



BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401

Business Office: 218.829.8726 ■ **Repair Service:** 218.829.2193

www.bpu.org

BRAINERD PUBLIC UTILITIES

AGENDA FOR REGULAR MONTHLY OF APRIL 25, 2023

9:00 AM, COMMISSION ROOM, BPU SERVICE CENTER, 8027 HIGHLAND SCENIC ROAD

1. Call to Order
2. Roll Call – Angland ____, Johnson ____, Matten ____, O'Day ____, Wussow ____
3. Pledge of Allegiance
4. Consent Agenda
 - A. Approval of Minutes for Regular Monthly Meeting of March 28, 2023
 - B. Approval of the Current Month's Bills
 - C. Approval of Agenda
 - D. Approval of Pay Requests No. 16 and No. 17 Received from Magney Construction for \$424,195.21 and \$94,943.00, respectively, for Water Tank Storage Project (See Attached Payment Application)
- Recommended Action: Roll Call Motion to Approve Consent Agenda Items A, B, C, and D.
5. Public Forum – Time allocated for customers to bring matters not on the agenda to the attention of the Commission – Time limits may be imposed.
6. Commission Committee Reports
 - A. Personnel
 - B. Finance
7. Unfinished Business
 - A. See Attached Separate Memo Regarding Update on Unfinished Business Items
8. New Business
 - A. 2022 Audit Presentation by Mary Reedy, Principal with CliftonLarsonAllen LLP
 - B. Consideration of Electric Cost of Service and Rate Design Recommendations Prepared by Utility Financial Services
 - C. Public Utilities Work Group Report
9. Reports
 - A. City Administrator
 - B. City Council Liaison
 - C. Finance Director
 - D. Commission Members – Future Agenda Items
10. Adjourn: Motion - _____, Second - _____.



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The regular meeting of the Brainerd Public Utilities Commission was held at 9:00 AM on March 28, 2023.

Commission President Wussow called the meeting to order.

Commission Roll Call

Mike Angland – Present

Tad Johnson – Present

Patrick Wussow – Present

Mark O'Day – Absent

Dolly Matten – Present

Utility Staff Present

Finance Director

Superintendent

Operations Manager

Wastewater Supervisor

Accounting Supervisor

Recording Secretary

Todd Wicklund

Scott Magnuson

Trent Hawkinson

Charlie Gammon

Jana Pernula

Mandy Selisker

Others in Attendance

City Administrator

HR Director

City Liaison

Bolton & Menk

Jennifer Bergman

Kris Schubert

Jeff Czczok

Paul Saffert, PE

Commission President Wussow opened the meeting with the Pledge of Allegiance.

Approval of Consent Items

Motion by Commissioner Matten and seconded by Commissioner Angland to approve the minutes from the February 28, 2023, regular monthly meeting, approval of current month's bills, and approval of the agenda. There was a unanimous roll call vote in favor of the motion. Motion carried.

Public Forum

John Forrest, 159 Pineview Drive, co-chairman of Brainerd Rotary Park committee spoke on the current potential scenic lookout project. Mr. Forrest spoke on the following:

- Rotary has met with Widseth, BPU Commission, City Council and Park Boards with regards to proposed project and all seem to be open to the concept.

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- The location of bunker and proposed deck structure adds a potential safety concern and would like to have the possibility of adding security cameras, which require electric service. This is a proposal for the BPU Commission and staff to consider.
- A previous grant received by Rotary for a Fields to Seeds project. There is a field that was developed with this grant that lands in the projected project area for the WWTP River Crossing Project. This was presented to the Commission for awareness as the River Crossing Project progresses to protect this state project.

Commission President Wussow stated that he will request that BPU staff add providing electricity, with cost involved, to the next month's agenda for consideration.

Commission Committee Reports

Personnel

Commissioner Matten reported she and Commissioner O'Day met on March 10th with the formed Public Utilities Work Group to review the recommendations from Flaherty & Hood, P.A.

- See board packet.
- Recommendation from the Work Group to the Commission is to adopt the suggested structure from Flaherty & Hood, P.A to create the Public Utilities Director position and utilize the internal posting timeline and external if no qualified internal applications are received.
- HR Directors report highlights the recommendation.

Discussion included:

- Applicants would be interviewed by the work group.
- Current Superintendent/Finance Director wage grid would be utilized for the new position until compensation and classification study has been completed.
- Recommended organization structure is common amongst other utilities.
- Department Head representation at City Department Head meetings for BPU would go from two to one. However, with size of organization, Wicklund suggests that there should be two considering City representation in relation to employee numbers.
- The Commission controls the budget, rates, fees, operations, etc. while all personnel related actions are overseen by the City Council, with the recent Charter language change.
- All BPU employees would be supervised by the new Public Utilities Director position.
- With this reorganization, we would need to create a new Finance Supervisor position. In addition, we may need to fill the vacant Water Supervisor position as the Superintendent currently directly oversees that division.

Motion by Commissioner Matten and seconded by Commissioner Wussow to recommend to City Council to replace the Superintendent job classification with the Public Utilities Director job classification and to open the internal application process for a minimum of three days and external if no internal applications are received. There was a unanimous vote in favor of the motion. Motion carried.

Finance

Commissioner Johnson reported a meeting took place to discuss a change in the current WWTP Solar project. The rate changed from \$95.50 MW to \$99.00 due to the Conditional Use Permit (CUP) recommendations from the City of Baxter. The consensus of the Finance Committee was that it was still agreeable to continue to move forward.

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Unfinished Business

- See related staff report.

New Business

- Copper Corrosion Study Presented by Paul Saffert, PE, of Bolton & Menk
 - See board packet for presentation.
 - Additional discussion included:
 - Educational process would be needed based on the direction taken.
 - Several seasons of extensive flushing would be needed along with an additional building.
 - Superintendent Magnuson suggested a work group be formed; Commissioner Matten and Commissioner Angland volunteered. Updates will be given to the Commission to discuss regularly throughout the process.
 - Recommendation to Council the authorization to fill a laborer position for the Wastewater Treatment Facility along with job description with change noted for reporting supervisor.

Motion by Commissioner Johnson and seconded by Commissioner Matten to recommend to City Council the authorization to fill a laborer position for the Wastewater Treatment Facility. There was a unanimous vote in favor of the motion. Motion carried.

- Acceptance of Annual Cogeneration Filings and Report for BPU Commission.
 - See attached related staff report.

Motion by Commissioner Johnson and seconded by Commissioner Angland to approve the Annual Cogeneration Filings and Report. There was a unanimous vote in favor of the motion. Motion carried.

- Approval of 14th Amendment to Market Based Rate Full Requirements Agreement with AEP.
 - See board packet for proposed agreement.
 - Up to 2031-2032, there is a locked in energy price. This future year agreement adds stability for the future purchasing. The final price will be communicated later today but expected to be in the ballpark of \$45.25 MWh.
 - Commissioner Matten and Johnson expressed concern with the proposed agreement and the potential risk factor of extending agreements to absorb increasing costs into our current rates.
 - Staff recommended adopting – further discussion to occur with the Finance Committee for future recommendations.
 - No motion was made regarding this agreement.
- Consideration of Outdoor Banner Regulation Program
 - See board packet for program report.
 - Discussion included:

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- City Administrator Bergman clarified that new light poles, adopted with the recent street light policy, will not have the banner attachments on the commercial corridors. In the future, this will only be for downtown Brainerd in the special services district.
- Fees: \$160 event fee is paid up front and non-refundable. The \$50 per banner fee would be for both installation and removal. Commissioner Wussow recommended implementing and monitoring the program for one year and recommend any changes needed after one year of implementation.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve the Outdoor Banner Program. There was a unanimous vote in favor of the motion. Motion carried.

City Administrator Report

City Administrator Bergman reported on the following:

- City Council took action to dedicate parks according to City Charter. All but three parks were dedicated to the Park Board. Those three included: Trailside, Gustafson, and Buffalo Hills with future potential of development.
- John Davis was appointed as the new Police Chief by the City Council following Chief Bestul's notice of retirement in June.
- City Council authorized going out for bids for 2023 seal coat projects on College Drive and South 4th Street from College Drive to Willow Street.
- Authorization from City Council was received to move forward with purchase Civic Clerk, an agenda software.
 - An offer was extended to BPU, HRA and Airport to potentially share in this software purchase.

City Liaison Report

City Liaison Czezok reported on the following:

- Proposed putting together a preliminary agenda for a future joint BPU Commission and City Council meeting.
 - Suggested topics from Commission members included: Copper limits, capital projects, and rate studies.
- Suggested agenda to be posted with BPU Commission Meeting notice in newspaper.

Finance Director's Report

- See related staff report.
- National APPA conference in Seattle, WA in June.
- Street Lighting Policy
 - Recently approved by the City Council but not presented to the Commission for review and approval.
 - Discussed Contribution Policy between Commission and City Council and how both parties need to agree to any proposed change. There are some potential concerns with language.
 - Bergman reported that concerns can be discussed, and a policy amended if needed.
 - Potential topic for joint BPU Commission and City Council meeting.

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HR Director's Report

- See related staff report.

Superintendent's Report

- See related staff report.

Recommendation by Commissioner Matten to proceed with sealing the stone on the new water storage tanks.

Motion by Commissioner Matten and seconded by Commissioner Johnson to approve sealing the stone on the new water storage tanks. There was a unanimous vote in favor of the motion. Motion carried.

Commission Members – Future Agenda Items

- Commissioner Matten reported on:
 - Future AEP Amendments
 - Increased communications on pricing and impact
 - Capital improvement projects review for 5, 10, and 20 years out.
 - Marketing
 - Airport Solar Project ribbon cutting
 - Highlight departments – showcase BPU in newsletter in the future.
- Commissioner Angland reported on the following:
 - A presentation occurred with Operations Manager Hawkinson for the Eco Club at Brainerd Highschool for students and faculty.
 - 70-80 students in attendance and 12 faculty members.
 - Tour with Wastewater Treatment plant shortly after.
 - Encouraged recommendations from BPU Management to resources to aid in education on purchasing power, MISO, etc.

Next Board meeting is scheduled for April 25, 2023.

Adjournment

Motion by Commissioner Wussow and seconded by Commissioner Matten to adjourn the meeting. Motion carried at 11:00 AM.

Patrick Wussow, Commission President

Todd Wicklund, Commission Secretary



Brainerd Public Utilities, MN

Check Report

By Check Number

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|------------------------------|----------------------------|--------------|---------------------------------------|-----------------|---------------------|--------|
| Bank Code: AP2-BREMER BANK | | | | | | |
| Payment Type: EFT | | | | | | |
| 10195 | CIGNA - DENTAL | 04/06/2023 | EFT | 0.00 | 1,630.68 | 131 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| 3157829 | Account Number | | Account Name | | Distribution Amount | |
| | Invoice | 04/05/2023 | COVERAGE: 04/2023 W/H: 4/14 & 4/2 | 0.00 | 1,630.68 | |
| | 1.1.1312 | | Accounts Receivable - Re | | 75.55 | |
| | 1.2.1311 | | Withheld from Salaries | | 1,555.13 | |
| | | | | | | |
| 00140 | AEP ENERGY PARTNERS, INC. | 04/18/2023 | EFT | 0.00 | 897,422.08 | 132 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| 175-21424945 | Account Number | | Account Name | | Distribution Amount | |
| | Invoice | 04/17/2023 | Invoice Period: 03/01/23-03/31/23 | 0.00 | 897,422.08 | |
| | 1.5.11.210 | | Purchased Power | | 897,422.08 | |
| | | | | | | |
| 10095 | AEP ONSITE PARTNERS, LLC | 04/18/2023 | EFT | 0.00 | 71,118.65 | 133 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| 419-21424836 | Account Number | | Account Name | | Distribution Amount | |
| | Invoice | 04/17/2023 | Invoice Period: 03/01/2023-03/31/2023 | 0.00 | 71,118.65 | |
| | 1.5.11.210 | | Purchased Power | | 71,118.65 | |
| | | | | | | |
| Total EFT: | | | | 0.00 | 970,171.41 | |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|--|------------------|--------------------------------------|------------------------|----------------------------|--------|
| Payment Type: Regular | | | | | | |
| 07917 | QUALITY EQUIPMENT SALES & SERVICE, INC | 03/28/2023 | Regular | 0.00 | 24,338.30 | 79973 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| Q02040 | Invoice | 03/28/2023 | PUR KUBOTA RTV-X1100CWL ORANGE UT | 0.00 | 24,338.30 | |
| | 2.1.3161 | | Vehicles | | 24,338.30 | |
| 08811 | BNSF RAILWAY COMPANY | 03/28/2023 | Regular | 0.00 | 2,042.92 | 79974 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 22008117 | Invoice | 03/28/2023 | CONTRACT #40247331 11/01/22-10/31/2 | 0.00 | 2,042.92 | |
| | 1.1.1711 | | Prepaid expenses | | 2,042.92 | |
| 02210 | CLIFTON LARSON ALLEN, LLP | 03/28/2023 | Regular | 0.00 | 19,637.50 | 79975 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 3611489 | Invoice | 03/28/2023 | PROGRESS BILLING #2 - 2022 AUDIT | 0.00 | 19,637.50 | |
| | 1.5.31.285 | | Consulting Services | | 7,855.00 | |
| | 2.5.31.285 | | Consulting Services | | 3,927.50 | |
| | 3.5.31.285 | | Consulting Services | | 3,927.50 | |
| | 4.5.31.285 | | Consulting Services | | 3,927.50 | |
| 06247 | MN DEPARTMENT OF LABOR & INDUSTRY | 03/28/2023 | Regular | 0.00 | 50.00 | 79976 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 632448-T.JOSEPH | Invoice | 03/28/2023 | SPECIAL ENGINEER - EXAM APPLIC-TANNE | 0.00 | 50.00 | |
| | 2.5.11.440 | | License/Taxes/Permits | | 50.00 | |
| 09575 | USW SECRETARY TREASURER | 03/30/2023 | Regular | 0.00 | 249.80 | 79983 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| INV0000932 | Invoice | 03/30/2023 | UD-BW 1.45 / LU#9230 - UNIT 09 - USW | 0.00 | 241.48 | |
| | 4.2.1311 | | Withheld from Salaries | | 241.48 | |
| INV0000933 | Invoice | 03/30/2023 | UD-HRS / LU#9230 - UNIT 09- USW | 0.00 | 8.32 | |
| | 4.2.1311 | | Withheld from Salaries | | 8.32 | |
| 02025 | CITY OF BRAINERD | 04/03/2023 | Regular | 0.00 | 278,380.39 | 79984 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 02/2023-MILL RA | Invoice | 04/03/2023 | MONTHLY TRANSFER: 02/2023 | 0.00 | 65,884.80 | |
| | 1.2.1012 | | Due to City of Brainerd | | 65,884.80 | |
| 02/28/23-SAN/S | Invoice | 04/03/2023 | SANITARY AND STORM SWR BILLING/COL | 0.00 | 105,553.23 | |
| | 3.2.1012 | | Due to City of Brainerd | | 64,123.79 | |
| | 3.2.1012 | | Due to City of Brainerd | | 41,429.44 | |
| 03/31/23-SAN/S | Invoice | 04/03/2023 | SANITARY AND STORM SWR BILLING/COL | 0.00 | 106,942.36 | |
| | 3.2.1012 | | Due to City of Brainerd | | 68,633.63 | |
| | 3.2.1012 | | Due to City of Brainerd | | 38,308.73 | |
| 00075 | A W RESEARCH | 04/05/2023 | Regular | 0.00 | 5,179.20 | 79985 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 54062 | Invoice | 04/05/2023 | WWT TESTING | 0.00 | 4,768.80 | |
| | 3.5.11.275 | | Testing & Monitoring | | 4,768.80 | |
| 54063 | Invoice | 04/05/2023 | WTR TESTING | 0.00 | 410.40 | |
| | 2.5.11.275 | | Testing & Monitoring | | 410.40 | |
| 00105 | ACE HARDWARE-BRAINERD | 04/05/2023 | Regular | 0.00 | 103.67 | 79986 |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|----------------------------|--------------|------------------------------------|-----------------|---------------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 03/31/23-CREDIT | Credit Memo | 04/05/2023 | APPLY CREDIT BALANCE FORWARD-3/31/ | 0.00 | -48.08 | |
| | 2.5.11.240 | | Maintenance - Equipmen | | -48.08 | |
| 313035/1 | Invoice | 04/05/2023 | SEALANT/ ELBOWS/VAVLES | 0.00 | 61.46 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 61.46 | |
| 313382/1 | Invoice | 04/05/2023 | PLASTIC PAILS | 0.00 | 23.04 | |
| | 3.5.11.360 | | Other Commodities | | 23.04 | |
| 313481/1 | Invoice | 04/05/2023 | CHAMOIS | 0.00 | 17.30 | |
| | 1.5.21.360 | | Other Commodities | | 10.38 | |
| | 2.5.21.360 | | Other Commodities | | 6.92 | |
| 313593/1 | Invoice | 04/05/2023 | PIPE/CONNECTOR/COMPOUND | 0.00 | 49.95 | |
| | 2.5.11.240 | | Maintenance - Equipmen | | 49.95 | |
| 00340 | ARAMARK UNIFORM SERVICES | 04/05/2023 | Regular | 0.00 | 62.24 | 79987 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 2530121892 | Invoice | 04/05/2023 | WORK UNIFORMS | 0.00 | 31.12 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 18.67 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 12.45 | |
| 2530124455 | Invoice | 04/05/2023 | WORK UNIFORMS | 0.00 | 31.12 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 18.67 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 12.45 | |
| 00497 | AUTO VALUE | 04/05/2023 | Regular | 0.00 | 20.30 | 79988 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 17335314 | Invoice | 04/05/2023 | W54204 M- PROF PISTOL | 0.00 | 20.30 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 20.30 | |
| 00692 | BATTERIES PLUS # 035 | 04/05/2023 | Regular | 0.00 | 25.35 | 79989 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| P60684478 | Invoice | 04/05/2023 | LED BULBS | 0.00 | 25.35 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 25.35 | |
| 00735 | BEST OIL COMPANY | 04/05/2023 | Regular | 0.00 | 5,548.02 | 79990 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 27621 | Invoice | 04/05/2023 | DIESEL | 0.00 | 550.00 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 330.00 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 110.00 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 110.00 | |
| 27622 | Invoice | 04/05/2023 | GAS | 0.00 | 740.25 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 444.15 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 148.05 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 148.05 | |
| 27761 | Invoice | 04/05/2023 | DIESEL | 0.00 | 440.00 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 264.00 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 88.00 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 88.00 | |
| 27762 | Invoice | 04/05/2023 | GAS | 0.00 | 1,017.00 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 610.20 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 203.40 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 203.40 | |
| 4326 | Invoice | 04/05/2023 | GAS | 0.00 | 507.65 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 304.59 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 101.53 | |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|----------------------------|---------------------------|-------------------------------------|---------------------|----------------|--------|
| | 3.5.11.320 | Motor Fuels & Lubricants | GAS | | 101.53 | |
| 4327 | Invoice | 04/05/2023 | DIESEL | 0.00 | 439.56 | |
| | 1.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 263.74 | |
| | 2.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 87.91 | |
| | 3.5.11.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 87.91 | |
| 4328 | Invoice | 04/05/2023 | DIESEL- DYED | 0.00 | 1,307.91 | |
| | 1.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 784.75 | |
| | 2.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 261.58 | |
| | 3.5.11.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 261.58 | |
| 44528 | Invoice | 04/05/2023 | DIESEL | 0.00 | 365.64 | |
| | 1.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 219.38 | |
| | 2.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 73.13 | |
| | 3.5.11.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 73.13 | |
| 44529 | Invoice | 04/05/2023 | GAS | 0.00 | 180.01 | |
| | 1.5.21.320 | Motor Fuels & Lubricants | GAS | | 108.01 | |
| | 2.5.21.320 | Motor Fuels & Lubricants | GAS | | 36.00 | |
| | 3.5.11.320 | Motor Fuels & Lubricants | GAS | | 36.00 | |
| 00825 | BORDER STATES ELECTRIC | 04/05/2023 | Regular | 0.00 | 10,208.66 | 79991 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 925967590 | Invoice | 04/05/2023 | INV ELEC OVERHEAD PARTS | 0.00 | 4,779.45 | |
| | 1.1.1611 | Inventories | B 35 KV In-Line Switch 600 Amp | | 4,779.45 | |
| 925983343 | Invoice | 04/05/2023 | INV METER BASES | 0.00 | 1,841.19 | |
| | 1.1.1611 | Inventories | A 3P-320 Amp Meter Socket-7 T | | 876.90 | |
| | 1.1.1611 | Inventories | A SP-200A TWO POSITION-5 TER | | 964.29 | |
| 925991241 | Invoice | 04/05/2023 | INV METER BASES | 0.00 | 797.24 | |
| | 1.1.1611 | Inventories | A 3P-320 Amp Meter Socket-7 T | | 797.24 | |
| 925999684 | Invoice | 04/05/2023 | INV MILBANK MTR BASE 100 AMP u6281- | 0.00 | 1,192.98 | |
| | 1.1.1611 | Inventories | A SP-100A 5T BYPASS W/DISCO | | 1,192.98 | |
| 926039725 | Invoice | 04/05/2023 | PUR SAFETY GLASSES | 0.00 | 371.88 | |
| | 1.5.21.315 | Personal Protection Equip | PUR PYRS SCM6318STP MIRROR | | 142.92 | |
| | 1.5.21.315 | Personal Protection Equip | PUR PYRS SCM6381STP CAMO S | | 228.96 | |
| 926039745 | Invoice | 04/05/2023 | INV MISC ELEC | 0.00 | 1,225.92 | |
| | 1.1.1611 | Inventories | A LRG BUSHING RISER COVER | | 1,225.92 | |
| 00982 | BRAINERD HYDRAULICS & AIR | 04/05/2023 | Regular | 0.00 | 98.06 | 79992 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 27395 | Invoice | 04/05/2023 | SEAL KIT/BEARING - FA #1024 | 0.00 | 98.06 | |
| | 1.5.21.240 | Maintenance - Equipmen | SEAL KIT/BEARING - FA #1024 | | 98.06 | |
| 01805 | CENTERPOINT ENERGY | 04/05/2023 | Regular | 0.00 | 339.51 | 79993 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 11582840-2-03/2 | Invoice | 04/05/2023 | 1602 E RIVER RD | 0.00 | 70.84 | |
| | 3.5.21.230 | Utilities | 1602 E RIVER RD | | 69.79 | |
| | 3.5.31.290 | Other Charges | 1602 E RIVER RD | | 1.05 | |
| 11595232-7-03/2 | Invoice | 04/05/2023 | 50 JENNY STREET | 0.00 | 268.67 | |
| | 2.5.11.230 | Utilities | 50 JENNY STREET | | 264.10 | |
| | 2.5.31.290 | Other Charges | 50 JENNY STREET | | 4.57 | |
| 02556 | CORE & MAIN LP | 04/05/2023 | Regular | 0.00 | 8,528.34 | 79994 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| S589114 | Invoice | 04/05/2023 | WATER METERS | 0.00 | 2,590.00 | |
| | 2.1.1611 | Inventories | 3/4" iPERL Water Meter | | 2,590.00 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------------------------|-------------------------------|------------------|--|-----------------|----------------|--------|
| S589132 | Invoice | 04/05/2023 | WATER METERS | 0.00 | 5,938.34 | |
| | 2.1.1611 | | Inventories | | 3,619.17 | |
| | 2.1.1611 | | Inventories | | 2,319.17 | |
| 02790 | DAKOTA SUPPLY GROUP | 04/05/2023 | Regular | 0.00 | 537.38 | 79995 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| S102598960.001 | Invoice | 04/05/2023 | INV VALVE BOX ADAP | 0.00 | 537.38 | |
| | 2.1.1611 | | Inventories | | 537.38 | |
| | | | 6" GATE BOX BELL ADAPTER | | | |
| 03282 | FERGUSON WATERWORKS #2518 | 04/05/2023 | Regular | 0.00 | 1,525.00 | 79996 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 0499297 | Invoice | 04/05/2023 | LF 1/2x2-3/8 MIP STRT MTR COUP - DIDN' | 0.00 | 426.25 | |
| | 2.1.1611 | | Inventories | | 426.25 | |
| | | | LF 1/2x2-3/8 MIP STRT MTR CO | | | |
| 0508066 | Invoice | 04/05/2023 | INV GATE BOX LID | 0.00 | 520.00 | |
| | 2.1.1611 | | Inventories | | 520.00 | |
| | | | Gate Box Lid | | | |
| 0509119 | Invoice | 04/05/2023 | INV METER COUPLINGS | 0.00 | 1,005.00 | |
| | 2.1.1611 | | Inventories | | 1,005.00 | |
| | | | Coupl C38-23-2-5 / 3/4"X2.5" | | | |
| CM037956 | Credit Memo | 04/05/2023 | APPLY CREDIT TO INVOICE 0499297 | 0.00 | -426.25 | |
| | 2.1.1611 | | Inventories | | -426.25 | |
| | | | APPLY CREDIT TO INVOICE 0499 | | | |
| 03501 | FLOW CONTROL AUTOMATION, INC. | 04/05/2023 | Regular | 0.00 | 426.00 | 79997 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| IN1557 | Invoice | 04/05/2023 | PUR FLOW CONTROL | 0.00 | 426.00 | |
| | 2.1.4011 | | Construction In Progress | | 426.00 | |
| | | | PUR NIVSP 12" YOKE M3 | | | |
| 03915 | HACH COMPANY | 04/05/2023 | Regular | 0.00 | 3,466.70 | 79998 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 13511231 | Invoice | 04/05/2023 | CLIP BEARING | 0.00 | 117.66 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 117.66 | |
| | | | CLIP BEARING | | | |
| 13511236 | Invoice | 04/05/2023 | GEL PROBE | 0.00 | 534.04 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 534.04 | |
| | | | GEL PROBE | | | |
| 13513069 | Invoice | 04/05/2023 | ASSEMBLY BEARING/SENSOR CAP | 0.00 | 422.00 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 422.00 | |
| | | | ASSEMBLY BEARING/SENSOR CA | | | |
| 13513070 | Invoice | 04/05/2023 | BENCHTOP METER | 0.00 | 2,393.00 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 2,393.00 | |
| | | | BENCHTOP METER | | | |
| 05158 | KRAMER LEAS DELEO, P.C. | 04/05/2023 | Regular | 0.00 | 2,398.61 | 79999 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 05123B | Invoice | 04/05/2023 | PRELIMINARY/FINAL PLAT & MYLARS | 0.00 | 2,398.61 | |
| | 1.1.4011 | | Construction In Progress | | 2,398.61 | |
| | | | PRELIMINARY/FINAL PLAT & MY | | | |
| 05625 | LOCATORS & SUPPLIES, INC. | 04/05/2023 | Regular | 0.00 | 510.82 | 80000 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 0305697-IN | Invoice | 04/05/2023 | PUR CUSTOM RED UTILITY MARKER | 0.00 | 510.82 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 387.02 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 123.80 | |
| | | | PUR CUSTOM RED UTILITY MAR | | | |
| | | | PUR CUSTOM DECAL RED UTILIT | | | |
| 06201 | MPCA | 04/05/2023 | Regular | 0.00 | 55.00 | 80001 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 07/28/23-E.KLEIN | Invoice | 04/05/2023 | WWT CERT EXAM - CLASS C/ERIC KLEIN - | 0.00 | 55.00 | |
| | 3.5.11.440 | | License/Taxes/Permits | | 55.00 | |
| | | | WWT CERT EXAM - CLASS C/ERI | | | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|----------------------------|------------------|--------------------------------------|-----------------|----------------|--------|
| 06556 | MPOWER TECHNOLOGIES, INC. | 04/05/2023 | Regular | 0.00 | 6,825.00 | 80002 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 5169 | Invoice | 04/05/2023 | 50% DEPOSIT - SETUP/MPOWER INTEGRA | 0.00 | 6,000.00 | |
| | 1.1.1711 | | Prepaid expenses | | 6,000.00 | |
| 5177 | Invoice | 04/05/2023 | CUSTOMER CUPPORT SERVICE - OMS/EM | 0.00 | 825.00 | |
| | 1.5.31.285 | | Consulting Services | | 825.00 | |
| | | | CUSTOMER CUPPORT SERVICE - | | | |
| 06985 | NCL OF WISCONSIN, INC | 04/05/2023 | Regular | 0.00 | 77.89 | 80003 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 484036 | Invoice | 04/05/2023 | BLUE LIQUID THERMOMETER/CASE | 0.00 | 77.89 | |
| | 3.5.11.275 | | Testing & Monitoring | | 77.89 | |
| | | | BLUE LIQUID THERMOMETER/C | | | |
| 10222 | NICK MOSER | 04/05/2023 | Regular | 0.00 | 98.98 | 80004 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 03/28/23-SAFETY | Invoice | 04/05/2023 | REIMBURSE SAFETY BOOTS @ 50% | 0.00 | 98.98 | |
| | 1.5.21.315 | | Personal Protection Equip | | 59.39 | |
| | 2.5.21.315 | | Personal Protection Equip | | 19.80 | |
| | 3.5.11.315 | | Personal Protection Equip | | 19.79 | |
| | | | REIMBURSE SAFETY BOOTS @ 5 | | | |
| | | | REIMBURSE SAFETY BOOTS @ 5 | | | |
| | | | REIMBURSE SAFETY BOOTS @ 5 | | | |
| 07335 | OFFICE SHOP | 04/05/2023 | Regular | 0.00 | 3,716.47 | 80005 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 1124541-0 | Invoice | 04/05/2023 | OFFICE SUPPLIES - PAPER | 0.00 | 79.50 | |
| | 1.5.31.370 | | Office Supplies | | 47.70 | |
| | 2.5.31.370 | | Office Supplies | | 15.90 | |
| | 3.5.31.370 | | Office Supplies | | 15.90 | |
| 1124541-1 | Invoice | 04/05/2023 | OFFICE SUPPLIES - PAPER | 0.00 | 28.04 | |
| | 1.5.31.370 | | Office Supplies | | 16.82 | |
| | 2.5.31.370 | | Office Supplies | | 5.61 | |
| | 3.5.31.370 | | Office Supplies | | 5.61 | |
| 1124787-0 | Invoice | 04/05/2023 | OFFICE SUPPLIES | 0.00 | 282.35 | |
| | 1.5.31.370 | | Office Supplies | | 169.41 | |
| | 2.5.31.370 | | Office Supplies | | 56.47 | |
| | 3.5.31.370 | | Office Supplies | | 56.47 | |
| 1124787-1 | Invoice | 04/05/2023 | OFFICE SUPPLIES - BINDERS | 0.00 | 34.50 | |
| | 1.5.31.370 | | Office Supplies | | 20.70 | |
| | 2.5.31.370 | | Office Supplies | | 6.90 | |
| | 3.5.31.370 | | Office Supplies | | 6.90 | |
| 1125101-0 | Invoice | 04/05/2023 | OFFICE SUPPLIES - DIVIDERS/STAMP | 0.00 | 64.17 | |
| | 1.5.31.370 | | Office Supplies | | 38.51 | |
| | 2.5.31.370 | | Office Supplies | | 12.83 | |
| | 3.5.31.370 | | Office Supplies | | 12.83 | |
| 1125101-1 | Invoice | 04/05/2023 | OFFICE SUPPLIES - PRINTER TONER | 0.00 | 204.95 | |
| | 1.5.31.370 | | Office Supplies | | 122.97 | |
| | 2.5.31.370 | | Office Supplies | | 40.99 | |
| | 3.5.31.370 | | Office Supplies | | 40.99 | |
| 1125121-0 | Invoice | 04/05/2023 | OFFICE SUPPLIES - EXPANDABLE FILES | 0.00 | 47.36 | |
| | 1.5.31.370 | | Office Supplies | | 28.42 | |
| | 2.5.31.370 | | Office Supplies | | 9.47 | |
| | 3.5.31.370 | | Office Supplies | | 9.47 | |
| 1125163-0 | Invoice | 04/05/2023 | COPY MACHINE - WASTEWATER # CNMIR | 0.00 | 1,294.50 | |
| | 3.5.31.370 | | Office Supplies | | 1,294.50 | |
| 326013-0 | Invoice | 04/05/2023 | COPIER/PRINTER MAINTAINANCE - BILL P | 0.00 | 1,307.06 | |
| | 1.5.31.240 | | Maintenance - Equipmen | | 784.24 | |
| | 2.5.31.240 | | Maintenance - Equipmen | | 261.41 | |
| | | | OFFICE SHOP | | | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|------------------------------|--------------------------|--|-----------------|----------------|--------|
| | 3.5.31.240 | Maintenance - Equipmen | OFFICE SHOP | | 261.41 | |
| 326134-0 | Invoice | 04/05/2023 | COPIER/PRINTER MAINTAINANCE - BUSIN | 0.00 | 374.04 | |
| | 1.5.31.240 | Maintenance - Equipmen | OFFICE SHOP | | 224.42 | |
| | 2.5.31.240 | Maintenance - Equipmen | OFFICE SHOP | | 74.81 | |
| | 3.5.31.240 | Maintenance - Equipmen | OFFICE SHOP | | 74.81 | |
| 07641 | PITNEY BOWES INC. | 04/05/2023 | Regular | 0.00 | 116.19 | 80006 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 1022801910 | Invoice | 04/05/2023 | EZ SEAL - POSTAGE MACHINE | 0.00 | 116.19 | |
| | 1.5.31.370 | Office Supplies | EZ SEAL - POSTAGE MACHINE | | 69.71 | |
| | 2.5.31.370 | Office Supplies | EZ SEAL - POSTAGE MACHINE | | 23.24 | |
| | 3.5.31.370 | Office Supplies | EZ SEAL - POSTAGE MACHINE | | 23.24 | |
| 10087 | RICE LAKE CONSTRUCTION GROUP | 04/05/2023 | Regular | 0.00 | 157,540.00 | 80007 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 2222-02 | Invoice | 04/05/2023 | PUR RICE LAKE WW #3 | 0.00 | 157,540.00 | |
| | 3.1.4011 | Construction In Progress | PUR PROJECT #2 EVERGREEN LS | | 40,390.00 | |
| | 3.1.4011 | Construction In Progress | MAIN LS LAKESIDE GRIT CLASSIF | | 64,275.00 | |
| | 3.1.4011 | Construction In Progress | EVERGREEN LS LAKESIDE GRIT C | | 17,455.00 | |
| | 3.1.4011 | Construction In Progress | ADDITIONAL PIPE REPLACEMEN | | 2,650.00 | |
| | 3.1.4011 | Construction In Progress | PUR PROJECT #1 MAIN LS HUBE | | 32,770.00 | |
| 08895 | STUART C. IRBY CO | 04/05/2023 | Regular | 0.00 | 13,700.00 | 80008 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 5013229810.001 | Invoice | 04/05/2023 | INV MISC RF METERS | 0.00 | 13,700.00 | |
| | 1.1.1611 | Inventories | A 9S RXRS4X RF METER - LG PO | | 13,700.00 | |
| 07715 | U.S. POSTAL SERVICE | 04/05/2023 | Regular | 0.00 | 290.00 | 80009 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 03/20/23-PRESO | Invoice | 04/05/2023 | PERMIT#16 (MT) - FIRST CLASS PRESORT F | 0.00 | 290.00 | |
| | 1.5.31.440 | License/Taxes/Permits | PERMIT#16 (MT) - FIRST CLASS | | 174.00 | |
| | 2.5.31.440 | License/Taxes/Permits | PERMIT#16 (MT) - FIRST CLASS | | 58.00 | |
| | 3.5.31.440 | License/Taxes/Permits | PERMIT#16 (MT) - FIRST CLASS | | 58.00 | |
| 09665 | VIKING INDUSTRIAL CENTER | 04/05/2023 | Regular | 0.00 | 728.95 | 80010 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 3261389 | Invoice | 04/05/2023 | DISP. NITRILE GLOVE | 0.00 | 231.11 | |
| | 3.5.11.360 | Other Commodities | DISP. NITRILE GLOVE | | 231.11 | |
| 3261407 | Invoice | 04/05/2023 | 4-GAS CAL / REPLACEMENT O2 SENSOR | 0.00 | 497.84 | |
| | 2.5.11.240 | Maintenance - Equipmen | 4-GAS CAL / REPLACEMENT O2 | | 497.84 | |
| 09899 | WESCO RECEIVABLES CORP | 04/05/2023 | Regular | 0.00 | 3,067.04 | 80011 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 203007 | Invoice | 04/05/2023 | INV MISC ELEC | 0.00 | 1,647.04 | |
| | 1.1.1611 | Inventories | A STINGER SPLIT COVER 3/8"(IN | | 1,647.04 | |
| 203783 | Invoice | 04/05/2023 | INV MISC ELEC | 0.00 | 1,420.00 | |
| | 1.1.1611 | Inventories | A PHOTO CONT LED 120-277V 1 | | 1,420.00 | |
| 10224 | WSB & ASSOCIATES, INC. | 04/05/2023 | Regular | 0.00 | 1,530.00 | 80012 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| R-022389-000-1 | Invoice | 04/05/2023 | LANDSCAPE & BUFFER MGMT PLAN - SCR | 0.00 | 1,530.00 | |
| | 1.1.4011 | Construction In Progress | LANDSCAPE & BUFFER MGMT P | | 1,530.00 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-----------------------------|----------------------------------|-------------------------------|---------------------------------------|-----------------|----------------|--------|
| 02820 | DELL MARKETING L.P. | 04/11/2023 | Regular | 0.00 | 2,509.76 | 80014 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 10652796908 | Invoice | 04/11/2023 | 2023 Server Maint.: 8PXCXM2/8PWKXM2 | 0.00 | 2,509.76 | |
| 1.5.31.265 | Annual Maintenance Agr | 2023 Server Maint.: 8PXCXM2/8 | 1,254.88 | | | |
| 2.5.31.265 | Annual Maintenance Agr | 2023 Server Maint.: 8PXCXM2/8 | 501.95 | | | |
| 3.5.31.265 | Annual Maintenance Agr | 2023 Server Maint.: 8PXCXM2/8 | 501.95 | | | |
| 4.5.31.265 | Annual Maintenance Agr | 2023 Server Maint.: 8PXCXM2/8 | 250.98 | | | |
| 00760 | BLACKRIDGE BANK | 04/13/2023 | Regular | 0.00 | 131.25 | 80018 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000965 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION-C.Henningson | 0.00 | 131.25 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 131.25 | | | |
| 01190 | BREMER BANK | 04/13/2023 | Regular | 0.00 | 304.17 | 80019 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000966 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION-M. Lachelt #1 | 0.00 | 304.17 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 304.17 | | | |
| 02815 | DEERWOOD BANK | 04/13/2023 | Regular | 0.00 | 472.92 | 80020 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000967 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION-See enclosed I | 0.00 | 472.92 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 300.78 | | | |
| 2.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 160.42 | | | |
| 4.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 11.72 | | | |
| 03780 | GREAT RIVER FEDERAL CREDIT UNION | 04/13/2023 | Regular | 0.00 | 104.17 | 80021 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000970 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION- C. Gammon # | 0.00 | 104.17 | |
| 2.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 15.63 | | | |
| 3.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 88.54 | | | |
| 06025 | HEALTH EQUITY INC. | 04/13/2023 | Regular | 0.00 | 166.67 | 80022 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000968 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION-A.Moody #44 | 0.00 | 166.67 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 25.00 | | | |
| 2.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 141.67 | | | |
| 05150 | MMFCU | 04/13/2023 | Regular | 0.00 | 7,172.61 | 80023 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000969 | Invoice | 04/13/2023 | EE/ER HSA CONTRIBUTION - Emailed List | 0.00 | 7,172.61 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 2,952.62 | | | |
| 2.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 2,138.70 | | | |
| 3.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 1,256.28 | | | |
| 4.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | 825.01 | | | |
| 09575 | USW SECRETARY TREASURER | 04/13/2023 | Regular | 0.00 | 221.51 | 80024 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000973 | Invoice | 04/13/2023 | UD-BW 1.45 / LU#9230 - UNIT 09 - USW | 0.00 | 214.27 | |
| 4.2.1311 | Withheld from Salaries | UD-BW 1.45 / LU#9230 - UNIT 0 | 214.27 | | | |
| INV0000974 | Invoice | 04/13/2023 | UD-HRS / LU#9230 - UNIT 09- USW | 0.00 | 7.24 | |
| 4.2.1311 | Withheld from Salaries | UD-HRS / LU#9230 - UNIT 09- U | 7.24 | | | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|--------------------------|----------------------------|-------------------------------------|-----------------|----------------|--------|
| 00226 | AMERICAN DOOR WORKS | 04/14/2023 | Regular | 0.00 | 139.59 | 80025 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 010684 | Invoice | 04/14/2023 | 3 BUTTON UNIVERSAL TRANSMITTER | 0.00 | 139.59 | |
| 2.5.11.240 | Maintenance - Equipmen | 3 BUTTON UNIVERSAL TRANSMI | 139.59 | | | |
| 00315 | AMERICAN STEEL INC | 04/14/2023 | Regular | 0.00 | 43.30 | 80026 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 114580 | Invoice | 04/14/2023 | PIPE/TUBE | 0.00 | 43.30 | |
| 2.5.21.360 | Other Commodities | PIPE/TUBE | 43.30 | | | |
| 00820 | BOLTON & MENK, INC. | 04/14/2023 | Regular | 0.00 | 1,774.00 | 80027 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 0309343 | Invoice | 04/14/2023 | BIOSOLIDS AND SYSTEM REVIEW-02/18/2 | 0.00 | 1,774.00 | |
| 2.5.31.285 | Consulting Services | BIOSOLIDS AND SYSTEM REVIE | 496.00 | | | |
| 3.5.31.285 | Consulting Services | BIOSOLIDS AND SYSTEM REVIE | 1,278.00 | | | |
| 10008 | Braun Intertec | 04/14/2023 | Regular | 0.00 | 3,062.50 | 80028 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 8337955 | Invoice | 04/14/2023 | BRAINERD WATER TANKS-SERVICES THRU | 0.00 | 3,062.50 | |
| 2.1.4011 | Construction In Progress | BRAINERD WATER TANKS-SERVI | 3,062.50 | | | |
| 01805 | CENTERPOINT ENERGY | 04/14/2023 | Regular | 0.00 | 2,473.60 | 80029 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 8000014432-1-3/ | Invoice | 04/14/2023 | MONTHLY GAS BILL - WTR PROD/WTR DIS | 0.00 | 2,473.60 | |
| 2.5.11.230 | Utilities | 8000014432-1 | 486.17 | | | |
| 2.5.21.230 | Utilities/Gas | 8000014432-1 | 15.00 | | | |
| 3.5.21.230 | Utilities | 8000014432-1 | 1,972.43 | | | |
| 01837 | CENTURYLINK | 04/14/2023 | Regular | 0.00 | 518.62 | 80030 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 218701-0080497- | Invoice | 04/14/2023 | MONTHLY PHONE BILL - 04/01/2023 | 0.00 | 518.62 | |
| 1.5.21.220 | Communications | CENTURYLINK | 38.29 | | | |
| 2.5.11.220 | Communications | CENTURYLINK | 203.32 | | | |
| 2.5.21.220 | Communications | CENTURYLINK | 53.26 | | | |
| 3.5.21.220 | Communications | CENTURYLINK | 223.75 | | | |
| 01890 | CHARTER COMMUNICATIONS | 04/14/2023 | Regular | 0.00 | 63.34 | 80031 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 0008279040223 | Invoice | 04/14/2023 | TV SERVICE: 04/02/23 - 05/01/23 | 0.00 | 63.34 | |
| 1.5.31.220 | Communications | CHARTER COMMUNICATIONS | 38.00 | | | |
| 2.5.31.220 | Communications | CHARTER COMMUNICATIONS | 25.34 | | | |
| 02025 | CITY OF BRAINERD | 04/14/2023 | Regular | 0.00 | 77,361.21 | 80032 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 03/2023-MILL RA | Invoice | 04/14/2023 | MONTHLY TRANSFER: 03/2023 | 0.00 | 57,699.71 | |
| 1.2.1012 | Due to City of Brainerd | CITY OF BRAINERD | 57,699.71 | | | |
| 23-0003082 | Invoice | 04/14/2023 | 02/2023 RATWIK ROSAK & MALONEY INV. | 0.00 | 264.00 | |
| 1.5.31.285 | Consulting Services | 02/2023 RATWIK ROSAK & MAL | 132.00 | | | |
| 2.5.31.285 | Consulting Services | 02/2023 RATWIK ROSAK & MAL | 52.80 | | | |
| 3.5.31.285 | Consulting Services | 02/2023 RATWIK ROSAK & MAL | 52.80 | | | |
| 4.5.31.285 | Consulting Services | 02/2023 RATWIK ROSAK & MAL | 26.40 | | | |
| 23-0003092 | Invoice | 04/14/2023 | HR SERVICE FEE: Q2 2023 | 0.00 | 19,397.50 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|--------------------------------|-------------------------|------------------------------------|------------------------|----------------------------|--------|
| | 1.5.31.286 | Human Resource Services | CITY OF BRAINERD | 9,698.75 | | |
| | 2.5.31.286 | Human Resource Services | CITY OF BRAINERD | 3,879.50 | | |
| | 3.5.31.286 | Human Resource Services | CITY OF BRAINERD | 3,879.50 | | |
| | 4.5.31.286 | Human Resource Services | CITY OF BRAINERD | 1,939.75 | | |
| 02210 | CLIFTON LARSON ALLEN, LLP | 04/14/2023 | Regular | 0.00 | 130.00 | 80033 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 03022023 | Invoice | 04/14/2023 | 2023 MN GOVT TRAINING ACADEMY - T. | 0.00 | 130.00 | |
| | 1.5.31.460 | | Travel/Conferences/Scho | | 130.00 | |
| 08672 | DARRIN SMITH | 04/14/2023 | Regular | 0.00 | 73.73 | 80034 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 4/5/23-SAFETY B | Invoice | 04/14/2023 | REIMBURSE SAFETY BOOTS @ 50% | 0.00 | 73.73 | |
| | 3.5.11.315 | | Personal Protection Equip | | 73.73 | |
| 03118 | ESSENTIA HEALTH | 04/14/2023 | Regular | 0.00 | 341.00 | 80035 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 800007619-04/2/ | Invoice | 04/14/2023 | GUARANTOR ACCT: 800007619 - OLSON/ | 0.00 | 341.00 | |
| | 1.5.21.290 | | Other Charges | | 341.00 | |
| 03275 | FASTENAL COMPANY | 04/14/2023 | Regular | 0.00 | 87.11 | 80036 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| MNBAX2260557 | Invoice | 04/14/2023 | BATTERIES/DUCT TAPE | 0.00 | 82.47 | |
| | 1.5.21.360 | | Other Commodities | | 49.48 | |
| | 2.5.21.360 | | Other Commodities | | 16.49 | |
| | 3.5.11.360 | | Other Commodities | | 16.50 | |
| MNBAX260448 | Invoice | 04/14/2023 | 3/8" - 16 FHN Z | 0.00 | 4.64 | |
| | 3.5.11.360 | | Other Commodities | | 4.64 | |
| 07691 | FERGUSON ENTERPRISES INC #3326 | 04/14/2023 | Regular | 0.00 | 5,197.62 | 80037 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 0234693 | Invoice | 04/14/2023 | PUR ZENNER HYDRANT METERS | 0.00 | 3,499.37 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 3,499.37 | |
| 0234696 | Invoice | 04/14/2023 | PUR ZENNER HYDRANT METERS | 0.00 | 1,698.25 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 1,698.25 | |
| 03542 | BRAINERD DISPATCH | 04/14/2023 | Regular | 0.00 | 499.50 | 80038 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| MP3168200323 | Invoice | 04/14/2023 | JOURNEY ELEC LINEWORKER AD | 0.00 | 499.50 | |
| | 1.5.21.220 | | Communications | | 499.50 | |
| 03695 | GOPHER STATE ONE-CALL | 04/14/2023 | Regular | 0.00 | 28.35 | 80039 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 3030109 | Invoice | 04/14/2023 | GSOC TICKETS: 03/2023 | 0.00 | 28.35 | |
| | 1.5.21.240 | | Maintenance - Equipmen | | 17.01 | |
| | 2.5.21.240 | | Maintenance - Equipmen | | 11.34 | |
| 10223 | JEFFERY LIPP | 04/14/2023 | Regular | 0.00 | 500.00 | 80040 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | | Account Name | | Distribution Amount | |
| 03/30/23-ELEC R | Invoice | 04/14/2023 | ELEC SERVICE REBATE @ 1222 NORWOOD | 0.00 | 500.00 | |
| | 1.5.21.290 | | Other Charges | | 500.00 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--|--|------------------|--------------------------------------|-----------------|----------------|--------|
| 05530 | LEAGUE OF MN CITIES INS. TRUST P&C | 04/14/2023 | Regular | 0.00 | 57,939.71 | 80041 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 40001339-04/07/1.1.1711 | Invoice | 04/14/2023 | 40001339-PROPERTY CASUALTY PREM. 03 | 0.00 | 57,939.71 | |
| | Prepaid expenses | | 40001339-PROPERTY CASUALTY | | 57,939.71 | |
| 05730 | M & M EXPRESS SALES & SERVICE | 04/14/2023 | Regular | 0.00 | 3.85 | 80042 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 432104 | Invoice | 04/14/2023 | FUEL KIT | 0.00 | 3.85 | |
| | Maintenance - Equipmen | | FUEL KIT | | 3.85 | |
| 06141 | MINNESOTA DEPT OF HEALTH | 04/14/2023 | Regular | 0.00 | 23.00 | 80043 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 04/22-D.SMITH R 3.5.11.440 | Invoice | 04/14/2023 | DARRIN SMITH - CLASS C #1158 - WATER | 0.00 | 23.00 | |
| | License/Taxes/Permits | | DARRIN SMITH - CLASS C #1158 | | 23.00 | |
| 06190 | MINNESOTA MUNICIPAL UTILITIES ASSOCIATIO | 04/14/2023 | Regular | 0.00 | 10,284.66 | 80044 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 61377 | Invoice | 04/14/2023 | Q2 2023 SAFETY MGMT PROGRAM & ELE | 0.00 | 8,379.75 | |
| | Prepaid expenses | | Q2 2023 SAFETY MGMT PROGR | | 6,504.75 | |
| | Other Charges | | Q2 2023 SAFETY MGMT PROGR | | 1,875.00 | |
| 61470 | Invoice | 04/14/2023 | COMPETENT PERSON/EXCAVATION WORK | 0.00 | 1,440.00 | |
| | Travel/Conferences/Scho | | COMPETENT PERSON/EXCAVATI | | 720.00 | |
| | Travel/Conferences/Scho | | COMPETENT PERSON/EXCAVATI | | 720.00 | |
| 61499 | Invoice | 04/14/2023 | 17TH EDITION APPA SAFETY MANUAL | 0.00 | 464.91 | |
| | Travel/Conferences/Scho | | 17TH EDITION APPA SAFETY MA | | 464.91 | |
| 06266 | MINNESOTA VALLEY | 04/14/2023 | Regular | 0.00 | 2,552.00 | 80045 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 1190729 | Invoice | 04/14/2023 | TESTING | 0.00 | 1,925.00 | |
| | Testing & Monitoring | | MINNESOTA VALLEY | | 1,925.00 | |
| 1191008 | Invoice | 04/14/2023 | TESTING | 0.00 | 627.00 | |
| | Testing & Monitoring | | MINNESOTA VALLEY | | 627.00 | |
| 05626 | NICK LOCHNER | 04/14/2023 | Regular | 0.00 | 133.50 | 80046 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 4/6/23-SAFETY B 1.5.21.315 | Invoice | 04/14/2023 | REIMBURSE SAFETY BOOTS @ 50% | 0.00 | 133.50 | |
| | Personal Protection Equip | | REIMBURSE SAFETY BOOTS @ 5 | | 133.50 | |
| 07339 | ONLINE INFORMATION SERVICES, INC. | 04/14/2023 | Regular | 0.00 | 192.40 | 80047 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 1179659 | Invoice | 04/14/2023 | ONLINE UTILITY EXCHANGE REPORT: 03/2 | 0.00 | 192.40 | |
| | Other Charges | | ON LINE INFORMATION SERVICE | | 115.44 | |
| | Other Charges | | ON LINE INFORMATION SERVICE | | 38.48 | |
| | Other Charges | | ON LINE INFORMATION SERVICE | | 38.48 | |
| 10182 | PFC EQUIPMENT INC | 04/14/2023 | Regular | 0.00 | 267.79 | 80048 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 409773 | Invoice | 04/14/2023 | O-RING/GASKET | 0.00 | 267.79 | |
| | Maintenance - Equipmen | | O-RING/GASKET | | 267.79 | |
| 10087 | RICE LAKE CONSTRUCTION GROUP | 04/14/2023 | Regular | 0.00 | 9,333.46 | 80049 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------------------|--------------------------|----------------------------|-------------------------------------|-----------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 2301-19000 | Invoice | 04/14/2023 | PUR WW RICE LAKE | 0.00 | 9,333.46 | |
| 3.1.4011 | Construction In Progress | PUR 20" FL 90 BEND CL RPX | 9,333.46 | | | |
| 08410 | SCR-NORTHERN | 04/14/2023 | Regular | 0.00 | 3,784.54 | 80050 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| W43614 | Invoice | 04/14/2023 | WWT SBR - BOILER PUMP/SEAL KIT | 0.00 | 1,159.29 | |
| 3.5.11.250 | Maintenance - Buildings | WWT SBR - BOILER PUMP/SEAL | 1,159.29 | | | |
| W43819 | Invoice | 04/14/2023 | WWT SBR - BOILER MAINT/VENT OUTSID | 0.00 | 2,625.25 | |
| 3.5.11.250 | Maintenance - Buildings | WWT SBR - BOILER MAINT/VEN | 2,625.25 | | | |
| 08805 | STAR ENERGY SERVICES | 04/14/2023 | Regular | 0.00 | 205.00 | 80051 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 20944 | Invoice | 04/14/2023 | DER COMPLIANCE | 0.00 | 205.00 | |
| 1.5.31.285 | Consulting Services | DER COMPLIANCE | 205.00 | | | |
| 09524 | TYLER TECHNOLOGIES INC. | 04/14/2023 | Regular | 0.00 | 13,109.95 | 80052 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 025-417464 | Invoice | 04/14/2023 | INSITE TRANSACTION FEES: Q1 2023 | 0.00 | 13,038.75 | |
| 1.5.31.476 | CC Transaction Fee | INSITE TRANSACTION FEES | 7,823.25 | | | |
| 2.5.31.476 | CC Transaction Fees | INSITE TRANSACTION FEES | 2,607.75 | | | |
| 3.5.31.476 | CC Transaction Fee | INSITE TRANSACTION FEES | 2,607.75 | | | |
| 025-418661 | Invoice | 04/14/2023 | INCODE SMART METER SMS: Q1 2023 | 0.00 | 71.20 | |
| 1.5.31.220 | Communications | INCODE SMART METER SMS | 42.72 | | | |
| 2.5.31.220 | Communications | INCODE SMART METER SMS | 14.24 | | | |
| 3.5.31.220 | Communications | INCODE SMART METER SMS | 14.24 | | | |
| 09728 | WASTE PARTNERS | 04/14/2023 | Regular | 0.00 | 1,540.81 | 80053 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 33X00119 | Invoice | 04/14/2023 | TRASH/RECYCLING SERVICE: ACCT#24205 | 0.00 | 1,540.81 | |
| 1.5.21.270 | Cleaning & Waste Remov | WASTE PARTNERS | 114.72 | | | |
| 1.5.31.270 | Cleaning & Waste Remov | WASTE PARTNERS | 57.36 | | | |
| 2.5.21.270 | Cleaning & Waste Remov | WASTE PARTNERS | 57.36 | | | |
| 2.5.31.270 | Cleaning & Waste Remov | WASTE PARTNERS | 57.36 | | | |
| 3.5.11.270 | Cleaning & Waste Remov | WASTE PARTNERS | 338.38 | | | |
| 3.5.21.270 | Cleaning & Waste Remov | WASTE PARTNERS | 858.43 | | | |
| 4.5.11.270 | Cleaning & Waste Remov | WASTE PARTNERS | 57.20 | | | |
| 00075 | A W RESEARCH | 04/20/2023 | Regular | 0.00 | 3,667.60 | 80076 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 54327 | Invoice | 04/20/2023 | WWT TESTING | 0.00 | 3,257.20 | |
| 3.5.11.275 | Testing & Monitoring | A W RESEARCH | 3,257.20 | | | |
| 54328 | Invoice | 04/20/2023 | WTR TESTING | 0.00 | 410.40 | |
| 2.5.11.275 | Testing & Monitoring | A W RESEARCH | 410.40 | | | |
| 00105 | ACE HARDWARE-BRAINERD | 04/20/2023 | Regular | 0.00 | 144.75 | 80077 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 313834/1 | Invoice | 04/20/2023 | SHOVELS/MISC TOOLS | 0.00 | 144.75 | |
| 3.5.11.310 | Small Tools & Supplies | SHOVELS/MISC TOOLS | 80.06 | | | |
| 3.5.21.310 | Small Tools & Supplies | SHOVELS/MISC TOOLS | 64.69 | | | |
| 00250 | AMARIL UNIFORM COMPANY | 04/20/2023 | Regular | 0.00 | 1,771.97 | 80078 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|----------------------------|--------------|--|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| IV243148 | Invoice | 04/20/2023 | FR CLOTHING - DALLAS/TRENT | 0.00 | 1,771.97 | |
| | 1.5.21.315 | | Personal Protection Equip | | 1,771.97 | |
| 00340 | ARAMARK UNIFORM SERVICES | 04/20/2023 | Regular | 0.00 | 62.24 | 80079 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 2530126646 | Invoice | 04/20/2023 | WORK UNIFORMS | 0.00 | 31.12 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 18.67 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 12.45 | |
| 2530129226 | Invoice | 04/20/2023 | WORK UNIFORMS | 0.00 | 31.12 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 18.67 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 12.45 | |
| 00497 | AUTO VALUE | 04/20/2023 | Regular | 0.00 | 240.92 | 80080 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 17336261 | Invoice | 04/20/2023 | AIR HOSE/GAUGE | 0.00 | 142.65 | |
| | 3.5.21.240 | | Maintenance - Equipmen | | 142.65 | |
| 17336268 | Invoice | 04/20/2023 | 1/4 F BODY & M PLUG | 0.00 | 12.81 | |
| | 3.5.21.240 | | Maintenance - Equipmen | | 12.81 | |
| 17336346 | Invoice | 04/20/2023 | FLOOR DRY | 0.00 | 85.46 | |
| | 3.5.11.360 | | Other Commodities | | 85.46 | |
| 00670 | BARR ENGINEERING CO | 04/20/2023 | Regular | 0.00 | 13,364.00 | 80081 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 23181016.06-14 | Invoice | 04/20/2023 | WORK ORDER #6 - HYDRO PROJ. 2/25/23- | 0.00 | 13,364.00 | |
| | 4.1.4011 | | Construction In Progress | | 182.00 | |
| | 4.5.31.285 | | Consulting Services | | 13,182.00 | |
| 00735 | BEST OIL COMPANY | 04/20/2023 | Regular | 0.00 | 932.84 | 80082 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 27998 | Invoice | 04/20/2023 | DIESEL | 0.00 | 683.52 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 410.11 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 136.70 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 136.71 | |
| 27999 | Invoice | 04/20/2023 | GAS | 0.00 | 249.32 | |
| | 1.5.21.320 | | Motor Fuels & Lubricants | | 149.59 | |
| | 2.5.21.320 | | Motor Fuels & Lubricants | | 49.86 | |
| | 3.5.11.320 | | Motor Fuels & Lubricants | | 49.87 | |
| 00825 | BORDER STATES ELECTRIC | 04/20/2023 | Regular | 0.00 | 5,628.97 | 80083 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 926063838 | Invoice | 04/20/2023 | PUR WINCH CABLE 6524 1/4" X 50' | 0.00 | 79.74 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 79.74 | |
| 926086007 | Invoice | 04/20/2023 | 34009206 self retracting lifeline 50' ss | 0.00 | 4,549.23 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 4,549.23 | |
| 926116468 | Invoice | 04/20/2023 | INV ELEC HARDWARE | 0.00 | 1,000.00 | |
| | 1.1.1611 | | Inventories | | 1,000.00 | |
| 03542 | BRAINERD DISPATCH | 04/20/2023 | Regular | 0.00 | 250.80 | 80084 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------|----------------------------|--------------|---------------------------------------|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 05/15/2023 REN | Invoice | 04/20/2023 | SUBSCRIPTION RENEWAL FOR ACCT #178 | 0.00 | 250.80 | |
| | 1.5.31.420 | | Dues & Subscriptions | | 150.48 | |
| | 2.5.31.420 | | Dues & Subscriptions | | 50.16 | |
| | 3.5.31.420 | | Dues & Subscriptions | | 50.16 | |
| 03635 | CHARLES GAMMON | 04/20/2023 | Regular | 0.00 | 84.22 | 80085 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 04/12/2-SAFETY | Invoice | 04/20/2023 | REIMBURSE SAFETY BOOTS @ 50% | 0.00 | 84.22 | |
| | 3.5.11.315 | | Personal Protection Equip | | 84.22 | |
| 02002 | CITY OF BAXTER | 04/20/2023 | Regular | 0.00 | 137.45 | 80086 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| PW2023-011 | Invoice | 04/20/2023 | 7925 INDUSTRIAL PARK RD-KNIFE RIVER-P | 0.00 | 137.45 | |
| | 1.5.21.440 | | License/Taxes/Permits | | 137.45 | |
| 02002 | CITY OF BAXTER | 04/20/2023 | Regular | 0.00 | 17,966.91 | 80087 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 02/2023-8038CP | Invoice | 04/20/2023 | PFA LOAN INTEREST REBATE | 0.00 | 17,966.91 | |
| | 3.4.3.33 | | Federal Interest/Subsidy | | 17,966.91 | |
| 02790 | DAKOTA SUPPLY GROUP | 04/20/2023 | Regular | 0.00 | 306.40 | 80088 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| S102633749.001 | Invoice | 04/20/2023 | PUR AY RANGER AND COMPRESSION COU | 0.00 | 306.40 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 96.78 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 33.26 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 176.36 | |
| 03038 | ELECTRIC PUMP, INC | 04/20/2023 | Regular | 0.00 | 6,015.03 | 80089 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 0075619-IN | Invoice | 04/20/2023 | WEAR RINGS | 0.00 | 6,015.03 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 6,015.03 | |
| 03180 | EVOLVING SOLUTIONS, INC. | 04/20/2023 | Regular | 0.00 | 27,768.00 | 80090 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 201361 | Invoice | 04/20/2023 | PASSIVE COPPER SPLITTER | 0.00 | 900.00 | |
| | 1.5.31.267 | | IT System Expenses | | 450.00 | |
| | 2.5.31.267 | | IT System Expenses | | 180.00 | |
| | 3.5.31.267 | | IT System Expenses | | 180.00 | |
| | 4.5.31.267 | | IT System Expenses | | 90.00 | |
| 201405 | Invoice | 04/20/2023 | SCADA SWITCHES | 0.00 | 26,868.00 | |
| | 1.1.4011 | | Construction In Progress | | 16,120.80 | |
| | 2.1.4011 | | Construction In Progress | | 5,373.60 | |
| | 3.1.4011 | | Construction In Progress | | 5,373.60 | |
| 03275 | FASTENAL COMPANY | 04/20/2023 | Regular | 0.00 | 60.62 | 80091 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| MNBAX260698 | Invoice | 04/20/2023 | PIPE TAP/JOBBER | 0.00 | 60.62 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 60.62 | |
| 03282 | FERGUSON WATERWORKS #2518 | 04/20/2023 | Regular | 0.00 | 630.46 | 80092 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------------------|--------------------------------|------------------|-------------------------------------|-----------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 0508859 | Invoice | 04/20/2023 | INV WATER PARTS | 0.00 | 630.46 | |
| | 2.1.1611 | | Inventories | | 35.45 | |
| | 2.1.1611 | | Inventories | | 595.01 | |
| 03321 | FIRST IMPRESSION PRINTING | 04/20/2023 | Regular | 0.00 | 45.68 | 80093 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 87282 | Invoice | 04/20/2023 | FINANCIAL REPORT COVERS | 0.00 | 45.68 | |
| | 1.5.31.280 | | Printing & Publishing For | | 27.41 | |
| | 2.5.31.280 | | Printing & Publishing For | | 9.14 | |
| | 3.5.31.280 | | Printing & Publishing For | | 9.13 | |
| 03330 | FIRST SYSTEMS TECHNOLOGY, INC. | 04/20/2023 | Regular | 0.00 | 12,071.90 | 80094 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 23508 | Invoice | 04/20/2023 | PUR FLOW METER REPLACEMENT | 0.00 | 6,665.70 | |
| | 2.1.4011 | | Construction In Progress | | 6,665.70 | |
| 23509 | Invoice | 04/20/2023 | PUR FLOW METER REPLACEMENT | 0.00 | 5,406.20 | |
| | 2.1.4011 | | Construction In Progress | | 5,406.20 | |
| 03495 | FLAHERTY & HOOD, P.A. | 04/20/2023 | Regular | 0.00 | 187.50 | 80095 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 19286 | Invoice | 04/20/2023 | NPDES PERMIT ISSUES - CLIENT # 8755 | 0.00 | 187.50 | |
| | 3.5.11.285 | | Consulting Services | | 187.50 | |
| 03557 | FRONTIER ENERGY, INC. | 04/20/2023 | Regular | 0.00 | 17,775.04 | 80096 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 191579 | Invoice | 04/20/2023 | CIP SERVICES - 03/2023 | 0.00 | 17,775.04 | |
| | 1.2.1013 | | CIP Payable | | 17,775.04 | |
| 03699 | GRAINGER | 04/20/2023 | Regular | 0.00 | 1,277.71 | 80097 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 9662479683 | Invoice | 04/20/2023 | NOISE REDUCTION EAR MUFFS - FOR HAR | 0.00 | 528.72 | |
| | 2.5.21.315 | | Personal Protection Equip | | 528.72 | |
| 9662570846 | Invoice | 04/20/2023 | LED DIRECTIONAL WARNING LIGHT | 0.00 | 438.96 | |
| | 1.5.21.240 | | Maintenance - Equipmen | | 438.96 | |
| 9663723071 | Invoice | 04/20/2023 | TOURNIQUET ASSEMBLY | 0.00 | 199.02 | |
| | 1.5.21.360 | | Other Commodities | | 99.51 | |
| | 2.5.21.360 | | Other Commodities | | 39.80 | |
| | 3.5.11.360 | | Other Commodities | | 39.80 | |
| | 4.5.11.360 | | Other Commodities | | 19.91 | |
| 9668401806 | Invoice | 04/20/2023 | FIRE HOSE NOZZLE/SPRAY NOZZLE | 0.00 | 111.01 | |
| | 2.5.21.310 | | Small Tools & Supplies | | 94.49 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 16.52 | |
| 10006 | In Control, Inc. | 04/20/2023 | Regular | 0.00 | 2,275.00 | 80098 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| S-INVO0465 | Invoice | 04/20/2023 | 19170NA PUNCHLIST CLOSEOUT - ENGINE | 0.00 | 2,275.00 | |
| | 1.5.31.285 | | Consulting Services | | 2,275.00 | |
| 05755 | MAGNEY CONSTRUCTION, INC | 04/20/2023 | Regular | 0.00 | 519,138.21 | 80099 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|--|--------------|--|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 00578 - PYMT #1 | Invoice | 04/20/2023 | WTR TANK STORAGE PROJ - 00578 PYMT | 0.00 | 94,943.00 | |
| | 2.1.4011 | | Construction In Progress | | 94,943.00 | |
| 00578-PYMT #16 | Invoice | 04/20/2023 | WTR STORAGE TANK PROJ - 00578 PYMT | 0.00 | 424,195.21 | |
| | 2.1.4011 | | Construction In Progress | | 424,195.21 | |
| 06190 | MINNESOTA MUNICIPAL UTILITIES ASSOCIATIO | 04/20/2023 | Regular | 0.00 | 2,224.50 | 80100 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 61529 | Invoice | 04/20/2023 | 4 YEAR APPRENTICE LINEWORKER PROGR | 0.00 | 2,224.50 | |
| | 1.5.21.460 | | Travel/Conferences/Scho | | 2,224.50 | |
| 06266 | MINNESOTA VALLEY | 04/20/2023 | Regular | 0.00 | 1,238.60 | 80101 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 1191926 | Invoice | 04/20/2023 | TESTING | 0.00 | 94.60 | |
| | 3.5.11.275 | | Testing & Monitoring | | 94.60 | |
| 1192688 | Invoice | 04/20/2023 | TESTING | 0.00 | 473.00 | |
| | 3.5.11.275 | | Testing & Monitoring | | 473.00 | |
| 1192721 | Invoice | 04/20/2023 | TESTING | 0.00 | 198.00 | |
| | 3.5.11.275 | | Testing & Monitoring | | 198.00 | |
| 1192723 | Invoice | 04/20/2023 | TESTING | 0.00 | 473.00 | |
| | 3.5.11.275 | | Testing & Monitoring | | 473.00 | |
| 05238 | MITCH LACHELT | 04/20/2023 | Regular | 0.00 | 82.50 | 80102 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 04/12/23-SAFETY | Invoice | 04/20/2023 | REIMBUSE SAFETY BOOTS @ 50% | 0.00 | 82.50 | |
| | 1.5.21.315 | | Personal Protection Equip | | 82.50 | |
| 06200 | MPCA | 04/20/2023 | Regular | 0.00 | 1,032.68 | 80103 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 10000166872 | Invoice | 04/20/2023 | HAZARDOUS WASTE FEES - 13695/8027 H | 0.00 | 1,032.68 | |
| | 1.5.21.440 | | License/Taxes/Permits | | 1,032.68 | |
| 06985 | NCL OF WISCONSIN, INC | 04/20/2023 | Regular | 0.00 | 59.09 | 80104 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 485225 | Invoice | 04/20/2023 | BLUE LIQUID THERMOMETER | 0.00 | 59.09 | |
| | 3.5.11.275 | | Testing & Monitoring | | 59.09 | |
| 06192 | NCPERS GROUP LIFE INS. | 04/20/2023 | Regular | 0.00 | 128.00 | 80105 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 355600052023 | Invoice | 04/20/2023 | NCPERS Group Life Ins. Unit # 355600 - W | 0.00 | 128.00 | |
| | 1.2.1311 | | Withheld from Salaries | | 41.61 | |
| | 2.2.1311 | | Withheld from Salaries | | 28.68 | |
| | 3.2.1311 | | Withheld from Salaries | | 21.71 | |
| | 4.2.1311 | | Withheld from Salaries | | 36.00 | |
| 06905 | NELSON SANITATION & RENTAL INC. | 04/20/2023 | Regular | 0.00 | 2,437.50 | 80106 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| INV/2023/2534 | Invoice | 04/20/2023 | CLEAN LIFT STATIONS - 04/06/2023 | 0.00 | 2,437.50 | |
| | 3.5.21.270 | | Cleaning & Waste Remov | | 2,437.50 | |
| 10182 | PFC EQUIPMENT INC | 04/20/2023 | Regular | 0.00 | 711.11 | 80107 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|-----------------------------|--------------|---------------------------------------|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 409912 | Invoice | 04/20/2023 | O-RING, SLEEVE | 0.00 | 711.11 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 711.11 | |
| 07920 | QUALITY FLOW SYSTEMS, INC. | 04/20/2023 | Regular | 0.00 | 31,935.50 | 80108 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 44612 | Invoice | 04/20/2023 | REPAIR OF FLYGT 3300 - EVERGREEN LIFT | 0.00 | 20,601.00 | |
| | 3.5.21.240 | | Maintenance - Equipmen | | 20,601.00 | |
| 44613 | Invoice | 04/20/2023 | ROTORS/COVER PT=ROTECTION PLATE - D | 0.00 | 7,096.60 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 7,096.60 | |
| 44614 | Invoice | 04/20/2023 | WAS BUILDING - LOBE TIPS/TOOL KIT | 0.00 | 4,237.90 | |
| | 3.5.11.240 | | Maintenance - Equipmen | | 4,237.90 | |
| 08895 | STUART C. IRBY CO | 04/20/2023 | Regular | 0.00 | 1,385.76 | 80109 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| S013371304.002 | Invoice | 04/20/2023 | INV ELEC EOVERHEAD PARTS | 0.00 | 160.80 | |
| | 1.1.1611 | | Inventories | | 160.80 | |
| S013491181.001 | Invoice | 04/20/2023 | PUR LV, HV, AND SLEEVES | 0.00 | 1,224.96 | |
| | 1.5.21.275 | | Testing & Monitoring | | 12.00 | |
| | 1.5.21.275 | | Testing & Monitoring | | 3.00 | |
| | 1.5.21.275 | | Testing & Monitoring | | 14.00 | |
| | 1.5.21.275 | | Testing & Monitoring | | 12.50 | |
| | 1.5.21.315 | | Personal Protection Equip | | 866.76 | |
| | 1.5.21.315 | | Personal Protection Equip | | 316.70 | |
| 10040 | TEST-RIGHT, LLC | 04/20/2023 | Regular | 0.00 | 681.37 | 80110 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 206 | Invoice | 04/20/2023 | GLOVES/TESTING | 0.00 | 681.37 | |
| | 1.5.21.275 | | Testing & Monitoring | | 315.00 | |
| | 1.5.21.315 | | Personal Protection Equip | | 366.37 | |
| 09663 | VIKING ELECTRIC SUPPLY, INC | 04/20/2023 | Regular | 0.00 | 51.48 | 80111 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| S006800597.001 | Invoice | 04/20/2023 | ELECTRIC COUPLINGS/CONNECTORS | 0.00 | 51.48 | |
| | 1.5.21.260 | | Maintenance - Other | | 51.48 | |
| 09899 | WESCO RECEIVABLES CORP | 04/20/2023 | Regular | 0.00 | 1,727.11 | 80112 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 211359 | Invoice | 04/20/2023 | INV MISC ELEC | 0.00 | 1,602.72 | |
| | 1.1.1611 | | Inventories | | 1,602.72 | |
| 213703 | Invoice | 04/20/2023 | PUR PPE HARNESS LANYARD DALLAS | 0.00 | 124.39 | |
| | 1.5.21.315 | | Personal Protection Equip | | 124.39 | |
| 09925 | WEX HEALTH, INC | 04/20/2023 | Regular | 0.00 | 28.00 | 80113 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 0001718131-IN | Invoice | 04/20/2023 | MONTHLY COBRA BILLING: 03/2023 | 0.00 | 28.00 | |
| | 1.5.31.285 | | Consulting Services | | 28.00 | |
| 10188 | XTONA | 04/20/2023 | Regular | 0.00 | 400.00 | 80114 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------------------|----------------------------|----------------------------|-----------------------------|-----------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 9468 | Invoice | 04/20/2023 | Monthly IT Billing: 04/2023 | 0.00 | 400.00 | |
| 1.5.31.265 | Annual Maintenance Agr | Monthly IT Billing: | | 200.00 | | |
| 2.5.31.265 | Annual Maintenance Agr | Monthly IT Billing: | | 80.00 | | |
| 3.5.31.265 | Annual Maintenance Agr | Monthly IT Billing: | | 80.00 | | |
| 4.5.31.265 | Annual Maintenance Agr | Monthly IT Billing: | | 40.00 | | |
| 00105 | ACE HARDWARE-BRAINERD | 04/20/2023 | Regular | 0.00 | 85.52 | 80115 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 314053/1 | Invoice | 04/20/2023 | CONCRETE PATCH | 0.00 | 28.85 | |
| 1.5.21.250 | Maintenance - Buildings | CONCRETE PATCH | | 17.31 | | |
| 2.5.21.250 | Maintenance - Buildings | CONCRETE PATCH | | 11.54 | | |
| 314096/1 | Invoice | 04/20/2023 | BUSHINGS | 0.00 | 11.52 | |
| 2.5.21.240 | Maintenance - Equipmen | MISC HARDWARE | | 11.52 | | |
| 314113/1 | Invoice | 04/20/2023 | WD40/PRO GAS/BOX SWITCH | 0.00 | 33.63 | |
| 1.5.21.360 | Other Commodities | WD40/PRO GAS/BOX SWITCH | | 33.63 | | |
| 314123/1 | Invoice | 04/20/2023 | FUEL CAP/CUTOFF DISC | 0.00 | 11.52 | |
| 1.5.21.360 | Other Commodities | FUEL CAP/CUTOFF DISC | | 11.52 | | |
| 00315 | AMERICAN STEEL INC | 04/20/2023 | Regular | 0.00 | 58.65 | 80116 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 114547 | Invoice | 04/20/2023 | CHANNEL 4 X 5.4# - FA 1026 | 0.00 | 58.65 | |
| 1.5.21.240 | Maintenance - Equipmen | CHANNEL 4 X 5.4# - FA 1026 | | 58.65 | | |
| 00337 | AMERICAN WELDING & GAS INC | 04/20/2023 | Regular | 0.00 | 153.87 | 80117 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 09068813 | Invoice | 04/20/2023 | NITROGEN K | 0.00 | 71.07 | |
| 1.5.21.360 | Other Commodities | NITROGEN K | | 42.64 | | |
| 2.5.21.360 | Other Commodities | NITROGEN K | | 28.43 | | |
| 09226678 | Invoice | 04/20/2023 | CYLINDER RENTAL INVOICE | 0.00 | 82.80 | |
| 1.5.21.360 | Other Commodities | AMERICAN WELDING & GAS | | 49.68 | | |
| 2.5.21.360 | Other Commodities | AMERICAN WELDING & GAS | | 33.12 | | |
| 00692 | BATTERIES PLUS # 035 | 04/20/2023 | Regular | 0.00 | 39.98 | 80118 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| P61594489 | Invoice | 04/20/2023 | 12V BATTERIES | 0.00 | 39.98 | |
| 2.5.11.360 | Other Commodities | 12V BATTERIES | | 39.98 | | |
| 00735 | BEST OIL COMPANY | 04/20/2023 | Regular | 0.00 | 1,054.75 | 80119 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 28106 | Invoice | 04/20/2023 | DIESEL | 0.00 | 508.75 | |
| 1.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 305.25 | | |
| 2.5.21.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 101.75 | | |
| 3.5.11.320 | Motor Fuels & Lubricants | BEST OIL COMPANY | | 101.75 | | |
| 28107 | Invoice | 04/20/2023 | GAS | 0.00 | 546.00 | |
| 1.5.21.320 | Motor Fuels & Lubricants | GAS | | 327.60 | | |
| 2.5.21.320 | Motor Fuels & Lubricants | GAS | | 109.20 | | |
| 3.5.11.320 | Motor Fuels & Lubricants | GAS | | 109.20 | | |
| 02785 | DACOTAH PAPER CO | 04/20/2023 | Regular | 0.00 | 787.08 | 80120 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
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| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 48804 | Invoice | 04/20/2023 | PAPER GOODS/TOILETRIES | 0.00 | 787.08 | |
| | 1.5.21.360 | | Other Commodities | | 393.53 | |
| | 2.5.21.360 | | Other Commodities | | 157.42 | |
| | 3.5.11.360 | | Other Commodities | | 157.42 | |
| | 4.5.11.360 | | Other Commodities | | 78.71 | |
| 03038 | ELECTRIC PUMP, INC | 04/20/2023 | Regular | 0.00 | 1,984.17 | 80121 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 0075637-IN | Invoice | 04/20/2023 | WEAR RINGS | 0.00 | 1,984.17 | |
| | 3.5.21.240 | | Maintenance - Equipmen | | 1,984.17 | |
| 03275 | FASTENAL COMPANY | 04/20/2023 | Regular | 0.00 | 155.73 | 80122 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| MNBAX260767 | Invoice | 04/20/2023 | SUPPLIES | 0.00 | 155.73 | |
| | 2.5.11.360 | | Other Commodities | | 155.73 | |
| 03699 | GRAINGER | 04/20/2023 | Regular | 0.00 | 359.05 | 80123 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 96785071554 | Invoice | 04/20/2023 | FOLDING ROLLING LADDER | 0.00 | 359.05 | |
| | 3.5.11.310 | | Small Tools & Supplies | | 359.05 | |
| 05335 | LAKES AREA MAT SERVICE II, INC | 04/20/2023 | Regular | 0.00 | 96.05 | 80124 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 20230403 | Invoice | 04/20/2023 | MAT/TOWEL SERVICE | 0.00 | 46.91 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 7.04 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 4.69 | |
| | 3.5.11.270 | | Cleaning & Waste Remov | | 35.18 | |
| 20230417 | Invoice | 04/20/2023 | MAT/TOWEL SERVICE | 0.00 | 49.14 | |
| | 1.5.21.270 | | Cleaning & Waste Remov | | 7.37 | |
| | 2.5.21.270 | | Cleaning & Waste Remov | | 4.91 | |
| | 3.5.11.270 | | Cleaning & Waste Remov | | 36.86 | |
| 05948 | MICROSOFT | 04/20/2023 | Regular | 0.00 | 782.10 | 80125 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| E0200MXDR9 | Invoice | 04/20/2023 | ONLINE SERVICES: 04/2023 | 0.00 | 782.10 | |
| | 1.5.31.220 | | Communications | | 391.05 | |
| | 2.5.31.220 | | Communications | | 156.42 | |
| | 3.5.31.220 | | Communications | | 156.42 | |
| | 4.5.31.220 | | Communications | | 78.21 | |
| 05976 | MIDWEST MACHINERY CO. | 04/20/2023 | Regular | 0.00 | 24.60 | 80126 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 9535939 | Invoice | 04/20/2023 | MOWER BLADE | 0.00 | 24.60 | |
| | 1.5.21.240 | | Maintenance - Equipmen | | 14.76 | |
| | 2.5.21.240 | | Maintenance - Equipmen | | 9.84 | |
| 06266 | MINNESOTA VALLEY | 04/20/2023 | Regular | 0.00 | 1,238.60 | 80127 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 1192869 | Invoice | 04/20/2023 | TESTING | 0.00 | 308.00 | |
| | 3.5.11.275 | | Testing & Monitoring | | 308.00 | |
| 1193282 | Invoice | 04/20/2023 | TESTING | 0.00 | 930.60 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|--|---------------------------|--------------------------------------|-----------------|----------------|--------|
| | 3.5.11.275 | Testing & Monitoring | MINNESOTA VALLEY | | 930.60 | |
| 06790 | NAPA AUTO PARTS BAXTER | 04/20/2023 | Regular | 0.00 | 873.85 | 80128 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 54968 | Invoice | 04/20/2023 | HYDRAULIC FILTER | 0.00 | 19.05 | |
| | 2.5.21.240 | Maintenance - Equipmen | HYDRAULIC FILTER | | 19.05 | |
| 592678 | Invoice | 04/20/2023 | BELTS/TENSIONER ASSY | 0.00 | 106.94 | |
| | 1.5.21.240 | Maintenance - Equipmen | BELTS/TENSIONER ASSY | | 64.16 | |
| | 2.5.21.240 | Maintenance - Equipmen | BELTS/TENSIONER ASSY | | 42.78 | |
| 594322 | Invoice | 04/20/2023 | OIL/FUEL FILTERS | 0.00 | 143.40 | |
| | 3.5.11.240 | Maintenance - Equipmen | OIL/FUEL FILTERS | | 143.40 | |
| 594323 | Invoice | 04/20/2023 | OIL FILTER | 0.00 | 25.66 | |
| | 3.5.11.240 | Maintenance - Equipmen | OIL FILTER | | 25.66 | |
| 594966 | Invoice | 04/20/2023 | OIL/FUEL/AIR FILTER / ROTELLA | 0.00 | 534.91 | |
| | 2.5.21.240 | Maintenance - Equipmen | OIL/FUEL/AIR FILTER / ROTELLA | | 534.91 | |
| 595748 | Invoice | 04/20/2023 | SERPENTINE BELT | 0.00 | 43.89 | |
| | 3.5.11.240 | Maintenance - Equipmen | SERPENTINE BELT | | 43.89 | |
| 07292 | NUSS TRUCK & EQUIPMENT, INC. | 04/20/2023 | Regular | 0.00 | 294.46 | 80129 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 3267824P | Invoice | 04/20/2023 | CONTROL VALVE - FA 3007 | 0.00 | 294.46 | |
| | 3.5.11.240 | Maintenance - Equipmen | CONTROL VALVE - FA 3007 | | 294.46 | |
| 10225 | POMP'S TIRE SERVICE INC. | 04/20/2023 | Regular | 0.00 | 732.46 | 80130 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 2300000188 | Invoice | 04/20/2023 | TIRES - VALVE STEM/SPIN/BALANCE - FA | 0.00 | 732.46 | |
| | 1.5.21.240 | Maintenance - Equipmen | TIRES - VALVE STEM/SPIN/BALA | | 732.46 | |
| 07917 | QUALITY EQUIPMENT SALES & SERVICE, INC | 04/20/2023 | Regular | 0.00 | 380.06 | 80131 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| P03138 | Invoice | 04/20/2023 | ASSY CARTRIDGE - FILTERS | 0.00 | 306.98 | |
| | 3.5.11.240 | Maintenance - Equipmen | ASSY CARTRIDGE - FILTERS | | 153.49 | |
| | 4.5.11.240 | Maintenance - Equipmen | ASSY CARTRIDGE - FILTERS | | 153.49 | |
| P03145 | Invoice | 04/20/2023 | KUBOTA - SUPER UD | 0.00 | 73.08 | |
| | 4.5.11.240 | Maintenance - Equipmen | KUBOTA - SUPER UD | | 73.08 | |
| 08430 | SHORT ELLIOT HENDRICKSON, INC | 04/20/2023 | Regular | 0.00 | 3,306.38 | 80132 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 444767 | Invoice | 04/20/2023 | PROJECT: 157774 STORAGE & BW TANKS | 0.00 | 3,306.38 | |
| | 2.1.4011 | Construction In Progress | PROJECT: 157774 STORAGE & B | | 3,306.38 | |
| 08895 | STUART C. IRBY CO | 04/20/2023 | Regular | 0.00 | 338.80 | 80133 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| S013498572.002 | Invoice | 04/20/2023 | PUR DALLAS PPE | 0.00 | 135.00 | |
| | 1.5.21.315 | Personal Protection Equip | PUR BUCK 42266S-BH DOUBLE | | 135.00 | |
| S013503007.001 | Invoice | 04/20/2023 | INV Electric Overhead | 0.00 | 203.80 | |
| | 1.1.1611 | Inventories | A Tension Splice AL 1/0, ACSR | | 203.80 | |
| 09200 | TEREX GLOBAL GMBH | 04/20/2023 | Regular | 0.00 | 219.76 | 80134 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|-----------------------------|--------------|------------------------------|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 5004434292 | Invoice | 04/20/2023 | PIN, T-HANDLE WIRING | 0.00 | 219.76 | |
| | 1.5.21.240 | | Maintenance - Equipmen | | 219.76 | |
| 09663 | VIKING ELECTRIC SUPPLY, INC | 04/20/2023 | Regular | 0.00 | 705.14 | 80135 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 5006738761.002 | Invoice | 04/20/2023 | 250 VAC GLASS 2A | 0.00 | 12.35 | |
| | 1.5.21.360 | | Other Commodities | | 12.35 | |
| 5006840175.001 | Invoice | 04/20/2023 | CODING TAPE/COUPLINGS/LABELS | 0.00 | 276.24 | |
| | 1.5.21.360 | | Other Commodities | | 276.24 | |
| 5006847168.001 | Invoice | 04/20/2023 | CONDUIT/CONNECTORS | 0.00 | 301.11 | |
| | 3.5.11.360 | | Other Commodities | | 301.11 | |
| 5006848379.001 | Invoice | 04/20/2023 | LIQ CONN | 0.00 | 115.44 | |
| | 3.5.11.360 | | Other Commodities | | 115.44 | |
| 09899 | WESCO RECEIVABLES CORP | 04/20/2023 | Regular | 0.00 | 36,687.66 | 80136 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 214204 | Invoice | 04/20/2023 | INV BRECKENRIDGE AND POLES | 0.00 | 22,242.60 | |
| | 1.1.1611 | | Inventories | | 22,242.60 | |
| 214688 | Invoice | 04/20/2023 | INV BRECKENRIDGE AND POLES | 0.00 | 14,004.60 | |
| | 1.1.1611 | | Inventories | | 14,004.60 | |
| 215938 | Invoice | 04/20/2023 | PUR SLINGS | 0.00 | 440.46 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 32.46 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 15.93 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 82.76 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 53.52 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 237.29 | |
| | 1.5.21.310 | | Small Tools & Supplies | | 18.50 | |
| Total Regular: | | | | 0.00 | 1,480,455.63 | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|---------------------------------|---------------------|--|----------------------------|-----------------------|------------|
| Payment Type: Bank Draft | | | | | | |
| 03676 | GJR INVESTMENTS, LLP | 03/24/2023 | Bank Draft | 0.00 | -65,000.00 | DFT0000425 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000041 | Credit Memo | 03/24/2023 | CM reverse check 73640 | 0.00 | -65,000.00 | |
| | 1.1.4011 | | Construction In Progress | | -65,000.00 | |
| 03075 | EMPOWER-DC | 03/31/2023 | Bank Draft | 0.00 | -20.00 | DFT0000428 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000042 | Credit Memo | 03/31/2023 | MNDP | 0.00 | -20.00 | |
| | 1.2.1311 | | Withheld from Salaries | | -20.00 | |
| 04569 | INTERNAL REVENUE SERVICE | 03/31/2023 | Bank Draft | 0.00 | -144.80 | DFT0000431 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000043 | Credit Memo | 03/31/2023 | Federal Tax W/H, Medicare, FICA | 0.00 | -144.80 | |
| | 1.2.1311 | | Withheld from Salaries | | -5.82 | |
| | 1.2.1311 | | Withheld from Salaries | | -24.96 | |
| | 1.2.1311 | | Withheld from Salaries | | -42.37 | |
| | 2.2.1311 | | Withheld from Salaries | | -0.20 | |
| | 2.2.1311 | | Withheld from Salaries | | -11.13 | |
| | 2.2.1311 | | Withheld from Salaries | | -0.70 | |
| | 3.2.1311 | | Withheld from Salaries | | -30.10 | |
| | 3.2.1311 | | Withheld from Salaries | | -5.58 | |
| | 3.2.1311 | | Withheld from Salaries | | -23.94 | |
| 06164 | MN DEPT OF REVENUE | 03/31/2023 | Bank Draft | 0.00 | -25.84 | DFT0000432 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000044 | Credit Memo | 03/31/2023 | STATE W/H | 0.00 | -25.84 | |
| | 1.2.1311 | | Withheld from Salaries | | -12.73 | |
| | 2.2.1311 | | Withheld from Salaries | | -1.94 | |
| | 3.2.1311 | | Withheld from Salaries | | -11.17 | |
| 10195 | CIGNA - DENTAL | 03/31/2023 | Bank Draft | 0.00 | -62.03 | DFT0000440 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000045 | Credit Memo | 03/31/2023 | Dental Ins. Premium - Client # 3345281 - | 0.00 | -62.03 | |
| | 1.2.1311 | | Withheld from Salaries | | -62.03 | |
| 02809 | DEARBORN LIFE INSURANCE COMPANY | 03/31/2023 | Bank Draft | 0.00 | -14.72 | DFT0000441 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000048 | Credit Memo | 03/31/2023 | BPU - Group # F019504-2 | 0.00 | -14.72 | |
| | 1.2.1311 | | Withheld from Salaries | | -2.32 | |
| | 2.2.1311 | | Withheld from Salaries | | -9.29 | |
| | 3.2.1311 | | Withheld from Salaries | | -3.11 | |
| 03075 | EMPOWER-DC | 03/31/2023 | Bank Draft | 0.00 | -397.60 | DFT0000442 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| CM0000050 | Credit Memo | 03/31/2023 | MNDP | 0.00 | -397.60 | |
| | 1.2.1311 | | Withheld from Salaries | | -397.60 | |
| 03076 | EMPOWER-HCSP | 03/31/2023 | Bank Draft | 0.00 | -60.00 | DFT0000443 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|----------------------------|---------------------------------|-----------------------|-----------------------------------|-----------------|----------------|------------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000051 | Credit Memo | 03/31/2023 | EMPLOYEE WITHHOLDINGS | 0.00 | -60.00 | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | | -34.72 | | |
| 2.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | | -18.93 | | |
| 3.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | | -6.35 | | |
| 07908 | PERA | 03/31/2023 | Bank Draft | 0.00 | -1,019.41 | DFT0000444 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000052 | Credit Memo | 03/31/2023 | PERA W/H & MATCH | 0.00 | -1,019.41 | |
| 1.2.1311 | Withheld from Salaries | PERA W/H & MATCH | | -606.06 | | |
| 2.2.1311 | Withheld from Salaries | PERA W/H & MATCH | | -309.46 | | |
| 3.2.1311 | Withheld from Salaries | PERA W/H & MATCH | | -103.89 | | |
| 04569 | INTERNAL REVENUE SERVICE | 03/31/2023 | Bank Draft | 0.00 | -2,006.12 | DFT0000445 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000053 | Credit Memo | 03/31/2023 | Federal Tax W/H, Medicare, FICA | 0.00 | -2,006.12 | |
| 1.2.1311 | Withheld from Salaries | FEDERAL W/H | | -478.96 | | |
| 1.2.1311 | Withheld from Salaries | MEDICARE & MATCH | | -121.94 | | |
| 1.2.1311 | Withheld from Salaries | FICA W/H & MATCH | | -521.40 | | |
| 2.2.1311 | Withheld from Salaries | FEDERAL W/H | | -319.12 | | |
| 2.2.1311 | Withheld from Salaries | FICA W/H & MATCH | | -277.62 | | |
| 2.2.1311 | Withheld from Salaries | MEDICARE & MATCH | | -64.92 | | |
| 3.2.1311 | Withheld from Salaries | FICA W/H & MATCH | | -93.22 | | |
| 3.2.1311 | Withheld from Salaries | MEDICARE & MATCH | | -21.80 | | |
| 3.2.1311 | Withheld from Salaries | FEDERAL W/H | | -107.14 | | |
| 06164 | MN DEPT OF REVENUE | 03/31/2023 | Bank Draft | 0.00 | -361.88 | DFT0000446 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000054 | Credit Memo | 03/31/2023 | STATE W/H | 0.00 | -361.88 | |
| 1.2.1311 | Withheld from Salaries | STATE W/H | | -195.02 | | |
| 2.2.1311 | Withheld from Salaries | STATE W/H | | -124.92 | | |
| 3.2.1311 | Withheld from Salaries | STATE W/H | | -41.94 | | |
| 06120 | MN CHILD SUPPORT PAYMENT CENTER | 03/31/2023 | Bank Draft | 0.00 | 186.43 | DFT0000447 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000931 | Invoice | 03/31/2023 | EMPLOYEE WITHHOLDING - D. Ferrari | 0.00 | 186.43 | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDING | | 186.43 | | |
| 03075 | EMPOWER-DC | 03/31/2023 | Bank Draft | 0.00 | 7,972.43 | DFT0000448 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000934 | Invoice | 03/31/2023 | MNDCP | 0.00 | 7,972.43 | |
| 1.2.1311 | Withheld from Salaries | MNDCP | | 4,230.86 | | |
| 1.2.1311 | Withheld from Salaries | RC | | 15.01 | | |
| 1.2.1311 | Withheld from Salaries | Roth Contribution % | | 351.04 | | |
| 1.2.1311 | Withheld from Salaries | MNDCP | | 489.21 | | |
| 2.2.1311 | Withheld from Salaries | MNDCP | | 1,661.95 | | |
| 2.2.1311 | Withheld from Salaries | RC | | 5.00 | | |
| 2.2.1311 | Withheld from Salaries | MNDCP | | 203.18 | | |
| 3.2.1311 | Withheld from Salaries | MNDCP | | 752.68 | | |
| 3.2.1311 | Withheld from Salaries | RC | | 4.99 | | |
| 4.2.1311 | Withheld from Salaries | MNDCP | | 258.51 | | |
| 03076 | EMPOWER-HCSP | 03/31/2023 | Bank Draft | 0.00 | 2,526.00 | DFT0000449 |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
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| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000935 | Invoice | 03/31/2023 | EMPLOYEE WITHHOLDINGS | 0.00 | 2,526.00 | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 776.39 | | | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 405.17 | | | |
| 2.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 131.81 | | | |
| 2.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 558.10 | | | |
| 3.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 165.19 | | | |
| 3.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 212.61 | | | |
| 4.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 192.90 | | | |
| 4.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 83.83 | | | |
| 07908 | PERA | 03/31/2023 | Bank Draft | 0.00 | 26,086.60 | DFT0000450 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000936 | Invoice | 03/31/2023 | PERA W/H & MATCH | 0.00 | 26,086.60 | |
| 1.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 12,312.30 | | | |
| 2.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 6,667.27 | | | |
| 3.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 3,858.03 | | | |
| 4.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 3,249.00 | | | |
| 04569 | INTERNAL REVENUE SERVICE | 03/31/2023 | Bank Draft | 0.00 | 49,184.56 | DFT0000451 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000937 | Invoice | 03/31/2023 | Federal Tax W/H, Medicare, FICA | 0.00 | 49,184.56 | |
| 1.2.1311 | Withheld from Salaries | FICA W/H & MATCH | 10,728.24 | | | |
| 1.2.1311 | Withheld from Salaries | FEDERAL W/H | 9,887.42 | | | |
| 1.2.1311 | Withheld from Salaries | MEDICARE & MATCH | 2,509.22 | | | |
| 2.2.1311 | Withheld from Salaries | FICA W/H & MATCH | 5,814.82 | | | |
| 2.2.1311 | Withheld from Salaries | FEDERAL W/H | 5,093.50 | | | |
| 2.2.1311 | Withheld from Salaries | MEDICARE & MATCH | 1,359.88 | | | |
| 3.2.1311 | Withheld from Salaries | FICA W/H & MATCH | 3,359.38 | | | |
| 3.2.1311 | Withheld from Salaries | FEDERAL W/H | 3,013.30 | | | |
| 3.2.1311 | Withheld from Salaries | MEDICARE & MATCH | 785.46 | | | |
| 4.2.1311 | Withheld from Salaries | FICA W/H & MATCH | 2,840.36 | | | |
| 4.2.1311 | Withheld from Salaries | FEDERAL W/H | 3,128.70 | | | |
| 4.2.1311 | Withheld from Salaries | MEDICARE & MATCH | 664.28 | | | |
| 06164 | MN DEPT OF REVENUE | 03/31/2023 | Bank Draft | 0.00 | 8,792.26 | DFT0000452 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000938 | Invoice | 03/31/2023 | STATE W/H | 0.00 | 8,792.26 | |
| 1.2.1311 | Withheld from Salaries | STATE W/H | 4,074.56 | | | |
| 2.2.1311 | Withheld from Salaries | STATE W/H | 2,181.57 | | | |
| 3.2.1311 | Withheld from Salaries | STATE W/H | 1,282.32 | | | |
| 4.2.1311 | Withheld from Salaries | STATE W/H | 1,253.81 | | | |
| 00760 | BLACKRIDGE BANK | 03/30/2023 | Bank Draft | 0.00 | -131.25 | DFT0000453 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000046 | Credit Memo | 03/31/2023 | EE/ER HSA CONTRIBUTION-C.Henningson | 0.00 | -131.25 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | -131.25 | | | |
| 06025 | HEALTH EQUITY INC. | 03/31/2023 | Bank Draft | 0.00 | -166.67 | DFT0000457 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| CM0000047 | Credit Memo | 03/31/2023 | EE/ER HSA CONTRIBUTION-A.Moody # | 0.00 | -166.67 | |
| 1.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | -26.30 | | | |
| 2.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | -105.10 | | | |
| 3.2.1311 | Withheld from Salaries | EE/ER HSA CONTRIBUTION | -35.27 | | | |

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| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|---------------------------------|----------------------------------|---|-----------------|----------------|------------|
| 09213 | THE HARTFORD - LIFE INSURANCE | 04/05/2023 | Bank Draft | 0.00 | 1,043.98 | DFT0000458 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 874753902400 | Invoice | 04/05/2023 | Life Insurance - Basic/Voluntary: 04/2023 | 0.00 | 1,043.98 | |
| 1.2.1311 | Withheld from Salaries | Life Insurance - Basic/Voluntary | 747.42 | | | |
| 1.5.31.430 | Employee Benefits | Life Insurance - Basic/Voluntary | 296.56 | | | |
| 07640 | PITNEY BOWES, INC. | 04/05/2023 | Bank Draft | 0.00 | 3,500.00 | DFT0000459 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| 03/30/23-POSTA | Invoice | 04/05/2023 | POSTAGE REFILL | 0.00 | 3,500.00 | |
| 1.5.31.220 | Communications | POSTAGE REFILL | 2,100.00 | | | |
| 2.5.31.220 | Communications | POSTAGE REFILL | 700.00 | | | |
| 3.5.31.220 | Communications | POSTAGE REFILL | 700.00 | | | |
| 06120 | MN CHILD SUPPORT PAYMENT CENTER | 04/14/2023 | Bank Draft | 0.00 | 186.43 | DFT0000462 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000963 | Invoice | 04/14/2023 | EMPLOYEE WITHHOLDING - D. Ferrari | 0.00 | 186.43 | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDING | 186.43 | | | |
| 03075 | EMPOWER-DC | 04/14/2023 | Bank Draft | 0.00 | 7,980.22 | DFT0000465 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000977 | Invoice | 04/14/2023 | MNDCP | 0.00 | 7,980.22 | |
| 1.2.1311 | Withheld from Salaries | MNDCP | 4,226.72 | | | |
| 1.2.1311 | Withheld from Salaries | RC | 15.00 | | | |
| 1.2.1311 | Withheld from Salaries | Roth Contribution % | 359.59 | | | |
| 1.2.1311 | Withheld from Salaries | MNDCP | 488.45 | | | |
| 2.2.1311 | Withheld from Salaries | MNDCP | 1,666.85 | | | |
| 2.2.1311 | Withheld from Salaries | RC | 5.00 | | | |
| 2.2.1311 | Withheld from Salaries | MNDCP | 203.18 | | | |
| 3.2.1311 | Withheld from Salaries | MNDCP | 758.40 | | | |
| 3.2.1311 | Withheld from Salaries | RC | 5.00 | | | |
| 4.2.1311 | Withheld from Salaries | MNDCP | 252.03 | | | |
| 03076 | EMPOWER-HCSP | 04/14/2023 | Bank Draft | 0.00 | 29,972.25 | DFT0000466 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000978 | Invoice | 04/14/2023 | EMPLOYEE WITHHOLDINGS | 0.00 | 29,972.25 | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 411.18 | | | |
| 1.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 802.55 | | | |
| 2.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 131.82 | | | |
| 2.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 561.35 | | | |
| 3.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 208.85 | | | |
| 3.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 165.20 | | | |
| 4.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 187.25 | | | |
| 4.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 27,420.25 | | | |
| 4.2.1311 | Withheld from Salaries | EMPLOYEE WITHHOLDINGS | 83.80 | | | |
| 07908 | PERA | 04/14/2023 | Bank Draft | 0.00 | 25,824.09 | DFT0000467 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| Account Number | Account Name | Item Description | Distribution Amount | | | |
| INV0000979 | Invoice | 04/14/2023 | PERA W/H & MATCH | 0.00 | 25,824.09 | |
| 1.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 12,645.40 | | | |
| 2.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 6,697.74 | | | |
| 3.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 3,734.30 | | | |
| 4.2.1311 | Withheld from Salaries | PERA W/H & MATCH | 2,746.65 | | | |
| 04569 | INTERNAL REVENUE SERVICE | 04/14/2023 | Bank Draft | 0.00 | 48,713.36 | DFT0000468 |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|--------------------------------|-------------------------------|--------------|----------------------------------|---------------------|----------------|------------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| INV0000980 | Invoice | 04/14/2023 | Federal Tax W/H, Medicare, FICA | 0.00 | 48,713.36 | |
| | 1.2.1311 | | Withheld from Salaries | | 10,586.08 | |
| | 1.2.1311 | | Withheld from Salaries | | 9,597.02 | |
| | 1.2.1311 | | Withheld from Salaries | | 2,475.88 | |
| | 2.2.1311 | | Withheld from Salaries | | 5,557.92 | |
| | 2.2.1311 | | Withheld from Salaries | | 4,771.81 | |
| | 2.2.1311 | | Withheld from Salaries | | 1,299.86 | |
| | 3.2.1311 | | Withheld from Salaries | | 3,107.26 | |
| | 3.2.1311 | | Withheld from Salaries | | 2,705.24 | |
| | 3.2.1311 | | Withheld from Salaries | | 726.70 | |
| | 4.2.1311 | | Withheld from Salaries | | 3,162.30 | |
| | 4.2.1311 | | Withheld from Salaries | | 3,983.85 | |
| | 4.2.1311 | | Withheld from Salaries | | 739.44 | |
| 06164 | MN DEPT OF REVENUE | 04/14/2023 | Bank Draft | 0.00 | 8,559.11 | DFT0000469 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| INV0000981 | Invoice | 04/14/2023 | STATE W/H | 0.00 | 8,559.11 | |
| | 1.2.1311 | | Withheld from Salaries | | 3,867.25 | |
| | 2.2.1311 | | Withheld from Salaries | | 2,035.88 | |
| | 3.2.1311 | | Withheld from Salaries | | 1,146.49 | |
| | 4.2.1311 | | Withheld from Salaries | | 1,509.49 | |
| 00230 | AFLAC | 04/20/2023 | Bank Draft | 0.00 | 362.26 | DFT0000470 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 381533 | Invoice | 04/20/2023 | W/H 04/28 & 05/12 | 0.00 | 362.26 | |
| | 1.2.1311 | | Withheld from Salaries | | 362.26 | |
| 00472 | AT&T MOBILITY | 04/20/2023 | Bank Draft | 0.00 | 1,239.64 | DFT0000471 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 287302792515X0 | Invoice | 04/20/2023 | AT & T MONTHLY BILL - March 2023 | 0.00 | 1,239.64 | |
| | 1.5.31.220 | | Communications | | 619.82 | |
| | 2.5.31.220 | | Communications | | 247.93 | |
| | 3.5.31.220 | | Communications | | 247.93 | |
| | 4.5.31.220 | | Communications | | 123.96 | |
| 00472 | AT&T MOBILITY | 04/20/2023 | Bank Draft | 0.00 | 715.14 | DFT0000472 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 287260682523x0 | Invoice | 04/20/2023 | AT & T MONTHLY BILL - April 2023 | 0.00 | 715.14 | |
| | 1.5.31.220 | | Communications | | 357.57 | |
| | 2.5.31.220 | | Communications | | 143.03 | |
| | 3.5.31.220 | | Communications | | 143.03 | |
| | 4.5.31.220 | | Communications | | 71.51 | |
| 01655 | CANON FINANCIAL SERVICES, INC | 04/20/2023 | Bank Draft | 0.00 | 598.10 | DFT0000473 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 30375287 | Invoice | 04/20/2023 | Canon Invoice - Contract Charge | 0.00 | 598.10 | |
| | 1.2.2840 | | Capital Lease Payable | | 228.79 | |
| | 1.5.31.480 | | Interest Expense | | 130.07 | |
| | 2.2.2840 | | Capital Lease Payable | | 76.26 | |
| | 2.5.31.480 | | Interest Expense | | 43.36 | |
| | 3.2.2840 | | Capital Lease Payable | | 76.26 | |
| | 3.5.31.480 | | Interest Expense | | 43.36 | |
| 02325 | COLONIAL LIFE & ACCIDENT | 04/20/2023 | Bank Draft | 0.00 | 146.10 | DFT0000474 |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-----------------------------------|---------------------------------|---------------------|--------------------------------------|----------------------------|-----------------------|------------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 81817860414448 | Invoice | 04/20/2023 | W/H 04/28 & 05/12 | 0.00 | 146.10 | |
| | 1.2.1311 | | Withheld from Salaries | | 146.10 | |
| 02455 | CTC | 04/20/2023 | Bank Draft | 0.00 | 1,207.23 | DFT0000475 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 21189243 | Invoice | 04/20/2023 | MONTHLY BILL | 0.00 | 1,207.23 | |
| | 1.5.31.220 | | Communications | | 664.43 | |
| | 2.5.31.220 | | Communications | | 221.48 | |
| | 3.5.31.220 | | Communications | | 221.48 | |
| | 4.5.11.220 | | Communications | | 99.84 | |
| 02717 | CULLIGAN | 04/20/2023 | Bank Draft | 0.00 | 98.86 | DFT0000476 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 150-01059575-2- | Invoice | 04/20/2023 | 150-01059575-2 Service Center | 0.00 | 98.86 | |
| | 1.5.21.290 | | Other Charges | | 31.74 | |
| | 1.5.31.290 | | Other Charges | | 27.58 | |
| | 2.5.21.290 | | Other Charges | | 21.16 | |
| | 2.5.31.290 | | Other Charges | | 18.38 | |
| 02717 | CULLIGAN | 04/20/2023 | Bank Draft | 0.00 | 50.70 | DFT0000477 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 150-10024107-7- | Invoice | 04/20/2023 | 150-10024107-7 Hydro | 0.00 | 50.70 | |
| | 4.5.11.290 | | Other Charges | | 50.70 | |
| 02809 | DEARBORN LIFE INSURANCE COMPANY | 04/20/2023 | Bank Draft | 0.00 | 557.43 | DFT0000478 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| F019504-2-05/20 | Invoice | 04/20/2023 | W/H 5/12 & 5/26 | 0.00 | 557.43 | |
| | 1.2.1311 | | Withheld from Salaries | | 557.43 | |
| 02978 | EBSO | 04/20/2023 | Bank Draft | 0.00 | 79,304.18 | DFT0000479 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 9004-082363-200 | Invoice | 04/20/2023 | HEALTH INSURANCE: 04/2023 - W/H 04/1 | 0.00 | 79,304.18 | |
| | 1.1.1313 | | Accounts Receivable - | | 243.67 | |
| | 1.2.1311 | | Withheld from Salaries | | 10,442.65 | |
| | 1.5.31.432 | | Health Insurance | | 63,081.57 | |
| | 1.5.31.432 | | Health Insurance | | 5,536.29 | |
| 06171 | MN DEPT OF REVENUE | 04/20/2023 | Bank Draft | 0.00 | 94,591.00 | DFT0000480 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 03/2023 - SALES T | Invoice | 04/20/2023 | SALES TAX DRAFT: 03/2023 | 0.00 | 94,591.00 | |
| | 1.2.1411 | | Sales Tax Payable | | 91,837.00 | |
| | 2.2.1411 | | Water Sales Tax Payable | | 2,645.00 | |
| | 4.2.1411 | | Sales Tax Payable | | 109.00 | |
| 09675 | VSP INSURANCE CO | 04/20/2023 | Bank Draft | 0.00 | 152.36 | DFT0000481 |
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 817649291 | Invoice | 04/20/2023 | COVERAGE: 04/2023 W/H 4/14 | 0.00 | 152.36 | |
| | 1.2.1311 | | Withheld from Salaries | | 152.36 | |
| 01190 | BREMER BANK | 04/20/2023 | Bank Draft | 0.00 | 16,981.62 | DFT0000482 |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|---------------------------------|----------------------------|--------------------------|-------------------------------------|---------------------|----------------|------------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| 03/24/23- CC DR | Invoice | 04/20/2023 | 03/24/2023 CC STATEMENT - BANK DRAF | 0.00 | 16,981.62 | |
| | 1.4.3.94 | Refunds & Reimburseme | 03/24/2023 CC STATEMENT - BA | | 170.25 | |
| | 1.5.21.240 | Maintenance - Equipmen | 03/24/2023 CC STATEMENT - BA | | 23.91 | |
| | 1.5.21.250 | Maintenance - Buildings | 03/24/2023 CC STATEMENT - BA | | 79.30 | |
| | 1.5.21.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 70.76 | |
| | 1.5.21.320 | Motor Fuels & Lubricants | 03/24/2023 CC STATEMENT - BA | | 47.98 | |
| | 1.5.21.360 | Other Commodities | 03/24/2023 CC STATEMENT - BA | | 433.64 | |
| | 1.5.21.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 3,415.07 | |
| | 1.5.31.220 | Communications | 03/24/2023 CC STATEMENT - BA | | 42.00 | |
| | 1.5.31.250 | Maintenance - Buildings | 03/24/2023 CC STATEMENT - BA | | 39.65 | |
| | 1.5.31.267 | IT System Expenses | 03/24/2023 CC STATEMENT - BA | | 5.02 | |
| | 1.5.31.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 30.91 | |
| | 1.5.31.420 | Dues & Subscriptions | 03/24/2023 CC STATEMENT - BA | | 117.99 | |
| | 1.5.31.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 2,364.96 | |
| | 2.5.11.240 | Maintenance - Equipmen | 03/24/2023 CC STATEMENT - BA | | 69.35 | |
| | 2.5.11.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 1,054.65 | |
| | 2.5.11.360 | Other Commodities | 03/24/2023 CC STATEMENT - BA | | 2,285.10 | |
| | 2.5.11.370 | Office Supplies | 03/24/2023 CC STATEMENT - BA | | 251.02 | |
| | 2.5.21.250 | Maintenance - Buildings | 03/24/2023 CC STATEMENT - BA | | 39.65 | |
| | 2.5.21.290 | Other Charges | 03/24/2023 CC STATEMENT - BA | | 175.00 | |
| | 2.5.21.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 13.94 | |
| | 2.5.21.320 | Motor Fuels & Lubricants | 03/24/2023 CC STATEMENT - BA | | 31.99 | |
| | 2.5.21.360 | Other Commodities | 03/24/2023 CC STATEMENT - BA | | 4.04 | |
| | 2.5.21.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 1,094.60 | |
| | 2.5.31.250 | Maintenance - Buildings | 03/24/2023 CC STATEMENT - BA | | 39.64 | |
| | 2.5.31.267 | IT System Expenses | 03/24/2023 CC STATEMENT - BA | | 106.60 | |
| | 2.5.31.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 20.73 | |
| | 2.5.31.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 788.32 | |
| | 3.5.11.275 | Testing & Monitoring | 03/24/2023 CC STATEMENT - BA | | 171.28 | |
| | 3.5.11.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 777.60 | |
| | 3.5.11.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 2,041.04 | |
| | 3.5.21.360 | Other Commodities | 03/24/2023 CC STATEMENT - BA | | 10.57 | |
| | 3.5.31.220 | Communications | 03/24/2023 CC STATEMENT - BA | | 5.65 | |
| | 3.5.31.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 6.79 | |
| | 3.5.31.460 | Travel/Conferences/Scho | 03/24/2023 CC STATEMENT - BA | | 788.32 | |
| | 4.5.11.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 183.90 | |
| | 4.5.11.320 | Motor Fuels & Lubricants | 03/24/2023 CC STATEMENT - BA | | 177.01 | |
| | 4.5.31.310 | Small Tools & Supplies | 03/24/2023 CC STATEMENT - BA | | 3.39 | |
| 07640 | PITNEY BOWES, INC. | 04/20/2023 | Bank Draft | 0.00 | 3,500.00 | DFT0000483 |

Check Report

Date Range: 03/24/2023 - 04/20/2023

| Vendor Number | Vendor Name | Payment Date | Payment Type | Discount Amount | Payment Amount | Number |
|-----------------------|-------------------|--------------|---------------------|---------------------|----------------|--------|
| Payable # | Payable Type | Post Date | Payable Description | Discount Amount | Payable Amount | |
| | Account Number | Account Name | Item Description | Distribution Amount | | |
| <u>04/20/23-POSTA</u> | Invoice | 04/20/2023 | POSTAGE REFILL | 0.00 | 3,500.00 | |
| | <u>1.5.31.220</u> | | Communications | | 2,100.00 | |
| | <u>2.5.31.220</u> | | Communications | | 700.00 | |
| | <u>3.5.31.220</u> | | Communications | | 700.00 | |
| Total Bank Draft: | | | | 0.00 | 350,622.02 | |

Bank Code AP2 Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|---------------|---------------|----------|--------------|
| Regular Checks | 223 | 132 | 0.00 | 1,480,455.63 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 0 | 0.00 | 0.00 |
| Bank Drafts | 41 | 41 | 0.00 | 350,622.02 |
| EFT's | 3 | 3 | 0.00 | 970,171.41 |
| | 267 | 176 | 0.00 | 2,801,249.06 |

All Bank Codes Check Summary

| Payment Type | Payable Count | Payment Count | Discount | Payment |
|----------------|------------------|------------------|----------|--------------|
| Regular Checks | 223 | 132 | 0.00 | 1,480,455.63 |
| Manual Checks | 0 | 0 | 0.00 | 0.00 |
| Voided Checks | 0 | 0 | 0.00 | 0.00 |
| Bank Drafts | 41 | 41 | 0.00 | 350,622.02 |
| EFT's | 3 | 3 | 0.00 | 970,171.41 |
| | 267 | 176 | 0.00 | 2,801,249.06 |

Fund Summary

| Fund | Name | Period | Amount |
|------|---------------------|--------|--------------|
| 9 | POOLED CASH CONTROL | 3/2023 | 71,656.48 |
| 9 | POOLED CASH CONTROL | 4/2023 | 2,729,592.58 |
| | | | 2,801,249.06 |

| | | | |
|------------------------------------|---------------------------|--|---|
| To (Owner): | Brainerd Public Utilities | Application Period: 2/1/2023 - 3/1/2023 | Application Date: 3/1/2023 |
| Project: 2.0 MG Water Storage Tank | | From (Contractor): Magney Construction, Inc. | Via (Engineer): Short Elliot Hendrickson Inc. (SEH) |
| Owner's Contract No.: | | Contract: All Construction | |
| | | Contractor's Project No.: 00578 | Engineer's Project No.: BRDPU 157774 |

| Change Order Summary | | | | | |
|--------------------------------|-------------|------------|-------------|--|--|
| Approved Change Orders | | | | | |
| Number | Additions | Deductions | | | |
| COR No. 02 | \$29,708.98 | | | | |
| COR No. 03 | \$3,572.47 | | | | |
| COR No. 04 | | | | | |
| COR No. 05 | \$13,275.46 | | \$13,424.76 | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| | | | | | |
| TOTALS | \$46,556.91 | | \$13,424.76 | | |
| NET CHANGE BY CHANGE ORDERS | | | \$33,132.15 | | |

1. ORIGINAL CONTRACT PRICE \$5,974,000.00

2. Net change by Change Orders \$33,132.15

3. CURRENT CONTRACT PRICE (Line 1 ± 2) \$6,007,132.15

4. TOTAL COMPLETED AND STORED TO DATE (Column F on Progress Estimate) \$5,128,908.20

5. RETAINAGE:

a. 5% x \$5,128,908.20 Work Completed \$256,445.41

b. 5% x \$0.00 Stored Materials \$0.00

c. Total Retainage (Line 5a + Line 5b) \$256,445.41

6. AMOUNT ELIGIBLE TO DATE (Line 4 - Line 5c) \$4,872,462.79

7. LESS PREVIOUS PAYMENTS (Line 6 from prior Application) \$4,448,267.58

8. AMOUNT DUE THIS APPLICATION \$424,195.21

9. BALANCE TO FINISH, PLUS RETAINAGE (Column G on Schedule of Values + Line 5c above) \$1,134,669.36

| | |
|--|--|
| <p>The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.</p> | <p style="text-align: right;">Date: <u>3/11/2023</u></p> |
|--|--|

| | | |
|--|---|--|
| Payment of: \$424,195.21 is recommended by: <u>Paul T. Hoffberger</u> (Engineer) | Payment of: \$424,195.21 is approved by: <u>Scott W. Woodward</u> (Brainerd Public Utilities) | (Line 8 or other - attach explanation of other amount) (Date) <u>03/28/2023</u> |
|--|---|--|

| | | |
|--|---|---|
| Payment of: \$424,195.21 is recommended by: <u>Paul T. Hoffberger</u> (Engineer) | Payment of: \$424,195.21 is approved by: <u>Scott W. Woodward</u> (Brainerd Public Utilities) | (Line 8 or other - attach explanation of other amount) (Date) <u>3/30/23</u> |
|--|---|---|

| | | |
|--|---|--|
| Payment of: \$424,195.21 is recommended by: <u>Paul T. Hoffberger</u> (Engineer) | Payment of: \$424,195.21 is approved by: <u>Scott W. Woodward</u> (Brainerd Public Utilities) | (Line 8 or other - attach explanation of other amount) (Date) <u>03/28/2023</u> |
|--|---|--|

Schedule of Values

**Brainard Public Utilities 2.0 MG Water Storage Tank
Payment Application No. 16**

Date of Application: 3/1/2023
Work completed through: 3/1/2023

| Specification Section No. | Description | Item | Scheduled Value | C | D | E | F | % | G |
|------------------------------|---|------|-----------------|------------------------------------|--------------|--|--|-----|-------------------|
| | | | | From Previous Application (C+D) | This Period | Materials Presently Stored (not in Col D) | Total Completed and Stored to Date (C + D + E) | | Balance to Finish |
| 006113 | Bonding & Insurance | | \$56,200.00 | \$56,200.00 | | | \$56,200.00 | 100 | \$0.00 |
| 017113 | Mobilization and General Conditions | | \$597,300.00 | \$478,890.00 | \$14,000.00 | | \$492,890.00 | 83 | \$104,410.00 |
| 024119 | Selective Demolition | | \$133,400.00 | \$129,711.00 | \$3,689.00 | | \$133,400.00 | 100 | \$0.00 |
| 024121 | Water Tank Demolition | | \$150,750.00 | \$150,750.00 | | | \$150,750.00 | 100 | \$0.00 |
| 032000 | Concrete Reinforcing | | \$714,300.00 | \$624,422.79 | | | \$624,422.79 | 87 | \$89,877.21 |
| 033000 | Cast-In-Place Concrete | | \$2,345,000.00 | \$1,616,026.24 | \$426,540.00 | | \$2,042,566.24 | 87 | \$302,433.76 |
| 033510 | Decorative Concrete Staining | | \$85,320.00 | \$0.00 | | | \$0.00 | 0 | \$85,320.00 |
| 055000 | Metal and FRP Fabrications | | \$123,250.00 | \$122,198.32 | | | \$122,198.32 | 99 | \$1,051.68 |
| 061000 | Rough Carpentry | | \$19,130.00 | \$0.00 | | | \$0.00 | 0 | \$19,130.00 |
| 066000 | PVC Liner Panel | | \$15,220.00 | \$12,650.00 | | | \$12,650.00 | 83 | \$2,570.00 |
| 072100 | Thermal Insulation | | \$1,670.00 | \$1,400.00 | | | \$1,400.00 | 84 | \$270.00 |
| 072129 | Sprayed Insulation | | \$10,555.00 | \$0.00 | | | \$0.00 | 0 | \$10,555.00 |
| 076200 | Sheet Metal Flashing and Trim | | \$35,310.00 | \$0.00 | | | \$0.00 | 0 | \$35,310.00 |
| 077233 | Roof and Floor Hatches | | \$16,770.00 | \$10,898.11 | | | \$10,898.11 | 65 | \$5,871.89 |
| 079200 | Joint Sealants | | \$3,250.00 | \$0.00 | | | \$0.00 | 0 | \$3,250.00 |
| 081600 | Corrosion Resistant Doors and Frames & Hardware | | \$10,210.00 | \$7,768.43 | \$2,441.57 | | \$10,210.00 | 100 | \$0.00 |
| 099720 | Coating Systems for Industrial Facilities | | \$39,980.00 | \$0.00 | | | \$0.00 | 0 | \$39,980.00 |
| 104400 | Safety Specialties | | \$350.00 | \$0.00 | | | \$0.00 | 0 | \$350.00 |
| Division 22 | Plumbing | | \$15,000.00 | \$7,017.08 | | | \$7,017.08 | 47 | \$7,982.92 |
| Division 23 | Heating, Ventilating and Air Conditioning | | \$8,500.00 | \$3,425.00 | | | \$3,425.00 | 40 | \$5,075.00 |
| Division 26 | Electrical | | \$37,300.00 | \$35,692.90 | | | \$35,692.90 | 96 | \$1,607.10 |
| 311100 | Clearing & Grubbing | | \$17,700.00 | \$17,700.00 | | | \$17,700.00 | 100 | \$0.00 |
| 311315 | Site Preparation | | \$25,000.00 | \$21,050.00 | | | \$21,050.00 | 84 | \$3,950.00 |
| 312210 | Earthwork | | \$329,200.00 | \$322,891.61 | | | \$322,891.61 | 98 | \$6,308.39 |
| 315000 | Ground Support Systems | | \$319,200.00 | \$293,958.00 | | | \$293,958.00 | 92 | \$25,242.00 |
| 321122 | Aggregate Base | | \$22,700.00 | \$0.00 | | | \$0.00 | 0 | \$22,700.00 |
| 321216 | Plant-Mixed Asphalt Pavement | | \$51,300.00 | \$0.00 | | | \$0.00 | 0 | \$51,300.00 |
| 329100 | Topsoil Placement | | \$3,500.00 | \$0.00 | | | \$0.00 | 0 | \$3,500.00 |
| 329212 | Establishing Turf and Controlling Erosion | | \$13,600.00 | \$12,270.00 | | | \$12,270.00 | 90 | \$1,330.00 |
| 329300 | Exterior Plants | | \$31,415.00 | \$0.00 | | | \$0.00 | 0 | \$31,415.00 |
| 331100 | Water Distribution Systems | | \$423,320.00 | \$423,320.00 | | | \$423,320.00 | 100 | \$0.00 |
| 331630 | Disinfection of Water Storage Facilities | | \$4,570.00 | \$2,300.00 | | | \$2,300.00 | 50 | \$2,270.00 |
| 334100 | Storm Sewer Systems | | \$9,270.00 | \$5,970.00 | | | \$5,970.00 | 64 | \$3,300.00 |
| 334420 | Manholes and Catch Basins | | \$17,240.00 | \$14,936.47 | | | \$14,936.47 | 87 | \$2,303.53 |

Schedule of Values

**Brainerd Public Utilities 2.0 MG Water Storage Tank
Payment Application No. 16**

Date of Application: 3/1/2023
Work completed through: 3/1/2023

| Item | | C | D | E | F | % | G |
|---------------------------|--|-----------------|---------------------------------|---------------|---|--|-------------------|
| Specification Section No. | Description | Scheduled Value | From Previous Application (C+D) | This Period | Materials Presently Stored (not in Col D) | Total Completed and Stored to Date (C + D + E) | Balance to Finish |
| 402310 | Process Water and Waste Piping | \$231,120.00 | \$230,120.00 | | | \$230,120.00 | \$1,000.00 |
| 402320 | Process Piping Valves | \$25,300.00 | \$25,300.00 | | | \$25,300.00 | \$0.00 |
| 402330 | Process Piping Specialties | \$4,500.00 | \$4,500.00 | | | \$4,500.00 | \$0.00 |
| 402340 | Process Piping Hangers and Supports | \$2,500.00 | \$0.00 | | | \$0.00 | \$2,500.00 |
| 402350 | Process Piping Testing, Adjusting and Disinfection | \$1,000.00 | \$500.00 | | | \$500.00 | \$500.00 |
| 409119 | Instrumentation | \$22,800.00 | \$20,812.00 | | | \$20,812.00 | \$1,988.00 |
| | | | | | | | |
| COR No. 02 | 30" Pipe & Fittings | \$29,708.98 | \$29,708.98 | | | \$29,708.98 | \$0.00 |
| COR No. 03 | Demo Valve Vault | \$3,572.47 | \$0.00 | | | \$0.00 | \$3,572.47 |
| COR No. 04 | Deleted Work Credit & FRP | (\$13,424.76) | \$0.00 | (\$13,424.76) | | (\$13,424.76) | \$0.00 |
| COR No. 05 | New 16" Gate Valve | \$13,275.46 | \$0.00 | \$13,275.46 | | \$13,275.46 | \$0.00 |
| | | | | | | | |
| | | | | | | | |
| | Totals | \$6,007,132.15 | \$4,682,386.93 | \$446,521.27 | \$0.00 | \$5,128,908.20 | \$878,223.95 |

EJCDC No. C-620 (2002 Edition)
Prepared by the Engineers' Joint Contract Documents Committee and endorsed by the Associated General Contractors of America and the Construction Specifications Institute.

| | | | |
|-----------------------|---------------------------|--|---|
| To (Owner): | Brainerd Public Utilities | Application Period: 3/1/2023 - 4/1/2023 | Application Date: 3/30/2023 |
| Project: | 2.0 MG Water Storage Tank | From (Contractor): Magney Construction, Inc. | Via (Engineer): Short Elliot Hendrickson Inc. (SEH) |
| Owner's Contract No.: | | Contract: All Construction | |
| | | Contractor's Project No.: 00578 | Engineer's Project No.: BRDPU 157774 |

[illegible]

| | |
|--|---|
| <p>The undersigned Contractor certifies that: (1) all previous progress payments received from Owner on account of Work done under the Contract have been applied on account to discharge Contractor's legitimate obligations incurred in connection with Work covered by prior Applications for Payment; (2) title of all Work, materials and equipment incorporated in said Work or otherwise listed in or covered by this Application for Payment will pass to Owner at time of payment free and clear of all Liens, security interests and encumbrances (except such as are covered by a Bond acceptable to Owner indemnifying Owner against any such Liens, security interest or encumbrances); and (3) all Work covered by this Application for Payment is in accordance with the Contract Documents and is not defective.</p> | <p>By: <u><i>Daniel F. Johnson</i></u> Date: <u>3/30/2023</u></p> |
| <p>Payment of: <u>\$94,943.00</u></p> <p>(Line 8 or other - attach explanation of other amount)</p> | <p>is recommended by: <u><i>Charles Johnson</i></u></p> <p>(Engineer) <u>04/06/2023</u></p> <p>(Date)</p> |
| <p>Payment of: <u>\$94,943.00</u></p> <p>(Line 8 or other - attach explanation of other amount)</p> | <p>is approved by: <u><i>Todd Wilson</i></u></p> <p>(Brainerd Public Utilities) <u>4/7/23</u></p> <p>(Date)</p> |
| <p>Approved by: _____</p> <p>Funding Agency (if applicable)</p> | <p>Approved by: _____</p> <p>(Date)</p> |

Schedule of Values

**Brainerd Public Utilities 2.0 MG Water Storage Tank
Payment Application No. 17**

Date of Application: 3/30/2023
Work completed through: 4/1/2023

| Specification Section No. | Description | Item | Scheduled Value | C | | D | E | F | | % | G | |
|------------------------------|---|------|-----------------|------------------------------------|-------------|---|---|--|--|-----|-------------------|--------------|
| | | | | From Previous Application (C+D) | This Period | | | Materials Presently Stored (not in Col D) | Total Completed and Stored to Date (C + D + E) | | Balance to Finish | |
| 006113 | Bonding & Insurance | | \$56,200.00 | \$56,200.00 | | | | | \$56,200.00 | 100 | | \$0.00 |
| 017113 | Mobilization and General Conditions | | \$597,300.00 | \$492,890.00 | \$16,000.00 | | | | \$508,890.00 | 85 | | \$88,410.00 |
| 024119 | Selective Demolition | | \$133,400.00 | \$133,400.00 | | | | | \$133,400.00 | 100 | | \$0.00 |
| 024121 | Water Tank Demolition | | \$150,750.00 | \$150,750.00 | | | | | \$150,750.00 | 100 | | \$0.00 |
| 032000 | Concrete Reinforcing | | \$714,300.00 | \$624,422.79 | \$20,400.00 | | | | \$644,822.79 | 90 | | \$69,477.21 |
| 033000 | Cast-In-Place Concrete | | \$2,345,000.00 | \$2,042,566.24 | \$63,540.00 | | | | \$2,106,106.24 | 90 | | \$238,893.76 |
| 033510 | Decorative Concrete Staining | | \$85,320.00 | \$0.00 | | | | | \$0.00 | 0 | | \$85,320.00 |
| 055000 | Metal and FRP Fabrications | | \$123,250.00 | \$122,198.32 | | | | | \$122,198.32 | 99 | | \$1,051.68 |
| 061000 | Rough Carpentry | | \$19,130.00 | \$0.00 | | | | | \$0.00 | 0 | | \$19,130.00 |
| 066000 | PVC Liner Panel | | \$15,220.00 | \$12,650.00 | | | | | \$12,650.00 | 83 | | \$2,570.00 |
| 072100 | Thermal Insulation | | \$1,670.00 | \$1,400.00 | | | | | \$1,400.00 | 84 | | \$270.00 |
| 072129 | Sprayed Insulation | | \$10,555.00 | \$0.00 | | | | | \$0.00 | 0 | | \$10,555.00 |
| 076200 | Sheet Metal Flashing and Trim | | \$35,310.00 | \$0.00 | | | | | \$0.00 | 0 | | \$35,310.00 |
| 077233 | Roof and Floor Hatches | | \$16,770.00 | \$10,898.11 | | | | | \$10,898.11 | 65 | | \$5,871.89 |
| 079200 | Joint Sealants | | \$3,250.00 | \$0.00 | | | | | \$0.00 | 0 | | \$3,250.00 |
| 081600 | Corrosion Resistant Doors and Frames & Hardware | | \$10,210.00 | \$10,210.00 | | | | | \$10,210.00 | 100 | | \$0.00 |
| 099720 | Coating Systems for Industrial Facilities | | \$39,980.00 | \$0.00 | | | | | \$0.00 | 0 | | \$39,980.00 |
| 104400 | Safety Specialties | | \$350.00 | \$0.00 | | | | | \$0.00 | 0 | | \$350.00 |
| Division 22 | Plumbing | | \$15,000.00 | \$7,017.08 | | | | | \$7,017.08 | 47 | | \$7,982.92 |
| Division 23 | Heating, Ventilating and Air Conditioning | | \$8,500.00 | \$3,425.00 | | | | | \$3,425.00 | 40 | | \$5,075.00 |
| Division 26 | Electrical | | \$37,300.00 | \$35,692.90 | | | | | \$35,692.90 | 96 | | \$1,607.10 |
| 311100 | Clearing & Grubbing | | \$17,700.00 | \$17,700.00 | | | | | \$17,700.00 | 100 | | \$0.00 |
| 311315 | Site Preparation | | \$25,000.00 | \$21,050.00 | | | | | \$21,050.00 | 84 | | \$3,950.00 |
| 312210 | Earthwork | | \$329,200.00 | \$322,891.61 | | | | | \$322,891.61 | 98 | | \$6,308.39 |
| 315000 | Ground Support Systems | | \$319,200.00 | \$293,958.00 | | | | | \$293,958.00 | 92 | | \$25,242.00 |
| 321122 | Aggregate Base | | \$22,700.00 | \$0.00 | | | | | \$0.00 | 0 | | \$22,700.00 |
| 321216 | Plant-Mixed Asphalt Pavement | | \$51,300.00 | \$0.00 | | | | | \$0.00 | 0 | | \$51,300.00 |
| 329100 | Topsoil Placement | | \$3,500.00 | \$0.00 | | | | | \$0.00 | 0 | | \$3,500.00 |
| 329212 | Establishing Turf and Controlling Erosion | | \$13,600.00 | \$12,270.00 | | | | | \$12,270.00 | 90 | | \$1,330.00 |
| 329300 | Exterior Plants | | \$31,415.00 | \$0.00 | | | | | \$0.00 | 0 | | \$31,415.00 |
| 331100 | Water Distribution Systems | | \$423,320.00 | \$423,320.00 | | | | | \$423,320.00 | 100 | | \$0.00 |
| 331630 | Disinfection of Water Storage Facilities | | \$4,570.00 | \$2,300.00 | | | | | \$2,300.00 | 50 | | \$2,270.00 |
| 334100 | Storm Sewer Systems | | \$9,270.00 | \$5,970.00 | | | | | \$5,970.00 | 64 | | \$3,300.00 |
| 334420 | Manholes and Catch Basins | | \$17,240.00 | \$14,936.47 | | | | | \$14,936.47 | 87 | | \$2,303.53 |

**Brainerd Public Utilities 2.0 MG Water Storage Tank
Payment Application No. 17**

Payment Application No. 17

| Item | | | | | | | | | work completed through: 4/1/2023 | |
|---------------------------|--|-----------------|---------------------------------|-------------|---|--|-------|-------------------|----------------------------------|--|
| Specification Section No. | Description | Scheduled Value | C | D | E | F | % | G | | |
| | | | From Previous Application (C+D) | This Period | Materials Presently Stored (not in Col D) | Total Completed and Stored to Date (C + D + E) | | Balance to Finish | | |
| 402310 | Process Water and Waste Piping | \$231,120.00 | \$230,120.00 | | | \$230,120.00 | 100 | \$1,000.00 | | |
| 402320 | Process Piping Valves | \$25,300.00 | \$25,300.00 | | | \$25,300.00 | 100 | \$0.00 | | |
| 402330 | Process Piping Specialties | \$4,500.00 | \$4,500.00 | | | \$4,500.00 | 100 | \$0.00 | | |
| 402340 | Process Piping Hangers and Supports | \$2,500.00 | \$0.00 | | | \$0.00 | 0 | \$2,500.00 | | |
| 402350 | Process Piping Testing, Adjusting and Disinfection | \$1,000.00 | \$500.00 | | | \$500.00 | 50 | \$500.00 | | |
| 409119 | Instrumentation | \$22,800.00 | \$20,812.00 | | | \$20,812.00 | 91 | \$1,988.00 | | |
| | | | | | | | | | | |
| COR No. 02 | 30" Pipe & Fittings | \$29,708.98 | \$29,708.98 | | | \$29,708.98 | 100 | \$0.00 | | |
| COR No. 03 | Demo Valve Vault | \$3,572.47 | \$0.00 | | | \$0.00 | 0 | \$3,572.47 | | |
| COR No. 04 | Deleted Work Credit & FRP | (\$13,424.76) | (\$13,424.76) | | | (\$13,424.76) | 100 | \$0.00 | | |
| COR No. 05 | New 16" Gate Valve | \$13,275.46 | \$13,275.46 | | | \$13,275.46 | 100 | \$0.00 | | |
| | | | | | | | | | | |
| | | | | | | | | | | |
| | Totals | \$6,007,132.15 | \$5,128,908.20 | \$99,940.00 | \$0.00 | \$5,228,848.20 | 87.0% | \$778,283.95 | | |

EJCBC No. C-620 (2002 Edition)
Prepared by the Engineers' Joint Contract Documents Committee and endorsed by the Associated General Contractors of America and the Construction Specifications Institute.



BRAINERD PUBLIC UTILITIES

8027 Highland Scenic Rd • P.O. Box 373 • Brainerd, Minnesota 56401

Business Office: 218.829.8726 ■ **Repair Service:** 218.829.2193

www.bpu.org

Brainerd Public Utilities BPU Commission Unfinished Business April 25, 2023

A. Roberts Gravel Pit Purchase

Staff waiting for a response from Keith Roberts regarding the completion of the survey so we can move forward with the purchase agreement.

B. Electric Service at Rotary Pavilion

On hold until 2024 budget.

C. Forcemain Crossing of Mississippi River

See attached memo prepared by Widseth regarding the status of various permits.

D. Hydro Automation

Staff met with Bill Forsmark of Barr Engineering on April 21. Summary of discussion will be made at Board Meeting.

E. Crypto Mining Projects

JFK is currently mining on a month-to-month basis at approximately 4 MWs and is planning to add another 6 MWs in the next few weeks. JFK is being furnished with various pricing information and it is anticipated they will want to lock in pricing for at least the summer months. Staff met with VCV, and their plan is to construct a building that will be used for mining and the plan is to be in operation by the end of 2023. Staff has indicated to VCV that the maximum load at the location will be 25 MWs.

Alexandria

610 Fillmore Street
Alexandria MN 56308

320.762.8149

Alexandria@Widseth.com
Widseth.com

MEMO

Date: April 19, 2023
To: Brainerd Public Utilities Commission
From: Larry Van Hout, PE
Subject: Mississippi River Forcemain Crossing Permit Status

Brainerd Public Utilities Commission,

The design team is preparing the plans and specifications for the Mississippi River Crossing considering all the permit requirements received to date. We are planning to have a 90 percent review set for the project completed by May 5, 2023. This set will be reviewed with BPU staff for any final comments before plan completion.

The design team has contacted contractors and there are three that are interested in this project. If schedule requires it, the contractors indicate the work can be done in the winter, but it slows production.

Below is the status of the permits and approvals separated between the agencies.

Crow Wing County: We received the approved MN Wetland Conservation Act (WCA) Notice of Decision on March 23. A signed Landowner Statement and Contractor Responsibility form needs to be submitted to Crow Wing County prior to the start of construction. Once the form is submitted, the Crow Wing County requirements are satisfied.

Crow Wing Soil and Water Conservation District (SWCD): Melissa Barrick with Crow Wing SWCD brought up the native planting located on the east side of the Project Area. She indicated that a native seed mix should be used to restore the disturbed areas because there are invasive plants within the Project Area. We will coordinate with Melissa regarding the wetland restoration.

U.S. Army Corps of Engineers (Corps): We received the Corps permit on March 17. The Corps permit has conditions that should be reviewed prior to starting construction.

MN Department of Natural Resources (DNR): We submitted a Natural Heritage Information System (NHIS) review request on January 27. We have not received the NHIS letter and will continue to check the status of that review. We submitted an application for a license to cross a public water on January 30. The DNR has asked for some modifications of the permit application to help with the permit review. Widseth provided the additional information that was requested. Angela Means with the DNR indicated on March 24 that the license to cross a public water should be sent out for signature and payment the following week. We are routinely checking the status of the license with the Angela at the DNR, but still have not received the license.

Minnesota Pollution Control Agency (MPCA): The MPCA has been contacted and a sewer extension permit is required. The permit has not yet been applied for and it generally takes about a month to receive the permit. The Corps permit included a CWA 401 Certification from the MPCA that has conditions that should be reviewed prior to starting construction.

City of Brainerd: The City of Brainerd has been notified of the proposed project in the park area. They mentioned the road heading to Rotary Riverside and the trail segment continuing to the south towards the work area are not in the best shape. Repair of these roads will need to be addressed. No City permits will be required.

City of Baxter: The City of Baxter will require a grading permit, construction stabilization plan, and shoreland alteration permit.

Mississippi Headwaters Board (MHB): Tim Terrill with the MHB was contacted on February 17. The MHB does not have any issues with this project if the regulatory agencies approve this project. The MHB do not have any permits or other approvals that are required.

Rotary Club: Mike Angland and Dave Reese of Widseth met with John Forrest and Pete Nelson of the Rotary Club on March 23. The Rotary Club worked with the Crow Wing SWCD on the Field of Seeds which is a native planting area. The Rotary Club wants the impacts minimized within the Field of Seeds to the extent possible. They talked about bridging the forcemain pipe across the Field of Seeds. The Rotary Club discussed the idea of constructing a birding platform on the existing concrete vault structure. Mike Angland encouraged John Forrest to attend the March BPU Commission meeting if he felt that it would be beneficial. We understand a member of Rotary Club attended the last commission meeting.



We'll get you there.

CPAs | CONSULTANTS | WEALTH ADVISORS

Brainerd Public Utilities

Audit Presentation
Exit Conference
Year Ended December 31, 2022



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Agenda

- Required Communications
- Audit Results
- Financial Results
- Key Issues/Summary



Required Communications

- Our Responsibility Under Generally Accepted Auditing Standards
 - Primary responsibility is to provide our opinion on the fairness of presentation of the financial statements
 - Reviewed internal accounting controls
 - Risk based audit approach
 - Based on internal controls, determined scopes, and tests of transactions
- Planned Scope and Timing of the Audit
 - Communicated during the audit preliminary work and field work
- Significant Accounting Policies
 - Outlined in Note 1 to the financial statements
 - Unusual transactions – Prepaid power
 - New Standards – GASB 87



Required Communications (Continued)

- Management Judgments and Accounting Estimates – Reasonable/Supported
 - Useful lives of capital assets
 - Allowance for doubtful accounts
 - Pension Related Items
- Corrected and Uncorrected Misstatements
 - Corrected adjustments – none noted
 - Uncorrected adjustments – one noted
 - ★ Recording additional receivable and revenue from LOST
- Disclosures are Adequate, Clear and Complete
- Other Information in Documents Containing Audited Financial Statements
 - Required Supplementary Information – no opinion
 - Supplementary Information – in-relation to opinion – inquiries and evaluate content
- Disagreements with Management
 - There have been no disagreements with management about matters that could be significant to the financial statements



Required Communications (Continued)

- Consultations with Other Accountants
 - There were no consultations with other independent accountants
- Major Issues Discussed With Management Prior to Retention
 - No issues, other than normal planning issues, were discussed prior to our retention as auditors
- Difficulties Encountered in Performing the Audit
 - Management was most cooperative and helpful
 - Personnel and records were available



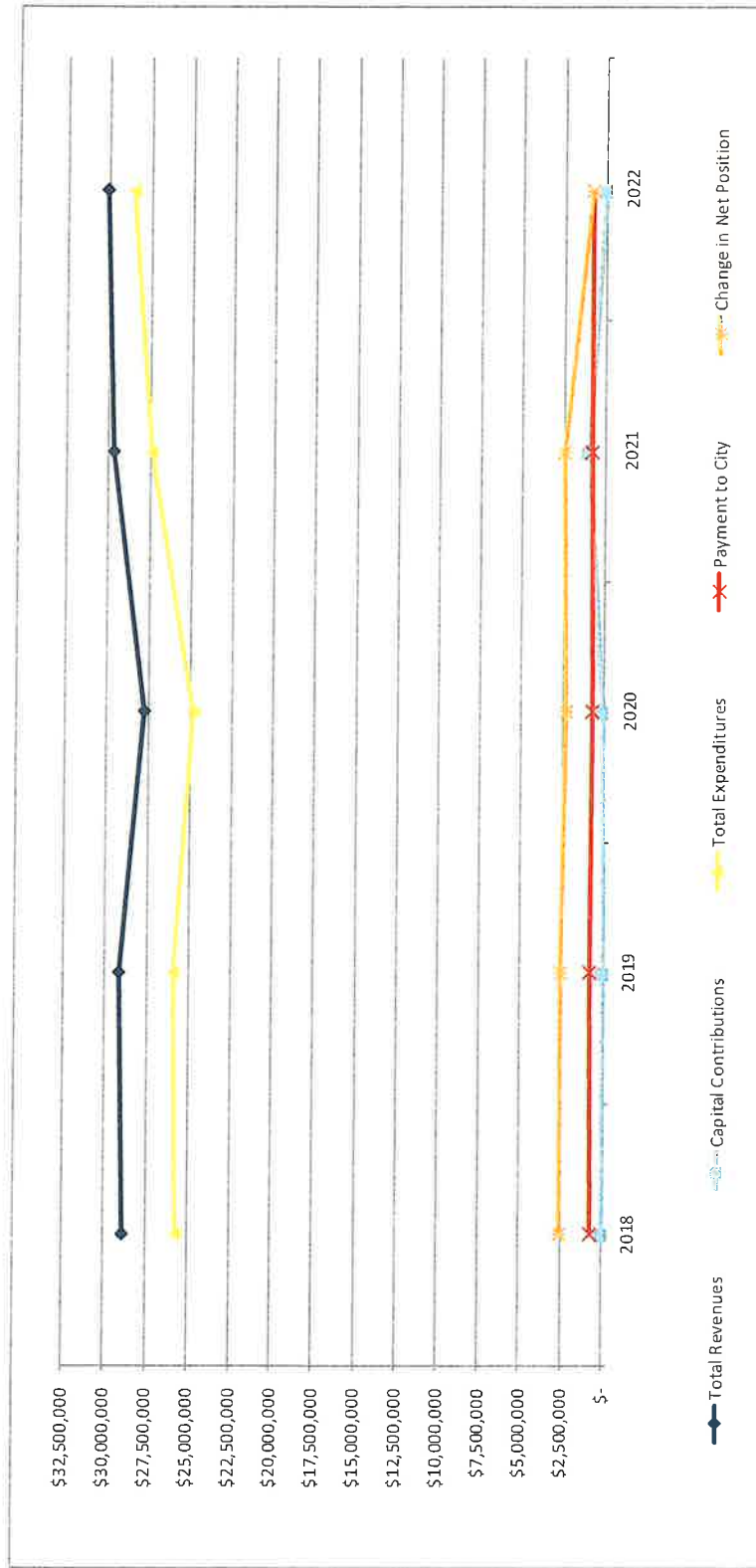
Audit Results

- Unmodified Opinion
 - On the basic financial statement
- Compliance and Internal Control Over Financial Reporting
 - None noted
- Minnesota Legal Compliance
 - Seven areas – none noted



Financial Results

Utility Operations

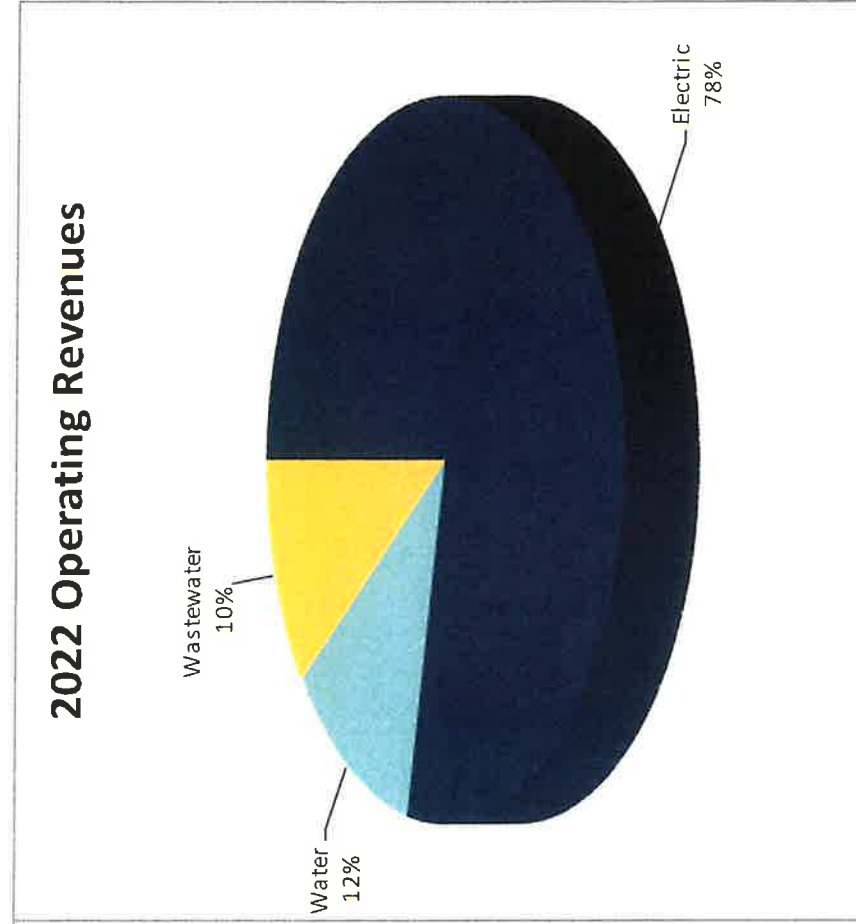
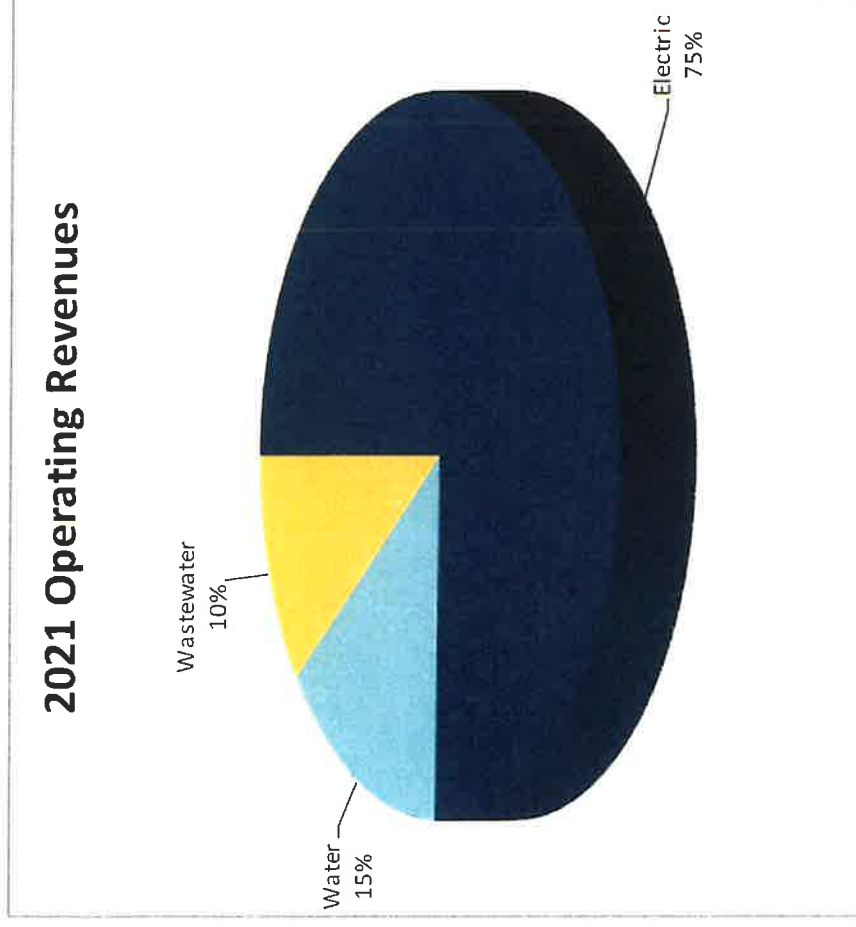


| | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Revenues | \$ 28,886,982 | \$ 29,142,978 | \$ 27,688,628 | \$ 29,645,471 | \$ 30,144,928 |
| Capital Contributions | - | - | 111,951 | 976,000 | - |
| Total Expenditures | 25,654,330 | 25,839,753 | 24,784,883 | 27,407,872 | 28,572,519 |
| Payment to City | 691,284 | 757,394 | 734,569 | 761,150 | 756,373 |
| Change in Net Position | 2,541,368 | 2,545,831 | 2,281,127 | 2,452,449 | 816,036 |



Financial Results (Continued)

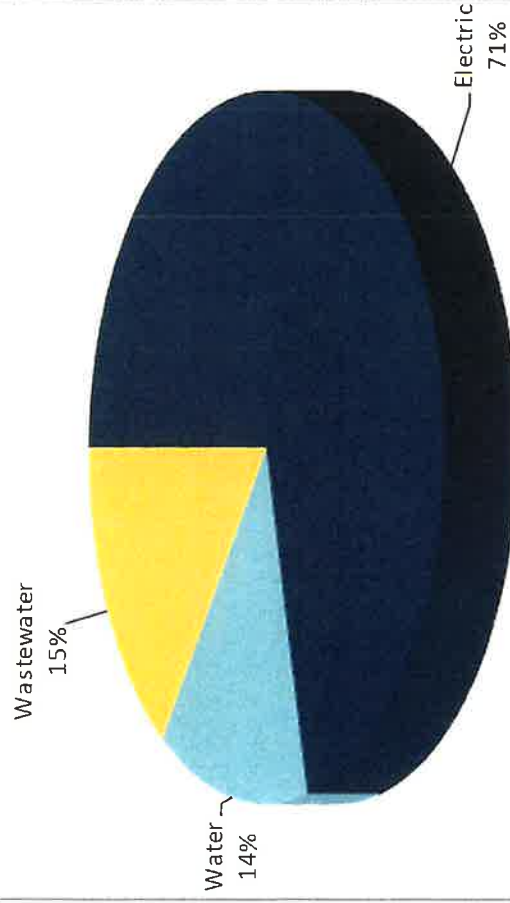
Utility Operations



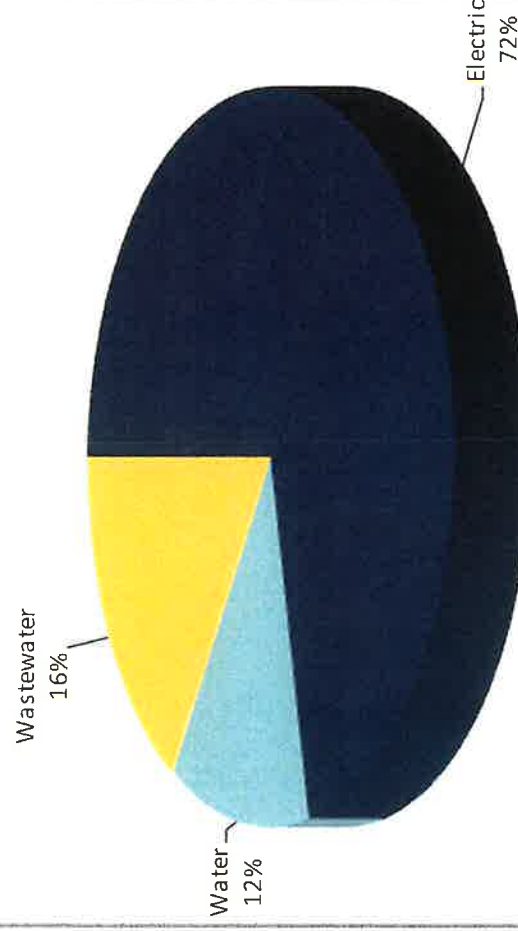
Financial Results (Continued)

Utility Operations

2022 Operating Expenses

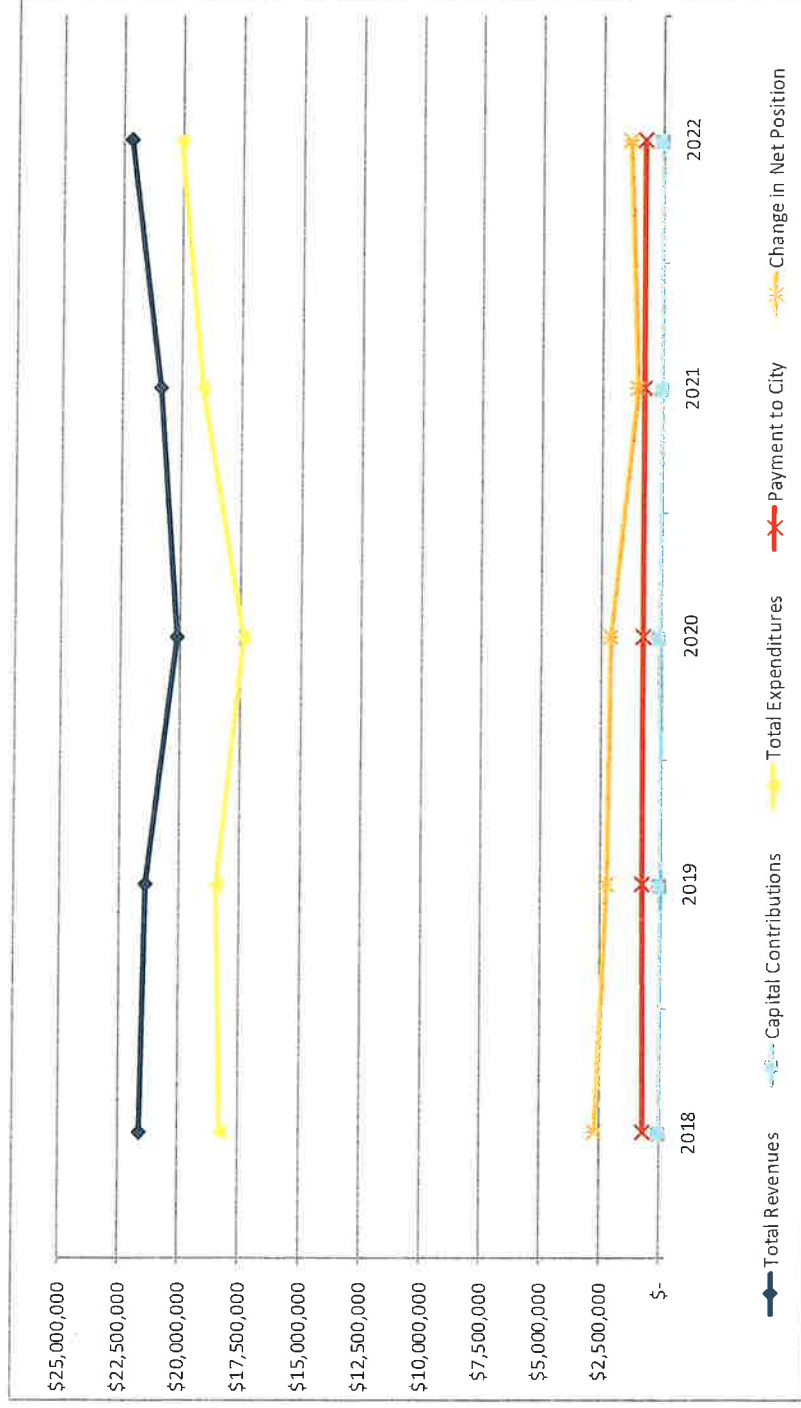


2021 Operating Expenses



Financial Results (Continued)

Electric Operations

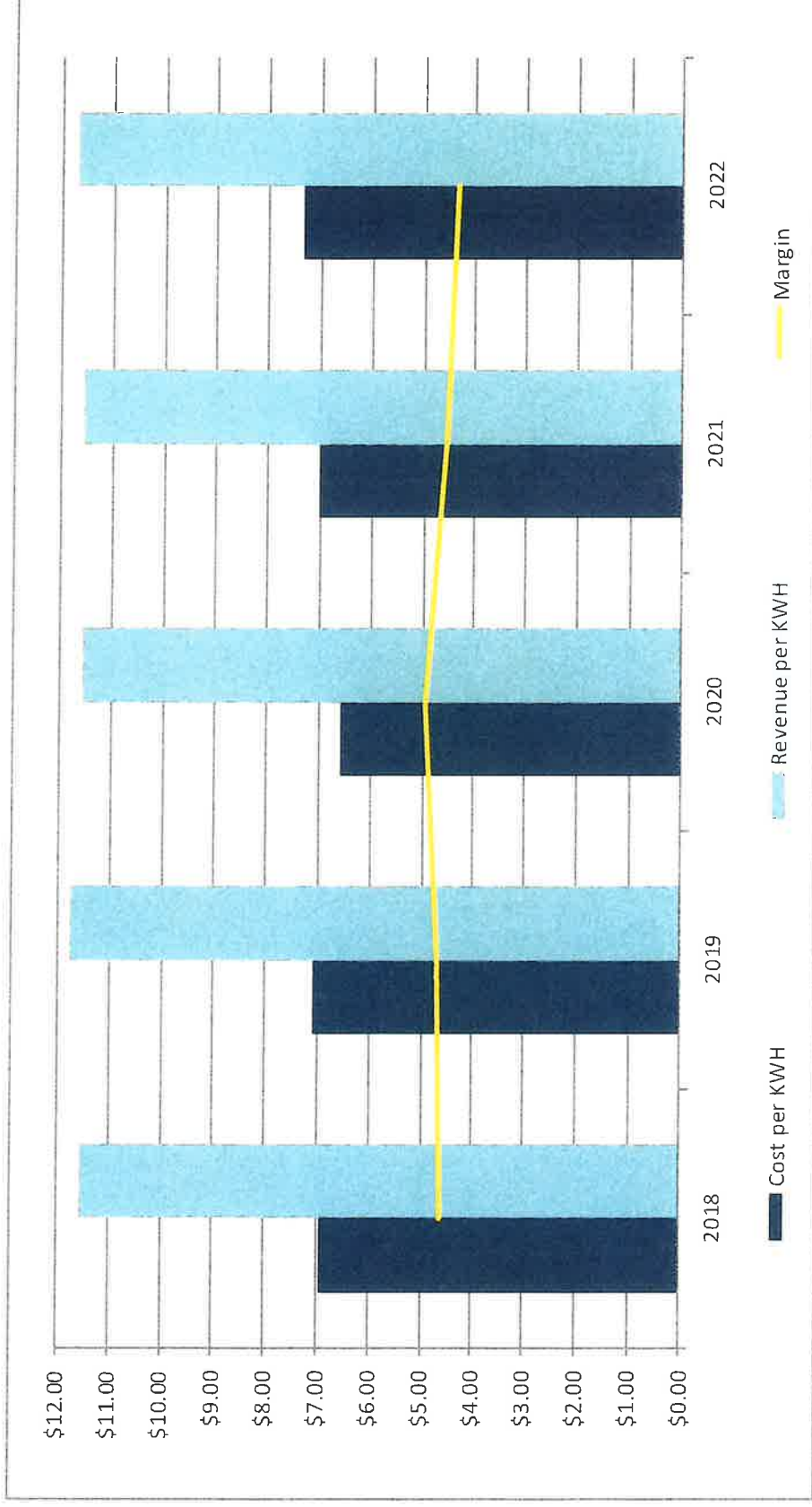


| | 2018 | 2019 | 2020 | 2021 | 2022 |
|------------------------|---------------|---------------|---------------|---------------|---------------|
| Total Revenues | \$ 21,647,299 | \$ 21,442,050 | \$ 20,176,263 | \$ 20,871,966 | \$ 22,193,708 |
| Capital Contributions | - | - | 52,588 | - | - |
| Total Expenditures | 18,265,728 | 18,434,242 | 17,407,276 | 19,123,149 | 20,081,190 |
| Payment to City | 691,284 | 757,394 | 734,569 | 761,150 | 756,373 |
| Change in Net Position | 2,690,287 | 2,250,414 | 2,087,006 | 987,667 | 1,356,145 |



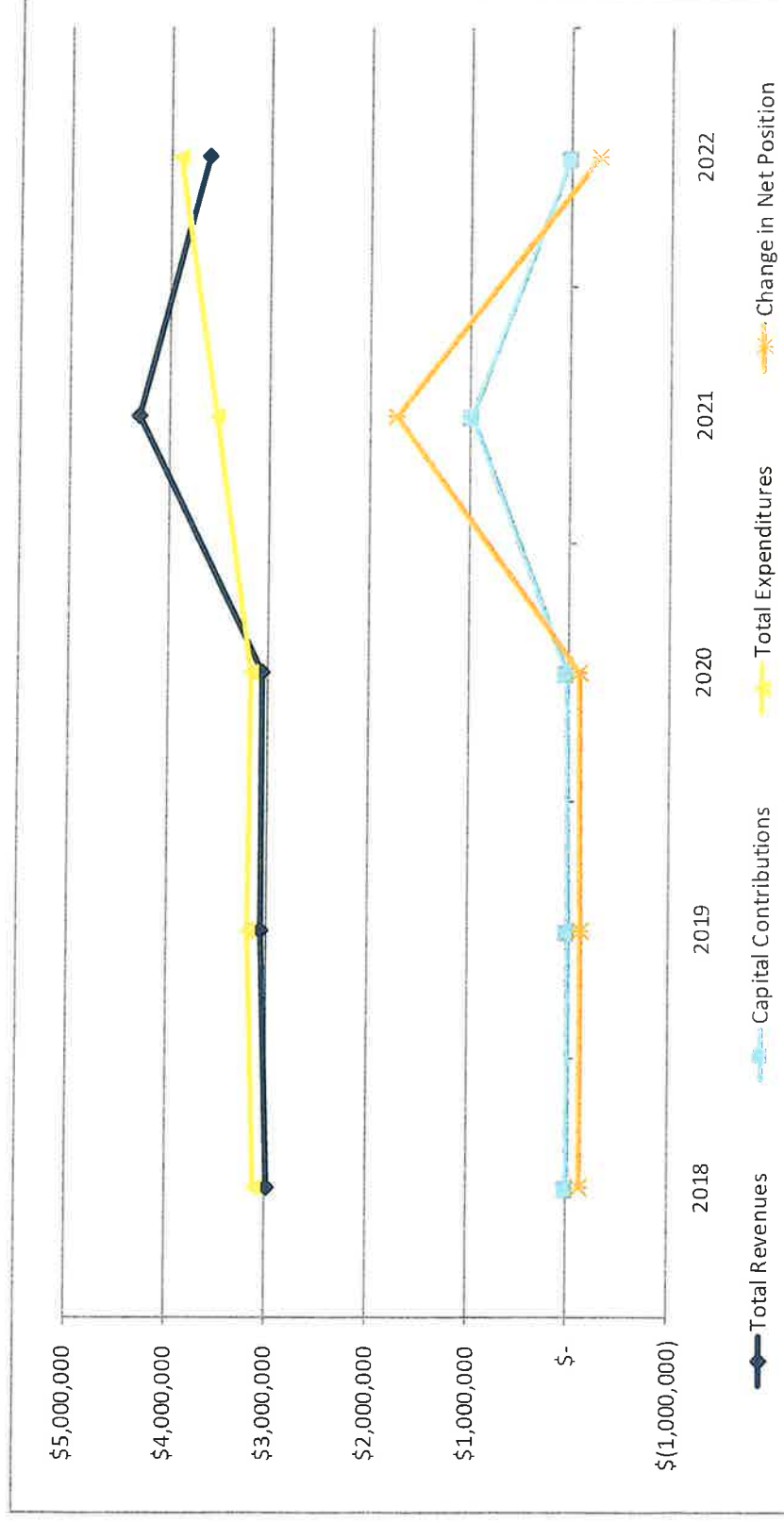
Financial Results (Continued)

Cost per KWH & Revenue per KWH



Financial Results (Continued)

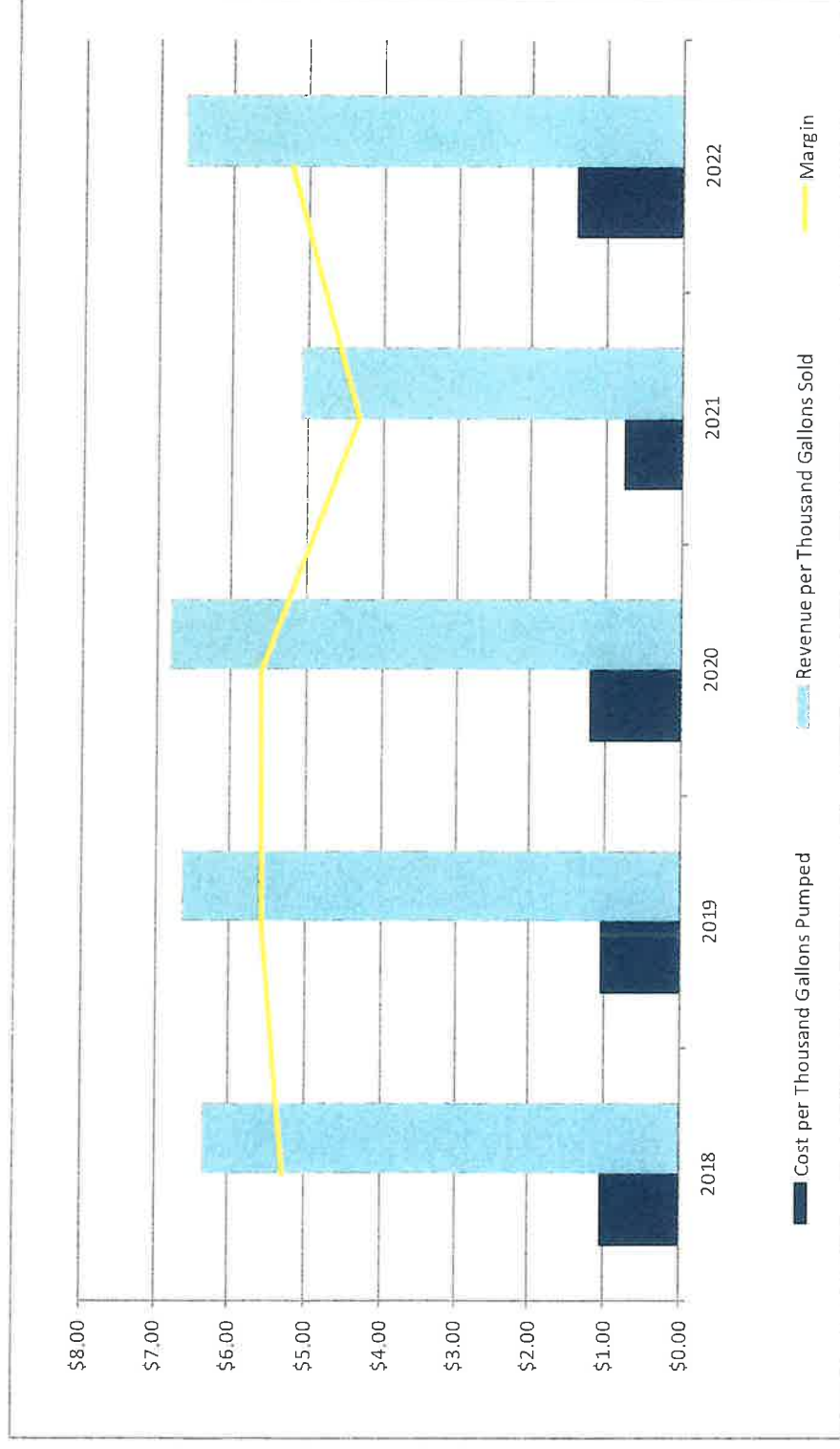
Water Operations



Financial Results (Continued)

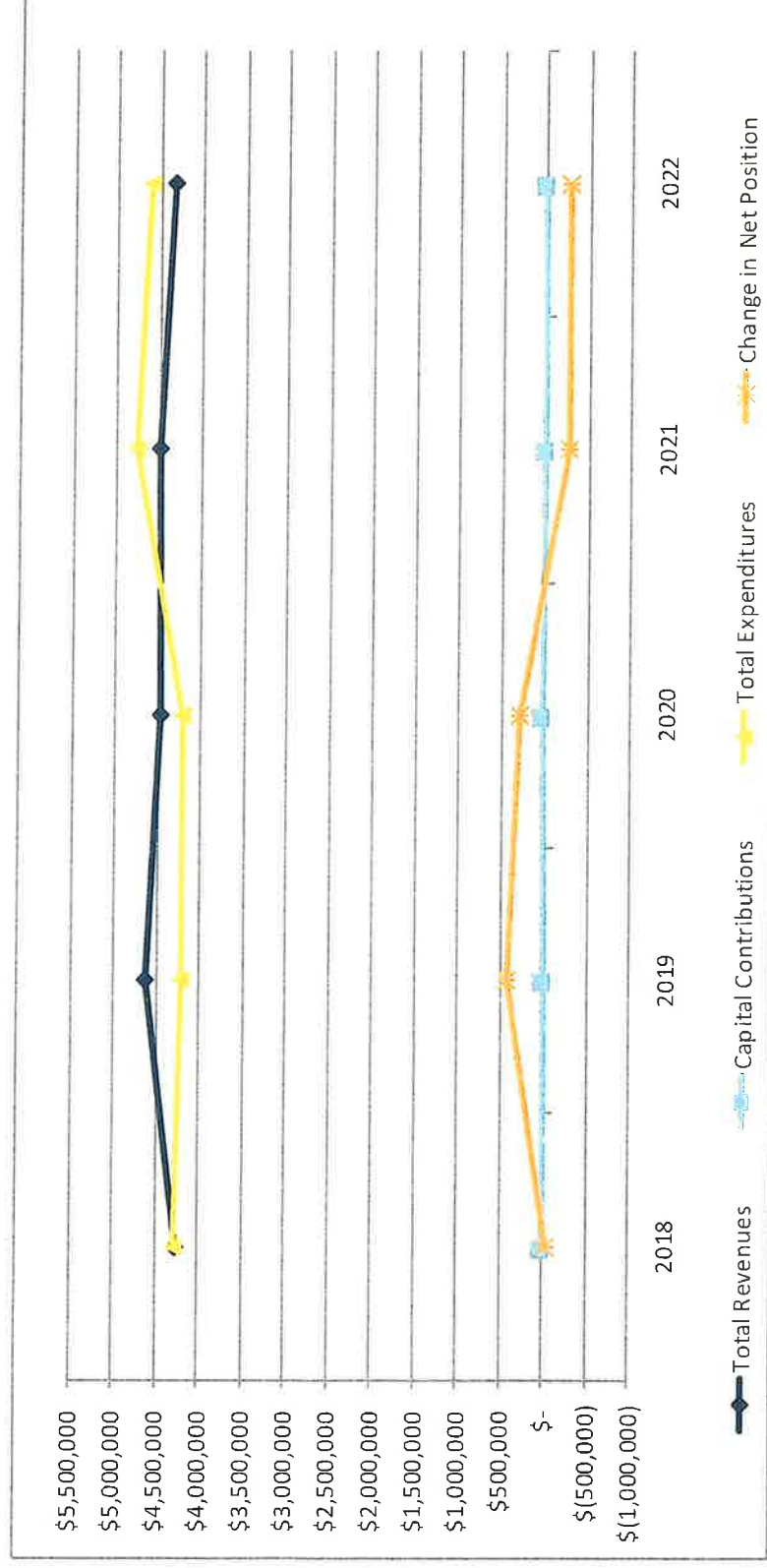
Cost per Thousand Gallons Pumped

Revenue per Thousand Gallons Sold



Financial Results (Continued)

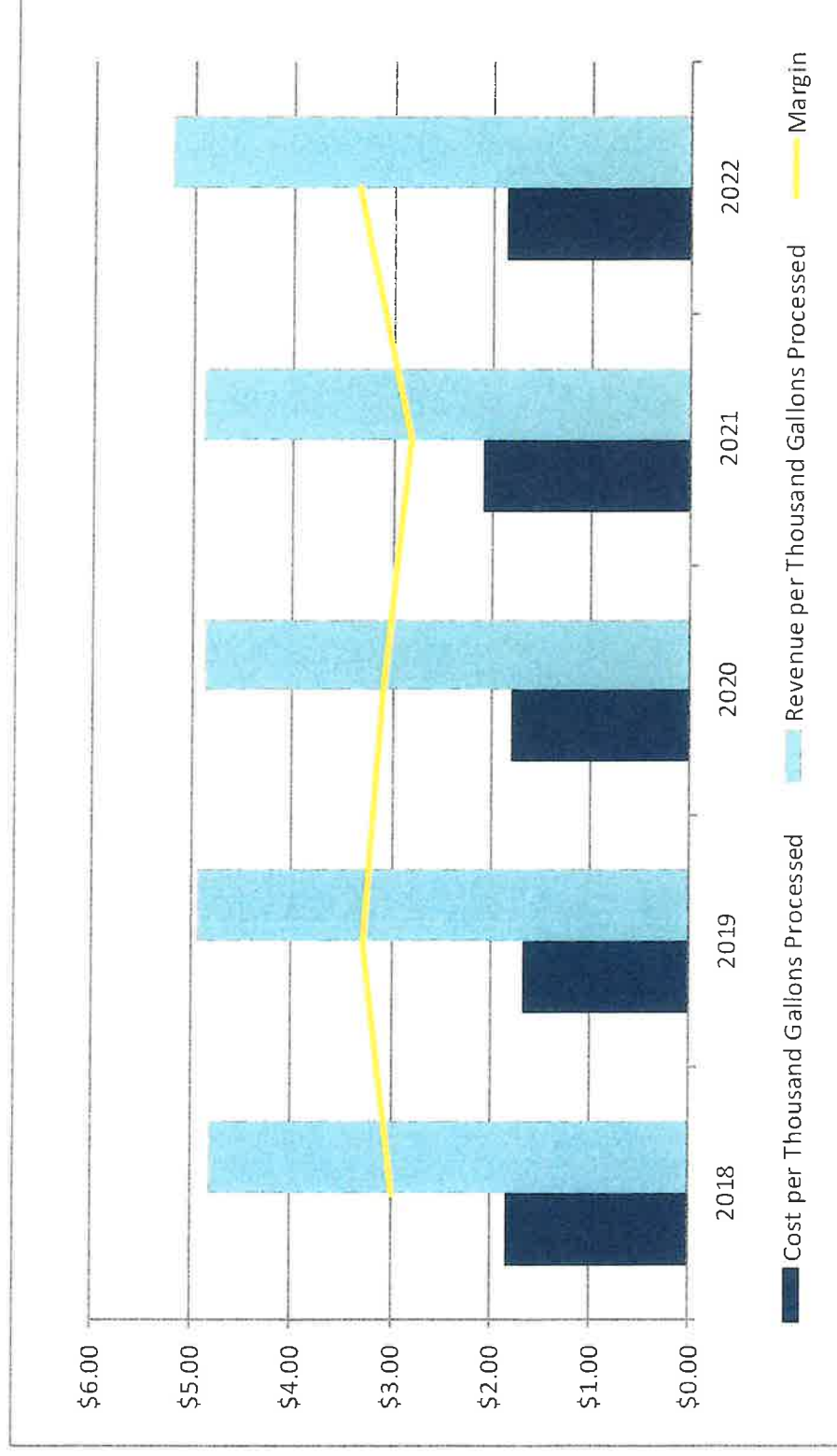
Wastewater Operations



Financial Results (Continued)

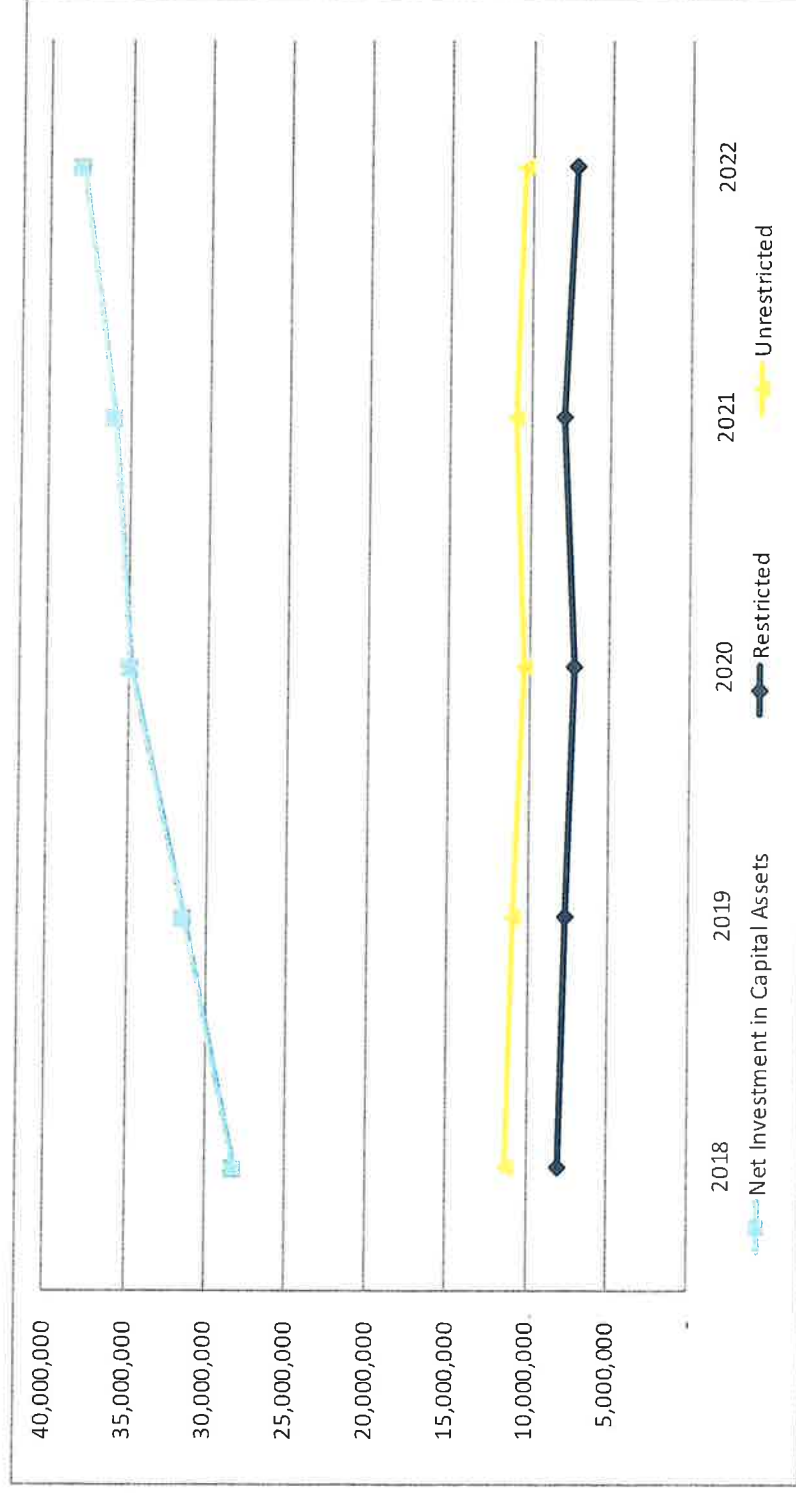
Cost per Thousand Gallons Processed

Revenue per Thousand Gallons Processed



Financial Results (Continued)

Net Position

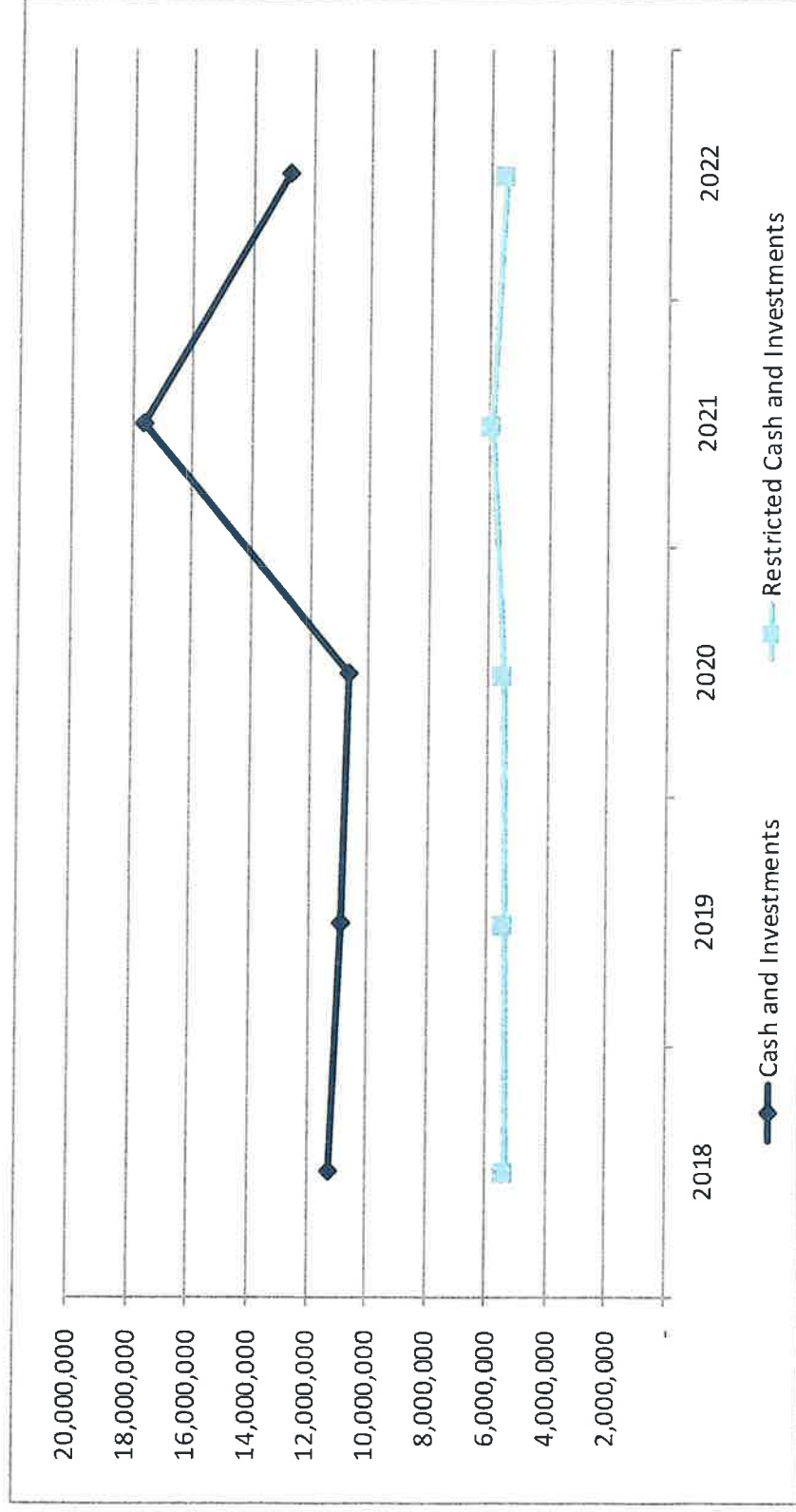


| Year | Net Investment in Capital Assets | Restricted | Unrestricted |
|------|----------------------------------|------------|--------------|
| 2018 | 28,104,575 | 8,033,299 | 11,293,424 |
| 2019 | 31,477,317 | 7,598,735 | 10,901,077 |
| 2020 | 34,851,167 | 7,154,837 | 10,252,252 |
| 2021 | 35,956,868 | 7,848,358 | 10,905,479 |
| 2022 | 37,930,250 | 7,149,064 | 10,447,427 |



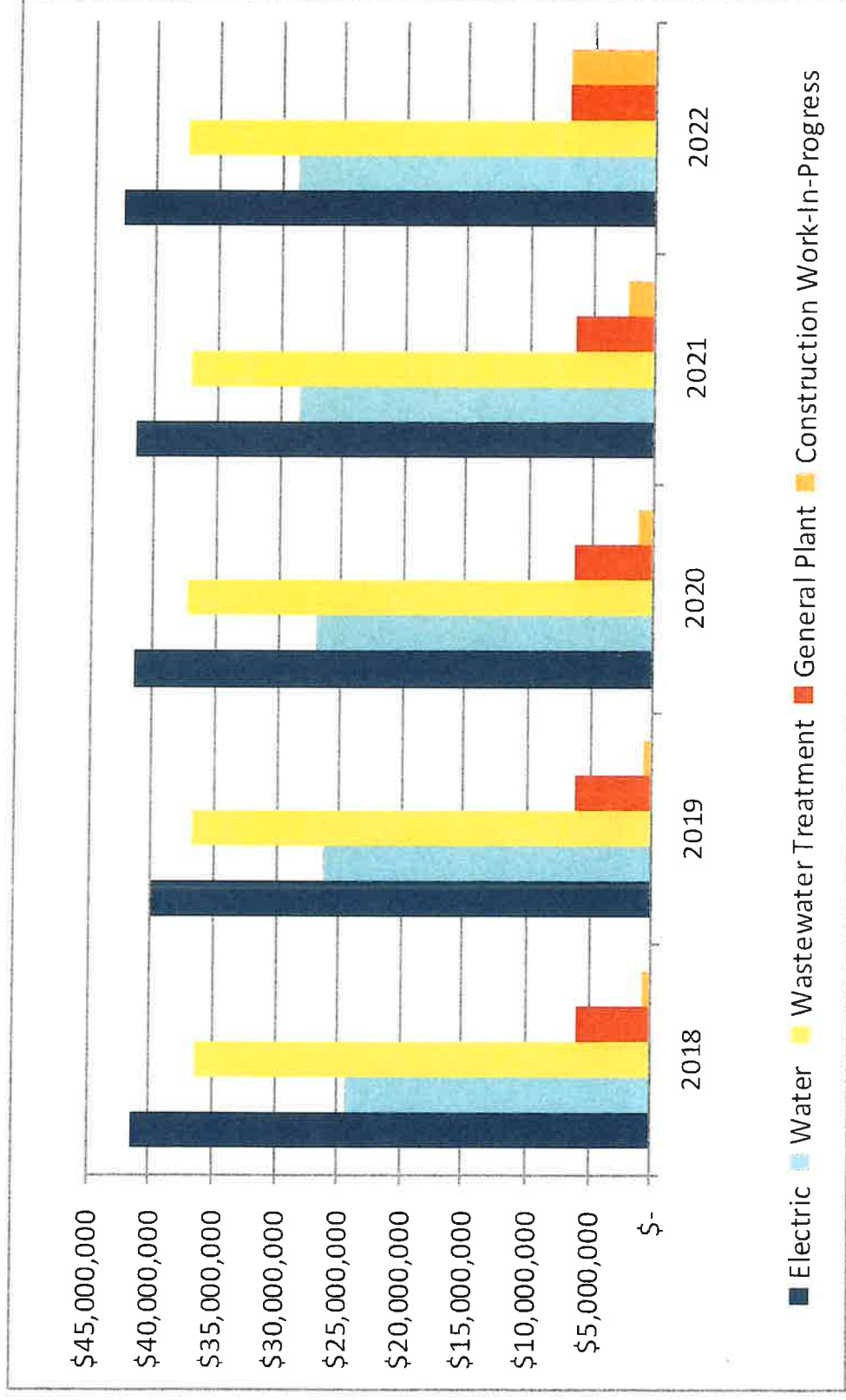
Financial Results (Continued)

Cash and Investments



Financial Results (Continued)

Total Capital Assets



Financial Results (Continued)

- Other Financial Highlights

- Electric revenues increased due to sales of renewable energy and an increase in usage, expenses increased due to an increase in employee benefits, operating income about \$500,000 higher than prior year
- Water revenues decreased significantly due to a decrease in usage from the City of Baxter, expenses increased due to an increase in wages and benefits resulting in a negative change in net position of \$530,000
- Wastewater revenues increased slightly, while operating expenses decreased slightly, producing a negative change in net position of \$1,329,000



Key Issues/Summary

- Decrease in cash due to bonds and capital contributions spent during the current year
 - Restricted for capital outlay - \$567,000
- Significant change in investments
 - Ending investments decreased due to spend down of bonds
- Overall additions were higher than the prior year
 - \$7,600,000 in the current year compared to \$3,700,000 in the prior year
- Overall positive cash flow from operations
 - \$4,400,000 in the current year compared to \$6,300,000 in the prior year



Key Issues/Summary (Continued)

- Electric had higher change in net position than prior year
 - Net income of \$1,356,000 compared to \$988,000 in the prior year
- Water department had negative change in net position for the current year
 - Net loss of \$273,000 compared to a net income of \$1,744,000 in the prior year
- Wastewater had net loss in the year similar to the prior year
 - Net loss of \$267,000 compared to net loss of \$280,000 in the prior year
- We advise the margins for each department be consistent from year to year
- Continue to monitor the rates and assess each department individually

Thank you to all for helping to get
this audit completed timely and for
allowing us to serve you!

Contact Information:

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CPAs | CONSULTANTS | WEALTH ADVISORS

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**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA**

**FINANCIAL REPORT
DECEMBER 31, 2022 AND 2021**



CPAs | CONSULTANTS | WEALTH ADVISORS

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DECEMBER 31, 2022 AND 2021**

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INTRODUCTORY SECTION

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
ORGANIZATIONAL DATA
DECEMBER 31, 2022**

COMMISSION

| | | <u>Term Expires December 31,</u> |
|-------------------|----------------|--------------------------------------|
| President | Mark O'Day | 2025 |
| Vice President | Tad Johnson | 2023 |
| Commission Member | Dolly Matten | 2024 |
| Commission Member | Mike Angland | 2022 |
| Commission Member | Patrick Wussow | 2026 |

ADMINISTRATION

| | |
|---------------------------------------|-----------------|
| Superintendent of Utilities | Scott Magnuson |
| Finance Director | Todd Wicklund |
| Operations Manager | Trent Hawkinson |
| Wastewater Treatment Plant Supervisor | Charlie Gammon |
| Technology Supervisor | Aaron Andersen |
| Accounting Supervisor | Jana Pernula |

FINANCIAL SECTION



INDEPENDENT AUDITORS' REPORT

Brainerd Public Utilities Commission
Brainerd Public Utilities
Brainerd, Minnesota

Report on the Audit of the Financial Statements

Opinion

We have audited the accompanying financial statements of Brainerd Public Utilities (BPU), a component unit of the City of Brainerd, Minnesota, as of and for the years ended December 31, 2022 and 2021, and the related notes to the financial statements, which collectively comprise BPU's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of BPU as of December 31, 2022 and 2021, and the changes in financial position and its cash flows for the years then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinion

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

Responsibility of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with GAAS, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

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

Auditors' Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, the Schedule of BPU's Proportionate Share of the Net Pension Liability, the Schedule of PERA Contributions, and the Schedule of Changes in BPU's OPEB Liability, Related Ratios, and Notes be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context.

Required Supplementary Information (Continued)

We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise BPU's basic financial statements. The Combining Statements of Net Position by Department, the Combining Statements of Revenues, Expenses and Changes in Net Position by Department, and the Schedule of Capital Assets and Accumulated Depreciation are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audits of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the Combining Statements of Net Position by Department, the Combining Statements of Revenues, Expenses and Changes in Net Position by Department, and the Schedule of Capital Assets and Accumulated Depreciation are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the Introductory Section, the Electric Distribution Department Statistics, the Water Department Statistics, and the Wastewater Treatment Department Statistics but does not include the basic financial statements and our auditors' report thereon. Our opinion on the basic financial statements does not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Brainerd Public Utilities Commission
Brainerd Public Utilities

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated April 13, 2023, on our consideration of BPU's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the result of that testing, and not to provide an opinion on the effectiveness of BPU's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering BPU's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Brainerd, Minnesota
April 13, 2023

**BRainerd PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

The management of Brainerd Public Utilities (BPU) offers readers of our financial statements this narrative overview and analysis of the financial activities of BPU for the years ended December 31, 2022 and 2021. This discussion and analysis should be read in conjunction with BPU's financial statements and accompanying notes, which follow this section.

Financial Highlights from 2021 to 2022

- BPU's combined net position increased \$816,036, or 1.5%, from \$54,710,705 to \$55,526,741.
- Combined total assets and deferred outflow of resources decreased \$3,391,991, or 3.4%, from \$98,620,457 to \$95,228,466.
- Combined total liabilities decreased \$2,056,877, or 5.0%, from \$41,543,507 to \$39,486,630.
- Combined total operating revenue increased \$961,500, or 3.5%, from \$27,673,774 to \$28,635,274.
- Combined total operating expenses increased \$1,578,912, or 6.0%, from \$26,450,321 to \$28,029,233.

Overview of the Financial Statements

BPU provides electric generation and distribution, water production, treatment and distribution and wastewater treatment to the City of Brainerd. BPU also provides electric distribution to portions of the City of Baxter and treats 100% of the City of Baxter's wastewater.

BPU is a component unit of the City of Brainerd. BPU's operations, capital asset program and debt payments are funded entirely through rates, fees and other charges for these utility services. As such, BPU is considered to be, and therefore presents its financial report, as a stand-alone enterprise fund.

This financial report consists of the following parts: Management's Discussion and Analysis, Financial Statements, Required Supplementary Information, Supplementary Information and Other Information. The Financial Statements include notes that provide additional detail for some of the information included in the Financial Statements.

Required Financial Statements

The Financial Statements report information utilizing generally accepted utility accounting practices. The financial statements consist of three required reports.

The **Statements of Net Position** summarize BPU's assets and deferred outflows of resources and liabilities and deferred inflows of resources and provide information about the nature and amounts of investments in resources (assets) and the obligations to BPU's creditors (liabilities). These statements also provide information that can assist in making a variety of financial assessments about BPU's rate of return, structure, liquidity, and financial flexibility.

The **Statements of Revenues, Expenses and Changes in Net Position** summarize the current and prior year's revenues and expenses. These statements quantify the success of BPU's operations. These statements can serve as a tool in determining how well BPU covered its costs through rates, fees, and other revenues. These statements also highlight BPU's profitability and credit worthiness.

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Required Financial Statements (Continued)

The **Statements of Cash Flows** are the third required financial statement. The primary purpose of these statements is to provide information about cash receipts and cash payments during the current and prior year. These statements report cash receipts, cash payments, and net changes in cash resulting from operating, investing, and financing activities.

Financial Analysis

The **Condensed Statements of Net Position – Table 1** provide a summary of BPU's net position and is shown in combined form.

Net capital assets represent 68.6% and 64.5% of total assets and deferred outflows of resources as of December 31, 2022 and 2021, respectively. Long-term liabilities represent 33.7% and 34.1% of total liabilities, net position, and deferred inflows of resources as of December 31, 2022 and 2021, respectively. Total net position increased 1.5% and 4.7% as of December 31, 2022 and 2021, respectively.

The largest portion of BPU's net position (68.3%), at December 31, 2022, reflects its net investment in capital assets. Although BPU's net 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 resources, since the capital assets themselves cannot be used to liquidate these liabilities.

For 2022, \$6,581,652 or 11.9% of BPU's net position represents resources that are restricted for debt service and \$567,412 or 1.0% of BPU's net position represents resources that are restricted for capital outlay. The remaining balance of unrestricted net position of \$10,447,427 or 18.8% may be used to meet BPU ongoing obligations.

The **Condensed Statements of Revenues, Expenses, and Changes in Net Position – Table 2**, provide a summary of the changes in BPU's net position and are shown in combined form.

Net nonoperating revenue (expense) from 2021 to 2022 decreased \$47,778, or 4.7%, from \$1,014,146 to \$966,368. The significant change for 2022 was a decrease in interest income due to fair market value adjustment offset with an increase in local option sales tax.

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Financial Analysis (Continued)

Condensed Statements of Net Position
Table 1

| | December 31, | | | Change | |
|--|-------------------|-------------------|-------------------|--------------------|------------------|
| | 2022 | 2021 | 2020 | 2022 to 2021 | 2021 to 2020 |
| Net Capital Assets | \$ 65,311,984 | \$ 63,656,741 | \$ 64,483,801 | \$ 1,655,243 | \$ (827,060) |
| Restricted Assets | 8,866,126 | 9,844,493 | 9,871,990 | (978,367) | (27,497) |
| Current Assets | 19,025,253 | 22,658,557 | 16,186,633 | (3,633,304) | 6,471,924 |
| Other Assets | 239,683 | 257,416 | 275,149 | (17,733) | (17,733) |
| Total Assets | 93,443,046 | 96,417,207 | 90,817,573 | (2,974,161) | 5,599,634 |
| Deferred Outflows of Resources | 1,785,420 | 2,203,250 | 638,549 | (417,830) | 1,564,701 |
| Total Assets and Deferred Outflows | \$ 95,228,466 | \$ 98,620,457 | \$ 91,456,122 | \$ (3,391,991) | \$ 7,164,335 |
| Current Liabilities | \$ 7,353,395 | \$ 7,898,158 | \$ 6,976,539 | \$ (544,763) | \$ 921,619 |
| Long-Term Liabilities | 32,133,235 | 33,645,349 | 32,054,363 | (1,512,114) | 1,590,986 |
| Total Liabilities | 39,486,630 | 41,543,507 | 39,030,902 | (2,056,877) | 2,512,605 |
| Net Investment in Capital Assets | 37,930,250 | 35,956,868 | 34,851,167 | 1,973,382 | 1,105,701 |
| Restricted Net Position | 7,149,064 | 7,848,358 | 7,154,837 | (699,294) | 693,521 |
| Unrestricted Net Position | 10,447,427 | 10,905,479 | 10,252,252 | (458,052) | 653,227 |
| Total Net Position | 55,526,741 | 54,710,705 | 52,258,256 | 816,036 | 2,452,449 |
| Deferred Inflows of Resources | 215,095 | 2,366,245 | 166,964 | (2,151,150) | 2,199,281 |
| Total Liabilities, Net Position and Deferred Inflows | \$ 95,228,466 | \$ 98,620,457 | \$ 91,456,122 | \$ (3,391,991) | \$ 7,164,335 |

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Financial Analysis (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position
Table 2

| | 2022 | 2021 | Dollar Change | Percentage Change |
|---|---------------|---------------|------------------|----------------------|
| OPERATING REVENUES | | | | |
| Electric | \$ 22,394,774 | \$ 20,840,444 | \$ 1,554,330 | 7.5% |
| Water | 3,307,300 | 3,973,580 | (666,280) | -16.8% |
| Wastewater Treatment | 2,933,200 | 2,859,750 | 73,450 | 2.6% |
| Total Operating Revenue | 28,635,274 | 27,673,774 | 961,500 | 3.5% |
| OPERATING EXPENSES | | | | |
| Production and Treatment | 2,937,500 | 2,775,409 | 162,091 | 5.8% |
| Purchased Power | 12,256,210 | 12,021,143 | 235,067 | 2.0% |
| Distribution and Collection | 3,571,683 | 3,097,896 | 473,787 | 15.3% |
| Administration | 3,990,949 | 3,094,768 | 896,181 | 29.0% |
| Depreciation and Amortization | 5,272,891 | 5,461,105 | (188,214) | -3.4% |
| Total Operating Expenses | 28,029,233 | 26,450,321 | 1,578,912 | 6.0% |
| OPERATING INCOME (LOSS) | 606,041 | 1,223,453 | (617,412) | -50.5% |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest Income - Investments | (671,411) | (46,660) | (624,751) | 1338.9% |
| Interest Income - Notes Receivable | 117,505 | 135,313 | (17,808) | -13.2% |
| Bond Issue Costs | - | (87,243) | 87,243 | -100.0% |
| Interest Expense | (543,286) | (823,648) | 280,362 | -34.0% |
| Local Option Sales Tax | 1,940,891 | 1,714,974 | 225,917 | 13.2% |
| Federal Grant Revenue - Build America Bond | 77,558 | 88,709 | (11,151) | -12.6% |
| Gain on Disposal of Capital Assets | 45,111 | 32,701 | 12,410 | 37.9% |
| Net Nonoperating Revenue | 966,368 | 1,014,146 | (47,778) | -4.7% |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS AND CONTRIBUTIONS | 1,572,409 | 2,237,599 | (665,190) | -29.7% |
| CAPITAL GRANTS AND CONTRIBUTIONS | - | 976,000 | (976,000) | -100.0% |
| TRANSFERS TO THE CITY | (756,373) | (761,150) | 4,777 | -0.6% |
| CHANGE IN NET POSITION | 816,036 | 2,452,449 | (1,636,413) | -0.6% |
| Net Position - Beginning | 54,710,705 | 52,258,256 | 2,452,449 | -66.7% |
| NET POSITION - ENDING | \$ 55,526,741 | \$ 54,710,705 | \$ 816,036 | 4.7% |

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Financial Analysis (Continued)

Condensed Statements of Revenues, Expenses and Changes in Net Position
Table 2 (Continued)

| | 2021 | 2020 | Dollar Change | Percentage Change |
|---|----------------------|----------------------|---------------------|----------------------|
| OPERATING REVENUES | | | | |
| Electric | \$ 20,840,444 | \$ 20,017,034 | \$ 823,410 | 4.1% |
| Water | 3,973,580 | 2,721,220 | 1,252,360 | 46.0% |
| Wastewater Treatment | 2,859,750 | 2,739,357 | 120,393 | 4.4% |
| Total Operating Revenue | 27,673,774 | 25,477,611 | 2,196,163 | 8.6% |
| OPERATING EXPENSES | | | | |
| Production and Treatment | 2,775,409 | 2,627,392 | 148,017 | 5.6% |
| Purchased Power | 12,021,143 | 10,559,355 | 1,461,788 | 13.8% |
| Distribution and Collection | 3,097,896 | 2,849,088 | 248,808 | 8.7% |
| Administration | 3,094,768 | 2,895,297 | 199,471 | 6.9% |
| Depreciation and Amortization | 5,461,105 | 4,948,250 | 512,855 | 10.4% |
| Total Operating Expenses | 26,450,321 | 23,879,382 | 2,570,939 | 10.8% |
| OPERATING INCOME (LOSS) | 1,223,453 | 1,598,229 | (374,776) | -23.4% |
| NONOPERATING REVENUE (EXPENSE) | | | | |
| Interest Income - Investments | (46,660) | 370,983 | (417,643) | -112.6% |
| Interest Income - Notes Receivable | 135,313 | 147,679 | (12,366) | -8.4% |
| Bond Premium | (87,243) | - | (87,243) | 100.0% |
| Interest Expense | (823,648) | (905,501) | 81,853 | -9.0% |
| Local Option Sales Tax | 1,714,974 | 1,562,848 | 152,126 | 9.7% |
| Federal Grant Revenue - Build America Bond | 88,709 | 101,312 | (12,603) | -12.4% |
| Bond Issuance Costs | - | 15,611 | (15,611) | -100.0% |
| Gain (Loss) on Disposal of Capital Assets | 32,701 | 12,584 | 20,117 | 159.9% |
| Net Nonoperating Revenue | 1,014,146 | 1,305,516 | (291,370) | -22.3% |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS AND CONTRIBUTIONS | 2,237,599 | 2,903,745 | (666,146) | -22.9% |
| CAPITAL GRANTS AND CONTRIBUTIONS | 976,000 | 111,951 | 864,049 | 771.8% |
| TRANSFERS TO THE CITY | (761,150) | (734,569) | (26,581) | 3.6% |
| CHANGE IN NET POSITION | 2,452,449 | 2,281,127 | 171,322 | 7.5% |
| Net Position - Beginning | 52,258,256 | 49,977,129 | 2,281,127 | 4.6% |
| NET POSITION - ENDING | <u>\$ 54,710,705</u> | <u>\$ 52,258,256</u> | <u>\$ 2,452,449</u> | 4.7% |

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Capital Assets

Net Capital Assets – Table 3, shows changes in net capital assets from 2020 to 2022. Total net capital assets as of December 31, 2022 and 2021 were \$65,311,984 and \$63,656,741, respectively.

**Net Capital Assets
Table 3**

| | December 31, | | | Change | |
|-------------------------------------|----------------------|----------------------|----------------------|---------------------|---------------------|
| | 2022 | 2021 | 2020 | 2022 to 2021 | 2021 to 2020 |
| Electric Department | | | | | |
| Generation System | \$ 5,090,265 | \$ 5,240,126 | \$ 5,816,895 | \$ (149,861) | \$ (576,769) |
| Distribution System | 15,371,739 | 15,851,459 | 16,493,131 | (479,720) | (641,672) |
| Street and Security Lighting System | 200,912 | 224,315 | 215,283 | (23,403) | 9,032 |
| Water Department | | | | | |
| Production Facilities | 1,254,416 | 1,383,210 | 1,466,140 | (128,794) | (82,930) |
| Distribution System | 14,186,363 | 14,972,987 | 14,270,784 | (786,624) | 702,203 |
| Wastewater Treatment Department | | | | | |
| Lift Station Facilities | 2,381,807 | 2,526,723 | 2,224,852 | (144,916) | 301,871 |
| Treatment Facilities | 15,589,991 | 16,954,018 | 18,482,112 | (1,364,027) | (1,528,094) |
| Land and Land Improvements | 1,879,793 | 1,847,504 | 1,178,783 | 32,289 | 668,721 |
| Machinery and Equipment | 539,732 | 572,858 | 747,839 | (33,126) | (174,981) |
| Furniture and Fixtures | 133,796 | 216,533 | 263,929 | (82,737) | (47,396) |
| Transportation Equipment | 711,548 | 891,462 | 988,554 | (179,914) | (97,092) |
| Service Center | 647,272 | 826,348 | 1,010,600 | (179,076) | (184,252) |
| Construction in Progress | 6,887,414 | 2,149,198 | 1,324,899 | 4,738,216 | 824,299 |
| Right-to-Use Assets | 436,936 | - | - | 436,936 | - |
| Total | \$ 65,311,984 | \$ 63,656,741 | \$ 64,483,801 | \$ 1,655,243 | \$ (827,060) |

The changes in capital assets for the past three years and the events causing those changes are noted below.

| | 2022 | 2021 | 2020 |
|--|---------------------|---------------------|-------------------|
| Additions and Transfers to Capital Assets Being Depreciated (By Department) | | | |
| Electric | \$ 1,228,438 | \$ 1,488,621 | \$ 2,233,594 |
| Water | 190,654 | 1,438,372 | 1,046,052 |
| Wastewater Treatment | 242,653 | 768,207 | 906,008 |
| General Plant | 484,169 | 87,321 | 233,906 |
| Total | 2,145,914 | 3,782,521 | 4,419,560 |
| Additions to Construction in Progress | 5,496,477 | 2,267,934 | 1,917,364 |
| Transfers from Construction in Progress to Capital Assets Being Depreciated | (758,261) | (1,443,636) | (1,219,532) |
| Normal Annual Depreciation/Amortization | (5,241,015) | (5,433,879) | (4,922,338) |
| Total | \$ 1,643,115 | \$ (827,060) | \$ 195,054 |

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Capital Assets (Continued)

Major capital asset transactions for 2022 and 2021 include the following:

| | 2022 | 2021 |
|--|---------------------|---------------------|
| <u>Electric</u> | | |
| Distribution Transformers and Metering Purchased | \$ 363,369 | \$ 574,429 |
| Expansion of Distribution Feeder System | 331,849 | 270,850 |
| Distribution System Improvements | 209,292 | 350,758 |
| SCADA/Fiber System | 116,166 | - |
| Substation Improvements | 6,474 | - |
| Hydroelectric Dam Improvements | 37,771 | 53,051 |
| Hydroelectric Dam Gate for Bay No. 6 | 130,000 | - |
| Land Improvements | - | 21,075 |
| Street and Security Lighting | 15,658 | 43,058 |
| Machinery and Equipment | 17,859 | 24,569 |
| Leased Vehicle Buyouts | - | 12,887 |
| Chipper Truck and Dump Box | - | 83,296 |
| Morbark Chipper | - | 54,648 |
| <u>Water</u> | | |
| Purchase of Meters and Valves | 115,723 | 124,702 |
| Distribution System Improvements | 7,634 | 1,169,619 |
| Well Improvements | - | 73,261 |
| Machinery and Equipment | 33,796 | 7,100 |
| SCADA/Fiber System | 16,250 | - |
| Building Improvements | - | 8,583 |
| Dump Box for Truck | 17,251 | - |
| Dump Truck | - | 55,106 |
| <u>Wastewater</u> | | |
| Lift Station Improvements | 84,702 | 580,420 |
| Treatment Facility Improvements | 118,947 | 132,348 |
| Hydraulic Floor Crane | 39,004 | - |
| Purchase of Meters | - | 55,440 |
| <u>General Plant</u> | | |
| Fencing - East Entrance | 43,913 | - |
| Right-to-Use Assets | 396,571 | - |
| Computers | 43,685 | 18,987 |
| Software and Computer System Improvements | - | 15,400 |
| Locator Truck | - | 41,374 |
| Leased Vehicle Buyouts | - | 11,561 |
| <u>Construction in Progress</u> | | |
| Hydroelectric FERC Relicensing | 55,971 | 57,432 |
| Water Storage Tank Design | 3,333,325 | 1,447,850 |
| Hydroelectric Relay Upgrade | 35,000 | - |
| Rehabilitation of Wells | - | 4,929 |
| Evergreen Lift Station Improvements | 175,183 | 61,200 |
| Main Lift Station Improvement Design | 266,761 | 22,317 |
| Treatment Facility Improvements | 235,692 | 35,533 |
| Substation Improvements | 641,213 | 74,565 |
| Expansion of Distribution Feeder System | - | 76,668 |
| Total | \$ 6,889,059 | \$ 5,563,016 |

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Long-Term Obligations

The following table presents the change in the outstanding liabilities of BPU from 2020 to 2022.

| | Balance as of December 31, | | | Increase (Decrease) | |
|---|----------------------------|----------------------|----------------------|-----------------------|---------------------|
| | 2022 | 2021 | 2020 | 2022 to 2021 | 2021 to 2020 |
| Utility Revenue Bonds | | | | | |
| Series 2014A | \$ 3,125,000 | \$ 3,520,000 | \$ 3,905,000 | \$ (395,000) | \$ (385,000) |
| Series 2015A | 540,000 | 715,000 | 885,000 | (175,000) | (170,000) |
| Series 2016A | 4,067,200 | 4,439,200 | 4,792,600 | (372,000) | (353,400) |
| Series 2016B (Equip. Certs.) | - | - | 82,236 | - | (82,236) |
| Series 2017A | 3,455,000 | 4,055,000 | 4,620,000 | (600,000) | (565,000) |
| Series 2018A | 1,755,000 | 2,005,000 | 2,250,000 | (250,000) | (245,000) |
| Series 2018A (Equip. Certs.) | 65,000 | 130,000 | 190,000 | (65,000) | (60,000) |
| G.O. Bonds | | | | | |
| Series 2021A | 5,250,000 | 5,250,000 | - | - | 5,250,000 |
| G.O. Revenue Notes/Bonds | | | | | |
| Series 2009 - Build America | 9,991,000 | 11,479,000 | 12,920,000 | (1,488,000) | (1,441,000) |
| Lease Liability | 439,198 | 57,780 | 79,546 | 381,418 | (21,766) |
| Compensated Absences | 1,152,568 | 1,158,842 | 978,465 | (6,274) | 180,377 |
| Net Pension Liability | 4,926,260 | 2,566,540 | 3,441,391 | 2,359,720 | (874,851) |
| Revenue Bond Premium | 890,731 | 1,294,093 | 760,752 | (403,362) | 533,341 |
| OPEB Obligation | 384,494 | 548,966 | 514,432 | (164,472) | 34,534 |
| Total Long-Term Liabilities | 36,041,451 | 37,219,421 | 35,419,422 | (1,177,970) | 1,799,999 |
| Less: Current Portion | | | | | |
| Utility Revenue Bonds | | | | | |
| Series 2014A | 405,000 | 395,000 | 385,000 | 10,000 | 10,000 |
| Series 2015A | 175,000 | 175,000 | 170,000 | - | 5,000 |
| Series 2016A | 390,600 | 372,000 | 353,400 | 18,600 | 18,600 |
| Series 2016B (Equip. Certs.) | - | - | 82,237 | - | (82,237) |
| Series 2017A | 635,000 | 600,000 | 565,000 | 35,000 | 35,000 |
| Series 2018A | 265,000 | 250,000 | 245,000 | 15,000 | 5,000 |
| Series 2018A (Equip. Certs.) | 65,000 | 65,000 | 60,000 | - | 5,000 |
| G.O. Bonds | | | | | |
| Series 2021A | 225,000 | - | - | 225,000 | - |
| G.O. Revenue Notes/Bonds | | | | | |
| Series 2009 - Build America | 1,536,000 | 1,488,000 | 1,441,000 | 48,000 | 47,000 |
| Lease Liability | 28,497 | 17,536 | 21,768 | 10,961 | (4,232) |
| Total Current Portion of Long-Term Liabilities | 3,725,097 | 3,362,536 | 3,323,405 | 362,561 | 39,131 |
| Net Long-Term Liabilities | \$ 32,316,354 | \$ 33,856,885 | \$ 32,096,017 | \$ (1,540,531) | \$ 1,760,868 |

The total net long-term liabilities at December 31, 2022, 2021, and 2020 was \$32.3 million, \$33.9 million, and \$32.1 million, respectively.

**BRAINERD PUBLIC UTILITIES
MANAGEMENT'S DISCUSSIONS AND ANALYSIS
DECEMBER 31, 2022 AND 2021**

Budgetary Highlights

The BPU Commission adopts an annual Operating Budget and a Capital Improvement Budget. Because of its enterprise nature, the budgets are not operated as statutory budgets. The Commission and Utilities staff review budget results monthly and the budget is used as a financial management tool.

A summary of the 2022 Operating Budget Analysis and the 2023 Operating Budget approved by the Commission is presented as follows:

| | (In Thousands of Dollars) | | | |
|--|---------------------------|----------------|--|-----------------|
| | 2022 Budget | 2022 Actual | Favorable (Unfavorable) Variance | 2023 Budget |
| Utility Operating Revenue | \$ 27,038 | \$ 27,736 | \$ 698 | \$ 33,990 |
| Other Operating Revenue | 324 | 899 | 575 | 432 |
| Total Operating Revenue | 27,362 | 28,635 | 1,273 | 34,422 |
| Purchased Power | 12,372 | 12,256 | 116 | 17,653 |
| Other Operating Expense | 9,340 | 10,500 | (1,160) | 10,413 |
| Depreciation and Amortization Expense | 5,140 | 5,273 | (133) | 4,969 |
| Total Operating Expense | 26,852 | 28,029 | (1,177) | 33,035 |
| Operating Income | 510 | 606 | 96 | 1,387 |
| Net Nonoperating Revenue | 873 | 966 | 93 | 1,153 |
| Income Before Operating Transfers to City | 1,383 | 1,572 | 189 | 2,540 |
| Capital Grants and Contributions | - | - | - | - |
| Operating Transfers to the City | (760) | (756) | 4 | (834) |
| Change in Net Position | \$ 623 | \$ 816 | \$ 193 | \$ 1,706 |

Requests for Information

This financial report is designed to provide a general overview of the BPU's, finances for all those expressing an interest. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Finance Director, 8027 Highland Scenic Road, Brainerd, MN 56401 or by email at twicklund@bpu.org or by phone at (218) 825-3220.

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**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
STATEMENTS OF NET POSITION
DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | |
| CAPITAL ASSETS | | |
| Construction in Progress | \$ 6,887,414 | \$ 2,149,198 |
| In Service | <u>115,589,390</u> | <u>113,552,488</u> |
| Total Investment in Capital Assets | 122,476,804 | 115,701,686 |
| Less: Accumulated Depreciation/Amortization | <u>(57,164,820)</u> | <u>(52,044,945)</u> |
| Net Capital Assets | 65,311,984 | 63,656,741 |
| RESTRICTED ASSETS | | |
| Cash and Investments | 5,496,892 | 5,973,059 |
| Bonds and Notes Receivable | 3,330,334 | 3,826,334 |
| Notes Receivable - Interest | <u>38,900</u> | <u>45,100</u> |
| Total Restricted Assets | 8,866,126 | 9,844,493 |
| CURRENT ASSETS | | |
| Cash and Investments | 12,742,353 | 17,656,542 |
| Accounts Receivable | 3,647,767 | 3,242,070 |
| Interest Receivable | 21,914 | 18,392 |
| Due from the City of Brainerd | 286,288 | 172,131 |
| Supplies | 1,549,484 | 1,424,178 |
| Prepaid Expenses | <u>777,447</u> | <u>145,244</u> |
| Total Current Assets | 19,025,253 | 22,658,557 |
| OTHER ASSETS | | |
| Service Territory Acquisitions, Net of Accumulated Depreciation | <u>239,683</u> | <u>257,416</u> |
| Total Assets | 93,443,046 | 96,417,207 |
| DEFERRED OUTFLOWS OF RESOURCES | | |
| Pension Related | 1,660,311 | 2,011,870 |
| OPEB Related | <u>125,109</u> | <u>191,380</u> |
| Total Deferred Outflows of Resources | 1,785,420 | 2,203,250 |
| Total Assets and Deferred Outflows of Resources | <u>\$ 95,228,466</u> | <u>\$ 98,620,457</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
STATEMENTS OF NET POSITION (CONTINUED)
DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--|--------------------------|--------------------------|
| NET POSITION, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | |
| NET POSITION | | |
| Net Investment in Capital Assets | \$ 37,930,250 | \$ 35,956,868 |
| Restricted for Debt Service | 6,581,652 | 7,128,962 |
| Restricted for Capital Outlay | 567,412 | 719,396 |
| Unrestricted | <u>10,447,427</u> | <u>10,905,479</u> |
| Total Net Position | 55,526,741 | 54,710,705 |
| LONG-TERM LIABILITIES | | |
| Due to Primary Government, Less Current Portion | 25,442,331 | 29,542,293 |
| Lease Liability | 410,701 | 40,244 |
| Compensated Absences | 977,568 | 998,842 |
| Net Pension Liability | 4,926,260 | 2,566,540 |
| Other Postemployment Benefit Liability | <u>376,375</u> | <u>497,430</u> |
| Total Long-Term Liabilities | 32,133,235 | 33,645,349 |
| CURRENT LIABILITIES | | |
| Accounts and Contracts Payable | 1,880,225 | 2,383,166 |
| Due to Primary Government | 3,696,600 | 3,345,000 |
| Lease Liability | 28,497 | 17,536 |
| Compensated Absences | 175,000 | 160,000 |
| Other Postemployment Benefit Liability | 8,119 | 51,536 |
| Accrued Expenses | | |
| Salaries and Withholding Taxes | 312,752 | 308,474 |
| Sales Taxes | 89,271 | 85,974 |
| Current Liabilities from Restricted Assets: | | |
| Bond Interest | 267,675 | 264,500 |
| Payable to City of Brainerd | 295,485 | 735,400 |
| Conservation Incentive Program Payable | 251,045 | 198,948 |
| Customer Deposits | <u>348,726</u> | <u>347,624</u> |
| Total Current Liabilities | 7,353,395 | 7,898,158 |
| Total Liabilities | 39,486,630 | 41,543,507 |
| DEFERRED INFLOWS OF RESOURCES | | |
| Pension Related | 72,660 | 2,361,160 |
| OPEB Related | <u>142,435</u> | <u>5,085</u> |
| Total Deferred Inflows of Resources | 215,095 | 2,366,245 |
| Total Net Position, Liabilities and Deferred Inflows of Resources | <u>\$ 95,228,466</u> | <u>\$ 98,620,457</u> |

See accompanying Notes to Financial Statements.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--|----------------------|----------------------|
| OPERATING REVENUES | | |
| Utility Revenues | | |
| Residential | \$ 9,561,816 | \$ 9,354,559 |
| Commercial | 13,117,691 | 13,519,251 |
| Large Commercial | 3,725,065 | 3,245,975 |
| City of Brainerd | 483,154 | 478,904 |
| Internal Use | 848,389 | 851,886 |
| Total Utility Revenues | <u>27,736,115</u> | <u>27,450,575</u> |
| Other Operating Revenues | | |
| Penalties | 159,397 | 96,926 |
| Other | 739,762 | 126,273 |
| Total Other Operating Revenues | <u>899,159</u> | <u>223,199</u> |
| Total Operating Revenues | <u>28,635,274</u> | <u>27,673,774</u> |
| OPERATING EXPENSES | | |
| Generation, Production, and Treatment | | |
| Salaries and Wages | 1,314,069 | 1,241,224 |
| Purchased Services | 887,809 | 831,762 |
| Supplies and Maintenance | 225,645 | 284,911 |
| Employee Benefits | 428,750 | 345,995 |
| Other Charges | 81,227 | 71,517 |
| Total Generation, Production, and Treatment Expenses | <u>2,937,500</u> | <u>2,775,409</u> |
| Purchased Power | 12,256,210 | 12,021,143 |
| Distribution and Collection | | |
| Salaries and Wages | 1,947,365 | 1,882,367 |
| Purchased Services | 573,429 | 403,388 |
| Supplies and Maintenance | 390,079 | 297,796 |
| Employee Benefits | 605,527 | 442,938 |
| Other Charges | 55,283 | 71,407 |
| Total Distribution and Collection Expenses | <u>3,571,683</u> | <u>3,097,896</u> |
| Administration | | |
| Salaries and Wages | 1,332,209 | 1,352,847 |
| Purchased Services | 835,664 | 506,626 |
| Supplies and Maintenance | 29,893 | 49,167 |
| Insurance and Bonds | 278,468 | 234,766 |
| Employee Benefits | 967,719 | 481,892 |
| Other Charges | 546,996 | 469,470 |
| Total Administration Expenses | <u>3,990,949</u> | <u>3,094,768</u> |
| Depreciation and Amortization | <u>5,272,891</u> | <u>5,461,105</u> |
| Total Operating Expenses | <u>\$ 28,029,233</u> | <u>\$ 26,450,321</u> |

See accompanying Notes to Financial Statements.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | 2022 | 2021 |
|--|-----------------------------|-----------------------------|
| OPERATING INCOME | \$ 606,041 | \$ 1,223,453 |
| NONOPERATING REVENUE (EXPENSE) | | |
| Interest Income - Investments | (671,411) | (46,660) |
| Interest Income - Notes Receivable | 117,505 | 135,313 |
| Interest Expense | (543,286) | (823,648) |
| Local Option Sales Tax | 1,940,891 | 1,714,974 |
| Federal Grant Revenue - Build America Bond | 77,558 | 88,709 |
| Bond Issuance Costs | - | (87,243) |
| Gain on Disposal of Capital Assets | 45,111 | 32,701 |
| Net Nonoperating Revenue (Expense) | <u>966,368</u> | <u>1,014,146</u> |
| INCOME BEFORE CONTRIBUTIONS AND TRANSFERS | 1,572,409 | 2,237,599 |
| CAPITAL GRANTS AND CONTRIBUTIONS | - | 976,000 |
| TRANSFERS TO THE CITY | <u>(756,373)</u> | <u>(761,150)</u> |
| CHANGE IN NET POSITION | 816,036 | 2,452,449 |
| Net Position - Beginning | <u>54,710,705</u> | <u>52,258,256</u> |
| NET POSITION - ENDING | <u><u>\$ 55,526,741</u></u> | <u><u>\$ 54,710,705</u></u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
STATEMENTS OF CASH FLOWS
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|--|----------------------------|----------------------------|
| CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Cash Received from Customers | \$ 28,229,577 | \$ 27,554,001 |
| Cash Payments to Employees for Services | (6,135,707) | (5,721,860) |
| Cash Payments to Other Suppliers of Goods or Services | <u>(17,686,137)</u> | <u>(15,526,258)</u> |
| Net Cash Provided by Operating Activities | 4,407,733 | 6,305,883 |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | |
| Transfer to Primary Government | (1,310,445) | (83,585) |
| CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Additions to Utility Plant | (6,178,207) | (3,720,050) |
| Additions to Service Territories | (14,143) | (9,490) |
| Proceeds from Local Option Sales Tax | 1,940,891 | 1,714,974 |
| Payment to City for Principal Paid on Long-Term Debt | (3,345,000) | (3,301,636) |
| Payment to City for Interest Paid on Long-Term Debt | (935,846) | (373,700) |
| Capital Contribution | - | 976,000 |
| Amounts Received from Utility Portion of City Bonds | - | 5,250,000 |
| Principal Received on Notes Receivable | 496,000 | 480,333 |
| Federal Grant Revenue - Build America Bond | 77,558 | 88,709 |
| Principal Paid on Lease Liability | (22,780) | (21,766) |
| Proceeds from Sale of Utility Plant | <u>45,111</u> | <u>32,701</u> |
| Net Cash Provided (Used) by Capital and Related Financing Activities | (7,936,416) | 1,116,075 |
| CASH FLOWS FROM INVESTING ACTIVITIES | | |
| Interest Received | (551,228) | 100,901 |
| Purchase of Investments | (2,066,406) | (21,549,010) |
| Redemption of Investments | <u>8,005,399</u> | <u>15,940,567</u> |
| Net Cash Provided (Used) by Investing Activities | <u>5,387,765</u> | <u>(5,507,542)</u> |
| NET INCREASE IN CASH AND CASH EQUIVALENTS | 548,637 | 1,830,831 |
| Cash and Cash Equivalents - Beginning | <u>6,218,245</u> | <u>4,387,414</u> |
| CASH AND CASH EQUIVALENTS - ENDING | <u><u>\$ 6,766,882</u></u> | <u><u>\$ 6,218,245</u></u> |

**BRainerd PUBLIC UTILITIES
BRainerd, MINNESOTA
STATEMENTS OF CASH FLOWS (CONTINUED)
FOR THE YEARS ENDED DECEMBER 31, 2022 AND 2021**

| | <u>2022</u> | <u>2021</u> |
|---|---------------------|---------------------|
| RECONCILIATION OF OPERATING INCOME TO CASH FLOWS FROM OPERATING ACTIVITIES | | |
| Operating Income | \$ 606,041 | \$ 1,223,453 |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | |
| Depreciation and Amortization | 5,272,891 | 5,461,105 |
| Revenue Reduced for Uncollectible Accounts | 17,413 | 36,467 |
| (Increase) Decrease in Assets and Deferred Outflows of Resources: | | |
| Accounts Receivable | (423,110) | (156,240) |
| Prepaid Expenses | (632,203) | (12,753) |
| Supplies | (125,306) | (131,433) |
| Change in Deferred Outflows of Resources - OPEB | 66,271 | (8,057) |
| Change in Deferred Outflows of Resources - Pension | 351,559 | (1,556,644) |
| Increase (Decrease) in Liabilities and Deferred Inflows of Resources: | | |
| Accounts Payable | (821,124) | (227,235) |
| Accrued Liabilities | 5,380 | 68,505 |
| Conservation Incentive Program Payable | 52,097 | 69,374 |
| Accrued Compensated Absences | (6,274) | 180,377 |
| Other Postemployment Benefit Liability | (164,472) | 34,534 |
| Change in Net Pension Liability | 2,359,720 | (874,851) |
| Change in Deferred Inflows of Resources - OPEB | 137,350 | (1,274) |
| Change in Deferred Inflows of Resources - Pension | (2,288,500) | 2,200,555 |
| Net Cash Provided by Operating Activities | <u>\$ 4,407,733</u> | <u>\$ 6,305,883</u> |
| RECONCILIATION OF CASH AND CASH EQUIVALENTS TO THE STATEMENTS OF NET POSITION | | |
| Cash and Investments - Current Assets | \$ 12,742,353 | \$ 17,656,542 |
| Cash and Investments - Restricted Assets | <u>5,496,892</u> | <u>5,973,059</u> |
| Cash and Investments - Balance Sheets | 18,239,245 | 23,629,601 |
| Less: Investments not Meeting the Definition of Cash Equivalents | <u>11,472,363</u> | <u>17,411,356</u> |
| Cash and Cash Equivalents - Ending | <u>\$ 6,766,882</u> | <u>\$ 6,218,245</u> |
| NONCASH INVESTING, AND CAPITAL AND RELATED FINANCING ACTIVITIES | | |
| Purchase of Capital Assets through Contracts and Retainage Payable | \$ 321,480 | \$ 886,772 |
| Net Decrease in Fair Value of Investments | (949,921) | (77,049) |
| Acquisition of Plant Financed by Lease Liability | 396,571 | - |
| Amortization of Premiums | 403,362 | 102,991 |

See accompanying Notes to Financial Statements.

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**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Basis of Presentation

The financial statements of Brainerd Public Utilities (BPU) have been prepared in conformity with U.S. 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 financial statements include the operations of the BPU. The Electric, Water and Wastewater Treatment Departments are treated as a single enterprise fund. The BPU is governed by a five-member Board of Commissioners. Board members are appointed by the Mayor and approved by the City Council to serve five year terms. No other operations are controlled by the Commission. Rates charged to customers are established by the Commission. The significant accounting principles and policies utilized by BPU are described below.

Reporting Entity

BPU is a component unit of the City of Brainerd. Component units are legally separate organizations for which elected officials of the primary government (City of Brainerd) are financially accountable. Component unit status is determined using the following criteria:

The City is financially accountable if it appoints a voting majority of the organization's governing body and is either 1) able to impose its will on that organization or 2) there is a potential for the organization to provide specific financial benefits to, or impose financial burdens on the City. The City may be financially accountable if an organization is fiscally dependent on the City.

Since BPU's operating and capital budgets must be approved by the City Council, it has the potential to provide specific financial benefits to the City. This capability qualifies BPU as a component unit of the City. There are no component units of BPU.

Basis of Accounting

Basis of accounting refers to when revenues and expenses are recognized in the accounts and reported in the financial statements. Basis of accounting relates to the timing of the measurement made, regardless of the measurement focus applied.

The accompanying financial statements have been prepared on the accrual basis of accounting in conformity with generally accepted accounting principles. Revenues are recognized when earned. Expenses are recorded when the related liability is incurred. The principal operating revenues and expenses are utility revenues and purchases, production, distribution, and administrative expenses.

Proprietary funds distinguish operating revenues and expenses from other 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 BPU is charges to customers for sales of electricity, water, and wastewater treatment. Operating expenses for proprietary 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 other revenues and expenses. When both restricted and unrestricted resources are available for use, it is BPU's policy to use restricted resources first, and then unrestricted resources as they are needed.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Capital Assets

Capital assets are defined as assets with an initial individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost, including cost of labor and materials on self-constructed assets. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Depreciation of capital assets is computed using the straight-line method over the estimated service lives of the various assets as follows:

| | |
|-----------------------------------|-------------|
| Land and Land Improvements | 10-20 years |
| Buildings | 5-30 years |
| Distribution Systems | 7-50 years |
| Generation and Production Systems | 5-50 years |
| Machinery and Equipment | 5-15 years |
| Transportation Equipment | 5-10 years |
| Collection and Treatment Systems | 5-80 years |

Leases

BPU determines if an arrangement is a lease at inception. Leases are included in intangible assets and lease liabilities in the statements of net position.

Right-to-use assets represent BPU's control of the right to use an underlying asset for the lease term, as specified in the contract, in an exchange or exchange-like transaction. Right-to-use assets are recognized at the commencement date based on the initial measurement of the lease liability, plus any payments made to the lessor at or before the commencement of the lease term and certain direct costs. Right-to-use assets are amortized in a systematic and rational manner over the shorter of the lease term or the useful life of the underlying asset.

Lease liabilities represent BPU's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the commencement date based on the present value of expected lease payments over the lease term, less any lease incentives. Interest expense is recognized ratably over the contract term.

The lease term may include options to extend or terminate the lease when it is reasonably certain that BPU will exercise that option.

BPU has recognized payments for short-term leases with a lease term of 12 months or less as expenses as incurred, and these leases are not included as lease liabilities or right-to-use lease assets on the statements of net position.

BPU accounts for contracts containing both lease and non-lease components as separate contracts when possible. In cases where the contract does not provide separate price information for lease and non-lease components, and it is impractical to eliminate the price of such components, BPU treats the components as a single lease unit.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Deposits and Investments

BPU's cash and cash equivalents are considered to be cash on hand, demand deposits, nonnegotiable certificates of deposit, repurchase agreements, and short-term investments with original maturities of three months or less from the date of acquisition. Investments consisting of negotiable certificates of deposit, government securities and commercial paper are recorded at fair value.

Receivables/Payables

Outstanding balances between BPU and the primary government are reported as due from/to the City. An allowance for doubtful accounts is recorded monthly based on historical experience and management's evaluation of receivables at the end of year. Accounts are written off when deemed uncollectible. The balance of allowance for doubtful accounts as of December 31, 2022 and 2021 was zero for both years.

Prepaid Expenses

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid expenses. Expenses are allocated over the periods benefited.

Restricted Assets

Mandatory segregations of assets are presented as restricted assets. Such segregations are required by external parties. Current liabilities payable from these restricted assets are so classified.

Deferred Outflows of Resources

In addition to assets, the statement of net position reports a separate section for deferred outflows of resources. This separate financial statement element represents a consumption of net position that applies to a future period. BPU will not recognize the related outflow until a future event occurs.

Deferred Inflows of Resources

In addition to liabilities, the statement of net position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element represents an acquisition of net position that applies to a future period and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

It is BPU's policy to permit employees to accumulate earned but unused vacation and sick pay benefits. Vacation and sick leave are recorded as expenses and liabilities as the benefits accrue to the employees. Employees are permitted to accumulate up to 240 hours of unused vacation benefits and 960 hours of unused sick benefits. These benefits are paid to employees upon retirement at the employee's current level of compensation conditioned on meeting certain length of service requirements. Severance benefits consist of lump sum retirement payments and postemployment health care benefits. BPU maintains one retirement payment plan for its employee group. BPU makes payment to an independent trustee who administers a health savings account for each retiree for unused sick pay accumulated at time of retirement.

Customer Deposits

Customer deposits are recorded for security deposits paid by customers to receive utility services. Deposits are credited to customer accounts with good credit history in accordance with criteria established in BPU policies. Customers are paid interest on deposits at the rate established annually by the Minnesota Department of Commerce.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Long-Term Liabilities

Long-term liabilities and other obligations are reported as BPU liabilities. Outstanding revenue bond and note debt of BPU is issued on behalf of BPU by the City of Brainerd and is backed by a pledge of net revenues of BPU. These amounts are shown as due to primary government.

Pensions

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

Revenue Recognition

Meters are read throughout the month and revenues are recognized when utility services are billed to customers. The BPU accrues revenues for services provided, but not billed, at the end of the year.

Electric Power Costs

Monthly bills from the wholesale power supplier, which are for power costs to the last day of the month, are reflected in the accounts.

Net Position

Net Position represents the difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources in the basic financial statements. Net investment in capital assets consists of capital assets, net of accumulated depreciation, reduced by the outstanding balance of any long-term debt used to build or acquire the capital assets. Net position is reported as restricted in the basic financial statement when there are limitations imposed on its use through external restrictions imposed by creditors, grantors, laws or regulations of other governments.

Adoption of New Accounting Standards

In June 2017, the Governmental Accounting Standards (GASB) issued GASB Statement No. 87, *Leases*. This standard requires the recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and as inflows of resources or outflows of resources recognized based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this standard, a lessee is required to recognize a lease liability and a Right-to-use asset, and a lessor is required to recognize a lease receivable and a deferred inflows of resources.

BPU adopted the requirements of the guidance effective January 1, 2022, and has applied the provisions of this standard to the beginning of the period adoption.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 CAPITAL ASSETS

A summary of capital asset activity for the year ended December 31, 2022 is as follows:

| | Beginning Balance, as Restated | Additions | Retirements | Ending Balance |
|--|--------------------------------------|--------------|-------------|-------------------|
| Capital Assets, Not Being Depreciated | | | | |
| Construction in Progress | \$ 2,149,198 | \$ 5,496,477 | \$ 758,261 | \$ 6,887,414 |
| Capital Assets, Being Depreciated/Amortized | | | | |
| Electric | 41,413,642 | 1,228,438 | 38,896 | 42,603,184 |
| Water | 28,496,333 | 190,654 | 27,070 | 28,659,917 |
| Wastewater Treatment | 37,229,392 | 242,653 | - | 37,472,045 |
| General Plant | * 6,327,378 | 87,598 | 22,710 | 6,392,266 |
| Right-to-Use Assets | * 65,407 | 396,571 | - | 461,978 |
| Total Capital Assets, Being Depreciated/Amortized | 113,532,152 | 2,145,914 | 88,676 | 115,589,390 |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Electric | (18,512,941) | (2,040,600) | (38,896) | (20,514,645) |
| Water | (12,140,136) | (1,106,072) | (27,070) | (13,219,138) |
| Wastewater Treatment | (17,272,962) | (1,792,173) | - | (19,065,135) |
| General Plant | * (4,086,442) | (277,128) | (22,710) | (4,340,860) |
| Right-to-Use Assets | * - | (25,042) | - | (25,042) |
| Total Accumulated Depreciation/Amortization | (52,012,481) | (5,241,015) | (88,676) | (57,164,820) |
| Total Capital Assets, Being Depreciated/ Amortized, Net | 61,519,671 | (3,095,101) | - | 58,424,570 |
| Net Capital Assets | \$ 63,668,869 | \$ 2,401,376 | \$ 758,261 | \$ 65,311,984 |

*The beginning balance of capital assets was restated to record right-to-use assets due to the implementation of GASB Statement No. 87.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 2 CAPITAL ASSETS (CONTINUED)

A summary of capital asset activity for the year ended December 31, 2021 is as follows:

| | Beginning Balance | Additions | Retirements | Ending Balance |
|--|----------------------|--------------|--------------|-------------------|
| Capital Assets, Not Being Depreciated | | | | |
| Construction in Progress | \$ 1,324,900 | \$ 2,267,934 | \$ 1,443,636 | \$ 2,149,198 |
| Capital Assets, Being Depreciated/Amortized | | | | |
| Electric | 41,541,648 | 1,488,624 | 1,616,630 | 41,413,642 |
| Water | 27,057,961 | 1,438,372 | - | 28,496,333 |
| Wastewater Treatment | 37,400,214 | 768,207 | 939,029 | 37,229,392 |
| General Plant | 6,325,800 | 87,321 | - | 6,413,121 |
| Total Capital Assets, Being Depreciated/Amortized | 112,325,623 | 3,782,524 | 2,555,659 | 113,552,488 |
| Less Accumulated Depreciation/Amortization for: | | | | |
| Electric | (18,067,933) | (2,061,638) | (1,616,630) | (18,512,941) |
| Water | (11,021,518) | (1,118,618) | - | (12,140,136) |
| Wastewater Treatment | (16,246,830) | (1,965,161) | (939,029) | (17,272,962) |
| General Plant | (3,830,441) | (288,465) | - | (4,118,906) |
| Total Accumulated Depreciation/Amortization | (49,166,722) | (5,433,882) | (2,555,659) | (52,044,945) |
| Total Capital Assets, Being Depreciated/Amortized, Net | 63,158,901 | (1,651,358) | - | 61,507,543 |
| Net Capital Assets | \$ 64,483,801 | \$ 616,576 | \$ 1,443,636 | \$ 63,656,741 |

Capital assets not being depreciated totaled \$7,262,247 and \$2,524,031 at December 31, 2022 and 2021, respectively.

NOTE 3 RESTRICTED ASSETS

Cash and Investments

At December 31, 2022 and 2021, restricted cash and investments consisted of the following:

| | 2022 | 2021 |
|---|--------------|--------------|
| Customer Deposits | \$ 348,726 | \$ 347,624 |
| City of Brainerd Contribution | 295,485 | 735,400 |
| Conservation Incentive Program | 251,045 | 198,948 |
| Electric Utility Revenue Bonds Debt Service Reserve | 1,142,873 | 1,188,029 |
| General Obligation Revenue Notes and Bonds Debt Service Reserve (Water and Wastewater) | 3,458,763 | 3,503,058 |
| Total Restricted Cash | \$ 5,496,892 | \$ 5,973,059 |

Customer Deposits are amounts restricted for refunds of customer security deposits. City of Brainerd Contribution is restricted by agreement with City for monthly operating transfer to City and payment of wastewater collection and stormwater charges to City. Conservation Incentive Program is restricted by State Statute for electric customer conservation programs. Debt Service Reserves represents amounts held in reserve under bond and note covenants to fund electric, water and wastewater treatment system improvements and bond principal and interest payments in the event operating funds are not sufficient to meet such purposes.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 3 RESTRICTED ASSETS (CONTINUED)

Notes Receivable

On February 17, 2009, the City of Brainerd, on behalf of BPU, entered into a financing agreement in a principal amount not to exceed \$11,667,000 with the City of Baxter related to the financing of the expansion of the wastewater treatment facility. Baxter will own one-third share of the expanded WWTF's capacity and Brainerd will own two-thirds of the expanded WWTF's capacity. The financing of the expanded WWTF is being funded by a loan from the Minnesota Public Finance Authority (PFA) to Brainerd. The details of the loan is described in Note 6.

Baxter agrees to finance its one-third share of the capital costs of the expanded WWTF and its obligation to do so has been evidenced by the issuance and sale of a Taxable General Obligation Utility Revenue Note to Brainerd. The Baxter Note is secured by the net revenues of the Baxter sewer utility and the revenues of a local option sales tax imposed by Baxter, and by Baxter's full faith and credit and taxing powers.

The Baxter Notes contain a schedule of maturities and specified interest rate that corresponds to the maturity schedules and interest rates of the Brainerd loan agreements with PFA (See Note 6). The obligation of Baxter to make scheduled payments to Brainerd pursuant to the Baxter Notes is absolute and unqualified.

Note receivable activity for the year ended December 31, 2022, is as follows:

| | <u>Note No. 2</u> |
|-------------------|---------------------|
| Beginning Balance | \$ 3,826,334 |
| Payments Received | (496,000) |
| Ending Balance | <u>\$ 3,330,334</u> |

Note receivable activity for the year ended December 31, 2021, is as follows:

| | <u>Note No. 2</u> |
|-------------------|---------------------|
| Beginning Balance | \$ 4,306,667 |
| Payments Received | (480,333) |
| Ending Balance | <u>\$ 3,826,334</u> |

Interest accrued on the notes receivable as of December 31, 2022 and 2021 of \$38,900 and \$45,100, respectively, is recorded as a restricted asset. Interest received from Baxter which is recorded as Interest Income for the years ended December 31, 2022 and 2021 was \$117,505 and \$135,313, respectively.

NOTE 4 DEPOSITS AND INVESTMENTS

Cash and investments are presented at December 31, 2022 and 2021, as follows:

| | <u>2022</u> | <u>2021</u> |
|---------------------------------|----------------------|----------------------|
| Restricted Cash and Investments | \$ 5,496,892 | \$ 5,973,059 |
| Current Cash and Investments | 12,742,353 | 17,656,542 |
| Total | <u>\$ 18,239,245</u> | <u>\$ 23,629,601</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Cash and investments at December 31, 2022 and 2021, consisted of the following:

| | 2022 | 2021 |
|-------------|----------------------|----------------------|
| Petty Cash | \$ 1,500 | \$ 1,500 |
| Deposits | 6,765,382 | 6,216,745 |
| Investments | 11,472,363 | 17,411,356 |
| Total | <u>\$ 18,239,245</u> | <u>\$ 23,629,601</u> |

Deposits

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

Custodial Credit Risk – Custodial credit risk is the risk that in the event of the failure of a depository financial institution, BPU will not be able to recover its deposits or will not be able to recover collateral securities that are in the possession of an outside party.

BPU follows Minnesota Statutes which require that all deposits be protected by insurance, surety bond or collateral. The market value of the collateral pledged must equal 110% of the deposits not covered by insurance or bonds. Authorized collateral includes certain U.S. government securities, state or local institution other than that furnishing the collateral. Minnesota Statutes require securities pledged as collateral be held in safekeeping in a restricted account at the Federal Reserve Bank or at an account at a trust department of a commercial bank or other financial institution not owned or controlled by the depository.

BPU's deposits in financial institutions at December 31, 2022 and 2021 were entirely covered by federal depository insurance or collateral in accordance with Minnesota Statutes.

Investments

Under the provisions of the City of Brainerd's investment policy revised by Council on February 2, 2021 and in accordance with Minnesota Statutes, BPU may invest in the following types of investments:

- securities which are direct obligations or are guaranteed or insured issues of the United States, its agencies, its instrumentalities, or organizations created by an act of Congress, except mortgage-backed securities defined as "high risk" by Minnesota Statutes §118A.04, subd.6;
- mutual funds through shares of registered investments companies provided the mutual fund receives certain ratings depending on its investments;
- general obligations of the State of Minnesota and its municipalities, and in certain state agency and local obligations of Minnesota and other states provided such obligations have certain specified bond ratings by a national bond rating service (G.O. rated "A" or better and revenue obligation rated "AA" or better);
- bankers' acceptances of United States banks;
- commercial paper issued by United States corporations or their Canadian subsidiaries that is rated in the highest quality category by two nationally recognized rating agencies and matures in 270 days or less; and

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Investments (Continued)

- with certain restrictions, in repurchase agreements, securities lending agreements, joint powers investments trust, and guaranteed investment contracts.

Risk Disclosures

Interest Rate Risk – Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment, the greater the sensitivity of its fair value to changes in market interest rates. BPU does not have a specific policy regarding interest rate risk.

Information about the sensitivity of the fair values of BPU's investments to market interest rate fluctuations is provided by the following table that shows the distribution of BPU's investments at December 31, 2022 and 2021 by maturity:

| December 31, 2022 | | Investment Maturities (in Years) | | | | |
|-------------------|--------------|----------------------------------|--------------|---------------|------------------|--|
| Investment Type | Less Than 1 | 1-5 | 6-10 | Fair Value | % of Investments | |
| Negotiable CDs | \$ 968,088 | \$ 1,647,503 | \$ 5,940,465 | \$ 8,556,056 | N/A | |
| FHLMC | - | 413,461 | 418,915 | 832,376 | 7.3% | |
| FFCB | - | - | 224,053 | 224,053 | 2.0% | |
| Money Market | 1,859,878 | - | - | 1,859,878 | 16.2% | |
| Total | \$ 2,827,966 | \$ 2,060,964 | \$ 6,583,433 | \$ 11,472,363 | 25.4% | |

| December 31, 2021 | | Investment Maturities (in Years) | | | | |
|--------------------------|--------------|----------------------------------|--------------|---------------|------------------|--|
| Investment Type | Less Than 1 | 1-5 | 6-10 | Fair Value | % of Investments | |
| Negotiable CDs | \$ 2,226,483 | \$ 987,517 | \$ 7,169,822 | \$ 10,383,822 | N/A | |
| US Government Short-Term | 1,081,600 | - | - | 1,081,600 | 6.2% | |
| FHLMC | - | - | 485,130 | 485,130 | 2.8% | |
| Money Market | 5,460,804 | - | - | 5,460,804 | 31.4% | |
| Total | \$ 8,768,887 | \$ 987,517 | \$ 7,654,952 | \$ 17,411,356 | 40.4% | |

Credit Risk – Credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. BPU does not have a specific policy for credit risk, but follows Minnesota Statutes for allowable investments. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. S&P credit ratings for BPU's investments as of December 31, 2022 and 2021 are as follows:

| Investment Type | S & P Rating | Investment Type | S & P Rating |
|--------------------------|-------------------------|--------------------------|-------------------------|
| December 31, 2022 | | December 31, 2021 | |
| Negotiable CDs | NA | Negotiable CDs | NA |
| US Government Short-Term | NA | US Government Short-Term | NA |
| FHLMC | AAA | FHLMC | AAA |
| FFCB | NA | Money Market | NA |
| Money Market | NA | | |

* NA - Not Rated

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

Concentration of Credit Risk

The investment policy of the BPU contains no limitations on the amount that can be invested in any one issuer beyond that stipulated by Minnesota Statutes. Investments in any one issuer, as a percentage of total BPU investments as of December 31, 2022, are disclosed above. All negotiable CD's by issuer are less than 5% of total investments.

The custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g., broker-dealer) to a transaction, BPU will not be able to recover the value of its investment or collateral securities that are in the possession of another party. BPU does not have a policy for custodial credit risk over investments.

Fair Value Measurements

BPU uses fair value measurements to record fair value adjustments to certain assets and liabilities and to determine fair value disclosures.

BPU follows an accounting standard that defines fair value, establishes a framework for measuring fair value, establishes a fair value hierarchy based on the quality of inputs used to measure fair value, and required expanded disclosures about fair value measurements. In accordance with this standard, BPU categorized its investments, based on the priority of the inputs to the valuation technique, into a three-level fair value hierarchy. The fair value hierarchy gives the highest priority to quoted prices in active markets for identical assets or liabilities (Level 1) and the lowest priority to unobservable inputs (Level 3). If the inputs used to measure the financial instruments fall within different levels of the hierarchy, the categorization is based on the lowest level input that is significant to the fair value measurement of the instrument.

Financial assets and liabilities recorded on the combined statements of financial position are categorized based on the inputs to the valuation techniques as follows:

- Level 1 – Financial assets and liabilities are valued using inputs that are unadjusted quoted prices in active markets accessible at the measurement date of identical financial assets and liabilities. The inputs include those traded on an active exchange, such as the New York Stock Exchange, as well as U.S. treasury and other U.S. government and agency mortgage-backed securities that are traded by dealers or brokers in active over-the-counter markets.
- Level 2 – Financial assets and liabilities are valued based on quoted prices for similar assets, or inputs that are observable, either directly or indirectly for substantially the full term through corroboration with observable market data.
- Level 3 – Financial assets and liabilities are valued using pricing inputs which are unobservable for the asset, inputs that reflect the reporting entity's own assumptions about the assumptions market participants and would use in pricing the asset.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 4 DEPOSITS AND INVESTMENTS (CONTINUED)

The categorization of financial assets at December 31, 2022 and 2021, consisted of the following:

| Type | Level | 2022 | 2021 |
|--------------------------|-------|----------------------|----------------------|
| Negotiable CDs | 2 | \$ 8,556,056 | \$ 10,383,822 |
| US Government Short-Term | 1 | - | 1,081,600 |
| FHLMC | 2 | 832,376 | 485,130 |
| FFCB | 2 | 224,053 | - |
| Money Market | NA | 1,859,878 | 5,460,804 |
| Total Investments | | <u>\$ 11,472,363</u> | <u>\$ 17,411,356</u> |

* NA - Recorded at Amortized Cost

NOTE 5 PAYABLE TO CITY OF BRAINERD

BPU acts as a collection agent for wastewater collection and storm sewer charges billed by the City. BPU includes these charges on its own monthly utility billings and remits collection of these charges to the City on a monthly basis. At December 31, 2022 and 2021, BPU owed the City the following:

| | 2022 | 2021 |
|---|-------------------|-------------------|
| Monthly Operating Contribution | \$ 60,586 | \$ 60,631 |
| Reimbursement of Other Costs | 8,258 | 461,000 |
| Wastewater Collection and Storm Sewer Charges | 226,641 | 213,769 |
| Total | <u>\$ 295,485</u> | <u>\$ 735,400</u> |

NOTE 6 DUE TO PRIMARY GOVERNMENT

On May 4, 2009, the City of Brainerd, on behalf of BPU, entered into a project loan agreement in the amount of \$25,966,788 between the State of Minnesota, by and through the PFA and the BPU, for construction costs related to the expansion to the wastewater treatment facility. The City of Brainerd, on behalf of BPU, issued a General Obligation Build America Bond, Series 2009 (Wastewater Project), to the PFA, evidencing its obligation to repay the loan. The City has complied with all requirements of the American Reinvestment and Recovery Act (ARRA) to issue the Note as a Build America Bond (BAB) and the City has irrevocably elected to have the Note constitute a BAB and to have the direct pay tax credit provision of the ARRA apply to the Note. The interest rate on the loan is 3.233% and the loan matures August 20, 2028.

The Minnesota Legislature, effective April 1, 2007, authorized the City of Brainerd to impose a one-half percent sales and use tax to assist in funding the debt service costs for the expansion. Local option sales tax proceeds received by the City of Brainerd are remitted to BPU on a monthly basis to pay for the general obligation revenue notes.

On October 9, 2014, the City of Brainerd, on behalf of BPU, issued \$6,070,000 in Electric Utility Revenue Bonds, Series 2014A, with interest rates from 2.0% to 4.0%, maturing in December 2029, for purchase of hydroelectric dam on June 17, 2014 from Wausau Paper of Minnesota, LLC, and including other major capital improvements to the dam.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

On December 15, 2014, the City of Brainerd, on behalf of BPU, issued \$1,700,000 in General Obligation Water Utility Revenue Bonds, Series 2015A, with interest rates from 2.25% to 4.0%, maturing in February 2025, for water distribution system improvements, including the rehabilitation of two elevated water towers and improvements to well equipment and pumps.

On July 20, 2016, the City of Brainerd, on behalf of BPU, issued \$6,007,800 in General Obligation Utility Revenue Bonds, Series 2016A, with interest rates from 1.625% to 5.0%, maturing in October 2031, for utility extension to Brainerd Lakes Regional Airport. The water portion is \$4,845,000 and the wastewater lift station portion is \$1,162,800. Also as part of this bond issue, the City's portion related to sewer collection for this project is \$3,682,200. The total amount of the bond is \$9,690,000.

On July 20, 2016, the City of Brainerd, on behalf of BPU, issued \$401,835 in General Obligation Equipment Certificates of Indebtedness, Series 2016B, with an interest rate of 2.0%, matured in February 2021, for utility equipment purchased. The electric portion is \$200,917 and the water portion is \$200,918. Also as part of this debt issue, the City's portion related to its equipment purchases is \$673,165. The total amount of the debt issue is \$1,075,000.

On October 18, 2017, the City of Brainerd, on behalf of BPU, issued \$6,035,000 in Electric Utility Revenue and Refunding Bonds, Series 2017A, with interest rate of 2.25%, maturing in December 2027, for major capital improvements to hydroelectric dam in the amount of \$1,730,000 and for the refunding of the Electric Utility Revenue Bonds, Series 2007A in the amount of \$4,305,000.

On March 22, 2018, the City of Brainerd, on behalf of BPU, issued \$2,720,000 in General Obligation Utility Revenue Bonds, Series 2018A, with interest rates from 3.0% to 5.0%, maturing in February 2028, for construction of new elevated water tower and reconstruction of business highway 371. Also as part of this bond issue, the City's portion related to sewer collection other street improvements are \$1,315,000. The total amount of the bond is \$4,035,000.

On March 22, 2018, the City of Brainerd, on behalf of BPU, issued \$305,000 in General Obligation Equipment Certificates of Indebtedness, Series 2018B, with an interest rate of 5.0%, maturing in February 2023, for utility equipment purchased. The electric portion is \$97,600, the water portion is \$79,300, and the wastewater treatment portion is \$128,100. Also as part of this debt issue, the City's portion related to its equipment purchases is \$955,000. The total amount of the debt issue is \$1,260,000.

On September 20, 2021, the City of Brainerd, on behalf of BPU, issued \$5,250,000 in General Obligation Bonds, Series 2021A, with interest rates from 1.1% to 5.0%, maturing in February 2027, for improvements to the water system. Also as part of this debt issue, the City's portion related to street improvements is \$1,655,000. The total amount of the debt issue is \$6,905,000.

Electric Utility Revenue Bonds, Series 2014A and 2017A

The resolutions authorizing the issuance of electric utility revenue bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. To comply with reserve fund deposit requirements, \$1,061,300 of the original electric utility revenue bond proceeds was deposited in a separate Debt Service Reserve Forward Delivery Agreement with Citigroup Financial Products, Inc. The amount shown as restricted cash and investments as of December 31, 2022 was \$1,120,945. The interest payments are made semi-annually on June 1 and December 1, and principal payments on December 1.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

General Obligation Sewer Revenue Notes and General Obligation Build America Bonds

The resolutions authorizing the issuance of General Obligation Sewer Revenue Notes and General Obligation Build America Bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. To comply with coverage test, local option sales tax proceeds received equaling 105% of the following year's principal and interest payment is reported as restricted cash and investment. The amount shown as restricted cash and investments as of December 31, 2022 was \$0. The interest payments are made semi-annually on February 20 and August 20, and principal payments on August 20.

General Obligation Water Utility Revenue Bonds, Series 2015A

The resolutions authorizing the issuance of water utility revenue bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$204,028. The interest payments are made semi-annually on February 1 and August 1, and principal payments on February 1.

General Obligation Utility Revenue Bonds, Series 2016A

The resolutions authorizing the issuance of utility revenue bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$432,803 (Water portion) and \$103,873 (Wastewater portion). The interest payments are made semi-annually on April 1 and October 1, and principal payments on October 1.

General Obligation Equipment Certificates of Indebtedness, Series 2016B

The resolutions authorizing the issuance of equipment certificates of indebtedness contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$43,606 (Electric portion) and \$43,606 (Water portion). The interest payments are made semi-annually on February 1 and August 1, and principal payments on February 1. As of December 31, 2022, this bond was fully paid off.

General Obligation Utility Revenue Bonds, Series 2018A

The resolutions authorizing the issuance of utility revenue bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$343,534. The interest payments are made semi-annually on February 1 and August 1, and principal payments on August 1.

General Obligation Equipment Certificates of Indebtedness, Series 2018A

The resolutions authorizing the issuance of equipment certificates of indebtedness contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$23,478 (Electric portion), \$19,076 (Water portion), and \$30,815 (Wastewater Treatment portion). The interest payments are made semi-annually on February 1 and August 1, and principal payments on February 1.

General Obligation Bonds, Series 2021A

The resolutions authorizing the issuance of general obligation bonds contain various covenants, reserve fund requirements, and obligations which BPU must comply. The amount shown as restricted cash and investments as of December 31, 2022 was \$466,620. The interest payments are made semi-annually on February 1 and August 1, and principal payments on February 1.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

Long-term bonds and notes debt consists of the following as of December 31, 2022 and 2021:

| Description of Issue | Interest Rate | Issue Date | Final Maturity | Original Issue | Principal Outstanding | |
|--|---------------|------------|----------------|----------------------|-----------------------|----------------------|
| | | | | | 2022 | 2021 |
| Direct Borrowings - | | | | | | |
| G.O. Build America | | | | | | |
| Bonds, Series 2009 | 3.233% | 6/24/2009 | 8/20/2028 | \$ 25,966,788 | \$ 9,991,000 | \$ 11,479,000 |
| Electric Utility Revenue | | | | | | |
| Bonds, Series 2014A | 2.0 - 4.0% | 10/9/2014 | 12/1/2029 | 6,070,000 | 3,125,000 | 3,520,000 |
| G.O. Water Utility Revenue | | | | | | |
| Bonds, Series 2015A | 2.25 - 4.0% | 12/15/2014 | 2/1/2025 | 1,700,000 | 540,000 | 715,000 |
| G.O. Utility Revenue | | | | | | |
| Bonds, Series 2016A | | | | | | |
| Water | 1.625 - 5.0% | 7/20/2016 | 10/1/2031 | 4,845,000 | 3,280,000 | 3,580,000 |
| Sewer | 1.625 - 5.0% | 7/20/2016 | 10/1/2031 | 1,162,800 | 787,200 | 859,200 |
| Electric Utility Revenue and Refunding | | | | | | |
| Bonds, Series 2017A | 2.25% | 10/18/2017 | 12/1/2027 | 6,035,000 | 3,455,000 | 4,055,000 |
| G.O. Utility Revenue | | | | | | |
| Bonds (Water), Series 2018A | 3.0 - 5.0% | 3/22/2018 | 2/1/2028 | 2,720,000 | 1,755,000 | 2,005,000 |
| G.O. Equipment | | | | | | |
| Certificates of Indebtedness | | | | | | |
| Series 2018A | | | | | | |
| Electric | 5.0% | 3/22/2018 | 2/1/2023 | 97,600 | 20,800 | 41,600 |
| Water | 5.0% | 3/22/2018 | 2/1/2023 | 79,300 | 16,900 | 33,800 |
| Sewer | 5.0% | 3/22/2018 | 2/1/2023 | 128,100 | 27,300 | 54,600 |
| G.O. Bonds | | | | | | |
| Series 2021A | 1.1 - 5.0% | 9/20/2021 | 2/1/2037 | 5,250,000 | 5,250,000 | 5,250,000 |
| Total Due to Primary Government | | | | <u>\$ 54,054,588</u> | <u>28,248,200</u> | <u>31,593,200</u> |
| <u>Less Amount Due Within One Year</u> | | | | | | |
| Direct Borrowings - G.O. Build America Bonds | | | | | 1,536,000 | 1,488,000 |
| Electric Utility Revenue Bonds, Series 2014A | | | | | 405,000 | 395,000 |
| Water Utility Revenue Bonds, Series 2015A | | | | | 175,000 | 175,000 |
| G.O. Utility Revenue Bonds (Water), Series 2016A | | | | | 315,000 | 300,000 |
| G.O. Utility Revenue Bonds (Sewer), Series 2016A | | | | | 75,600 | 72,000 |
| Electric Utility Revenue and Refunding Bonds, Series 2017A | | | | | 635,000 | 600,000 |
| G.O. Utility Revenue Bonds (Water), Series 2018A | | | | | 265,000 | 250,000 |
| G.O. Equipment Certificates of Indebtedness (Electric), Series 2018A | | | | | 20,800 | 20,800 |
| G.O. Equipment Certificates of Indebtedness (Water), Series 2018A | | | | | 16,900 | 16,900 |
| G.O. Equipment Certificates of Indebtedness (Sewer), Series 2018A | | | | | 27,300 | 27,300 |
| G.O. Bonds, Series 2021A | | | | | 225,000 | - |
| Net Due to Primary Government | | | | | <u>\$ 24,551,600</u> | <u>\$ 28,248,200</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

The schedule of maturities for principal and interest is as follows:

| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
|---|---------------------|---------------------|----------------------|
| Direct Borrowings - General Obligation Build America Bonds | | | |
| 2023 | \$ 1,536,000 | \$ 323,009 | \$ 1,859,009 |
| 2024 | 1,585,000 | 273,350 | 1,858,350 |
| 2025 | 1,637,000 | 222,107 | 1,859,107 |
| 2026 | 1,689,000 | 169,183 | 1,858,183 |
| 2027 | 1,744,000 | 114,578 | 1,858,578 |
| 2028 | 1,800,000 | 58,194 | 1,858,194 |
| Total | <u>\$ 9,991,000</u> | <u>\$ 1,160,421</u> | <u>\$ 11,151,421</u> |
| Electric Utility Revenue Bonds, Series 2014A | | | |
| 2023 | \$ 405,000 | \$ 107,070 | \$ 512,070 |
| 2024 | 415,000 | 92,895 | 507,895 |
| 2025 | 430,000 | 80,445 | 510,445 |
| 2026 | 445,000 | 67,545 | 512,545 |
| 2027 | 460,000 | 53,750 | 513,750 |
| 2028-2029 | 970,000 | 58,600 | 1,028,600 |
| Total | <u>\$ 3,125,000</u> | <u>\$ 460,305</u> | <u>\$ 3,585,305</u> |
| G.O. Water Utility Revenue Bonds, Series 2015A | | | |
| 2023 | \$ 175,000 | \$ 11,262 | \$ 186,262 |
| 2024 | 180,000 | 5,963 | 185,963 |
| 2025 | 185,000 | 2,081 | 187,081 |
| Total | <u>\$ 540,000</u> | <u>\$ 19,306</u> | <u>\$ 559,306</u> |
| <u>Year Ending December 31,</u> | <u>Principal</u> | <u>Interest</u> | <u>Total</u> |
| G.O. Utility Revenue Bonds, Series 2016A (Water Portion) | | | |
| 2023 | \$ 315,000 | \$ 94,444 | \$ 409,444 |
| 2024 | 330,000 | 78,694 | 408,694 |
| 2025 | 350,000 | 62,194 | 412,194 |
| 2026 | 365,000 | 44,694 | 409,694 |
| 2027 | 370,000 | 38,762 | 408,762 |
| 2028-2031 | 1,550,000 | 82,962 | 1,632,962 |
| Total | <u>\$ 3,280,000</u> | <u>\$ 401,750</u> | <u>\$ 3,681,750</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

| Year Ending December 31, | Principal | Interest | Total |
|--|---------------------|-------------------|---------------------|
| G.O. Utility Revenue Bonds, Series 2016A (Wastewater Portion) | | | |
| 2023 | \$ 75,600 | \$ 22,667 | \$ 98,267 |
| 2024 | 79,200 | 18,887 | 98,087 |
| 2025 | 84,000 | 14,927 | 98,927 |
| 2026 | 87,600 | 10,727 | 98,327 |
| 2027 | 88,800 | 9,302 | 98,102 |
| 2028-2031 | 372,000 | 19,910 | 391,910 |
| Total | <u>\$ 787,200</u> | <u>\$ 96,420</u> | <u>\$ 883,620</u> |
| Electric Utility Revenue and Refunding Bonds, Series 2017A | | | |
| 2023 | \$ 635,000 | \$ 77,738 | \$ 712,738 |
| 2024 | 695,000 | 63,450 | 758,450 |
| 2025 | 690,000 | 47,813 | 737,813 |
| 2026 | 710,000 | 32,288 | 742,288 |
| 2027 | 725,000 | 16,313 | 741,313 |
| Total | <u>\$ 3,455,000</u> | <u>\$ 237,602</u> | <u>\$ 3,692,602</u> |
| G.O. Water Utility Revenue Bonds, Series 2018A | | | |
| 2023 | \$ 265,000 | \$ 56,925 | \$ 321,925 |
| 2024 | 280,000 | 43,300 | 323,300 |
| 2025 | 290,000 | 31,950 | 321,950 |
| 2026 | 300,000 | 23,100 | 323,100 |
| 2027 | 305,000 | 15,025 | 320,025 |
| 2028 | 315,000 | 4,725 | 319,725 |
| Total | <u>\$ 1,755,000</u> | <u>\$ 175,025</u> | <u>\$ 1,930,025</u> |
| G.O. Equipment Certificates of Indebtedness (Electric Portion) - Series 2018A | | | |
| 2023 | <u>\$ 20,800</u> | <u>\$ 520</u> | <u>\$ 21,320</u> |
| G.O. Equipment Certificates of Indebtedness (Water Portion) - Series 2018A | | | |
| 2023 | <u>\$ 16,900</u> | <u>\$ 423</u> | <u>\$ 17,323</u> |
| G.O. Equipment Certificates of Indebtedness (Sewer Portion) - Series 2018A | | | |
| 2023 | <u>\$ 27,300</u> | <u>\$ 682</u> | <u>\$ 27,982</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

| Year Ending December 31, | Principal | Interest | Total |
|---------------------------------|---------------------|---------------------|---------------------|
| <u>G.O. Bonds, Series 2021A</u> | | | |
| 2023 | \$ 225,000 | \$ 163,545 | \$ 388,545 |
| 2024 | 270,000 | 151,170 | 421,170 |
| 2025 | 275,000 | 137,545 | 412,545 |
| 2026 | 275,000 | 123,795 | 398,795 |
| 2027 | 280,000 | 109,920 | 389,920 |
| 2028-2032 | 1,810,000 | 322,598 | 2,132,598 |
| 2033-2037 | 2,115,000 | 101,252 | 2,216,252 |
| Total | <u>\$ 5,250,000</u> | <u>\$ 1,109,825</u> | <u>\$ 6,359,825</u> |
| <u>Lease Liability</u> | | | |
| 2023 | \$ 28,497 | \$ 15,297 | \$ 43,794 |
| 2024 | 29,171 | 14,623 | 43,794 |
| 2025 | 14,960 | 14,047 | 29,007 |
| 2026 | 9,398 | 13,765 | 23,163 |
| 2027 | 4,829 | 13,543 | 18,372 |
| 2028-2032 | 26,155 | 64,970 | 91,125 |
| 2033-2037 | 44,102 | 58,273 | 102,375 |
| 2038-2042 | 65,841 | 47,784 | 113,625 |
| 2043-2047 | 92,174 | 32,701 | 124,875 |
| 2048-2052 | 124,071 | 12,054 | 136,125 |
| Total | <u>\$ 439,198</u> | <u>\$ 287,057</u> | <u>\$ 726,255</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

Long-term liability activity for the year ended December 31, 2022, is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|--------------------------------|----------------------|-------------------|---------------------|----------------------|
| Direct Borrowings - | | | | |
| G.O. Build America Bonds | \$ 11,479,000 | \$ - | \$ 1,488,000 | \$ 9,991,000 |
| Electric Utility Revenue | | | | |
| Bonds, Series 2014A | 3,520,000 | - | 395,000 | 3,125,000 |
| G.O. Water Utility Revenue | | | | |
| Bonds, Series 2015A | 715,000 | - | 175,000 | 540,000 |
| G.O. Utility Revenue | | | | |
| Bonds, Series 2016A | 4,439,200 | - | 372,000 | 4,067,200 |
| Electric Utility Revenue | | | | |
| and Refunding Bonds, | | | | |
| Series 2017A | 4,055,000 | - | 600,000 | 3,455,000 |
| G.O. Utility Revenue | | | | |
| Bonds, Series 2018A | 2,005,000 | - | 250,000 | 1,755,000 |
| G.O. Equipment Certificates of | | | | |
| Indebtedness, Series 2018A | 130,000 | - | 65,000 | 65,000 |
| G.O. Bonds, Series 2021A | 5,250,000 | - | - | 5,250,000 |
| Revenue Bond Premium | | | | |
| Series 2014A | 119,018 | - | 59,099 | 59,919 |
| Series 2015A | 33,980 | - | 26,326 | 7,654 |
| Series 2016A | 385,582 | - | 197,840 | 187,742 |
| Series 2018A | 129,787 | - | 63,256 | 66,531 |
| Series 2021A | 625,726 | - | 56,841 | 568,885 |
| Lease Liability | * 65,407 | 396,571 | 22,780 | 439,198 |
| Compensated Absences | 1,158,842 | 595,344 | 601,618 | 1,152,568 |
| Total | <u>\$ 34,111,542</u> | <u>\$ 991,915</u> | <u>\$ 4,372,760</u> | <u>\$ 30,730,697</u> |

*The beginning balance of the lease liability was restated due to the implementation of GASB Statement No. 87.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 6 DUE TO PRIMARY GOVERNMENT (CONTINUED)

Long-term liability activity for the year ended December 31, 2021, is as follows:

| | Beginning Balance | Additions | Reductions | Ending Balance |
|--------------------------------|----------------------|---------------------|---------------------|----------------------|
| Direct Borrowings - | | | | |
| G.O. Build America Bonds | \$ 12,920,000 | \$ - | \$ 1,441,000 | \$ 11,479,000 |
| Electric Utility Revenue | | | | |
| Bonds, Series 2014A | 3,905,000 | - | 385,000 | 3,520,000 |
| G.O. Water Utility Revenue | | | | |
| Bonds, Series 2015A | 885,000 | - | 170,000 | 715,000 |
| G.O. Utility Revenue | | | | |
| Bonds, Series 2016A | 4,792,600 | - | 353,400 | 4,439,200 |
| G.O. Equipment Certificates of | | | | |
| Indebtedness, Series 2016B | 82,236 | - | 82,236 | - |
| Electric Utility Revenue | | | | |
| and Refunding Bonds, | | | | |
| Series 2017A | 4,620,000 | - | 565,000 | 4,055,000 |
| G.O. Utility Revenue | | | | |
| Bonds, Series 2018A | 2,250,000 | - | 245,000 | 2,005,000 |
| G.O. Equipment Certificates of | | | | |
| Indebtedness, Series 2018A | 190,000 | - | 60,000 | 130,000 |
| G.O. Bonds, Series 2021A | - | 5,250,000 | - | 5,250,000 |
| Revenue Bond Premium | | | | |
| Series 2014A | 134,375 | - | 15,357 | 119,018 |
| Series 2015A | 45,306 | - | 11,326 | 33,980 |
| Series 2016A | 425,815 | - | 40,233 | 385,582 |
| Series 2016B | 1,138 | - | 1,138 | - |
| Series 2018A | 154,118 | - | 24,331 | 129,787 |
| Series 2021A | - | 636,332 | 10,606 | 625,726 |
| Lease Liability | 79,546 | - | 21,766 | 57,780 |
| Compensated Absences | 978,465 | 694,325 | 513,948 | 1,158,842 |
| Total | <u>\$ 31,463,599</u> | <u>\$ 6,580,657</u> | <u>\$ 3,940,341</u> | <u>\$ 34,103,915</u> |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 7 LEASE LIABILITY

In 2019, BPU entered into a sixty-month agreement for financing a billing inserter and a mailroom copier with payments due monthly with a discount rate of 2.23%. In 2020, BPU entered into a sixty-month agreement for financing a copier with payments due monthly with a discount rate of 1.87%. In 2022, BPU entered into a sixty-month agreement for financing a copier with payments due monthly with a discount rate of 1.87%. In 2022, BPU entered into a second sixty-month agreement for financing a meter machine with payments due quarterly with a discount rate of 2.44%. In 2022, BPU entered into a third agreement for 30 years for financing solar energy ground with payments due quarterly with a discount rate of 3.4%.

Right-to-use assets acquired through outstanding agreements are shown below by underlying asset class:

| | |
|--------------------------------|--------------------------|
| Land | \$ 361,249 |
| Equipment | 100,729 |
| Less: Accumulated Amortization | <u>(25,042)</u> |
| | <u><u>\$ 436,936</u></u> |

NOTE 8 RISK MANAGEMENT

BPU is exposed to various risks of loss related to torts; theft of, damage to, or destruction of assets; errors or omissions; injuries to employees; or natural disasters. BPU participates in the League of Minnesota Cities Insurance Trust (LMCIT), a public entity risk pool for all its insurance except for employee health insurance which is through Health Partners. The LMCIT operates as a common risk management and insurance program for Minnesota Cities. The agreement for formation of the LMCIT provides that the pool will be self-sustaining through member premiums and will reinsure through commercial companies for claims in excess of reserved amounts for each insured event. Settled claims resulting from these risks have not exceeded commercial insurance coverage in any of the past three fiscal years.

The pooling agreement allows for the pool to make additional assessments to make the pool self-sustaining. BPU has determined that it is not possible to estimate the amount of such additional assessments; however, they are not expected to be material to the financial statements.

NOTE 9 DEFINED BENEFIT PENSION PLANS

General Employees Retirement Plan Description

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

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

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Employees Plan Benefits Provided

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

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

Benefit increases are provided to benefit recipients each January. Beginning in 2019, the postretirement increase is equal to 50% of the cost-of-living adjustment (COLA) announced by the SSA, with a minimum increase of at least 1.0% and a maximum of 1.5%. Recipients that have been receiving the annuity or benefit for at least a full year as of the June 30 before the effective date of the increase will receive the full increase. For recipients receiving the annuity or benefit for at least one month but less than a full year as of the June 30 before the effective date of the increase will receive a reduced prorated increase. For members retiring on January 1, 2024, or later, the increase will be delayed until normal retirement age (age 65 if hired prior to July 1, 1989, or age 66 for individuals hired on or after July 1, 1989). Members retiring under Rule of 90 are exempt from the delay to normal retirement.

General Employees Fund Contributions

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

Coordinated Plan members were required to contribute 6.50% of their annual covered salary in fiscal years 2022 and 2021 and BPU was required to contribute 7.50% for Coordinated Plan members. BPU's contributions to the General Employees Fund for the years ended December 31, 2022 and 2021, were \$361,230 and \$334,675, respectively. BPU's contributions were equal to the required contributions as set by state statute.

General Employees Fund Pension Costs

At December 31, 2022 and 2021, BPU reported a liability of \$4,926,260 and \$2,566,540, respectively, for its proportionate share of the General Employees Fund's net pension liability. BPU's 2022 and 2021 net pension liability reflected a reduction due to the State of Minnesota's contribution of \$16 million to the fund in 2022 and 2021. The State of Minnesota is considered a non-employer contributing entity and the State's contribution meets the definition of a special funding situation. The State of Minnesota's proportionate share of the net pension liability associated with BPU totaled \$144,370 at December 31, 2022 for a total liability of \$5,070,630 and \$78,459 at December 31, 2021 for a total liability of \$2,644,999. The net pension liability was measured as of June 30, 2022 and 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of those dates.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Employees Fund Pension Costs (Continued)

BPU's proportion of the net pension liability for December 31, 2022, was based on BPU's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2021, through June 30, 2022, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2022, the proportionate share was 0.0622% at the end of the measurement period and 0.0601% for the beginning of the period.

BPU's proportion of the net pension liability for December 31, 2021, was based on BPU's contributions received by PERA during the measurement period for employer payroll paid dates from July 1, 2020, through June 30, 2021, relative to the total employer contributions received from all of PERA's participating employers. At June 30, 2021, the proportionate share was 0.0601% at the end of the measurement period and 0.0574% for the beginning of the period.

For the years ended December 31, 2022 and 2021, BPU recognized pension expense of \$784,275 and \$103,243 for its proportionate share of the General Employees Plan's pension expense. In addition, BPU recognized an additional \$67 in 2022 and \$6,330 in 2021 as pension expense (and other revenue) for its proportionate share of the State of Minnesota's contribution of \$16 million to the General Employees Fund.

At December 31, 2022, BPU reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Economic Experience | \$ 41,148 | \$ 52,624 |
| Changes in Actuarial Assumptions | 1,114,902 | 20,036 |
| Difference Between Projected and Actual Investment Earnings | 85,448 | - |
| Changes in Proportion | 238,167 | - |
| Contributions Paid to PERA Subsequent to the Measurement Date | 180,646 | - |
| Total | <u>\$ 1,660,311</u> | <u>\$ 72,660</u> |

The \$180,646 reported as deferred outflows of resources related to pensions resulting from BPU contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended December 31, 2023. Other amounts reported as deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended December 31, | Pension Expense Amounts |
|-------------------------------|-------------------------------|
| 2023 | \$ 569,291 |
| 2024 | 520,005 |
| 2025 | (127,797) |
| 2026 | 445,506 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

General Employees Fund Pension Costs (Continued)

At December 31, 2021, BPU reported its proportionate share of the General Employees Plan's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| Description | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------------|-------------------------------------|
| Differences Between Expected and Actual Economic Experience | \$ 15,768 | \$ 78,543 |
| Changes in Actuarial Assumptions | 1,567,077 | 56,775 |
| Difference Between Projected and Actual Investment Earnings | - | 2,222,731 |
| Changes in Proportion | 260,130 | 3,111 |
| Contributions Paid to PERA Subsequent to the Measurement Date | 168,895 | - |
| Total | <u>\$ 2,011,870</u> | <u>\$ 2,361,160</u> |

Long-Term Expected Return on Investment

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

The target allocation and best estimates of geometric real rates of return for each major asset class are summarized in the following table:

| Asset Class | Target Allocation | Long-Term Expected Real Rate of Return |
|----------------------|----------------------|--|
| Domestic Equity | 33.5% | 5.10% |
| International Equity | 16.5% | 5.30% |
| Fixed Income | 25.0% | 0.75% |
| Private Markets | 25.0% | 5.90% |
| Cash | 0.0% | 0.00% |
| Total | <u>100.0%</u> | |

Actuarial Methods and Assumptions

The total pension liability in the June 30, 2022, actuarial valuation was determined using an individual entry-age normal actuarial cost method. The long-term rate of return on pension plan investments used in the determination of the total liability is 6.5%. This assumption is based on a review of inflation and investments return assumptions from a number of national investment consulting firms. The review provided a range of return investment return rates deemed to be reasonable by the actuary. An investment return of 6.5% was deemed to be within that range of reasonableness for financial reporting purposes.

Inflation is assumed to be 2.25% for the General Employees Plan. Benefit increases after retirement are assumed to be 1.25% for the General Employees Plan.

Salary growth assumptions in the General Employees Plan range in annual increments from 10.25% after one year of service to 3.0% after 27 years of service.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

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

Actuarial assumptions for the General Employees Plan are reviewed every four years. The most recent four-year experience study for the General Employees Plan was completed in 2019. The assumption changes were adopted by the Board and became effective with the July 1, 2020 actuarial valuation.

The following changes in actuarial assumptions and plan provisions occurred in 2022:

Changes in Actuarial Assumptions:

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

Changes in Plan Provisions:

- There have been no changes since the prior valuation.

Discount Rate

The discount rate used to measure the total pension liability in 2022 and in 2021 was 6.5%. The projection of cash flows used to determine the discount rate assumed that contributions from plan members and employers will be made at rates set in Minnesota Statutes. Based on these assumptions, the fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

Pension Liability Sensitivity

The following presents BPU's proportionate share of the net pension liability at December 31, 2022 and 2021 for all plans it participates in, calculated using the discount rate disclosed in the preceding paragraph, as well as what BPU's proportionate share of the net pension liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

| | | December 31, 2022 | | |
|--|----|--------------------|-----------------------------|-------------------|
| | | | Current Discount Rate | |
| Description | | 1% Higher 5.50% | | 1% Lower 7.50% |
| General Employees Fund Discount Rate | | | 6.50% | |
| BPU's Proportionate Share of the General Employees Fund Net Pension Liability | \$ | 7,781,287 | \$ 4,926,260 | \$ 2,584,699 |
| | | December 31, 2021 | | |
| | | | Current Discount Rate | |
| Description | | 1% Higher 5.50% | | 1% Lower 7.50% |
| General Employees Fund Discount Rate | | | 6.50% | |
| BPU's Proportionate Share of the General Employees Fund Net Pension Liability | \$ | 5,234,430 | \$ 2,566,540 | \$ 377,372 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 9 DEFINED BENEFIT PENSION PLANS (CONTINUED)

Pension Plan Fiduciary Net Position

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

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS

Plan Description

BPU operates a single-employer retiree benefit plan (the Plan) that provides health insurance to eligible employees and their spouses through BPU's health insurance plan. There are 52 active employees, 1 nonactive employee and no inactive employees entitled to but not yet receiving benefits. Benefit and eligibility provisions are established through negotiations between BPU and various unions representing BPU employees and are renegotiated each two-year bargaining period. The Plan does not issue a publicly available financial report.

Funding Policy

BPU has no assets accumulated in a trust that meets the criteria in GASB No. 75. Cost-sharing allocation of insurance coverage is negotiated between BPU and union representatives. The eligibility for, amount of, duration of, and BPU's contribution to the cost of the benefits provided varies by contract and date of retirement. BPU is funding this liability on a pay-as-you-go basis. For fiscal years 2022 and 2021, BPU contributed \$8,118 and \$51,536, respectively to the plan.

Actuarial Methods and Assumptions

BPU's OPEB liability was measured as of January 1, 2022, and the total OPEB liability was determined by an actuarial valuation as of January 1, 2022, using the following actuarial assumptions, applied to all periods included in the measurement, unless otherwise specified:

| <u>Assumptions</u> | |
|-------------------------|--|
| Inflation | 2.00% |
| Salary Increase | Services Graded Table |
| Health Care Tread Rates | 6.50% Decreasing to 5.00% Over 6 Yrs. |

Mortality Rates were based on the Pub-2010 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2021 generational improvement scale.

The actuarial assumptions used in the January 1, 2022 valuation were based on the results of an actuarial experience study for the period January 1, 2021 to December 31, 2021.

The discount rate used to measure the total OPEB liability was 2.0%. The discount rate is based on the estimated yield of 20-Year AA-rated municipal bonds.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Actuarial Methods and Assumptions (Continued)

Since the most recent GASB 75 valuation, the following changes have been made:

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2019 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2019 generational improvement scale to the Pub-2019 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2021 generational improvement scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

Changes in Net OPEB Liability

| | Total OPEB Liability 2022 | Total OPEB Liability 2021 |
|--|---------------------------------|---------------------------------|
| Balance at January 1, | \$ 548,966 | \$ 514,432 |
| Changes for the Year: | | |
| Service Cost | 34,331 | 39,670 |
| Interest | 11,153 | 15,469 |
| Assumption Changes | (18,204) | 21,049 |
| Difference Between Expected and Actual | (140,216) | - |
| Benefit Payments | (51,536) | (41,654) |
| Net Change in Total OPEB Liability | (164,472) | 34,534 |
| Balance at December 31, | <u>\$ 384,494</u> | <u>\$ 548,966</u> |

The following presents the net OPEB liability of BPU, as well as what BPU's liability would be if it were calculated using a discount rate one percentage point lower or one percentage point higher than the current discount rate:

| 2022 | 1% Decrease | Discount Rate | 1% Increase |
|--------------------|-------------|---------------|-------------|
| Description | 1.0% | 2.0% | 3.0% |
| Net OPEB Liability | \$ 411,301 | \$ 384,494 | \$ 358,637 |
| 2021 | 1% Decrease | Discount Rate | 1% Increase |
| Description | 1.0% | 2.0% | 3.0% |
| Net OPEB Liability | \$ 578,680 | \$ 548,966 | \$ 520,082 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in Net OPEB Liability (Continued)

The following presents the net OPEB liability of BPU, as well as what BPU's net OPEB liability would be if it were calculated using health care cost trend rates that are 1% lower or 1% higher than the current health care cost trend rates:

| <u>2022</u> | | | | |
|--------------------|---|--|---|--|
| | 1% Decrease (5.5% Decreasing to 4.0%) | Current Trend Rates (6.5% Decreasing to 5.0%) | 1% Increase (7.5% Decreasing to 6.0%) | |
| Medical Trend Rate | | | | |
| Net OPEB Liability | \$ 340,416 | \$ 384,494 | \$ 437,110 | |
| <u>2021</u> | | | | |
| | 1% Decrease (5.5% Decreasing to 4.0%) | Current Trend Rates (6.5% Decreasing to 5.0%) | 1% Increase (7.5% Decreasing to 6.0%) | |
| Medical Trend Rate | | | | |
| Net OPEB Liability | \$ 496,346 | \$ 548,966 | \$ 611,248 | |

For the years ended December 31, 2022 and 2021, BPU recognized OPEB expense of \$47,280 and \$76,738, respectively. At December 31, 2022, BPU reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

| | <u>Deferred Outflows of Resources</u> | <u>Deferred Inflows of Resources</u> |
|--|---|--|
| Authority's Benefit Payments Subsequent to the Measurement Date | \$ 8,118 | \$ - |
| Difference Between Expected and Actual Experience | 95,494 | 122,688 |
| Changes in Actuarial Assumptions | 21,497 | 19,747 |
| Total | <u>\$ 125,109</u> | <u>\$ 142,435</u> |

Amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| <u>Year Ending December 31,</u> | <u>Future Recognition</u> |
|-------------------------------------|-------------------------------|
| 2023 | \$ 1,794 |
| 2024 | 1,796 |
| 2025 | 1,793 |
| 2026 | 3,069 |
| 2027 | 3,066 |
| Thereafter | (36,962) |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO FINANCIAL STATEMENTS
DECEMBER 31, 2022 AND 2021**

NOTE 10 OTHER POSTEMPLOYMENT BENEFITS (CONTINUED)

Changes in Net OPEB Liability (Continued)

At December 31, 2021, BPU reported deferred inflows of resources and deferred outflows of resources related to OPEB from the following sources:

| | Deferred Outflows of Resources | Deferred Inflows of Resources |
|--|-----------------------------------|----------------------------------|
| Authority's Benefit Payments Subsequent to the Measurement Date | \$ 51,536 | \$ - |
| Difference Between Expected and Actual Experience | 114,587 | - |
| Changes in Actuarial Assumptions | 25,257 | 5,085 |
| Total | <u>\$ 191,380</u> | <u>\$ 5,085</u> |

NOTE 11 OPERATING TRANSFERS TO THE CITY OF BRAINERD

Commencing July 1, 2003, BPU began making regular financial contributions to the City. These contributions are made on a monthly basis based on retail sales by the BPU Electric Department. Retail sales by the Electric Department are defined as energy sales expressed in kilowatt-hours (kWh) to BPU retail electric customers. For purposes of calculating the contribution amount, energy sales to BPU retail electric customers do not include sales to any City facilities or any energy usage by BPU departments. The monthly BPU contribution is a cash contribution to the City equal to \$0.0045 per kWh based on energy sales to retail electric customers in the previous month. The monthly cash contribution to the City for medium and large industrial customers (crypto mining customers) will be equal to \$0.00025 per kWh. This rate will be reevaluated on December 31, 2023, but BPU and the City.

BPU does not make any contributions to the City based on operations or sales by the BPU Water or Wastewater Departments. BPU does not make any other contributions to the City (cash or services) other than the cash contribution based on retail electric sales.

BPU bills the City for all utility services (electric, water and wastewater) at regular utility rates as set by the BPU Commission for applicable service to City Facilities. The applicable rates for service to City facilities are subject to change as may be determined necessary by the BPU Commission. The City can use funds available from any utility-specific property tax levies, cash contributions from BPU, or other available funds to pay City utility bills issued by BPU.

NOTE 12 COMMITMENTS

Power Contracts

On January 4, 2016, BPU signed a market based rate full requirements power sales agreement with AEP Energy Partners, Inc. for the period July 1, 2019 through May 31, 2030.

REQUIRED SUPPLEMENTARY INFORMATION

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
SCHEDULE OF BPU'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
LAST SEVEN MEASUREMENT PERIODS**

| Fiscal Year Ending June 30, | BPU Proportion of the Net Pension Liability | BPU Proportionate Share of the Net Pension Liability | State Proportionate Share of the Net Pension Liability | Total Share of BPU's Proportionate Share of the Net Pension Liability | Covered Payroll | Proportionate Share of the Net Pension Liability as a % of its Covered Payroll | Plan Fiduciary Net Position as a % of the Total Pension Liability |
|-----------------------------------|---|--|--|--|--------------------|--|---|
| 2022 | 0.0622% | \$ 4,926,260 | \$ 144,370 | \$ 5,070,630 | \$ 4,659,511 | 105.72% | 76.70% |
| 2021 | 0.0601% | 2,566,540 | 78,459 | 2,644,999 | 4,329,687 | 59.28% | 87.00% |
| 2020 | 0.0574% | 3,441,391 | 105,995 | 3,547,386 | 4,090,962 | 84.12% | 79.06% |
| 2019 | 0.0531% | 2,935,780 | 91,163 | 3,026,943 | 3,757,390 | 78.13% | 80.20% |
| 2018 | 0.0533% | 2,956,866 | 97,081 | 3,053,947 | 3,584,388 | 82.49% | 79.53% |
| 2017 | 0.0542% | 3,460,092 | 43,509 | 3,503,601 | 3,491,769 | 99.09% | 75.90% |
| 2016 | 0.0520% | 4,222,142 | 55,060 | 4,277,202 | 3,224,539 | 130.94% | 68.91% |
| 2015 | 0.0543% | 2,814,108 | - | 2,814,108 | 3,189,264 | 88.24% | 78.20% |

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
SCHEDULE OF PERA CONTRIBUTIONS
LAST EIGHT FISCAL YEARS**

| Year Ended December 31, | Contractually Required Contribution (a) | Contributions in Relation to the Contractually Required Contributions in (b) | Contribution Deficiency (Excess) (a-b) | Covered Payroll (d) | Contributions as a % of Covered Payroll (b/d) |
|----------------------------|--|---|---|---------------------------|---|
| 2022 | \$ 361,230 | \$ 361,230 | \$ - | \$ 4,816,400 | 7.50% |
| 2021 | 334,675 | 334,675 | - | 4,462,333 | 7.50% |
| 2020 | 313,075 | 313,075 | - | 4,174,333 | 7.50% |
| 2019 | 297,230 | 297,230 | - | 3,963,067 | 7.50% |
| 2018 | 276,672 | 276,672 | - | 3,584,388 | 7.50% |
| 2017 | 258,176 | 258,176 | - | 3,442,336 | 7.50% |
| 2016 | 244,836 | 244,836 | - | 3,264,478 | 7.50% |
| 2015 | 251,138 | 251,138 | - | 3,354,434 | 7.49% |
| 2014 | 213,149 | 213,149 | - | 2,939,984 | 7.25% |

Note: Information is presented prospectively and an accumulation of 10 years will be provided.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
SCHEDULE OF CHANGES IN BPU'S OPEB LIABILITY, RELATED RATIOS, AND NOTES
LAST FOUR MEASUREMENT PERIODS**

| | Measurement Date December 31, 2022 | Measurement Date December 31, 2021 | Measurement Date December 31, 2020 | Measurement Date December 31, 2019 | Measurement Date December 31, 2018 |
|---|---|---|---|---|---|
| Total OPEB Liability | | | | | |
| Service Cost | \$ 34,331 | \$ 39,670 | \$ 33,722 | \$ 22,563 | \$ 23,674 |
| Interest | 11,153 | 15,469 | 13,537 | 11,642 | 12,031 |
| Assumption Changes | (18,204) | 21,049 | 9,122 | (8,905) | - |
| Difference Between Expected and Actual Experience | (140,216) | - | 152,787 | - | - |
| Benefit Payments | (51,536) | (41,654) | (34,175) | (31,901) | (60,631) |
| Net Change in Total OPEB Liability | (164,472) | 34,534 | 174,993 | (6,601) | (24,926) |
| Total OPEB - Beginning of the Year | 548,966 | 514,432 | 339,439 | 346,040 | 370,966 |
| Total OPEB - End of the Year | <u>\$ 384,494</u> | <u>\$ 548,966</u> | <u>\$ 514,432</u> | <u>\$ 339,439</u> | <u>\$ 346,040</u> |
| Covered-Employee Payroll | \$ 4,438,200 | \$ 3,947,822 | \$ 3,823,556 | \$ 3,409,972 | \$ 3,310,652 |
| BPU's OPEB Liability as a Percentage of Covered-Employee Payroll | 9% | 14% | 13% | 10% | 10% |

Note 1: Information is presented prospectively and an accumulation of 10 years will be provided.

Note 2: No assets are accumulated in a trust.

The Notes to Required Supplementary Information are an integral part of this schedule.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS

The following changes were reflected in the valuation performed on behalf of the Public Employees Retirement Association for the measurement period ended June 30:

2022

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2021

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

2020

Changes in Actuarial Assumptions

- The price inflation assumption was decreased from 2.50% to 2.25%.
- The payroll growth assumption was decreased from 3.25% to 3.00%.
- Assumed salary increase rates were changed as recommended in the June 30, 2019 experience study. The net effect is assumed rates that average 0.25% less than previous rates.
- Assumed rates of retirement were changed as recommended in the June 30, 2019 experience study. The changes result in more unreduced (normal) retirements and slightly fewer Rule of 90 and early retirements.
- Assumed rates of termination were changed as recommended in the June 30, 2019 experience study. The new rates are based on service and are generally lower than the previous rates for years 2-5 and slightly higher thereafter.
- Assumed rates of disability were changed as recommended in the June 30, 2019 experience study. The change results in fewer predicted disability retirements for males and females.
- The base mortality table for healthy annuitants and employees was changed from the RP-2014 table to the Pub-2010 General Mortality table, with adjustments. The base mortality table for disabled annuitants was changed from the RP-2014 disabled annuitant mortality table to the PUB-2010 General/Teacher disabled annuitant mortality table, with adjustments.
- The mortality improvement scale was changed from Scale MP-2018 to Scale MP-2019.
- The assumed spouse age difference was changed from two years older for females to one year older.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

**NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS,
AND ASSUMPTIONS (CONTINUED)**

2020 (Continued)

Changes in Actuarial Assumptions (Continued)

- The assumed number of married male new retirees electing the 100% Joint & Survivor option changed from 35% to 45%. The assumed number of married female new retirees electing the 100% Joint & Survivor option changed from 15% to 30%. The corresponding number of married new retirees electing the Life annuity option was adjusted accordingly.

Changes in Plan Provisions

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

2019

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2018

Changes in Actuarial Assumptions

- The mortality projection scale was changed from MP-2015 to MP-2017.
- The assumed post-retirement benefit increase was changed from 1.0% per year through 2044 and 2.5% per year thereafter to 1.25% per year.

Changes in Plan Provisions

- The augmentation adjustment in early retirement factors is eliminated over a five-year period starting July 1, 2019, resulting in actuarial equivalence after June 30, 2024.
- Interest credited on member contributions decreased from 4.00% to 3.00%, beginning July 1, 2018.
- Deferred augmentation was changed to 0.00%, effective January 1, 2019. Augmentation that has already accrued for deferred members will still apply.
- Contribution stabilizer provisions were repealed.
- Postretirement benefit increases were changed from 1.00% per year with a provision to increase to 2.50% upon attainment of 90.00% funding ratio to 50.00% of the Social Security Cost of Living Adjustment, not less than 1.00% and not more than 1.50%, beginning January 1, 2019.
- For retirements on or after January 1, 2024, the first benefit increase is delayed until the retiree reaches normal retirement age; does not apply to Rule of 90 retirees, disability benefit recipients, or survivors.
- Actuarial equivalent factors were updated to reflect revised mortality and interest assumptions.

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

NOTE 1 CHANGES IN SIGNIFICANT PENSION PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)

2017

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

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

2016

Changes in Actuarial Assumptions

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

Changes in Plan Provisions

- There have been no changes since the prior valuation.

NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFITS PLAN PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS

As disclosed on the Schedule of Changes in the Total OPEB Liability, Related Ratios, and Notes, no assets have been irrevocably deposited in a trust to advance fund the employer's obligation. Therefore, the actuarial value of assets is zero.

The following changes were reflected in the valuation performed on behalf of the BPU's Other Postemployment Benefits plan for the year ended December 31:

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022**

**NOTE 2 CHANGES IN SIGNIFICANT OTHER POSTEMPLOYMENT BENEFITS PLAN
PROVISION, ACTUARIAL METHODS, AND ASSUMPTIONS (CONTINUED)**

2022

- The health care trend rates were changed to better anticipate short term and long term medical increases.
- The mortality tables were updated from the Pub-2019 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2019 generational improvement scale to the Pub-2019 public retirement plans headcount-weighted mortality tables (general, safety) with MP-2021 generational improvement scale.
- The salary increase rates were updated to reflect the latest experience study.
- The retirement and withdrawal rates were updated to reflect the latest experience study.
- The inflation rate was changed from 2.50% to 2.00%.

2021

- The discount rate was changed from 2.90% to 2.00%.

2020

- The health care trend rates, mortality tables, and salary increase rates were updated.
- The discount rate was changed from 3.80% to 2.90%.

2019

- The discount rate was changed from 3.30% to 3.80%.

2018

- The mortality tables were updated from the RP-2014 White Collar Mortality Tables with MP-2014 Generational Improvement Scale to the RP-2014 White Collar Mortality Tables with MP-2017 Generational Improvement Scale.
- The retirement and withdrawal tables for all employees were updated.
- The retiree plan participation assumption for participants not eligible for a pre-65 subsidy was changed from 50% to 40%. The percent of married retirees electing spouse coverage was changed from 25% to 50%.
- The discount rate was changed from 4.00% to 3.30%.

SUPPLEMENTARY INFORMATION

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
COMBINING STATEMENTS OF NET POSITION BY DEPARTMENT
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)**

| | ELECTRIC | WATER | WASTEWATER TREATMENT | TOTALS | |
|--|---------------|---------------|-------------------------|---------------|---------------|
| | | | | 2022 | 2021 |
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| CAPITAL ASSETS | | | | | |
| Construction in Progress | \$ 1,232,433 | \$ 4,831,396 | \$ 823,585 | \$ 6,887,414 | \$ 2,149,198 |
| In Service | 46,280,715 | 30,097,493 | 39,211,182 | 115,589,390 | 113,552,488 |
| Total Investment in Capital Assets | 47,513,148 | 34,928,889 | 40,034,767 | 122,476,804 | 115,701,686 |
| Less: Accumulated Depreciation/Amortization | (23,333,899) | (14,309,290) | (19,521,631) | (57,164,820) | (52,044,945) |
| Net Capital Assets | 24,179,249 | 20,619,599 | 20,513,136 | 65,311,984 | 63,656,741 |
| RESTRICTED ASSETS | | | | | |
| Cash and Investments | | | | | |
| Customer Deposits | 348,726 | - | - | 348,726 | 347,624 |
| City of Brainerd Contribution | 61,190 | 7,654 | 226,641 | 295,485 | 735,400 |
| Conservation Incentive Program | 251,045 | - | - | 251,045 | 198,948 |
| Debt Service Reserve | 1,142,873 | 1,464,959 | 1,993,804 | 4,601,636 | 4,691,087 |
| Total Restricted Cash and Investments | 1,803,834 | 1,472,613 | 2,220,445 | 5,496,892 | 5,973,059 |
| Bonds and Notes Receivable | - | - | 3,330,334 | 3,330,334 | 3,826,334 |
| Notes Receivable - Interest | - | - | 38,900 | 38,900 | 45,100 |
| Total Restricted Assets | 1,803,834 | 1,472,613 | 5,589,679 | 8,866,126 | 9,844,493 |
| CURRENT ASSETS | | | | | |
| Cash and Investments | 5,310,631 | 2,213,288 | 5,218,434 | 12,742,353 | 17,656,542 |
| Accounts Receivable | 2,732,900 | 382,343 | 532,524 | 3,647,767 | 3,242,070 |
| Interest Receivable | 9,457 | 524 | 11,933 | 21,914 | 18,392 |
| Due from the City of Brainerd | 30,916 | 7,299 | 248,073 | 286,288 | 172,131 |
| Supplies | 1,389,381 | 160,103 | - | 1,549,484 | 1,424,178 |
| Prepaid Expenses | 699,684 | 32,921 | 44,842 | 777,447 | 145,244 |
| Total Current Assets | 10,172,969 | 2,796,478 | 6,055,806 | 19,025,253 | 22,658,557 |
| OTHER ASSETS | | | | | |
| Service Territory Acquisitions, Net of Accumulated Depreciation | 239,683 | - | - | 239,683 | 257,416 |
| Total Assets | 36,395,735 | 24,888,690 | 32,158,621 | 93,443,046 | 96,417,207 |
| DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Pension Related | 996,187 | 332,062 | 332,062 | 1,660,311 | 2,011,870 |
| OPEB Related | 75,065 | 25,022 | 25,022 | 125,109 | 191,380 |
| Total Deferred Outflows of Resources | 1,071,252 | 357,084 | 357,084 | 1,785,420 | 2,203,250 |
| Total Assets and Deferred Outflows of Resources | \$ 37,466,987 | \$ 25,245,774 | \$ 32,515,705 | \$ 95,228,466 | \$ 98,620,457 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
COMBINING STATEMENTS OF NET POSITION BY DEPARTMENT (CONTINUED)
DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021)**

| | ELECTRIC | WATER | WASTEWATER TREATMENT | TOTALS | |
|--|---------------|---------------|-------------------------|---------------|---------------|
| | | | | 2022 | 2021 |
| NET POSITION, LIABILITIES AND DEFERRED INFLOWS OF RESOURCES | | | | | |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | \$ 17,912,715 | \$ 10,755,780 | \$ 9,261,755 | \$ 37,930,250 | \$ 35,956,868 |
| Restricted for Debt Service | - | 1,341,458 | 5,240,194 | 6,581,652 | 7,128,962 |
| Restricted for Capital Outlay | - | 567,412 | - | 567,412 | 719,396 |
| Unrestricted | 6,527,668 | (1,137,697) | 5,057,456 | 10,447,427 | 10,905,479 |
| Total Net Position | 24,440,383 | 11,526,953 | 19,559,405 | 55,526,741 | 54,710,705 |
| LONG-TERM LIABILITIES | | | | | |
| Due to Primary Government, Less Current Portion | 5,600,214 | 10,638,958 | 9,203,159 | 25,442,331 | 29,542,293 |
| Lease Liability | 246,421 | 82,140 | 82,140 | 410,701 | 40,244 |
| Compensated Absences | 620,805 | 208,392 | 148,371 | 977,568 | 998,842 |
| Net Pension Liability | 2,955,756 | 985,252 | 985,252 | 4,926,260 | 2,566,540 |
| Other Postemployment Benefit Obligation | 225,827 | 75,274 | 75,274 | 376,375 | 497,430 |
| Total Long-Term Liabilities | 9,649,023 | 11,990,016 | 10,494,196 | 32,133,235 | 33,645,349 |
| CURRENT LIABILITIES | | | | | |
| Accounts and Contracts Payable | 1,104,142 | 430,711 | 345,372 | 1,880,225 | 2,383,166 |
| Due to Primary Government | 1,060,800 | 996,900 | 1,638,900 | 3,696,600 | 3,345,000 |
| Lease Liability | 17,099 | 5,699 | 5,699 | 28,497 | 17,536 |
| Compensated Absences | 110,250 | 36,750 | 28,000 | 175,000 | 160,000 |
| Other Postemployment Benefit Obligation | 4,871 | 1,624 | 1,624 | 8,119 | 51,536 |
| Accrued Expenses | | | | | |
| Salaries and Withholding Taxes | 186,709 | 76,269 | 49,774 | 312,752 | 308,474 |
| Sales Taxes | 86,642 | 2,629 | - | 89,271 | 85,974 |
| Current Liabilities from Restricted Assets: | | | | | |
| Bond Interest | 17,050 | 127,550 | 123,075 | 267,675 | 264,500 |
| Payable to City of Brainerd | 61,190 | 7,654 | 226,641 | 295,485 | 735,400 |
| Conservation Incentive Program Payable | 251,045 | - | - | 251,045 | 198,948 |
| Customer Deposits | 348,726 | - | - | 348,726 | 347,624 |
| Total Current Liabilities | 3,248,524 | 1,685,786 | 2,419,085 | 7,353,395 | 7,898,158 |
| Total Liabilities | 12,897,547 | 13,675,802 | 12,913,281 | 39,486,630 | 41,543,507 |
| DEFERRED INFLOWS OF RESOURCES | | | | | |
| Pension Related | 43,596 | 14,532 | 14,532 | 72,660 | 2,361,160 |
| OPEB Related | 85,461 | 28,487 | 28,487 | 142,435 | 5,085 |
| Total Deferred Outflows of Resources | 129,057 | 43,019 | 43,019 | 215,095 | 2,366,245 |
| Total Net Position, Liabilities and Deferred Inflows of Resources | \$ 37,466,987 | \$ 25,245,774 | \$ 32,515,705 | \$ 95,228,466 | \$ 98,620,457 |

**BRainerd PUBLIC UTILITIES
BRainerd, MINNESOTA
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY DEPARTMENT
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)**

| | ELECTRIC | WATER | WASTEWATER TREATMENT | TOTALS | |
|---|--------------|--------------|-------------------------|--------------|--------------|
| | | | | 2022 | 2021 |
| OPERATING REVENUES | | | | | |
| Utility Revenues | | | | | |
| Residential | \$ 6,591,857 | \$ 1,564,247 | \$ 1,405,712 | \$ 9,561,816 | \$ 9,354,559 |
| Commercial | 10,128,886 | 1,506,912 | 1,481,893 | 13,117,691 | 13,519,251 |
| Large Commercial | 3,725,065 | - | - | 3,725,065 | 3,245,975 |
| City of Brainerd | 349,837 | 124,465 | 8,852 | 483,154 | 478,904 |
| Internal Use | 760,117 | 87,587 | 685 | 848,389 | 851,886 |
| Total Utility Revenues | 21,555,762 | 3,283,211 | 2,897,142 | 27,736,115 | 27,450,575 |
| Other Operating Revenues | | | | | |
| Penalties | 111,151 | 20,861 | 27,385 | 159,397 | 96,926 |
| Other | 727,861 | 3,228 | 8,673 | 739,762 | 126,273 |
| Total Other Operating Revenues | 839,012 | 24,089 | 36,058 | 899,159 | 223,199 |
| Total Operating Revenues | 22,394,774 | 3,307,300 | 2,933,200 | 28,635,274 | 27,673,774 |
| OPERATING EXPENSES | | | | | |
| Generation, Production, and Treatment | | | | | |
| Salaries and Wages | 519,799 | 410,218 | 384,052 | 1,314,069 | 1,241,224 |
| Purchased Services | 16,240 | 144,428 | 727,141 | 887,809 | 831,762 |
| Supplies and Maintenance | 13,088 | 119,721 | 92,836 | 225,645 | 284,911 |
| Employee Benefits | 160,938 | 146,507 | 121,305 | 428,750 | 345,995 |
| Other Charges | 35,447 | - | 45,780 | 81,227 | 71,517 |
| Total Generation, Production, and Treatment Expenses | 745,512 | 820,874 | 1,371,114 | 2,937,500 | 2,775,409 |
| Purchased Power | 12,256,210 | - | - | 12,256,210 | 12,021,143 |
| Distribution and Collection | | | | | |
| Salaries and Wages | 1,312,281 | 539,354 | 95,730 | 1,947,365 | 1,882,367 |
| Purchased Services | 177,713 | 228,952 | 166,764 | 573,429 | 403,388 |
| Supplies and Maintenance | 323,480 | 59,894 | 6,705 | 390,079 | 297,796 |
| Employee Benefits | 404,456 | 170,048 | 31,023 | 605,527 | 442,938 |
| Other Charges | 39,523 | 15,730 | 30 | 55,283 | 71,407 |
| Total Distribution and Collection Expenses | 2,257,453 | 1,013,978 | 300,252 | 3,571,683 | 3,097,896 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
COMBINING STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
BY DEPARTMENT (CONTINUED)
FOR THE YEAR ENDED DECEMBER 31, 2022
(WITH COMPARATIVE TOTALS FOR THE YEAR ENDED DECEMBER 31, 2021)**

| | ELECTRIC | WATER | WASTEWATER TREATMENT | TOTALS | |
|--|--------------|--------------|-------------------------|--------------|--------------|
| | | | | 2022 | 2021 |
| OPERATING EXPENSES (CONTINUED) | | | | | |
| Administration | | | | | |
| Salaries and Wages | \$ 784,609 | \$ 283,822 | \$ 263,778 | \$ 1,332,209 | \$ 1,352,847 |
| Purchased Services | 496,016 | 200,752 | 138,896 | 835,664 | 506,626 |
| Supplies and Maintenance | 19,993 | 5,678 | 4,222 | 29,893 | 49,167 |
| Insurance and Bonds | 170,377 | 46,779 | 61,312 | 278,468 | 234,766 |
| Employee Benefits | 583,292 | 195,851 | 188,576 | 967,719 | 481,892 |
| Other Charges | 356,060 | 97,475 | 93,461 | 546,996 | 469,470 |
| Total Administration Expenses | 2,410,347 | 830,357 | 750,245 | 3,990,949 | 3,094,768 |
| Depreciation and Amortization | 2,260,484 | 1,172,307 | 1,840,100 | 5,272,891 | 5,461,105 |
| Total Operating Expenses | 19,930,006 | 3,837,516 | 4,261,711 | 28,029,233 | 26,450,321 |
| OPERATING INCOME (LOSS) | 2,464,768 | (530,216) | (1,328,511) | 606,041 | 1,223,453 |
| NONOPERATING REVENUE (EXPENSE) | | | | | |
| Interest Income - Investments | (235,020) | (24,837) | (411,554) | (671,411) | (46,660) |
| Interest Income - Notes Receivable | - | - | 117,505 | 117,505 | 135,313 |
| Interest Expense | (151,184) | (53,034) | (339,068) | (543,286) | (823,648) |
| Local Option Sales Tax | - | 323,758 | 1,617,133 | 1,940,891 | 1,714,974 |
| Federal Grant Revenue - Build America Bond | - | - | 77,558 | 77,558 | 88,709 |
| Bond Issuance Costs | - | - | - | - | (87,243) |
| Gain on Disposal of Capital Assets | 33,954 | 11,157 | - | 45,111 | 32,701 |
| Net Nonoperating Revenue (Expense) | (352,250) | 257,044 | 1,061,574 | 966,368 | 1,014,146 |
| INCOME (LOSS) BEFORE TRANSFERS | 2,112,518 | (273,172) | (266,937) | 1,572,409 | 2,237,599 |
| CAPITAL GRANTS AND CONTRIBUTIONS | - | - | - | - | 976,000 |
| TRANSFERS TO THE CITY | (756,373) | - | - | (756,373) | (761,150) |
| CHANGE IN NET POSITION | \$ 1,356,145 | \$ (273,172) | \$ (266,937) | \$ 816,036 | \$ 2,452,449 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
SCHEDULE OF CAPITAL ASSETS AND ACCUMULATED DEPRECIATION
DECEMBER 31, 2022**

| | Cost | | | |
|--|---------------------------|--------------|-------------|----------------|
| | 12/31/2021 as Restated | Additions | Retirements | 12/31/2022 |
| Electric Department | | | | |
| <u>Generation</u> | | | | |
| Land and Land Improvements | \$ 330,036 | \$ - | \$ - | \$ 330,036 |
| Generation Facilities | 6,987,383 | 151,696 | - | 7,139,079 |
| Machinery and Equipment | 91,530 | 16,076 | - | 107,606 |
| Transportation Equipment | 22,365 | - | - | 22,365 |
| Total Generation | 7,431,314 | 167,772 | - | 7,599,086 |
| <u>Distribution</u> | | | | |
| Land and Land Improvements | 321,103 | - | - | 321,103 |
| Distribution System | 30,443,801 | 1,015,167 | - | 31,458,968 |
| Street and Security Lighting System | 624,787 | 15,658 | - | 640,445 |
| Machinery and Equipment | 975,015 | 29,841 | - | 1,004,856 |
| Transportation Equipment | 1,617,622 | - | 38,896 | 1,578,726 |
| Total Distribution | 33,982,328 | 1,060,666 | 38,896 | 35,004,098 |
| Total Electric Department | 41,413,642 | 1,228,438 | 38,896 | 42,603,184 |
| Water Department | | | | |
| <u>Production</u> | | | | |
| Structures and Improvements | 1,811,796 | - | - | 1,811,796 |
| Wells, Pumps and Accessories | 874,586 | 11,795 | - | 886,381 |
| Water Treatment Plant Equipment | 2,260,068 | 128,138 | - | 2,388,206 |
| Total Production | 4,946,450 | 139,933 | - | 5,086,383 |
| <u>Distribution</u> | | | | |
| Distribution System | 22,650,596 | 3,630 | - | 22,654,226 |
| Machinery and Equipment | 440,709 | 29,840 | - | 470,549 |
| Transportation Equipment | 458,578 | 17,251 | 27,070 | 448,759 |
| Total Water Distribution | 23,549,883 | 50,721 | 27,070 | 23,573,534 |
| Total Water Department | 28,496,333 | 190,654 | 27,070 | 28,659,917 |
| Wastewater Treatment Department | | | | |
| Land and Land Improvements | 53,730 | - | - | 53,730 |
| Collection System | 5,410,820 | 80,708 | - | 5,491,528 |
| Treatment Facility | 30,751,282 | 118,947 | - | 30,870,229 |
| Machinery and Equipment | 731,225 | 42,998 | - | 774,223 |
| Transportation Equipment | 282,335 | - | - | 282,335 |
| Total Wastewater Treatment Department | 37,229,392 | 242,653 | - | 37,472,045 |
| General Plant | | | | |
| Land and Land Improvements | 1,393,190 | 43,913 | - | 1,437,103 |
| Service Center | 4,030,725 | - | - | 4,030,725 |
| Furniture and Fixtures | 586,238 | 43,685 | - | 629,923 |
| Right-to-Use Asset | 65,407 | 396,571 | - | 461,978 |
| Transportation Equipment | 251,425 | - | 22,710 | 228,715 |
| Storage Building | 65,800 | - | - | 65,800 |
| Total General Plant | 6,392,785 | 484,169 | 22,710 | 6,854,244 |
| Total Capital Assets in Service | 113,532,152 | 2,145,914 | 88,676 | 115,589,390 |
| Construction Work in Progress | 2,149,198 | 5,496,477 | 758,261 | 6,887,414 |
| Total Investment in Capital Assets | \$ 115,681,350 | \$ 7,642,391 | \$ 846,937 | \$ 122,476,804 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
SCHEDULE OF CAPITAL ASSETS AND ACCUMULATED DEPRECIATION (CONTINUED)
DECEMBER 31, 2022**

| Composite Depreciation Rates | Accumulated Depreciation | | | | Percent of Asset Balance |
|------------------------------------|---------------------------|--------------|-------------|---------------|--------------------------------|
| | 12/31/2021 as Restated | Additions | Retirements | 12/31/2022 | |
| 2.0% | \$ 30,512 | \$ 6,504 | \$ - | \$ 37,016 | 11.2% |
| 4.2% | 1,747,257 | 301,557 | - | 2,048,814 | 28.7% |
| 13.2% | 33,703 | 14,228 | - | 47,931 | 44.5% |
| 5.1% | 17,331 | 1,140 | - | 18,471 | 82.6% |
| 4.3% | 1,828,803 | 323,429 | - | 2,152,232 | 28.3% |
| 0.0% | - | - | - | - | 0.0% |
| 4.8% | 14,592,342 | 1,494,887 | - | 16,087,229 | 51.1% |
| 6.1% | 400,472 | 39,061 | - | 439,533 | 68.6% |
| 6.1% | 770,669 | 61,261 | - | 831,930 | 82.8% |
| 7.7% | 920,655 | 121,962 | 38,896 | 1,003,721 | 63.6% |
| 4.9% | 16,684,138 | 1,717,171 | 38,896 | 18,362,413 | 52.5% |
| | 18,512,941 | 2,040,600 | 38,896 | 20,514,645 | |
| 0.7% | 1,651,378 | 12,124 | - | 1,663,502 | 91.8% |
| 8.6% | 443,011 | 76,307 | - | 519,318 | 58.6% |
| 7.5% | 1,468,851 | 180,296 | - | 1,649,147 | 69.1% |
| 5.3% | 3,563,240 | 268,727 | - | 3,831,967 | 75.3% |
| 3.3% | 7,970,058 | 757,985 | - | 8,728,043 | 38.5% |
| 7.9% | 291,689 | 37,048 | - | 328,737 | 69.9% |
| 9.4% | 315,149 | 42,312 | 27,070 | 330,391 | 73.6% |
| 3.6% | 8,576,896 | 837,345 | 27,070 | 9,387,171 | 39.8% |
| 3.9% | 12,140,136 | 1,106,072 | 27,070 | 13,219,138 | 46.1% |
| 0.0% | - | - | - | - | 0.0% |
| 4.1% | 2,884,097 | 225,624 | - | 3,109,721 | 56.6% |
| 4.8% | 13,797,264 | 1,482,974 | - | 15,280,238 | 49.5% |
| 6.0% | 420,540 | 46,552 | - | 467,092 | 60.3% |
| 13.1% | 171,061 | 37,023 | - | 208,084 | 73.7% |
| 4.8% | 17,272,962 | 1,792,173 | - | 19,065,135 | 50.9% |
| 0.4% | 220,043 | 5,120 | - | 225,163 | 15.7% |
| 4.4% | 3,204,377 | 179,076 | - | 3,383,453 | 83.9% |
| 11.6% | 422,984 | 73,143 | - | 496,127 | 78.8% |
| 5.4% | - | 25,042 | - | 25,042 | 5.4% |
| 8.7% | 173,238 | 19,789 | 22,710 | 170,317 | 74.5% |
| 0.0% | 65,800 | - | - | 65,800 | 100.0% |
| 4.4% | 4,086,442 | 302,170 | 22,710 | 4,365,902 | 63.7% |
| 4.5% | 52,012,481 | 5,241,015 | 88,676 | 57,164,820 | 49.5% |
| | - | - | - | - | |
| 4.3% | \$ 52,012,481 | \$ 5,241,015 | \$ 88,676 | \$ 57,164,820 | 46.7% |

*The beginning balance of capital assets was restated to record right-to-use assets due to the implementation of GASB Statement No. 87.

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OTHER INFORMATION

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
ELECTRIC DISTRIBUTION DEPARTMENT STATISTICS
FOR THE TEN YEARS ENDED DECEMBER 31, 2013 THROUGH 2022
(UNAUDITED)**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| Electric Capital Assets | | | | | |
| In Service (Thousands) | \$ 32,385 | \$ 36,146 | \$ 39,034 | \$ 40,295 | \$ 43,225 |
| Investment Per Meter | \$ 4,120 | \$ 4,558 | \$ 4,912 | \$ 5,046 | \$ 5,377 |
| Investment Per Dollar of Electric Revenue | \$ 1.91 | \$ 2.01 | \$ 2.15 | \$ 2.22 | \$ 2.23 |
| Accumulated Depreciation (Thousands) | \$ 13,651 | \$ 14,892 | \$ 15,838 | \$ 17,441 | \$ 19,024 |
| Percent of Capital Assets | 42.2% | 41.2% | 40.6% | 43.3% | 44.0% |
| Annual Depreciation (Thousands) | \$ 1,238 | \$ 1,344 | \$ 1,520 | \$ 1,636 | \$ 1,763 |
| Percent of Annual Depreciation to Average Capital Assets in Service | 3.9% | 3.9% | 4.0% | 4.1% | 4.2% |
| Number of Meters (Year-End) | 7,861 | 7,931 | 7,946 | 7,986 | 8,039 |
| Cost of Power | | | | | |
| KWH Purchased (Thousands) | 202,882 | 186,738 | 167,978 | 166,984 | 165,645 |
| KWH Generated | - | 5,601 | 18,554 | 20,116 | 19,401 |
| Total Cost (Thousands) | \$ 12,881 | \$ 12,270 | \$ 11,287 | \$ 12,475 | \$ 12,754 |
| Cost Per KWH Purchased (Cents) | 6.35 | 6.60 | 6.72 | 7.47 | 7.70 |
| Percent of System Loss | 2.1% | 3.6% | 3.4% | 3.6% | 3.5% |
| Average Load Factor for Year | 67.6% | 69.9% | 66.8% | 66.5% | 66.9% |
| Electric Revenue | | | | | |
| KWH Sold (Thousands) | 198,534 | 185,427 | 180,256 | 180,334 | 178,511 |
| Electric Utility Revenue (Thousands) | \$ 16,973 | \$ 18,009 | \$ 18,119 | \$ 18,159 | \$ 19,412 |
| Per KWH Sold (Cents) | 8.56 | 9.71 | 10.05 | 10.07 | 10.87 |
| Gross Margin Per KWH (Cents) | 2.21 | 3.11 | 3.33 | 2.60 | 3.17 |
| Operating Income (Loss) (Thousands) | \$ 556 | \$ 1,653 | \$ 1,666 | \$ 556 | \$ 1,504 |
| Change in Net Position (Thousands) | \$ (400) | \$ 621 | \$ 707 | \$ (457) | \$ 473 |

Note: For statistical purposes, the utility general plant is allocated among the electric, water and wastewater treatment department plant.

| 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------|-----------|-----------|-----------|-----------|
| \$ 44,612 | \$ 43,103 | \$ 44,904 | \$ 45,322 | \$ 47,513 |
| \$ 5,510 | \$ 5,288 | \$ 5,464 | \$ 5,503 | \$ 5,668 |
| \$ 2.11 | \$ 2.05 | \$ 2.25 | \$ 2.19 | \$ 2.20 |
| \$ 20,711 | \$ 18,888 | \$ 20,552 | \$ 21,177 | \$ 23,334 |
| 46.4% | 43.8% | 45.8% | 46.7% | 49.1% |
| \$ 1,914 | \$ 2,088 | \$ 2,233 | \$ 2,269 | \$ 2,260 |
| 4.4% | 4.8% | 5.1% | 5.0% | 4.9% |
| 8,096 | 8,151 | 8,218 | 8,236 | 8,383 |
| 170,684 | 167,222 | 159,528 | 171,355 | 172,586 |
| 19,081 | 17,744 | 18,727 | 12,983 | 16,584 |
| \$ 11,854 | \$ 11,928 | \$ 10,559 | \$ 12,021 | \$ 12,256 |
| 6.94 | 7.10 | 6.60 | 7.02 | 7.34 |
| 3.4% | 3.6% | 3.3% | 5.7% | 2.5% |
| 66.3% | 64.3% | 68.8% | 62.3% | 62.9% |
| 183,244 | 178,392 | 172,315 | 178,605 | 184,500 |
| \$ 21,183 | \$ 21,007 | \$ 19,905 | \$ 20,673 | \$ 21,556 |
| 11.56 | 11.78 | 11.55 | 11.57 | 11.68 |
| 4.62 | 4.68 | 4.95 | 4.55 | 4.34 |
| \$ 3,594 | \$ 3,131 | \$ 2,855 | \$ 1,937 | \$ 2,465 |
| \$ 2,690 | \$ 2,250 | \$ 2,087 | \$ 988 | \$ 1,356 |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
WATER DEPARTMENT STATISTICS
FOR THE TEN YEARS ENDED DECEMBER 31, 2013 THROUGH 2022
(UNAUDITED)**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| Water Capital Assets | | | | | |
| In Service (Thousands) | \$ 16,153 | \$ 17,653 | \$ 17,655 | \$ 17,930 | \$ 24,356 |
| Investment Per Meter | \$ 3,473 | \$ 3,814 | \$ 3,797 | \$ 3,835 | \$ 5,160 |
| Investment Per Dollar of Water Revenue | \$ 7.62 | \$ 8.60 | \$ 8.11 | \$ 7.95 | \$ 10.43 |
| Accumulated Depreciation (Thousands) | \$ 7,815 | \$ 7,949 | \$ 7,974 | \$ 8,608 | \$ 9,387 |
| Percent of Capital Assets | 48.4% | 45.0% | 45.2% | 48.0% | 38.5% |
| Annual Depreciation (Thousands) | \$ 493 | \$ 553 | \$ 656 | \$ 702 | \$ 821 |
| Percent of Annual Depreciation to Average Capital Assets in Service | 3.1% | 3.3% | 3.7% | 4.0% | 3.9% |
| Number of Meters (Year-End) | 4,651 | 4,629 | 4,650 | 4,675 | 4,720 |
| Cost of Water Production | | | | | |
| Gallons Pumped into Distribution System (Thousands) | 507,118 | 500,441 | 506,271 | 492,846 | 482,159 |
| Total Cost (Thousands) | \$ 478 | \$ 481 | \$ 442 | \$ 459 | \$ 472 |
| Cost Per Thousand Gallons Pumped | \$ 0.94 | \$ 0.96 | \$ 0.87 | \$ 0.93 | \$ 0.98 |
| Percent of System Loss | 14.7% | 16.3% | 18.7% | 18.8% | 19.5% |
| Water Revenue | | | | | |
| Gallons Sold (Thousands) | 432,521 | 418,668 | 411,825 | 400,226 | 388,296 |
| Water Utility Revenue (Thousands) | \$ 2,119 | \$ 2,053 | \$ 2,177 | \$ 2,254 | \$ 2,335 |
| Per Thousand Gallons Sold | \$ 4.90 | \$ 4.90 | \$ 5.29 | \$ 5.63 | \$ 6.01 |
| Gross Margin Per Thousand Gallons Sold | \$ 3.96 | \$ 3.94 | \$ 4.42 | \$ 4.70 | \$ 5.03 |
| Operating Income (Loss) (Thousands) | \$ 304 | \$ 171 | \$ 184 | \$ 72 | \$ (87) |
| Change in Net Position (Thousands) Before Capital Contributions from City | \$ 299 | \$ 143 | \$ 153 | \$ 12 | \$ 133 |

Note: For statistical purposes, the utility general plant is allocated among the electric, water and wastewater treatment department plant.

| 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------|-----------|-----------|-----------|-----------|
| \$ 25,582 | \$ 27,467 | \$ 28,398 | \$ 31,356 | \$ 34,929 |
| \$ 5,368 | \$ 5,725 | \$ 5,865 | \$ 6,448 | \$ 7,058 |
| \$ 10.24 | \$ 10.72 | \$ 10.54 | \$ 7.96 | \$ 10.63 |
| \$ 10,310 | \$ 11,009 | \$ 11,997 | \$ 13,180 | \$ 14,309 |
| 40.3% | 40.1% | 42.2% | 42.0% | 41.0% |
| \$ 1,005 | \$ 1,060 | \$ 1,142 | \$ 1,182 | \$ 1,172 |
| 4.1% | 4.0% | 4.1% | 4.0% | 3.5% |
| 4,766 | 4,798 | 4,842 | 4,863 | 4,949 |
| 465,743 | 473,439 | 490,593 | 908,885 | 576,007 |
| \$ 493 | \$ 495 | \$ 593 | \$ 713 | \$ 821 |
| \$ 1.06 | \$ 1.05 | \$ 1.21 | \$ 0.78 | \$ 1.42 |
| 15.6% | 18.5% | 19.5% | 15.3% | 14.4% |
| 393,241 | 385,936 | 395,137 | 770,302 | 493,350 |
| \$ 2,499 | \$ 2,563 | \$ 2,695 | \$ 3,935 | \$ 3,283 |
| \$ 6.35 | \$ 6.64 | \$ 6.82 | \$ 5.11 | \$ 6.65 |
| \$ 5.29 | \$ 5.59 | \$ 5.61 | \$ 4.33 | \$ 5.23 |
| \$ (178) | \$ (295) | \$ (252) | \$ 717 | \$ (530) |
| \$ (122) | \$ (132) | \$ (102) | \$ 768 | \$ (273) |

**BRAINERD PUBLIC UTILITIES
BRAINERD, MINNESOTA
WASTEWATER TREATMENT DEPARTMENT STATISTICS
FOR THE TEN YEARS ENDED DECEMBER 31, 2013 THROUGH 2022
(UNAUDITED)**

| | 2013 | 2014 | 2015 | 2016 | 2017 |
|--|-----------|-----------|-----------|-----------|-----------|
| Wastewater Treatment Capital Assets | | | | | |
| In Service (Thousands) | \$ 36,325 | \$ 36,368 | \$ 36,403 | \$ 36,453 | \$ 37,612 |
| Investment Per Account | \$ 7,892 | \$ 7,937 | \$ 7,914 | \$ 7,882 | \$ 8,045 |
| Investment Per Dollar of Wastewater Treatment Revenue | \$ 15.93 | \$ 15.78 | \$ 15.44 | \$ 14.75 | \$ 14.38 |
| Accumulated Depreciation (Thousands) | \$ 7,046 | \$ 8,424 | \$ 9,746 | \$ 11,113 | \$ 12,421 |
| Percent of Capital Assets | 19.4% | 23.2% | 26.8% | 30.5% | 33.0% |
| Annual Depreciation (Thousands) | \$ 1,384 | \$ 1,382 | \$ 1,392 | \$ 1,402 | \$ 1,429 |
| Percent of Annual Depreciation to Average Capital Assets in Service | 3.8% | 3.8% | 3.8% | 3.9% | 3.9% |
| Number of Accounts (Year-End) | 4,603 | 4,582 | 4,600 | 4,625 | 4,675 |
| Cost of Wastewater Treatment | | | | | |
| Flow in Gallons Processed (Thousands) | 677,322 | 799,681 | 700,235 | 764,803 | 844,303 |
| Total Treatment Cost (Thousands) | \$ 1,082 | \$ 1,106 | \$ 1,001 | \$ 1,084 | \$ 1,189 |
| Cost Per Thousand Gallons Processed | \$ 1.60 | \$ 1.38 | \$ 1.43 | \$ 1.42 | \$ 1.41 |
| Percent of System Loss | 19.7% | 30.7% | 22.7% | 28.7% | 31.8% |
| Wastewater Treatment Revenue | | | | | |
| Flow in Gallons Sold (Thousands) | 544,183 | 554,578 | 541,213 | 545,513 | 575,734 |
| Wastewater Treatment Utility Revenue (Thousands) | \$ 2,281 | \$ 2,304 | \$ 2,357 | \$ 2,471 | \$ 2,616 |
| Per Thousand Gallons Sold | \$ 4.19 | \$ 4.15 | \$ 4.36 | \$ 4.53 | \$ 4.54 |
| Gross Margin Per Thousand Gallons Sold | \$ 2.59 | \$ 2.77 | \$ 2.93 | \$ 3.11 | \$ 3.13 |
| Operating Income (Loss) (Thousands) | \$ (843) | \$ (831) | \$ (642) | \$ (719) | \$ (797) |
| Change in Net Position (Thousands) | \$ (482) | \$ 2 | \$ 61 | \$ 15 | \$ 135 |

Note: For statistical purposes, the utility general plant is allocated among the electric, water and wastewater treatment department plant.

| 2018 | 2019 | 2020 | 2021 | 2022 |
|-----------|-----------|------------|------------|------------|
| \$ 37,870 | \$ 38,240 | \$ 39,441 | \$ 39,024 | \$ 40,035 |
| \$ 8,040 | \$ 8,045 | \$ 8,236 | \$ 8,106 | \$ 8,165 |
| \$ 13.81 | \$ 13.28 | \$ 14.51 | \$ 13.73 | \$ 13.81 |
| \$ 13,767 | \$ 15,250 | \$ 16,617 | \$ 17,688 | \$ 19,522 |
| 36.4% | 39.9% | 42.1% | 45.3% | 48.8% |
| \$ 1,497 | \$ 1,499 | \$ 1,547 | \$ 2,010 | \$ 1,840 |
| 4.0% | 3.9% | 4.0% | 5.1% | 4.7% |
| 4,710 | 4,753 | 4,789 | 4,814 | 4,903 |
| 751,581 | 808,631 | 753,696 | 659,261 | 734,406 |
| \$ 1,372 | \$ 1,351 | \$ 1,358 | \$ 1,378 | \$ 1,371 |
| \$ 1.83 | \$ 1.67 | \$ 1.80 | \$ 2.09 | \$ 1.86 |
| 23.3% | 28.1% | 26.2% | 12.3% | 24.5% |
| 567,477 | 581,822 | 556,108 | 578,185 | 554,669 |
| \$ 2,742 | \$ 2,880 | \$ 2,717 | \$ 2,842 | \$ 2,897 |
| \$ 4.76 | \$ 4.95 | \$ 4.89 | \$ 4.91 | \$ 5.22 |
| \$ 2.93 | \$ 3.28 | \$ 3.09 | \$ 2.82 | \$ 3.36 |
| \$ (887) | \$ (776) | \$ (1,005) | \$ (1,430) | \$ (1,329) |
| \$ (27) | \$ 428 | \$ 296 | \$ (280) | \$ (267) |

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OTHER REPORTS SECTION



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

Brainerd Public Utilities Commission
Brainerd Public Utilities
Brainerd, Minnesota

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brainerd Public Utilities (BPU), a component unit of the City of Brainerd, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise BPU's basic financial statements, and have issued our report thereon dated April 13, 2023.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

A handwritten signature in cursive script that reads "CliftonLarsonAllen LLP".

CliftonLarsonAllen LLP

Brainerd, Minnesota
April 13, 2023



CliftonLarsonAllen LLP
CLAconnect.com

INDEPENDENT AUDITORS' REPORT ON MINNESOTA LEGAL COMPLIANCE

Brainerd Public Utilities Commission
Brainerd Public Utilities
Brainerd, Minnesota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to the financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of Brainerd Public Utilities (BPU), a component unit of the City of Brainerd, Minnesota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise BPU's basic financial statements and have issued our report thereon dated April 13, 2023.

In connection with our audit, nothing came to our attention that caused us to believe that BPU failed to comply with the provisions of the contracting – bid laws, depositories of public funds and public investments, conflicts of interest, claims and disbursements, miscellaneous provisions, and tax increment financing sections of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions*, promulgated by the State Auditor pursuant to Minn. Stat. § 6.65, insofar as they relate to accounting matters. However, our audit was not directed primarily toward obtaining knowledge of such noncompliance. Accordingly, had we performed additional procedures, other matters may have come to our attention regarding the entity's noncompliance with the above-referenced provisions, insofar as they relate to accounting matters.

The purpose of this report is solely to describe the scope of our testing of compliance relating to the provisions of the *Minnesota Legal Compliance Audit Guide for Other Political Subdivisions* and the results of that testing, and not to provide an opinion on compliance. Accordingly, this report is not suitable for any other purpose.

CliftonLarsonAllen LLP

CliftonLarsonAllen LLP

Brainerd, Minnesota
April 13, 2023



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BRAINERD PUBLIC UTILITIES

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www.bpu.org

To: Brainerd Public Utilities Commission

From: Todd Wicklund *Tow*

Date: April 19, 2023

Re: Electric Cost of Service and Rate Design

Attached is the 2023 Electric Rate Design Summary prepared by Utility Financial Solutions (UFS) and my comments based on the Summary.

Projection Summary Under Current Rates – Page 4

The upper half of schedule indicates the impact on Projected Operating Income (POI) and Projected Unrestricted Cash (PUC) with no Projected Rate Adjustments (PRA) for the years 2023 – 2027. This also includes approximately POI of \$377,550 related to crypto mining load for the years 2025 – 2027.

The lower half of schedule indicates the impact on Income and Cash when crypto mining load is excluded from calculations. This is the method that I asked UFS to use when finalizing the rate design recommendations. Numbers highlighted in green indicate they are above minimum recommendations or thresholds. Numbers highlighted in red would be just the opposite and are the numbers that will be addressed as part of the rate design study.

For example, with current rates the POI for 2027 would be approximately \$1,357,000 short of optimal operating income while PUC would be approximately \$4,581,000 short of recommended minimum cash.

Projected Summary Under Optional Rates - Page 5

This schedule indicates the impact on POI and PUC with a PRA of 1.0% and 1.5%. With a 1.0% adjustment the POI is greater than Optimal Operating Income for each year of the period 2023-2027 while PUC is below the Recommended Minimum Cash for the same 5-year period. With a 1.5% adjustment the POI is also greater than Optimal Operating Income for each year of the period 2023-2027 while PUC is below the Recommended Minimum Cash for the years 2023-2026 while it is above for 2027.

Projected Targets – Pages 6-8

These schedules indicate whether under current rates the Debt Coverage Ratio, Minimum Cash Reserve, and Optimal Operating Income targets are being met.

Cost of Service – Page 9

This schedule describes the two objectives of the Cost of Service study. The first being the equitable allocation of revenue requirements among customer classes and the second being the definition of the optimal rate structure considering the customer, distribution, and power supply charges.

Cost of Service Summary – Page 10

This schedule indicates the percent change required to move current rates to cost of service for each customer rate class using an overall rate adjustment of 1.0%. The overall proposed Projected Rate Adjustment for each customer class is indicated in the right column with the proposed adjustments between 0.30% and 2.0%.

Customer Charges (Base Charges) – Pages 11-12

These two schedules describe the different costs included in the Base Charge and the purpose and impact of the Base Charge.

Options to Increase Customer Charges Over Next Few Years – Page 13

This schedule shows UFS recommendation related to changes to customer charges to meet cost of service.

Example Residential Rate – Page 14

This schedule shows the impact on a residential customer of a Projected Rate Adjustment of 1.1%. The monthly service charge would increase \$0.95, the energy rate would not change, and the Power Cost Adjustment would decrease from \$.017 per kWh to \$.00734 per kWh.

Summary of Recommendations – Page 15

The following recommendations are proposed by UFS:

1. Revenue increase of 1.0% in 2023.
2. Bond issue of \$2.0 million in 2024 to support capital program.
3. Adjust monthly charges towards cost of service.
4. Ability to reduce class to class subsidies utilizing a bandwidth of +/- 1.0% (no customer class will see an increase less than 0% or over 2.0%).

The final rate design would be developed based on the above recommendations.



Brainerd Public Utilities Electric Department

Preliminary Discussion
Electric Financial Projection, Cost of Service,
and Rate Design Summary for 2023

Revised 3/31/2023

Discussion

Financial Projection

- Meet revenue requirements
 - Measure to key financial targets
-

Cost of Service

- Monthly meter charge
 - Identify if one rate subsidizes another
-

Guidance from Utility Commission

- 2023 revenue adjustment and bandwidth
- Rate component adjustments towards cost of service

Projection Assumptions

The following assumptions were used in projections

| Fiscal Year | PCA with base set at \$0.055 | | Inflation | Growth | Purchase Power Change | | Investment Income | Capital Improvements Plan | |
|----------------|------------------------------------|--------|-----------|--------|-----------------------------|--|----------------------|---------------------------------|-----------|
| | \$ | | | | | | | | |
| 2023 | \$ | 0.0073 | 5.0% | | | | 1.0% | \$ | 3,226,300 |
| 2024 | | 0.0074 | 4.0% | 0.5% | 0.0% | | 1.0% | | 2,962,000 |
| 2025 | | 0.0074 | 3.0% | 0.5% | 0.0% | | 1.0% | | 2,374,600 |
| 2026 | | 0.0074 | 3.0% | 0.5% | 0.0% | | 1.0% | | 2,484,200 |
| 2027 | | 0.0075 | 3.0% | 0.5% | 0.0% | | 1.0% | | 2,263,200 |

- PCA base adjusted to \$0.055 and variable PCA as noted above
- New 25MW customer in 2024 with pass-through cost of power

Projection Summary

(under current rates & \$2.0M loan)

Projection with current rates

| Fiscal Year | Projected Rate Adjustments | Debt Coverage Ratio | Debt Coverage Minimum | Projected Expenses | Projected Revenues | Projected Operating Income [1] | Optimal Operating Income | Projected Unrestricted Cash | Recommended Minimum Cash | Bond Issue 20yr @ 5% |
|-------------|----------------------------|---------------------|-----------------------|--------------------|--------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|----------------------|
| 2023 | 0.0% | 2.69 | 1.40 | \$ 26,085,562 | \$ 27,502,391 | \$ 1,416,830 | \$ 1,369,859 | \$ 4,281,829 | \$ 6,769,266 | \$ - |
| 2024 | 0.0% | 2.33 | 1.40 | 26,562,165 | 27,719,211 | 1,157,046 | 1,511,849 | 4,168,051 | 7,010,438 | 2,000,000 |
| 2025 | 0.0% | 2.49 | 1.40 | 26,922,676 | 28,207,748 | 1,285,072 | 1,623,618 | 3,909,118 | 7,089,759 | - |
| 2026 | 0.0% | 2.40 | 1.40 | 27,258,896 | 28,319,289 | 1,060,393 | 1,746,044 | 3,395,562 | 7,739,933 | - |
| 2027 | 0.0% | 4.84 | 1.40 | 27,598,407 | 28,431,387 | 832,981 | 1,812,900 | 3,721,970 | 7,158,843 | - |

Note [1] : Operating Income is adjusted to include transfer to City expense

Projection with current rates LESS new 25MW Crypto load customer

| Fiscal Year | Projected Rate Adjustments | Debt Coverage Ratio | Debt Coverage Minimum | Projected Expenses | Projected Revenues | Projected Operating Income [1] | Optimal Operating Income | Projected Unrestricted Cash | Recommended Minimum Cash | Bond Issue 20yr @ 5% |
|-------------|----------------------------|---------------------|-----------------------|--------------------|--------------------|--------------------------------|--------------------------|-----------------------------|--------------------------|----------------------|
| 2023 | 0.0% | 2.69 | 1.40 | \$ 26,085,562 | \$ 27,502,391 | \$ 1,416,830 | \$ 1,369,859 | \$ 4,281,829 | \$ 6,769,266 | \$ - |
| 2024 | 0.0% | 2.33 | 1.40 | 26,562,165 | 27,719,211 | 1,157,046 | 1,511,849 | 4,168,051 | 7,010,438 | 2,000,000 |
| 2025 | 0.0% | 2.23 | 1.40 | 26,922,676 | 27,830,198 | 907,522 | 1,623,618 | 3,531,568 | 7,089,759 | - |
| 2026 | 0.0% | 2.13 | 1.40 | 27,258,896 | 27,941,739 | 682,843 | 1,746,044 | 2,636,687 | 7,739,933 | - |
| 2027 | 0.0% | 4.27 | 1.40 | 27,598,407 | 28,053,837 | 455,431 | 1,812,900 | 2,577,956 | 7,158,843 | - |

Note [1] : Operating Income is adjusted to include transfer to City expense

Projection Summary

(under Optional rates and \$2.0M loan)

Projection with Option A revenue increases

| Fiscal Year | Projected Rate Adjustments | Debt Coverage | | Debt Coverage Minimum | Projected Expenses | Projected Revenues | Projected Operating Income [1] | Optimal Operating Income | Projected Unrestricted Cash | | Recommended Minimum Cash | Bond Issue 20yr @ 5% |
|-------------|----------------------------|---------------|--|-----------------------|--------------------|--------------------|--------------------------------|--------------------------|-----------------------------|--------------|--------------------------|----------------------|
| | | Ratio | | | | | | | | | | |
| 2023 | 1.0% | 2.85 | | 1.40 | \$ 26,085,562 | \$ 27,710,041 | \$ 1,624,480 | \$ 1,369,859 | \$ 4,489,479 | \$ 6,769,266 | \$ - | - |
| 2024 | 1.0% | 2.63 | | 1.40 | 26,562,165 | 28,138,675 | 1,576,509 | 1,511,849 | 4,797,241 | 7,010,438 | 2,000,000 | - |
| 2025 | 1.0% | 2.95 | | 1.40 | 26,922,676 | 28,843,255 | 1,920,580 | 1,623,618 | 5,180,107 | 7,089,759 | - | - |
| 2026 | 1.0% | 3.02 | | 1.40 | 27,258,896 | 29,175,141 | 1,916,245 | 1,746,044 | 5,535,114 | 7,739,933 | - | - |
| 2027 | 1.0% | 6.47 | | 1.40 | 27,598,407 | 29,511,955 | 1,913,548 | 1,812,900 | 6,963,484 | 7,158,843 | - | - |

Note [1] : Operating Income is adjusted to include transfer to City expense

Projection with Option A revenue increases LESS new 25MW Crypto load customer

| Fiscal Year | Projected Rate Adjustments | Debt Coverage | | Debt Coverage Minimum | Projected Expenses | Projected Revenues | Projected Operating Income [1] | Optimal Operating Income | Projected Unrestricted Cash | | Recommended Minimum Cash | Bond Issue 20yr @ 5% |
|-------------|----------------------------|---------------|--|-----------------------|--------------------|--------------------|--------------------------------|--------------------------|-----------------------------|--------------|--------------------------|----------------------|
| | | Ratio | | | | | | | | | | |
| 2023 | 1.5% | 2.93 | | 1.40 | \$ 26,085,562 | \$ 27,813,866 | \$ 1,728,305 | \$ 1,369,859 | \$ 4,593,304 | \$ 6,769,266 | \$ - | - |
| 2024 | 1.5% | 2.78 | | 1.40 | 26,562,165 | 28,349,971 | 1,787,806 | 1,511,849 | 5,113,401 | 7,010,438 | 2,000,000 | - |
| 2025 | 1.5% | 2.91 | | 1.40 | 26,922,676 | 28,788,217 | 1,865,542 | 1,623,618 | 5,444,391 | 7,089,759 | - | - |
| 2026 | 1.5% | 3.06 | | 1.40 | 27,258,896 | 29,235,161 | 1,976,265 | 1,746,044 | 5,862,061 | 7,739,933 | - | - |
| 2027 | 1.5% | 6.75 | | 1.40 | 27,598,407 | 29,690,977 | 2,092,570 | 1,812,900 | 7,472,722 | 7,158,843 | - | - |

Note [1] : Operating Income is adjusted to include transfer to City expense

Projection Target #1

(Debt Coverage Ratio – under current rates & \$2.0M loan)

| Description | Projected 2023 | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 |
|--|-------------------|-------------------|-------------------|-------------------|-------------------|
| Debt Coverage Ratio | | | | | |
| Net Income | \$ 1,314,195 | \$ 971,607 | \$ 1,129,944 | \$ 935,621 | \$ 737,670 |
| Add Depreciation/Amortization Expense | 1,932,934 | 2,077,100 | 2,204,232 | 2,301,708 | 2,396,956 |
| Add Interest Expense | 156,345 | 228,258 | 196,808 | 163,863 | 129,266 |
| Cash Generated from Operations | \$ 3,403,474 | \$ 3,276,965 | \$ 3,530,985 | \$ 3,401,192 | \$ 3,263,893 |
| Debt Principal and Interest | \$ 1,266,345 | \$ 1,408,743 | \$ 1,415,318 | \$ 1,415,548 | \$ 674,285 |
| Projected Debt Coverage Ratio (Covenants) | 2.69 | 2.33 | 2.49 | 2.40 | 4.84 |
| Minimum Debt Coverage Ratio | 1.4 | 1.4 | 1.4 | 1.4 | 1.4 |

Projection Target #2

(Minimum Cash Reserve – under current rates & \$2.0M loan)

| Description | Allocation | Projected 2023 | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 |
|---|------------|---------------------|---------------------|---------------------|---------------------|---------------------|
| Minimum Cash Reserve Levels Determinants | | | | | | |
| Operation & Maintenance Less Depreciation Expense | | \$ 5,711,373 | \$ 5,926,701 | \$ 6,094,657 | \$ 6,267,652 | \$ 6,445,836 |
| Purchase Power Expense | | 17,653,200 | 17,714,388 | 17,775,882 | 17,837,683 | 17,899,794 |
| Historical Rate Base | | 48,494,423 | 52,476,423 | 54,851,023 | 57,350,223 | 59,613,423 |
| Current Portion of Debt Service Payment | | 1,266,345 | 1,408,743 | 1,415,318 | 1,415,548 | 674,285 |
| Five Year Capital Improvements - Net of bond proceeds | | 12,345,300 | 12,345,300 | 12,345,300 | 12,345,300 | 12,345,300 |
| % Plant Depreciated | | 53% | 53% | 54% | 56% | 58% |
| Calculated Minimum Cash Level | | | | | | |
| Operation & Maintenance Less Depreciation Expense | 12.3% | \$ 704,142 | \$ 730,689 | \$ 751,396 | \$ 772,724 | \$ 794,692 |
| Purchase Power Expense | 8.3% | 1,471,100 | 1,476,199 | 1,481,323 | 1,486,474 | 1,491,649 |
| Historical Rate Base (Emergency Fund) | 2.0% | 969,888 | 1,049,528 | 1,097,020 | 1,720,507 | 1,788,403 |
| Current Portion of Debt Service Reserve | 91.2% | 1,155,076 | 1,284,962 | 1,290,959 | 1,291,169 | 615,038 |
| Five Year Capital Improvements - Net of bond proceeds | 20.0% | 2,469,060 | 2,469,060 | 2,469,060 | 2,469,060 | 2,469,060 |
| Minimum Cash Reserve Levels | | \$ 6,769,266 | \$ 7,010,438 | \$ 7,089,759 | \$ 7,739,933 | \$ 7,158,843 |
| Projected Cash Reserves | | \$ 4,281,829 | \$ 4,168,051 | \$ 3,909,118 | \$ 3,395,562 | \$ 3,721,970 |

Projection Target #3

(Optimal Operating Income – under current rates & \$2.0M loan)

| Description | Projected 2023 | Projected 2024 | Projected 2025 | Projected 2026 | Projected 2027 |
|--|---------------------|---------------------|---------------------|---------------------|---------------------|
| Optimal Operating Income Determinants | | | | | |
| Net Book Value/Working Capital | \$ 22,979,411 | \$ 24,884,310 | \$ 25,054,678 | \$ 25,252,170 | \$ 25,118,414 |
| Outstanding Principal on Debt | 4,430,000 | 5,249,515 | 4,031,005 | 2,779,320 | 2,234,301 |
| System Equity | \$ 18,549,411 | \$ 19,634,796 | \$ 21,023,673 | \$ 22,472,850 | \$ 22,884,113 |
| Debt:Equity Ratio | 19% | 21% | 16% | 11% | 9% |
| Optimal Operating Income Allocation | | | | | |
| Interest on Debt | 3.53% | 4.35% | 4.88% | 5.90% | 5.79% |
| System Equity | 6.54% | 6.54% | 6.79% | 7.04% | 7.36% |
| Optimal Operating Income | | | | | |
| Interest on Debt | \$ 156,345 | \$ 228,258 | \$ 196,808 | \$ 163,863 | \$ 129,266 |
| System Equity | \$ 1,213,514 | \$ 1,283,591 | \$ 1,426,810 | \$ 1,582,181 | \$ 1,683,634 |
| Optimal Operating Income | \$ 1,369,859 | \$ 1,511,849 | \$ 1,623,618 | \$ 1,746,044 | \$ 1,812,900 |
| Projected Operating Income | \$ 1,416,830 | \$ 1,157,046 | \$ 1,285,072 | \$ 1,060,393 | \$ 832,981 |
| Rate of Return in % | 6.0% | 6.1% | 6.5% | 6.9% | 7.2% |

Optimal Operating Income

- Difference between revenue collected and expenses incurred
- Ensures current customers are paying their fair share for use of system and not deferring the charge to future generations
- Funds interest expense on debt and inflationary increase on historical investment of system

Cost of Service

Objective One:

Equitably allocate revenue requirements among customer classes

- ✓ Identify potential cross-subsidization between rate classes
- ✓ Identify cross-subsidization between customers in class

Objective Two:

Define optimal rate structures

- ✓ Customer charge
- ✓ Distribution charge
- ✓ Power supply charge



Cost of Service Summary

Cost of service and revenue by customer group

Percent change required to move current rates to cost of service for each customer rate class

| Customer Class | Cost of Service | Projected Revenues | % Change |
|------------------------------|----------------------|----------------------|--------------|
| Residential | \$ 6,214,484 | \$ 6,245,516 | -0.5% |
| Commercial <15kW, 1&3PH | 1,583,976 | 1,543,976 | 2.6% |
| Dual Fuel | 158,408 | 133,147 | 19.0% |
| Off-Peak | 15,542 | 13,620 | 14.1% |
| Lighting | 253,296 | 307,095 | -17.5% |
| Small GS, 1&3PH <15kW, 1&3PH | 3,987,305 | 3,923,774 | 1.6% |
| Medium GS, 3PH | 5,817,817 | 5,991,657 | -2.9% |
| Large GS | 1,833,902 | 1,804,334 | 1.6% |
| Large Power | 853,291 | 801,873 | 6.4% |
| Total | \$ 20,718,020 | \$ 20,764,991 | -0.2% |

Example revenue adjustment of 1.0% that will address fairness of rates using a bandwidth of +/- 1.0% (0% to 2.0%)

| Proposed Change |
|-----------------|
| 1.10% |
| 1.35% |
| 2.00% |
| 2.00% |
| 1.35% |
| 0.30% |
| 1.35% |
| 1.80% |
| 1.0% |

Customer Charges (Base Charges)

Cost Component Recovery

Recovers
cost for
connection
to Grid at
zero kWh
consumption

- Meter operation, maintenance and replacement costs
- Meter reading costs or AMR installation costs
- Billing Costs
- Customer Service Department
- Service into customers facilities
- Portion of Distribution System based on minimum system

Customer Charges (Base Charges)

Cost Component Recovery

Increasing customer charges helps stabilize revenue recovery for utility

Reduces subsidy between year-round customers and seasonal customers

Will impact low use customers

Low income compared with low use

Low income customers are not always low use customers

Customer Charges (Base Charges)

Cost Component Recovery

| Customer Class | COS | | 3Yr Option | Year | | |
|------------------------------|-----------------|-------------------------|------------|--------|----------|----------|
| | Customer Charge | Current Customer Charge | | Year 1 | Year 2 | Year 3 |
| Residential | \$ 18.94 | \$ 16.25 | \$ 0.90 | 17.20 | \$ 18.10 | \$ 19.00 |
| Commercial <15kW, 1&3PH | 25.47 | 25.70 | - | 25.70 | 25.70 | 25.70 |
| Dual Fuel | 9.39 | 6.50 | 1.00 | 7.50 | 8.50 | 9.50 |
| Off-Peak | 9.39 | 6.50 | 1.00 | 7.50 | 8.50 | 9.50 |
| Small GS, 1&3PH <15kW, 1&3PH | 57.62 | 53.02 | 1.50 | 54.50 | 56.00 | 57.50 |
| Medium GS, 3PH | 87.71 | 75.00 | 4.20 | 79.20 | 83.40 | 87.60 |
| Large GS | 130.24 | 120.00 | 3.40 | 123.40 | 126.80 | 130.20 |
| Large Power | 233.23 | 120.00 | 37.70 | 157.70 | 195.40 | 233.10 |

Option to increase customer charges annually over next 3-5 years to meet cost of service.

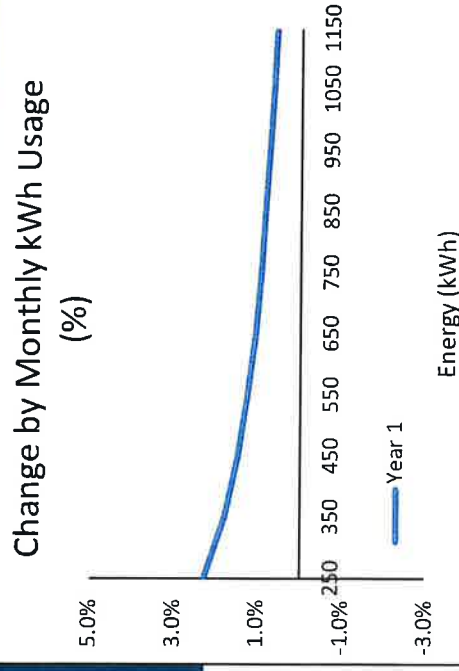
Example Residential Rate

Brainerd Public Utilities Electric Rate Design Residential

| Rates | Current | Year 1 |
|----------------------------|--------------|--------------|
| Monthly Facilities Charge: | | |
| All Customers | \$ 16.25 | \$ 17.20 |
| Energy Charge: | | |
| All Energy | \$ 0.08580 | \$ 0.08560 |
| Power Cost Adjustment: | | |
| All Energy | \$ 0.00734 | \$ 0.00734 |
| Revenue from Rate | \$ 6,245,516 | \$ 6,312,732 |
| Change from Previous | | 1.1% |

Adjust revenue from Residential class: **+1.10%** (see page 13)

Adjust Residential monthly charge: **+\$0.90** (see page 16)



| Monthly \$ Change by Energy Usage | | |
|-----------------------------------|---------|--|
| All Energy | Year 1 | |
| 250 | \$ 0.90 | |
| 350 | \$ 0.88 | |
| 450 | \$ 0.86 | |
| 550 | \$ 0.84 | |
| 650 | \$ 0.82 | |
| 750 | \$ 0.80 | |
| 850 | \$ 0.78 | |
| 950 | \$ 0.76 | |
| 1050 | \$ 0.74 | |
| 1150 | \$ 0.72 | |

Summary of Recommendations

Guidance from Utility Commission

2023 Revenue rate adjustment options

1. Revenue increase of 1.0% in 2023
2. Bond issue of \$2.0M in 2024 to support capital program
3. Adjust monthly charges towards cost of service
3. Ability to reduce class to class subsidies utilizing a bandwidth of +/- 1.0% *(no customer class will see an increase less than 0% or over 2.0%)*
4. Rate design will be developed using input from Utility Commission

Questions?

UFS UTILITY FINANCIAL
SOLUTIONS, LLC



April 12, 2023

PUBLIC UTILITIES WORK GROUP REPORT

Present: BPU Commissioners Dolly Matten and Mark O'Day, City Administrator Jennifer Bergman, HR Director Kris Schubert and HR Assistant Brittney Boser. Council Member Kara Terry was absent.

DISCUSSIONS/ACTIONS:

1. **Review Public Utilities Director Applications** – As recommended by the BPU Commission and approved by the City Council, an internal-only job posting process for the new Public Utilities Director position that will replace the Superintendent position was conducted. Three individuals submitted applications for the Public Utilities Director position; further, all three applicants met the minimum qualifications for the position. The Work Group decided all three should be interviewed.
2. **Discuss Interview Dates/Times** – It was noted that suggested interview dates were included in the last Work Group Report. Said dates were either April 14th or April 17th. It was noted that HR Director Schubert contacted the applicants prior to the Work Group meeting and the best date/time for all individuals was Monday, April 17th in the afternoon. Interviews will be one hour, conducted alphabetically and will start at 12:30 pm in the City Hall 2nd Floor Conference Room.
3. **Discuss Draft Interview Questions** – HR Director Schubert presented draft interview questions for the Work Group's consideration. The Work Group agreed to the questions.
4. **Next Steps** - After interviews on April 17th, HR will prepare a draft Work Group Report for the Group's review and feedback. The final report will be included in the April 25th BPU Commission packet for their review and recommendation for the May 1st Council meeting.

April 20, 2023

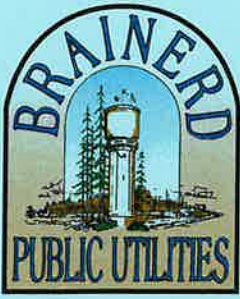
PUBLIC UTILITIES WORK GROUP REPORT – RECOMMENDATIONS FOR PUBLIC UTILITIES DIRECTOR POSITION

Submitted by: Council Member Kara Terry, BPU Commissioners Dolly Matten and Mark O'Day, City Administrator Jennifer Bergman and HR Director Kris Schubert.

DISCUSSIONS/ACTIONS:

- 1. Interviews** – The Work Group conducted Public Utilities Director interviews starting at 12:30 pm on April 17, 2023. Three applicants were interviewed.
- 2. Work Group Recommendations:**
 - a. Promote Todd Wicklund to Public Utilities Director effective May 2, 2023.**
 - b. Finance Manager Position:** The Work Group recommended that the Finance Manager position (or appropriate title) be created and the hiring process be started as soon as possible. It was noted that wage information is needed from our Classification and Compensation Consultant before we could start to advertise for the position.
 - c. Current Superintendent Position:** The Work Group discussed the current Superintendent position. It was noted that Flaherty and Hood recommended that Public Utilities Director position replace the Superintendent position and that reorganization was approved by both the Council and BPU Commission.
- 3. Next steps:**
 - a. BPU Commission – April 25th meeting** – Receive and consider the Work Group's recommendations.
 - b. City Council – May 1st meeting** – Consider the Work Group and BPU Commission's recommendations from 3a.

Certain related data that is non-public under the Minnesota Government Data Practices Act; specifically, Minn. Stat. sec. 13.43, subds. 3 and 4, will be submitted to the BPU Commission in advance of the Commission meeting.



BRAINERD PUBLIC UTILITIES

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Business Office: 218.829.8726 ■ **Repair Service:** 218.829.2193

www.bpu.org

Brainerd Public Utilities Finance Director Report April 25, 2023

January 2023 Financial Report

See attached January 31, 2023, Financial Statement. Subsequent monthly financial reports will be available for the May board meeting.

Clarification of Ongoing Engineering Studies Related to Water and Wastewater

There has been some confusion related to Bolton & Menk engineering study related to Copper Corrosion Study impacting copper water distribution pipes that I would like to clarify. The Copper Corrosion Study does not have any impact on wastewater treatment or biosolid application processes. MPCA staff cannot explain the increase in total copper concentration since 2015; if the source of copper in the waste stream were copper from the City pipes, MPCA would expect to see similar copper concentrations from 1998 to present, but not a sudden increase from 2015 onward.

The engineering studies being performed by Bolton & Menk related to Wastewater related to biosolids treatment process and inadequate storage for biosolids. Therefore, work continues on two separate projects that are not related to each other.

HR Director's BPU Report – see Attached Report

Next Board Meeting – May 30, 2023

**BRAINERD PUBLIC UTILITIES
COMPARISON OF OPERATING RESULTS
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2023 AND 2022**

| | 2023 | | 2022 | |
|---|--------------------|---------------------|--------------------|---------------------|
| | Amount | Percent of Sales | Amount | Percent of Sales |
| OPERATING REVENUE | | | | |
| Department | | | | |
| Electric | 1,849,152 | 79.2% | 1,829,566 | 77.6% |
| Water | 242,605 | 10.4% | 288,778 | 12.2% |
| Wastewater | 244,236 | 10.5% | 239,820 | 10.2% |
| Total Operating Revenue | <u>2,335,993</u> | <u>100.0%</u> | <u>2,358,164</u> | <u>100.0%</u> |
| OPERATING EXPENSES | | | | |
| Salaries and Wages | 623,355 | 26.7% | 359,907 | 15.3% |
| Purchased Power | 940,189 | 40.2% | 1,250,716 | 53.0% |
| Purchased Services | 188,716 | 8.1% | 139,438 | 5.9% |
| Other Charges | 68,721 | 2.9% | 42,463 | 1.8% |
| Employee Benefits | 200,745 | 8.6% | 119,906 | 5.1% |
| Insurance and Bonds | 27,684 | 1.2% | 21,646 | 0.9% |
| Depreciation and Amortization | 415,800 | 17.8% | 432,300 | 18.3% |
| Total Operating Expenses | <u>2,465,210</u> | <u>105.5%</u> | <u>2,366,376</u> | <u>100.3%</u> |
| OPERATING INCOME (LOSS) | <u>(129,217)</u> | <u>-5.5%</u> | <u>(8,212)</u> | <u>-0.3%</u> |
| NONOPERATING REVENUE | | | | |
| Interest Revenue - Investments | 47,756 | 2.0% | (79,720) | -3.4% |
| Interest Revenue - Notes Receivable | 9,500 | 2.0% | 10,500 | -3.4% |
| Bond Premium | 14,529 | 0.4% | 18,199 | 0.4% |
| Bond Issuance Costs | - | 0.6% | - | 0.8% |
| Interest Expense - Bonds | (73,992) | 0.0% | (76,694) | 0.0% |
| Local Option Sales Tax | 94,000 | 4.0% | 96,390 | 4.1% |
| Other | 6,400 | 0.3% | 14,797 | 0.6% |
| Total Nonoperating Revenue | <u>98,193</u> | <u>9.4%</u> | <u>(16,528)</u> | <u>-0.8%</u> |
| INCOME (LOSS) BEFORE OPERATING TRANSFERS TO THE CITY | <u>(31,024)</u> | <u>-1.3%</u> | <u>(24,740)</u> | <u>-1.0%</u> |
| TRANSFERS TO THE CITY | <u>(65,269)</u> | <u>-2.8%</u> | <u>(68,222)</u> | <u>-2.9%</u> |
| CHANGE IN NET ASSETS | <u>\$ (96,293)</u> | <u>-4.1%</u> | <u>\$ (92,962)</u> | <u>-3.9%</u> |

BRainerd PUBLIC UTILITIES
COMBINING STATEMENT OF NET POSITION BY DEPARTMENT
JANUARY 31, 2023 AND 2022

| | Electric | Water | Wastewater Treatment | Totals | |
|---|---------------|---------------|-------------------------|---------------|---------------|
| | | | | 2023 | 2022 |
| ASSETS | | | | | |
| UTILITY PLANT | | | | | |
| Construction in Progress | \$ 1,234,131 | \$ 4,831,396 | \$ 889,116 | \$ 6,954,643 | \$ 2,232,673 |
| Right-to-Use | 421,686 | 20,146 | 20,146 | 461,978 | - |
| In Service | 46,153,452 | 30,005,097 | 39,167,385 | 115,325,934 | 113,605,972 |
| Total Investment in Utility Plant | 47,809,269 | 34,856,639 | 40,076,647 | 122,742,555 | 115,838,645 |
| Less: Accumulated Depreciation | (23,512,300) | (14,402,891) | (19,517,022) | (57,432,213) | (52,474,945) |
| Net Utility Plant | 24,296,969 | 20,453,748 | 20,559,625 | 65,310,342 | 63,363,700 |
| CASH AND INVESTMENTS | | | | | |
| <u>Nonrestricted</u> | 5,441,176 | (753,465) | 5,020,370 | 9,708,081 | 11,260,388 |
| <u>Restricted</u> | | | | | |
| Customer Deposits | 342,424 | - | - | 342,424 | 357,955 |
| City of Brainerd Contribution | 65,874 | - | - | 65,874 | 288,273 |
| Conservation Incentive Program | 250,714 | - | - | 250,714 | 215,909 |
| Water and Sewer Accessibility Charges | - | 561,069 | 7,138 | 568,207 | 726,534 |
| Construction Bond Proceeds | - | 1,860,281 | - | 1,860,281 | 4,701,923 |
| Debt Service Reserve | 1,117,250 | 1,238,888 | 1,962,980 | 4,319,118 | 4,588,747 |
| Total Restricted Cash and Investments | 1,776,262 | 3,660,238 | 1,970,118 | 7,406,618 | 10,879,341 |
| Total Cash and Investments | 7,217,438 | 2,906,773 | 6,990,488 | 17,114,699 | 22,139,729 |
| CURRENT ASSETS | | | | | |
| Accounts Receivable | 2,767,808 | 379,959 | 763,888 | 3,911,655 | 3,568,476 |
| Interest Receivable | 7,465 | 1,179 | 15,966 | 24,610 | 19,512 |
| Inventory | 1,385,281 | 158,015 | - | 1,543,296 | 1,471,190 |
| Prepaid Expenses | 159,374 | 32,648 | 39,809 | 231,831 | 163,850 |
| Total Current Assets | 4,319,928 | 571,801 | 819,663 | 5,711,392 | 5,223,028 |
| OTHER ASSETS | | | | | |
| Bonds and Notes Receivable | - | - | 3,330,334 | 3,330,334 | 3,826,334 |
| Interest Receivable - Notes Receivable | - | - | 48,400 | 48,400 | 55,600 |
| Service Territory Acquisitions, Net of Accumulated Amortization | 237,483 | - | - | 237,483 | 255,116 |
| Deferred Outflows of Resources | 1,040,352 | 346,784 | 346,784 | 1,733,920 | 2,148,600 |
| Investment in Solar Generation Facility | 567,000 | - | - | 567,000 | - |
| Total Other Assets | 1,844,835 | 346,784 | 3,725,518 | 5,917,137 | 6,285,650 |
| Total Assets | 37,679,170 | 24,279,106 | 32,095,294 | 94,053,570 | 97,012,107 |
| LIABILITIES AND NET ASSETS | | | | | |
| NET POSITION | | | | | |
| Net Investment in Capital Assets | 17,907,220 | 9,506,647 | 9,536,122 | 36,949,989 | 31,536,752 |
| Restricted | - | 1,270,788 | 5,188,814 | 6,459,602 | 7,233,145 |
| Unrestricted | 6,606,965 | 595,675 | 4,818,217 | 12,020,857 | 15,847,852 |
| Total Net Position | 24,514,185 | 11,373,110 | 19,543,153 | 55,430,448 | 54,617,749 |
| LONG-TERM LIABILITIES | | | | | |
| Revenue Bonds Payable | 5,540,000 | 9,355,000 | 711,600 | 15,606,600 | 17,877,200 |
| PFA Construction Loan Payable | - | - | 8,455,000 | 8,455,000 | 9,991,000 |
| Equipment Certificate Payable | - | - | - | - | 65,000 |
| Compensated Absences | 859,732 | 320,335 | 184,753 | 1,364,820 | 1,162,339 |
| Other Postemployment Benefit Obligation | 230,697 | 76,898 | 76,898 | 384,493 | 548,966 |
| Net Pension Liability | 2,955,756 | 985,252 | 985,252 | 4,926,260 | 2,566,540 |
| Deferred Inflows of Resources | 126,597 | 42,199 | 42,199 | 210,995 | 2,311,845 |
| Capital Lease Payable | 391,055 | - | 19,647 | 410,702 | 31,315 |
| Revenue Bond Premium | 58,757 | 781,821 | 35,623 | 876,201 | 1,275,893 |
| Total Long-Term Liabilities | 10,162,594 | 11,561,505 | 10,510,972 | 32,235,071 | 35,830,098 |
| CURRENT LIABILITIES | | | | | |
| Accounts Payable | 952,616 | 405,056 | - | 1,357,672 | 1,360,487 |
| Revenue Bonds Payable | 1,040,000 | 805,000 | 75,600 | 1,920,600 | 1,617,000 |
| Equipment Certificate Payable | - | - | - | - | 65,000 |
| PFA Construction Loan Payable | - | - | 1,536,000 | 1,536,000 | 1,488,000 |
| Capital Lease Payable | 17,937 | 5,280 | 5,280 | 28,497 | 26,465 |
| Payable to City of Brainerd | 65,874 | 7,654 | 217,665 | 291,193 | 726,479 |
| Conservation Incentive Program Payable | 250,714 | - | - | 250,714 | 215,909 |
| Accrued Expenses | | | | | |
| Salaries and Withholding Taxes | 207,302 | 86,858 | 53,724 | 347,884 | 325,977 |
| Sales Taxes | 94,024 | 2,743 | - | 96,767 | 91,955 |
| Bond Interest | 31,500 | 31,900 | 152,900 | 216,300 | 289,037 |
| Customer Deposits | 342,424 | - | - | 342,424 | 357,955 |
| Total Current Liabilities | 3,002,391 | 1,344,491 | 2,041,169 | 6,388,051 | 6,584,264 |
| Total Liabilities | 13,164,985 | 12,905,996 | 12,552,141 | 38,623,122 | 42,394,362 |
| Total Liabilities and Net Position | \$ 37,679,170 | \$ 24,279,106 | \$ 32,095,294 | \$ 94,053,570 | \$ 97,012,111 |

BRAINERD PUBLIC UTILITIES
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION BY DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2023, 2022, AND 2021

| | January 31, 2023 | | | | (Memorandum Only) | |
|--|------------------|--------------|----------------------|--------------|-------------------|--------------|
| | Electric | Water | Wastewater Treatment | Total | January 31, | |
| | | | | | 2022 | 2021 |
| OPERATING REVENUES | | | | | | |
| Utility Revenues | \$ 1,833,626 | \$ 230,822 | \$ 183,818 | \$ 2,248,266 | \$ 2,275,905 | \$ 2,078,665 |
| Other Operating Revenue | 15,526 | 11,783 | 60,418 | 87,727 | 82,259 | 63,979 |
| Total Operating Revenue | 1,849,152 | 242,605 | 244,236 | 2,335,993 | 2,358,164 | 2,142,644 |
| OPERATING EXPENSES | | | | | | |
| Purchased Power | 940,189 | - | - | 940,189 | 1,250,716 | 926,742 |
| Production/Generation | | | | | | |
| Salaries and Wages | 60,685 | 54,302 | 49,694 | 164,681 | 106,215 | 111,639 |
| Operations and Maintenance | 1,459 | 22,189 | 70,014 | 93,662 | 72,119 | 61,376 |
| Employee Benefits | 14,080 | 14,196 | 11,156 | 39,432 | 35,308 | 35,666 |
| Other Charges | - | - | 612 | 612 | 6,015 | 5,073 |
| Total Generation/Production Expenses | 76,224 | 90,687 | 131,476 | 298,387 | 219,657 | 213,754 |
| Distribution | | | | | | |
| Salaries and Wages | 224,687 | 85,425 | 1,700 | 311,812 | 139,079 | 151,950 |
| Operations and Maintenance | 18,047 | 12,359 | 10,761 | 41,167 | 38,345 | 62,183 |
| Employee Benefits | 38,440 | 14,270 | 3,249 | 55,959 | 45,496 | 49,189 |
| Other Charges | 6,915 | 6,571 | 18 | 13,504 | 2,762 | 4,757 |
| Total Distribution Expenses | 288,089 | 118,625 | 15,728 | 422,442 | 225,682 | 268,079 |
| General and Administrative | | | | | | |
| Salaries and Wages | 85,031 | 31,852 | 29,979 | 146,862 | 114,613 | 114,944 |
| Operations and Maintenance | 32,792 | 10,097 | 10,998 | 53,887 | 28,974 | 16,953 |
| Insurance and Bonds | 17,220 | 5,833 | 4,631 | 27,684 | 21,646 | 22,062 |
| Employee Benefits | 57,925 | 24,763 | 22,666 | 105,354 | 39,102 | 36,321 |
| Other Charges | 37,756 | 7,713 | 9,136 | 54,605 | 33,686 | 42,602 |
| Total Gen. and Admin. Expenses | 230,724 | 80,258 | 77,410 | 388,392 | 238,021 | 232,882 |
| Depreciation and Amortization | 180,600 | 93,600 | 141,600 | 415,800 | 432,300 | 406,100 |
| Total Operating Expenses | 1,715,826 | 383,170 | 366,214 | 2,465,210 | 2,366,376 | 2,047,557 |
| NET OPERATING INCOME (LOSS) | 133,326 | (140,565) | (121,978) | (129,217) | (8,212) | 95,087 |
| NONOPERATING REVENUE (EXPENSE) | | | | | | |
| Interest Revenue - Investments | 20,228 | 2,613 | 24,915 | 47,756 | (79,720) | (5,832) |
| Bond Premium | 1,456 | 12,137 | 936 | 14,529 | 18,199 | 7,701 |
| Interest Revenue - Notes Receivable | - | - | 9,500 | 9,500 | 10,500 | 11,900 |
| Local Option Sales Tax | - | - | 94,000 | 94,000 | 96,390 | 91,197 |
| Interest Expense - Bonds | (14,970) | (28,514) | (30,508) | (73,992) | (76,694) | (79,003) |
| Other | - | - | 6,400 | 6,400 | 14,797 | 13,301 |
| Total Nonoperating Revenue (Expense) | 6,714 | (13,764) | 105,243 | 98,193 | (16,528) | 39,264 |
| INCOME BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | 140,040 | (154,329) | (16,735) | (31,024) | (24,740) | 134,351 |
| CAPITAL CONTRIBUTIONS | - | - | - | - | - | - |
| TRANSFERS TO THE CITY | (65,269) | - | - | (65,269) | (68,222) | (64,519) |
| CHANGE IN NET POSITION | \$ 74,771 | \$ (154,329) | \$ (16,735) | \$ (96,293) | \$ (92,962) | \$ 69,832 |

BRainerd PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - ELECTRIC DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2023, 2022, AND 2021

| | January 31, 2023 | | | Variance With Budget - Positive (Negative) | Year to Date January 31, | |
|--|------------------|-----------------|------------|---|-----------------------------|------------|
| | Current Month | Year to Date | Budget | | 2022 | 2021 |
| OPERATING REVENUES | | | | | | |
| <u>Utility Revenues</u> | | | | | | |
| Residential | \$ 651,901 | \$ 651,901 | \$ 546,500 | \$ 105,401 | \$ 631,804 | \$ 601,512 |
| Commercial | 872,391 | 872,391 | 843,000 | 29,391 | 842,475 | 586,841 |
| Medium/Large Commercial | 190,532 | 190,532 | 264,000 | (73,468) | 235,417 | 409,479 |
| Industrial | 5,319 | 5,319 | 569,500 | (564,181) | 30,594 | 29,995 |
| City of Brainerd | 32,148 | 32,148 | 29,500 | 2,648 | - | - |
| BPU | 81,335 | 81,335 | 64,000 | 17,335 | 81,269 | 69,872 |
| Total Utility Revenue | 1,833,626 | 1,833,626 | 2,316,500 | (482,874) | 1,821,559 | 1,697,699 |
| <u>Other Operating Revenue</u> | | | | | | |
| Penalties | 10,919 | 10,919 | 7,500 | 3,419 | 9,433 | - |
| Other | 4,607 | 4,607 | 8,000 | (3,393) | (1,426) | 10,445 |
| Total Other Operating Revenue | 15,526 | 15,526 | 15,500 | 26 | 8,007 | 10,445 |
| Total Operating Revenue | 1,849,152 | 1,849,152 | 2,332,000 | (482,848) | 1,829,566 | 1,708,144 |
| OPERATING EXPENSES | | | | | | |
| <u>Purchased Power</u> | | | | | | |
| All Other Customers | 911,266 | 911,266 | 883,800 | (27,466) | 1,250,716 | 926,742 |
| Solar Generation | 24,979 | 24,979 | 45,000 | 20,021 | - | - |
| Crypto Mining Customers | 3,944 | 3,944 | 542,300 | 538,356 | - | - |
| Total Purchased Power Expense | 940,189 | 940,189 | 1,471,100 | 530,911 | 1,250,716 | 926,742 |
| <u>Generation</u> | | | | | | |
| Salaries and Wages | 60,685 | 60,685 | 41,900 | (18,785) | 44,876 | 53,756 |
| Operations and Maintenance | 1,459 | 1,459 | 2,000 | 541 | 899 | 2,285 |
| Employee Benefits | 14,080 | 14,080 | 13,150 | (930) | 14,350 | 12,777 |
| Other Charges | - | - | 3,200 | 3,200 | 2,856 | 2,858 |
| Depreciation | 27,200 | 27,200 | 26,800 | (400) | 26,800 | 26,700 |
| Total Generation Expenses | 103,424 | 103,424 | 87,050 | (16,374) | 89,781 | 98,376 |
| <u>Distribution</u> | | | | | | |
| Salaries and Wages | 224,687 | 224,687 | 131,200 | (93,487) | 95,144 | 109,694 |
| Operations and Maintenance | 18,047 | 18,047 | 35,900 | 17,853 | 11,869 | 40,478 |
| Employee Benefits | 38,440 | 38,440 | 33,950 | (4,490) | 29,547 | 34,113 |
| Other Charges | 6,915 | 6,915 | 3,800 | (3,115) | 2,762 | 4,757 |
| Depreciation and Amortization | 142,500 | 142,500 | 140,100 | (2,400) | 143,000 | 143,300 |
| Total Distribution Expenses | 430,589 | 430,589 | 344,950 | (85,639) | 282,322 | 332,342 |
| <u>General and Administrative</u> | | | | | | |
| Salaries and Wages | 85,031 | 85,031 | 72,250 | (12,781) | 67,204 | 67,042 |
| Operations and Maintenance | 32,792 | 32,792 | 34,900 | 2,108 | 18,308 | 10,691 |
| Insurance and Bonds | 17,220 | 17,220 | 15,100 | (2,120) | 13,588 | 11,328 |
| Employee Benefits | 57,925 | 57,925 | 32,600 | (25,325) | 20,898 | 21,196 |
| Other Charges | 37,756 | 37,756 | 28,650 | (9,106) | 22,785 | 28,173 |
| Depreciation | 10,900 | 10,900 | 11,900 | 1,000 | 14,400 | 14,300 |
| Total Gen. and Admin. Expenses | 241,624 | 241,624 | 195,400 | (46,224) | 157,183 | 152,730 |
| Total Operating Expenses | 1,715,826 | 1,715,826 | 2,098,500 | 382,674 | 1,780,002 | 1,510,190 |
| NET OPERATING INCOME | 133,326 | 133,326 | 233,500 | (100,174) | 49,564 | 197,954 |
| NONOPERATING REVENUE | | | | | | |
| Interest Revenue - Investments | 20,228 | 20,228 | 2,000 | 18,228 | (30,059) | (1,891) |
| Interest Expense - Bonds | (14,970) | (14,970) | (15,200) | 230 | (14,570) | (20,511) |
| Sale of Renewable Energy Credits | - | - | - | - | - | - |
| Bond Premium | 1,456 | 1,456 | 1,150 | 306 | 1,396 | 1,447 |
| Gain on Disposal of Capital Assets | - | - | 500 | (500) | 7,797 | 4,923 |
| Total Nonoperating Revenue | 6,714 | 6,714 | (11,550) | 18,264 | (35,436) | (16,032) |
| INCOME BEFORE TRANSFERS TO THE CITY | 140,040 | 140,040 | 221,950 | (81,910) | 14,128 | 181,922 |
| TRANSFERS TO THE CITY | (65,269) | (65,269) | (69,500) | 4,231 | (68,222) | (64,519) |
| CHANGE IN NET POSITION | \$ 74,771 | \$ 74,771 | \$ 152,450 | \$ (77,679) | \$ (54,094) | \$ 117,403 |

BRainerd PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WATER DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2023, 2022, AND 2021

| | January 31, 2023 | | | Variance | Year to Date | |
|---|---------------------|---------------------|--------------------|---------------------|------------------|--------------------|
| | Current | Year to | Budget | With Budget - | January 31, | |
| | Month | Date | | Positive | 2022 | 2021 |
| | | | | (Negative) | | |
| OPERATING REVENUES | | | | | | |
| <u>Utility Revenues</u> | | | | | | |
| Residential | \$ 127,028 | \$ 127,028 | \$ 135,000 | \$ (7,972) | \$ 123,635 | \$ 106,938 |
| Commercial | 91,320 | 91,320 | 120,500 | (29,180) | 142,636 | 81,289 |
| City of Brainerd | 7,307 | 7,307 | 10,700 | (3,393) | 7,203 | 6,706 |
| BPU | 5,167 | 5,167 | 7,750 | (2,583) | 4,095 | 3,869 |
| Total Utility Revenue | 230,822 | 230,822 | 273,950 | (43,128) | 277,569 | 198,802 |
| <u>Other Operating Revenue</u> | | | | | | |
| Penalties | 1,886 | 1,886 | 1,500 | 386 | 1,653 | - |
| Other | 9,897 | 9,897 | 1,900 | 7,997 | 9,556 | 720 |
| Total Other Operating Revenue | 11,783 | 11,783 | 3,400 | 8,383 | 11,209 | 720 |
| Total Operating Revenue | 242,605 | 242,605 | 277,350 | (34,745) | 288,778 | 199,522 |
| OPERATING EXPENSES | | | | | | |
| <u>Production</u> | | | | | | |
| Salaries and Wages | 54,302 | 54,302 | 30,500 | (23,802) | 24,916 | 23,025 |
| Operations and Maintenance | 22,189 | 22,189 | 22,400 | 211 | 13,728 | 10,540 |
| Employee Benefits | 14,196 | 14,196 | 12,350 | (1,846) | 11,160 | 10,772 |
| Other Charges | - | - | 50 | 50 | - | - |
| Depreciation | 22,200 | 22,200 | 21,400 | (800) | 22,600 | 23,400 |
| Total Production Expenses | 112,887 | 112,887 | 86,700 | (26,187) | 72,404 | 67,737 |
| <u>Distribution</u> | | | | | | |
| Salaries and Wages | 85,425 | 85,425 | 39,700 | (45,725) | 31,832 | 31,002 |
| Operations and Maintenance | 12,359 | 12,359 | 26,450 | 14,091 | 13,303 | 11,816 |
| Employee Benefits | 14,270 | 14,270 | 13,450 | (820) | 11,610 | 10,771 |
| Other Charges | 6,571 | 6,571 | 1,700 | (4,871) | - | - |
| Depreciation | 67,900 | 67,900 | 67,900 | - | 69,000 | 66,500 |
| Total Distribution Expenses | 186,525 | 186,525 | 149,200 | (37,325) | 125,745 | 120,089 |
| <u>General and Administrative</u> | | | | | | |
| Salaries and Wages | 31,852 | 31,852 | 25,500 | (6,352) | 24,034 | 24,353 |
| Operations and Maintenance | 10,097 | 10,097 | 12,700 | 2,603 | 6,488 | 3,549 |
| Insurance and Bonds | 5,833 | 5,833 | 4,500 | (1,333) | 3,858 | 4,345 |
| Employee Benefits | 24,763 | 24,763 | 11,150 | (13,613) | 9,556 | 8,590 |
| Other Charges | 7,713 | 7,713 | 7,150 | (563) | 5,565 | 6,722 |
| Depreciation | 3,500 | 3,500 | 3,900 | 400 | 5,200 | 5,200 |
| Total Gen. and Admin. Expenses | 83,758 | 83,758 | 64,900 | (18,858) | 54,701 | 52,759 |
| Total Operating Expenses | 383,170 | 383,170 | 300,800 | (82,370) | 252,850 | 240,585 |
| NET OPERATING INCOME (LOSS) | (140,565) | (140,565) | (23,450) | (117,115) | 35,928 | (41,063) |
| NONOPERATING REVENUE | | | | | | |
| Interest Revenue - Investments | 2,613 | 2,613 | 400 | 2,213 | (2,078) | - |
| Local Option Sales Tax - Baxter | - | - | 26,500 | (26,500) | - | - |
| Bond Premium | 12,137 | 12,137 | 12,100 | 37 | 16,001 | 5,449 |
| Bond Issuance Costs | - | - | - | - | - | (20,067) |
| Interest Expense - Bonds | (28,514) | (28,514) | (25,900) | (2,614) | (28,189) | - |
| Gain on Disposal of Capital Assets | - | - | - | - | - | - |
| Total Nonoperating Revenue | (13,764) | (13,764) | 13,100 | (26,864) | (14,266) | (14,618) |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS AND TRANSFERS | (154,329) | (154,329) | (10,350) | (143,979) | 21,662 | (55,681) |
| CAPITAL CONTRIBUTIONS | - | - | - | - | - | - |
| CHANGE IN NET POSITION | <u>\$ (154,329)</u> | <u>\$ (154,329)</u> | <u>\$ (10,350)</u> | <u>\$ (143,979)</u> | <u>\$ 21,662</u> | <u>\$ (55,681)</u> |

BRAINERD PUBLIC UTILITIES
STATEMENT OF REVENUE, EXPENSES, AND CHANGES IN NET POSITION - WASTEWATER TREATMENT DEPARTMENT
FOR THE ONE MONTH PERIOD ENDED JANUARY 31, 2023, 2022, AND 2021

| | January 31, 2023 | | | Variance | Year to Date | |
|---|--------------------|--------------------|--------------|--------------------|--------------------|-----------------|
| | Current | Year to | Budget | With Budget - | January 31, | |
| | Month | Date | | Positive | 2022 | 2021 |
| | | | | (Negative) | | |
| OPERATING REVENUES | | | | | | |
| <u>Utility Revenues</u> | | | | | | |
| Residential | \$ 122,357 | \$ 122,357 | \$ 117,600 | \$ 4,757 | \$ 118,905 | \$ 121,529 |
| Commercial | 61,461 | 61,461 | 65,150 | (3,689) | 57,872 | 60,635 |
| Total Utility Revenue | 183,818 | 183,818 | 182,750 | 1,068 | 176,777 | 182,164 |
| <u>Other Operating Revenue</u> | | | | | | |
| Penalties | 2,473 | 2,473 | 2,100 | 373 | 2,516 | - |
| Reimbursement of Expenses - Baxter | 57,381 | 57,381 | 59,300 | (1,919) | 59,369 | 52,244 |
| Other | 564 | 564 | 500 | 64 | 1,159 | 570 |
| Total Other Operating Revenue | 60,418 | 60,418 | 61,900 | (1,482) | 63,044 | 52,814 |
| Total Operating Revenue | 244,236 | 244,236 | 244,650 | (414) | 239,821 | 234,978 |
| OPERATING EXPENSES | | | | | | |
| <u>Treatment</u> | | | | | | |
| Salaries and Wages | 49,694 | 49,694 | 33,000 | (16,694) | 36,423 | 34,858 |
| Operations and Maintenance | 70,014 | 70,014 | 69,850 | (164) | 57,492 | 48,551 |
| Employee Benefits | 11,156 | 11,156 | 11,050 | (106) | 9,798 | 12,117 |
| Other Charges | 612 | 612 | 3,400 | 2,788 | 3,159 | 2,215 |
| Depreciation | 117,000 | 117,000 | 116,500 | (500) | 124,900 | 106,400 |
| Total Treatment Expenses | 248,476 | 248,476 | 233,800 | (14,676) | 231,772 | 204,141 |
| <u>Lift Stations</u> | | | | | | |
| Salaries and Wages | 1,700 | 1,700 | 15,000 | 13,300 | 12,103 | 11,254 |
| Operations and Maintenance | 10,761 | 10,761 | 14,750 | 3,989 | 13,173 | 9,889 |
| Employee Benefits | 3,249 | 3,249 | 4,800 | 1,551 | 4,339 | 4,305 |
| Other Charges | 18 | 18 | - | (18) | - | - |
| Depreciation | 22,200 | 22,200 | 22,700 | 500 | 22,700 | 16,800 |
| Total Collection Expenses | 37,928 | 37,928 | 57,250 | 19,322 | 52,315 | 42,248 |
| <u>General and Administrative</u> | | | | | | |
| Salaries and Wages | 29,979 | 29,979 | 24,300 | (5,679) | 23,374 | 23,549 |
| Operations and Maintenance | 10,998 | 10,998 | 11,100 | 102 | 4,177 | 2,713 |
| Insurance and Bonds | 4,631 | 4,631 | 6,400 | 1,769 | 4,200 | 6,389 |
| Employee Benefits | 22,666 | 22,666 | 10,450 | (12,216) | 8,649 | 6,535 |
| Other Charges | 9,136 | 9,136 | 7,450 | (1,686) | 5,336 | 7,707 |
| Depreciation and Amortization | 2,400 | 2,400 | 2,900 | 500 | 3,700 | 3,500 |
| Total Gen. and Admin. Expenses | 79,810 | 79,810 | 62,600 | (17,210) | 49,436 | 50,393 |
| Total Operating Expenses | 366,214 | 366,214 | 353,650 | (12,564) | 333,523 | 296,782 |
| NET OPERATING LOSS | (121,978) | (121,978) | (109,000) | (12,978) | (93,702) | (61,804) |
| NONOPERATING REVENUE | | | | | | |
| Interest Revenue - Investments | 24,915 | 24,915 | 2,333 | 22,582 | (47,583) | (3,941) |
| Interest Revenue - Notes Receivable | 9,500 | 9,500 | 9,000 | 500 | 10,500 | 11,900 |
| Interest Expense - Bonds | (30,508) | (30,508) | (27,300) | (3,208) | (33,935) | (38,425) |
| Bond Premium | 936 | 936 | 750 | 186 | 802 | 805 |
| Local Option Sales Tax - Brainerd | 94,000 | 94,000 | 112,000 | (18,000) | 96,390 | 91,197 |
| Local Option Sales Tax - Baxter | - | - | 6,400 | (6,400) | - | - |
| Federal Grant Revenue - Build America Bond | 6,400 | 6,400 | 5,900 | 500 | 7,000 | 8,378 |
| Gain (Loss) on Disposal of Capital Assets | - | - | - | - | - | - |
| Total Nonoperating Revenue | 105,243 | 105,243 | 109,083 | (3,840) | 33,174 | 69,914 |
| INCOME (LOSS) BEFORE CAPITAL CONTRIBUTIONS | (16,735) | (16,735) | 83 | (16,818) | (60,529) | 8,110 |
| CAPITAL CONTRIBUTIONS | - | - | - | - | - | - |
| CHANGE IN NET POSITION | <u>\$ (16,735)</u> | <u>\$ (16,735)</u> | <u>\$ 83</u> | <u>\$ (16,818)</u> | <u>\$ (60,529)</u> | <u>\$ 8,110</u> |

HR Director's Report to BPU Commission

April 20, 2023

Personnel:

April 25th is the application deadline for the BPU Laborer position that will primarily assist at the Wastewater Treatment Plant. In addition, we are currently advertising for the Seasonal Laborer position and Wastewater Intern position. I'm happy to report that we have received applications for all three positions and will be reviewing them in the near future.

In addition, Staff would like to start the hiring process for several other positions including the new Business Office Support Specialist that was included in the 2023 budget, the replacement Facility/Grounds Maintenance position, as well as the new Finance Supervisor position. Since the job descriptions and wages for those positions are not completed at this time, Staff requests to work with the Personnel Committee in the upcoming weeks to review the job descriptions in hopes that the information could be presented to the City Council at its May 15th meeting.

A BPU employee is currently off from work due to FMLA for a personal, not work-related, medical issue. Another employee is off work due to a work-related injury.

Public Utilities Work Group:

The Work Group report for the April 12, 2023, meeting as well as the Work Group's recommendations for the Public Utilities Director position is included in your agenda packet for review and consideration. Special thanks to Commissioners Matten and O'Day for assisting in this process and also to BPU Commission Chair Wussow for meeting with the Department's supervisory staff to inform them of the recommendations.

2023 Classification and Compensation Study:

35 employees (including several BPU staff) chose to discuss their Job Analysis Questionnaire directly with the consultant on March 23rd and 24th when Flaherty & Hood's HR Analyst Rachel Parker was in Brainerd for interviews. Flaherty & Hood also distributed our Market Study Workbook to the chosen entities on March 8th. We were informed that all entities returned their Workbook to the consultant and we look forward to receiving their report.

Wellness Committee:

We need your help and it's not too late to register for the Wellness Committee's Blood Drive that will be held on April 26th from 9 am to 3 pm at the Brainerd Fire Department. This is an opportunity that can save up to three lives with just 20 minutes of your time! All employees, BPU Commissioners and spouses are invited. We currently have 13 spaces still available. To schedule an appointment, contact HR Assistant Brittney Boser at bboser@ci.brainerd.mn.us or 218-454-3422.

Miscellaneous:

HR Director Kris Schubert has been asked to be one of four members on a League of Minnesota Cities Annual Conference Panel at this year's upcoming conference in Duluth on June 21-23. Kris will be a part of a panel that will address items HR wishes elected officials knew or understood more clearly about the work of public sector HR.