



CITY OF GRAND FORKS, ND

COMPREHENSIVE  
ANNUAL  
FINANCIAL REPORT  
**FOR THE YEAR ENDED  
DECEMBER 31, 2019**



# Comprehensive Annual Financial Report



## of the City of Grand Forks, North Dakota

For the Year Ended  
December 31, 2019

Prepared by  
THE DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES  
MAUREEN STORSTAD, DIRECTOR  
CANDICE STJERN, ASSISTANT DIRECTOR

(Member of Government Finance Officers Association Of the United States & Canada)

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMPREHENSIVE ANNUAL FINANCIAL REPORT  
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2019

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July 10, 2020

To the Honorable Mayor, Members of the City Council, and  
Citizens of the City of Grand Forks, North Dakota:

We are pleased to submit the Comprehensive Annual Financial Report (CAFR) for the City of Grand Forks for the fiscal year ended December 31, 2019. This report satisfies audit and financial reporting requirements pursuant to North Dakota Century Code 54-10-14.

The report is prepared by the City's Finance and Administrative Services Office in conformity with the generally accepted accounting principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America and *Government Auditing Standards* as published by the Comptroller General of the United States, by a firm of licensed certified public accountants.

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

As management, we assert, to the best of our knowledge and belief, these financial statements are complete and reliable in all material respects.

Brady, Martz and Associates, P.C., Certified Public Accountants have audited the financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City for the fiscal year ended December 31, 2019 are free from material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The requirement has been complied with and the independent auditors have issued an unmodified ("clean") opinion on the City of Grand Forks' financial statements for the year ended December 31, 2019. The independent auditor's report is located at the front of the financial section of this report.

Management's discussion and analysis (MD&A) immediately follows the independent auditor's report and provides a narrative introduction, overview, and analysis of the basic financial statements. MD&A complement this letter of transmittal and should be read in conjunction.

The independent audit of the financial statements of the City of Grand Forks was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not

only on the fair presentation of the financial statements, but also on the City's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. Information related to this single audit, including the schedule of expenditures of federal awards, auditor's report on the internal control structure, and compliance with applicable laws and regulations are included in a separate report that is available in the City Finance and Administrative Services Office.

### *Profile of the City*

The City of Grand Forks was incorporated in 1881. The City of Grand Forks is located on the eastern border of North Dakota, in the rich Red River Valley, which is one of the most fertile agricultural areas in the world. Grand Forks history shows it to be a popular gathering spot for both Native American and early settler population engaged in fur trapping and trading. Steamboats on the river and the expansion of the railroad facilitated much trade on the Red River Corridor from southern and eastern areas of the U. S. through Grand Forks to western and northern areas, including Winnipeg, Canada. Besides the trading, historically, the agriculture industry has been a major factor in the City's continued growth and development of the successful business climate in the region.

The City currently occupies a land area of approximately 27.99 square miles and has a population of 60,636 at the end of 2019. Grand Forks is the proud home to the University of North Dakota which enrolls nearly 14,000 students from around the world, in more than 200 fields of study including bachelor's, master's, doctoral, law and medical degrees.

Located approximately 15 miles west of the City of Grand Forks, and a very crucial part of the City, is the Grand Forks Air Force Base. The Air Base is home to Predator and Global Hawk unmanned aircraft.

The Grand Forks International Airport, is located 5 miles west of the City, and is served by Delta Air Lines and Allegiant Air. It is also home to the University of North Dakota aviation school.

The City of Grand Forks adopted its Home Rule Charter in 1970 and operates under a strong mayor-council form of government. Policymaking and legislative authority are vested with the city council consisting of the mayor and seven council members, one from each ward of the City. The city council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring the City Administrator and the City Attorney. The City Administrator, under the direction of the Mayor, is responsible for carrying out the policies and ordinances of the council, and for overseeing the day-to-day operations of the city government. The council is elected on a non-partisan basis. The council members serve four-year staggered terms. The mayor is elected to serve a four-year term and is elected at large.

The City of Grand Forks is empowered to levy a property tax on real property located within its boundary. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council.

The City provides its residents and businesses with a full range of services contemplated by statute or charter. This includes Public Safety (Police and Fire), Highways and Streets Construction and Maintenance, Sanitation, Health, Culture and Recreation, Public Improvements, Planning and Zoning, Water, Sewer, Public Transportation, and General Administrative Services.



The City is also financially accountable for the Grand Forks Regional Airport Authority, a legally separate entity. The Mayor with the approval of the City Council appoints four of the seven members of the Authority board. Tax levies and bond issuance authorizations are approved by the City Council and the legal liability for the general obligation portion of the Authority's debt remains with the City. Thus the authority's activities are discretely presented in the City of Grand Forks' Comprehensive Annual Financial Report. Separate and audited financial statements can be obtained from the Grand Forks Regional Airport Authority.

The City Council is required to adopt a final budget by no later than October 7th. The annual budget serves as the foundation for the City of Grand Forks financial planning and control. The appropriated budget is prepared by fund and department. Department heads may transfer resources within a department as they see fit. Transfers of appropriations between general fund departments, and various funds, however, require the approval of the city council. The level of budgetary control, (that is the level at which expenditures may not legally exceed appropriations) is the fund level. Budget to actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund the comparison is presented on pages 26-27 as part of the basic financial statements for the governmental funds. For the governmental funds other than the general fund with the appropriated annual budgets, this comparison is presented in the governmental subsection of this report, which starts on page 110.

### ***Economic Condition and Outlook***

The Red River Valley boasts some of the United States' richest farmland. The agricultural sector has historically been a catalyst for the Grand Forks region's growth and development. Crops grown in the region support many businesses and manufacturing enterprises. Agriculture, education and medical services provide stability to the economy of the City. During the past few years, through the strength of partnerships with community, state, and regional members, the local and regional economy has become more diversified with growth in the medical, manufacturing, border security, energy, environmental, aviation/aerospace industries, unmanned aircraft systems, professional services, value-added agri-business and other research and commercial sectors.

The primary sector continues to show strong growth. Highlights in this area include a \$30 million addition to the North Dakota State Mill and Elevator, which increased its production capacity by 30 percent, and an associated rail transport facility investment of approximately \$10 million.

JR Simplot is in the process of a \$60 million expansion to its Grand Forks facility- a High Bay Freezer that will make the current facility the primary distribution center for all products in the central and eastern United States. It is estimated to be completed in 2020.

Additionally, Red River BioRefinery, is completing an estimated \$80 million ethanol facility that will process sugar beet tailings, potato, and pasta processing biomass with a process start up in the first quarter of 2020. It will be a state of the art plant that will have one of the lowest carbon footprints in North America.

Other Primary sector growth includes an expansion at LM Windpower, a manufacturer and supplier of rotor blades to the wind industry. They recently completed a \$1 million expansion that will allow them to manufacture longer 62 meter blades.

PS Doors, a manufacturer of industrial doors, safety products and flood barriers, is moving forward with an estimated \$6.4 million investment in an 80,000 square foot expansion of their facility. Retrax, a manufacturer of retractable truck bed covers, expanded to a larger facility within the community in addition to its prior site, to meet growing demand for their products.

Acme Tools is doubling its logistics and distribution center with an estimated \$2.6 million and 40,000 square foot expansion. Border States Electric is constructing an estimated \$9 million new regional office and distribution center. And Ironhide Equipment is proceeding with an estimated \$5.8 million and 24,000 square foot new corporate center and heavy equipment center.

The Grand Forks Air Force Base is one of the largest employers in the state of North Dakota. The base is home to 1,600 active duty personnel and 1,500 dependents. There are also another 1,000 civilians employed at the base. The Grand Forks Air Force Base (GFAFB) recently transitioned from Air Mobility Command to Air Combat Command, which better aligns with its UAS mission set to include intelligence, surveillance, and reconnaissance capabilities. The US Air Force is utilizing the base as an operating location for Predator (MQ-1) and Global Hawk (RQ-4) UAS systems. It is home to the 319<sup>th</sup> Reconnaissance Wing. The GFAFB also supports the Cavalier Air Station and Customs and Border Protection.

The City continues to build on its strong collaborative and supportive relationship with the Grand Forks Air Force Base (the "Base") and was named one of ten cities nationally to be designated as a "Greater American Defense Community" in 2016. The Base is also in a prime location for unmanned missions that complement the Global Hawk, as well as for additional unmanned and Arctic missions.

The Grand Forks region has also seen significant growth in the Unmanned Autonomous Systems (UAS) sector. In 2013, the State of North Dakota was designated as one of six test sites for UAS Development in the nation. Grand Forks County received approval from the US Air Force to move forward with the development of Grand Sky, a state-of-the-art business and technology park located on unutilized land leased from the Department of Defense at the Grand Forks Air Force Base. Grand Sky is focused on attracting companies and governmental organizations engaged in the research, development, training and operations of manned and unmanned aircraft systems, sensor technologies, aircraft testing and evaluation, pilot, sensor operator and aircraft maintenance training, data management and analysis, secure data storage, and systems development for energy, law enforcement and agricultural industries.

In late 2016, the FAA granted a waiver to allow for Beyond Visual Line of Sight (BVLOS) flight in Grand Forks region; the first of its kind. This summer Grand Forks continued to shine in the UAS industry, conducting the first ever trans-Atlantic flight of a private company owned UAS, followed up by the first ever BVLOS flight of a large commercial UAS without a chase plane. As this program grows, there will be increasing opportunities for partnerships between UND, Grand Forks Regional Airport Authority, the Base, Federal Aviation Administration (FAA), other federal agencies, and private sector businesses which will provide valuable experiences to students and the community.

Grand Sky has benefitted from strong support from North Dakota's Congressional Delegation and state leaders, including the Northern Plains test site being named one of six FAA UAS test sites. The 2019 North Dakota State Legislature approved \$28 million for a UAS beyond visual line of sight (BVLOS) statewide infrastructure network, \$3 million for Grand Sky construction and Northern Plains UAS Test Site Funding \$2.25 million for continuing operation.

Northrup Grumman has opened a \$10 million, 36,000 square-foot facility, which serves as a base for its unmanned aircraft systems research and development, as well as a training and operations site. In addition, they completed a 35,000 square-foot hanger this year.

General Atomics cut the ribbon on its Remote Piloted Aircraft (RPA) Flight Training Academy, which was an investment of a \$2.5 million - 19,400 square-foot facility that trains 100 pilots and crew annually from the US and abroad. In addition, General Atomics recently announced they will more than triple their footprint at Grand Sky. The expansion for the Flight Test and Training Center at the Grand Sky UAS Business Park will grow from 5.5 acres to 20 acres, with anticipated doubling of its current employment in the years ahead.

Complimenting this industry, the University of North Dakota (UND) has an Unmanned Aircraft Systems Center of Excellence and is the first school in the nation to offer a degree program in UAS operations.

In addition to conducting flight tests from its facility at the Grand Sky UAS Business and Aviation Park next to the Grand Forks Air Force Base, General Atomics operates an office building near the University of North Dakota campus in Grand Forks. It features classrooms and a Predator mission aircrew training system for accomplishing the academic and simulator segments of training. The expanding UAS opportunities, as well as related industries including data management and analysis, are another example of the growth potential in the region. Other higher education institutions in the area provide a variety of UAS-focused training programs, producing valuable workforce members for the UAS industry. Veterans of the Air Force Base offer additional potential employees with specific expertise in unmanned aircraft.

As this program grows, there will be increasing opportunities for partnerships between the University, Grand Forks Regional Airport Authority, Grand Forks Air Force Base, Federal Aviation Administration (FAA), other federal agencies and private sector businesses which will provide valuable experience to students and the community.

The University of North Dakota houses an internationally renowned flight school, the John D. Odegard School for Aviation and Aerospace Sciences.

The University of North Dakota is a vital part of the region's economy. It is home to North Dakota's only medical school, law school and one of the largest graduate schools between the Mississippi River and Seattle. It has been designated a Carnegie Doctoral Research Institution.

The University of North Dakota is currently undergoing a renewal of the campus from infrastructure to facilities. UND is currently constructing an estimated \$80 million new Steam Heating Facility, an estimated \$70 million Student Union, an estimated \$4 million Gershman Graduate Student Center, an estimated \$10 million renewed Chester Fritz Library, and an estimated \$15 million University Avenue and associated streetscape renewal and reconstruction. UND is planning future campus redevelopments to include a new \$70 million School of Business and Public Administration Building and School of Engineering and Mines Data Science Research Center.

The Cirrus Aircraft facility, located in the City, is another example of the strong base for aerospace and aviation that exists in the community. Cirrus is completing a 28,000 square foot expansion to meet demand for their SR20 and SR22 piston aircraft and Vision jet.

Altru Health Systems, the city's largest health care provider, has developed a formal affiliation with the world renowned Mayo Clinic. The affiliation means that Altru's patients have access to the highest level of clinical expertise available and benefit from enhanced access to Mayo physicians and clinical resources.

Altru Health System has broken ground on an approximately \$305 million investment in the replacement of the current hospital with a state of the art hospital facility at the current South Columbia Road campus location. The Altru hospital project reflects Altru's commitment to creating a "culture of health" in a park like setting and to incorporate the amenities of Sertoma Park, Japanese Gardens, recreational paths, and the English Coulee. The Altru hospital vision for the campus development represents a phased development over the next 25 years and will have a major economic, workforce, healthy community, infrastructure, and quality of life positive impact on the Grand Forks community and region. Final completion is estimated to be in 2022.

The City serves as the economic, educational, and retail trade center for the area. Approximately two hundred and fifty thousand (250,000) people use Grand Forks as their regional center for trade, health care, education and entertainment. Many of these people using Grand Forks come from Canada.

The City owned Alerus Event Center and the attached privately owned Canad Inn, with its 40,000 square foot indoor water park continue to draw visitors to the community for conventions, concerts, and other events. The Alerus Center is home to the University of North Dakota football team.

The City is also home to the Ralph Engelstad Area, home to the University of North Dakota men's hockey team. The attached Betty Engelstad Sioux Center is home to UND's men's and women's basketball teams and the women's volleyball team. 'The Ralph', considered one of the finest hockey facilities in the world, also hosts many events in addition to college hockey and basketball such as youth athletic camps, concerts, tournaments and other private events.

Together the Alerus Center and the Ralph Engelstad Arena bring thousands of visitors to our City annually.

The City also has a thriving art community. The North Dakota Museum of Art is located on the campus of the University of North Dakota. The City is also home to the Chester Fritz Auditorium on the UND campus and the Empire Arts Center located in downtown Grand Forks. These multi-purpose arts facilities host a variety of theater productions, performing arts, films, concerts, speakers and community events throughout the year.

Growth in housing continues to be strong in several areas of the City. The City recently adopted development policies to attract and encourage more single family development both in new areas and infill areas of the City. In part due to these single family housing policy changes, the city saw larger housing developments, better infrastructure economies of scale, and better than historic average single housing starts.

The City has experienced growth in valuation due to new construction and revaluation. There were a total of 145 housing units and 25 new commercial, public or multi-family buildings constructed in 2019. Property taxes generated by new construction and valuation increases are estimated to be 1.49% for the 2020 budget year. The total city mill levy remains unchanged at 98.82. The City's

residential effective tax rate is just 0.44%, which is equivalent to the previous year. Efforts continue to minimize property tax increases without detriment to service levels.

The City's bond rating was confirmed at Aa2 in November 2019.

The City had a decrease in unemployment from 2.2 percent in 2018 to 2.0 percent in 2019, which is much lower than the national average of 3.7 percent.

### **Business Incentives and creating Economic Development**

Tax abatement programs in the City of Grand Forks are contributing to the region's economic growth and are a vital tool to supporting job creation and new corporate capital investment. We are using these tools to strategically support primary sector employers who are, in turn, increasing the region's employment base and salaries. Primary sector companies are those whose major markets are located outside the City's immediate trade region. Their success results in infusion of new wealth into the local economy. The City's practice of providing tax abatements on a declining scale provides companies an opportunity to realize reduced costs of entry into the Grand Forks market and ease into fulfilling their tax obligations as their revenues increase. Beginning in the second year, these projects begin paying property taxes based on the declining schedule. The projects are fully taxable after the term of the abatement, which provides local government new resources to reinvest into strategic areas and enhance business attraction and quality of life amenities.

### **Major Initiatives**

#### **Water Treatment Plant:**

The City is in the process of constructing a new regional water treatment plant which will have an initial capacity to treat up to 20 million gallons of water per day (mgd) as compared to the current treatment capacity of 16.5 mgd. This initial capacity is designed to serve the City and surrounding region with clean, potable water through 2040 demand projections. While the initial capacity is projected to last through 2040, the new plant will be designed for scalability and will accommodate expansion to continue serving the region for the next 100 years.

The City has secured State of North Dakota Municipal Rural & Industrial (MR&I) 50 percent cost-share for the design, construction and calibration of a new regional Water Treatment Plant to serve the City of Grand Forks, Grand Forks Air Force Base, Grand Forks Airport Authority and the region. The cost is estimated to be \$150 million. The 2013 ND State Legislature allocated \$5 million in the ND Water Commission Budget for the Plant. In 2015 the ND State Legislature allocated another \$30 million and another \$30 million was allocated during the 2017 Legislature. The City secured the final allocation in 2019. The local share is being funded through a low interest, 30 year State Revolving Fund Loan of \$66 million and through existing cash reserves. Construction began in 2017 and is scheduled to be completed in 2020.

The City will be taking proposals for the redevelopment of the old water treatment plant site downtown once the new plant is up and running.

## Vibrancy-Downtown Redevelopment:

Under the Mayor's leadership, the City and community partners have also recently undertaken strategic efforts to increase the vibrancy of the community with the goal of talent retention and attraction and overall high quality of life. Vibrancy efforts include focusing on a robust downtown, strong university/community connections, exciting events, arts, and culture scene, and intentionally learning from the success of other communities.

The City is leading a downtown action planning that is focused on a renewed downtown streetscape, park and open spaces, redevelopment strategies, and branding. Three specific and strategic downtown redevelopment projects were started in 2018 and 2019. The first mixed use downtown project is Selkirk on 4th, which is five story and approximately \$8 million development made up of commercial space and condominiums. The Selkirk on 4th project started construction in 2018 and was completed in late 2019.

The second mixed use downtown project is Pure Development, which is five story and approximately \$12 million development made up of a grocery store, bank, and apartments. The Pure Development project began construction in 2019 and is anticipated to be completed in last quarter of 2020. The third project is the 2019 Demers Avenue Reconstruction Project, which will renew the main thoroughfare in the downtown district with a renewed street and associated streetscape and is an almost \$10 million infrastructure reinvestment. Future planned downtown mixed use redevelopments include the redevelopment of the downtown and current Grand Forks Water Treatment Plant site, The Argyle, and Lyons. The City is planning future downtown infrastructure redevelopments to include downtown streetscape and park and open space infrastructure renewals.

## Coulee to Columbia Corridor

The City is partnering with UND to reconstruct University Avenue from the English Coulee to Columbia Road and to revitalize this Coulee to Columbia corridor. The City and UND will share in the reconstruction costs on a 50/50 basis. There are a number of features, including pedestrian lighting, landscape features, median planters, sidewalks, etc. that will be included in the project and special assessed to UND at 100%.

## Way Cooler Campaign

The Economic Development Commission along with the City, County, UND, Chamber of Commerce, Convention and Visitors' Bureau and key employers have launched the 'Greater Grand Forks: Way Cooler Than You Think! Campaign' in an effort to address workforce recruitment and retention. The mission was to create a centralized portal into the region that was authentic and showed our personality. As a part of this campaign a toolkit was developed to support local organizations' efforts to attract and keep talented people in our region. As a part of the initiative, a campaign showcasing our region and personality (and poking fun at our weather) was developed. The campaign was launched through a centralized website, [www.GrandForksIsCooler.com](http://www.GrandForksIsCooler.com), which serves as a portal into the Grand Forks region. This portal is supported through social media, toolkits for employers, advertising, and more.

### ***Other Financial Information***

The management continues to administer the financial policies established by the City Council in a prudent and effective manner. A continuation of this cooperative effort will assure the citizens a healthy future.

***Accounting System and Reporting*** – During the year, the City’s accounting system is maintained primarily on a modified accrual basis to provide financial controls. Appropriations are encumbered for major purchase amounts prior to the release of purchase orders to vendors. This system provides budgetary control on all operating funds at a minimum cost. At year-end, journal entries are prepared by the finance department as a preparatory step for completion of the annual financial report. The auditor’s report on these financial statements accompanies the report following this letter.

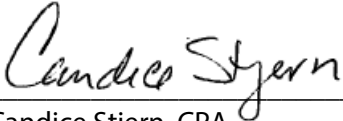
***Certificate of Achievement*** – The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Forks for its comprehensive annual financial report (CAFR) for the fiscal year ended December 31, 2018. This was the 33<sup>rd</sup> consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both Generally Accepted Accounting Principles (GAAP) and applicable legal requirements.


A Certificate of Achievement is valid for a period of one year only. We believe that our current comprehensive annual financial report continues to meet the Certificate of Achievement program’s requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

### ***Acknowledgments***

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administrative Services Department. We wish to express our appreciation to all the members of the department, especially, Jessica Bergerson, Emily Fossen, Sherie Lundmark, Linda Kuntz, Amy Lund, Joline Hughes, and Mike Vatnsdal who assisted and contributed to the preparation of this report. We also wish to express our appreciation to the Mayor and City Council for their continued interest and support in planning and conducting the financial operations of the City in a responsible and progressive manner.

Respectfully submitted,

  
\_\_\_\_\_  
Candice Stjern, CPA  
Assistant Director of Finance

  
\_\_\_\_\_  
Maureen Storstad, CPA  
Director of Finance





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Grand Forks**  
**North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

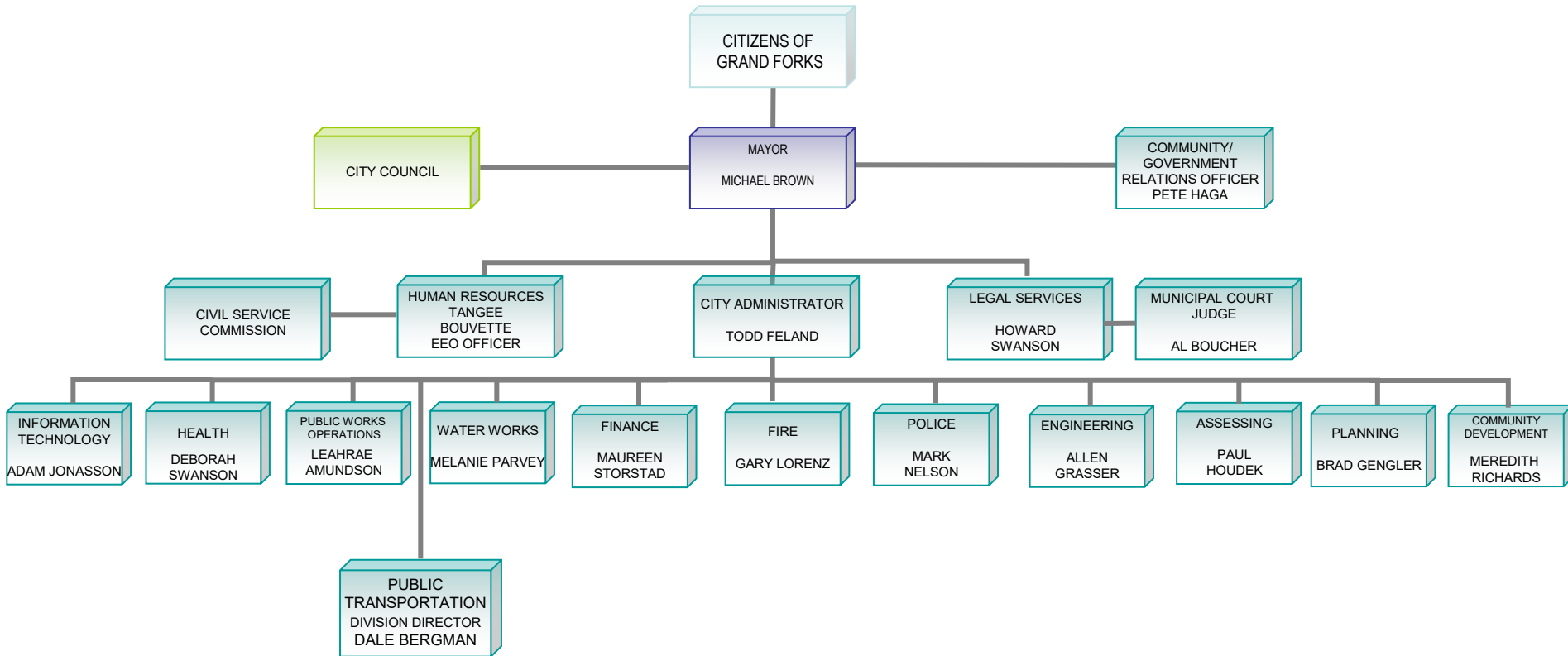
**December 31, 2018**

*Christopher P. Morill*

Executive Director/CEO



# CITY OF GRAND FORKS ORGANIZATIONAL CHART



**ELECTED OFFICIALS**

	<b><u>Ward</u></b>	<b><u>Current Term Expires</u></b>
Michael R. Brown		June 2020
Danny Weigel	1	June 2020
Katie Dachtler	2	June 2022
Bret Weber	3	June 2020
Jeannie Mock	4	June 2022
Sandi Marshall	5	June 2020
Dana Sande	6	June 2022
Ken Vein	7	June 2020

**APPOINTED OFFICIALS**

Maureen Storstad	Director of Finance and Administrative Services
Candice Stjern	Assistant Director of Finance and Administrative Services

## INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and  
Members of the City Council  
City of Grand Forks, North Dakota

### **Report on Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grand Forks, North Dakota, as of and for the year ended December 31, 2019, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

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

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement.

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

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

## ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information of the City of Grand Forks, North Dakota, as of December 31, 2019, and the respective changes in financial position and the cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## ***Other Matters***

### *Required Supplementary Information*

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

### *Other Information*

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Grand Forks, North Dakota's basic financial statements. The introductory section, combining and individual non-major fund financial statements, schedules of capital assets used in the operation of governmental funds, supporting schedules and statistical section are presented for purposes of additional analysis and are not a required part of the basic financial statements.

The combining and individual non-major fund financial statements, schedules of capital assets used in the operation of governmental funds and supporting schedules, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual non-major fund financial statements, schedules of capital assets used in the operation of governmental funds and supporting schedules, are fairly stated in all material respects in relation to the financial statements as a whole.

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

We also have previously audited, in accordance with auditing standards generally accepted in the United States of America, the City Grand Forks North Dakota's basic financial statements for the year ended December 31, 2018, which are not presented with the accompanying financial statements. In our report dated June 18, 2019, we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component unit, each major fund, and the aggregate remaining fund information. In our opinion, the 2018 combining and individual non-major fund financial statements and other schedules, listed in the table of contents as supplementary information, are fairly stated in all material respects in relation to the basic financial statements for the year ended December 31, 2018, taken as a whole.

### **Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated July 10, 2020, on our consideration of the City of Grand Forks, North Dakota's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City of Grand Forks, North Dakota's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City of Grand Forks, North Dakota's internal control over financial reporting and compliance.



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

July 10, 2020

## CITY OF GRAND FORKS, NORTH DAKOTA MANAGEMENT DISCUSSION AND ANALYSIS

As the management of the City of Grand Forks, we are pleased to offer readers of the City of Grand Forks financial statements this narrative overview and analysis of the financial activities of the City for the fiscal year ended December 31, 2019. Please read it in conjunction with the additional information presented in the accompanying letter of transmittal, the City's basic financial statements, and the notes to the financial statements.

### Financial Highlights

- The assets and deferred outflows of resources of the City exceeded its liabilities and deferred inflows of resources by \$648 million (net position) at the end of the calendar year 2019.
- The City's total net position increased by \$44 million. This increase is explained in subsequent sections of this analysis.
- As of the close of the current fiscal year, the City's governmental funds reported combined ending fund balances of \$84 million, an increase of \$7 million in comparison to the prior year. Of this total amount, approximately \$18.6 million, twenty two percent (22%) is available for spending at the City's discretion.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$9.4 million, or twenty four percent (24%) of total general fund expenditures of \$40 million.
- The City's total debt and non-current liabilities increased by \$35.4 million during 2019.
- During the current year, the City issued:
  - \$1,450,000 of Sewer Reserve Revenue Bonds, Series 2019A to finance improvements for the Grand Forks Wastewater Treatment Plant through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. The amount drawn and outstanding as of December 31, 2019 was \$89,785.
  - \$22,160,000 of Refunding Improvement Bonds, Series 2019B, to finance various improvement projects in the City.
  - \$3,820,000 of Sanitation Reserve Revenue Bonds, Series 2019C to finance improvements at the Grand Forks landfill.
  - The City also drew down an additional \$22,964,071 from the \$66,000,000 of Water Reserve Revenue Bonds, Series 2017A to finance the construction of the Regional Water Treatment Plant through the North Dakota State Department of Health. The amount drawn and outstanding as of December 31, 2019, was \$55,966,793.
  - Another \$4,162,296 was drawn down on the \$9,000,000 of Sewer Reserve Revenue Bonds, Series 2018A to finance improvements for the Grand Forks Wastewater Treatment Plant through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. The amount drawn and the outstanding as of December 31, 2019 was \$8,222,068.
  - No additional money was drawn down in 2019 on the three Bank of North Dakota loans. Once all of the projects are completed the three loans will be reallocated and the balances can be drawn down at that time. The outstanding amounts as of December 31, 2019 were as follows:
    - Total amount outstanding on the \$2,670,000 Sewer Reserve Revenue Loan for Lift Station #17 Improvements was \$2,403,348.



- Total amount outstanding on the \$7,155,000 Special Assessment Loan for various infrastructure projects near the new Water Treatment Plant was \$4,566,071.
- Total amount outstanding on the \$5,175,000 Sewer and Economic Development Reserve Revenue Loan for 3 new lift stations and associated forcemains was \$4,707,645.

## Overview of the Financial Statements

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

## Government-wide Financial Statements

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

The *Statement of Net Position* presents information on all of the City's assets, liabilities and deferred inflows/outflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City of Grand Forks is improving or deteriorating. However, other non-financial factors need to be considered to assess the overall health of the City of Grand Forks.

The *Statement of Activities* presents information on how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal years.

Both of the government-wide financial statements distinguish functions of the City of Grand Forks that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Grand Forks include general government, public safety, health & welfare, highways and streets, culture and recreation, and public works. The business-type activities of the City include sanitation, water, wastewater, stormwater, mosquito control, public transit, Dial-A-Ride, Job Development Authority, downtown parking and operation and maintenance of the Alerus Center.

The government-wide financial statements also include financial information of the Grand Forks Regional Airport Authority as a component unit. The Mayor with the approval of the City Council appoints four of the seven members of the board and can impose its will if it chooses to do so. The Authority activities are discretely presented in a separate column in the government-wide financial statements.

The government-wide financial statements can be found on pages 20-21 of this report.

## Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Grand Forks, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

All of the funds of the City of Grand Forks can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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

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

The City of Grand Forks maintains 36 individual governmental funds. Information is presented separately in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, the special assessment debt service fund, capital project street and infrastructure fund and current year projects capital project fund which are considered to be major funds. Data from the other governmental funds (non major special revenue funds, debt service funds, capital project funds) are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, which begin on page 95.

The City of Grand Forks adopts annual appropriated budgets for the general fund and the special revenue funds. A budgetary comparison statement has been provided for the general fund with the budget.

The basic governmental fund financial statements begin on page 22 of this report.

*Proprietary Funds.* The City of Grand Forks maintains two types of proprietary funds. Enterprise funds are used to report the same functions presented as business-type activities in the government-wide financial statements. The City uses enterprise funds to account for its Sanitation, Water, Wastewater, Stormwater, Job Development Authority and Alerus Center operations as major funds and its Public Transit, Dial-A-Ride, Downtown Parking and Mosquito Control operations as non-major funds. Internal service funds are an accounting device used to accumulate and allocate costs internally among the City's various functions. The City uses internal service funds to account for goods and services provided by its Computer Service, Central Garage, Central Purchasing, and Public Works Facility funds. Because these internal

service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail and additional information, such as cash flow statements. Internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements, which begin on page 142. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 134.

The basic proprietary fund statements begin on page 28.

*Fiduciary Funds.* Fiduciary funds are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the City's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The City of Grand Forks is a trustee for its employees' pension plan. The City's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. The basic fiduciary fund financial statements begin on page 34.

## **Notes to the Financial Statements**

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-90 of this report.

## **Other Information**

In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information concerning the City's share of net pension liabilities and pension contributions along with the City's share of net OPEB liability and OPEB contributions. Required supplementary information can be found on pages 91-94 of this report.

The combining statements in connection with non-major governmental funds, enterprise funds and internal service funds are presented immediately following the required supplementary information on the pension. Combining and individual funds statements and schedules can be found on pages 95-169 of this report.

## **Government-wide Financial Analysis**

The following two Tables present condensed information on the City's Net Position and changes in City's Net Position for the fiscal year ended December 31, 2019.

As noted earlier, net position over time, may serve as a useful indicator of a government's financial position. In the case of the City of Grand Forks, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$647,979,691 as of December 31, 2019.

#### City of Grand Forks Net Position\*

	Governmental Activities		Business-type Activities		Total	
	2019	2018 as restated	2019	2018	2019	2018 as restated
Current and other assets	\$ 142,296,649	\$ 128,191,109	\$ 80,654,059	\$ 71,759,754	\$ 222,950,708	\$ 199,950,863
Capital assets	233,089,729	220,873,625	507,621,106	456,708,511	740,710,835	677,582,136
Total assets	<u>375,386,378</u>	<u>349,064,734</u>	<u>588,275,165</u>	<u>528,468,265</u>	<u>963,661,543</u>	<u>877,532,999</u>
Total deferred outflows of resources	16,679,079	14,549,624	7,321,490	6,789,913	24,000,569	21,339,537
Long-term liabilities outstanding	144,984,537	130,954,484	146,747,797	124,277,345	291,732,334	255,231,829
Other liabilities	14,605,713	14,101,472	19,093,254	20,278,369	33,698,967	34,379,841
Total liabilities	<u>159,590,250</u>	<u>145,055,956</u>	<u>165,841,051</u>	<u>144,555,714</u>	<u>325,431,301</u>	<u>289,611,670</u>
Total deferred inflows of resources	11,388,495	3,378,916	2,862,625	1,458,917	14,251,120	4,837,833
Net position:						
Net investment in capital assets	137,777,584	138,778,217	369,418,451	338,659,287	507,196,035	477,437,504
Restricted	114,700,084	102,921,043	31,880,595	25,309,545	146,580,679	128,230,588
Unrestricted	<u>(31,390,956)</u>	<u>(26,519,774)</u>	<u>25,593,933</u>	<u>25,274,715</u>	<u>(5,797,023)</u>	<u>(1,245,059)</u>
Total net position	<u>\$ 221,086,712</u>	<u>\$ 215,179,486</u>	<u>\$ 426,892,979</u>	<u>\$ 389,243,547</u>	<u>\$ 647,979,691</u>	<u>\$ 604,423,033</u>

\*Internal Service Funds' net position are included in this table.

#### City of Grand Forks' Net Position

By far the largest portion of the City's net position, seventy eight percent (78%), reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, twenty three percent (23%), represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is a negative \$5.8 million.

At the end of the current fiscal year, the City is able to report positive balances in all reported categories of net position, for the government as a whole, as well as for its separate governmental and business-type activities, with the exception of the unrestricted net position for the governmental activities, the government as a whole, the sanitation fund and the public transit fund. The governmental activities unrestricted balance is a negative \$31.4 million, the unrestricted balance for the government as a whole is a negative \$5.8 million, the unrestricted balance in the sanitation fund is a negative \$2.3 million and the unrestricted balance in the public transit fund is a negative \$1.1 million. These negative balances are due to net pension and OPEB liabilities of \$47.4 million, \$4.6 million and \$1.7 million respectively, which reflects requirements of GASB Statement No. 68 and 75.

**Governmental Activities.** During the current fiscal year, net position for governmental activities increased by \$5.9 million, while overall the City's net position increased \$43.6 million. Key elements of this increase in net position are as follows:

## CHANGES IN NET POSITION

	Governmental Activities		Business-type Activities		Total	
	2019	2018 as restated	2019	2018	2019	2018 as restated
<b>Revenues:</b>						
<b>Program Revenues:</b>						
Charges for services	\$ 12,345,100	\$ 11,129,067	\$ 45,831,949	\$ 45,163,330	\$ 58,177,049	\$ 56,292,397
Operating grants and contributions	7,324,543	7,658,891	1,537,290	1,195,811	8,861,833	8,854,702
Capital grants and contributions	14,330,937	5,750,603	32,024,321	33,088,203	46,355,258	38,838,806
<b>General Revenues:</b>						
Property taxes	20,813,060	20,508,486	1,244,401	1,221,832	22,057,461	21,730,318
Sales taxes	16,869,543	14,790,184	8,902,308	8,775,906	25,771,851	23,566,090
Hotel/Motel taxes	999,838	989,150	-	-	999,838	989,150
State aid distribution	3,743,718	3,545,610			3,743,718	3,545,610
Other taxes	3,113,070	3,246,550	30,952	30,512	3,144,022	3,277,062
Miscellaneous	3,072,125	1,600,504	2,301,447	1,652,000	5,373,572	3,252,504
<b>Total Revenues</b>	<b>82,611,934</b>	<b>69,219,045</b>	<b>91,872,668</b>	<b>91,127,594</b>	<b>174,484,602</b>	<b>160,346,639</b>
<b>Expenses:</b>						
General Government	14,229,096	13,515,711			14,229,096	13,515,711
Health and Welfare	3,566,356	3,584,037			3,566,356	3,584,037
Public Safety	28,651,930	26,129,492			28,651,930	26,129,492
Highways and Streets	13,969,553	10,307,032			13,969,553	10,307,032
Culture and Recreation	2,331,246	3,295,334			2,331,246	3,295,334
Public Works	10,068,711	9,762,975			10,068,711	9,762,975
Interest on Long-term Debt	2,818,956	2,508,528			2,818,956	2,508,528
Sanitation			10,750,481	9,541,951	10,750,481	9,541,951
Wastewater			10,425,044	9,535,708	10,425,044	9,535,708
Waterworks			11,181,753	10,167,028	11,181,753	10,167,028
Stormwater			3,829,667	3,601,624	3,829,667	3,601,624
Mosquito Control			1,011,195	910,279	1,011,195	910,279
Public Transit			3,236,517	2,935,217	3,236,517	2,935,217
Dial-A-Ride			1,544,725	1,339,111	1,544,725	1,339,111
Alerus Center			10,396,914	9,825,896	10,396,914	9,825,896
Job Development Authority			2,575,743	2,037,422	2,575,743	2,037,422
Downtown Parking			340,057	360,691	340,057	360,691
<b>Total Expenses</b>	<b>75,635,848</b>	<b>69,103,109</b>	<b>55,292,096</b>	<b>50,254,927</b>	<b>130,927,944</b>	<b>119,358,036</b>
Increase in net position before transfers	6,976,086	115,936	36,580,572	40,872,667	43,556,658	40,988,603
Transfers	(1,068,860)	(1,998,051)	1,068,860	1,998,051	-	-
<b>Increase (decrease) in net position</b>	<b>5,907,226</b>	<b>(1,882,115)</b>	<b>37,649,432</b>	<b>42,870,718</b>	<b>43,556,658</b>	<b>40,988,603</b>
Net position - beginning	215,179,486	218,262,156	389,243,547	346,663,793	604,423,033	564,925,949
Change in Accounting Principle-GASB 84	-	65,277	-	-	-	65,277
Prior Period Adjustment-GASB 75	-	(1,265,832)	-	(290,964)	-	(1,556,796)
<b>Net position - beginning as restated</b>	<b>215,179,486</b>	<b>217,061,601</b>	<b>389,243,547</b>	<b>346,372,829</b>	<b>604,423,033</b>	<b>563,434,430</b>
<b>Net position - ending</b>	<b>\$ 221,086,712</b>	<b>\$ 215,179,486</b>	<b>\$ 426,892,979</b>	<b>\$ 389,243,547</b>	<b>\$ 647,979,691</b>	<b>\$ 604,423,033</b>

Beginning balance reflects the 2019 implementation of GASB 84. Funds that were previously considered agency funds are now considered special revenue funds. The amount shown as the change in accounting principle - GASB 84, is presented in the above table retrospectively in 2018, and thus will be different from the financial statements.

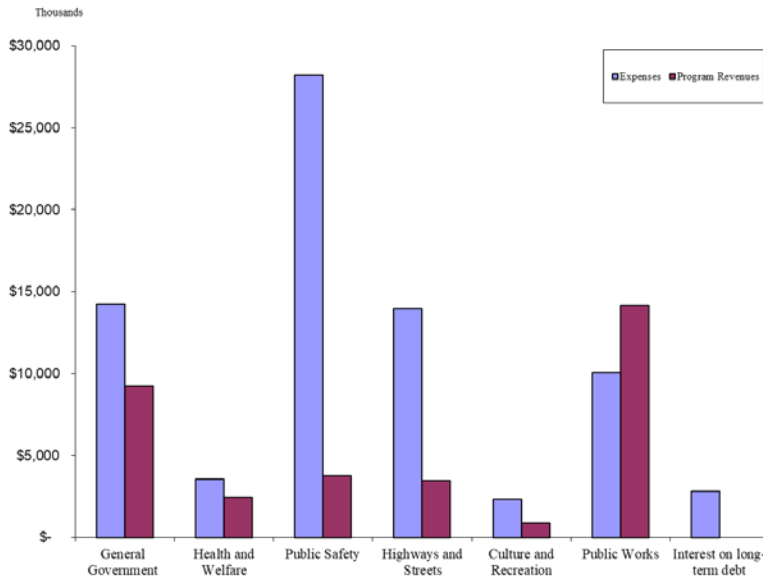
### Governmental Activities

- The mill levy was not increased in 2019 but the property tax revenue did increase \$304,574 or 1.5%. This is a result of a growing tax base.
- Charges for services increased \$1.2 million which was mainly due to higher reimbursements for engineering and administrative expenses, a result of a large number of special assessment road projects in 2019.
- Local sales tax revenue increased by \$2.1 million, reflecting a full year of the new additional one-half percent sales tax which was approved by voters in 2017 and implemented as of April 1, 2018. This sales tax is dedicated to street and water projects.
- State aid which is based on sales tax in the State of North Dakota increased by \$198,108 or 5.6% which indicates the State's economy is steadily growing.

- Capital grants and contributions increased \$8.6 million. A large part of this reflects the North Dakota Department of Transportation’s share of road construction projects and also various special assessment road projects.
- The miscellaneous revenue increased by \$1.5 million or 92%. This is largely due to an increase in interest income from more favorable rates.

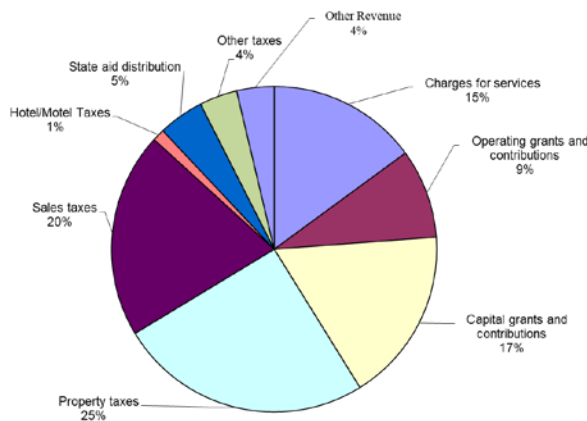
Below are specific graphs which provide comparisons of governmental revenues and expenses:

### Expenses and Program Revenues – Governmental Activities



Total governmental expenses increased by \$6.5 million, or 9.5%, primarily due to increases in depreciation and pension and OPEB expense.

### Revenues by Sources – Governmental Activities



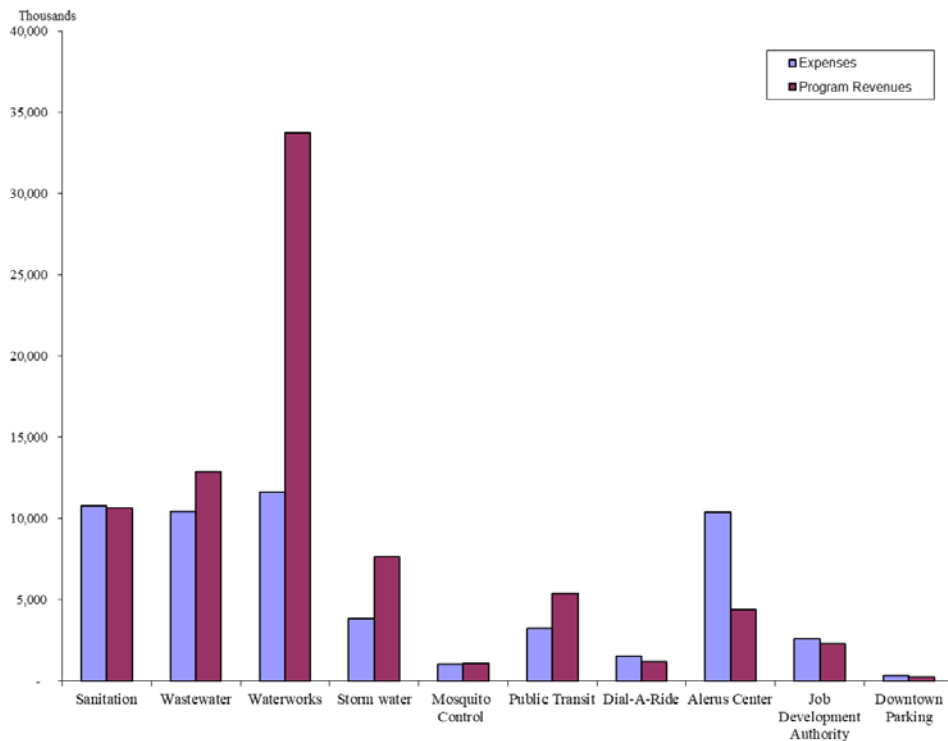
**Business-type Activities.** Business-type activities increased the City's net position by \$37.6 million.

Key elements of this increase are as follows:

- The State Water Commission Grant of \$23 million for the new water treatment plant is responsible for the majority of this increase.
- Capital contributions made by developers for underground utilities and capitalized special assessment projects assessed to benefiting properties amounted to \$8 million.
- Public transit received \$3.8 million of federal grant money to build a new Cities Area Transit Facility.
- Charges for services of \$46 million were up \$.7 million in 2019, the utility funds saw an increase due to a growing customer base and some slight increases in rates.
- State and federal operating grant revenue contributed \$1.5 million to our public transit and dial-a-ride programs.
- Other revenue of \$2.3 million consisted mainly of \$1.8 million interest income and a \$.5 million gain on the sale of land and other assets.
- The water fund had a \$1.825 million transfer in from the half-cent sales tax implemented in April of 2018 for water and street projects.

Below are specific graphs which provide comparisons of business-type activities revenues and expenses:

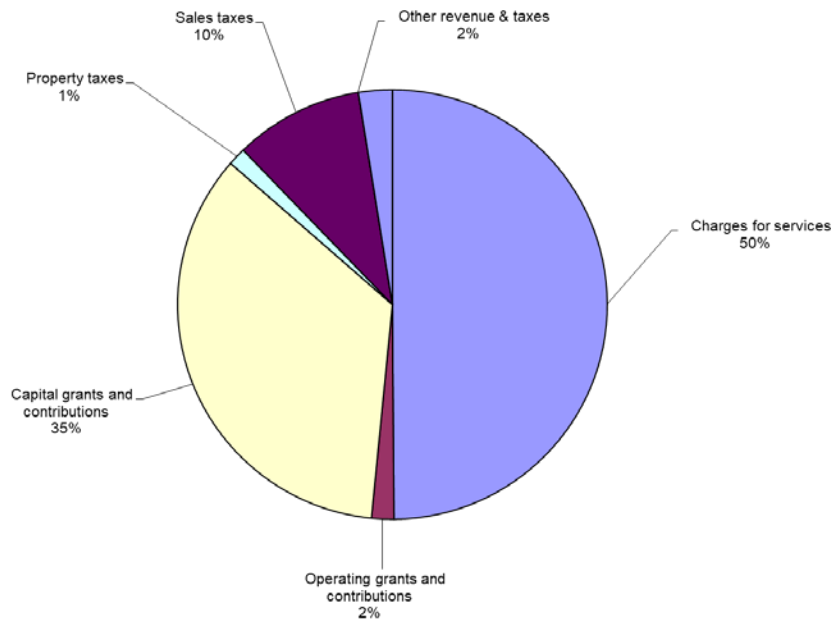
**Expenses and Program Revenues – Business-type Activities**





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## Revenues by Source – Business-type Activities



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The business-type expenses increased \$5 million or 10%, over 2018. There were increases in maintenance, utility, diesel, baling supplies and chemical costs. Depreciation expense also increased by \$.6 million in 2019. There were also \$.4 million in new special assessment fees on city owned property this year.

### Financial Analysis of the Government's Funds

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

**Governmental funds.** The focus of the City of Grand Forks governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, unassigned fund balance may serve as a useful measure of a City's net resources available for discretionary use as they represent the portion of fund balance which has not yet been limited to use for a particular purpose by either an external party, the City itself, or a group or individual that has been delegated authority to assign resources for use for particular purposes by the City Council.

As of the end of current fiscal year, the City of Grand Forks' governmental funds reported combined ending fund balances of \$84,315,667, an increase of \$7,150,926 in comparison with the prior year. Approximately 11.2% of this total amount, \$9,436,119 constitutes unassigned fund balance, which is available for spending at the government's discretion. \$2,204,498 or 2.6%, of this total represents assigned fund balance which has been designated by the Director of Finance or the City Administrator for certain purposes detailed in the table on page 69 of the notes to these financial statements. The remainder of the fund balance is not available for new spending because it has already been committed, restricted or is

nonspendable. The committed fund balance is \$6,987,917 or 8.3% of the total and has been committed by the City Council for certain purposes detailed in the table on page 69 of the notes to these financial statements. \$46,175 is nonspendable consisting of inventories, prepaid expenses or advances. The remaining 77.9% or \$65,640,958 is restricted for various purposes including \$22,139,102 for debt service and \$43,501,856 for specific grants, tax related or bonded items or a variety of other purposes which are also detailed in the table on page 69 of the notes to these financial statements.

The general fund is the chief operating fund of the City of Grand Forks. At the end of the current fiscal year, unassigned fund balance of the general fund was \$9,436,119, with a total fund balance of \$13,646,587.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents twenty four percent (24%) of the total general fund expenditures, while total fund balance represents thirty four percent (34%) of that same amount. The fund balance policy goal of 18% has been achieved for this fiscal year.

The fund balance of the City of Grand Forks' general fund decreased by \$8,005 during the current fiscal year. Overall general fund revenue increased \$2,297,941, or 6.2% over the prior year. Expenditures were up \$2,457,402, or 6.6% over 2018.

The special assessment debt service fund has a fund balance of \$20,328,904 all of which is restricted for debt service. This is an increase of \$2,348,849 from 2018. This is largely due to a decrease in special assessment payments.

The current year projects capital project fund has a fund balance of \$11,470,870. This balance is restricted for various infrastructure projects that are being funded by refunding improvement bonds that will be paid through special assessments. This is an increase of \$5,203,139 which is the result of transfers from other funds for the City's share of projects which has not been spent down yet and some bond proceeds that also have not been spent.

The street and infrastructure capital project fund has a fund balance of \$14,325,212. This balance is restricted for various infrastructure projects that are being funded by highway users' taxes and sales and use tax proceeds dedicated to infrastructure. This represents a decrease of \$1,244,039 due the planned spend down of cash on the City share of a large road project in the University Avenue area.

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

Unrestricted net position of the proprietary funds at the end of the year amounted to \$25,850,974. All individual proprietary funds reported increases in net position, except for the Dial a Ride and Parking Funds which had negative changes in net position of \$149,568 and \$45,898 respectively.

The Dial a Ride Fund saw a significant increase in the service contract expense for operations without an increase in state aid assistance, due to these increases the City took this service in house in January 2020. The Parking Fund had a planned spend down of cash as the parking assessments to downtown businesses were suspended in 2019 due to a large road project that limited traffic and parking downtown.

## General Fund Budgetary Highlights

During the year there was an increase of \$1,588,606 in appropriations between the original and final amended budget. Following are the main components of the increase:

- A net increase of \$419,937 in appropriation in general government which consisted of a decrease of about \$350,000 for wage market adjustments, transfer of budgeted health, street and public safety wage market adjustments in general government to public health, street and public safety functions, which was partially offset by about \$350,000 in health insurance re-allocation. The City changed health insurance carriers and estimated a savings of approximately \$350,000. Also, in 2018, the recommended pension contribution to the single employer defined benefit plan was \$235,200 higher than the budgeted amount. At the end of 2018 the fund balance in the general fund was higher than anticipated so in 2019 the City brought in a budget amendment from cash carryover to pay the remainder of the recommended 2018 pension contribution. The balance of the increase is due to wages and overtime, contracted personnel services, maintenance of buildings and grounds and recruitment expenditures.
- An increase of \$68,643 appropriation in health and welfare for wage market adjustments and the additional pension contribution.
- An increase of \$236,896 appropriation in public safety for wage market adjustments, police overtime, additional pension contribution and vehicle maintenance expenditures.
- An increase of \$386,554 appropriation in highways and streets to cover added expenditures due to storm clean up. \$399,000 was transferred into the General Fund from the Emergency Fund to cover these unforeseen expenditures.
- An increase of \$476,576 in appropriation for capital outlay due to the purchase of street department equipment from the 2018 budget that was delayed until 2019. There was also a membrane cover replacement on the salt and sand storage area, turn out gear, body cameras and a vehicle purchased from cash carryover.

Increases in appropriations were funded from unanticipated revenues and appropriated but unspent funds from prior years (departmental cash carryovers).

Noted variances between final budget and actual are as follows:

Revenues in total were 104% of final budget. Charges for services and state aid revenue came in higher than anticipated.

Overall General Fund expenditures were incurred at 98% of final budget, a variance similar to prior years.

## Capital Assets and Debt Administration

**Capital Assets.** The City of Grand Forks' investment in capital assets for its governmental and business type activities as of December 31, 2019, amounts to \$740,710,834 (net of accumulated depreciation). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, work in progress, and infrastructure. The investment in capital assets in governmental funds increased by 5.53% and in business type activities increased by 11.15%, resulting in a total increase in the City's

investment in capital assets for the current fiscal year compared to fiscal year 2018 of 9.32%. The majority of this increase is due to construction work on the new Water Treatment Plant.

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

- Work on sewer mains, storm-sewer mains, water mains, stormwater ponds, lift station rehab and replacement projects, and construction of underground utilities in newly developed areas of the City.
- Construction began on the Cities Area Transit facility remodel with completion estimated to be in spring 2020.
- Stormwater projects included storm sewer rehab and storm pond projects.
- Construction continued on the new Water Treatment Plant with completion estimated to be in early 2020.
- Construction continued on a disinfection project at the Wastewater Treatment Plant.
- A variety of infrastructure projects including paving, street lighting and traffic signals were completed in 2019.

**CAPITAL ASSETS**  
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2019	2018	2019	2018	2019	2018
Land	\$ 39,039,979	\$ 38,986,760	\$ 13,969,128	\$ 14,110,301	\$ 53,009,107	\$ 53,097,061
Building & structures	28,846,612	29,628,929	154,308,801	156,458,606	183,155,413	186,087,535
Improvement other than buildings	50,631,016	51,482,296	176,358,272	161,584,850	226,989,288	213,067,146
Machinery and equipment	7,576,630	8,155,069	16,892,435	18,268,839	24,469,065	26,423,908
Infrastructure	101,176,254	86,087,459	-	-	101,176,254	86,087,459
Construction in progress	544,887	905,603	146,092,469	106,285,914	146,637,356	107,191,517
Total	<u>\$ 227,815,378</u>	<u>\$ 215,246,116</u>	<u>\$ 507,621,105</u>	<u>\$ 456,708,510</u>	<u>\$ 735,436,483</u>	<u>\$ 671,954,626</u>
Internal Service Fund Capital Assets net of accumulated depreciation	\$ 5,274,351	\$ 5,627,509	\$ -	\$ -	\$ 5,274,351	\$ 5,627,509
	<u>\$ 233,089,729</u>	<u>\$ 220,873,625</u>	<u>\$ 507,621,105</u>	<u>\$ 456,708,510</u>	<u>\$ 740,710,834</u>	<u>\$ 677,582,135</u>

Additional information on the City of Grand Forks' capital assets can be found in note III.C on pages 56-58 of this report.

**Long-term Debt**

At the end of the current fiscal year, the City of Grand Forks had total bonded and state revolving fund loan debt outstanding of \$233,781,426. Of this amount, \$2,999,650 comprises debt backed by the full faith and credit of the City and \$94,126,231 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The remaining \$136,655,545 of this debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term liabilities total \$73,388,306 which will be funded through a variety of revenue sources. \$28,944,963 of this amount is due to cost sharing plans.

## CITY OF GRAND FORKS – OUTSTANDING DEBT AND OTHER NON-CURRENT LIABILITIES

City of Grand Forks Outstanding Debt and Other Non-Current Liabilities				
	Governmental Activities	Business-Type Activities	Total 12/31/2019	Total 12/31/2018
General Obligation Bonds	\$ 2,820,000		\$ 2,820,000	\$ 3,985,000
Unamortized Premium	179,650		179,650	209,912
Special Assessment with GO commitment	90,363,072		90,363,072	73,790,191
Unamortized Premium	3,850,569		3,850,569	2,624,553
Unamortized Discount	(87,410)		(87,410)	(96,746)
Sales Tax Revenue	2,300,000	\$ 31,620,000	33,920,000	37,445,000
Unamortized Premium	150,238	4,527,681	4,677,919	5,222,725
Revenue Bonds		28,450,993	28,450,993	27,455,261
Unamortized Premium		495,436	495,436	355,790
Unamortized Discount		(37,449)	(37,449)	(40,556)
NDBB-SRF Loans		69,148,646	69,148,646	44,342,494
<b>Total Bonded &amp; SRF Loan Debt</b>	<b>99,576,119</b>	<b>134,205,307</b>	<b>233,781,426</b>	<b>195,293,624</b>
Notes	-	-	-	796,040
Landfill Closure/Postclosure		4,843,437	4,843,437	4,428,849
Capital Leases	543,940	290,693	834,633	1,213,681
Compensated Absences	4,835,137	1,295,035	6,130,172	6,261,615
Net Pension Liability Single Employer Plan	25,158,458	7,389,853	32,548,311	25,529,667
Net Pension Liability Cost Sharing Plan	20,809,948	6,390,722	27,200,670	36,575,332
Net OPEB Liability Cost Sharing Plan	1,409,881	334,412	1,744,293	1,608,349
<b>Total Debt Outstanding</b>	<b>\$ 152,333,483</b>	<b>\$ 154,749,459</b>	<b>\$ 307,082,942</b>	<b>\$ 271,707,157</b>
Internal Service Fund Long-term				
Compensated Absences	\$ 86,790	\$ -	\$ 86,790	\$ 104,048
<b>Total Debt and Other Long-Term Liabilities Outstanding</b>	<b>\$ 152,420,273</b>	<b>\$ 154,749,459</b>	<b>\$ 307,169,732</b>	<b>\$ 271,811,205</b>

The City's total debt increased by \$35 million during the current fiscal year, a large part of this increase was due to an increase in the Water Treatment Plant State Revolving Fund Loan debt of \$25 million and increased refunding improvement debt for special assessment projects of \$18 million. This is partially offset by a decrease in net pension liabilities and payments on outstanding debt.

During the current year the City issued \$22,160,000 in Refunding Improvement Bonds, Series 2019B, to finance various improvement projects in the city limits and \$3,820,000 in Sanitation Reserve Revenue Bonds, Series 2019C, for improvements at the City's landfill.

The City also issued \$1.45 million of Sewer Reserve Revenue Bonds, Series 2019A to finance improvements to the Wastewater Treatment Plant through the North Dakota State Department of Health, approved by the North Dakota Public Finance Authority to utilize their low interest bond program (State Revolving Loan Fund) that offers a 2% interest rate and term of 30 years. These funds are drawn down as needed and as of 12/31/19 the outstanding balance was \$89,785.

In 2006, the Jobs Development Authority entered into loan agreements with Bremer Bank in the amount of \$6,500,000 for Cirrus Design Corporation. This loan agreement was for the expansion of Cirrus Design Corporation. The loan payments were made by the JDA and collected through lease payments from Cirrus Design Corporation from 2006 to 2021. In December Cirrus paid off these loans and the City in turn paid off its loan in the amount of \$514,361.

The City of Grand Forks' bonds continue to receive excellent ratings and interest rates. The following issues were sold during this fiscal year and received rating and interest rates as follows:

2019B Refunding Improvement Bonds	2.732%	Aa2
2019C Sanitation Reserve Revenue Bonds	2.459%	Aa2

State statutes limit the amount of general obligation debt a government entity may issue to five percent of its total assessed valuation. The current debt limitation for the City of Grand Forks is \$121,562,586, which is significantly in excess of the City's outstanding net general obligation debt of \$2,999,650 (Table 15A, page 193).

Additional information on the City of Grand Forks' long-term debt can be found on pages 62-68 of this report.

**Economic Factors and Next Year's Budget and Rates**

The State's economy was rebounding in 2019, after a downturn due to falling oil and agricultural prices. Despite a downturn in retail, Grand Forks' economy continues to remain strong in the energy, agriculture, aviation, unmanned aircraft systems, border security, medicine, research and tourism sectors. During the past few years, through the strength of partnerships with community, state, and regional members, the local and regional economy has become more diversified with growth in the medical, manufacturing, border security, energy, environmental, aviation/aerospace industries, unmanned aircraft systems, professional services, value-added agri-business and other research and commercial sectors.

Sales tax revenue was up 14% in 2019 which included an entire year of an additional one-half cent sales tax dedicated to street and water projects and an entire year of sales tax from on-line sales.

Oil prices stabilized in 2019 and had a positive impact on the state-wide economy. The City's state aid revenue in 2019 was up 5.6% over 2018. The City of Grand Forks as well as Grand Forks County have tremendous growth possibilities with the development of the Grand Sky business park at the Grand Forks Air Force Base.

The City has experienced a growth in valuation due to new construction, the total taxable value of property increased 1.49% from new construction. In 2020 the value of a mill is expected to increase from \$225,897 to \$229,262 per mill. The mill levy for the City of Grand Forks' 2020 budget remains unchanged at 98.8 mills for 2019 and 2020. Property taxes generated by new construction (and very minimal valuation) increases are estimated to be 1.49% or \$332,563. This includes an increase to the City's General Fund of \$227,960 plus 1.25 mills were moved into the general fund from the dike construction fund for an increase of \$286,577. The Mayor, administration and City Council are making a consistent effort to reduce the burden of property taxes to the residents of the City of Grand Forks, while still producing a fiscally sound budget.

The City uses a long-term forecasting model of estimated revenues and anticipated expenditures to strategically prepare budgets that address not just normal changes within the operating budget but also integrate the impact of the City's future growth. The stable

local economy combined with a strong commitment to fiscal discipline allows the City to maintain high quality services at affordable prices.

The total budget appropriation for 2020, which includes operating, capital and debt service expenditures, is \$189.5 million compared to \$209.9 million in 2019, a decrease of 9.74%. The decrease is largely due to the timing of the construction of large capital projects such as the \$150 million Water Treatment Plant.

The City continues to invest in infrastructure to keep retail vibrant and in partnerships throughout the region to create economic opportunities in the areas of aviation, energy, medicine, border security and other research and commercial sectors.

Capital projects decreased from \$98.3 million in the 2019 budget to \$58.4 million in the 2020 budget largely due to the Water Treatment Plant construction nearing completion. The 2020 budget of \$58.4 million in capital improvement projects include \$23 million in utility infrastructure projects, \$7.7 million of facilities and buildings, \$23.3 million in streets and bikepath projects and \$4.4 million of equipment replacement. Some of the larger projects planned for 2020 include completion of the new water treatment plant and related infrastructure, riser replacement at the Alerus Center, landfill improvements, various street reconstruction projects, new infrastructure in growing areas of town, and various utility infrastructure projects.

The recommended rate increases for the 2020 budget for utility service charges are no rate increase for wastewater or mosquito, a 2% increase for water, a 3% increase for stormwater, and a 1.5% increase for flood protection/greenway fees. There will be a 4% increase in sanitation fees for single family residential users with a 4% decrease for multi-family users. User fees and charges are established to promote efficiency by shifting payment of costs to specific users of services and avoiding general taxation.

The City's 2.0 percent unemployment rate was much lower than the national unemployment rate of 3.7 percent for 2019.

There were a total of 145 housing units and 25 new commercial and public buildings constructed in 2019.

### **Request for Information**

This financial report is designed to provide a general overview of the City of Grand Forks' finances and to demonstrate the City's accountability for the money it receives to the citizens of Grand Forks. If you have any questions concerning any of the information provided in this report or need further information, contact the City of Grand Forks Office of Finance and Administrative Services, 255 North 4<sup>th</sup> St. P.O. Box 5200, Grand Forks, North Dakota 58206-5200.





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**CITY OF GRAND FORKS, NORTH DAKOTA**  
**STATEMENT OF NET POSITION**  
December 31, 2019

	<b>Primary Government</b>			<b>Component Unit</b>
	<b>Governmental</b>	<b>Business-type</b>	<b>Total</b>	<b>GF Regional Airport Authority</b>
	<b>Activities</b>	<b>Activities</b>		
<b>ASSETS</b>				
Cash and cash equivalents	\$ 35,192,749	\$ 20,669,707	\$ 55,862,456	\$ 14,876,681
Investments	47,061,977	-	47,061,977	61,985
Receivables				
Accounts	1,306,798	5,380,072	6,686,870	323,034
Property taxes	505,600	32,718	538,318	45,468
Capital lease receivable		2,884,348	2,884,348	
Special assessments	463,061	225,498	688,559	
Uncertified special assessments	48,825,426		48,825,426	
Sales tax	1,887,254	988,573	2,875,827	
Hotel/Motel Tax	86,535		86,535	
Notes receivable	3,656,552	3,003,601	6,660,153	
Due from other governments	2,212,415	7,204,165	9,416,580	551,607
Internal balances	957,208	(957,208)	-	
Inventories	115,321	522,821	638,142	32,665
Prepaids	25,753	260,612	286,365	33,538
Assets Held for Resale	-	1,324,701	1,324,701	
Restricted assets:				
Cash and cash equivalents		26,852,650	26,852,650	1,695,264
Investments		12,237,540	12,237,540	
Accounts receivable		24,261	24,261	
Capital assets (net of accumulated depreciation):				
Land	39,320,040	13,969,128	53,289,168	1,746,081
Buildings and structures	32,991,146	154,308,797	187,299,943	18,219,388
Improvements other than buildings	50,850,025	176,358,275	227,208,300	21,175,861
Machinery and Equipment	8,172,299	16,892,437	25,064,736	1,126,098
Infrastructure	101,176,253	-	101,176,253	
Construction-in-progress	579,966	146,092,469	146,672,435	964,453
Total assets	<u>375,386,378</u>	<u>588,275,165</u>	<u>963,661,543</u>	<u>60,852,123</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred charges on refunding	45,614	1,532,529	1,578,143	
Deferred Pension Single Employer Plan	5,455,761	2,173,522	7,629,283	
Deferred Pension NDPERS	10,809,269	3,518,605	14,327,874	
Deferred OPEB NDPERS	368,435	96,834	465,269	
Total deferred outflows of resources	<u>16,679,079</u>	<u>7,321,490</u>	<u>24,000,569</u>	<u>-</u>
<b>LIABILITIES</b>				
Accounts payable	2,052,220	1,384,409	3,436,629	280,410
Contracts payable	861,004	8,166,246	9,027,250	105,093
Customer deposit payable	107,687	77,729	185,416	
Accrued interest payable	328,773	643,086	971,859	16,466
Unearned revenue	3,820,293	820,122	4,640,415	276,245
Noncurrent liabilities:				
Due within one year	7,435,736	8,001,662	15,437,398	375,000
Due in more than one year	144,984,537	146,747,797	291,732,334	4,003,315
Total liabilities	<u>159,590,250</u>	<u>165,841,051</u>	<u>325,431,301</u>	<u>5,056,529</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred Pension NDPERS	11,288,799	2,839,395	14,128,194	
Deferred OPEB NDPERS	99,696	23,230	122,926	
Total deferred inflows of resources	<u>11,388,495</u>	<u>2,862,625</u>	<u>14,251,120</u>	<u>-</u>
<b>NET POSITION</b>				
Net investment in capital assets	137,777,584	369,418,451	507,196,035	38,748,473
Restricted for:				
Debt Service	71,886,021	23,986,311	95,872,332	1,438,325
Infrastructure and Capital Projects	29,404,535	7,894,284	37,298,819	-
Library	2,967,273		2,967,273	
Economic Development	6,001,339		6,001,339	
Community Development	724,465		724,465	
Emergency	2,270,819		2,270,819	
Public Buildings	782,479		782,479	
Other purposes	663,153		663,153	
Unrestricted	(31,390,956)	25,593,933	(5,797,023)	15,608,796
Total net position	<u>\$ 221,086,712</u>	<u>\$ 426,892,979</u>	<u>\$ 647,979,691</u>	<u>\$ 55,795,594</u>

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

**CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2019**

Exhibit 2

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position			Component Unit Regional Airport Authority
	Expenses	Charges for Services	Operating Grants & Contributions	Capital Grants & Contributions	Primary Government		Total	
					Governmental Activities	Business-type Activities		
<b>Primary government:</b>								
Governmental activities:								
General government	\$ 14,229,096	\$ 8,879,530	\$ 353,469		\$ (4,996,097)		\$ (4,996,097)	
Highways and Streets	13,969,553	1,397	3,421,033	\$ 46,974	(10,500,149)		(10,500,149)	
Public safety	28,651,930	2,577,439	1,089,302	102,662	(24,882,527)		(24,882,527)	
Health and welfare	3,566,356	855,493	1,590,630		(1,120,233)		(1,120,233)	
Culture and recreation	2,331,246	31,241	870,109		(1,429,896)		(1,429,896)	
Public Works	10,068,711			14,181,301	4,112,590		4,112,590	
Interest on long-term debt	2,818,956				(2,818,956)		(2,818,956)	
Total governmental activities	<u>75,635,848</u>	<u>12,345,100</u>	<u>7,324,543</u>	<u>14,330,937</u>	<u>(41,635,268)</u>		<u>(41,635,268)</u>	
Business-type activities:								
Sanitation	10,750,481	10,641,518				\$ (108,963)	(108,963)	
Wastewater	10,425,044	10,986,349		1,876,266		2,437,571	2,437,571	
Waterworks	11,181,753	12,394,411	1,898	21,304,428		22,518,984	22,518,984	
Stormwater	3,829,667	2,781,045	42,626	4,823,897		3,817,901	3,817,901	
Mosquito Control	1,011,195	1,096,441				85,246	85,246	
Public Transit	3,236,517	825,707	759,395	3,793,818		2,142,403	2,142,403	
Dial-A-Ride	1,544,725	231,129	733,371	213,224		(367,001)	(367,001)	
Alerus Center	10,396,914	4,383,938		12,688		(6,000,288)	(6,000,288)	
Job Development Authority	2,575,743	2,268,995				(306,748)	(306,748)	
Downtown Parking	340,057	222,416				(117,641)	(117,641)	
Total business-type activities	<u>55,292,096</u>	<u>45,831,949</u>	<u>1,537,290</u>	<u>32,024,321</u>	<u>-</u>	<u>24,101,464</u>	<u>24,101,464</u>	
Total primary government	<u>\$ 130,927,944</u>	<u>\$ 58,177,049</u>	<u>\$ 8,861,833</u>	<u>\$ 46,355,258</u>	<u>\$ (41,635,268)</u>	<u>\$ 24,101,464</u>	<u>\$ (17,533,804)</u>	
<b>Component units:</b>								
Regional Airport Authority	\$ 8,071,517	\$ 3,879,236	\$ -	\$ 1,510,698				\$ (2,681,583)
Total component units	<u>\$ 8,071,517</u>	<u>\$ 3,879,236</u>	<u>\$ -</u>	<u>\$ 1,510,698</u>				<u>\$ (2,681,583)</u>
General revenues:								
Property taxes levied for general purpose					\$ 19,985,088	\$ 1,244,401	\$ 21,229,489	\$ 1,220,123
Property taxes levied for debt service					827,972		827,972	
Sales taxes					16,869,543	8,902,308	25,771,851	
Hotel/Motel Tax					999,838		999,838	
Unrestricted state aid distribution					3,743,718		3,743,718	
Franchise taxes					2,444,904		2,444,904	
Other taxes					668,166	30,952	699,118	
Unrestricted investment earnings					2,511,525	1,799,228	4,310,753	315,111
Gain on sale of capital assets					-	461,292	461,292	12,205
Miscellaneous					560,600	40,927	601,527	87,879
Transfers					(1,068,860)	1,068,860	-	-
Total general revenue and transfers					<u>47,542,494</u>	<u>13,547,968</u>	<u>61,090,462</u>	<u>1,635,318</u>
Change in net position					5,907,226	37,649,432	43,556,658	(1,046,265)
Net position - beginning					215,104,835	389,243,547	604,348,382	56,841,859
Change in Accounting Principle-GASB 84					74,651	-	74,651	
Total Net Position-Beginning as Restated					<u>215,179,486</u>	<u>389,243,547</u>	<u>604,423,033</u>	<u>56,841,859</u>
Net position - ending					<u>\$ 221,086,712</u>	<u>\$ 426,892,979</u>	<u>\$ 647,979,691</u>	<u>\$ 55,795,594</u>

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

CITY OF GRAND FORKS, NORTH DAKOTA  
BALANCE SHEET  
GOVERNMENTAL FUNDS

DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018

	General Fund	Debt Service Special Assessment Bonds	Capital Project Current Year Projects	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	2019 Total Governmental Funds	2018 Total Governmental Funds
<b>ASSETS</b>							
Cash and cash equivalents	\$ 4,080,911	\$ 2,269,887	\$ 12,466,984	\$ 3,762,295	\$ 11,499,741	\$ 34,079,818	\$ 31,041,276
Investments	8,000,000	18,061,977		10,000,000	11,000,000	47,061,977	44,000,000
Receivables, net:							
Accounts	1,020,770				285,885	1,306,655	1,251,364
Special assessments (including liens)	112	442,761			20,188	463,061	349,220
Special assessments-uncertified	39,613	46,434,292			2,351,521	48,825,426	44,096,782
Property taxes	382,569				123,031	505,600	339,556
Sales tax	573,158			450,274	863,822	1,887,254	1,397,176
Hotel/Motel Tax					86,535	86,535	81,267
Notes					3,656,552	3,656,552	2,098,419
Intergovernmental	1,257,566			349,059	605,790	2,212,415	2,207,463
Prepaid Items	115				22,159	22,274	38,119
Due from other funds	128,100				825,285	953,385	1,575,285
Advances to other funds	23,901					23,901	23,901
Total assets	<u>\$ 15,506,815</u>	<u>\$ 67,208,917</u>	<u>\$ 12,466,984</u>	<u>\$ 14,561,628</u>	<u>\$ 31,340,509</u>	<u>\$ 141,084,853</u>	<u>\$ 128,499,828</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 1,408,426	\$ 2,962	\$ 189,092	\$ 182,434	\$ 243,242	\$ 2,026,156	\$ 2,387,804
Contracts payable			807,022	53,982		861,004	568,523
Surety deposits	107,687					107,687	103,639
Due to other funds					128,100	128,100	1,159,372
Advance from other funds					135,019	135,019	170,432
Unearned income					3,820,293	3,820,293	2,217,690
Total liabilities	<u>1,516,113</u>	<u>2,962</u>	<u>996,114</u>	<u>236,416</u>	<u>4,326,654</u>	<u>7,078,259</u>	<u>6,607,460</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue-property taxes	304,389				98,052	402,441	281,626
Unavailable revenue-special assessments	39,726	46,877,051			2,371,709	49,288,486	44,446,001
Total deferred inflows of resources	<u>344,115</u>	<u>46,877,051</u>	<u>-</u>	<u>-</u>	<u>2,469,761</u>	<u>49,690,927</u>	<u>44,727,627</u>
<b>FUND BALANCES</b>							
Non-spendable	24,016				22,159	46,175	62,020
Restricted		20,328,904	11,470,870	14,325,212	19,515,972	65,640,958	58,970,397
Committed	1,981,954				5,005,963	6,987,917	6,628,197
Assigned	2,204,498					2,204,498	2,321,551
Unassigned	9,436,119					9,436,119	9,182,576
TOTAL FUND BALANCE	<u>13,646,587</u>	<u>20,328,904</u>	<u>11,470,870</u>	<u>14,325,212</u>	<u>24,544,094</u>	<u>84,315,667</u>	<u>77,164,741</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 15,506,815</u>	<u>\$ 67,208,917</u>	<u>\$ 12,466,984</u>	<u>\$ 14,561,628</u>	<u>\$ 31,340,509</u>	<u>\$ 141,084,853</u>	<u>\$ 128,499,828</u>

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

CITY OF GRAND FORKS, NORTH DAKOTA  
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position  
December 31, 2019

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

Total Fund Balance - Governmental Funds		\$	84,315,667
Capital Assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements:			
Land	\$	39,039,980	
Buildings net of depreciation		28,846,613	
Improvement Other Than Buildings net of depreciation		50,631,015	
Machinery & Equipment net of depreciation		7,576,630	
Infrastructure net of depreciation		101,176,253	
Construction in progress		544,887	
		227,815,378	227,815,378
Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds:			
Bonds Payable	\$	95,483,072	
Deferred Amount on Refunding		(45,614)	
Capital Lease Payable		543,940	
Compensated Absences		4,835,137	
Net Pension Liability - Single Employer Plan		25,158,458	
Net Pension Liability - Cost Sharing Plan		20,809,948	
Net OPEB Liability - Cost Sharing Plan		1,409,881	
Accrued Interest Payable		328,773	
		148,523,595	(148,523,595)
Unamortized Discount/Premium			(4,093,049)
Net deferred outflows/(inflows) of resources relating to the single employer and cost sharing defined benefit pension and OPEB plans in the governmental activities are not financial resources and, therefore, are not reported as deferred outflows/(inflows) of resources in the governmental funds.			
Deferred Outflows of Resources - Single Employer Plan			5,455,761
Deferred Outflows of Resources - NDPERS Pension			10,809,269
Deferred Outflows of Resources - NDPERS OPEB			368,435
Deferred Inflows of Resources - NDPERS Pension			(11,288,799)
Deferred Inflows of Resources - NDPERS OPEB			(99,696)
Tax revenues in the governmental funds were not recorded (unavailable) because they were not collected within 60 days after year end. The accrual basis recognizes these revenues as earned.			
			49,690,927
Assets or liabilities of internal service funds that primarily serve governmental funds:			
			6,636,414
Net Position of Governmental Activities		\$	221,086,712

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

CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
GOVERNMENTAL FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2019  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2018

	General Fund	Debt Service Special Assessments Bonds	Capital Project Current Year Projects	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	Total Governmental Funds 2019	Total Governmental Funds 2018 as Restated
<b>REVENUES</b>							
Taxes:							
Property	\$ 16,220,513				\$ 4,592,547	\$ 20,813,060	\$ 20,508,486
Sales	5,123,273			\$ 4,024,850	7,721,420	16,869,543	14,790,184
Hotel/Motel Tax					999,838	999,838	989,150
Licenses and permits	1,975,505					1,975,505	1,871,020
Intergovernmental	4,960,849			3,468,007	3,582,604	12,011,460	12,113,025
Charges for services	7,574,259			1,397	2,218,905	9,794,561	8,622,749
Special assessments		\$ 8,866,234			350,180	9,216,414	9,707,478
Fines and forfeits	729,533				17,889	747,422	774,980
Investment earnings (loss)	436,042	713,029	\$ 183,497	480,263	676,162	2,488,993	1,177,917
Miscellaneous	2,613,236				94,485	2,707,721	2,780,344
Total revenues	39,633,210	9,579,263	183,497	7,974,517	20,254,030	77,624,517	73,335,333
<b>EXPENDITURES</b>							
Current:							
General government	9,527,562				3,448,574	12,976,136	12,723,319
Health & welfare	2,156,623				1,382,255	3,538,878	3,606,828
Public safety	20,118,196				3,471,299	23,589,495	22,278,186
Highway & streets	7,121,858			616,543		7,738,401	6,972,014
Culture and recreation					2,318,146	2,318,146	3,282,079
Debt service:							
Principal		5,587,119			2,430,220	8,017,339	9,739,107
Interest and fiscal charges		2,535,611			278,362	2,813,973	2,586,452
Bond issuance costs		168,686				168,686	68,868
Contractual services		17,501				17,501	16,047
Capital outlay:							
General government	61,103				295,081	356,184	454,797
Health & welfare	19,379				10,736	30,115	48,561
Culture and recreation					288,363	288,363	333,427
Public safety	153,136				448,248	601,384	476,758
Public works	674,348		24,831,820	3,391,131	1,117,377	30,014,676	19,442,688
Total expenditures	39,832,205	8,308,917	24,831,820	4,007,674	15,488,661	92,469,277	82,029,131
Excess (deficiency) of revenues over (under) expenditures	(198,995)	1,270,346	(24,648,323)	3,966,843	4,765,369	(14,844,760)	(8,693,798)
<b>OTHER FINANCING SOURCES (USES)</b>							
Transfers in	1,866,989	1,475,446	7,434,871	2,761,014	5,469,271	19,007,591	13,821,331
Transfers out	(1,694,352)	(396,943)	(1,138,745)	(7,971,896)	(9,383,658)	(20,585,594)	(16,155,310)
Issuance of refunding bonds			22,160,000			22,160,000	12,962,477
Bond (discount) premium			1,395,336			1,395,336	771,222
Issuance of Capital Lease						-	437,440
Sale of capital assets	18,353					18,353	65,443
Total other financing sources and uses	190,990	1,078,503	29,851,462	(5,210,882)	(3,914,387)	21,995,686	11,902,603
Net change in fund balances	(8,005)	2,348,849	5,203,139	(1,244,039)	850,982	7,150,926	3,208,805
Fund balances - beginning	13,654,592	17,980,055	6,267,731	15,569,251	23,618,461	77,090,090	73,881,285
Change in Accounting Principle-GASB 84					74,651	74,651	
Fund balances - beginning as restated	13,654,592	17,980,055	6,267,731	15,569,251	23,693,112	77,164,741	73,881,285
Fund balances - ending	\$ 13,646,587	\$ 20,328,904	\$ 11,470,870	\$ 14,325,212	\$ 24,544,094	\$ 84,315,667	\$ 77,090,090

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

CITY OF GRAND FORKS, NORTH DAKOTA  
 Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances  
 of Governmental Funds to the Statement of Activities  
 For the Year Ended December 31, 2019

Amounts reported for governmental activities in the statement of activities (page 21) are different because:

Net change in fund balances - total governmental funds (page 24) \$ 7,150,926

Capital outlays are reported as expenditures in governmental funds. However, in the statement of activities the cost of capital assets is allocated over the estimated useful lives as depreciation expense. In the current period, these amounts are:

Capital outlays	\$ 22,593,633	
Depreciation expense - current year	<u>(9,849,756)</u>	
	12,743,877	12,743,877

Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund. However, in the statement of activities only the gain or loss on the sale transaction is reported (18,145)

Gain (Loss) on disposition of capital assets (156,470)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position, however, issuing debt increases long-term liabilities and does not affect the statement of activities. Similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position.

Debt issued:

Special Assessment Refunding Bonds	\$(22,160,000)	
Bonds discount and premium	(1,395,336)	

Repayments:

Bond and Capital Lease Principal	8,017,339	
Bond deferred charges amortization	(105,297)	
Bonds discount and premium amortization	<u>280,388</u>	
Net Adjustment	(15,362,906)	(15,362,906)

Certain items reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in the governmental funds. These activities consist of:

Change in accrued interest payable		6,114
Change in compensated absences		165,376
Change in net pension obligation		2,049,282
Change in net OPEB obligation		(108,728)

Changes in Deferred outflows and inflows of resources related to the net pension and OPEB liabilities

Change in Deferred Outflow of Resources		2,234,751
Change in Deferred Inflow of Resources		(8,009,579)

Change in revenue accruals - the purpose of this adjustment is to recognize the net change in unavailable revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed 'available' to finance the expenditures of the current period. In accrual basis recognition is not limited by availability. This adjustment records a net change in unavailable revenues

Unavailable revenue December 31, 2019	\$ 49,690,930	
Unavailable revenue December 31, 2018	<u>(44,726,044)</u>	
Net change	4,964,886	4,964,886

Internal service funds are used by the City to charge the cost of the Central Garage, Public Works Facility, Central Purchasing and Information Systems. the net revenue of internal service funds is reported with governmental activities.

247,842

Change in net position of governmental activities (Exhibit 2)

\$ 5,907,226

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

CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
 IN FUND BALANCE - BUDGET AND ACTUAL  
 GENERAL FUND

Year Ended December 31, 2019

With Comparative Actual Totals for Year Ended December 31, 2018

	Original Budget	Final Budget As Amended	2019 Actual Amounts	Variance with Final Budget Positive (Negative)	2018 Actual Amounts
<b>REVENUES</b>					
Taxes:					
Property	\$ 16,995,075	\$ 16,995,075	\$ 16,220,513	\$ (774,562)	\$ 15,662,190
Sales	4,779,967	4,779,967	5,123,273	343,306	5,042,168
Licenses and permits	1,762,415	1,762,415	1,975,505	213,090	1,871,020
Intergovernmental	4,127,000	4,128,026	4,960,849	832,823	4,604,525
Charges for services	6,529,412	6,621,894	7,574,259	952,365	6,475,270
Fines and forfeits	813,000	813,000	729,533	(83,467)	753,883
Interest	141,162	190,662	436,042	245,380	238,988
Miscellaneous	2,589,836	2,639,408	2,613,236	(26,172)	2,687,225
<b>Total Revenues</b>	<b>37,737,867</b>	<b>37,930,447</b>	<b>39,633,210</b>	<b>1,702,763</b>	<b>37,335,269</b>
<b>EXPENDITURES</b>					
Current:					
General Government:					
Assessor	749,651	779,784	766,109	13,675	773,657
Attorney	278,610	312,890	318,452	(5,562)	264,159
Finance and Administrative Services	1,325,128	1,532,768	1,537,733	(4,965)	1,360,840
Planning & Zoning	362,009	392,097	390,037	2,060	377,025
City Hall	352,515	357,676	330,332	27,344	329,651
Information Services	1,050,273	1,057,648	1,048,216	9,432	940,408
Inspections	1,227,484	1,240,921	1,234,437	6,484	1,215,730
Mayor and Council	418,456	419,725	411,155	8,570	442,975
City Administrator	357,528	373,740	366,049	7,691	370,459
Public Information Center	278,643	283,285	280,242	3,043	244,681
Miscellaneous	2,165,554	2,198,534	1,911,596	286,938	1,893,943
Human Resources	903,605	940,325	933,204	7,121	847,525
<b>Total General Government</b>	<b>9,469,456</b>	<b>9,889,393</b>	<b>9,527,562</b>	<b>361,831</b>	<b>9,061,053</b>
Health and Welfare:					
Health	2,155,635	2,224,278	2,156,623	67,655	2,107,008
<b>Total Health and Welfare</b>	<b>2,155,635</b>	<b>2,224,278</b>	<b>2,156,623</b>	<b>67,655</b>	<b>2,107,008</b>

Continued



CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES  
IN FUND BALANCE - BUDGET AND ACTUAL  
GENERAL FUND

Year Ended December 31, 2019

With Comparative Actual Totals for Year Ended December 31, 2018

	Original Budget	Final Budget As Amended	2019 Actual Amounts	Variance with Final Budget Positive (Negative)	2018 Actual Amounts
Public Safety:					
Fire	\$ 8,325,889	\$ 8,332,902	\$ 8,244,177	\$ 88,725	\$ 8,010,391
Municipal Court	778,227	788,726	633,265	155,461	629,511
Police	11,011,847	11,229,543	11,123,951	105,592	10,562,762
Public Safety Training Center	65,355	63,940	60,022	3,918	68,909
Emergency Program Management	53,679	56,782	56,781	1	50,042
Total Public Safety	20,234,997	20,471,893	20,118,196	353,697	19,321,615
Highways and Streets:					
Engineering	2,492,100	2,356,045	2,352,401	3,644	2,318,501
Street	4,182,111	4,704,720	4,769,457	(64,737)	4,118,884
Total Highway and Streets	6,674,211	7,060,765	7,121,858	(61,093)	6,437,385
Capital Outlay	682,241	1,158,817	907,966	250,851	447,742
Total Expenditures	39,216,540	40,805,146	39,832,205	972,941	37,374,803
Excess (Deficiency) of Revenues Over Expenditures	(1,478,673)	(2,874,699)	(198,995)	2,675,704	(39,534)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property			18,353	18,353	65,443
Transfers in	1,372,003	1,872,303	1,866,989	(5,314)	1,396,721
Transfers out	(1,272,884)	(1,691,852)	(1,694,352)	(2,500)	(1,100,057)
Total Other Financing Sources (Uses)	99,119	180,451	190,990	10,539	362,107
Net Change in Fund Balance	(1,379,554)	(2,694,248)	(8,005)	2,686,243	322,573
Fund Balances - Beginning	13,654,592	13,654,592	13,654,592		13,332,019
Fund Balances - Ending	\$ 12,275,038	\$ 10,960,344	\$ 13,646,587	\$ 2,686,243	\$ 13,654,592

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

CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 DECEMBER 31, 2019

BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>ASSETS</b>									
Current Assets:									
Cash and cash equivalents	\$ 4,078,320	\$ 1,686,034	\$ 1,670,324	\$ 2,407,764	\$ 571,400	\$ 9,608,109	\$ 647,756	\$ 20,669,707	\$ 1,112,931
Restricted cash, cash equivalents, and investments:									
Customer deposits	7,695	4,242	1,849	62,527			1,416	77,729	
Construction account	1,780,591	979,179	1,197,739	2,319,249			387,408	6,664,166	
Operating and capital reserve fund					1,760,316			1,760,316	
Trust acct...advance ticket sales/suite rev.					1,221,638			1,221,638	
Revenue bond current debt service acct.	513,985	964,028		931,621	14,686,167		33,000	17,128,801	
Receivables (net of allowances for uncoll.):									
Accounts	988,791	1,344,436	685,503	1,177,949	369,820	384,242	429,331	5,380,072	143
Capital Lease Receivable						757,310		757,310	
Notes Receivable						785,983		785,983	
Taxes - property							32,718	32,718	
Taxes - sales					988,573			988,573	
Special assessments		11,221	54,011		160,266			225,498	
Due from other funds				3,300,000				3,300,000	
Advances to other funds				125,118				125,118	
Intergovernmental:									
Federal government			34,421				2,592,682	2,627,103	
State of North Dakota				3,450,975			1,126,087	4,577,062	
Restricted receivables:									
Accounts Receivable					24,261			24,261	
Inventories				279,598	108,114		135,109	522,821	115,321
Prepaid items	2,151	32,203	11,438	64,638	55,623	29,615	64,944	260,612	3,479
Total current assets	7,371,533	5,021,343	3,655,285	14,119,439	19,946,178	11,565,259	5,450,451	67,129,488	1,231,874
Noncurrent Assets:									
Restricted cash, cash equivalents, and investments:									
Revenue bond reserve account	950,788	3,205,822		3,256,986			87,000	7,500,596	
Revenue bond construction account	3,113,467							3,113,467	
Reserved for Landfill Closure	1,623,477							1,623,477	
Total restricted cash, cash equivalents, and investments	5,687,732	3,205,822		3,256,986			87,000	12,237,540	
Receivables (net of allowances for uncoll.):									
Notes receivable						2,217,618		2,217,618	
Capital lease receivable						2,127,038		2,127,038	
Assets held for resale						1,324,701		1,324,701	
Total noncurrent receivables						5,669,357		5,669,357	
Capital Assets:									
Land	2,581,184	253,751	991,518	735,883	5,956,441	3,089,525	360,826	13,969,128	280,060
Buildings	5,364,676	81,582,087	5,854,936	43,372,432	91,829,250	18,019,221	4,090,953	250,113,555	8,157,114
Improvements other than buildings	20,172,595	114,992,903	68,968,066	79,498,762	1,434,824	1,374,906	3,847,327	290,289,383	420,500
Machinery and equipment	15,960,207	2,621,978	1,009,968	6,665,034	12,631,226	32,256	8,088,763	47,009,432	2,068,128
Construction in progress	684,776	842,766	1,666,012	137,667,046	1,124,809	14,782	4,092,278	146,092,469	35,079
Less accumulated depreciation	(21,267,767)	(82,572,059)	(21,176,620)	(57,934,414)	(42,115,645)	(6,921,326)	(7,865,030)	(239,852,861)	(5,686,530)
Total Capital Assets (net of accumulated depreciation)	23,495,671	117,721,426	57,313,880	210,004,743	70,860,905	15,609,364	12,615,117	507,621,106	5,274,351
Total Noncurrent Assets	29,183,403	120,927,248	57,313,880	213,261,729	70,860,905	21,278,721	12,702,117	525,528,003	5,274,351
Total Assets	36,554,936	125,948,591	60,969,165	227,381,168	90,807,083	32,843,980	18,152,568	592,657,491	6,506,225

Continued

CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2019

## BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS

	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non Major Enterprise Funds	Total Enterprise Funds	Governmental Activities- Internal Service Funds
<b>DEFERRED OUTFLOWS OF RESOURCES</b>									
Deferred charges on refunding					1,532,529			1,532,529	
Deferred Pension	1,793,763	1,155,778	335,153	1,549,129		118,747	739,557	5,692,127	
Deferred NDPERS OPEB	22,703	16,971	5,818	23,302		6,621	21,419	96,834	
Total deferred outflow of resources	1,816,466	1,172,749	340,971	1,572,431	1,532,529	125,368	760,976	7,321,490	
<b>LIABILITIES</b>									
Current Liabilities:									
Accounts payable	152,834	116,225	25,025	68,480	822,845	43,431	155,569	1,384,409	26,064
Due to other funds					825,285		3,300,000	4,125,285	
Compensated absences payable-current	65,491	59,558	1,283	15,498		1,873	11,205	154,908	
Contracts payable (Includes Retainage)	87,598	227,418	28,777	7,350,553	219,876		252,024	8,166,246	
Customer deposits payable	7,695	4,242	1,849	62,527			1,416	77,729	
Advance ticket and suite revenue					820,122			820,122	
Accrued interest payable	92,318	188,774		295,265	62,629		4,100	643,086	
Capital leases payable-current	250,992							250,992	
Bonds payable-current	1,265,000	2,325,762		1,435,000	2,520,000		85,000	7,630,762	
Total Current Liabilities	1,921,928	2,921,979	56,934	9,227,323	5,270,757	45,304	3,809,314	23,253,539	26,064
Noncurrent Liabilities:									
Compensated absences payable	259,383	172,876	33,595	261,935		100,195	312,143	1,140,127	86,790
Revenue bonds payable	11,399,020	22,540,509		58,473,463	33,627,682		533,871	126,574,545	
Capital leases payable	39,701							39,701	
Advances from other funds								-	14,000
Net Pension Liability Single Employer Plan	2,510,899	1,406,424	231,161	2,405,484		4,616	831,269	7,389,853	
Net Pension Liability NDPERS	2,040,791	1,310,412	399,158	1,724,832		127,975	787,554	6,390,722	
Net OPEB Liability NDPERS	71,774	57,283	22,769	83,301		26,781	72,504	334,412	
Landfill closure and postclosure care	4,843,437							4,843,437	
Total Noncurrent Liabilities	21,165,005	25,487,504	686,683	62,949,015	33,627,682	259,567	2,537,341	146,712,797	100,790
Total Liabilities	23,086,933	28,409,483	743,617	72,176,338	38,898,439	304,871	6,346,655	169,966,336	126,854
<b>DEFERRED INFLOWS OF RESOURCES</b>									
Deferred Pension	786,708	571,110	180,562	444,239		192,598	664,178	2,839,395	
Deferred OPEB NDPERS	4,989	3,971	1,627	5,797		1,909	4,937	23,230	
Total deferred inflow of resources	791,697	575,081	182,189	450,036		194,507	669,115	2,862,625	
<b>NET POSITION</b>									
Net investment in capital assets	13,601,285	92,627,737	57,285,103	142,745,727	35,805,013	15,609,364	11,744,222	369,418,451	5,274,351
Net position-restricted									
Debt Service	1,372,455	3,981,076		3,893,342	14,623,538		115,900	23,986,311	
Capital	1,780,591	979,179	1,197,739	2,319,249	1,230,118		387,408	7,894,284	
Net position-unrestricted	(2,261,559)	548,784	1,901,488	7,368,907	1,782,504	16,860,606	(349,756)	25,850,974	1,105,020
Total Net Position	\$ 14,492,772	\$ 98,136,776	\$ 60,384,330	\$ 156,327,225	\$ 53,441,173	\$ 32,469,970	\$ 11,897,774	\$ 427,150,020	\$ 6,379,371
								Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (257,041)
								Net position of business-type activities	\$ 426,892,979

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

CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION-PROPRIETARY FUNDS

Exhibit 7

Year Ended December 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2019	Governmental Activities- Internal Service Funds
	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds		
Operating Revenues:									
Charges for sales and services:									
Utility fees	\$ 10,641,518	\$ 10,986,349	\$ 2,779,995	\$ 12,342,680			\$ 2,163,612	\$ 38,914,154	
Rents - concessions and other					\$ 4,383,938	\$ 2,214,025		6,597,963	
Operating assessment							210,656	210,656	\$ 2,418,047
Miscellaneous			1,050	51,731		54,970	1,425	109,176	
Total Operating Revenues	<u>10,641,518</u>	<u>10,986,349</u>	<u>2,781,045</u>	<u>12,394,411</u>	<u>4,383,938</u>	<u>2,268,995</u>	<u>2,375,693</u>	<u>45,831,949</u>	<u>2,418,047</u>
Operating Expenses:									
Salaries and wages	2,148,072	1,165,168	382,653	1,605,185	1,819,960	374,070	1,857,631	9,352,739	435,653
Supplies	236,408	202,755	15,144	1,535,831	118,274	5,696	384,896	2,499,004	788,560
Contractual services	2,042,634	1,067,374	277,983	1,355,184	417,392	186,543	402,224	5,749,334	119,911
Maintenance - structures and equipment	2,440,918	1,079,750	648,180	625,845	838,436	405,898	573,279	6,612,306	557,285
Concession and catering					1,399,217			1,399,217	
Advertising and marketing					58,104			58,104	
Sundry expenses	27,207	36,914	10,772	66,312	40,948	875	35,591	218,619	5,132
Utilities - heat and lights	200,029	924,908	189,667	551,124	607,212	276,060	96,529	2,845,529	122,944
Pension and social security	737,459	474,419	131,489	314,375		109,850	502,354	2,269,946	96,869
Management fee					146,558			146,558	
Administrative and general	899,146	1,097,167	705,879	1,438,182	323,238	613,556	1,397,019	6,474,187	120,184
Total Operating Expenses	<u>8,731,873</u>	<u>6,048,455</u>	<u>2,361,767</u>	<u>7,492,038</u>	<u>5,769,339</u>	<u>1,972,548</u>	<u>5,249,523</u>	<u>37,625,543</u>	<u>2,246,538</u>
Net Income (Loss) from Operations before Depreciation	1,909,645	4,937,894	419,278	4,902,373	(1,385,401)	296,447	(2,873,830)	8,206,406	171,509
Less - Depreciation	<u>1,688,003</u>	<u>3,738,021</u>	<u>1,467,900</u>	<u>2,722,895</u>	<u>3,309,877</u>	<u>567,906</u>	<u>869,512</u>	<u>14,364,114</u>	<u>455,132</u>
Net Operating Income (Loss)	<u>221,642</u>	<u>1,199,873</u>	<u>(1,048,622)</u>	<u>2,179,478</u>	<u>(4,695,278)</u>	<u>(271,459)</u>	<u>(3,743,342)</u>	<u>(6,157,708)</u>	<u>(283,623)</u>
Nonoperating Revenues (Expenses):									
Interest	215,863	196,437	73,700	209,398	589,903	491,428	22,499	1,799,228	22,532
Federal grants			42,626	1,898			1,147,482	1,192,006	
State grants							345,284	345,284	
General property taxes							1,244,401	1,244,401	
Personal property replacements							30,952	30,952	
Sales tax					8,902,308			8,902,308	
Miscellaneous	19,620					21,307		40,927	
Gain (loss) on capital assets	21,102	12,500	1,801	9,043	3,865	382,567	30,414	461,292	(208)
Interest expense	(330,605)	(638,568)		(966,820)	(1,317,698)	(35,289)	(13,459)	(3,302,439)	
Total Nonoperating Revenues (Expenses)	<u>(74,020)</u>	<u>(429,631)</u>	<u>118,127</u>	<u>(746,481)</u>	<u>8,178,378</u>	<u>860,013</u>	<u>2,807,573</u>	<u>10,713,959</u>	<u>22,324</u>
Income (Loss) Before Capital Contributions and Transfers	<u>147,622</u>	<u>770,242</u>	<u>(930,495)</u>	<u>1,432,997</u>	<u>3,483,100</u>	<u>588,554</u>	<u>(935,769)</u>	<u>4,556,251</u>	<u>(261,299)</u>

Continued

CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF REVENUES, EXPENSES, AND  
 CHANGES IN FUND NET POSITION-PROPRIETARY FUNDS

Exhibit 7 (Con't)

Year Ended December 31, 2019

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2019	Governmental Activities- Internal Service Funds
	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds		
Capital Grants, Contributions and Transfers:									
Contributed Capital and Capital Grants		\$ 1,876,266	\$ 4,823,897	\$ 21,304,428	\$ 12,688	\$ -	\$ 4,007,042	\$ 32,024,321	
Transfers in	\$ 44,617	196,120	135,784	1,915,628		296,408	62,640	2,651,197	\$ 442,968
Transfers out	(161,687)	(402,827)	(234,632)	(431,273)		(282,471)		(1,512,890)	(3,273)
Total Capital Contributions and Transfers	(117,070)	1,669,559	4,725,049	22,788,783	12,688	13,937	4,069,682	33,162,628	439,695
Change in Net Position	30,552	2,439,801	3,794,554	24,221,780	3,495,788	602,491	3,133,913	37,718,879	178,396
Total Net Position-Beginning	14,462,220	95,696,975	56,589,776	132,105,445	49,945,385	31,867,479	8,763,861	389,431,141	6,200,975
Total Net Position-Ending	\$ 14,492,772	\$ 98,136,776	\$ 60,384,330	\$ 156,327,225	\$ 53,441,173	\$ 32,469,970	\$ 11,897,774		\$ 6,379,371
								(69,447)	
								\$ 37,649,432	

Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds

Change in net position of business-type activities

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Governmental	
	Sanitation Fund	Wastewater Fund	Storm Sewer Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds	Totals 2019	Activities Internal Service Funds
<b>Cash Flows from Operating Activities:</b>									
Receipts from customers	\$ 10,601,585	\$ 11,001,410	\$ 2,791,714	\$ 12,419,815	\$ 4,911,337	\$ 2,337,052	\$ 2,291,172	\$ 46,354,085	\$ -
Payments to suppliers	(6,058,854)	(4,926,224)	(1,953,223)	(6,012,831)	(4,343,227)	(1,567,123)	(3,665,374)	(28,526,856)	(1,853,928)
Payments to employees	(2,151,593)	(1,199,630)	(381,395)	(1,571,626)	(1,819,960)	(344,741)	(1,824,232)	(9,293,177)	(453,830)
Payments for interfund services used				(2,890,628)			3,300,000	409,372	2,417,904
Net cash provided (used) by operating activities	2,391,138	4,875,556	457,096	1,944,730	(1,251,850)	425,188	101,566	8,943,424	110,146
<b>Cash Flows from Non-Capital Financing Activities:</b>									
Transfers from other funds	44,617	196,120	135,784	1,915,628		296,408	62,640	2,651,197	442,968
Transfers to other funds	(161,687)	(402,827)	(234,632)	(431,273)		(282,471)		(1,512,890)	(3,273)
Proceeds of repayment of advances from other funds				35,413				35,413	
Operating subsidies from federal grants			8,205	1,898			33,498	43,601	
Operating subsidies from state grants							300,048	300,048	
Operating subsidies from Taxes					613,073		1,264,618	1,877,691	
Net cash provided (used) by non-capital financing activities	(117,070)	(206,707)	(90,643)	1,521,666	613,073	13,937	1,660,804	3,395,060	439,695
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>									
Proceeds from revenue bonds and notes	3,820,000	4,252,081		22,964,071				31,036,152	
Proceeds from capital lease receivable						946,553		946,553	
Capital contributions		112,407	55,504	21,440,891	8,068,131		2,599,753	32,276,686	
Acquisition and construction of capital assets	(794,795)	(5,327,339)	(247,444)	(42,341,762)	(2,061,089)	(1,566,343)	(4,931,630)	(57,270,402)	(105,843)
Proceeds from sale of capital assets	21,102	12,500	1,801	9,043	3,865	382,567	30,414	461,292	
Principal paid on capital debt	(1,473,828)	(2,399,268)		(1,520,000)	(2,395,000)	(796,040)	(85,000)	(8,669,136)	
Interest paid on capital debt	(173,310)	(628,019)		(862,770)	(1,623,456)	(35,289)	(14,606)	(3,337,450)	
Net cash provided (used) by capital & related financing activities	1,399,169	(3,977,638)	(190,139)	(310,527)	1,992,451	(1,068,552)	(2,401,069)	(4,556,305)	(105,843)
<b>Cash Flows from Investing Activities:</b>									
Proceeds from sales and maturities of investments	560,622	3,081,450		3,196,762	12,843,553	4,835,178	87,000	24,604,565	
Purchase of investments	(5,687,732)	(3,205,822)		(3,256,986)			(87,000)	(12,237,540)	
Interest and dividends received	215,863	196,437	73,700	209,398	589,903	248,011	22,499	1,555,811	22,532
Net cash provided (used) by investing activities	(4,911,247)	72,065	73,700	149,174	13,433,456	5,083,189	22,499	13,922,836	22,532
Net increase (decrease) in cash and cash equivalents	(1,238,010)	763,276	250,014	3,305,043	14,787,130	4,453,762	(616,200)	21,705,015	466,530
Cash and cash equivalents - beginning of the year	7,618,602	2,870,207	2,619,898	2,416,118	3,452,391	5,154,347	1,685,780	25,817,343	646,401
Cash and cash equivalents - end of the year	\$ 6,380,592	\$ 3,633,483	\$ 2,869,912	\$ 5,721,161	\$ 18,239,521	\$ 9,608,109	\$ 1,069,580	\$ 47,522,358	\$ 1,112,931

Continued

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Governmental	
	Sanitation Fund	Wastewater Fund	Storm Sewer Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds	Totals 2019	Activities Internal Service Funds
<b>Reconciliation of operating income (loss) to net cash provided (used) by operating activities:</b>									
Operating Income (loss)	\$ 221,642	\$ 1,199,873	\$ (1,048,622)	\$ 2,179,478	\$ (4,695,278)	\$ (271,459)	\$ (3,743,342)	\$ (6,157,708)	\$ (283,623)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation Expense	1,688,003	3,738,021	1,467,900	2,722,895	3,309,877	567,906	869,512	14,364,114	455,132
(Increase) decrease in accounts receivable	(42,310)	35,271	10,172	46,277	601,567	(37,382)	(84,521)	529,074	(143)
(Increase) decrease in inventories				(15,620)	(500)		(47,800)	(63,920)	27,686
(Increase) decrease in prepaid items	(69)	241	767	76,985	(41,335)	(2,184)	(27,363)	7,042	54,604
Increase (Decrease) in customer deposits	2,377	(20,210)	497	(20,873)	(74,168)			(112,377)	
(Increase) decrease in notes receivable						105,439		105,439	
(Increase) decrease in deferred outflows	(260,022)	(133,791)	(15,475)	(271,005)		19,003	(24,181)	(685,471)	
Increase (decrease) in accounts payable	(74,197)	(203,256)	(25,013)	18,950	(352,013)	(19,719)	(369,602)	(1,024,850)	(126,252)
Increase (decrease) in compensated absences payable	(20,650)	(26,324)	859	28,599		27,863	23,586	33,933	(17,258)
Increase (decrease) in net pension liability	119,312	(27,239)	(63,841)	89,490		(136,639)	(287,819)	(306,736)	
Increase (decrease) in net OPEB liability	5,832	4,690	1,699	6,743		2,012	6,240	27,216	
Increase (decrease) in landfill closure/postclosure liability	414,588							414,588	
Increase (decrease) in deferred inflows	336,632	308,280	128,153	(26,561)		170,348	486,856	1,403,708	
(Increase) decrease in due from other funds operating activities				(2,890,628)			50,000	(2,840,628)	5,000
Increase (decrease) in due to other funds operating activities							3,250,000	3,250,000	(5,000)
Total Adjustments	2,169,496	3,675,683	1,505,718	(234,748)	3,443,428	696,647	3,844,908	15,101,132	393,769
Net cash provided by operating activities	\$ 2,391,138	\$ 4,875,556	\$ 457,096	\$ 1,944,730	\$ (1,251,850)	\$ 425,188	\$ 101,566	\$ 8,943,424	\$ 110,146
<b>Noncash Investing, Capital and Financing Activities:</b>									
Net (decrease) in fair value of investments	\$ 51,110	\$ 49,153	\$ 21,997	\$ 35,252	\$ 30,191	\$ 81,170	\$ 6,534	\$ 275,407	\$ 10,948
Capital contributions		1,765,571	4,823,897	1,305,003				7,894,471	
<b>Reconciliation of cash and cash equivalents:</b>									
Current Assets:									
Cash and cash equivalents	\$ 4,078,321	\$ 1,686,034	\$ 1,670,324	\$ 2,407,764	\$ 571,400	\$ 9,608,109	\$ 647,756	\$ 20,669,708	
Restricted cash, and cash equivalents:									
Customer deposits	7,695	4,242	1,849	62,527			1,416	77,729	
Construction account	1,780,591	979,179	1,197,739	2,319,249			387,408	6,664,166	
Revenue bond current debt service acct.	513,985	964,028		931,621	14,686,167		33,000	17,128,801	
Operating and capital fund					1,760,316			1,760,316	
Trust account/advance ticket sales					1,221,638			1,221,638	
Total Cash and Cash equivalents	\$ 6,380,592	\$ 3,633,483	\$ 2,869,912	\$ 5,721,161	\$ 18,239,521	\$ 9,608,109	\$ 1,069,580	\$ 47,522,358	

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

CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS

DECEMBER 31, 2019

	2019 Pension Trust
	<u>                    </u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 5,299,280
Investments at fair value:	
ND State Investment Board	<u>69,284,863</u>
 Total Assets	 <u>\$ 74,584,143</u>
<b>NET POSITION RESTRICTED FOR PENSIONS</b>	
 Total Net Position Restricted for Pensions	 <u>\$ 74,584,143</u>

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



CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF CHANGES IN FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS

Exhibit 10

Year Ended December 31, 2019  
 With Comparative Totals for December 31, 2018

	Pension Trust Fund 2019	Pension Trust Fund 2018
<b>Additions:</b>		
Contributions:		
Employer contributions	\$ 3,838,566	\$ 3,338,042
Employee contributions	322,264	385,280
Total contributions	<u>4,160,830</u>	<u>3,723,322</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	11,435,454	(2,197,466)
Net investment earnings	<u>11,435,454</u>	<u>(2,197,466)</u>
Total additions	<u>15,596,284</u>	<u>1,525,856</u>
<b>Deductions:</b>		
Benefits paid to participants	6,799,809	6,326,740
Administrative Expenses	219,381	169,566
Total Deductions	<u>7,019,190</u>	<u>6,496,306</u>
Change in net position	8,577,094	(4,970,450)
Net position - beginning	<u>66,007,049</u>	<u>70,977,499</u>
Net position - ending	<u>\$ 74,584,143</u>	<u>\$ 66,007,049</u>

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



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**CITY OF GRAND FORKS, NORTH DAKOTA**  
**Notes to the Financial Statements**  
**December 31, 2019**

**I. Summary of significant accounting policies**

**A. Basis of Presentation**

The financial statements of the City have been prepared in conformity with accounting principles generally accepted in the United States of America (GAAP), as applied to governmental units by the Governmental Accounting Standards Board (GASB). The more significant of the City's accounting policies are described below.

The Governmental Accounting Standards Board (GASB) has issued several new statements, some of which have not been implemented by the City.

GASB Statement No. 87, *Leases*, establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. This Statement requires recognition of certain lease assets and liabilities for leases that were previously classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This Statement is effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*, establishes accounting requirements for interest cost incurred before the end of a construction period. This Statement requires that interest cost incurred before the end of a construction period be recognized as an expense in the period in which the cost is incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement are effective for reporting periods beginning after December 15, 2020. Earlier application is encouraged.

GASB Statement No. 91, *Conduit Debt Obligations*, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

GASB Statement No. 92, Omnibus 2020, provides additional guidance to improve consistency of authoritative literature by addressing practice issues identified during the application of certain GASB statements. This statement provides accounting and financial reporting requirements for specific issues related to leases, intra-entity transfers of assets, postemployment benefits, government acquisitions, risk financing and insurance-related activity of public entity risk pools, fair value measurements and derivative instruments. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 93, Replacement of Interbank Offered Rates, provides guidance to address accounting and financial reporting implications that result from the replacement of an interbank offered rate (IBOR), most notable, the London Interbank Offered Rate (LIBOR). As a result of global reference rate reform, LIBOR is expected to cease to exist in its current form at the end of 2021, prompting governments to amend or replace financial instruments for the purpose of replacing LIBOR with other reference rates, by either changing the reference rate or adding or changing fallback provisions related to the reference rate. This statement provides exceptions and clarifications regarding hedging derivative instruments for such transactions that result from the replacement of IBOR. The requirements of this Statement are effective for reporting periods beginning after June 15, 2021. Earlier application is encouraged.

GASB Statement No. 94, Public-Private and Public-Public Partnerships and Availability Payment Arrangements, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

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

## **B. Financial reporting entity**

The City of Grand Forks, North Dakota was incorporated in 1881. The City adopted its Home Rule Charter in 1970. It is a municipal corporation governed by an elected mayor and seven-member council. The council members are elected by wards to serve four-year staggered terms and the mayor is elected at large.

The financial statements present the City and its component unit. Component units are legally separate organizations for which the elected officials of the City are financially accountable and are included within the basic financial statements of the City because of the significance of their operational or financial relationships with the City.

As a result of applying the component unit definition criteria above, the Grand Forks Regional Airport Authority is determined to be a component unit of the City. The Grand Forks Regional Airport Authority is a separate legal entity. The Mayor with the approval of the City Council appoints four of the seven members of the Authority Board. Tax levies and bond issuance authorizations are approved by the City Council, and the legal liability for the general obligation portion of the Authority's debt remains with the City. Thus the Authority activities are discretely presented in a separate column in the City's government-wide financial statements. The Authority is reported as a business-type activity. Complete and audited financial statements of the Grand Forks Regional Airport Authority may be obtained at the Authority's administrative office.

### **C. Basis of presentation - government-wide and fund financial statements**

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the nonfiduciary activities of the primary government and its component units. All fiduciary activities are reported only in the fund financial statements. Governmental activities, which normally are supported by taxes, intergovernmental revenues, and other nonexchange transactions, are reported separately from business-type activities, which rely to a significant extent on fees and charges to external customers for support. Likewise, the primary government is reported separately from certain legally separate component units for which the primary government is financially accountable.

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual enterprise funds are reported as separate columns in the fund financial statements.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the government's enterprise functions and various other functions of the government. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment, are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services or privileges provided by a given function or segment and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a

particular function or segment. Taxes and other items not properly included among program revenues are reported instead as general revenues.

#### **D. Basis of presentation – fund financial statements**

The fund financial statements provide information about the government's funds, including its fiduciary funds. Separate statements for each fund category-governmental, proprietary and fiduciary-are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds. Major individual governmental and enterprise funds are reported as separate columns in the fund financial statements.

The City reports the following major governmental funds:

**The General Fund** is the City's primary operating fund. It accounts for all financial resources of the City, except those that are required to be accounted for in another fund. Most of the current day to day operations of the governmental units are financed from this fund.

**The Special Assessment Debt Service Fund** accounts for the resources accumulated and payments made for principal and interest on special assessment long-term debt associated with various special assessment districts within the City.

**The Current Year Projects Fund** accounts for the receipt and disbursement of special assessment bond proceeds used to construct various infrastructure projects that will eventually be special assessed to benefitting property. This is a capital project fund.

**The Street and Infrastructure Fund** accounts for the receipt and the disbursement of funds allocated to the City from North Dakota highway users taxes. These funds are to be used for street maintenance, repair, construction and related expenditures. This fund also accounts for the receipt and disbursement of the portion of the funds provided by the City's sales tax set aside for infrastructure projects as designated by the City Council. Sales tax is levied in accordance with the City's Home Rule Charter. This is a capital project fund.

The City reports the following major proprietary funds:

**The Sanitation Fund** accounts for the provision of garbage pick-up services, baling, landfill operation and alley upkeep to the residents of the City and some surrounding communities.

**The Wastewater Fund** accounts for the activities related to the operation and maintenance of wastewater treatment plant, sewage pumping stations and collection systems to provide sewer services to the residents of the City.

**The Stormwater Fund** accounts for the activities related to the operation and maintenance of surface water collection and drainage system to provide storm sewer services to the residents of the City.

**The Water Fund** accounts for the activities related to the operation and maintenance of water intake, treatment and distribution systems to provide water service to the residents of the City.

**The Alerus Center Fund** accounts for the operation and maintenance of the Alerus Center which is a multi-purpose sports and entertainment stadium and a convention center.

**The Job Development Authority Fund** accounts for the administration, operation, and debt service activities of the Authority. The Job Development Authority provides economic development opportunities to the community and region at large. It encourages the creation of new jobs while saving existing jobs, creates new wealth, enhances the local property tax base, encourages capital investment and diversifies the local economy.

Additionally, the City reports the following fund types:

**Internal Service Funds** account for goods and services provided by computer service, central garage, central purchasing and public works facility on a cost reimbursement basis to other departments or agencies of the City. Because these internal service funds predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

**The Pension Trust Fund** accounts for the activities of the City Employee's Pension Plan, which accumulates resources for pension benefit payments to qualified employees at year end. The Net Pension Liabilities associated with this plan are reported as of the measurement date at December 31, 2019 and are reported in the basic financial statements.

During the course of operations the government has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated so that only the net amount is included as internal balances in the governmental activities column. Similarly, balances between the funds included in business-type activities (i.e., the enterprise funds) are eliminated so that only the net amount is included as internal balances in the business-type activities column.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities are eliminated so that only the net amount is included as transfers in the governmental activities column. Similarly, balances between the funds included in business-type activities are eliminated so that only the net amount is included as internal balances in the business-type activities column.

## **E. Measurement focus and basis of accounting**

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

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

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

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

The proprietary and pension funds are reported using the economic resources measurement focus and the accrual basis of accounting. Agency funds have no measurement focus but utilize the accrual basis of accounting for reporting assets and liabilities.

Unearned revenues represent resources that have been received but are not yet earned.



## **F. Assets, liabilities, deferred outflows/inflows of resources, and net position/fund balance**

### **1. Deposits and investments**

The City's cash and cash equivalents are considered to be cash on hand, demand deposits, cash with fiscal agent, and short-term investments with maturities of three months or less from the date of acquisition.

Cash balances for all funds are combined and invested to the extent available in authorized investments. Interest earnings from such investments are allocated to the respective funds based on average monthly balances.

Investments for the City as well as for its component unit are reported at fair value.

#### **Fair Value Measurements**

The City accounts for all assets and liabilities that are being measured and reported on a fair value basis in accordance with Governmental Accounting Standards Board (GASB) Statement No. 72, *Fair Value Measurement and Application*. GASB 72 defines fair value, establishes a framework for measuring fair value and expands disclosure about fair value measurements.

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

Level 1: Quoted market prices in active markets for identical assets or liabilities.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

### **2. Interfund Receivables and payables**

Activities between funds, which are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of inter-fund loans) or "advances to/from other funds" (i.e., the non-current portion of inter-fund loans). All other outstanding balances between funds are reported as "due to/from other funds." Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances." Advances between funds, as reported in the fund financial statements, are offset by a fund balance reserve account in applicable governmental funds to indicate that they are not available for appropriation and are not expendable available financial resources.

The City calculates allowance for uncollectible accounts using historical collection data.

### **3. Special assessments receivable**

Special assessments receivable include the following components:

Unremitted – includes amounts held by the county as collection agent  
Delinquent – includes amounts billed to property owners but not paid as  
of December 31 of the year  
Uncertified – includes assessment installment which will be billed to  
property owners in future years.

Special assessment-principal revenues are recognized as installments become measurable and available. Special assessment-interest is recognized when due.

#### **4. Deferred outflows/inflows of resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, *deferred outflows of resources*, represents a consumption of net position that applies to a future period(s) and so will *not* be recognized as an outflow of resources (expense/expenditure) until then. The government has four items that qualify for reporting in this category. The first is the deferred charge on refunding reported in the government-wide statement of net position and proprietary funds statement of net position. A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The City also reports three items reported on the statement of net position which represent actuarial differences within the pension and OPEB plans as well as amounts paid to the plans after the measurement date. These are reported as the cost sharing defined benefit pension plan, single employer defined benefit pension plan and cost sharing benefit OPEB plan.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, *deferred inflows of resources*, represents an acquisition of net position that applies to a future period(s) and so will *not* be recognized as an inflow of resources (revenue) until that time. The government has only three types of items, which arise only under a modified accrual basis of accounting that qualifies for reporting in this category. Accordingly, the item, *unavailable revenue* (unavailable for property taxes and unavailable for special assessments), is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues, from two sources: property taxes and special assessments. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has two items reported on the statement of net position as cost sharing defined benefit pension and OPEB plan, which represents actuarial differences within the NDPERS pension and OPEB plan.

#### **5. Inventories and prepaid items**

Inventories are valued at cost using first-in/first-out (FIFO) method. The costs of inventory items are recognized as expenses in proprietary funds when consumed.

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

## **6. Restricted assets**

Certain proceeds of the City's enterprise fund revenue bonds, as well as certain resources set aside for their payment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. The "revenue bond reserve account" is used to segregate resources from the bond proceeds or from the utility revenue, to an amount equal to the lesser of 1) the maximum annual debt service on, 2) 125% of the average annual debt service on, or 3) ten percent (10%) of the proceeds of all bonds payable from the reserve revenue bond account. The reserve revenue bond account is a protection to bondholders and the City in the event utility revenues are inadequate to meet debt service expenses. In the event the use of the reserve revenue bond reserve account results in a deficiency in said account, the City agrees pursuant to Article 9 of Chapter 2 of the Grand Forks City Code, as amended, to levy an unlimited ad valorem tax upon all taxable property in the city in an amount required to restore the balance in said account. The "revenue bond construction account" is used to report those proceeds of revenue bond issuances that are restricted for use in construction. The "revenue bond current debt service" account is used to segregate resources accumulated for debt service payments over the next twelve months. The "revenue bond renewal and replacement account" is used to report resources set aside to meet unexpected contingencies or to fund asset renewals and replacements.

## **7. Assets Held for Resale**

A non-current asset is classified as held for sale if its carrying amount will be recovered principally through a sale transaction rather than through continuing use. For such a classification to be made, the asset is available for immediate sale in its present condition, it is being actively marketed for sale at a price that is reasonable, and its sale is highly probable.

## **8. Capital assets**

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, pavements, street lights, traffic signals, and similar items), are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets are defined as having an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Capital assets are recorded at historical cost or estimated historical cost if actual historical cost is not available. Donated capital assets, donated works of art and similar items and capital assets received in a service concession arrangement are reported at acquisition value.

The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital outlays are recorded as expenditures in the City's fund financial statements, which use the modified accrual basis of accounting. Capital outlays are capitalized in the City's government-wide statement of net position, which use the full accrual basis of accounting. Infrastructure assets have been capitalized retroactively to 1980 upon adoption of GASB Statement No. 34. Depreciation on the City's capital assets, including infrastructure is recorded on a government-wide basis. For retroactive capitalization of infrastructure the

City valued the assets through backtrending (i.e., estimating the current replacement cost of the infrastructure to be capitalized and using an appropriate price-level index to deflate the cost to the acquisition year or estimated acquisition year).

Depreciation has been provided over the estimated useful lives using the straight-line method. The estimated useful lives are as follows:

Building and structures	10 – 50 years
Improvements other than buildings	10 – 100 years
Infrastructure	30 – 50 years
Machinery and equipment	3 – 30 years

**9. Compensated absences**

Employees accrue vacation leave at a rate of various hours per month for years of continuous service. The maximum amount of vacation leave that can be accumulated is an amount that can be earned in the prior two years. All outstanding vacation leave is payable upon termination.

All vacation pay is accrued when incurred in the government-wide and proprietary fund statements.

Sick leave is accrued at a rate of fourteen days per year of continuous service. Sick leave accumulation is unlimited. However, an employee has the right to be paid for fifty (50) percent of his/her unused sick leave, either annually by being paid fifty (50) percent of the prior year accrual, or at termination by being paid for fifty percent of the accumulated amount. The options for payback are based on banking 960 hours (120) days and having completed 5 years of continuous service. Accrued liability is recorded in the government-wide and proprietary fund statements.

**10. Long-term obligations**

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bond.

In the fund financial statements, governmental fund types recognize bond premium and discounts, as well as bond issuance costs, during the current period. The face amount of the debt is reported as other financing sources while discounts on debt issuance are reported as other financing uses or expenditures. Issuance costs are withheld from the actual debt proceeds received, and are reported as debt service expenditures.

**11. Pension**

For purposes of measuring the net pension liability, deferred outflows/inflows of resources, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and the single employer pension plan and additions to/deductions from NDPERS/single employer plan fiduciary net position have been determined on the same basis as they are reported by NDPERS/single employer

plan's except that NDPERS' fiscal year 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.

## **12. Other Post Employment Benefits (OPEB)**

For purposes of measuring the net OPEB liability, deferred outflows/inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

## **13. Fund Balance/Net Position**

The difference between assets and deferred outflows of resources and liabilities and deferred inflows of resources is "net position" on the government-wide, proprietary and fiduciary fund financial statements and "fund balance" on the governmental fund financial statements.

The Grand Forks City Council has adopted GASB Statement No. 54, "*Fund Balance Policy*." The policy provides defined fund balance categories which are reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The following classifications describe the relative strength of the spending constraints and the purposes for which resources can be used:

Nonspendable - consists of amounts that are not in spendable form (such as inventory and prepaid items) or are required to be maintained intact.

Restricted - consists of amounts related to externally imposed constraints established by creditors, grantors or contributors; or constraints imposed by state statutory provisions.

Committed - consists of amounts constrained to specific purposes by formal action of the government's highest level of decision-making authority. The City Council is the highest level of decision making authority. To be reported as committed the City Council must adopt a resolution prior to the end of the year to commit fund balance. Amounts cannot be used for any other purpose unless the City Council takes the same highest level action to remove or change the constraint.

Assigned - consists of amounts a government intends to use for a specific purpose. These constraints are established by the Council and/or management. The Council delegates the power to assign fund balances to the City Administrator and the Director of Finance per the Fund Balance Policy adopted December 8, 2011.

Unassigned - consists of amounts that are available for any purpose; positive amounts are reported only in the general fund.

In accordance with the City's Fund Balance Policy, to maintain adequate cash flow requirements and contingency needs, the City will strive to maintain an unassigned fund balance in the general fund of 18% of the next year's budgeted operating expenditures of the general fund. This will assist in maintaining an adequate level of fund balance as a majority of property tax revenue is received in March.

If spending unassigned fund balance in designated circumstances has reduced unassigned fund balance to a point below the minimum targeted level as noted above, the replenishment will be made within one to three years.

#### **14. Fund balance flow assumptions**

Sometimes a government will fund outlays for a particular purpose from both restricted and unrestricted resources. In order to calculate the amounts to report as restricted, committed, assigned and unassigned fund balance in the governmental fund financial statements a flow assumption must be made about the order in which the resources are considered to be applied. If resources from more than one fund balance classification could be spent, the City will strive to spend resources from fund balance classifications in the following order: restricted, committed, assigned and unassigned.

#### **15. Net position flow assumption**

Sometimes the government will fund outlays for a particular purpose from both restricted (e.g., restricted bond or grant proceeds) and unrestricted resources. In order to calculate the amounts to report as restricted – net position and unrestricted – net position in the government-wide and proprietary fund financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the government's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

### **G. Revenues and expenditures/expenses**

#### **1. Program revenues**

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

#### **2. Property Tax**

Property tax levies are set by the City Council in September of each year and are certified to Grand Forks County for collection in the following year. In North Dakota, counties act as collection agents for all property tax.

The County spreads all levies over taxable property. Property taxes are attached as an enforceable lien on the real estate and become due on January 1<sup>st</sup> of the year following the assessment date and are recorded as receivable by the City at that date. Within the fund

financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

A five (5) percent reduction on the taxes is allowed if the taxes are paid in full by February 15<sup>th</sup>. Penalty and interest are added on March 1<sup>st</sup> if the first half of the taxes are not paid. Additional penalty and interest are added on October 15<sup>th</sup> to those taxes that were not paid.

Taxes are collected by the County and remitted monthly to the City. The City is permitted under the provisions of its Home Rule Charter to levy a maximum of one hundred and thirty (130) mills for general governmental services, excluding debt service, social security, special assessments, and city's share of special assessments. In its 2019 budget, the City levied 46.35 mills under its limit.

### **3. Proprietary funds operating and nonoperating revenues and expenses**

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connections with a proprietary fund's principle ongoing operations. The principle operating revenue of the City's utility funds and of the internal service funds are charges to customers for sales and services. The utility funds also recognize as operating revenue the portion of tapping fees intended to recover the cost of connecting new customers to the system. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, and depreciation on capital assets. All revenue and expenses not meeting this definition are reported as non-operating revenues and expenses.

#### **H. Comparative data/reclassifications**

Comparative total data for the prior year have been presented in the fund financial statements in order to provide an understanding of the changes in the financial position and operation of these funds. Also certain amounts/accounts presented in the prior year data have been reclassified in order to be consistent with the current year's presentation. These reclassifications resulted in no changes in fund balances or net position.

## **II. Stewardship, compliance, and accountability**

### **A. Budgetary information**

The process of compiling the annual budget is a year-round activity. The basis of the process is a framework of statutory deadlines established by the State of North Dakota. The City Finance Department, Mayor and City Council establish the remainder of the process. The City Finance Director sets interim deadlines to ensure necessary information is collected, priorities are determined, and the Mayor can make a recommendation to the City Council. Early in the budget process, the Mayor and Administration meet with City Council in planning sessions to keep everyone informed. The Finance Director has been designated to serve as the official budget officer for the City of Grand Forks, to the City Council, which, in turn establishes tax rates and adopts the annual budget and 6-year operations and capital improvement plan.

While the process may change from year to year the 2019 budget was developed in four phases; the planning phase, the preparation phase, the review phase and the adoption phase. Each phase is explained in detail in the City's budget document.

The Mayor, City Administrator and the Finance Director presented the recommended budget for 2019 to the City Council on July 23, 2018. Budget work sessions were scheduled as needed to discuss the budget. Once the Council is satisfied with the recommended budget, it is forwarded to the regular City Council meeting in August 2018 for preliminary approval. This meeting is open to the public and notice of this meeting is published in the local newspaper. The City Council gives final approval of the city budget at the second regularly scheduled meeting in September. The City Council holds a public hearing and may subtract from or change appropriations at this meeting.

Any changes in the budget must be made with the revenues and reserves estimated as available by the Director of Finance or the revenue estimates must be changed by an affirmative vote of a majority of the City Council.

The City Council gives final approval of the annual budget and second reading of the annual appropriation ordinance by the third Monday of September each year. By October 10<sup>th</sup>, the proposed budget and proposed tax levy is certified to the county.

The appropriated budget is prepared by fund, function and department. The legal level of control is the fund level. The management of the City of Grand Forks has the authority to make transfers between object level within a department, function and fund as long as the total fund appropriations are not exceeded. City Council approval is required for an increase in the aggregate total of appropriations in order to reflect additional revenues that were not anticipated at the time of original adoption of the annual budget and appropriation ordinance. Several supplementary appropriations were made during the year.

Appropriations in all budgeted funds lapse at the end of the fiscal year even if they have related encumbrances. Encumbrances are commitments related to unperformed contracts for goods or services. While all appropriations and encumbrances lapse at year end, valid outstanding encumbrances are re-appropriated and become part of the subsequent year's budget.

Expenditures made, liabilities incurred, or warrants issued in excess of the total appropriations in the final amended budget are a joint and several liability of the members of the City Council who authorized the making, incurring, or issuing thereof or who were present when they were authorized and did not vote against authorizing the same. "Total appropriations" means the total appropriation made for each fund in the annual budget ordinance.

Formal budgetary integration is employed as a management control device during the year for the General and Special Revenue funds. Such budgets are adopted on a basis consistent with accounting principles generally accepted in the United States of America.



## **B. Excess of expenditures over appropriations**

For the year ended December 31, 2019, expenditures did not exceed appropriations in any funds with the exception of the Convention and Visitors Bureau Fund. This fund is used to account for the receipt of a three percent room tax and the disbursement of these funds to the Convention and Visitor's Bureau for its use. Revenue was received for 2019 a few months after year end and those funds were required to be set up a receivable and payable which resulted in the over budget situation of \$169,229.

This fund was previously an agency fund which did not have a legally adopted budget and in accordance with GASB Statement 84 Fiduciary Activities, it has been reclassified as a special revenue fund. Initially it was thought to be a custodial fund but upon further review determined to be a special revenue fund which did not have a legally adopted budget.

## **C. Deficit fund equity**

For the year ended December 31, 2019, all funds had positive fund equity.

## **III. Detailed notes on all funds**

### **A. Deposits and investments**

In accordance with North Dakota statutes, the City and the component unit maintain deposits at those depository banks and savings and loans authorized by the City Council or Authority Commission, as appropriate, all of which are members of the Federal Reserve System or the Federal Home Loan Bank System.

Statutes require that all city and component unit deposits be protected by insurance, surety bond, or collateral. The market value of the collateral pledged must equal one-hundred ten (110) percent of the deposits not covered by insurance or bonds.

#### Deposits - Primary Government

At December 31, 2019 the carrying amount of the City's deposits was \$82,715,106 and the bank balance was \$86,704,657. All of the bank balance was covered by federal depository insurance and collateral held by the City's agent in safekeeping in the City's name, covered by the Bank of North Dakota, or held in US Bank escrow account secured by US Treasury securities.

In addition, there are deposits of \$5,299,280 related to the City's single employer defined benefit pension plan. This is held by both Aetna Life Insurance and the North Dakota State Investment Board.

#### Deposits - Component Unit

At December 31, 2019 the carrying amount of the Airport Authority's deposits was \$16,571,945 and the bank balance was \$16,537,038, which were covered by Federal Depository Insurance or collateral held in safekeeping in the Authority's name.

## Investments – Primary Government

The City categorizes its fair value measurements in accordance with guidelines established by generally accepted accounting principles. These guidelines establish a hierarchy of inputs to valuation techniques used to measure fair value. That hierarchy has three levels. Level 1 inputs are quoted prices (unadjusted) in active markets for identical assets or liabilities. Level 2 inputs are inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly or indirectly. Finally, Level 3 inputs are unobservable inputs, such as management’s assumption of the default rate among underlying mortgages of a mortgage-backed security.

As of December 31, 2019 the City had the following investments and maturities:

Investment Type	Investment Maturities (in Years)					Credit Rating	Rating Agency
	Fair Value	Less than 1	1-5	6-10	More than 10		
Certificates of Deposit (various banks)	\$ 5,922,459	\$ 497,059	\$ 5,425,400	\$ -	\$ -	n/a	n/a
Federal National Mortgage Assn Pool	21,311,161	2,495,000	12,175,746	4,087,735	2,552,680	Aaa	Moody
Federal Home Loan Mortgage Corp	32,065,897	5,126,252	23,977,214	2,962,431		Aaa	Moody
<b>Total</b>	<b>\$ 59,299,517</b>	<b>\$ 8,118,311</b>	<b>\$ 41,578,360</b>	<b>\$ 7,050,166</b>	<b>\$ 2,552,680</b>		

Investment Type	Fair Value Measurements at Reporting Date Using			
	Fair Value	Quoted Price (Level 1)	Observable Inputs (Level 2)	Unobservable Inputs (Level 3)
Certificates of Deposit (various banks)*	\$ 2,587,459	\$ -	\$ 2,587,459	\$ -
Federal National Mortgage Assn Pool	21,311,161		21,311,161	
Federal Home Loan Mortgage Corp	32,065,897		32,065,897	
<b>Total</b>	<b>\$ 55,964,517</b>	<b>\$ -</b>	<b>\$ 55,964,517</b>	<b>\$ -</b>

\*Bank CD's, totaling \$3,335,000, are not included as the Fair Market Value Measurement disclosure is not applicable.

## Fair Value Measurement

Level 1: Securities are valued using the quoted prices in active markets for identical assets.

Level 2: Observable market based inputs or unobservable inputs that are corroborated by market data.

Level 3: Unobservable inputs that are not corroborated by market data.

Level 2 and Level 3 securities are valued based on methodologies such as bid evaluations, market averages, and other matrix pricing techniques as well as values derived from associated traded securities or last trade data. In instances where inputs used to measure fair value fall into different levels, the fair value is categorized based on the lowest level input that is significant to the valuation.

The City’s valuation techniques for all applicable assets are done so by identifying prices of 3-comparable bond sales, which have taken place within 3 days of a specified valuation date, of which an average price is calculated. This calculation is completed by our Broker/Dealer, Piper Jaffery, at the end of every month, or upon request.

Currently all of the City’s primary investments are considered to be Level 2.

## Investments – Pension Trust Fund

All investments of the fund are deposited with the North Dakota State Investment Board (SIB). The SIB is responsible for establishing the investment policy for the fund assets,

which includes setting investment goals and specifying the percentage of assets to be invested in various types of investments. The investment goals are viewed over the long term. The Board recognizes the plan’s performance objectives, benefit projections, and capital market expectation when determining the asset allocation. The SIB is responsible for managing the plan’s investments in accordance with the investment policy.

	Level 1	Level 2	Level 3
Pension investments:			
Domestic equities	\$ 934,250		
Global / international equities	\$41,378,182		
International fixed income		\$ 16,655,869	

Investments measured at the net asset value (NAV)

Pension investments:  
 Real assets NAV: \$10,316,562  
 Redemption frequency: quarterly, not eligible  
 Redemption Notice Period: 30-90 days

Real Assets – these investments are intended to provide allocation to tangible assets that are expected to be inflation protected and provide performance above the inflation rate as indicated by the CPI. Investments are generally structured as limited partnerships or limited liability companies.

Net Asset Value Measurement

The System’s investments in the Public Employees Retirement System are held in an external investment pool with the North Dakota Retirement and Investment Office and are valued at Net Asset Value (NAV). There are no unfunded commitments and the plan may redeem investments daily with a one day redemption notice period.

Interest Rate Risk

In accordance with its investment policy, the City manages its exposure to declines in fair value by limiting the weighted average maturities of its investment portfolio by:

- Structuring the investment portfolio so that securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities on the open market prior to maturity.
- Investing operating funds primarily in shorter-term securities, money market mutual funds, or similar investment pools and limiting the average maturity of the portfolio. The average maturity of investments shall average five years or less.

## Credit Risk

North Dakota State Statute limits local governments to invest in:

- a) Bonds, treasury bills and notes, or other securities that are a direct obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress.
- b) Securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are the type listed above.
- c) Certificates of Deposit fully insured by the federal deposit insurance corporation.
- d) Obligations of the state.

It is the City's policy to limit its investments in these investment types. The above table lists the investment types and their credit ratings.

## Concentration of Credit Risk

In accordance with the City's investment policy, the City diversifies its investments by:

- Limiting investments to avoid over concentration in securities from a specific issuer or business sector (excluding U.S. Treasury and U.S. government backed securities)
- Limiting investment in securities that have higher credit risks
- Investing in securities with varying maturities, and
- Continuously investing a portion of the portfolio in readily available funds such as money market funds or overnight repurchase agreements to ensure that appropriate liquidity is maintained in order to meet ongoing obligations

## Custodial credit risk

For an investment, this is a risk that; in the event of the failure of the counterparty, the government will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. To minimize the custodial credit risk exposure all trades of marketable securities are executed by delivery vs. payment (DVP) to ensure that securities are deposited in an eligible financial institution prior to the release of funds.

Securities are held by an independent third-party custodian selected by the City of Grand Forks as evidenced by safekeeping receipts in the City of Grand Forks name. The safekeeping institution annually provides a copy of their most recent report on internal controls to the City.

The investment in the Pension Plan is not subject to the credit risk classifications as noted in paragraph 9 of GASB Statement 40.

## B. Receivables

Receivables as of year-end for the City's individual major and non-major funds, internal service funds, and the fiduciary funds in aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service Special Assessment	Capital Project Street		Enterprise Fund Sanitation	Enterprise Fund Wastewater	Enterprise Fund Water	Enterprise Fund Stormwater	Enterprise Fund Alerus	Enterprise Fund JDA	Non Major Enterprise Funds and Other Funds	Total
			and Infrastructure Fund	Non-Major Governmental Funds								
Receivables:												
Notes				\$ 3,656,552						\$ 3,574,763		\$ 7,231,315
Taxes	\$ 955,727		\$ 450,274	1,073,388					\$ 988,573		\$ 32,718	3,500,680
Accounts	1,020,770			285,885	\$ 1,010,415	\$ 1,365,733	\$ 1,209,282	\$ 696,392	394,081	384,242	433,387	6,800,187
Capital Leases										2,884,348		2,884,348
Special Assessments	39,725	\$ 46,877,053		2,371,709		11,221		54,011	160,266			49,513,985
Intergovernmental	<u>1,257,566</u>		<u>349,059</u>	<u>605,790</u>			<u>3,450,975</u>	<u>34,421</u>			<u>3,718,769</u>	<u>9,416,580</u>
Gross Receivables	3,273,788	46,877,053	799,333	7,993,324	1,010,415	1,376,954	4,660,257	784,824	1,542,920	6,843,353	4,184,874	79,347,095
Less: Allowance for Uncollectibles				-	(21,624)	(21,297)	(31,333)	(10,889)		(571,162)	(3,913)	(660,218)
Net Total Receivables	\$ 3,273,788	\$ 46,877,053	\$ 799,333	\$ 7,993,324	\$ 988,791	\$ 1,355,657	\$ 4,628,924	\$ 773,935	\$ 1,542,920	\$ 6,272,191	\$ 4,180,961	\$ 78,686,877

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities of the current period. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned. At the end of the current fiscal year, the various components of unavailable revenue and unearned revenue reported in the governmental funds were as follows:

	Unearned	Unavailable	Total
Delinquent property taxes receivable	\$ -	\$ 402,441	\$ 402,441
Special assessments not yet due	-	49,288,486	49,288,486
Grant draw-downs prior to meeting all eligibility requirements	<u>3,820,293</u>	-	<u>3,820,293</u>
Total unavailable/unearned revenue	<u>\$ 3,820,293</u>	<u>\$ 49,690,927</u>	<u>\$ 53,511,220</u>

## C. Capital assets

Capital asset activity for the year ended December 31, 2019 was as follows:

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Governmental activities:				
<b>Capital assets not being depreciated:</b>				
Land	\$ 31,790,214	\$ -	\$ -	\$ 31,790,214
Infrastructure - ROW	7,196,546	53,219	-	7,249,765
Construction in progress	905,603	544,887	(905,603)	544,887
<b>Total capital assets not being depreciated</b>	<b>39,892,363</b>	<b>598,106</b>	<b>(905,603)</b>	<b>39,584,866</b>
<b>Capital assets being depreciated:</b>				
Buildings	45,639,175	287,325	-	45,926,500
Improvements other than buildings	66,807,161	262,355	-	67,069,516
Machinery & equipment	24,953,555	1,312,173	(396,621)	25,869,107
Infrastructure	196,223,072	21,039,277	-	217,262,349
<b>Total capital assets being depreciated</b>	<b>333,622,963</b>	<b>22,901,130</b>	<b>(396,621)</b>	<b>356,127,472</b>
<b>Less accumulated depreciation for:</b>				
Buildings	16,010,246	1,069,642	-	17,079,888
Improvements other than buildings	15,324,865	1,113,635	-	16,438,500
Machinery & equipment	16,798,486	1,715,997	(222,006)	18,292,477
Infrastructure	110,135,613	5,950,482	-	116,086,095
<b>Total accumulated depreciation</b>	<b>158,269,210</b>	<b>9,849,756</b>	<b>(222,006)</b>	<b>167,896,960</b>
<b>Capital assets net of accumulated depreciation</b>	<b>175,353,753</b>			<b>188,230,512</b>
<b>Total governmental activities capital assets net</b>	<b>\$ 215,246,116</b>			<b>\$ 227,815,378</b>
				Internal Service Fund capital assets net of accumulated depreciation included in governmental activities
				\$ 5,274,351
				<b>Total capital assets reported in the statements of net position</b>
				<b>\$ 233,089,729</b>

	Balance 1/1/2019	Additions	Deletions	Balance 12/31/2019
Business-Type activities:				
<b>Capital assets not being depreciated:</b>				
Land	\$ 14,110,301	\$ -	\$ (141,173)	\$ 13,969,128
Construction in progress	106,285,914	57,550,086	(17,743,531)	146,092,469
<b>Total capital assets not being depreciated</b>	<b>120,396,215</b>	<b>57,550,086</b>	<b>(17,884,704)</b>	<b>160,061,597</b>
<b>Capital assets being depreciated:</b>				
Buildings	247,278,015	5,206,008	(2,370,467)	250,113,556
Improvements other than buildings	270,083,250	20,672,958	(466,824)	290,289,384
Machinery & equipment	46,189,853	1,921,276	(1,101,699)	47,009,430
<b>Total capital assets being depreciated</b>	<b>563,551,118</b>	<b>27,800,242</b>	<b>(3,938,990)</b>	<b>587,412,370</b>
<b>Less accumulated depreciation for:</b>				
Buildings	90,819,409	5,654,455	(669,109)	95,804,755
Improvements other than buildings	108,498,400	5,432,712	-	113,931,112
Machinery & equipment	27,921,014	3,276,947	(1,080,967)	30,116,994
<b>Total accumulated depreciation</b>	<b>227,238,823</b>	<b>14,364,114</b>	<b>(1,750,076)</b>	<b>239,852,861</b>
<b>Capital assets net of accumulated depreciation</b>	<b>336,312,295</b>			<b>347,559,509</b>
<b>Total business type activities capital assets net</b>	<b>\$ 456,708,510</b>			<b>\$ 507,621,106</b>

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

Governmental activities:	
General Government	\$ 1,176,139
Health & Welfare	41,233
Public Safety	1,217,279
Highways and Streets	7,402,005
Culture and Recreation	<u>13,100</u>
Total depreciation expense - governmental activities	<u>\$ 9,849,756</u>
Business-type activities:	
Sanitation	\$ 1,688,003
Wastewater	3,738,021
Water	2,722,895
Stormwater	1,467,900
Public Transit	516,254
Dial A Ride	135,333
Mosquito Control	108,015
Alerus Center	3,309,877
Job Development Authority	567,906
Downtown Parking	<u>109,910</u>
Total depreciation expense - business-type activities	<u>\$ 14,364,114</u>

Depreciation expense for capital assets held by the City's internal service funds are charged to the various functions based on usage of the assets.

### **Construction commitments**

Construction commitments as of December 31, 2019 were approximately \$30,250,324. Of this amount, \$21,663,951 relates to the construction of the new water treatment plant. The funding sources for this project are a 50% grant from the State of North Dakota and a low interest, 30 year loan from the State Revolving Loan Fund as well as use of cash reserves from the Water Fund. For the balance of the commitments funds are designated for capital expenditures in various funds to cover these commitments.

There are also outstanding encumbrances as of December 31, 2019:

Encumbrances:

General Fund	\$ 226,058
Street and Infrastructure	1,531,417
Non Major Governmental Funds	74,027
Sanitation Fund	263,315
Wastewater Fund	1,235,896
Stormwater Fund	117,799
Non Major Enterprise Funds	<u>296,278</u>
Total Encumbrances	<u>\$3,744,790</u>

**Discretely presented component unit**

Capital asset activity for the Grand Forks Regional Airport Authority for the year ended December 31, 2019 was as follows:

	Beginning Balance 1/01/2019		Additions	Deletions	Transfers	Ending Balance 12/31/2019
<b>Capital assets not being depreciated:</b>						
Land	\$	1,746,081				\$ 1,746,081
Construction in progress		588,885	\$ 1,062,115	\$ -	\$ (686,547)	964,453
Total capital assets not being depreciated		<u>2,334,966</u>	<u>1,062,115</u>	<u>-</u>	<u>(686,547)</u>	<u>2,710,534</u>
<b>Capital assets being depreciated:</b>						
Equipment		3,493,799	20,426	-	-	3,514,225
Motor Vehicles		4,285,346	8,700	(58,770)	-	4,235,276
Buildings		27,154,080	-	-	-	27,154,080
Systems and Structures		73,304,199	-	-	686,547	73,990,746
Total capital assets being depreciated		<u>108,237,424</u>	<u>29,126</u>	<u>(58,770)</u>	<u>686,547</u>	<u>108,894,327</u>
<b>Less accumulated depreciation for:</b>						
Equipment		2,933,128	169,736	(58,770)	-	3,044,094
Motor Vehicles		3,374,375	204,934	-	-	3,579,309
Buildings		7,984,909	949,783	-	-	8,934,692
Systems and Structures		50,039,054	2,775,831	-	-	52,814,885
Total accumulated depreciation		<u>64,331,466</u>	<u>4,100,284</u>	<u>(58,770)</u>	<u>-</u>	<u>68,372,980</u>
<b>Capital assets net of accumulated depreciation</b>		<u>43,905,958</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>40,521,347</u>
<b>Total component unit capital assets net</b>	\$	<u>46,240,924</u>				<u>\$ 43,231,881</u>



**D. Interfund receivables, payables, and transfers**

The composition of interfund balances as of December 31, 2019, is as follows:

**Due to/Due from other funds:**

<b>Receivable Fund</b>	<b>Payable Fund</b>	<b>Amount</b>
General Fund	Non-Major Governmental	\$ 128,100 (1)
Non-Major Governmental	Alerus Center	825,285 (2)
Water Fund	Non-Major Enterprise Fund	3,300,000 (1)
Total		<u>\$ 4,253,385</u>

1. The purpose of this interfund receivable is to maintain a positive cash balance at year end.
2. The purpose of this interfund receivable is to assist the Alerus Center with its cash flow needs.

<b>Advances to Other Funds</b>	<b>Advances From Other Funds</b>	<b>Amount</b>
General Fund	Non-Major Governmental	\$ 9,901 (1)
General Fund	Internal Service	14,000 (1)
Water Fund	Non-Major Governmental	125,118 (2)
Total		<u>\$ 149,019</u>

1. The purpose of this long-term advance is to maintain a positive cash balance in the receiving fund.
2. The purpose of this long-term advance is to loan money from the Water Fund to finance the construction of the Public Safety Answering Point addition to the Police Building.

## Interfund Transfers

Transfers Out	Transfers In												Total Transfers Out	Purpose
	General Fund	Debt Service Special Assessment Bond Fund	Capital Project Current Year Projects Fund	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	Sanitation Fund	Wastewater Fund	Water Fund	Stormwater Fund	Job Development Authority	Non Major Enterprise Funds	Internal Service Funds		
General Fund					\$ 1,487,884							\$ 206,468	\$ 1,694,352	(1)
Special Assessment Fund		\$ 347,716					\$ 49,227						396,943	(2)
Current Year Capital Project Fund		1,127,731		\$ 11,014									1,138,745	(2)
Street and Infrastructure Fund	\$ 1,113,560		\$ 5,200,080		1,658,256								7,971,896	(2)
Other Governmental Funds	689,968		1,637,863	2,750,000	1,953,300	\$ 12,500	\$ 196,120	1,842,500	\$ 2,500	\$ 296,408		2,500	9,383,659	(2)
Sanitation Fund	6,562				50,000							105,125	161,687	(2)
Wastewater Fund	26,600		75,800		50,000	32,117		23,901	133,284			61,125	402,827	(2)
Water Fund	19,663		323,984		50,000							37,625	431,272	(2)
Stormwater Fund	7,363		197,144									30,125	234,632	(2)
Job Development Authority					219,831						\$ 62,640		282,471	(2)
Internal Service Funds	3,273												3,273	
<b>Total Transfers In</b>	<b>\$ 1,866,989</b>	<b>\$ 1,475,447</b>	<b>\$ 7,434,871</b>	<b>\$ 2,761,014</b>	<b>\$ 5,469,271</b>	<b>\$ 44,617</b>	<b>\$ 196,120</b>	<b>\$ 1,915,628</b>	<b>\$ 135,784</b>	<b>\$ 296,408</b>	<b>\$ 62,640</b>	<b>\$ 442,968</b>	<b>\$ 22,101,757</b>	

1. Transfer to cover City's share of the Public Safety Answering Point function, transfer sick leave to sick leave fund and transfer for capital items
2. Transfer share of debt service payments, capital and project expenses and fund equity transfers to close funds

## E. Leases

### Operating and Capital Leases

The Alerus Center, an enterprise fund of the City of Grand Forks, leases the arena for football games on a cancelable operating lease. The total lease revenue was \$362,256 for the year ended December 31, 2019. The entire Alerus Center has been capitalized but this lease is just for the arena portion of the facility and just for a few days per year.

The future expected minimum lease payments including scheduled rent increases to be received are as follows and a new contract with a term extension is in the works:

<u>Year Ending December 31</u>	<u>Amount</u>
2020	\$ 367,072
2021	370,448
2022	373,892
Total	<u>\$ 1,111,412</u>

The Job Development Authority, an enterprise fund of the City of Grand Forks, leases buildings and office facilities under capital and non-cancelable operating leases. Total lease revenue was \$2,214,025 for the year ended December 31, 2019.

	<u>Business-type Activities</u>
Assets:	
Buildings	\$ 37,006,440
Less: Accumulated depreciation	(16,052,367)
Capital Lease Receivable	<u>2,127,038</u>
Total	<u>\$ 23,081,111</u>

The future expected minimum lease payments including scheduled rent increases to be received are as follows:

<u>Year Ending December 31</u>	<u>Amount</u>
2020	\$ 2,865,242
2021	1,143,036
2022	1,085,528
2023	902,530
2024	892,194
2025	897,807
Total	<u>\$ 7,786,337</u>

### Capital Leases

The City has entered into a lease agreement as lessee for financing the acquisition of certain trucks and equipment. These lease agreements qualify as capital leases for accounting purposes and, therefore, have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>	<u>Total</u>
Assets:			
Machinery and equipment	\$ 989,918	\$ 1,404,413	\$ 2,394,331
Less: Accumulated depreciation	<u>(451,529)</u>	<u>(1,111,841)</u>	<u>(1,563,370)</u>
Total	<u>\$ 538,389</u>	<u>\$ 292,572</u>	<u>\$ 830,961</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2019, were as follows:

	<u>Governmental Activities</u>	<u>Business- type Activities</u>	<u>Total</u>
2020	\$ 152,774	\$ 259,683	\$ 412,457
2021	152,774	40,799	193,573
2022	<u>265,298</u>	<u>-</u>	<u>265,298</u>
Total Minimum Lease Payments	570,846	300,482	871,328
Less: amount representing interest	<u>(26,906)</u>	<u>(9,789)</u>	<u>(36,695)</u>
Present value of minimum lease payment	<u>\$ 543,940</u>	<u>\$ 290,693</u>	<u>\$ 834,633</u>

### **F. Long-term debt**

Governmental activities include the following types of long-term debt:

#### General Obligation Bonds

General obligation bonds are issued to provide funds for the acquisition and construction of major capital items. They are direct obligations and pledge the full faith and credit of the City of Grand Forks. GO bonds are paid through the debt service funds by a mill levy sufficient to meet the current year's principal and interest payments. These bonds are generally issued as 20-year serial bonds with varying amounts of principal maturing each year. The outstanding bonds have varying interest rates ranging from 2.0% to 4.0%.

General Obligation Bonds outstanding as of December 31, 2019 totaled \$2,820,000. Their original issue amount totaled \$4,995,000. The City is subject to a statutory limit by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2019 the statutory limit for the City was \$121,562,586. The general obligation debt, net of cash available for bond retirement was \$2,999,650 leaving a legal debt margin of \$118,562,936.

### Special Assessment Bonds

Special assessment bonds are issued to provide funds for the construction of various improvements deemed to benefit the properties against which special assessments are levied. Special assessment bonds are paid from the debt service funds by the annual certification payments made by the property owners. These bonds are also backed by GO commitments. The City is required by law to levy a tax upon all taxable property within the city limits to restore any deficiency in the improvement district funds for the payment of all warrants and interest thereon, and the city is authorized, and it is its policy, to levy such a tax whenever such a deficiency is anticipated to occur. Such tax levies are not subject to any constitutional or statutory limitations as to rate or amount. Special assessment bonds are generally issued as 20-25 year serial bonds with varying amounts of principal maturing each year. The outstanding bonds have a varying interest rate ranging from 2% to 5%.

During the current year the City issued \$22,160,000 of Special Assessment Refunding Improvement Bonds, Series 2019B to finance various improvement projects within the City. The City did not draw further funds on the \$7,155,000 Special Assessment Loan for various infrastructure projects near the new Water Treatment Plant, from the Bank of North Dakota and the balance outstanding as of December 31, 2019 was \$4,566,071.

The City pledges special assessments against benefited properties for payment of these bonds.

The special assessment bonds outstanding as of December 31, 2019 totaled \$90,363,071. Their original issue amount totaled \$139,018,999.

### Sales Tax Revenue Bonds

Sales tax revenue bonds are revenue obligations of the City payable solely from the collection of the City's local sales and use taxes, and do not constitute a debt for which the faith and credit or taxing powers of the city is pledged. The City is required to fund a reserve account from the proceeds of the bonds. In the event the use of the reserve results in a deficiency in the reserve account, the City has covenanted to levy an ad valorem tax upon all taxable property in the city, in the amount required to restore the reserve account balance.

The sales tax revenue bonds outstanding as of December 31, 2019 for governmental activities totaled \$2,300,000. Their original issue amount totaled \$10,690,000.

### Special Project Bonds

Pursuant to a financing plan established by the City Council to fund the City's share of the cost associated with the construction of the permanent flood protection project, the City has issued special assessment bonds totaling \$12,247,147 (to be paid from city-wide special assessments, these bonds have been refinanced, original amount was \$41,117,147, current outstanding \$2,689,708), general obligation bonds totaling \$7,945,000 (to be paid from 5.34 mills pledged out of general property taxes, these bonds have been refinanced, original amount was \$14,480,000, current outstanding \$730,000), and sales tax revenue

bonds totaling \$6,830,000 (to be paid from dedicated sales tax revenues, original amount was \$19,235,000, current outstanding \$1,455,000) as of December 31, 2019.

### Notes

In 2006, the Jobs Development Authority entered into loan agreements with Bremer Bank in the amount of \$6.5 million for Cirrus Design Corporation. This loan agreement was for the expansion of Cirrus Design Corporation. The loan payments were made by the JDA and collected through lease payments from Cirrus Design Corporation from 2006 to 2021. In December Cirrus paid off these loans and the City in turn paid off its loan in the amount of \$796,040.

### Revenue Bond

The City also issues bonds where the City pledges income derived from the acquired or constructed assets to pay debt service. Monthly transfers that will adequately pay the annual principal and interest installments of the revenue bonds are made from the enterprise funds to individual sinking funds of those funds.

During the year, the City issued \$1,450,000 of Wastewater Reserve Revenue Bonds, Series 2019A to finance improvements for the Grand Forks Wastewater Treatment Plant through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. The amount drawn and the outstanding as of December 31, 2019 was \$89,785. This bond will be repaid through wastewater fees.

\$3,820,000 of Sanitation Reserve Revenue Bonds, Series 2019C to finance improvements at the Grand Forks landfill were issued and will be repaid through sanitation fees.

The City also drew down an additional \$22,964,071 from the \$66,000,000 of Water Reserve Revenue Bonds, Series 2017A to finance the construction of the Regional Water Treatment Plant through the North Dakota State Department of Health. This bond will be repaid through water fees. The outstanding balance as of December 31, 2019 was \$55,966,793.

Another \$4,162,068 was drawn down on the \$9,000,000 of Sewer Reserve Revenue Bonds, Series 2018A to finance improvements for the Grand Forks Wastewater Treatment Plant through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. The amount drawn and the outstanding as of December 31, 2019 was \$8,222,068.

During the year, no additional funds were drawn down on the \$2,670,000 Sewer Reserve Revenue Loan for Lift Station #17 Improvements, through the Bank of North Dakota. Nor were any drawn on the \$5,175,000 Sewer and Economic Development Reserve Revenue Loan for 3 new lift stations and associated forcemains, also through the Bank of North Dakota. These loans will be repaid through wastewater fees and the economic development portion of the City sales tax.

Revenue bonds outstanding as of December 31, 2019 for business-type activities totaled \$97,599,639; \$28,450,993 for revenue bonds, \$31,620,000 for sales tax bonds, and \$69,148,646 for SRF loans. Their original issue amounts totaled \$148,941,915; revenue bonds \$45,049,993, Sales tax revenue bonds \$40,380,000, and SRF loans \$103,891,922 respectively.

Annual debt service requirements to maturity for the bonded debt for governmental and business-type activities are as follows:

**Governmental Activities**

Year Ending December 31	General Obligation Bonds		Special Assessment Bonds (1) (3)		Sales Tax Revenue Bonds (2)		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 530,000	\$ 87,500	\$ 5,137,800	\$ 3,067,172	\$ 1,175,000	\$ 98,100	\$ 10,095,572
2021	545,000	74,550	5,767,663	2,933,449	1,125,000	47,650	10,493,312
2022	555,000	61,200	4,580,317	2,717,841			7,914,358
2023	305,000	47,600	5,068,023	2,546,872			7,967,495
2024	320,000	35,400	4,795,783	2,364,198			7,515,381
2025-2029	565,000	32,000	21,757,296	9,293,445			31,647,741
2030-2034			18,240,075	5,624,886			23,864,961
2035-2039			12,055,949	3,142,395			15,198,344
2040-2044			10,575,761	1,369,208			11,944,969
2045-2049			2,415,041	173,060			2,588,101
<b>Total Governmental Activities</b>	<b>\$ 2,820,000</b>	<b>\$ 338,250</b>	<b>\$ 90,393,708</b>	<b>\$ 33,232,527</b>	<b>\$ 2,300,000</b>	<b>\$ 145,750</b>	<b>\$ 129,230,234</b>

1. Special assessment bonds includes SRF loans.
2. To be paid from dedicated sales tax revenue.
3. Payment schedule based on full amount of Bank of North Dakota bonds-will differ from amount drawn and outstanding.

**Business-type Activities**

Year Ending December 31	Revenue Bonds (1) (4)		Sales Tax Revenue Bonds (2)		SRF - Loans (3) (4)		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2020	\$ 2,615,762	\$ 785,557	\$ 2,520,000	\$ 1,503,100	\$ 2,460,000	\$ 1,214,063	\$ 11,098,482
2021	1,996,197	742,245	2,645,000	1,377,100	3,440,000	1,205,025	11,405,567
2022	1,296,421	691,071	2,775,000	1,244,850	2,195,000	1,137,875	9,340,217
2023	1,341,749	656,092	2,910,000	1,106,100	2,240,000	1,102,350	9,356,291
2024	1,377,184	616,920	3,055,000	960,600	2,280,000	1,066,050	9,355,754
2025-2029	7,276,329	2,473,331	17,715,000	2,354,250	10,945,000	4,803,700	45,567,610
2030-2034	6,209,466	1,462,224			11,790,000	3,964,050	23,425,740
2035-2039	5,153,542	710,358			13,010,000	3,044,100	21,918,000
2040-2044	2,225,215	199,732			14,345,000	2,028,825	18,798,772
2045-2049	779,139	20,497			15,455,000	1,421,150	17,675,786
2050-2051					2,910,000	382,830	3,292,830
<b>Total Business- type Activities</b>	<b>\$ 30,271,004</b>	<b>\$ 8,358,026</b>	<b>\$ 31,620,000</b>	<b>\$ 8,546,000</b>	<b>\$ 81,070,000</b>	<b>\$ 21,370,018</b>	<b>\$ 181,235,049</b>

1. Revenue bonds will be paid from the utility user fee.
2. Sales tax revenue bonds includes Alerus bond - to be paid from dedicated sales tax revenue.
3. SRF loans include loans for clearwell, wastewater treatment plant, water treatment plant and bio-solids management project-to be paid from user utility fee
4. Payment schedule based on full amount of Bank of North Dakota bonds & Water State Revolving Fund Loans-will differ from amounts drawn & outstanding.

## Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2019, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Governmental Activities:</b>					
Bonds Payable:					
General obligation	\$ 3,985,000	\$ -	\$ 1,165,000	\$ 2,820,000	\$ 530,000
Unamortized Premium	209,912	-	30,262	179,650	
Special Assessment with GO commitment	73,790,191	22,160,000	5,587,119	90,363,072	5,137,800
Unamortized Premium	2,624,553	1,395,335	169,319	3,850,569	
Unamortized Discount	(96,746)	-	(9,336)	(87,410)	
Sales Tax Revenue	3,430,000	-	1,130,000	2,300,000	1,175,000
Unamortized Premium	240,381	-	90,143	150,238	-
Total bonds payable	84,183,291	23,555,335	8,162,507	99,576,119	6,842,800
Capital leases	679,160	-	135,220	543,940	138,936
Compensated absences	5,000,513	406,000	571,376	4,835,137	454,000
Net pension liability Single Employer Plan	19,709,885	5,448,573	-	25,158,458	-
Net pension liability NDPERS	28,307,803	-	7,497,855	20,809,948	-
Net OPEB liability NDPERS	1,301,153	108,728	-	1,409,881	-
Governmental Activity Long-term Liabilities	<u>\$ 139,181,805</u>	<u>\$ 29,518,636</u>	<u>\$ 16,366,958</u>	<u>\$ 152,333,483</u>	<u>\$ 7,435,736</u>
Internal Service Fund long-term liabilities included in governmental activities				\$ 86,790	
Total long-term liabilities in the statement of net position				<u>\$ 152,420,273</u>	

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
<b>Business-type Activities:</b>					
Bonds payable:					
Revenue bonds	\$ 27,455,261	\$ 3,820,000	\$ 2,824,268	\$ 28,450,993	\$ 2,615,762
Unamortized Discount	(40,555)	-	(3,106)	(37,449)	
Unamortized Premium	355,790	194,025	54,379	495,436	
Sales tax revenue bonds	34,015,000	-	2,395,000	31,620,000	2,520,000
Unamortized Premium	4,982,344	-	454,663	4,527,681	
Total Bonds payable	66,767,840	4,014,025	5,725,204	65,056,661	5,135,762
NDBB-SRF Loan	44,342,494	27,216,152	2,410,000	69,148,646	2,460,000
Landfill closure/postclosure	4,428,849	414,588		4,843,437	-
Capital leases	534,521	-	243,828	290,693	250,992
Notes	796,040	-	796,040	-	-
Compensated absences	1,261,103	188,062	154,130	1,295,035	154,908
Net pension liability Single Employer Plan	5,819,782	1,570,071	-	7,389,853	-
Net pension liability NDPERS	8,267,529	-	1,876,807	6,390,722	-
Net OPEB liability NDPERS	307,196	27,216	-	334,412	-
Business-type Activity Long-term Liabilities	<u>\$ 132,525,354</u>	<u>\$ 33,430,114</u>	<u>\$ 11,206,009</u>	<u>\$ 154,749,459</u>	<u>\$ 8,001,662</u>



Prior year defeasance of debt

There are no defeased bonds outstanding as of December 31, 2019.

Compensated absences and net pension and net OPEB liability for governmental activities are generally liquidated by the general fund.

Component Unit

The Long-Term Debt of the Airport Authority at December 31, 2019 is comprised of the following individual issues:

Revenue Bonds:

Airport Revenue Bonds 2009:

\$4,500,000 serial bonds due in annual installments of \$175,000 to \$340,000 through June 1, 2029; interest at 2 percent to 5 percent \$2,775,000

Airport Revenue Bonds 2013

\$2,410,000 serial bonds due in annual installments of \$125,000 to \$210,000 through June 1, 2028; interest at 1.25 percent to 4.5 percent 1,590,000

Total

\$4,365,000

The airport revenue bonds are to be repaid from authority revenue, however, if the principal and interest cannot be paid from revenue, a tax can be levied on the property in the County of Grand Forks, North Dakota for debt service.

The annual requirements to amortize all bonds and notes payable as of December 31, 2019 for the component unit are as follows:

Annual Requirements to Amortize Long-Term Debt  
December 31, 2019

Year Ending December 31,	Principal	Interest	Total
2020	\$ 375,000	\$ 190,226	\$ 565,226
2021	390,000	174,956	564,956
2022	405,000	158,785	563,785
2023	425,000	141,590	566,590
2024	440,000	122,633	562,633
2025-2029	2,330,000	273,700	2,603,700
	<u>\$ 4,365,000</u>	<u>\$ 1,061,890</u>	<u>\$ 5,426,890</u>

### Conduit Debt

From time to time, the City has issued Municipal Industrial Development Act Revenue Bonds to provide financial assistance to private-sector entities for construction projects and renovations and to finance capital equipment purchases deemed to be in the public interest. The bonds are secured by mortgage and security agreements, indentures of trust, an irrevocable letter of credit, liquidity facility agreement and by the Municipal Bond Investors Assurance Corporation. The City is not obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements.

As of December 31, 2019, the aggregate principal amount payable of the nine series issued was \$226,651,115. Their original issue amounts totaled \$317,375,835.

### Arbitrage Rebate

In accordance with the provisions of sections 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirement, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. As of December 31, 2019, there were no amounts for arbitrage rebates.

### **G. Segment Information**

The City maintains ten enterprise funds that account for the Sanitation, Wastewater, Water, Stormwater, Public Transit, Dial-A-Ride, Alerus Center, Job Development Authority, Mosquito Control, and Downtown Parking. The City considers each of its enterprise funds to be a segment. Since the required segment information is already included in the City's proprietary funds balance sheet and statement of revenues, expenditures, and changes in fund balance, this information has not been repeated in the notes to the financial statements.

### **H. Restricted Assets**

The balances of the current and non-current restricted asset accounts in the enterprise funds are as follows:

Trust account for advance ticket sales/suite revenue	\$	1,221,638
Customer deposits		77,729
Concert Fund		1,760,316
Construction account		6,664,166
Revenue bond construction account		3,113,467
Revenue bond current debt service account		17,128,801
Revenue bond reserve account		7,500,596
Reserve for landfill closure		1,623,477
Accounts receivable from suites and advertising		24,261
Total restricted assets	\$	39,114,451

The fund balances of the governmental funds are as follows:

	General Fund	Major Debt Service Fund Special Assessment Fund	Major Capital Project Fund Current Year Projects	Major Capital Project Fund Street and Infrastructure Fund	Other Governmental Funds	Total
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
Advances to other funds	\$ 23,901					\$ 23,901
Prepaid Expenses	115				\$ 22,159	22,274
<b>Restricted for:</b>						
Debt service		\$ 20,328,904			1,810,198	22,139,102
Construction			\$ 11,470,870			11,470,870
Community development					724,465	724,465
Economic development					6,001,339	6,001,339
Public buildings					767,316	767,316
Public safety:						
Police and Fire Grants					161,122	161,122
Public Safety Answering Point/E911					1,917,039	1,917,039
Emergency					192,658	192,658
Health and welfare:						
Health Grants					460,977	460,977
Nuisance Abatement					171,966	171,966
Library					2,926,290	2,926,290
Flood control/greenway projects					2,762,429	2,762,429
Infrastructure				\$ 14,325,212	846,024	15,171,236
City share of special improvements					37,572	37,572
City special assessments					729,510	729,510
Other purposes					7,067	7,067
<b>Committed to:</b>						
Special assessment deficiencies, infrastructure and pension needs	1,477,796					1,477,796
Sick leave liability	504,158					504,158
Bikeway projects					274,433	274,433
Bridges and Underpasses					2,222,841	2,222,841
Future capital purchases					1,989,910	1,989,910
Public buildings					404,298	404,298
Other purposes					114,481	114,481
<b>Assigned to:</b>						
Public safety - fire station	995,182					995,182
Department cash carryover	1,185,330					1,185,330
Other purposes	23,986					23,986
<b>Unassigned</b>	<b>9,436,119</b>					<b>9,436,119</b>
Total Fund Balance	\$13,646,587	\$ 20,328,904	\$ 11,470,870	\$ 14,325,212	\$ 24,544,094	\$ 84,315,667

#### IV. OTHER INFORMATION

##### A. Risk Management

The City of Grand Forks is exposed to various risks of loss related to torts; theft of; damage to; and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool

currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The City of Grand Forks pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of two million dollars per occurrence.

The City of Grand Forks participates in the North Dakota Fire and Tornado Fund and State Bonding Fund. The City of Grand Forks pays an annual premium to the Fire and Tornado Fund to cover the property damage to buildings and personal property. Replacement cost coverage is provided by estimating replacement cost in consultation with the Fire and Tornado Fund. The Fire and Tornado Fund is reinsured by a third party insurance carrier for losses in excess of two million dollars per occurrence during a 12 month period. The State Bonding Fund currently provides the City of Grand Forks with blanket fidelity bond coverage with no limit of liability. The State Bonding Fund does not currently charge any premium for this coverage.

The City of Grand Forks also participates in the North Dakota Public Employees Retirement System (NDPERS) Health Insurance Fund. The City of Grand Forks pays an annual premium to cover a portion of the employees' health insurance. There is no lifetime maximum in accordance with federal law.

The City of Grand Forks carries insurance for worker's compensation, boiler and machinery, and flood insurance.

Settled claims resulting from these risks have not exceeded insurance coverage in any of the past three years.

## **B. Contingent Liabilities**

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. The amount, if any, of expenditures which may be disallowed by the grantor cannot be determined at this time.

The government is a defendant in various lawsuits. Although the outcome of these lawsuits is not presently determinable, in the opinion of the City Attorney the resolution of these matters will not have a material adverse effect on the financial condition of the city.

The City has also guaranteed to pay a portion of \$4,365,000 of Grand Forks Regional Airport Authority debt issued in 2009 and 2013 in the event the debt is not paid by the Authority. The amount the City is guaranteeing will be based on an apportioned amount of taxable valuation between the City and County of Grand Forks. It is anticipated there will be no liability for the City.

## **C. Solid Waste Landfill Closure and Post-closure Care Costs**

State and federal laws required the City of Grand Forks to place a final cover on its Highway 2 landfill site when it stopped accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. The City closed this "old"

solid waste landfill (permit #SW-069) on July 28, 2011. The remaining costs for post closure care cost for this landfill are estimated to be \$1.5 million as of December 31, 2019. There is approximately \$1.6 million in reserve to finance these costs.

In 2010 the City opened the new Regional Solid Waste Landfill. This landfill site design has a total of 10 cells on approximately 190 acres of land. The estimated total MSW landfill capacity is 14,046,582 cubic yards with a waste volume capacity of 11,828,678 cubic yards and the remaining cubic yards for soil/cover volume. The individual cell capacity varies. Assuming an average of 85,000 tons of solid waste per year, the landfill would last approximately 83 years.

The City has constructed two cells (Cell A & B). Based on design this cell has 1,665,488 cubic yards of waste volume capacity. In 2019 the estimated volume used was 142,591 cubic yards with 276,931 solid waste cubic yards capacity remaining.

The City will close each cell when it is filled to capacity and stops accepting waste. Although closure and post-closure care costs will be paid only near or after the date the cell stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$3.3 million reported as MSWLF closure and post-closure care liability for the new landfill at December 31, 2019 represents the cumulative amount reported to date based on the estimated capacity of Cell A & B that has been used. The City will recognize the remaining estimated cost of closure and post-closure care of \$.7 million (\$4 million - \$3.3 million) as the remaining estimated capacity is filled. These are estimated costs and actual costs are subject to change resulting from inflation, deflation, technology, or changes in applicable laws or regulations.

The City is in compliance with the financial assurance provision set under Subtitle D of Resource Conservation and Recovery Act which requires owners and operators of municipal solid waste landfills to establish a mechanism to demonstrate financial assurance for the cost of closure, post-closure care, and corrective action. Mechanisms used to demonstrate financial assurance must ensure the amount of funds assured are adequate and the funds will be available when needed. The City is meeting this obligation by applying a financial test mechanism as specified in the North Dakota Administrative code sections 33-20-14-02 through 33-20-14-07. Because the City is able to meet the financial test, the reservation of cash in a landfill assurance fund/account is not required.

#### **D. Deferred Compensation**

The City offers its employees a deferred compensation plan created in accordance with Internal Revenue code section 457(b). The plan, available to all city employees, permits them to defer a portion of their salary until future years. The deferred compensation is not available until termination, retirement, death, or unforeseeable emergency.

Due to certain statutory changes made by the Small Business Job Protection Act of 1996 and the Tax Reform Act of 1997 to Section 457 of the Internal Revenue Code, assets and income deferred under an eligible Section 457(b) plan of a state or local government employer must be held in trust or in custodial accounts. The trust requirement for

governmental plans is described in new Section 457(g) of the Internal Revenue Code. The assets must be held for the exclusive benefit of participants and beneficiaries.

All amounts of compensation deferred under the plan, all property rights purchased with those amounts, and all income attributable to those amounts, property, or rights are held in trust for the exclusive benefit of participants and beneficiaries under the plan. Pursuant to this requirement the City of Grand Forks established a tax-exempt trust for its 457 deferred compensation plan in December of 1998 and entered into a trust agreement with the Alerus Financial, N.A. formerly known as First National Bank ND to be effective January 1, 1999. Deferred compensation is no longer reported in the financial statements of the City of Grand Forks as of January 1, 1999.

## **E. Employee Retirement Systems and Pension Plans**

### **Defined Benefit Pension Plan**

#### **A. Plan Description**

The City administers a single employer defined benefit pension plan (The City of Grand Forks, North Dakota Pension Plan) which covers substantially all of its employees hired before January 1, 1996. The plan is included in the City's financial reports as Pension Trust Fund, a separate actuarial report for the pension plan is available in the City's Finance Office. The defined benefit pension plan has been frozen since January 1, 1996 in an effort to control the City's contribution requirements. City employees hired after January 1, 1996 participate in the NDPERS Hybrid Defined Benefit Plan.

The City Council has the authority to establish and amend the plan terms.

#### **SUMMARY OF THE PRINCIPLE PROVISIONS OF THE PLAN**

1. **Effective Date:** The effective date of the plan is July 1, 1970. The anniversary date is January 1.
2. **Eligible Employees:** All full-time employees, hired before January 1, 1996, of the City of Grand Forks are eligible to participate in the Plan.
3. **Participation:** An eligible employee becomes a participant on the first day of the month coincident with or following completion of one year of service and attainment of age 21.
4. **Considered Compensation:** Considered compensation is the annual base compensation but does not include overtime, bonuses, or extra compensation.
5. **Contributions:** Contributions are based upon the retirement age selected by the participant (for the retirement with full benefits). The following table summarizes the required contribution.

Selected Retirement Age	Contribution Rate
55	7.4%
62	4.7%
65	3.7%

6. Average Earnings: The average considered compensation for the seven highest consecutive calendar years during the last ten consecutive years preceding the retirement or termination date.

7. Past Benefit Service: All service with employer prior to January 1, 1970, limited to 10 years.

8. Future Benefit Service: Any calendar year after 1969 in which a participant completes at least 1,000 hours of service.

9. Normal Retirement Date: The first day of the month coinciding with or next following the participant's 65<sup>th</sup> birthday.

**B. Benefits Provided**

Normal retirement benefit is the sum of past service benefit for service prior to January 1, 1970 and future service benefit for service after January 1, 1970.

Past Service Benefit:

2.3% of considered compensation at January 1, 1970 multiplied by past benefit service for employees eligible to retire with full benefits at 55.

2.0% of considered compensation at January 1, 1970 multiplied by past benefit service for all other employees.

Future Service Benefit:

2.3% of average earnings multiplied by future benefit service for employees eligible to retire with full benefits at 55.

2.0% of average earnings multiplied by future benefit service for all other employees.

Early retirement benefit is the accrued benefit as of early retirement date, reduced by 5/9 of 1% per month for the first 60 months and 5/18 of 1% for each of the next 60 months by which the commencement date precedes the selected retirement date. The earliest possible retirement age for all contribution rates is age 55.

Late Retirement Benefit: Same as normal retirement using earnings and service credits to late retirement date.

Disability Benefit: Same as early retirement benefit.

Vesting: An employee is fully vested after completing five years of service as a participant. Accumulated employee contributions with interest are vested at all times. The interest rate credited on employee contributions for each year is the same as the federal mid-term rate for the fifth month preceding the beginning of the plan year.

Normal form of benefit is a life annuity with a modified cash refund death benefit. Vested termination benefit is the greater of the value of the deferred vested benefit or accumulated contributions. Pre-retirement death or nonvested termination benefit is the return of employee contributions with interest.

A spouse of a deceased participant who was vested may be eligible for a preretirement spouse benefit equal to 100% of the joint annuity benefit which the participant could have received if the participant terminated on his or her date of death and selected the 100% joint and survivor option. Other spouses will receive a return of contributions, with interest.

C. Employees Covered by Benefit Terms

The following table summarizes employees covered by benefit terms of the plan at the actuarial valuation date:

At January 1, 2020 membership consisted of:	
Retired employees and beneficiaries	312
Terminated Participants with deferred benefits	24
Nonvested terminated participants entitled to a refund	0
All other employees with vested employer provided benefits	62
<b>TOTAL</b>	<b>398</b>

The payroll for the employees covered by the City Employee Pension Plan for the year ended December 31, 2019 was \$4,440,562. The total payroll was \$4,813,609.

D. Contributions

The recommended contributions consist of normal costs which includes allowance for plan expenses, and amortization of any unfunded liability. The normal cost is associated with the actuarial liability for future years. This cost is the present value at the current age of the projected benefit, based on actuarial assumptions, discounted from the assumed retirement age, divided by the participant's total expected years of credited service at the assumed retirement age. The considered payroll as of January 1, 2020 for participants under normal retirement age is \$4,440,562.

City Council has authority to establish and amend contribution requirements.

Contributions made for the City Pension Plan totaled \$4,160,830 (\$3,838,567 employer, \$322,264 employee). The employer contribution was equivalent to 86.4% of annual covered payroll and the employee contributions were the equivalent of 7.3% of annual covered payroll, respectively.



E. Actuarial Methods and Assumptions.

The City's net pension liability was measured as of December 31, 2018, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2019.

Actuarial assumptions. The total pension liability in the January 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement.

The actuarial assumptions used in the January 1, 2019 valuation were based on the results of an actuarial experience study for the period January 1, 2018-December 31, 2018.

Actuarial Methods and Significant Assumptions  
Used to Determine the Annual Required Contributions

Actuarial Assumptions:	
Investment Rate of Return	7.50 % Compounded Annually
Salary Scale/ Inflation Rate	2.75% Per Year
Mortality	Police and Firefighters: RP-2014 Blue Collar Mortality Table with generational mortality projection using Scale MP-2017 All Other Participants: RP-2014 Combined Healthy Mortality Table with generational mortality projections using Scale MP-2017
Cost of Living Adjustments	None

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The target allocation and best estimates of arithmetic real rates of return for each major asset class are summarized in the following table:

Asset Class	Target Allocation	Horizon 20-Year Average Expected Return for Asset Class*
US Corporate Bonds – Core	15.75%	4.46%
US Corp Bonds-High Yield	6.39%	5.82%
US Treasuries	9.10%	3.05%
US Equity – Large Cap	19.50%	7.42%
US Equity – Small/Mid Cap	6.59%	8.18%
Non-US Equity - Developed	21.12%	7.71%
Non-US Equity Emerging	3.54%	8.82%
Real Estate	6.41%	6.66%

Commodities	2.69%	4.92%
Infrastructure	4.74%	7.14%
Private Equity	4.17%	9.52%

\* Return expectations are based on a Horizon survey that compiles capital market expectations of several firms.

#### F. Discount Rate

A single discount rate of 7.50% was used to measure the total pension liability as of December 31, 2018 and December 31, 2017. This single discount rate was based on the expected rate of return on pension plan investments of 7.5% and a municipal bond rate of 4.1% (based on the 20-year Bond Buyer GO Index as of the end of December 2018). Similarly, the municipal bond rate based on the 20-year Bond Buyer GO Index as of the end of December 2017 was 3.44%. Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and estimated future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. The projection of cash flows used to determine the single discount rate for each fiscal year end assumed that employer contributions will be made based on the current funding policy of at least the total recommended contribution in all future years, which is intended to fully fund the plan by 2035.

#### G. Schedule of Changes in Net Pension Liability

The following charts summarize the changes in the key items during the year:

	<b>Total Pension Liability (a)</b>	<b>Plan Fiduciary Net Position (b)</b>	<b>Net Pension Liability (a)-(b)</b>
<b>January 1, 2018</b>	<b>\$ 96,519,054</b>	<b>\$ 70,977,499</b>	<b>\$ 25,541,555</b>
Service Cost	368,476		368,476
Interest	7,033,601		7,033,601
Changes in assumptions	(764,113)		(764,113)
Differences between expected and actual experience	1,725,082		1,725,082
Benefit Payments	(6,326,740)	(6,326,740)	-
Contributions - Employer		3,338,042	(3,338,042)
Contributions - Employee		385,280	(385,280)
Administrative expenses		(169,566)	169,566
Net investment income		(2,197,466)	2,197,466
Expected investment earnings	5,190,059		
Differences between expected and actual earning	(7,387,525)		
Net Change	2,036,306	(4,970,450)	7,006,756
<b>December 31, 2018</b>	<b>\$ 98,555,360</b>	<b>\$ 66,007,049</b>	<b>\$ 32,548,311</b>

#### **Sensitivity of Net Pension Liability to changes in Discount Rate**

The following presents the net pension liability of the City calculated using a discount rate of 7.50 percent, as well as what the City's net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower or 1 percentage point higher than the current rate:

	Current Discount Rate		
	<u>1% Decrease (6.50%)</u>	<u>(7.50%)</u>	<u>1% Increase (8.50%)</u>
City's Net Pension Liability	\$41,435,123	\$32,548,311	\$24,873,132

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position as of January 1, 2020 is available on Exhibit 10.

H. Pension Expense and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

For the year ended December 31, 2019, the City recognized pension expense of \$4,413,984.

At December 31, 2019, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

<b>Schedule of Deferred Outflows/Inflows</b>			
	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>	
Differences between expected and actual experience	\$ -	-	-
Changes of assumptions		-	-
Net difference between projected and actual earnings on pension plan investments	3,790,716		-
Employer contributions subsequent to the measurement date	<u>3,838,567</u>		-
Total	<u>\$ 7,629,283</u>	<u>\$ -</u>	<u>-</u>

\$3,838,567 reported as deferred outflows of resources related to pensions resulting from City contributions to the plan subsequent to the measurement date will be recognized as a reduction to the net pension liability in the year ending December 31, 2020. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year	Outflows/Inflows
2020	\$1,324,102
2021	526,370
2022	462,739
2023	1,477,505

The City of Grand Forks Pension Plan actuarial report is prepared by Deloitte Consulting LLP and is available in the City Auditor's Office and can be obtained by writing to City of Grand Forks, 255 N 4th St., Grand Forks, ND 58206-5200.

## **Post Employment Benefits**

The City participates in the Post Employment Health Plan for Public Employees. The PEHP is a Defined Contribution Health Reimbursement Arrangement (HRA). The plan provides postemployment reimbursements of qualifying medical care expenses for the benefit of employees and their dependents. The City Council established this plan and has agreed to make contributions pursuant to the plan on behalf of employees on a pay-as-you-go basis. The City Council has the authority to amend the plan and the contribution requirements by resolution.

The contributions are held in trust by the LaSalle National Bank as trustee of the PEHP for the exclusive benefit of the plan participants and their qualified dependents. Nationwide Retirement Solutions, Inc. is the administrator for the Post Employment Health Plan. The City contributed \$227,122 for the plan year ended December 31, 2019. Total market value of plan assets as of December 31, 2019 was \$5,291,864.

## **North Dakota Public Employees' Retirement System**

### **Summary of Significant Accounting Policies**

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **General Information about the Pension Plan**

#### ***North Dakota Public Employees Retirement System (Main System)***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

#### ***Pension Benefits***

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or

exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

### ***Death and Disability Benefits***

Death and disability benefits are set by statute. If an active member dies with less than three years of service for the Main System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Main System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition for disabled is set by the NDPERS in the North Dakota Administrative Code.

### ***Refunds of Member Account Balance***

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

### ***Member and Employer Contributions***

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation.

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

**Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions**

At December 31, 2019, the City reported a net pension liability of \$27,200,670 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2019 the Employer's proportion was 2.320733 percent, which is an increase of 0.153446 percent from its proportion measured at June 30, 2018.

For the year ended December 31, 2019 the Employer recognized pension expense of \$5,709,530. At December 31, 2019, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 16,109	\$ 4,936,402
Changes of assumptions	10,164,175	8,726,825
Net difference between projected and actual earnings on pension plan investments	473,901	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,640,281	464,967
Employer contributions subsequent to the measurement date	<u>1,033,408</u>	<u>-</u>
Total	<u>\$ 14,327,874</u>	<u>\$ 14,128,194</u>

\$1,033,408 reported as deferred outflows of resources related to pensions resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ending December 31, 2020.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending December 31:	
2020	\$ 1,659,586
2021	947,496
2022	(578,417)
2023	(2,181,225)
2024	(681,168)
Thereafter	-

## Actuarial Assumptions

The total pension liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%		
Salary increases :			
	<b>Service At Beginning of Year</b>	<b>State Employee</b>	<b>Non-State Employee</b>
	0	12.00%	15.00%
	1	9.50%	10.00%
	2	7.25%	8.00%
	<b>Age</b>		
	Under 30	7.25%	10.00%
	30-39	6.50%	7.50%
	40-49	6.25%	6.75%
	50-59	5.75%	6.50%
	60+	5.00%	5.25%

Age-based salary increase rates apply for employees with three or more years of service

Investment rate of return	7.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Domestic Equity	30.00%	6.25%
International Equity	21.00%	6.95%
Private Equity	7.00%	10.15%
Domestic Fixed Income	23.00%	2.11%
Global Real Assets	19.00%	5.41%

## Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years

where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.50%; the municipal bond rate is 3.13%; and resulting Single Discount Rate is 7.50%.

**Sensitivity of the Employer’s Proportionate Share of the Net Pension Liability to Changes in the Discount Rate**

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.50 percent) or 1-percentage-point higher (8.50 percent) than the current rate:

	1% Decrease (6.50%)	Current Discount Rate (7.50%)	1% Increase (8.50%)
Employer's proportionate share of the net pension liability	\$ 38,999,905	\$ 27,200,670	\$ 17,287,250

**Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

**F. Pension Summary**

The following is a summary of the pension related items for all plans of the City.

Pension Plan	Net Pension Asset	Deferred Outflows of Resources-Pension	Net pension Liability	Deferred Inflows of Resources-Pension	Pension Expense
Single Employer Pension Plan	\$ -	\$ 7,629,283	\$ 32,548,311	\$ -	\$ 4,413,984
NDPERS Pension Plan	-	14,327,874	27,200,670	14,128,194	5,709,530
Total	\$ -	\$ 21,957,157	\$ 59,748,981	\$ 14,128,194	\$ 10,123,514



## **G. Other Post Employment Benefits**

### **Summary of Significant Accounting Policies**

*Other Post Employment Benefits (OPEB).* For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

### **General Information about the OPEB Plan**

#### ***North Dakota Public Employees Retirement System***

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. . Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

#### **OPEB Benefits**

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

***OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB***

At December 31, 2019, the Employer reported a liability of \$1,744,293 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2019, and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2019, the Employer's proportion was 2.171713 percent, compared to 2.042171 percent as of June 30, 2018.

For the year ended December 31, 2019, the Employer recognized OPEB expense of \$238,939. At December 31, 2019, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$	43,073	\$	54,490
Changes of assumptions		207,890		-
Net difference between projected and actual earnings on pension plan investments		1,944		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		99,502		68,436
Employer contributions subsequent to the measurement date		<u>112,860</u>		<u>-</u>
Total	\$	<u>465,269</u>	\$	<u>122,926</u>

\$112,860 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2020.

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

Year Ending December 31

2020	\$	33,835
2021		33,835
2022		50,072
2023		47,092
2024		31,948
2025		26,748
Thereafter		5,953

***Actuarial assumptions***

The total OPEB liability in the July 1, 2019 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.50%
Salary increases	Not applicable
Investment rate of return	7.25%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the RP-2000 Combined Healthy Mortality Table set back two years for males and three years for females, projected generationally using the SSA 2014 Intermediate Cost scale from 2014. For disabled retirees, mortality rates were based on the RP-2000 Disabled Mortality Table set back one year for males (no setback for females) multiplied by 125%.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2019 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33.00%	6.00%
Small Cap Domestic Equities	6.00%	7.30%
Domestic Fixed Income	40.00%	2.07%
International Equities	21.00%	6.95%

### *Discount rate*

The discount rate used to measure the total OPEB liability was 7.25%. The projection of cash flows used to determine the discount rate assumed plan member and statutory/Board approved employer contributions will be made at rates equal to those based on the July 1, 2018, and July 1, 2017, HPRS actuarial valuation reports. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

### *Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate*

The following presents the net OPEB liability of the Plans as of June 30, 2019, calculated using the discount rate of 7.25%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.25 percent) or 1-percentage-point higher (8.25 percent) than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
Employer's proportionate share of the net OPEB liability	\$ 2,226,356	\$ 1,744,293	\$ 1,331,644

## **H. Concentration**

The Water Fund and the Wastewater Fund receive more than 10% of their operating revenue from one external customer. They received \$2.9 million (23.4%) and \$2.7 million (24.6%) in revenue respectively in 2019.

## **I. Tax Exemptions / Abatements**

As of December 31, 2019, the City of Grand Forks provides property tax exemptions under 16 programs/categories for property within the City limits: The New Home Builder, New Home Buyer, New and Expanding Business, Payment in Lieu of Tax, Commercial Remodel, Child Care Facilities, Residential Remodel, Renaissance Zone, Tax Increment Finance, Blind property owner, Charitable Organization, Renewable Energy, Group Homes, Housing Authority, Religious Organizations, and Wheel Chair property owner. All of these programs reduce the taxable value of the property by the applicable, or negotiated, dollar amount, therefore lowering the respective real estate taxes due on the property in question. North Dakota Century Code 40-05-24 further states that any tax exemption lasting longer than five years must have approval from the County Commission and each School District impacted.

The New Home Builder exemption exempts new townhome, condominium, and single family residential properties from property taxes for the taxable year in which construction began and the next two taxable years, if the property remains owned by the builder, remains unoccupied, and other conditions are met. This exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-42, with resolution passed by the City on January 1<sup>st</sup> 2009, and amended on February 21, 2017.

The New Home Buyer exemption includes the exemption from property taxes for up to \$150,000 of the true and full value of all new occupied single family and condominium and townhouse residential property for the first two taxable years after the taxable year in which construction is completed, and the residence is occupied for the first time. A home inspection by the City is also required to qualify. This exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-35, with resolution passed by the City on January 1<sup>st</sup> 2009 and amended on February 21, 2017.

The New and Expanding Business exemption may include partial or complete exemption from ad valorem taxation on all buildings, structures, fixtures, and improvements for up to five years from the date of commencement of the project. Agricultural related projects may extend for up to ten years from the date of commencement. This exemption is provided under the authority of the State of North Dakota's Century Code 40-57.1, with resolution passed by the City on an individual basis.

Payment in Lieu of Tax agreement allows the City to accept a negotiated amount due as payment in lieu of ad valorem taxes on buildings, structures, fixtures and improvements used in the operation of a project for up to twenty years from the date of commencement of a project. This exemption is provided under the authority of the State of North Dakota's Century Code 40-57.1, with resolution passed by the City on an individual basis.

The Commercial Remodel exemption includes an exemption in property taxes, in whole or in part, for property whose market value increases by at least ten percent, or five-thousand dollars, whichever is less, due to a renovation or remodeling project of an existing commercial building, for up to five years upon receipt of an application for exemption. The maximum exemption allowable for a commercial property is the sum of one-million dollars representing an increase in market value due to renovation, remodeling or alterations. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02.2 and 57-02.3, with resolution passed by the City in 1995, and amended in 2009.

The property tax exemption for child care facilities includes fixtures, buildings, and improvements, used primarily to provide early childhood services by a corporation, limited liability company, or organization licensed under chapter 50-11.1 of the North Dakota Century Code, or used primarily as an adult day care center. However, this exemption is not available for property used as a residence. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-36 and resolution passed by the City.

The Residential Remodel exemption includes an exemption in property taxes, in whole or in part, for property whose market value increases by at least ten percent, or five-thousand dollars, whichever is less, due to a renovation or remodeling project of an existing residential building, for up to five years upon receipt of an application for exemption. The exemption is provided under

the authority of the State of North Dakota's Century Code 57-02.2 and 57-02.3, with resolution passed by the City in 1995, and amended in 2009.

The Renaissance Zone exemption includes a five-year, 100% property tax exemption on the added value of new construction, remodel or major rehabilitation on an existing building for property within the designated Renaissance Zone. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02.2, and the City's Renaissance Zone Plan passed in 2001, and amended in 2016.

Tax Increment Financing is available for new development or renewal area upon completion of a development or renewal plan by the City, for up to twenty five taxable years. The exemption is provided under the authority of the State of North Dakota's Century Code 40-58-20, with resolution by the City passed on an individual basis.

The property tax exemption for owners who are blind includes all or any part of fixtures, buildings, and improvements upon any nonfarmland up to a taxable valuation of seven thousand two hundred dollars, owned and occupied as a home by a blind person. Residential homes owned by the spouse of a blind person, or jointly owned by a blind person and spouse, shall also be exempt within the limits of this subsection as long as the blind person resides in the home. A blind person is defined as one who is totally blind, has visual acuity of not more than 20/200 in the better eye with correction, or whose vision is limited in field so that the widest diameter subtends an angle no greater than twenty degrees. The exemption provided by this subsection extends to the entire building classified as residential, and owned and occupied as a residence by a person who qualifies for the exemption as long as the building contains no more than two apartments or rental units which are leased. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-22.

The property tax exemption for charitable organizations includes all buildings belonging to institutions of public charity, including public hospitals and nursing homes licensed pursuant to section 23-16-01 under the control of religious or charitable institutions, used wholly or in part for public charity, together with the land actually occupied by such institutions not leased or otherwise used with a view to profit. The exemption provided by this subsection includes any dormitory, dwelling, or residential-type structure, together with necessary land on which such structure is located, owned by a religious or charitable organization recognized as tax exempt under section 501(c)(3) of the United States Internal Revenue Code which is occupied by members of said organization who are subject to a religious vow of poverty and devote and donate substantially all of their time to the religious or charitable activities of the owner. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-08.

The property tax exemption for renewable energy include the installations, machinery, and equipment of systems in new or existing buildings or structures, designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by utilization of solar, wind, or geothermal energy; provided, that if the solar, wind, or geothermal energy device is part of a system which uses other means of energy, only that portion Page No. 9 of the total system directly attributable to solar, wind, or geothermal energy shall be exempt. Provided, however, that any exemptions granted by this subsection shall be valid for a five-year period following installation of any such system and apply only to locally assessed property. For the purposes of this subsection, solar or wind energy devices shall have the meaning provided in section 57-38-01.8 and geothermal energy device means a system or mechanism or

series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam. The exemption is provided by the authority of the State of North Dakota's Century Code 57-02-08-27.

The property tax exemption for group homes includes all group homes owned by nonprofit corporations, not organized with a view to profit and recognized as tax exempt under section 501(c)(3) of the United States Internal Revenue Code [26 U.S.C. 501(c)(3)], including those for persons with developmental disabilities as defined in section 25-01.2-01, and the real property upon which they are located during the period in which the group homes are under construction or in a remodeling phase and while they are used as group homes. For the purposes of this subsection, the term "group home" means a community-based residential home which provides room and board, personal care, habilitation services, or supervision in a family environment, and which, once established is licensed by the appropriate North Dakota licensing authority. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-31.

The property of the Housing Authority used for low-income housing, authority administration, or other property solely owned by the authority and used to conduct the powers granted to the authority in this chapter, including an authority created under Indian laws recognized by the federal government, is declared to be public property used for essential public and governmental purposes and is exempt from all taxes and special assessments of the state or any political subdivision. Notwithstanding any other provision of law, the property of an authority used for moderate income housing is exempt from all taxes of the state or any political subdivision except special assessments unless specifically exempted from the special assessment by the political subdivision. The exemption is provided under the authority of State of North Dakota's Century Code 23-11-29.

Property tax exemptions for property owned by a religious organization includes all buildings owned by any religious corporation or organization and used for the religious purposes of the organization, and if on the same parcel, dwellings with usual outbuildings, intended and ordinarily used for the residence of the bishop, priest, rector, or other minister in charge of services, land directly under and within the perimeter of those buildings, improved off-street parking or reasonable landscaping or sidewalk area adjoining the main church building, and up to a maximum of five additional acres [2.02 hectares] must be deemed to be property used exclusively for religious purposes, and exempt from taxation, whether the real property consists of one tract or more. If the residence of the bishop, priest, rector, or other minister in charge of services is located on property not adjacent to the church, that residence with usual outbuildings and land on which it is located, up to two acres [.81 hectare], is exempt from taxation. Also, the exemption for a building used for the religious purposes of the owner continues to be in effect if the building in whole, or in part, is rented to another otherwise tax-exempt corporation or organization, provided no profit is realized from the rent. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-09.

Property tax exemptions for property owners includes fixtures, buildings, and improvements up to the amount of valuation specified, when owned and occupied as a homestead, as hereinafter defined, by any permanently and totally disabled person who is permanently confined to use of a wheelchair, or, if deceased, the unremarried surviving spouse of a permanently and totally disabled person. If the spouse of a permanently and totally disabled person owns the homestead or if it is

jointly owned by them, the same reduction in assessed valuation applies as long as both reside thereon. The provisions of this subdivision do not reduce the liability for special assessments levied upon the homestead. The phrase "permanently confined to use of a wheelchair" means that the person cannot walk with the assistance of crutches or any other device and will never be able to do so and that a physician selected by the local governing board has so certified. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-20.

<b>Tax Exemption Program</b>	<b>Amount of Tax Exempted During the Fiscal Year</b>
New Home Builder	\$ 34,873
New Home Buyer	133,884
New/Expanding Business	71,828
Payment in Lieu of Tax	55,356
Commercial Remodel	52,042
Child Care Facilities	11,424
Residential Remodel	30,433
Renaissance Zone	22,239
Tax Increment Financing	28,177
	<hr/>
<b>Total City Exemptions</b>	<b>\$ 440,256</b>
	<hr/>

*State of North Dakota Tax Exemptions:*

City property tax revenues were reduced by \$1,728,733 under agreements entered into by the State of North Dakota.

**J. Subsequent Events**

In December 2019, a novel strain of coronavirus (COVID-19) was reported in Wuhan, China. COVID-19 was subsequently declared a world-wide pandemic by the World Health Organization (WHO). On March 13, 2020, the President of the United States declared a national emergency concerning the COVID-19 outbreak. The City is closely monitoring the future impact of this unprecedented situation. The impact of the City's future operating costs, revenues, and any recovery from emergency funding, either federal or state, cannot be estimated at this time.

Altru Health System has broken ground on an approximately \$305 million investment in the replacement of the current hospital with a state of the art hospital facility at the current South Columbia Road campus location. However, due to the uncertainty with the COVID-19 pandemic it has paused construction to prioritize operational resources on patient care and employee support.



CITY OF GRAND FORKS, NORTH DAKOTA  
 Required Supplementary Information  
 Pension Trust Fund

December 31, 2019

Schedule of Changes in the City's Net Pension Liability  
 and Related Ratios Single Employer Plan  
 Last 10 Fiscal Years\*

	2015	2016	2017	2018	2019
<b>Total Pension Liability</b>					
Service Cost	\$ 50,331	\$ 556,392	\$ 461,205	\$ 406,090	\$ 368,476
Interest	6,444,944	6,569,255	7,006,404	6,938,458	7,033,601
Changes of benefit Terms	-	-	-	-	-
Differences between expected and actual experience	-	344,624	1,333,162	(968,991)	1,725,082
Changes of assumptions	-	3,000,205	(1,030,576)	941,124	(764,113)
Benefit payments, including refunds of employee contributions	(4,709,238)	(5,080,220)	(5,509,875)	(5,705,484)	(6,326,740)
<b>Net change in total pension liability</b>	1,786,037	5,390,256	2,260,320	1,611,197	2,036,306
<b>Total pension liability - beginning</b>	85,471,244	87,257,281	92,647,537	94,907,857	96,519,054
<b>Total pension liability - ending (a)</b>	\$ 87,257,281	\$ 92,647,537	\$ 94,907,857	\$ 96,519,054	\$ 98,555,360
<b>Plan fiduciary net position</b>					
Contributions - employer	\$ 3,583,317	\$ 3,590,325	\$ 3,590,322	\$ 3,325,061	\$ 3,338,042
Contributions - employee	497,997	486,834	441,589	428,480	385,280
Net Investment Income	3,814,150	699,438	4,344,791	9,767,726	(2,197,466)
Benefit payments, including refunds of employee contributions	(4,709,238)	(5,080,220)	(5,509,875)	(5,705,484)	(6,326,740)
Administrative expenses	(286,387)	(237,060)	(182,647)	(204,338)	(169,566)
Other	-	-	11,888	-	-
<b>Net change in plan fiduciary net position</b>	2,899,839	(540,683)	2,696,068	7,611,445	(4,970,450)
<b>Plan fiduciary net position - beginning</b>	58,322,718	61,222,557	60,681,874	63,377,942	70,977,499
<b>Plan fiduciary net position - ending (b)</b>	\$ 61,222,557	\$ 60,681,874	\$ 63,377,942	\$ 70,989,387	\$ 66,007,049
<b>City's net pension liability - ending (a)-(b)</b>	\$ 26,034,724	\$ 31,965,663	\$ 31,529,915	\$ 25,529,667	\$ 32,548,311
<b>Plan fiduciary net position as a percentage of the total pension liability</b>	70%	65%	67%	74%	67%
<b>Covered payroll</b>	\$ 7,953,162	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246
<b>City's net pension liability as a percentage of covered payroll</b>	327%	424%	477%	407%	581%

Notes to Schedule: Complete data is not available prior to 2015

Schedule of Employer Contribution  
 Last 10 Fiscal Years\*

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Actuarially Determined Contribution	\$ 3,520,138	\$ 3,457,816	\$ 3,325,061	\$ 3,338,042	\$ 3,838,567
Contributions in relation to the actuarially determined contribution	\$ (3,590,325)	\$ (3,590,322)	\$ (3,325,061)	\$ (3,338,042)	\$ (4,160,830)
Contribution deficiency (excesses)	\$ (70,187)	\$ (132,506)	\$ -	\$ -	\$ (322,263)
Employer's covered payroll	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 6,272,995
Contributions as a percentage of covered payroll	47.6%	54.3%	53.0%	59.6%	66.3%

Notes to Schedule:

Valuation date: December 31, 2018  
 Actuarially determined contribution rates are calculated as of December 31, one year prior to the end of the fiscal year in which contributions are reported.  
 Methods and assumptions used to determine contribution rates:  
 Actuarial cost method: Entry Age Actuarial Cost Method  
 Amortization method: Level dollar over a thirty year period beginning January 1, 2005 through December 2034  
 Remaining amortization period: 15 years  
 Asset valuation method: Market value of assets plus contributions receivable  
 Salary Scale/Inflation: 2.75%  
 Investment rate of return: 7.50%, Compounded Annually  
 Retirement age: Contributions are based on retirement age selected by participant (for the retirement with full benefits). Age 55 - 7.4%, Age 62 - 4.7%, Age 65 - 3.7%.  
 Mortality: Police and Firefighters: RP-2014 Blue Collar Mortality Table with generational mortality projection using Scale MP-2017  
 All Other Participants: RP-2014 Combined Healthy Mortality Table with generational mortality projections using Scale MP-2017

\*Complete data for this schedule is not available prior to 2015

CITY OF GRAND FORKS, NORTH DAKOTA  
Required Supplementary Information

December 31, 2019

**Schedule of Employer's Share of Net Pension Liability  
ND Public Employees Retirement System  
Last 10 Fiscal Years\***

	As of a measurement date of 06/30/2015	As of a measurement date of 06/30/2016	As of a measurement date of 06/30/2017	As of a measurement date of 06/30/2018	As of a measurement date of 06/30/2019
Employer's proportion of the net pension liability (asset)	1.837291%	1.988687%	2.236455%	2.167287%	2.320733%
Employer's proportionate share of the net pension liability (asset)	\$ 12,892,267	\$ 19,381,693	\$ 35,947,172	\$ 36,575,332	\$ 27,200,670
Employer's covered-employee payroll	\$ 16,890,785	\$ 20,041,274	\$ 22,830,700	\$ 22,264,912	\$ 24,139,567
Employer's share of net pension liability (asset) as a percentage of its covered-employee payroll	76%	97%	157%	164%	113%
Plan fiduciary net position as a percentage of the total pension liability	77%	70%	62%	63%	72%

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

\*Complete data for this schedule is not available prior to 2015

**Schedule of Employer Contribution  
ND Public Employees Retirement System  
Last 10 Fiscal Years\***

	12/31/2015	12/31/2016	12/31/2017	12/31/2018	12/31/2019
Statutorily required contribution	\$ 1,586,546	\$ 1,494,529	\$ 1,588,376	\$ 1,587,730	\$ 1,710,275
Contributions in relation to the required contribution	\$ (1,586,546)	\$ (1,494,529)	\$ (1,588,376)	\$ (1,587,730)	\$ (1,710,275)
Contribution deficiency (excesses)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 18,644,665	\$ 20,281,722	\$ 22,213,275	\$ 22,345,783	\$ 23,924,496
Contributions as a percentage of covered payroll	8.51%	7.38%	7.15%	7.12%	7.15%

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

\*Complete data for this schedule is not available prior to 2015

**CHANGES OF BENEFIT TERMS**

The interest rate earned on member contributions will decrease from 7.25 percent to 7.00 percent effective January 1, 2020 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System will increase from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

## CHANGES OF ASSUMPTIONS

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.75% to 7.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**Required Supplementary Information**

December 31, 2019

**Schedule of Employer's Share of Net OPEB Liability**  
**ND Public Employees Retirement System**  
**Last 10 Fiscal Years\***

	As of a measurement date of 06/30/2018	As of a measurement date of 06/30/2019
Employer's proportion of the net OPEB liability (asset)	2.042171%	2.171713%
Employer's proportionate share of the net OPEB liability (asset)	\$ 1,608,349	\$ 1,744,293
Employer's covered payroll	\$ 22,345,783	\$ 24,233,227
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7%	7%
Plan fiduciary net position as a percentage of the total OPEB liability	62%	63%

\*Complete data for this schedule is not available prior to 2018

**Schedule of Employer Contribution**  
**ND Public Employees Retirement System**  
**Last 10 Fiscal Years\***

	12/31/2018	12/31/2019
Statutorily required contribution	\$ 254,379	\$ 273,868
Contributions in relation to the required contribution	\$ (254,379)	\$ (273,868)
Contribution deficiency (excesses)	\$ -	\$ -
Employer's covered payroll	\$ 23,004,333	\$ 23,924,496
Contributions as a percentage of covered payroll	1.11%	1.14%

\*Complete data for this schedule is not available prior to 2018

**CHANGES OF BENEFIT TERMS**

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2018.

**CHANGES OF ASSUMPTIONS**

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2019 valuation:

- The investment return assumption was lowered from 7.50% to 7.25%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2018.

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR GOVERNMENTAL FUNDS

A-1

DECEMBER 31, 2019

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Project Funds	Total Non-Major Governmental Funds
<b>ASSETS</b>				
Cash and cash equivalents	\$ 8,760,553	\$ 816,222	\$ 1,922,966	\$ 11,499,741
Investments	4,000,000	1,000,000	6,000,000	11,000,000
Receivables, net:				
Accounts	285,885			285,885
Special assessments (including liens)		1,349	18,839	20,188
Special assessments-uncertified			2,351,521	2,351,521
Property taxes	99,601	23,430		123,031
Sales tax	863,822			863,822
Hotel/Motel Tax	86,535			86,535
Notes	3,656,552			3,656,552
Intergovernmental	605,790			605,790
Prepaid Items	22,159			22,159
Due from other funds	825,285			825,285
Total assets	<u>\$ 19,206,182</u>	<u>\$ 1,841,001</u>	<u>\$ 10,293,326</u>	<u>\$ 31,340,509</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 242,462	\$ 780	\$ -	\$ 243,242
Due to other funds	128,100			128,100
Advances from other funds	125,118	9,901		135,019
Unearned income	3,820,293			3,820,293
Total liabilities	<u>4,315,973</u>	<u>10,681</u>	<u>-</u>	<u>4,326,654</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-property taxes	79,279	18,773		98,052
Unavailable revenue-special assessments		1,349	2,370,360	2,371,709
Total deferred inflows of resources	<u>79,279</u>	<u>20,122</u>	<u>2,370,360</u>	<u>2,469,761</u>
<b>FUND BALANCES</b>				
Nonspendable	22,159			22,159
Restricted	14,788,771	1,810,198	2,917,003	19,515,972
Committed			5,005,963	5,005,963
Total Fund Balances	<u>14,810,930</u>	<u>1,810,198</u>	<u>7,922,966</u>	<u>24,544,094</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 19,206,182</u>	<u>\$ 1,841,001</u>	<u>\$ 10,293,326</u>	<u>\$ 31,340,509</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR GOVERNMENTAL FUNDS

A-2

FOR THE YEAR ENDED DECEMBER 31, 2019

	Non-Major Special Revenue	Non-Major Debt Service	Non-Major Capital Projects	Total Non-major Governmental Funds
Revenues:				
Taxes:				
Property	\$ 3,764,575	\$ 827,972	\$	\$ 4,592,547
Sales	7,721,420			7,721,420
Hotel/Motel/Airport Car Rental	999,838			999,838
Intergovernmental	3,561,198	21,406		3,582,604
Charges for services	2,218,905			2,218,905
Special assessments		5,830	344,350	350,180
Fines and forfeits	17,889			17,889
Interest	385,424	64,860	225,878	676,162
Miscellaneous	94,485			94,485
	<u>18,763,734</u>	<u>920,068</u>	<u>570,228</u>	<u>20,254,030</u>
Total Revenues				
Expenditures:				
Current:				
General government	3,436,328	12,246		3,448,574
Health & welfare	1,382,255			1,382,255
Public safety	3,471,299			3,471,299
Culture & recreation	2,318,146			2,318,146
Capital outlay	1,100,008		1,059,797	2,159,805
Debt service:				
Principal retirement		2,295,000	135,220	2,430,220
Interest and fiscal charges	4,557	273,805		278,362
	<u>11,712,593</u>	<u>2,581,051</u>	<u>1,195,017</u>	<u>15,488,661</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	7,051,141	(1,660,983)	(624,789)	4,765,369
Other Financing Sources (Uses):				
Transfers in	2,660,533	1,947,225	861,513	5,469,271
Transfers out	(8,646,186)	(712,472)	(25,000)	(9,383,658)
Total Other Financing Sources (Uses)	<u>(5,985,653)</u>	<u>1,234,753</u>	<u>836,513</u>	<u>(3,914,387)</u>
Net change in fund balances	1,065,488	(426,230)	211,724	850,982
Fund balance Beginning	13,670,791	2,236,428	7,711,242	23,618,461
Change in Accounting Principle-GASB 84	74,651			74,651
Fund balances - beginning as restated	13,745,442	2,236,428	7,711,242	23,693,112
Fund Balances Ending	<u>\$ 14,810,930</u>	<u>\$ 1,810,198</u>	<u>\$ 7,922,966</u>	<u>\$ 24,544,094</u>

## NON-MAJOR SPECIAL REVENUE FUNDS

**Special Revenue Funds.** Account for the proceeds of specific revenue (other than those for major capital projects) that are restricted legally to expenditure for specified purposes. Additional information is provided below for some of the significant funds in this category.

### **Emergency Levy**

This is a fund to account for the receipts and disbursement of funds for use in the event of an emergency. Property taxes are levied in accordance with State Law Sec. 57-15-48 and limited to unexpended funds equal to five dollars per capita or five mills on the taxable valuation of the City, whichever is greater.

### **Municipal Band**

This is a fund to account for the receipt and disbursement of funds for City's Municipal Band. Municipal Band provides musical entertainment for the citizens of Grand Forks. Funds are allocated from the city's property tax levy.

### **Public Building Fund**

This is a fund to receive and disburse funds provided by a specific tax levy for building repair and construction. Property taxes are levied in accordance with State Law Sec. 57-15-44.

### **Library**

This is a fund to account for the operation and maintenance of the City's Library. Financing is provided by a specific annual property tax levy, in accordance with State Law Sec. 40-38-02 to the extent that miscellaneous revenues are not sufficient to provide adequate financing.

### **Library Capital Maintenance Fund**

This is a fund to account for the monies set aside from Library Fund to purchase library books, computer equipment and other capital items.

### **Health, Fire and Police Grants Funds**

These funds receive and disburse federal and state grants for the health and the public safety functions.

### **Special Grants Fund**

This is a fund to receive and disburse federal and state grants for Historic Preservation activities and for the Community Violence Intervention Center that administers the Edward Byrne Formula Grant and The US Department of Justice, Office of Justice Programs grant to Encourage Arrest Policies.

### **Asset Forfeiture Fund**

This fund accounts for assets confiscated through law enforcement activities.

### **City Share of Special Improvements**

This is a fund to receive and disburse funds provided by a specific levy for payment of the City's share of special improvements. Property taxes are levied in accordance with State Law Sec. 40-24-10.

**City Special Assessment Fund**

This is a fund to receive and disburse funds provided by a specific levy for payment of special assessments on city owned property. Property taxes are levied in accordance with State Law Sec. 40-24-10.

**Insurance Reserve Fund**

This is a fund to receive and disburse funds provided by a specific tax levy to pay insurance premium to North Dakota Insurance Reserve Fund for general liability, public officials error and omissions and auto and inland marine coverage for the City. Property taxes are levied in accordance with State Law Sec. 57-15-10(4).

**Noxious Weeds**

This is a fund to receive and disburse funds provided by a specific mill levy. These funds are to be used for destruction of all known weeds within the City of Grand Forks.

**E-911**

This is a fund to receive and disburse funds collected through a telephone surcharge for the purpose of furnishing enhanced 911- system service to the city.

**Economic Development Sales Tax**

This is a fund to receive and disburse the portion of the funds provided by the City sales tax set aside for economic development expenditures as designated by the City Council. Sales tax is levied in accordance with the City's Home Rule Charter.

**Public Safety Answering Point**

This is a fund to receive and disburse funds collected from charges to various governmental and private entities for the purpose of furnishing a central communication center.

**Water and Street Sales Tax**

This is a fund to receive and disburse the proceeds of the one-half cent City sales tax dedicated to street and water infrastructure projects. Sales tax is levied in accordance with the City's Home Rule Charter.

**Convention and Visitor's Bureau**

This is a fund used to account for the receipt of a three percent room tax and the disbursement of these funds to the Convention and Visitor's Bureau for its use.

**Animal Control**

This is a fund used to account for the receipt of a .5 mill levy and City contribution and the disbursement of these funds to the Humane Society for its use.

**Community Enhancement**

This fund is used to account for the receipt and disbursement of grant proceeds received for the purpose of enhancing our community.

**Community Development**

This fund is used to account for the receipt and disbursement of funds for Community Development block grants, HOME funds and HUD Special Purpose Grants.





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CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-1

DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Emergency Levy	Municipal Band	Public Building Fund	Library	Library Capital Mtce.
<b>ASSETS</b>					
Cash and cash equivalents	\$ 174,789	\$ 1,896	\$ 763,429	\$ 1,313,860	\$ 422,691
Investments					1,000,000
Receivables (Net of allowances for uncollectibles):					
Accounts					
Notes					
Taxes:					
Property	2,842	392	19,049	51,488	
Sales					
Hotel/Motel					
Intergovernmental:					
State of North Dakota				10,000	
Federal	18,143				
Grand Forks County				169,234	
Prepaid Items			21,844		
Due from other funds					
<b>Total Assets</b>	<b>\$ 195,774</b>	<b>\$ 2,288</b>	<b>\$ 804,322</b>	<b>\$ 1,544,582</b>	<b>\$ 1,422,691</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 854			\$ -	
Contracts payable and retainage			\$ -		
Due to other funds					
Advances from other funds					
Unearned Income					
<b>Total Liabilities</b>	<b>854</b>				
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	2,262	\$ 313	15,162	40,983	
<b>Total Deferred Inflows of Resources</b>	<b>2,262</b>	<b>313</b>	<b>15,162</b>	<b>40,983</b>	
<b>FUND BALANCES</b>					
Non spendable fund balance			21,844		
Restricted fund balance	192,658	1,975	767,316	1,503,599	\$ 1,422,691
<b>Total Fund Balances</b>	<b>192,658</b>	<b>1,975</b>	<b>789,160</b>	<b>1,503,599</b>	<b>1,422,691</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 195,774</b>	<b>\$ 2,288</b>	<b>\$ 804,322</b>	<b>\$ 1,544,582</b>	<b>\$ 1,422,691</b>

Continued

Special Grants Fire	Special Grants Police	Special Grants Health	Special Grants-Other	Asset Forfeiture	City's Share Of Special Improvements
\$ 30	\$ 52,848	\$ 250,128	\$ 4,305	\$ 38,106	\$ 37,572
		59,364			
118,143	10,351 60,009	152,985	6,666 5,852		
<u>\$ 118,173</u>	<u>\$ 123,208</u>	<u>\$ 462,477</u>	<u>\$ 16,823</u>	<u>\$ 38,106</u>	<u>\$ 37,572</u>
	\$ 1,608	\$ 1,500	\$ 5,852		
\$ 118,100			10,000		
<u>118,100</u>	<u>1,608</u>	<u>1,500</u>	<u>15,852</u>		
73	121,600	460,977	971	\$ 38,106	\$ 37,572
73	121,600	460,977	971	38,106	37,572
<u>\$ 118,173</u>	<u>\$ 123,208</u>	<u>\$ 462,477</u>	<u>\$ 16,823</u>	<u>\$ 38,106</u>	<u>\$ 37,572</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-1

DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	City Special Assessment Fund	Insurance Reserve Fund	Noxious Weed Control	E-911 System	Economic Development Sales Tax
<b>ASSETS</b>					
Cash and cash equivalents	\$ 726,911	\$ 1,724	\$ 17,367	\$ 1,389,022	\$ 1,893,837
Investments					3,000,000
Receivables (Net of allowances for uncollectibles):					
Accounts				225,623	898
Notes					
Taxes:					
Property	12,780	10,085	123		
Sales					237,369
Hotel/Motel					
Intergovernmental:					
State of North Dakota					
Federal					
Grand Forks County					
Prepaid Items					
Due from other funds					825,285
<b>Total Assets</b>	<b>\$ 739,691</b>	<b>\$ 11,809</b>	<b>\$ 17,490</b>	<b>\$ 1,614,645</b>	<b>\$ 5,957,389</b>
<b>LIABILITIES AND FUND BALANCES</b>					
Accounts payable				\$ 56,292	\$ 36,628
Contracts payable and retainage					
Due to other funds					
Advances from other funds				125,118	
Unearned Income					
<b>Total Liabilities</b>				<b>181,410</b>	<b>36,628</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	\$ 10,181	\$ 8,018	\$ 98		
<b>Total Deferred Inflows of Resources</b>	<b>10,181</b>	<b>8,018</b>	<b>98</b>		
<b>Fund Balances:</b>					
Non spendable fund balance					
Restricted fund balance	729,510	3,791	17,392	1,433,235	5,920,761
<b>Total Fund Balances</b>	<b>729,510</b>	<b>3,791</b>	<b>17,392</b>	<b>1,433,235</b>	<b>5,920,761</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 739,691</b>	<b>\$ 11,809</b>	<b>\$ 17,490</b>	<b>\$ 1,614,645</b>	<b>\$ 5,957,389</b>

Continued

Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau	Animal Control	Community Enhancement	Community Development	2019 Total	2018 Total as Restated
\$ 484,035	\$ 219,571	\$ 79,133	\$ 763	\$ 330	\$ 888,206	\$ 8,760,553 4,000,000	\$ 7,843,940 4,000,000
						285,885	366,340
					3,656,552	3,656,552	2,098,419
			2,842			99,601	66,923
	626,453					863,822	639,506
		86,535				86,535	81,267
						180,002	246,798
					54,407	256,554	101,973
					315	169,234	164,983
						22,159	15,566
						825,285	1,435,285
<u>\$ 484,035</u>	<u>\$ 846,024</u>	<u>\$ 165,668</u>	<u>\$ 3,605</u>	<u>\$ 330</u>	<u>\$ 4,599,480</u>	<u>\$ 19,206,182</u>	<u>\$ 17,061,000</u>
\$ 231		\$ 85,090			\$ 54,407	\$ 242,462	\$ 331,225 1,234
						128,100	549,372
						125,118	160,531
					3,820,293	3,820,293	2,217,690
<u>231</u>		<u>85,090</u>			<u>3,874,700</u>	<u>4,315,973</u>	<u>3,260,052</u>
			\$ 2,262			79,279	55,506
			2,262			79,279	55,506
483,804	\$ 846,024	80,578	1,343	\$ 330	724,465	22,159 14,788,771	15,566 13,729,876
<u>483,804</u>	<u>846,024</u>	<u>80,578</u>	<u>1,343</u>	<u>330</u>	<u>724,780</u>	<u>14,810,930</u>	<u>13,745,442</u>
<u>\$ 484,035</u>	<u>\$ 846,024</u>	<u>\$ 165,668</u>	<u>\$ 3,605</u>	<u>\$ 330</u>	<u>\$ 4,599,480</u>	<u>\$ 19,206,182</u>	<u>\$ 17,061,000</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-2

FOR THE YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Emergency Levy	Municipal Band	Public Building Fund	Library
<b>REVENUES</b>				
Taxes:				
Property	\$ 107,398	\$ 14,305	\$ 720,187	\$ 1,946,075
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental	81,438	324	19,445	931,168
Charges for services				31,241
Fines and forfeits				
Interest	15,053	119	28,075	51,767
Miscellaneous			161	3,969
	<u>203,889</u>	<u>14,748</u>	<u>767,868</u>	<u>2,964,220</u>
Total Revenues				
<b>EXPENDITURES</b>				
Current:				
General government			105,755	
Health & welfare				
Public safety	86,170			
Culture & recreation		17,194		2,254,417
Capital outlay	22,470		230,814	185,132
Debt service:				
Interest and fiscal charges				
	<u>108,640</u>	<u>17,194</u>	<u>336,569</u>	<u>2,439,549</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>95,249</u>	<u>(2,446)</u>	<u>431,299</u>	<u>524,671</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out	(455,495)		(357,300)	(350,000)
Total Other Financing Sources (Uses)	<u>(455,495)</u>		<u>(357,300)</u>	<u>(350,000)</u>
Net change in fund balances	(360,246)	(2,446)	73,999	174,671
Fund Balances - Beginning	552,904	4,421	715,161	1,328,928
Change in Accounting Principle-GASB 84				
Fund balances - beginning as restated	<u>552,904</u>	<u>4,421</u>	<u>715,161</u>	<u>1,328,928</u>
Fund Balances - Ending	<u>\$ 192,658</u>	<u>\$ 1,975</u>	<u>\$ 789,160</u>	<u>\$ 1,503,599</u>

Continued

Library Capital Maintenance	Special Grants Fire	Special Grants Police	Special Grants Health	Special Grants Other
\$ -	\$ -	\$ -	\$ -	\$ -
	189,150	743,601	1,180,511 254,732	42,346
31,385				(202)
<u>13,569</u>			<u>5,658</u>	<u>18,000</u>
<u>44,954</u>	<u>189,150</u>	<u>743,601</u>	<u>1,440,901</u>	<u>60,144</u>
			1,377,698	
	189,135	582,598		13,747 46,535
103,231		80,649	10,736	
<u>103,231</u>	<u>189,135</u>	<u>663,247</u>	<u>1,388,434</u>	<u>60,282</u>
<u>(58,277)</u>	<u>15</u>	<u>80,354</u>	<u>52,467</u>	<u>(138)</u>
350,000			(25)	
<u>350,000</u>			<u>(25)</u>	
291,723	15	80,354	52,442	(138)
1,130,968	58	41,246	408,535	1,109
<u>1,130,968</u>	<u>58</u>	<u>41,246</u>	<u>408,535</u>	<u>1,109</u>
<u>\$ 1,422,691</u>	<u>\$ 73</u>	<u>\$ 121,600</u>	<u>\$ 460,977</u>	<u>\$ 971</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-2 (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Asset Forfeiture	City's Share Of Special Improvements	City Special Assessment Fund	Insurance Reserve Fund
<b>REVENUES</b>				
Taxes:				
Property	\$ -	\$ -	\$ 479,295	\$ 385,161
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental			12,257	8,755
Charges for services				
Fines and forfeits	17,889			
Interest	556	1,252	21,230	(664)
Miscellaneous				
<b>Total Revenues</b>	<b>18,445</b>	<b>1,252</b>	<b>512,782</b>	<b>393,252</b>
<b>EXPENDITURES</b>				
Current:				
General government			414,784	400,150
Health & welfare				
Public safety	3,936			
Culture & recreation				
Capital outlay	15,543			
Debt service:				
Interest and fiscal charges				
<b>Total Expenditures</b>	<b>19,479</b>		<b>414,784</b>	<b>400,150</b>
Excess (Deficiency) of Revenues Over Expenditures	(1,034)	1,252	97,998	(6,898)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Transfers out			(25,000)	
<b>Total Other Financing Sources (Uses)</b>			<b>(25,000)</b>	
<b>Net change in fund balances</b>	<b>(1,034)</b>	<b>1,252</b>	<b>72,998</b>	<b>(6,898)</b>
Fund Balances - Beginning	39,140	36,320	656,512	10,689
Change in Accounting Principle-GASB 84				
Fund balances - beginning as restated	39,140	36,320	656,512	10,689
<b>Fund Balances - Ending</b>	<b>\$ 38,106</b>	<b>\$ 37,572</b>	<b>\$ 729,510</b>	<b>\$ 3,791</b>

Continued



B-2 (cont'd)

Noxious Weed Control	E-911 System	Economic Development Sales Tax	Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau
\$ 4,754	\$ -	\$ - 2,121,760	\$ -	\$ - 5,599,660	\$ - 999,838
108	1,458,073	27,943	446,916		
578	41,373	137,589	12,441	23,367	2,368
	238		35		
<u>5,440</u>	<u>1,499,684</u>	<u>2,287,292</u>	<u>459,392</u>	<u>5,623,027</u>	<u>1,002,206</u>
		1,023,085			996,229
4,557	816,998		1,615,978		
	329,506	64,267	80	57,580	
	4,557				
<u>4,557</u>	<u>1,151,061</u>	<u>1,087,352</u>	<u>1,616,058</u>	<u>57,580</u>	<u>996,229</u>
<u>883</u>	<u>348,623</u>	<u>1,199,940</u>	<u>(1,156,666)</u>	<u>5,565,447</u>	<u>5,977</u>
		693,838	1,112,468		616
	(186,045)	(1,798,983)	(2,500)	(4,777,000)	
	(186,045)	(1,105,145)	1,109,968	(4,777,000)	616
883	162,578	94,795	(46,698)	788,447	6,593
16,509	1,270,657	5,825,966	530,502	57,577	
					73,985
<u>16,509</u>	<u>1,270,657</u>	<u>5,825,966</u>	<u>530,502</u>	<u>57,577</u>	<u>73,985</u>
<u>\$ 17,392</u>	<u>\$ 1,433,235</u>	<u>\$ 5,920,761</u>	<u>\$ 483,804</u>	<u>\$ 846,024</u>	<u>\$ 80,578</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-2 (Cont'd)

FOR THE YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Animal Control	Community Enhancement	Community Development	2019 Total	2018 Total
<b>REVENUES</b>					
Taxes:					
Property	\$ 107,400.00	\$ -	\$ -	\$ 3,764,575	\$ 3,714,650
Sales				7,721,420	5,786,405
Hotel/Motel/Airport Car Rental				999,838	989,150
Intergovernmental	2,741		349,354	3,561,198	4,004,659
Charges for services				2,218,905	2,147,479
Fines and forfeits				17,889	21,097
Interest	758	6	18,373	385,424	203,856
Miscellaneous	52,515		340	94,485	93,119
Total Revenues	163,414	6	368,067	18,763,734	16,960,415
<b>EXPENDITURES</b>					
Current:					
General government			496,325	3,436,328	3,659,657
Health & welfare				1,382,255	1,499,820
Public safety	162,737			3,471,299	2,956,571
Culture & recreation				2,318,146	3,282,079
Capital outlay				1,100,008	1,063,135
Debt service:					
Interest and fiscal charges				4,557	5,603
Total Expenditures	162,737		496,325	11,712,593	12,466,865
Excess (Deficiency) of Revenues Over Expenditures	677	6	(128,258)	7,051,141	4,493,550
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in			503,611	2,660,533	2,138,226
Transfers out			(693,838)	(8,646,186)	(6,426,191)
Total Other Financing Sources (Uses)			(190,227)	(5,985,653)	(4,287,965)
Net change in fund balances	677	6	(318,485)	1,065,488	205,585
Fund Balances - Beginning		324	1,043,265	13,670,791	13,465,206
Change in Accounting Principle-GASB 84	666			74,651	
Fund balances - beginning as restated	666	324	1,043,265	13,745,442	13,465,206
Fund Balances - Ending	\$ 1,343	\$ 330	\$ 724,780	\$ 14,810,930	\$ 13,670,791



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CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Emergency Levy			Municipal Band		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ 112,990	\$ 107,398	\$ (5,592)	\$ 15,819	\$ 14,305	\$ (1,514)
Hotel/Motel/Airport Car Rental						
Intergovernmental	63,706	81,438	17,732	305	324	19
Charges for services						
Fines and forfeits						
Interest	4,922	15,053	10,131	40	119	79
Miscellaneous						
<b>Total Revenues</b>	<b>181,618</b>	<b>203,889</b>	<b>22,271</b>	<b>16,164</b>	<b>14,748</b>	<b>(1,416)</b>
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	113,333	86,170	27,163			
Culture & recreation				18,992	17,194	1,798
Capital outlay	10,075	22,470	(12,395)			
Debt service:						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>123,408</b>	<b>108,640</b>	<b>14,768</b>	<b>18,992</b>	<b>17,194</b>	<b>1,798</b>
Excess (Deficiency) of						
Revenues Over Expenditures	58,210	95,249	37,039	(2,828)	(2,446)	382
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(455,495)	(455,495)				
Total Other Financing Sources (Uses)	(455,495)	(455,495)				
Net change in fund balances	(397,285)	(360,246)	37,039	(2,828)	(2,446)	382
Fund Balances - Beginning	552,904	552,904		4,421	4,421	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	552,904	552,904		4,421	4,421	
<b>Fund Balances - Ending</b>	<b>\$ 155,619</b>	<b>\$ 192,658</b>	<b>\$ 37,039</b>	<b>\$ 1,593</b>	<b>\$ 1,975</b>	<b>\$ 382</b>

Continued

Public Building Fund			Library		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 719,179	\$ 720,187	\$ 1,008	\$ 2,047,370	\$ 1,946,075	\$ (101,295)
11,226	19,445	8,219	874,496	931,168	56,672
			23,700	31,241	7,541
4,514	28,075	23,561	15,000	51,767	36,767
	161	161	2,877	3,969	1,092
<u>734,919</u>	<u>767,868</u>	<u>32,949</u>	<u>2,963,443</u>	<u>2,964,220</u>	<u>777</u>
127,370	105,755	21,615			
			2,717,208	2,254,417	462,791
230,815	230,814	1	246,235	185,132	61,103
<u>358,185</u>	<u>336,569</u>	<u>21,616</u>	<u>2,963,443</u>	<u>2,439,549</u>	<u>523,894</u>
<u>376,734</u>	<u>431,299</u>	<u>54,565</u>		<u>524,671</u>	<u>524,671</u>
<u>(357,300)</u>	<u>(357,300)</u>		<u>(350,000)</u>	<u>(350,000)</u>	
<u>(357,300)</u>	<u>(357,300)</u>		<u>(350,000)</u>	<u>(350,000)</u>	
19,434	73,999	54,565	(350,000)	174,671	524,671
715,161	715,161		1,328,928	1,328,928	
<u>715,161</u>	<u>715,161</u>		<u>1,328,928</u>	<u>1,328,928</u>	
<u>\$ 734,595</u>	<u>\$ 789,160</u>	<u>\$ 54,565</u>	<u>\$ 978,928</u>	<u>\$ 1,503,599</u>	<u>\$ 524,671</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-3 (Cont'd)

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Library Capital Maintenance			Special Grants - Fire		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/Motel/Airport Car Rental						
Intergovernmental				189,873	189,150	(723)
Charges for services						
Fines and forfeits						
Interest	3,500	31,385	27,885			
Miscellaneous		13,569	13,569			
<b>Total Revenues</b>	<b>3,500</b>	<b>44,954</b>	<b>41,454</b>	<b>189,873</b>	<b>189,150</b>	<b>(723)</b>
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				189,873	189,135	738
Culture & recreation	77,138		77,138			
Capital outlay	490,000	103,231	386,769			
Debt service:						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>567,138</b>	<b>103,231</b>	<b>463,907</b>	<b>189,873</b>	<b>189,135</b>	<b>738</b>
Excess (Deficiency) of						
Revenues Over Expenditures	(563,638)	(58,277)	505,361		15	15
Other Financing Sources (Uses):						
Transfers in	350,000	350,000				
Transfers out						
<b>Total Other Financing Sources (Uses)</b>	<b>350,000</b>	<b>350,000</b>				
<b>Net change in fund balances</b>	<b>(213,638)</b>	<b>291,723</b>	<b>505,361</b>		<b>15</b>	<b>15</b>
Fund Balances - Beginning	1,130,968	1,130,968		58	58	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	1,130,968	1,130,968		58	58	
<b>Fund Balances Ending</b>	<b>\$ 917,330</b>	<b>\$ 1,422,691</b>	<b>\$ 505,361</b>	<b>\$ 58</b>	<b>\$ 73</b>	<b>\$ 15</b>

Continued

Special Grants-Police			Special Grants-Health		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
743,329	743,601	272	1,291,993	1,180,511	(111,482)
			249,194	254,732	5,538
			5,658	5,658	
<u>743,329</u>	<u>743,601</u>	<u>272</u>	<u>1,546,845</u>	<u>1,440,901</u>	<u>(105,944)</u>
661,561	582,598	78,963	1,582,020	1,377,698	204,322
80,648	80,649	(1)	19,036	10,736	8,300
<u>742,209</u>	<u>663,247</u>	<u>78,962</u>	<u>1,601,056</u>	<u>1,388,434</u>	<u>212,622</u>
<u>1,120</u>	<u>80,354</u>	<u>79,234</u>	<u>(54,211)</u>	<u>52,467</u>	<u>106,678</u>
<u>(1,120)</u>		<u>1,120</u>	<u>(4,219)</u>	<u>(25)</u>	<u>4,194</u>
<u>(1,120)</u>		<u>1,120</u>	<u>(4,219)</u>	<u>(25)</u>	<u>4,194</u>
	80,354	80,354	(58,430)	52,442	110,872
41,246	41,246		408,535	408,535	
<u>41,246</u>	<u>41,246</u>		<u>408,535</u>	<u>408,535</u>	
<u>\$ 41,246</u>	<u>\$ 121,600</u>	<u>\$ 80,354</u>	<u>\$ 350,105</u>	<u>\$ 460,977</u>	<u>\$ 110,872</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-3 (Cont'd)

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Special Grants-Other			Asset Forfeiture		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	54,127	42,346	(11,781)			
Charges for services				16,704	17,889	1,185
Fines and forfeits					556	556
Interest		(202)	(202)			
Miscellaneous	22,520	18,000	(4,520)			
Total Revenues	76,647	60,144	(16,503)	16,704	18,445	1,741
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	25,000	13,747	11,253	3,936	3,936	
Culture & recreation	49,647	46,535	3,112			
Capital outlay	2,000		2,000	15,543	15,543	
Debt service:						
Interest and fiscal charges						
Total Expenditures	76,647	60,282	16,365	19,479	19,479	
Excess (Deficiency) of						
Revenues Over Expenditures		(138)	(138)	(2,775)	(1,034)	1,741
Other Financing Sources (Uses):						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
Net change in fund balances		(138)	(138)	(2,775)	(1,034)	1,741
Fund Balances - Beginning	1,109	1,109		39,140	39,140	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	1,109	1,109		39,140	39,140	
Fund Balances Ending	\$ 1,109	\$ 971	\$ (138)	\$ 36,365	\$ 38,106	\$ 1,741

Continued



City's Share of Special Improvements			City Special Assessment Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ 503,933	\$ 479,295	\$ (24,638)
			8,000	12,257	4,257
	1,252	1,252	5,602	21,230	15,628
	1,252	1,252	517,535	512,782	(4,753)
			556,278	414,784	141,494
			556,278	414,784	141,494
	1,252	1,252	(38,743)	97,998	136,741
			(25,000)	(25,000)	
			(25,000)	(25,000)	
	1,252	1,252	(63,743)	72,998	136,741
36,320	36,320		656,512	656,512	
36,320	36,320		656,512	656,512	
\$ 36,320	\$ 37,572	\$ 1,252	\$ 592,769	\$ 729,510	\$ 136,741

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-3 (Cont'd)

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Insurance Reserve Fund			Noxious Weed Control		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ 404,502	\$ 385,161	\$ (19,341)	\$ 4,520	\$ 4,754	\$ 234
Hotel/Motel/Airport Car Rental						
Intergovernmental	5,745	8,755	3,010		108	108
Charges for services						
Fines and forfeits						
Interest		(664)	(664)	129	578	449
Miscellaneous						
Total Revenues	<u>410,247</u>	<u>393,252</u>	<u>(16,995)</u>	<u>4,649</u>	<u>5,440</u>	<u>791</u>
Expenditures:						
Current:						
General government	410,247	400,150	10,097			
Health & welfare				5,625	4,557	1,068
Public safety						
Culture & recreation						
Capital outlay						
Debt service:						
Interest and fiscal charges						
Total Expenditures	<u>410,247</u>	<u>400,150</u>	<u>10,097</u>	<u>5,625</u>	<u>4,557</u>	<u>1,068</u>
Excess (Deficiency) of Revenues Over Expenditures		<u>(6,898)</u>	<u>(6,898)</u>	<u>(976)</u>	<u>883</u>	<u>1,859</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
Net change in fund balances		(6,898)	(6,898)	(976)	883	1,859
Fund Balances - Beginning	10,689	10,689		16,509	16,509	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	<u>10,689</u>	<u>10,689</u>		<u>16,509</u>	<u>16,509</u>	
Fund Balances Ending	<u>\$ 10,689</u>	<u>\$ 3,791</u>	<u>\$ (6,898)</u>	<u>\$ 15,533</u>	<u>\$ 17,392</u>	<u>\$ 1,859</u>

Continued

E911 System			Economic Development Sales Tax		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			1,979,584	2,121,760	142,176
1,000		(1,000)			
1,398,475	1,458,073	59,598	20,000	27,943	7,943
1,310	41,373	40,063	44,576	137,589	93,013
	238	238			
<u>1,400,785</u>	<u>1,499,684</u>	<u>98,899</u>	<u>2,044,160</u>	<u>2,287,292</u>	<u>243,132</u>
			1,676,989	1,023,085	653,904
878,934	816,998	61,936			
379,406	329,506	49,900	84,692	64,267	20,425
4,558	4,557	(1)			
<u>1,262,898</u>	<u>1,151,061</u>	<u>111,835</u>	<u>1,761,681</u>	<u>1,087,352</u>	<u>674,329</u>
137,887	348,623	210,734	282,479	1,199,940	917,461
(226,459)	(186,045)	40,414	990,862	693,838	(297,024)
			(1,798,990)	(1,798,983)	7
<u>(226,459)</u>	<u>(186,045)</u>	<u>40,414</u>	<u>(808,128)</u>	<u>(1,105,145)</u>	<u>(297,017)</u>
(88,572)	162,578	251,148	(525,649)	94,795	620,444
1,270,657	1,270,657		5,825,966	5,825,966	
<u>1,270,657</u>	<u>1,270,657</u>		<u>5,825,966</u>	<u>5,825,966</u>	
<u>\$ 1,182,085</u>	<u>\$ 1,433,235</u>	<u>\$ 251,148</u>	<u>\$ 5,300,317</u>	<u>\$ 5,920,761</u>	<u>\$ 620,444</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-3 (Cont'd)

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Public Service Answering Point			Water and Street Sales Tax Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales				4,825,000	5,599,660	774,660
Hotel/Motel/Airport Car Rental						
Intergovernmental						
Charges for services	433,033	446,916	13,883			
Fines and forfeits						
Interest	4,387	12,441	8,054		23,367	23,367
Miscellaneous		35	35			
<b>Total Revenues</b>	<b>437,420</b>	<b>459,392</b>	<b>21,972</b>	<b>4,825,000</b>	<b>5,623,027</b>	<b>798,027</b>
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	1,650,958	1,615,978	34,980			
Culture & recreation						
Capital outlay	2,500	80	2,420	105,580	57,580	48,000
Debt service:						
Interest and fiscal charges						
<b>Total Expenditures</b>	<b>1,653,458</b>	<b>1,616,058</b>	<b>37,400</b>	<b>105,580</b>	<b>57,580</b>	<b>48,000</b>
Excess (Deficiency) of						
Revenues Over Expenditures	(1,216,038)	(1,156,666)	59,372	4,719,420	5,565,447	846,027
Other Financing Sources (Uses):						
Transfers in	1,112,468	1,112,468				
Transfers out		(2,500)	(2,500)	(4,777,000)	(4,777,000)	
<b>Total Other Financing Sources (Uses)</b>	<b>1,112,468</b>	<b>1,109,968</b>	<b>(2,500)</b>	<b>(4,777,000)</b>	<b>(4,777,000)</b>	
<b>Net change in fund balances</b>	<b>(103,570)</b>	<b>(46,698)</b>	<b>56,872</b>	<b>(57,580)</b>	<b>788,447</b>	<b>846,027</b>
Fund Balances - Beginning	530,502	530,502		57,577	57,577	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	530,502	530,502		57,577	57,577	
<b>Fund Balances Ending</b>	<b>\$ 426,932</b>	<b>\$ 483,804</b>	<b>\$ 56,872</b>	<b>\$ (3)</b>	<b>\$ 846,024</b>	<b>\$ 846,027</b>

Continued

Convention & Visitors Bureau			Animal Control Fund		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ 112,990	\$ 107,400	\$ (5,590)
827,000	999,838		1,400	2,741	1,341
	2,368	2,368		758	758
			52,515	52,515	
827,000	1,002,206	2,368	166,905	163,414	(3,491)
827,000	996,229	(169,229)	166,905	162,737	4,168
827,000	996,229	(169,229)	166,905	162,737	4,168
	5,977	(166,861)		677	677
	616	616			
	616	616			
	6,593	(166,245)		677	677
73,985	73,985		666	666	
73,985	73,985		666	666	
\$ 73,985	\$ 80,578	\$ (166,245)	\$ 666	\$ 1,343	\$ 677

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 BUDGET AND ACTUAL  
 NON-MAJOR SPECIAL REVENUE FUNDS

B-3 (Cont'd)

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Actual Totals for December 31, 2018

	Community Enhancement			Community Development		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Hotel/Motel/Airport Car Rental						
Intergovernmental				1,003,407	349,354	(654,053)
Charges for services						
Fines and forfeits						
Interest		6	(6)	16,000	18,373	2,373
Miscellaneous				3,000	340	(2,660)
<b>Total Revenues</b>		<b>6</b>	<b>(6)</b>	<b>1,022,407</b>	<b>368,067</b>	<b>(654,340)</b>
Expenditures:						
Current:						
General government				1,446,031	496,325	949,706
Health & welfare						
Public safety						
Culture & recreation						
Capital outlay						
Debt service:						
Interest and fiscal charges						
<b>Total Expenditures</b>				<b>1,446,031</b>	<b>496,325</b>	<b>949,706</b>
Excess (Deficiency) of Revenues Over Expenditures		6	(6)	(423,624)	(128,258)	295,366
Other Financing Sources (Uses):						
Transfers in				479,033	503,611	24,578
Transfers out				(693,839)	(693,838)	1
<b>Total Other Financing Sources (Uses)</b>				<b>(214,806)</b>	<b>(190,227)</b>	<b>24,579</b>
<b>Net change in fund balances</b>		<b>6</b>	<b>(6)</b>	<b>(638,430)</b>	<b>(318,485)</b>	<b>319,945</b>
Fund Balances - Beginning	324	324		1,043,265	1,043,265	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	324	324		1,043,265	1,043,265	
<b>Fund Balances Ending</b>	<b>\$ 324</b>	<b>\$ 330</b>	<b>\$ (6)</b>	<b>\$ 404,835</b>	<b>\$ 724,780</b>	<b>\$ 319,945</b>

2019 Total		Variance with Final Budget Positive (Negative)	2018 Actual
Final Budget	Actual		Total
\$ 3,921,303	\$ 3,764,575	\$ (151,138)	\$ 3,714,650
6,804,584	7,721,420	916,836	5,786,405
827,000	999,838	172,838	989,150
4,248,607	3,561,198	(688,750)	4,004,659
2,124,402	2,218,905	94,503	2,147,479
16,704	17,889	1,185	21,097
99,980	385,424	282,306	203,856
86,570	94,485	7,915	93,119
<u>18,129,150</u>	<u>18,763,734</u>	<u>635,695</u>	<u>16,960,415</u>
5,210,820	3,599,065	1,776,816	3,659,657
1,587,645	1,382,255	205,390	1,499,820
3,523,595	3,308,562	215,033	2,956,571
2,862,985	2,318,146	544,839	3,282,079
1,666,530	1,100,008	566,522	1,063,135
4,558	4,557	(1)	5,603
<u>14,856,133</u>	<u>11,712,593</u>	<u>3,308,599</u>	<u>12,466,865</u>
<u>3,273,017</u>	<u>7,051,141</u>	<u>3,944,294</u>	<u>4,493,550</u>
2,932,363	2,660,533	(272,446)	2,138,226
<u>(8,689,422)</u>	<u>(8,646,186)</u>	<u>43,236</u>	<u>(6,426,191)</u>
<u>(5,757,059)</u>	<u>(5,985,653)</u>	<u>(229,210)</u>	<u>(4,287,965)</u>
(2,484,042)	1,065,488	3,715,084	205,585
13,670,791	13,670,791	-	13,465,206
74,651	74,651		
<u>13,745,442</u>	<u>13,745,442</u>		<u>13,465,206</u>
<u>\$ 11,261,400</u>	<u>\$ 14,810,930</u>	<u>\$ 3,715,084</u>	<u>\$ 13,670,791</u>



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## NON-MAJOR DEBT SERVICE FUNDS

**Debt Service Funds.** Account for the accumulation of resources for, and the retirement of, general long-term debt principal and interest. Debt service funds are combined under four major categories: Special Assessment Improvement Bonds (major fund, information is provided with major funds), General Obligation Bonds, Sales Tax Revenue Bonds, and Current Year Projects. Additional information is provided below for the funds in these categories.

### General Obligation Bonds:

#### 2007 "A" GO Public Building Bonds

A \$3,490,000 bond issue to finance the costs of constructing a multi-department public safety building. Interest ranges from 4.25 percent to 4.625 percent. Principal payments range from \$65,000 to \$260,000 with a final payment due December 1, 2017.

#### 2008 "B" GO Dike Refunding Bonds

A \$5,685,000 bond issue to refund the 1999 "A" GO Dike Bonds to finance the City's share of costs associated with the construction of a new dike along the Red River. Interest ranges from 3.5 percent to 4.0 percent. Principal payments range from \$500,000 to \$650,000 with a final payment due December 1, 2019.

#### 2011 "E" GO Dike Refunding Bonds

A \$2,260,000 bond issue to refund the 2002 "G" GO Dike Bonds to finance the City's share of costs associated with the construction of a new dike along the Red River. Interest ranges from 2.0 percent to 3.0 percent. Principal payments range from \$205,000 to \$250,000 with a final payment due December 1, 2022.

Financing is provided by a general property tax levy. The City has pledged 3.84 mills for the repayment of this debt.

#### 2016 "C" GO Refunding Bonds

A \$2,735,000 bond issue to refund the 2006 "B" GO Public Building Bonds to finance the costs of improvements made to various public buildings and to advance refund the 2007 "A" GO Public Building Bonds to finance the costs of constructing a multi-department public safety building. Interest ranges from 2.0 percent to 4.0 percent. Principal payments range from \$80,000 to \$330,000 with a final payment due December 1, 2026.

Financing is provided by a general property tax levy. The City has pledged 3.84 mills for the repayment of this debt.

### Sales Tax Revenue Bonds:

#### 2007 "C" Sales Tax Reserve Revenue Refunding Bonds

A \$2,445,000 bond to refinance the 1996-A sales tax revenue bonds. The bonds are issued for the acquisition and construction of a facility to be leased to Cirrus Industries, Inc. Interest ranges from 3.94 percent to 4.2 percent. Principal payments range from \$180,000 to \$300,000 with a final payment due November 1, 2017. Financing is provided from a portion of the

collection of City's sales tax for economic development and from the collection of lease rental for the use and occupancy of the facility by Cirrus Industries, Inc.

**2011 "A" Sales Tax Reserve Revenue Refunding Bonds**

A \$3,860,000 bond issue to refinance the 2002-H Sales Tax Reserve Revenue Dike Bonds to finance a portion of the permanent flood protection project and to fund a reserve for further security of the bonds. Interest ranges from 2.0% to 3.0%. Principal payments range from \$350,000 to \$430,000 with a final payment due December 1, 2021. Financing is provided from a dedicated sales tax amount from the City's sales and use tax.

**2011 "F" Sales Tax Reserve Revenue Refunding Bonds**

A \$6,830,000 bond issue to refinance the 2001-D Sales Tax Reserve Revenue Dike Bonds to finance a portion of the permanent flood protection project. Interest ranges from 3.0 to 5.0 percent. Principal payments range from \$515,000 to \$760,000 with a final payment due September 1, 2021. Financing is provided from a dedicated sales tax amount from the City's sales and use tax.

**Current Year Projects**

To accumulate funds for the payment of sidewalk warrants sold to pay the costs of various street and sidewalk improvements deemed to benefit the properties against which special assessments are levied.

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR DEBT SERVICE FUNDS

C-1

DECEMBER 31, 2019

With Comparative Totals for December 31, 2018

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2019 Total	2018 Total
<b>ASSETS</b>					
Cash and cash equivalents	\$ 428,770	\$ 243,580	\$ 143,872	\$ 816,222	\$ 1,242,851
Investments		1,000,000		1,000,000	1,000,000
Accounts Receivable					
Taxes receivable:					
Property	23,430			23,430	20,386
Special assessments			1,349	1,349	2,827
<b>Total Assets</b>	<b>\$ 452,200</b>	<b>\$ 1,243,580</b>	<b>\$ 145,221</b>	<b>\$ 1,841,001</b>	<b>\$ 2,266,064</b>
<b>LIABILITIES</b>					
Accounts Payable	\$ 468	\$ 312		\$ 780	\$ -
Advances from other funds	9,901			9,901	9,901
<b>Total Liabilities</b>	<b>10,369</b>	<b>312</b>		<b>10,681</b>	<b>9,901</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue-property taxes	18,773			18,773	16,908
Unavailable revenue-special assessments			\$ 1,349	1,349	2,827
<b>Total Deferred Inflows of Resources</b>	<b>18,773</b>		<b>1,349</b>	<b>20,122</b>	<b>19,735</b>
<b>FUND BALANCES</b>					
Restricted	423,058	\$ 1,243,268	143,872	1,810,198	2,236,428
<b>Total Fund Balances</b>	<b>423,058</b>	<b>1,243,268</b>	<b>143,872</b>	<b>1,810,198</b>	<b>2,236,428</b>
<b>Total liabilities, deferred inflows of resources and fund balance</b>	<b>\$ 452,200</b>	<b>\$ 1,243,580</b>	<b>\$ 145,221</b>	<b>\$ 1,841,001</b>	<b>\$ 2,266,064</b>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR DEBT SERVICE FUNDS

C-2

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2019 Total	2018 Total
<b>REVENUES</b>					
Property taxes	\$ 827,972	\$ -	\$ -	\$ 827,972	\$ 1,131,646
Special assessments			5,830	5,830	27,866
Intergovernmental	21,406			21,406	28,930
Interest	28,051	30,468	6,341	64,860	46,216
<b>Total Revenues</b>	<u>877,429</u>	<u>30,468</u>	<u>12,171</u>	<u>920,068</u>	<u>1,234,658</u>
<b>EXPENDITURES</b>					
Contractual services	11,345		901	12,246	2,609
Debt Services:					
Interest & fiscal charges	128,018	145,787		273,805	353,800
Principal retirement	1,165,000	1,130,000		2,295,000	2,210,000
<b>Total Expenditures</b>	<u>1,304,363</u>	<u>1,275,787</u>	<u>901</u>	<u>2,581,051</u>	<u>2,566,409</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(426,934)</u>	<u>(1,245,319)</u>	<u>11,270</u>	<u>(1,660,983)</u>	<u>(1,331,751)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	672,749	1,274,476		1,947,225	1,878,425
Transfers out	<u>(316,064)</u>	<u>(296,408)</u>	<u>(100,000)</u>	<u>(712,472)</u>	<u>(364,400)</u>
<b>Total Other Financing Sources (Uses)</b>	<u>356,685</u>	<u>978,068</u>	<u>(100,000)</u>	<u>1,234,753</u>	<u>1,514,025</u>
Net change in fund balances	(70,249)	(267,251)	(88,730)	(426,230)	182,274
Fund Balances at Beginning of Year	493,307	1,510,519	232,602	2,236,428	2,054,154
<b>Fund Balances at End of Year</b>	<u>\$ 423,058</u>	<u>\$ 1,243,268</u>	<u>\$ 143,872</u>	<u>\$ 1,810,198</u>	<u>\$ 2,236,428</u>

## NON-MAJOR CAPITAL PROJECTS FUNDS

**Capital Projects Funds.** Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds). Additional information is provided below for the funds in this category.

### **Bikeway Project**

To account for the cost of constructing a circular bikeway system that will skirt the City. Financing is provided by grants from Federal Highway Administration's Transportation Enhancement program and city sales tax revenue.

### **Flood Protection Capital Maintenance Fund**

To account for the cost of capital maintenance on the permanent flood protection system financed through special assessment payments collected on newly annexed land.

### **Underpass/Bridge Construction Fund**

To account for the construction of future underpass and bridge repair and rehab projects. A reserve is set aside annually to cover the future City share of the Washington Street Underpass, the Sorlie Bridge and/or the Kennedy Bridge projects. Funding comes from City Sales Tax revenue through the Infrastructure Fund.

### **Veteran's Memorial Park Fund**

To account for the construction of infrastructure for a Veteran's Memorial Park. Funding for the infrastructure comes from the Water, Wastewater and Sanitation Fund.

### **Capital Replacement Fund**

To set aside cash per the vehicle/equipment repair/replacement schedule for various General Fund departments.

### **Public Building Capital Project Fund**

To set aside cash for construction of potential future public building projects.

### **Nuisance Abatements**

To account for the costs of clean up projects within the city limits, i.e. long grass and weed cutting and snow removal on private property in case the owner fails to comply with City Ordinance. Such costs are recovered by special assessing the charges against those properties.

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING BALANCE SHEET  
 NON-MAJOR CAPITAL PROJECT FUNDS

D-1

DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	<u>Bikeway Project</u>	<u>Flood Protection Capital Maintenance</u>	<u>Underpass/ Bridge Construction</u>	<u>Veteran's Memorial Park</u>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 274,433	\$ 262,429	\$ 222,841	\$ 114,481
Investments		2,500,000	2,000,000	
Special assessments receivable		15,497		
Special assessments-uncertified		2,341,240		
	<u>274,433</u>	<u>5,119,166</u>	<u>2,222,841</u>	<u>114,481</u>
Total Assets	<u>\$ 274,433</u>	<u>\$ 5,119,166</u>	<u>\$ 2,222,841</u>	<u>\$ 114,481</u>
<b>LIABILITIES</b>				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable (including retainage)				
	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue-special assessments		2,356,737		
	<u>-</u>	<u>2,356,737</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>2,356,737</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES</b>				
Restricted		2,762,429		
Committed	\$ 274,433		2,222,841	114,481
	<u>274,433</u>	<u>2,762,429</u>	<u>2,222,841</u>	<u>114,481</u>
Total Fund Balances	<u>274,433</u>	<u>2,762,429</u>	<u>2,222,841</u>	<u>114,481</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 274,433</u>	<u>\$ 5,119,166</u>	<u>\$ 2,222,841</u>	<u>\$ 114,481</u>

<u>Capital Replacement Fund</u>	<u>Public Building Capital Projects</u>	<u>Nuisance Abatements</u>	<u>2019 Total</u>	<u>2018 Total</u>
\$ 489,910 1,500,000	\$ 404,298	\$ 154,574	\$ 1,922,966 6,000,000	\$ 2,782,960 5,000,000
		3,342	18,839	8,534
		10,281	2,351,521	2,266,664
<u>\$ 1,989,910</u>	<u>\$ 404,298</u>	<u>\$ 168,197</u>	<u>\$ 10,293,326</u>	<u>\$ 10,058,158</u>
\$ -	\$ -	\$ -	\$ -	\$ 64,546 7,172
				<u>71,718</u>
		13,623	2,370,360	<u>2,275,198</u>
		13,623	2,370,360	<u>2,275,198</u>
1,989,910	404,298	154,574	2,917,003 5,005,963	3,187,056 4,524,186
<u>1,989,910</u>	<u>404,298</u>	<u>154,574</u>	<u>7,922,966</u>	<u>7,711,242</u>
<u>\$ 1,989,910</u>	<u>\$ 404,298</u>	<u>\$ 168,197</u>	<u>\$ 10,293,326</u>	<u>\$ 10,058,158</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR CAPITAL PROJECTS FUNDS

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Bikeway Projects	Flood Protection Capital Maintenance	Underpass/ Bridge Construction	Veteran's Memorial Park
<b>REVENUES:</b>				
Special assessments	\$ -	\$ 307,153	\$ -	\$ -
Interest	13,739	97,578	67,291	1,472
Total Revenues	13,739	404,731	67,291	1,472
<b>EXPENDITURES</b>				
Capital outlay:				
Public works	262,355	680,648		36,991
Debt Service:				
Principal retirement				
Total Expenditures	262,355	680,648		36,991
Excess (Deficiency) of Revenues Over Expenditures	(248,616)	(275,917)	67,291	(35,519)
<b>OTHER FINANCING SOURCES (USES):</b>				
Proceeds from Capital Lease				
Transfers in			100,000	150,000
Transfers out				
Total Other Financing Sources (Uses)			100,000	150,000
Net change in fund balance	(248,616)	(275,917)	167,291	114,481
Fund Balances at Beginning of Year	523,049	3,038,346	2,055,550	
Fund Balances at End of Year	\$ 274,433	\$ 2,762,429	\$ 2,222,841	\$ 114,481



Capital Replacement Fund	Public Building Capital Projects	Nuisance Abatements	2019 Total	2018 Total
\$ -	\$ -	\$ 37,197	\$ 344,350	\$ 324,204
36,667	4,298	4,833	225,878	122,240
36,667	4,298	42,030	570,228	446,444
68,637		11,166	1,059,797	1,416,330
135,220			135,220	144,436
203,857		11,166	1,195,017	1,560,766
(167,190)	4,298	30,864	(624,789)	(1,114,322)
211,513	400,000	(25,000)	861,513	437,440
			(25,000)	390,800
211,513	400,000	(25,000)	836,513	(6,636)
44,323	404,298	5,864	211,724	(292,718)
1,945,587		148,710	7,711,242	8,003,960
<u>\$ 1,989,910</u>	<u>\$ 404,298</u>	<u>\$ 154,574</u>	<u>\$ 7,922,966</u>	<u>\$ 7,711,242</u>



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## NON-MAJOR ENTERPRISE FUNDS

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

### **Public Transit**

This is a fund used to account for the providing of public transportation (bus) services to the residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection and depositing of fares.

### **Dial-A-Ride**

This is a fund used to account for the providing of public transportation (dial-a-ride) services to the handicapped residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection and depositing of fares.

### **Mosquito Control**

This is a fund to account for the administration, operation and maintenance of the mosquito control program. The purpose of the mosquito control program is to reduce the number of mosquitoes, which reduces the risk of diseases transmitted by mosquitoes (i.e. West Nile Virus), and also reduces nuisance mosquitoes to a tolerable level. This program also improves the quality of outdoor activities in the City of Grand Forks by providing relief from mosquitoes.

### **Downtown Parking**

This is a fund used to account for the providing of parking services to the residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection of fees.

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF NET POSITION  
 NON MAJOR PROPRIETARY FUNDS

E-1

DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Public Transit	Dial-a-Ride
<b>ASSETS</b>		
Current Assets:		
Cash and cash equivalents	\$ 62,240	\$ 19,204
Restricted cash, cash equivalents, and investments:		
Customer deposits		1,416
Construction account		
Revenue bond current debt service account		
Receivables:		
Accounts	166,217	35,762
Taxes - property	27,051	5,667
Intergovernmental:		
Federal government	2,195,095	397,587
State of North Dakota	790,905	335,182
Due from Other Funds		
Inventories	135,109	
Prepaid items	32,166	28,561
Total Current Assets	<u>3,408,783</u>	<u>823,379</u>
Noncurrent Assets:		
Restricted cash, cash equivalents, and investments:		
Revenue bond reserve account		
Total restricted cash, cash equivalents and investments	<u>-</u>	<u>-</u>
Capital Assets:		
Land	27,199	
Buildings	2,692,161	
Improvements other than buildings	679,663	
Machinery and equipment	6,121,606	1,005,205
Construction in progress	4,092,278	
Less accumulated depreciation	(5,040,490)	(524,756)
Total Capital Assets (net of accumulated depreciation)	<u>8,572,417</u>	<u>480,449</u>
Total Noncurrent Assets	<u>8,572,417</u>	<u>480,449</u>
Total Assets	<u>11,981,200</u>	<u>1,303,828</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>		
Deferred Pension Single Employer Plan	235,605	
Deferred Pension NDPERS	503,952	
Deferred OPEB NDPERS	21,419	
Total deferred outflow of resources	<u>760,976</u>	
<b>LIABILITIES</b>		
Current Liabilities:		
Accounts payable	61,606	88,409
Due to Other Funds	2,600,000	700,000
Customer Deposits		1,416
Contracts payable (Includes Retainage)	252,024	
Compensated absences payable-current	8,225	123
Accrued interest payable		
Bonds payable-current		
Total Current Liabilities	<u>2,921,855</u>	<u>789,948</u>
Noncurrent Liabilities:		
Compensated absences payable	209,145	32,050
Net Pension Liability Single Employer Plan	831,269	
Net Pension Liability NDPERS	787,554	
Net OPEB Liability NDPERS	72,504	
Revenue bonds payable		
Total Noncurrent Liabilities	<u>1,900,472</u>	<u>32,050</u>
Total Liabilities	<u>4,822,327</u>	<u>821,998</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Deferred Pension Single Employer Plan	47,607	
Deferred Pension NDPERS	616,571	
Deferred OPEB NDPERS	4,937	
Total deferred inflow of resources	<u>669,115</u>	
<b>NET POSITION</b>		
Net investment in capital assets	8,320,393	480,449
Net position-restricted for:		
Debt Service		
Capital		
Net position-unrestricted	(1,069,659)	1,381
Total Net Position	<u>\$ 7,250,734</u>	<u>\$ 481,830</u>

Mosquito Control	Downtown Parking	2019 Total Non Major Enterprise Funds	2018 Total Non Major Enterprise Funds
\$ 427,546	\$ 138,766	\$ 647,756	\$ 1,345,368
		1,416	1,416
77,012	310,396	387,408	305,996
33,000		33,000	33,000
117,427	109,925	429,331	344,810
		32,718	21,983
		2,592,682	33,498
		1,126,087	1,118,762
		-	50,000
		135,109	87,309
611	3,606	64,944	37,581
655,596	562,693	5,450,451	3,379,723
87,000		87,000	87,000
87,000		87,000	87,000
	333,627	360,826	360,826
1,398,792		4,090,953	4,090,953
77,499	3,090,165	3,847,327	3,847,327
862,316	99,636	8,088,763	7,517,676
(1,078,105)	(1,221,679)	4,092,278	290,471
1,260,502	2,301,749	(7,865,030)	(7,806,278)
1,347,502	2,301,749	12,615,117	8,300,975
2,003,098	2,864,442	12,702,117	8,387,975
		18,152,568	11,767,698
		235,605	148,493
		503,952	574,785
		21,419	13,517
		760,976	736,795
5,554	-	155,569	525,171
		3,300,000	50,000
		1,416	1,416
		252,024	
2,857		11,205	19,612
4,100		4,100	4,667
85,000		85,000	85,000
97,511		3,809,314	685,866
70,948		312,143	280,150
		831,269	688,791
		787,554	1,217,851
		72,504	66,264
533,871		533,871	619,451
604,819		2,537,341	2,872,507
702,330	-	6,346,655	3,558,373
		47,607	91,051
		616,571	85,025
		4,937	6,183
		669,115	182,259
641,631	2,301,749	11,744,222	7,596,524
115,900		115,900	115,333
77,012	310,396	387,408	305,996
466,225	252,297	(349,756)	746,008
\$ 1,300,768	\$ 2,864,442	\$ 11,897,774	\$ 8,763,861

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 NON MAJOR PROPRIETARY FUNDS

E-2

YEAR ENDED DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	<u>Public Transit</u>	<u>Dial-A-Ride</u>	<u>Mosquito Control</u>
Operating Revenues:			
Charges for sales and services:			
Utility fees	\$ 824,282	\$ 231,129	\$ 1,096,441
Operating assessment			
Miscellaneous	1,425		
Total Operating Revenues	<u>825,707</u>	<u>231,129</u>	<u>1,096,441</u>
Operating Expenses:			
Salaries and wages	1,313,897	233,826	283,902
Supplies	36,066	1,196	347,547
Contractual services	230,489	54,500	93,541
Maintenance - structures and equipment	329,564	70,954	63,902
Sundry expenses	21,298	2,113	12,180
Utilities - heat and lights	32,510		11,607
Pension and social security	429,729	32,532	36,058
Administrative and general	326,710	1,014,271	40,984
Total Operating Expenses	<u>2,720,263</u>	<u>1,409,392</u>	<u>889,721</u>
Net Income (Loss) from Operations before Depreciation	(1,894,556)	(1,178,263)	206,720
Less - Depreciation	516,254	135,333	108,015
Net Operating Income (Loss)	<u>(2,410,810)</u>	<u>(1,313,596)</u>	<u>98,705</u>
Nonoperating Revenues (Expenses):			
Interest	656	(2,931)	15,671
Federal grants	749,895	397,587	
State grants	9,500	335,784	
General property taxes	1,028,900	215,501	
Personal property replacements	26,089	4,863	
Gain (loss) on capital assets	30,414		
Pass through grant expense			
Miscellaneous			
Interest expense			(13,459)
Total Nonoperating Revenues (Expenses)	<u>1,845,454</u>	<u>950,804</u>	<u>2,212</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(565,356)</u>	<u>(362,792)</u>	<u>100,917</u>
Capital Contributions and Transfers:			
Capital Contributions	3,793,818	213,224	
Transfers in			
Transfers Out	-		-
Total Capital Contributions and Transfers	<u>3,793,818</u>	<u>213,224</u>	<u>-</u>
Change in Net Position	3,228,462	(149,568)	100,917
Total Net Position-Beginning	<u>4,022,272</u>	<u>631,398</u>	<u>1,199,851</u>
Prior Period Adjustment-GASB 68			
Total Net Position-Beginning as Restated	4,022,272	631,398	1,199,851
Total Net Position-Ending	<u>\$ 7,250,734</u>	<u>\$ 481,830</u>	<u>\$ 1,300,768</u>

<u>Downtown Parking</u>	<u>2019 Total Non Major Enterprise Funds</u>	<u>2018 Total Non Major Enterprise Funds</u>
\$ 11,760	\$ 2,163,612	\$ 1,905,185
210,656	210,656	258,700
	1,425	1,091
<u>222,416</u>	<u>2,375,693</u>	<u>2,164,976</u>
26,006	1,857,631	1,684,146
87	384,896	313,299
23,694	402,224	397,716
108,859	573,279	581,720
	35,591	35,781
52,412	96,529	120,652
4,035	502,354	460,680
15,054	1,397,019	1,193,155
<u>230,147</u>	<u>5,249,523</u>	<u>4,787,149</u>
(7,731)	(2,873,830)	(2,622,173)
109,910	869,512	743,332
<u>(117,641)</u>	<u>(3,743,342)</u>	<u>(3,365,505)</u>
9,103	22,499	26,614
	1,147,482	852,646
	345,284	343,165
	1,244,401	1,221,832
	30,952	30,512
	30,414	1,215
	(13,459)	(14,817)
<u>9,103</u>	<u>2,807,573</u>	<u>2,461,167</u>
<u>(108,538)</u>	<u>(935,769)</u>	<u>(904,338)</u>
62,640	4,007,042	1,028,901
	62,640	62,640
	-	(12,306)
<u>62,640</u>	<u>4,069,682</u>	<u>1,079,235</u>
(45,898)	3,133,913	174,897
<u>2,910,340</u>	<u>8,763,861</u>	<u>8,651,663</u>
		(62,699)
2,910,340	8,763,861	8,588,964
<u>\$ 2,864,442</u>	<u>\$ 11,897,774</u>	<u>\$ 8,763,861</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF CASH FLOWS  
 NON MAJOR PROPRIETARY FUNDS  
 Year Ended December 31, 2019  
 With Comparative Totals for December 31, 2018

	Public Transit Fund	Dial A Ride Fund
<b>Cash Flows from Operating Activities:</b>		
Receipts from customers	\$ 763,978	\$ 224,435
Payments to suppliers	(1,736,433)	(1,108,005)
Payments to employees	(1,300,016)	(214,430)
Payments for interfund services used	2,650,000	650,000
Net cash provided (used) by operating activities	<u>377,529</u>	<u>(448,000)</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfers from other funds		
Transfers to other funds		
Operating subsidies from federal grants	33,498	
Operating subsidies from state grants	9,500	290,548
Operating subsidies from Taxes	1,046,110	218,508
Net cash provided (used) by non-capital financing activities	<u>1,089,108</u>	<u>509,056</u>
<b>Cash Flows from Capital &amp; Related Financing Activities</b>		
<b>Financing Activities:</b>		
Proceeds of revenue bonds and notes		
Capital contributions	2,386,529	213,224
Purchases of capital assets	(4,666,671)	(264,959)
Sale of Property	30,414	
Principal paid on capital debt		
Interest paid		
Net cash provided (used) by capital & related financing activities	<u>(2,249,728)</u>	<u>(51,735)</u>
<b>Cash Flows from Investing Activities:</b>		
Proceeds from sales and maturities of investments		
Purchase of investments		
Interest and dividends	656	(2,931)
Net cash provided by investing activities	<u>656</u>	<u>(2,931)</u>
Net increase (decrease) in cash and cash equivalents	(782,435)	6,390
Cash and cash equivalents - beginning of the year	<u>844,675</u>	<u>14,230</u>
Cash and cash equivalents - end of the year	<u>\$ 62,240</u>	<u>\$ 20,620</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating Income (loss)	<u>\$ (2,410,810)</u>	<u>\$ (1,313,596)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	516,254	135,333
(Increase) decrease in accounts receivable	(61,729)	(6,694)
(Increase) decrease in inventories	(47,800)	
(Increase) decrease in prepaid items	(21,147)	(\$6,613)
Increase (decrease) in customer deposits		
(Increase) decrease in deferred outflows	(24,181)	
Increase (decrease) in accounts payable	(441,530)	82,720
Increase (decrease) in compensated absences payable	13,195	10,850
Increase (decrease) in net pension liability	(287,819)	
Increase (decrease) in net OPEB liability	6,240	
Increase (decrease) in deferred inflows	486,856	
(Increase) decrease in due from other funds	50,000	
Increase (decrease) in due to other funds	2,600,000	650,000
Total Adjustments	<u>2,788,339</u>	<u>865,596</u>
Net cash provided (used) by operating activities	<u>\$ 377,529</u>	<u>\$ (448,000)</u>
<b>Noncash Investing, Capital and Financing Activities:</b>		
Net (decrease) in fair value of investments	\$ -	\$ -
Contributed Capital		



Mosquito Control Fund	Downtown Parking	2019 Total Non-Major Enterprise Funds	2018 Total Non-Major Enterprise Funds
\$ 1,086,240 (605,951) (283,780)	\$ 216,519 (214,985) (26,006)	\$ 2,291,172 (3,665,374) (1,824,232)	\$ 2,121,664 (2,509,848) (1,654,684)
<u>196,509</u>	<u>(24,472)</u>	<u>3,300,000</u> <u>101,566</u>	<u>(2,042,868)</u>
	62,640	62,640	62,640 (12,306)
		33,498	2,111,351
		300,048	220,206
		<u>1,264,618</u>	<u>1,250,467</u>
	<u>62,640</u>	<u>1,660,804</u>	<u>3,632,358</u>
		2,599,753	112,863
		(4,931,630)	(1,645,988)
		30,414	1,215
(85,000)		(85,000)	(85,000)
<u>(14,606)</u>		<u>(14,606)</u>	<u>(15,964)</u>
<u>(99,606)</u>		<u>(2,401,069)</u>	<u>(1,632,874)</u>
87,000		87,000	87,998
(87,000)		(87,000)	(87,000)
15,671	9,103	22,499	26,614
<u>15,671</u>	<u>9,103</u>	<u>22,499</u>	<u>27,612</u>
112,574	47,271	(616,200)	(15,772)
<u>424,984</u>	<u>401,891</u>	<u>1,685,780</u>	<u>1,701,552</u>
<u>\$ 537,558</u>	<u>\$ 449,162</u>	<u>\$ 1,069,580</u>	<u>\$ 1,685,780</u>
<u>\$ 98,705</u>	<u>\$ (117,641)</u>	<u>\$ (3,743,342)</u>	<u>\$ (3,365,505)</u>
108,015	109,910	869,512	743,332
(10,201)	(5,897)	(84,521)	(43,297)
		(47,800)	3,613
(59)	456	(27,363)	42,877
			(15)
		(24,181)	119,466
508	(11,300)	(369,602)	397,600
(459)		23,586	11,349
		(287,819)	(108,526)
		6,240	(2,618)
		486,856	158,856
		50,000	(50,000)
		<u>3,250,000</u>	<u>50,000</u>
<u>97,804</u>	<u>93,169</u>	<u>3,844,908</u>	<u>1,322,637</u>
<u>\$ 196,509</u>	<u>\$ (24,472)</u>	<u>\$ 101,566</u>	<u>\$ (2,042,868)</u>
\$ 4,743	\$ 1,791	\$ 6,534	\$ (2,609)



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## INTERNAL SERVICE FUNDS

**Internal Service Funds.** Account for the financing of goods or services provided by one fund, department, or agency to other funds, departments or agencies of the financial reporting entity, or to other governments, on a cost-reimbursement basis.

### **Computer Service**

This is a fund used to account for the costs of maintaining computer equipment used by the city departments. Departments are billed a monthly maintenance charge to accumulate funds to maintain the equipment.

### **Central Garage**

This is a fund used to account for the costs of operating the central fueling facilities and central vehicle maintenance garage for equipment used by various city departments and other governmental units. Such costs are billed to the using entity or department.

### **Central Purchasing**

This is a fund used to account for the cost of centrally purchasing office supplies used by other city departments. Such costs are billed to the other departments at actual cost plus five percent.

### **Public Works Facility**

This is a fund used to account for the cost of operating and maintaining the City's combined Public Works facility. These expenses are apportioned among the departments utilizing the facility in the form of rental charges.

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF NET POSITION  
 INTERNAL SERVICE FUNDS

F-1

DECEMBER 31, 2019  
 With Comparative Totals for December 31, 2018

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2019 Total	2018 Total
<b>ASSETS</b>						
Current assets:						
Cash and cash equivalents	\$ 513,976	\$ 463	\$ 3,566	\$ 594,926	\$ 1,112,931	\$ 646,401
Accounts Receivable		143			143	-
Due from Other Funds					-	5,000
Prepaid items				3,479	3,479	58,083
Inventories		104,725	10,596		115,321	143,007
Total current assets	513,976	105,331	14,162	598,405	1,231,874	852,491
Capital assets:						
Building and equipment, net of accumulated deprec.	383,114	116,600		4,774,637	5,274,351	5,627,509
Total assets	897,090	221,931	14,162	5,373,042	6,506,225	6,480,000
<b>LIABILITIES</b>						
Current liabilities:						
Accounts payable		12,529	130	13,405	26,064	155,977
Due to other funds					-	5,000
Advances from other funds			14,000		14,000	14,000
Compensated absences		78,484		8,306	86,790	104,048
Total current liabilities	-	91,013	14,130	21,711	126,854	279,025
Total liabilities	-	91,013	14,130	21,711	126,854	279,025
<b>NET POSITION</b>						
Net investment in capital assets	383,114	116,600		4,774,637	5,274,351	5,627,509
Net position-unrestricted	513,976	14,318	32	576,694	1,105,020	573,466
Total net position	\$ 897,090	\$ 130,918	\$ 32	\$ 5,351,331	\$ 6,379,371	\$ 6,200,975

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS

F-2

For the Fiscal Year Ended December 31, 2019  
 With Comparative Totals for December 31, 2018

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2019 Total	2018 Total
Operating Revenues:						
Charges for services - internal	\$ 476,600	\$ 1,447,482	\$ 1,872	\$ 492,093	\$ 2,418,047	\$ 2,233,855
Total operating revenues	476,600	1,447,482	1,872	492,093	2,418,047	2,233,855
Operating expenses:						
Wages and Salaries		373,933		61,720	435,653	400,022
Supplies	809	769,924	4,592	13,235	788,560	811,112
Contractual services	21,830	93,357		4,724	119,911	117,704
Maintenance- structures & equip.	388,392	69,466		99,427	557,285	366,542
Sundry	4,424	285		423	5,132	671
Utilities				122,944	122,944	114,823
Pension and social security		88,647		8,222	96,869	88,285
Administrative and general	26,175	68,609		25,400	120,184	149,723
Depreciation	103,395	30,710		321,027	455,132	419,586
Total operating expenses	545,025	1,494,931	4,592	657,122	2,701,670	2,468,468
Operating income (loss)	(68,425)	(47,449)	(2,720)	(165,029)	(283,623)	(234,613)
Nonoperating revenues (expense)						
Earnings on investments	7,442		17	15,073	22,532	6,946
Gain (loss) on disposal of capital assets	(208)				(208)	2,881
Total nonoperating revenues (expenses)	7,234	-	17	15,073	22,324	9,827
Income (loss) before contributions and transfers	(61,191)	(47,449)	(2,703)	(149,956)	(261,299)	(224,786)
Transfers in (out)	372,195	15,000	2,500	50,000	439,695	236,621
Change in net position	311,004	(32,449)	(203)	(99,956)	178,396	11,835
Total net position - beginning	586,086	163,367	235	5,451,287	6,200,975	6,189,140
Total net position - ending	\$ 897,090	\$ 130,918	\$ 32	\$ 5,351,331	\$ 6,379,371	\$ 6,200,975

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF CASH FLOWS  
 INTERNAL SERVICE FUNDS

Year Ended December 31, 2019

With Comparative Totals for December 31, 2018

	Computer Service Fund	Central Garage Fund
<b>Cash Flows from Operating Activities:</b>		
Payments to suppliers	\$ (387,766)	\$ (1,091,534)
Payments to employees		(369,112)
Internal activity-payments to/from other funds	476,600	1,442,339
	<u>88,834</u>	<u>(18,307)</u>
Net cash provided (used) by operating activities		
<b>Cash Flows from Non-Capital Financing Activities:</b>		
Transfers to other funds	(3,273)	
Transfers from other funds	375,468	15,000
Net cash provided (used) by non-capital financing activities	<u>372,195</u>	<u>15,000</u>
<b>Cash Flows from Capital &amp; Related Financing Activities:</b>		
Acquisition of capital assets	(77,633)	
Net cash provided (used) by capital & related financing activities	<u>(77,633)</u>	
<b>Cash Flows from Investing Activities:</b>		
Interest and dividends	7,442	
Net cash provided by investing activities	<u>7,442</u>	
Net increase (decrease) in cash and cash equivalents	390,838	(3,307)
Cash & cash equivalents - beginning of the year	123,138	3,770
Cash & cash equivalents - end of the year	<u>\$ 513,976</u>	<u>\$ 463</u>
<b>Reconciliation of operating income to net cash provided (used) by operating activities:</b>		
Operating Income (loss)	\$ (68,425)	\$ (47,449)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	103,395	30,710
(Increase) decrease in accounts receivable		(143)
(Increase) decrease in inventories		31,011
(Increase) decrease in prepaid items	54,700	
Increase (decrease) in accounts payable	(836)	(32,257)
Increase (decrease) in compensated absences payable		4,821
(Increase) decrease in due from other funds		
Increase (decrease) in due to other funds		(5,000)
	<u>157,259</u>	<u>29,142</u>
Total Adjustments		
Net cash provided (used) by operating activities	<u>\$ 88,834</u>	<u>\$ (18,307)</u>

Central Purchasing Fund	Public Works Facility Fund	Total 2019	Total 2018
\$ (7,814)	\$ (366,814)	\$ (1,853,928)	\$ (1,532,923)
	(84,718)	(453,830)	(389,359)
1,872	497,093	2,417,904	2,228,855
<u>(5,942)</u>	<u>45,561</u>	<u>110,146</u>	<u>306,573</u>
		(3,273)	
2,500	50,000	442,968	236,621
<u>2,500</u>	<u>50,000</u>	<u>439,695</u>	<u>236,621</u>
	(28,210)	(105,843)	(418,649)
	<u>(28,210)</u>	<u>(105,843)</u>	<u>(418,649)</u>
17	15,073	22,532	6,946
<u>17</u>	<u>15,073</u>	<u>22,532</u>	<u>6,946</u>
(3,425)	82,424	466,530	131,491
<u>6,991</u>	<u>512,502</u>	<u>646,401</u>	<u>514,910</u>
<u>\$ 3,566</u>	<u>\$ 594,926</u>	<u>\$ 1,112,931</u>	<u>\$ 646,401</u>
\$ (2,720)	\$ (165,029)	\$ (283,623)	\$ (234,613)
	321,027	455,132	419,586
(3,325)		(143)	22,192
	(96)	27,686	(54,766)
103	(93,262)	54,604	148,190
	(22,079)	(126,252)	10,984
	5,000	(17,258)	5,000
		5,000	(5,000)
		<u>(5,000)</u>	
<u>(3,222)</u>	<u>210,590</u>	<u>393,769</u>	<u>541,186</u>
<u>\$ (5,942)</u>	<u>\$ 45,561</u>	<u>\$ 110,146</u>	<u>\$ 306,573</u>

## FIDUCIARY FUND

### **Fiduciary Fund**

#### **Pension Trust**

This is a fund to account for the receipt and disbursement of employee and employer contributions for the City Employees Pension Fund.



CITY OF GRAND FORKS, NORTH DAKOTA  
 STATEMENT OF CHANGES IN NET POSITION  
 PENSION TRUST FUND

G-1

Year Ended December 31, 2019  
 With Comparative Totals for December 31, 2018

	Pension Trust Fund 2019	Pension Trust Fund 2018
<b>Additions:</b>		
Contributions:		
Employer contributions	\$ 3,838,566	\$ 3,338,042
Employee contributions	322,264	385,280
Total contributions	<u>4,160,830</u>	<u>3,723,322</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	11,435,454	(2,197,466)
Net investment earnings	<u>11,435,454</u>	<u>(2,197,466)</u>
Total additions	<u>15,596,284</u>	<u>1,525,856</u>
<b>Deductions:</b>		
Benefits paid to participants	6,799,809	6,326,740
Expenses and fees	219,381	169,566
Total Deductions	<u>7,019,190</u>	<u>6,496,306</u>
Change in net position	8,577,094	(4,970,450)
Net position - beginning	<u>66,007,049</u>	<u>70,977,499</u>
Net position - ending	<u>\$ 74,584,143</u>	<u>\$ 66,007,049</u>



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## **CAPITAL ASSETS**

CITY OF GRAND FORKS, NORTH DAKOTA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY SOURCE

H-1

December 31, 2019

Governmental Funds Capital Assets:

Land	\$ 39,039,979
Buildings	45,926,500
Improvements other than buildings	67,069,516
Machinery and equipment	25,869,107
Infrastructure	217,262,349
Construction in Progress	<u>544,887</u>
 Total Governmental Funds Capital Assets	 <u><u>\$ 395,712,338</u></u>

Investment in Governmental Funds Capital Assets by Source:

General obligation bonds and levies	\$ 157,561,965
Sales tax revenue bonds	19,235,000
Special Revenue Funds	56,594,453
General Fund Revenue	23,421,573
Contributions and donations from others	11,561,728
State Grants	60,951,029
Federal Grants	<u>66,386,590</u>
 Total Governmental Funds Capital Assets	 <u><u>\$ 395,712,338</u></u>

This schedule presents only the capital asset balances related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service funds that are allocated to governmental functions are included in governmental activities in the statement of net position.

CITY OF GRAND FORKS, NORTH DAKOTA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE BY FUNCTION AND ACTIVITY

H-2

December 31, 2019

<b>Function and Activity</b>	<b>Total</b>	<b>Land</b>	<b>Buildings</b>	<b>Improvements Other Than Buildings</b>	<b>Machinery and Equipment</b>	<b>Infrastructure</b>	<b>Construction In Progress</b>
<b>General Government:</b>							
Mayor and Council	\$ 137,937	\$	\$	\$	\$ 137,937	\$	\$
Attorney	-				-		
Assessor	31,066				31,066		
Auditor and Accounting	42,781				42,781		
City Hall	5,197,280	113,525	4,352,503		731,252		
Data Services	17,009				17,009		
Personnel	35,945				35,945		
Planning and Zoning	19,076				19,076		
Economic Development	71,653				7,386		64,267
<b>Total General Government</b>	<b>5,552,747</b>	<b>113,525</b>	<b>4,352,503</b>		<b>1,022,452</b>		<b>64,267</b>
<b>Health and Welfare</b>							
Health	551,955		34,495		517,460		
<b>Total Health and Welfare</b>	<b>551,955</b>		<b>34,495</b>		<b>517,460</b>		
<b>Public Safety:</b>							
Civil Preparedness	13,196		7,247		5,949		
Fire	13,313,716	545,004	6,256,446	44,192	6,435,552	32,522	
Municipal Court	585,868		537,540		48,328		
Police	10,440,214	38,000	2,770,224	239,017	7,161,420	231,553	
Public Safety Center	4,439,534		3,200,504	855,009	16,118	367,903	
Public Service Answering Point	320,205				320,205		
E-911	2,753,751		2,199,563		554,188		
<b>Total Public Safety</b>	<b>31,866,484</b>	<b>583,004</b>	<b>14,971,524</b>	<b>1,138,218</b>	<b>14,541,760</b>	<b>631,978</b>	
<b>Highways and Streets</b>							
Engineer	1,193,869				1,193,869		
Street Department	7,820,293	39,334	544,133	17,577	7,219,249		
Street System	223,719,501	7,862,204		1,973,457	373,750	213,029,470	480,620
<b>Total Highways and Streets</b>	<b>232,733,663</b>	<b>7,901,538</b>	<b>544,133</b>	<b>1,991,034</b>	<b>8,786,868</b>	<b>213,029,470</b>	<b>480,620</b>
<b>Culture and Recreation</b>							
Historic Preservation							
Public Library	801,463		447,036	28,558	325,869		
<b>Total Culture &amp; Recreation</b>	<b>801,463</b>		<b>447,036</b>	<b>28,558</b>	<b>325,869</b>		
Cirrus Parking Lot	163,450			163,450			
Landscape Department	340,463				340,463		
Parking Facilities	2,536,105	2,514,958	20,000		1,147		
Public Buildings	28,190,653	7,387,133	20,488,123	117,297	198,100		
Senior Citizens	1,607,292		1,596,680		10,612		
Greenway	3,430,025			1,975,802	4,235	1,449,988	
Permanent Flood Protection	87,938,038	20,539,821	3,472,006	61,655,157	120,141	2,150,913	
<b>Total Capital Assets</b>	<b>\$ 395,712,338</b>	<b>\$ 39,039,979</b>	<b>\$ 45,926,500</b>	<b>\$ 67,069,516</b>	<b>\$ 25,869,107</b>	<b>\$ 217,262,349</b>	<b>\$ 544,887</b>

This schedule presents only the capital assets related to governmental funds. Accordingly, the capital assets reported in internal service funds are excluded from the above amounts. The capital assets of internal service that are allocated to governmental functions are included as governmental activities in the statement of net position. Land on this schedule includes \$6,570,001 of Right-of-Way costs included as infrastructure in the Statement of Net Position.

CITY OF GRAND FORKS, NORTH DAKOTA  
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
 SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

H-3

December 31, 2019

<u>Function and Activity</u>	Governmental Funds Capital Assets 1/1/19	Additions	Deletions	Governmental Funds Capital Assets 12/31/19
<b>General Government:</b>				
Mayor and Council	\$ 118,687	\$ 19,250		\$ 137,937
Attorney				
Assessor	31,066			31,066
Finance & Admin Services	42,781			42,781
City Hall	5,197,281			5,197,281
Information Services	17,009			17,009
Human Resources	35,945			35,945
Planning and Zoning	19,076			19,076
Economic Development	7,386	64,267		71,653
Total General Government	<u>5,469,231</u>	<u>83,517</u>		<u>5,552,748</u>
<b>Health and Welfare</b>				
Health	555,787	25,726	29,558	551,955
Total Health and Welfare	<u>555,787</u>	<u>25,726</u>	<u>29,558</u>	<u>551,955</u>
<b>Public Safety:</b>				
Civil Preparedness	13,196			13,196
Fire	13,131,023	182,692		13,313,715
Municipal Court	585,868			585,868
Police	10,345,858	153,917	59,561	10,440,214
Public Safety Center	4,439,534			4,439,534
Public Service Answering Point	45,298	274,907		320,205
E-911	2,753,751			2,753,751
Total Public Safety	<u>31,314,528</u>	<u>611,516</u>	<u>59,561</u>	<u>31,866,483</u>
<b>Highways and Streets</b>				
Engineering	1,168,133	65,657	39,921	1,193,869
Street Department	7,303,602	784,272	267,581	7,820,293
Street System	202,789,633	21,835,471	905,603	223,719,501
Total Highways and Streets	<u>211,261,368</u>	<u>22,685,400</u>	<u>1,213,105</u>	<u>232,733,663</u>
<b>Culture and Recreation</b>				
Historic Preservation				
Public Library	716,071	85,392		801,463
Total Culture & Recreation	<u>716,071</u>	<u>85,392</u>		<u>801,463</u>
Cirrus Parking Lot	163,450			163,450
Landscape Department	340,463			340,463
Parking Facilities	2,536,105			2,536,105
Public Buildings	28,182,968	7,685		28,190,653
Senior Citizens	1,607,292			1,607,292
Greenway	3,430,025			3,430,025
Permanent Flood Protection	87,938,038			87,938,038
<b>Total Capital Assets</b>	<b><u>\$ 373,515,326</u></b>	<b><u>\$ 23,499,236</u></b>	<b><u>\$ 1,302,224</u></b>	<b><u>\$ 395,712,338</u></b>

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

## **SUPPORTING SCHEDULES**

CITY OF GRAND FORKS, NORTH DAKOTA  
 SCHEDULE OF CASH, CASH EQUIVALENTS AND INVESTMENTS <sup>(1)</sup>  
 BY FINANCIAL INSTITUTION  
 December 31, 2019

Description	Date of Maturity	Balance December 31, 2019	Yield
Wells Fargo Bank, Grand Forks:			
Surety Account		\$ 81,262	0.030%
Bremer Bank, Grand Forks:			
Money Market Savings		53,099,214	2.040%
American Federal Bank, Grand Forks:			
Money Market Checking		6,184,491	1.560%
Choice Financial, Grand Forks:			
Business Savings		<u>5,748,570</u>	1.970%
<b>Total Financial Institution Accounts</b>		<u><b>65,113,538</b></u>	
US Bank:			
Federal National Mortgage	6/1/20	2,495,000	1.773%
Various Banks - CD's	8/25/20	248,040	2.000%
Federal Home Loan Mortgage Corp	8/25/20	2,432,270	1.874%
Federal Home Loan Mortgage Corp	8/25/20	2,693,982	1.824%
Various Banks - CD's	12/7/20	249,019	2.100%
Federal Home Loan Mortgage Corp	10/25/21	2,379,884	2.023%
Federal National Mortgage	11/1/21	2,004,480	1.715%
Federal Home Loan Mortgage Corp	12/1/21	1,890,683	2.213%
Federal National Mortgage	2/25/22	388,686	3.202%
Federal National Mortgage	5/1/22	2,466,023	2.041%
Federal National Mortgage	5/25/22	865,979	1.999%
Federal Home Loan Mortgage Corp	8/25/22	1,698,103	2.103%
Federal Home Loan Mortgage Corp	8/25/22	2,122,629	2.160%
Federal Home Loan Mortgage Corp	8/25/22	1,602,295	2.140%
Federal National Mortgage	9/1/22	199,739	1.327%
Federal National Mortgage	10/1/22	224,407	1.246%
Federal National Mortgage	11/1/22	505,455	1.721%
Federal National Mortgage	12/1/22	3,040,380	2.826%
Various Banks - CD's	12/7/22	260,245	3.400%
Federal National Mortgage	12/25/22	441,252	2.321%
Federal Home Loan Mortgage Corp	1/25/23	2,033,880	2.803%
Federal Home Loan Mortgage Corp	2/1/23	3,091,800	2.962%
Federal Home Loan Mortgage Corp	2/25/23	2,593,275	2.870%
Federal National Mortgage	3/1/23	274,456	1.169%
Bremer Bank - CD	6/7/23	3,000,000	3.250%
Federal National Mortgage	7/1/23	352,232	1.533%
Bremer Bank - CD	7/3/23	335,000	3.250%
Federal Home Loan Mortgage Corp	7/15/23	1,147,765	1.849%
Federal Home Loan Mortgage Corp	7/25/23	3,146,730	3.030%
Various Banks - CD's	Nov-23	1,830,155	3.560%
Federal National Mortgage	4/1/24	1,412,657	2.521%
Federal Home Loan Mortgage Corp	9/25/24	2,270,170	1.975%
Federal Home Loan Mortgage Corp	7/25/25	2,274,374	3.022%
Federal National Mortgage	5/1/26	1,507,207	2.400%
Federal National Mortgage	5/1/26	1,330,848	2.520%
Federal Home Loan Mortgage Corp	2/15/27	688,057	3.199%
Federal National Mortgage	5/1/27	717,027	1.791%
Federal National Mortgage	10/1/27	532,653	2.972%
Federal National Mortgage	8/1/33	<u>2,552,680</u>	3.005%
<b>Total Investments US Bank</b>		<u><b>59,299,517</b></u>	
<b>Total Investments</b>		<b>59,299,517</b>	
Cash on Hand and In Checking		14,274,422	0.03%
Alerus Center Cash		<u>3,327,146</u>	
<b>TOTAL CASH AND INVESTMENTS</b>		<u><u><b>\$ 142,014,623</b></u></u>	

(1) Does not include \$74,584,143 cash in Employee's Retirement System



CITY OF GRAND FORKS, NORTH DAKOTA

SUMMARY OF DEBT STATISTICS

DECEMBER 31, 2019

Market Value of Taxable Property - 2019	<u>\$ 4,862,503,420</u>
Assessed Valuation - 2019	<u>2,431,251,710</u>
Direct Debt	
Debt Supported by Special Assessments	94,126,231
Debt Supported by Sales Tax Revenue	2,450,238
General Obligation Debt	<u>2,999,650</u>
Total Direct Debt	99,576,119
Overlapping Debt	<u>40,284,385</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 139,860,504</u></u>

CITY OF GRAND FORKS, NORTH DAKOTA

Debt Statistics

	<u>Amount</u>	<u>Per Capita (1)</u>	<u>Percent of Market Value</u>	<u>Percent of Assessed Value</u>
Direct Debt	\$ 99,576,119	\$ 1,642.19	2.05%	4.10%
Overlapping Debt	<u>40,284,385</u>	<u>664.36</u>	<u>0.83%</u>	<u>1.66%</u>
Totals	<u><u>\$ 139,860,504</u></u>	<u><u>\$ 2,306.56</u></u>	<u><u>2.88%</u></u>	<u><u>5.75%</u></u>

NOTES:                   (1) 2019 census population                   60,636

## CITY OF GRAND FORKS, NORTH DAKOTA

## DEBT STATEMENT

December 31, 2019

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>General Obligation Bonds:</u>			
2011 "E" GO Refunding Bonds - Dike*	730,000	17,432	712,568
2016 "C" GO Refunding Bonds*****	<u>2,090,000</u>	<u>5,971</u>	<u>2,084,029</u>
Net Liability General Obligation Bonds	<u>2,820,000</u>	<u>23,403</u>	<u>2,796,597</u>
<u>Revenue Bonds:</u>			
2000 "A" SRL Clearwell	715,000	1,019,730	(304,730)
2001 "D" SRL WWTP - phase 2	1,705,000	1,225,409	479,591
2002 "C" SRL WWTP - phase 3	860,000	621,515	238,485
2005 "E" SRL BioSolids Mgmt Project	1,590,000	403,714	1,186,286
2009 "B" Sewer Reserve Revenue and Refunding Bond	1,355,000	390,600	964,400
2009 "D" Water Reserve Revenue Refunding Bond	540,000	792,811	(252,811)
2010 "A" Sanitation Reserve Revenue Refunding Bond	300,000	158,502	141,498
2011 "D" Sewer Reserve Revenue Bond	1,720,000	249,095	1,470,905
2012 "B" Water Reserve Revenue Bond	2,690,000	339,111	2,350,889
2015 "A" Sanitation Reserve Revenue Refunding Bond****	6,655,000	311,938	6,343,062
2015 "C" Sewer Reserve Revenue Bonds	2,195,000	229,936	1,965,064
2016 "B" Sanitation Reserve Revenue Bonds	1,450,000	583,030	866,970
2016 "D" Mosquito Control Reserve Refunding Bonds*****	615,000	120,000	495,000
2016 Wastewater Revenue Loan - Bank of North Dakota (Loan #1)	2,403,348	161,630	2,241,717
2016 Wastewater Rev & Sales Tax Loan-Bank of N. Dakota (Loan #3)	4,707,645	315,923	4,391,722
2017 "A" Water Utility Reserve Revenue Bond	55,966,793	2,036,955	53,929,838
2018 "A" Wastewater Revenue Loan - Bank of North Dakota	8,222,068	494,008	7,728,060
2019 "A" Wastewater Revenue Loan - Bank of North Dakota	89,785	78,020	11,765
2019 "C" Sanitation Reserve Revenue Bonds	<u>3,820,000</u>	<u>411,304</u>	<u>3,408,696</u>
Net Liability Revenue Bonds	<u>97,599,639</u>	<u>9,943,230</u>	<u>87,656,409</u>
<u>Sales Tax Revenue Bonds:</u>			
2011 "A" Sales Tax Reserve Revenue Refunding Bond - Dike**	845,000	475,828	369,172
2011 "F" Sales Tax Reserve Revenue Refunding Bond - Dike***	1,455,000	769,752	685,248
2015 "D" Sales Tax Revenue Refunding Bond*****	<u>31,620,000</u>	<u>14,686,167</u>	<u>16,933,833</u>
Net Liability Sales Tax Revenue Bonds	<u>33,920,000</u>	<u>15,931,746</u>	<u>17,988,254</u>

\*2011E is Crossover Refunding of 2002G

\*\*2011A is Current Refunding of 2002H

\*\*\*2011F is Full Advance Refunding of 2001D

\*\*\*\*2015A is Current Refunding of 2009A (BABs)

\*\*\*\*\*2015D is Current Refunding of 2005A

\*\*\*\*\*2016C is Current Refunding of 2006B and Crossover Refunding of 2007A

\*\*\*\*\*2016D is Current Refunding of 2007B

## CITY OF GRAND FORKS, NORTH DAKOTA

## DEBT STATEMENT

December 31, 2019

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>Refunding Improvement Bonds:</u>			
2002 "A" SRL Water Reclamation Phase 1	\$ 207,000	\$ 32,270	\$ 174,730
2002 "B" SRL Water Reclamation Phase 2	260,000	111,076	148,924
2005 "B" Refunding Improvement Bond	70,000	89,434	(19,434)
2006 "C" Refunding Improvement Bond	850,000	104,838	745,162
2007 "D" Refunding Improvement Bond	1,420,000	12,207	1,407,793
2008 "D" Refunding Improvement Bond	340,000	92,406	247,594
2009 "C" Refunding Improvement Refunding Bond	845,000	5,402,591	(4,557,591)
2009 "E" Refunding Improvement Bond	1,090,000	418,467	671,533
2010 "B" Refunding Improvement Bond - Dike	1,490,000	265,202	1,224,798
2010 "C" Refunding Improvement Bond	2,570,000	876,346	1,693,654
2011 "B" Refunding Improvement Refunding Bond*	625,000	1,733,977	(1,108,977)
2011 "C" Refunding Improvement Bond	3,120,000	1,690,886	1,429,114
2012 "A" Refunding Improvement Refunding Bond**	2,380,000	1,275,703	1,104,297
2013 "A" Refunding Improvement Refunding Bond	6,595,000	1,999,253	4,595,747
2014 "A" Refunding Improvement Bond	7,930,000	1,908,463	6,021,537
2015 "B" Refunding Improvement Bond	5,735,000	1,691,536	4,043,464
2016 "A" Refunding Improvement Bond	5,400,000	(3,353)	5,403,353
2016 Bank of North Dakota Special Assessment Loan (Loan #2)	4,566,072	(624,300)	5,190,372
2017 "B" Refunding Improvement Bond	10,555,000	332,034	10,222,966
2018 "B" Refunding Improvement Bond	12,155,000	1,282,103	10,872,897
2019 "B" Refunding Improvement Bond	<u>22,160,000</u>	<u>(64,640)</u>	<u>22,224,640</u>
Net Liability Refunding Improvement Bonds	<u>90,363,072</u>	<u>18,626,499</u>	<u>71,736,573</u>
Net Liability All Funds	<u>\$ 224,702,711</u>	<u>\$ 44,524,878</u>	<u>\$ 180,177,833</u>

\*2011B Crossover Refunding of 2003A

\*\*2012A Refunding Improvement Bond &amp; Refunding of 2002F &amp; 2003B

## CITY OF GRAND FORKS, NORTH DAKOTA

## SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

As of December 31, 2019

Year	General Obligation & Tax Incr.	Revenue Bonds	Sales Tax Revenue Bonds	Refunding Improvement Bonds	Total Requirement
2020	\$ 617,500	\$ 7,160,340	\$ 5,296,200	\$ 8,204,972	\$ 21,279,012
2021	619,550	7,383,467	5,194,750	8,701,112	21,898,879
2022	616,200	5,320,367	4,019,850	7,298,157	17,254,575
2023	352,600	5,340,192	4,016,100	7,614,895	17,323,787
2024	355,400	5,340,154	4,015,600	7,159,982	16,871,136
2025	352,600	5,365,798	4,012,850	6,731,270	16,462,518
2026	244,400	5,084,898	4,012,600	6,488,635	15,830,533
2027	-	4,994,055	4,014,350	6,158,745	15,167,150
2028	-	5,021,879	4,017,600	5,969,380	15,008,859
2029	-	5,031,729	4,011,850	5,702,710	14,746,289
2030	-	4,861,029	-	5,467,736	10,328,766
2031	-	4,879,954	-	5,097,253	9,977,207
2032	-	4,711,654	-	4,751,750	9,463,404
2033	-	4,483,236	-	4,416,208	8,899,443
2034	-	4,489,866	-	4,132,014	8,621,880
2035	-	4,486,666	-	3,632,201	8,118,867
2036	-	4,336,568	-	3,181,802	7,518,370
2037	-	4,350,400	-	2,869,226	7,219,625
2038	-	4,372,094	-	2,798,039	7,170,133
2039	-	4,372,272	-	2,717,077	7,089,348
2040	-	3,926,260	-	2,640,989	6,567,248
2041	-	3,703,578	-	2,575,258	6,278,836
2042	-	3,706,278	-	2,458,370	6,164,649
2043	-	3,728,303	-	2,253,101	5,981,405
2044	-	3,734,353	-	2,017,251	5,751,604
2045	-	3,759,369	-	1,767,301	5,526,670
2046	-	3,649,458	-	529,601	4,179,060
2047	-	3,357,625	-	291,200	3,648,825
2048	-	3,385,947	-	-	3,385,947
2049	-	3,473,428	-	-	3,473,428
2050	-	3,257,830	-	-	3,257,830
	<u>\$ 3,158,250</u>	<u>\$ 141,069,048</u>	<u>\$ 42,611,750</u>	<u>\$ 123,626,236</u>	<u>\$ 310,465,283</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
 DEBT SERVICE REQUIREMENT TO MATURITY  
 GENERAL OBLIGATION AND TAX INCREMENT BONDS

December 31, 2019

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
2020	\$ 530,000	\$ 87,500	\$ 617,500
2021	545,000	74,550	619,550
2022	555,000	61,200	616,200
2023	305,000	47,600	352,600
2024	320,000	35,400	355,400
2025	330,000	22,600	352,600
2026	<u>235,000</u>	<u>9,400</u>	<u>244,400</u>
	<u>\$ 2,820,000</u>	<u>\$ 338,250</u>	<u>\$ 3,158,250</u>

DEBT SERVICE REQUIREMENTS TO MATURITY  
REVENUE BONDS

December 31, 2019

Year	Principal	Interest	Total Requirement
2020	\$ 5,075,762	\$ 1,999,620	\$ 7,075,382
2021	5,436,197	1,947,270	7,383,467
2022	3,491,421	1,828,946	5,320,367
2023	3,581,749	1,758,442	5,340,192
2024	3,657,184	1,682,970	5,340,154
2025	3,757,728	1,608,070	5,365,798
2026	3,558,383	1,526,515	5,084,898
2027	3,539,150	1,454,904	4,994,055
2028	3,640,033	1,381,846	5,021,879
2029	3,726,034	1,305,695	5,031,729
2030	3,632,155	1,228,875	4,861,029
2031	3,723,398	1,156,557	4,879,954
2032	3,629,766	1,081,889	4,711,654
2033	3,471,261	1,011,975	4,483,236
2034	3,542,886	946,979	4,489,866
2035	3,604,644	882,022	4,486,666
2036	3,521,537	815,031	4,336,568
2037	3,598,568	751,832	4,350,400
2038	3,685,739	686,355	4,372,094
2039	3,753,054	619,218	4,372,272
2040	3,375,515	550,744	3,926,260
2041	3,208,125	495,453	3,703,578
2042	3,260,888	445,390	3,706,278
2043	3,333,805	394,498	3,728,303
2044	3,391,882	342,472	3,734,353
2045	3,470,104	289,265	3,759,369
2046	3,464,038	235,382	3,699,419
2047	3,175,000	182,625	3,357,625
2048	3,225,000	160,947	3,385,947
2049	2,935,000	573,428	3,508,428
2050	2,875,000	382,830	3,257,830
	<u>\$ 111,341,004</u>	<u>\$ 29,728,047</u>	<u>\$ 141,069,051</u>

Repayment schedule based upon Water/Wastewater Loans (5) through Bank of North Dakota fully drawn upon. As of 12/31/19, only \$71,389,729 of \$85,865,011 limit drawn on.

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY  
SALES TAX REVENUE BONDS

December 31, 2019

Year	Governmental Activities		Business-type Activities		Total Requirement
	Principal	Interest	Principal	Interest	
2020	\$ 1,175,000	\$ 98,100	\$ 2,520,000	\$ 1,503,100	\$5,296,200
2021	1,125,000	47,650	2,645,000	1,377,100	5,194,750
2022	-	-	2,775,000	1,244,850	4,019,850
2023	-	-	2,910,000	1,106,100	4,016,100
2024	-	-	3,055,000	960,600	4,015,600
2025	-	-	3,205,000	807,850	4,012,850
2026	-	-	3,365,000	647,600	4,012,600
2027	-	-	3,535,000	479,350	4,014,350
2028	-	-	3,715,000	302,600	4,017,600
2029	-	-	3,895,000	116,850	4,011,850
	<u>\$ 2,300,000</u>	<u>\$ 145,750</u>	<u>\$ 31,620,000</u>	<u>\$ 8,546,000</u>	<u>\$42,611,750</u>

CITY OF GRAND FORKS, NORTH DAKOTA  
DEBT SERVICE REQUIREMENTS TO MATURITY  
REFUNDING IMPROVEMENT BONDS

December 31, 2019

Year	Principal	Interest	Total Requirement
2020	\$ 5,137,800	\$ 3,123,160	\$ 8,260,960
2021	5,767,663	2,933,449	8,701,112
2022	4,580,317	2,717,841	7,298,157
2023	5,068,023	2,546,872	7,614,895
2024	4,795,783	2,364,198	7,159,982
2025	4,543,599	2,187,671	6,731,270
2026	4,471,471	2,017,164	6,488,635
2027	4,309,401	1,849,345	6,158,745
2028	4,272,389	1,696,992	5,969,380
2029	4,160,436	1,542,274	5,702,710
2030	4,078,545	1,389,191	5,467,736
2031	3,861,716	1,235,537	5,097,253
2032	3,639,950	1,111,800	4,751,750
2033	3,418,249	997,959	4,416,208
2034	3,241,614	890,400	4,132,014
2035	2,845,047	787,155	3,632,201
2036	2,483,547	698,254	3,181,802
2037	2,247,118	622,107	2,869,226
2038	2,245,761	552,278	2,798,039
2039	2,234,476	482,601	2,717,077
2040	2,228,266	412,723	2,640,989
2041	2,232,131	343,127	2,575,258
2042	2,186,073	272,297	2,458,370
2043	2,050,095	203,006	2,253,101
2044	1,879,197	138,055	2,017,251
2045	1,688,381	78,921	1,767,301
2046	446,660	26,953	473,613
2047	280,000	11,200	291,200
	<u>\$ 90,393,708</u>	<u>\$ 33,232,527</u>	<u>\$ 123,626,236</u>

Repayment schedule based upon Water/Wastewater Loans (5) through Bank of North Dakota fully drawn upon. As of 12/31/19, only \$71,389,729 of \$85,865,011 limit drawn on.





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Summary of Individual Bonds as of December 31, 2019

**General Obligation Bonds :**

\$2,260,000 2011 "E" GO Dike Refunding Bonds; annual installments of \$205,000 to \$250,000 through December 1, 2022; interest at 2.0 percent to 3.0 percent	\$ 730,000
\$2,375,000 2016 "C" GO Refunding Bonds; annual installments of \$80,000 to \$330,000 through December 1, 2026; interest at 2.0 percent to 4.0 percent	<u>2,090,000</u>
<b>Total General Obligation Bonds</b>	<b><u>\$ 2,820,000</u></b>

**Revenue Bonds :**

2000 "A" SRF Loan Clearwell; interest and admin at 3.0 percent paid as accrued until completion of project	\$ 715,000
2001 "D" SRF Loan WWTP - Phase 2 interest and admin at 3.0 percent paid as accrued until completion of project	1,705,000
2002 "C" SRF Loan WWTP - Phase 3; interest and admin at 3.0 percent paid as accrued until completion of project	860,000
2005 "E" SRF Loan BioSolids; interest and admin at 3.0 percent paid as accrued until completion of project	1,590,000
\$3,705,000 2009 "B" Sewer Reserve Revenue and Refunding Bonds; annual installments of \$110,000 to \$265,000 through Sept 1, 2029; interest at 2.0 percent to 4.0 percent	1,355,000
\$5,770,000 2009 "D" Water Reserve Revenue Refunding Bonds; annual installments of \$105,000 to \$640,000 through Sept 1, 2020; interest at 2.0 percent to 4.0 percent	540,000
\$2,635,000 2010 "A" Sanitation Reserve Revenue Refunding Bonds; annual installments of \$225,000 to \$300,000 through Sept 1, 2020; interest at 3.0 percent to 3.5 percent	300,000
\$2,645,000 2011 "D" Sewer Reserve Revenue Bonds; annual installments of \$110,000 to \$170,000 through Sept 1, 2031; interest at 2.0 percent to 3.75 percent	1,720,000

\$3,880,000 2012 "B" Water Reserve Revenue Bonds; annual installments of \$175,000 to \$240,000 through Sept 1, 2032; interest at 2.0 percent to 2.75 percent	2,690,000
\$7,705,000 2015 "A" Sanitation Reserve Revenue Refunding Bonds; annual installments of \$150,000 to \$435,000 through Sept 1, 2039; interest at 2.125 percent to 4.0 percent	6,655,000
\$2,640,000 2015 "C" Sewer Reserve Revenue Bonds; annual installments of \$105,000 to \$170,000 through Sept 1, 2035; interest at 2.0 percent to 4.00 percent	2,195,000
\$3,535,000 2016 "B" Sanitation Reserve Revenue Bonds; annual installments of \$690,000 to \$730,000 through Sept 1, 2021; interest at 2.0 percent	1,450,000
\$870,000 2016 "D" Mosquito Control Reserve Revenue Bonds; annual installments of \$85,000 to \$90,000 through Sept 1, 2026; interest at 2.0 percent	615,000
\$2,670,000 2016 Bank of North Dakota Wastewater Revenue Loan #1; annual installments of \$65,954 to \$115,410 through Sept 1, 2045; interest at 2.0 percent; Loan drawn upon as needed through life of project	2,403,348
\$5,175,000 2016 Bank of North Dakota Wastewater Revenue Loan #3; annual installments of \$129,350 to \$226,893 through Sept 1, 2046; interest at 2.0 percent; Loan drawn upon as needed through life of project	4,707,645
\$66,000,000 2017 Bank of North Dakota Water SRF Loan; Annual installments of \$5,000 to \$2,875,000 beginning September, 2020, through September of 2050; Interest at 2.0%; Loan drawn upon as needed through life of project	55,966,793
\$9,000,000 2018 "A" Bank of North Dakota Wastewater SRF Loan; Annual installments of \$225,000 to \$390,000 beginning September 2019 through September, 2048; Interest at 2%; Loan drawn upon as needed through life of project	8,222,068
\$1,450,000 2019 "A" Bank of North Dakota Wastewater SRF Loan; Annual installments of \$50,688 to \$65,975 beginning September 2019 through September, 2049; Interest at 2%; Loan drawn upon as needed through life of project	89,785
\$3,820,000 2019 "C" Sanitation Reserve Revenue Bonds; annual installments of \$135,000 to \$245,000 Starting Sept 1, 2021 through Sept 1, 2040; interest ranging from 2.25 percent to 4.0 percent	3,820,000
<b>Total Revenue Bonds</b>	<b>\$ 97,599,639</b>

**Sales Tax Revenue Bonds:**

\$3,860,000 2011 "A" Sales Tax Reserve Revenue Refunding Bonds; annual installments of \$350,000 to \$430,000 through December 1, 2021; interest at 2.0 percent to 3.0 percent	\$ 845,000
\$6,830,000 2011 "F" Sales Tax Reserve Revenue Refunding Bonds; annual installments of \$515,000 to \$760,000 through September 1, 2021; interest at 3.0 percent to 5.0 percent	1,455,000
\$40,380,000 2015 "D" Sales Tax Reserve Revenue Refunding Bonds; annual installments of \$1,900,000 to \$3,895,000 through December 1, 2029; interest at 3.0 percent to 5.0 percent	<u>31,620,000</u>
<b>Total Sales Tax Revenue Bonds</b>	<b><u>\$ 33,920,000</u></b>

**Special Assessment Bonds:**

2002 "A" SRF Loan Water Reclamation - Phase 1; interest and admin at 3 percent paid as accrued until completion of the project	\$ 207,000
2002 "B" SRF Loan Water Reclamation - Phase 2; interest and admin at 3 percent paid as accrued until completion of the project	260,000
\$2,195,000 2005 "B" Refunding Improvement bonds; annual installments of \$70,000 to \$115,000 through December 1, 2020; interest at 4.0 percent to 4.375 percent	70,000
\$7,320,000 2006 "C" Refunding Improvement bonds; annual installments of \$120,000 to \$395,000 through December 1, 2022; interest at 3.75 percent to 4.25 percent	850,000
\$6,210,000 2007 "D" Refunding Improvement bonds; annual installments of \$115,000 to \$400,000 through December 1, 2028; interest at 4.0 percent to 4.4 percent	1,420,000
\$3,410,000 2008 "D" Refunding Improvement bonds; annual installments of \$95,000 to \$275,000 through December 1, 2028; interest at 4.0 percent to 5.0 percent	340,000
\$7,560,000 2009 "C" Refunding Improvement Refunding bonds; annual installments of \$320,000 to \$925,000 through December 1, 2021; interest at 2.0 percent to 5.0 percent	845,000
\$2,200,000 2009 "E" Refunding Improvement bonds; annual installments of \$90,000 to \$140,000 through December 1, 2030; interest at 2.25 percent to 4.20 percent	1,090,000

\$3,195,000 2010 "B" Refunding Improvement bonds - Dike; annual installments of \$80,000 to \$205,000 through December 1, 2030; interest at 0.75 percent to 3.65 percent	1,490,000
\$4,805,000 2010 "C" Refunding Improvement bonds; annual installments of \$195,000 to \$320,000 through December 1, 2031; interest at 1.0 percent to 3.7 percent	2,570,000
\$2,830,000 2011 "B" Refunding Improvement Refunding bonds; annual installments of \$115,000 to \$400,000 through December 1, 2023; interest at 2.0 percent to 3.125 percent	625,000
\$5,695,000 2011 "C" Refunding Improvement bonds; annual installments of \$195,000 to \$410,000 through December 1, 2032; interest at 2.0 percent to 3.75 percent	3,120,000
\$5,290,000 2012 "A" Refunding Improvement Refunding bonds; annual installments of \$100,000 to \$475,000 through December 1, 2033; interest at 2.0 percent to 3.00 percent	2,380,000
\$9,360,000 2013 "A" Refunding Improvement Bond; annual installments of \$310,000 to \$565,000 through December 1, 2034; interest at 2.25 to 4.0 percent	6,595,000
\$10,415,000 2014 "A" Refunding Improvement Bond; annual installments of \$345,000 to \$640,000 through December 1, 2035; interest at 2.00 to 3.6 percent	7,930,000
\$7,250,000 2015 "B" Refunding Improvement Bond; annual installments of \$240,000 to \$510,000 through December 1, 2036; interest at 2.25 to 3.375 percent	5,735,000
\$6,180,000 2016 "A" Refunding Improvement Bond; annual installments of \$50,000 to \$370,000 through December 1, 2042; interest ranging from 2.0 to 3.125 percent	5,400,000
\$7,155,000 2016 Bank of North Dakota Special Assessment Loan #2; annual installments of \$178,840 to \$313,704 through December 1, 2046; interest at 2.0 percent; Loan drawn upon as needed through life of project	4,566,072
\$10,555,000 2017 "B" Refunding Improvement Bond; annual installments of \$220,000 to \$485,000 beginning in December 2021 through December 2045; interest at 2.25 to 5.0 percent	10,555,000
\$12,155,000 2018 "B" Refunding Improvement Bond; annual installments of \$280,000 to \$605,000 beginning in December 2023 through December 2047; interest at 4.0 to 5.0 percent	12,155,000
\$22,160,000 2019 "B" Refunding Improvement Bond; annual installments of \$575,000 to \$1,020,000 beginning in December 2021 through December 2045; interest at 2.375 to 5.0 percent	22,160,000
<b>Total Special Assessment Bonds</b>	<b><u>\$ 90,363,072</u></b>

## CITY OF GRAND FORKS, NORTH DAKOTA

## SCHEDULE OF INSURANCE IN FORCE

December 31, 2019

<u>Type of Coverage and Name of Company</u>	<u>Policy Number</u>	<u>From</u>	<u>To</u>
Buildings and Contents State Fire and Tornado Fund	1971	07/01/19	06/30/20
Buildings and Contents-Leased Properties State Fire and Tornado Fund	2523	07/01/19	06/30/20
Boiler and Machinery Chubb Group of Insurance Co.	7641-45-41 WUC	02/07/19	02/07/20
Public Officials Error and Omissions Auto Liability and Comp. General North Dakota Insurance Reserve Fund	GL-44033 & BA22433	01/01/19	01/01/20
Equipment Floater North Dakota Insurance Reserve Fund	IM059127	01/01/19	01/01/20
Public Employee Blanket Bond North Dakota Bonding Fund	Bond #2634	Continuous	
Workers Compensation (Minnesota) Acuity	MN COMP X97083	5/16/2019	5/16/2020
Workers Compensation (North Dakota)	48710	1/1/2019	12/31/19
Flood Insurance Vaaler Ins./ American Banker's Insurance Company/Selective Insurance Co. of America 80 policies	Various	4/1/2019	04/01/20
Alerus Center Traveler's / Vaaler Ins.	P-630-3F694973-TIL-19	1/1/2019	12/31/19
Employee Health Insurance BC/BS of North Dakota	10442519	1/1/2019	12/31/19

\* Except for specific covered services as outlined

<u>Details of Coverage</u>	<u>Co-Insurance</u>	<u>Liabilities Limit</u>	<u>Annual Premium</u>
Blanket real and personal property	90%	Replacement value	\$ 133,163
Blanket real and personal property	90%	Replacement value	52,399
Boiler and Machinery		\$75,000,000	25,009
General Liability/Auto Fleet and Public Officials Errors and Omissions		\$5,000,000 per occurrence	548,150
Equipment Floater Robberies inside & outside premises and safe burglary		\$9,758,769 \$622,000	28,565
Blanket Public Employee Bonding		\$2,000,000	- 0 -
Bodily injury		\$100,000 / \$100,000 / \$500,000	4,050
Bodily Injury	\$250		314,650
Flood insurance		\$5,000 / \$5,378,000	157,604
Building Business Personal Property Business Income and Extra Expense Outdoor Property (Signs)	100%	\$131,982,897 \$7,429,913 \$9,538,896 \$754,163	106,882
Employee Health Insurance	<u>Product Blue Access 80/500 Plan</u>	Unlimited *	4,365,628
	Single Deductible	\$500	
	Single Coinsurance	\$2,700	
	Family Deductible	\$1,500	
	Family Coinsurance	\$5,900	



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## STATISTICAL SECTION

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

### Contents

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the readers understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

#### **Financial Trends**

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## **Operating Information**

Full-time Equivalent City Employees by Function/Program, last Eight Fiscal Years  
Operating Indicators by Function/Program  
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Sources: Unless otherwise noted, the information in these schedules is derived from the comprehensive annual financial report of the City of Grand Forks for the current and prior years.

CITY OF GRAND FORKS, NORTH DAKOTA  
LAST TEN FISCAL YEARS  
NET POSITION BY COMPONENT  
(Accrual Basis of Accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Governmental activities										
Net investment in capital assets	\$ 86,294,637	\$ 86,234,283	\$ 108,829,130	\$ 109,324,565	\$ 114,139,103	\$ 126,665,238	\$ 130,152,880	\$ 134,554,746	\$ 138,778,217	\$ 137,777,584
Restricted	76,423,683	81,898,883	72,943,322	83,481,504	91,828,391	95,379,436	99,014,298	103,946,775	102,921,043	114,700,084
Unrestricted	10,055,656	11,865,191	4,256,994	5,503,547	7,785,156	(12,400,329) *	(15,251,671) *	(20,239,365) *	(26,594,425) *	(31,390,956) *
Total governmental activities net position	<u>\$ 172,773,976</u>	<u>\$ 179,998,357</u>	<u>\$ 186,029,446</u>	<u>\$ 198,309,616</u>	<u>\$ 213,752,650</u>	<u>\$ 209,644,345</u>	<u>\$ 213,915,507</u>	<u>\$ 218,262,156</u>	<u>\$ 215,104,835</u>	<u>\$ 221,086,712</u>
Business-type activities										
Net investment in capital assets	\$ 227,996,166	\$ 231,694,228	\$ 236,054,053	\$ 242,592,054	\$ 251,864,506	\$ 258,560,451	\$ 271,954,306	\$ 302,456,193	\$ 338,659,287	\$ 369,418,451
Restricted	12,446,640	13,540,646	13,693,995	15,664,297	14,702,712	15,731,506	22,934,533	23,622,846	25,309,545	31,880,595
Unrestricted	26,261,443	24,916,444	30,324,284	31,180,064	33,557,777	28,954,961 *	25,672,012 *	20,584,754 *	25,274,715 *	25,593,933
Total business-type activity net position	<u>\$ 266,704,249</u>	<u>\$ 270,151,318</u>	<u>\$ 280,072,332</u>	<u>\$ 289,436,415</u>	<u>\$ 300,124,995</u>	<u>\$ 303,246,918</u>	<u>\$ 320,560,851</u>	<u>\$ 346,663,793</u>	<u>\$ 389,243,547</u>	<u>\$ 426,892,979</u>
Primary government										
Net investment in capital assets	\$ 314,290,803	\$ 317,928,511	\$ 344,883,183	\$ 351,916,619	\$ 366,003,609	\$ 385,225,689	\$ 402,107,186	\$ 437,010,939	\$ 477,437,504	\$ 507,196,035
Restricted	88,870,323	95,439,529	86,637,317	99,145,801	106,531,103	111,110,942	121,948,831	127,569,621	128,230,588	146,580,679
Unrestricted	36,317,099	36,781,635	34,581,278	36,683,611	41,342,933	16,554,632 *	10,420,341 *	345,389 *	(1,319,710) *	(5,797,023)
Total primary government net position	<u>\$ 439,478,225</u>	<u>\$ 450,149,675</u>	<u>\$ 466,101,778</u>	<u>\$ 487,746,031</u>	<u>\$ 513,877,645</u>	<u>\$ 512,891,263</u>	<u>\$ 534,476,358</u>	<u>\$ 564,925,949</u>	<u>\$ 604,348,382</u>	<u>\$ 647,979,691</u>

\* This decrease in unrestricted fund balance is largely due to the implementation of GASB Statement No. 68 in 2015

**CITY OF GRAND FORKS, NORTH DAKOTA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Expenses</b>										
<b>Governmental Activities</b>										
General Government	\$ 16,105,016	\$ 15,598,096	\$ 14,634,258	\$ 14,250,445	\$ 15,310,943	\$ 17,402,572	\$ 15,935,547	\$ 12,777,052	\$ 13,354,061	\$ 14,229,096
Highways and Streets	6,041,236	5,896,760	5,780,505	6,488,909	6,769,551	7,069,516	7,759,336	12,207,703	10,307,032	13,969,553
Public Safety	17,071,913	17,838,004	19,122,732	20,006,011	20,597,566	20,457,799	25,795,308	28,020,466	26,129,492	28,651,930
Health and Welfare	2,587,095	2,580,583	2,602,529	2,925,097	2,874,676	3,109,041	3,084,975	3,454,318	3,584,037	3,566,356
Culture and Recreation	1,689,190	1,771,715	1,737,105	1,920,480	2,228,092	2,250,772	2,348,159	2,350,886	2,314,342	2,331,246
Public Works	4,134,841	4,247,688	4,179,045	7,785,846	6,273,310	2,595,304	5,806,722	8,337,566	9,762,975	10,068,711
Interest on Long-term Debt	3,968,960	3,654,519	3,706,349	2,610,173	2,772,129	2,746,816	2,710,099	2,536,774	2,508,528	2,818,956
<b>Total Governmental Activities Expenses</b>	<u>51,598,251</u>	<u>51,587,365</u>	<u>51,762,523</u>	<u>55,986,961</u>	<u>56,826,267</u>	<u>55,631,820</u>	<u>63,440,146</u>	<u>69,684,765</u>	<u>67,960,467</u>	<u>75,635,848</u>
<b>Business-type Activities</b>										
Sanitation	6,945,529	8,411,026	7,792,809	8,061,528	8,197,805	8,699,478	9,653,515	9,295,130	9,541,951	10,750,481
Wastewater	7,981,815	8,627,547	8,502,137	8,559,150	8,647,107	8,828,856	9,069,420	9,257,933	9,535,708	10,425,044
Waterworks	8,708,339	8,699,845	9,063,768	9,372,318	9,398,557	9,303,297	9,539,279	10,390,400	10,167,028	11,181,753
Stormwater	2,304,361	2,591,535	2,500,655	2,733,320	2,815,045	2,938,749	2,988,594	3,511,812	3,601,624	3,829,667
Mosquito Control	828,501	799,264	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195
Public Transit	2,316,618	2,400,839	2,550,478	2,566,939	2,658,813	2,544,033	2,953,157	2,917,683	2,935,217	3,236,517
Dial-A-Ride	386,548	734,313	729,942	1,682,978	1,011,745	1,316,446	1,172,906	1,586,191	1,339,111	1,544,725
Alerus Center	8,988,997	9,072,787	9,226,064	9,633,226	9,486,675	10,624,525	9,493,992	9,281,649	9,825,896	10,396,914
Job Development Authority	3,952,091	3,608,692	2,211,890	2,805,586	2,329,637	2,120,933	2,373,012	3,119,030	2,037,422	2,575,743
Downtown Parking	223,787	237,682	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057
<b>Total Business-type Activities Expenses</b>	<u>42,636,586</u>	<u>45,183,530</u>	<u>43,578,823</u>	<u>46,646,306</u>	<u>45,831,857</u>	<u>47,701,758</u>	<u>48,652,408</u>	<u>50,617,903</u>	<u>50,254,927</u>	<u>55,292,096</u>
<b>Total Primary Government Expenses</b>	<u>\$ 94,234,837</u>	<u>\$ 96,770,895</u>	<u>\$ 95,341,346</u>	<u>\$ 102,633,267</u>	<u>\$ 102,658,124</u>	<u>\$ 103,333,578</u>	<u>\$ 112,092,554</u>	<u>\$ 120,302,668</u>	<u>\$ 118,215,394</u>	<u>\$ 130,927,944</u>
<b>Program Revenue</b>										
<b>Governmental Activities:</b>										
<b>Charges for Services:</b>										
General Government	\$ 5,378,775	\$ 5,451,259	\$ 5,697,621	\$ 6,865,735	\$ 7,438,828	\$ 8,004,752	\$ 8,006,094	\$ 7,407,230	\$ 7,973,881	\$ 8,879,530
Highways and Streets	2,078	-	18,451	49,035	-	-	-	-	2,893	1,397
Public Safety	1,602,899	1,821,123	1,843,835	1,911,542	1,800,399	1,828,136	1,701,060	2,088,737	2,579,607	2,577,439
Health and Welfare	754,806	760,074	1,745,294	747,414	809,609	775,186	785,831	772,966	794,145	855,493
Culture & Recreation	43,409	43,207	44,739	45,765	50,161	47,749	47,935	49,348	47,440	31,241
Public Works	-	-	-	-	-	-	-	-	-	-
Operating Grants and Contributions	8,480,075	9,527,390	9,041,441	9,871,690	8,160,598	10,274,683	8,827,214	6,998,370	7,305,566	7,324,543
Capital Grants and Contributions	12,423,086	6,834,487	7,625,664	5,299,838	13,414,188	10,120,736	12,974,596	12,955,813	14,724,975	14,330,937
<b>Total Governmental Activities Program Revenue</b>	<u>28,685,128</u>	<u>24,437,540</u>	<u>26,017,045</u>	<u>24,791,019</u>	<u>31,673,783</u>	<u>31,051,242</u>	<u>32,342,730</u>	<u>30,272,464</u>	<u>33,428,507</u>	<u>34,000,580</u>
<b>Business-type Activities:</b>										
<b>Charges for Services:</b>										
Sanitation	7,484,082	7,498,400	7,910,440	8,119,857	8,515,689	9,434,406	10,356,324	10,438,353	10,495,665	10,641,518
Wastewater	7,139,634	7,399,876	8,083,746	8,178,056	8,780,703	9,010,657	9,544,207	9,791,487	9,779,379	10,986,349
Waterworks	7,753,898	7,770,316	8,206,674	8,783,984	9,440,550	9,503,559	10,220,009	10,798,473	11,675,504	12,394,411
Stormwater	1,582,214	1,631,539	1,785,930	2,105,626	2,307,860	2,545,997	2,597,004	3,132,765	2,679,042	2,781,045
Mosquito Control	774,300	779,311	802,039	812,942	821,991	844,214	884,826	985,032	1,064,495	1,096,441
Public Transit	408,660	431,198	498,674	526,513	571,160	585,696	592,407	574,409	505,604	825,207
Dial-A-Ride	2,994	2,521	586	2,633	3,539	2,107	400	145,951	244,341	231,129
Alerus Center	3,865,723	3,488,985	3,587,015	4,643,761	5,185,088	4,605,649	5,019,402	4,708,955	4,098,112	4,383,938
Job Development Authority	3,377,461	3,095,668	2,334,700	2,298,244	2,442,334	2,454,406	2,297,859	2,210,665	2,141,371	2,268,995
Downtown Parking	230,841	314,013	322,690	483,983	449,013	412,806	342,713	438,711	322,926	222,416
Operating Grants and Contributions	1,128,241	1,370,233	1,366,447	1,873,567	2,386,956	2,387,488	4,539,439	1,776,330	1,958,036	1,537,290
Capital Grants and Contributions	1,705,571	4,549,332	2,597,326	2,451,513	7,042,605	4,702,011	2,197,448	9,266,187	22,526,575	32,024,321
<b>Total Business-type Activities Program Revenue</b>	<u>35,453,619</u>	<u>38,331,392</u>	<u>37,496,267</u>	<u>40,280,679</u>	<u>47,947,488</u>	<u>46,488,996</u>	<u>48,592,038</u>	<u>55,267,318</u>	<u>67,491,050</u>	<u>79,393,560</u>
<b>Total Primary Government Program Revenue</b>	<u>\$ 64,138,747</u>	<u>\$ 62,768,932</u>	<u>\$ 63,513,312</u>	<u>\$ 65,071,698</u>	<u>\$ 79,621,271</u>	<u>\$ 77,540,238</u>	<u>\$ 80,934,768</u>	<u>\$ 85,539,782</u>	<u>\$ 100,919,557</u>	<u>\$ 113,394,140</u>

**CITY OF GRAND FORKS, NORTH DAKOTA  
CHANGES IN NET POSITION  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

	<u>2010</u>	<u>2011</u>	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>
<b>Net (Expense) Revenue</b>										
Governmental Activities	\$ (22,913,123)	\$ (27,149,825)	\$ (25,745,478)	\$ (31,195,942)	\$ (25,152,484)	\$ (24,580,578)	\$ (31,097,416)	\$ (39,412,301)	\$ (34,531,960)	\$ (41,635,268)
Business-type activities	(7,182,967)	(6,852,138)	(6,082,556)	(6,365,627)	2,115,631	(1,212,762)	(60,370)	4,649,415	17,236,123	24,101,464
Total Net Expense	<u>\$ (30,096,090)</u>	<u>\$ (34,001,963)</u>	<u>\$ (31,828,034)</u>	<u>\$ (37,561,569)</u>	<u>\$ (23,036,853)</u>	<u>\$ (25,793,340)</u>	<u>\$ (31,157,786)</u>	<u>\$ (34,762,886)</u>	<u>\$ (17,295,837)</u>	<u>\$ (17,533,804)</u>
<b>General Revenues and Other Changes in Net Position</b>										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 14,260,184	\$ 14,505,839	\$ 15,360,710	\$ 15,680,508	\$ 15,980,163	\$ 17,377,569	\$ 17,547,774	\$ 18,064,474	\$ 19,526,930	\$ 20,813,060
Sales Taxes	9,040,669	9,290,589	9,946,223	10,941,495	11,221,705	11,405,568	11,807,520	11,386,164	10,844,182	16,869,543
Hotel/Motel Sales Taxes	-	-	-	-	-	-	-	-	-	999,838
State aid distribution	2,281,677	2,656,472	3,312,280	4,271,719	4,337,779	4,911,792	4,308,754	3,164,182	3,079,446	3,743,718
Franchise Taxes	1,961,045	1,981,375	2,179,168	2,112,520	2,365,170	2,507,400	2,471,991	2,452,984	2,580,282	2,444,904
Other Taxes	347,005	411,570	462,865	496,779	505,662	594,311	891,893	1,136,931	936,753	668,166
Investment Earnings	1,421,035	995,961	831,646	999,883	(59,189)	973,515	455,804	701,848	531,193	2,511,525
Gain(loss) on disposition of capital assets	-	-	-	-	37	1,000	858,642	35,666	-	-
Miscellaneous	1,006,383	763,132	793,701	435,595	245,113	1,448,041	205,898	247,658	1,304,134	560,600
Transfers	1,355,715	1,024,095	(91,892)	(1,935,906)	2,590,205	1,998,863	1,401,853	248,937	1,799,987	(1,068,860)
Total Governmental Activities	<u>31,673,713</u>	<u>31,629,033</u>	<u>32,794,701</u>	<u>33,002,593</u>	<u>37,186,645</u>	<u>41,218,059</u>	<u>39,950,129</u>	<u>37,438,844</u>	<u>40,602,907</u>	<u>47,542,494</u>
Business-type Activities:										
Property tax	769,353	790,411	811,463	836,047	862,632	920,869	999,737	1,073,660	1,168,530	1,244,401
Sales tax	7,068,739	7,263,062	7,776,631	8,554,897	8,771,968	8,938,572	9,227,105	8,916,161	8,536,183	8,902,308
Other taxes	11,443	15,354	17,825	19,129	19,355	22,787	30,974	28,937	29,280	30,952
Investment Earnings	458,365	1,447,283	1,369,837	1,032,021	766,605	1,082,214	848,607	884,722	853,790	1,799,228
Gain (loss) on sale of capital assets	44,946	95,332	42,227	29,893	625,328	896,373	78,922	24,721	357,964	461,292
Lawsuit Settlement	349,348	-	-	275,000	-	-	-	-	-	-
Miscellaneous	8,500	147,883	1,024,457	536,265	629,556	169,489	72,605	19,759	84,035	40,927
Transfers	(1,355,715)	(1,024,095)	91,892	1,935,906	(2,590,205)	(1,998,863)	(1,401,853)	(248,937)	(1,799,987)	1,068,860
Total Business-type Activities	<u>7,354,979</u>	<u>8,735,230</u>	<u>11,134,332</u>	<u>13,219,158</u>	<u>9,085,239</u>	<u>10,031,441</u>	<u>9,856,097</u>	<u>10,699,023</u>	<u>9,229,795</u>	<u>13,547,968</u>
Total Primary Government	<u>\$ 39,028,692</u>	<u>\$ 40,364,263</u>	<u>\$ 43,929,033</u>	<u>\$ 46,221,751</u>	<u>\$ 46,271,884</u>	<u>\$ 51,249,500</u>	<u>\$ 49,806,226</u>	<u>\$ 48,137,867</u>	<u>\$ 49,832,702</u>	<u>\$ 61,090,462</u>
<b>Change in Net Position</b>										
Governmental Activities	\$ 8,760,590	\$ 4,479,208	\$ 7,049,223	\$ 1,806,651	\$ 12,034,161	\$ 16,637,481	\$ 8,852,713	\$ (1,973,457)	\$ 6,070,947	\$ 5,907,226
Business-type Activities	172,012	1,883,092	5,051,776	6,853,531	11,200,870	8,818,679	9,795,727	15,348,438	26,465,918	37,649,432
Total Change in Net Position Primary Government	<u>\$ 8,932,602</u>	<u>\$ 6,362,300</u>	<u>\$ 12,100,999</u>	<u>\$ 8,660,182</u>	<u>\$ 23,235,031</u>	<u>\$ 25,456,160</u>	<u>\$ 18,648,440</u>	<u>\$ 13,374,981</u>	<u>\$ 32,536,865</u>	<u>\$ 43,556,658</u>

\*Hotel/Motel Tax for the Conventions and Visitors Bureau Fund was reclassified in 2019 as a result of GASB Statement 84,Fiduciary Activities which required the change from an Agency to a Special Revenue Fund

**CITY OF GRAND FORKS, NORTH DAKOTA  
PROGRAM REVENUE BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS  
(Accrual Basis of Accounting)**

<b>Function/Program</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>
<b>Governmental activities:</b>										
General government	\$ 9,636,722	\$ 8,530,658	\$ 9,772,303	\$ 8,391,071	\$ 10,767,799	\$ 10,072,906	\$ 7,843,090	\$ 8,770,125	\$ 8,768,648	\$ 9,232,999
Highways and streets	3,079,215	4,562,232	4,585,273	6,013,520	3,806,820	3,541,765	3,101,680	5,131,354	3,474,912	3,469,404
Public safety	4,004,295	3,326,722	4,304,810	3,819,423	3,891,176	2,953,454	3,459,529	3,676,065	3,365,523	3,769,403
Health and welfare	1,955,832	2,843,460	1,877,437	2,185,088	2,026,574	2,213,992	2,228,384	2,492,847	2,384,956	2,446,123
Culture and recreation	796,423	750,520	689,615	731,181	760,496	789,761	815,582	946,797	960,275	901,350
Public works/flood protection	4,965,053	6,003,453	3,561,581	10,533,500	9,798,377	12,770,852	12,824,199	14,587,996	5,584,247	14,181,301
Subtotal governmental activities	<u>\$ 24,437,540</u>	<u>\$ 26,017,045</u>	<u>\$ 24,791,019</u>	<u>\$ 31,673,783</u>	<u>\$ 31,051,242</u>	<u>\$ 32,342,730</u>	<u>\$ 30,272,464</u>	<u>\$ 35,605,184</u>	<u>\$ 24,538,561</u>	<u>\$ 34,000,580</u>
<b>Business-type activities:</b>										
Sanitation	\$ 7,498,400	\$ 7,910,440	\$ 8,119,857	\$ 8,515,689	\$ 9,434,406	\$ 10,356,324	\$ 10,438,353	\$ 10,495,665	\$ 10,734,746	\$ 10,641,518
Wastewater	7,444,823	8,440,300	8,396,331	10,617,220	9,454,702	10,171,648	10,884,636	13,645,009	13,955,685	12,862,615
Water	7,770,316	8,589,772	8,893,827	10,523,841	10,613,277	13,058,118	15,615,848	27,645,712	38,067,343	33,700,737
Stormwater	3,599,559	3,307,325	3,538,956	5,950,906	6,047,532	3,532,196	5,907,794	5,222,536	5,325,984	7,647,568
Mosquito Control	795,191	817,039	827,942	831,741	851,214	895,949	988,532	1,067,995	1,084,219	1,096,441
Public Transit	3,838,261	1,659,766	1,856,568	1,755,574	1,815,174	1,495,393	2,131,015	1,555,241	2,044,700	5,378,920
Dial-A-Ride	287,680	508,361	350,238	1,447,565	669,006	1,403,731	926,799	1,281,679	986,609	1,177,724
Alerus Center	3,515,300	3,605,874	4,687,946	5,396,192	4,683,981	5,038,107	4,724,965	4,112,916	4,629,276	4,396,626
Job Development Authority	3,267,849	2,334,700	3,125,031	2,459,747	2,506,898	2,297,859	3,210,665	2,141,371	2,344,622	2,268,995
Downtown parking	314,013	322,690	483,983	449,013	412,806	342,713	438,711	322,926	274,160	222,416
Subtotal business-type activities	<u>\$ 38,331,392</u>	<u>\$ 37,496,267</u>	<u>\$ 40,280,679</u>	<u>\$ 47,947,488</u>	<u>\$ 46,488,996</u>	<u>\$ 48,592,038</u>	<u>\$ 55,267,318</u>	<u>\$ 67,491,050</u>	<u>\$ 79,447,344</u>	<u>\$ 79,393,560</u>
<b>Total primary government</b>	<u><b>\$ 62,768,932</b></u>	<u><b>\$ 63,513,312</b></u>	<u><b>\$ 65,071,698</b></u>	<u><b>\$ 79,621,271</b></u>	<u><b>\$ 77,540,238</b></u>	<u><b>\$ 80,934,768</b></u>	<u><b>\$ 85,539,782</b></u>	<u><b>\$ 103,096,234</b></u>	<u><b>\$ 103,985,905</b></u>	<u><b>\$ 113,394,140</b></u>

Note: Fluctuations in program revenue of governmental activities are due to the level of construction activity/capital contribution in the permanent flood protection project.

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**GOVERNMENT WIDE EXPENSES BY FUNCTION**  
**LAST TEN FISCAL YEARS**  
 (accrual basis of accounting)

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
General Government	\$ 16,105,016	\$ 15,598,096	\$ 14,634,258	\$ 14,250,445	\$ 15,310,943	\$ 17,402,572	\$ 15,935,547	\$ 12,777,052	\$ 13,354,061	\$ 14,229,096
Highways and Streets	6,041,236	5,896,760	5,780,505	6,488,909	6,769,551	7,069,516	7,759,336	12,207,703	10,307,032	13,969,553
Public Safety	17,071,913	17,838,004	19,122,732	20,006,011	20,597,566	20,457,799	25,795,308	28,020,466	26,129,492	28,651,930
Health and Welfare	2,587,095	2,580,583	2,602,529	2,925,097	2,874,676	3,109,041	3,084,975	3,454,318	3,584,037	3,566,356
Culture and Recreation	1,689,190	1,771,715	1,737,105	1,920,480	2,228,092	2,250,772	2,348,159	2,350,886	2,314,342	2,331,246
Public Works	4,134,841	4,247,688	4,179,045	7,785,846	6,273,310	2,595,304	5,806,722	8,337,566	9,762,975	10,068,711
Interest on Long-term Debt	3,968,960	3,654,519	3,706,349	2,610,173	2,772,129	2,746,816	2,710,099	2,536,774	2,508,523	2,818,956
Sanitation	6,945,529	8,411,026	7,792,809	8,061,528	8,197,805	8,699,478	9,653,515	9,295,130	9,541,951	10,750,481
Wastewater	7,981,815	8,627,547	8,502,137	8,559,150	8,647,107	8,828,856	9,069,420	9,257,933	9,535,708	10,425,044
Waterworks	8,708,339	8,699,845	9,063,768	9,372,318	9,398,557	9,303,297	9,539,279	10,390,400	10,167,028	11,181,753
Stormwater	2,304,361	2,591,535	2,500,655	2,733,320	2,815,045	2,938,749	2,988,594	3,511,812	3,601,624	3,829,667
Mosquito Control	828,501	799,264	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195
Public Transit	2,316,618	2,400,839	2,550,478	2,566,939	2,658,813	2,544,033	2,953,157	2,917,683	2,935,217	3,236,517
Dial-A-Ride	386,548	734,313	729,942	1,682,978	1,011,745	1,316,446	1,172,906	1,586,191	1,339,111	1,544,725
Alerus Center	8,988,997	9,072,787	9,226,064	9,633,226	9,486,675	10,624,525	9,493,992	9,281,649	9,825,896	10,396,914
Job Development Authority	3,952,091	3,608,692	2,211,890	2,805,586	2,329,637	2,120,933	2,373,012	3,119,030	2,037,422	2,575,743
Downtown Parking	223,787	237,682	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057
<b>Total</b>	<b>\$ 94,234,837</b>	<b>\$ 96,770,895</b>	<b>\$ 95,341,346</b>	<b>\$ 102,633,267</b>	<b>\$ 102,658,124</b>	<b>\$ 103,333,578</b>	<b>\$ 112,092,554</b>	<b>\$ 120,302,668</b>	<b>\$ 118,215,389</b>	<b>\$ 130,927,944</b>

Table 5

CITY OF GRAND FORKS, NORTH DAKOTA  
 FUND BALANCES OF GOVERNMENTAL FUNDS\*  
 LAST TEN FISCAL YEARS  
 (modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Fund</b>										
Non-spendable		\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 51,643	\$ 46,454	\$ 24,016
Restricted										
Committed		1,660,676	1,648,730	1,334,361	1,261,728	2,845,595	2,695,281	2,084,078	2,104,011	1,981,954
Assigned		2,216,383	1,857,439	1,808,180	2,293,611	3,009,864	2,821,898	2,548,757	2,321,551	2,204,498
Unassigned		7,694,117	9,088,319	8,742,287	10,187,119	8,204,666	8,520,180	8,647,541	9,182,576	9,436,119
Reserved	\$ 5,680									
Unreserved	7,756,476									
<b>Total General Fund</b>	<b>\$ 7,762,156</b>	<b>\$ 11,600,077</b>	<b>\$ 12,623,389</b>	<b>\$ 11,913,729</b>	<b>\$ 13,771,359</b>	<b>\$ 14,089,026</b>	<b>\$ 14,066,260</b>	<b>\$ 13,332,019</b>	<b>\$ 13,654,592</b>	<b>\$ 13,646,587</b>
<b>All Other Governmental Funds</b>										
Non-spendable		\$ 299,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 15,566	\$ 22,159
Restricted		48,017,485	35,040,253	43,161,656	52,550,073	51,925,748	51,503,373	55,651,890	58,895,746	65,640,958
Committed		1,413,300	3,166,637	3,217,606	3,801,994	4,292,660	4,531,078	4,906,440	4,524,186	5,005,963
Assigned		59,600								
Unassigned		(95,795)								
Reserved	\$ 21,884,654									
Unreserved										
Special Revenue Funds	16,910,620									
Capital Projects Funds	4,393,758									
Debt Service Funds										
<b>Total all Other Governmental Funds</b>	<b>\$ 43,189,032</b>	<b>\$ 49,694,108</b>	<b>\$ 38,206,890</b>	<b>\$ 46,379,262</b>	<b>\$ 56,352,067</b>	<b>\$ 56,218,408</b>	<b>\$ 56,034,451</b>	<b>\$ 60,558,640</b>	<b>\$ 63,435,498</b>	<b>\$ 70,669,080</b>

\*The City implemented GASB Statement 54 in 2011, this table reflects this change starting in 2011.



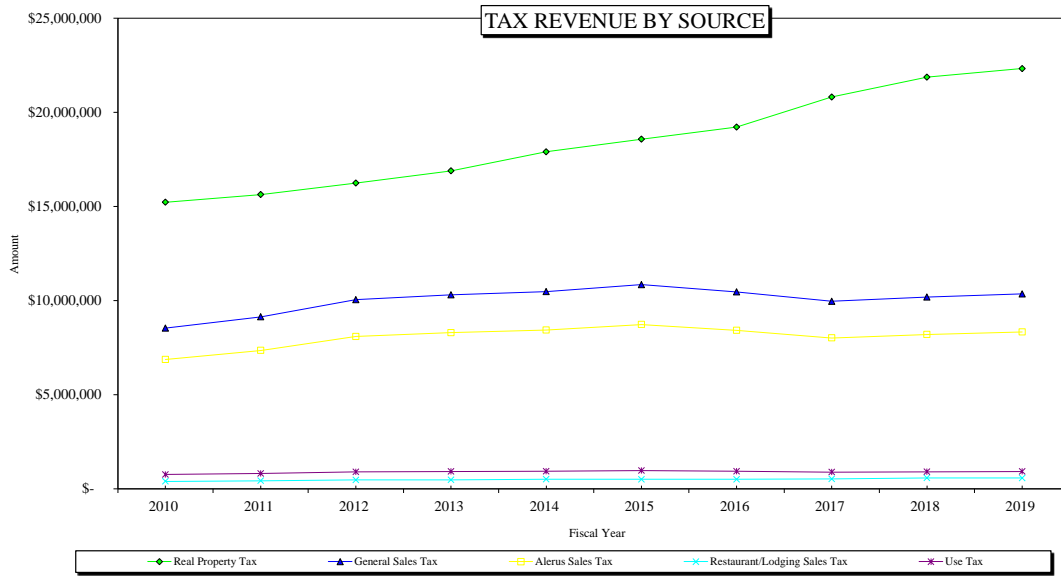
CITY OF GRAND FORKS, NORTH DAKOTA  
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS  
LAST TEN FISCAL YEARS  
(modified accrual basis of accounting)

	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Revenues</b>										
Taxes	\$ 23,705,051	\$ 25,209,797	\$ 26,559,528	\$ 27,201,868	\$ 28,783,137	\$ 29,355,294	\$ 29,450,638	\$ 30,371,112	\$ 35,192,719	\$ 38,682,441
Licenses, fees and permits	1,293,388	1,735,385	1,806,907	2,219,434	2,872,086	2,210,419	1,737,903	1,863,331	1,871,020	1,975,505
Intergovernmental	14,631,674	14,846,338	16,453,319	15,944,679	16,158,046	14,302,703	11,372,547	11,783,061	12,110,317	12,011,460
Charges for services	5,991,617	6,777,101	6,831,145	7,024,458	6,928,495	7,353,742	7,819,779	8,731,617	8,622,749	9,794,561
Special assessments	8,455,376	7,613,680	7,140,492	8,127,614	10,931,501	8,593,147	8,683,063	9,606,183	9,707,478	9,216,414
Fines and forfeitures	790,657	819,005	958,635	795,907	805,196	905,661	871,577	928,074	774,980	747,422
Investment earnings	988,246	827,756	994,534	(57,288)	960,423	454,947	700,740	530,525	1,176,225	2,488,993
Other revenues	3,213,856	2,858,221	2,561,031	2,609,497	3,956,193	2,677,885	2,648,216	3,435,049	2,727,829	2,707,721
<b>Total Revenues</b>	<b>59,069,865</b>	<b>60,687,283</b>	<b>63,305,591</b>	<b>63,866,169</b>	<b>71,395,077</b>	<b>65,853,798</b>	<b>63,284,463</b>	<b>67,248,952</b>	<b>72,183,317</b>	<b>77,624,517</b>
<b>Expenditures</b>										
General government	15,022,224	14,394,064	13,729,434	13,061,276	14,418,375	16,118,958	14,730,723	12,114,982	12,561,669	12,976,136
Health and welfare	2,526,438	2,539,420	2,573,432	2,888,073	2,821,614	3,065,005	3,021,001	3,402,647	3,606,828	3,538,878
Public safety	15,884,396	16,930,756	18,147,514	18,802,101	19,406,824	19,274,148	21,320,986	21,729,523	22,278,186	23,589,495
Highways and streets	3,730,301	3,736,947	3,667,125	4,089,131	4,114,610	4,089,751	4,417,385	6,787,004	6,972,014	7,738,401
Culture & recreation	1,672,647	1,751,306	1,714,234	1,895,992	2,199,537	2,226,502	2,327,625	2,331,928	2,301,087	2,318,146
Capital outlay	10,726,809	10,018,332	11,284,285	15,252,731	16,936,999	19,548,583	15,443,257	18,910,524	20,756,231	31,290,722
Debt Service:										
Interest & fiscal charges	4,052,335	3,840,277	3,752,767	2,632,419	2,879,530	2,807,552	2,790,097	2,636,629	2,671,367	3,000,160
Defeasance costs	261,787	-	-	-	-	-	-	-	-	-
Principal	7,900,649	7,959,040	11,931,000	7,486,774	7,912,844	8,320,285	9,550,174	10,637,434	9,739,107	8,017,339
<b>Total Expenditures</b>	<b>61,777,586</b>	<b>61,170,142</b>	<b>66,799,791</b>	<b>66,108,497</b>	<b>70,690,333</b>	<b>75,450,784</b>	<b>73,601,248</b>	<b>78,550,671</b>	<b>80,886,489</b>	<b>92,469,277</b>
Excess of revenues over (under) expenditures	(2,707,721)	(482,859)	(3,494,200)	(2,242,328)	704,744	(9,596,986)	(10,316,785)	(11,301,719)	(8,703,172)	(14,844,760)
<b>Other Financing Sources ( Uses)</b>										
Proceeds from borrowing	2,306,000	5,069,424	8,525,000	5,290,000	9,360,000	10,415,000	7,250,000	7,460,808	13,399,917	22,160,000
Premium on bonds issued	511,374	-	1,067,093	301,211	371,495	413,692	249,322	308,221	771,222	1,395,336
Discount on bonds issued	-	(98,354)	-	-	-	-	-	-	-	-
Proceeds from refunding	7,560,000	2,930,576	12,950,000	-	-	-	-	2,735,000	-	-
Redemption of refunded bonds	(8,805,945)	(12,030,000)	(11,570,604)	(12,230,000)	-	-	-	(860,000)	-	-
Sale of capital assets	140,583	387,269	38,259	112,453	386,698	100	2,252,851	369,424	65,443	18,353
Transfers in	13,730,523	18,705,644	9,582,297	10,073,716	11,296,928	11,518,710	29,476,505	12,625,688	13,821,331	19,007,591
Transfers out	(13,912,612)	(18,857,923)	(9,766,189)	(10,517,086)	(11,710,081)	(11,221,811)	(29,447,684)	(12,529,079)	(16,155,310)	(20,585,594)
<b>Total other financing sources (uses)</b>	<b>1,529,923</b>	<b>(3,893,364)</b>	<b>10,825,856</b>	<b>(6,969,706)</b>	<b>9,705,040</b>	<b>11,125,691</b>	<b>9,780,994</b>	<b>10,110,062</b>	<b>11,902,603</b>	<b>21,995,686</b>
<b>Net change in fund balances</b>	<b>\$ (1,177,798)</b>	<b>\$ (4,376,223)</b>	<b>\$ 7,331,656</b>	<b>\$ (9,212,034)</b>	<b>\$ 10,409,784</b>	<b>\$ 1,528,705</b>	<b>\$ (535,791)</b>	<b>\$ (1,191,657)</b>	<b>\$ 3,199,431</b>	<b>\$ 7,150,926</b>
Debt Service as a percentage of noncapital expenditures	21.59%	22.38%	26.42%	17.77%	17.39%	17.87%	22.78%	19.61%	17.86%	15.77%

CITY OF GRAND FORKS, NORTH DAKOTA

TAX REVENUE BY SOURCE  
LAST TEN FISCAL YEARS

Levy Year	Collection Year	Sales Tax Alerus Center (3/4%)	Restaurant/Lodging Sales Tax (1/4%)	General Sales Tax (1%)	Use Tax	Total Sales & Use Tax Collections	Taxable Sales & Purchases	Real Property Tax Levy
2009	2010	\$ 6,866,957	\$ 396,105	\$ 8,531,184	\$ 759,405	\$ 16,553,651	\$ 998,806,463	\$ 15,225,260
2010	2011	7,351,556	425,075	9,133,227	812,996	17,722,854	1,078,995,179	15,631,594
2011	2012	8,087,192	467,705	10,047,147	894,348	19,496,392	1,178,754,124	16,240,360
2012	2013	8,294,303	477,665	10,304,452	917,252	19,993,673	1,199,370,088	16,893,924
2013	2014	8,430,203	508,369	10,473,287	932,281	20,344,140	1,203,787,540	17,901,641
2014	2015	8,727,298	499,807	10,842,384	965,136	21,034,625	1,212,672,435	18,574,356
2015	2016	8,415,860	500,301	10,455,469	930,695	20,302,325	1,185,719,508	19,214,448
2016	2017	8,015,265	520,918	9,957,788	886,394	19,380,365	1,159,583,297	20,813,101
2017	2018	8,199,411	576,495	10,186,198	905,752	19,867,856	1,018,084,191	21,863,774
2018	2019	8,331,447	570,861	10,350,046	919,836	20,172,190	1,016,480,385	22,323,108



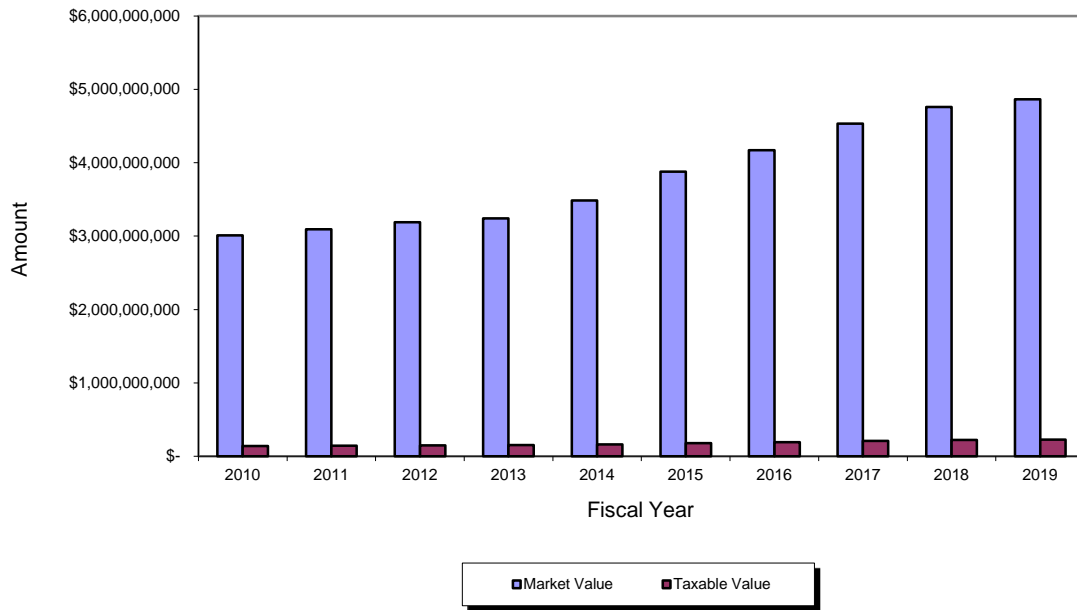


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CITY OF GRAND FORKS, NORTH DAKOTA  
 ASSESSED AND ESTIMATED MARKET VALUE  
 OF TAXABLE PROPERTY  
 LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Estimated Market Value	Ratio of Assessed to Market Value	Taxable Value	Effective Tax Rate - Residential *	Effective Tax Rate - Commercial *
2010	\$ 1,505,275,380	\$ 3,010,550,760	50.0%	\$ 141,794,647	1.71%	1.90%
2011	1,545,638,480	3,091,276,960	50.0%	145,045,875	1.73%	1.92%
2012	1,595,003,090	3,190,006,180	50.0%	148,898,501	1.74%	1.94%
2013	1,620,801,900	3,241,603,800	50.0%	153,748,856	1.72%	1.94%
2014	1,743,501,150	3,487,002,300	50.0%	162,284,145	1.57%	1.75%
2015	1,938,089,950	3,876,179,900	50.0%	180,137,234	1.32%	1.47%
2016	2,086,141,789	4,172,283,578	50.0%	193,836,206	1.29%	1.43%
2017	2,267,112,048	4,534,224,096	50.0%	210,658,918	1.28%	1.42%
2018	2,380,497,980	4,760,995,960	50.0%	221,315,656	1.35%	1.50%
2019	2,431,251,710	4,862,503,420	50.0%	225,896,656	1.35%	1.50%

**TAXABLE VALUE  
 COMPARED TO MARKET VALUE**



\* Reflects all taxing entities

## Property Value

Year	Commercial	Residential	Agricultural	Public Utilities	Tax Increments	Total Estimated Market Value
2010	\$ 1,216,245,500	\$ 1,747,180,400	\$ 386,300	\$ 47,653,240	\$ (914,680)	\$ 3,010,550,760
2011	1,264,463,420	1,776,316,800	474,400	50,937,020	(914,680)	3,091,276,960
2012	1,309,554,800	1,837,601,500	501,800	42,881,880	(533,800)	3,190,006,180
2013	1,312,876,000	1,877,535,800	634,300	51,091,500	(533,800)	3,241,603,800
2014	1,431,550,740	2,001,619,200	791,800	53,574,360	(533,800)	3,487,002,300
2015	1,620,478,400	2,199,343,500	826,000	56,065,800	(533,800)	3,876,179,900
2016	1,716,367,400	2,389,340,778	1,353,700	65,755,500	(533,800)	4,172,283,578
2017	1,866,291,000	2,586,681,700	1,390,600	79,860,796	-	4,534,224,096
2018	1,974,584,600	2,710,883,900	1,317,900	74,209,560	-	4,760,995,960
2019	1,996,917,700	2,783,917,200	1,048,400	80,620,120	-	4,862,503,420

CITY OF GRAND FORKS, NORTH DAKOTA  
PROPERTY TAX LEVY AND COLLECTION  
LAST TEN FISCAL YEARS

Levy Year(1)	Total Tax Levy	Discounts	Current Tax Collected	Percent of Levy Collected
2009	\$ 15,225,260	\$ 650,477	\$ 14,222,599	97.6%
2010	15,631,594	674,546	14,748,741	98.6%
2011	16,240,360	705,201	15,315,816	98.6%
2012	16,893,924	745,493	15,928,494	98.6%
2013	17,901,641	665,042	16,975,239	98.5%
2014	18,564,943	692,917	17,719,069	99.1%
2015	19,214,448	742,922	18,278,811	99.0%
2016	20,813,101	807,977	19,795,927	99.0%
2017	21,863,774	907,977	20,679,822	98.7%
2018	22,323,108	968,526	20,968,072	98.2%

(1) Collection year is one year later  
(i.e., Levy Year 2018 Collection Year 2019)

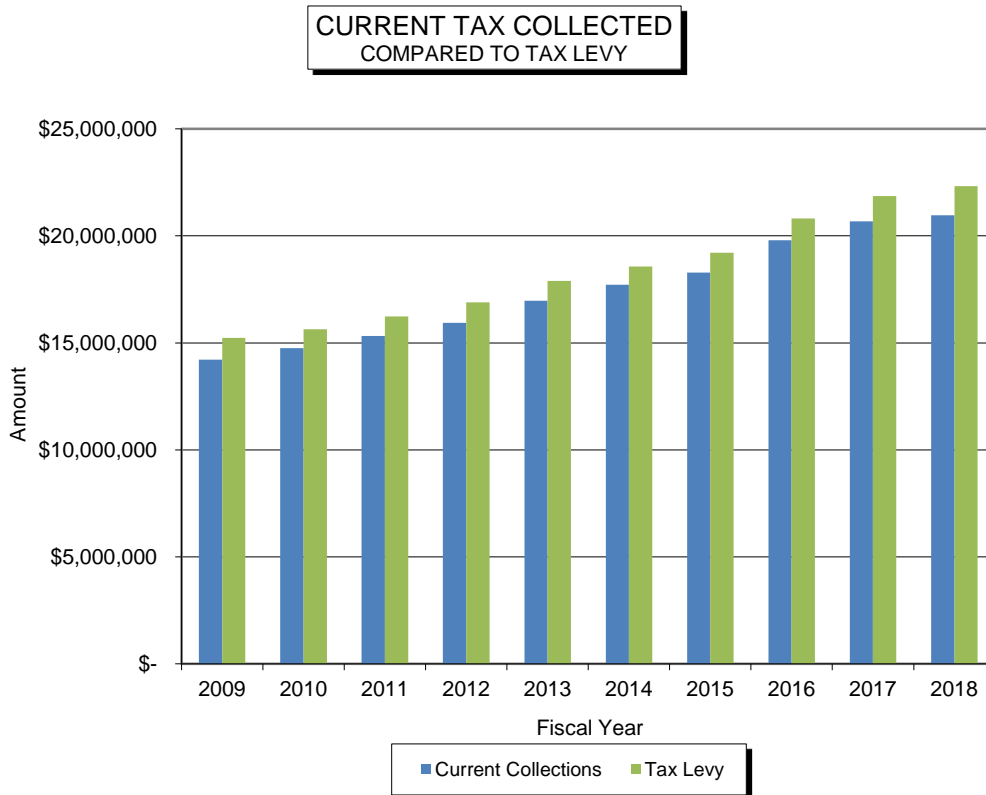
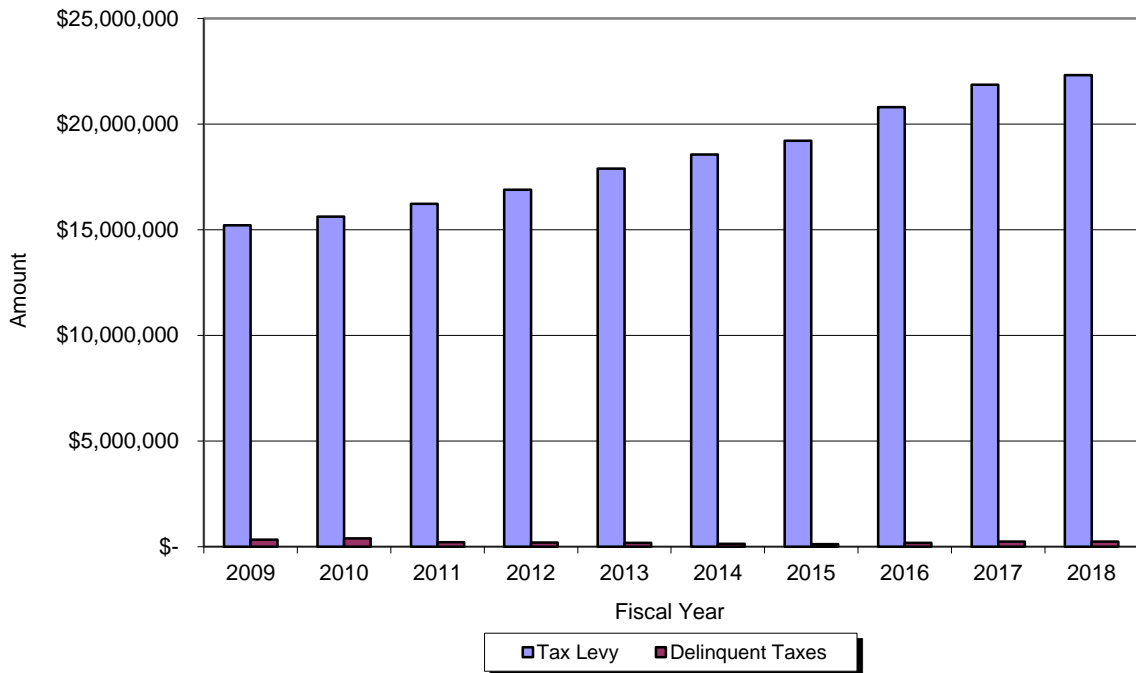


Table 9 (Con't)

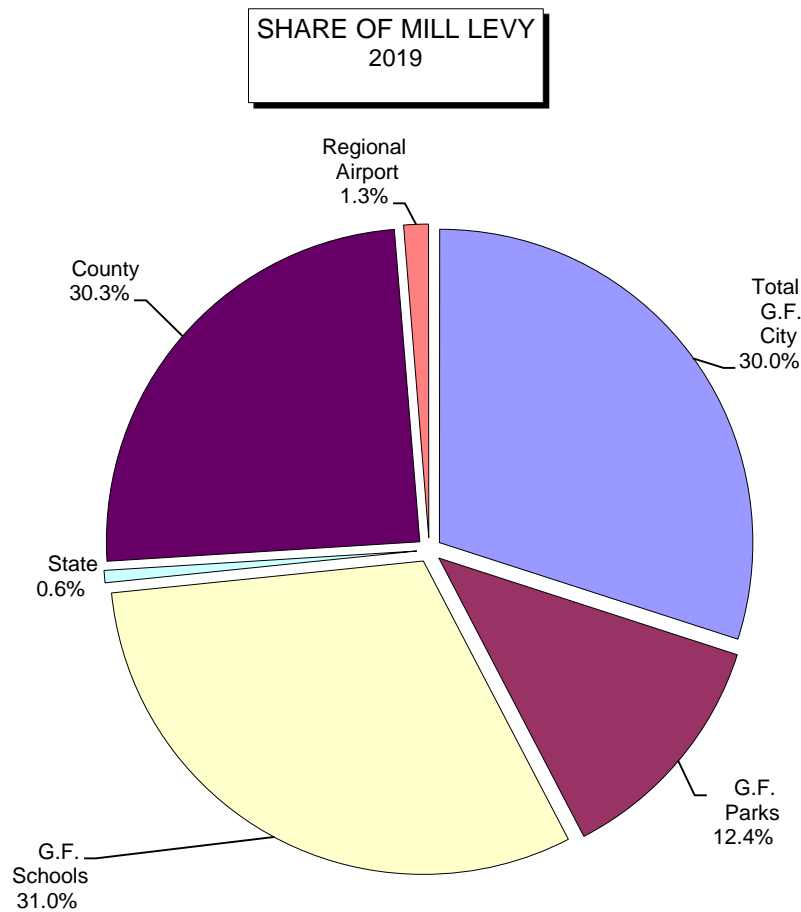
Levy Year	Delinquent Tax Collection	Total Collection	Collection as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
2009	\$ 331,794	\$ 14,554,393	95.6%	\$ 475,046	3.26%
2010	404,584	15,153,325	96.9%	169,913	1.14%
2011	213,786	15,529,602	95.6%	349,828	2.25%
2012	204,927	16,133,421	95.5%	244,723	1.52%
2013	187,200	17,162,439	95.9%	196,107	1.14%
2014	136,371	17,855,440	96.2%	176,489	0.99%
2015	121,405	18,400,216	95.8%	199,539	1.08%
2016	188,692	19,984,619	96.0%	295,572	1.48%
2017	247,338	20,927,160	95.7%	339,827	1.62%
2018	252,528	21,220,600	95.1%	539,108	2.52%

**DELINQUENT TAXES  
COMPARED TO TAX LEVY**



CITY OF GRAND FORKS, NORTH DAKOTA  
 PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS  
 LAST TEN FISCAL YEARS  
 (In Mills)

CITY OF GRAND FORKS											
Fiscal Year	Gen. Fund	Sp Rev Funds	Debt		Total			State	County	Regional	
			Svc Funds	Public Trans	G.F. City	G.F. Parks	G.F. Schools			Airport	Total
2010	73.26	18.95	5.51	5.79	103.51	37.94	139.35	2.00	113.49	4.31	400.60
2011	73.22	18.94	5.51	5.79	103.46	37.88	139.35	2.00	117.83	4.31	404.83
2012	74.43	18.99	5.53	5.80	104.75	39.98	139.32	2.00	117.44	4.32	407.81
2013	75.30	18.96	5.52	5.79	105.57	40.89	139.14	2.00	116.19	4.31	408.10
2014	75.56	19.01	5.54	5.81	105.92	41.11	105.14	2.00	109.21	4.33	367.71
2015	70.20	17.60	5.37	5.78	98.95	40.50	97.36	2.00	109.74	4.11	352.66
2016	66.25	17.60	5.36	5.77	94.98	40.40	97.36	2.00	104.24	4.10	343.08
2017	66.58	17.03	5.34	5.76	94.71	40.28	97.36	2.00	101.98	4.09	340.42
2018	66.57	17.03	5.34	5.76	94.70	39.17	97.36	2.00	78.05	4.09	315.37
2019	68.11	17.02	3.84	5.76	94.73	39.06	98.00	2.00	78.00	4.09	315.88





CITY OF GRAND FORKS, NORTH DAKOTA  
PRINCIPAL PROPERTY TAXPAYERS  
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2018 Values (2019 collections)			2009 values (2010 collections)		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
IRET Properties	\$ 6,108,960	1	2.70%	\$ 2,003,715	2	1.41%
Altru Health System <sup>(1)</sup>	2,091,075	2	0.93%	756,810	7	0.53%
Sterling Properties LLLP	2,062,090	3	0.91%			0.00%
Columbia Grand Forks, LLC	1,343,600	4	0.59%	1,547,785	4	
Campus Crest at Grand Forks LLC	1,254,215	5	0.56%			
Wal-Mart Real Estate Business Trust <sup>(2)</sup>	1,104,035	6	0.49%	723,080	10	
LM Wind Power Blades (ND) Inc.	1,048,070	7	0.46%			
Menards, Inc.	1,024,505	8	0.45%	748,870	8	0.53%
Sterling Pointe Apartments, LLP	1,017,390	9	0.45%			
J R Simplot Company	1,010,365	10	0.45%			
Xcel Energy				2,133,810	1	1.50%
Mikkelson Consolidated Limited Partnership				1,793,175	3	1.26%
INREIT Properties, LLP				1,223,530	5	0.86%
Terrace Point, LLC				938,200	6	0.66%
Aurora Medical Point				729,715	9	0.51%
	<u>\$ 18,064,305</u>		<u>8.00%</u>	<u>\$ 12,598,690</u>		<u>7.28%</u>
2018 Total Taxable Value	\$ 225,896,656					
2010 Total Taxable Value	\$ 141,794,647					

Source: City of Grand Forks Assessing Department

(1) This has previously been reported as United Hospital with only a value for the property owned by the former United Hospital. United Hospital and Grand Forks Clinic integrated to become Altru Health System in 1997. Beginning in 2012, we have changed the name to Altru Health System and will be showing the full value of all property held by Altru Health System. Comparative information is for United Hospital only value.

(2) Includes multiple properties in Grand Forks owned by Wal-Mart Real Estate Business Trust.

CITY OF GRAND FORKS, NORTH DAKOTA  
CONSTRUCTION VALUE  
LAST TEN CALENDAR YEARS

Year	Commercial Construction		Residential Construction	
	Number of Permits	Value (1)	Number of Units	Value(1)
2010	11	\$ 22,754,318	128	\$ 21,008,757
2011	13	17,467,243	326	42,319,630
2012	12	27,780,374	424	53,710,209
2013	28	44,833,375	984	110,685,427
2014	23	32,404,596	895	125,555,259
2015	21	35,688,744	433	62,109,411
2016	22	25,169,665	304	48,502,233
2017	29	22,824,499	289	44,644,894
2018	16	56,649,157	227	41,679,488
2019	21	59,486,635	145	34,506,943

- (1) Estimated Actual Value. Source - City Inspection Department
- (2) Total Estimated Market Value differs from Total Estimated Market Value listed on Table 5 due to Value of Tax Exempt Property



**CITY OF GRAND FORKS, NORTH DAKOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

Fiscal Year	GOVERNMENTAL ACTIVITIES						BUSINESS-TYPE ACTIVITIES					Total Primary Government	Percentage of Personal Income	Per Capita
	General Obligation	Special Assessment	Sales Tax Revenue	Industrial Development	Leases	Notes	Revenue	Sales Tax Revenue	SRF	Leases	Notes			
	Bonds	Bonds	Bonds	Bonds			Bonds	Bonds	Loans					
2010	12,516,330	58,659,477	14,535,000	3,012,474	-		23,586,426	58,217,865	31,741,561	58,105	6,244,555	208,571,793	5.62%	3,947.38
2011	13,760,552	62,145,386	13,121,382	2,634,020	-		24,675,570	56,203,756	28,951,561	807,895	4,523,212	206,823,334	5.22%	3,914.29
2012	10,457,200	48,455,329	11,921,239	2,234,020	-		26,823,261	54,114,646	26,071,560	595,123	3,655,896	184,328,274	4.21%	3,391.01
2013	9,483,848	53,316,628	10,546,096	1,811,246	-		24,905,774	51,950,536	23,100,000	404,562	2,578,900	178,097,590	3.96%	3,169.00
2014	8,470,496	58,936,370	9,135,953	1,364,402	-		22,963,161	49,701,425	20,055,000	206,293	1,888,633	172,721,733	3.81%	2,963.81
2015	7,432,145	60,888,974	7,685,810	892,118	-		23,789,012	46,726,332	16,930,000	-	1,451,843	165,796,234	3.58%	2,808.63
2016	8,483,130	61,706,056	6,215,667	392,944	-		26,758,819	44,371,669	13,720,000	813,556	1,179,107	163,640,948	3.35%	2,759.59
2017	5,365,174	70,095,673	4,830,524	-	386,155		28,686,671	41,742,007	20,404,336	771,326	901,491	173,183,357	3.47%	2,892.66
2018	4,194,912	76,317,998	3,670,381	-	679,160		27,770,495	38,997,344	44,342,494	534,521	796,040	197,303,345	3.81%	3,269.26
2019	2,999,650	94,126,231	2,450,238	-	543,950		28,908,980	36,147,681	69,148,646	290,693	-	234,616,069	not available	3,869.25

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

Population 60,636

## CITY OF GRAND FORKS, NORTH DAKOTA

RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
VALUE AND NET BONDED DEBT PER CAPITA  
LAST TEN FISCAL YEARS

Year	Census <sup>(1)</sup>	Assessed Value	Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net GO Bonded Debt to Assessed Value	Net Bonded Debt Per Capita
2010	52,838	1,505,275,380	12,516,330	768,833	11,747,497	0.78%	222.33
2011	52,838	1,545,638,480	13,760,552	2,815,748	10,944,804	0.71%	207.14
2012	54,358	1,595,003,090	10,457,200	337,984	10,119,216	0.63%	186.16
2013	56,262	1,620,801,900	9,483,848	125,388	9,358,460	0.58%	166.34
2014	58,012	1,743,501,150	8,470,497	218,609	8,251,888	0.47%	142.24
2015	58,766	1,938,089,950	7,432,145	307,229	7,124,916	0.37%	121.24
2016	59,299	2,086,141,789	8,483,130	2,554,915	5,928,215	0.28%	99.97
2017	59,870	2,267,112,048	5,365,174	824,245	4,540,929	0.20%	75.85
2018	60,351	2,380,497,980	4,194,912	1,176,235	3,018,677	0.13%	50.02
2019	60,636	2,431,251,710	2,999,650	772,041	2,227,609	0.09%	36.74

## Notes:

(1) 2009, 2011-2019 are estimated population provided by GF/EGF Metropolitan Planning Organization. 2010 source is US Census.

CITY OF GRAND FORKS, NORTH DAKOTA  
COMPUTATION OF DIRECT AND OVERLAPPING DEBT  
December 31, 2019

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Applicable to this Gov't Unit</u>	<u>Share of Debt</u>
Direct Debt:			
City of Grand Forks:			
General Obligation Debt	\$ 2,999,650	100.0%	\$ 2,999,650
Debt Supported by Special Assessments	94,126,231	100.0%	94,126,231
Debt Supported by Sales Tax Revenue	2,450,238	100.0%	2,450,238
Total Direct Debt			<u>99,576,119</u>
Overlapping Debt:			
Grand Forks School District	25,316,154	94.8%	24,009,110
Grand Forks County	7,150,000	74.1%	5,300,275
Grand Forks Park District	10,975,000	100.0%	<u>10,975,000</u>
Total Overlapping Debt			<u>40,284,385</u>
Total Direct and Overlapping Debt			<u>\$ 139,860,504</u>

Sources: Taxable value data used to estimate applicable percentages provided by Grand Forks County. Debt outstanding data provided by individual governmental units.

Note: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the city. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the city of Grand Forks. This process recognizes that, when considering the government's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt of each overlapping governments.

(1) The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages are estimated by determining the portion of the county's taxable value that is within the city's boundaries and dividing it by the county's total taxable valuation.

CITY OF GRAND FORKS, NORTH DAKOTA  
 LEGAL DEBT MARGIN INFORMATION  
 LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
Debt limit	\$ 75,263,769	\$ 77,281,924	\$ 79,750,155	\$ 85,835,698	\$ 87,175,058	\$ 96,904,498	\$ 104,307,089	\$ 113,355,602	\$ 119,024,899	\$ 121,562,586
Total net debt applicable to limit	<u>12,516,330</u>	<u>13,760,552</u>	<u>10,457,200</u>	<u>9,483,848</u>	<u>8,470,497</u>	<u>7,432,145</u>	<u>8,483,130</u>	<u>5,365,174</u>	<u>4,194,912</u>	<u>2,999,650</u>
Legal debt margin	<u>\$ 62,747,439</u>	<u>\$ 63,521,372</u>	<u>\$ 69,292,955</u>	<u>\$ 76,351,850</u>	<u>\$ 78,704,561</u>	<u>\$ 89,472,353</u>	<u>\$ 95,823,959</u>	<u>\$ 107,990,428</u>	<u>\$ 114,829,987</u>	<u>\$ 118,562,936</u>
Total net debt applicable to the limit as a percentage of debt limit	16.63%	17.81%	13.11%	11.05%	9.72%	7.67%	8.13%	4.73%	3.52%	2.47%

Note: Under State law, the City's outstanding general obligation debt should not exceed 5% of 50% of the total estimated market value of the property. By law, the general obligation debt subject to the limitation may be offset by amounts set aside for repaying general obligation bonds.

Computation of the legal debt margin for the current fiscal year is shown in Table 15-A

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMPUTATION OF LEGAL DEBT MARGIN  
 December 31, 2019

<u>Market Value</u>		<u>\$ 4,862,503,420</u>
Debt Limit - 5% of 50% of Market Value		\$ 121,562,586
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 2,820,000	
Unamortized Premium/Discount	<u>179,650</u>	
Bonded Debt		<u>2,999,650</u>
Legal Debt Margin		<u>\$ 118,562,936</u>

(1) In accordance with State of North Dakota Constitution Article X, Section 15, special assessment debt is not included in this calculation

CITY OF GRAND FORKS, NORTH DAKOTA  
 REVENUE BOND COVERAGE  
 WATER BONDS  
 LAST TEN FISCAL YEARS  
 (In Thousands of Dollars)

Year	Gross Revenue <sup>(1)</sup>	Direct Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest & Fiscal Charges <sup>(3)</sup>	Total	
2010 (4)	\$ 8,191	\$ 5,656	\$ 2,535	\$ 1,182	\$ 617	\$ 1,799	1.41
2011	8,512	5,909	2,603	1,220	358	1,578	1.65
2012	9,001	6,272	2,730	1,255	333	1,588	1.72
2013	9,646	6,515	3,130	1,460	376	1,836	1.71
2014	9,825	6,534	3,291	1,480	328	1,808	1.82
2015	10,448	6,404	4,044	1,535	295	1,830	2.21
2016	11,011	6,672	4,339	1,390	261	1,651	2.63
2017	12,044	7,397	4,647	1,440	287	1,727	2.69
2018	13,690	6,915	6,775	1,475	506	1,981	3.42
2019	14,519	7,923	6,597	1,520	967	2,487	2.65

Notes: (1) Gross revenue includes operating revenue, interest revenue, and transfers in.  
 (2) Total operating expenses exclusive of depreciation.  
 (3) Includes interest on notes payable.  
 (4) Eliminated amount that was refinanced.



CITY OF GRAND FORKS, NORTH DAKOTA  
 REVENUE BOND COVERAGE  
 WASTEWATER BONDS  
 LAST TEN FISCAL YEARS  
 (In Thousands of Dollars)

Year	Gross Revenue <sup>(1)</sup>	Direct Operating Expenses <sup>(2)</sup>	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest & Fiscal Charges <sup>(3)</sup>	Total	Coverage
2010 <sup>(4)</sup>	\$ 7,591	\$ 3,769	\$ 3,822	\$ 2,096	\$ 891	\$ 2,987	1.28
2011	8,185	4,361	3,824	2,205	781	2,986	1.28
2012	8,248	4,384	3,864	2,395	802	3,197	1.21
2013	8,838	4,568	4,270	2,467	720	3,187	1.34
2014	9,107	4,579	4,527	2,520	766	3,286	1.38
2015	9,619	4,823	4,796	2,580	679	3,259	1.47
2016	9,870	5,120	4,750	2,670	594	3,264	1.45
2017	10,188	5,213	4,976	3,010	576	3,586	1.39
2018	11,599	5,265	6,335	3,015	579	3,594	1.76
2019	11,379	6,048	5,330	2,399	639	3,038	1.75

Notes: (1) Gross revenue includes operating revenue, Interest revenue, and transfers in.  
 (2) Total operating expenses exclusive of depreciation.  
 (3) Includes interest on capital leases.  
 (4) Eliminated amount that was refinanced.

CITY OF GRAND FORKS, NORTH DAKOTA  
 PLEDGED REVENUE BOND COVERAGE  
 SPECIAL ASSESSMENT BONDS  
 LAST TEN FISCAL YEARS  
 (In Thousands of Dollars)

Year	Special Assessment Collections	Debt Service Requirements			Coverage
		Principal	Interest & Fiscal Charges	Total	
2010	\$ 9,955	\$ 4,872	\$ 2,725	\$ 7,597	1.31
2011	8,270	5,149	2,139	7,288	1.13
2012 <sup>(1)</sup>	7,634	9,511	2,293	11,804	0.65
2013	8,420	4,809	1,696	6,505	1.29
2014	12,760	5,136	2,043	7,179	1.78
2015	9,629	5,453	2,080	7,533	1.28
2016	9,571	6,606	2,109	8,715	1.10
2017	9,974	5,839	2,090	7,930	1.26
2018	9,355	7,385	2,312	9,697	0.96
2019	8,866	5,587	2,722	8,309	1.07

(1) SRL Bond (2001C) paid in full with cash balances in 2012

## CITY OF GRAND FORKS, NORTH DAKOTA

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

Fiscal Year	Population <sup>(1)</sup>	Personal Income (millions of dollars) <sup>(2)</sup>	Per Capita Income <sup>(2)</sup>	School Enrollment <sup>(3)</sup>	University of ND Enrollment <sup>(4)</sup>	Unemployment Rate <sup>(5)</sup>
2010	52,838	3,718.0	37,697	6,774	14,194	3.3%
2011	53,502	3,990.0	40,641	6,823	14,697	3.6%
2012	54,358	4,426.0	44,665	6,830	15,250	3.4%
2013	56,200	4,517.0	44,842	7,013	15,143	2.9%
2014	58,277	4,603.0	45,458	7,158	14,906	2.7%
2015	59,031	4,713.0	46,258	7,301	14,951	2.3%
2016	59,299	4,821.0	47,159	7,338	14,648	2.2%
2017	59,870	4,944.0	48,339	7,470	14,406	2.1%
2018	60,351	5,183.0	50,670	7,338	13,847	2.2%
2019	60,636	Not Available	Not Available	7,459	13,581	2.0%

## Data Sources:

- (1) 2011-2019 are estimated population provided by GF/EGF Metropolitan Planning Organization. 2010 source is US Census.
- (2) Bureau of Economic Analysis, US Department of Commerce,
- (3) Grand Forks Public School District
- (4) University of North Dakota
- (5) North Dakota Job Service.

CITY OF GRAND FORKS, NORTH DAKOTA  
PRINCIPAL EMPLOYERS  
CURRENT YEAR AND NINE YEARS AGO

Employer	2019		Percentage of Total City	2010		Percentage of Total City
	Employees	Rank	Employment (6)	Employees	Rank	Employment
Altru Health System	3,950	1	12.79%	3,852	2	13.25%
University of North Dakota <sup>(1)(3)</sup>	3,464	2	11.21%	4,400	1	15.13%
Grand Forks Air Force Base <sup>(2)</sup>	1,643	3	5.32%	2,000	3	6.88%
Grand Forks School District <sup>(3)</sup>	1,100	4	3.56%	1,200	4	4.13%
LM Wind Power (USA), Inc. <sup>(4)</sup>	1,000	5	3.24%	675	5	2.32%
Valley Memorial Home	801	6	2.59%	652	6	2.24%
City of Grand Forks <sup>(3)</sup>	518	7	1.68%	500	8	1.72%
Development Homes	500	8	1.62%			
Hugo's (4 locations) <sup>(3)(5)</sup>	450	9	1.46%	584	7	2.01%
J. R. Simplot	440	10	1.42%	388	9	1.33%
Walmart				375	10	1.29%
	<u>9,916</u>		<u>44.89%</u>	<u>10,774</u>		<u>50.30%</u>

1) Includes full and part time employees. Historical 2010 data was employment of all personnel.

2) 2019 data is military personnel only.

3) Includes full-time and part-time employees.

4) LM Wind Power (USA), Inc. was previously named LM Glassfiber.

5) 2019 data is for Grand Forks locations only. 2010 data is for all locations

6) 2019 Total Labor Force of 30,895. Source: ND Job Service

Source: Annual employer survey conducted by Springsted

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM**  
**LAST TEN FISCAL YEARS**

Function	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General government</b>	97.15	95.85	94.85	95	96.45	101.60	101.90	102.03	101.58	103.44
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Development	4.58	5.30	5.35	4.98	4.98	2.55	1.20	1.20	1.20	1.20
Housing Authority	8.50	8.20	6.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00
<b>Public Health</b>	32.65	33.35	33.35	32.93	36.56	37.36	36.03	43.92	43.35	43.08
<b>Public Safety</b>										
Police										
Officers	82.00	82.00	82.00	82.00	82.00	82.00	84.00	88.00	88.00	89.00
Civilians	16.00	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	17.00
Fire										
Firefighters and officers	63.00	63.00	63.00	63.00	63.00	63.00	75.00	75.00	75.00	74.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
PSAP	16.00	16.00	16.00	17.00	17.00	17.00	18.00	19.00	19.00	20.00
Municipal Court	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
<b>Highways and streets</b>	36.20	35.85	35.85	35.85	35.65	36.85	36.85	35.41	35.41	35.41
<b>Culture and recreation</b>	1.00	1.00	1.00	1.00	1.00	1.00	1.00	0.63	0.63	0.63
<b>Permanent flood protection</b>	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanitation	37.81	37.58	37.58	37.58	37.66	37.84	37.06	36.65	37.65	39.65
Wastewater	24.21	23.48	23.48	22.73	22.76	21.82	21.79	21.23	21.23	22.39
Waterworks	30.21	30.03	30.03	30.03	28.06	27.13	28.35	27.85	27.85	27.85
Stormwater	5.62	5.66	5.66	5.41	5.47	5.76	6.10	6.18	6.18	6.35
Public Transit	22.00	22.00	22.00	21.55	21.55	21.50	21.50	20.95	23.10	28.90
Dial-A-Ride	0.60	0.60	2.60	3.55	3.55	3.55	3.55	3.55	4.55	4.55
Alerus			18	21	20	21	18	18	0	0
Job Development Authority	3.60	3.30	3.15	3.18	3.18	3.35	3.25	4.55	4.25	4.68
Downtown Parking	0.25	0.20	0.20	0.20	0.00	0.20	0.60	0.60	0.70	0.47
<b>Total Authorized Positions</b>	<b>488.68</b>	<b>485.70</b>	<b>503.00</b>	<b>499.29</b>	<b>501.17</b>	<b>505.81</b>	<b>517.48</b>	<b>528.05</b>	<b>512.98</b>	<b>526.90</b>

Source: City's Human Resources Department

**CITY OF GRAND FORKS, NORTH DAKOTA  
OPERATING INDICATORS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS**

Function	2010	2011	2012	2013
<b>General Government</b>				
Building permits issued	1,682	1,480	1,506	1,579
Value of Permits issued	\$ 82,175,820	\$ 144,053,797	\$ 127,729,350	\$ 212,067,083
Number of Business License Issued	1,506	1,473	1,674	1,657
<b>Police</b>				
Priority 1 Calls Average Response Time	2 Min. 55 Sec.	3 Min. 12 Sec.	2Min. 57 Sec.	3Min. 27 Sec.
Number of 911 Calls <sup>(1)</sup>		20,261	21,884	22,892
Incidents Requiring 911 Assistance	64,447	67,517	75,917	72,322
<b>Fire</b>				
Emergency responses	3,590	3,688	4,087	4,005
<b>Health</b>				
Percent of Nuisance Complaints resolved within 30 days	97.65%	97.74%	98.14%	96.75%
Number of times sprayed	18	9	0	14
<b>Culture and Recreation</b>				
Alerus Center Attendance	203,753	224,687	245,582	205,767
Alerus Center Number of Events	492	567	564	495
<b>Waterworks</b>				
Number of customers	13,966	14,055	14,200	14,312
New connections	97	110	151	154
Watermain breaks	26	34	36	30
Average daily consumption(MGD)	7.80	7.90	7.40	7.80
Peak daily consumption (MGD)	11.10	11.00	12.00	12.30
<b>Sanitation</b>				
Number of customers	12,584	12,687	12,804	12,913
Landfill (tons)	87,162	96,372	86,554	91,219
Recycled Materials (tons) (City of GF)	2,397	2,470	2,672	2,923
<b>Wastewater</b>				
Number of customers	13,713	13,807	13,937	14,038
Average daily sewage treatment (MGD)	7.00	7.00	6.80	6.87
<b>Public Transit</b>				
Ridership - City Bus	282,627	328,880	371,242	364,317
Ridership - Dial-A-Ride	40,241	39,122	35,358	33,041
Ridership - Senior Rider	24,999	22,296	19,854	19,485
<b>Job Development Authority</b>				
Businesses Assisted	3	4	5	4
New Jobs Projected in 2 years	47	159	118	61

Sources: Various City Departments

(1) A new tracking software was put in place in 2011. Information will be reported for future years on this new basis.

(2) For 2019, this number breaks into: Inert Waste - 35,800 total (10,102 City of Grand Forks generated, 25,600 tons private haulers in the region; Municipal Solid Waste - 61,990 tons (36,465 City of Grand Forks generated, 25,525 from regional customers); Industrial/Ag Waste 13,610

Table 22 (Con't)

Fiscal Year						
	2014	2015	2016	2017	2018	2019
	1,727	1,816	1,981	1,948	1,895	1,691
\$	368,599,640	\$ 203,309,401	\$ 140,940,924	\$ 133,766,938	\$ 156,473,039	\$ 329,061,146
	1,904	1,905	1,113	1,172	1,102	1,015
	3Min. 49 Sec.	3Min. 58 Sec.	4Min. 03 Sec.	4 Min. 44 sec.	4 Min. 33 Sec.	4 Min. 13 Sec.
	22,947	24,023	24,365	24,086	23,447	24,939
	73,337	74,380	81,441	87,587	92,720	92,661
	4,254	4,286	4,995	5,510	5,117	5,623
	97.83%	96.01%	95.98%	97.43%	93.09%	93.09%
	19	14	22	5	10	8
	203,475	170,576	188,328	184,822	243,468	228,745
	469	390	489	326	385	481
	14,619	14,821	14,975	15,127	15,275	15,121
	215	204	162	139	135	198
	25	53	51	58	38	42
	7.70	7.90	7.60	7.90	8.12	7.42
	11.30	9.50	9.93	11.30	11.40	10.85
	13,128	13,315	13,492	13,539	13,840	14,623
	97,644	94,828	98,625	96,382	100,606	111,400
	3,016	2,996	2,380	2,063	1,975	2,320
	14,319	14,506	14,669	14,757	14,935	14,822
	6.83	6.80	6.88	6.83	7.12	12.63
	346,673	336,652	317,992	280,289	253,657	225,141
	34,602	35,553	32,337	33,079	40,064	42,218
	19,733	19,195	16,026	19,828	22,829	22,965
	7	3	2	4	7	8
	82	42	18	15	15	105

CITY OF GRAND FORKS, NORTH DAKOTA  
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM  
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>General Government</b>										
Buildings & Structures	11	11	11	11	11	11	11	11	11	12
Cars (All Gen Fund)	79	79	79	79	79	79	79	79	79	79
Area in Sq. Miles	20.42	20.49	20.51	26.01	26.09	26.86	27.08	27.31	27.57	27.99
<b>Police</b>										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	20	20	22	22	22	22	22	22	22	22
<b>Fire</b>										
Stations	4	4	4	4	4	4	4	4	4	4
Training Facilities (including 4 mobile units)	5	5	5	5	5	5	7	7	7	7
Aerial Trucks	2	2	2	2	2	2	2	2	2	2
Pumpers	6	6	6	6	6	6	7	7	7	7
Rescue Truck	1	1	1	1	1	1	1	1	1	1
Boat	3	3	3	3	3	3	3	3	3	3
Hazmat Regional Response Vehicle		1	1	1	1	1	1	1	1	1
Mobile Command Post	1	1	1	1	1	1	1	1	1	1
Special Operations Trailers	4	4	4	4	4	4	5	5	5	5
Fire Prevention Vehicle	-	-	-	1	1	1	3	3	3	3
<b>Highways and Streets</b>										
Paved Streets (miles)	235.62	235.96	236.45	237.70	241.09	245.28	246.83	251.05	258.29	260.26
Paved Alleys (miles)	4.74	4.74	4.74	4.74	4.74	4.74	4.74	4.74	4.98	4.98
Street lights	4150	4200	4200	4200	4200	4800	4976	5059	5151	5216
Traffic Signals	60	60	60	60	60	61	63	62	63	66
School Crossing Signals	25	25	25	25	25	25	25	26	26	26
Street Sweepers	4	4	4	4	4	4	5	5	5	5
Snow Plows	4	4	4	4	4	4	4	4	4	4
Motor graders	7	7	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>	7 <sup>(4)</sup>
Payloaders	5	5	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>	6 <sup>(5)</sup>
<b>Culture and Recreation</b>										
Library	1	1	1	1	1	1	1	1	1	1
Events Center	1	1	1	1	1	1	1	1	1	1
Greenway (developed acres)	800	800	800	800	800	800	800	800	800	800
Boat Ramps	2	2	2	2	2	2	2	2	2	2
Bikepaths (miles) <sup>(6)</sup>	41	41	41	41	41	42.34	42.78	42.78	43.59	44.57



Table 23 (Con't)

Function/Program	Fiscal Year									
	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019
<b>Sanitation</b>										
Collection Trucks-Side Load	7	6	6	6	6	6	6	6	6	6
Collection Trucks-Front Load	6	6	6	6	6	6	6	6	6	6
Collection Trucks-Rear Load	3	3	3	3	3	3	3	3	3	3
Collection Trucks-Roll Off	4	4	5	5	5	5	5	5	5	5
<b>Water</b>										
Water mains (miles)	331.67	331.67	236.5 <sup>(2)</sup>	263.37	266.42	269.01	270.91	276.64	281.02	285.29
Fire Hydrants	2518	2528	2952 <sup>(3)</sup>	2958	3000	3000	2903	2903	3012	3502 <sup>(7)</sup>
Water Storage Facilities	7	7	7	7	7	7	8	8	8	8
Storage Capacity (MG)	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5	18.5
Intake Capacity (MGD)	24	24	24	24	24	24	24	24	24	24
<b>Wastewater</b>										
Sanitary Sewers (miles)	156.16	156.16	173	173.84	175.81	177.06	177.5	181.0	184.8	188.5
Treatment Capacity ( Million Gallons Day)	10.0	10.0	10.0	10.0	10.0	10.0	10.0	13.0	13.0	13.0
Sewage Lift Stations	43	43	42	43	43	45	41	43	43	43
<b>Stormwater</b>										
Storm sewers (miles)	187.92	187.92	195	207.89	212.1	214.42	215.85	221.92	227.66	232.57
Lift Stations	12	12	12	12	12	12	12	13	13	13
Flood Stations	12	12	12	12	12	12	12	12	12	12
<b>Public Transit</b>										
35' Bus - Diesel/Electric Hybrid	0	2	2	2	2	2	2	2	2	2
35' Bus - Diesel	4	3	3	3	3	3	3	3	5	5
29' Bus	2	2	2	2	2	2	2	2	2	2
People Mover	4	3	3	3	3	3	4	4	4	4
Trolley	1	1	1	1	0 <sup>(1)</sup>	0	0	0	0	0
Senior Rider/Dial-A-Ride Vehicles	5	5	9	9	9	10	10	10	12	12
<b>Job Development</b>										
Buildings and Structures	6	6	6	6	6	6	6	6	6	6
<b>Municipal Parking Structures</b>										
Buildings & Structures	2	2	2	2	2	2	2	2	2	2

(1) The Trolley Bus was sold in June 2013.

(2) In 2011, a change was made to the tracking and the transmission lines to the clearwell and airport were removed from this statistic.

(3) In 2011, this statistic was changed to include City (2,556) and private (396) hydrants. Future years will report a total which includes both types.

(4) The City has a total of 7 units for use. Of those, 2 are owned, 2 are leased and 3 are rented only for winter months.

(5) The City has a total of 6 units. Of those, 4 are owned and the remaining 2 are leased for winter months.

(6) Beginning in 2018 the City started tracking the non-Greenway bikepath system. In 2019, that portion of the Bikepath System increased by 0.98 to 28.05 miles.

(7) In 2019 privately owned hydrants were added to the count.



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