

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2018

Introductory Section

Table of Contents

Water and Light Department Officials & Employees

Financial Highlights

Water Sales Data

Electric Sales Data

Letter of Transmittal

INTRODUCTORY SECTION

Table of Contents	ii
List of Water & Light Officials and Employees	iv
Financial Highlights	v
Letter of Transmittal	viii

FINANCIAL SECTION

Independent Auditor's Report	2
Management's Discussion and Analysis	5
Combined Statement of Net Position	10
Combined Statement of Revenues, Expenses, and Changes in Net Position	12
Combined Statement of Cash Flows	13
Notes to the Financial Statements	15

REQUIRED SUPPLEMENTARY INFORMATION

Schedule of Department's Contribution to PERA Retirement Fund	29
Schedule of Department's and Non-Employer Proportionate Share of the Net Pension Liability	30
Schedule of Changes in the Department's Total OPEB Liability and Related Ratios	31
Notes to the Required Supplementary Information	32

SUPPLEMENTARY SECTION

Water and Electric Funds:	
Combining Statement of Net Position	34
Combining Statement of Revenues, Expenses, and Changes in Net Position	36
Combining Statement of Cash Flows	37

STATISTICAL SECTION

Water Fund:	
Statements of Net Position	40
Statements of Revenues, Expenses and Changes in Net Position	41
Statements of Cash Flows	42
Statistics	43
Details of Revenues, Expenses and Object Codes	49
Electric Fund:	
Statements of Net Position	55
Statements of Revenues, Expenses and Changes in Net Position	56
Statements of Cash Flows	57
Statistics	58
Details of Revenues, Expenses and Object Codes	67

List of Unrestricted Securities and Deposits	73
INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH <i>GOVERNMENT AUDITING STANDARDS</i>	74

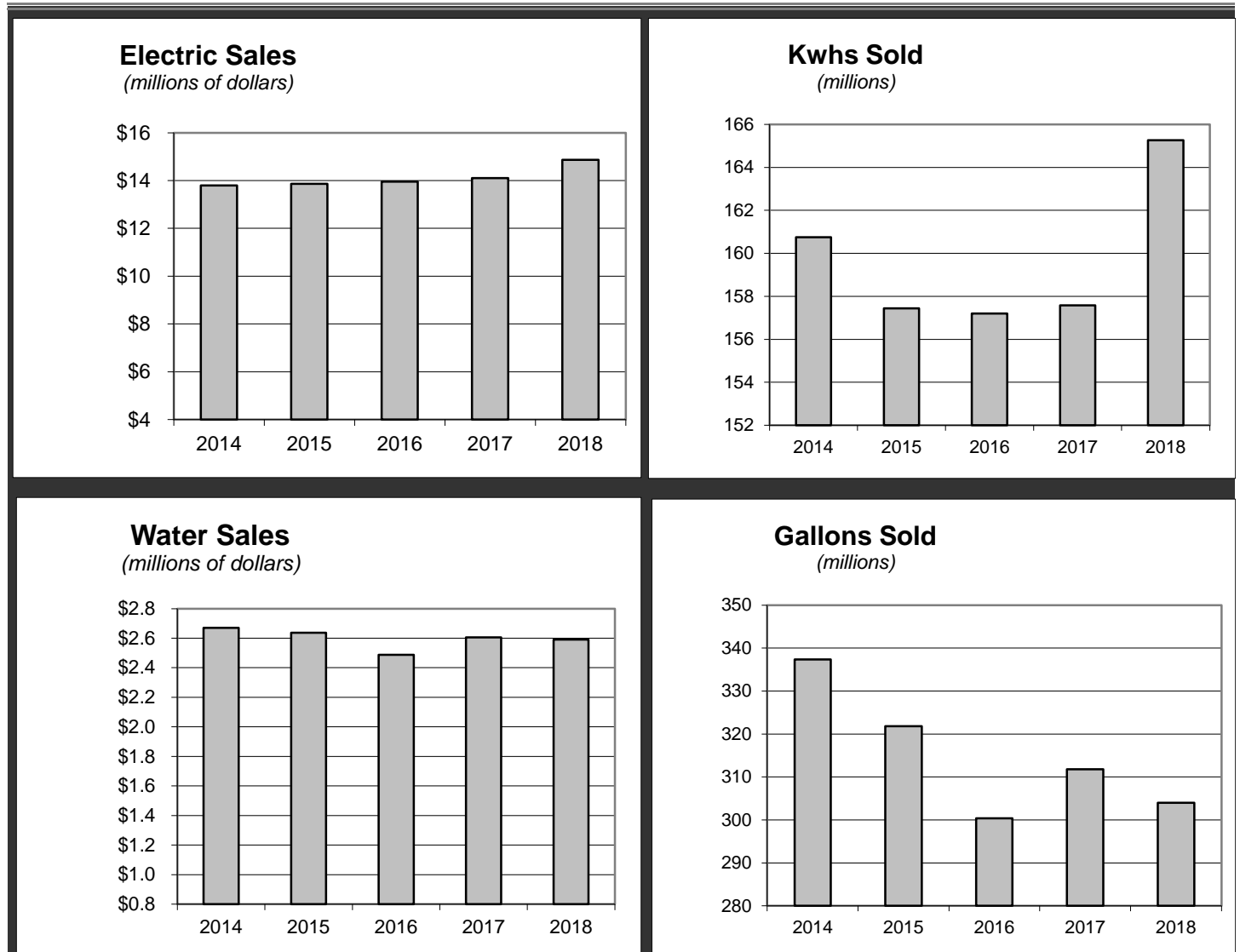
<u>APPOINTED OFFICIALS:</u>		<u>Term</u>	<u>Term Expires</u>
Commissioners	Josh Grinde, President	3 years	12/31/18
	Doug Gregoire, Vice President	3 years	12/31/19
	Mike Quirk	3 years	12/31/20
	Henry Tweten (Councilmember)		
<u>EMPLOYEES:</u>			<u>Start Date</u>
Customer Services and Administration	Keith Mykleseth, General Manager		10/10/16
	Brianna Feil		08/01/16
	Lori Maloney		01/01/90
	Maren Swingen		06/01/05
	Kristen Shipes		07/01/08
	Shelley Johnson		03/19/18
Electric Services	Jeff Olson, Superintendent		06/01/78
	Veronica Kostrzewski		09/24/80
	Dave Solarski		03/16/94
	Todd Grabanski		09/16/94
	Michael Coauette		05/16/98
	Jamey David		05/16/98
	Lance Riel		06/16/98
	Corey Thompson		08/21/00
	Kris Kovar		04/23/07
	Seth Brown		07/14/08
	Melvin Metz		02/29/16
Tyler Tretter		10/19/15	
Water Services	Brian Johnson, Superintendent		03/14/11
	James Beeman		09/21/98
	Mike Holweger		07/14/08
	Tom Schneiderman		07/14/08
	Randie Johnson		05/18/09
	Ray Rakoczy		01/23/12
	Alan Neer		08/07/17
	Seth Baune		06/18/18
Jeffrey Holbeck		06/25/18	

Financial Highlights

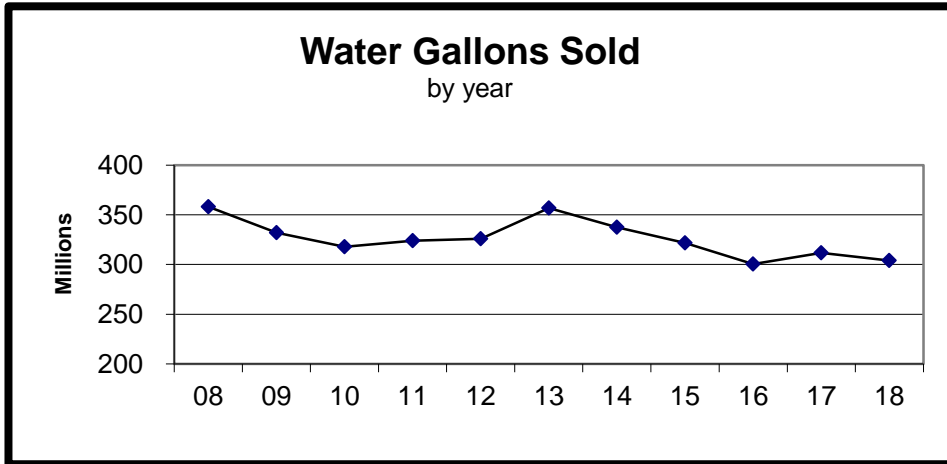
**CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT**

	2018	2017	2016	2015	2014
Financial Results					
Electric Sales Revenue	\$ 14,866,529	\$ 14,099,760	\$ 13,953,243	\$ 13,858,882	\$ 13,801,275
Kilowatt Hours Sold (millions)	165.3	157.6	157.2	157.4	160.8
Water Sales Revenue	\$ 2,590,932	\$ 2,606,292	\$ 2,486,708	\$ 2,636,821	\$ 2,670,395
Gallons Sold (millions)	304.01	311.81	300.36	321.82	337.39
Financial Position					
Cash - Electric (unrestricted)	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496	\$ 2,910,093
Investments - Electric	\$ 9,693,847	\$ 9,654,831	\$ 8,161,410	\$ 7,649,591	\$ 8,557,974
Cash - Water (unrestricted)	\$ 1,494,186	\$ 1,190,008	\$ 1,304,814	\$ 1,019,931	\$ 754,143

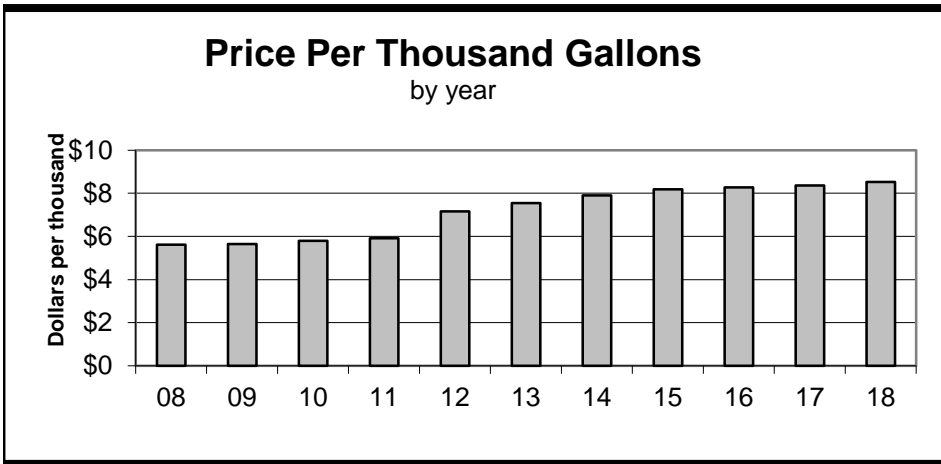
At A Glance



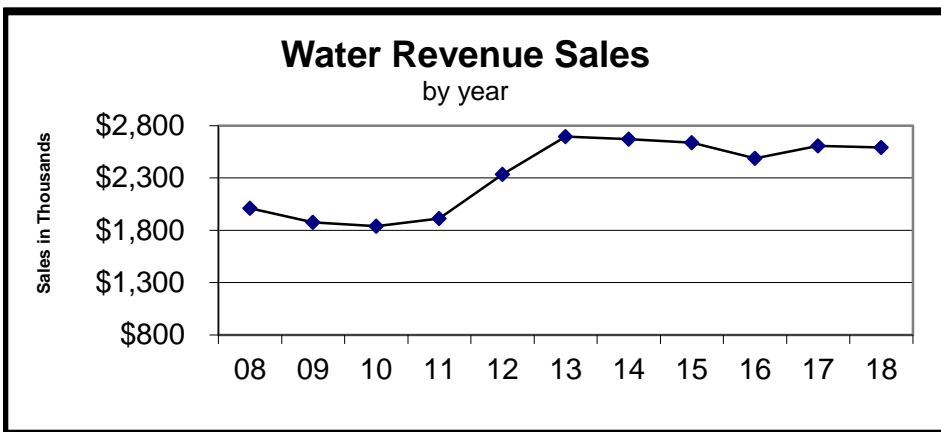
Water Sales Data:



Year	Gals. Sold
2008	358
2009	332
2010	318
2011	324
2012	326
2013	357
2014	337
2015	322
2016	300
2017	312
2018	304

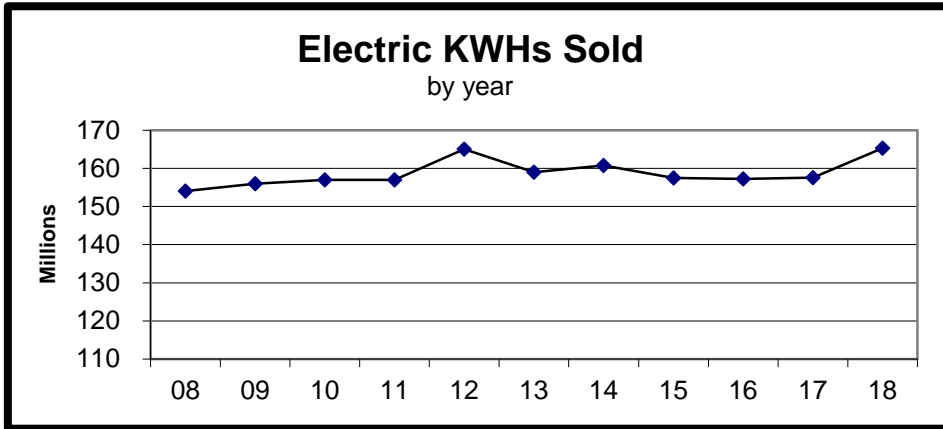


Year	Price
2008	\$5.61
2009	\$5.65
2010	\$5.79
2011	\$5.91
2012	\$7.16
2013	\$7.54
2014	\$7.91
2015	\$8.19
2016	\$8.28
2017	\$8.36
2018	\$8.52

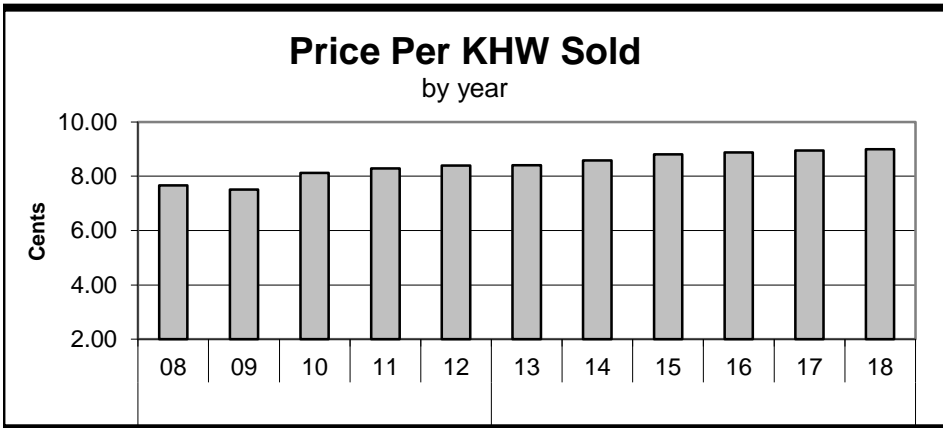


Year	Sales (000)
2008	\$2,010
2009	\$1,875
2010	\$1,839
2011	\$1,913
2012	\$2,335
2013	\$2,695
2014	\$2,670
2015	\$2,637
2016	\$2,487
2017	\$2,606
2018	\$2,591

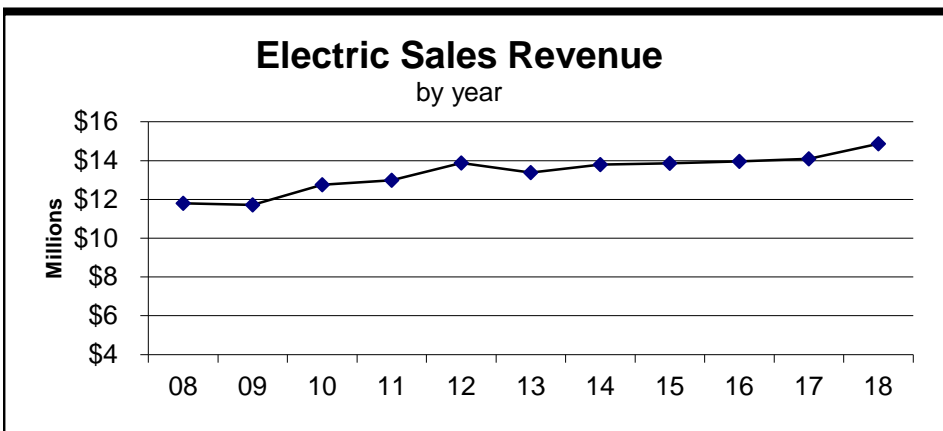
Electric Sales Data:



Year	KWHs Sold
2008	154
2009	156
2010	157
2011	157
2012	165
2013	159
2014	161
2015	157
2016	157
2017	158
2018	165



Year	Price
2008	\$0.0766
2009	\$0.0751
2010	\$0.0812
2011	\$0.0829
2012	\$0.0839
2013	\$0.0840
2014	\$0.0859
2015	\$0.0880
2016	\$0.0888
2017	\$0.0895
2018	\$0.0900



Year	Sales (Mil.)
2008	\$11.79
2009	\$11.72
2010	\$12.76
2011	\$12.98
2012	\$13.88
2013	\$13.39
2014	\$13.80
2015	\$13.86
2016	\$13.95
2017	\$14.10
2018	\$14.87

Electric Distribution System

Electric Distribution

Electric distribution personnel performed routine maintenance on the electric system and street lights, installed and terminated new equipment to new developments and rebuild areas. The 2018 planned improvements were: 1) Potato Row Overhead to Underground conversion; 2) Porta-Mix area cable replacement; 3) Coulee View and Emerson Estates 2nd Addition; 4) Leisure Land Hwy 2 East and Hawks loop.

Underground Cable Replacement

Moorhead Electric, Inc was contracted for cable installation and replacement for 2018.

Street Lights

Along Business Highway 2 from 5th Ave NE to American Crystal Sugar piling grounds, streetlights were converted to LED fixtures.

Outages

There were two outages on the electric system for 2018. One was caused by human error, and the other was a cable failure.

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. In 2018, no flood waters threatened the City of East Grand Forks.

Temporary electric and water services were provided for the Grand Cities Art Fest on River Street in June. Only temporary electric service was set up for Catfish Days and Bikes & 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. The Department continues to provide services for MNDOT, the Red River Campground and other city departments, as needed.

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 occur in early June. This program ensures a fresh product and reveals where repairs are needed to maintain reliable fire protection to the customers. 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 projects.

Water Main Replacement and Lead Service Replacement

The Water & Light Department replaces aged, cast iron water mains, valves and hydrants each year to maintain system reliability. RJ Zavoral and Son's were contracted to replace and install new plastic water main along 4th St NW from Central Ave to 2nd Ave NE.

Water Leaks

In 2018, there was one recordable water main leak which was located at the Porta-Mix location.

Community Work

Set up portable water supply for Art Fest vendors in June.

Water Treatment Plant

Operations

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

Community Service

East Grand Forks Water Treatment Operators have provided hands-on presentations to 4th grade students during the Heritage Village/Dakota Science Center's Annual Water Festival and plan to do it again next year. Presentations include the Water Cycle, surface water treatment and water distribution systems.

East Grand Forks Water Plant staff also provide plant tours upon request. Participants have included grade school, high school and college students. As well as local fraternal organizations.

Chlorine Scrubber

The Water Plant uses chlorine gas to disinfect our drinking water. A scrubber was installed in 2001 as a precaution against an accidental discharge of chlorine gas into the community. The scrubber contains a dry desiccant material that absorbs chlorine gas from the air, as it passes through it. Samples from the media must be taken every six months and analyzed for degradation. The samples taken in 2017 indicated that the media had degraded to the point that it needed to be replaced.

The project was awarded to Aqua-Pure Inc. with a low bid of \$72,500. The work was completed in June with the expired material being vacuumed out and landfilled. Followed by the new desiccant being installed.

South Water Tower and Point Reservoir

A Remote Operated Vehicle (ROV) inspection was performed on both the South Tower and the 2 million gallon Point Reservoir in July 2018. No cost estimate was prepared, as no coating or structural repairs are required at this time. However, the Point Reservoir did show some areas that may have to be spot repaired during the next inspection. That being said, the inspection data suggests both reservoirs appear to be in satisfactory condition for continued service provided that is inspected and maintained regularly. Both reservoirs are scheduled to be drained, cleaned, and manually inspected again in 2023.

Award

The Minnesota Department of Health, Oral Health Program and Drinking Water Protection Sections presented the East Grand Forks Water Treatment Plant with the Centers for Disease Control and Prevention (CDC) 2017 Water Fluoridation 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 2018, the Department continued with the energy conservation programs that were offered to its customers in 2017. For 2017, Minnesota State law mandates that municipal electric utilities annually spend 1.5% of gross revenues from 2016 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 2014 – 2016. For East Grand Forks that is \$209,780 of required expenditure with a goal of saving 2,376,988 kWh annually. Below are explanations of the rebate programs the Water and Light offers to meet the state spending and energy saving requirements.

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.

Appliance & Heating/Cooling Rebates – This program allows our customers to receive a rebate when they purchase Energy Star qualified appliances or heating/cooling equipment.

Central Air Conditioner Tune Up Rebate – This program will rebate up to \$60, once every 2 years, to customers when they have their central air conditioner tuned up by a licensed heating/cooling contractor.

LED Light Bulb/Fixture Rebate – This program offers a rebate of 50% of the LED bulb price, up to \$10 per bulb and 50% of the fixture price, up to \$20 per fixture. This rebate has a \$400 lifetime limit per customer. This rebate continues to gain popularity as customers retrofit their homes with LED bulbs.

Low Income Weatherization – The Department contracted with Mahube Community Council to do our low income weatherization projects. Minnesota State law mandates that municipal electric utilities annually spend 0.2% of average gross revenues from residential customers from the year 2016.

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. 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, adding insulation, etc.

Variable Frequency Drive Rebate – This program provides a rebate to commercial customers to install new VFDs to either existing or new motors.

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.

ENERGY AUDITS

Home Energy Audits – We offer 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. Infrared Audit – which includes the blower door test along with using an infrared camera.

Commercial Energy Assessments – We contract 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 2018 and was very beneficial in helping us meet our energy savings goal.

DIRECT INSTALL PROGRAMS

The Direct Install program 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 LED bulbs.

LED BULB GIVEAWAY AND FOOD DRIVE

The Department held its fifth annual LED Bulb Giveaway/Food Drive during Public Power Week. Customers bring in 6 non-perishable food items and we will exchange them for LED bulbs. In 2018 we had 161 customers take advantage of this program and 1,000 pounds of food was donated to the East Grand Forks Food Shelf.

Technology Services

Water and Light Technology Services maintains the data infrastructure for all of the City of East Grand Forks departments, including a metro area network that connects 51 municipally owned sites, 50 TB of data storage, supporting over 150 staff users. There are also a few spans of "dark" fiber that are leased to other entities. Water and Light also operates a citywide PBX phone system that has over 200 extensions spread out over the MAN connected sites. Maintenance and improvements to these systems is ongoing.

In 2018, a number of 10+ year old physical servers were retired and replaced using virtualization on hardware already existing. A new storage server was also implemented and migration was started to the new storage system.

Discussions with Springbrook Software continued regarding software maintenance charges for "custom" modules. Maintenance payment was withheld and will be paid when custom module fee issues are resolved.

Wireless Internet system in the Red River State Recreation Area campground was replaced with a modern system providing better coverage of the campground and added more capacity to reflect the current needs of portable devices.

In the Water and Light operational technology area, preparations continued for updates to the load management system and work began on replacement of automated meter reading system.

Some improvements to GIS applications for water maintenance were done, and started work to move GIS to a more robust platform for wider use.

Surveillance cameras and network video recorder were installed at City Hall and Green Site by technology staff.

Water and Light technology staff also worked on City projects to place digital signage in the hockey arenas and expanded video streaming of city meetings, with movement towards a City cable TV channel.

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 the Financial Statements

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 Light Department, a component unit of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the Department's 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 an opinion 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinion.

Opinion

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 Light Department, as of December 31, 2018, 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, schedule of Department's contribution to PERA retirement fund, schedule of Department's and non-employer proportionate share of the net pension liability, schedule of changes in the Department's total OPEB liability and related ratios, and notes to the required supplementary information 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

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Department's basic financial statements. The introductory section, combining fund financial statements, and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining statements are the responsibility of management and were derived from and relate 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 combining statements are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The introductory section and statistical section have 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.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated June 25, 2019, on our consideration of the Department's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the Department's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of East Grand Forks Water & Light's internal control over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA**

June 25, 2019

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, 2018. Please read it in conjunction with the financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

Electric utility sales increased 7.7 million kWh (4.9%) to 165.3 million kWh sold in 2018 compared to 157.6 million kWh sold in 2017. In 2018, electric sales revenues increased \$766,769 (5.4%) to \$14,866,529, compared to 2017 sales revenue of \$14,099,760.

Electric utility wholesale power purchase costs increased \$463,785 (5.3%) to \$9,296,422 in 2018 compared to \$8,832,637 in 2017.

Electric utility operating income increased \$586,467 (265.7%) to \$807,180 in 2018, compared to 2017 operating income of \$220,713.

Water utility sales decreased 7.8 million gallons (2.5%) to 304.0 million gallons sold in 2018, compared to 311.8 gallons sold in 2017. In 2018, water sales revenues decreased \$15,360 (0.6%) to \$2,590,932, compared to 2017 sales revenue of \$2,606,292.

Water utility operating income decreased \$54,805 (15.3%) to \$303,016 in 2018, compared to a 2017 operating income of \$357,821.

The Department's net position increased \$819,160 (2.0%) to \$42,363,596 in 2018, compared to net position of \$41,544,436 in 2017. In 2018, the Department implemented GASB Statement No. 75. A prior period adjustment was done to account for the change in accounting. The total prior period adjustment decreased net position by \$158,316. See Note 2 for further information.

The Department's 2018 long-term liabilities decreased \$192,822 (8.0%) to \$2,213,647, compared to 2017 long-term liabilities of \$2,406,469. The decrease in the current year is due to the net pension liability fluctuation.

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 statement of net position; 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 statement of net position 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 is 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		
	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
ASSETS			
Current assets and other assets	\$ 21,044,566	\$ 20,120,773	\$ 923,793
Capital assets	<u>26,189,209</u>	<u>26,307,995</u>	<u>(118,786)</u>
Total assets	<u>47,233,775</u>	<u>46,428,768</u>	<u>805,007</u>
DEFERRED OUTFLOWS OF RESOURCES	<u>325,253</u>	<u>487,329</u>	<u>(162,076)</u>
LIABILITIES			
Current liabilities	2,671,251	2,764,361	(93,110)
Noncurrent liabilities	<u>2,063,396</u>	<u>2,251,568</u>	<u>(188,172)</u>
Total liabilities	<u>4,734,647</u>	<u>5,015,929</u>	<u>(281,282)</u>
DEFERRED INFLOWS OF RESOURCES	<u>460,785</u>	<u>355,732</u>	<u>105,053</u>
NET POSITION			
Net Investment in Capital Assets	26,189,209	26,307,995	(118,786)
Unrestricted	<u>16,174,387</u>	<u>15,236,441</u>	<u>937,946</u>
Total net position	<u>\$ 42,363,596</u>	<u>\$ 41,544,436</u>	<u>\$ 819,160</u>

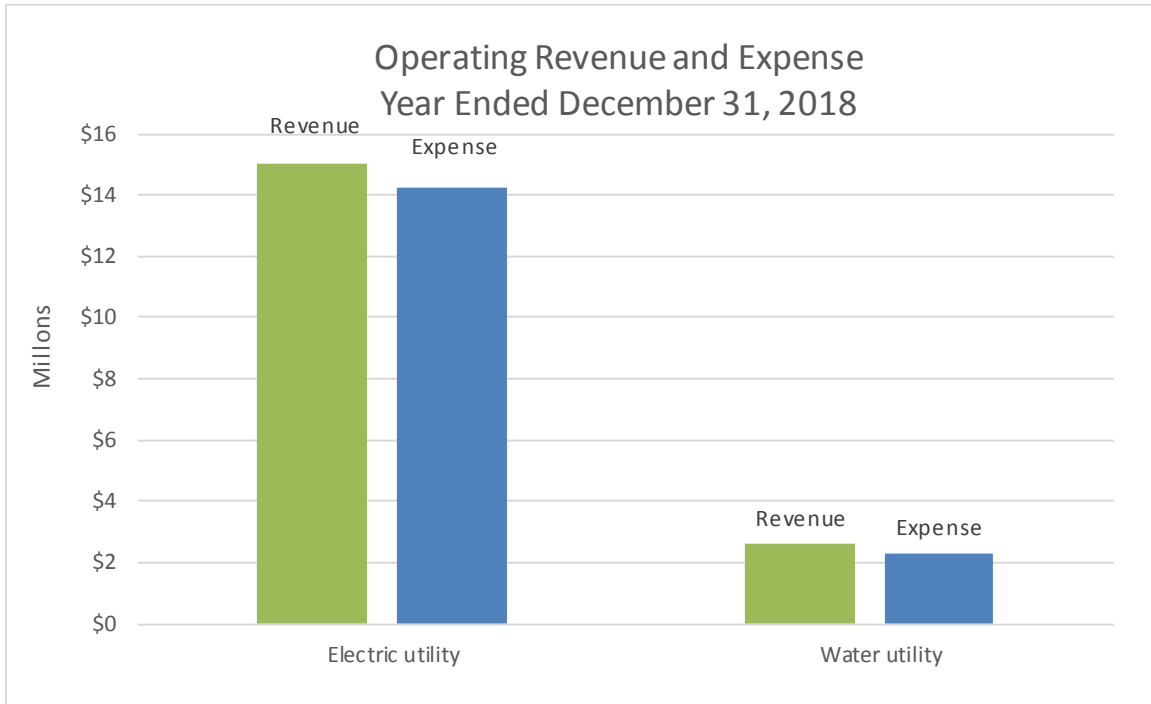
The entity-wide net position increased \$819,160 to \$42,363,596 in 2018. The increase in unrestricted net position is largely attributable to the decrease in the net pension liability as a result of changes in the fluctuating discount rate as well as an increase in current year net income.

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

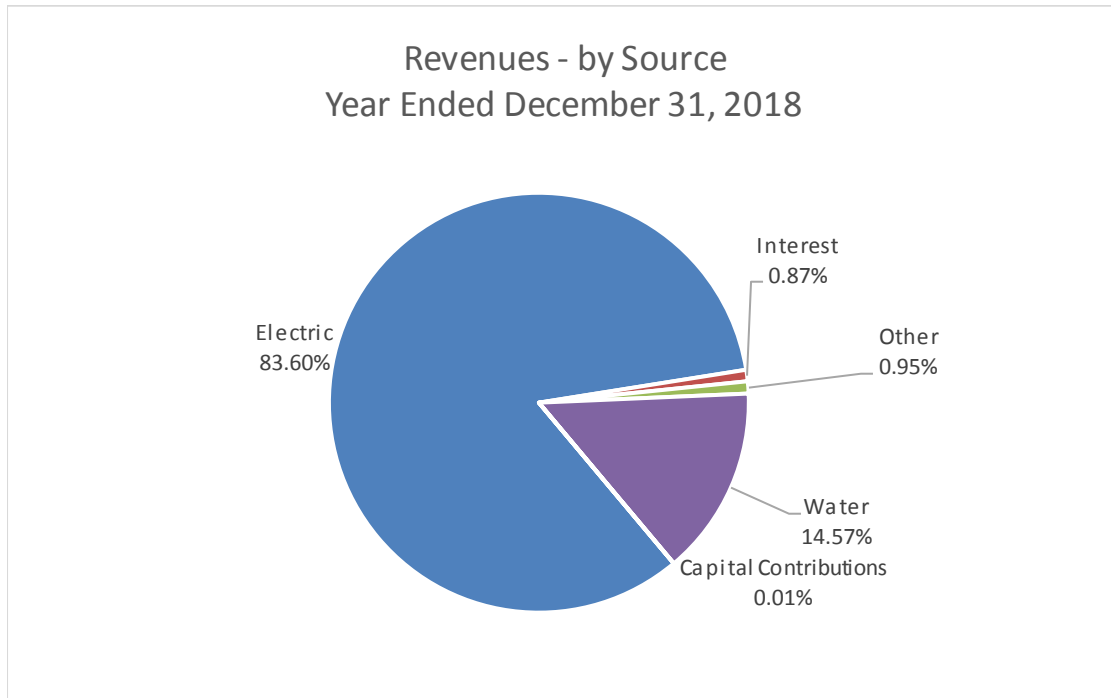
	<u>2018</u>	<u>2017</u>	<u>Increase (Decrease)</u>
Revenues:			
Charges for services:			
Electric utility	\$ 14,866,529	\$ 14,099,760	\$ 766,769
Water utility	<u>2,590,932</u>	<u>2,606,292</u>	<u>(15,360)</u>
Total charges for services	17,457,461	16,706,052	751,409
Interest earnings	155,157	170,194	(15,037)
Other	<u>168,051</u>	<u>164,712</u>	<u>3,339</u>
Total revenues	<u>17,780,669</u>	<u>17,040,958</u>	<u>739,711</u>
Expenses:			
Operating expenses:			
Electric utility	14,217,696	14,034,534	183,162
Water utility	<u>2,297,620</u>	<u>2,257,696</u>	<u>39,924</u>
Total operating expenses	<u>16,515,316</u>	<u>16,292,230</u>	<u>223,086</u>
Total expenses	<u>16,515,316</u>	<u>16,292,230</u>	<u>223,086</u>
Income before Capital Contributions and Transfers	1,265,353	748,728	516,625
Capital Contributions	1,500	99,716	(98,216)
Transfers Out	<u>(289,377)</u>	<u>(250,000)</u>	<u>(39,377)</u>
Change in Net Position	<u>\$ 977,476</u>	<u>\$ 598,444</u>	<u>\$ 379,032</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. A comparison of total charges for service shows a \$751,409 (4.5%) increase and operating expenses increased \$223,086 (1.4%).

The following is a summary of the operating revenue and expense for the electric and water utility for the year ended December 31, 2018:



The following is a summary of the composition of 2018 revenue by source:



**Capital Assets
(net of accumulated depreciation)**

	2018	2017
Land	\$ 349,394	\$ 349,394
Building, systems, and structures	24,283,206	24,957,897
Machinery and equipment	788,636	553,758
Construction in progress	767,973	446,947
Total capital assets, net	\$ 26,189,209	\$ 26,307,996

In 2018, depreciation and disposals exceeded capital investments by \$118,787; new investment in capital assets totaled \$1,628,992 and depreciation totaled \$1,747,780. Major capital assets improvement projects for 2018 are mentioned in the Manager’s annual narrative report. Additional information on the Department’s capital assets can be found in Note 5 to these financial statements.

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, 2018 was 3.6%, which is slightly above the state average of 3.2% and in line with the national (3.7%) average. The North Dakota Grand Forks County unemployment rate was 2.0% for December 2018. The Grand Forks-East Grand Forks metropolitan statistical area unemployment rate for December 2018 was 2.5%. Grand Forks is located across the Red River of the North and has an approximate population of 57,339.
- 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.

**Combined Statement of Net Position
As of December 31, 2018**

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

	<u>2018</u>
ASSETS	
CURRENT ASSETS	
Cash and Cash Equivalents	\$ 4,953,586
Investments	9,693,847
Restricted Cash and Cash Equivalents:	
Cash in Customer Deposits	136,800
Accounts Receivable	2,434,610
Allowance for Doubtful Accounts	(48,000)
Interest Receivable	36,169
Material Inventory	1,054,988
Prepaid Expenses	11,436
Interfund Receivable	1,972,899
Due from Other Funds	439,480
Due from Other Governments	6,977
Total Current Assets	<u>20,692,792</u>
NONCURRENT ASSETS	
Capital Assets:	
Land	349,394
Buildings, Structures, Etc.	20,412,430
Distribution Systems	34,717,461
Meters	1,250,066
Machinery and Equipment	2,936,168
Automotive Equipment	835,400
Office Equipment	705,665
Construction in Progress	767,973
Total Capital Assets	61,974,557
Less Accumulated Depreciation	<u>(35,785,348)</u>
Total Capital Assets (Net)	26,189,209
Customer Acquisition Costs	351,774
Total Noncurrent Assets	<u>26,540,983</u>
TOTAL ASSETS	<u>47,233,775</u>
DEFERRED OUTFLOWS OF RESOURCES	
Cost Sharing Defined Benefit - PERA	311,257
Deferred Outflows of Resources - OPEB	<u>13,996</u>
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>325,253</u>

LIABILITIES

CURRENT LIABILITIES

Accounts Payable	1,167,764
Retainage Payable	4,297
Accrued Payroll	109,217
Accrued Vacation	105,251
Accrued Sick Leave	45,000
Due to Other Government Units	57,182
Due to Other Funds	1,045,740
Customer Deposits	136,800
Total Current Liabilities	<u>2,671,251</u>

NONCURRENT LIABILITIES

Compensated Absences Payable-Net	278,436
Net Pension Liability	1,608,579
Total Other Postemployment Benefit Liability	176,381
Total Noncurrent Liabilities	<u>2,063,396</u>

TOTAL LIABILITIES

4,734,647

DEFERRED INFLOWS OF RESOURCES

Cost Sharing Defined Benefit - PERA	<u>460,785</u>
-------------------------------------	----------------

**TOTAL DEFERRED INFLOWS
OF RESOURCES**

460,785

NET POSITION

Net Investment in Capital Assets	26,189,209
Unrestricted	16,174,387
TOTAL NET POSITION	<u>\$ 42,363,596</u>

**Combined Statement of Revenues, Expenses and Changes in Net Position
For the Year Ended December 31, 2018**

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

	<u>2018</u>
OPERATING REVENUES	
Electric Sales	\$ 14,866,529
Water Sales	2,590,932
Penalty Charges	107,298
Other Income	<u>60,753</u>
Total	<u>17,625,512</u>
OPERATING EXPENSES	
Cost of Sales and Services	12,454,843
Administration	924,612
Depreciation	1,747,780
Taxes and Tax Equivalents	<u>1,388,081</u>
Total	<u>16,515,316</u>
OPERATING INCOME	<u>1,110,196</u>
NONOPERATING REVENUES (EXPENSES)	
Investment Income	<u>155,157</u>
Total	<u>155,157</u>
INCOME BEFORE CAPITAL CONTRIBUTIONS & TRANSFERS	1,265,353
CAPITAL CONTRIBUTIONS	1,500
TRANSFERS OUT	<u>(289,377)</u>
CHANGE IN NET POSITION	<u>977,476</u>
NET POSITION - JANUARY 1	41,544,436
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	<u>(158,316)</u>
NET POSITION - JANUARY 1, AS RESTATED	<u>41,386,120</u>
NET POSITION - DECEMBER 31	<u>\$ 42,363,596</u>

**Combined Statement of Cash Flows
For the Year Ended December 31, 2018**

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

	<u>2018</u>
Cash flows from operating activities:	
Cash received from customers and users	\$ 17,441,597
Cash received from interfund activities	780,789
Cash paid to suppliers for goods and services	(10,681,446)
Cash paid for interfund activities	(390,829)
Cash paid to employees	(2,638,217)
Cash paid for taxes and tax equivalents	(1,388,081)
Other operating revenues (expenses)	<u>60,753</u>
Net cash provided (used) by operating activities	<u>3,184,566</u>
Cash flows from noncapital financing activities:	
Interfund receivable	638,723
Interfund payable	19,890
Operating transfers to other funds	<u>(289,377)</u>
Net cash provided (used) by noncapital financing activities	<u>369,236</u>
Cash flows from capital and related financing activities:	
Acquisition of capital assets	<u>(1,652,240)</u>
Net cash (used) by capital and related financing activities	<u>(1,652,240)</u>
Cash flows from investing activities:	
Interest received on investments	150,350
Proceeds from sales and maturities of investments	881,699
Purchase of investments	<u>(920,715)</u>
Net cash provided (used) by investing activities	<u>111,334</u>
Net increase (decrease) in cash and cash equivalents	2,012,896
Cash and cash equivalents - January 1	<u>3,077,490</u>
Cash and cash equivalents - December 31	<u>\$ 5,090,386</u>

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

Operating income	\$ 1,110,196
Adjustments to reconcile net income to net cash provided by operating activities:	
Depreciation	1,747,780
Changes in assets and liabilities:	
Accounts receivable	657,230
Materials & supplies	(160,225)
Prepaid items	(2,551)
Due from other government units	(253)
Accounts payable	(94,149)
Deferred pension outflows	176,072
Deferred OPEB outflows	252
Accrued payroll	5,883
Accrued vacation	(4,650)
Accrued compensated absences	(61,956)
Due to other government units	4,014
Net pension liability	(302,597)
Total other postemployment benefit liability	3,817
Deferred pension inflows	105,053
Customer deposits	650
Net cash provided (used) by operating activities	<u>\$ 3,184,566</u>

Schedule of noncash investing, capital and financing activities:

Acquisition of capital assets through capital contributions	\$ 1,500
---	----------

Cash and cash equivalents are shown on the balance sheet under the following captions:

Cash and cash equivalents	\$ 4,953,586
Restricted assets	136,800
Cash and cash equivalents - December 31	<u>\$ 5,090,386</u>

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 accounting principles generally accepted 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.

B. Cash and Cash Equivalents

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 with original maturities of three months or less 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. Fair Value Measurements

The Water and Light Department accounts for all assets and liabilities that are being measured and reported on a fair value basis in accordance with GAAP. GAAP defines fair value, established a framework for measuring fair value and expands disclosure about fair value measurements.

When fair value measurements are required, various data is used in determining those values. This statement requires that assets and liabilities that are arrived at fair value must be classified and disclosed in the following levels based on the nature of the data used.

- Level 1: Quoted market prices in active markets for identical assets or liabilities.
- Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.
- Level 3: Unobservable inputs that are not corroborated by market data.

D. 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.

E. Short-Term Inter-Fund Receivables/Payables

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

F. Inventories

Inventories are carried using the average cost method.

G. 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	3-7 years
Office Equipment	5-10 years

When property, plant, and equipment assets are disposed, 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.

H. 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.

I. Revenue Recognition

Revenue is recorded when it is measurable and available.

J. 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.

K. 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.

L. Sales Tax

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

M. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of net position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net 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 has two items reported on the statement of net position as *cost sharing defined benefit pension plan* and *other postemployment benefits* which represents actuarial differences within the PERA pension plan as well as amounts paid to the plans after the measurement date.

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net 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 has one item reported on the statement of net position as *cost sharing defined benefit pension plan*, which represents actuarial differences within the PERA pension plan.

N. Pensions

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

O. Net Position

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

NOTE 2 CHANGE IN ACCOUNTING PRINCIPLES AND RESTATEMENT OF NET POSITION

The Department implemented GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*. This statement requires the Department to record their total OPEB liability on the Statement of Net Position. Liabilities are calculated using the Entry Age actuarial cost method.

As a result, beginning net position has been restated as of January 1, 2018 as follows:

	<u>Department</u>
Net Position, January 1, 2018, as previously reported	\$ 41,544,436
Restatement for GASB 75:	
Other Postemployment Benefit Liability	(172,564)
Deferred Outflow of Resources, Contribution After Measurement Date	<u>14,248</u>
Total Adjustment	<u>(158,316)</u>
Net Position January 1, 2018, as restated	<u><u>\$ 41,386,120</u></u>

NOTE 3 CASH AND INVESTMENTS

Cash and investments as of December 31, 2018, are classified in the accompanying financial statements as follows:

Statement of net position:	
Cash and cash equivalents	\$ 4,953,586
Investments	9,693,847
Restricted cash and cash equivalents:	
Cash in customer deposits	136,800
Total cash and investments	<u>\$ 14,784,233</u>

Cash and investments as of December 31, 2018, consist of the following:

Cash:	
Cash on hand	\$ 600
Deposits with financial institutions	236,428
Cash equivalents:	
Money Market Funds	2,514,675
4M Local Government Investment Pool	2,338,683
Investments:	
Various	9,693,847
Total cash and investments	<u>\$ 14,784,233</u>

The 4M Fund is regulated by Minnesota statutes and the Board of Directors of the League of Minnesota Cities and is an external investment pool not registered with the Securities and Exchange Commission (SEC); however, it follows the same regulatory rules of the SEC under rule 2a7. The reported value of the pool is the same as the fair value of the pool share. The 4M Fund is administered by PMA Financial Network, with RBC Capital Markets as investment advisor and fund representative. Financial statements of the 4M Fund can be obtained by contacting the 4M Fund at 5301 Kyler Avenue NE, Second Floor, Albertville, MN 55301.

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

The table below identifies the investment types that are authorized for the City by Minnesota State statute. The City's investment policy does not restrict investment types beyond the limits set forth by state statute. The table also identifies any provisions in state statutes that address interest rate risk, credit risk, and concentration risk. This table also applies to investments of debt proceeds held by bond 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, 2018, 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 the 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>	<u>Fair Value Level</u>
Federal Agencies:			
Federal Home Loan Mortgage	\$ 2,224,023	4.60	1
Non-negotiable certificates of deposit	7,469,825	1.72	N/A
	<u>\$ 9,693,847</u>		

Concentration of Credit Risk

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

<u>Investment Type</u>	<u>Fair Value</u>	<u>Percent of Investment Portfolio</u>
Federal Agencies:		
Federal Home Loan Mortgage	\$ 2,224,023	22.94%

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 4 ACCOUNTS RECEIVABLE AND INTERFUND RECEIVABLE

An analysis of the accounts receivable at December 31, 2018 is as follows:

	<u>2018</u>
Current	\$ 2,383,398
Delinquent:	
South end	22,094
North end	<u>29,118</u>
	<u>\$ 2,434,610</u>

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. On December 17, 2015, the Department approved an interfund loan for the renovation of the City pool. The loan has a maximum of \$2,122,529 with a 1% interest rate for a 20 year period. The balances of the interfund receivables as of December 31, 2018 is as follows:

	<u>2018</u>
Special Assessment	\$ 606,746
Pool Renovation	<u>1,366,153</u>
	<u>\$ 1,972,899</u>

The due to and due from balances are current utility billing charges from and to the City of East Grand Forks.

NOTE 5 CAPITAL ASSETS

Capital asset activities for the year ended December 31, 2018 was as follows:

	<u>Beginning Balance</u>	<u>Additions</u>	<u>Deletions</u>	<u>Ending Balance</u>
Nondepreciable assets:				
Land	\$ 349,394	\$ -	\$ -	\$ 349,394
Construction in progress	<u>446,947</u>	<u>767,973</u>	<u>(446,947)</u>	<u>767,973</u>
Total nondepreciable	<u>796,341</u>	<u>767,973</u>	<u>(446,947)</u>	<u>1,117,367</u>
Depreciable assets:				
Buildings, systems and structures	55,466,358	964,650	(51,051)	56,379,957
Machinery and equipment	<u>4,133,917</u>	<u>343,316</u>	<u>-</u>	<u>4,477,233</u>
Total depreciable	<u>59,600,275</u>	<u>1,307,966</u>	<u>(51,051)</u>	<u>60,857,190</u>
Less accumulated depreciation				
Buildings, systems and structures	(30,508,461)	(1,639,341)	51,051	(32,096,751)
Machinery and equipment	<u>(3,580,159)</u>	<u>(108,438)</u>	<u>-</u>	<u>(3,688,597)</u>
Total accumulated depreciation	<u>(34,088,620)</u>	<u>(1,747,779)</u>	<u>51,051</u>	<u>(35,785,348)</u>
Total capital assets, net	<u>\$ 26,307,996</u>	<u>\$ 328,160</u>	<u>\$ (446,947)</u>	<u>\$ 26,189,209</u>

NOTE 6 DEFINED BENEFIT PENSION PLANS

Plan Description

The City participates in the following cost-sharing multiple-employer defined benefit pension plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA's defined benefit pension plans are established and administered in accordance with *Minnesota Statutes*, Chapters 353 and 356. PERA's defined benefit pension plans are tax qualified plans under Section 401 (a) of the Internal Revenue Code.

General Employees Retirement Plan

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

Benefits Provided

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

General Employees Plan Benefits

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

Benefit increases are provided to benefit recipients each January. Increases are related to the funding ratio of the plan. If the General Employees Plan is at least 90 percent funded for two consecutive years, benefit recipients are given a 2.5 percent increase. If the plan has not exceeded 90 percent funded, or have fallen below 80 percent, benefit recipients are given a one percent increase. A benefit recipient who has been receiving a benefit for at least 12 full months as of June 30, will receive a full increase. Members receiving benefits for at least one month but less than 12 full months as of June 30, will receive a pro rata increase.

Contributions

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. Contribution rates can only be modified by the state legislature.

General Employees Fund Contributions

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal year 2018, and the Department was required to contribute 7.50% for Coordinated Plan members. The Department's contributions to the General Employees Fund for the year ended December 31, 2018 was \$145,053. The City's contributions were equal to the required contributions for each year as set by state statute.

Pension Costs

General Employees Fund Pension Costs

At December 31, 2018, the Department reported a liability of \$1,608,579 for its proportionate share of the General Employees Fund's net pension liability. The Department's net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2018. The State of Minnesota is considered a non-employer contributing entity and the state's contribution meets the definition of a special funding situation. The state of Minnesota's proportionate share of the net pension liability associated with the Department totaled \$52,716. The net pension liability was measured as of June 30, 2018 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Department's proportionate share of the net pension liability was based on the Department's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2017, through June 30, 2018, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2018, the Department's proportion was 0.0659% which was a decrease of .0023% from its proportionate share measured as of June 30, 2017.

Department's proportionate share of the net pension liability	\$ 1,608,579
State of Minnesota's proportionate share of the net pension liability associated with the Department	52,716
Total	<u>\$ 1,661,295</u>

For the year ended December 31, 2018, the Department recognized pension expense of \$140,574 for its proportionate share of General Employees Plan's pension expense. In addition, the Department recognized an additional \$12,293 as pension expense (and grant revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2018, the Department reported its proportionate share of General Employees Plan's deferred outflows of resources and deferred inflows of resources from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	43,995	\$ 46,275
Changes in actuarial assumptions	151,561	185,059
Difference between projected and actual investment earnings	-	174,868
Changes in proportion	42,926	54,584
Contributions paid to PERA subsequent to the measurement date	72,775	-
Total	\$ 311,257	\$ 460,785

\$72,775 reported as deferred outflows of resources related to pensions resulting from the Department contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2019. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	Pension Expense
2019	\$ 48,018
2020	(87,186)
2021	(149,559)
2022	(33,576)

Actuarial Assumptions

The total pension liability in the June 30, 2018 actuarial valuation was determined using an individual entry-age normal actuarial cost method and the following actuarial assumptions:

Inflation	2.50% per year
Active Member Payroll Growth	3.25% per year
Investment Rate of Return	7.50%

Salary increases were based on a service-related table. Mortality rates for active members, retirees, survivors and disabilitants were based on RP-2014 tables for males or females, as appropriate, with slight adjustments to fit PERA's experience. Cost of living benefit increases after retirement for retirees are assumed to be 1.25 percent per year for the General Employees Plan.

Actuarial assumptions used in the June 30, 2018 valuation were based on the results of actuarial experience studies. The most recent six-year experience study in the General Employees Plan was completed in 2015.

The following changes in actuarial assumptions occurred in 2018:

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0 percent per year through 2044 and 2.50 percent per year thereafter to 1.25 percent per year.

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Stocks	36.00%	5.10%
International Stocks	17.00%	5.30%
Bonds	20.00%	0.75%
Alternative Assets	25.00%	5.90%
Cash	2.00%	0.00%

Discount Rate

The discount rate used to measure the total pension liability in 2018 was 7.50%. The projection of cash flows used to determine the discount rate assumed that contributions from the plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position of the General Employees Fund was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents the Department's proportionate share of the net pension liability for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what the Department's proportionate share of the net pension liability would be if it were calculated using a discount rate 1 percentage point lower or 1 percentage point higher than the current discount rate as of December 31, 2018:

	Department Proportionate Share of NPL		
	1% Decrease (6.5%)	Current (7.5%)	1% Increase (8.5%)
General Employees Fund	\$ 2,614,144	\$ 1,608,579	\$ 778,511

Pension Plan Fiduciary Net Position

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

NOTE 7 OTHER POSTEMPLOYMENT BENEFITS

Plan Description - Other postemployment benefits provided by the Department include allowing retirees to continue their health insurance coverage through the Department group plan at their own cost. This plan was established under the authority of the City Council and is of the single-employer defined benefit variety. Any amendments to the plan must be approved by the City Council. There is not a separate audited plan financial report.

Benefits Provided – The Department provides healthcare benefits for retirees and their dependents. Benefits are provided through a third-party insurer, and the full cost of the benefits is covered by the plan.

Funding Policy – The City Council establishes employer contribution rates for plan participants and determines how the plan will be funded as part of the budgetary process each year. Retirees pay the full budgeted rates for coverage under the medical plan. The City Council has chosen to fund the healthcare benefits on a pay as you go basis.

Employees Covered by Benefit Term – At December 31, 2018, the following employees were covered by the benefit terms:

Inactive plan members or beneficiaries currently receiving benefit payments	10
Active plan members	96
Total Members	<u>106</u>

Total OPEB Liability – The District’s total OPEB liability of \$176,381 was measured as of January 1, 2018 and was determined by an actuarial valuation as of that date.

Actuarial Assumptions – The total OPEB liability in the January 1, 2018 actuarial valuation was determined using the following actuarial assumptions and other inputs, applied to all periods included in the measurement, unless otherwise specified:

Inflation	2.5 percent
Salary increases	3.0 percent, average, including inflation
Healthcare Cost Trend Rates	6.25 percent decreasing to 5.0 percent over 5 years

Mortality rates were based on the RP-2014 White Collar Mortality Tables (de-trended to 2006) and projected beyond the valuation date using scale MP-2016.

The discount rate is based on the estimated yield of 20-year AA-rated municipal bonds. The overall single discount rate is 3.30%.

In the January 1, 2018 actuarial valuation, the entry age, level percentage of pay actuarial cost method was used.

Changes in the Total OPEB Liability

	<u>Total OPEB Liability</u>
Balance at 12/31/2017	\$ 172,564
Changes for the year:	
Service Cost	12,201
Interest Cost	5,864
Benefit Payments	<u>(14,248)</u>
Net Changes	<u>3,817</u>
Balance at 12/31/2018	<u><u>\$ 176,381</u></u>

Sensitivity of the Total OPEB Liability to Changes in the Discount Rate – The following presents the total OPEB liability of the Department, as well as what the Department’s total OPEB liability would be if it were calculated using a discount rate that is one percentage point lower (2.3 percent) or one percentage point higher (4.3 percent) than the current rate:

Department Total OPEB Liability		
1% Decrease (2.3%)	Current (3.3%)	1% Increase (4.3%)
<u>\$ 189,324</u>	<u>\$ 176,381</u>	<u>\$ 164,433</u>

Sensitivity of the Total OPEB Liability to Changes in the Healthcare Cost Trend Rates – The following presents the total OPEB liability of the Department, as well as what the Department’s total OPEB liability would be if it were calculated using healthcare cost trend rates that are one percentage point lower (5.25 percent decreasing to 4.0 percent over 5 years) or one percentage point higher (7.25 percent decreasing to 6.0 percent over 5 years) than the current healthcare cost trend rates:

Department Healthcare Cost Trend Rates		
(5.25% decreasing to 4.0% over 5 years)	(6.25% decreasing to 5.0% over 5 years)	(7.25% decreasing to 6.0% over 5 years)
<u>\$ 158,293</u>	<u>\$ 176,381</u>	<u>\$ 197,972</u>

OPEB Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB – For the year ended December 31, 2018, the Department recognized OPEB expense of \$4,069. At December 31, 2018, the Department reported outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Employer contributions paid subsequent to the measurement date	\$ 13,996	\$ -
Total	<u>\$ 13,996</u>	<u>\$ -</u>

\$13,996 reported as deferred outflows of resources related to OPEB resulting from Department contributions to OPEB subsequent to the measurement date will be recognized as a reduction of the total pension liability in the year ending December 31, 2019.

NOTE 8 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, 2018 was \$105,251.

For all union employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees hired before January 1, 2011 are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees hired after January 1, 2011 are paid 50% of their accumulated unused sick leave, not exceeding 160 days. Union employees who have accumulated 120 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year.

For all department head employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees hired before April 1, 2011 are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees hired after April 1, 2011 are paid 50% of their accumulated unused sick leave, not exceeding 160 days. Department head employees who have accumulated 80 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year.

For all remaining employees, sick leave may be accumulated indefinitely and is charged to expense in the year earned. Upon retirement, death, or disability, employees with 30 years of service are paid 100% of their accumulated unused sick leave, not exceeding 160 days; employees with less than 30 years of service are paid out 80% of accumulated unused sick leave, not exceeding 160 days. Remaining employees who have accumulated 120 days of sick leave may sell back to the Department at current compensation rates up to 48 hours in a year. The liability for accumulated sick leave at December 31, 2018 was \$323,436.

During the current year, the Department bought back sick leave from employees of \$4,344.

NOTE 9 LONG-TERM LIABILITIES

The following is a summary of changes in long-term liabilities reported in the financial statements for the year ended December 31, 2018 for compensated absences:

Year	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
2018	\$ 495,293	\$ -	\$ (66,606)	\$ 428,687	\$ 151,266

NOTE 10 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 11 LEASE COMMITMENTS

At December 31, 2018, rental commitments under operating leases were not significant.

NOTE 12 COMMITMENTS AND CONTINGENCIES

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 RRVPC \$1,514 during 2018 for electricity sold to the customers in the annexed service territory.

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 \$2,208 on this agreement for 2018.

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 13 CONCENTRATION OF SALES

American Crystal Sugar Company is the Water and Light Department's largest customer, accounting for approximately 43% of total electric fund sales and 26% of water fund sales during the year ended December 31, 2018.

NOTE 14 RESTRICTED FUNDS

Cash has been restricted for customer deposit balances.

NOTE 15 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, 2018 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, 2018, 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 16 NEW PRONOUNCEMENTS

GASB Statement No. 83, *Certain Asset Retirement Obligations*, addresses accounting and financial reporting for certain asset retirement obligations (AROs). This Statement establishes criteria for determining the timing and pattern of recognition of a liability and corresponding deferred outflow of resources for AROs. It also establishes disclosure of information about the nature of a government's AROs, the methods and assumptions used for the estimates of the liabilities, and the estimated remaining useful life of the associated tangible capital assets. The requirements of this Statement are effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 84, *Fiduciary Activities*, provides guidance regarding the identification of fiduciary activities for accounting and financial reporting purposes and how those activities should be reported. This Statement establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 88, *Certain Disclosures Related to Debt*, including Direct Borrowings and Direct Placements, improve the information that is disclosed in notes to government financial statements related to debt, including direct borrowings and direct placements. It also clarifies which liabilities governments should include when disclosing information related to debt. This Statement requires that additional essential information related to debt be disclosed in notes to financial statements, including unused lines of credit; assets pledged as collateral for the debt; and terms specified in debt agreements related to significant events of default with finance-related consequences, significant termination events with finance-related consequences, and significant subjective acceleration clauses. This Statement is effective for reporting periods beginning after June 15, 2018. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2019. Earlier application is encouraged.

GASB Statement No. 90, *Majority Equity Interests*, provides guidance for reporting when a government has majority equity interest in legally separate organizations. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. If government's holding of that equity interest meets the definition of an investment, as defined by GASB No. 72, the equity interest should be reported as an investment and measured using the equity method and not as a component unit of the government. If a government's holding of a majority interest in a legally separate organization does not meet the definition of an investment, the holding of the majority equity interest results in the government being financially accountable for the organization and therefore, the government should report the legally separate organization as a component unit. The requirements of this Statement are effective for reporting periods beginning after December 15, 2018. Earlier application is encouraged.

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

Required Supplementary Section

Schedule of Department's Contribution
to PERA Retirement Fund

Schedule of Department's and Non-Employer
Proportionate Share of the Net Pension Liability

Schedule of Changes in the Department's
Total OPEB Liability and Related Ratios

Notes to the Required Supplementary Information

**Schedule of Department's Contribution to PERA Retirement Fund
Last 10 Years**

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

<u>Year Ended</u>	<u>Statutorily Required Contributions</u>	<u>Contributions in Relation to the Statutorily Required Contributions</u>	<u>Contribution Deficiency (Excess)</u>	<u>Department's Covered Payroll</u>	<u>Contributions as a % of Covered Payroll</u>
2018	\$ 145,053	\$ 145,053	-	\$ 1,934,036	7.50%
2017	144,977	144,977	-	1,933,027	7.50%
2016	133,223	133,223	-	1,776,307	7.50%
2015	132,145	132,145	-	1,767,708	7.48%

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

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

Schedule of Department's and Non-Employer Proportionate Share of the Net Pension Liability Last 10 Years

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

Year Ended	Department's Proportion of the Net Pension Liability (Asset)	Department's Proportionate Share of the Net Pension Liability (Asset)	State's Proportionate Share of the Net Pension Liability Associated with the Department	Total	Department's Covered Payroll	Department's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2018	0.0659%	\$ 1,608,579	\$ 52,716	\$ 1,661,295	\$ 1,935,036	83.1%	79.53%
2017	0.0682%	1,911,176	24,022	1,935,198	1,933,027	98.9%	75.90%
2016	0.0650%	2,333,368	30,498	2,363,866	1,777,905	131.2%	68.91%
2015	0.0660%	1,515,265	-	1,515,265	1,767,708	85.7%	78.19%

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

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

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

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

	<u>2018</u>
Total OPEB Liability	
Service Cost	\$ 12,201
Interest	5,864
Benefit Payments	<u>(14,248)</u>
Net Change in Total OPEB Liability	3,817
Total OPEB Liability - Beginning	<u>172,564</u>
Total OPEB Liability - Ending	<u><u>\$ 176,381</u></u>
Covered - Employee Payroll	\$ 1,995,706
Department's Total OPEB Liability as a Percentage of a Covered - Employee Payroll	8.84%

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

NOTE 1 DEFINED BENEFIT PLANS

PERA

General Employees Fund

2018 Changes

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

2017 Changes

Changes in Plan Provisions: The State's special funding contribution increased from \$6 million to \$16 million.

Changes in Actuarial Assumptions: The Combined Service Annuity (CSA) loads were changed from 0.8 percent for active members and 60 percent for vested and non-vested deferred members. The revised CSA loads are now 0.0 percent for active member liability, 15.0 percent for vested deferred member liability and 3.0 percent for non-vested deferred member liability. The assumed post-retirement benefit increase rate was changed from 1.0 percent per year for all years to 1.0 percent per year through 2044 and 2.5 percent per year thereafter.

2016 Changes

Changes in Actuarial Assumptions: The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2035 and 2.5% per year thereafter to 1.0% per year for all future years. The assumed investment return was changed from 7.9% to 7.5%. The single discount rate was changed from 7.9% to 7.5%. Other assumptions were changed pursuant to the experience study dated June 30, 2015. The assumed future salary increases, payroll growth, and inflation were decreased by 0.25% to 3.25% for payroll growth and 2.50% for inflation.

2015 Changes

Changes in Plan Provisions: On January 1, 2015, the Minneapolis Employees Retirement Fund was merged into the General Employees Fund, which increased the total pension liability by \$1.1 billion and increased the fiduciary plan net position by \$892 million. Upon consolidation, state and employer contributions were revised.

Changes in Actuarial Assumptions: The assumed post-retirement benefit increase rate was changed from 1.0% per year through 2030 and 2.5% per year thereafter to 1.0% per year through 2035 and 2.5% per year thereafter.

NOTE 2 OTHER POSTEMPLOYMENT BENEFITS

Plan Changes: None

Assumption Changes: The discount rate was changed from 3.50% to 3.30%.

Method Changes: The actuarial cost method was changed from projected unit credit to entry age as prescribed by GASB 75.

Supplementary Section

Combining Statement of Net Position

Combining Statement of Revenues, Expenses and Changes in Net Position

Combining Statement of Cash Flows

**Combining Statement of Net Position
As of December 31, 2018**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
ASSETS			
CURRENT ASSETS			
Cash and Cash Equivalents	\$ 1,494,186	\$ 3,459,400	\$ 4,953,586
Investments	-	9,693,847	9,693,847
Restricted Cash and Cash Equivalents:			
Cash in Customer Deposits	-	136,800	136,800
Accounts Receivable	31,203	2,403,407	2,434,610
Allowance for Doubtful Accounts	-	(48,000)	(48,000)
Interest Receivable	-	36,169	36,169
Material Inventory	112,549	942,439	1,054,988
Prepaid Expenses	1,792	9,644	11,436
Interfund Receivable	-	1,972,899	1,972,899
Due from Other Funds	306,029	133,451	439,480
Due from Other Government Units	-	6,977	6,977
Total Current Assets	<u>1,945,759</u>	<u>18,747,033</u>	<u>20,692,792</u>
NONCURRENT ASSETS			
Capital Assets:			
Land	44,000	305,394	349,394
Buildings, Structures, Etc.	11,181,369	9,231,061	20,412,430
Distribution Systems	14,508,625	20,208,836	34,717,461
Meters	-	1,250,066	1,250,066
Machinery and Equipment	1,761,695	1,174,473	2,936,168
Automotive Equipment	47,162	788,238	835,400
Office Equipment	125,799	579,866	705,665
Construction in Progress	1,538	766,435	767,973
Total Capital Assets	27,670,188	34,304,369	61,974,557
Less Accumulated Depreciation	(15,394,991)	(20,390,357)	(35,785,348)
Total Capital Assets (Net)	12,275,197	13,914,012	26,189,209
Customer Acquisition Costs	83,668	268,106	351,774
Total Noncurrent Assets	<u>12,358,865</u>	<u>14,182,118</u>	<u>26,540,983</u>
TOTAL ASSETS	<u>14,304,624</u>	<u>32,929,151</u>	<u>47,233,775</u>
DEFERRED OUTFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	91,962	219,295	311,257
Deferred Outflows of Resources - OPEB	4,515	9,481	13,996
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>96,477</u>	<u>228,776</u>	<u>325,253</u>

LIABILITIES	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
CURRENT LIABILITIES			
Accounts Payable	22,947	1,144,817	1,167,764
Retainage Payable	-	4,297	4,297
Accrued Payroll	33,593	75,624	109,217
Accrued Vacation	18,359	86,892	105,251
Accrued Sick Leave	13,000	32,000	45,000
Due to Other Government Units	-	57,182	57,182
Due to Other Funds	38,279	1,007,461	1,045,740
Customer Deposits	-	136,800	136,800
Total Current Liabilities	<u>126,178</u>	<u>2,545,073</u>	<u>2,671,251</u>
NONCURRENT LIABILITIES			
Compensated Absences Payable-Net	21,797	256,639	278,436
Net Pension Liability	475,262	1,133,317	1,608,579
Total Other Postemployment Benefit Liability	<u>56,897</u>	<u>119,484</u>	<u>176,381</u>
Total Noncurrent Liabilities	<u>553,956</u>	<u>1,509,440</u>	<u>2,063,396</u>
TOTAL LIABILITIES	<u>680,134</u>	<u>4,054,513</u>	<u>4,734,647</u>
DEFERRED INFLOWS OF RESOURCES			
Cost Sharing Defined Benefit - PERA	<u>136,141</u>	<u>324,644</u>	<u>460,785</u>
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>136,141</u>	<u>324,644</u>	<u>460,785</u>
NET POSITION			
Net Investment in Capital Assets	12,275,197	13,914,012	26,189,209
Unrestricted	<u>1,309,629</u>	<u>14,864,758</u>	<u>16,174,387</u>
TOTAL NET POSITION	<u>\$ 13,584,826</u>	<u>\$ 28,778,770</u>	<u>\$ 42,363,596</u>

**Combining Statement of Revenues, Expenses, and Changes in Net Position
For the Year Ended December 31, 2018**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
OPERATING REVENUES			
Electric Sales	\$ -	\$ 14,866,529	\$ 14,866,529
Water Sales	2,590,932	-	2,590,932
Penalty Charges	-	107,298	107,298
Other Income	9,704	51,049	60,753
Total	<u>2,600,636</u>	<u>15,024,876</u>	<u>17,625,512</u>
OPERATING EXPENSES			
Cost of Sales and Services	1,312,244	11,142,599	12,454,843
Administration	309,728	614,884	924,612
Depreciation	675,648	1,072,132	1,747,780
Taxes and Tax Equivalents	-	1,388,081	1,388,081
Total	<u>2,297,620</u>	<u>14,217,696</u>	<u>16,515,316</u>
OPERATING INCOME (LOSS)	<u>303,016</u>	<u>807,180</u>	<u>1,110,196</u>
NONOPERATING REVENUES (EXPENSES)			
Investment Income	371	154,786	155,157
Total	<u>371</u>	<u>154,786</u>	<u>155,157</u>
INCOME BEFORE TRANSFERS AND CONTRIBUTIONS	303,387	961,966	1,265,353
CAPITAL CONTRIBUTIONS	-	1,500	1,500
TRANSFERS OUT	<u>-</u>	<u>(289,377)</u>	<u>(289,377)</u>
CHANGE IN NET POSITION	303,387	674,089	977,476
NET POSITION - JANUARY 1	13,332,509	28,211,927	41,544,436
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	<u>(51,070)</u>	<u>(107,246)</u>	<u>(158,316)</u>
NET POSITION - JANUARY 1, AS RESTATED	<u>13,281,439</u>	<u>28,104,681</u>	<u>41,386,120</u>
NET POSITION - DECEMBER 31	<u>\$ 13,584,826</u>	<u>\$ 28,778,770</u>	<u>\$ 42,363,596</u>

**Combining Statement of Cash Flows
For the Year Ended December 31, 2018**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
Cash flows from operating activities:			
Cash received from customers and users	\$ 2,539,488	\$ 14,902,109	\$ 17,441,597
Cash received from interfund activities	53,650	727,139	780,789
Cash paid to suppliers for goods and services	(751,846)	(9,929,600)	(10,681,446)
Cash paid for interfund activities	(125,880)	(264,949)	(390,829)
Cash paid to employees	(797,160)	(1,841,057)	(2,638,217)
Cash paid for taxes and tax equivalents	-	(1,388,081)	(1,388,081)
Other operating revenues (expenses)	<u>9,704</u>	<u>51,049</u>	<u>60,753</u>
Net cash provided (used) by operating activities	<u>927,956</u>	<u>2,256,610</u>	<u>3,184,566</u>
Cash flows from noncapital financing activities:			
Interfund receivable	(6,286)	645,009	638,723
Interfund payable	4,149	15,741	19,890
Operating transfers to other funds	<u>-</u>	<u>(289,377)</u>	<u>(289,377)</u>
Net cash provided (used) by noncapital financing activities	<u>(2,137)</u>	<u>371,373</u>	<u>369,236</u>
Cash flows from capital and related financing activities:			
Acquisition of capital assets	<u>(622,013)</u>	<u>(1,030,227)</u>	<u>(1,652,240)</u>
Net cash (used) by capital and related financing activities	<u>(622,013)</u>	<u>(1,030,227)</u>	<u>(1,652,240)</u>
Cash flows from investing activities:			
Interest received on investments	371	149,979	150,350
Proceeds from sales and maturities of investments	-	881,699	881,699
Purchase of investments	<u>-</u>	<u>(920,715)</u>	<u>(920,715)</u>
Net cash provided (used) by investing activities	<u>371</u>	<u>110,963</u>	<u>111,334</u>
Net increase (decrease) in cash and cash equivalents	304,177	1,708,719	2,012,896
Cash and cash equivalents - January 1	<u>1,190,009</u>	<u>1,887,481</u>	<u>3,077,490</u>
Cash and cash equivalents - December 31	<u>\$ 1,494,186</u>	<u>\$ 3,596,200</u>	<u>\$ 5,090,386</u>

**Combining Statement of Cash Flows - Continued
For the Year Ended December 31, 2018**

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

	<u>WATER</u>	<u>ELECTRIC</u>	<u>COMBINED</u>
Reconciliation of operating income to net cash provided (used) by operating activities:			
Operating income (loss)	\$ 303,016	\$ 807,180	\$ 1,110,196
Adjustments to reconcile net income to net cash provided by operating activities:			
Depreciation	675,648	1,072,132	1,747,780
Changes in assets and liabilities:			
Accounts receivable	2,206	655,024	657,230
Materials & supplies	4,531	(164,756)	(160,225)
Prepaid items	(50)	(2,501)	(2,551)
Due from other government units	-	(253)	(253)
Deferred pension outflows	66,959	109,113	176,072
Deferred OPEB outflows	81	171	252
Accounts payable	(23,148)	(71,001)	(94,149)
Accrued payroll	3,047	2,836	5,883
Accrued vacation	(6,177)	1,527	(4,650)
Accrued compensated absences	(16,069)	(45,887)	(61,956)
Due to other government units	(3,252)	7,266	4,014
Net pension liability	(112,097)	(190,500)	(302,597)
Total other postemployment benefit liability	1,231	2,586	3,817
Deferred pension inflows	32,030	73,023	105,053
Customer deposits	-	650	650
Net cash provided (used) by operating activities	<u>\$ 927,956</u>	<u>\$ 2,256,610</u>	<u>\$ 3,184,566</u>
Schedule of noncash investing, capital and financing activities:			
Acquisition of capital assets through capital contributions	\$ -	\$ 1,500	\$ 1,500
Cash and cash equivalents are shown on the balance sheet under the following captions:			
Cash and cash equivalents	\$ 1,494,186	\$ 3,459,400	\$ 4,953,586
Restricted assets	-	136,800	136,800
Cash and cash equivalents - December 31	<u>\$ 1,494,186</u>	<u>\$ 3,596,200</u>	<u>\$ 5,090,386</u>

Water Fund

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

Statistics

Details of Revenues, Expenses, and Object Codes

**Statements of Net Position – Water Fund
As of December 31, 2018, 2017, 2016, 2015, 2014**

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

	2018	2017	2016	2015	2014
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 1,494,186	\$ 1,190,008	\$ 1,304,814	\$ 1,019,931	\$ 754,143
Accounts Receivable	31,203	33,413	35,002	-	-
Materials & Supplies	112,549	117,080	131,993	112,764	96,619
Prepaid Expenses	1,792	1,742	1,699	18,167	849
Due from Other Funds	306,029	299,743	304,154	303,191	272,642
Due from Other Government Units	-	-	1,615	1,615	807
Total Current Assets	<u>1,945,759</u>	<u>1,641,986</u>	<u>1,779,277</u>	<u>1,455,668</u>	<u>1,125,060</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	44,000	44,000	44,000	44,000	44,000
Buildings, Structures, Etc.	11,181,369	11,153,273	11,060,745	10,794,462	10,661,202
Distribution Systems	14,508,625	14,010,810	13,543,960	13,174,059	12,533,305
Machinery and Equipment	1,761,695	1,426,272	1,284,588	1,262,496	1,240,142
Automotive Equipment	47,162	47,162	47,162	47,162	47,162
Office Equipment	125,799	125,799	125,799	125,799	125,799
Construction in Progress	1,538	320,955	34,578	13,761	-
Total Capital Assets	27,670,188	27,128,271	26,140,832	25,461,739	24,651,610
Less Accumulated Depreciation	(15,394,991)	(14,770,395)	(14,116,899)	(13,487,349)	(12,848,279)
Total Capital Assets (Net)	12,275,197	12,357,876	12,023,933	11,974,390	11,803,331
Customer Acquisition Costs	83,668	83,668	83,668	83,668	83,668
Total Noncurrent Assets	<u>12,358,865</u>	<u>12,441,544</u>	<u>12,107,601</u>	<u>12,058,058</u>	<u>11,886,999</u>
TOTAL ASSETS	<u>14,304,624</u>	<u>14,083,530</u>	<u>13,886,878</u>	<u>13,513,726</u>	<u>13,012,059</u>
DEFERRED OUTFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	91,962	158,921	289,978	63,010	-
Deferred Outflows of Resources - OPEB	4,515	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>96,477</u>	<u>158,921</u>	<u>289,978</u>	<u>63,010</u>	<u>-</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	22,947	46,097	222,034	40,435	24,792
Retainage Payable	-	29,045	22,691	-	3,748
Accrued Payroll	33,593	30,546	28,813	22,177	18,886
Accrued Vacation	18,359	24,536	34,819	27,337	25,377
Due to Other Governmental Units	-	3,252	2,796	-	-
Due To Other Funds	38,279	34,130	27,662	27,114	25,962
Compensated Absences Payable-Current	13,000	13,000	13,000	13,000	13,000
Deferred Pension Outflows	-	-	-	-	-
Total Current Liabilities	<u>126,178</u>	<u>180,606</u>	<u>351,815</u>	<u>130,063</u>	<u>111,765</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	21,797	37,866	86,173	74,263	72,074
Net Pension Liability	475,262	587,359	701,637	458,342	-
Other Postemployment Benefit Liability	56,897	-	-	-	-
Total Noncurrent Liabilities	<u>553,956</u>	<u>625,225</u>	<u>787,810</u>	<u>532,605</u>	<u>72,074</u>
TOTAL LIABILITIES	<u>680,134</u>	<u>805,831</u>	<u>1,139,625</u>	<u>662,668</u>	<u>183,839</u>
DEFERRED INFLOWS OF RESOURCES					
Cost Sharing Defined Benefit - PERA	136,141	104,111	78,869	48,129	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>136,141</u>	<u>104,111</u>	<u>78,869</u>	<u>48,129</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	12,275,197	12,357,876	12,023,933	11,974,390	11,803,331
Unrestricted	1,309,629	974,633	934,429	891,549	1,024,889
TOTAL NET POSITION	<u>\$ 13,584,826</u>	<u>\$ 13,332,509</u>	<u>\$ 12,958,362</u>	<u>\$ 12,865,939</u>	<u>\$ 12,828,220</u>

**Statements of Revenues, Expenses, and
Changes in Net Position – Water Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014**

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

	2018	2017	2016	2015	2014
OPERATING REVENUES					
Water Sales	\$ 2,590,932	\$ 2,606,292	\$ 2,486,708	\$ 2,636,821	\$ 2,670,395
Other Income	9,704	9,225	3,385	8,259	12,089
Total	<u>2,600,636</u>	<u>2,615,517</u>	<u>2,490,093</u>	<u>2,645,080</u>	<u>2,682,484</u>
OPERATING EXPENSES					
Cost of Sales and Services	1,312,244	1,274,881	1,430,828	1,274,233	1,393,210
Administration	309,728	329,319	320,542	263,507	267,424
Depreciation	675,648	653,496	646,300	639,068	629,855
Total	<u>2,297,620</u>	<u>2,257,696</u>	<u>2,397,670</u>	<u>2,176,808</u>	<u>2,290,489</u>
OPERATING INCOME (LOSS)	<u>303,016</u>	<u>357,821</u>	<u>92,423</u>	<u>468,272</u>	<u>391,995</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	371	326	-	-	-
Total	<u>371</u>	<u>326</u>	<u>-</u>	<u>-</u>	<u>-</u>
INCOME (LOSS) BEFORE CONTRIBUTIONS	303,387	358,147	92,423	468,272	391,995
CAPITAL CONTRIBUTIONS	<u>-</u>	<u>16,000</u>	<u>-</u>	<u>-</u>	<u>-</u>
CHANGE IN NET POSITION	<u>303,387</u>	<u>374,147</u>	<u>92,423</u>	<u>468,272</u>	<u>391,995</u>
NET POSITION - JANUARY 1	13,332,509	12,958,362	12,865,939	12,828,220	12,436,225
ADJUSTMENT FOR GASB 68 and 71	-	-	-	(430,553)	-
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	(51,070)	-	-	-	-
NET POSITION - JANUARY 1, AS RESTATED	<u>13,281,439</u>	<u>12,958,362</u>	<u>12,865,939</u>	<u>12,397,667</u>	<u>12,436,225</u>
NET POSITION - DECEMBER 31	<u>\$ 13,584,826</u>	<u>\$ 13,332,509</u>	<u>\$ 12,958,362</u>	<u>\$ 12,865,939</u>	<u>\$ 12,828,220</u>

Statements of Cash Flows – Water Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2018	2017	2016	2015	2014
Cash flows from operating activities:					
Cash received from customers and users	\$ 2,539,488	\$ 2,555,845	\$ 2,396,542	\$ 2,592,282	\$ 2,623,590
Cash received from interfund activities	53,650	53,650	55,164	44,539	46,805
Cash paid to suppliers for goods and services	(751,846)	(876,038)	(469,784)	(584,233)	(866,465)
Cash paid for interfund activities	(125,880)	(125,880)	(317,746)	(277,695)	(281,295)
Cash paid to employees	(797,160)	(777,727)	(709,109)	(674,085)	(659,939)
Other operating revenues (expenses)	9,704	9,225	3,383	8,255	12,088
Net cash provided (used) by operating activities	<u>927,956</u>	<u>839,075</u>	<u>958,450</u>	<u>1,109,063</u>	<u>874,784</u>
Cash flows from noncapital financing activities:					
Interfund receivable	(6,286)	4,411	(963)	(30,549)	(158,037)
Interfund payable	4,149	6,468	548	1,152	25,962
Net cash provided (used) by noncapital financing activities	<u>(2,137)</u>	<u>10,879</u>	<u>(415)</u>	<u>(29,397)</u>	<u>(132,075)</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(622,013)	(942,393)	(673,154)	(813,877)	(691,572)
Payments on construction accounts payable	-	(22,692)	-	-	-
Net cash (used) by capital and related financing activities	<u>(622,013)</u>	<u>(965,085)</u>	<u>(673,154)</u>	<u>(813,877)</u>	<u>(691,572)</u>
Cash flows from investing activities:					
Interest received on investments	371	326	-	-	-
Net cash provided (used) by investing activities	<u>371</u>	<u>326</u>	<u>-</u>	<u>-</u>	<u>-</u>
Net increase (decrease) in cash and cash equivalents	304,177	(114,805)	284,881	265,789	51,137
Cash and cash equivalents - January 1	<u>1,190,009</u>	<u>1,304,814</u>	<u>1,019,933</u>	<u>754,144</u>	<u>703,007</u>
Cash and cash equivalents - December 31	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>	<u>\$ 754,144</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income (loss)	\$ 303,016	\$ 357,821	\$ 92,423	\$ 468,272	\$ 391,995
Adjustments to reconcile net income (loss) to net cash provided (used) by operating activities:					
Depreciation	675,648	653,496	646,300	639,069	629,855
Changes in assets and liabilities:					
Materials & supplies	4,531	14,913	(19,229)	(16,145)	4,915
Accounts receivable	2,206	1,588	(35,002)	-	-
Prepaid items	(50)	(43)	16,468	(17,318)	870
Due from other government units	-	1,615	-	(808)	-
Deferred pension outflows	66,959	131,057	(226,968)	(44,754)	-
Deferred OPEB outflows	81	-	-	-	-
Accounts payable	(23,148)	(175,935)	181,599	15,645	(157,045)
Accrued payroll	3,047	1,733	6,636	3,291	1,296
Accrued vacation	(6,177)	(10,283)	7,482	1,960	(997)
Accrued compensated absences	(16,069)	(48,307)	11,910	2,189	3,895
Due to other government units	(3,252)	456	2,796	-	-
Net pension liability	(112,097)	(114,278)	243,295	9,533	-
Total OPEB liability	1,231	-	-	-	-
Deferred pension inflows	32,030	25,242	30,740	48,129	-
Net cash provided (used) by operating activities	<u>\$ 927,956</u>	<u>\$ 839,075</u>	<u>\$ 958,450</u>	<u>\$ 1,109,063</u>	<u>\$ 874,784</u>
Schedule of noncash investing, capital and financing activities:					
Acquisition of capital assets through capital contributions	\$ -	\$ 16,000	\$ -	\$ -	\$ -
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>	<u>\$ 754,144</u>
Cash and cash equivalents - December 31	<u>\$ 1,494,186</u>	<u>\$ 1,190,009</u>	<u>\$ 1,304,814</u>	<u>\$ 1,019,933</u>	<u>\$ 754,144</u>

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2018			2017			2016			2015			2014		
	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand	Quantity (gallons)	Amount	Amount Per Thousand
Water Division Sales															
Residential	116,220,200	\$793,029	\$6.824	117,774,600	\$791,202	\$6.718	113,587,300	\$750,597	\$6.608	119,505,000	\$788,243	\$6.596	118,738,400	\$769,379	\$6.480
Apartment	53,969,000	364,115	\$6.747	54,780,000	366,927	\$6.698	49,067,000	322,245	\$6.567	49,251,000	319,223	\$6.482	48,121,000	309,552	\$6.433
Sprinkling															
Commercial	133,823,400	1,042,808	\$7.792	139,252,600	1,067,710	\$7.667	137,706,100	1,039,433	\$7.548	153,065,600	1,157,168	\$7.560	170,528,300	1,223,723	\$7.176
Customer Charge - Residential		276,203			269,913			265,071			263,232			261,587	
Apartment		24,825			24,085			23,407			23,237			22,584	
Commercial		89,952			86,455			85,955			85,718			83,570	
Total	304,012,600	\$2,590,932	\$8.522	311,807,200	\$2,606,292	\$8.359	300,360,400	\$2,486,708	\$8.279	321,821,600	\$2,636,821	\$8.193	337,387,700	\$2,670,395	\$7.915
Other Operating Revenue															
Remote Connections & Other		\$ 9,704			\$ 9,225			\$ 3,385			\$ 8,259			\$ 12,089	
Total		<u>9,704</u>			<u>9,225</u>			<u>3,385</u>			<u>8,259</u>			<u>12,089</u>	
Total Operating Revenue		<u>\$ 2,600,636</u>			<u>\$ 2,615,517</u>			<u>\$ 2,490,093</u>			<u>\$ 2,645,080</u>			<u>\$ 2,682,484</u>	
Percent of Operating Revenues															
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
Operating Revenues		\$ 2,600,636	100.0%		\$ 2,615,517	100.0%		\$ 2,490,093	100.0%		\$ 2,645,080	100.0%		\$ 2,682,484	100.0%
Treatment Cost		1,159,423	44.6%		1,029,013	39.3%		1,086,771	43.6%		1,082,257	40.9%		1,184,609	44.2%
Treatment Cost Margin		1,441,213	55.4%		1,586,504	60.7%		1,403,322	56.4%		1,562,823	59.1%		1,497,875	55.8%
Distribution Cost		835,923	32.1%		899,364	34.4%		990,356	39.8%		688,972	26.0%		697,060	26.0%
Gross Margin		605,290	23.3%		687,140	26.3%		412,966	16.6%		873,851	33.0%		800,815	29.9%
Administrative and Customer Cost		302,274	11.6%		329,319	12.6%		320,543	12.9%		405,579	15.3%		408,820	15.2%
Operating Income (Loss)		\$ 303,016	11.7%		\$ 357,821	13.7%		\$ 92,423	3.7%		\$ 468,272	17.7%		\$ 391,995	14.6%

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

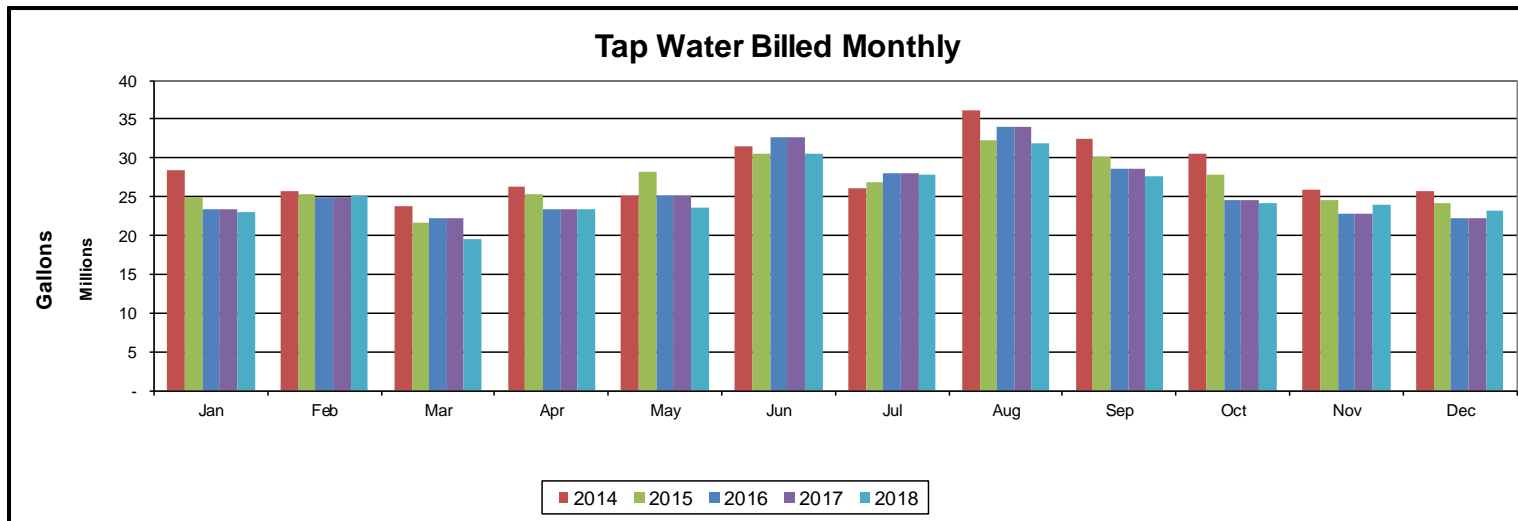
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,160,200	8,925,200	7,940,500	8,891,800	9,204,000	11,704,300	10,732,800	11,873,400	11,238,300	8,831,000	8,931,700	8,787,000	116,220,200
Apartment	4,743,000	4,630,000	3,900,000	4,343,000	4,244,000	4,680,000	4,727,000	4,678,000	4,816,000	4,199,000	4,405,000	4,604,000	53,969,000
Commercial	9,050,700	11,599,700	7,683,400	10,128,600	10,131,000	14,193,000	12,396,900	15,398,800	11,608,600	11,114,200	10,702,000	9,816,500	133,823,400
Total	22,953,900	25,154,900	19,523,900	23,363,400	23,579,000	30,577,300	27,856,700	31,950,200	27,662,900	24,144,200	24,038,700	23,207,500	304,012,600

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,196,200	8,937,800	7,937,600	8,761,800	9,202,000	11,024,600	10,509,200	13,078,900	11,766,300	9,404,500	9,205,900	8,749,800	117,774,600
Apartment	4,292,000	4,782,000	4,068,000	4,731,000	4,659,000	4,916,000	4,890,000	4,817,000	4,772,000	4,214,000	4,192,000	4,447,000	54,780,000
Commercial	9,925,400	11,135,600	10,186,700	9,797,900	11,163,600	16,771,000	12,525,200	16,178,100	12,020,200	11,013,600	9,471,800	9,063,500	139,252,600
Total	23,413,600	24,855,400	22,192,300	23,290,700	25,024,600	32,711,600	27,924,400	34,074,400	28,558,500	24,632,100	22,869,700	22,260,300	311,807,200

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,548,400	8,896,100	8,298,600	9,019,600	9,715,100	11,026,300	10,629,300	10,144,500	9,663,300	8,865,400	8,946,100	8,834,600	113,587,300
Apartment	4,084,000	4,205,000	3,893,000	4,159,000	3,979,000	4,198,000	4,056,000	4,101,000	4,116,000	4,080,000	4,201,000	3,995,000	49,067,000
Commercial	10,416,400	10,003,500	10,929,400	10,437,600	13,437,400	15,789,200	11,769,200	13,764,900	11,437,700	10,668,100	9,604,700	9,448,000	137,706,100
Total	24,048,800	23,104,600	23,121,000	23,616,200	27,131,500	31,013,500	26,454,500	28,010,400	25,217,000	23,613,500	22,751,800	22,277,600	300,360,400

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,853,000	9,055,900	8,161,300	9,171,800	9,898,200	10,713,300	11,171,500	12,022,300	11,726,600	9,626,400	9,108,900	8,995,800	119,505,000
Apartment	4,037,000	4,240,000	3,901,000	4,037,000	3,894,000	4,075,000	4,125,000	4,352,000	4,320,000	3,995,000	4,250,000	4,025,000	49,251,000
Commercial	11,104,900	12,008,800	9,484,700	12,071,200	14,451,600	15,825,800	11,614,300	15,891,600	14,136,900	14,147,000	11,126,900	11,201,900	153,065,600
Total	24,994,900	25,304,700	21,547,000	25,280,000	28,243,800	30,614,100	26,910,800	32,265,900	30,183,500	27,768,400	24,485,800	24,222,700	321,821,600

2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	9,812,700	9,280,800	8,275,200	9,346,200	9,238,300	10,698,400	10,517,700	12,807,400	10,947,000	9,456,300	9,179,400	9,179,000	118,738,400
Apartment	4,008,000	4,086,000	3,705,000	4,140,000	3,998,000	4,122,000	3,985,000	4,088,000	4,100,000	3,849,000	3,923,000	4,117,000	48,121,000
Commercial	14,581,400	12,238,600	11,807,800	12,880,700	11,929,200	16,622,300	11,498,700	19,240,300	17,455,500	17,251,100	12,702,300	12,320,400	170,528,300
Total	28,402,100	25,605,400	23,788,000	26,366,900	25,165,500	31,442,700	26,001,400	36,135,700	32,502,500	30,556,400	25,804,700	25,616,400	337,387,700



Residential - Meters

Month	2018	2017	2016	2015	2014
January	2,581	2,568	2,555	2,540	2,517
February	2,588	2,566	2,553	2,544	2,516
March	2,586	2,566	2,554	2,539	2,519
April	2,584	2,572	2,557	2,539	2,525
May	2,593	2,573	2,559	2,543	2,529
June	2,592	2,586	2,563	2,550	2,536
July	2,601	2,583	2,560	2,555	2,533
August	2,601	2,581	2,575	2,549	2,535
September	2,594	2,589	2,571	2,556	2,538
October	2,594	2,593	2,565	2,549	2,540
November	2,601	2,587	2,566	2,556	2,548
December	2,600	2,592	2,570	2,549	2,540
Average	2,593	2,580	2,562	2,547	2,531

Apartment - Meters

Month	2018	2017	2016	2015	2014
January	75	75	75	75	74
February	75	76	75	75	74
March	75	75	75	75	74
April	75	75	75	75	74
May	75	75	75	75	74
June	75	76	75	75	74
July	77	76	75	75	74
August	75	76	75	75	74
September	75	76	75	75	75
October	75	75	75	75	75
November	75	75	75	75	75
December	75	75	75	75	75
Average	75	75	75	75	74

Commercial - Meters

Month	2018	2017	2016	2015	2014
January	263	261	260	255	254
February	263	263	260	255	251
March	265	261	261	256	252
April	264	261	263	261	252
May	270	267	268	266	258
June	278	275	278	273	270
July	281	278	276	278	270
August	281	278	275	276	272
September	282	280	276	277	273
October	282	277	277	272	268
November	268	263	264	262	260
December	266	263	263	260	254
Average	272	269	268	266	261

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2018								
January	28,534	26,898	607	2	26,289	22,954	3,335	12.7%
February	25,846	26,358	2,116	1	24,241	25,155	(914)	-3.8%
March	26,877	26,369	1,468	1	24,899	19,524	5,375	21.6%
April	25,991	24,107	-	3	24,104	23,363	741	3.1%
May	33,005	29,427	-	9	29,418	23,579	5,839	19.8%
June	35,644	32,412	-	25	32,387	30,577	1,809	5.6%
July	37,862	34,060	-	54	34,005	27,858	6,148	18.1%
August	41,289	35,502	-	18	35,483	31,950	3,533	10.0%
September	31,365	27,675	-	4	27,671	27,663	8	0.0%
October	30,422	27,248	-	2	27,246	24,144	3,102	11.4%
November	28,668	25,896	-	2	25,894	24,039	1,855	7.2%
December	30,737	28,097	-	2	28,095	23,208	4,887	17.4%
1st Quarter	81,257	79,625	4,191	4	75,429	67,633	7,797	10.3%
2nd Quarter	94,640	85,946	-	37	85,909	77,520	8,389	9.8%
3rd Quarter	110,516	97,237	-	76	97,160	87,471	9,689	10.0%
4th Quarter	89,827	81,241	-	6	81,235	71,390	9,844	12.1%
Total	376,240	344,049	4,191	123	339,733	304,014	35,719	10.5%
2017								
January	29,328	27,375	1,196	1	26,178	23,414	2,764	10.6%
February	26,914	26,146	1,774	1	24,371	24,855	(485)	-2.0%
March	29,708	28,653	1,248	3	27,402	22,192	5,210	19.0%
April	26,283	25,972	1,585	2	24,385	23,291	1,094	4.5%
May	36,384	34,388	1,109	3	33,276	25,025	8,251	24.8%
June	36,572	34,884	1,768	14	33,102	32,712	390	1.2%
July	37,789	37,035	2,213	42	34,780	27,924	6,856	19.7%
August	40,820	37,102	1,154	22	35,926	34,074	1,852	5.2%
September	29,624	29,689	1,565	3	28,121	28,559	(438)	-1.6%
October	29,906	30,603	2,804	5	27,794	24,632	3,162	11.4%
November	25,375	25,444	1,661	4	23,779	22,870	909	3.8%
December	26,039	26,545	1,786	5	24,755	22,260	2,494	10.1%
1st Quarter	85,950	82,174	4,218	6	77,950	70,461	7,489	9.6%
2nd Quarter	99,239	95,244	4,462	19	90,762	81,027	9,735	10.7%
3rd Quarter	108,233	103,826	4,932	67	98,827	90,557	8,270	8.4%
4th Quarter	81,320	82,592	6,250	14	76,328	69,762	6,566	8.6%
Total	374,742	363,836	19,863	106	343,867	311,807	32,060	9.3%
2016								
January	28,550	26,541	599	20	25,922	24,049	1,873	7.2%
February	25,996	26,089	2,297	9	23,783	23,105	678	2.9%
March	27,893	28,662	2,863	7	25,792	23,121	2,671	10.4%
April	27,003	28,127	2,722	4	25,402	23,616	1,785	7.0%
May	35,214	34,890	2,078	6	32,806	27,132	5,674	17.3%
June	34,426	32,924	1,179	13	31,732	31,014	719	2.3%
July	32,192	30,959	1,212	45	29,702	26,455	3,248	10.9%
August	33,913	32,294	1,180	43	31,071	28,010	3,061	9.9%
September	29,723	27,838	1,125	3	26,710	25,217	1,493	5.6%
October	29,044	27,026	1,132	1	25,893	23,614	2,280	8.8%
November	27,794	25,093	982	8	24,103	22,752	1,351	5.6%
December	29,754	26,395	753	6	25,636	22,278	3,358	13.1%
1st Quarter	82,439	81,292	5,759	36	75,497	70,275	5,222	6.9%
2nd Quarter	96,643	95,941	5,979	22	89,940	81,762	8,178	9.1%
3rd Quarter	95,828	91,091	3,517	91	87,483	79,682	7,802	8.9%
4th Quarter	86,592	78,514	2,867	15	75,632	68,644	6,989	9.2%
Total	361,502	346,838	18,123	165	328,552	300,363	28,191	8.6%

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	Raw Water	Tap Water Pumped	Tap Used in Processing	Plant Meter	Tap Available for Sale	Tap Billed	Difference	Loss or Other
2015								
January	31,153	29,433	2,109	1	27,323	24,995	2,328	8.5%
February	27,755	28,082	2,626	1	25,455	25,305	150	0.6%
March	29,511	28,706	1,912	1	26,793	21,547	5,246	19.6%
April	29,036	27,830	977	1	26,852	25,280	1,572	5.9%
May	35,567	33,850	1,168	2	32,680	28,244	4,436	13.6%
June	35,229	33,452	1,253	32	32,166	30,614	1,552	4.8%
July	34,071	31,939	1,371	61	30,507	26,911	3,596	11.8%
August	39,517	37,207	1,347	32	35,827	32,266	3,562	9.9%
September	33,438	31,480	1,230	12	30,237	30,184	54	0.2%
October	32,346	30,292	1,128	55	29,109	27,768	1,341	4.6%
November	28,373	26,484	1,082	2	25,400	24,486	914	3.6%
December	29,353	27,680	1,062	1	26,617	24,223	2,394	9.0%
1st Quarter	88,419	86,221	6,647	3	79,571	71,847	7,724	9.7%
2nd Quarter	99,832	95,132	3,398	35	91,698	84,138	7,560	8.2%
3rd Quarter	107,026	100,626	3,948	105	96,571	89,361	7,212	7.5%
4th Quarter	90,072	84,456	3,272	58	81,126	76,477	4,649	5.7%
Total	385,349	366,435	17,265	201	348,966	321,823	27,145	7.8%
2014								
January	32,152	30,780	1,005	2	29,773	28,402	1,371	4.6%
February	27,751	27,804	1,637	6	26,161	25,605	556	2.1%
March	32,523	31,113	983	1	30,129	23,788	6,341	21.0%
April	29,131	28,533	988	1	27,543	26,367	1,176	4.3%
May	33,418	33,155	1,188	8	31,959	25,166	6,793	21.3%
June	34,374	33,227	1,169	30	32,028	31,443	585	1.8%
July	35,827	34,238	1,163	41	33,034	26,001	7,032	21.3%
August	41,882	39,522	1,246	49	38,227	36,136	2,091	5.5%
September	32,086	30,468	1,098	3	29,367	32,503	(3,136)	-10.7%
October	32,333	30,631	1,173	1	29,457	30,556	(1,100)	-3.7%
November	31,665	29,100	1,051	1	28,047	25,805	2,243	8.0%
December	33,369	29,388	1,062	2	28,325	25,616	2,708	9.6%
1st Quarter	92,426	89,697	3,625	9	86,063	77,795	8,268	9.6%
2nd Quarter	96,923	94,915	3,345	39	91,530	82,976	8,554	9.3%
3rd Quarter	109,795	104,228	3,507	93	100,628	94,640	5,987	6.0%
4th Quarter	97,367	89,119	3,286	4	85,829	81,977	3,851	4.5%
Total	396,511	377,959	13,763	145	364,050	337,388	26,660	7.3%

Note: Data in 1000's of gallons

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Raw Water	2018			2017			2016			2015			2014		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,398	467	920	1,336	605	946	1,230	615	921	1,275	643	1,005	1,430	465	1,037
February	1,227	537	923	1,227	704	961	1,153	564	896	1,285	605	991	1,427	505	991
March	1,982	451	867	1,171	613	958	1,341	575	900	1,247	664	952	1,734	651	1,049
April	1,241	434	866	1,157	433	876	1,168	666	900	1,265	572	968	1,262	731	971
May	1,730	504	1,137	1,679	542	1,263	1,828	671	1,136	1,757	657	1,147	2,079	713	1,078
June	1,838	485	1,188	1,841	283	1,219	1,881	429	1,148	1,430	814	1,174	1,518	779	1,146
July	1,945	452	1,221	1,585	753	1,219	1,500	613	1,038	1,426	514	1,099	1,714	631	1,156
August	2,011	468	1,332	1,876	824	1,317	1,627	714	1,094	1,877	508	1,275	1,943	525	1,351
September	1,623	514	1,045	1,432	311	987	1,215	651	991	1,399	730	1,115	1,347	757	1,070
October	1,422	424	981	1,425	551	965	1,217	590	937	1,409	685	1,043	1,430	701	1,043
November	1,175	441	956	1,133	577	846	1,157	541	926	1,242	714	946	1,355	469	1,056
December	1,626	361	906	1,296	528	856	1,246	540	960	1,169	611	947	1,287	778	1,076
Tap Water	2018			2017			2016			2015			2014		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	1,283	493	868	1,184	384	883	1,091	581	856	1,257	585	949	1,426	273	993
February	1,192	618	941	1,272	643	934	1,276	362	900	1,326	667	1,003	1,330	426	993
March	983	632	806	1,308	730	959	1,133	804	935	1,255	625	928	1,736	560	1,010
April	1,054	468	804	1,176	500	866	1,230	590	938	1,305	575	928	1,234	644	951
May	1,499	519	949	1,687	556	1,109	1,639	713	1,125	1,446	660	1,092	1,891	749	1,070
June	1,644	552	1,080	1,714	341	1,163	2,051	401	1,097	1,469	789	1,115	1,508	763	1,108
July	1,753	428	1,099	1,759	696	1,195	1,617	599	999	1,396	514	1,030	1,713	595	1,104
August	1,724	549	1,145	1,689	759	1,197	1,456	562	1,042	1,810	465	1,200	1,861	447	1,275
September	1,361	481	922	1,381	423	990	1,155	661	928	1,364	557	1,049	1,328	461	1,016
October	1,146	576	879	1,515	482	987	1,244	482	872	1,301	546	977	1,456	736	988
November	1,053	547	863	1,135	537	848	1,119	521	836	1,137	611	883	1,394	350	970
December	1,626	361	906	1,296	528	856	1,150	493	851	1,190	649	893	1,244	585	948
NTU	2018			2017			2016			2015			2014		
	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average	Maximum	Minimum	Average
January	0.11	0.02	0.05	0.14	0.02	0.04	0.14	0.02	0.09	0.21	0.06	0.12	0.06	0.02	0.03
February	0.07	0.02	0.04	0.17	0.02	0.08	0.16	0.04	0.08	0.18	0.02	0.06	0.08	0.02	0.04
March	0.08	0.02	0.05	0.12	0.02	0.05	0.15	0.03	0.08	0.11	0.02	0.04	0.04	0.02	0.02
April	0.10	0.03	0.06	0.20	0.04	0.07	0.15	0.03	0.08	0.26	0.02	0.06	0.13	0.02	0.05
May	0.12	0.02	0.05	0.14	0.03	0.06	0.32	0.04	0.12	0.07	0.02	0.03	0.10	0.02	0.06
June	0.15	0.02	0.06	0.21	0.04	0.09	0.16	0.03	0.06	0.19	0.02	0.04	0.11	0.02	0.03
July	0.11	0.02	0.05	0.18	0.04	0.11	0.11	0.02	0.05	0.08	0.02	0.04	0.15	0.02	0.07
August	0.11	0.02	0.04	0.16	0.02	0.07	0.10	0.04	0.07	0.14	0.04	0.09	0.11	0.02	0.05
September	0.10	0.02	0.06	0.12	0.02	0.05	0.13	0.04	0.07	0.14	0.02	0.05	0.09	0.02	0.04
October	0.07	0.02	0.03	0.20	0.02	0.07	0.12	0.04	0.07	0.08	0.02	0.05	0.07	0.02	0.03
November	0.08	0.02	0.05	0.09	0.03	0.06	0.15	0.02	0.05	0.11	0.03	0.05	0.14	0.07	0.10
December	0.11	0.02	0.06	0.12	0.02	0.05	0.12	0.02	0.06	0.16	0.02	0.06	0.15	0.07	0.10

Note: Data in 1000's of gallons

WATER FUND

REVENUES

Account Number	12/31/14 Actual	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual
602-37-000-37110 Res. Water Sales	\$ 769,379	\$ 788,243	\$ 750,597	\$ 791,201	\$ 793,029
602-37-000-37111 Apt. Water Sales	309,552	319,223	322,245	366,927	364,115
602-37-000-37130 Com. Water Sales	1,223,723	1,157,168	1,039,433	1,067,710	1,042,808
602-37-000-37145 Temp. Hydrant	179	-	-	-	-
602-37-000-37150 Remote Meter Fee	5,835	6,653	2,995	6,709	3,645
602-37-000-37446 Res. Meter Charge	261,587	263,232	265,071	269,913	276,203
602-37-000-37447 Apt. Meter Charge	22,584	23,237	23,407	24,085	24,825
602-37-000-37448 Com. Meter Charge	83,570	85,718	85,952	86,456	89,952
602-37-000-37454 Capital Contributions	-	-	-	16,000	-
602-37-000-37480 Interest Earnings	-	-	-	326	371
602-37-000-37488 Repairs	496	-	-	-	-
602-37-000-37490 Miscellaneous	5,579	1,606	391	2,517	6,060
	<u>\$ 2,682,484</u>	<u>\$ 2,645,080</u>	<u>\$ 2,490,091</u>	<u>\$ 2,631,844</u>	<u>\$ 2,601,008</u>

Details of Revenues, Expenses and Object Codes
 For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
 WATER AND LIGHT DEPARTMENT

WATER FUND

Expenses OBJECT CODES	12/31/14 Actual	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual
41010 Salaries - Reg.	\$ 457,646	\$ 458,866	\$ 511,230	\$ 460,247	\$ 501,491
41020 Salaries - O.T.	8,636	9,367	10,087	9,722	11,067
41070 Vacations, etc.	53,810	59,291	53,223	70,428	64,163
41210 PERA	36,969	38,755	40,037	39,239	41,535
41220 FICA	38,041	38,684	40,209	41,186	43,729
41300 Insurance	53,209	55,316	60,157	78,498	102,748
41510 Workers Comp	15,823	21,247	20,194	21,550	14,540
42110 General Supplies	583	1,247	613	606	789
42120 Fuel & Lubes	9,478	9,300	3,262	5,094	3,944
42160 Chemicals	197,479	216,258	208,773	203,344	237,176
42170 Lab Supplies	9,236	8,639	11,474	11,370	10,786
42180 Uniforms	833	1,233	1,591	2,002	2,493
42270 Parts & Supplies	35,267	26,120	32,544	17,087	32,164
42400 Small Tools	255	7,238	15,176	3,797	646
43030 Engineering	24,661	10,821	67,481	16,976	9,839
43190 Other Professional	-	-	-	349	-
43310 Travel & School	14,975	13,471	15,467	9,258	10,565
43810 Utilities	128,205	126,401	119,775	125,880	126,665
43830 Utilities - Gas	20,603	22,605	14,406	18,492	20,240
44040 Contracted Services	219,941	103,372	98,346	69,329	71,312
44050 Cleaning Services	20,942	7,411	23,557	7,392	7,339
44200 Depreciation	629,856	639,069	646,300	653,496	675,648
44300 Miscellaneous	1,723	1,209	6,627	7,779	6,546
44330 Dues & Subscript.	24,013	4,850	20,562	7,877	4,934
44410 Permits & Fees	7,009	6,242	8,970	5,358	641
49900 Pension Expense	-	12,908	47,067	42,021	(13,108)
49990 Reimbursed	281,295	276,887	320,542	329,319	309,728
	<u>\$ 2,290,488</u>	<u>\$ 2,176,807</u>	<u>\$ 2,397,670</u>	<u>\$ 2,257,696</u>	<u>\$ 2,297,620</u>

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
EXPENSES	Actual	Actual	Actual	Actual	Actual
Raw Water Pumping					
602-49-400-41010 Salaries - Reg.	\$ 1,258	\$ 879	\$ 972	\$ 1,105	\$ 863
602-49-400-41020 Salaries - O.T.	85	87	134	173	51
602-49-400-41210 PERA	93	67	82	96	69
602-49-400-41220 FICA	101	74	83	94	67
602-49-400-44040 Contracted Services	3,896	10,541	7,143	5,035	2,300
602-49-400-44300 Miscellaneous	3	-	19	-	24
Total	5,436	11,648	8,433	6,503	3,374
Treatment - Plant					
602-49-420-41010 Salaries - Reg.	186,713	188,893	209,906	205,263	221,177
602-49-420-41020 Salaries - O.T.	5,631	5,773	6,181	8,571	6,770
602-49-420-41210 PERA	13,944	14,471	15,570	15,316	15,102
602-49-420-41220 FICA	14,079	14,357	15,925	15,742	16,711
602-49-420-41300 Insurance	33,194	34,001	34,160	53,645	69,450
602-49-420-42110 General Supplies	583	1,247	613	606	789
602-49-420-42120 Fuels & Lubes	2,293	6,179	733	2,317	1,149
602-49-420-42160 Chemicals	197,479	216,258	208,773	203,344	237,176
602-49-420-42170 Lab Supplies	9,236	8,639	11,474	11,370	10,786
602-49-420-42270 Parts & Supplies	32	140	2,386	149	204
602-49-420-43030 Engineering	11,720	5,806	20,881	-	-
602-49-420-43310 Travel & School	7,494	7,667	8,844	4,587	6,641
602-49-420-43810 Utility Charges	102,707	102,711	88,281	103,376	96,246
602-49-420-43830 Utility Charges - Gas	20,603	22,605	14,406	18,492	20,240
602-49-420-44040 Contracted Services	7,508	9,775	10,296	5,545	5,555
602-49-420-44050 Cleaning Services	20,942	7,411	23,557	7,392	7,339
602-49-420-44200 Depreciation	251,344	244,035	241,050	240,241	253,803
602-49-420-44300 Miscellaneous	396	146	300	1,859	1,785
Total	885,898	890,114	913,336	897,815	970,923
Treatment - M & E					
602-49-421-41010 Salaries - Reg.	72,207	78,168	72,306	58,300	87,221
602-49-421-41020 Salaries - O.T.	1,007	1,434	1,304	616	581
602-49-421-41210 PERA	5,286	5,965	5,509	4,391	5,994
602-49-421-41220 FICA	5,270	5,736	5,311	4,347	6,576
602-49-421-42270 Parts & Supplies	9,286	7,221	11,574	2,546	9,352
602-49-421-42400 Small Tools & Equip.	-	5,523	11,725	3,797	646
602-49-421-44040 Contracted Services	165,708	45,547	26,575	29,181	27,153
Total	258,764	149,594	134,304	103,178	137,523
Treatment - B & G					
602-49-422-41010 Salaries - Reg.	8,370	7,934	6,423	5,190	19,456
602-49-422-41020 Salaries - O.T.	126	-	271	-	-
602-49-422-41210 PERA	431	461	502	389	1,355
602-49-422-41220 FICA	640	601	504	383	1,467
602-49-422-42270 Parts & Supplies	8,297	5,374	3,533	3,191	1,794
602-49-422-42400 Small Tools & Equip.	255	1,715	3,451	-	-
602-49-422-44040 Contracted Services	16,395	14,817	16,014	12,364	16,077
Total	34,514	30,902	30,698	21,517	40,149
Distribution - Pumping					
602-49-430-41010 Salaries - Reg.	358	388	839	595	579
602-49-430-41020 Salaries - O.T.	42	-	-	-	-
602-49-430-41210 PERA	24	28	63	45	33
602-49-430-41220 FICA	30	29	62	46	43
602-49-430-42270 Parts & Supplies	2,046	664	118	-	862
602-49-430-43810 Electric Utilities	20,538	18,880	27,010	19,128	26,056
602-49-430-44040 Contracted Services	1,303	661	277	326	-
Total	24,341	20,650	28,369	20,140	27,573

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number EXPENSES	12/31/14 Actual	12/31/15 Actual	12/31/16 Actual	12/31/17 Actual	12/31/18 Actual
Distribution - Lines					
602-49-433-41010 Salaries - Reg.	62,352	56,860	56,714	57,015	56,196
602-49-433-41020 Salaries - O.T.	935	1,348	1,185	223	2,663
602-49-433-41210 PERA	4,584	4,366	4,230	4,293	4,414
602-49-433-41220 FICA	4,711	4,372	4,262	4,223	4,316
602-49-433-42270 Parts & Supplies	4,461	1,019	7,532	841	2,473
602-49-433-44040 Contracted Services	12,174	15,038	1,535	-	5,855
602-49-433-44300 Miscellaneous	-	-	-	354	30
Total	<u>89,217</u>	<u>83,003</u>	<u>75,458</u>	<u>66,949</u>	<u>75,947</u>
Distribution - Storage					
602-49-436-41010 Salaries - Reg.	5,393	2,024	2,849	3,120	4,576
602-49-436-41020 Salaries - O.T.	125	129	335	139	655
602-49-436-41210 PERA	381	150	231	257	377
602-49-436-41220 FICA	404	162	239	256	393
602-49-436-42270 Parts & Supplies	516	770	734	1,414	2,799
602-49-436-43810 Utilities	4,960	4,810	4,484	3,376	4,363
602-49-436-44040 Contracted Services	10,439	4,276	34,834	16,201	12,859
Total	<u>22,218</u>	<u>12,321</u>	<u>43,706</u>	<u>24,763</u>	<u>26,022</u>
Distribution - Meters					
602-49-449-41010 Salaries - Reg.	10,191	8,882	13,757	15,269	15,722
602-49-449-41210 PERA	739	658	1,032	1,145	1,176
602-49-449-41220 FICA	761	661	1,009	1,127	1,151
602-49-449-42270 Parts & Supplies	8,063	8,327	4,737	8,535	12,493
602-49-449-44040 Contracted Services	-	-	-	-	50
Total	<u>19,754</u>	<u>18,528</u>	<u>20,535</u>	<u>26,076</u>	<u>30,592</u>
Distribution - Hydrants					
602-49-450-41010 Salaries - Reg.	9,543	7,979	14,070	12,256	16,148
602-49-450-41020 Salaries - O.T.	-	123	-	-	-
602-49-450-41210 PERA	539	531	949	794	1,121
602-49-450-41220 FICA	720	608	1,036	908	1,184
602-49-450-42270 Parts & Supplies	227	155	649	150	761
602-49-450-44040 Contracted Services	-	148	115	-	-
Total	<u>11,029</u>	<u>9,544</u>	<u>16,819</u>	<u>14,108</u>	<u>19,214</u>
Distribution - Vehicles					
602-49-453-41010 Salaries - Reg.	1,613	2,185	2,518	3,079	1,970
602-49-453-41210 PERA	113	160	187	233	148
602-49-453-41220 FICA	120	163	185	230	149
602-49-453-42120 Fuels & Lubes	7,185	3,121	2,529	2,777	2,795
602-49-453-42270 Parts & Supplies	5	-	5	-	-
602-49-453-44040 Contracted Services	2,518	2,569	1,309	617	1,463
602-49-453-44300 Miscellaneous	32	-	32	-	32
Total	<u>11,586</u>	<u>8,198</u>	<u>6,765</u>	<u>6,936</u>	<u>6,557</u>
Distribution - DSC					
602-49-458-44200 Depreciation	14,707	23,382	26,883	27,463	28,658
602-49-458-49990 Reimbursed to 601-49576	13,871	13,380	28,334	22,442	23,671
Total	<u>28,578</u>	<u>36,762</u>	<u>55,217</u>	<u>49,905</u>	<u>52,329</u>

Details of Revenues, Expenses and Object Codes
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Account Number	12/31/14	12/31/15	12/31/16	12/31/17	12/31/18
EXPENSES	Actual	Actual	Actual	Actual	Actual
Distribution - Other					
602-49-459-41010 Salaries - Reg.	-	-	-	2,762	600
602-49-459-41210 PERA	-	-	-	207	45
602-49-459-41220 FICA	-	-	-	207	44
602-49-459-41300 Insurance	12,169	13,245	17,946	23,504	32,948
602-49-459-42180 Uniforms	-	-	-	1,379	266
602-49-459-42270 Parts & Supplies	2,334	2,450	1,276	261	1,426
602-49-459-43030 Engineering	4,209	-	-	-	-
602-49-459-43310 Travel & School	204	819	1,168	2,445	1,931
602-49-459-44040 Contracted Services	-	-	248	60	-
602-49-459-44200 Depreciation	361,883	369,836	376,762	384,187	392,190
602-49-459-44300 Miscellaneous	128	25	184	135	110
Total	<u>380,927</u>	<u>386,375</u>	<u>397,584</u>	<u>415,147</u>	<u>429,560</u>
Operations - Supervision					
602-49-466-41010 Salaries - Reg.	83,620	89,542	91,590	109,384	85,264
602-49-466-41210 PERA	5,960	6,464	6,471	6,675	6,209
602-49-466-41220 FICA	6,254	6,544	6,461	7,672	6,184
602-49-466-41300 Insurance	7,846	8,070	8,051	1,349	350
602-49-466-43310 Travel & School	5,727	2,971	4,097	1,726	1,917
Total	<u>109,407</u>	<u>113,591</u>	<u>116,670</u>	<u>126,806</u>	<u>99,924</u>
General - Unallocated					
602-49-467-41010 Salaries - Reg.	16,028	15,132	39,286	(13,091)	(8,281)
602-49-467-41020 Salaries - O.T.	685	473	677	-	347
602-49-467-41070 Holiday, Vacation, etc.	53,810	59,291	53,223	70,428	64,163
602-49-467-41210 PERA	4,875	5,434	5,211	5,398	5,492
602-49-467-41220 FICA	4,951	5,377	5,132	5,951	5,444
602-49-467-41510 Workers Comp	15,823	21,247	20,194	21,550	14,540
602-49-467-42180 Uniforms	833	1,233	1,591	623	2,227
602-49-467-43030 Engineering	8,732	5,015	46,600	16,976	9,839
602-49-467-43190 Other Professional Services	-	-	-	349	-
602-49-467-43310 Travel & School	1,550	2,014	1,358	500	76
602-49-467-44300 Miscellaneous	1,164	1,038	6,092	5,431	4,565
602-49-467-44330 Dues & Subscriptions	24,013	4,850	20,562	7,877	4,934
602-49-467-44410 Permits & Fees	7,009	6,242	8,970	5,358	641
602-49-467-49900 Pension Expense	-	-	-	-	(13,108)
602-00-000-49900 Pension Expense	-	12,908	47,067	42,021	-
Total	<u>139,473</u>	<u>140,254</u>	<u>255,963</u>	<u>169,371</u>	<u>90,879</u>
Meter Rdrs Reimbursed					
602-49-610-49990 Reimbursed to 601	6,298	6,762	7,307	6,315	9,369
Total	<u>6,298</u>	<u>6,762</u>	<u>7,307</u>	<u>6,315</u>	<u>9,369</u>
G. & A. - Reimbursed					
602-49-620-44200 Depreciation	1,922	1,816	1,605	1,605	997
602-49-620-49990 Reimbursed to 601	261,126	256,745	284,901	300,562	276,688
Total	<u>263,048</u>	<u>258,561</u>	<u>286,506</u>	<u>302,167</u>	<u>277,685</u>
Total Expenses	<u>\$ 2,290,488</u>	<u>\$ 2,176,807</u>	<u>\$ 2,397,670</u>	<u>\$ 2,257,696</u>	<u>\$ 2,297,620</u>

Electric Fund

Statements of Net Position

Statements of Revenues, Expenses and Changes in Net Position

Statements of Cash Flows

Statistics

Details of Revenues, Expenses, and Object Codes

**Statements of Net Position – Electric Fund
As of December 31, 2018, 2017, 2016, 2015, 2014**

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

	2018	2017	2016	2015	2014
ASSETS					
CURRENT ASSETS					
Cash and Cash Equivalents	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496	\$ 2,910,093
Investments	9,693,847	9,654,831	8,161,410	7,649,591	8,557,974
Restricted Cash and Cash Equivalents:					
Cash in Customer Deposits	136,800	136,150	136,750	118,655	87,950
Accounts Receivable	2,403,407	3,058,431	2,428,032	2,276,264	2,153,413
Allowance for Doubtful Accounts	(48,000)	(48,000)	(48,000)	(48,000)	(48,000)
Interest Receivable	36,169	31,362	21,273	22,217	24,977
Materials & Supplies	942,439	777,683	792,793	783,848	784,754
Prepaid Expenses	9,644	7,143	7,333	60,269	6,715
Due from Other Governmental Units	6,977	6,724	-	-	-
Interfund Receivable	1,972,899	2,610,095	2,747,181	1,988,774	1,012,259
Due from Other Funds	133,451	141,264	100,901	140,333	136,050
Total Current Assets	<u>18,747,033</u>	<u>18,127,014</u>	<u>17,665,676</u>	<u>17,835,447</u>	<u>15,626,185</u>
NONCURRENT ASSETS					
Capital Assets:					
Land	305,394	305,394	305,394	305,394	305,394
Buildings, Structures, Etc.	9,231,061	9,231,061	9,231,061	9,231,061	9,231,061
Distribution Systems	20,208,836	19,823,791	19,140,779	18,380,200	17,784,357
Meters	1,250,066	1,247,423	1,238,974	1,234,797	1,232,252
Machinery and Equipment	1,174,473	1,166,580	1,144,020	1,107,148	1,107,148
Automotive Equipment	788,238	788,238	790,394	759,925	707,599
Office Equipment	579,866	579,866	573,660	573,660	573,660
Construction in Progress	766,435	125,992	48,034	-	-
Total Capital Assets	34,304,369	33,268,345	32,472,316	31,592,185	30,941,471
Less Accumulated Depreciation	(20,390,357)	(19,318,226)	(18,293,575)	(17,289,489)	(16,265,432)
Total Capital Assets (Net)	13,914,012	13,950,119	14,178,741	14,302,696	14,676,039
Customer Acquisition Costs	268,106	268,106	268,106	268,106	268,106
Total Noncurrent Assets	<u>14,182,118</u>	<u>14,218,225</u>	<u>14,446,847</u>	<u>14,570,802</u>	<u>14,944,145</u>
TOTAL ASSETS	<u>32,929,151</u>	<u>32,345,239</u>	<u>32,112,523</u>	<u>32,406,249</u>	<u>30,570,330</u>
DEFERRED OUTFLOWS OF RESOURCES					
Deferred Outflows of Resources - PERA	219,295	328,408	681,532	145,299	-
Deferred Outflows of Resources - OPEB	9,481	-	-	-	-
TOTAL DEFERRED OUTFLOWS OF RESOURCES	<u>228,776</u>	<u>328,408</u>	<u>681,532</u>	<u>145,299</u>	<u>-</u>
LIABILITIES					
CURRENT LIABILITIES					
Accounts Payable	1,144,817	1,215,817	1,293,029	2,317,570	1,101,822
Retainage Payable	4,297	-	7,360	5,545	3,090
Accrued Payroll	75,624	72,788	73,085	55,130	49,755
Accrued Vacation	86,892	85,365	95,351	81,224	83,403
Compensated Absences Payable-Current	32,000	32,000	32,000	32,000	32,000
Due to Other Funds	1,007,461	991,720	985,458	975,175	872,801
Due to Other Government Units	57,182	49,916	52,036	48,997	46,025
Customer Deposits	136,800	136,150	136,750	118,655	87,950
Total Current Liabilities	<u>2,545,073</u>	<u>2,583,756</u>	<u>2,675,069</u>	<u>3,634,296</u>	<u>2,276,846</u>
NONCURRENT LIABILITIES					
Compensated Absences Payable-Net	256,639	302,526	316,015	292,164	337,538
Net Pension Liability	1,133,317	1,323,817	1,631,731	1,056,923	-
Other Postemployment Benefit Liability	119,484	-	-	-	-
Total Noncurrent Liabilities	<u>1,509,440</u>	<u>1,626,343</u>	<u>1,947,746</u>	<u>1,349,087</u>	<u>337,538</u>
TOTAL LIABILITIES	<u>4,054,513</u>	<u>4,210,099</u>	<u>4,622,815</u>	<u>4,983,383</u>	<u>2,614,384</u>
DEFERRED INFLOWS OF RESOURCES					
Deferred Inflows of Resources - PERA	324,644	251,621	183,610	110,985	-
TOTAL DEFERRED INFLOWS OF RESOURCES	<u>324,644</u>	<u>251,621</u>	<u>183,610</u>	<u>110,985</u>	<u>-</u>
NET POSITION					
Net Investment in Capital Assets	13,914,012	13,950,119	14,178,741	14,302,696	14,676,039
Unrestricted	14,864,758	14,261,808	13,808,889	13,154,484	13,279,907
TOTAL NET POSITION	<u>\$ 28,778,770</u>	<u>\$ 28,211,927</u>	<u>\$ 27,987,630</u>	<u>\$ 27,457,180</u>	<u>\$ 27,955,946</u>

**Statements of Revenues, Expenses and
Changes in Net Position – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014**

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

	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
OPERATING REVENUES					
Electric Sales	\$ 14,866,529	\$ 14,099,760	\$ 13,953,243	\$ 13,858,882	\$ 13,801,275
Penalty Charges	107,298	104,574	92,577	102,359	104,116
Other Income	51,049	50,913	50,779	68,244	106,317
Total	<u>15,024,876</u>	<u>14,255,247</u>	<u>14,096,599</u>	<u>14,029,485</u>	<u>14,011,708</u>
OPERATING EXPENSES					
Cost of Sales and Services	11,142,599	10,903,182	10,698,353	10,489,771	10,665,390
Administration	614,884	776,863	712,705	609,358	628,875
Depreciation	1,072,132	1,049,774	1,040,835	1,024,057	1,002,801
Taxes and Tax Equivalents	1,388,081	1,304,715	1,194,587	1,203,368	1,218,637
Total	<u>14,217,696</u>	<u>14,034,534</u>	<u>13,646,480</u>	<u>13,326,554</u>	<u>13,515,703</u>
OPERATING INCOME	<u>807,180</u>	<u>220,713</u>	<u>450,119</u>	<u>702,931</u>	<u>496,005</u>
NONOPERATING REVENUES (EXPENSES)					
Investment Income	154,786	169,868	195,192	225,935	392,825
Gain (Loss) on Disposal of Assets	-	-	12,000	-	-
Total	<u>154,786</u>	<u>169,868</u>	<u>207,192</u>	<u>225,935</u>	<u>392,825</u>
INCOME BEFORE CONTRIBUTIONS AND TRANSFERS	961,966	390,581	657,311	928,866	888,830
CAPITAL CONTRIBUTIONS TRANSFERS OUT	1,500	83,716	258,293	-	-
	<u>(289,377)</u>	<u>(250,000)</u>	<u>(385,154)</u>	<u>(434,789)</u>	<u>(421,402)</u>
CHANGE IN NET POSITION	<u>674,089</u>	<u>224,297</u>	<u>530,450</u>	<u>494,077</u>	<u>467,428</u>
NET POSITION - JANUARY 1	28,211,927	27,987,630	27,457,180	27,955,946	27,488,518
ADJUSTMENT FOR GASB 68 and 71	-	-	-	(992,843)	-
ADJUSTMENT FOR GASB 75 - SEE NOTE 2	(107,246)	-	-	-	-
NET POSITION - JANUARY 1, AS RESTATED	<u>28,104,681</u>	<u>27,987,630</u>	<u>27,457,180</u>	<u>26,963,103</u>	<u>27,488,518</u>
NET POSITION - DECEMBER 31	<u>\$ 28,778,770</u>	<u>\$ 28,211,927</u>	<u>\$ 27,987,630</u>	<u>\$ 27,457,180</u>	<u>\$ 27,955,946</u>

Statements of Cash Flows – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2018	2017	2016	2015	2014
Cash flows from operating activities:					
Cash received from customers and users	\$ 14,902,109	\$13,090,384	\$13,347,691	\$13,147,736	\$13,315,442
Cash received from interfund activities	727,139	476,227	564,455	721,359	797,784
Cash paid to suppliers for goods and services	(9,929,600)	(9,643,069)	(10,651,456)	(8,343,736)	(10,654,783)
Cash paid for interfund activities	(264,949)	(75,449)	96,442	53,125	229,650
Cash paid to employees	(1,841,057)	(1,936,109)	(1,669,459)	(1,657,830)	(1,108,813)
Cash paid for taxes and tax equivalents	(1,388,081)	(1,304,715)	(1,191,548)	(1,200,396)	(1,221,439)
Other operating revenues (expenses)	51,049	50,913	50,778	68,245	106,317
Net cash provided (used) by operating activities	<u>2,256,610</u>	<u>658,182</u>	<u>546,903</u>	<u>2,788,503</u>	<u>1,464,158</u>
Cash flows from noncapital financing activities:					
Interfund receivable	645,009	96,723	(718,975)	(980,798)	(139,709)
Interfund payable	15,741	6,262	10,283	102,374	596,782
Operating transfers to other funds	(289,377)	(250,000)	(385,154)	(434,789)	(421,402)
Net cash provided (used) by noncapital financing activities	<u>371,373</u>	<u>(147,015)</u>	<u>(1,093,846)</u>	<u>(1,313,213)</u>	<u>35,671</u>
Cash flows from capital and related financing activities:					
Acquisition of capital assets	(1,030,227)	(737,437)	(656,772)	(648,259)	(694,933)
Payments on construction accounts payable	-	(7,360)	-	-	-
Proceeds from sale of capital assets	-	-	12,000	-	-
Net cash (used) by capital and related financing activities	<u>(1,030,227)</u>	<u>(744,797)</u>	<u>(644,772)</u>	<u>(648,259)</u>	<u>(694,933)</u>
Cash flows from investing activities:					
Interest received on investments	149,979	159,779	196,136	228,695	392,510
Proceeds from sales and maturities of investments	881,699	578,000	4,616,000	1,396,000	192,000
Purchase of investments	(920,715)	(2,071,421)	(5,127,819)	(487,618)	(1,576,657)
Net cash provided (used) by investing activities	<u>110,963</u>	<u>(1,333,642)</u>	<u>(315,683)</u>	<u>1,137,077</u>	<u>(992,147)</u>
Net increase (decrease) in cash and cash equivalents	1,708,719	(1,567,272)	(1,507,398)	1,964,108	(187,251)
Cash and cash equivalents - January 1	<u>1,887,481</u>	<u>3,454,753</u>	<u>4,962,151</u>	<u>2,998,043</u>	<u>3,185,294</u>
Cash and cash equivalents - December 31	<u>\$ 3,596,200</u>	<u>\$ 1,887,481</u>	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>	<u>\$ 2,998,043</u>
Reconciliation of operating income to net cash provided (used) by operating activities:					
Operating income	\$ 807,180	\$ 220,713	\$ 450,119	\$ 702,931	\$ 496,005
Adjustments to reconcile net income to net cash provided (used) by operating activities:					
Depreciation	1,072,132	1,049,774	1,040,835	1,024,057	1,002,801
Changes in assets and liabilities:					
Accounts receivable	655,024	(630,399)	(151,768)	(122,851)	206,775
Materials & supplies	(164,756)	15,110	(8,945)	907	16,569
Prepaid items	(2,501)	191	52,936	(53,554)	48,488
Due from other government units	(253)	(6,724)	-	-	-
Deferred pension outflows	109,113	353,124	(536,233)	(103,203)	-
Deferred OPEB outflows	171	-	-	-	-
Accounts payable	(71,001)	(77,212)	(1,024,541)	1,215,748	(351,311)
Retainage payable	-	-	-	-	-
Accrued payroll	2,836	(297)	17,955	5,375	9,245
Accrued vacation	1,527	(9,986)	14,127	(2,179)	14,489
Accrued compensated absences	(45,887)	(13,489)	23,851	(45,374)	19,749
Due to other government units	7,266	(2,120)	3,039	2,972	(2,802)
Net pension liability	(190,500)	(307,914)	574,808	21,984	-
Total other postemployment benefit liability	2,586	-	-	-	-
Deferred pension inflows	73,023	68,011	72,625	110,985	-
Customer deposits	650	(600)	18,095	30,705	4,150
Net cash provided (used) by operating activities	<u>\$ 2,256,610</u>	<u>\$ 658,182</u>	<u>\$ 546,903</u>	<u>\$ 2,788,503</u>	<u>\$ 1,464,158</u>
Schedule of noncash investing, capital and financing activities:					
Increase (decrease) in fair value of investments	\$ -	\$ -	\$ -	\$ -	\$ (337,633)
Acquisition of capital assets through capital contributions	1,500	83,716	258,293	-	-
Cash and cash equivalents are shown on the balance sheet under the following captions:					
Cash and cash equivalents	\$ 3,459,400	\$ 1,751,331	\$ 3,318,003	\$ 4,843,496	\$ 2,910,093
Restricted assets	<u>136,800</u>	<u>136,150</u>	<u>136,750</u>	<u>118,655</u>	<u>87,950</u>
Cash and cash equivalents - December 31	<u>\$ 3,596,200</u>	<u>\$ 1,887,481</u>	<u>\$ 3,454,753</u>	<u>\$ 4,962,151</u>	<u>\$ 2,998,043</u>

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	2018			2017			2016			2015			2014		
	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH	Quantity (KWH)	Amount	Per KWH
Electric Division Sales															
Residential	35,238,237	\$ 3,531,325	\$0.1002	33,194,336	\$ 3,322,833	\$0.1001	33,536,133	\$ 3,418,641	\$0.1019	34,137,120	\$ 3,331,901	\$0.0976	35,076,734	\$ 3,411,201	\$0.0972
Commercial	31,630,063	2,524,661	\$0.0798	30,720,283	2,430,723	\$0.0791	31,801,686	2,560,860	\$0.0805	29,511,883	2,330,110	\$0.0790	29,118,988	2,345,340	\$0.0805
Large Commercial	10,127,757	578,048	\$0.0571	10,086,247	580,681	\$0.0576	10,097,529	558,905	\$0.0554	10,022,730	573,457	\$0.0572	9,659,182	570,763	\$0.0591
Off Peak Heating	942,896	64,679	\$0.0686	833,709	56,041	\$0.0672	735,759	52,713	\$0.0716	843,731	59,893	\$0.0710	1,222,369	88,086	\$0.0721
City Electric	7,332,738	703,292	\$0.0959	7,142,003	658,059	\$0.0921	7,234,017	675,910	\$0.0934	7,480,886	693,050	\$0.0926	8,138,996	763,255	\$0.0938
All Electric	2,967,129	283,824	\$0.0957	2,800,492	264,072	\$0.0943	2,786,358	267,022	\$0.0958	3,023,429	283,890	\$0.0939	3,558,279	327,881	\$0.0921
Governmental	221,225	15,150	\$0.0685	271,354	18,327	\$0.0675	249,954	19,060	\$0.0763	225,981	17,745	\$0.0785	302,021	23,969	\$0.0794
Industrial	74,346,324	5,320,272	\$0.0716	70,590,493	5,049,276	\$0.0715	69,768,315	4,822,103	\$0.0691	70,987,982	4,966,617	\$0.0700	72,737,765	4,789,885	\$0.0659
Industrial Standby	2,459,902	589,694	\$0.2397	1,943,978	469,550	\$0.2415	991,410	335,049	\$0.3380	1,208,108	361,694	\$0.2994	940,162	244,561	\$0.2601
KVAR		60,816			61,402			58,215			57,061			53,039	
Night Watch		8,531			8,400			8,309			8,139			8,170	
LCE Facility Charge		76,680			76,680			76,680			76,680			83,070	
Industrial Facility Charge		570,000			570,000			570,000			570,000			570,000	
Industrial Excess		2,280			346			(1,302)			(613)			(6,955)	
Customer Charge -															
Residential		364,094			360,515			356,046			354,994			350,847	
Commercial		57,695			57,803			57,217			56,544			55,743	
Large Commercial		45,360			45,360			45,360			45,360			49,140	
Industrial		97,800			97,800			97,800			97,800			97,800	
City		10,737			10,689			10,593			10,564			10,560	
Green Power		2,890			2,880			5,381			5,452			5,714	
Air Conditioner Credit		(6,388)			(6,403)			(6,318)			(6,262)			(6,247)	
Load Control Credit		(34,911)			(35,274)			(35,001)			(35,193)			(34,547)	
	<u>165,266,271</u>	<u>14,866,529</u>	<u>\$0.0900</u>	<u>157,582,895</u>	<u>14,099,760</u>	<u>\$0.0895</u>	<u>157,201,161</u>	<u>13,953,243</u>	<u>\$0.0888</u>	<u>157,441,850</u>	<u>13,858,882</u>	<u>\$0.0880</u>	<u>160,754,496</u>	<u>13,801,275</u>	<u>\$0.0859</u>
Other Operating Revenue															
Reconnections		\$ 5,880			\$ 5,690			\$ 5,040			\$ 6,010			\$ 5,320	
Temporary Services		660			720			520			760			705	
Underground		2,858			4,740			3,266			3,376			4,511	
Repairs		8,985			13,194			5,807			14,263			7,704	
Penalties		107,298			104,574			92,577			102,359			104,116	
Uncollectible Accounts		(11,760)			(24,447)			(25,741)			(26,856)			(42,766)	
Miscellaneous		44,426			51,016			61,887			70,691			130,843	
		<u>158,347</u>			<u>155,487</u>			<u>143,356</u>			<u>170,603</u>			<u>210,433</u>	
Total Operating Revenue		<u>\$ 15,024,876</u>			<u>\$ 14,255,247</u>			<u>\$ 14,096,599</u>			<u>\$ 14,029,485</u>			<u>\$ 14,011,708</u>	
Percent of Operating Revenues															
		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>		<u>Amount</u>	<u>Percent</u>
Operating Revenues		\$ 15,024,876	100.0%		\$ 14,255,247	100.0%		\$ 14,096,599	100.0%		\$ 14,029,485	100.0%		\$ 14,011,708	100.0%
Power Cost		9,296,422	61.9%		8,832,638	58.8%		8,790,271	58.5%		8,665,115	62.5%		8,782,578	62.5%
Power Cost Margin		5,728,454	38.1%		5,422,609	36.1%		5,306,328	35.3%		5,364,370	37.5%		5,229,130	37.5%
Distribution		2,442,321	16.3%		2,834,777	18.9%		2,606,175	17.3%		2,420,489	20.3%		2,499,125	20.3%
Gross Margin		3,286,133	21.9%		2,587,832	17.2%		2,700,153	18.0%		2,943,881	17.2%		2,730,005	17.2%
Meter Reading		18,740	0.1%		12,631	0.1%		14,613	0.1%		13,524	0.1%		12,596	0.1%
General and Administrative		1,072,132	7.1%		1,049,774	7.0%		1,040,834	6.9%		1,024,057	4.4%		1,002,768	4.4%
Taxes and Tax Equivalents		1,388,081	9.2%		1,304,714	8.7%		1,194,587	8.0%		1,203,369	8.7%		1,218,636	8.7%
Operating Income		<u>\$ 807,180</u>	<u>5.4%</u>		<u>\$ 220,713</u>	<u>1.5%</u>		<u>\$ 450,119</u>	<u>3.0%</u>		<u>\$ 702,931</u>	<u>4.0%</u>		<u>\$ 496,005</u>	<u>4.0%</u>

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Selected Financial Data	2018	2017	2016	2015	2014
Utility operating revenues	\$ 15,024,876	\$ 14,255,247	\$ 14,096,599	\$ 14,029,485	\$ 14,011,708
Utility operating expenses	14,217,696	14,034,534	13,646,480	13,326,554	13,515,703
Operating income	807,180	220,713	450,119	702,931	496,005
Net income (loss)	674,089	224,297	530,450	494,077	467,428
Total assets	32,929,151	32,345,239	32,112,523	32,406,249	30,570,330
Total liabilities	4,054,513	4,210,099	4,622,815	4,983,383	2,614,384
Capital expenditures	1,030,227	869,187	880,132	650,714	698,023
Depreciation	1,072,132	1,049,774	1,040,835	1,024,057	1,002,801
Taxes and tax equivalents	1,388,081	1,304,715	1,194,587	1,203,368	1,218,637
Operating transfers out	289,377	250,000	385,154	434,789	421,402
Cash flow from operations	2,256,610	658,182	546,903	2,788,503	1,464,158

Selected Financial Statistics	2018	2017	2016	2015	2014
Avg. utility plant investment per \$ of revenue	\$ 2.20	\$ 2.28	\$ 2.30	\$ 2.21	\$ 2.15
Accum. deprec. as a % of depreciable plant	61.35%	56.96%	56.96%	53.09%	50.98%
Deprec. expense as a % of depreciable plant	3.23%	4.34%	3.24%	3.34%	3.35%
Return on equity	2.33%	0.80%	2.05%	2.66%	1.95%
Return on assets	2.04%	0.69%	1.80%	2.45%	2.70%

Miscellaneous Statistics	2018	2017	2016	2015	2014
Maximum Demand in MW	34.30	36.11	33.78	32.30	33.10
Date of Maximum Demand	12/31/2018	12/6/2017	12/14/2016	1/5/2015	1/2/2014
KWH purchased from WAPA	73,051,000	73,051,000	73,304,000	73,051,000	73,051,000
WAPA percentage of total power purchases	42.8%	44.3%	44.9%	44.9%	43.8%
KWH purchased from MMPA	97,451,530	91,855,564	89,830,139	89,504,730	93,886,766
MMPA percentage of total power purchases	57.2%	55.7%	55.1%	55.1%	56.2%
KWH Line loss or billing differential	(5,236,259)	(7,323,669)	(5,932,978)	(5,113,880)	(6,183,270)
Line loss or billing differential percent	-3.07%	-4.44%	-3.64%	-3.15%	-3.70%
Average number of customers with discount	476	476	476	475	472
Average number of residential meters	3837	3810	3777	3767	3724
Average number of commercial meters	565	567	565	558	554
Average number of large commercial meters	9	9	9	9	9
Average number of industrial meters	1	1	1	1	1

Management Efficiency	2018	2017	2016	2015	2014
Benefit employees	27	28	27	24	25
Electric employee allocation	12	13	13	14	14
Operating income (loss) per employee	63,458	16,978	34,625	50,209	35,429
Revenue per employee	1,253,236	1,096,557	1,084,354	1,002,106	1,000,836
Accounts receivable turnover	9.1	4.7	5.9	6.9	5.7
Asset turnover	0.5	0.4	0.4	0.5	0.7

Selected Owners Data	2018	2017	2016	2015	2014
Population	8,876	8,843	8,774	8,640	8,640
One employee per number of owners	740	680	675	617	617
Operating revenue per owner	\$ 1,694	\$ 1,608	\$ 1,607	\$ 1,624	\$ 1,626
Operating expenses per owner	1,609	1,467	1,543	1,539	1,564
Operating income (loss) per owner	1,030	1,833	832	1,188	868
Net income (loss) per owner	370	726	244	323	310
Net assets per owner	3,439	1,930	3,562	3,459	2,297
Liabilities per owner	424	426	429	272	40
Capital expenditures per owner	117	83	100	304	304
Taxes and tax equivalents per owner	156	148	136	139	141

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

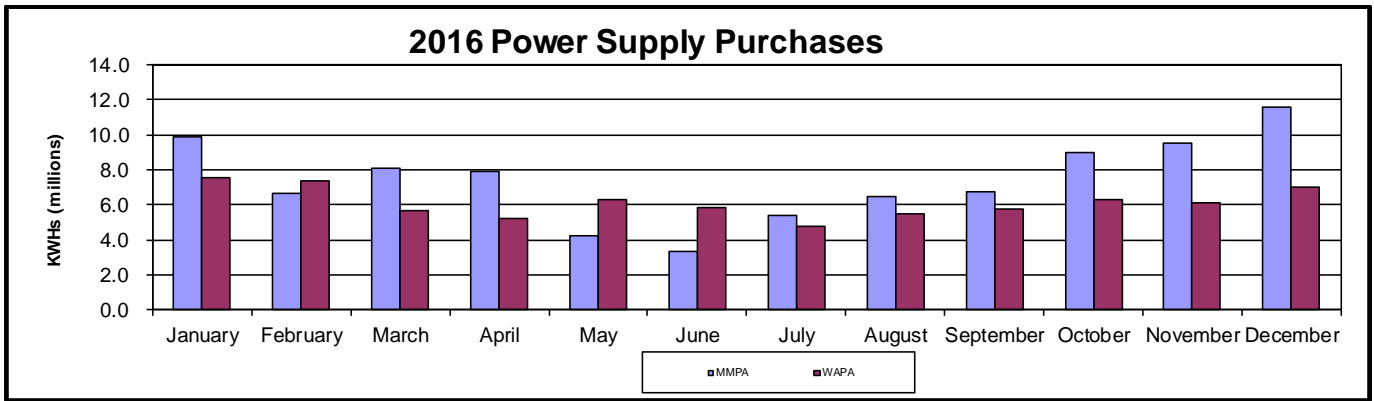
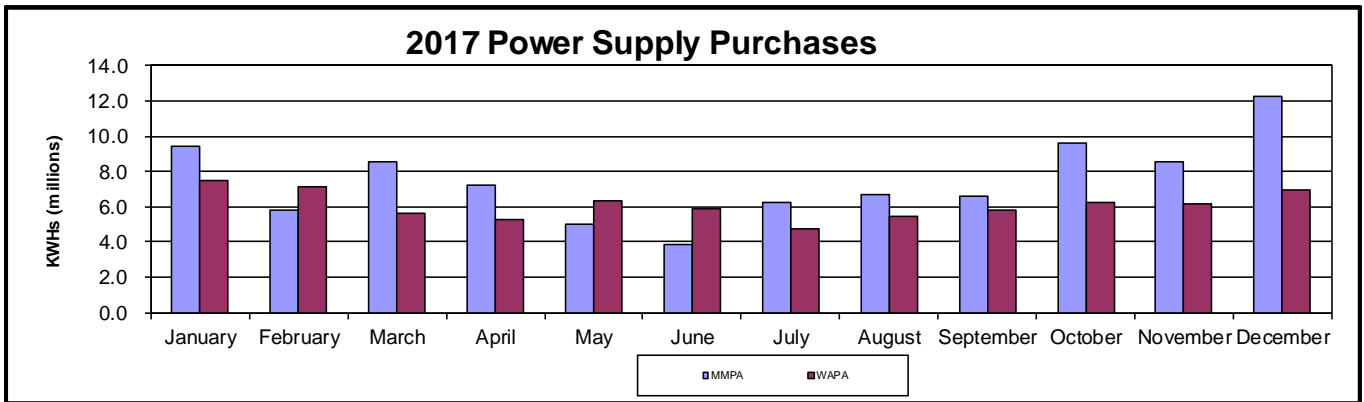
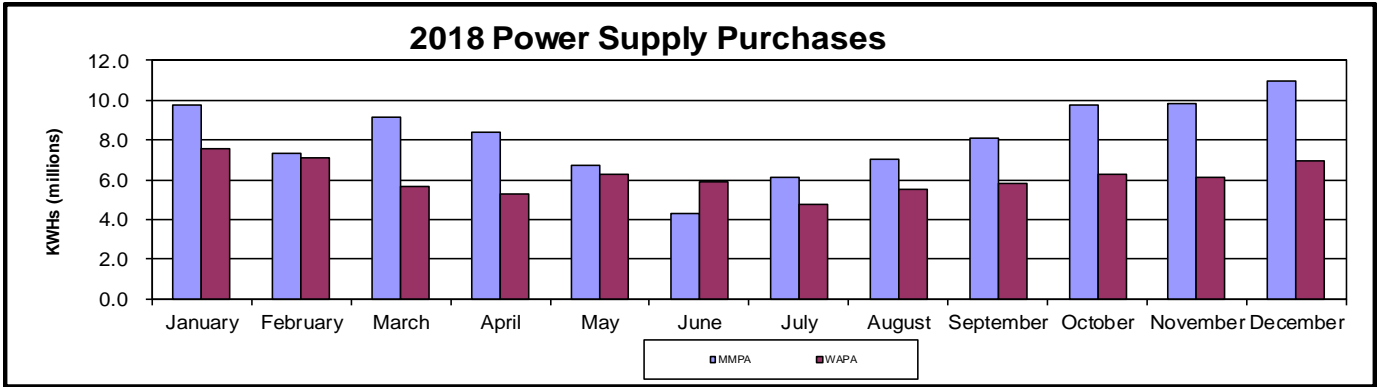
CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

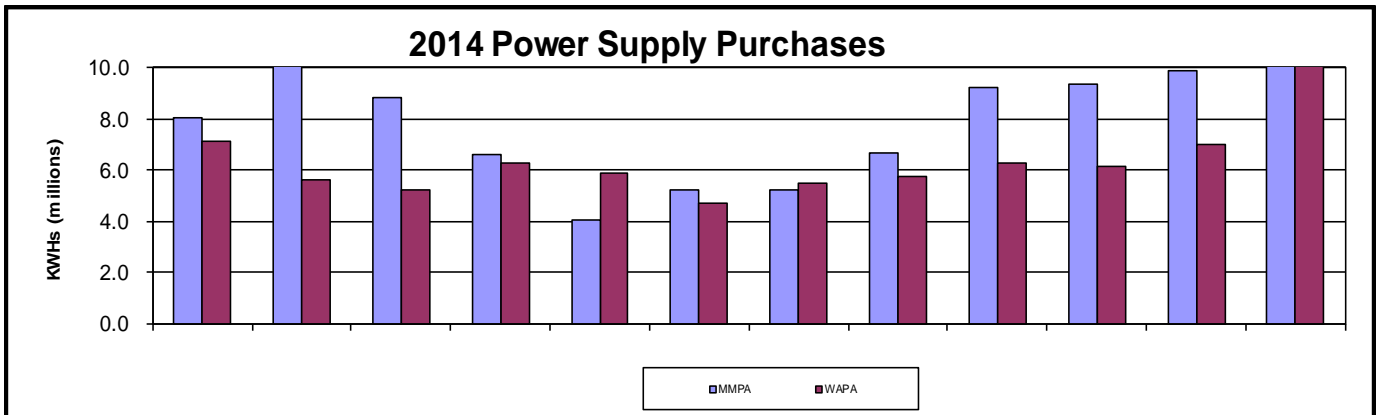
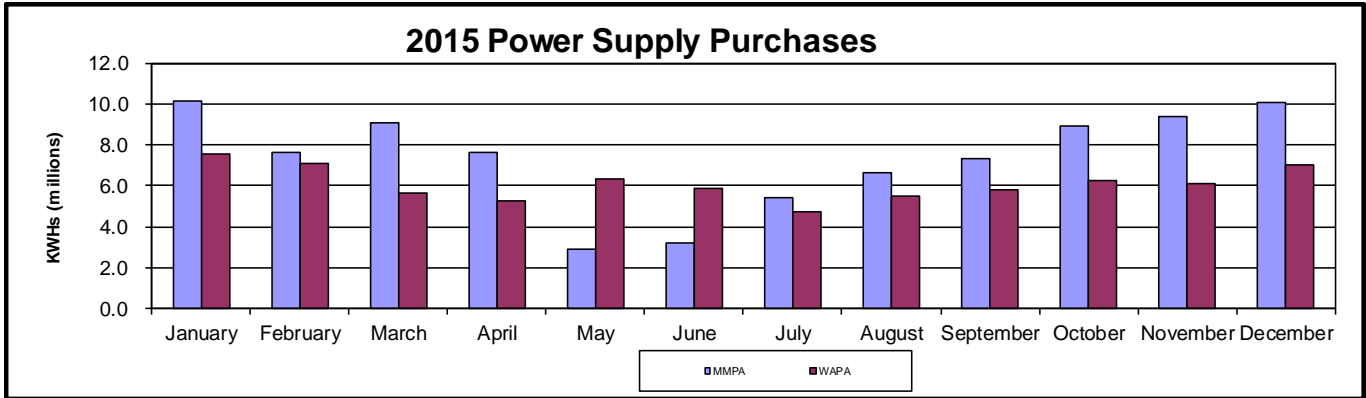
	KW ... MMPA	KW Demand WAPA	KW ... System	KWH ... MMPA	KWH Energy WAPA	KWH ... System	KWH WAPA + MMPA	KWH Loss	KWH Standby at wholesale
2018									
January	19,374	13,235	32,609	9,727,238	7,519,000	17,246,238	17,246,238	-	377,637
February	14,356	12,370	26,726	7,315,188	7,096,000	14,411,188	14,411,188	-	282,005
March	13,174	10,905	24,079	9,126,628	5,630,000	14,756,628	14,756,628	-	119,925
April	15,037	9,192	24,229	8,391,940	5,244,000	13,635,940	13,635,940	-	72,227
May	12,207	11,650	23,857	6,730,593	6,302,000	13,032,593	13,032,593	-	301,019
June	9,935	11,276	21,211	4,302,194	5,876,000	10,178,194	10,178,194	-	-
July	11,167	9,899	21,066	6,134,888	4,729,000	10,863,888	10,863,888	-	-
August	12,620	11,092	23,712	7,043,996	5,492,000	12,535,996	12,535,996	-	699,141
September	13,189	12,097	25,286	8,117,648	5,774,000	13,891,648	13,891,648	-	239,627
October	17,229	12,661	29,890	9,747,136	6,287,000	16,034,136	16,034,136	-	63,629
November	19,311	11,104	30,415	9,807,821	6,117,000	15,924,821	15,924,821	-	42,975
December	21,069	13,235	34,304	11,006,260	6,985,000	17,991,260	17,991,260	-	261,717
1st Quarter	46,904	36,510	83,414	26,169,054	20,245,000	46,414,054	46,414,054	-	779,567
2nd Quarter	37,179	32,118	69,297	19,424,727	17,422,000	36,846,727	36,846,727	-	373,246
3rd Quarter	36,976	33,088	70,064	21,296,532	15,995,000	37,291,532	37,291,532	-	938,768
4th Quarter	57,609	37,000	94,609	30,561,217	19,389,000	49,950,217	49,950,217	-	368,321
Total	178,668	138,716	317,384	97,451,530	73,051,000	170,502,530	170,502,530	-	2,459,902
2017									
January	20,132	13,235	33,566	9,412,813	7,519,000	16,931,813	16,931,813	-	14,538
February	11,972	12,370	24,528	5,849,908	7,096,000	12,945,908	12,945,908	-	323,011
March	12,740	10,905	23,809	8,506,274	5,630,000	14,136,274	14,136,274	-	400,346
April	12,605	9,192	21,935	7,219,534	5,244,000	12,463,534	12,463,534	-	135,690
May	10,520	11,650	22,345	5,028,248	6,302,000	11,330,248	11,330,248	-	168,944
June	8,795	11,276	20,240	3,830,244	5,876,000	9,706,244	9,706,244	-	-
July	11,603	9,899	21,650	6,223,979	4,729,000	10,952,979	10,952,979	-	-
August	13,209	11,092	24,467	6,654,631	5,492,000	12,146,631	12,146,631	-	12,594
September	13,609	12,097	25,887	6,645,338	5,774,000	12,419,338	12,419,338	-	197,359
October	15,716	12,661	28,567	9,632,750	6,287,000	15,919,750	15,919,750	-	120,439
November	16,299	11,104	27,570	8,593,596	6,117,000	14,710,596	14,710,596	-	130,499
December	22,676	13,235	36,110	12,301,677	6,985,000	19,286,677	19,286,677	-	453,152
1st Quarter	44,844	36,510	81,902	23,768,995	20,245,000	44,013,995	44,013,995	-	737,895
2nd Quarter	31,920	32,118	64,520	16,078,026	17,422,000	33,500,026	33,500,026	-	304,634
3rd Quarter	38,421	33,088	72,005	19,523,948	15,995,000	35,518,948	35,518,948	-	209,953
4th Quarter	54,691	37,000	92,246	30,528,023	19,389,000	49,917,023	49,917,023	-	704,090
Total	169,876	138,716	310,673	89,898,992	73,051,000	162,949,992	162,949,992	-	1,956,572
2016									
January	17,307	13,235	30,741	9,908,933	7,519,000	17,427,933	17,427,933	-	7,265
February	12,285	12,370	25,381	6,640,619	7,349,000	13,989,619	13,989,619	-	46,951
March	11,527	11,069	22,596	8,092,997	5,630,000	13,722,997	13,722,997	-	9,459
April	12,824	9,192	22,154	7,874,292	5,244,000	13,118,292	13,118,292	-	326,350
May	10,226	11,650	22,051	4,218,787	6,302,000	10,520,787	10,520,787	-	-
June	7,657	11,276	19,102	3,351,039	5,876,000	9,227,039	9,227,039	-	-
July	10,911	9,899	20,958	5,371,843	4,729,000	10,100,843	10,100,843	-	-
August	14,042	11,092	25,300	6,504,270	5,492,000	11,996,270	11,996,270	-	12,594
September	10,421	12,097	22,699	6,739,898	5,774,000	12,513,898	12,513,898	-	50,377
October	14,727	12,661	27,578	8,992,675	6,287,000	15,279,675	15,279,675	-	292,377
November	17,888	11,104	29,159	9,554,944	6,117,000	15,671,944	15,671,944	-	14,165
December	20,349	13,235	33,783	11,611,669	6,985,000	18,596,669	18,596,669	-	208,635
1st Quarter	41,119	36,674	78,718	24,642,549	20,498,000	45,140,549	45,140,549	-	63,675
2nd Quarter	30,707	32,118	63,307	15,444,118	17,422,000	32,866,118	32,866,118	-	326,350
3rd Quarter	35,374	33,088	68,957	18,616,011	15,995,000	34,611,011	34,611,011	-	62,971
4th Quarter	52,964	37,000	90,520	30,159,288	19,389,000	49,548,288	49,548,288	-	515,177
Total	160,164	138,880	301,502	88,861,966	73,304,000	162,165,966	162,165,966	-	968,173

Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

	KW ... MMPA	KW Demand WAPA	KW ... System	KWH ... MMPA	KWH Energy WAPA	KWH ... System	KWH WAPA + MMPA	KWH Loss	KWH Standby at wholesale
2015									
January	18,867	13,235	32,301	10,116,589	7,519,000	17,635,589	17,635,589	-	-
February	14,933	12,370	27,489	7,617,601	7,096,000	14,713,601	14,713,601	-	196,355
March	14,863	10,905	25,932	9,090,900	5,630,000	14,720,900	14,720,900	-	246,927
April	12,823	9,192	22,153	7,645,179	5,244,000	12,889,179	12,889,179	-	36,175
May	4,786	11,650	16,611	2,910,391	6,302,000	9,212,391	9,212,391	-	121,349
June	6,956	11,276	18,401	3,219,700	5,876,000	9,095,700	9,095,700	-	10,756
July	10,923	9,899	20,970	5,427,731	4,729,000	10,156,731	10,156,731	-	-
August	12,633	11,092	23,891	6,620,776	5,492,000	12,112,776	12,112,776	-	51,233
September	15,176	12,097	27,454	7,292,205	5,774,000	13,066,205	13,066,205	-	6,449
October	12,659	12,661	25,510	8,942,128	6,287,000	15,229,128	15,229,128	-	53,673
November	15,836	11,104	27,107	9,386,939	6,117,000	15,503,939	15,503,939	-	254,776
December	16,514	13,235	29,948	10,054,799	6,985,000	17,039,799	17,039,799	-	202,099
1st Quarter	48,663	36,510	85,722	26,825,090	20,245,000	47,070,090	47,070,090	-	443,282
2nd Quarter	24,565	32,118	57,165	13,775,270	17,422,000	31,197,270	31,197,270	-	168,280
3rd Quarter	38,732	33,088	72,315	19,340,712	15,995,000	35,335,712	35,335,712	-	57,682
4th Quarter	45,009	37,000	82,565	28,383,866	19,389,000	47,772,866	47,772,866	-	510,548
Total	156,969	138,716	297,767	88,324,938	73,051,000	161,375,938	161,375,938	-	1,179,792
2014									
January	19,666	13,235	33,100	9,798,634	7,519,000	17,317,634	17,317,634	-	2,483
February	15,830	12,370	28,186	8,036,658	7,096,000	15,132,658	15,132,658	-	67,790
March	15,391	10,905	26,460	10,139,580	5,630,000	15,769,580	15,769,580	-	227,875
April	15,049	9,192	24,379	8,804,493	5,244,000	14,048,493	14,048,493	-	72,654
May	10,755	11,650	22,580	6,625,114	6,302,000	12,927,114	12,927,114	-	-
June	8,204	11,276	19,649	4,039,915	5,876,000	9,915,915	9,915,915	-	-
July	11,751	9,899	21,798	5,204,862	4,729,000	9,933,862	9,933,862	-	-
August	9,512	11,092	20,770	5,214,533	5,492,000	10,706,533	10,706,533	-	-
September	10,397	12,097	22,675	6,675,348	5,774,000	12,449,348	12,449,348	-	76,123
October	14,537	12,661	27,388	9,201,288	6,287,000	15,488,288	15,488,288	-	121,305
November	16,372	11,104	27,643	9,327,430	6,117,000	15,444,430	15,444,430	-	304,534
December	19,113	13,235	32,547	9,900,784	6,985,000	16,885,784	16,885,784	-	45,363
1st Quarter	50,887	36,510	87,746	27,974,872	20,245,000	48,219,872	48,219,872	-	298,148
2nd Quarter	34,008	32,118	66,608	19,469,522	17,422,000	36,891,522	36,891,522	-	72,654
3rd Quarter	31,660	33,088	65,243	17,094,743	15,995,000	33,089,743	33,089,743	-	76,123
4th Quarter	50,022	37,000	87,578	28,429,502	19,389,000	47,818,502	47,818,502	-	471,202
Total	166,577	138,716	307,175	92,968,639	73,051,000	166,019,639	166,019,639	-	918,127





Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

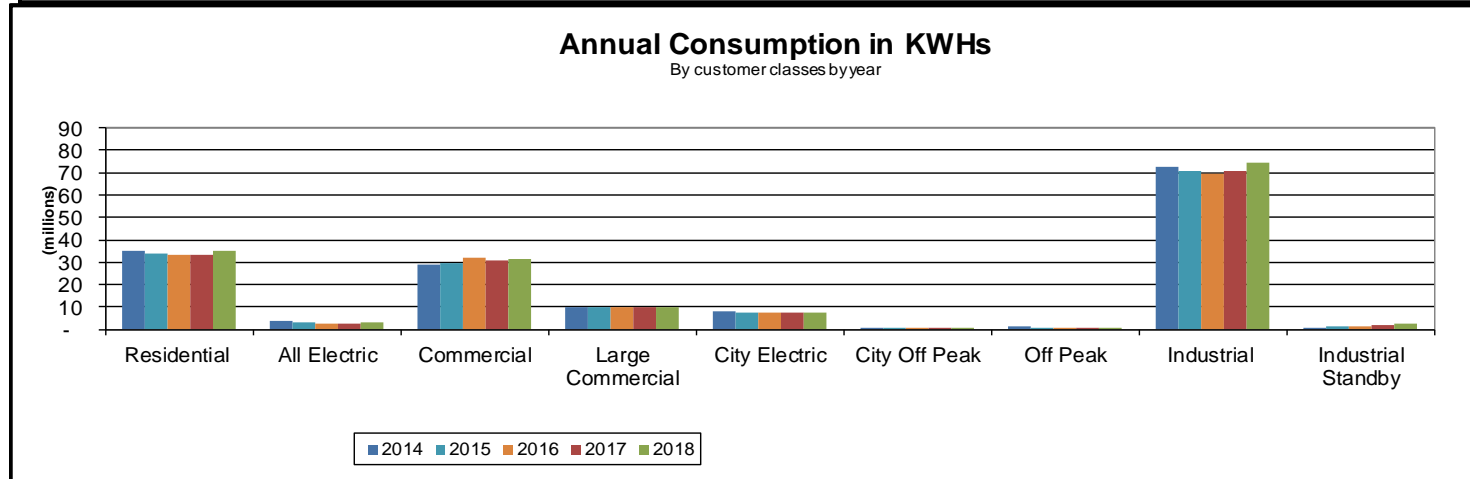
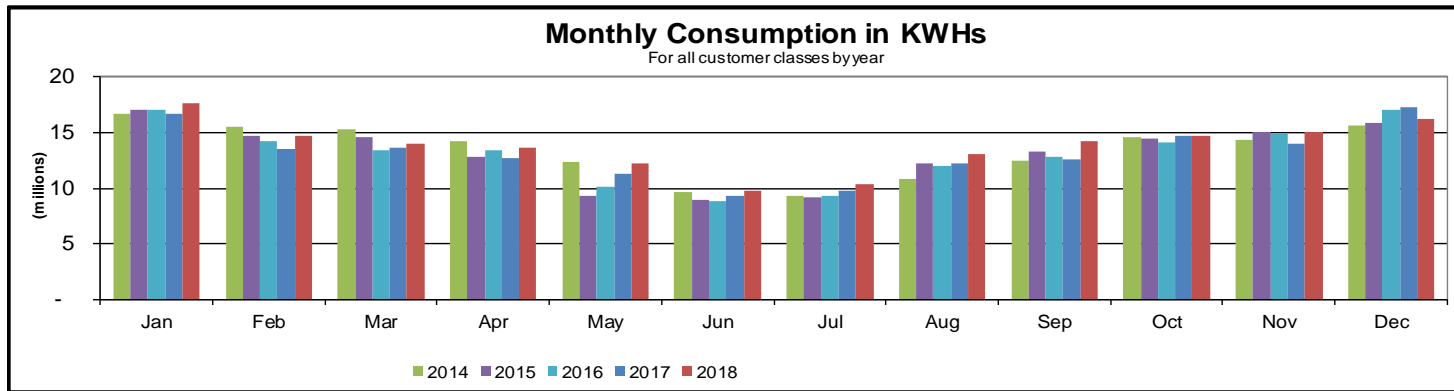
KWHs													
2018	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,526,381	3,388,699	2,759,307	2,754,238	2,308,570	2,886,656	3,352,393	3,379,120	2,917,149	2,333,981	2,647,678	2,984,065	35,238,237
All Electric	457,392	434,585	310,566	290,871	154,018	142,407	153,484	152,136	127,523	166,797	252,856	324,494	2,967,129
Commercial	4,001,800	2,826,440	2,411,282	2,464,470	2,224,820	2,610,085	2,582,736	2,510,952	2,379,684	2,260,564	2,856,524	2,500,706	31,630,063
Large Commercial	939,226	838,829	876,394	836,365	855,044	782,215	844,270	859,896	792,998	824,264	841,587	836,669	10,127,757
City Electric	889,652	857,663	718,061	603,407	445,055	473,122	437,852	443,156	431,561	516,740	710,093	806,376	7,332,738
City Off Peak	53,372	25,230	33,589	29,286	3,563	470	42	43	426	9,537	28,975	36,692	221,225
Off Peak	218,047	193,745	128,766	96,914	32,601	12,924	11,360	9,568	8,846	24,980	67,559	137,586	942,896
Industrial	7,164,289	5,839,964	6,637,319	6,482,626	5,870,796	2,835,200	2,993,996	4,941,457	7,265,409	8,447,620	7,566,002	8,301,646	74,346,324
Industrial Standby	377,637	282,005	119,925	72,227	301,019	-	-	699,141	239,627	63,629	42,975	261,717	2,459,902
Total	17,627,796	14,687,160	13,995,209	13,630,404	12,195,486	9,743,079	10,376,133	12,995,469	14,163,223	14,648,112	15,014,249	16,189,951	165,266,271

2017	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,475,194	3,159,634	2,653,556	2,616,837	2,271,911	2,524,197	2,779,474	3,332,498	2,740,154	2,245,553	2,551,038	2,844,290	33,194,336
All Electric	435,173	378,868	321,212	243,032	169,830	139,689	132,532	151,473	129,768	130,321	257,554	311,040	2,800,492
Commercial	3,618,643	2,682,351	2,374,366	2,323,738	2,157,401	2,261,428	2,202,654	2,347,571	2,264,248	2,707,608	2,756,430	3,023,845	30,720,283
Large Commercial	951,994	830,321	923,488	785,764	754,360	745,388	815,370	802,668	793,422	845,042	886,765	951,665	10,086,247
City Electric	863,339	800,173	712,189	557,673	461,580	478,824	416,291	434,494	445,543	502,558	693,930	775,409	7,142,003
City Off Peak	57,882	53,922	42,189	14,249	11,276	3,870	546	42	1,312	9,643	35,585	40,838	271,354
Off Peak	188,021	165,927	141,430	76,717	27,499	10,111	6,053	4,725	5,653	9,733	75,455	122,385	833,709
Industrial	7,084,465	5,176,642	6,050,743	5,982,206	5,231,564	3,094,656	3,390,580	5,106,765	6,038,370	8,113,074	6,636,448	8,684,980	70,590,493
Industrial Standby	14,538	323,011	400,346	135,690	168,944	-	-	-	197,359	120,439	130,499	453,152	1,943,978
Total	16,689,249	13,570,849	13,619,519	12,735,906	11,254,365	9,258,163	9,743,500	12,180,236	12,615,829	14,683,971	14,023,704	17,207,604	157,582,895

2016	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,315,757	3,173,610	2,696,015	2,558,354	2,295,204	2,603,852	2,890,147	3,490,638	2,977,804	2,296,589	2,409,381	2,828,782	33,536,133
All Electric	432,729	409,292	303,890	258,502	167,959	130,440	135,195	160,476	137,816	137,829	190,035	322,195	2,786,358
Commercial	3,273,052	2,671,157	2,293,350	2,282,667	2,151,977	2,308,483	2,231,099	2,428,515	2,281,744	2,502,754	3,428,614	3,948,274	31,801,686
Large Commercial	913,192	885,978	904,334	800,863	797,673	747,575	772,902	872,639	830,073	839,361	834,002	898,937	10,097,529
City Electric	826,566	829,070	703,477	579,332	486,349	505,894	464,053	481,971	446,667	531,001	643,209	736,428	7,234,017
City Off Peak	58,642	45,910	28,475	34,964	12,299	2,318	1,251	46	2,202	5,751	8,459	49,637	249,954
Off Peak	192,333	157,687	106,293	65,841	25,404	8,785	5,392	5,861	3,789	12,472	35,135	116,767	735,759
Industrial	7,987,166	6,045,634	6,356,600	6,500,499	4,181,041	2,511,453	2,751,872	4,567,682	6,046,552	7,515,833	7,392,440	7,911,543	69,768,315
Industrial Standby	7,439	48,078	9,686	334,182	-	-	-	12,897	51,586	299,395	14,505	213,642	991,410
Total	17,006,876	14,266,416	13,402,120	13,415,204	10,117,906	8,818,800	9,251,911	12,020,725	12,778,233	14,140,985	14,955,780	17,026,205	157,201,161

2015	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,441,417	3,286,587	2,903,680	2,589,881	2,278,383	2,487,870	2,975,176	3,485,905	3,144,253	2,331,989	2,403,947	2,808,032	34,137,120
All Electric	466,351	466,728	376,862	265,394	181,168	145,098	149,849	171,068	148,284	131,941	203,977	316,709	3,023,429
Commercial	3,112,085	2,683,578	2,309,329	2,196,160	2,109,086	2,213,385	2,256,911	2,482,999	2,327,244	2,379,256	2,778,677	2,663,173	29,511,883
Large Commercial	949,103	894,194	883,864	794,919	757,183	757,595	802,634	810,320	847,273	813,362	829,964	882,319	10,022,730
City Electric	894,165	879,486	795,173	559,102	512,506	502,284	446,301	469,992	461,750	557,438	659,464	743,225	7,480,886
City Off Peak	43,337	37,976	30,675	17,135	8,169	3,184	660	241	2,312	8,095	15,938	58,259	225,981
Off Peak	205,547	210,702	165,433	70,820	24,133	9,673	4,833	3,929	3,424	10,001	38,163	97,073	843,731
Industrial	7,907,917	6,010,087	6,815,657	6,320,951	3,337,139	2,866,012	2,603,123	4,772,918	6,299,809	8,168,687	7,828,778	8,056,904	70,987,982
Industrial Standby	-	201,068	252,852	37,043	124,262	11,014	-	52,462	6,604	54,962	260,891	206,950	1,208,108
Total	17,019,922	14,670,406	14,533,525	12,851,405	9,332,029	8,996,115	9,239,487	12,249,834	13,240,953	14,455,731	15,019,799	15,832,644	157,441,850

KWHs													
2014	Jan	Feb	Mar	Apr	May	Jun	Jul	Aug	Sep	Oct	Nov	Dec	Total
Residential	3,800,850	3,595,111	3,029,051	2,858,497	2,393,607	2,637,275	2,850,846	3,209,567	2,801,734	2,318,099	2,482,909	3,099,188	35,076,734
All Electric	559,814	542,513	445,866	345,290	221,659	156,110	146,817	164,159	146,276	152,101	260,165	417,509	3,558,279
Commercial	3,016,307	2,834,261	2,425,685	2,346,251	2,102,370	2,292,584	2,201,259	2,393,803	2,175,036	2,292,972	2,510,904	2,527,556	29,118,988
Large Commercial	970,192	838,875	810,464	730,580	713,499	687,692	728,399	764,550	798,479	842,130	852,090	922,232	9,659,182
City Electric	1,005,381	957,505	829,967	653,841	562,480	542,428	477,469	509,400	482,460	567,129	717,917	833,019	8,138,996
City Off Peak	46,052	64,048	30,922	19,969	20,750	2,848	1,721	84	5,288	14,238	38,519	57,582	302,021
Off Peak	261,525	246,316	213,487	136,246	55,308	16,737	11,248	6,401	8,579	16,119	73,045	177,358	1,222,369
Industrial	7,027,910	6,310,936	7,198,347	7,077,358	6,250,231	3,361,637	2,823,654	3,717,038	5,997,021	8,275,513	7,135,754	7,562,366	72,737,765
Industrial Standby	2,542	69,418	233,344	74,397	-	-	-	-	77,950	124,216	311,843	46,452	940,162
Total	16,690,573	15,458,983	15,217,133	14,242,429	12,319,904	9,697,311	9,241,413	10,765,002	12,492,823	14,602,517	14,383,146	15,643,262	160,754,496



Statistics
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Load Factors	2018	2017	2016	2015	2014
MMPA Power Factor					
January	84.5000	87.5000	84.3000	88.6300	86.9200
February	90.5000	91.2000	91.4000	91.4000	91.5200
March	87.7000	91.4000	90.3500	91.7900	91.9000
April	88.7000	89.7000	87.7100	92.3300	89.4000
May	86.7000	91.0000	86.9000	95.0700	87.9800
June	94.6000	96.0000	94.4100	95.0800	93.7800
July	95.0000	93.0000	94.5300	94.5300	93.5300
August	90.7000	81.4000	83.7600	82.8300	90.1100
September	86.7000	83.0000	86.6200	83.7600	90.8300
October	82.8000	79.2000	77.9100	80.0200	82.3700
November	82.0000	82.1000	85.2700	80.4100	84.8400
December	85.9000	83.5000	86.2700	84.0300	87.8800
Average	87.9833	87.4167	87.4525	88.3233	89.2550

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

System Load Factor					
January	76.3595	76.3595	76.3595	76.3595	76.3595
February	85.3640	85.3640	85.3590	85.3590	85.3590
March	69.3921	69.3921	69.3921	69.3921	69.3921
April	79.2356	79.2356	79.2356	79.2356	79.2356
May	72.7076	72.7076	72.7076	72.7076	72.7076
June	72.3759	72.3759	72.3759	72.3759	72.3759
July	64.2104	64.2104	64.2104	64.2104	64.2104
August	66.5499	66.5499	66.5499	66.5499	66.5499
September	66.2928	66.2928	66.2928	66.2928	66.2928
October	66.7425	66.7425	36.7425	36.7425	36.7425
November	76.5115	76.5115	76.5115	76.5115	76.5115
December	70.9365	70.9365	70.9365	70.9365	70.9365
Average	72.2232	72.2232	69.7228	69.7228	69.7228

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014**

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

Revenues	2014	2015	2016	2017	2018
Account Number	Actual	Actual	Actual	Actual	Actual
601-37-000-37410 Res. Regular	\$ 3,409,135	\$ 3,329,772	\$ 3,416,512	\$ 3,320,966	\$ 3,528,427
601-37-000-37412 Res. All Electric	327,881	283,890	267,022	264,072	283,824
601-37-000-37415 Res. Off Peak	48,710	35,735	31,488	32,835	38,929
601-37-000-37416 Res. Seasonal	2,066	2,128	2,129	1,867	2,899
601-37-000-37420 Com. Regular	2,343,221	2,327,261	2,558,624	2,429,312	2,523,222
601-37-000-37421 Com. Large	570,763	573,457	558,905	580,681	578,048
601-37-000-37422 Com. Industrial Standby	244,561	361,694	335,049	469,550	589,694
601-37-000-37425 Com. Off Peak	39,376	24,158	21,225	23,206	25,750
601-37-000-37426 Com. Seasonal	2,119	2,849	2,237	1,411	1,439
601-37-000-37427 Industrial	4,789,885	4,966,617	4,822,103	5,049,276	5,320,272
601-37-000-37428 Industrial Excess	(6,955)	(613)	(1,302)	346	2,280
601-37-000-37434 Muni Facility	-	-	-	-	2,040
601-37-000-37435 LCE Facility	83,070	76,680	76,680	76,680	76,680
601-37-000-37436 Industrial Facility	570,000	570,000	570,000	570,000	570,000
601-37-000-37440 KVAR	53,039	57,061	58,215	61,402	60,816
601-37-000-37441 Res. Off Peak Customer	5,870	5,861	5,857	7,119	7,903
601-37-000-37442 Com. Off Peak Customer	1,449	1,449	1,449	1,774	2,147
601-37-000-37443 Res. Customer	296,255	299,242	301,060	304,422	306,864
601-37-000-37444 Com. Customer	54,294	55,095	55,768	56,029	55,548
601-37-000-37445 LCE. Customer	49,140	45,360	45,360	45,360	45,360
601-37-000-37446 Industrial Customer	97,800	97,800	97,800	97,800	97,800
601-37-000-37447 Res. All Elect. Customer	48,722	49,891	49,130	48,975	49,327
601-37-000-37448 City Elect. Customer	10,146	10,150	10,179	10,179	10,179
601-37-000-37449 City Off-Peak Customer	414	414	414	510	558
601-37-000-37450 Reconnection	5,320	6,010	5,040	5,690	5,880
601-37-000-37452 Temporary Service	705	760	520	720	660
601-37-000-37453 Underground	4,511	3,376	3,266	4,740	2,858
601-37-000-37454 Contributed Capital	-	-	258,293	83,716	1,500
601-37-000-37471 Night Watch	8,170	8,139	8,309	8,400	8,531
601-37-000-37472 City Electric	763,255	693,050	675,910	658,059	701,252
601-37-000-37473 City Special	23,969	17,745	19,060	18,327	15,150
601-37-000-37474 Fiber Optic Lease	3,876	2,795	2,640	2,970	3,000
601-37-000-37480 Interest Earnings	392,825	225,935	195,192	169,868	154,786
601-37-000-37482 Green Power	5,714	5,452	5,381	2,880	2,890
601-37-000-37485 Discount Air Conditioner	(6,247)	(6,262)	(6,318)	(6,403)	(6,388)
601-37-000-37486 Discount Electric	(34,547)	(35,193)	(35,002)	(35,274)	(34,911)
601-37-000-37487 Gain on Sale of Fixed Asset	-	-	12,000	-	-
601-37-000-37488 Repairs	7,704	14,263	5,807	13,194	8,985
601-37-000-37489 Penalties	104,116	102,359	92,577	104,574	107,298
601-37-000-37490 Miscellaneous	126,967	67,896	59,246	48,045	41,425
601-37-000-37491 Bad Debt - Uncollectible	(42,766)	(26,856)	(25,741)	(24,447)	(11,760)
	<u>\$ 14,404,533</u>	<u>\$ 14,255,420</u>	<u>\$ 14,562,084</u>	<u>\$ 14,508,831</u>	<u>\$ 15,181,162</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

Expenses	2014	2015	2016	2017	2018
OBJECT CODES	Actual	Actual	Actual	Actual	Actual
41010 Salaries - Reg.	\$ 1,130,655	\$ 1,131,084	\$ 1,191,648	\$ 1,306,974	\$ 1,234,409
41020 Salaries - O.T.	21,642	15,470	15,062	14,186	11,970
41070 Vacations, etc.	104,545	103,730	120,082	131,473	128,721
41210 PERA	87,288	89,090	94,618	105,740	100,310
41220 FICA	86,363	87,834	92,790	105,740	100,562
41300 Insurance	168,853	157,334	178,450	208,181	206,816
41510 Workers Comp	24,276	31,110	32,742	40,043	19,502
42000 Office Supplies	13,168	7,916	15,024	12,315	9,229
42110 General & Cleaning Supplies	1,268	1,421	1,808	1,997	1,007
42120 General Supplies	13,307	12,638	11,306	12,698	12,131
42180 Uniforms	1,736	7,008	7,657	4,395	8,489
42270 Parts & Supplies	120,917	82,565	75,541	91,861	44,625
42400 Small Tools	31,399	56,680	54,945	34,960	19,333
42800 WAPA Purchases	2,330,159	2,327,443	2,282,229	1,940,112	1,671,659
42810 NSP Purchases	56,117	48,735	49,709	50,703	51,717
42820 MMPA	6,396,302	6,288,937	6,458,333	6,841,822	7,573,046
43010 Auditing	14,155	17,025	17,525	18,425	17,200
43030 Engineering	98,741	114,202	112,816	194,305	119,143
43040 Legal Fees	16,925	15,228	21,736	22,556	24,100
43090 EDP/Accounting	65,576	67,954	62,952	55,075	57,829
43190 Other Professional	15,125	19,373	46,335	22,167	28,379
43200 Communications	20,810	20,452	21,074	21,115	18,180
43220 Postage	29,744	33,556	23,283	23,111	21,630
43310 Travel & School	20,709	21,035	34,867	43,538	23,426
43400 Promotion/Advertising	24,235	29,552	25,498	21,541	19,538
43500 Printing & Publishing	2,355	3,065	2,608	2,654	3,108
43610 Liability Insurance	53,172	48,636	13,808	39,405	47,826
43620 Property Insurance	33,021	33,645	40,081	42,749	26,418
43810 Electric Utilities	73,575	67,172	72,250	75,449	67,862
43830 Utilities	6,066	5,152	2,832	3,469	5,878
44040 Contracted Services	158,173	79,241	130,706	106,797	96,764
44120 Office Rent	18,000	18,000	18,000	18,000	18,000
44200 Depreciation	1,002,801	1,024,057	1,040,835	1,049,774	1,072,132
44300 Miscellaneous	254,169	223,259	242,451	234,186	222,342
44330 Dues & Subscript.	39,029	46,322	29,715	39,067	40,016
44340 Collections Fees	-	-	6,032	4,637	4,138
44350 Banking/Credit Card Fees	24,053	23,991	28,967	27,115	33,418
44410 Permits & Fees	26,996	36,633	10,820	17,096	22,399
45200 Transfers	180,067	184,789	135,154	-	39,377
46110 Bond Interest	85	-	-	-	-
47200 Franchise Taxes	1,218,637	1,203,368	1,194,587	1,304,715	1,388,081
47210 Cash Transfers to Other	250,000	250,000	250,000	250,000	250,000
49900 Pension Expense	-	29,766	111,200	113,221	(8,364)
49990 Reimbursed	(297,109)	(303,125)	(346,442)	(368,833)	(345,273)
	<u>\$ 13,937,105</u>	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>	<u>\$ 14,284,534</u>	<u>\$ 14,507,073</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES		2014	2015	2016	2017	2018
Account Number		Actual	Actual	Actual	Actual	Actual
Power Purchases						
601-49-560-42800	WAPA	\$ 2,330,159	\$ 2,327,443	\$ 2,282,229	\$ 1,940,112	\$ 1,671,659
601-49-560-42810	NSP/NSP Facility	56,117	48,735	49,709	50,703	51,717
601-49-560-42820	MMPA/NSP	<u>6,396,302</u>	<u>6,288,937</u>	<u>6,458,333</u>	<u>6,841,822</u>	<u>7,573,046</u>
	Total	<u>8,782,578</u>	<u>8,665,115</u>	<u>8,790,271</u>	<u>8,832,637</u>	<u>9,296,422</u>
Distribution Lines						
601-49-570-41010	Salaries - Reg.	177,439	198,627	194,813	228,328	223,310
601-49-570-41020	Salaries - O.T.	8,963	4,322	5,594	3,768	4,887
601-49-570-41210	PERA	13,603	15,207	15,027	17,403	17,115
601-49-570-41220	FICA	13,345	14,550	14,381	16,950	16,770
601-49-570-42270	Parts & Supplies	14,784	13,156	20,155	10,814	3,760
601-49-570-44040	Contracted Services	<u>361</u>	<u>992</u>	<u>1,427</u>	<u>510</u>	<u>293</u>
	Total	<u>228,495</u>	<u>246,854</u>	<u>251,397</u>	<u>277,773</u>	<u>266,135</u>
Transformers						
601-49-571-41010	Salaries - Reg.	5,840	3,867	4,207	6,336	800
601-49-571-41020	Salaries - O.T.	-	310	-	-	-
601-49-571-41210	PERA	425	313	316	475	60
601-49-571-41220	FICA	396	296	285	448	58
601-49-571-42270	Parts & Supplies	34,588	16,503	4,646	21,727	6,329
601-49-571-44040	Contracted Services	<u>2,663</u>	<u>5,080</u>	<u>431</u>	<u>540</u>	<u>1,411</u>
	Total	<u>43,912</u>	<u>26,369</u>	<u>9,885</u>	<u>29,526</u>	<u>8,658</u>
Meters						
601-49-572-41010	Salaries - Reg.	14,069	9,850	5,425	10,550	5,002
601-49-572-41210	PERA	1,001	737	407	791	375
601-49-572-41220	FICA	991	687	344	767	364
601-49-572-42270	Parts & Supplies	8,084	2,979	2,985	6,186	870
601-49-572-44040	Contracted Services	<u>3,307</u>	<u>3,332</u>	<u>4,060</u>	<u>3,765</u>	<u>3,871</u>
	Total	<u>27,452</u>	<u>17,585</u>	<u>13,221</u>	<u>22,059</u>	<u>10,482</u>
Fiber						
601-49-573-41010	Salaries - Reg.	-	-	-	854	288
601-49-573-41210	PERA	-	-	-	64	22
601-49-573-41220	FICA	-	-	-	61	21
601-49-573-44040	Contracted Services	-	-	-	<u>6,855</u>	-
	Total	-	-	-	<u>7,834</u>	<u>331</u>
Substations						
601-49-574-41010	Salaries - Reg.	13,153	14,637	13,105	12,349	12,520
601-49-574-41020	Salaries - O.T.	280	-	-	-	-
601-49-574-41210	PERA	974	1,098	983	926	939
601-49-574-41220	FICA	957	1,037	942	897	911
601-49-574-42270	Parts & Supplies	20,596	154	1,121	9,745	1,057
601-49-574-43030	Engineering	-	-	-	-	1,455
601-49-574-43810	Electric Utilities	14,853	13,267	13,166	13,936	14,261
601-49-574-44040	Contracted Services	<u>51,015</u>	<u>3,842</u>	<u>23,892</u>	<u>23,855</u>	<u>4,204</u>
	Total	<u>101,828</u>	<u>34,035</u>	<u>53,209</u>	<u>61,708</u>	<u>35,347</u>
Street Lights						
601-49-575-41010	Salaries - Reg.	67,448	53,787	36,581	25,196	22,541
601-49-575-41020	Salaries - O.T.	-	-	457	62	-
601-49-575-41210	PERA	4,894	4,034	2,772	1,894	1,691
601-49-575-41220	FICA	4,726	3,817	2,629	1,828	1,640
601-49-575-42270	Parts & Supplies	24,222	24,290	23,077	19,104	10,258
601-49-575-44040	Contracted Services	<u>4,888</u>	<u>1,935</u>	-	<u>730</u>	<u>1,120</u>
	Total	<u>106,178</u>	<u>87,863</u>	<u>65,516</u>	<u>48,814</u>	<u>37,250</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES		2014	2015	2016	2017	2018
Account Number		Actual	Actual	Actual	Actual	Actual
Distribution Service Center						
601-49-576-41010	Salaries - Reg.	43,538	41,731	53,154	47,932	44,505
601-49-576-41210	PERA	2,836	2,642	3,347	2,666	2,898
601-49-576-41220	FICA	3,130	3,049	3,828	3,521	3,258
601-49-576-42270	Parts & Supplies	3,775	5,169	3,449	2,734	6,462
601-49-576-42400	Small Tools & Equipment	-	-	29,298	-	1,522
601-49-576-43810	Electric Utilities	58,722	53,905	59,084	61,513	53,601
601-49-576-43830	Utilities	6,066	5,152	2,832	3,469	5,878
601-49-576-44040	Contracted Services	20,643	22,147	47,044	21,290	30,723
601-49-576-44200	Depreciation	81,301	81,301	81,301	81,301	81,301
601-49-576-49990	Reimbursed from 602 (10%)	(13,871)	(13,380)	(28,334)	(22,442)	(23,671)
	Total	206,140	201,716	255,003	201,984	206,477
Location Services						
601-49-577-41010	Salaries - Reg.	45,565	51,053	59,537	58,916	60,324
601-49-577-41020	Salaries - O.T.	279	614	440	-	310
601-49-577-41210	PERA	3,325	3,875	4,498	4,419	4,548
601-49-577-41220	FICA	3,362	3,788	4,400	4,358	4,503
	Total	52,531	59,330	68,875	67,693	69,685
Vehicles						
601-49-578-41010	Salaries - Reg.	5,897	5,282	4,015	2,970	4,454
601-49-578-41210	PERA	425	393	300	223	334
601-49-578-41220	FICA	408	376	281	215	325
601-49-578-42120	Fuels & Lubricants	13,307	12,638	11,306	12,698	12,131
601-49-578-42270	Parts & Supplies	641	1,081	275	3,081	1,758
601-49-578-44040	Contracted Services	25,303	16,320	20,858	13,896	17,946
601-49-578-44300	Miscellaneous	379	76	394	-	352
	Total	46,360	36,166	37,429	33,083	37,300
Energy/Load Mgt						
601-49-580-41010	Salaries - Reg.	62,229	69,889	70,029	69,102	71,651
601-49-580-41020	Salaries - O.T.	376	108	171	345	-
601-49-580-41210	PERA	4,521	5,062	5,097	5,155	5,179
601-49-580-41220	FICA	3,927	4,756	4,819	4,852	4,885
601-49-580-41300	Insurance	14,473	6,961	7,269	7,682	11,227
601-49-580-42270	Parts & Supplies	383	3	1,768	126	126
601-49-580-43400	Promotion	22,133	19,876	19,124	20,305	18,737
601-49-580-44040	Contracted Services	9,249	8,600	8,930	9,483	13,528
601-49-580-44300	Miscellaneous	237,835	202,415	223,193	209,864	204,273
	Total	355,126	317,670	340,400	326,914	329,606
Information Systems						
601-49-585-41010	Salaries - Reg.	106,138	108,086	136,413	172,472	167,629
601-49-585-41020	Salaries - O.T.	2,924	2,963	1,470	2,862	1,192
601-49-585-41210	PERA	7,412	7,885	9,916	12,285	12,099
601-49-585-41220	FICA	6,639	6,957	9,120	11,702	11,820
601-49-585-41300	Insurance	-	-	3,113	35,627	37,290
601-49-585-42270	Parts & Supplies	1,438	3,028	4,137	2,497	3,388
601-49-585-42400	Small Tools & Equipment	20,535	52,926	18,796	29,637	13,928
601-49-585-43190	Professional Services	-	-	-	3,498	691
601-49-585-44040	Contracted Services	2	-	189	27	152
601-49-585-44300	Miscellaneous	1,740	2,155	2,075	10,424	2,502
	Total	146,828	184,000	185,229	281,031	250,691

**Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014**

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

EXPENSES	2014	2015	2016	2017	2018
Account Number	Actual	Actual	Actual	Actual	Actual
Supervision					
601-49-588-41010 Salaries - Reg.	95,607	137,893	93,652	99,895	106,890
601-49-588-41210 PERA	6,588	6,396	6,897	7,291	7,587
601-49-588-41220 FICA	6,936	7,008	6,956	7,303	7,732
601-49-588-41300 Insurance	7,322	3,528	1,438	3,506	1,301
601-49-588-42180 Uniforms			-	-	136
601-49-588-43310 Travel & School	3,433	3,111	4,504	3,326	2,215
Total	<u>119,886</u>	<u>157,936</u>	<u>113,447</u>	<u>121,321</u>	<u>125,861</u>
General - Unallocated					
601-49-590-41010 Salaries - Reg.	93,004	56,073	108,721	94,651	79,946
601-49-590-41020 Salaries - O.T.	1,795	2,228	3,072	2,807	694
601-49-590-41070 Vacation, etc.	104,545	103,730	120,082	131,473	128,721
601-49-590-41210 PERA	13,467	13,885	15,453	16,683	15,670
601-49-590-41220 FICA	13,544	13,575	15,027	16,385	16,151
601-49-590-41300 Insurance	96,532	103,297	125,869	106,486	101,941
601-49-590-41510 Workers Comp	21,661	26,763	28,788	35,972	16,619
601-49-590-42110 General & Cleaning Supplies	1,268	1,421	1,808	1,997	1,007
601-49-590-42180 Uniforms	1,736	7,008	7,557	4,395	8,353
601-49-590-42270 Parts & Supplies	11,187	9,841	12,459	10,386	7,942
601-49-590-42400 Small Tools & Equipment	10,814	2,612	5,773	4,827	2,353
601-49-590-43030 Engineering	98,741	114,202	112,816	194,305	117,688
601-49-590-43190 Other Professional	-	-	-	1,529	-
601-49-590-43310 Travel & School	9,016	10,779	12,503	13,325	5,918
601-49-590-43400 Advertising	539	540	201	421	220
601-49-590-44040 Contracted Services	1,835	1,532	3,633	3,007	1,327
601-49-590-44200 Depreciation	885,178	908,252	925,931	933,884	956,089
601-49-590-44300 Miscellaneous	8,472	12,185	7,353	4,407	10,513
601-49-590-44330 Dues & Subscript.	14,140	20,129	3,837	11,954	12,193
601-49-590-44410 Permits & Fees	26,996	36,633	10,820	17,096	22,399
Total	<u>1,414,470</u>	<u>1,444,685</u>	<u>1,521,703</u>	<u>1,605,990</u>	<u>1,505,744</u>
Meter Readers					
601-49-610-41010 Salaries - Reg.	15,956	16,368	18,447	15,565	22,782
601-49-610-41020 Salaries - O.T.	539	1,318	651	923	1,692
601-49-610-41210 PERA	1,196	1,326	1,432	1,237	1,836
601-49-610-41220 FICA	1,202	1,274	1,390	1,221	1,799
601-49-610-49990 Reimbursed	(6,298)	(6,762)	(7,307)	(6,315)	(9,369)
Total	<u>12,595</u>	<u>13,524</u>	<u>14,613</u>	<u>12,631</u>	<u>18,740</u>
W&L Commission					
601-49-615-41010 Salaries - Reg.	10,800	11,300	14,400	14,413	14,400
601-49-615-41210 PERA	-	-	-	1,244	58
601-49-615-41220 FICA	826	864	1,102	1,103	1,102
Total	<u>11,626</u>	<u>12,164</u>	<u>15,502</u>	<u>16,760</u>	<u>15,560</u>

Details of Revenues, Expenses and Object Codes – Electric Fund
For the Years Ended December 31, 2018, 2017, 2016, 2015, 2014

CITY OF EAST GRAND FORKS
WATER AND LIGHT DEPARTMENT

EXPENSES	2014	2015	2016	2017	2018
Account Number	Actual	Actual	Actual	Actual	Actual
Administrative					
601-49-620-41010 Salaries - Reg.	328,576	302,881	331,038	368,938	364,064
601-49-620-41020 Salaries - O.T.	1,397	1,517	1,976	1,396	624
601-49-620-41210 PERA	22,965	22,353	24,485	26,944	27,214
601-49-620-41220 FICA	22,540	22,145	23,791	28,270	26,652
601-49-620-41300 Insurance	50,526	43,548	40,761	54,880	55,055
601-49-620-41510 Workers Comp	2,615	4,347	3,954	4,071	2,883
601-49-620-42000 Office Supplies	13,168	7,916	15,024	12,315	9,229
601-49-620-42180 Uniforms	-	-	100	-	-
601-49-620-42400 Small tools	50	1,142	1,078	496	1,530
601-49-620-43010 Auditing	14,155	17,025	17,525	18,425	17,200
601-49-620-43040 Legal Fees	16,925	15,228	21,736	22,556	24,100
601-49-620-43090 EDP/Accounting	65,576	67,954	62,952	55,075	57,829
601-49-620-43190 Other Professional	15,125	19,373	46,335	17,140	27,688
601-49-620-43200 Communications	20,810	20,452	21,074	21,115	18,180
601-49-620-43220 Postage	29,744	33,556	23,283	23,111	21,630
601-49-620-43310 Travel & School	8,260	7,145	17,860	26,887	15,293
601-49-620-43500 Printing & Publishing	2,355	3,065	2,608	2,654	3,108
601-49-620-43610 Liability Insurance	53,172	48,636	13,808	39,405	47,826
601-49-620-43620 Property Insurance	33,021	33,645	40,081	42,749	26,418
601-49-620-44040 Contracted Services	8,148	14,557	17,146	13,500	11,336
601-49-620-44120 Office Rent	18,000	18,000	18,000	18,000	18,000
601-49-620-44200 Depreciation	36,322	34,504	33,603	34,589	34,742
601-49-620-44300 Miscellaneous	5,743	6,428	9,436	9,491	4,702
601-49-620-44330 Dues & Subscript.	24,889	26,193	25,878	27,113	27,823
601-49-620-44340 Collections Fees	-	-	6,032	4,637	4,138
601-49-620-44350 Banking/Credit Card Fees	24,053	23,991	28,967	27,115	33,418
601-49-620-44390 Promotion	1,563	9,136	6,173	815	581
601-00-000-49900 Pension Expense	-	29,766	111,200	113,221	(8,364)
601-49-620-49990 Reimbursed	(261,126)	(256,745)	(284,901)	(300,562)	(276,688)
Total	<u>558,572</u>	<u>577,758</u>	<u>681,003</u>	<u>714,346</u>	<u>596,211</u>
Debt Service					
601-49-621-46110 Interest Expense	85	-	-	-	-
Total	<u>85</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
City Energy Cons.					
601-49-631-44040 Contracted Services	30,759	904	3,080	9,339	10,853
601-49-631-45200 Capital Outlay	8,665	-	-	-	-
Total	<u>39,424</u>	<u>904</u>	<u>3,080</u>	<u>9,339</u>	<u>10,853</u>
Expenses for City					
601-49-632-41010 Salaries - Reg.	45,396	49,760	48,111	78,507	33,303
601-49-632-41020 Salaries - O.T.	5,089	2,090	1,231	2,023	2,571
601-49-632-41210 PERA	3,656	3,884	3,688	6,040	2,685
601-49-632-41220 FICA	3,434	3,655	3,495	5,859	2,571
601-49-632-41300 Insurance	-	-	-	-	2
601-49-632-42270 Parts & Supplies	1,219	6,361	1,469	5,461	2,675
601-49-632-44040 Contracted Services	-	-	16	-	-
601-49-632-45200 Transfer to Other	171,402	184,789	135,154	-	39,377
601-49-632-47200 Transfer to General	1,218,637	1,203,368	1,194,587	1,304,715	1,388,081
601-49-632-47210 Transfer to Other	250,000	250,000	250,000	250,000	250,000
601-49-632-49990 City - Reimbursed	(15,814)	(26,238)	(25,900)	(39,514)	(35,545)
Total	<u>1,683,019</u>	<u>1,677,669</u>	<u>1,611,851</u>	<u>1,613,091</u>	<u>1,685,720</u>
Total Expenses	<u>\$ 13,937,105</u>	<u>\$ 13,761,343</u>	<u>\$ 14,031,634</u>	<u>\$ 14,284,534</u>	<u>\$ 14,507,073</u>

**List of Unrestricted Securities and Deposits
As of December 31, 2018**

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

Institution	Purchase Date	Due Date	Call	Interest Rate	Par Value	Carrying Value	Market Value
WATER & LIGHT							
--RBC/Bonds--							
Fed Natl Mtg Assn Step	5/17/16	5/17/24	2/17/19	1.500%	\$ 350,000	\$ 345,608	\$ 345,608
Fed Home Ln Mtg Corp Step	1/12/17	1/27/25	1/27/19	2.000%	500,000	495,840	495,840
Fed Natl Mtg Assn Step	3/30/16	3/30/26	3/30/26	1.750%	400,000	393,180	393,180
Federal Home Loan Mtg Corp	1/6/17	2/26/21	2/26/19	1.500%	500,000	497,300	497,300
Federal Home Loan Mtg Corp	6/30/16	12/30/22	3/30/19	1.500%	500,000	492,095	492,095
					<u>2,250,000</u>	<u>2,224,023</u>	<u>2,224,023</u>
--RBC/Certificates of Deposit--							
National Bank CD Superior WI CD	3/28/13	3/28/19	1/28/19	1.250%	245,000	244,287	244,287
1st Merchants Bank Muncie IN CD	4/1/13	4/1/19		1.300%	245,000	244,280	244,280
First Business Bank Madison WI CD	4/11/13	4/11/19		1.300%	245,000	244,194	244,194
Cap One NA McLean VA CD	7/15/15	7/15/19		1.950%	245,000	244,101	244,101
NBT Bank CD Norwich NY CD	8/27/14	8/27/19		2.100%	245,000	244,035	244,035
Bank Leumi USA CD New York NY CD	9/27/16	9/27/19		1.250%	245,000	242,268	242,268
Ally Bk Midvale UT CD	9/29/16	9/30/19		1.300%	245,000	242,234	242,234
Webbank CD Salt Lake City UT CD	9/28/16	9/30/19	1/28/19	1.300%	245,000	242,227	242,227
Everbank CD Jacksonville FL CD	7/30/15	7/30/20		2.000%	245,000	241,536	241,536
Morgan Stanley Private Bk Natl Assn Pur NY CD	8/9/18	8/10/20		2.750%	245,000	244,307	244,307
Alma Bank CD Astoria NY CD	9/11/15	9/11/20		1.800%	245,000	240,306	240,306
Merrick Bank South Jordan UT CD	9/21/15	9/21/20		1.850%	145,000	143,246	143,246
Barclays Bank CD Wilmington DE CD	9/23/15	9/23/20		2.200%	96,000	94,842	94,842
Valliance Bk Mckinney Tx	9/30/13	9/30/20		2.550%	220,000	218,515	218,515
Goldman Sachs New York NY CD	10/8/14	10/8/20		2.350%	96,000	94,776	94,776
Compass Bank CD Birmingham AL CD	10/26/18	10/26/20		3.000%	245,000	244,995	244,995
State Bank India New York City NY CD	10/26/18	10/26/20		3.050%	96,000	96,085	96,085
Iberia Bank CD LaFayette LA CD	10/30/18	10/30/20		3.000%	100,000	99,991	99,991
Bank of Baroda New York NY CD	11/23/16	11/23/20		1.600%	245,000	237,287	237,287
Worlds Foremost Bk Sydney Nev CD	5/5/16	5/5/21		1.750%	200,000	193,622	193,622
Private Bank CD Chicago IL	5/6/16	5/6/21		1.500%	245,000	237,466	237,466
Gulf Coast Bk New Orleans LA CD	6/14/13	6/14/21	3/14/19	2.000%	185,000	180,075	180,075
IsabellaBank CD Mount Pleasant MI	6/16/16	6/16/21		1.500%	245,000	236,129	236,129
Frankln Syn Bk CD Franklin TN CD	1/31/17	7/28/21		1.900%	245,000	237,444	237,444
Celtic Bank CD Salt Lake City UT CD	9/4/15	9/3/21		2.100%	245,000	238,334	238,334
Morgan Stanley Bank CD Salt Lake City UT CD	1/25/18	1/25/22		2.500%	200,000	195,784	195,784
Toyota Finl Svgs Henderson NV	1/27/16	1/27/22	1/27/19	2.300%	245,000	238,405	238,405
AMEX Centurion Salt Lake City UT CD	4/19/17	4/19/22		2.400%	150,000	145,067	145,067
Marlin Business Salt Lake City UT CD	4/26/17	4/26/22		2.100%	135,000	129,996	129,996
First National Bank CD Lansing MI CD	4/30/13	4/29/22	1/30/19	2.000%	150,000	143,910	143,910
Old Dominion Natl Bank N Garden VA	12/28/18	6/28/22		3.200%	245,000	243,969	243,969
Synchrony Bk Retail CTF Dep Program	1/20/17	1/20/23		2.350%	245,000	234,813	234,813
Bank of Oklahoma Fed (BOKF) Natl	3/9/16	3/9/23	2/9/19	2.100%	245,000	231,902	231,902
Somerset Trust CD Somerset PA	6/10/16	6/12/23		1.800%	245,000	228,742	228,742
Evabank ALA CD	7/27/16	7/27/23		1.600%	245,000	225,091	225,091
Stone Bank CD	6/15/16	6/14/24		2.000%	245,000	225,567	225,567
					<u>7,653,000</u>	<u>7,469,825</u>	<u>7,469,825</u>
TOTAL W & L 12/31/18					<u>\$ 9,903,000</u>	<u>\$ 9,693,847</u>	<u>\$ 9,693,847</u>

INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS*

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the City of East Grand Forks Water and Light Department, a component unit of the City of East Grand Forks, Minnesota, as of and for the year ended December 31, 2018, and the related notes to the financial statements, which collectively comprise the City of East Grand Forks Water and Light Department's basic financial statements and have issued our report thereon dated June 25, 2019.

Internal Control Over Financial Reporting

In planning and performing our audit of the financial statements, we considered the Department's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Department's internal control. Accordingly, we do not express an opinion on the effectiveness of the Department's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that we have not identified.

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Department's financial statements are free of material misstatements, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

Minnesota Legal Compliance

We conducted our audit in accordance with auditing standards generally accepted in the United States of America, and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the City of East Grand Forks Water and Light Department as of and for the year ended December 31, 2018, and the related notes to the financial statements, and have issued our report thereon dated June 25, 2019.

The *Minnesota Legal Compliance Audit Guide for Cities*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, contains seven categories of compliance to be tested: contracting and bidding, deposits and investments, conflicts of interest, public indebtedness, claims and disbursements, miscellaneous provisions and tax increment financing. Our audit considered all of the listed categories.

In connection with our audit, nothing came to our attention that caused us to believe that the City of East Grand Forks Water and Light Department failed to comply with the provisions of the *Minnesota Legal Compliance Audit Guide for Cities*. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the Department's noncompliance with the above referenced provisions.

Purpose of this Report

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



BRADY, MARTZ & ASSOCIATES, P.C.
THIEF RIVER FALLS, MINNESOTA

June 25, 2019