781	\$ 11,715,322
Kilowatt Hours Sold (millions)	159.4	165.4	156.6	157.1	155.9
Water Sales Revenue	\$ 2,694,827	\$ 2,334,738	\$ 1,913,119	\$ 1,838,719	\$ 1,875,322
Gallons Sold (millions)	360.19	326.25	323.92	317.84	331.69
Financial Position					
Cash - Electric (unrestricted)	\$ 3,101,494	\$ 3,947,303	\$ 2,744,730	\$ 2,154,141	\$ 893,266
Investments - Electric	\$ 7,173,317	\$ 7,846,317	\$ 9,009,459	\$ 8,194,924	\$ 8,975,551
Cash - Water (unrestricted)	\$ 703,007	\$ 39,647	\$ -	\$ 143,593	\$ 1,763,016
Bonded Debt - Water	\$ -	\$ -	\$ -	\$ -	\$ 1,188,000

At A Glance

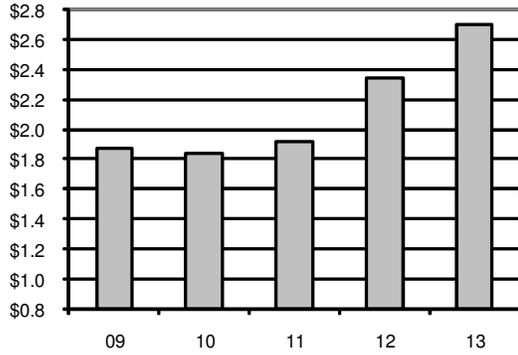
Electric Sales
(millions of dollars)



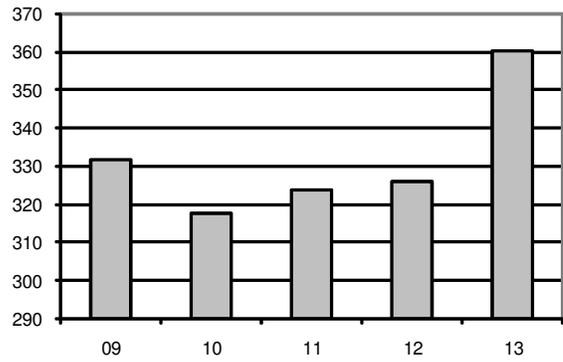
Kwhs Sold
(millions)



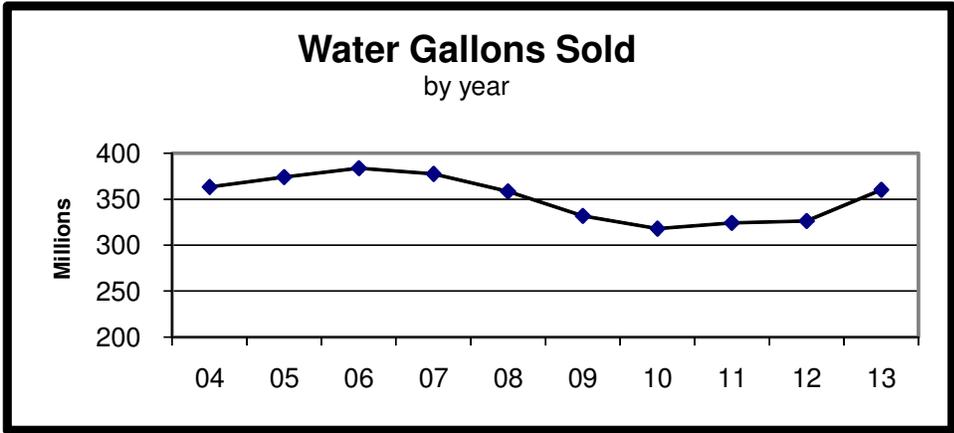
Water Sales
(millions of dollars)



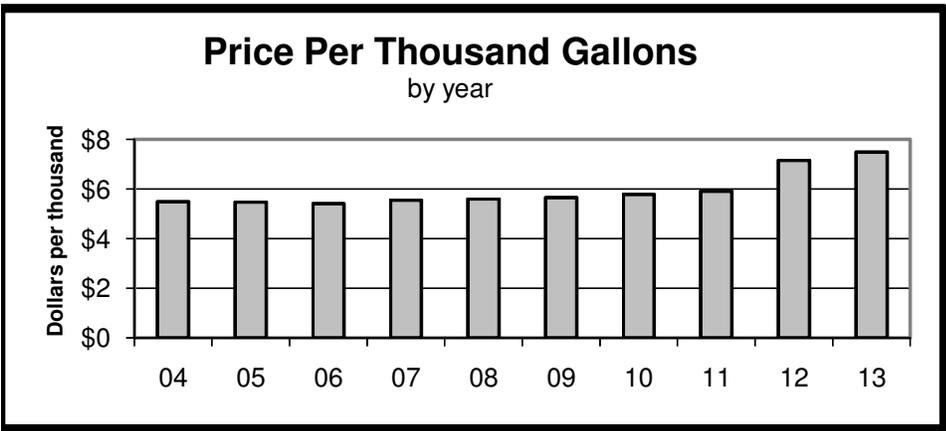
Gallons Sold
(millions)



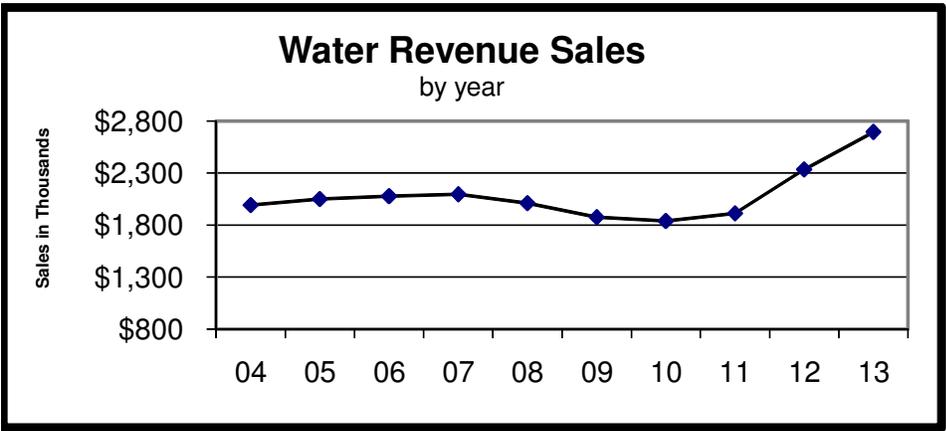
Water Sales Data:



Year	Gals. Sold
2004	363
2005	374
2006	383
2007	377
2008	358
2009	332
2010	318
2011	324
2012	326
2013	360

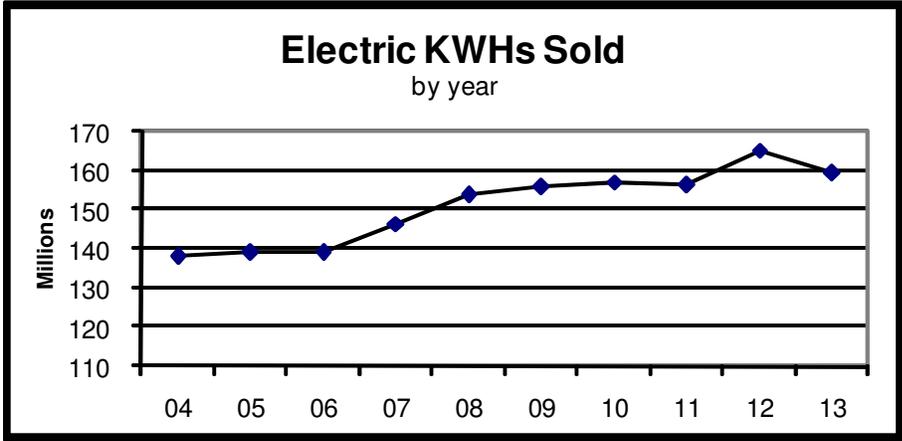


Year	Price
2004	\$5.49
2005	\$5.48
2006	\$5.41
2007	\$5.55
2008	\$5.61
2009	\$5.65
2010	\$5.79
2011	\$5.91
2012	\$7.16
2013	\$7.48

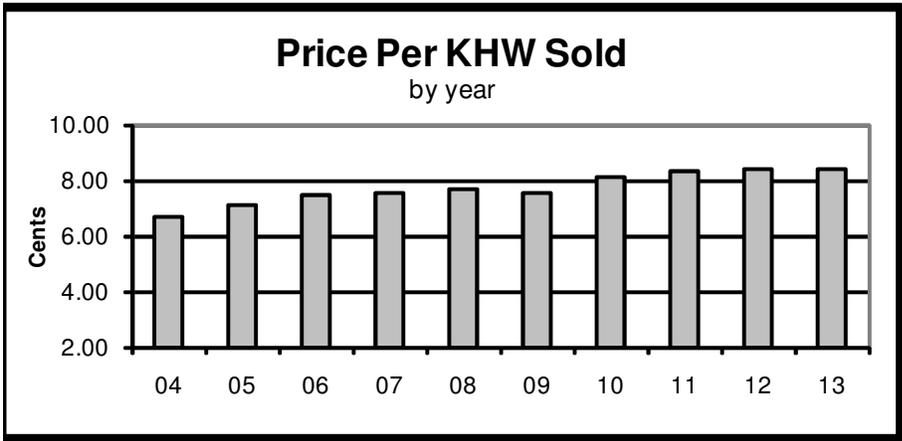


Year	Sales (000)
2004	\$1,993
2005	\$2,049
2006	\$2,076
2007	\$2,095
2008	\$2,010
2009	\$1,875
2010	\$1,839
2011	\$1,913
2012	\$2,335
2013	\$2,695

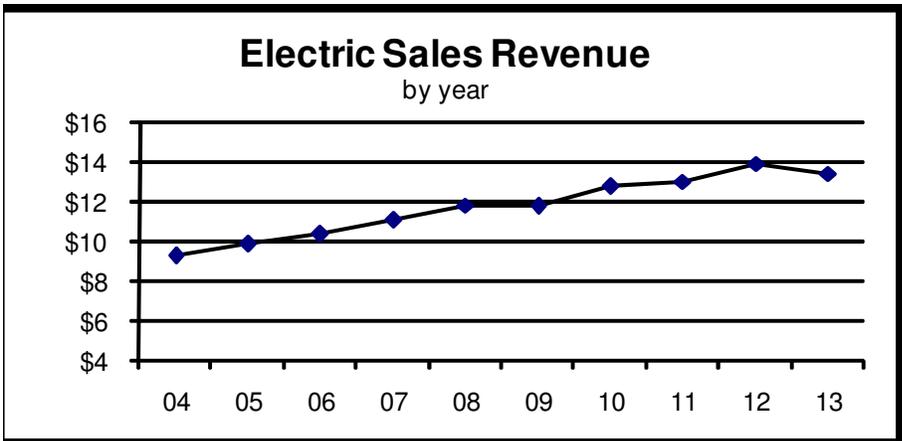
Electric Sales Data:



Year	KWHs Sold
2004	138
2005	139
2006	139
2007	146
2008	154
2009	156
2010	157
2011	157
2012	165
2013	159



Year	Price
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
2013	\$0.0840



Year	Sales (Mil.)
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
2013	\$13.39

2013 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.

Underground Cable Replacement

North Holt Electric was contracted to replace primary and street light cables, as well as, install cables in previously undeveloped areas. New primary feeders were installed on 3rd Ave NW and 20th St NW adjacent to Central Substation, primary cable and street light conductors along 4th St from Sacred Heart School east to Grand Forks Grocery site, and street light cables were replaced in the Civic Center area.

New distribution cables in the Riverview Lane development and street light conductors in the Industrial Park 2nd Addition were installed. Water and Light crews terminated, energized and arranged for integration of all cables.

Central Substation Rehabilitation

Central Substation, located in the northeast corner of 20th St NW and 3rd Ave NW, was completely rebuilt to serve electricity at 12,470 volts to East Grand Forks customers. The substation was de-energized in May and all distribution equipment was removed. This equipment, including the transformer, was donated to MMUA's training site in Marshall, MN, where it will be erected and used for training purposes.

This new substation with 12.47 Kv transformer, breakers and distribution equipment was built by ICS Construction Company. Upon completion, the substation was re-energized on November 4th.

Voltage Conversion

Most of November, Water and Light crews worked to convert electric distribution in the northwest section of town to 12.47 Kv. This project included notifying customers of scheduled outages, and changing transformer taps and primary fuses. The last procedure was on November 24th, completing voltage conversion and loading the new Central Substation.

Power Equipment

Water and Light crews changed out 10-single phase and 7- 3 phase transformers. Four new transformers were installed to serve the new development on Riverview Lane, and 1–3 phase transformer was set to provide service to Northern Pacific Apartments. Two new 5-way, 15 kv switches were installed adjacent to Central Substation.

Street Lights

In Industrial Park expansion, 6 new street lights were installed, and 8 new street lights were installed on Riverview Lane SE.

Outage Report

There were 24 power outages on the electrical system in 2013:

One outage was due to a fault in the transmission supply system lasting eleven minutes and affecting 2,742 customers.

Two outages were caused by distribution equipment failures. Outages totaling 239 minutes with 756 customers affected.

There were 21 scheduled outages to perform integration of the new Central Substation equipment. Most scheduled outages were for voltage conversion and lasted between 15 and 45 minutes. There was a total of 812 outage minutes affecting 2,166 customers.

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 Bikes and Bites in July. The commission donated electricity and waived charges for set up and removal for the community events.

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

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

The 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 a new main on River Road NW from 12th Ave NW to 20th St NW, also on 12th Ave NW from 17th St NW to 14th Ave NW.

Water Treatment Plant

Operations

The East Grand Forks Water Treatment Plant is a 4 million gallon per day surface water treatment facility, utilizing enhanced pretreatment, lime/soda ash softening, fluoridation, stabilization, conventional filtration, and chlorine/chloramine disinfection. The average daily pumpage is 1.2 million gallons, the distribution system utilizes two elevated towers and two ground reservoirs for a 4 million gallon storage capacity.

Community Service

East Grand Forks Water Treatment Operators collaborated with Grand Forks Plant personnel during the Heritage Village/Dakota Science Center's 17th Annual Water Festival May 1-2, 2013 to educate area 4th grade students on important water related issues. Presentations included information on the water cycle, surface water treatment, and water distribution systems.

East Grand Forks Water Treatment Plant Staff also provide annual plant tours to area Pre-school, middle school, and high school students.

Permutit Softener Project

Water Plant Personnel began a complete rebuild of the original Water Treatment Plant softening basins in February of 2013. Because of the age of the equipment (original installation date 1965) re-manufacturing several of the components was required. Re-assembly of the basins began in mid July 2013. The softening basins, restored to original engineering specifications, were placed back in service August 6, 2013. Project parts cost was \$15,345.00.

Water Plant Stand-by-Generator

Schneider Electric Fargo, North Dakota and Eagle Electric East Grand Forks, Minnesota were contracted to retrofit the Water Treatment Plant Stand-by-Generator with new model transfer switch breakers. The original breakers and racks were removed, new equipment installed, and wired at a cost of \$26,775.00.

Equipment Updates

Both filter effluent Ammonia feeders were replaced in August of 2013. The addition of the new equipment restores the integrity of the system critical to the Water Treatment Plant Disinfection method. Project cost including labor \$8,990.00.

Water Distribution System Model

Widseth Smith Nolting (WSN) and Progressive Consulting Engineers (PCE) partnered to develop a computer model of the East Grand Forks water distribution system. The water

distribution system model will be used to identify potential water quality issues caused by water age and stagnation. In addition to determining the best solutions to solving these issues system modeling will provide future master planning needs, water main sizes for future developments and system rehabilitation, location and capacity of future storage facilities, “what if” operation scenarios, and fire flow information. Project cost was \$38,600.00.

Award

The Minnesota Department of Health Oral Health Program and Drinking Water Protection Sections presented the East Grand Forks Water Treatment with The Centers for Disease Control and Prevention (CDC) 2012 Water Fluoridation Quality Award. This award recognizes those public water systems that adjust the fluoride concentration in drinking water and achieve a monthly average fluoride level that is in the optimal range for 12 consecutive months in a calendar year, as documented in the Water Fluoridation Reporting System (WFRS).

Energy Conservation

In 2013, the Department continued with the energy conservation programs that were offered to its customers in 2012. For 2013, Minnesota State law mandates that municipal electric utilities annually spend 1.5 % of gross revenues from 2011 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 2009 – 2011. For East Grand Forks that is \$195,207.00 of required expenditure with a goal of saving 2,348,559 kWh annually. The actual 2013 conservation program expenditure and savings figures are in the table below which represents the difference between using Load Management amounts and without using Load Management.

2013	Required	Actual w/LM	Actual w/o LM
SPEND	\$195,207.00	\$399,967.00	\$259,097.00
SAVE	2,348,559	3,082,587	2,735,488
		1.97%	1.75%

The rest of the Energy Conservation section of the management report provides an explanation of 2013 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 2013, a total of 31 rebates were issued for the following measures:

Windows	14
Entry doors	0
Storm doors	2
Attic insulation	5
Insulate garage	2
Insulate basement	2
Wall insulation	3
Entry & Storm doors	0
Entry doors & windows	1
Patio door	2

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 2013 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 2013 we rebated 272 appliances as follows:

Refrigerators	94
Front Load washers	20
Top Load Washers	62
Dishwashers	76
Freezers	1
Electric Water Heaters	4
Room Air Conditioners	0
Central Air Conditioner	4
Heat Pump	0
Mini Split Ductless A/C	0
ECM Fan Motor	11

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 2013 we issued 114 rebates and it was changed to 1 rebate every 2 years.

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 2013, 7 rebates were issued.

Low income weatherization – The Department contracted with Mahube Community Council to do our low income weatherization projects. In 2013, they weatherized 4 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 2013, sixteen rebates were issued to local businesses and one city building received lighting upgrades. The amount of the rebate for the customer is paid on a prescriptive basis on a per fixture rebate.

Weatherization Rebate – This program provides a rebate for commercial customers who perform conservation measures that will improve the energy efficiency of their building

envelope, by replacing windows and doors and adding insulation, etc. We paid out 4 rebates in 2013.

Variable Frequency Drive Rebate – This program provides a rebate to commercial customer to install new VFDs to either existing or new motors. In 2013 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 2013 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 paid out 1 rebate for this program in 2013.

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 2013 there were 2 home audits 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 2013 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, but this year we changed it to a food drive. Customers bring in 6 non-perishable food items and we will exchange them for 6 CFL bulbs. In 2013 we had 207 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 2013 we performed Direct Installs in 12 homes.

Technology Services:

The technology department has a staff of two that provide voice, data, computing, and other technology services to all municipal departments.

This includes upkeep and continuous improvement of a metro area network that connects 30 sites around East Grand Forks and multiple gateways to the Internet; hardware and software maintenance of more than 150 desktop and laptop computers, along with 35 servers; management of over 3,000 gigabytes of data storage, including backup and archiving of data; ensure telemetry to dozens of remote terminal units used for SCADA with the electric, water, and wastewater utilities; maintaining a phone system with over 200

extensions at municipal facilities; providing remote access for telework and mobile access; managing various audio/video systems; providing help desk support to over 120 users; maintenance of automated meter reading and demand response systems; and ensuring secure and reliable use of all systems.

Large projects for 2013 included implementation and integration of controls at the new Central Substation to the electric SCADA system, assisting the Police Department migrate to a new records management systems, mobile connectivity for many systems, and improvements in network efficiency and data storage.

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, 2013, 2012, 2011, 2010 and 2009, 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, 2013, 2012, 2011, 2010 and 2009, and the respective changes in financial position and, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis 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 25, 2014

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, 2013. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Electric utility sales decreased 6 million kWh (3.6%) to 159.4 million kWh sold in 2013 compared to 165.4 million kWh sold in 2012. In 2013, electric sales revenues decreased \$487,695 (3.5%) to \$13,387,324, compared to 2012 sales revenue of \$13,875,019.

Electric utility wholesale power purchase costs decreased \$85,512 (0.67%) to \$8,669,899 in 2013 compared to \$8,728,411 in 2012.

Electric utility operating income decreased \$453,260 (53.2%) to \$404,690 in 2013, compared to 2012 operating income of \$857,950.

Water utility sales increased 34 million gallons (10.4%) to 360.2 million gallons sold in 2013, compared to 326.2 gallons sold in 2012. In 2013, water sales revenues increased \$360,089 (13.3%) to \$2,694,827, compared to 2012 sales revenue of \$2,334,738.

Water utility operating income (loss) increased \$553,411 (109%) to \$548,335 in 2013, compared to a 2012 operating income (loss) of \$(5,076).

The Department's net position increased \$439,775 (1%) to \$39,351,879 in 2013, compared to net position of \$38,912,104 in 2012.

The Department's 2013 noncurrent liabilities increased \$17,306 (4.7%) to \$385,968, compared to 2012 noncurrent liabilities of \$368,662.

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 position; 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 position presents the results of the business activities over the course of the fiscal year and information as to how the net position changed during the year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of the related cash flows. This statement also provides certain information about the Department's recovery of its costs. Rate setting polices use different methods of cost recovery not fully provided by accounting standards generally accepted in the United States of America. The primary objectives of the rate model are to improve equity among customer classes and to ensure that capital costs are allocated on the basis of long-term capacity needs, ensuring that growth pays for growth.
- The statement of cash flows presents changes in cash and cash equivalents, resulting from operating, capital and related financing, and investing activities. This statement presents cash receipts and cash disbursement information, without consideration of the earnings event, when an obligation arises, or depreciation of capital assets.
- The notes to the financial statements provide required disclosures and other information that 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 position and how they have changed over the reporting period. Net position - the differences between assets and liabilities - may serve as a useful indicator of the Department's financial position. Over time, increases or decreases in the net position are a useful indicator of whether its financial health is improving or deteriorating, respectively. However, one also needs to consider other non-financial factors such as changes in economic conditions, population growth, and new or changed governmental legislation to adequately assess its overall health.

Net Position

	2013	2012	Increase (decrease)
ASSETS			
Current assets and other assets	\$ 14,985,155	\$ 15,943,341	\$ (958,186)
Capital assets	26,718,686	25,152,217	1,566,469
Total assets	<u>41,703,841</u>	<u>41,095,558</u>	<u>608,283</u>
LIABILITIES			
Current liabilities	1,965,994	1,814,792	151,202
Noncurrent liabilities	385,968	368,662	17,306
Total liabilities	<u>2,351,962</u>	<u>2,183,454</u>	<u>168,508</u>
NET POSITION			
Net Investment in Capital Assets	26,718,686	25,152,217	1,566,469
Unrestricted	12,633,193	13,759,887	(1,126,694)
Total net position	<u>\$ 39,351,879</u>	<u>\$ 38,912,104</u>	<u>\$ 439,775</u>

The entity-wide net position increased \$439,775 to \$39,351,879 in 2013. The increase in the amount invested in fixed assets exceeded decreases in the unrestricted net position. The increase in the net investment in capital assets, is the result of investment in new capital assets exceeding depreciation in 2013.

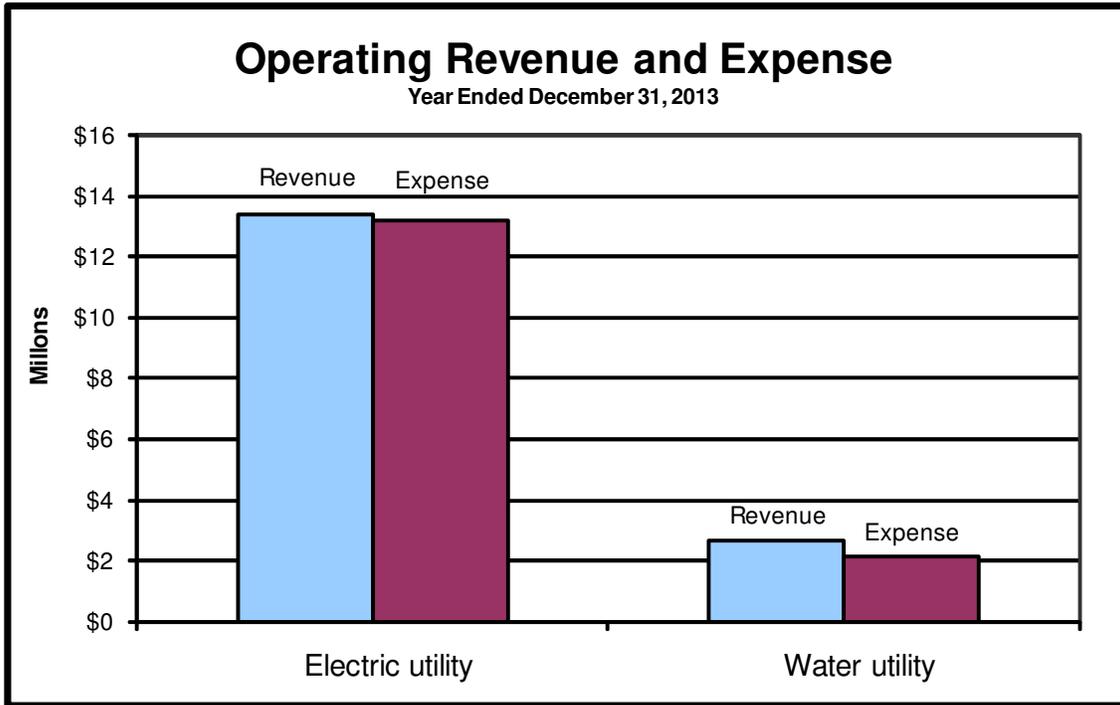
Condensed Statement of Revenues,

Expenses, and Changes in Net Position

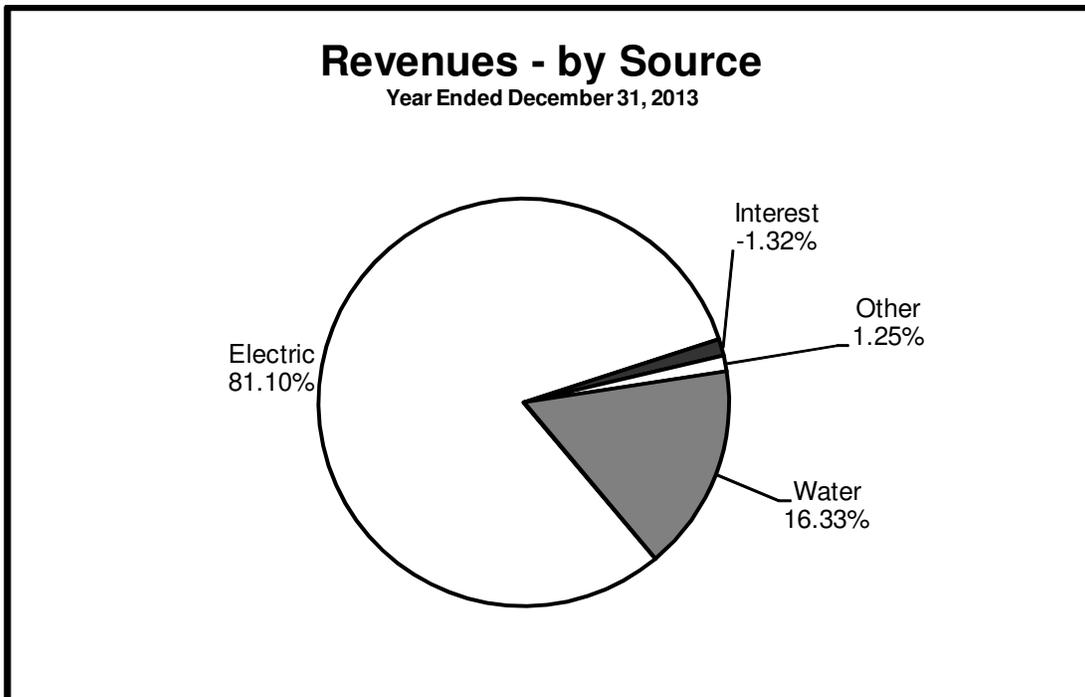
	2013	2012	Increase (decrease)
Revenues:			
Charges for services:			
Electric utility	\$ 13,387,324	\$ 13,875,019	\$ (487,695)
Water utility	2,694,827	2,334,738	360,089
Total charges for services	16,082,151	16,209,757	(127,606)
Interest earnings	(218,396)	208,272	(426,668)
Other	205,944	192,735	13,209
Total revenues	<u>16,069,699</u>	<u>16,610,764</u>	<u>(541,065)</u>
Expenses:			
Operating expenses:			
Electric utility	13,182,765	13,206,410	(23,645)
Water utility	2,152,305	2,343,208	(190,903)
Total operating expenses	15,335,070	15,549,618	(214,548)
Interest expense	215	337	(122)
Total expenses	<u>15,335,285</u>	<u>15,549,955</u>	<u>(214,670)</u>
Income (loss) before transfers out	734,414	1,060,809	(326,395)
Transfers in	-	2,000,000	(2,000,000)
Transfers out	<u>(294,639)</u>	<u>(1,750,000)</u>	<u>1,455,361</u>
Change in net position	<u>\$ 439,775</u>	<u>\$ 1,310,809</u>	<u>\$ (871,034)</u>

While the balance sheet shows a snapshot of the Department's financial position at the end of each year, the above statement of revenues, expenses, and changes in net position provides answers as to the nature and source of these changes. As can be seen above, income before transfers out of \$294,639 is the primary source of the increase in net position. A comparison of total charges for service shows a \$127,606 (0.7%) decrease and operating expenses decreased \$214,548 (1.3%). This is due to the Department purchasing less power from MMPA due to decreased power purchases of some of the larger industrial customers.

The following summary of the operating revenue and expense for the electric and water utility for 2013:



The following is a summary of the composition of 2013 revenue by source:



Capital Assets

(net of accumulated depreciation)

	<u>2013</u>	<u>2012</u>	Increase (decrease)
Land	\$ 349,394	\$ 349,394	\$ -
Building, systems, and structures	25,907,776	21,900,595	4,007,181
Machinery and equipment	461,516	619,808	(158,292)
Construction in progress	<u>-</u>	<u>2,282,420</u>	<u>(2,282,420)</u>
Total capital assets, net	<u>\$ 26,718,686</u>	<u>\$ 25,152,217</u>	<u>\$ 1,566,469</u>

In 2013, capital investments exceeded depreciation and disposals by \$1,566,469: new investment in capital assets totaled \$5,442,078 with \$2,282,420 from construction in progress from the prior year, and depreciation totaled \$1,593,189. Major capital assets improvement projects for 2013 are mentioned in the Manager's annual narrative report.

Long-term Liabilities

(net of unamortized discounts)

	<u>2013</u>	<u>2012</u>	Increase (Decrease)
Compensated absences payable	\$ 430,968	\$ 413,662	\$ 17,306
	<u>\$ 430,968</u>	<u>\$ 413,662</u>	<u>\$ 17,306</u>

Compensated absences payable had severance payments exceeding new accruals by \$17,306.

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, 2013 was 5.1%, which is slightly above the state average of 4.7% and below the national (6.7%) 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 2013 was 3.4%. 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 gradually recovering and recent legislative actions have resulted in more certainty in local government aid (LGA) funding.

REQUESTS FOR INFORMATION

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

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINED STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2013, 2012, 2011, 2010 and 2009

	2013	2012	2011	2010	2009
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,804,501	\$ 3,986,950	\$ 2,744,730	\$ 2,297,734	\$ 2,656,282
Investments	7,173,317	7,846,317	9,009,459	8,194,924	8,975,551
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	83,800	78,150	79,850	74,900	78,354
Cash in Bond Account	-	-	-	-	97,144
Accounts Receivable	1,625,916	1,533,781	1,904,461	2,147,679	1,392,039
Allowance for doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	24,662	32,596	54,905	63,269	85,286
Material Inventory	902,857	1,060,589	933,407	1,063,138	1,178,976
Prepaid Expenses	56,921	20,962	61,043	45,349	36,885
Interfund Receivable	1,008,600	1,079,415	1,182,341	1,377,499	1,560,000
Due from Other Governments	807	807	-	-	-
Total Current Assets	<u>14,633,381</u>	<u>15,591,567</u>	<u>15,922,196</u>	<u>15,216,493</u>	<u>16,012,517</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	349,394	349,394	349,394	349,394	349,394
Buildings, Structures, Etc.	19,161,332	14,765,287	14,756,230	14,756,230	14,756,230
Distribution Systems	29,129,389	28,431,073	26,869,699	24,996,996	24,319,122
Meters	1,647,835	1,635,126	1,629,830	1,629,830	1,629,830
Machinery and Equipment	2,590,235	2,580,644	2,585,254	2,551,201	2,544,235
Automotive Equipment	642,179	570,337	466,019	466,019	471,538
Office Equipment	679,373	671,349	671,349	671,349	601,730
Construction in Progress	-	2,282,420	850,173	1,191,106	85,255
Total Capital Assets	54,199,737	51,285,630	48,177,948	46,612,125	44,757,334
Less Accumulated Depreciation	(27,481,051)	(26,133,413)	(24,696,499)	(23,237,379)	(21,924,916)
Total Capital Assets (Net)	26,718,686	25,152,217	23,481,449	23,374,746	22,832,418
Deferred Charges	-	-	-	-	4,558
Customer Acquisition Costs	351,774	351,774	351,774	351,774	268,106
Total Noncurrent Assets	<u>27,070,460</u>	<u>25,503,991</u>	<u>23,833,223</u>	<u>23,726,521</u>	<u>23,105,082</u>
TOTAL ASSETS	<u>\$ 41,703,841</u>	<u>\$ 41,095,558</u>	<u>\$ 39,755,419</u>	<u>\$ 38,943,013</u>	<u>\$ 39,117,599</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,634,973	\$ 1,497,963	\$ 1,276,231	\$ 1,189,649	\$ 1,119,530
Accrued Payroll	58,100	43,197	39,302	33,354	27,899
Accrued Vacation	95,294	95,765	88,785	74,062	73,683
Accrued Sick Leave	45,000	45,000	45,000	44,700	41,100
Due to Other Government Units	48,827	54,717	51,938	59,969	59,022
Due to Other Funds	-	-	207,873	-	-
Customer Deposits	83,800	78,150	79,850	74,900	78,354
Accrued Bond Interest Payable	-	-	-	-	24,911
Bonds Payable - Current	-	-	-	-	75,000
Total Current Liabilities	<u>1,965,994</u>	<u>1,814,792</u>	<u>1,788,979</u>	<u>1,476,633</u>	<u>1,499,499</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	385,968	368,662	365,145	326,692	394,647
G.O. Revenue Bonds Payable	-	-	-	-	1,113,000
Total Noncurrent Liabilities	<u>385,968</u>	<u>368,662</u>	<u>365,145</u>	<u>326,692</u>	<u>1,507,647</u>
TOTAL LIABILITIES	<u>2,351,962</u>	<u>2,183,454</u>	<u>2,154,124</u>	<u>1,803,326</u>	<u>3,007,146</u>
NET POSITION					
Net Investment in Capital Assets	26,718,686	25,152,217	23,481,449	23,374,746	21,644,418
Restricted for Debt Service	-	-	-	-	72,233
Unrestricted	12,633,193	13,759,887	14,119,846	13,764,941	14,393,802
TOTAL NET POSITION	<u>\$ 39,351,879</u>	<u>\$ 40,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 37,139,687</u>	<u>\$ 36,110,453</u>

See Notes to the Financial Statements

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINED STATEMENT OF REVENUES, EXPENSES, AND
 CHANGES IN NET POSITION
 AS OF DECEMBER 31, 2013, 2012, 2011, 2010, and 2009

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
OPERATING REVENUES					
Electric Sales	\$ 13,387,324	\$ 13,875,019	\$ 12,981,430	\$ 12,756,781	\$ 11,715,322
Water Sales	2,694,827	2,334,738	1,913,119	1,838,719	1,875,322
Penalty Charges	94,325	100,091	79,994	89,072	88,423
Other Income	111,619	92,644	19,039	145,095	55,151
Total	<u>16,288,095</u>	<u>16,402,492</u>	<u>14,993,583</u>	<u>14,829,669</u>	<u>13,734,219</u>
OPERATING EXPENSES					
Cost of Sales and Services	11,715,457	12,110,564	10,830,560	10,550,516	10,014,390
Administration	835,894	747,893	794,786	704,576	707,103
Depreciation	1,593,190	1,472,148	1,459,119	1,427,613	1,340,664
Taxes and Tax Equivalents	1,190,529	1,219,013	1,279,383	1,159,138	1,155,227
Total	<u>15,335,070</u>	<u>15,549,618</u>	<u>14,363,848</u>	<u>13,841,843</u>	<u>13,217,384</u>
OPERATING INCOME	<u>953,025</u>	<u>852,874</u>	<u>629,734</u>	<u>987,825</u>	<u>516,835</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	(218,396)	208,272	289,138	294,296	389,696
Gain on Disposal of Assets	-	-	-	3,600	-
Interest Expenses	(215)	(337)	(450)	(22,100)	(62,929)
Total	<u>(218,610)</u>	<u>207,936</u>	<u>288,689</u>	<u>275,798</u>	<u>326,767</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS & TRANSFERS	734,414	1,060,809	918,421	1,263,618	843,600
CAPITAL CONTRIBUTIONS	-	-	-	-	63,337
TRANSFERS IN	-	2,000,000	-	400,000	-
TRANSFERS OUT	<u>(294,639)</u>	<u>(1,750,000)</u>	<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>
CHANGE IN NET POSITION	439,775	1,310,809	461,606	1,029,235	631,583
NET POSITION - JANUARY 1	<u>38,912,104</u>	<u>37,601,295</u>	<u>37,139,688</u>	<u>36,110,454</u>	<u>35,478,870</u>
NET POSITION - DECEMBER 31	<u>\$ 39,351,879</u>	<u>\$ 38,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 37,139,687</u>	<u>\$ 36,110,453</u>

See Notes to the Financial Statements

CITY OF EAST GRAND FORKS, MINNESOTA

WATER AND ELECTRIC FUNDS

COMBINED STATEMENT OF CASH FLOWS

For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
Cash flows from operating activities:					
Cash received from customers and users	\$ 15,260,814	\$ 15,971,373	\$ 14,541,604	\$ 13,242,991	\$ 13,057,643
Cash received from interfund activities	829,177	707,455	681,107	682,487	679,305
Cash paid to suppliers for goods and services	(10,109,846)	(10,675,431)	(8,854,432)	(8,954,460)	(8,516,957)
Cash paid for interfund activities	(91,113)	(208,680)	(337,436)	(206,995)	(200,513)
Cash paid to employees	(2,065,761)	(2,031,224)	(1,973,591)	(1,973,719)	(1,917,882)
Cash paid for taxes and tax equivalents	(1,190,529)	(1,219,013)	(1,279,383)	(1,159,138)	(1,155,227)
Other operating revenues (expenses)	111,619	92,644	19,039	145,095	55,151
Net cash provided (used) by operating activities	<u>2,744,362</u>	<u>2,637,124</u>	<u>2,796,908</u>	<u>1,776,263</u>	<u>2,001,521</u>
Cash flows from noncapital financing activities:					
Interfund loan	70,814	102,927	195,160	182,501	(1,155,000)
Operating Transfers from other funds	-	2,000,000	-	400,000	-
Operating Transfers to other funds	(294,639)	(1,750,000)	(456,816)	(634,384)	(275,354)
Net cash provided (used) by noncapital financing activities	<u>(223,825)</u>	<u>352,927</u>	<u>(261,656)</u>	<u>(51,883)</u>	<u>(1,430,354)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(3,159,659)	(3,142,916)	(1,565,824)	(1,969,946)	(1,448,215)
Proceeds from sale of capital assets	-	-	-	3,600	-
Customer acquisition costs	-	-	-	(83,668)	-
Principal payments on bonds	-	-	-	(1,200,000)	(75,000)
Interest and fiscal charges on bonds	(215)	(337)	(450)	(30,453)	(63,130)
Net cash (used) by capital and related financing activities	<u>(3,159,874)</u>	<u>(3,143,253)</u>	<u>(1,566,274)</u>	<u>(3,280,467)</u>	<u>(1,586,345)</u>
Cash flows from investing activities:					
Interest received on investments	127,171	230,580	297,502	316,316	400,875
Proceeds from sales and maturities of investments	3,576,367	1,692,000	5,399,000	5,619,000	3,847,000
Purchase of investments	(3,241,000)	(528,858)	(6,213,535)	(4,838,373)	(4,524,552)
Net cash provided (used) by investing activities	<u>462,538</u>	<u>1,393,722</u>	<u>(517,033)</u>	<u>1,096,943</u>	<u>(276,677)</u>
Net increase (decrease) in cash and cash equivalents	(176,799)	1,240,520	451,945	(459,146)	(1,291,857)
Cash and cash equivalents - January 1	4,065,100	2,824,580	2,372,634	2,831,780	4,123,638
Cash and cash equivalents - December 31	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,635</u>	<u>\$ 2,831,781</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 953,025	\$ 852,874	\$ 629,734	\$ 987,824	\$ 516,834
Adjustments to reconcile net income to net cash provided by operating activities:					
Depreciation	1,593,190	1,472,149	1,459,119	1,427,613	1,340,664
Changes in assets and liabilities:					
Accounts receivable	(92,135)	370,680	243,218	(755,640)	54,977
Materials & supplies	157,732	(127,182)	129,731	115,838	166,044
Prepaid items	(35,959)	40,081	(15,694)	(8,464)	8,577
Due from other government units	-	(807)	-	-	-
Accounts payable	137,011	221,731	86,582	70,119	(63,771)
Accrued payroll	14,903	3,895	5,944	5,455	(38,785)
Accrued vacation	(471)	6,980	14,723	379	(5,309)
Accrued compensated absences	17,306	3,517	38,753	(64,355)	30,380
Due to other funds	-	(207,873)	207,876	-	-
Due to other government units	(5,890)	2,779	(8,031)	947	(10,996)
Customer deposits	5,650	(1,700)	4,950	(3,454)	2,904
Net cash provided (used) by operating activities	<u>\$ 2,744,362</u>	<u>\$ 2,637,124</u>	<u>\$ 2,796,908</u>	<u>\$ 1,776,263</u>	<u>\$ 2,001,521</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ (337,633)	\$ 6,436	\$ 6,436	\$ (9,347)	\$ 35,392
Capital contributions	-	-	-	-	63,336
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	3,804,501	3,986,950	2,744,730	2,297,735	2,656,283
Restricted assets	83,800	78,150	79,850	74,900	175,498
Cash and cash equivalents - December 31	<u>\$ 3,888,301</u>	<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,635</u>	<u>\$ 2,831,781</u>

See Notes to the Financial Statements

CITY OF EAST GRAND FORKS, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
December 31, 2013

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

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

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

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, Structures, etc.	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. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resource (expense/expenditure) until then. The Department does not have any items that qualify for reporting in this category.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The Department does not have any items that qualify for reporting in this category.

For the year ended December 31, 2013, the Department implemented GASB Statement No. 65 "*Items Previously Reported as Assets and Liabilities*". This statement establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and

recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

M. Net Position

GASB Statement No. 63 *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position* 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, 2013, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 3,804,501
Investments	7,173,317
Restricted cash and cash equivalents:	
Cash in customer deposits	83,800
Total cash and investments	<u>\$ 11,061,618</u>

Cash and investments as of December 31, 2013, consist of the following:

Cash:	
Cash on hand	\$ 1,300
Deposits with financial institutions	726,384
Cash equivalents:	
4M Local Government Investment Pool	1,886,512
Money Market Funds	1,274,105
Investments:	
Various	7,173,317
Total cash and investments	<u>\$ 11,061,618</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 trustees 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, 2013, 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	\$2,254,213	9.3
Fannie Mae	902,335	11.45
Non-negotiable certificates of deposit	100,000	0.58
Negotiable certificates of deposit	<u>3,916,769</u>	36.55
	<u>\$7,173,317</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:

Investment Type	Fair Value	Percent of Investment Portfolio
Federal Agencies:		
Federal Home Loan Mortgage	2,254,213	20.38%
Fannie Mae	902,335	8.16%

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, 2013, 2012, 2011, 2010, and 2009, is as follows:

	2013	2012	2011	2010	2009
Current	\$ 1,560,977	\$ 1,471,388	\$ 1,807,888	\$ 1,362,541	\$ 1,254,523
Delinquent:					
South end	30,399	23,548	44,645	51,808	42,882
North end	34,540	38,845	51,928	93,800	84,697
Large Commercial	-	-	-	639,530	9,937
	\$ 1,625,916	\$ 1,533,781	\$ 1,904,461	\$ 2,147,679	\$ 1,392,039

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 \$1,008,600 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) which is a cost-sharing multiple-employer retirement plan. This plan is 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.

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 PERA's 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 1.7 percent for Coordinated Plan members. For GERF 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 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 single-life 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 be 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.

PERA issues a publicly available financial report that includes financial statements and required supplementary information for GERF. That report may be obtained on the internet at www.mnpera.org, 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. In 2013, the Water & Light Department was required to contribute the following percentages of annual covered payroll: 11.78% for Basic Plan members, and 7.25% for Coordinated Plan members. The Department's contributions to the Public Employees Retirement Fund for the years ending December 31, 2013, 2012, 2011, 2010, and 2009 were \$116,595, \$114,268, \$114,611, \$105,341, and \$98,091, 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, 2013 for the last five years is as follows:

2013	\$ 95,294
2012	95,765
2011	88,785
2010	74,062
2009	73,683

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, 2013 for the last five years is as follows:

2013	\$ 430,968
2012	413,662
2011	410,145
2010	371,392
2009	435,747

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:

2013	\$ 9,041
2012	7,900
2011	9,913
2010	10,452
2009	7,565

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.

The following is a summary of changes in long-term liabilities reported in the government-wide financial statement for the years ended December 31, 2013, 2012, 2011, 2010, and 2009:

	Beginning Balance	Additions	Reduction	Ending Balance	Due within one year
<u>2013</u>					
Compensated Absences	\$ 413,662	\$ 17,306	\$ -	\$ 430,968	\$ 45,000
Total long-term debt	\$ 413,662	\$ 17,306	\$ -	\$ 430,968	\$ 45,000
<u>2012</u>					
Compensated Absences	\$ 410,145	\$ 3,517	\$ -	\$ 413,662	\$ 45,000
Total long-term debt	\$ 410,145	\$ 3,517	\$ -	\$ 413,662	\$ 45,000
<u>2011</u>					
Compensated Absences	\$ 371,392	\$ 38,753	\$ -	\$ 410,145	\$ 45,000
Total long-term debt	\$ 371,392	\$ 38,753	\$ -	\$ 410,145	\$ 45,000
<u>2010</u>					
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
<u>2009</u>					
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

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, 2013, 2012, 2011, 2010, and 2009, rental commitments under operating leases were not significant.

NOTE 9 CAPITAL ASSETS

Capital asset activities for the years ended December 31, 2013, 2012, 2011, 2010, and 2009 were as follows:

	Beginning Balance	Additions	Deletions	Ending Balance
<u>2013</u>				
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	2,282,420	-	(2,282,420)	-
Total nondepreciable	<u>2,631,814</u>	<u>-</u>	<u>(2,282,420)</u>	<u>349,394</u>
Depreciable assets:				
Buildings, systems and structures	44,831,486	5,352,621	(245,551)	49,938,556
Machinery and equipment	3,822,330	89,457	-	3,911,787
Total depreciable	<u>48,653,816</u>	<u>5,442,078</u>	<u>(245,551)</u>	<u>53,850,343</u>
Less accumulated depreciation				
Buildings, systems and structures	(22,930,891)	(1,345,440)	245,551	(24,030,780)
Machinery and equipment	(3,202,522)	(247,749)	-	(3,450,271)
Total accumulated depreciation	<u>(26,133,413)</u>	<u>(1,593,189)</u>	<u>245,551</u>	<u>(27,481,051)</u>
Total capital assets, net	<u>\$ 25,152,217</u>	<u>\$ 3,848,889</u>	<u>\$ (2,282,420)</u>	<u>\$ 26,718,686</u>
<u>2012</u>				
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	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	1,191,106	851,417	(1,191,106)	851,417
Total nondepreciable	1,540,500	851,417	(1,191,106)	1,200,811
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	45,071,624	1,905,513	-	46,977,137
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	(23,237,378)	(1,459,121)	-	(24,696,499)
Total capital assets, net	\$ 23,374,746	\$ 1,297,809	\$ (1,191,106)	\$ 23,481,449

2010	Beginning Balance	Additions	Deletions	Ending Balance
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	85,255	1,105,851	-	1,191,106
Total nondepreciable	434,649	1,105,851	-	1,540,500
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	44,322,685	864,090	(115,151)	45,071,624
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	(21,924,916)	(1,427,613)	115,151	(23,237,378)
Total capital assets, net	\$ 22,832,418	\$ 542,328	\$ -	\$ 23,374,746

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

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:

2013	\$10,398
2012	12,357
2011	13,203
2010	14,146
2009	38,788

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 \$ 4,308 on this agreement for 2013.

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

NOTE 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, 2013 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, 2013, 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 or (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, 2013 there were no amounts for arbitrage rebates.

NOTE 15 NEW PRONOUNCEMENTS

GASB Statement 67, Financial Reporting for Pension Plans. The objective of Statement 67 is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and inter-period equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. GASB 67 is effective for periods beginning after June 15, 2013.

GASB Statement No. 68, *Accounting and Financial Reporting for Pensions*, establishes accounting and financial reporting requirements related to pensions for governments whose employees are provided with pensions through pension plans that are covered by the scope of this Statement, as well as for nonemployer governments that have a legal obligation to contribute to those plans. The Statement establishes a definition of a pension plan that reflects the primary activities associated with the pension arrangement determining pensions, accumulating and managing assets dedicated for pensions, and paying benefits to plan members as they come due. GASB 68 is effective for periods beginning after June 15, 2014.

Management has not yet determined the effect these statements will have on its financial statements.

Supplementary Section

Combining Statement of Net Position

Combining Statement of Revenues, Expenses
and Changes in Net Position

Combining Statement of Cash Flows

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINING STATEMENT OF NET POSITION
 AS OF DECEMBER 31, 2013
 (With comparative totals for December 31, 2013, 2012, 2011, 2010, and 2009)

	WATER	ELECTRIC	2013
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 703,007	\$ 3,101,494	\$ 3,804,501
Investments	-	7,173,317	7,173,317
Restricted Cash and Cash Equivalents:			
Cash in Customer Deposits	-	83,800	83,800
Cash in Bond Account	-	-	-
Accounts Receivable	-	1,625,916	1,625,916
Allowance for doubtful Accounts	-	(48,000)	(48,000)
Interest Receivable	-	24,662	24,662
Material Inventory	101,534	801,323	902,857
Prepaid Expenses	1,718	55,203	56,921
Interfund Receivable	-	1,008,600	1,008,600
Due from Other Government Units	807	-	807
Total Current Assets	<u>807,066</u>	<u>13,826,315</u>	<u>14,633,381</u>
NONCURRENT ASSETS			
Capital Assets:			
Land	44,000	305,394	349,394
Buildings, Structures, Etc.	9,930,271	9,231,061	19,161,332
Distribution Systems	11,841,706	17,287,683	29,129,389
Meters	419,737	1,228,098	1,647,835
Machinery and Equipment	1,483,087	1,107,148	2,590,235
Automotive Equipment	111,690	530,489	642,179
Office Equipment	125,799	553,574	679,373
Construction in Progress	-	-	-
Total Capital Assets	23,956,290	30,243,447	54,199,737
Less Accumulated Depreciation	(12,218,421)	(15,262,630)	(27,481,051)
Total Capital Assets (Net)	11,737,869	14,980,817	26,718,686
Deferred Charges	-	-	-
Customer Acquisition Costs	83,668	268,106	351,774
Total Noncurrent Assets	<u>11,821,537</u>	<u>15,248,923</u>	<u>27,070,460</u>
TOTAL ASSETS	<u>\$ 12,628,603</u>	<u>\$ 29,075,238</u>	<u>\$ 41,703,841</u>
LIABILITIES			
CURRENT LIABILITIES			
Accounts Payable	\$ 181,840	\$ 1,453,133	\$ 1,634,973
Accrued Payroll	17,590	40,510	58,100
Accrued Vacation	26,374	68,920	95,294
Accrued Sick Leave	13,000	32,000	45,000
Due to Other Government Units	-	48,827	48,827
Due to Other Funds	-	-	-
Customer Deposits	-	83,800	83,800
Accrued Bond Interest Payable	-	-	-
Bonds Payable - Current	-	-	-
Total Current Liabilities	<u>238,804</u>	<u>1,727,190</u>	<u>1,965,994</u>
NONCURRENT LIABILITIES			
Compensated Absences Payable-Net	68,179	317,789	385,968
G.O. Revenue Bonds Payable	-	-	-
Total Noncurrent Liabilities	<u>68,179</u>	<u>317,789</u>	<u>385,968</u>
TOTAL LIABILITIES	<u>306,983</u>	<u>2,044,979</u>	<u>2,351,962</u>
NET POSITION			
Net Investment in Capital Assets	11,737,869	14,980,817	26,718,686
Restricted for Debt Service	-	-	-
Unrestricted	583,751	12,049,442	12,633,193
TOTAL NET POSITION	<u>\$ 12,321,620</u>	<u>\$ 27,030,259</u>	<u>\$ 39,351,879</u>

	2012	2011	2010	2009
\$	3,986,950	\$ 2,744,730	\$ 2,297,734	\$ 2,656,282
	7,846,317	9,009,459	8,194,924	8,975,551
	78,150	79,850	74,900	78,354
	-	-	-	97,144
	1,533,781	1,904,461	2,147,679	1,392,039
	(48,000)	(48,000)	(48,000)	(48,000)
	32,596	54,905	63,269	85,286
	1,060,589	933,407	1,063,138	1,178,976
	20,962	61,043	45,349	36,885
	1,079,415	1,182,341	1,377,499	1,560,000
	807	-	-	-
	<u>15,591,567</u>	<u>15,922,196</u>	<u>15,216,493</u>	<u>16,012,517</u>
	349,394	349,394	349,394	349,394
	14,765,287	14,756,230	14,756,230	14,756,230
	28,431,073	26,869,699	24,996,996	24,319,122
	1,635,126	1,629,830	1,629,830	1,629,830
	2,580,644	2,585,254	2,551,201	2,544,235
	570,337	466,019	466,019	471,538
	671,349	671,349	671,349	601,730
	2,282,420	850,173	1,191,106	85,255
	<u>51,285,630</u>	<u>48,177,948</u>	<u>46,612,125</u>	<u>44,757,334</u>
	<u>(26,133,413)</u>	<u>(24,696,499)</u>	<u>(23,237,379)</u>	<u>(21,924,916)</u>
	25,152,217	23,481,449	23,374,746	22,832,418
	-	-	-	4,558
	351,774	351,774	351,774	268,106
	<u>25,503,991</u>	<u>23,833,223</u>	<u>23,726,521</u>	<u>23,105,082</u>
\$	<u>41,095,558</u>	<u>39,755,419</u>	<u>38,943,013</u>	<u>39,117,599</u>
\$	1,497,963	\$ 1,276,231	\$ 1,189,649	\$ 1,119,530
	43,197	39,302	33,354	27,899
	95,765	88,785	74,062	73,683
	45,000	45,000	44,700	41,100
	54,717	51,938	59,969	59,022
	-	207,873	-	-
	78,150	79,850	74,900	78,354
	-	-	-	24,911
	-	-	-	75,000
	<u>1,814,792</u>	<u>1,788,979</u>	<u>1,476,633</u>	<u>1,499,499</u>
	368,662	365,145	326,692	394,647
	-	-	-	1,113,000
	<u>368,662</u>	<u>365,145</u>	<u>326,692</u>	<u>1,507,647</u>
	<u>2,183,454</u>	<u>2,154,124</u>	<u>1,803,326</u>	<u>3,007,146</u>
	25,152,217	23,481,449	23,374,746	21,644,418
	-	-	-	72,233
	13,759,887	14,119,846	13,764,941	14,393,802
\$	<u>38,912,104</u>	<u>37,601,295</u>	<u>37,139,688</u>	<u>36,110,453</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, 2013, 2012, 2011, 2010, and 2009

	<u>WATER</u>	<u>ELECTRIC</u>	<u>2013</u>
OPERATING REVENUES			
Electric Sales	\$ -	\$ 13,387,324	\$ 13,387,324
Water Sales	2,694,827	-	2,694,827
Penalty Charges	-	94,325	94,325
Other Income	5,813	105,806	111,619
Total	<u>2,700,640</u>	<u>13,587,455</u>	<u>16,288,095</u>
OPERATING EXPENSES			
Cost of Sales and Services	1,357,426	10,358,031	11,715,457
Administration	244,062	591,832	835,894
Depreciation	550,817	1,042,373	1,593,190
Taxes and Tax Equivalents	-	1,190,529	1,190,529
Total	<u>2,152,305</u>	<u>13,182,765</u>	<u>15,335,070</u>
OPERATING INCOME (LOSS)	<u>548,335</u>	<u>404,690</u>	<u>953,025</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	-	(218,396)	(218,396)
Gain on Disposal of Assets	-	-	-
Interest Expenses	-	(215)	(215)
Total	<u>-</u>	<u>(218,611)</u>	<u>(218,611)</u>
INCOME BEFORE TRANSFERS	548,335	186,079	734,414
CAPITAL CONTRIBUTIONS	-	-	-
TRANSFERS IN	-	-	-
TRANSFERS OUT	<u>-</u>	<u>(294,639)</u>	<u>(294,639)</u>
CHANGE IN NET POSITION	548,335	(108,560)	439,775
NET POSITION - JANUARY 1	<u>11,773,285</u>	<u>27,138,819</u>	<u>38,912,104</u>
NET POSITION - DECEMBER 31	<u>\$ 12,321,620</u>	<u>\$ 27,030,259</u>	<u>\$ 39,351,879</u>

	2012	2011	2010	2009
\$	13,875,019	\$ 12,981,430	\$ 12,756,781	\$ 11,715,322
	2,334,738	1,913,119	1,838,719	1,875,322
	100,091	79,994	89,072	88,423
	92,644	19,039	145,095	55,151
	<u>16,402,492</u>	<u>14,993,582</u>	<u>14,829,668</u>	<u>13,734,219</u>
	12,110,564	10,830,560	10,550,516	10,014,390
	747,893	794,786	704,576	707,103
	1,472,148	1,459,119	1,427,613	1,340,664
	1,219,013	1,279,383	1,159,138	1,155,227
	<u>15,549,618</u>	<u>14,363,848</u>	<u>13,841,843</u>	<u>13,217,384</u>
	852,874	629,734	987,825	516,835
	208,272	289,138	294,296	389,696
	-	-	3,600	-
	(337)	(450)	(22,100)	(62,929)
	<u>207,935</u>	<u>288,688</u>	<u>275,797</u>	<u>326,768</u>
	1,060,809	918,422	1,263,619	843,600
	-	-	-	63,336
	2,000,000	-	400,000	-
	<u>(1,750,000)</u>	<u>(456,816)</u>	<u>(634,384)</u>	<u>(275,354)</u>
	1,310,809	461,606	1,029,235	631,582
	<u>37,601,295</u>	<u>37,139,689</u>	<u>36,110,452</u>	<u>35,478,869</u>
\$	<u>38,912,104</u>	<u>\$ 37,601,295</u>	<u>\$ 37,139,687</u>	<u>\$ 36,110,452</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER AND ELECTRIC FUNDS
 COMBINING STATEMENT OF CASH FLOWS
 For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	WATER	ELECTRIC	2013
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,636,738	\$ 12,624,076	15,260,814
Cash received from interfund activities	58,089	771,088	829,177
Cash paid to suppliers for goods and services	(603,517)	(9,506,329)	(10,109,846)
Cash paid for interfund activities	(258,201)	167,088	(91,113)
Cash paid to employees	(642,439)	(1,423,323)	(2,065,761)
Cash paid for taxes and tax equivalents	-	(1,190,529)	(1,190,529)
Other operating revenues (expenses)	5,813	105,806	111,619
Net cash provided (used) by operating activities	<u>1,196,484</u>	<u>1,547,878</u>	<u>2,744,362</u>
Cash flows from noncapital financing activities:			
Interfund loan	-	70,814	70,814
Operating Transfers from other funds	-	-	-
Operating Transfers to other funds	-	(294,639)	(294,639)
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>(223,825)</u>	<u>(223,825)</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	(533,124)	(2,626,535)	(3,159,659)
Proceeds from sale of capital assets	-	-	-
Customer acquisition costs	-	-	-
Principal payments on bonds	-	-	-
Interest and fiscal charges on bonds	-	(215)	(215)
Net cash (used) by capital and related financing activities	<u>(533,124)</u>	<u>(2,626,750)</u>	<u>(3,159,874)</u>
Cash flows from investing activities:			
Interest received on investments	-	127,171	127,171
Proceeds from sales and maturities of investments	-	3,576,367	3,576,367
Purchase of investments	-	(3,241,000)	(3,241,000)
Net cash provided (used) by investing activities	<u>-</u>	<u>462,538</u>	<u>462,538</u>
Net increase (decrease) in cash and cash equivalents	663,360	(840,159)	(176,799)
Cash and cash equivalents - January 1	<u>39,647</u>	<u>4,025,453</u>	<u>4,065,100</u>
Cash and cash equivalents - December 31	<u>\$ 703,007</u>	<u>\$ 3,185,294</u>	<u>3,888,301</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (Loss)	\$ 548,335	\$ 404,690	953,025
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	550,817	1,042,373	1,593,190
Changes in assets and liabilities:			
Accounts receivable	-	(92,135)	(92,135)
Materials & supplies	26,620	131,112	157,732
Prepaid items	14,610	(50,569)	(35,959)
Due from other government units	-	-	-
Accounts payable	45,097	91,914	137,011
Accrued payroll	4,455	10,448	14,903
Accrued vacation	523	(994)	(471)
Accrued compensated absences	6,027	11,279	17,306
Due to other funds	-	-	-
Due to other government units	-	(5,890)	(5,890)
Customer deposits	-	5,650	5,650
Net cash provided (used) by operating activities	<u>\$ 1,196,484</u>	<u>\$ 1,547,878</u>	<u>2,744,362</u>
Schedule of noncash investing, capital and financing activities:			
Increase (decrease) in fair value of investments	\$ -	\$ (337,633)	\$ (337,633)
Cash and cash equivalents are shown on the balance sheet under the following captions:			
Cash and cash equivalents	\$ 703,007	3,101,494	3,804,501
Restricted assets	-	83,800	83,800
Cash and cash equivalents - December 31	<u>\$ 703,007</u>	<u>\$ 3,185,294</u>	<u>3,888,301</u>

2012	2011	2010	2009
\$ 15,971,373	\$ 14,541,604	\$ 13,242,991	\$ 13,057,643
707,455	681,107	682,487	679,305
(10,675,431)	(8,854,432)	(8,954,460)	(8,516,959)
(208,680)	(337,436)	(206,995)	(200,513)
(2,031,224)	(1,973,591)	(1,973,719)	(1,917,881)
(1,219,013)	(1,279,383)	(1,159,138)	(1,155,227)
92,644	19,039	145,095	55,151
<u>2,637,124</u>	<u>2,796,908</u>	<u>1,776,261</u>	<u>2,001,519</u>
102,927	195,160	182,501	(1,155,000)
2,000,000	-	400,000	-
(1,750,000)	(456,816)	(634,384)	(275,354)
<u>352,927</u>	<u>(261,656)</u>	<u>(51,883)</u>	<u>(1,430,354)</u>
(3,142,916)	(1,565,824)	(1,969,946)	(1,448,215)
-	-	3,600	-
-	-	(83,668)	-
-	-	(1,200,000)	(75,000)
<u>(337)</u>	<u>(450)</u>	<u>(30,453)</u>	<u>(63,130)</u>
<u>(3,143,253)</u>	<u>(1,566,274)</u>	<u>(3,280,467)</u>	<u>(1,586,345)</u>
230,580	297,502	316,316	400,875
1,692,000	5,399,000	5,619,000	3,847,000
(528,858)	(6,213,535)	(4,838,373)	(4,524,552)
<u>1,393,722</u>	<u>(517,033)</u>	<u>1,096,943</u>	<u>(276,677)</u>
1,240,520	451,945	(459,146)	(1,291,857)
<u>2,824,580</u>	<u>2,372,634</u>	<u>2,831,780</u>	<u>4,123,637</u>
<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,634</u>	<u>\$ 2,831,780</u>
\$ 852,874	\$ 629,734	\$ 987,824	\$ 516,834
1,472,149	1,459,119	1,427,613	1,340,664
370,680	243,218	(755,640)	54,976
(127,182)	129,731	115,838	166,044
40,081	(15,694)	(8,464)	8,577
(807)	-	-	-
221,731	86,582	70,119	(63,771)
3,895	5,948	5,455	(38,785)
6,980	14,723	379	(5,309)
3,517	38,753	(64,355)	30,380
(207,873)	207,876	-	-
2,779	(8,031)	947	(10,996)
(1,700)	4,950	(3,454)	2,904
<u>\$ 2,637,124</u>	<u>\$ 2,796,909</u>	<u>\$ 1,776,261</u>	<u>\$ 2,001,519</u>
\$ 6,436	\$ 6,436	\$ (9,347)	\$ 35,392
3,986,950	2,744,730	2,297,734	2,656,282
78,150	79,850	74,900	175,498
<u>\$ 4,065,100</u>	<u>\$ 2,824,580</u>	<u>\$ 2,372,634</u>	<u>\$ 2,831,780</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, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 703,007	\$ 39,647	\$ -	\$143,593	\$1,763,016
Restricted Cash and Cash Equivalents:					
Cash in Bond Account	-	-	-	-	97,144
Materials & Supplies	101,534	128,154	162,457	195,730	196,066
Prepaid Expenses	1,718	16,328	14,352	334	324
Due from Other Government Units	807	807	-	-	-
Total Current Assets	<u>807,066</u>	<u>184,936</u>	<u>176,809</u>	<u>339,657</u>	<u>2,056,550</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	44,000	44,000	44,000	44,000	44,000
Buildings, Structures, Etc.	9,930,271	7,569,447	7,560,391	7,560,391	7,560,391
Distribution Systems	11,841,706	11,527,731	11,096,617	9,428,444	9,428,444
Meters	419,737	414,841	414,841	414,841	414,841
Machinery and Equipment	1,483,087	1,473,496	1,473,496	1,460,821	1,460,821
Automotive Equipment	111,690	111,690	111,691	111,690	111,690
Office Equipment	125,799	117,775	117,775	117,775	117,775
Construction in Progress	-	2,164,186	350,423	1,191,106	85,255
Total Capital Assets	23,956,290	23,423,166	21,169,234	20,329,068	19,223,217
Less Accumulated Depreciation	(12,218,421)	(11,667,604)	(11,113,912)	(10,579,789)	(10,052,681)
Total Capital Assets (Net)	11,737,869	11,755,562	10,055,322	9,749,279	9,170,536
Deferred Charges	-	-	-	-	4,558
Customer Acquisition Costs	83,668	83,668	83,668	83,668	-
Total Noncurrent Assets	<u>11,821,537</u>	<u>11,839,230</u>	<u>10,138,990</u>	<u>9,832,947</u>	<u>9,175,094</u>
TOTAL ASSETS	<u>\$ 12,628,603</u>	<u>\$ 12,024,166</u>	<u>\$ 10,315,799</u>	<u>\$ 10,172,604</u>	<u>\$ 11,231,644</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 181,840	\$ 136,743	\$ 227,192	\$ 104,222	\$ 37,974
Accrued Payroll	17,590	13,135	10,827	9,528	8,964
Accrued Vacation	26,374	25,851	20,533	17,257	17,325
Due To Other Funds	-	-	207,873	-	-
Compensated Absences Payable-Current	13,000	13,000	13,000	13,100	12,500
Accrued Bond Interest Payable	-	-	-	-	24,911
Bonds Payable - Current	-	-	-	-	75,000
Total Current Liabilities	<u>238,804</u>	<u>188,729</u>	<u>479,425</u>	<u>144,107</u>	<u>176,674</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	68,179	62,152	58,013	71,811	122,294
G.O. Revenue Bonds Payable	-	-	-	-	1,113,000
Total Noncurrent Liabilities	<u>68,179</u>	<u>62,152</u>	<u>58,013</u>	<u>71,811</u>	<u>1,235,294</u>
TOTAL LIABILITIES	<u>306,983</u>	<u>250,881</u>	<u>537,438</u>	<u>215,918</u>	<u>1,411,968</u>
NET POSITION					
Net Investment in Capital Assets	11,737,869	11,755,562	10,055,322	9,749,279	7,982,536
Restricted for Debt Service	-	-	-	-	72,233
Unrestricted	583,751	17,723	(276,961)	207,406	1,764,907
TOTAL NET POSITION	<u>\$ 12,321,620</u>	<u>\$ 11,773,285</u>	<u>\$ 9,778,361</u>	<u>\$ 9,956,686</u>	<u>\$ 9,819,676</u>

CITY OF EAST GRAND FORKS, MINNESOTA

WATER FUNDCOMPARATIVE STATEMENT OF REVENUES, EXPENSES, AND
CHANGES IN NET POSITION

For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	<u>2013</u>	<u>2012</u>	<u>2011</u>	<u>2010</u>	<u>2009</u>
OPERATING REVENUES					
Water Sales	\$ 2,694,827	\$ 2,334,738	\$ 1,913,119	\$ 1,838,719	\$ 1,875,322
Other Income	5,813	3,394	4,674	5,120	8,165
Total	<u>2,700,640</u>	<u>2,338,132</u>	<u>1,917,793</u>	<u>1,843,840</u>	<u>1,883,487</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,357,426	1,543,772	1,300,943	1,335,407	1,200,117
Administration	244,062	245,745	261,053	230,789	233,101
Depreciation	550,817	553,691	534,122	527,108	514,101
Total	<u>2,152,305</u>	<u>2,343,208</u>	<u>2,096,118</u>	<u>2,093,304</u>	<u>1,947,319</u>
OPERATING INCOME (LOSS)	<u>548,335</u>	<u>(5,076)</u>	<u>(178,325)</u>	<u>(249,465)</u>	<u>(63,831)</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	-	-	-	8,016	57,361
Interest Expenses	-	-	-	(21,541)	(61,742)
Total	<u>-</u>	<u>-</u>	<u>-</u>	<u>(13,525)</u>	<u>(4,381)</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	548,335	(5,076)	(178,325)	(262,989)	(68,212)
CAPITAL CONTRIBUTIONS	-	-	-	-	63,336
TRANSFERS IN	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
CHANGE IN NET POSITION	548,335	1,994,924	(178,325)	137,011	(4,876)
NET POSITION - JANUARY 1	<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>
NET POSITION - DECEMBER 31	<u>\$ 12,321,620</u>	<u>\$ 11,773,285</u>	<u>\$ 9,778,361</u>	<u>\$ 9,956,686</u>	<u>\$ 9,819,676</u>

CITY OF EAST GRAND FORKS, MINNESOTA
WATER FUND
COMPARATIVE STATEMENT OF CASH FLOWS
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,636,738	\$ 2,277,334	\$ 1,852,720	\$ 1,780,587	\$ 1,817,190
Cash received from interfund activities	58,089	57,404	60,399	58,132	58,132
Cash paid to suppliers for goods and services	(603,517)	(942,363)	(567,776)	(799,269)	(755,802)
Cash paid for interfund activities	(258,201)	(469,985)	(64,781)	(112,213)	(110,902)
Cash paid to employees	(642,439)	(632,206)	(588,663)	(637,526)	(595,704)
Other operating revenues (expenses)	5,813	3,394	4,674	5,120	8,165
Net cash provided (used) by operating activities	<u>1,196,484</u>	<u>293,578</u>	<u>696,573</u>	<u>294,831</u>	<u>421,079</u>
Cash flows from noncapital financing activities:					
Transfers from other funds	-	2,000,000	-	400,000	-
Net cash provided (used) by noncapital financing activities	<u>-</u>	<u>2,000,000</u>	<u>-</u>	<u>400,000</u>	<u>-</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(533,124)	(2,253,931)	(840,166)	(1,105,852)	(355,165)
Purchase of Customer Acquisition Costs	-	-	-	(83,668)	-
Principal payments on bonds	-	-	-	(1,200,000)	(75,000)
Interest and fiscal charges on bonds	-	-	-	(29,894)	(61,943)
Net cash (used) by capital and related financing activities	<u>(533,124)</u>	<u>(2,253,931)</u>	<u>(840,166)</u>	<u>(2,419,414)</u>	<u>(492,108)</u>
Cash flows from investing activities:					
Interest received on investments	-	-	-	8,016	57,361
Net cash provided (used) by investing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>8,016</u>	<u>57,361</u>
Net increase (decrease) in cash and cash equivalents	663,360	39,647	(143,593)	(1,716,567)	(13,668)
Cash and cash equivalents - January 1	39,647	-	143,593	1,860,160	1,873,828
Cash and cash equivalents - December 31	<u>\$ 703,007</u>	<u>\$ 39,647</u>	<u>\$ -</u>	<u>\$ 143,593</u>	<u>\$ 1,860,160</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 548,335	\$ (5,076)	\$ (178,325)	\$ (249,465)	\$ (63,831)
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	550,817	553,692	534,122	527,108	514,101
Changes in assets and liabilities:					
Materials & supplies	26,620	34,303	33,273	336	(823)
Prepaid items	14,610	(1,976)	(14,018)	(10)	12,627
Due from other government units	-	(807)	-	-	-
Accounts payable	45,097	(90,450)	122,970	66,248	(17,338)
Accrued payroll	4,455	2,308	1,299	564	(10,288)
Accrued vacation	523	5,318	3,276	(68)	(4,098)
Accrued compensated absences	6,027	4,139	(13,898)	(49,883)	(9,271)
Due to other funds	-	(207,873)	207,875	-	-
Net cash provided (used) by operating activities	<u>\$ 1,196,484</u>	<u>\$ 293,578</u>	<u>\$ 696,573</u>	<u>\$ 294,831</u>	<u>\$ 421,079</u>
Schedule of noncash investing, capital and financing activities:					
Capital contributions	\$ -	\$ -	\$ -	\$ -	\$ 63,336
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	703,007	39,647	-	143,593	1,763,016
Restricted assets	-	-	-	-	97,144
Cash and cash equivalents - December 31	<u>\$ 703,007</u>	<u>\$ 39,647</u>	<u>\$ -</u>	<u>\$ 143,593</u>	<u>\$ 1,860,160</u>

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	2013			2012			2011			2010			2009		
	Quantity	Amount		Quantity	Amount		Quantity	Amount		Quantity	Amount		Quantity	Amount	
	(gallons)	Amount	Per Thousand												
Water Division Sales															
Residential	111,370,722	\$810,859	\$7.281	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
Apartment	51,686,000	328,090	\$6.348	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
Sprinkling	18,286,678			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
Commercial	178,844,500	1,212,036	\$6.777	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
Customer Charge -															
Residential		243,302			207,266			193,340			209,700			206,927	
Apartment		20,494			19,006			17,816			17,814			17,827	
Commercial		80,047			73,808			68,505			69,205			69,649	
Total	360,187,900	\$2,694,827	\$7.482	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

Other Operating Revenue														
Remote Connections & Other		5,813			3,394			4,674			5,120			8,165
Total		5,813			3,394			4,674			5,120			8,165
Total Operating Revenue		\$2,700,639			\$2,338,132			\$1,917,793			\$1,843,840			\$1,883,487

	2013		2012		2011		2010		2009	
	Amount	Percent								
Percent of Operating Revenues										
Operating Revenues	\$2,700,639	100.0%	\$2,338,132	100.0%	\$1,917,793	100.0%	\$1,843,840	100.0%	\$1,883,487	100.0%
Treatment Cost	1,062,080	39.3%	987,811	42.2%	1,014,462	52.9%	1,030,335	55.9%	990,745	52.6%
Treatment Cost Margin	1,638,559	60.7%	1,350,321	57.8%	903,331	47.1%	813,505	44.1%	892,743	47.4%
Distribution Cost	727,118	26.9%	946,105	40.5%	674,257	35.2%	690,919	37.5%	624,188	33.1%
Gross Margin	911,441	33.7%	404,216	17.3%	229,074	11.9%	122,585	6.6%	268,555	14.3%
Administrative and Customer Cost	363,107	13.4%	409,292	17.5%	407,399	21.2%	372,050	20.2%	332,386	17.6%
Operating Income (Loss)	\$548,335	20.3%	(\$5,076)	-0.2%	(\$178,325)	-9.3%	(\$249,465)	-13.5%	(\$63,831)	-3.4%

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	10,106,100	9,505,500	8,437,900	9,503,100	5,896,354	7,008,963	9,674,014	11,526,184	10,774,407	10,168,400	9,512,400	9,257,400	111,370,722
Apartment	4,343,000	4,475,000	3,921,000	4,418,000	4,594,000	4,821,000	4,380,000	4,710,000	4,478,000	3,959,000	3,903,000	3,684,000	51,686,000
Sprinkling	-	-	-	-	3,639,546	3,646,837	3,655,586	3,678,916	3,665,793	-	-	-	18,286,678
Commercial	12,991,200	14,821,700	14,967,900	12,562,100	10,113,600	14,176,800	14,589,300	18,935,900	20,752,700	14,627,700	15,801,300	14,504,300	178,844,500
Total	27,440,300	28,802,200	27,326,800	26,483,200	24,243,500	29,653,600	32,298,900	38,851,000	39,670,900	28,755,100	29,216,700	27,445,700	360,187,900

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

City of East Grand Forks, Minnesota
Water Fund Statistics
For the Year Ended December 31, 2013, 2012, 2011, 2010, and 2009

Residential - Meters

Month	2013	2012	2011	2010	2009
January	2,484	2,473	2,474	2,464	2,434
February	2,486	2,476	2,469	2,463	2,437
March	2,496	2,471	2,470	2,468	2,440
April	2,497	2,474	2,482	2,467	2,444
May	2,496	2,476	2,483	2,475	2,446
June	2,501	2,481	2,484	2,474	2,452
July	2,507	2,490	2,481	2,480	2,455
August	2,523	2,489	2,487	2,468	2,455
September	2,514	2,490	2,481	2,476	2,470
October	2,521	2,486	2,485	2,472	2,459
November	2,516	2,484	2,479	2,481	2,460
December	2,516	2,485	2,477	2,470	2,464
Average	2,505	2,481	2,479	2,472	2,451

Apartment - Meters

Month	2013	2012	2011	2010	2009
January	76	76	76	77	75
February	76	76	76	77	75
March	76	76	76	77	75
April	76	76	76	77	75
May	77	76	76	77	75
June	74	76	76	76	75
July	73	76	77	76	78
August	74	78	76	76	78
September	74	76	76	76	77
October	74	76	76	77	77
November	75	76	76	76	77
December	74	76	76	76	77
Average	75	76	76	77	76

Commercial - Meters

Month	2013	2012	2011	2010	2009
January	256	254	254	256	259
February	256	254	255	256	261
March	256	254	255	255	260
April	257	256	254	255	260
May	262	259	258	263	262
June	270	269	269	267	272
July	277	272	270	271	277
August	275	275	270	271	275
September	273	271	267	273	275
October	268	268	267	266	273
November	257	257	257	257	263
December	258	258	254	252	260
Average	264	262	261	262	266

City of East Grand Forks, Minnesota

Water Fund Statistics

For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2013								
January	31,174,000	29,536,000	2,418,200	156,500	26,961,300	27,440,300	(479,000)	-1.8%
February	33,010,000	30,932,000	1,712,600	166,000	29,053,400	28,802,200	251,200	0.9%
March	31,716,000	30,730,000	2,040,500	157,200	28,532,300	27,326,800	1,205,500	4.2%
April	29,009,000	28,860,000	2,755,400	18,300	26,086,300	26,483,200	(396,900)	-1.5%
May	29,422,000	28,972,000	2,443,700	10,200	26,518,100	24,243,500	2,274,600	8.6%
June	36,308,000	34,607,000	2,698,500	211,900	31,696,600	29,653,600	2,043,000	6.4%
July	41,315,000	39,138,000	2,972,100	318,300	35,847,600	32,298,900	3,548,700	9.9%
August	47,986,000	46,803,000	7,823,500	322,900	38,656,600	38,851,000	(194,400)	-0.5%
September	37,735,000	38,938,000	7,770,300	148,100	31,019,600	39,670,900	(8,651,300)	-27.9%
October	33,921,000	34,800,000	8,258,300	3,900	26,537,800	28,755,100	(2,217,300)	-8.4%
November	31,975,000	31,328,000	4,507,300	3,600	26,817,100	29,216,700	(2,399,600)	-8.9%
December	34,437,000	32,698,000	2,799,300	5,200	29,893,500	27,445,700	2,447,800	8.2%
1st Quarter	95,900,000	91,198,000	6,171,300	479,700	84,547,000	83,569,300	977,700	1.2%
2nd Quarter	94,739,000	92,439,000	7,897,600	240,400	84,301,000	80,380,300	3,920,700	4.7%
3rd Quarter	127,036,000	124,879,000	18,565,900	789,300	105,523,800	110,820,800	(5,297,000)	-5.0%
4th Quarter	100,333,000	98,826,000	15,564,900	12,700	83,248,400	85,417,500	(2,169,100)	-2.6%
Total	418,008,000	407,342,000	48,199,700	1,522,100	357,620,200	360,187,900	(2,567,700)	-0.7%
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%

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
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%
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%

City of East Grand Forks, Minnesota
Water Fund Statistics
 For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

Raw Water	2013			2012			2011			2010			2009		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,307,000	438,000	1,005,613	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
February	2,259,000	745,000	1,178,929	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
March	1,471,000	814,000	1,023,097	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
April	1,227,000	606,000	966,967	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
May	1,488,000	414,000	949,097	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
June	2,377,000	568,000	1,210,267	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
July	1,904,000	392,000	1,332,742	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
August	2,088,000	970,000	1,547,935	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
September	1,983,000	674,000	1,257,833	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
October	1,450,000	426,000	1,094,226	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
November	1,447,000	637,000	1,065,833	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
December	1,609,000	779,000	1,110,871	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
Tap Water	2013			2012			2011			2010			2009		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,220,000	468,000	952,774	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
February	2,079,000	714,000	1,104,714	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
March	1,474,000	655,000	991,290	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
April	1,286,000	642,000	962,000	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
May	1,556,000	458,000	934,581	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
June	2,110,000	676,000	1,153,567	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
July	1,763,000	432,000	1,262,516	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
August	2,049,000	892,000	1,509,774	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
September	1,956,000	773,000	1,297,933	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
October	1,504,000	605,000	1,122,581	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
November	1,429,000	662,000	1,044,267	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
December	1,498,000	746,000	1,054,774	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
NTU	2013			2012			2011			2010			2009		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	0.30	0.02	0.03	0.15	0.02	0.05	0.30	0.02	0.15	0.23	0.06	0.12	0.23	0.05	0.10
February	0.08	0.02	0.03	0.10	0.01	0.04	0.22	0.02	0.08	0.27	0.01	0.09	0.19	0.02	0.10
March	0.06	0.02	0.02	0.20	0.02	0.05	0.22	0.02	0.07	0.32	0.02	0.14	0.24	0.02	0.11
April	0.18	0.02	0.05	0.14	0.01	0.06	0.19	0.02	0.05	0.16	0.02	0.06	0.17	0.01	0.07
May	0.18	0.01	0.04	0.38	0.02	0.09	0.13	0.02	0.05	0.24	0.01	0.08	0.23	0.02	0.08
June	0.06	0.02	0.02	0.24	0.02	0.09	0.27	0.02	0.09	0.27	0.02	0.08	0.10	0.01	0.03
July	0.15	0.02	0.03	0.17	0.02	0.07	0.19	0.02	0.07	0.10	0.01	0.03	0.12	0.01	0.03
August	0.17	0.02	0.07	0.15	0.01	0.07	0.17	0.02	0.07	0.18	0.02	0.08	0.22	0.02	0.07
September	0.16	0.01	0.06	0.16	0.02	0.06	0.23	0.01	0.06	0.27	0.01	0.09	0.16	0.01	0.04
October	0.04	0.01	0.02	0.09	0.02	0.03	0.22	0.02	0.10	0.43	0.01	0.13	0.28	0.02	0.08
November	0.09	0.02	0.04	0.16	0.02	0.03	0.13	0.02	0.07	0.28	0.02	0.07	0.19	0.01	0.04
December	0.12	0.02	0.04	0.08	0.02	0.03	0.21	0.02	0.10	0.48	0.02	0.17	0.24	0.02	0.07

WATER FUND**REVENUES**

Account Number		12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual	12/31/13 Actual
602 37-000 37110	Res. Water Sales	\$ 544,200	\$ 554,309	\$ 588,284	\$ 673,495	\$ 810,859
602 37-000 37111	Apt. Water Sales	221,596	227,234	225,367	303,649	328,090
602 37-000 37120	Sprinkling	75,105	70,695	54,974	111,377	-
602 37-000 37130	Com. Water Sales	740,018	689,762	764,832	946,137	1,212,036
602 37-000 37145	Temp. Hydrant	(102)	314	72	508	-
602 37-000 37150	Remote Meter Fee	5,415	2,240	1,315	2,560	4,416
602 37-000 37446	Res. Meter Charge	206,927	209,700	193,340	207,266	243,302
602 37-000 37447	Apt. Meter Charge	17,827	17,814	17,816	19,006	20,494
602 37-000 37448	Com. Meter Charge	69,649	69,205	68,505	73,808	80,047
602 37-000 37480	Interest Earnings	57,361	8,016	-	-	-
602 37-000 37490	Miscellaneous	2,852	2,567	3,288	326	1,396
602 37-000 37500	Contributed Capital	63,336	-	-	-	-
602 37-000 39203	Transfers In	-	400,000	-	2,000,000	-
		<u>\$2,004,184</u>	<u>\$2,251,856</u>	<u>\$ 1,917,793</u>	<u>\$ 4,338,132</u>	<u>\$ 2,700,640</u>

WATER FUND

Expenses OBJECT CODES	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual	12/31/13 Actual
101 Salaries - Reg.	\$ 393,313	\$ 398,758	\$ 379,370	\$ 421,607	\$ 444,793
102 Salaries - O.T.	13,778	17,251	17,761	7,616	9,872
107 Vacations, etc.	37,690	39,172	56,950	80,490	56,722
121 PERA	29,239	31,152	33,101	33,025	36,166
122 FICA	33,034	33,594	35,387	36,768	36,480
130 Insurance	51,336	54,341	44,425	48,257	55,049
151 Workers Comp	13,657	13,872	12,346	16,208	14,362
211 General Supplies	384	456	548	900	495
212 Fuel & Lubes	6,210	7,361	15,748	21,588	4,256
216 Chemicals	239,243	249,053	228,025	224,810	262,203
217 Lab Supplies	7,443	10,088	15,635	17,172	11,758
218 Uniforms	1,460	1,207	1,221	1,069	1,243
227 Parts & Supplies	50,716	63,389	40,538	49,314	53,501
240 Small Tools	734	5,924	5,957	5,688	2,544
303 Engineering	40,706	58,622	51,280	77,517	45,192
319 Other Professional	-	750	-	-	-
331 Travel & School	4,798	8,783	9,969	13,500	14,054
381 Utilities	104,614	101,918	108,446	108,481	129,515
383 Utilities - Gas	32,001	25,363	24,827	21,190	19,116
404 Contracted Services	85,389	136,837	155,675	296,585	113,574
405 Cleaning Services	15,756	3,577	17,214	17,379	18,164
420 Depreciation	514,101	527,108	534,122	553,691	550,817
430 Miscellaneous	7,783	4,108	21,462	18,378	3,015
433 Dues & Subscript.	4,475	4,424	7,488	4,374	4,467
441 Permits & Fees	16,453	53,071	5,969	6,295	6,746
620 Interest Expense	61,311	21,541	-	-	-
621 Fiscal Agent Fees	431	-	-	-	-
999 Reimbursed	243,005	243,126	272,656	261,306	258,201
	<u>\$ 2,009,061</u>	<u>\$ 2,114,845</u>	<u>\$ 2,096,118</u>	<u>\$ 2,343,209</u>	<u>\$ 2,152,305</u>

WATER FUND**EXPENSES**

Account Number		12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
		Actual	Actual	Actual	Actual	Actual
Raw Water Pumping						
602 49-400 41010	Salaries - Reg.	\$ 284	\$ 37	\$ 1,088	\$ 1,897	\$ 1,308
602 49-400 41020	Salaries - O.T.	-	-	310	50	101
602 49-400 41210	PERA	19	3	101	141	102
602 49-400 41220	FICA	22	3	104	145	102
602 49-400 42110	General Supplies	-	-	62	-	-
602 49-400 44040	Contracted Services	-	221	6,099	6,178	6,765
602 49-400 44200	Depreciation	3,922	4,266	4,266	4,254	-
602 49-400 44300	Miscellaneous	-	-	59	5	-
	Total	4,247	4,529	12,090	12,671	8,378
Treatment - Plant						
602 49-420 41010	Salaries - Reg.	179,123	152,264	155,775	178,572	179,019
602 49-420 41020	Salaries - O.T.	8,778	9,803	7,979	4,717	6,629
602 49-420 41210	PERA	12,246	13,044	13,312	13,289	13,460
602 49-420 41220	FICA	13,797	13,967	13,587	16,519	13,429
602 49-420 41300	Insurance	27,864	33,507	33,771	30,149	32,502
602 49-420 42110	General Supplies	384	456	486	900	495
602 49-420 42120	Fuels & Lubes	26	1,387	3,776	4,516	1,751
602 49-420 42160	Chemicals	239,243	249,053	228,025	224,810	262,203
602 49-420 42170	Lab Supplies	7,443	10,088	15,635	17,172	11,758
602 49-420 42270	Parts & Supplies	7,643	8,756	891	2,581	456
602 49-420 43030	Engineering	32,303	39,821	17,551	619	4,500
602 49-420 43310	Travel & School	2,026	3,571	3,554	6,307	5,312
602 49-420 43810	Utility Charges	90,525	88,773	91,622	90,938	102,906
602 49-420 43830	Utility Charges - Gas	32,001	25,363	24,827	21,190	19,116
602 49-420 44040	Contracted Services	20,328	70,635	96,533	12,437	24,907
602 49-420 44050	Cleaning Services	15,756	3,577	17,214	17,379	18,164
602 49-420 44200	Depreciation	160,494	161,647	160,086	158,685	166,896
602 49-420 44300	Miscellaneous	869	842	1,853	1,281	803
	Total	850,848	886,554	886,476	802,062	864,305
Treatment - M & E						
602 49-421 41010	Salaries - Reg.	50,425	52,796	49,641	67,605	75,118
602 49-421 41020	Salaries - O.T.	1,118	2,255	2,072	1,030	977
602 49-421 41210	PERA	3,481	3,861	3,749	4,976	5,517
602 49-421 41220	FICA	3,860	4,069	3,782	4,795	5,359
602 49-421 42270	Parts & Supplies	19,526	23,088	10,157	25,002	17,310
602 49-421 42400	Small Tools & Equip.	734	5,059	4,438	3,383	-
602 49-421 44040	Contracted Services	23,908	15,949	9,206	13,539	25,875
	Total	103,051	107,077	83,046	120,330	130,157
Treatment - B & G						
602 49-422 41010	Salaries - Reg.	2,915	3,432	3,785	4,483	4,740
602 49-422 41020	Salaries - O.T.	112	154	-	211	477
602 49-422 41210	PERA	205	250	280	335	378
602 49-422 41220	FICA	231	272	292	347	384
602 49-422 42270	Parts & Supplies	5,460	3,774	4,206	6,299	5,771
602 49-422 42400	Small Tools & Equip.	-	866	1,518	2,306	2,544
602 49-422 44040	Contracted Services	23,676	23,427	22,768	38,766	44,944
	Total	32,599	32,176	32,850	52,748	59,239
Distribution - Pumping						
602 49-430 41010	Salaries - Reg.	149	591	573	727	520
602 49-430 41020	Salaries - O.T.	-	116	-	123	-
602 49-430 41210	PERA	10	49	42	62	38
602 49-430 41220	FICA	11	50	43	63	37
602 49-430 42270	Parts & Supplies	-	230	1,351	1,470	2,417
602 49-430 43810	Electric Utilities	10,780	9,584	12,934	12,455	21,739
602 49-430 44040	Contracted Services	-	3,411	2,878	3,531	422
	Total	10,950	14,030	17,821	18,431	25,174

Distribution - Lines						
602 49-433 41010	Salaries - Reg.	37,614	49,569	53,537	53,622	57,263
602 49-433 41020	Salaries - O.T.	2,039	2,992	626	321	558
602 49-433 41210	PERA	2,634	3,541	3,848	3,786	4,152
602 49-433 41220	FICA	2,990	3,852	3,937	3,964	4,139
602 49-433 42270	Parts & Supplies	3,236	4,423	5,782	5,823	12,643
602 49-433 44040	Contracted Services	6,045	15,360	7,202	4,285	1,363
602 49-433 44300	Miscellaneous	45	-	-	79	-
Total		54,603	79,737	74,935	71,881	80,118
Distribution - Storage						
602 49-436 41010	Salaries - Reg.	1,275	2,988	5,468	6,607	3,352
602 49-436 41020	Salaries - O.T.	914	805	652	292	157
602 49-436 41210	PERA	148	265	444	500	254
602 49-436 41220	FICA	166	284	460	514	258
602 49-436 42270	Parts & Supplies	2,375	1,829	175	451	151
602 49-436 43810	Utilities	3,309	3,562	3,889	5,088	4,869
602 49-436 44040	Contracted Services	11,206	4,591	9,761	211,506	7,047
602 49-436 44300	Miscellaneous	-	-	-	324	-
Total		19,393	14,323	20,848	225,282	16,088
Distribution - Meters						
602 49-449 41010	Salaries - Reg.	12,497	6,645	6,391	4,801	6,661
602 49-449 41210	PERA	836	463	461	348	475
602 49-449 41220	FICA	951	489	469	353	479
602 49-449 42270	Parts & Supplies	7,614	6,649	9,306	6,089	8,068
602 49-449 44040	Contracted Services	-	58	-	-	280
Total		21,898	14,304	16,627	11,591	15,963
Distribution - Hydrants						
602 49-450 41010	Salaries - Reg.	15,404	16,310	13,946	7,980	13,558
602 49-450 41210	PERA	793	952	796	456	744
602 49-450 41220	FICA	1,170	1,210	1,029	593	987
602 49-450 42270	Parts & Supplies	2,719	13,827	6,028	277	4,508
602 49-450 44040	Contracted Services	148	250	-	-	-
Total		20,234	32,549	21,799	9,306	19,797
Distribution - Vehicles						
602 49-453 41010	Salaries - Reg.	3,499	1,724	1,599	1,202	1,997
602 49-453 41210	PERA	236	111	116	87	132
602 49-453 41220	FICA	267	127	116	88	145
602 49-453 42120	Fuels & Lubes	6,184	5,974	11,972	17,071	2,505
602 49-453 42270	Parts & Supplies	30	44	-	20	368
602 49-453 44040	Contracted Services	78	2,934	638	6,342	1,912
Total		10,295	10,915	14,441	24,810	7,060
Distribution - DSC						
602 49-458 44200	Depreciation	31,069	30,892	28,578	31,576	17,005
602 49-458 49990	Reimbursed to 601-49576	9,904	12,337	11,602	15,560	14,138
Total		40,973	43,229	40,180	47,136	31,143
Distribution - Other						
602 49-459 41010	Salaries - Reg.	8,351	3,045	2,082	-	391
602 49-459 41210	PERA	532	180	151	-	28
602 49-459 41220	FICA	637	225	168	-	53
602 49-459 41300	Insurance	9,447	9,798	10,654	11,273	14,959
602 49-459 42270	Parts & Supplies	2,113	769	2,643	1,303	1,808
602 49-459 43030	Engineering	-	12,454	9,916	67,432	34,461
602 49-459 43310	Travel & School	1,783	2,338	2,419	847	740
602 49-459 44040	Contracted Services	-	-	589	-	59
602 49-459 44200	Depreciation	317,073	329,267	340,278	358,860	365,991
602 49-459 44300	Miscellaneous	3,103	44	63	48	94
Total		343,039	358,121	368,962	439,762	418,584

Operations - Supervision						
602 49-466 41010	Salaries - Reg.	77,042	101,401	78,458	75,543	87,557
602 49-466 41210	PERA	5,214	5,047	4,825	5,195	5,912
602 49-466 41220	FICA	5,532	5,455	5,069	5,481	6,202
602 49-466 41300	Insurance	14,025	11,036	6,544	6,836	7,588
602 49-466 42180	Uniforms	-	100	-	-	-
602 49-466 43310	Travel & School	989	673	3,748	4,851	5,932
	Total	102,802	123,712	98,645	97,906	113,191
General - Unallocated						
602 49-467 41010	Salaries - Reg.	4,735	7,956	7,026	18,567	13,308
602 49-467 41020	Salaries - O.T.	816	1,127	1,297	871	973
602 49-467 41070	Holiday, Vacation, etc	37,690	39,172	56,950	80,490	56,722
602 49-467 41210	PERA	2,885	3,384	4,732	3,850	4,973
602 49-467 122	FICA	3,402	3,592	4,855	3,905	4,904
602 49-467 130	Insurance	-	-	-	-	-
602 49-467 151	Workers Comp	13,657	13,872	12,346	16,208	14,362
602 49-467 218	Uniforms	1,460	1,107	1,221	1,069	1,243
602 49-467 303	Engineering	8,403	6,347	23,813	9,466	6,232
602 49-467 319	Other Professional Services	-	750	-	-	-
602 49-467 331	Travel & School	-	2,200	248	1,494	2,070
602 49-467 430	Miscellaneous	3,766	3,223	19,486	16,641	2,118
602 49-467 433	Dues & Subscriptions	4,475	4,424	7,488	4,374	4,467
602 49-467 441	Permits & Fees	16,453	53,071	5,969	6,295	6,746
602 49-467 449	Loss on Asset Disposal	-	-	-	-	-
	Total	97,742	140,225	145,432	163,231	118,120
Meter Rdrs Reimbursed						
602 49-610 49990	Reimbursed to 601	3,517	1,579	5,272	5,239	5,114
	Total	3,517	1,579	5,272	5,239	5,114
G. & A. - Reimbursed						
602 49-620 44200	Depreciation	1,544	1,036	914	316	926
602 49-620 49990	Reimbursed to 601	229,584	229,210	255,781	240,507	238,948
	Total	231,128	230,246	256,696	240,822	239,873
Debt Service						
602 49-621 46110	Bond Interest	61,311	21,541	-	-	-
602 49-621 46200	Fiscal Agent Fees	431	-	-	-	-
	Total	61,742	21,541	-	-	-
	Total Expenses	\$ 2,009,061	\$ 2,114,845	\$ 2,096,118	\$ 2,343,209	\$ 2,152,305

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, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$3,101,494	\$3,947,303	\$2,744,730	\$2,154,141	\$893,266
Investments	7,173,317	7,846,317	9,009,459	8,194,924	8,975,551
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	83,800	78,150	79,850	74,900	78,354
Accounts Receivable	1,625,916	1,533,781	1,904,461	2,147,679	1,392,039
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	24,662	32,596	54,905	63,269	85,286
Materials & Supplies	801,323	932,435	770,950	867,408	982,910
Prepaid Expenses	55,203	4,634	46,691	45,015	36,561
Interfund Receivable	1,008,600	1,079,414	1,182,341	1,377,499	1,560,000
Total Current Assets	<u>13,826,315</u>	<u>15,406,630</u>	<u>15,745,387</u>	<u>14,876,836</u>	<u>13,955,967</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	305,394	305,394	305,394	305,394	305,394
Buildings, Structures, Etc.	9,231,061	7,195,840	7,195,839	7,195,839	7,195,839
Distribution Systems	17,287,683	16,903,342	15,773,082	15,568,552	14,890,678
Meters	1,228,098	1,220,285	1,214,989	1,214,989	1,214,989
Machinery and Equipment	1,107,148	1,107,148	1,111,758	1,090,380	1,083,414
Automotive Equipment	530,489	458,647	354,328	354,329	359,848
Office Equipment	553,574	553,574	553,574	553,574	483,955
Construction in Progress	-	118,234	499,750	-	-
Total Capital Assets	<u>30,243,447</u>	<u>27,862,464</u>	<u>27,008,714</u>	<u>26,283,056</u>	<u>25,534,117</u>
Less Accumulated Depreciation	<u>(15,262,630)</u>	<u>(14,465,809)</u>	<u>(13,582,587)</u>	<u>(12,657,589)</u>	<u>(11,872,235)</u>
Total Capital Assets (Net)	<u>14,980,817</u>	<u>13,396,655</u>	<u>13,426,127</u>	<u>13,625,467</u>	<u>13,661,882</u>
Customer Acquisition Costs	268,106	268,106	268,106	268,106	268,106
Total Noncurrent Assets	<u>15,248,923</u>	<u>13,664,761</u>	<u>13,694,233</u>	<u>13,893,573</u>	<u>13,929,988</u>
TOTAL ASSETS	<u>\$29,075,238</u>	<u>\$29,071,391</u>	<u>\$29,439,620</u>	<u>\$28,770,409</u>	<u>\$27,885,955</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	\$ 1,453,133	\$ 1,361,219	\$ 1,049,039	\$ 1,085,427	\$ 1,081,556
Accrued Payroll	40,510	30,062	28,475	23,826	18,935
Accrued Vacation	68,920	69,914	68,252	56,805	56,358
Compensated Absences Payable-Current	32,000	32,000	32,000	31,600	28,600
Due to Other Government Units	48,827	54,717	51,938	59,969	59,022
Customer Deposits	83,800	78,150	79,850	74,900	78,354
Total Current Liabilities	<u>1,727,190</u>	<u>1,626,062</u>	<u>1,309,554</u>	<u>1,332,526</u>	<u>1,322,825</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	317,789	306,510	307,132	254,881	272,353
Total Noncurrent Liabilities	<u>317,789</u>	<u>306,510</u>	<u>307,132</u>	<u>254,881</u>	<u>272,353</u>
TOTAL LIABILITIES	<u>2,044,979</u>	<u>1,932,572</u>	<u>1,616,686</u>	<u>1,587,407</u>	<u>1,595,178</u>
NET POSITION					
Net Investment in Capital Assets	14,980,817	13,396,655	13,426,127	13,625,467	13,661,882
Unrestricted	12,049,442	13,742,164	14,396,807	13,557,534	12,628,895
TOTAL NET POSITION	<u>\$27,030,259</u>	<u>\$27,138,819</u>	<u>\$27,822,934</u>	<u>\$27,183,002</u>	<u>\$26,290,777</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, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
OPERATING REVENUES					
Electric Sales	\$13,387,324	\$13,875,019	\$12,981,430	\$12,756,781	\$11,715,322
Penalty Charges	94,325	100,091	79,994	89,072	88,423
Other Income	105,806	89,250	14,365	139,975	46,985
Total	<u>13,587,455</u>	<u>14,064,360</u>	<u>13,075,789</u>	<u>12,985,828</u>	<u>11,850,730</u>
OPERATING EXPENSES					
Cost of Sales and Services	10,358,031	10,566,792	9,529,617	9,215,109	8,814,273
Administration	591,832	502,148	533,733	473,787	474,002
Depreciation	1,042,373	918,457	924,997	900,505	826,563
Taxes and Tax Equivalents	1,190,529	1,219,013	1,172,838	1,159,138	1,155,227
Total	<u>13,182,765</u>	<u>13,206,410</u>	<u>12,161,185</u>	<u>11,748,539</u>	<u>11,270,065</u>
OPERATING INCOME	<u>404,690</u>	<u>857,950</u>	<u>914,604</u>	<u>1,237,289</u>	<u>580,665</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	(218,396)	208,272	289,138	286,280	332,335
Gain (Loss) on Disposal of Assets	-	-	-	3,600	-
Interest Expenses	(215)	(337)	(450)	(559)	(1,187)
Total	<u>(218,611)</u>	<u>207,935</u>	<u>288,688</u>	<u>289,321</u>	<u>331,148</u>
INCOME BEFORE TRANSFERS OUT	<u>186,079</u>	<u>1,065,885</u>	<u>1,203,292</u>	<u>1,526,610</u>	<u>911,813</u>
TRANSFERS OUT	<u>(294,639)</u>	<u>(1,750,000)</u>	<u>(563,361)</u>	<u>(634,384)</u>	<u>(275,354)</u>
CHANGE IN NET POSITION	<u>(108,560)</u>	<u>(684,115)</u>	<u>639,931</u>	<u>892,226</u>	<u>636,459</u>
NET POSITION - JANUARY 1	<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>
NET POSITION - DECEMBER 31	<u>\$27,030,259</u>	<u>\$27,138,819</u>	<u>\$27,822,934</u>	<u>\$27,183,003</u>	<u>\$26,290,777</u>

CITY OF EAST GRAND FORMS, MINNESOTA
ELECTRIC FUND
 COMPARATIVE STATEMENT OF CASH FLOWS
 For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	2013	2012	2011	2010	2009
Cash flows from operating activities:					
Cash received from customers and users	\$ 12,624,076	\$ 13,694,039	\$ 12,688,884	\$ 11,462,404	\$ 11,240,453
Cash received from interfund activities	771,088	650,051	620,708	624,355	621,172
Cash paid to suppliers for goods and services	(9,506,329)	(9,733,068)	(8,286,656)	(8,155,190)	(7,761,155)
Cash paid for interfund activities	167,088	261,305	(272,656)	(94,782)	(89,611)
Cash paid to employees	(1,423,323)	(1,399,018)	(1,384,927)	(1,336,193)	(1,322,178)
Cash paid for taxes and tax equivalents	(1,190,529)	(1,219,013)	(1,172,838)	(1,159,139)	(1,155,227)
Other operating revenues (expenses)	105,806	89,250	14,365	139,975	46,985
Net cash provided (used) by operating activities	1,547,878	2,343,546	2,206,881	1,481,430	1,580,440
Cash flows from noncapital financing activities:					
Interfund loan	70,814	102,927	195,160	182,501	(1,155,000)
Operating Transfers to other funds	(294,639)	(1,750,000)	(563,361)	(634,384)	(275,354)
Net cash provided (used) by noncapital financing activities	(223,825)	(1,647,073)	(368,201)	(451,883)	(1,430,354)
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(2,626,535)	(888,985)	(725,658)	(864,094)	(1,093,050)
Proceeds from sale of capital assets	-	-	-	3,600	-
Interest and fiscal charges on bonds	(215)	(337)	(450)	(559)	(1,187)
Net cash (used) by capital and related financing activities	(2,626,750)	(889,322)	(726,108)	(861,053)	(1,094,237)
Cash flows from investing activities:					
Interest received on investments	127,171	230,580	297,502	308,300	343,514
Proceeds from sales and maturities of investments	3,576,367	1,692,000	5,399,000	5,619,000	3,847,000
Purchase of investments	(3,241,000)	(528,858)	(6,213,535)	(4,838,373)	(4,524,552)
Net cash provided (used) by investing activities	462,538	1,393,722	(517,033)	1,088,927	(334,038)
Net increase (decrease) in cash and cash equivalents	(840,159)	1,200,873	595,539	1,257,421	(1,278,189)
Cash and cash equivalents - January 1	4,025,453	2,824,580	2,229,041	971,620	2,249,809
Cash and cash equivalents - December 31	\$ 3,185,294	\$ 4,025,453	\$ 2,824,580	\$ 2,229,041	\$ 971,620
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 404,690	\$ 857,950	\$ 914,604	\$ 1,237,289	\$ 580,665
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	1,042,373	918,457	924,997	900,505	826,563
Changes in assets and liabilities:					
Accounts receivable	(92,135)	370,680	243,218	(755,640)	54,977
Materials & supplies	131,112	(161,485)	96,458	115,502	166,867
Prepaid items	(50,569)	42,057	(1,676)	(8,454)	(4,050)
Accounts payable	91,914	312,181	(36,388)	3,871	(46,433)
Accrued payroll	10,448	1,587	4,649	4,891	(28,497)
Accrued vacation	(994)	1,662	11,447	447	(1,211)
Accrued compensated absences	11,279	(622)	52,651	(14,474)	39,651
Due to other government units	(5,890)	2,779	(8,031)	947	(10,996)
Customer deposits	5,650	(1,700)	4,950	(3,454)	2,904
Net cash provided (used) by operating activities	\$ 1,547,878	\$ 2,343,546	\$ 2,206,879	\$ 1,481,430	\$ 1,580,440
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ (337,633)	\$ 6,436	\$ 6,436	\$ (9,347)	\$ 35,392
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	3,101,494	3,947,303	2,744,730	2,154,141	893,266
Restricted assets	83,800	78,150	79,850	74,900	78,354
Cash and cash equivalents - December 31	3,185,294	4,025,453	2,824,580	2,229,041	971,620

City of East Grand Forks, Minnesota

Electric Fund Statistics

For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

	2013			2012			2011			2010			2009		
	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH	Quantity (KWH)	Amount	Amount Per KWH
Electric Division Sales															
Residential	34,705,735	\$ 3,294,862	\$0.0949	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
Commercial	29,430,636	2,305,694	\$0.0783	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
Large Commercial	10,313,123	577,327	\$0.0560	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
Off Peak Heating	1,160,647	79,492	\$0.0685	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
City Electric	8,131,234	740,420	\$0.0911	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
All Electric	3,503,042	313,799	\$0.0896	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
Governmental	267,116	20,186	\$0.0756	213,071	14,144	\$0.0664	273,237	17,314	\$0.0634	245,194	15,031	\$0.0613	276,761	16,532	\$0.0597
Industrial	71,260,452	4,525,416	\$0.0635	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
Industrial Standby	653,770	286,419	\$0.4381	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
KVAR		53,323			53,865			44,320			43,423			39,940	
Night Watch		8,224			7,721			7,908			7,892			2,299	
LCE Facility Charge		85,200			85,200			85,224			83,780			76,680	
Industrial Facility Charge		570,000			570,000			570,000			570,000			570,000	
Industrial Excess		1,014			6,207			1,645			2,966			2,621	
Customer Charge -															
Residential		345,838			343,117			342,364			337,706			350,890	
Commercial		55,445			54,450			53,605			52,158			82,228	
Large Commercial		50,400			50,400			50,414			49,560			45,360	
Industrial		97,800			97,800			97,800			97,800			97,800	
City		10,482			9,881			9,885			9,872			9,552	
Green Power		6,339			6,613			7,197			7,689			7,428	
Air Conditioner Credit		(6,128)			(6,089)			(5,842)			(5,605)			(4,477)	
Load Control Credit		(34,230)			(33,886)			(33,448)			(33,233)			(32,520)	
	159,425,755	\$13,387,324	\$0.0840	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

Other Operating Revenue

Reconnections	\$2,510		\$3,140		\$2,800		\$3,320		\$2,660
Remote Connections	\$0		\$0		\$0		\$0		\$0
Temporary Services	\$600		\$680		\$80		\$280		\$400
Underground	\$6,415		\$16,366		\$25,114		\$39,952		\$11,152
Repairs	\$12,037		\$14,298		\$3,945		\$5,411		\$15,121
Penalties	\$94,325		\$100,091		\$79,994		\$89,072		\$88,423
Uncollectible Accounts	(\$27,320)		(\$19,163)		(\$61,768)		(\$25,802)		(\$25,996)
Miscellaneous	\$111,564		\$73,929		\$44,195		\$116,814		\$43,649
	\$200,131		\$189,341		\$94,359		\$229,046		\$135,408
Total Operating Revenue	\$13,587,455		\$14,064,360		\$13,075,789		\$12,985,828		\$11,850,730

	2013		2012		2011		2010		2009	
	Amount	Percent								
Operating Revenues	\$13,587,455	100.0%	\$14,064,360	100.0%	\$13,075,789	100.0%	\$12,985,828	100.0%	\$11,850,730	100.0%
Power Cost	8,869,897	63.8%	8,866,201	63.0%	7,836,510	59.9%	7,622,425	58.7%	6,986,559	59.0%
Power Cost Margin	4,917,558	36.2%	5,198,159	37.0%	5,239,279	40.1%	5,363,402	41.3%	4,864,171	41.0%
Distribution	2,695,850	19.8%	2,584,416	18.4%	2,582,255	19.7%	2,459,055	18.9%	2,627,737	22.2%
Gross Margin	2,221,708	16.4%	2,613,744	18.6%	2,657,024	20.3%	2,904,348	22.4%	2,236,434	18.9%
Meter Reading	10,229	0.1%	10,478	0.1%	10,544	0.1%	3,158	0.0%	7,035	0.1%
General and Administrative	616,260	4.5%	526,302	3.7%	559,037	4.3%	504,763	3.9%	493,507	4.2%
Taxes and Tax Equivalents	1,190,529	8.8%	1,219,013	8.7%	1,172,838	9.0%	1,159,138	8.9%	1,155,227	9.7%
Operating Income	\$404,690	3.0%	\$857,950	6.1%	\$914,605	7.0%	\$1,237,289	9.5%	\$580,665	4.9%

City of East Grand Forks, Minnesota

Electric Fund Statistics

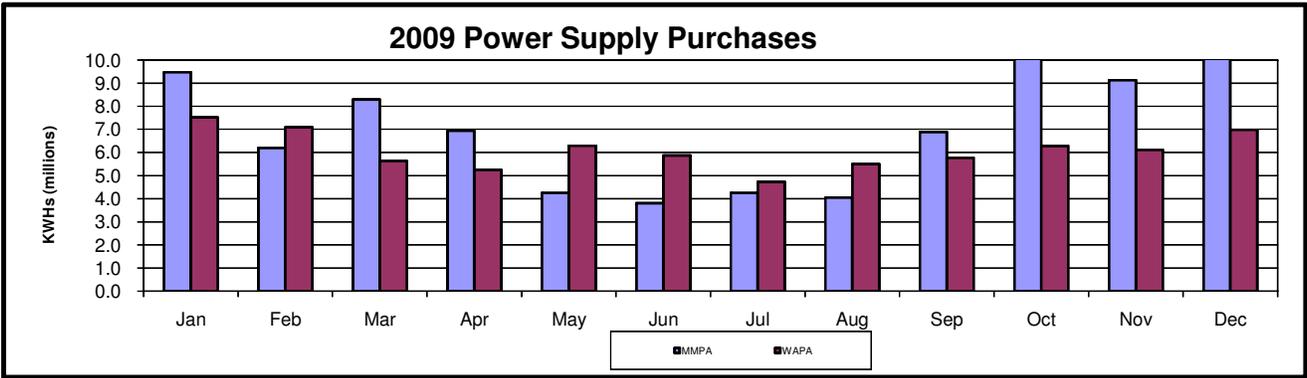
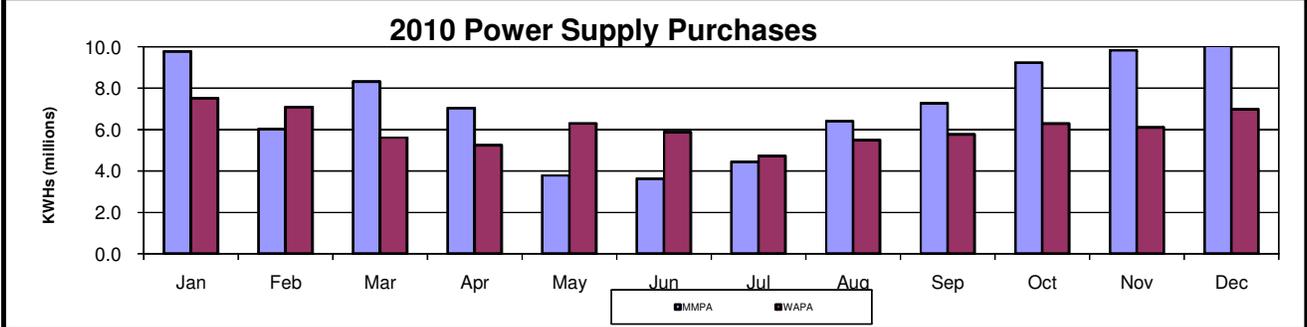
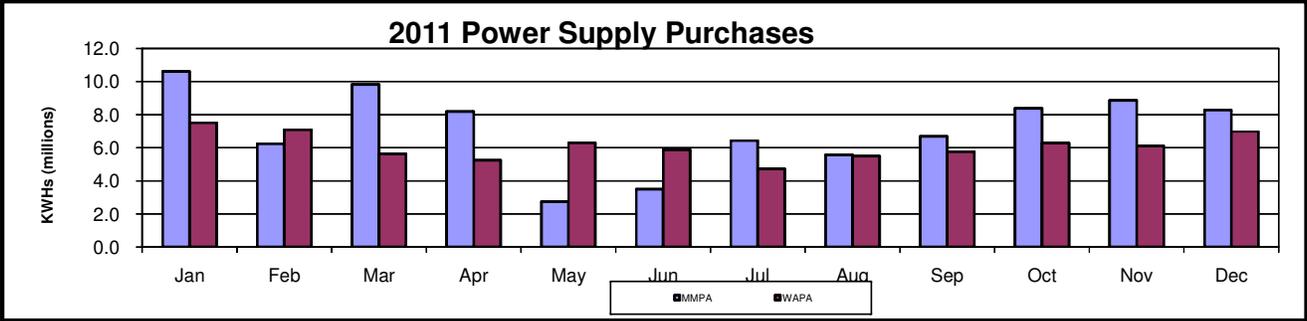
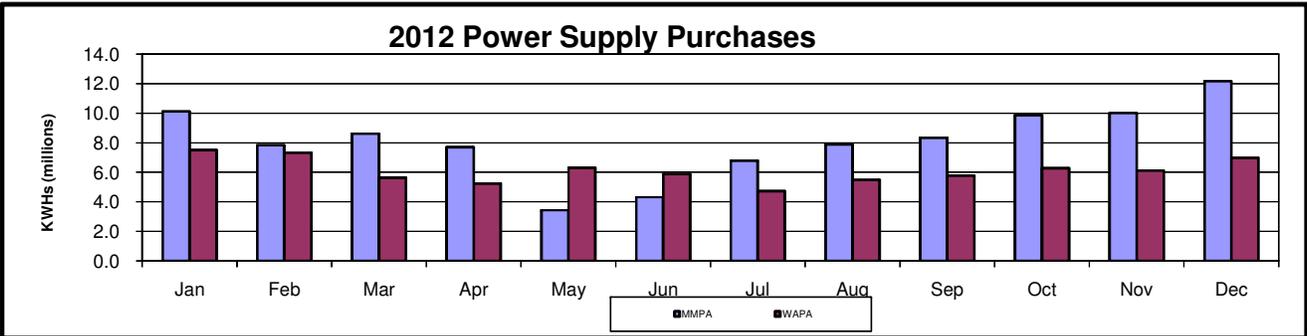
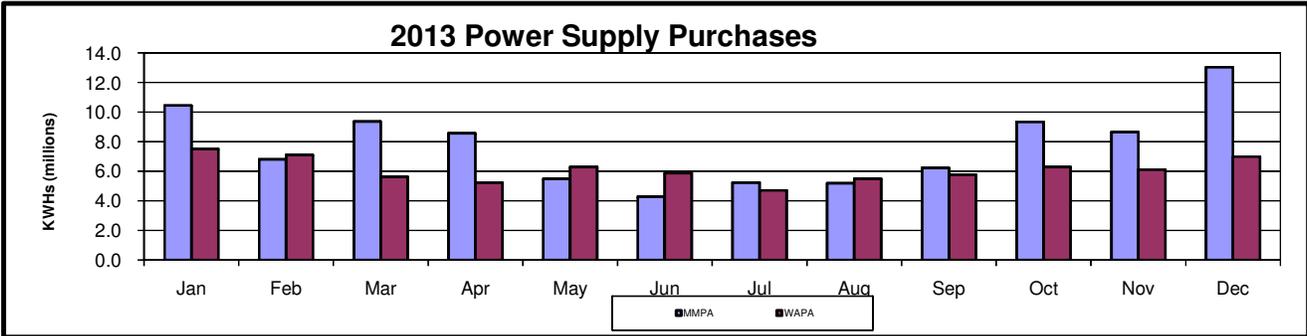
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

Selected Financial Data	2013	2012	2011	2010	2009
Utility operating revenues	\$ 13,587,455	\$ 14,064,360	\$ 13,075,789	\$ 12,985,828	\$ 11,850,730
Utility operating expenses	13,182,765	13,206,410	12,161,185	11,748,539	11,270,065
Operating Income	404,690	857,950	914,604	1,237,289	580,665
Net Income (Loss)	(108,560)	(684,115)	639,931	892,226	636,459
Total assets	29,075,238	29,071,391	29,439,620	28,770,409	27,885,955
Total Liabilities	2,044,979	1,932,572	1,616,686	1,587,407	1,595,178
Capital expenditures	2,626,535	888,985	1,363,840	1,363,840	1,093,050
Depreciation	1,042,373	918,457	924,997	900,505	826,563
Taxes and Tax Equivalents	1,190,529	1,219,013	1,172,838	1,159,138	1,155,227
Operating Transfers Out	294,639	1,750,000	563,361	634,384	275,354
Cash Flow from Operations	1,547,878	2,343,546	2,206,879	1,481,430	1,580,440
Selected Financial Statistics	2013	2012	2011	2010	2009
Avg. utility plant investment per \$ of revenue	\$ 2.23	\$ 1.97	\$ 2.03	\$ 2.02	\$ 2.15
Accum. deprec. as a % of depreciable plant	50.98%	52.72%	51.83%	48.72%	47.06%
Deprec. expense as a % of depreciable plant	3.48%	3.35%	3.53%	3.47%	3.28%
Return on equity	1.50%	3.16%	3.29%	4.55%	2.21%
Return on assets	1.39%	2.95%	3.11%	4.30%	2.08%
Miscellaneous Statistics	2013	2012	2011	2010	2009
Maximum Demand in MW	33.12	31.84	30.53	32.01	32.33
Date of Maximum Demand	12/11/2013	12/10/2012	1/9/2011	1/5/2010	12/9/2009
KWH purchased from WAPA	73,051,000	73,304,000	73,051,000	73,051,000	73,051,000
WAPA percentage of total power purchases	43.9%	42.5%	45.4%	45.5%	46.4%
KWH purchased from MMPA	93,284,971	99,053,865	87,947,759	87,670,669	84,536,994
NSP percentage of total power purchases	56.1%	57.5%	54.6%	54.5%	53.6%
KWH Line loss or billing differential	(7,563,986)	(8,924,878)	(7,060,363)	(5,114,498)	(3,992,725)
Line loss or billing differential percent	-4.55%	-5.18%	-4.39%	-3.18%	-2.53%
Average number of customers with discount	468	464	457	454	452
Average number of residential meters	3668	3637	3635	3636	3629
Average number of commercial meters	550	540	528	520	518
Average number of large commercial meters	10	10	10	10	9
Average number of industrial meters	1	1	1	1	1
Management Efficiency	2013	2012	2011	2010	2009
Benefit Employees	25	24	24	24	24
Electric Employee Allocation	14	14	14	14	14
Operating income (loss) per employee	28,906	61,282	65,329	88,378	41,476
Revenue per employee	970,533	1,004,597	933,985	927,559	846,481
Accounts receivable turnover	8.5	9.4	7.0	6.1	8.8
Asset Turnover	0.5	0.5	0.4	0.4	0.4
Selected Owners Data	2013	2012	2011	2010	2009
Population	8,601	8,601	8,601	8,601	7,879
One employee per number of owners	614	614	614	614	563
Operating Revenue per owner	\$ 1,580	\$ 1,635	\$ 1,520	\$ 1,510	\$ 1,504
Operating Expenses per owner	\$ 1,533	\$ 1,535	\$ 1,414	\$ 1,366	\$ 1,430
Operating income (loss) per owner	\$ 659	\$ 1,397	\$ 1,489	\$ 2,014	\$ 74
Net income (loss) per owner	\$ (69)	\$ (418)	\$ 421	\$ 591	\$ 81
Net assets per owner	\$ 3,380	\$ 3,380	\$ 3,423	\$ 3,345	\$ 3,539
Liabilities per owner	\$ 238	\$ 225	\$ 188	\$ 185	\$ 202
Capital Expenditures per owner	\$ 305	\$ 103	\$ 159	\$ 159	\$ 139
Taxes and Tax Equivalents per owner	\$ 138	\$ 142	\$ 136	\$ 135	\$ 147

City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

KWHs	...	Demand	Energy	...	WAPA +		Standby
	MMPA	WAPA	System	MMPA	WAPA	System	MMPA	Loss	at wholesale
2013									
January	17,908	13,235	31,342	10,446,799	7,519,000	17,965,799	17,965,799	-	58,051
February	15,203	12,556	27,759	6,802,453	7,096,000	13,898,453	13,898,453	-	53,617
March	14,683	10,905	25,752	9,357,897	5,630,000	14,987,897	14,987,897	-	55,356
April	15,761	9,192	25,091	8,571,552	5,244,000	13,815,552	13,815,552	-	29,168
May	11,322	11,650	23,147	5,489,053	6,302,000	11,791,053	11,791,053	-	94,408
June	9,788	11,276	21,233	4,291,040	5,876,000	10,167,040	10,167,040	-	88,348
July	10,327	9,899	20,374	5,233,234	4,729,000	9,962,234	9,962,234	-	-
August	12,536	11,092	23,794	5,191,324	5,492,000	10,683,324	10,683,324	-	-
September	10,425	12,097	22,703	6,237,750	5,774,000	12,011,750	12,011,750	-	213,105
October	14,741	12,661	27,952	9,342,015	6,287,000	15,629,015	15,629,015	-	16,299
November	16,680	11,104	27,951	8,647,480	6,117,000	14,764,480	14,764,480	-	25,101
December	19,687	13,325	33,121	13,035,926	6,985,000	20,020,926	20,020,926	-	4,995
1st Quarter	47,794	36,696	84,853	26,607,149	20,245,000	46,852,149	46,852,149	-	167,024
2nd Quarter	36,871	32,118	69,471	18,351,645	17,422,000	35,773,645	35,773,645	-	211,924
3rd Quarter	33,288	33,088	66,871	16,662,308	15,995,000	32,657,308	32,657,308	-	213,105
4th Quarter	51,108	37,090	89,024	31,025,421	19,389,000	50,414,421	50,414,421	-	46,395
Total	169,061	138,992	310,219	92,646,523	73,051,000	165,697,523	165,697,523	-	638,448
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

KWHs		...	Demand	Energy	...	WAPA +	Loss	Standby
		MMPA	WAPA	System	MMPA	WAPA	System	MMPA		at wholesale
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	



City of East Grand Forks, Minnesota
Electric Fund Statistics
For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

2013	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,420,871	3,407,051	2,783,911	2,850,864	2,455,452	2,418,810	3,197,332	2,954,760	3,142,537	2,356,910	2,577,206	3,140,031	34,705,735
All Electric	493,228	515,763	384,962	356,020	225,391	151,380	171,815	154,390	168,062	154,374	274,882	452,775	3,503,042
Commercial	3,142,346	2,843,347	2,250,128	2,348,440	2,078,266	2,161,918	2,347,251	2,242,803	2,382,180	2,230,870	2,393,265	3,009,822	29,430,636
Large Commercial	1,004,680	933,520	935,560	867,920	746,120	645,000	713,760	805,640	862,920	942,479	886,122	969,402	10,313,123
City Electric	904,528	898,199	779,338	656,596	541,616	531,767	487,799	503,494	506,347	608,594	785,438	927,518	8,131,234
City Off Peak	30,132	43,288	34,140	58,488	1,966	370	46	45	46	5,724	33,639	59,232	267,116
Off Peak	220,088	242,600	169,351	144,438	62,856	16,552	7,011	6,776	7,418	18,222	71,373	193,962	1,160,647
Industrial	7,917,051	5,609,120	7,330,741	6,517,898	5,370,860	3,505,309	2,539,282	3,200,722	5,332,445	8,130,544	6,654,701	9,151,779	71,260,452
Industrial Standby	59,444	54,904	56,684	29,869	96,673	90,468	-	-	218,220	16,690	25,703	5,115	653,770
Total	17,192,368	14,547,792	14,724,815	13,830,533	11,579,200	9,521,574	9,464,296	9,868,630	12,620,175	14,464,407	13,702,329	17,909,636	159,425,755

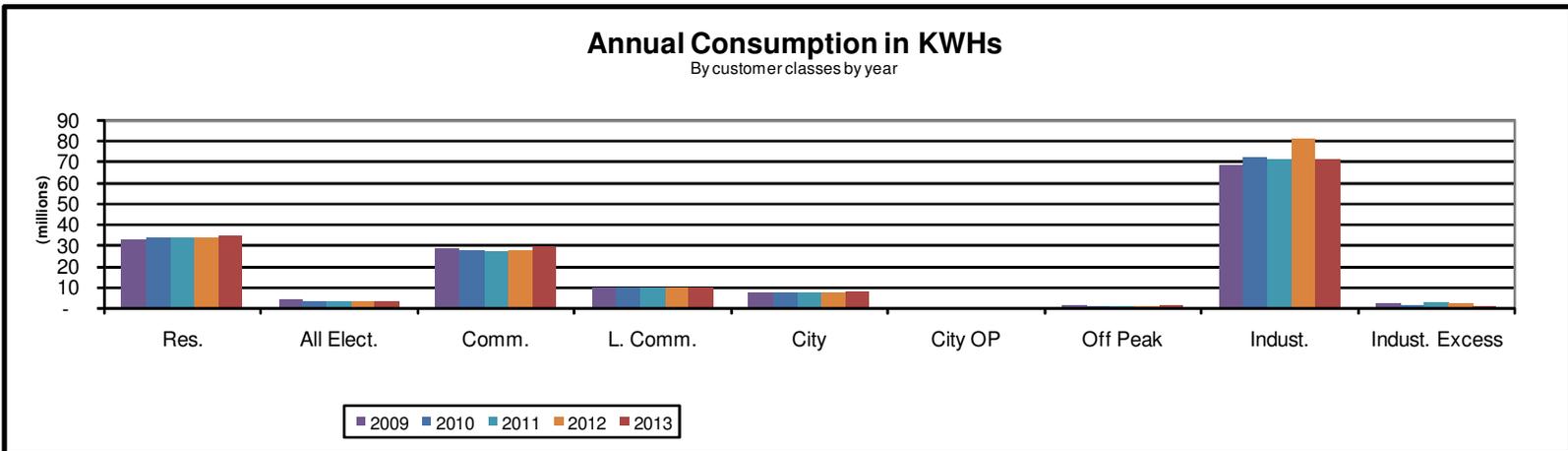
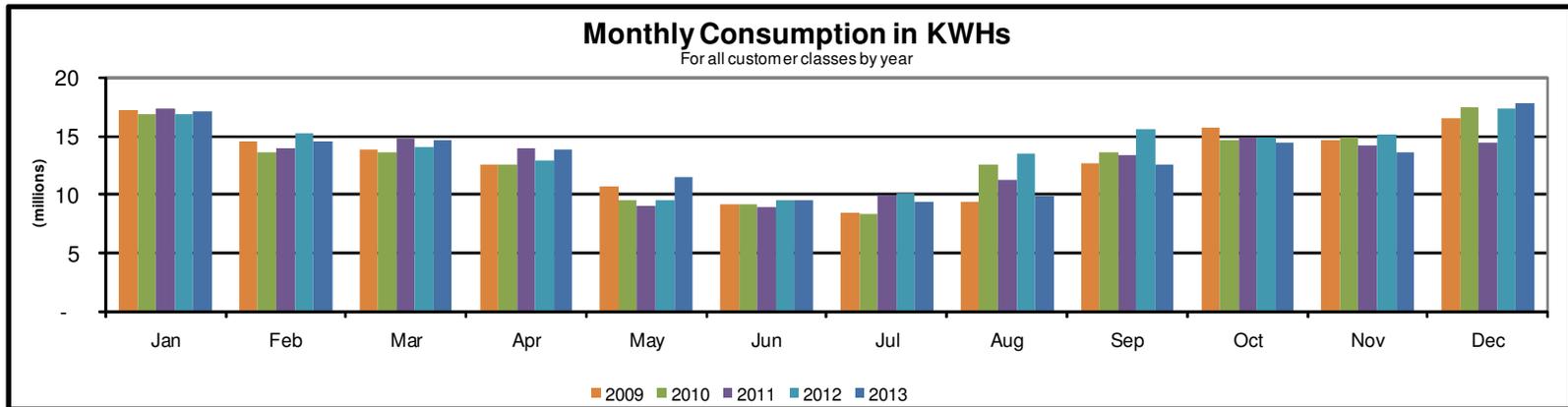
2012	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,169,188	3,079,370	2,706,420	2,419,029	2,246,158	2,492,342	3,293,327	3,546,539	2,904,200	2,202,048	2,559,225	2,925,086	33,542,932
All Electric	416,490	429,962	342,223	227,254	169,386	153,259	188,449	183,404	157,397	172,418	282,039	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 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 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	3,572,599	3,293,107	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	7,576,631
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 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

City of East Grand Forks, Minnesota
Electric Fund Statistics
 For the Years Ended December 31, 2013, 2012, 2011, 2010, and 2009

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 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, 2013, 2012, 2011, 2010, and 2009

Load Factors	2013	2012	2011	2010	2009
MMPA Power Factor					
January	87.5600	88.2000	89.5200	89.7700	88.2200
February	90.3200	88.3700	93.6800	93.1000	93.1000
March	91.5600	90.3900	91.8100	93.4300	93.4300
April	90.7900	89.7200	91.2600	92.7800	92.2100
May	89.7500	86.5600	92.0800	92.4200	92.2500
June	95.8500	92.3900	93.0700	92.2300	92.2300
July	96.1000	93.5500	91.4100	92.3800	92.3800
August	90.5300	89.3400	87.5200	91.8600	91.8600
September	84.9100	84.9400	88.0100	89.9400	89.9400
October	82.7100	84.8500	87.0800	88.9300	88.9300
November	84.4600	85.7900	84.2700	88.0400	88.0400
December	86.9300	86.7600	90.0500	89.8100	89.8100
Average	89.2892	88.4050	89.9800	91.2242	91.0333
WAPA Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3590	85.3590	85.3640	85.3640	85.3640
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	72.2228	72.2232	72.2232	72.2232
System Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3590	85.3590	85.3640	85.3640	85.3640
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	72.2228	72.2232	72.2232	72.2232

ELECTRIC FUND

REVENUES

Account Number	12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual	12/31/13 Actual
601 37-000 37400 Res. Regular	\$ 2,568,532	\$ 2,866,121	\$ 2,958,672	\$ 3,007,589	\$ 3,291,559
601 37-000 37412 Res. All Electric	304,507	296,659	297,825	269,922	313,799
601 37-000 37415 Res. Off Peak	47,868	40,678	42,353	32,538	44,217
601 37-000 37416 Res. Seasonal	3,833	2,242	2,976	2,806	3,303
601 37-000 37420 Com. Regular	2,000,929	1,929,615	1,962,695	2,097,503	2,303,989
601 37-000 37421 Com. Large	474,380	534,376	566,264	569,413	577,327
601 37-000 37422 Com. Industrial Standby	326,013	296,083	354,827	317,654	286,419
601 37-000 37425 Com. Off Peak	29,675	25,803	26,635	25,828	35,276
601 37-000 37426 Com. Seasonal	1,016	1,095	1,408	1,618	1,705
601 37-000 37427 Industrial	4,099,147	4,925,618	4,925,879	5,664,698	4,525,416
601 37-000 37428 Industrial Excess	2,621	2,966	1,645	6,207	1,014
601 37-000 37435 LCE Facility	76,680	83,780	85,224	85,200	85,200
601 37-000 37436 Industrial Facility	570,000	570,000	570,000	570,000	570,000
601 37-000 37440 KVAR	39,940	43,423	44,320	53,865	53,323
601 37-000 37441 Res. Off Peak Customer	6,088	5,701	5,669	5,715	5,806
601 37-000 37442 Com. Off Peak Customer	1,530	1,547	1,518	1,472	1,449
601 37-000 37443 Res. Customer	324,802	287,681	291,710	292,943	294,474
601 37-000 37444 Com. Customer	80,699	50,611	52,087	52,978	53,996
601 37-000 37445 LCE. Customer	45,360	49,560	50,414	50,400	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	20,000	44,324	44,985	44,460	45,558
601 37-000 37448 City Elect. Customer	9,138	9,458	9,471	9,467	10,068
601 37-000 37449 City Off-Peak Customer	414	414	414	414	414
601 37-000 37450 Reconnection	2,660	3,320	2,800	3,140	2,510
601 37-000 37452 Temporary Service	400	280	80	680	600
601 37-000 37453 Underground	11,152	39,952	25,114	16,366	6,415
601 37-000 37471 Night Watch	2,299	7,892	7,908	7,721	8,224
601 37-000 37472 City Electric	595,088	599,452	593,510	626,026	740,420
601 37-000 37473 City Special	16,532	15,031	17,314	14,144	20,186
601 37-000 37474 Fiber Optic Lease	-	-	3,876	3,876	3,876
601 37-000 37480 Interest Earnings	332,335	286,280	289,138	208,272	119,237
601 37-000 37481 Change-Investment Value	-	-	-	-	(337,633)
601 37-000 37482 Green Power	7,428	7,689	7,197	6,613	6,339
601 37-000 37485 Discount Air Conditioner	(4,477)	(5,605)	(5,842)	(6,089)	(6,128)
601 37-000 37486 Discount Electric	(32,520)	(33,233)	(33,448)	(33,886)	(34,230)
601 37-000 37487 Gain on sale of Fixed Asset	-	3,600	-	-	-
601 37-000 37488 Repairs	15,121	5,411	3,945	14,298	12,037
601 37-000 37489 Penalties	88,423	89,072	79,994	100,091	94,325
601 37-000 37490 Miscellaneous	43,649	116,814	40,319	70,053	107,688
601 37-000 37491 Bad Debt - Uncollectible	(25,996)	(25,802)	(61,768)	(19,163)	(27,320)
	<u>\$ 12,183,065</u>	<u>\$ 13,275,708</u>	<u>\$ 13,364,927</u>	<u>\$ 14,272,632</u>	<u>\$ 13,369,059</u>

ELECTRIC FUND

Expenses	12/31/09	12/31/10	12/31/11	12/31/12	12/31/13
OBJECT CODES	Actual	Actual	Actual	Actual	Actual
101 Salaries - Reg.	\$ 959,038	\$ 960,144	\$ 1,097,284	\$ 1,036,755	\$ 1,036,860
102 Salaries - O.T.	18,489	15,875	16,080	17,681	19,175
107 Vacations, etc.	97,157	106,551	94,305	106,289	104,666
121 PERA	68,852	74,189	81,010	82,212	81,399
122 FICA	75,429	78,949	81,921	82,430	81,093
130 Insurance	137,816	142,693	148,331	145,418	163,471
151 Workers Comp	24,003	16,821	16,152	26,925	21,988
200 Office Supplies	10,306	12,017	10,920	13,917	9,473
211 General & Cleaning Supplies	-	-	1,154	915	1,346
212 General Supplies	13,768	15,755	12,516	16,670	20,024
218 Uniforms	1,936	10,955	4,805	3,850	2,317
227 Parts & Supplies	221,778	111,563	135,833	66,989	129,016
240 Small Tools	1,916	5,233	11,731	19,816	28,760
280 WAPA Purchases	2,021,865	2,331,656	2,330,159	2,334,738	2,330,556
281 NSP Purchases	64,830	65,702	66,591	67,499	67,499
282 MMPA	4,899,864	5,225,067	5,439,760	6,326,174	6,271,844
301 Auditing	14,675	14,675	14,675	28,028	18,675
303 Engineering	111,408	79,510	74,062	74,401	37,414
304 Legal Fees	18,398	24,380	22,686	19,279	15,986
309 EDP/Accounting	56,634	60,097	61,023	62,651	66,723
319 Other Professional	26,194	14,209	20,398	14,645	14,719
320 Communications	27,876	26,442	23,820	22,500	22,713
322 Postage	22,054	19,653	24,170	25,026	17,373
331 Travel & School	43,589	27,316	31,086	33,195	26,125
333 Freight & Express	-	-	178	-	-
340 Promotion/Advertising	26,871	21,952	36,951	23,220	24,681
350 Printing & Publishing	2,904	2,899	3,125	2,553	2,228
361 Liability Insurance	40,303	48,872	46,118	40,482	19,576
362 Property Insurance	25,972	29,664	29,076	30,067	55,775
381 Electric Utilities	51,372	51,011	58,978	57,728	69,013
383 Utilities	2,445	5,027	4,896	3,966	5,956
404 Contracted Services	118,287	170,245	83,458	162,079	78,167
412 Office Rent	18,000	18,000	18,000	18,000	18,000
420 Depreciation	826,563	900,505	924,997	918,457	1,042,373
430 Miscellaneous	261,259	188,037	249,266	249,777	206,841
433 Dues & Subscript.	32,872	32,014	38,077	44,556	91,215
434 Collections Fees	3,768	3,252	3,765	758	-
435 Banking/Credit Card Fees	2,683	6,891	11,207	14,050	17,863
441 Permits & Fees	53,041	32,806	32,217	28,924	30,262
520 Capital Outlay	66,036	135,291	481,504	282,660	266,041
611 Bond Interest	756	559	450	337	215
620 Fiscal Agent Fees	431	-	-	-	-
720 Franchise Taxes	1,155,227	1,159,138	1,172,838	1,219,013	1,190,529
721 Cash Transfers to Other	180,000	-	-	-	36,639
722 Cash Transfers to Water	-	400,000	-	1,500,000	-
999 Reimbursed	(260,060)	(262,133)	(290,580)	(267,880)	(266,970)
	<u>\$ 11,546,606</u>	<u>\$ 12,383,482</u>	<u>\$ 12,724,995</u>	<u>\$ 14,956,747</u>	<u>\$ 13,477,619</u>

**ELECTRIC FUND
EXPENSES**

Account Number			12/31/09 Actual	12/31/10 Actual	12/31/11 Actual	12/31/12 Actual	12/31/13 Actual
Power Purchases							
601 49-560	42800	WAPA	\$ 2,021,865	\$ 2,331,656	\$ 2,330,159	\$ 2,334,738	\$ 2,330,556
601 49-560	42810	NSP/NSP Facility	64,830	65,702	66,591	67,499	67,499
601 49-560	42820	MMPA/NSP	4,899,864	5,225,067	5,439,760	6,326,174	6,271,844
		Total	<u>6,986,559</u>	<u>7,622,425</u>	<u>7,836,510</u>	<u>8,728,410</u>	<u>8,669,899</u>
Distribution Lines							
601 49-570	41010	Salaries - Reg.	156,222	158,812	192,726	182,861	161,781
601 49-570	41020	Salaries - O.T.	10,184	7,645	5,420	5,750	4,969
601 49-570	41210	PERA	11,110	11,599	14,363	13,646	12,061
601 49-570	41220	FICA	12,196	11,870	14,080	13,337	11,792
601 49-570	42270	Parts & Supplies	43,864	22,130	15,613	9,461	50,541
601 49-570	44040	Contracted Services	44,215	22,926	10,551	438	372
		Total	<u>277,791</u>	<u>234,982</u>	<u>252,752</u>	<u>225,493</u>	<u>241,515</u>
Transformers							
601 49-571	41010	Salaries - Reg.	3,343	5,366	3,373	8,589	7,350
601 49-571	41020	Salaries - O.T.	129	-	186	-	162
601 49-571	41210	PERA	236	376	258	558	545
601 49-571	41220	FICA	248	374	260	608	510
601 49-571	42270	Parts & Supplies	51,402	7,151	12,659	3,460	5,047
601 49-571	43030	Engineering	-	5,637	-	-	-
601 49-571	44040	Contracted Services	6,965	2,269	1,100	14,628	14,802
		Total	<u>62,323</u>	<u>21,174</u>	<u>17,836</u>	<u>27,842</u>	<u>28,416</u>
Meters							
601 49-572	41010	Salaries - Reg.	21,566	23,548	20,015	17,894	20,141
601 49-572	41020	Salaries - O.T.	394	49	463	145	-
601 49-572	41210	PERA	1,476	1,644	1,465	1,294	1,443
601 49-572	41220	FICA	1,561	1,620	1,410	1,241	1,427
601 49-572	42270	Parts & Supplies	16,083	7,113	10,546	10,219	1,991
601 49-572	44040	Contracted Services	-	3,178	3,937	3,895	827
		Total	<u>41,080</u>	<u>37,152</u>	<u>37,835</u>	<u>34,688</u>	<u>25,829</u>
Substations							
601 49-574	41010	Salaries - Reg.	5,722	6,792	6,676	6,899	10,558
601 49-574	41020	Salaries - O.T.	144	286	-	54	-
601 49-574	41210	PERA	396	478	507	456	765
601 49-574	41220	FICA	433	502	501	473	740
601 49-574	42270	Parts & Supplies	4,722	3,086	8,048	572	490
601 49-574	43030	Engineering	-	15,572	-	-	-
601 49-574	43810	Electric Utilities	8,210	7,777	8,478	7,687	9,842
601 49-574	44040	Contracted Services	2,334	25,836	190	2,658	2,860
		Total	<u>21,960</u>	<u>60,330</u>	<u>24,400</u>	<u>18,799</u>	<u>25,255</u>
Street Lights							
601 49-575	41010	Salaries - Reg.	41,154	40,444	35,062	32,427	33,519
601 49-575	41020	Salaries - O.T.	524	294	301	453	818
601 49-575	41210	PERA	2,721	2,797	2,541	2,328	2,469
601 49-575	41220	FICA	2,997	2,856	2,399	2,311	2,399
601 49-575	42270	Parts & Supplies	65,509	15,638	26,478	20,380	14,094
601 49-575	44040	Contracted Services	2,006	8,160	4,696	42,258	1,620
		Total	<u>114,911</u>	<u>70,188</u>	<u>71,476</u>	<u>100,157</u>	<u>54,919</u>
Distribution Service Center							
601 49-576	41010	Salaries - Reg.	32,833	45,507	39,335	40,615	50,598
601 49-576	41020	Salaries - O.T.	432	147	491	161	164
601 49-576	41210	PERA	1,906	2,810	2,424	2,615	3,232
601 49-576	41220	FICA	2,461	3,270	2,817	2,842	3,563
601 49-576	42270	Parts & Supplies	2,854	4,948	1,151	4,924	2,137
601 49-576	42400	Small Tools & Equipment	-	-	414	203	-
601 49-576	43810	Electric Utilities	43,162	43,233	50,500	50,041	59,171
601 49-576	43830	Utilities	2,445	5,027	4,896	3,966	5,956
601 49-576	44040	Contracted Services	12,945	18,427	13,993	50,238	16,364
601 49-576	44200	Depreciation	67,350	84,434	84,434	84,265	83,128
601 49-576	49990	Reimbursed from 602 (10%)	(9,904)	(12,337)	(11,602)	(15,560)	(14,138)
		Total	<u>156,485</u>	<u>195,466</u>	<u>188,853</u>	<u>224,308</u>	<u>210,174</u>

Location Services							
601 49-577	41010	Salaries - Reg.	40,571	40,731	40,159	39,552	42,000
601 49-577	41020	Salaries - O.T.	164	63	394	398	369
601 49-577	41210	PERA	2,681	2,840	2,658	2,896	3,072
601 49-577	41220	FICA	2,886	3,021	2,746	2,951	3,091
Total			<u>46,301</u>	<u>46,655</u>	<u>45,958</u>	<u>45,798</u>	<u>48,532</u>
Vehicles							
601 49-578	41010	Salaries - Reg.	4,339	4,669	4,522	3,236	5,133
601 49-578	41020	Salaries - O.T.	-	-	152	-	-
601 49-578	41210	PERA	292	325	339	235	364
601 49-578	41220	FICA	320	340	330	225	357
601 49-578	42120	Fuels & Lubricants	13,768	15,755	12,516	16,670	20,024
601 49-578	42270	Parts & Supplies	2,977	3,958	2,423	1,151	3,419
601 49-578	44040	Contracted Services	19,208	18,931	18,782	15,123	23,970
601 49-578	44300	Miscellaneous	1,621	500	-	336	-
Total			<u>42,526</u>	<u>44,479</u>	<u>39,064</u>	<u>36,976</u>	<u>53,268</u>
Energy/Load Mgt							
601 49-580	41010	Salaries - Reg.	56,891	64,776	59,153	57,842	59,658
601 49-580	41020	Salaries - O.T.	458	380	113	120	123
601 49-580	41210	PERA	3,821	4,586	4,184	4,202	4,179
601 49-580	41220	FICA	3,688	4,239	3,571	3,663	3,545
601 49-580	41300	Insurance	10,941	11,634	12,374	12,916	14,245
601 49-580	42270	Parts & Supplies	758	8,084	4,064	2,226	16,756
601 49-580	43400	Promotion	20,404	20,230	20,113	20,089	22,453
601 49-580	44040	Contracted Services	7,136	7,243	9,805	9,330	7,792
601 49-580	44300	Miscellaneous	246,920	173,424	228,078	240,182	194,807
Total			<u>351,017</u>	<u>294,595</u>	<u>341,455</u>	<u>350,570</u>	<u>323,557</u>
Information Systems							
601 49-585	41010	Salaries - Reg.	58,630	59,963	89,122	91,706	125,181
601 49-585	41020	Salaries - O.T.	978	993	1,688	2,752	2,873
601 49-585	41210	PERA	3,994	4,237	6,490	6,801	6,738
601 49-585	41220	FICA	4,174	4,132	6,126	6,221	6,135
601 49-585	42270	Parts & Supplies	2,639	2,223	2,955	2,058	1,056
601 49-585	42400	Small Tools & Equipment	22,157	13,639	34,601	10,244	7,211
601 49-585	43310	Travel & School	-	-	2,124	178	132
601 49-585	44040	Contracted Services	492	1,111	1,718	1,192	-
601 49-585	44300	Miscellaneous	588	2,003	2,339	2,949	2,278
Total			<u>93,652</u>	<u>88,301</u>	<u>147,162</u>	<u>124,101</u>	<u>151,604</u>
Supervision							
601 49-588	41010	Salaries - Reg.	81,781	83,283	91,328	84,767	89,902
601 49-588	41210	PERA	5,604	5,823	6,150	6,146	6,352
601 49-588	41220	FICA	6,361	6,373	6,375	6,254	6,564
601 49-588	41300	Insurance	6,347	6,645	7,040	7,202	7,375
601 49-588	43310	Travel & School	1,104	1,757	1,438	2,156	1,946
Total			<u>101,196</u>	<u>103,880</u>	<u>112,331</u>	<u>106,525</u>	<u>112,138</u>
General - Unallocated							
601 49-590	41010	Salaries - Reg.	123,694	85,153	105,845	76,622	63,461
601 49-590	41020	Salaries - O.T.	1,869	1,684	1,904	1,803	3,475
601 49-590	41070	Vacation, etc.	97,157	106,551	94,305	106,289	104,666
601 49-590	41210	PERA	13,547	12,935	12,862	13,105	13,642
601 49-590	41220	FICA	13,635	14,199	13,181	13,315	13,927
601 49-590	41300	Insurance	83,674	85,912	86,270	89,782	92,816
601 49-590	41510	Workers Comp	20,697	13,470	12,252	23,079	19,664
601 49-590	42110	General & Cleaning Supplies	-	-	1,154	915	1,346
601 49-590	42180	Uniforms	1,736	10,855	4,805	3,750	2,317
601 49-590	42270	Parts & Supplies	11,101	14,929	8,007	8,777	6,804
601 49-590	42400	Small Tools & Equipment	1,916	5,233	10,021	7,679	17,507
601 49-590	43030	Engineering	111,408	58,301	74,062	74,401	37,414
601 49-590	43190	Other Professional	-	-	-	125	-
601 49-590	43310	Travel & School	26,240	10,599	10,967	14,874	13,044
601 49-590	43330	Freight & Express	-	-	178	-	-
601 49-590	43400	Advertising	707	530	485	521	528
601 49-590	44040	Contracted Services	2,961	12,441	776	2,327	1,740
601 49-590	44200	Depreciation	732,673	781,937	804,715	799,560	924,589
601 49-590	44300	Miscellaneous	5,923	4,618	14,722	3,403	6,382
601 49-590	44330	Dues & Subscript.	16,515	9,699	14,402	19,908	67,056
601 49-590	44410	Permits & Fees	53,041	32,806	32,217	28,924	30,262
Total			<u>1,318,495</u>	<u>1,261,853</u>	<u>1,303,131</u>	<u>1,289,159</u>	<u>1,420,642</u>

Meter Readers							
601 49-610	41010	Salaries - Reg.	-	3,960	13,845	12,809	12,539
601 49-610	41020	Salaries - O.T.	-	189	-	948	869
601 49-610	41210	PERA	-	289	992	970	969
601 49-610	41220	FICA	-	298	980	990	966
601 49-610	44040	Contracted Services	10,552	-	-	-	-
601 49-610	49990	Reimbursed	(3,517)	(1,579)	(5,272)	(5,239)	(5,114)
Total			<u>7,035</u>	<u>3,158</u>	<u>10,544</u>	<u>10,478</u>	<u>10,229</u>
W&L Commission							
601 49-615	41010	Salaries - Reg.	10,260	11,340	10,800	9,900	11,700
601 49-615	41220	FICA	785	868	826	757	895
			<u>11,045</u>	<u>12,208</u>	<u>11,626</u>	<u>10,657</u>	<u>12,595</u>
Administrative							
601 49-620	41010	Salaries - Reg.	282,793	269,865	320,014	290,595	290,279
601 49-620	41020	Salaries - O.T.	2,009	2,227	1,580	1,445	1,775
601 49-620	41210	PERA	18,353	19,414	20,815	20,884	21,501
601 49-620	41220	FICA	20,820	20,935	21,524	21,348	21,291
601 49-620	41300	Insurance	34,216	36,280	39,692	35,517	49,035
601 49-620	41510	Workers Comp	3,306	3,351	3,900	3,846	2,324
601 49-620	42000	Office Supplies	10,306	12,017	10,920	13,917	9,473
601 49-620	42180	Uniforms	200	100	-	100	-
601 49-620	42400	Small tools	-	-	1,297	1,690	4,042
601 49-620	43010	Auditing	14,675	14,675	14,675	28,028	18,675
601 49-620	43040	Legal Fees	18,398	24,380	22,686	19,279	15,986
601 49-620	43090	EDP/Accounting	56,634	60,097	61,023	62,651	66,723
601 49-620	43190	Other Professional	26,194	14,209	20,398	14,520	14,719
601 49-620	43200	Communications	27,876	26,442	23,820	22,500	22,713
601 49-620	43220	Postage	22,054	19,653	24,170	25,026	17,373
601 49-620	43310	Travel & School	16,245	14,959	16,558	15,987	11,004
601 49-620	43500	Printing & Publishing	2,904	2,899	3,125	2,553	2,228
601 49-620	43610	Liability Insurance	40,303	48,872	46,118	40,482	19,576
601 49-620	43620	Property Insurance	25,972	29,664	29,076	30,067	55,775
601 49-620	44040	Contracted Services	9,473	8,448	8,827	8,111	7,258
601 49-620	44120	Office Rent	18,000	18,000	18,000	18,000	18,000
601 49-620	44200	Depreciation	26,540	34,134	35,848	34,632	34,656
601 49-620	44300	Miscellaneous	6,206	7,492	4,128	2,907	3,374
601 49-620	44330	Dues & Subscript.	16,358	22,315	23,675	24,648	24,159
601 49-620	44340	Collections Fees	3,768	3,252	3,765	758	-
601 49-620	44350	Banking/Credit Card Fees	2,683	6,891	11,207	14,050	17,863
601 49-620	44390	Promotion	5,760	1,192	16,353	2,609	1,699
601 49-620	49990	Reimbursed	(229,584)	(229,210)	(255,781)	(240,507)	(238,948)
Total			<u>482,462</u>	<u>492,555</u>	<u>547,411</u>	<u>515,645</u>	<u>512,551</u>
Debt Service							
601 49-651	46110	Interest expense	756	559	450	337	215
601 49-651	46200	Fiscal Agent Fees	431	-	-	-	-
Total			<u>1,187</u>	<u>559</u>	<u>450</u>	<u>337</u>	<u>215</u>
City Energy Cons.							
601 49-631	42270	Parts & Supplies	-	-	10,689	-	-
601 49-631	44040	Contracted Services	-	41,274	9,084	11,844	-
601 49-631	45200	Capital Outlay	-	-	24,688	32,660	8,041
Total			<u>-</u>	<u>41,274</u>	<u>44,462</u>	<u>44,504</u>	<u>8,041</u>

		Expenses for City					
601 49-632	41010	Salaries - Reg.	39,240	55,936	65,309	80,442	53,060
601 49-632	41020	Salaries - O.T.	1,203	1,919	3,389	3,653	3,577
601 49-632	41210	PERA	2,717	4,035	4,963	6,076	4,066
601 49-632	41220	FICA	2,864	4,052	4,793	5,894	3,892
601 49-632	42270	Parts & Supplies	350	10,886	1,553	3,762	26,683
601 49-632	44040	Contracted Services	-	-	-	35	563
601 49-632	45200	Capital Outlay	66,036	135,291	456,816	250,000	258,000
601 49-632	47200	Transfer to General	1,155,227	1,159,138	1,172,838	1,219,013	1,190,529
601 49-632	47210	Transfer to Other	180,000	-	-	-	36,639
601 49-632	47220	Transfer to Water Fund	-	400,000	-	1,500,000	-
601 49-632	49990	City - Reimbursed	(17,055)	(19,007)	(17,924)	(6,575)	(8,770)
		Total	<u>1,430,581</u>	<u>1,752,248</u>	<u>1,691,737</u>	<u>3,062,300</u>	<u>1,568,239</u>
		Total Expenses	<u>\$ 11,546,606</u>	<u>\$ 12,383,482</u>	<u>\$ 12,724,995</u>	<u>\$ 14,956,747</u>	<u>\$ 13,477,619</u>

East Grand Forks Water & Light
List of Unrestricted Securities and Deposits
December 31, 2013

Institution	Purchase Date	Due Date	Call	Interest Rate	Par Value	Carrying Value	Market Value
WATER & LIGHT							
--SmithBarney/Bonds--							
Fed Home Loan	5/25/12	5/25/22	11/25/13	2% step	500,000	474,005	474,005
Fed Home Loan	9/7/12	9/7/22	3/7/13	1.5% step	300,000	277,470	277,470
Fed Home Loan	11/9/12	11/9/22	5/9/13	1.5% step	500,000	456,175	456,175
Fed Home Loan	12/19/12	12/19/22	6/19/13	1.5% step	400,000	364,100	364,100
Fed Home Loan	1/30/13	1/30/23	7/30/13	1.5% step	500,000	452,930	452,930
Fed Home Loan	5/16/13	5/16/23	5/16/14	1.5% step	250,000	229,533	229,533
					2,450,000	2,254,213	2,254,213
--SmithBarney/Certificates of Deposit--							
State Bank of India - NY	1/25/13	1/25/18		1.200%	96,000	95,181	95,181
CIT Bank - UT cashed 1/24/14	1/18/07	1/24/14		5.100%	96,000	96,217	96,217
Goldman Sachs Bank USA - UT	9/27/07	10/3/14		5.100%	96,000	99,176	99,176
M&I Marshall & Ilsley Bk - WI	11/15/07	12/1/14		5.000%	96,000	99,711	99,711
Southwest Bk of St Louis - MO	11/15/07	12/1/14		5.000%	96,000	99,711	99,711
Capital One, N.A. - VA	1/4/08	1/12/15		5.000%	96,000	100,298	100,298
Barclays Bank of Delaware	10/7/09	10/7/14		3.250%	96,000	97,894	97,894
Golf Coast Bank & Trust, Louisiana	5/20/11	5/20/15		1.750%	60,000	60,970	60,970
Banco Popular Puerto Rico	8/24/11	8/24/14		1.200%	245,000	246,409	246,409
Goldman Sachs Bank USA - UT	8/24/11	8/24/16		1.850%	150,000	152,681	152,681
World Financial Capital Bk -UT	10/14/11	10/15/18		2.100%	245,000	245,385	245,385
World Financial Network-Wilmington	5/31/12	5/31/17		1.800%	200,000	202,986	202,986
First Business Bank, Madison WI	4/11/13	4/11/19	10/11/2013	1.300%	245,000	233,877	233,877
First Merchant Bank Muncie Indiana	4/1/13	4/1/19	4/1/2014	1.300%	245,000	234,012	234,012
Nat'l Bnk of Superior WI	3/28/13	3/28/19	3/28/2014	1.250%	245,000	233,407	233,407
Northern Bank Woburn Mass	4/10/13	4/10/19	7/10/2013	1.400%	245,000	235,070	235,070
Oriental Bank & Trust Puerto Rico	4/19/13	4/19/17	10/19/2013	0.900%	245,000	242,947	242,947
1st Nat'l Bank East Lansing Mich	4/30/13	4/29/22	10/30/2013	2.000%	150,000	139,340	139,340
CIT Bank Salt Lake City	6/12/13	6/12/20	12/12/2013	2.000%	150,000	144,876	144,876
Gulf Coast Bank New Orleans	6/14/13	6/14/21	6/14/2014	2.000%	185,000	174,523	174,523
Compass Bank-Birmingham AL	8/7/13	8/7/18		1.750%	220,000	219,421	219,421
Ally Bank	9/25/13	9/26/16		1.150%	245,000	244,209	244,209
Vallience Bank McKenae TX	9/30/13	9/30/20		2.550%	220,000	218,468	218,468
					3,967,000	3,916,769	3,916,769
--Dain/Bonds--							
Fannie Mae	07/30/12	07/30/27	07/30/13	1% step	500,000	442,230	442,230
Fannie or freddie	12/28/12	12/28/22	06/28/13	1.125%ste	500,000	460,105	460,105
					1,000,000	902,335	902,335
--Community Bank -- CDs							
CB 807799	7/23/09	7/23/14		1.550%	100,000	100,000	100,000
					100,000	100,000	100,000
TOTAL W & L 12/31/13					7,517,000	7,173,317	7,173,317