

City of Moorhead, Minnesota

Comprehensive Annual Financial Report



For The Year Ended December 31, 2009
www.cityofmoorhead.com

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

FOR THE YEAR ENDED DECEMBER 31, 2009

PREPARED BY THE FINANCE DIVISION

**HARLYN AULT, FINANCE DIRECTOR
WANDA WAGNER, ASSISTANT FINANCE DIRECTOR**

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

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**INTRODUCTORY
SECTION**

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**CITY OF MOORHEAD, MINNESOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE YEAR ENDED DECEMBER 31, 2009**

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INTRODUCTORY SECTION

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MOORHEAD

MINNESOTA

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June 15, 2010

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

Minnesota statutes require that all cities issue an annual report on its financial position and activity prepared in accordance with generally accepted accounting principles (GAAP) and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants or the state auditor. Pursuant to that requirement, we hereby issue the comprehensive annual financial report of the City of Moorhead for the fiscal year ended December 31, 2009.

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

The City of Moorhead's financial statements have been audited by EideBailly LLP, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2009, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unqualified opinion that the City's financial statements for the fiscal year ended December 31, 2009, are fairly presented in conformity with GAAP. The independent auditor's report is presented as the first component of the financial section of this report.

The City of Moorhead is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 and U.S. Office of Management and Budget Circular A-133, Audits of State and Local Governments. Information related to this single audit, including the schedule of expenditures of federal awards, findings and recommendations, and auditor's report on the internal control and compliance with applicable laws, regulations, contracts and grants, are provided under separate cover.

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

CITY OF MOORHEAD PROFILE

The City of Moorhead, incorporated in 1881, is situated in the heart of the Red River Valley, 250 miles northwest of Minneapolis. It is the county seat of Clay County and a community rich in history, tradition and diversity. While Moorhead is part of a growing metropolitan region, it is distinct because of its liberal arts based college atmosphere, quality educational system, plentiful parks and strong, diverse neighborhoods. The city is approximately 17.74 square miles and has a population of 36,226 per the 2008 Minnesota State Demographic Center. The 2000 U.S. Census population for the City of Moorhead was 32,177.



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

The City of Moorhead provides a full range of services. The general governmental functions include police and fire protection, emergency medical services, street maintenance, engineering, planning and zoning, neighborhood services, rental registration, transit, parks and recreation, economic and community development and general legislative and administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, broadband, storm water collection, sanitation, sports center, golf course, pest control, forestry and airport. Vehicles and equipment, radio and information technology services are provided through internal service funds. The Moorhead Public Housing Agency is included as a component unit of the reporting entity because the City Council appoints the governing body and is able to impose its will on the agency. Independent School District No. 152, which is located in Moorhead and operates elementary and secondary education, has not met the established criteria for inclusion in the reporting entity, and accordingly is excluded from this report.

The annual budget serves as the foundation for the City's financial planning and control. All departments of the City of Moorhead prepare departmental budgets, which are submitted to the city manager by before July 1 of each year. The city manager uses these to develop a citywide proposed budget. The city manager then presents this proposed budget to the council for review prior to September 1. The council is required to hold public hearings on the proposed budget and to adopt a final budget prior to December 31, the close of the City's fiscal year. After the budget resolution has been adopted, the Council does not increase the amounts fixed in the budget beyond the estimated receipts except to the extent that actual receipts exceed the estimate. The City maintains an encumbrance accounting system for major purchases in excess of \$500 as one technique of accomplishing budgetary control. Open encumbrances are reported as reservations of fund balance at December 31, 2009.

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

Local Economy

The City of Moorhead is located at a natural crossing point of the Red River of the North, a place where Minnesota and the Dakotas meet and where one enjoys easy access to business, markets and recreation. Moorhead has access to the major market areas of North America with the intersection of Interstates 94 and 29 lying just west of the city limits. Trucking with overnight delivery from Minneapolis/St. Paul, Duluth, Sioux Falls, Omaha, Bismarck and Winnipeg is also available. Hector International Airport is located nearby in Fargo, ND with multiple non-stop flights to Minneapolis, Chicago and Denver, and the Moorhead Municipal Airport is just 3 miles southeast of the city, which is staffed by Detroit Lakes Aviation, offering flight instruction, aircraft maintenance, fuel and onsite management. In addition, mainline rail services from Canada to Mexico and from west coast ports to the Great Lakes and daily Amtrak passenger services are nearby. The metropolitan area serves as a regional center for surrounding agricultural communities in Minnesota with stable operations reported at the city's top two property taxpayers: American Crystal Sugar and the Anheuser Busch malt facility. While distribution and transfer industries remain a vital part of the business environment, education and service industries have played an increasingly important role. The Moorhead public school's enrollment of over 5,000 students places it among the largest 10% of school districts in Minnesota and is known for its superior academic achievement, far-reaching extracurricular activities and efficiency in operating costs. In addition, Moorhead offers St. Joseph's Catholic School, an K-8 Catholic school, and Park Christian School, a K-12 interdenominational Christian school. The Metropolitan Area Transit serves all Moorhead residents and major shopping and educational facilities.

Minnesota State University Moorhead and Concordia College are both located in the city, which provides a measure of institutional stability to the economy. Minnesota State University Moorhead, a comprehensive liberal arts university with over 7,600 students and about 515 full- and part-time faculty; Concordia College, a four-year private liberal arts college with almost 3,000 students, known for its outstanding choral and instrumental music and world language instruction; and Minnesota State Community and Technical College providing "hands-on" training to 2,300 students.

Long-term Financial Planning

The City Council has established a cash reserve policy retaining a minimum of 40% of the next year's General Fund and Park Fund operating budget for working capital to allow for cash flow until tax settlements are received and to allow for unforeseen contingencies. Over the next year, Engineering staff will continue development of the City's Pavement Management System (PMS). The objective of a formal PMS is to establish a uniform definition of pavement condition and procedures for the timely application of various maintenance strategies to extend the overall life of City streets in the most economical and efficient manner. Utility rates are monitored with long term projects and operational costs as guides to assure positive cash flow.

The City's bond rating of A2 from Moody's Investors Service was affirmed. The A2 rating reflects the City's healthy financial operations supported by adequate General Fund reserves.

Major initiatives

In 2009 there were 175 permits issued for single family attached and detached units compared to 190 in 2008, below the five-year average of 247. The City had 299 total units permitted in 2009 compared to 412 in 2008, which is down from the five-year average of 407 units.

There were 17 commercial permits issued in 2009 with a valuation of \$4,575,300. This is down from the 20 commercial permits issued in 2008 with a valuation slightly over \$6 million. There were 1172 building permits issued for all types of building activity in Moorhead with \$64.5 million in total valuation.

The historic 2009 spring flood impacted all departments and community resources along the Red River Valley whose cities, counties and residents were prepared for what was forecasted to be a very manageable flood event. The reality proved quite different as everyone scrambled to fight the biggest flood the Valley has ever seen. The rising Red River forced the evacuation of 2,000 households and senior living residents, numerous businesses closed and school and colleges shut down. The united efforts of the entire community made the difference in what could have been a devastating event for our city. Moving forward, the City of Moorhead will utilize \$19 million in funding made available for flood mitigation projects. Some of the projects were started in 2009 while the majority of the projects will begin in 2010.

The second phase of the Southside Regional Park was completed in the fall of 2009. This phase added the restroom/concession buildings at two locations. Interest has been expressed in adding additional soccer fields in this park giving it greater regional appeal.

The City of Moorhead was awarded 100% grant funds through the 2009 American Recovery and Reinvestment Act (ARRA) as follows: \$1,158,840 for transit capital improvements (buses, vans, fare boxes, shop equipment, snow removal equipment, shelters, shelter concrete rehabilitation, and technology improvements); \$76,374 received through the Community Development Block Grant program to support acquisition costs for Gateway Gardens, a 24-unit permanent supportive housing development on 1st Avenue North; \$146,000 through the Department of Energy for energy saving lighting upgrades at the Moorhead Sports Center, Hjemkomst Center, and Wastewater Treatment Plant. These lighting upgrades will result in energy and cost savings to the City.

The final phase of the South Main Downtown Redevelopment Project consisting of a 52 unit apartment complex with a value of \$4.7 million dollars was started in 2009 and is anticipated to be completed in 2010 bringing the total value of the development to \$17 million dollars. This facility is adjacent to Woodlawn Park and the downtown business area. The Downtown Redevelopment Project has transformed the area into a vibrant mixed-use area with businesses and residential opportunities complemented by significant public infrastructure investments in streetscape, parkway, bridgehead plaza and a new Main Ave bridge.

Buyers of newly constructed homes in Moorhead can take advantage of a two-year property tax abatement on buildings valued up to \$200,000 or \$20,000 per apartment. This is available for twin homes, town homes, condos, in some cases manufactured housing or mobile homes and apartment complexes for which construction began after Jan. 2, 2009 and prior to Dec. 31, 2010. The abatement does not include valuation of the lot or value in excess of \$200,000 on homes or \$20,000 per apartment unit. In addition, the abatement does not apply to any special assessments that might be levied against the property.

Awards and Acknowledgements

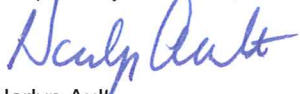
The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Moorhead, Minnesota, for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2008. This was the 26th consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized CAFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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


In addition, the City received the GFOA's Distinguished Budget Presentation Award for its annual budget documents dated January 1, 2009. This was the fifth consecutive year the City has received this prestigious award. In order to qualify for this award, a governmental unit must publish a budget document that meets program criteria as a policy document, as an operations guide, as a financial plan and as a communications device. The award is valid for a period of one year only.

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

Respectfully submitted,



Harlyn Ault
Finance Director



Wanda Wagner
Assistant Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Moorhead
Minnesota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2008

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.



President

Executive Director

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CITY OF MOORHEAD
LISTING OF CITY OFFICIALS
AS OF DECEMBER 31, 2009

	<u>ELECTED OFFICIALS</u>	<u>YEAR TERM EXPIRES</u>
MARK VOXLAND	MAYOR	2009
NANCY OTTO	COUNCIL MEMBER, WARD 1	2011
DAN BOHMER	COUNCIL MEMBER, WARD 1	2009
DIANE WRAY WILLIAMS	COUNCIL MEMBER, WARD 2	2011
JOHN ROWELL	COUNCIL MEMBER, WARD 2	2009
DAN HUNT	COUNCIL MEMBER, WARD 3	2011
LAURI WINTERFELDT	COUNCIL MEMBER, WARD 3	2009
GREG LEMKE	COUNCIL MEMBER, WARD 4	2011
MARK HINTERMEYER	COUNCIL MEMBER, WARD 4	2009

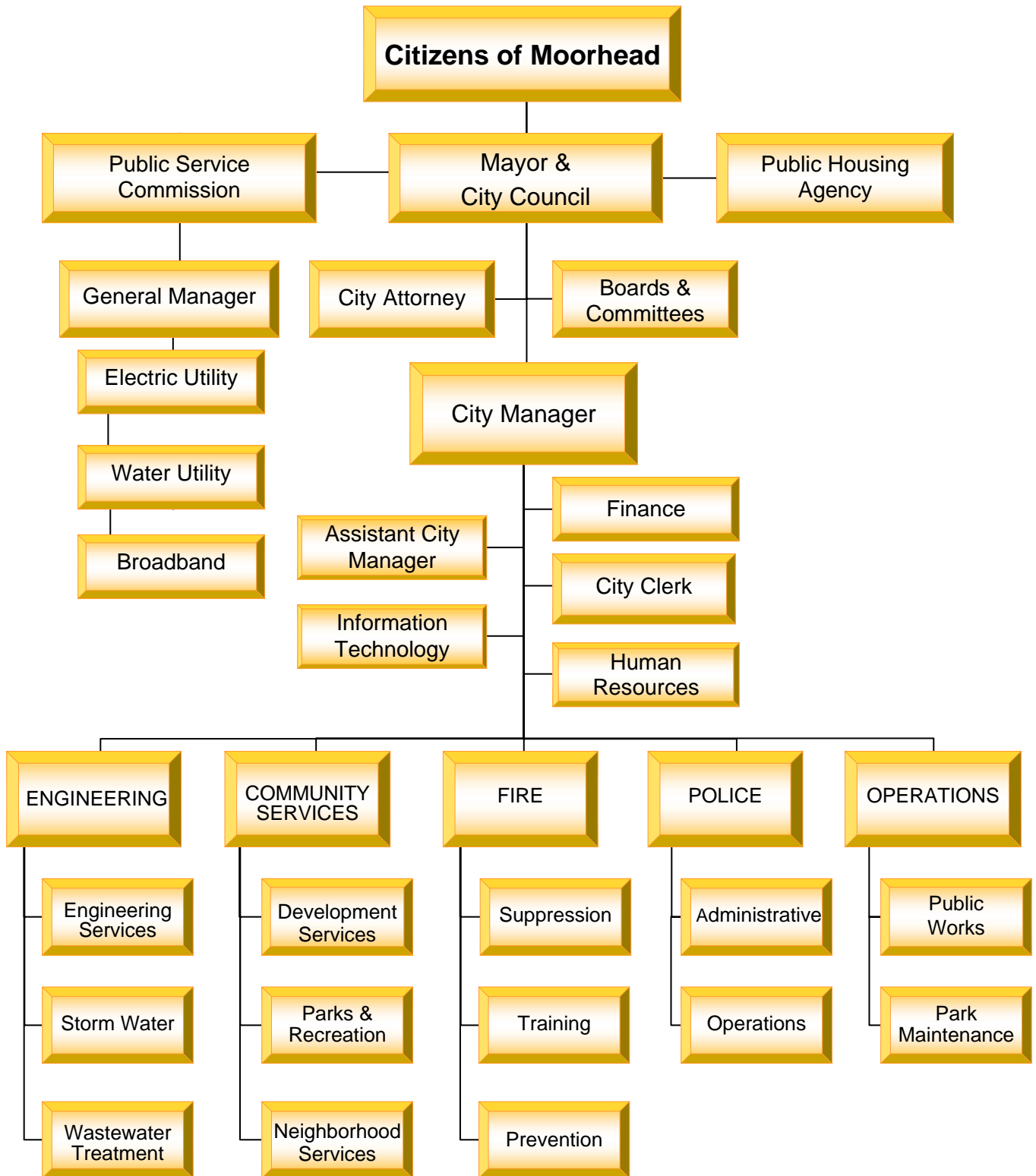
APPOINTED OFFICIALS

MICHAEL REDLINGER CITY MANAGER

DEPARTMENT DIRECTORS

SCOTT HUTCHINS COMMUNITY SERVICES
ROBERT ZIMMERMAN ENGINEERING
DAVID EBINGER POLICE CHIEF
JOEL HEWITT FIRE CHIEF
CHAD MARTIN OPERATIONS

CITY OF MOORHEAD ORGANIZATION CHART



FINANCIAL

SECTION

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INDEPENDENT AUDITOR'S REPORT

The Honorable Mayor and City Council
City of Moorhead, Minnesota

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moorhead, Minnesota, as of and for the year ended December 31, 2009, which collectively comprise the City's basic financial statements as listed in the table of contents. These financial statements are the responsibility of the City of Moorhead, Minnesota's management. 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 obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our opinions.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the government activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Moorhead, Minnesota, as of December 31, 2009, and the respective changes in financial position, and cash flows, where applicable, thereof, and the respective budgetary comparison for the General Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our reports dated May 19, 2010, on our consideration of the City of Moorhead, Minnesota's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audit.

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and schedule of funding progress 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.

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

Eide Bailly LLP

Fargo, North Dakota
May 19, 2010

**CITY OF MOORHEAD, MINNESOTA
MANAGEMENT'S DISCUSSION AND ANALYSIS
(Unaudited)**

This section of the comprehensive annual financial report of the City of Moorhead (the City) presents a discussion and analysis of the City's financial performance during the fiscal year ended December 31, 2009. We encourage readers to consider the information presented here in conjunction with the transmittal letter at the front of this report and the City's basic financial statements following this section.

FINANCIAL HIGHLIGHTS

- The assets of the City exceeded liabilities at the close of the most recent fiscal year by \$305,329,273.
- The City's total net assets increased by \$28,981,848.
- The City's governmental funds reported combined ending fund balances of \$60,540,298, an increase of \$11,314,557 in comparison with the prior year. Of this total amount, \$12,753,467 is available for spending at the City's discretion.
- At the end of the current fiscal year, unreserved fund balance for the general fund was \$13,003,740 or 68.3% of total general fund expenditures of \$19,045,705.

OVERVIEW OF THE FINANCIAL STATEMENTS

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

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

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

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

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

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

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

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

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

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

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

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

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

Proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its electric, water, wastewater treatment, broadband, storm water, sanitation, golf course, sports center, pest control, forestry and municipal airport. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses three internal service funds to account for vehicles & equipment, information technology and radios. Because the internal service funds benefit both the governmental and business-type functions, \$258,608 has been reflected within the business-type activities and \$3,624,271 within the governmental activities in the government-wide financial statements.

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

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

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

Other information. In addition to the basic financial statements and accompanying notes, this report also presents the combining schedules referred to earlier in connection with non-major governmental funds, non-major proprietary funds and internal service funds. Combining and individual fund schedules can be found in the Combining and Individual Statements and Schedules portion of the Financial Section of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net assets may serve over time as a useful indicator of a government's financial position. In the case of the City of Moorhead, assets exceeded liabilities by \$305,329,273 at the close of the most recent fiscal year.

By far the largest portion of the City's net assets is the investment in capital assets of \$161,958,076 (e.g., land, buildings, infrastructure, machinery, and equipment) less any related outstanding debt used to acquire those assets. The City of Moorhead uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

The following two tables present condensed financial information on the City's Net Assets and Changes in Net Assets for the fiscal year ending December 31, 2009.

CITY OF MOORHEAD'S NET ASSETS

	Governmental Activities		Business-type Activities		Total
	2009	2008	2009	2008	2009
Current and other assets	\$142,604,129	\$ 125,569,671	34,620,113	32,316,865	\$ 177,224,242
Capital assets	218,628,282	200,170,354	124,454,852	125,693,892	343,083,134
Total assets	361,232,411	325,740,025	159,074,965	158,010,757	520,307,376
Long-term liabilities outstanding	152,420,379	142,281,991	54,475,229	57,387,061	206,895,608
Other liabilities	4,247,454	4,267,550	3,835,041	3,466,755	8,082,495
Total liabilities	156,667,833	146,549,541	58,310,270	60,853,816	214,978,103
Net assets:					
Invested in capital assets, net of related debt	90,988,687	77,354,222	70,969,389	70,553,449	161,958,076
Restricted	111,879,202	97,825,682	4,314,753	5,339,425	116,193,955
Unrestricted	1,696,689	4,010,580	25,480,553	21,264,067	27,177,242
Total net assets	\$ 204,564,578	\$ 179,190,484	\$ 100,764,695	\$ 97,156,941	\$ 305,329,273

The \$18.4 million increase in capital assets in governmental activities is the result of considerable investment in city infrastructure.

Investment in capital assets, net of related debt increased \$13.6 million in the governmental activities, primarily resulting from land acquisition and flood mitigation projects funded with state and federal grants..

CITY OF MOORHEAD'S CHANGES IN NET ASSETS

	Governmental Activities		Business-type Activities		Total 2009
	2009	2008	2009	2008	
Revenues:					
Program revenues:					
Charges for services	\$ 5,078,269	\$ 6,040,718	\$ 50,494,352	\$ 48,104,842	\$ 55,572,621
Operating grants and contributions	2,902,189	2,586,091	170,504	167,246	3,072,693
Capital grants and contributions	38,412,544	26,832,098	447,048	566,089	38,859,592
General Revenues:					
Taxes	5,106,955	4,043,608			5,106,955
Tax Increments	1,430,138	1,755,937			1,430,138
Franchise Fees	857,066	1,016,038			857,066
State aid	9,642,047	9,413,327	11,560	11,560	9,653,607
Grants and contributions not restricted to specific programs	170,158	172,949			170,158
Investment earnings	225,759	1,310,307	295,055	968,178	520,814
Miscellaneous	139,067	91,952	184,733	586,510	323,800
Gain on disposal/sale of assets	(90,224)	143,790	602,063	22,275	511,839
Total revenues	63,873,968	53,406,815	52,205,315	50,426,700	116,079,283
Expenses:					
General government	3,704,870	3,614,430			3,704,870
Public safety	10,518,141	9,984,826			10,518,141
Highways and streets	13,841,687	9,734,211			13,841,687
Parks and recreation	3,314,652	2,517,227			3,314,652
Library	864,977	839,115			864,977
Community development	602,633	570,862			602,633
Rental Registration	151,498	148,341			151,498
Mass transit	2,071,065	2,170,917			2,071,065
Economic development	999,430	1,007,312			999,430
Interest on long-term debt	8,218,418	6,310,623			8,218,418
Electric			23,221,675	20,408,558	23,221,675
Water			5,183,743	4,857,077	5,183,743
Wastewater treatment			5,817,997	5,677,381	5,817,997
Broadband			921,330	1,462,908	921,330
Storm water			1,039,503	830,846	1,039,503
Sanitation			2,973,724	3,163,142	2,973,724
Golf Course			1,682,538	1,724,894	1,682,538
Sports Center			924,174	904,805	924,174
Pest Control			183,137	239,570	183,137
Forestry			571,342	660,271	571,342
Municipal airport			290,901	325,079	290,901
Total expenses	44,287,371	36,897,864	42,810,064	40,254,531	87,097,435
Increase in net assets before transfers	19,586,597	16,508,951	9,395,251	10,172,169	28,981,848
Transfers	5,787,497	5,918,565	(5,787,497)	(5,918,565)	
Change in net assets	25,374,094	22,427,516	3,607,754	4,253,604	28,981,848
Net assets - beginning of year	179,190,484	156,762,968	97,156,941	90,686,337	276,347,425
Prior period adjustment				2,217,000	
Net assets - end of year	\$ 204,564,578	\$ 179,190,484	\$ 100,764,695	\$ 97,156,941	\$ 305,329,273

Governmental activities. The governmental activities' net assets increased by \$25,374,074 during the current fiscal year, accounting for 87.5% of the total increase in the net assets of the City of Moorhead. Charges for services decreased by \$962,000 (15.9%) and interest earnings decreased by \$1,310,000 (82.8%) while capital contributions increased \$11,580,000 (43.2%) and property taxes increased \$1,063,000 (26.3%) in comparison to 2008. An increase in expenses of \$7.4M was due to 2009 flood related expenses of \$4M along with a \$2M increase in interest on long-term debt.

Business-type activities. Business-type activities increased the City's net assets by \$3,607,754 accounting for 12.5% of the total growth in the government's net assets. Charges for services in the business-type activities increased 5.0% over the previous year due to rate increases. Expenses in the business-type activities increased \$2,555,533 (6.3%).

In 2009, \$307,924 of water mains financed in the special assessment capital projects fund was recognized as capital contributions in the water fund.

On September 1, 2009, Moorhead Public Service sold certain assets of the Broadband fund to a local private entity for \$1,200,000. Additional information of this transaction can be found in the notes to the financial statements Note 5(G) of this report.

GOVERNMENT FUNDS FINANCIAL ANALYSIS

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

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

At the end of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$60,540,298, an increase of \$11,314,557 in comparison with the prior year. Approximately 20% (\$12.0M) constitutes unreserved, undesignated fund balance, which is available for spending at the City's discretion. The remainder of fund balance is reserved or designated to indicate that it is not available for new spending because it has already been committed 1) to liquidate contracts and purchase orders of the prior period (\$5.6M), 2) to pay debt service (\$31.7M), 3) as an operating reserve requirement (\$9.1) or 4) for other restricted purposes (\$2.1M).

The general fund is the chief operating fund of the City of Moorhead. At the end of the current fiscal year, unreserved fund balance of the general fund was \$13,003,740. As a measure of the general fund's liquidity, it may be useful to compare unreserved fund balance to total fund expenditures. Unreserved fund balance represents 68.3% percent of total general fund expenditures.

The fund balance of the general fund decreased \$243,854 or 1.6% from 2008. Key factors of this decrease are as follows:

- Revenues were 4.3% or \$601,613 under the final budget which was due mainly to an unallotment of Local Government Aid in the amount of \$488,720. The deficit was further compounded by charges for services collections being \$281,000 under budget and also fines and forfeits by \$164,000.
- Actual expenditures were under budget by \$1,147,605. The excess amount over budget in Police was offset by reductions in all other departments. The greatest source of reductions was not filling vacant positions resulting in a savings of \$900,000 with additional reductions in motor fuels of \$500,000 and street repair supplies of \$135,000.

The special assessment debt service fund balance increased by \$4,171,141 which resulted mainly from a combination of special assessment prepayment collections of \$2.3M and a transfer of unspent bond proceeds from special assessment capital projects which have been completed in the amount of \$1.5M.

The special assessment capital projects fund balance increased by \$2,954,827 which is largely due to unspent bond proceeds of \$4.7M for flood property acquisition and mitigation projects .

The tax increment debt service fund balance increased by \$2,721,338 (59%) which is due to a crossover funding in the amount of \$2,945,000 which is reserved for the redemption of the 2001A bonds in 2011.

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

Unrestricted net assets of the enterprise funds at the end of the year amounted to \$25,221,945.

In the electric fund, the revenue increase was the result of a 12% rate increase in January 2009, offset by a reduction in customer sales, resulting in a net revenue increase of 7.8%. The water fund revenue increase was the result of a 5% rate increase in January 2009, also offset by a reduction in customer sales, resulting in a net revenue increase of 3.9%. The major expense increase over 2008 was \$2.2M (15%) in additional purchased power costs.

In the water fund the major increase in expenses in 2009 included \$118,000 increase (17%) in chemical costs and \$115,000 (19%) in distribution costs.

An increase in service charges in the storm water, sanitation and golf course funds resulting from rate increases together with a reduction in operating expenses in both the sanitation and golf course funds helped offset a 54% reduction in interest earnings in the non-major proprietary funds.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

Budgets were amended during the year to account for changes approved by the City Council during the year, for capital outlay and open encumbrance carryovers from the previous fiscal year, new grant awards and supplemental appropriations. The original expenditures budget of \$19,176,531 was amended as final totaling \$20,434,000 for an increase of \$1,257,469 during the year.

Significant variances between final budget and actual are as follows:

Negative revenue variances are attributed to a significant reduction in court and parking fines totaling \$170,000, charges for services in the amount of \$281,000 and an unallotment of state local government aid of \$488,720. These negative revenue variances were more than offset by a positive expenditure variance of \$1,147,606 primarily due to not filling vacant positions (\$900,000) and reductions in both motor fuels (\$500,000) and street repair supplies (\$135,000) expenditures.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2009, amounts to \$343,083,134 (net of accumulated depreciation). This investment in capital assets includes land, construction in progress, buildings, improvements, machinery and equipment, and infrastructure.

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

- The City received \$6.5M of State grant funds in addition to \$2.5M in Federal FEMA funds for property acquisition and flood mitigation projects.
- \$7.6M was spent on a major interchange project located on I-94 and 34th Street.
- Major new development in 2009 resulted in expenditures of \$8.8M for other infrastructure improvements.

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

	Governmental Activities 2009	Business-type Activities 2009	Total
Land	\$ 14,943,781	\$ 8,195,609	\$ 23,139,390
Construction in progress	4,798,578	219,821	5,018,399
Buildings	11,250,735	85,887,415	97,138,150
Improvements other than buildings	18,365,651	26,600,564	44,966,215
Machinery and equipment	10,448,972	3,551,443	14,000,415
Infrastructure	158,820,565		158,820,565
Total	\$ 218,628,282	\$ 124,454,852	\$ 343,083,134

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

Long-Term Debt. At the end of the current fiscal year, the City of Moorhead had total bonded debt outstanding of \$203,542,548. Of this amount, \$2,275,000 is comprised of General Obligation debt backed by the full faith and credit of the City, G.O. Special assessment debt of \$131,890,000 and General Obligation Revenue debt of \$48,442,548 which are also backed by the full faith and credit of the City in the event of insufficient pledged revenues. The remaining \$20,935,000 of the City's debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). The City also has \$1,009,842 General Obligation Notes Payable at year end.

The City's net increase in long-term bonded debt was \$7,692,808 during the current fiscal year.

During the current fiscal year, the City issued:

\$2,820,000 G.O. Improvement Bonds 2009A to finance the construction of various infrastructure improvements.

\$8,110,000 G.O. Flood Mitigation Bonds 2009B to finance flood mitigation projects within the City.

\$1,590,000 G.O. Refunding Bonds 2009C to refund the 2001E G.O. Improvement Bonds.

\$965,000 G.O. Tax Increment Refunding Bonds 2009D to refund the 2001C G.O. Tax Increment Bonds.

\$2,910,000 G.O. Tax Increment Crossover Refunding Bonds 2009A to refund the 2001A G.O. Tax Increment Bonds

During the current fiscal year the Public Service Utility issued:

\$7,530,000 Public Utility Revenue and Refunding Bonds 2009A that will be used to finance various improvement projects and refund in advance the 1998A Revenue Bonds.

The City of Moorhead maintained an "A2" rating from Moody's Investors Service for general obligation debt.

State statutes limit the amount of general obligation debt a governmental entity may issue to 3% of estimated market value of real and personal property. The current debt limitation for the City of Moorhead is \$60,617,055. Outstanding debt wholly financed by general tax levy counted against the statutory limit is \$2,025,369 leaving a legal debt margin of \$58,591,686.

CITY OF MOORHEAD'S OUTSTANDING DEBT

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

Type of Issue	Governmental Activities	Business-type Activities	Total
Special assessment	\$ 131,890,000	\$	\$ 131,890,000
General obligation debt	2,275,000		2,275,000
G.O. Tax Increment	13,585,000		13,585,000
G.O. Municipal Improvement Revenue	2,205,000		2,205,000
G.O. Revenue		11,420,000	11,420,000
Public Facilities Authority		21,232,548	21,232,548
Revenue Refunding		10,675,000	10,675,000
Revenue		10,260,000	10,260,000
Long-term notes	901,627	108,215	1,009,842
Compensated absences	1,350,352	868,448	2,218,800
Other Post-Employment Benefits	213,400	121,318	334,718
Total	\$ 152,420,379	\$ 54,685,529	\$ 207,105,908

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

Economic Factors and Next Year's Budgets

The City of Moorhead's 2010 Operating & Capital Budget totals \$60,518,673, a decrease of \$66,901 (-0.11%) from the previous year. When looking specifically at the General Fund and Special Revenue Funds, the 2010 budget reflects a decrease of \$502,379 (-1.88%) from 2009 levels.

A reduction of local government aid in the amount of \$554,298 necessitated an increase in the property tax levy for special assessment debt service requirements. Service charge increases in Storm Water, Wastewater and Golf Course accounted for a combined total of \$1,138,000 of additional revenue.

The decrease in expenditures was primarily due to wage freezes and a 5% across the board reduction in operating budgets excluding motor fuels, utilities, and health care premiums which were budget to reflect actual costs.

For 2010 the total operating expenses are projected to be \$25.3M in the electric fund and \$4.7M in the water fund. The capital spending budgets for 2010 are projected to be \$8.1M and \$1.0 for the electric and water funds, respectively. Capital additions will be covered by a combination of operating cash and anticipated bonding of \$6.7 million.

The net cash flow projection for 2010 for the electric fund is a cash increase of \$111,000. The water fund projection is a cash increase of \$114,000.

Requests for Information

This financial report is designed to provide a general overview of the City's finances for all those with an interest in the government's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Office of the Finance Director, 500 Center Avenue, Moorhead, MN 56560 or visit the City's web site at www.cityofmoorhead.com.

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**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET ASSETS
DECEMBER 31, 2009**

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	
ASSETS				
Cash and investments	\$ 51,086,156	\$ 13,944,859	\$ 65,031,015	\$ 2,022,533
Cash with fiscal agent	6,469,724		6,469,724	
Receivables (net of allowance for uncollectibles):				
Accounts and notes	552,409	5,916,741	6,469,150	49,206
Accrued interest	402	264,386	264,788	
Special assessments		171,875	171,875	
Internal balances	2,955,489	(2,955,489)		
Due from other governmental units	4,923,012	478,190	5,401,202	
Advances to other funds				
Inventories		854,501	854,501	
Prepaid items	2,974	71,033	74,007	
Restricted assets:				
Cash and cash equivalents		10,319,442	10,319,442	
Long-term receivables:				
Special assessments	72,766,266	3,947,014	76,713,280	
Notes receivable, less current portion	3,847,697	1,607,561	5,455,258	
Capital assets:				
Intangible plant		255,373	255,373	
Land	14,943,781	8,195,609	23,139,390	464,977
Buildings	19,654,536	143,879,010	163,533,546	8,891,740
Improvements other than buildings	25,945,881	35,323,001	61,268,882	
Machinery and equipment	26,165,367	15,924,106	42,089,473	475,868
Infrastructure	208,857,976		208,857,976	
Construction in progress	4,798,578	219,821	5,018,399	
Less accumulated depreciation	(81,737,837)	(79,342,068)	(161,079,905)	(5,816,225)
Total assets	361,232,411	159,074,965	520,307,376	6,088,099
LIABILITIES				
Accounts payable	1,014,748	3,033,842	4,048,590	25,626
Contracts payable - retainage	207,673		207,673	
Accrued wages payable	435,336	113,359	548,695	
Due to other governmental units	91,031	31,920	122,951	
Customer deposits		143,385	143,385	50,620
Unearned revenue	1,850		1,850	
Other liabilities	122,746	28,775	151,521	26,226
Accrued interest payable	2,374,070	483,760	2,857,830	
Long-term liabilities:				
Due within one year	7,375,539	4,841,287	12,216,826	19,685
Accrued compensated absences	531,783	132,357	664,140	77,434
Other post-employment benefits	213,400	121,318	334,718	
Notes payable	824,657		824,657	
Bonds payable	143,475,000	49,380,267	192,855,267	
Total liabilities	156,667,833	58,310,270	214,978,103	199,591
NET ASSETS				
Invested in capital assets net of related debt	90,988,687	70,969,389	161,958,076	4,016,360
Restricted for debt service	104,420,773	4,314,753	108,735,526	
Restricted for capital projects	7,458,429		7,458,429	
Unrestricted	1,696,689	25,480,553	27,177,242	1,872,148
Total net assets	\$ 204,564,578	\$ 100,764,695	\$ 305,329,273	\$ 5,888,508

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009**

	Program Revenues				Net (Expense) Revenue and Changes in Net Assets			Component Unit
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
Functions/Programs								
Primary Government								
Governmental activities:								
General government	\$ 3,704,870	\$ 856,631	\$ 1,730	\$	\$ (2,846,509)		\$ (2,846,509)	
Public safety	10,518,141	844,615	1,111,012	58,252	(8,504,262)		(8,504,262)	
Highways and streets	13,841,687	2,077,041	26,275	36,050,152	24,311,781		24,311,781	
Parks and recreation	3,314,652	399,913	43,800	1,363,106	(1,507,833)		(1,507,833)	
Library	864,977				(864,977)		(864,977)	
Community development	602,633	268,557	366,348	326,694	358,966		358,966	
Rental registration	151,498	211,287			59,789		59,789	
Mass transit	2,071,065	332,861	1,353,024	371,355	(13,825)		(13,825)	
Economic development	999,430	87,364		242,985	(669,081)		(669,081)	
Interest on long-term debt	8,218,418				(8,218,418)		(8,218,418)	
Total governmental activities	<u>44,287,371</u>	<u>5,078,269</u>	<u>2,902,189</u>	<u>38,412,544</u>	<u>2,105,631</u>		<u>2,105,631</u>	
Business-type activities:								
Electric	23,221,675	30,878,334		131,593		\$ 7,788,252	7,788,252	
Water	5,183,743	6,328,933				1,145,190	1,145,190	
Wastewater treatment	5,817,997	4,941,636		260,155		(616,206)	(616,206)	
Broadband	921,330	582,020				(339,310)	(339,310)	
Storm water	1,039,503	1,228,235				188,732	188,732	
Sanitation	2,973,724	3,625,720	145,835			797,831	797,831	
Golf Course	1,682,538	1,250,458				(432,080)	(432,080)	
Sports Center	924,174	516,127				(408,047)	(408,047)	
Pest Control	183,137	315,849				132,712	132,712	
Forestry	571,342	773,753				202,411	202,411	
Municipal airport	290,901	53,287	24,669	55,300		(157,645)	(157,645)	
Total business-type activities	<u>42,810,064</u>	<u>50,494,352</u>	<u>170,504</u>	<u>447,048</u>		<u>8,301,840</u>	<u>8,301,840</u>	
Total primary government	<u>\$ 87,097,435</u>	<u>\$ 55,572,621</u>	<u>\$ 3,072,693</u>	<u>\$ 38,859,592</u>	2,105,631	8,301,840	10,407,471	
Component Unit:								
Public Housing Agency	<u>\$ 1,586,913</u>	<u>\$ 443,846</u>	<u>\$ 937,089</u>	<u>\$ 96,252</u>				<u>\$ (109,726)</u>
General revenues:								
Property taxes levied for general purposes					4,103,261		4,103,261	
Property taxes levied for debt service					1,003,694		1,003,694	
Tax increments					1,430,138		1,430,138	
Franchise fees					857,066		857,066	
State aid unrestricted					9,642,047	11,560	9,653,607	
Grants and contributions not restricted to specific programs					170,158		170,158	
Unrestricted investment earnings					225,759	295,055	520,814	12,577
Miscellaneous					139,067	184,733	323,800	64,348
Gain(loss) on disposal/sale of assets					(90,224)	602,063	511,839	
Transfers					5,787,497	(5,787,497)		
Total general revenues and transfers					<u>23,268,463</u>	<u>(4,694,086)</u>	<u>18,574,377</u>	<u>76,925</u>
Changes in net assets					25,374,094	3,607,754	28,981,848	(32,801)
Net assets - beginning					179,190,484	97,156,941	276,347,425	5,921,309
Net assets - ending					<u>\$ 204,564,578</u>	<u>\$ 100,764,695</u>	<u>\$ 305,329,273</u>	<u>\$ 5,888,508</u>

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

**CITY OF MOORHEAD, MINNESOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2009**

	General	Special Assessment Debt Service	Special Assessment Capital Projects	Permanent Improvement	Other Governmental Funds	Total Governmental Funds
ASSETS						
Cash and investments	\$ 10,612,543	\$ 23,442,722	\$ 3,900,144	\$ 103,160	\$ 9,053,546	\$ 47,112,115
Receivables, net:					6,469,724	6,469,724
Accounts	240,402	571	1,885	283,055	26,351	552,264
Notes	257,658	13,924			3,667,249	3,938,831
Special assessments		85,306,359	2,768,415		230,145	88,304,919
Accrued interest	51	298		7	30	386
Due from other funds	3,122,700					3,122,700
Due from other governmental units	367,083	81,623	2,337,291	1,709,495	427,164	4,922,656
Advances to other funds	1,185,768		705,693			1,891,461
Prepaid items	2,874				100	2,974
Total Assets	\$ 15,789,079	\$ 108,845,497	\$ 9,713,428	\$ 2,095,717	\$ 19,874,309	\$ 156,318,030
LIABILITIES & FUND BALANCE						
Liabilities:						
Accounts payable	\$ 330,036	\$ 1,043	\$ 210,060	\$ 248,180	\$ 149,133	\$ 938,452
Contracts payable - retainage			163,749	43,924		207,673
Accrued wages payable	369,715				50,238	419,953
Due to other funds				209,000	1,191,064	1,400,064
Advances from other funds					400,000	400,000
Due to other governmental units	91,031					91,031
Other liabilities	90,674		4,305	21,438	6,329	122,746
Deferred revenue	229,945	85,306,359	2,768,415		3,893,094	92,197,813
Total Liabilities	1,111,401	85,307,402	3,146,529	522,542	5,689,858	95,777,732
Fund Balance:						
Reserved for encumbrances	230,512		3,932,660	737,599	676,922	5,577,693
Reserved for notes receivable	257,658	13,924				271,582
Reserved for advances	1,185,768		705,693			1,891,461
Reserved for debt service		23,524,171			8,130,336	31,654,507
Unreserved, designated, reported in:						
General fund	7,642,000					7,642,000
Special revenue funds					1,455,281	1,455,281
Unreserved, undesignated, reported in:						
General fund	5,361,740					5,361,740
Special revenue funds					2,144,153	2,144,153
Capital projects funds			1,928,546	835,576	1,777,759	4,541,881
Total Fund Balance	14,677,678	23,538,095	6,566,899	1,573,175	14,184,451	60,540,298
Total Liabilities and Fund Balance	\$ 15,789,079	\$ 108,845,497	\$ 9,713,428	\$ 2,095,717	\$ 19,874,309	

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

Capital assets used in governmental activities are not financial resources and, therefore, are not reported in the funds.	218,628,282
Other assets are not available to pay for current-period expenditures and, therefore, are either not recognized as a receivable or are deferred in the funds.	76,566,176
Long-term liabilities, including bonds payable, compensated absences and interest payable, are not due and payable in the current period and, therefore, are not reported in the funds.	(154,794,449)
Internal service funds are used by management to charge the costs of vehicle and equipment replacement, information technology services and radio equipment replacement to individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net assets.	3,624,271
Net assets of governmental activities	\$ 204,564,578

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

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009

	<u>General</u>	<u>Special Assessment Debt Service</u>	<u>Special Assessment Capital Projects</u>	<u>Permanent Improvement</u>	<u>Other Governmental Funds</u>	<u>Total Governmental Funds</u>
REVENUES						
Taxes:						
Property	\$ 3,876,423	\$ 1,003,009		\$ 6	\$ 1,657,655	\$ 6,537,093
Franchise	857,066					857,066
Licenses and permits	892,918					892,918
Intergovernmental revenues:						
Federal	334,388		906,020	10,904,916	1,153,303	13,298,627
State	4,112,931	1,402,712	5,762,053	4,430,698	6,209,546	21,917,940
Fargo Public School District #1				1,114,408		1,114,408
Other	275,443	217,300		13,383	195,157	701,283
Charges for services	2,311,834		1,025		652,232	2,965,091
Fines and forfeits	411,580					411,580
Facility rentals			12,465	10,632	195,237	218,334
Interest on investments	94,786	24,713	27,349	6,780	58,404	212,032
Special assessments		7,833,853	283,557		48,415	8,165,825
Miscellaneous	106,810	27,008	470,749	706,769	417,002	1,728,338
Total revenues	<u>13,274,179</u>	<u>10,508,595</u>	<u>7,463,218</u>	<u>17,187,592</u>	<u>10,586,951</u>	<u>59,020,535</u>
EXPENDITURES						
Current:						
General government	3,573,139				28,601	3,601,740
Public safety	9,854,439			473,663	53,599	10,381,701
Highways and streets	5,554,959			3,976,848	53,444	9,585,251
Parks and recreation				267,597	2,245,354	2,512,951
Library					802,412	802,412
Community development					597,964	597,964
Rental Registration					150,793	150,793
Mass transit				24,770	1,637,010	1,661,780
Economic development				574,846	239,406	814,252
Capital outlay	63,168		13,574,432	10,952,749	943,954	25,534,303
Debt Service:						
Bond and note principal		4,355,000			2,083,492	6,438,492
Bond and note Interest		5,096,160			2,171,489	7,267,649
Fiscal and other charges		260,317		21,732	718,690	1,000,739
Total expenditures	<u>19,045,705</u>	<u>9,711,477</u>	<u>13,574,432</u>	<u>16,292,205</u>	<u>11,726,208</u>	<u>70,350,027</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(5,771,526)</u>	<u>797,118</u>	<u>(6,111,214)</u>	<u>895,387</u>	<u>(1,139,257)</u>	<u>(11,329,492)</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt		1,886,000	10,634,000		3,875,000	16,395,000
Premium on Issuance of debt		87,912			45,314	133,226
Transfers from other funds	5,768,362	1,550,111	290,152		2,053,036	9,661,661
Transfers to other funds	(240,690)	(150,000)	(1,858,111)	(20,152)	(1,276,885)	(3,545,838)
Total other financing sources	<u>5,527,672</u>	<u>3,374,023</u>	<u>9,066,041</u>	<u>(20,152)</u>	<u>4,696,465</u>	<u>22,644,049</u>
NET CHANGE IN FUND BALANCE	(243,854)	4,171,141	2,954,827	875,235	3,557,208	11,314,557
FUND BALANCE - BEGINNING	<u>14,921,532</u>	<u>19,366,954</u>	<u>3,612,072</u>	<u>697,940</u>	<u>10,627,243</u>	<u>49,225,741</u>
FUND BALANCE - ENDING	<u>\$ 14,677,678</u>	<u>\$ 23,538,095</u>	<u>\$ 6,566,899</u>	<u>\$ 1,573,175</u>	<u>\$ 14,184,451</u>	<u>\$ 60,540,298</u>

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

**CITY OF MOORHEAD, MINNESOTA
RECONCILIATION OF THE STATEMENT OF REVENUES,
EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL
FUNDS TO THE STATEMENT OF ACTIVITIES
YEAR ENDED DECEMBER 31, 2009**

Amounts reported for governmental activities in the statement of activities (page 11) are different from the statement of revenues, expenditures and changes in fund balances because:

Net change in fund balances - total governmental funds (page 13) \$ 11,314,557

Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense.

Capital outlay	\$ 25,534,303	
Transfer of assets to business-type activities	(625,732)	
Depreciation expense	<u>(5,888,391)</u>	19,020,180

The net effect of various miscellaneous transactions involving capital assets (i.e., sales, trade-ins, and donations) is to decrease net assets (90,224)

Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. 4,796,704

The issuance of long-term debt (i.e. bonds, leases) provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net assets. This amount is the net effect of these differences in the treatment of long-term debt and related items.

Bonded debt issued	\$ (16,395,000)	
Bond & note principal payments	<u>6,438,492</u>	(9,956,508)

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

Compensated absences	\$ (69,351)	
Other post-employment benefits	(104,897)	
Accrued interest	<u>49,970</u>	(124,278)

Internal service funds are used by management to charge the costs of radio, vehicle and information technology to individual funds. The net revenue of certain activities of internal service funds is reported with governmental activities. 413,663

Change in net assets of governmental activities (page 11) \$ 25,374,094

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

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND
YEAR ENDED DECEMBER 31, 2009

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
Taxes:				
Property	\$ 3,894,086	\$ 3,894,086	\$ 3,876,423	\$ (17,663)
Franchise	860,000	860,000	857,066	(2,934)
Licenses and permits	546,180	919,680	892,918	(26,762)
Intergovernmental:				
Federal	125,850	150,345	334,388	184,043
State	4,342,469	4,346,469	4,112,931	(233,538)
County	70,000	90,000	158,542	68,542
Other	38,800	110,530	116,901	6,371
Charges for services	2,584,906	2,593,317	2,311,834	(281,483)
Fines and forfeitures	575,575	575,575	411,580	(163,995)
Interest on investments	170,000	170,000	94,786	(75,214)
Miscellaneous	128,490	165,790	106,810	(58,980)
Total revenues	<u>13,336,356</u>	<u>13,875,792</u>	<u>13,274,179</u>	<u>(601,613)</u>
EXPENDITURES				
Administration department:				
Current:				
Personal services	1,299,166	1,299,166	1,200,850	98,316
Supplies	47,800	47,800	33,733	14,067
Other services & charges	1,457,934	1,465,354	1,254,814	210,540
Capital outlay			1,257	(1,257)
	<u>2,804,900</u>	<u>2,812,320</u>	<u>2,490,654</u>	<u>321,666</u>
Police department:				
Current:				
Personal services	4,739,360	4,739,360	4,617,720	121,640
Supplies	330,805	366,580	306,932	59,648
Other services & charges	1,519,063	1,542,863	1,682,671	(139,808)
Capital outlay			53,364	(53,364)
	<u>6,589,228</u>	<u>6,648,803</u>	<u>6,660,687</u>	<u>(11,884)</u>
Fire department:				
Current:				
Personal services	2,736,612	2,736,612	2,600,961	135,651
Supplies	81,192	108,408	147,732	(39,324)
Other services & charges	460,966	464,966	498,423	(33,457)
	<u>3,278,770</u>	<u>3,309,986</u>	<u>3,247,116</u>	<u>62,870</u>
Community services department:				
Current:				
Personal services	736,318	732,818	626,246	106,572
Supplies	45,823	45,823	19,972	25,851
Other services & charges	182,160	385,660	437,524	(51,864)
	<u>964,301</u>	<u>1,164,301</u>	<u>1,083,742</u>	<u>80,559</u>
Engineering department:				
Current:				
Personal services	938,285	1,110,770	793,708	317,062
Supplies	41,470	46,470	31,872	14,598
Other services & charges	299,910	871,763	829,771	41,992
Capital outlay		20,000	8,547	11,453
	<u>1,279,665</u>	<u>2,049,003</u>	<u>1,663,898</u>	<u>385,105</u>
Operations department:				
Current:				
Personal services	1,004,496	1,004,496	869,930	134,566
Supplies	2,024,760	2,028,260	1,529,717	498,543
Other services & charges	1,176,141	1,176,141	1,499,961	(323,820)
	<u>4,205,397</u>	<u>4,208,897</u>	<u>3,899,608</u>	<u>309,289</u>
Total expenditures	<u>19,122,261</u>	<u>20,193,310</u>	<u>19,045,705</u>	<u>1,147,605</u>

(Continued)

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
GENERAL FUND (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUE UNDER EXPENDITURES	<u>(5,785,905)</u>	<u>(6,317,518)</u>	<u>(5,771,526)</u>	<u>545,992</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	5,742,700	5,742,700	5,768,362	25,662
Transfers to other funds	<u>(54,270)</u>	<u>(240,690)</u>	<u>(240,690)</u>	
Total other financing sources	<u>5,688,430</u>	<u>5,502,010</u>	<u>5,527,672</u>	<u>25,662</u>
NET CHANGE IN FUND BALANCE	(97,475)	(815,508)	(243,854)	571,654
FUND BALANCE - BEGINNING	<u>14,921,532</u>	<u>14,921,532</u>	<u>14,921,532</u>	
FUND BALANCE - ENDING	<u>\$ 14,824,057</u>	<u>\$ 14,106,024</u>	<u>\$ 14,677,678</u>	<u>\$ 571,654</u>

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2009**

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Other Enterprise Funds	Total	
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 2,574,795	\$ 1,320,639	\$ 5,786,795	\$ 4,262,630	\$ 13,944,859	\$ 3,974,041
Receivables (net of allowance for uncollectibles):						
Accounts and notes	3,856,094	625,963	679,662	755,022	5,916,741	145
Accrued interest	23,000	15,000	226,368	18	264,386	16
Special assessments		5,769	166,106		171,875	
Due from other city funds			432,039	511,728	943,767	
Due from other governmental units			122,201	355,989	478,190	356
Inventories	677,695	176,806			854,501	
Prepaid items	34,703	36,330			71,033	
Total current assets	<u>7,166,287</u>	<u>2,180,507</u>	<u>7,413,171</u>	<u>5,885,387</u>	<u>22,645,352</u>	<u>3,974,558</u>
Long-term assets:						
Restricted assets:						
Cash and cash equivalents	6,688,450	2,366,239		1,264,753	10,319,442	
Long-term receivables:						
Special assessments		2,889	3,944,125		3,947,014	
Notes receivable, less current portion	456,614	23,460		1,127,487	1,607,561	
Capital assets:						
Intangible plant	255,373				255,373	
Land	541,882	574,942	2,666,766	4,412,019	8,195,609	
Buildings	46,314,813	50,169,996	34,079,622	13,314,579	143,879,010	
Improvements other than buildings			27,658,879	7,664,122	35,323,001	
Machinery and equipment	4,606,908	1,210,624	8,942,711	1,163,863	15,924,106	20,026,589
Construction in progress	183,746	36,075			219,821	
Less accumulated depreciation	<u>(21,922,631)</u>	<u>(15,263,729)</u>	<u>(31,255,027)</u>	<u>(10,900,681)</u>	<u>(79,342,068)</u>	<u>(12,619,397)</u>
Total long-term assets	<u>37,125,155</u>	<u>39,120,496</u>	<u>46,037,076</u>	<u>18,046,142</u>	<u>140,328,869</u>	<u>7,407,192</u>
Total assets	<u>44,291,442</u>	<u>41,301,003</u>	<u>53,450,247</u>	<u>23,931,529</u>	<u>162,974,221</u>	<u>11,381,750</u>
LIABILITIES						
Current liabilities:						
Accounts payable	2,650,505	147,002	114,829	121,506	3,033,842	76,296
Accrued wages payable			36,276	77,083	113,359	15,383
Due to other city funds	951,277	22,000		1,693,126	2,666,403	
Due to other governmental units				31,920	31,920	
Customer deposits	127,500			15,885	143,385	
Deferred revenue						
Other liabilities				28,775	28,775	
Accrued interest payable	81,000	100,000	286,090	16,670	483,760	
Current maturities of long-term debt	815,000	1,519,000	1,536,196	235,000	4,105,196	
Total current liabilities	<u>4,625,282</u>	<u>1,788,002</u>	<u>1,973,391</u>	<u>2,219,965</u>	<u>10,606,640</u>	<u>91,679</u>
Long-term liabilities:						
Accrued compensated absences	330,000	219,000	121,971	197,477	868,448	20,569
Other post-employment benefits	40,000	18,000	21,615	41,703	121,318	3,308
Bonds payable	8,401,078	6,969,688	30,982,467	3,027,034	49,380,267	
Advances from other funds		705,693		785,768	1,491,461	
Total long-term liabilities	<u>8,771,078</u>	<u>7,912,381</u>	<u>31,126,053</u>	<u>4,051,982</u>	<u>51,861,494</u>	<u>23,877</u>
Total liabilities	<u>13,396,360</u>	<u>9,700,383</u>	<u>33,099,444</u>	<u>6,271,947</u>	<u>62,468,134</u>	<u>115,556</u>
NET ASSETS						
Invested in capital assets, net of related debt	20,764,013	28,239,220	9,574,288	12,391,868	70,969,389	7,407,192
Restricted for debt service	1,426,000	1,624,000		1,264,753	4,314,753	
Unrestricted	8,705,069	1,737,400	10,776,515	4,002,961	25,221,945	3,859,002
Total net assets	<u>\$ 30,895,082</u>	<u>\$ 31,600,620</u>	<u>\$ 20,350,803</u>	<u>\$ 17,659,582</u>	<u>\$ 100,506,087</u>	<u>\$ 11,266,194</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds					258,608	
Net assets of business-type activities					<u>\$ 100,764,695</u>	

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

CITY OF MOORHEAD, MINNESOTA
STATEMENT OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009

	Business-type Activities - Enterprise Funds					Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Other Enterprise Funds	Total	
OPERATING REVENUES						
Charges for services	\$ 30,536,605	\$ 6,300,895	\$ 4,821,096	\$ 8,042,474	\$ 49,701,070	\$ 2,337,894
Other	341,729	28,038	125,350	487,585	982,702	9,703
Total operating revenue	<u>30,878,334</u>	<u>6,328,933</u>	<u>4,946,446</u>	<u>8,530,059</u>	<u>50,683,772</u>	<u>2,347,597</u>
OPERATING EXPENSES						
Personal services	2,342,861	1,773,919	989,259	3,018,733	8,124,772	454,627
Purchased power	16,961,723				16,961,723	
Disposal fee				825,598	825,598	
Professional services	129,957	9,757	93,141	368,547	601,402	8,085
Insurance	129,204	84,223	113,483	148,571	475,481	4,551
Repair and maintenance	508,170	422,269	743,684	672,323	2,346,446	180,716
Supplies	292,028	1,181,311	324,814	637,668	2,435,821	32,464
Utilities			605,674	406,657	1,012,331	
Equipment rental			106,255	505,576	611,831	
Depreciation	1,501,154	1,092,237	1,532,554	1,052,295	5,178,240	1,424,240
Miscellaneous	826,682	54,258	320,096	798,358	1,999,394	64,943
Total operating expenses	<u>22,691,779</u>	<u>4,617,974</u>	<u>4,828,960</u>	<u>8,434,326</u>	<u>40,573,039</u>	<u>2,169,626</u>
Operating income	<u>8,186,555</u>	<u>1,710,959</u>	<u>117,486</u>	<u>95,733</u>	<u>10,110,733</u>	<u>177,971</u>
NONOPERATING REVENUE (EXPENSE)						
Interest on investments	116,563	76,461	16,219	85,812	295,055	13,727
Interest on indebtedness	(529,896)	(565,769)	(995,046)	(229,400)	(2,320,111)	
Gain (loss) on disposal of equipment	(56,667)			658,730	602,063	6,515
Special assessments			260,155		260,155	
Local government aid						
Miscellaneous	85,658	69,695	3,870	73,454	232,677	1,130
Total nonoperating revenue (expense)	<u>(384,342)</u>	<u>(419,613)</u>	<u>(714,802)</u>	<u>588,596</u>	<u>(930,161)</u>	<u>21,372</u>
Income (loss) before transfers	<u>7,802,213</u>	<u>1,291,346</u>	<u>(597,316)</u>	<u>684,329</u>	<u>9,180,572</u>	<u>199,343</u>
Capital contributions	131,593	307,924		95,220	534,737	222,588
Transfers from other funds	879,790		384,500	807,789	2,072,079	86,584
Transfers to other funds	(6,115,000)	(319,000)	(287,637)	(1,541,083)	(8,262,720)	(11,766)
Total transfers	<u>(5,103,617)</u>	<u>(11,076)</u>	<u>96,863</u>	<u>(638,074)</u>	<u>(5,655,904)</u>	<u>297,406</u>
CHANGE IN NET ASSETS	2,698,596	1,280,270	(500,453)	46,255	3,524,668	496,749
TOTAL NET ASSETS - BEGINNING	<u>28,196,486</u>	<u>30,320,350</u>	<u>20,851,256</u>	<u>17,613,327</u>		<u>10,769,445</u>
TOTAL NET ASSETS - ENDING	<u>\$ 30,895,082</u>	<u>\$ 31,600,620</u>	<u>\$ 20,350,803</u>	<u>\$ 17,659,582</u>		<u>\$ 11,266,194</u>
Adjustment to reflect the consolidation of internal service fund activities related to enterprise fund:					<u>83,086</u>	
Change in net assets of business-type activities:					<u>\$ 3,607,754</u>	

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

**CITY OF MOORHEAD, MINNESOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009**

	Business-type Activities - Enterprise Funds				Total	Governmental Activities - Internal Service Funds
	Electric	Water	Wastewater Treatment	Other Enterprise Funds		
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from customers	\$ 30,231,129	\$ 6,361,776	\$ 4,729,369	\$ 7,870,250	\$ 49,192,524	\$ 2,378,824
Payments to suppliers	(18,910,390)	(2,721,635)	(2,126,005)	(3,875,270)	(27,633,300)	(225,356)
Payments to employees	(1,806,635)	(764,818)	(961,226)	(2,806,331)	(6,339,010)	(445,116)
Other receipts (payments)	(408,216)	(1,836)	(190,876)	(589,551)	(1,190,479)	(54,110)
Net cash provided by operating activities	<u>9,105,888</u>	<u>2,873,487</u>	<u>1,451,262</u>	<u>599,098</u>	<u>14,029,735</u>	<u>1,654,242</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Transfers from other funds	879,790		384,500	807,789	2,072,079	37,000
Transfers to other funds	(6,115,000)	(319,000)	(249,819)	(926,061)	(7,609,880)	
Net cash provided by (used in) noncapital financing activities	<u>(5,235,210)</u>	<u>(319,000)</u>	<u>134,681</u>	<u>(118,272)</u>	<u>(5,537,801)</u>	<u>37,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Bond and note proceeds	3,191,000	4,339,000	920,959		8,450,959	
Purchase of assets	(2,179,539)	(624,143)	(718,229)	(274,897)	(3,796,808)	(637,799)
Proceeds from sale of assets				640,000	640,000	25,490
Principal payments - bonds and notes	(3,324,681)	(6,293,502)	(1,191,812)	(806,501)	(11,616,496)	
Interest payments - bonds and notes	(494,896)	(520,869)	(991,941)	(229,536)	(2,237,242)	
Capital grants from other governments				57,656	57,656	
Special assessment collections			444,631		444,631	
Net cash used in capital and related financing activities	<u>(2,808,116)</u>	<u>(3,099,514)</u>	<u>(1,536,392)</u>	<u>(613,278)</u>	<u>(8,057,300)</u>	<u>(612,309)</u>
CASH FLOWS FROM INVESTING ACTIVITY						
Interest received	120,263	79,461	16,218	86,708	302,650	14,307
Net cash provided by investing activities	<u>120,263</u>	<u>79,461</u>	<u>16,218</u>	<u>86,708</u>	<u>302,650</u>	<u>14,307</u>
Net increase (decrease) in cash and cash equivalents	<u>1,182,825</u>	<u>(465,566)</u>	<u>65,769</u>	<u>(45,744)</u>	<u>737,284</u>	<u>1,093,240</u>
Cash and cash equivalents at beginning of year	<u>8,080,420</u>	<u>4,152,444</u>	<u>5,721,026</u>	<u>5,573,127</u>	<u>23,527,017</u>	<u>2,880,801</u>
Cash and cash equivalents at end of year	<u>\$ 9,263,245</u>	<u>\$ 3,686,878</u>	<u>\$ 5,786,795</u>	<u>\$ 5,527,383</u>	<u>\$ 24,264,301</u>	<u>\$ 3,974,041</u>
Reconciliation of operating income to net cash provided by operating activities:						
Operating income	\$ 8,186,555	\$ 1,710,959	\$ 117,486	\$ 95,733	\$ 10,110,733	\$ 177,971
Adjustments to reconcile operating income to net cash provided by operating activities:						
Depreciation accruals	1,501,154	1,092,237	1,532,554	1,052,295	5,178,240	1,424,240
Miscellaneous nonoperating income	85,658	45,147	3,870	20,062	154,737	1,130
Change in assets and liabilities:						
Accounts and notes receivable	(1,141,079)	(14,140)	(65,539)	(120,984)	(1,341,742)	41,041
Due from other funds			(27,468)	(65,882)	(93,350)	
Due from other governments			1,280	(202,839)	(201,559)	(111)
Special assessment receivable				745	745	
Inventories	78,714	(13,933)		(27,850)	36,931	
Prepaid items	(34,703)	(900)		18,500	(17,103)	
Accounts payable	370,589	25,117	(138,954)	(83,138)	173,614	460
Accrued wages payable			4,796	8,042	12,838	1,877
Compensated absences payable	34,000	21,000	12,733	(2,844)	64,889	5,980
Other post employment benefits	25,000	8,000	10,504	16,791	60,295	1,654
Due to other funds				(123,431)	(123,431)	
Due to other governments				4,673	4,673	
Customer deposits				3,515	3,515	
Other current liabilities				5,710	5,710	
Net cash provided by operating activities	<u>\$ 9,105,888</u>	<u>\$ 2,873,487</u>	<u>\$ 1,451,262</u>	<u>\$ 599,098</u>	<u>\$ 14,029,735</u>	<u>\$ 1,654,242</u>
Noncash capital financing activities:						
Contributions of capital assets from government / customers	<u>\$ 131,593</u>	<u>\$ 330,636</u>	<u>\$</u>	<u>\$ 95,220</u>	<u>\$ 557,449</u>	<u>\$ 222,589</u>
Contributions of capital assets from proprietary funds	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 49,584</u>
Contributions of capital assets to internal service funds	<u>\$</u>	<u>\$</u>	<u>\$ 37,818</u>	<u>\$</u>	<u>\$ 37,818</u>	<u>\$</u>
Issuance of notes receivable for sale of Broadband Division	<u>\$ 560,000</u>	<u>\$</u>	<u>\$</u>	<u>\$</u>	<u>\$ 560,000</u>	<u>\$</u>

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

CITY OF MOORHEAD
Notes to the Financial Statements
December 31, 2009

NOTE 1: - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. Reporting entity

The City of Moorhead was incorporated February 24, 1881, and is a home rule charter city under Minnesota Statutes. The City operates under a Council/Manager form of government.

For financial reporting purposes, the City's financial statements include all funds of the city as well as component units, entities for which the City is considered financially accountable.

The financial statements include the discrete presentation of the Moorhead Public Housing Agency located at 800 2nd Avenue North, Moorhead, MN 56560 as a component unit of the reporting entity because the City Council appoints the governing body and is able to impose its will on the Agency. The financial information reported for this component unit is for their fiscal year ending June 30, 2009. Separate audited financial statements for the year ended June 30, 2009 are available from the agency. The component unit is discretely presented to emphasize its legal separation from the city.

Services provided by the City under general governmental functions include police and fire protection, emergency medical services, street maintenance, planning and zoning, neighborhood services, recreation and parks and general administrative services. The City also operates as enterprise funds the following services: electric, water, wastewater treatment, broadband, storm water, pest control, forestry, sports center, golf course, airport and sanitation services. Vehicles and equipment, radio and information technology services are provided through internal service funds.

B. Government-wide and fund financial statements

The government-wide financial statements (i.e., the statement of net assets and the statement of changes in net assets) report information on all of the nonfiduciary activities of the City and its component units. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely to a significant extent on fees and charges for support. Likewise, the primary government is reported separately from certain legally separate component units for which the City is financially accountable.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segments are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Separate financial statements are provided for governmental funds and proprietary funds. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

C. Measurement focus and basis of accounting

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

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, franchise taxes, licenses, and interest associated with the current fiscal period are all considered to be susceptible to accrual and so have been recognized as revenues of the current fiscal period. Only the portion of special assessments receivable due within the current fiscal period is considered to be susceptible to accrual as revenue of the current period. All other revenue items are considered to be measurable and available only when cash is received by the City.

The City reports the following major governmental funds:

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

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

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

The City reports the following major proprietary funds:

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

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

Additionally, the City reports the following fund type:

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

Private-sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent that those standards do not conflict with or contradict guidance of the Governmental Accounting Standards Board. The City has elected not to follow subsequent private-sector guidance.

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

Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

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

D. Assets, liabilities and net assets or equity

1. Deposits and Investments

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

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

Minnesota state statutes authorize investments in the following instruments:

- any security which is a direct obligation of or guaranteed by the United States or any of its agencies
- shares of registered investment companies whose investments consist only of those type described above
- any security which is a general obligation of the state or its municipalities
- bankers acceptances
- commercial paper issued by United States corporations of the highest quality.

2. Receivables and payables

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

Advances between funds, as reported in the fund financial statements, are offset by a fund reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City calculates its allowance for uncollectible accounts using historical collection data. Accounts receivables of the City are considered to be fully collectible and, therefore, an allowance for uncollectible accounts is not provided.

Property taxes are submitted to the County Auditor by December 31st of each year, to be levied on January 1 on property values assessed as of the same date. The tax levy notice is mailed in March with the first half payment due on May 15 and the second half payment due on October 15. The County remits taxes collected to the City in July and December of each year.

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

3. Inventories and prepaid items

Inventory is valued at the lower of cost (first-in, first-out) or market. The costs of inventory items are recognized as expenditures in governmental funds when purchased and as expenses in proprietary funds when used.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

4. Restricted assets

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

5. Capital assets

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, sidewalks, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined by the City as assets with an initial, individual cost equal to or greater than \$5,000, except for infrastructure networks which are capitalized in their entirety. Such assets are recorded at historical cost or estimated historical cost. Donated capital assets are recorded at estimated fair market value at the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend lives are not capitalized.

Property, plant and equipment of the government is depreciated using the straight line method over the following estimated useful lives.

<u>Asset</u>	<u>Years</u>
Buildings	20 – 50
Improvements other than buildings	10 – 20
Infrastructure	20 – 50
Vehicles	2 – 30
Equipment	3 – 20
Office Equipment	5 – 15
Computer Equipment	3 – 5

6. Compensated absences

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

7. Long-term obligations

In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities or proprietary fund type statement of net assets. Bond premiums, discounts and issuance costs are deferred and amortized over the life of the bonds on a straight-line basis over the term of the related issue. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8. Fund equity

Reserves represent those portions of fund equity not available for appropriation or are legally segregated for a specific future use. Designations of fund balance represent tentative management plans that are subject to change.

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

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

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

The details of this \$76,566,176 difference are as follows:

Special assessments receivable	\$72,766,266
Notes receivable	3,847,697
Current notes receivable	<u>(47,787)</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 76,566,176</u>

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

The details of this \$154,794,449 difference are as follows:

Bonds payable	\$149,955,000
Notes payable	901,627
Accrued interest payable	2,374,070
Compensated absences payable	1,350,352
Other post-employment benefits	<u>213,400</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 154,794,449</u>

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

The details of this \$3,624,271 difference are as follows:

Internal service fund net assets	\$11,266,194
Net capital assets included in governmental activities	(7,407,192)
Accrued compensated absences payable included in governmental activities	20,569
Other post-employment benefits included in governmental activities	3,308
Internal service fund activity reflected in business-type activities	<u>(258,608)</u>
Net adjustment to increase fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$3,624,271</u>

- B. Explanation of certain differences between the proprietary fund statement of net assets and the government-wide statement of net assets.

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

The details of this \$258,608 difference are as follows:

Internal receivable representing charges in excess of cost to business-type activities - prior years	\$175,522
Internal receivable representing charges in excess of cost to business-type activities - current year	83,086
Net adjustment to increase net assets - total enterprise funds to arrive at net assets - business-type activities	<u>\$ 258,608</u>

NOTE 3: - STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

- A. Budgetary information

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

Before July 1, of each year, all department directors of the City submit their requests for appropriations to the City Manager so that a budget may be prepared. By September 1, the City Manager is required to submit to the City Council a proposed operating budget for the fiscal year commencing the following January 1. The operating budget includes proposed expenditures and the means of financing them. Before September 15, the proposed budget is presented to the City Council for review and approval. By September 15, the proposed budget and tax levy must be submitted to the County Auditor. The City Council holds public hearings to obtain taxpayer comments and a final budget and tax levy must be prepared, adopted and submitted to the County Auditor no later than December 28.

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

- B. Fund deficits

The Community Development fund has a \$1,321 deficit fund balance at December 31, 2009. This deficit will be recovered by future collections of governmental aid.

- C. Excess of expenditures over appropriations

Police Department expenditures exceeded appropriations by \$11,884 at December 31, 2009. The excess amount in the Police Department budget was offset by reductions in Administration, Fire, Community Services, and Operations. Reductions were made in lobbying, dues and subscriptions and by not filling vacant positions.

NOTE 4:- DETAILED NOTES ON ALL FUNDS

A. Deposits and investments

Deposits - At year-end, the carrying amount of the City's deposits was \$5,509,630, which approximates the bank balance and \$6,469,724 held with fiscal agent for the crossover refunding of the G.O. Tax Increment Bonds 2001A. The bank balance is covered by federal depository insurance or by collateral held by the City's agent in the City's name. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance

Investments - The City is allowed to invest in those obligations permitted by Minnesota Statute Chapter 118A.04. Permissible investments include U.S. government obligations, federal agencies, and mutual funds investing exclusively in U.S. government and agency issues, State of Minnesota or Minnesota municipalities, bankers acceptances of U.S. banks, highest quality commercial paper, insured interest-bearing deposits and repurchase agreements.

As of December 31, 2009, the City has the following investments and maturities:

Investment Type	Fair Value	Investment Maturities (in years)			
		<1	1 - 5	>5 - 10	>10
U.S. Agencies	\$ 577,531	\$ 7,659	569,872		\$
U.S. Treasuries	14,215,932	3,083,200	9,906,740		1,225,992
Money Markets	55,047,364	55,047,364			
Total Investments	<u>\$ 69,840,827</u>	<u>\$ 58,138,223</u>	<u>\$ 10,476,612</u>	<u>\$ 0</u>	<u>\$ 1,225,992</u>

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. The City's investment policy does not limit investment maturities as a means of managing its exposure to fair value losses arising from increasing interest rates. However, the City's investment procedures provide guidelines for maximum maturities. The investments in U.S. Agencies are mortgage-backed securities. Due to interest rate changes, how quickly homeowners pay off their mortgages can fluctuate, resulting in varying repayment streams and uncertain final maturities.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City has adopted an investment policy which follows the Minnesota Statutes with respect to the instruments allowed. The Statutes authorize the City to invest in obligations of the U.S. Treasury agencies and instrumentalities, commercial paper that is rated in the highest quality category by at least two nationally recognized rating agencies and matures in 270 days or less, banker's acceptances of United States banks, repurchase agreements, certificates of deposit and money market funds whose portfolios consist of United States Treasury obligations and Federal Agency issues. The City minimizes its credit risk by investing primarily in U.S. government backed securities. The Electric and Water Fund money market investments of \$566,828 are not rated. The City's remaining money market investments of \$45,957,507 are rated Aaa by Moody's Investors Service and AAAM by Standard & Poor's. The City's investments in U.S. government agencies are rated AAA by Moody's Investors Service and AAA by Standard & Poor's. The City investments in U.S. Government Treasury Bonds are not rated.

Custodial Credit Risk

Custodial credit risk is the risk that, in the event of the failure of the counterparty, the City will not be able to recover the value of its investments or collateral securities that are in possession of an outside party. The City does not have a formal policy to limit exposure to investment custodial credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City has no limits on securities backed by the full faith and credit of the U.S. government or any of its instrumentalities.

B. Capital Assets

Capital asset activity for the year ended December 31, 2009 was as follows:

	Beginning Balance	Increases	Decreases	Ending Balance
Governmental activities:				
Capital assets, not being depreciated				
Land	\$ 8,097,636	\$ 6,846,145		\$ 14,943,781
Construction in progress	30,548,673	9,139,122	(34,889,217)	4,798,578
Total capital assets, not being depreciated	<u>38,646,309</u>	<u>15,985,267</u>	<u>(34,889,217)</u>	<u>19,742,359</u>
Capital assets, being depreciated:				
Buildings	18,882,702	771,834		19,654,536
Improvements other than buildings	9,892,822	16,053,059		25,945,881
Machinery and equipment	25,077,379	1,994,189	(906,201)	26,165,367
Infrastructure	182,680,055	26,177,921		208,857,976
Total capital assets being depreciated	<u>236,532,958</u>	<u>44,997,003</u>	<u>(906,201)</u>	<u>280,623,760</u>
Less accumulated depreciation for:				
Buildings	(7,892,919)	(510,882)		(8,403,801)
Improvements other than buildings	(6,910,538)	(669,692)		(7,580,230)
Machinery and equipment	(14,372,444)	(1,927,658)	583,707	(15,716,395)
Infrastructure	(45,833,012)	(4,204,399)		(50,037,411)
Total accumulated depreciation	<u>(75,008,913)</u>	<u>(7,312,631)</u>	<u>583,707</u>	<u>(81,737,837)</u>
Total capital assets, being depreciated, net	<u>161,524,045</u>	<u>37,684,372</u>	<u>(322,494)</u>	<u>198,885,923</u>
Governmental activities capital assets, net	<u>\$ 200,170,354</u>	<u>\$ 53,669,639</u>	<u>\$ (35,211,711)</u>	<u>\$ 218,628,282</u>
Business-type activities:				
Capital assets, not being depreciated				
Land	\$ 7,282,109	\$ 913,500	\$ -	\$ 8,195,609
Construction in progress	11,855,013	810,898	(12,446,090)	219,821
Total capital assets, not being depreciated	<u>19,137,122</u>	<u>1,724,398</u>	<u>(12,446,090)</u>	<u>8,415,430</u>
Capital assets, being depreciated:				
Intangible plant	255,373			255,373
Buildings	129,392,675	14,806,583	(320,248)	143,879,010
Improvements other than buildings	35,229,863	93,138		35,323,001
Machinery and equipment	17,372,327	555,473	(2,003,694)	15,924,106
Total capital assets being depreciated	<u>182,250,238</u>	<u>15,455,194</u>	<u>(2,323,942)</u>	<u>195,381,490</u>
Less accumulated depreciation for:				
Intangible plant	(255,373)			(255,373)
Buildings	(54,477,727)	(3,777,449)	263,581	(57,991,595)
Improvements other than buildings	(7,847,669)	(874,768)		(8,722,437)
Machinery and equipment	(13,112,699)	(729,755)	1,469,791	(12,372,663)
Total accumulated depreciation	<u>(75,693,468)</u>	<u>(5,381,972)</u>	<u>1,733,372</u>	<u>(79,342,068)</u>
Total capital assets, being depreciated, net	<u>106,556,770</u>	<u>10,073,222</u>	<u>(590,570)</u>	<u>116,039,422</u>
Business-type activities capital assets, net	<u>\$ 125,693,892</u>	<u>\$ 11,797,620</u>	<u>\$ (13,036,660)</u>	<u>\$ 124,454,852</u>

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

Governmental activities:		
General Government	\$	74,763
Public Safety		79,695
Highways & Streets, including depreciation of general infrastructure assets		4,268,838
Parks & Recreation		807,525
Library		62,565
Economic Development		182,377
Community Development		4,668
Mass Transit		407,961
Subtotal		<u>5,888,392</u>
Internal Service		1,424,240
Total depreciation expense – governmental activities	\$	<u>7,312,632</u>
Business-type activities:		
Electric	\$	1,641,597
Water		1,153,636
Wastewater		1,532,554
Broadband		266,070
Storm water		37,259
Sanitation		32,949
Golf Course		211,937
Sports Center		340,153
Forestry		803
Airport		165,014
Total depreciation expense – business-type activities	\$	<u>5,381,972</u>

Depreciation expense reflected in the statement of revenues, expenses and changes in net assets is \$5,178,240. The difference of \$203,732 is expensed to vehicle expense in the Electric and Water funds per the guidelines established by the Federal Energy Regulatory Commission and the National Association of Regulatory Utility Commissioners.

C. Interfund receivables, payables, advances and transfers

Interfund receivables/payables are used when a fund has a cash deficit or to record accrued obligations between funds. The composition of inter-fund balances as of December 31, 2009, is as follows:

<u>Fund</u>	<u>Receivable</u>	<u>Payable</u>
Governmental activities:		
General Fund	\$ 3,122,700	
Community Development		69,173
Special Assessment Capital Fund		209,000
Permanent Improvement Fund		1,121,891
Tax Increment Debt Fund		1,121,891
	<u>3,122,700</u>	<u>1,400,064</u>
Business-type activities:		
Electric Fund		951,277
Water Fund		22,000
Storm Water Fund	87,536	
Waste Water Fund	432,039	
Sanitation Fund	334,899	
Forestry Fund	63,884	
Pest Control Fund	25,409	
Golf Course Fund		1,693,126
	<u>943,767</u>	<u>2,666,403</u>
	<u>\$ 4,066,467</u>	<u>\$ 4,066,467</u>

A \$400,000 advance from the general fund to the tax increment debt service funds will be repaid with future tax increment collections. A \$785,768 advance from the general fund to the golf course fund will be repaid with future land sale proceeds. A \$705,693 advance from the special assessment capital projects fund to the water fund will be repaid by future service charges in the water fund.

Enterprise fund transfers to the general fund are authorized by City charter. All other transfers are recurring subsidies for specific programs.

	Transfers In								
	Transfers Out	Major Funds:					Nonmajor Funds:		
		General	Electric	Waste Water	Special Assmt Capital	Special Assmt Debt	Governmental	Enterprise	Internal Service
Major Funds									
General	\$ 240,690	\$	\$ 76,500	\$	\$	\$	\$ 127,190	\$ 37,000	
Special Assmt Debt	150,000						150,000		
Special Assmt Capital	1,858,111		308,000		1,550,111				
Permanent Improvement	20,152				20,152				
Electric	6,115,000	4,591,000				1,524,000			
Water	319,000	319,000							
Waste Water	287,637	249,819						37,818	
Totals	8,990,590	5,159,819	384,500	20,152	1,550,111	1,524,000	277,190	74,818	
Non-Major Funds									
Governmental	1,276,885	13,000		270,000		521,536	472,349		
Enterprise	1,541,083	595,543	879,790			7,500	58,250		
Internal Service	11,766							11,766	
Totals	2,829,734	608,543	879,790	270,000		529,036	530,599	11,766	
	<u>\$ 11,820,324</u>	<u>\$ 5,768,362</u>	<u>\$ 879,790</u>	<u>\$ 384,500</u>	<u>\$ 290,152</u>	<u>\$ 1,550,111</u>	<u>\$ 2,053,036</u>	<u>\$ 807,789</u>	<u>\$ 86,584</u>

D. Long-term debt

Changes in long-term liabilities

Type of Bonds	Balance at January 1, 2009	Additions	Reductions	Balance at December 31, 2009	Due Within One Year
Governmental Activities:					
Bonds Payable					
G.O. Special Assessment	\$ 123,725,000	\$ 12,520,000	\$ 4,355,000	\$ 131,890,000	\$ 4,930,000
G.O. Debt	2,670,000		395,000	2,275,000	620,000
G.O. Tax Increment	10,835,000	3,875,000	1,125,000	13,585,000	670,000
G.O. Municipal Improvement Revenue	2,455,000		250,000	2,205,000	260,000
Total Bonds Payable	139,685,000	16,395,000	6,125,000	149,955,000	6,480,000
Notes Payable	1,215,119		313,492	901,627	76,970
Compensated Absences	1,275,023	848,234	772,905	1,350,352	818,569
Other Post-Employment Benefits	106,849	106,551		213,400	
Governmental Activity Long-Term Liabilities	<u>\$ 142,281,991</u>	<u>\$ 17,349,785</u>	<u>\$ 7,211,397</u>	<u>\$ 152,420,379</u>	<u>\$ 7,375,539</u>
Business-Type Activities:					
Bonds Payable					
Electric Utility	\$ 9,306,485	\$ 3,191,000	\$ 3,274,834	\$ 9,222,651	798,000
Water Utility	10,528,515	4,339,000	6,455,166	8,412,349	1,507,000
Wastewater	32,804,740	734,906	887,098	32,652,548	1,536,196
Golf Course	3,320,000		175,000	3,145,000	185,000
Sports Center	205,000		50,000	155,000	50,000
Total Bonds Payable	56,164,740	8,264,906	10,842,098	53,587,548	4,076,196
Notes Payable	717,508		609,293	108,215	29,000
Compensated Absences	803,559	246,188	181,299	868,448	736,091
Other Post-Employment Benefits	61,023	60,295		121,318	
Business-Type Activity Long-Term Liabilities	<u>\$ 57,746,830</u>	<u>\$ 8,571,389</u>	<u>\$ 11,632,690</u>	<u>\$ 54,685,529</u>	<u>\$ 4,841,287</u>

The City's debt limit is \$60,617,065 and the legal debt margin is \$58,591,686. There are a number of limitations and restrictions contained in the various bond indentures.

The City is in compliance with all significant limitations and restrictions. Special assessment bonds, municipal improvement bonds and general obligation bonds together comprise the governmental activity bonds payable. General Obligation includes tax increment bonds. The compensated absences liability attributable to the governmental activities will be liquidated primarily by the General Fund.

If special assessments are not adequate to retire the outstanding debt, the City's full faith and credit are pledged for their redemption.

There is \$31,654,507 available in the Debt Service Funds to service the special assessment, general obligation and municipal improvement bonds. These bonds are direct obligations and pledge the full faith and credit of the city. Certain Enterprise Funds (Electric, Water, Golf Course, Sports Center and Wastewater Treatment) will be used to repay revenue bonds.

Unamortized bond discounts of \$210,300 related to revenue bonds in the Enterprise Funds have been netted against revenue bonds payable on the accompanying balance sheet.

General obligation notes payable at December 31, 2009 consists of the following:

Governmental Activities-

- Economic Development Authority Tax Increment Note of \$1,375,000 issued August 20, 1998 at 7.5% interest, maturing August 2010.
- Lease and Purchase Option Agreement of \$1,007,500 issued November 22, 2005, at 5.03% maturing February 1, 2021.

Business-Type Activities-

- Electric Equipment note at 4.76% interest rate maturing April 10, 2013.
- Water Equipment note at 4.76% interest rate maturing April 10, 2013.
- Broadband Equipment note at 4.38% interest rate maturing June 1, 2010 was paid in full in December, 2009, in order to transfer ownership of the equipment to the purchaser.

The annual requirement to amortize notes outstanding as of December 31, 2009, follows:

Year	Governmental Activities		Business –Type Activities	
	Principal	Interest	Principal	Interest
2010	\$ 76,970	\$ 44,419	\$ 29,000	\$ 4,930
2011	61,339	40,719	30,525	3,405
2012	64,463	37,594	32,112	1,805
2013	67,746	34,311	16,578	395
2014	71,197	30,861	0	0
2015 - 2019	414,215	96,072	0	0
2020 - 2021	145,697	7,390	0	0
Totals	\$ 901,627	\$ 291,366	\$ 108,215	\$ 10,535

The requirement to amortize all bonded debt outstanding as of December 31, 2009, follows:

Year ended December 31	Governmental Activities		Business - Type Activities		Total
	Principal	Interest	Principal	Interest	
2010	6,480,000	5,987,499	4,076,196	2,016,945	18,560,640
2011	7,785,000	5,891,838	4,323,707	1,772,208	19,772,753
2012	7,905,000	5,610,374	4,538,647	1,630,333	19,684,354
2013	7,600,000	5,327,874	2,870,034	1,482,311	17,280,219
2014	7,785,000	5,040,695	2,986,886	1,383,045	17,195,626
2015-2019	38,895,000	20,449,113	14,318,134	5,337,798	79,000,045
2020-2024	38,470,000	12,339,646	12,913,099	2,910,916	66,633,661
2025-2029	31,435,000	3,992,236	7,560,846	862,276	43,850,358
2030-2033	3,600,000	333,638			3,933,638
	\$ 149,955,000	\$ 64,972,913	\$ 53,587,549	\$ 17,395,832	\$ 285,911,294

Bonds payable at December 31, 2009 are comprised of the following individual issues:

Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Principal Outstanding 12/31/2009
Governmental Activities					
G.O. Special Assessment					
2001 SERIES E	12/01/01	02/01/22	3.25-5.26	2,835,000	1,725,000
2002 SERIES B	07/01/02	02/01/23	4.20-5.81	4,985,000	3,345,000
2003 SERIES B	05/01/03	02/01/33	2.00-5.00	12,775,000	11,545,000
2003 SERIES C	09/01/03	02/01/24	2.50-4.75	2,465,000	1,755,000
2004 SERIES A	10/01/04	02/01/27	4.00-4.50	16,795,000	14,705,000
2004 SERIES B	12/01/04	08/01/18	3.00-4.30	1,085,000	425,000
2005 SERIES A	07/01/05	02/01/27	3.50-5.00	16,580,000	15,135,000
2005 SERIES B	12/15/05	02/01/27	4.00-4.75	16,445,000	15,330,000
2006 SERIES B	08/01/06	02/01/33	4.00-4.625	10,690,000	10,260,000
2006 SERIES C	12/15/06	02/01/28	3.50-4.25	12,625,000	12,130,000
2007 SERIES A	08/15/07	02/01/29	4.00-4.50	22,400,000	22,400,000
2008 SERIES A	02/15/08	02/01/21	3.00-4.00	1,340,000	1,115,000
2008 SERIES B	09/15/08	02/01/29	3.00-4.50	9,500,000	9,500,000
2009 SERIES A	11/15/09	02/01/31	3.00-4.50	2,820,000	2,820,000
2009 SERIES B	11/15/09	02/01/29	2.25-4.50	8,110,000	8,110,000
2009 SERIES C	11/15/09	02/01/22	2.00-4.00	1,590,000	1,590,000
				<u>143,040,000</u>	<u>131,890,000</u>
G.O. Debt					
2004 Facility Refunding Series C	12/15/04	02/01/12	3.00-4.00	1,500,000	685,000
2006 Capital Equipment Series A	03/15/06	02/01/11	4.00	705,000	380,000
2008 Refunding Bond Series A	02/15/08	02/01/15	2.80	1,210,000	1,210,000
				<u>3,415,000</u>	<u>2,275,000</u>
G.O Tax Increment					
1999 Downtown Refunding Series B	11/01/99	02/01/13	4.75-5.35	925,000	270,000
2002 Conference Refunding Series D	12/01/02	02/01/10	2.25-4.00	4,745,000	345,000
2001 Regency/Holiday Mall Series A	05/15/01	02/01/28	4.25-5.25	7,000,000	6,620,000
2001 Regency/Holiday Mall Series B	05/15/01	02/01/28	4.25-5.30	1,590,000	1,435,000
2001 Regency/Holiday Mall Series C	05/15/01	02/01/18	3.25-5.00	1,605,000	1,040,000
2009 Regency/Holiday Mall Series A	11/15/09	02/01/28	2.00-4.50	2,910,000	2,910,000
2009 Regency/Holiday Mall Series D	11/15/09	02/01/18	2.00-4.00	965,000	965,000
				<u>19,740,000</u>	<u>13,585,000</u>
G.O Municipal Improvement Revenue					
2001 Municipal Improvement Revenue Series D	09/01/01	12/01/16	3.75-4.80	1,900,000	1,060,000
2004 G.O. Ice Arena Refunding Series D	12/15/04	01/01/18	2.25-4.30	720,000	530,000
2004 G.O. East Highway 10 Refunding Series E	12/15/04	02/01/16	2.250-4.10	910,000	615,000
				<u>3,530,000</u>	<u>2,205,000</u>
Total Governmental Activities				<u>\$ 169,725,000</u>	<u>\$ 149,955,000</u>

Business-Type Activities

1994 Public Facilities Authority	09/29/94	02/20/15	4.10	2,478,112	884,312
1995 Public Facilities Authority	06/29/95	08/20/16	4.11	1,601,443	709,789
1997 Public Facilities Authority	06/29/97	02/20/18	3.49	426,290	214,502
2002 Public Facilities Authority	05/06/02	08/20/22	3.13	3,389,288	2,465,000
2003 G.O. Wastewater Revenue Series A	05/01/03	11/01/29	3.00-4.60	12,050,000	11,420,000
2004 Public Facilities Authority	06/21/04	08/20/23	1.98	6,598,073	5,158,099
2007 Public Facilities Authority	06/29/07	08/20/26	1.99	12,105,560	11,800,846
1998 Golf Revenue Refunding Series B	06/01/98	12/01/21	4.25-5.875	4,785,000	3,145,000
2001 Gross Revenue Facility Series A	05/01/01	05/01/12	4.85-4.95	505,000	155,000
2002 Electric Utility Revenue Series C	08/01/02	11/01/17	2.50-4.25	4,570,000	2,800,000
2007 Electric MMUA Revenue Series A	07/12/07	06/01/27	5.17	3,405,150	3,144,300
2009 Electric Utility Revenue Series A	5/15/09	11/1/17	3.00-4.75	1,721,000	1,721,000
2009 Electric Utility Refunding Series A	5/15/09	11/1/24	3.00-4.75	1,470,000	1,470,000

Business-Type Activities (cont.)					Principal	
Type of Issue	Issue Date	Maturity Date	Interest Rate	Original Issue	Outstanding 12/31/2009	
2002 Water Revenue Series C	08/01/02	11/01/17	2.50-4.25	1,005,000	615,000	
2007 Water MMUA Revenue Series A	07/12/07	06/01/27	5.17	3,838,850	3,545,700	
2009 Water Utility Series A	5/15/09	11/1/17	3.00-4.75	4,339,000	4,339,000	
Total Business-Type Activities				\$ 64,287,766	\$ 53,587,548	

In November 2009 the Moorhead Economic Development Authority issued G.O. Tax Increment Refunding Bonds, Series 2009A to be used for a crossover refunding of the G.O. Tax Increment Bonds 2001A dated May 15, 2001. The net proceeds were used to purchase securities of the U.S. Government. Those securities and the City's equity contribution of \$3,600,000 were deposited into an irrevocable trust with an escrow agent to provide for future debt service payments on the refunding issues until the call date of the refunded issue at which time the bonds will be called and paid by the escrow agent. After the call date the bonds will no longer be shown on the financial statements of the City and the City will assume the debt service payments for the refunding issues.

The difference in cash flows required to service the old debt and the new debt will be \$5,953,797. The economic gain, reflected as the difference between the present value of the refunded debt requirements and the refunding debt requirements will be \$3,937,708. A schedule of the refunding bonds and bonds to be called are as follows:

Bond Issue	Amount	Average Interest	Proceeds	Bonds to be Called			
				Bond Issue	Average Interest	Call Date	Balance to be Called
G.O. Tax Increment Refunding 2009A	\$ 2,910,000	4.074%	\$ 2,868,374	G.O. Tax Increment 2001A	5.162%	02/01/2011	\$ 6,365,000

The City also issued \$1,590,000 G.O. Improvement Refunding Bonds 2009C to be used toward a current refunding of \$1,570,000 of 2001E G.O. Improvement Bonds, which were called for optional redemption and will be prepaid on February 1, 2010. The difference in cash flows required to service the old debt and the new debt for the 2009C issue is \$102,218. The economic gain, reflected as the difference between the present value of the refunded debt requirements and the refunding debt requirements was \$82,725 for the 2009C issue.

The City also issued \$965,000 G.O. Tax Increment Refunding Bonds 2009D to be used toward a current refunding of \$945,000 of 2001C G.O. Tax Increment Bonds, which were called for optional redemption and will be prepaid on February 1, 2010. The difference in cash flows required to service the old debt and the new debt for the 2009D issue is \$51,721. The economic gain, reflected as the difference between the present value of the refunded debt requirements and the refunding debt requirements was \$44,796 for the 2009D issue.

From time to time, the City has issued Industrial Revenue Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2009, there were 6 Industrial Revenue Bonds outstanding, with an aggregate principal amount payable of \$30,030,951.

Other Post-Employment Benefits (OPEB) Obligations:

As of January 1, 2008, the City and the Public Service Utility adopted Governmental Accounting Standards Board (GASB) Statement No. 45, Accounting and Financial Reporting by Employers for Other Post Employment Benefits (OPEB). An actuarial firm was engaged to determine the liability for post-employment health care benefits other than pensions as of December 31, 2008. The actuary determined the only obligation for the City and Public Service Utility was to record the implicit rate subsidy portion as described in the standard. The alternative measurement method, a simplified method of calculating the liability for plans with fewer than 100 members was used by the Public Service Utility.

City:

Plan Description-

The City provides health insurance benefits in accordance with various union contracts and as required by state statute to active employees when eligible to receive a retirement benefit from the Public Employees Retirement Association (PERA) of Minnesota and if they do not participate in any other health benefits program providing similar coverage. These retirees will be eligible to continue coverage with respect to both themselves and their eligible dependent(s) under the City's health benefits program. Retirees are required to pay 100% of the total premium cost. Since the premium is a blended rate determined on the entire active and retiree population, the retirees are receiving an implicit rate subsidy. As of January 1, 2009 there were 26 retirees and 4 retiree spouses participating in the City's group health plan.

Funding Policy-

The City has elected to fund the plan on a pay-as-you-go method.

Annual OPEB cost and net OPEB obligation-

The City's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution (ARC) of the employer, an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities over a period not to exceed 30 years. The following table shows the components of the City's annual OPEB cost for 2009, the amount actually contributed to the plan, and changes in the City's net OPEB obligation:

Annual required contribution (ARC)	\$ 193,802
Interest on net OPEB obligations	6,294
Adjustment to ARC	(8,400)
Annual OPEB Cost	191,696
Contributions during the year	(54,850)
Increase in net OPEB obligation	136,846
Net OPEB beginning of year	139,872
Net OPEB end of year	<u>\$ 276,718</u>

The City's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan and the net OPEB obligation for fiscal year 2009 and the preceding fiscal year (year of implementation) were as follows:

Fiscal Year Ended	Annual OPEB Cost	Employer Contribution	Percentage Contributed	Net OPEB Obligation
12/31/2008	\$ 193,802	\$ 53,930	27.8%	\$ 139,872
12/31/2009	\$ 191,696	\$ 54,850	28.6%	\$ 276,718

Funded Status and Funding Progress-

As of January 1, 2008, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$1,521,273, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$1,521,273. The covered payroll (annual payroll of active employees covered by the plan) was \$11,251,531, and the ratio of the UAAL to the covered payroll was 13.5 percent.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and healthcare cost trends. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents a single year's information, as the standard was implemented in fiscal year 2008, when it becomes available, multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be displayed.

Actuarial Methods and Assumptions-

Projections of benefits for financial reporting purposes are based on the substantive plan (as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities, consistent with the long-term perspective of the calculations.

In the January 1, 2008 actuarial valuation, the project unit credit actuarial cost method was used. The economic assumptions included a 4.5% discount rate (net of investment expenses), a 3% annual increase in covered payroll and a medical trend rate of 9% in 2008 grading to 5% over eight years. The unfunded actuarial accrued liability will be amortized as a level dollar amount over an open 30-year period beginning in 2008. The remaining amortization period at December 31, 2008, was 30 years.

Public Service Utility - Electric and Water

Plan Description-

All employees are allowed upon meeting the eligibility requirements under state statutes to participate in Public Service's health insurance plan after retirement. This plan covers active and retired employees. Benefit provisions are established through negotiations between Public Service and the unions representing employees and are renegotiated at the end of each contract period. The retiree health plan does not issue a publicly available financial report.

Funding Policy-

Public Service has elected to fund the plan on a pay-as-you-go method.

Annual OPEB cost and net OPEB obligation-

Moorhead Public Service's annual other post employment benefit (OPEB) cost (expense) is calculated based on the annual required contribution of the employer (ARC), an amount actuarially determined in accordance with the parameters of GASB Statement 45. The ARC represents a level of funding that, if paid on an ongoing basis, is projected to cover normal cost each year and amortize any unfunded actuarial liabilities (or funding excess) over a period of thirty years. The following table shows the components of the Utility's annual OPEB cost for 2009, the amount actually contributed to the plan, and changes in the Utility's net OPEB obligation:

Normal Cost	\$ 23,000
Amortization of UAAL over 30 years	22,000
Interest on OPEB Obligation	1,000
Total year-end ARC	<u>46,000</u>
Contributions during the year	<u>(16,000)</u>
Increase in OPEB Obligation	30,000
Net OPEB Obligation, Beginning of Year	<u>28,000</u>
Estimated Net OPEB Obligation, 12/31/09	<u>\$ 58,000</u>

The Utility's annual OPEB cost, the percentage of annual OPEB cost contributed to the plan, and the net OPEB obligation for fiscal year 2009 and the preceding fiscal year (year of implementation) were as follows:

Year Ended	Annual OPEB Cost	Employer Contribution	Annual OPEB Cost Contributed	Net OPEB Obligation
12/31/2008	\$ 46,000	\$ 18,000	39%	\$ 28,000
12/31/2009	\$ 46,000	\$ 16,000	35%	\$ 58,000

Funded Status and Funding Progress-

As of January 1, 2008, the most recent actuarial valuation date, the plan was unfunded. The actuarial accrued liability for benefits was \$383,098, and the actuarial value of assets was \$0, resulting in an unfunded actuarial accrued liability (UAAL) of \$383,098. The covered payroll (annual payroll of active employees covered by the plan) was \$3,589,313, and the ratio of the UAAL to the covered payroll was 10.7 percent.

Actuarial valuations of an ongoing plan involve estimates of the value of reported amounts and assumptions about the probability of occurrence of events far into the future. Examples include assumptions about future employment, mortality, and the healthcare cost trend. Amounts determined regarding the funded status of the plan and the annual required contributions of the employer are subject to continual revision as actual results are compared with past expectations and new estimates are made about the future. The schedule of funding progress, presented as required supplementary information following the notes to the financial statements, presents a single year's information, as the standard was implemented in fiscal year 2008, when it becomes available, multiyear trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liabilities for benefits will be displayed.

Actuarial Methods and Assumptions-

Projections of benefits for financial reporting purposes are based on the substantive plan (the plan as understood by the employer and the plan members) and include the types of benefits provided at the time of each valuation and the historical pattern of sharing of benefit costs between the employer and plan members to that point. The actuarial methods and assumptions used include techniques that are designed to reduce the effects of short-term volatility in actuarial accrued liabilities and the actuarial value of assets, consistent with the long-term perspective of the calculations.

In the January 1, 2008, actuarial valuation, the projected unit credit actuarial cost method was used. The actuarial assumptions included a 4.5 percent investment rate of return (net of administrative expenses), which is a blended rate of the expected long-term investment returns on the employer's own investments calculated based on the funded level of the plan at the valuation date, and an annual healthcare cost trend rate of 9 percent initially, reduced by decrements to an ultimate rate of 5 percent after eight years. Both rates included an inflation assumption. The UAAL is being amortized as a level percentage of projected payrolls on an open basis over 30 years. The remaining amortization period at December 31, 2008, was 30 years.

NOTE 5: - OTHER INFORMATION

A. Employee retirement system pension plans - Statewide

1. Defined Benefit

a. Plan Description

All full-time and certain part-time employees of the City of Moorhead are covered by defined benefit plans administered by the Public Employees Retirement Association of Minnesota (PERA). PERA administers the Public Employees Retirement Fund (PERF), the Public Employees Police and Fire Fund (PEPFF), and the Local Government Correctional Service Retirement Fund, called the Public Employees Correctional Fund (PECF), which are cost-sharing, multiple-employer retirement plans. These plans are established and administered in accordance with Minnesota Statutes, Chapters 353 and 356.

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

PERA provides retirement benefits as well as disability benefits to members, and benefits to survivors upon death of eligible members. Benefits are established by state statute, and vest after three years of credited service. The defined retirement benefits are based on a member's highest average salary for any five successive years of allowable service, age, and years of credit at termination of service.

Two methods are used to compute benefits for PERA's Coordinated and Basic Plan members. The retiring member receives the higher of a step-rate benefit accrual formula (Method 1) or a level accrual formula (Method 2). Under Method 1, the annuity accrual rate for a Basic Plan member is 2.2 percent of average salary for each of the first 10 years of service and 2.7 percent for each remaining year. The annuity accrual rate for a Coordinated Plan member is 1.2 percent of average salary for each of the first 10 years and 1.7 percent for each remaining year. Under Method 2, the annuity accrual rate is 2.7 percent of average salary for Basic Plan members and 1.7 percent for Coordinated Plan members for each year of service. For PEPFF members, the annuity accrual rate is 3.0 percent for each year of service.

The annuity accrual rate is 1.9 percent for each year of service for PECF members. For all PEPFF members, PECF members, and PERF members hired prior to July 1, 1989 whose annuity is calculated using Method 1, a full annuity is available when age plus years of service equal 90. Normal retirement age is 55 for PEPFF and PECF members and 65 for Basic and Coordinated members hired prior to July 1, 1989. Normal retirement age is the age for unreduced Social Security benefits capped at 66 for Coordinated members hired on or after July 1, 1989. A reduced retirement annuity is also available to eligible members seeking early retirement.

There are different types of annuities available to members upon retirement. A single-life annuity is a lifetime annuity that ceases upon the death of the retiree--no survivor annuity is payable. There are also various types of joint and survivor annuity options available which will be payable over joint lives.

Members may also leave their contributions in the fund upon termination of public service in order to qualify for a deferred annuity at retirement age. Refunds of contributions are available at any time to members who leave public service, but before retirement, benefits begin. The benefit provisions stated in the previous paragraphs of this section are current provisions and apply to active plan participants. Vested, terminated employees who are entitled to benefits but are not receiving them yet are bound by the provisions in effect at the time they last terminated their public service. PERA issues a publicly available financial report that includes financial

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

b. Funding Policy

Minnesota Statutes Chapter 353 sets the rates for employer and employee contributions. These statutes are established and amended by the state legislature. The City makes annual contributions to the pension plans equal to the amount required by state statutes. PERF Basic Plan members and Coordinated Plan members were required to contribute 9.1% and 6.0%, respectively, of their annual covered salary in 2009. PEPFF members were required to contribute 9.4% of their annual covered salary in 2009. PEPFF members are required to contribute 5.83% of their annual covered salary.

The City of Moorhead is required to contribute the following percentages of annual covered payroll:

Basic Plan PERF members	11.78%	PEPFF members	14.10%
Coordinated Plan PERF members	6.75%		

The City's contributions to the Public Employees Retirement Fund for the years ending December 31, 2009, 2008, and 2007 were \$804,935, \$721,033 and \$652,404 respectively. The City's contributions to the Public Employees Police & Fire Fund for the years ending December 31, 2009, 2008, and 2007 were \$693,009 \$648,980 and \$554,559 respectively. The City's contributions were equal to the contractually required contributions for each year as set by state statute.

2. Defined Contribution

a. Plan Description

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

b. Funding Policy

Plan benefits depend solely on amounts contributed to the plan plus investment earnings, less administrative expenses. Minnesota Statutes, Chapter 353D.03, specifies plan provisions, including the employee and employer contribution rates for those qualified personnel who elect to participate. An eligible elected official who decides to participate contributes 5 percent of salary which is matched by the elected official's employer. Employees who are paid for their services may elect to make member contributions in an amount not to exceed the employer share. Employer and employee contributions are combined and used to purchase shares in one or more of the seven accounts of the Minnesota Supplemental Investment Fund. For administering the plan, PERA receives 2 percent of employer contributions and twenty-five hundredths of one percent of the assets in each member's account annually.

Total contributions made by the City of Moorhead during fiscal year 2009 were:

<u>Amount</u>		<u>Percentage of Covered Payroll</u>		<u>Required</u>
<u>Employees</u>	<u>Employer</u>	<u>Employees</u>	<u>Employer</u>	<u>Rates</u>
\$4,037	\$4,037	5.00%	5.00%	5.00%

B. Commitments

Under its wholesale power agreement, the municipality is committed to purchase a fixed amount of electric power and energy requirements from the Western Area Power Administration (WAPA) until December 31, 2020. In 2011, WAPA has the option of reducing the allocation by another 1 percent.

The municipality is also committed to purchase its supplemental power from the Missouri River Energy Service. The agreement, which runs until January 1, 2046, provides that the municipality purchase electric power in excess of that available from Western Area Power Administration, up to the level required in 2020. Beginning in 2017, and each 5th year thereafter, the municipality has the opportunity to continue receiving 100% of its supplemental power from Missouri River Energy Services or establish a maximum rate of delivery in 2020 or each 5th year thereafter.

The City of Moorhead has a three-year contract with options to renew for two additional one-year periods with First Transit Inc. to provide bus services and driver management through December 31, 2010. The annual costs for 2009 and 2010 are \$532,286, and 549,488 respectively. The City of Moorhead has entered into a Joint

Powers Agreement with the City of Fargo for the joint ownership and operation of the Metro Transit Garage (MTG) located at 650 23rd Street North in Fargo, ND. Moorhead has a one-third ownership of the MTG and pays operating costs for the building, vehicle parts, fuel and maintenance of the transit fleet on a one-third basis of actual cost.

The City of Moorhead has a lease agreement through April 1, 2011 with Independent School District No. 152 whereby the school will lease a portion of the Sports Center facility at an annual rate of \$68,400. On December 31, 2009, the total of future payments under this lease is \$136,800.

The City of Moorhead entered into an agreement with the UpLink Corporation to provide its distance measurement, tracking, communications system and hardware at the Meadows Golf Course. The Uplink system is a lease/purchase in the amount of \$206,648 with an interest rate of 6.051% over five years. Annual payments of \$47,493 began in May 2005 with the final payment made in August 2009.

The City has active construction projects as of December 31, 2009, which include street and utility construction and reconstruction. At year-end the City's remaining commitments with contractors is approximately \$850,175.

C. Risk Management

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

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

The general insurance plan with LMCIT provides the City's liability, property and auto coverage, except that a separate property policy is required to cover the wastewater facility and the public utility's power plant and substations, which is obtained through ACE American Insurance Company.

The City continues to carry commercial insurance for employee health and life insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years. There has been no substantial change in coverage from the prior year.

D. Joint Powers Agreement – Regional Dispatch Center

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

Each governmental entity contributes to the joint operations in the following percentages:

City of Fargo	-	50.4%	Cass County	-	11.0%
City of Moorhead	-	19.6%	Clay County	-	10.0%
City of West Fargo	-	9.0%			

The equity of the Red River Regional Dispatch Center would be shared in the same percentages above, should the organization be dissolved. For the past two years, budgeted contributions from the participating entities have been adequate to fund the operations of the center. There is no outstanding debt for which the city is obligated.

This joint powers agreement remains in effect unless terminated by action of all of its members during the first five years. Thereafter, any governmental entity may elect to withdraw from participation upon giving a 6-month written notice. Financial information may be obtained from the Red River Regional Dispatch Center located at 300 NP Avenue, Suite 206, Fargo, ND 58102.

E. Postponed Special Assessments

There are infrastructure investments in the Wastewater Treatment Fund in the amount of \$8,056,997 for local improvements where the affected property is unplatted and undeveloped. The City is therefore unable to assess the costs at this time, but may subsequently reimburse itself once the abutting property is developed. There is an additional \$17,733,634 of improvement costs in the Special Assessment Debt Service Funds under the same situation.

F. Component Unit - Moorhead Public Housing Agency

1. Deposits and Investments

Deposits - Deposits include checking of \$359,786 and saving trust accounts of \$1,662,747. The market value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance. These deposits are entirely insured or collateralized with securities held by the Agency at June 30, 2009.

Investments - The Agency is allowed to invest in those obligations permitted by Minnesota Statute Chapter 118A.04. Permissible investments include U.S. government obligations, federal agencies, and mutual funds investing exclusively in U.S. government and agency issues, State of Minnesota or Minnesota municipalities, bankers acceptances of U.S. banks, highest quality commercial paper, insured interest-bearing deposits and repurchase agreements.

2. Capital asset activity for the fiscal year ended June 30, 2009 was as follows:

	Beginning Balance	Additions	Retirements	Ending Balance
Capital assets, not being depreciated:				
Land	\$ 464,977	\$	\$	\$ 464,977
Capital assets, being depreciated:				
Buildings & Improvements	8,757,035	134,705		8,891,740
Furniture, equipment & machinery	455,322	35,402	14,856	475,868
Total Capital assets being depreciated	9,212,357	170,107	14,856	9,367,608
Less accumulated depreciation for:				
Buildings & Improvements	5,224,346	169,117		5,393,463
Furniture, equipment & machinery	414,907	10,826	2,971	414,907
Total accumulated depreciation	5,639,253	179,943	2,971	5,816,225
Total capital assets, being depreciated, net	3,573,104	(9,836)	(11,885)	3,551,383
Total Capital assets, net	\$ 4,038,081	\$ (9,836)	\$ (11,885)	\$ 4,016,360

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

Business-type activities	
Low-Rent Public Housing	<u>\$179,943</u>

G. Sale of Broadband Operations

On September 1, 2009 Moorhead Public Service sold certain assets of the Broadband operations to a local private entity for \$1,200,000. The terms of the asset purchase agreement are as follows:

- An initial cash payment of \$600,000 on September 1, 2009
- The remaining \$600,000 will be received through \$10,000 monthly payments from September 2009 through August 2014.

The purchase agreement also called for Moorhead Public Service to be paid for accounts receivable, prepaid maintenance and advertising expenses, and a light pole and utility pole license existing at September 1, 2009. The responsibility for expenses, accounts payable, indebtedness, and claims through August 31, 2009 were retained by Moorhead Public Service.

As a result of the transaction, the Broadband fund has ceased operations, and as of December 31, 2009 the remaining net assets of approximately \$880,000 have been transferred to the Electric fund. The remaining monthly payments to be received, totaling \$560,000 at December 31, 2009, have been recorded as notes receivable in the Electric fund.

REQUIRED SUPPLEMENTARY INFORMATION

Note to the Schedule of Funding Progress

The standard requires a schedule of funding progress for the three most recent valuations and accompanying notes to describe factors that significantly affect the trends in the amounts reported. The City and the Utility implemented the standard as of January 1, 2008, there has been only one valuation performed. As such there is only one valuation disclosed below. There are no notes to describe factors that significantly affect the trends as those trends have not yet been established due to the recent adoption of the standard.

City:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2008	\$ 0	\$ 1,521,273	\$ 1,521,273	0.00%	\$ 11,251,531	13.5%

Public Service Utility:

Actuarial Valuation Date	Actuarial Value of Assets	Actuarial Accrued Liability	Unfunded Actuarial Accrued Liability	Funded Ratio	Covered Payroll	UALL as a Percentage of Covered Payroll
12/31/2008	\$ 0	\$ 383,098	\$ 383,098	0.00%	\$ 3,589,313	10.7%

NONMAJOR GOVERNMENTAL FUNDS

Special Revenue Funds

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

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

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

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

Rental Registration - account for the registration and inspection of rental property.

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

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

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

Debt Service Funds

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

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

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

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

Capital Projects Funds

Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of capital assets (other than those financed by Proprietary Funds).

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

**CITY OF MOORHEAD, MINNESOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
DECEMBER 31, 2009**

		Debt Service				Capital Projects	Total Nonmajor Governmental Funds
Contributions	Total	G.O. Bond	Tax Increment	Municipal Improvement	Total	Capital Improvement	
\$ 71,484	\$ 4,107,276	\$ 249,631	\$ 2,370,535 6,469,724	\$ 551,525	\$ 3,171,691 6,469,724	\$ 1,774,579	\$ 9,053,546 6,469,724
	26,351 3,662,349					4,900	26,351 3,667,249
	15 415,329		230,145 5	3	230,145 8	7	230,145 30
	100	14	11,821		11,835		427,164 100
<u>\$ 71,484</u>	<u>\$ 8,211,420</u>	<u>\$ 249,645</u>	<u>\$ 9,082,230</u>	<u>\$ 551,528</u>	<u>\$ 9,883,403</u>	<u>\$ 1,779,486</u>	<u>\$ 19,874,309</u>
\$ 118	\$ 146,975 50,238 69,173	\$	\$	\$ 431	\$ 431	\$ 1,727	\$ 149,133 50,238 1,191,064
	6,329 3,662,349		1,121,891 400,000		1,121,891 400,000		400,000 6,329 3,893,094
<u>118</u>	<u>3,935,064</u>	<u></u>	<u>1,752,636</u>	<u>431</u>	<u>1,753,067</u>	<u>1,727</u>	<u>5,689,858</u>
	676,922						676,922 8,130,336
	1,455,281	249,645	7,329,594	551,097	8,130,336		1,455,281 3,921,912
71,366	2,144,153					1,777,759	14,184,451
<u>71,366</u>	<u>4,276,356</u>	<u>249,645</u>	<u>7,329,594</u>	<u>551,097</u>	<u>8,130,336</u>	<u>1,777,759</u>	<u>14,184,451</u>
<u>\$ 71,484</u>	<u>\$ 8,211,420</u>	<u>\$ 249,645</u>	<u>\$ 9,082,230</u>	<u>\$ 551,528</u>	<u>\$ 9,883,403</u>	<u>\$ 1,779,486</u>	<u>\$ 19,874,309</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
YEAR ENDED DECEMBER 31, 2009

	Special Revenue					
	Park	Library	Community Development	Rental Registration	Mass Transit	Economic Development
REVENUES						
Property taxes	\$ 12	\$ 12	\$	\$	\$ 4	\$ 226,804
Special assessments						
Intergovernmental revenues:						
Federal			442,722		710,581	
State	2,336,738	771,800	1,310		1,105,710	173,002
County						
Other						
Charges for services	125,319			191,843	335,070	
Facility rentals	195,237					
Donations						
Interest on investments	3,247	610	126	840	2,024	6,204
Miscellaneous	99,068	468	144,245	19,480	6,899	86,475
Total revenues	<u>2,759,621</u>	<u>772,890</u>	<u>588,403</u>	<u>212,163</u>	<u>2,160,288</u>	<u>492,485</u>
EXPENDITURES						
Current:						
General government						
Public safety						
Highways and streets						
Parks and recreation	2,130,351					
Library		796,038				
Community development			597,964			
Rental registration				150,793		
Mass transit					1,637,010	
Economic development						239,406
Capital outlay	13,968			27,788	340,932	
Debt service:						
Bond and note principal						
Bond and note interest						
Fiscal and other charges						
Total expenditures	<u>2,144,319</u>	<u>796,038</u>	<u>597,964</u>	<u>178,581</u>	<u>1,977,942</u>	<u>239,406</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>615,302</u>	<u>(23,148)</u>	<u>(9,561)</u>	<u>33,582</u>	<u>182,346</u>	<u>253,079</u>
OTHER FINANCING SOURCES (USES):						
Issuance of debt						
Premium on issuance of debt						
Transfers from other funds	293,736				48,600	50,000
Transfers to other funds	(766,085)					
Total other financing sources (uses)	<u>(472,349)</u>				<u>48,600</u>	<u>50,000</u>
NET CHANGE IN FUND BALANCE	142,953	(23,148)	(9,561)	33,582	230,946	303,079
FUND BALANCE - BEGINNING	<u>1,446,402</u>	<u>319,649</u>	<u>8,240</u>	<u>431,850</u>	<u>314,508</u>	<u>1,006,490</u>
FUND BALANCE - ENDING	<u>\$ 1,589,355</u>	<u>\$ 296,501</u>	<u>\$ (1,321)</u>	<u>\$ 465,432</u>	<u>\$ 545,454</u>	<u>\$ 1,309,569</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS (CONTINUED)
YEAR ENDED DECEMBER 31, 2009

Contributions	Total	Debt Service			Capital Projects	Total Nonmajor Governmental Funds
		G.O. Bond	Tax Increment	Municipal Improvement	Capital Improvement	
\$	\$ 226,832	\$ 685	\$ 1,430,138 48,415	\$	\$ 1,430,823 48,415	\$ 1,657,655 48,415
	1,153,303					1,153,303
	4,388,560	543,790	1,277,196		1,820,986	6,209,546
				99,602	99,602	99,602
				70,555	70,555	95,555
	652,232					652,232
	195,237					195,237
8,411	8,411					8,411
210	13,261	678	36,658	1,544	38,880	58,404
	356,635		51,523		51,523	408,591
<u>8,621</u>	<u>6,994,471</u>	<u>545,153</u>	<u>2,843,930</u>	<u>171,701</u>	<u>3,560,784</u>	<u>10,586,951</u>
					28,601	28,601
11,532	11,532				42,067	53,599
					53,444	53,444
750	2,131,101				114,253	2,245,354
	796,038				6,374	802,412
	597,964					597,964
	150,793					150,793
	1,637,010					1,637,010
	239,406					239,406
	382,688				561,266	943,954
		450,537	1,382,955	250,000	2,083,492	2,083,492
		93,146	1,946,835	131,508	2,171,489	2,171,489
		3,249	713,116	2,325	718,690	718,690
<u>12,282</u>	<u>5,946,532</u>	<u>546,932</u>	<u>4,042,906</u>	<u>383,833</u>	<u>4,973,671</u>	<u>11,726,208</u>
<u>(3,661)</u>	<u>1,047,939</u>	<u>(1,779)</u>	<u>(1,198,976)</u>	<u>(212,132)</u>	<u>(1,412,887)</u>	<u>(1,139,257)</u>
			3,875,000		3,875,000	3,875,000
			45,314		45,314	45,314
	392,336			179,200	179,200	2,053,036
	(766,085)				(510,800)	(1,276,885)
	<u>(373,749)</u>		<u>3,920,314</u>	<u>179,200</u>	<u>4,099,514</u>	<u>4,696,465</u>
(3,661)	674,190	(1,779)	2,721,338	(32,932)	2,686,627	3,557,208
<u>75,027</u>	<u>3,602,166</u>	<u>251,424</u>	<u>4,608,256</u>	<u>584,029</u>	<u>5,443,709</u>	<u>10,627,243</u>
<u>\$ 71,366</u>	<u>\$ 4,276,356</u>	<u>\$ 249,645</u>	<u>\$ 7,329,594</u>	<u>\$ 551,097</u>	<u>\$ 8,130,336</u>	<u>\$ 14,184,451</u>

**CITY OF MOORHEAD, MINNESOTA
PARK FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$	\$	\$ 12	\$ 12
Intergovernmental:				
Federal		42,700		(42,700)
State	2,328,578	2,328,578	2,336,738	8,160
Charges for services	149,115	149,115	125,319	(23,796)
Facility rentals	184,976	184,976	195,237	10,261
Interest on investments	10,000	10,000	3,247	(6,753)
Miscellaneous	70,000	70,000	99,068	29,068
Total revenues	<u>2,742,669</u>	<u>2,785,369</u>	<u>2,759,621</u>	<u>(25,748)</u>
EXPENDITURES				
Current:				
Personal services	1,145,053	1,145,053	1,079,955	65,098
Supplies	199,926	201,676	172,060	29,616
Other services & charges	907,161	957,111	878,336	78,775
Capital outlay		144,000	13,968	130,032
Total expenditures	<u>2,252,140</u>	<u>2,447,840</u>	<u>2,144,319</u>	<u>303,521</u>
REVENUE OVER EXPENDITURES	<u>490,529</u>	<u>337,529</u>	<u>615,302</u>	<u>277,773</u>
OTHER FINANCING SOURCES (USES):				
Transfers from other funds	293,736	293,736	293,736	
Transfers to other funds	(766,085)	(766,085)	(766,085)	
Total other financing uses	<u>(472,349)</u>	<u>(472,349)</u>	<u>(472,349)</u>	
NET CHANGE IN FUND BALANCE	18,180	(134,820)	142,953	277,773
FUND BALANCE - BEGINNING	<u>1,446,402</u>	<u>1,446,402</u>	<u>1,446,402</u>	
FUND BALANCE - ENDING	<u>\$ 1,464,582</u>	<u>\$ 1,311,582</u>	<u>\$ 1,589,355</u>	<u>\$ 277,773</u>

**CITY OF MOORHEAD, MINNESOTA
LIBRARY FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$	\$	\$ 12	\$ 12
Intergovernmental:				
State	771,800	771,800	771,800	
Interest on investments	1,000	1,000	610	(390)
Miscellaneous			468	468
Total revenues	<u>772,800</u>	<u>772,800</u>	<u>772,890</u>	<u>90</u>
EXPENDITURES				
Current:				
Personal services	20,602		1,540	(1,540)
Supplies	5,160	5,160	5,023	137
Other services & charges	780,878	801,480	789,475	12,005
Total expenditures	<u>806,640</u>	<u>806,640</u>	<u>796,038</u>	<u>10,602</u>
NET CHANGE IN FUND BALANCE	(33,840)	(33,840)	(23,148)	10,692
FUND BALANCE - BEGINNING	<u>319,649</u>	<u>319,649</u>	<u>319,649</u>	
FUND BALANCE - ENDING	<u>\$ 285,809</u>	<u>\$ 285,809</u>	<u>\$ 296,501</u>	<u>\$ 10,692</u>

**CITY OF MOORHEAD, MINNESOTA
COMMUNITY DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	Variance with Final Budget - Positive (Negative)
	<u>Original</u>	<u>Final</u>		
REVENUES				
Intergovernmental:				
Federal	\$ 281,000	\$ 281,000	\$ 442,722	\$ 161,722
State			1,310	1,310
Interest on investments			126	126
Miscellaneous:				
Rehab loan payments	<u>189,618</u>	<u>189,618</u>	<u>144,245</u>	<u>(45,373)</u>
Total revenues	<u>470,618</u>	<u>470,618</u>	<u>588,403</u>	<u>117,785</u>
EXPENDITURES				
Current:				
Personal services	133,076	133,076	93,198	39,878
Supplies	875	875	271	604
Other services & charges	<u>611,667</u>	<u>611,667</u>	<u>504,495</u>	<u>107,172</u>
Total expenditures	<u>745,618</u>	<u>745,618</u>	<u>597,964</u>	<u>147,654</u>
NET CHANGE IN FUND BALANCE	(275,000)	(275,000)	(9,561)	265,439
FUND BALANCE - BEGINNING	<u>8,240</u>	<u>8,240</u>	<u>8,240</u>	
FUND BALANCE - ENDING	<u>\$ (266,760)</u>	<u>\$ (266,760)</u>	<u>\$ (1,321)</u>	<u>\$ 265,439</u>

**CITY OF MOORHEAD, MINNESOTA
RENTAL REGISTRATION FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
Interest on investments	\$ 4,000	\$ 4,000	\$ 840	\$ (3,160)
Miscellaneous:				
Rehabilitation inspection fees	5,000	5,000	6,960	1,960
Rental housing registration fees	200,000	200,000	184,883	(15,117)
Other			19,480	19,480
Total revenues	<u>209,000</u>	<u>209,000</u>	<u>212,163</u>	<u>3,163</u>
EXPENDITURES				
Current:				
Personal services	155,255	170,255	126,720	43,535
Supplies	10,300	14,355	7,616	6,739
Other services & charges	43,445	43,445	16,457	26,988
Capital outlay		<u>29,600</u>	<u>27,788</u>	<u>1,812</u>
Total expenditures	<u>209,000</u>	<u>257,655</u>	<u>178,581</u>	<u>79,074</u>
NET CHANGE IN FUND BALANCE		(48,655)	33,582	82,237
FUND BALANCE - BEGINNING	<u>431,850</u>	<u>431,850</u>	<u>431,850</u>	
FUND BALANCE - ENDING	<u>\$ 431,850</u>	<u>\$ 383,195</u>	<u>\$ 465,432</u>	<u>\$ 82,237</u>

**CITY OF MOORHEAD, MINNESOTA
 MASS TRANSIT FUND
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
 YEAR ENDED DECEMBER 31, 2009**

	Budgeted Amounts		Actual	Variance with Final Budget - Positive (Negative)
	Original	Final		
REVENUES				
General property taxes	\$	\$	\$ 4	\$ 4
Intergovernmental:				
Federal grants	881,152	1,595,152	710,581	(884,571)
State grants	773,643	773,643	636,410	(137,233)
State transit aid	263,593	263,593	469,300	205,707
Charges for services	296,000	296,000	335,070	39,070
Interest on investments			2,024	2,024
Miscellaneous	6,500	6,500	6,899	399
Total revenues	<u>2,220,888</u>	<u>2,934,888</u>	<u>2,160,288</u>	<u>(774,600)</u>
EXPENDITURES				
Current:				
Personal services	137,821	137,821	130,463	7,358
Supplies	1,150	1,150	3,281	(2,131)
Other services & charges	1,887,517	1,887,517	1,503,266	384,251
Capital outlay	<u>280,527</u>	<u>962,527</u>	<u>340,932</u>	<u>621,595</u>
Total expenditures	<u>2,307,015</u>	<u>2,989,015</u>	<u>1,977,942</u>	<u>1,011,073</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(86,127)</u>	<u>(54,127)</u>	<u>182,346</u>	<u>236,473</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	<u>48,600</u>	<u>48,600</u>	<u>48,600</u>	
Total other financing sources	<u>48,600</u>	<u>48,600</u>	<u>48,600</u>	
NET CHANGE IN FUND BALANCE	(37,527)	(5,527)	230,946	236,473
FUND BALANCE - BEGINNING	<u>314,508</u>	<u>314,508</u>	<u>314,508</u>	
FUND BALANCE - ENDING	<u>\$ 276,981</u>	<u>\$ 308,981</u>	<u>\$ 545,454</u>	<u>\$ 236,473</u>

**CITY OF MOORHEAD, MINNESOTA
ECONOMIC DEVELOPMENT FUND
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE - BUDGET AND ACTUAL
YEAR ENDED DECEMBER 31, 2009**

	<u>Budgeted Amounts</u>		<u>Actual</u>	<u>Variance with Final Budget - Positive (Negative)</u>
	<u>Original</u>	<u>Final</u>		
REVENUES				
General property taxes	\$ 283,000	\$ 283,000	\$ 226,804	\$ (56,196)
Intergovernmental:				
State grants	118,110	118,110	173,002	54,892
Interest on investments	12,000	12,000	6,204	(5,796)
Miscellaneous	78,250	78,250	86,475	8,225
Total revenues	<u>491,360</u>	<u>491,360</u>	<u>492,485</u>	<u>1,125</u>
EXPENDITURES				
Current:				
Personal services	206,525	206,525	179,275	27,250
Supplies	5,050	5,050	3,971	1,079
Other services & charges	379,785	379,785	56,160	323,625
Total expenditures	<u>591,360</u>	<u>591,360</u>	<u>239,406</u>	<u>351,954</u>
REVENUE OVER (UNDER) EXPENDITURES	<u>(100,000)</u>	<u>(100,000)</u>	<u>253,079</u>	<u>353,079</u>
OTHER FINANCING SOURCES:				
Transfers from other funds	50,000	50,000	50,000	
Total other financing sources	<u>50,000</u>	<u>50,000</u>	<u>50,000</u>	
NET CHANGE IN FUND BALANCE	(50,000)	(50,000)	303,079	353,079
FUND BALANCE - BEGINNING	<u>1,006,490</u>	<u>1,006,490</u>	<u>1,006,490</u>	
FUND BALANCE - ENDING	<u>\$ 956,490</u>	<u>\$ 956,490</u>	<u>\$ 1,309,569</u>	<u>\$ 353,079</u>

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NONMAJOR PROPRIETARY FUNDS

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

Broadband - account for the operation and maintenance of the City's wireless internet service. The operation of this fund was ceased on December 31, 2009.

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

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

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

Sports Center - account for the operation and maintenance of the City's recreation and indoor hockey facility.

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

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

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

**CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF NET ASSETS
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2009**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Sports Center</u>	<u>Pest Control</u>	<u>Forestry</u>	<u>Municipal Airport</u>	<u>Total</u>
ASSETS								
Current assets:								
Cash and investments	\$ 485,888	\$ 1,504,682	\$	\$ 1,628,694	\$ 356,086	\$ 273,988	\$ 13,292	\$ 4,262,630
Receivables (net of allowance for uncollectibles):								
Accounts	100,945	631,206	21	21,064	931	471	384	755,022
Accrued interest	2	6		8	1	1		18
Due from other city funds	87,536	334,899			25,409	63,884		511,728
Due from other governmental units	79,485	145,835	4,459	109,919			16,291	355,989
Total current assets	<u>753,856</u>	<u>2,616,628</u>	<u>4,480</u>	<u>1,759,685</u>	<u>382,427</u>	<u>338,344</u>	<u>29,967</u>	<u>5,885,387</u>
Long-term assets:								
Restricted Assets:								
Cash and cash equivalents			1,030,647	234,106				1,264,753
Long-Term Receivables:								
Notes receivable, less current portion			1,127,487					1,127,487
Capital Assets:								
Land		155,647	3,954,534				301,838	4,412,019
Buildings	2,305	599,560	1,826,815	9,803,868			1,082,031	13,314,579
Improvements other than buildings	271,264	450,676	3,288,970	86,391			3,566,821	7,664,122
Machinery and equipment	445,249	81,451	384,990	117,013		12,050	123,110	1,163,863
Less accumulated depreciation	(362,794)	(771,255)	(3,032,037)	(5,067,208)		(3,213)	(1,664,174)	(10,900,681)
Total long-term assets	<u>356,024</u>	<u>516,079</u>	<u>8,581,406</u>	<u>5,174,170</u>	<u>8,837</u>	<u>8,837</u>	<u>3,409,626</u>	<u>18,046,142</u>
Total assets	<u>1,109,880</u>	<u>3,132,707</u>	<u>8,585,886</u>	<u>6,933,855</u>	<u>382,427</u>	<u>347,181</u>	<u>3,439,593</u>	<u>23,931,529</u>
LIABILITIES								
Current liabilities:								
Accounts payable	1,774	95,210	17,709	4,023		1,960	830	121,506
Accrued wages payable	4,215	38,413	12,328	5,972	2,847	13,308		77,083
Due to other city funds			1,693,126					1,693,126
Due to other governmental units		31,920						31,920
Customer deposits				5,000			10,885	15,885
Other liabilities		120	28,655					28,775
Accrued interest payable			15,400	1,270				16,670
Current maturities of long-term debt			185,000	50,000				235,000
Total current liabilities	<u>5,989</u>	<u>165,663</u>	<u>1,952,218</u>	<u>66,265</u>	<u>2,847</u>	<u>15,268</u>	<u>11,715</u>	<u>2,219,965</u>

**CITY OF MOORHEAD, MINNESOTA
 COMBINING SCHEDULE OF NET ASSETS
 NONMAJOR PROPRIETARY FUNDS (CONTINUED)
 DECEMBER 31, 2009**

	<u>Storm Water</u>	<u>Sanitation</u>	<u>Golf Course</u>	<u>Sports Center</u>	<u>Pest Control</u>	<u>Forestry</u>	<u>Municipal Airport</u>	<u>Total</u>
Long-term liabilities:								
Accrued compensated absences	2,355	115,586	32,778	11,518	8,732	26,508		197,477
Other post-employment benefits	2,906	19,683	5,416	3,890		9,808		41,703
Bonds payable			2,922,034	105,000				3,027,034
Advances from other funds			785,768					785,768
Total long-term liabilities	<u>5,261</u>	<u>135,269</u>	<u>3,745,996</u>	<u>120,408</u>	<u>8,732</u>	<u>36,316</u>		<u>4,051,982</u>
Total liabilities	<u>11,250</u>	<u>300,932</u>	<u>5,698,214</u>	<u>186,673</u>	<u>11,579</u>	<u>51,584</u>	<u>11,715</u>	<u>6,271,947</u>
NET ASSETS								
Invested in capital assets, net of related debt	356,024	516,079	3,316,238	4,785,064		8,837	3,409,626	12,391,868
Restricted for debt service			1,030,647	234,106				1,264,753
Unrestricted	<u>742,606</u>	<u>2,315,696</u>	<u>(1,459,213)</u>	<u>1,728,012</u>	<u>370,848</u>	<u>286,760</u>	<u>18,252</u>	<u>4,002,961</u>
Total net assets	<u>\$ 1,098,630</u>	<u>\$ 2,831,775</u>	<u>\$ 2,887,672</u>	<u>\$ 6,747,182</u>	<u>\$ 370,848</u>	<u>\$ 295,597</u>	<u>\$ 3,427,878</u>	<u>\$ 17,659,582</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009

	Broadband	Storm Water	Sanitation	Golf Course	Sports Center	Pest Control	Forestry	Municipal Airport	Total
OPERATING REVENUES									
Charges for services	\$ 579,750	\$ 1,228,235	\$ 3,546,143	\$ 1,131,978	\$ 426,161	\$ 312,742	\$ 773,342	\$ 44,123	\$ 8,042,474
Other	2,270	497	230,340	123,077	92,138	3,532	1,263	34,468	487,585
Total operating revenue	<u>582,020</u>	<u>1,228,732</u>	<u>3,776,483</u>	<u>1,255,055</u>	<u>518,299</u>	<u>316,274</u>	<u>774,605</u>	<u>78,591</u>	<u>8,530,059</u>
OPERATING EXPENSES									
Personal services	372,206	123,260	1,182,211	619,677	226,314	118,050	377,015		3,018,733
Disposal fee			825,598						825,598
Professional services	39,381	201,399	72,051	267	945	3,675	2,829	48,000	368,547
Insurance	15,829	8,150	35,312	44,535	16,897	3,359	8,307	16,182	148,571
Repair and maintenance	118,816	207,417	182,576	69,855	32,464	7,889	39,341	13,965	672,323
Supplies	55,281	15,319	260,172	157,288	68,340	20,030	56,427	4,811	637,668
Utilities		98,153	32,099	67,279	189,786		3,584	15,756	406,657
Equipment rental		23,495	261,106	131,592	5,694	20,301	57,043	6,345	505,576
Depreciation	264,180	37,259	32,949	211,937	340,153		803	165,014	1,052,295
Miscellaneous	35,388	327,964	132,479	197,373	33,251	15,079	32,864	23,960	798,358
Total operating expenses	<u>901,081</u>	<u>1,042,416</u>	<u>3,016,553</u>	<u>1,499,803</u>	<u>913,844</u>	<u>188,383</u>	<u>578,213</u>	<u>294,033</u>	<u>8,434,326</u>
Operating income (loss)	<u>(319,061)</u>	<u>186,316</u>	<u>759,930</u>	<u>(244,748)</u>	<u>(395,545)</u>	<u>127,891</u>	<u>196,392</u>	<u>(215,442)</u>	<u>95,733</u>
NONOPERATING INCOME (EXPENSE)									
Interest on investments		634	5,458	70,452	5,211	1,157	1,051	1,849	85,812
Interest on indebtedness	(20,249)			(200,110)	(9,041)				(229,400)
Gain on disposal of assets	658,730								658,730
Miscellaneous	12,372		4,790	1,420	520	690	270	53,392	73,454
Total nonoperating income (expense)	<u>650,853</u>	<u>634</u>	<u>10,248</u>	<u>(128,238)</u>	<u>(3,310)</u>	<u>1,847</u>	<u>1,321</u>	<u>55,241</u>	<u>588,596</u>
Income (loss) before transfers	<u>331,792</u>	<u>186,950</u>	<u>770,178</u>	<u>(372,986)</u>	<u>(398,855)</u>	<u>129,738</u>	<u>197,713</u>	<u>(160,201)</u>	<u>684,329</u>
Capital contributions				62,003	17,025			16,192	95,220
Transfers from other funds		72,920		546,529	134,070			54,270	807,789
Transfers to other funds	(879,790)	(114,700)	(436,739)			(63,589)	(38,765)	(7,500)	(1,541,083)
Total transfers	<u>(879,790)</u>	<u>(41,780)</u>	<u>(436,739)</u>	<u>608,532</u>	<u>151,095</u>	<u>(63,589)</u>	<u>(38,765)</u>	<u>62,962</u>	<u>(638,074)</u>
CHANGE IN NET ASSETS	(547,998)	145,170	333,439	235,546	(247,760)	66,149	158,948	(97,239)	46,255
TOTAL NET ASSETS - BEGINNING	<u>547,998</u>	<u>953,460</u>	<u>2,498,336</u>	<u>2,652,126</u>	<u>6,994,942</u>	<u>304,699</u>	<u>136,649</u>	<u>3,525,117</u>	<u>17,613,327</u>
TOTAL NET ASSETS - ENDING	<u>\$</u>	<u>\$ 1,098,630</u>	<u>\$ 2,831,775</u>	<u>\$ 2,887,672</u>	<u>\$ 6,747,182</u>	<u>\$ 370,848</u>	<u>\$ 295,597</u>	<u>\$ 3,427,878</u>	<u>\$ 17,659,582</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2009**

	Broadband	Storm Water	Sanitation	Golf Course	Sports Center	Pest Control	Forestry	Municipal Airport	Total
CASH FLOWS FROM OPERATING ACTIVITIES									
Receipts from customers	\$ 670,058	\$ 1,116,253	\$ 3,402,176	\$ 1,131,957	\$ 420,766	\$ 311,414	\$ 772,041	\$ 45,585	\$ 7,870,250
Payments to suppliers	(551,314)	(566,006)	(1,600,629)	(470,264)	(313,321)	(56,168)	(184,846)	(132,722)	(3,875,270)
Payments to employees	(184,793)	(118,632)	(1,177,355)	(615,231)	(227,179)	(115,797)	(367,344)		(2,806,331)
Other receipts (payments)		(406,952)	62,407	(191,159)	(47,462)	(10,175)	(31,193)	34,983	(589,551)
Net cash provided by (used in) operating activities	<u>(66,049)</u>	<u>24,663</u>	<u>686,599</u>	<u>(144,697)</u>	<u>(167,196)</u>	<u>129,274</u>	<u>188,658</u>	<u>(52,154)</u>	<u>599,098</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES									
Transfers from other funds		72,920		546,529	134,070			54,270	807,789
Transfers to other funds	(264,768)	(114,700)	(436,739)			(63,589)	(38,765)	(7,500)	(926,061)
Net cash provided by (used in) noncapital financing activities	<u>(264,768)</u>	<u>(41,780)</u>	<u>(436,739)</u>	<u>546,529</u>	<u>134,070</u>	<u>(63,589)</u>	<u>(38,765)</u>	<u>46,770</u>	<u>(118,272)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES									
Purchase of assets	1,890	(147,998)	(23,137)	(47,493)				(58,159)	(274,897)
Proceeds from sale of assets	640,000								640,000
Principal payments - bonds and notes	(581,501)			(175,000)	(50,000)				(806,501)
Interest payments - bonds and notes	(22,349)			(197,746)	(9,441)				(229,536)
Capital grants from other governments								57,656	57,656
Net cash used in capital and related financing activities	<u>38,040</u>	<u>(147,998)</u>	<u>(23,137)</u>	<u>(420,239)</u>	<u>(59,441)</u>			<u>(503)</u>	<u>(613,278)</u>
CASH FLOWS FROM INVESTING ACTIVITY									
Interest received		766	5,715	70,452	5,625	1,216	1,082	1,852	86,708
Net increase (decrease) in cash and cash equivalents	(292,777)	(164,349)	232,438	52,045	(86,942)	66,901	150,975	(4,035)	(45,744)
Cash and cash equivalents at beginning of year	292,777	650,237	1,272,244	978,602	1,949,742	289,185	123,013	17,327	5,573,127
Cash and cash equivalents at end of year	<u>\$ -</u>	<u>\$ 485,888</u>	<u>\$ 1,504,682</u>	<u>\$ 1,030,647</u>	<u>\$ 1,862,800</u>	<u>\$ 356,086</u>	<u>\$ 273,988</u>	<u>\$ 13,292</u>	<u>\$ 5,527,383</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:									
Operating income (loss)	\$ (319,061)	\$ 186,316	\$ 759,930	\$ (244,748)	\$ (395,545)	\$ 127,891	\$ 196,392	\$ (215,442)	\$ 95,733
Adjustments to reconcile operating income to net cash provided by operating activities:									
Depreciation accruals	264,180	37,259	32,949	211,937	340,153		803	165,014	1,052,295
Miscellaneous nonoperating income	12,372		4,790	1,420	520	690	270		20,062
Change in assets and liabilities:									
Accounts receivable	75,666	(99,885)	(91,577)	(21)	(5,395)	(931)	(303)	1,462	(120,984)
Due from other city funds		(12,097)	(52,390)			(397)	(998)		(65,882)
Due from other governments		(79,485)	(12,927)	(632)	(109,869)		74		(202,839)
Special assessments receivable						682	63		745
Inventories	(27,850)								(27,850)
Prepaid items	18,500								18,500
Accounts payable	(86,856)	(12,073)	36,365	552	805	(914)	(17,314)	(3,703)	(83,138)
Accrued wages payable		1,531	1,997	1,710	(639)	1,394	2,049		8,042
Compensated absences payable		1,644	(6,158)	28	(2,171)	859	2,954		(2,844)
Other post-employment benefits	(3,000)	1,453	9,017	2,708	1,945		4,668		16,791
Due to other funds				(123,431)					(123,431)
Due to other governments			4,673						4,673
Customer deposits					3,000			515	3,515
Other current liabilities			(70)	5,780					5,710
Net cash provided by (used in) operating activities	<u>\$ (66,049)</u>	<u>\$ 24,663</u>	<u>\$ 686,599</u>	<u>\$ (144,697)</u>	<u>\$ (167,196)</u>	<u>\$ 129,274</u>	<u>\$ 188,658</u>	<u>\$ (52,154)</u>	<u>\$ 599,098</u>
Noncash capital financing activities:									
Contributions of capital assets from government	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 62,003</u>	<u>\$ 17,025</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 16,192</u>	<u>\$ 95,220</u>

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INTERNAL SERVICE FUNDS

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

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

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

Radio - account for the accumulation and allocation of costs associated with mobile communications.

**CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF NET ASSETS
INTERNAL SERVICE FUNDS
DECEMBER 31, 2009**

	<u>Vehicles & Equipment</u>	<u>Information Technology</u>	<u>Radio</u>	<u>Total</u>
ASSETS				
Current assets:				
Cash and investments	\$ 2,383,463	\$ 717,003	\$ 873,575	\$ 3,974,041
Receivables (net of allowance for uncollectibles):				
Accounts	134	11		145
Accrued interest	9	3	4	16
Due from other governmental units	356			356
Total current assets	<u>2,383,962</u>	<u>717,017</u>	<u>873,579</u>	<u>3,974,558</u>
Long-term assets:				
Capital assets:				
Machinery and equipment	15,668,562	2,850,090	1,507,937	20,026,589
Less accumulated depreciation	<u>(9,285,773)</u>	<u>(2,320,069)</u>	<u>(1,013,555)</u>	<u>(12,619,397)</u>
Net capital assets	<u>6,382,789</u>	<u>530,021</u>	<u>494,382</u>	<u>7,407,192</u>
Total assets	<u>8,766,751</u>	<u>1,247,038</u>	<u>1,367,961</u>	<u>11,381,750</u>
LIABILITIES				
Current liabilities:				
Accounts payable	72,984	2,183	1,129	76,296
Accrued wages payable		15,383		15,383
Total current liabilities	<u>72,984</u>	<u>17,566</u>	<u>1,129</u>	<u>91,679</u>
Long-term liabilities:				
Accrued compensated absences		20,569		20,569
Other post-employment benefits		3,308		3,308
Total long-term liabilities		<u>23,877</u>		<u>23,877</u>
Total liabilities	<u>72,984</u>	<u>41,443</u>	<u>1,129</u>	<u>115,556</u>
NET ASSETS				
Invested in capital assets, net of related debt	6,382,789	530,021	494,382	7,407,192
Unrestricted	<u>2,310,978</u>	<u>675,574</u>	<u>872,450</u>	<u>3,859,002</u>
Total net assets	<u>\$ 8,693,767</u>	<u>\$ 1,205,595</u>	<u>\$ 1,366,832</u>	<u>\$ 11,266,194</u>

CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF REVENUES, EXPENSES AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2009

	<u>Vehicles & Equipment</u>	<u>Information Technology</u>	<u>Radio</u>	<u>Total</u>
OPERATING REVENUES				
Charges for services	\$ 1,235,580	\$ 801,993	\$ 300,321	\$ 2,337,894
Other	9,052	626	25	9,703
Total operating revenue	<u>1,244,632</u>	<u>802,619</u>	<u>300,346</u>	<u>2,347,597</u>
OPERATING EXPENSES				
Personal services		454,627		454,627
Supplies	2,381	25,004	5,079	32,464
Professional services		8,085		8,085
Insurance		3,692	859	4,551
Repair and maintenance	5,288	145,463	29,965	180,716
Depreciation	1,036,255	237,725	150,260	1,424,240
Miscellaneous	6,829	57,564	550	64,943
Total operating expenses	<u>1,050,753</u>	<u>932,160</u>	<u>186,713</u>	<u>2,169,626</u>
Operating income (loss)	<u>193,879</u>	<u>(129,541)</u>	<u>113,633</u>	<u>177,971</u>
NONOPERATING INCOME (EXPENSE)				
Interest on investments	7,942	2,404	3,381	13,727
Gain (loss) on disposal of equipment	16,209	(452)	(9,242)	6,515
Miscellaneous		1,130		1,130
Total nonoperating income	<u>24,151</u>	<u>3,082</u>	<u>(5,861)</u>	<u>21,372</u>
Income (loss) before transfers	<u>218,030</u>	<u>(126,459)</u>	<u>107,772</u>	<u>199,343</u>
Capital contributions	72,156	53,469	96,963	222,588
Transfers from other funds	33,268	41,550	11,766	86,584
Transfers to other funds		(11,766)		(11,766)
Total transfers and contributions	<u>105,424</u>	<u>83,253</u>	<u>108,729</u>	<u>297,406</u>
CHANGE IN NET ASSETS	323,454	(43,206)	216,501	496,749
TOTAL NET ASSETS - BEGINNING	<u>8,370,313</u>	<u>1,248,801</u>	<u>1,150,331</u>	<u>10,769,445</u>
TOTAL NET ASSETS - ENDING	<u>\$ 8,693,767</u>	<u>\$ 1,205,595</u>	<u>\$ 1,366,832</u>	<u>\$ 11,266,194</u>

**CITY OF MOORHEAD, MINNESOTA
COMBINING SCHEDULE OF CASH FLOWS
INTERNAL SERVICE FUNDS
YEAR ENDED DECEMBER 31, 2009**

	<u>Vehicles & Equipment</u>	<u>Information Technology</u>	<u>Radio</u>	<u>Total</u>
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers	\$ 1,235,329	\$ 843,098	\$ 300,397	\$ 2,378,824
Payments to suppliers	(9,751)	(180,061)	(35,544)	(225,356)
Payments to employees		(445,116)		(445,116)
Other receipts (payments)	2,223	(55,808)	(525)	(54,110)
Net cash provided by operating activities	<u>1,227,801</u>	<u>162,113</u>	<u>264,328</u>	<u>1,654,242</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITY				
Transfers from other funds		37,000		37,000
Net cash provided by noncapital financing activities		<u>37,000</u>		<u>37,000</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Purchase of assets	(415,304)	(216,612)	(5,883)	(637,799)
Proceeds from sale of assets	25,490			25,490
Net cash used in capital and related financing activities	<u>(389,814)</u>	<u>(216,612)</u>	<u>(5,883)</u>	<u>(612,309)</u>
CASH FLOWS FROM INVESTING ACTIVITY				
Interest received	8,251	2,552	3,504	14,307
Net cash provided by investing activities	<u>8,251</u>	<u>2,552</u>	<u>3,504</u>	<u>14,307</u>
Net increase (decrease) in cash and cash equivalents	846,238	(14,947)	261,949	1,093,240
Cash and cash equivalents at beginning of year	<u>1,537,225</u>	<u>731,950</u>	<u>611,626</u>	<u>2,880,801</u>
Cash and cash equivalents at end of year	<u>\$ 2,383,463</u>	<u>\$ 717,003</u>	<u>\$ 873,575</u>	<u>\$ 3,974,041</u>
Reconciliation of operating income (loss) to net cash provided by operating activities:				
Operating income (loss)	\$ 193,879	\$ (129,541)	\$ 113,633	\$ 177,971
Adjustments to reconcile operating income to net cash provided by operating activities:				
Depreciation accruals	1,036,255	237,725	150,260	1,424,240
Miscellaneous nonoperating income		1,130		1,130
Change in assets and liabilities:				
Accounts receivable	(64)	41,105		41,041
Due from other governments	(187)		76	(111)
Accounts payable	(2,082)	2,183	359	460
Accrued wages payable		1,877		1,877
Compensated absences payable		5,980		5,980
Other post-employment benefits		1,654		1,654
Deferred revenue				
Net cash provided by operating activities	<u>\$ 1,227,801</u>	<u>\$ 162,113</u>	<u>\$ 264,328</u>	<u>\$ 1,654,242</u>
Noncash capital financing activities:				
Contributions of capital assets from government	<u>\$ 72,157</u>	<u>\$ 53,469</u>	<u>\$ 96,963</u>	<u>\$ 222,589</u>
Contributions of capital assets from proprietary funds	<u>\$ 33,268</u>	<u>\$ 4,550</u>	<u>\$ 11,766</u>	<u>\$ 49,584</u>
Contributions of capital assets to internal service funds	<u>\$ (11,766)</u>	<u>\$ (11,766)</u>	<u>\$ (11,766)</u>	<u>\$ (11,766)</u>

CAPITAL ASSETS
USED IN THE OPERATION
OF GOVERNMENTAL FUNDS

CITY OF MOORHEAD, MINNESOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY SOURCE ¹
DECEMBER 31, 2009

GOVERNMENTAL FUNDS CAPITAL ASSETS:

Land	\$ 14,943,781
Buildings	19,654,536
Improvements other than buildings	25,945,881
Machinery and equipment	6,138,778
Infrastructure	208,857,976
Construction in progress	<u>4,798,578</u>
 Total governmental funds capital assets	 <u><u>\$ 280,339,530</u></u>

INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE:

Capital Project Funds	\$ 256,755,265
General Fund	641,322
Special Revenue Funds	9,568,869
Enterprise Funds	952
Gifts	<u>13,373,122</u>
 Total governmental funds capital assets	 <u><u>\$ 280,339,530</u></u>

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

CITY OF MOORHEAD, MINNESOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE BY FUNCTION AND ACTIVITY¹
DECEMBER 31, 1007

	<u>TOTAL</u>	<u>LAND</u>	<u>BUILDINGS</u>	<u>IMPROVEMENTS OTHER THAN BUILDINGS</u>	<u>MACHINERY AND EQUIPMENT</u>	<u>INFRA- STRUCTURE</u>	<u>CONSTRUCTION IN PROGRESS</u>
FUNCTION AND ACTIVITY							
GENERAL GOVERNMENT:							
Mayor & Council	\$ 7,736	\$	\$	\$	\$ 7,736	\$	\$
City Clerk	74,595				74,595		
City Manager	23,784				23,784		
Accounting	30,841				30,841		
General Government Building	<u>9,448,222</u>	<u>6,194,961</u>	<u>3,124,401</u>	<u>79,106</u>	<u>49,754</u>		
Total General Government	<u>9,585,178</u>	<u>6,194,961</u>	<u>3,124,401</u>	<u>79,106</u>	<u>186,710</u>	-	-
PUBLIC SAFETY:							
Police Protection	932,731		672,951		259,780		
Fire Protection	<u>1,394,916</u>	<u>56,168</u>	<u>882,197</u>	<u>2,524</u>	<u>454,027</u>		
Total Public Safety	<u>2,327,647</u>	<u>56,168</u>	<u>1,555,148</u>	<u>2,524</u>	<u>713,807</u>	-	-
HIGHWAYS & STREETS	218,298,631	2,071,960	2,383,056	45,510	141,551	208,857,976	4,798,578
PARKS & RECREATION	30,768,291	2,115,911	1,609,926	25,647,196	1,395,258		
LIBRARY	2,367,109	103,000	1,974,299	149,323	140,487		
COMMUNITY DEVELOPMENT	158,399	84,108		22,222	52,069		
MASS TRANSIT	5,694,055		2,190,492		3,503,563		
PLAINS ART MUSEUM	357,351		357,351				
ECONOMIC DEVELOPMENT	<u>10,782,869</u>	<u>4,317,673</u>	<u>6,459,863</u>		<u>5,333</u>		
Total governmental funds capital assets	<u>\$ 280,339,530</u>	<u>\$ 14,943,781</u>	<u>\$ 19,654,536</u>	<u>\$ 25,945,881</u>	<u>\$ 6,138,778</u>	<u>\$ 208,857,976</u>	<u>\$ 4,798,578</u>

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

CITY OF MOORHEAD, MINNESOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY¹
YEAR ENDED DECEMBER 31, 2009

<u>FUNCTION AND ACTIVITY</u>	<u>CAPITAL ASSETS 1/1/09</u>	<u>ADDITIONS</u>	<u>DEDUCTIONS</u>	<u>CAPITAL ASSETS 12/31/09</u>
GENERAL GOVERNMENT:				
Mayor & Council	\$ 7,736	\$	\$	\$ 7,736
City Clerk	74,595	1,257	1,257	74,595
City Manager	23,784			23,784
Accounting	30,841			30,841
General Government Building	<u>3,711,173</u>	<u>5,737,049</u>		<u>9,448,222</u>
Total General Government	<u>3,848,129</u>	<u>5,738,306</u>	<u>1,257</u>	<u>9,585,178</u>
PUBLIC SAFETY:				
Police Protection	923,006	123,264	113,539	932,731
Fire Protection	<u>1,381,406</u>	<u>48,407</u>	<u>34,897</u>	<u>1,394,916</u>
Total Public Safety	<u>2,304,412</u>	<u>171,671</u>	<u>148,436</u>	<u>2,327,647</u>
HIGHWAYS & STREETS	186,184,920	27,315,133		213,500,053
PARKS & RECREATION	13,683,837	17,136,384	51,930	30,768,291
LIBRARY	2,269,631	97,478		2,367,109
COMMUNITY DEVELOPMENT	158,399			158,399
RENTAL REGISTRATION	-	27,787	27,787	-
MASS TRANSIT	5,564,422	340,932	211,299	5,694,055
PLAINS ART MUSEUM	357,351			357,351
ECONOMIC DEVELOPMENT	10,750,369	32,500		10,782,869
CONSTRUCTION IN PROGRESS	<u>30,548,673</u>	<u>8,831,122</u>	<u>34,581,217</u>	<u>4,798,578</u>
Total governmental funds capital assets	<u>\$ 255,670,143</u>	<u>\$ 59,691,313</u>	<u>\$ 35,021,926</u>	<u>\$ 280,339,530</u>

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

STATISTICAL SECTION

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

Contents	Page
Financial Trends These schedules contain trend information to help the reader understand how the government's financial performance and well-being have changed over time.	60
Revenue Capacity These schedules contain information to help the reader assess the government's most significant local revenue sources: property tax and transfers.	65
Debt Capacity These schedules present information to help the reader assess the affordability of the government's current levels of outstanding debt and the government's ability to issue additional debt in the future	70
Demographic and Economic Information These schedules offer demographic and economic indicators to help the reader understand the environment within which the government's financial activities take place.	83
Operating Information These schedules contain service and infrastructure data to help the reader understand how the information in the government's financial report relates to the services the government provides and the activities it performs.	85

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

CITY OF MOORHEAD, MINNESOTA
NET ASSETS BY COMPONENT
LAST TEN FISCAL YEARS¹
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Governmental activities							
Invested in capital assets, net of related debt	\$ 39,571,739	\$ 38,357,658	\$ 37,143,826	\$ 57,370,416	\$ 65,245,816	\$ 77,354,222	\$ 90,988,687
Restricted	35,882,536	46,024,002	56,195,491	77,974,490	93,395,972	97,825,682	111,879,202
Unrestricted	(16,226,258)	(10,438,227)	(11,417,970)	(13,842,366)	(1,878,820)	4,010,580	1,696,689
Total governmental activities net assets	<u>\$ 59,228,017</u>	<u>\$ 73,943,433</u>	<u>\$ 81,921,347</u>	<u>\$ 121,502,540</u>	<u>\$ 156,762,968</u>	<u>\$ 179,190,484</u>	<u>\$ 204,564,578</u>
Business-type activities							
Invested in capital assets, net of related debt	\$ 38,885,166	\$ 53,727,430	\$ 58,250,974	\$ 69,139,443	\$ 71,057,882	\$ 70,553,449	\$ 70,969,389
Restricted	14,742,032	9,464,867	4,683,585	5,867,993	5,891,812	5,339,425	4,314,753
Unrestricted	17,118,255	10,372,344	14,897,535	9,825,944	13,736,643	21,264,067	25,480,553
Total business-type activities net assets	<u>\$ 70,745,453</u>	<u>\$ 73,564,641</u>	<u>\$ 77,832,094</u>	<u>\$ 84,833,380</u>	<u>\$ 90,686,337</u>	<u>\$ 97,156,941</u>	<u>\$ 100,764,695</u>
Primary government							
Invested in capital assets, net of related debt	\$ 78,456,905	\$ 92,085,088	\$ 95,394,800	\$ 126,509,859	\$ 136,303,698	\$ 147,907,671	\$ 161,958,076
Restricted	50,624,568	55,488,869	60,879,076	83,842,483	99,287,784	103,165,107	116,193,955
Unrestricted	891,997	(65,883)	3,479,565	(4,016,422)	11,857,823	25,274,647	27,177,242
Total primary government net assets	<u>\$ 129,973,470</u>	<u>\$ 147,508,074</u>	<u>\$ 159,753,441</u>	<u>\$ 206,335,920</u>	<u>\$ 247,449,305</u>	<u>\$ 276,347,425</u>	<u>\$ 305,329,273</u>

¹ Due to implementation of GASB Statement No. 34 in the year ended December 31, 2003, information prior to 2003 is not available.

CITY OF MOORHEAD, MINNESOTA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS¹
(accrual basis of accounting)

	Fiscal Year						
	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Expenses							
Governmental activities:							
General government	\$ 3,854,182	\$ 2,739,259	\$ 3,068,861	\$ 3,483,664	\$ 3,473,922	\$ 3,614,430	\$ 3,704,870
Public safety	8,275,403	8,345,480	8,500,960	9,024,756	10,006,060	9,984,826	10,518,141
Highways and streets	4,848,743	5,525,656	8,289,232	6,988,144	8,342,798	9,734,211	13,841,687
Parks and recreation	1,833,295	1,968,787	2,307,467	2,246,170	2,329,521	2,517,227	3,314,652
Library	714,973	743,284	756,504	798,967	814,816	839,115	864,977
Community development	667,880	762,062	648,950	780,580	775,711	570,862	602,633
Rental Registration				200,057	144,801	148,341	151,498
Mass transit	1,220,122	1,530,756	1,578,325	1,805,771	1,948,827	2,170,917	2,071,065
Economic development	875,652	801,112	364,786	1,792,973	834,708	1,007,312	999,430
Interest on long-term debt	2,982,298	3,394,926	4,639,084	5,222,919	6,651,205	6,310,623	8,218,418
Total governmental activities expenses	<u>25,272,548</u>	<u>25,811,322</u>	<u>30,154,169</u>	<u>32,344,001</u>	<u>35,322,369</u>	<u>36,897,864</u>	<u>44,287,371</u>
Business-type activities:							
Electric	13,683,907	14,583,939	15,518,350	16,578,725	18,487,724	20,408,558	23,221,675
Water	3,568,788	3,566,389	3,800,261	4,149,820	4,484,804	4,857,077	5,183,743
Wastewater treatment	4,098,377	4,180,626	4,375,795	4,637,030	4,962,560	5,677,381	5,817,997
Broadband			964,255	1,600,791	1,534,312	1,462,908	921,330
Storm water	539,198	807,234	714,622	693,830	881,669	830,846	1,039,503
Sanitation	2,459,090	2,909,471	2,639,545	2,789,143	3,007,471	3,163,142	2,973,724
Golf courses	1,409,675	1,489,146	1,632,361	1,724,377	1,706,043	1,724,894	1,682,538
Sports center	638,733	713,564	736,355	730,905	844,913	904,805	924,174
Pest control	152,884	182,626	245,941	234,874	267,505	239,570	183,137
Forestry	336,682	372,130	380,369	488,220	655,000	660,271	571,342
Municipal airport	242,272	247,469	284,251	467,647	397,094	325,079	290,901
Total business-type activities expenses	<u>27,129,606</u>	<u>29,052,594</u>	<u>31,292,105</u>	<u>34,095,362</u>	<u>37,229,095</u>	<u>40,254,531</u>	<u>42,810,064</u>
Total primary government expenses	<u>\$ 52,402,154</u>	<u>\$ 54,863,916</u>	<u>\$ 61,446,274</u>	<u>\$ 66,439,363</u>	<u>\$ 72,551,464</u>	<u>\$ 77,152,395</u>	<u>\$ 87,097,435</u>
Program Revenues							
Governmental activities:							
Charges for services:							
General government	\$ 612,649	\$ 689,274	\$ 979,078	\$ 1,081,611	\$ 888,257	\$ 960,759	\$ 856,631
Public safety	706,291	872,446	924,696	1,032,270	1,058,423	984,678	844,615
Highways and streets	994,178	1,406,883	1,707,573	2,250,883	2,002,523	2,408,318	2,077,041
Other activities	946,536	180,094	1,500,487	1,703,060	1,418,593	1,686,963	1,299,982
Operating grants and contributions	2,442,589	2,449,551	2,458,483	2,762,963	2,923,330	2,586,091	2,902,189
Capital grants and contributions	8,075,402	15,732,505	15,553,890	35,657,297	41,306,965	26,832,098	38,412,544
Total governmental activities program revenues	<u>13,777,645</u>	<u>21,330,753</u>	<u>23,124,207</u>	<u>44,488,084</u>	<u>49,598,091</u>	<u>35,458,907</u>	<u>46,393,002</u>
Business-type activities:							
Charges for services:							
Electric	18,360,341	19,440,958	20,655,002	22,117,913	25,152,311	28,643,650	30,878,334
Water	4,481,516	4,627,512	4,956,975	5,383,727	5,583,065	6,091,578	6,328,933
Wastewater treatment	3,979,362	3,945,582	4,373,641	4,462,639	4,881,520	5,281,652	4,941,636
Storm water	734,622	778,446	216,746	864,719	889,779	968,223	1,228,235
Sanitation	2,603,355	2,684,778	840,347	3,008,479	3,180,040	3,417,710	3,625,720
Golf courses	1,007,881	965,821	2,691,426	1,150,626	1,083,083	1,025,408	1,250,458
Other activities	1,067,890	1,246,858	2,421,221	2,122,861	2,258,866	2,676,621	2,241,036

CITY OF MOORHEAD, MINNESOTA
CHANGES IN NET ASSETS
LAST TEN FISCAL YEARS¹
(accrual basis of accounting)

	Fiscal Year						
	2003	2004	2005	2006	2007	2008	2009
Operating grants and contributions	174,101	160,800	159,919	286,659	160,495	167,246	170,504
Capital grants and contributions	3,380,123	83,979	63,588	4,634,189	1,266,383	566,089	447,048
Total business-type activities program revenues	<u>35,789,191</u>	<u>33,934,734</u>	<u>36,378,865</u>	<u>44,031,812</u>	<u>44,455,542</u>	<u>48,838,177</u>	<u>51,111,904</u>
Total primary government program revenues	<u>\$ 49,566,836</u>	<u>\$ 55,265,487</u>	<u>\$ 59,503,072</u>	<u>\$ 88,519,896</u>	<u>\$ 94,053,633</u>	<u>\$ 84,297,084</u>	<u>\$ 97,504,906</u>
Net (expense) / revenue:							
Governmental activities	\$ (11,494,903)	\$ (4,480,569)	\$ (7,029,962)	\$ 12,144,083	\$ 14,275,722	\$ (1,438,957)	\$ 2,105,631
Business-type activities	8,659,585	4,882,140	5,086,760	9,936,450	7,226,447	8,583,646	8,301,840
Total primary government net expense	<u>\$ (2,835,318)</u>	<u>\$ 401,571</u>	<u>\$ (1,943,202)</u>	<u>\$ 22,080,533</u>	<u>\$ 21,502,169</u>	<u>\$ 7,144,689</u>	<u>\$ 10,407,471</u>
General Revenues and Other Changes in Net Assets							
Governmental activities:							
Taxes							
Property taxes levied for general purposes	\$ 1,634,835	\$ 2,179,709	\$ 2,662,256	\$ 3,160,500	\$ 3,345,080	\$ 3,591,171	\$ 4,103,261
Property taxes levied for debt service	384,376	336,110	5,954	1,238	827	452,437	1,003,694
Tax increments	1,534,608	982,184	1,143,203	1,063,458	1,088,698	1,755,937	1,430,138
Franchise fees	638,140	614,920	764,240	867,550	736,880	1,016,038	857,066
State aid unrestricted	8,711,749	9,223,467	9,923,838	10,230,844	9,832,461	9,413,327	9,642,047
Unrestricted grants and contributions	446,511	185,850	171,832	169,875	177,165	172,949	170,158
Investment earnings	327,987	262,534	981,612	1,888,601	2,333,128	1,310,307	225,759
Miscellaneous	849,207	868,016	803,712	436,279	430,485	126,677	139,067
Gain on disposal / sale of assets				5,432,927	109,595	109,065	(90,224)
Transfers	4,622,296	3,074,995	1,956,451	4,185,838	2,930,387	5,918,565	5,787,497
Total governmental activities	<u>19,149,709</u>	<u>17,727,785</u>	<u>18,413,098</u>	<u>27,437,110</u>	<u>20,984,706</u>	<u>23,866,473</u>	<u>23,268,463</u>
Business-type activities:							
State aid unrestricted	550,000	561,560	11,560	11,560	11,560	11,560	11,560
Investment earnings	370,965	317,664	558,412	826,631	1,140,246	968,178	295,055
Miscellaneous	150,401	132,819	345,731	401,766	51,308	586,510	184,733
Loss on disposal of equipment	(223,006)		221,442	10,717	353,783	22,275	602,063
Transfers	(4,622,296)	(3,074,995)	(1,956,451)	(4,185,838)	(2,930,387)	(5,918,565)	(5,787,497)
Total business-type activities	<u>(3,773,936)</u>	<u>(2,062,952)</u>	<u>(819,306)</u>	<u>(2,935,164)</u>	<u>(1,373,490)</u>	<u>(4,330,042)</u>	<u>(4,694,086)</u>
Total primary government	<u>\$ 15,375,773</u>	<u>\$ 15,664,833</u>	<u>\$ 17,593,792</u>	<u>\$ 24,501,946</u>	<u>\$ 19,611,216</u>	<u>\$ 19,536,431</u>	<u>\$ 18,574,377</u>
Change in Net Assets							
Governmental activities	\$ 7,654,806	\$ 13,247,216	\$ 11,383,136	\$ 39,581,193	\$ 35,260,428	\$ 22,427,516	\$ 25,374,094
Business-type activities	4,885,649	2,819,188	4,267,454	7,001,286	5,852,957	4,253,604	3,607,754
Total primary government	<u>\$ 12,540,455</u>	<u>\$ 16,066,404</u>	<u>\$ 15,650,590</u>	<u>\$ 46,582,479</u>	<u>\$ 41,113,385</u>	<u>\$ 26,681,120</u>	<u>\$ 28,981,848</u>

¹ Due to implementation of GASB Statement No. 34 in the year ended December 31, 2003, information prior to 2003 is not available.

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General fund										
Reserved	\$ 66,072	\$ 1,075,963	\$ 485,076	\$ 555,140	\$ 575,640	\$ 659,710	\$ 653,404	\$ 1,548,028	\$ 1,522,084	\$ 1,673,938
Unreserved	5,358,230	5,088,024	6,753,767	7,771,203	9,367,360	10,797,671	12,155,461	12,905,175	13,399,448	13,003,740
Total general fund	<u>\$ 5,424,302</u>	<u>\$ 6,163,987</u>	<u>\$ 7,238,843</u>	<u>\$ 8,326,343</u>	<u>\$ 9,943,000</u>	<u>\$ 11,457,381</u>	<u>\$ 12,808,865</u>	<u>\$ 14,453,203</u>	<u>\$ 14,921,532</u>	<u>\$ 14,677,678</u>
All other governmental funds										
Reserved	\$ 7,830,097	\$ 9,109,163	\$ 21,021,030	\$ 19,139,320	\$ 27,816,117	\$ 25,969,324	\$ 22,323,376	\$ 33,098,047	\$ 28,326,859	\$ 37,721,305
Unreserved, reported in:										
Special revenue funds	1,384,396	1,711,889	1,881,660	1,598,597	2,056,414	2,391,473	2,926,902	3,547,842	3,500,710	3,599,434
Capital projects funds	12,396,211	(934,280)	(1,280,056)	1,416,529	(364,807)	5,149,040	10,758,095	3,728,919	2,476,640	4,541,881
Total all other governmental funds	<u>\$ 21,610,704</u>	<u>\$ 9,886,772</u>	<u>\$ 21,622,634</u>	<u>\$ 22,154,446</u>	<u>\$ 29,507,724</u>	<u>\$ 33,509,837</u>	<u>\$ 36,008,373</u>	<u>\$ 40,374,808</u>	<u>\$ 34,304,209</u>	<u>\$ 45,862,620</u>

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Revenues										
Taxes										
Property	\$ 3,508,571	\$ 3,828,343	\$ 2,557,270	\$ 3,287,213	\$ 3,498,003	\$ 4,626,088	\$ 4,225,196	\$ 4,434,605	\$ 5,799,544	\$ 6,537,093
Franchise	489,508	636,639	518,721	638,141	674,167	764,240	867,550	736,880	1,016,038	857,066
Licenses and permits	264,685	375,139	518,434	596,295	637,763	823,636	969,802	779,928	844,394	892,918
Intergovernmental	10,139,095	13,832,844	14,154,094	16,567,437	20,008,396	18,027,985	21,753,738	25,339,983	25,521,491	37,032,258
Charges for services	1,401,494	1,533,908	1,609,041	1,508,195	2,119,288	2,376,923	3,543,402	3,065,110	3,316,931	2,965,091
Fines and forfeits	448,144	478,509	460,517	513,018	527,158	573,335	558,300	598,451	491,224	411,580
Facility rentals	38,539	56,230	38,725	168,940	177,254	210,080	172,086	198,722	205,291	218,334
Special assessments	1,626,441	1,538,338	1,783,553	2,551,601	3,380,047	926,472	4,036,345	6,843,277	8,061,898	8,165,825
Sale of property	56,600	46,331	140,384				6,354,930			
Interest on investments	1,848,608	1,108,152	731,288	286,181	236,490	3,381,892	1,780,606	2,213,428	1,203,148	212,032
Miscellaneous	1,749,674	1,733,823	10,047,637	1,567,160	2,500,075	3,010,195	1,852,018	1,957,154	1,657,429	1,728,338
Total revenues	<u>21,571,359</u>	<u>25,168,256</u>	<u>32,559,664</u>	<u>27,684,181</u>	<u>33,758,641</u>	<u>34,720,846</u>	<u>46,113,973</u>	<u>46,167,538</u>	<u>48,117,388</u>	<u>59,020,535</u>
Expenditures										
General government	2,613,238	2,463,427	2,625,642	3,798,292	2,700,074	3,004,868	3,364,016	3,369,561	3,522,838	3,601,740
Public safety	7,728,203	7,922,198	8,206,586	8,185,498	8,279,955	8,596,237	8,948,335	9,824,282	9,925,533	10,381,701
Highways and streets	2,796,998	2,971,482	2,991,588	3,048,879	3,426,796	6,243,839	4,773,390	5,372,859	5,859,816	9,585,251
Parks and recreation	1,495,934	1,918,639	1,984,846	1,675,120	1,804,906	2,134,200	2,149,204	2,219,864	2,286,005	2,512,951
Library	608,718	639,595	664,131	661,302	689,012	702,232	744,695	760,544	784,843	802,412
Community development	636,363	772,808	733,961	660,990	753,387	642,060	773,690	768,821	566,192	597,964
Rental registration							200,057	144,801	147,636	150,793
Mass transit	978,885	1,066,284	1,130,281	1,112,003	1,212,967	1,299,561	1,479,523	1,589,758	1,805,454	1,661,780
Economic development	280,084	783,469	282,186	798,613	722,288	287,747	1,636,251	652,141	823,771	814,252
Capital outlay	6,729,606	31,988,710	6,838,976	15,061,647	22,411,536	32,713,271	39,142,606	34,869,391	26,839,081	25,534,303
Debt service:										
Bond and note principal	5,875,439	2,271,733	5,681,007	8,523,670	3,426,185	8,420,208	3,686,294	3,838,972	13,929,985	6,438,492
Bond and note interest	1,916,265	2,017,964	2,600,755	2,527,692	2,718,750	3,027,011	4,174,750	5,099,167	5,761,607	7,267,649
Fiscal and other charges	622,823	98,383	184,141	139,594	482,991	1,098,099	682,087	665,390	499,996	1,000,739
Total expenditures	<u>32,282,556</u>	<u>54,914,692</u>	<u>33,924,100</u>	<u>46,193,300</u>	<u>48,628,847</u>	<u>68,169,333</u>	<u>71,754,898</u>	<u>69,175,551</u>	<u>72,752,757</u>	<u>70,350,027</u>
Revenues over (under) expenditures	(10,711,197)	(29,746,436)	(1,364,436)	(18,509,119)	(14,870,206)	(33,448,487)	(25,640,925)	(23,008,013)	(24,635,369)	(11,329,492)
Other financing sources (uses)										
Bond and note proceeds	1,545,000	14,930,000	9,730,000	15,240,000	21,010,000	34,032,500	24,020,000	22,400,000	12,050,000	16,395,000
Transfers from other funds	6,726,180	7,029,522	8,242,753	6,408,554	8,908,504	9,083,473	9,931,433	8,116,150	11,873,106	133,226
Transfers to other funds	(3,157,265)	(3,197,336)	(3,797,620)	(1,606,258)	(6,078,363)	(4,150,992)	(4,462,698)	(1,623,809)	(4,999,072)	9,661,661
Sale of capital assets							2,210	126,445	109,065	(3,545,838)
Total other financing sources (uses)	<u>5,113,915</u>	<u>18,762,186</u>	<u>14,175,133</u>	<u>20,042,296</u>	<u>23,840,141</u>	<u>38,964,981</u>	<u>29,490,945</u>	<u>29,018,786</u>	<u>19,033,099</u>	<u>22,644,049</u>
Net change in fund balances	<u>\$ (5,597,282)</u>	<u>\$ (10,984,250)</u>	<u>\$ 12,810,697</u>	<u>\$ 1,533,177</u>	<u>\$ 8,969,935</u>	<u>\$ 5,516,494</u>	<u>\$ 3,850,020</u>	<u>\$ 6,010,773</u>	<u>\$ (5,602,270)</u>	<u>\$ 11,314,557</u>
Debt service as a percentage of noncapital expenditures	32.93%	19.14%	31.26%	35.95%	25.28%	35.38%	26.20%	27.99%	43.98%	32.82%

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

Fiscal Year	Net Tax Capacity			Less: Captured Tax Increment Tax Capacity	Taxable Net Tax Capacity	Tax Capacity Rate	Taxable Market Value	Tax Capacity as a Percentage of Market Value	Tax Capacity Tax Exempt Real Property
	Real Property		Personal Property						
	Residential	Commercial							
2000	8,132,399	4,248,959	215,410	(633,449)	11,963,319	29.921%	821,296,900	1.46%	401,003,000
2001	8,636,396	4,444,555	196,245	(731,348)	12,545,848	32.020%	865,155,200	1.45%	401,003,000
2002	7,951,465	2,847,058	120,293	(585,696)	10,333,120	27.554%	929,795,200	1.11%	401,003,000
2003	8,460,332	3,224,721	132,174	(671,170)	11,146,057	29.805%	998,508,100	1.12%	401,003,000
2004	9,103,013	3,557,377	127,355	(839,262)	11,948,483	28.731%	1,098,180,800	1.09%	401,003,000
2005	10,452,055	3,803,946	133,234	(846,763)	13,542,472	26.095%	1,234,867,700	1.10%	401,003,000
2006	11,931,872	4,193,676	138,687	(852,378)	15,411,857	24.944%	1,405,920,600	1.10%	401,003,000
2007	13,243,223	5,019,619	143,332	(780,969)	17,625,205	23.169%	1,569,165,000	1.12%	401,003,000
2008	14,836,285	5,786,204	147,216	(1,119,322)	19,650,383	25.844%	1,762,247,300	1.12%	401,003,000
2009	15,664,218	6,279,064	149,271	(1,205,221)	20,887,332	29.808%	1,872,707,500	1.12%	401,003,000

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Source: Clay County Auditor

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

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

Fiscal Year	City	Overlapping Rates			Econ Devl Authority	Total Direct & Overlapping Rates
		County	School District	Buffalo Watershed		
2000	29.921%	61.439%	45.391%	2.474%		139.225%
2001	32.020%	63.443%	45.643%	3.472%		144.578%
2002	27.554%	81.769%	16.490%	5.345%		131.158%
2003	29.805%	80.326%	33.696%	0.923%		144.750%
2004	28.731%	76.458%	35.355%	1.157%		141.701%
2005	26.095%	67.769%	32.808%	1.383%		128.055%
2006	24.944%	63.504%	36.840%	1.574%	1.356%	128.218%
2007	23.169%	61.321%	33.386%	2.803%	1.333%	122.012%
2008	25.844%	59.084%	32.273%	2.807%	1.218%	121.226%
2009	29.808%	57.391%	33.845%	2.795%	1.389%	125.228%

Source: Clay County Auditor

**CITY OF MOORHEAD, MINNESOTA
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2009**

Taxpayer	2009			1999		
	Tax Capacity	Rank	Percentage of Total Tax Capacity	Tax Capacity	Rank	Percentage of Total Tax Capacity
American Crystal Sugar Company	\$ 622,805	1	2.97%	\$ 366,707	2	3.07%
Busch Agricultural Resources, Inc.	375,828	2	1.79%	609,344	1	5.10%
Proffutt Ltd Partnership	234,821	3	1.12%			
Easton LLC	217,730	4	1.04%	193,229	3	1.62%
Moorhead Hospitality	169,250	5	0.81%			
Menard's Inc	149,232	6	0.71%			
Moorhead Holiday Assoc.	145,648	7	0.70%			
Moorhead Centr Mall LLP	131,580	8	0.63%	188,559	4	1.58%
Sterling Development Group	117,842	9	0.56%			
Xcel Energy	124,950	10	0.60%	150,960	5	1.26%
Sam Skaff Properties				133,528	6	1.12%
Target				115,086	7	0.96%
BSM				104,815	8	0.88%
Eventide				103,144	9	0.86%
Super Valu Stores, Inc				65,925	10	0.55%

Source: Clay County Auditor

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

Fiscal Year	Total Tax Levy for Fiscal Year	Less: State Credits	Net Tax Levy for Fiscal Year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
				Amount	Percent of Levy		Amount	Percent of Levy
2000	4,476,359	(1,556,058)	2,920,301	2,885,497	98.81%	34,452	2,919,949	99.988%
2001	4,914,371	(1,659,839)	3,254,532	3,207,528	98.56%	46,961	3,254,489	99.999%
2002	2,847,112	(726,186)	2,120,926	2,092,859	98.68%	27,947	2,120,806	99.994%
2003	4,524,017	(1,691,391)	2,832,626	2,792,755	98.59%	39,107	2,831,862	99.973%
2004	4,671,350	(1,722,522)	2,948,828	2,899,560	98.33%	48,521	2,948,081	99.975%
2005	4,741,933	(1,588,177)	3,153,756	3,097,699	98.22%	54,944	3,152,643	99.965%
2006	4,835,500	(1,356,848)	3,478,652	3,372,860	96.96%	50,590	3,423,450	98.413%
2007	5,062,283	(1,389,308)	3,672,975	3,611,732	98.33%	53,862	3,665,594	99.799%
2008	5,891,208	(1,364,883)	4,526,325	4,445,911	98.22%	56,014	4,501,925	99.461%
2009	6,918,986	(1,560,961)	5,358,025	5,237,599	97.75%	-	5,237,599	97.752%

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Source: Clay County Auditor

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

Fiscal Year	ELECTRIC FUND				Transfer	Transfer as Percentage of Gross Revenues
	Operating Revenues	Non-operating Revenues	Capital Contributions	Gross Revenues		
2000	15,878,085	674,097		16,552,182	3,467,000	20.95%
2001	16,051,606	766,648		16,818,254	3,730,000	22.18%
2002	16,934,343	412,127		17,346,470	3,892,000	22.44%
2003	18,360,341	159,896		18,520,237	4,075,000	22.00%
2004	19,440,958	170,427		19,611,385	4,294,000	21.90%
2005	20,655,002	552,571		21,207,573	4,568,000	21.54%
2006	22,117,913	470,154	222,802	22,810,869	4,853,000	21.27%
2007	25,152,311	585,014	122,949	25,860,274	5,289,000	20.45%
2008	28,643,650	442,841	122,080	29,208,571	5,797,000	19.85%
2009	30,878,334	202,221	131,593	31,212,148	6,115,000	19.59%

Note: City Charter

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

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

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

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

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

Fiscal Year	Governmental Activities					Business-Type Activities			Total Primary Government	Percentage of Personal Income ¹	Per Capita ¹
	General Obligation Bonds	Special Assessment Bonds	Tax Incremental Bonds	Municipal Improvement Bonds	Notes Payable	G.O. Revenue Bonds	Revenue Bonds	Notes Payable			
2000	3,185,000	10,315,000	9,190,000	11,757,527	1,415,363	5,832,350	46,220,000	95,998	88,011,238	11.95%	2,735
2001	2,945,000	12,250,000	18,880,000	13,172,593	1,404,355	5,367,014	39,695,000	79,998	93,793,960	12.36%	2,897
2002	2,690,000	16,190,000	23,125,000	9,416,227	1,393,347	7,190,190	30,495,000	63,998	90,563,762	11.33%	2,780
2003	2,430,000	30,340,000	16,140,000	9,479,142	1,389,675	19,608,043	28,380,000	47,999	107,814,859	12.47%	3,295
2004	3,655,000	46,590,000	15,160,000	10,992,080	1,438,490	22,110,420	26,120,000	31,999	126,097,989	14.14%	3,766
2005	1,890,000	76,100,000	14,070,000	9,325,859	2,175,782	24,342,031	23,765,000	1,653,034	153,321,706	16.45%	4,477
2006	2,270,000	97,715,000	12,940,000	9,256,380	1,869,488	23,651,753	21,315,000	1,869,488	170,887,109	16.75%	4,851
2007	1,940,000	118,225,000	11,910,000	9,189,588	1,515,516	26,415,664	26,075,000	1,111,202	196,381,970	18.02%	5,477
2008	2,670,000	123,725,000	10,835,000	2,455,000	1,215,119	32,804,740	23,360,000	717,508	197,782,367	17.44%	5,460
2009	2,275,000	131,890,000	13,585,000	2,205,000	901,627	32,652,548	20,935,000	108,215	204,552,390	17.25%	5,563

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

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

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

Fiscal Year	General Obligation Bonds	Less: Amounts Availabe in Debt Service Funds	Total	Percentage of Estimated Market Value ¹ of Property	Per Capita ²
2000	\$ 3,185,000	\$ 350,649	\$ 2,834,351	0.35%	\$ 88
2001	2,945,000	357,092	2,587,908	0.30%	80
2002	2,690,000	412,769	2,277,231	0.24%	70
2003	2,430,000	490,882	1,939,118	0.19%	59
2004	3,655,000	1,993,034	1,661,966	0.15%	50
2005	1,890,000	535,976	1,354,024	0.11%	40
2006	2,270,000	551,937	1,718,063	0.12%	49
2007	1,940,000	390,922	1,549,078	0.10%	43
2008	2,670,000	250,935	2,419,065	0.14%	67
2009	2,275,000	249,631	2,025,369	0.11%	55

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

¹ See the Schedule of Assessed Value and Estimated Actual Value of Taxable Property for property value data.

² See the Schedule of Demographic and Economic Statistics for population data.

**CITY OF MOORHEAD, MINNESOTA
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF DECEMBER 31, 2009**

<u>Governmental Unit</u>	<u>Debt Outstanding</u>	<u>Estimated Percentage Applicable ¹</u>	<u>City's Share of Debt</u>
Overlapping debt repaid with property taxes:			
Independent School District #152	\$ 100,238,768	78.00%	\$ 78,186,239
Clay County	14,085,000	49.00%	6,901,650
Total overlapping debt			<u>85,087,889</u>
City of Moorhead direct debt			<u>197,782,367</u>
Total direct and overlapping debt			<u><u>\$ 282,870,256</u></u>

Source: Clay County Auditor

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

	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
Debt limit	\$ 17,303,006	\$ 18,451,070	\$ 19,975,252	\$ 21,777,492	\$ 24,670,410	\$ 28,108,194	\$ 28,130,306	\$ 31,492,698	\$ 57,837,453	\$ 60,617,055
Total net debt applicable to limit	<u>2,834,350</u>	<u>2,587,907</u>	<u>2,277,332</u>	<u>1,939,118</u>	<u>1,661,966</u>	<u>1,354,024</u>	<u>1,718,063</u>	<u>1,549,078</u>	<u>2,419,065</u>	<u>2,025,369</u>
Legal debt margin	<u>\$ 14,468,656</u>	<u>\$ 15,863,163</u>	<u>\$ 17,697,920</u>	<u>\$ 19,838,374</u>	<u>\$ 23,008,444</u>	<u>\$ 26,754,170</u>	<u>\$ 26,412,243</u>	<u>\$ 29,943,620</u>	<u>\$ 55,418,388</u>	<u>\$ 58,591,686</u>
Total net debt applicable to the limit as a percentage of debt limit	16.38%	14.03%	11.40%	8.90%	6.74%	4.82%	6.11%	4.92%	4.18%	3.34%

LEGAL DEBT MARGIN CALCULATION FOR FISCAL YEAR 2009

Estimated market value - real and personal property	\$ 2,020,568,500
Debt limit 3% of estimated market value	60,617,055
Debt applicable to limit:	
General obligation bonds	\$ 2,275,000
Less: Amount set aside for repayment of general obligation debt	<u>(249,631)</u>
Total net debt applicable to limit	<u>2,025,369</u>
Legal debt margin	<u>\$ 58,591,686</u>

Minnesota Statutes: Effective June30, 2008, state statutes increased the legal debt limit from 2% to 3% of the City's Taxable market value

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

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage ²
				Principal	Interest	Total	
2000	16,552,182	10,603,243	5,948,939	304,600	329,815	634,415	9.38
2001	16,818,254	11,240,364	5,577,890	308,996	321,787	630,783	8.84
2002	17,346,470	11,726,600	5,619,870	319,948 ³	307,990	627,938	8.95
2003	18,520,237	12,164,361	6,355,876	550,173	457,079	1,007,252	6.31
2004	19,611,385	12,969,932	6,641,453	609,533	423,258	1,032,791	6.43
2005	21,207,573	13,871,827	7,335,746	637,633	398,919	1,036,552	7.08
2006	22,810,867	14,919,786	7,891,081	551,624	379,886	931,510	8.47
2007	25,737,325	16,672,796	9,064,529	746,750	444,439	1,191,189	7.61
2008	29,086,491	18,521,325	10,565,166	840,367	487,671	1,328,038	7.96
2009	31,080,555	21,190,625	9,889,930	898,120 ⁴	494,896	1,393,016	7.10

1 - Expenses exclude depreciation and amortization.

2 - High coverage is due to City Charter Section 12.11.

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

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

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

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

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

3 - For comparative purposes, this figure excludes a \$1,309,000 principal payment made by a fiscal agent to retire Public Utility Revenue Bond of 1992, Series A resulting from the Public Utility Revenue Refunding Bond of 1998, Series A, a cross-over refunding issue.

4 - For comparative purposes, this figure excludes a \$2,426,561 additional principal payment made to retire Public Utility Revenue Bond of 1998, Series A resulting from the Public Utility Revenue Refunding Bond of 2009, Series A.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	4,283,631	1,846,859	2,436,772	1,080,400	1,035,879	2,116,279	1.15
2001	4,422,315	1,859,713	2,562,602	1,106,371	1,008,826	2,115,197	1.21
2002	4,435,526	1,933,646	2,501,880	1,166,367 ²	961,346	2,127,713	1.18
2003	4,573,788	2,071,466	2,502,322	1,359,766	786,343	2,146,109	1.17
2004	4,702,062	2,107,619	2,594,443	1,434,467	715,126	2,149,593	1.21
2005	5,217,254	2,352,119	2,865,135	1,496,367	647,700	2,144,067	1.34
2006	5,558,926	2,715,167	2,843,759	1,479,582	581,165	2,060,747	1.38
2007	5,799,590	2,983,542	2,816,048	1,519,751	603,113	2,122,864	1.33
2008	6,355,804	3,221,731	3,134,073	1,649,941	626,266	2,276,207	1.38
2009	6,475,089	3,525,737	2,949,352	1,600,063 ³	520,869	2,120,932	1.39

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes a \$11,781,000 principal payment made by a fiscal agent to retire Public Utility Revenue Bond of 1992, Series A resulting from the Public Utility Revenue Refunding Bond of 1998, Series A, a cross-over refunding issue.

3 - For comparative purposes, this figure excludes a \$4,693,439 additional principal payment made to retire Public Utility Revenue Bond of 1998, Series A resulting from the Public Utility Revenue Refunding Bond of 2009, Series A.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Availiabe for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	3,680,636	2,596,245	1,084,391	393,825	236,431	630,256	1.72
2001	4,023,734	2,853,406	1,170,328	415,337	221,264	636,601	1.84
2002	4,107,691	2,938,020	1,169,671	427,670	204,491	632,161	1.85
2003	4,104,726	2,475,070	1,629,656	530,590	496,222	1,026,812	1.59
2004	4,074,498	2,427,653	1,646,845	593,245	790,895	1,384,140	1.19
2005	4,638,006	2,521,855	2,116,151	903,486	815,480	1,718,966	1.23
2006	9,202,997	2,813,006	6,389,991	1,037,117	860,015	1,897,132	3.37
2007	6,033,195	2,832,107	3,201,088	1,092,073	841,088	1,933,161	1.66
2008	5,807,432	3,473,684	2,333,748	841,395	803,422	1,644,817	1.42
2009	5,226,690	3,296,406	1,930,284	1,191,812	991,941	2,183,753	0.88

1 - Expenses exclude depreciation and amortization.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	403,316	459,015	(55,699)	30,000	42,784	72,784	(0.77)
2001	477,312	466,685	10,627	35,000 ²	41,014	76,014	0.14
2002	374,752 ³	406,910	(32,158)	40,000	23,624	63,624	(0.51)
2003	402,548 ⁴	404,022	(1,474)	40,000	22,036	62,036	(0.02)
2004	432,828 ⁵	461,835	(29,007)	40,000	20,183	60,183	(0.48)
2005	463,447	482,346	(18,899)	40,000	20,257	60,257	(0.31)
2006	509,661	481,736	27,925	45,000	16,152	61,152	0.46
2007	565,761	496,990	68,771	45,000	15,270	60,270	1.14
2008	594,388	554,039	40,349	50,000	11,866	61,866	0.65
2009	524,030	573,691	(49,661)	50,000	9,441	59,441	(0.84)

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes a \$565,000 principal payment to retire Gross Revenue Recreation Facility Bond of 1991, Series C resulting from the Gross Revenue Recreation Facility Refunding Bonds of 2001, Series A, a current refunding issue.

3 - For comparative purposes, this figure excludes \$850,000 in state Local Government Aid allocated to reduce the retained earnings deficit.

4 - For comparative purposes, this figure excludes \$370,700 in state Local Government Aid allocated to reduce the retained earnings deficit in the Sports Center fund and \$78,404 advance from the General Fund, which was forgiven in 2003.

5 - For comparative purposes, this figure excludes \$370,700 in state Local Government Aid allocated to reduce the retained earnings deficit in the Sports Center fund.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses ¹	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	1,423,779	1,019,902	403,877	290,000	642,060	932,060	0.43
2001	1,435,505	972,417	463,088	305,000 ²	624,626	929,626	0.50
2002	1,061,780	1,022,337	39,443	125,000	247,878	372,878	0.11
2003	1,024,417 ³	992,796	31,621	130,000	241,724	371,724	0.09
2004	1,005,062 ³	1,039,083	(34,021)	140,000	235,866	375,866	(0.09)
2005	1,153,566	1,191,811	(38,245)	145,000	231,076	376,076	(0.10)
2006	1,167,592	1,298,948	(131,356)	150,000	220,901	370,901	(0.35)
2007	1,105,056 ⁴	1,314,238	(209,182)	160,000	210,923	370,923	(0.56)
2008	1,070,641	1,324,658	(254,017)	170,000	206,444	376,444	(0.67)
2009	1,326,927	1,287,866	39,061	175,000	197,746	372,746	0.10

1 - Expenses exclude depreciation and amortization.

2 - For comparative purposes, this figure excludes a \$4,675,000 principal payment made by a fiscal agent to retire Golf Course Gross Revenue Bond of 1992, Series A resulting from the Golf Course Gross Revenue Refunding Bonds of 1998, Series B, a cross-over refunding issue.

3 - For comparative purposes, these figures exclude \$179,300 in state Local Government Aid allocated to reduce the retained earnings deficit in the Golf Course fund.

4 - For comparative purposes, these figures exclude \$295,296 from gain on the disposal of assets.

CITY OF MOORHEAD, MINNESOTA
SCHEDULE OF VEHICLE FUND PLEDGED-REVENUE COVERAGE¹
LAST TEN FISCAL YEARS

Fiscal Year	Gross Revenue	Direct Operating Expenses ²	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	\$ 804,054	\$ 17,671	\$ 786,383	\$	\$	\$	
2001	918,259	8,311	909,948	50,000	14,056	64,056	14.21
2002	1,000,394	12,241	988,153	55,000	11,103	66,103	14.95
2003	871,052	15,070	855,982	60,000	8,816	68,816	12.44
2004	865,856	11,583	854,273	60,000	6,215	66,215	12.90
2005	949,304	11,032	938,272	65,000	3,448	68,448	13.71

1 - Equipment Certificates were issued November 15, 2000 and retired December 1, 2005.

2 - Expenses exclude depreciation and amortization.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000 ¹	\$ 1,255,204	\$ 4,127	\$ 1,251,077	\$ 775,000	\$ 754,236	\$ 1,529,236	0.82
2001	1,355,593	31,135	1,324,458	520,000	741,953	1,261,953	1.05
2002	1,349,554 ²	40,624	1,308,930	630,000 ²	720,556	1,350,556	0.97
2003	339,415	3,052	336,363	185,000	495,308	680,308	0.49
2004	420,352 ³	50,719	369,633	190,000	487,406	677,406	0.55
2005	519,897	7,320	512,577	200,000 ⁴	473,567	673,567	0.76
2006	625,611	6,516	619,095	225,000	444,338	669,338	0.92
2007	644,478	3,324	641,154	235,000	437,204	672,204	0.95
2008	414,523	68,301	346,222	245,000 ⁵	185,795	430,795	0.80
2009	350,901	2,325	348,576	250,000	131,508	381,508	0.91

1 - Effective 2000 the General Obligation Taxable Industrial Development Bonds Series 1993A is accounted for within the municipal improvement fund.

2 - For comparative purposes this revenue figure excludes payoff of a long-term note in the amount of \$8,093,213 and a principal payment in the amount of \$3,240,000 to retire Taxable Industrial Development Bonds of 1993, Series A, debt associated with this note.

3 - For comparative purposes this revenue figure excludes bond proceeds from General Obligation Ice Arena Refunding Bonds of 2004, Series D (\$720,000) and General Obligation Refunding Bonds of 2004, Series E (\$910,000) to be used in 2006 to retire General Obligation Ice Arena Bonds of 1997 Series A and General Obligation Tax Increment Bonds of 1997, Series C, both current refundings.

4 - For comparative purposes this figure excludes principal payments to retire General Obligation Ice Arena Bonds of 1997 Series A (\$695,000) and General Obligation Tax Increment Bonds of 1997, Series C (\$885,000) resulting from General Obligation Ice Arena Refunding Bonds of 2004, Series D and General Obligation Refunding Bonds of 2004, Series E, both current refundings.

5 - For comparative purposes this figure excludes principal payments to retire Taxable Industrial Development Bonds of 1996 Series A (\$4,260,000) and Taxable Industrial Development Bonds of 1996, Series B (\$2,229,587) resulting from General Obligation Refunding Bonds of 2008, Series A, a current refunding.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	2,061,876	85,964	1,975,912	920,000	433,079	1,353,079	1.46
2001	2,084,017	290,677	1,793,340	900,000	459,066	1,359,066	1.32
2002	2,365,952	186,236	2,179,716	1,045,000	515,544	1,560,544	1.40
2003	3,636,022	427,227	3,208,795	1,090,000	712,351	1,802,351	1.78
2004	5,812,348	493,400	5,318,948	1,630,000	1,414,429	3,044,429	1.75
2005	7,668,122	503,934	7,164,188	3,515,000	1,775,965	5,290,965	1.35
2006	7,389,538	643,131	6,746,407	1,700,000	2,954,752	4,654,752	1.45
2007	10,797,713	388,177	10,409,536	1,890,000	3,872,993	5,762,993	1.81
2008	10,461,710 ¹	210,177	10,251,533	3,565,000 ¹	4,871,596	8,436,596	1.22
2009	12,146,618 ¹	260,319	11,886,299	4,355,000	5,096,160	9,451,160	1.26

1 - For comparative purposes these amounts exclude proceeds from issuance of new bonds.

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

Fiscal Year	Gross Revenue	Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest	Total	
2000	1,323,653	579,481	744,172	1,694,431	532,516	2,226,947	0.33
2001	1,025,644	4,920	1,020,724	535,725	659,996	1,195,721	0.85
2002	599,461	43,020	556,441	500,000	1,220,765	1,720,765	0.32
2003	1,844,037	32,226	1,811,811	6,985,000	1,187,846	8,172,846	0.22
2004	1,881,825	172,139	1,709,686	1,227,516	690,078	1,917,594	0.89
2005	2,867,537	313,909	2,553,628	1,256,539	671,655	1,928,194	1.32
2006	2,679,873	208,503	2,471,370	1,332,625	708,099	2,040,724	1.21
2007	2,688,940	476,956	2,211,984	1,264,210	596,814	1,861,024	1.19
2008	3,413,940	220,655	3,193,285	1,322,551	592,211	1,914,762	1.67
2009	2,843,930 ¹	713,116	2,130,814	1,382,955	1,946,835	3,329,790	0.64

1 - For comparative purposes this figure excludes bond proceeds from the G.O. Tax Increment Refunding Bonds 2009D in the amount of \$981,797 used for the current refunding of the G.O. Tax Increment Bonds 2001C and the G.O. Tax Increment Refunding Bonds 2009A in the amount of \$2,938,516 Crossover Refunding EDA Bonds 2001A .

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

Fiscal Year	Population ¹	Estimated Personal Income ²	Per Capita Personal Income ³	School Enrollment ⁴	Unemployment Rate ⁵
2000	32,177	\$ 736,306,291	\$ 22,883	5,622	2.7%
2001	32,376	759,087,696	23,446	5,503	2.9%
2002	32,572	799,544,884	24,547	5,400	3.0%
2003	32,720	864,527,840	26,422	5,272	3.1%
2004	33,485	891,839,490	26,634	5,266	3.2%
2005	34,244	932,292,900	27,225	5,297	3.0%
2006	35,225	1,020,045,550	28,958	5,339	2.7%
2007	35,853	1,089,572,670	30,390	5,400	3.0%
2008	36,226	1,133,935,384	31,302	5,399	3.1%
2009	36,770 ⁶	1,185,492,414	32,241	5,452	4.2%

Data Sources:

¹ Minnesota State Demographic Center. The last census was taken in the year 2000.

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

³ U.S. Department of Commerce Bureau of Economic Analysis. The per capita personal income used is for that of Clay County, in which the city resides, the smallest applicable region for which this information is available.

⁴ Independent School District #152

⁵ Minnesota Department of Economic Security annual averages

⁶

Beginning in 2009, the Minnesota State Demographic Center does not have this information available until after publication of this report. Therefore, this figure is a projected estimate based on the the 10-year average change in population as calculated by the Moorhead City Planning Department

**CITY OF MOORHEAD, MINNESOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND TEN YEARS AGO**

Employer	2009			1999		
	Employees	Rank	Percent of Total City Employment	Employees	Rank	Percent of Total City Employment
Independent School District 152	1,000 (a)	1	4.79%	950	1	4.73%
Minnesota State University-Moorhead	825	2	3.96%	641	2	3.19%
Concordia College	812 (a)	3	3.89%	600	3	2.99%
Eventide Lutheran Home	500	4	2.40%	450	5	2.24%
Clay County	480	5	2.30%	350	6	1.74%
American Crystal Sugar Company	355	6	1.70%	539	4	2.68%
Moorhead Electric	260	7	1.25%	135	9	0.67%
City of Moorhead	251 (b)	8	1.20%	228	7	1.14%
American Security & Protection	200	9	0.96%			
Hornbacher's Foods, Inc.	180	10	0.86%	110	14	0.55%
CAMA Inc				190	8	0.95%
Sunmart				129	10	0.64%

(a) Excludes part-time employees.

(b) Excludes 160 temporary and seasonal employees

Source: Telephone survey of individual employers

**CITY OF MOORHEAD, MINNESOTA
FULL-TIME EQUIVALENT CITY EMPLOYEES BY FUNCTION
LAST TEN FISCAL YEARS**

<u>Function</u>	<u>2000</u>	<u>2001</u>	<u>2002</u>	<u>2003</u>	<u>2004</u>	<u>2005</u>	<u>2006</u>	<u>2007</u>	<u>2008</u>	<u>2009</u>
General government	39.38	39.38	38.38	38.38	38.38	39.38	37.00	37.00	38.17	40.22
Public Safety										
Police										
Officers	50.00	50.00	50.00	50.00	50.00	50.00	50.00	50.00	53.00	53.00
Civilians	15.75	25.75	27.80	15.80	13.32	12.82	12.815	14.875	14.88	14.88
Fire										
Firefighters & officers	30.00	30.00	30.00	30.00	30.00	30.00	33.00	33.00	33.00	36.00
Civilians	8.50	9.00	9.50	9.50	3.00	3.00	3.00	1.00	1.00	1.00
Library	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	-
Parks and recreation	14.75	16.75	22.33	10.755	8.00	8.00	8.00	8.00	10.00	10.00
Community development	5.00	6.00	6.00	17.575	15.575	17.575	22.50	24.50	23.20	23.20
Mass transit	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	2.00	2.00
Economic development	2.50	2.50	3.00	3.00	1.00	1.00	1.00	1.00	1.00	-
Electric	30.00	30.00	30.00	30.00	30.00	30.00	31.00	31.00	33.00	34.00
Water	21.00	21.00	21.00	21.00	21.00	21.00	22.00	21.00	23.00	25.00
Broadband	0	0	0	0	0	0	3.00	9.00	11.00	-
Wastewater treatment	15.00	15.00	15.00	15.00	16.00	16.00	17.00	17.00	17.00	17.00
Storm water	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Highways and streets	14.00	15.00	16.00	16.00	16.00	16.25	16.63	16.63	16.63	16.63
Sanitation	23.00	23.00	23.00	23.00	19.00	19.00	19.00	19.00	19.00	19.00
Golf courses	3.50	3.50	3.50	3.50	3.50	3.50	7.58	7.58	7.58	7.58
Sports center	2.00	2.00	2.00	2.00	6.00	6.00	6.00	6.00	6.00	6.00
Pest control	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00	1.00
Forestry	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
Total FTE's	281.38	295.88	304.51	292.51	277.775	280.525	296.525	303.585	315.460	310.505

Source: City Human Resources Department

**CITY OF MOORHEAD, MINNESOTA
OPERATING INDICATORS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Police										
Part I Offenses (serious crime - murder, rape, robbery, assault, theft, arson)	904	1,191	1,272	1,126	1,024	926	945	878	920	970
Part II Offenses (assault, stolen property, vandalism, narcotics, D.U.I., liquor laws, disorderly, other)	2,447	2,458	2,905	2,619	2,407	2,350	2,462	2,393	2,076	2,288
Fire										
Medical responses	1,212	1,127	1,240	1,409	1,292	1,462	1,405	1,322	1,700	1,945
Fire & other responses	705	674	753	805	768	751	766	830	994	1,024
Library										
Visits	205,660	215,644	238,680	235,196	234,624	273,364	266,292	276,692	265,070	298,870
Circulation	234,066	263,097	280,889	277,448	287,433	294,417	296,652	360,864	386,938	398,685
Mass transit										
Fixed Routes ridership	306,872	306,034	288,324	281,730	280,279	316,647	344,824	356,732	398,445	392,218
Paratransit ridership	11,043	11,365	9,519	8,828	9,950	10,958	13,014	14,498	19,206	13,083
Community Development										
New Residential Permits	108	113	221	205	308	350	338	241	201	178
New Residential Valuation	13,012,097	21,790,500	33,628,128	32,307,000	49,697,640	57,788,265	58,147,643	40,152,822	43,243,429	33,243,985
New Commercial Permits	36	54	24	26	28	28	39	31	20	17
New Commercial Valuation	6,041,590	17,740,644	4,794,700	32,795,794	4,519,100	13,621,419	25,722,337	25,368,798	6,029,417	4,575,300
Sanitation										
Curbside Recycling (tons)	-	-	-	83	373	398	606	626	701	645
Refuse Collected (landfill tonnage)	-	-	-	18,574	16,390	18,048	18,744	21,587	20,168	20,688
Yard Waste (tons)	-	-	-	1,864	1,799	3,378	2,515	2,049	2,247	3,056
Wastewater Treatment										
Average daily sewage treatment (millions of gallons)	4.78	4.50	3.88	3.90	4.36	4.75	4.66	4.40	4.49	4.68
Electric										
Annual Sales (millions of kwh)	346.97	350.48	359.07	376.54	386.86	397.11	399.37	412.03	418.91	414.03
Water										
Water Sales (billions of gallons)	1.392	1.343	1.368	1.449	1.440	1.462	1.471	1.457	1.398	1.385

Source: Various city departments.

Note: Indicators are not available for general government functions.

**CITY OF MOORHEAD, MINNESOTA
CAPITAL ASSET STATISTICS BY FUNCTION
LAST TEN FISCAL YEARS**

Function	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
Public Safety:										
Police Stations	1	1	1	1	1	1	1	1	1	1
Fire Stations	2	2	2	2	2	2	2	2	2	2
Highways & Streets:										
Street (miles)	161.43	170.35	174.89	175.47	184.60	197.72	203.75	207.10	210.35	210.35 ¹
Culture and recreation										
Parks	32	32	32	32	34	36	41	42	42	42
Swimming/wading pools	8	8	8	8	8	8	8	8	8	8
Sanitation:										
Collection trucks	7	7	7	7	7	10	10	10	10	10
Wastewater										
Storm sewers (miles)	89.60	96.47	97.01	100.91	104.82	113.80	113.80	124.89	125.35	125.35 ¹
Sanitary sewers (miles)	107.82	111.38	112.44	120.25	125.88	136.73	136.73	145.54	154.54	154.54 ¹
Force mains (miles)	10.72	10.93	10.93	14.12	14.12	14.29	14.29	16.09	20.87	20.87 ¹

Source: Various city departments.

¹ Data for 2009 has not been compile as of the date of this report.