



CITY OF GRAND FORKS, ND

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
**FOR THE YEAR ENDED
DECEMBER 31, 2020**



Comprehensive Annual Financial Report



of the City of Grand Forks, North Dakota

For the Year Ended
December 31, 2020

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, 2020

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June 18, 2021

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 Annual Comprehensive Financial Report (ACFR) for the City of Grand Forks for the fiscal year ended December 31, 2020. 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, 2020 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, 2020. 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 28.04 square miles and has a population of 61,000 at the end of 2020. 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 112.

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 State's economy was strong to start 2020, however on March 13, 2020, the President of the United States declared a national emergency concerning a world-wide pandemic due to a novel strain of coronavirus (COVID-19). This resulted in a dramatic economic slowdown worldwide. State aid decreased 14% in 2020 from 2019, however the City sales tax revenue remained almost equal to 2019. Oil and tourism were major contributors to this decrease in state aid. The federal government has made available various grant opportunities to mitigate some of the effects of the pandemic on the economy. The City has received various Coronavirus Aid Relief and Economic Security (CARES) grants and will be pursuing additional grant funds.

The primary sector continues to show strong growth. Highlights in this area include a \$23.5 million addition to the North Dakota State Mill and Elevator to add two new mills. This comes a little over a year after the ground was laid for it with the mill's recently completed rail spur and expanded storage project.

JR Simplot completed 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.

Additionally, Red River BioRefinery, completed an estimated \$100 million ethanol/alcohol disinfection facility that processes sugar beet tailings, potato, and pasta processing biomass. It is a state of the art plant that will have one of the lowest carbon footprints in North America.

PS Doors, a manufacturer of industrial doors, safety products and flood barriers, completed a \$6.4 million investment in an 80,000 square foot expansion of their facility.

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 319th Reconnaissance Wing. The Base is also a prime location for the unmanned and other related Intelligence, Surveillance and Reconnaissance (ISR) missions that complement the Global Hawk, as well as additional unmanned and Arctic missions. The Base is also home to the regional headquarters of the US Border Patrol.

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 May 2021, US Space Development Agency officials announced a program to establish a new low-Earth orbit satellite mission at the Grand Forks Air Force Base. The SDA awarded General Atomics \$6 million to implement the mission to link its MQ-9 Reaper drones to an upcoming satellite system with lasers, instead of radio transmitters. The mission will begin in late June, with the launch of two General Atomics manufactured satellites into low orbit. The satellites will use low-power lasers to establish communication with one another, and from there to unmanned aerial vehicles in flight. Those UAVs will then be able to transmit large amounts of sensor data to Grand Sky in a much more secure and speedy manner than through the radio frequencies now in use.

The City of Grand Forks has received a \$1.1 million Economic Development Administration grant to convert the GF Herald building to a technology accelerator. This EDA project, which has a \$1.1 million local match, is estimated to create 139 jobs.

“This grant is another step in our ever growing UAS ecosystem in Grand Forks.” Grand Forks Mayor, Brandon Bochenski said. “This commitment from the U.S. Department of Commerce on the development of the Herald building shows that Grand Forks is ready to take the next step forward when it comes to growing our tech sector. Converting the Herald building into a tech accelerator will make it an economic driver not just for the City but for the entire Red River Valley.”

Grand Forks is also now home to Mobile Recon Systems, the regions first drone designer and manufacturer.

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 recently constructed an \$80 million Steam Heating Facility and a \$15 million streetscape renewal and reconstruction of University Avenue. Other projects nearing completion are the estimated \$70 million Student Union, \$4 million Gershman Graduate Student Center, \$10 million renewed Chester Fritz Library and ground has been broken on a new \$70 million School of Business and Public Administration Building that will include a Grand Forks Workforce Development Center. The School of Engineering and Mines continues to work on the development of a 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 recently completed a 28,000 square foot expansion to meet demand for their SR20 and SR22 piston aircraft and Vision jet.

Core Scientific, a computer processing company that specializes in ownership and operation of large data centers, which provide key infrastructure for specialized hosting and data processing services is expanding to Grand Forks to open its fourth US data center. Their services include blockchain infrastructure and hosting, AI infrastructure and hosting, and AI application and digital asset mining. The total project investment, including buildings, infrastructure, and equipment, is expected to exceed \$100 million.

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 \$250 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 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. Due to the uncertainty with the COVID-19 pandemic the construction was paused in 2020 to prioritize operational resources on patient care and employee support, however there are now plans to resume the construction in late 2021 with completion expected in 2024.

Edgewood Senior Living is currently constructing a large senior living housing development that will include a Sanford Health System medical clinic.

Two major redevelopment projects downtown are nearing completion they are Pure Development, which is a five story, \$12 million development made up of a grocery store, bank, and apartments and the Argyle, a mixed use \$6 million 5 story building which will house the architectural office of JLG Architects. Another redevelopment project nearing completion is Harry's Steakhouse.

Four Grand Forks landmarks are set to be revamped or outright replaced requiring an investment of nearly \$100 million. These redevelopment projects are at UND's Memorial Stadium, the Townhouse Hotel, Lyon's Auto Supply and St. John's Block apartment building.

The Beacon redevelopment project is a mixed use, multi-building complex of apartments, condos, commercial space and a public plaza at the site of the existing Townhouse Hotel and surrounding properties. This investment of upwards of \$40 million includes construction of a new community and downtown space that will provide both living and commercial opportunities for residents as well as a 40,000 square foot community plaza.

Memorial Village, a \$25 million mixed-use public-private arrangement on the current site of UND's Memorial Stadium, is planning to demolish the existing structure with subsequent construction of a 5 story mixed use building with underground parking and would connect to the nearby High Performance Center via a glass-walled walkway. The project will include first floor commercial/office space that would be occupied by the UND Athletics department.

The Lyons Auto Supply site, which sat empty for years, is set to be turned into several stories' worth of residential, office and retail space. At a cost of about \$27 million, Lyon's Auto Redevelopment consists of redeveloping the existing land to accommodate a mixed-use building consisting of an

underground parking garage, 1st floor covered parking and commercial space, 2nd-5th floor consisting of apartment units as well as indoor and outdoor amenity spaces.

St. John's Block V is a \$7 million rehabilitation project of the existing historic 6-story building that towers over Town Square and the Greenway and the 3-story annex building connected on the east side. The renovation would include the lower and elevated main level of the existing buildings designated as commercial space. Upper four floors of the main building and upper floors of the annex will be residential (apartments/condos).

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 was a total of 402 housing units and 41 new commercial and public buildings constructed in 2020. Total taxable value increased by 2.09% from new construction of 1.49% and .06% from valuation increases for the 2021 budget year. The total city mill levy actually decreased .78 mills from 98.68 in 2020 to 97.9 for 2021. The City's residential effective tax rate is just 0.44%, which is equivalent to the previous 3 years. Efforts continue to minimize property tax increases without detriment to service levels.

The City's bond rating was confirmed at Aa2 in November 2020.

The City had an increase in unemployment from 2.0 percent in 2019 to 4.6 percent in 2020, which is much lower than the national average of 8.1 percent. This increase was due to the closures during the pandemic.

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:

In the spring of 2020 the City completed a new regional water treatment plant which has an initial capacity to treat up to 20 million gallons of water per day (mgd) as compared to the prior 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 is designed for scalability and will accommodate expansion to continue serving the region for the next 100 years.

The City secured State of North Dakota Municipal Rural & Industrial (MR&I) 50 percent cost-share for the design, construction and calibration of the 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 local share is being funded through a low interest, 30 year State Revolving Fund Loan of \$66 million and through existing cash reserves.

The City will be taking proposals for the redevelopment of the old water treatment plant site downtown in 2021.

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.

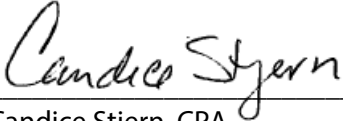
Certificate of Achievement – The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Forks for its comprehensive annual financial report for the fiscal year ended December 31, 2019. This was the 34th 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, Samantha Bergan, Jessica Bergerson, Emily Fossen, Joline Hughes, Sherie Lundmark, 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

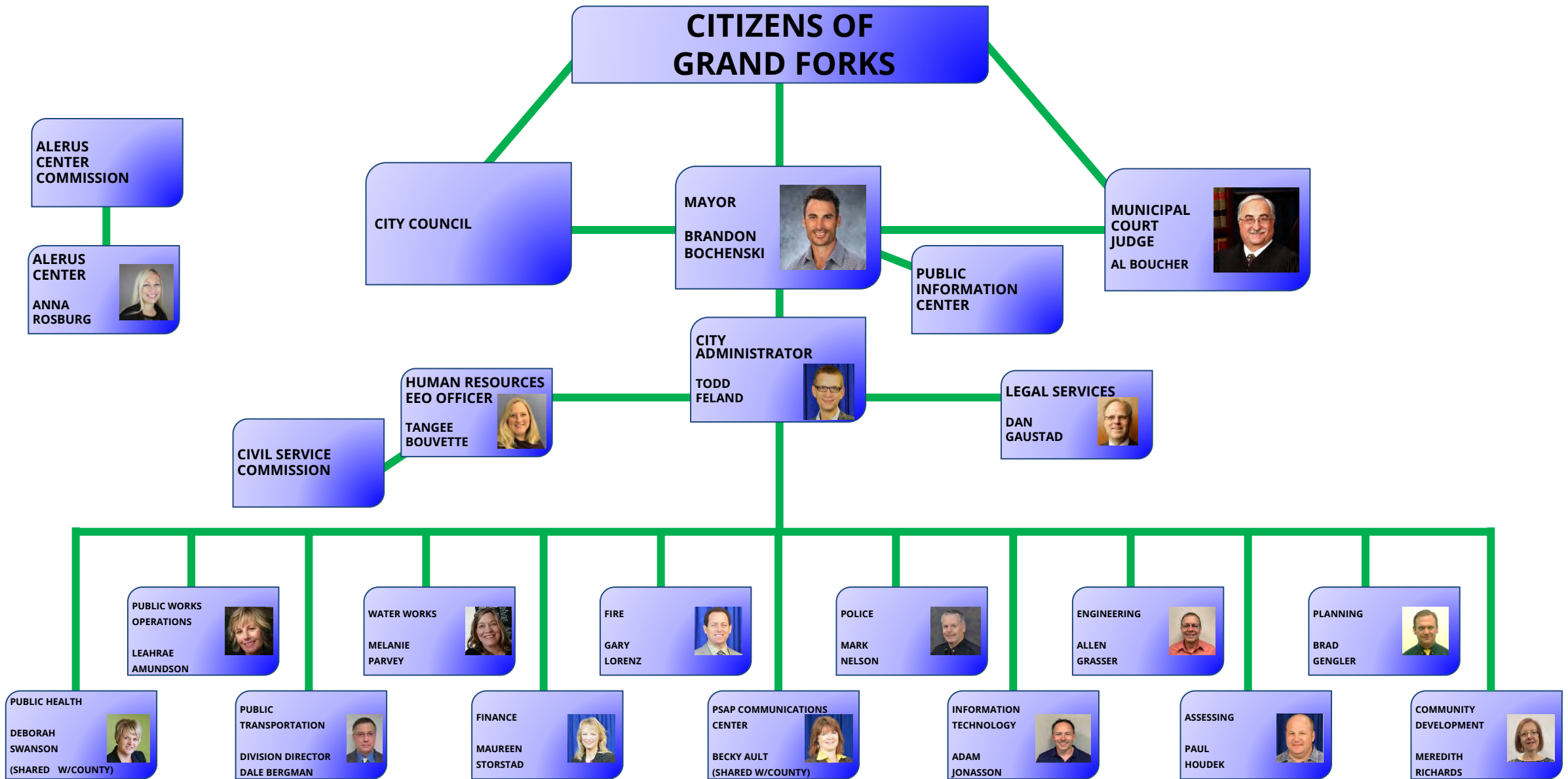
**City of Grand Forks
North Dakota**

For its Comprehensive Annual
Financial Report
For the Fiscal Year Ended

December 31, 2019

Christopher P. Morill

Executive Director/CEO



CITY OF GRAND FORKS ORGANIZATIONAL CHART

ELECTED OFFICIALS

	<u>Ward</u>	<u>Current Term Expires</u>
Brandon Bochenski		June 2024
Danny Weigel	1	June 2024
Katie Dachtler	2	June 2022
Bret Weber	3	June 2024
Jeannie Mock	4	June 2022
Kyle Kvamme	5	June 2024
Dana Sande	6	June 2022
Ken Vein	7	June 2024

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, 2020, 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, 2020, 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, 2019, which are not presented with the accompanying financial statements. In our report dated July 10, 2020, 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 2019 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, 2019, taken as a whole.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 18, 2021, 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**

June 18, 2021

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, 2020. 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 \$671 million (net position) at the end of the calendar year 2020.
- The City's total net position increased by \$23 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 \$83.6 million, a decrease of \$0.7 million in comparison to the prior year. Of this total amount, approximately \$23 million, twenty seven percent (27%) 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 \$13 million, or thirty one percent (31%) of total general fund expenditures of \$41 million.
- The City's total debt and non-current liabilities increased by \$42 million during 2020.
- During the current year, significant changes included:
 - \$4,190,000 of Refunding Improvement Bonds, Series 2020A, to finance various improvement projects in the City.
 - \$1,430,000 of Refunding Improvement Refunding Bonds, Series 2020B to refund the Refunding Improvement Bonds, Series 2010C, to achieve interest savings.
 - The City also drew down an additional \$8,708,207 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 outstanding as of December 31, 2020, was \$64,670,000.
 - Another \$552,932 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. This loan is now closed out and the amount outstanding as of December 31, 2020 was \$8,550,000.
 - The \$1,228,485 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) has also been closed. The amount outstanding as of December 31, 2020 was \$1,193,485. \$1,138,700 was drawn on this loan in 2020.
 - The three Bank of North Dakota loans, totaling \$15 million initially, were closed in 2020 and they were reallocated based on final project costs. The outstanding amounts as of December 31, 2020 were as follows:
 - Total amount outstanding on the \$2,670,000 Sewer Reserve Revenue Loan for Lift Station #17 Improvements was \$2,331,985.

- The \$7,155,000 Special Assessment Loan was re-allocated down to a total of \$5,334,989 for various infrastructure projects near the new Water Treatment Plant. Total amount outstanding on this loan was \$4,467,618.
- The \$5,175,000 Sewer and Economic Development Loan was increased to a total of \$6,995,011 for 3 new lift stations and associated forcemains. Total amount outstanding on this loan was \$6,316,998.
- The Net Pension Liability increased \$40,821,890.

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 37 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 98.

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 144. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 136.

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 37-91 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 92-96 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 98-171 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, 2020.

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 \$670,806,593 as of December 31, 2020.

City of Grand Forks Net Position*						
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Current and other assets	\$ 143,046,184	\$ 142,296,649	\$ 84,535,193	\$ 80,654,059	\$ 227,581,377	\$ 222,950,708
Capital assets	243,471,407	233,089,729	525,447,827	507,621,106	768,919,234	740,710,835
Total assets	<u>386,517,591</u>	<u>375,386,378</u>	<u>609,983,020</u>	<u>588,275,165</u>	<u>996,500,611</u>	<u>963,661,543</u>
Total deferred outflows of resources	39,531,536	16,679,079	13,100,402	7,321,490	52,631,938	24,000,569
Long-term liabilities outstanding	172,714,030	144,984,537	160,582,629	146,747,797	333,296,659	291,732,334
Other liabilities	16,693,407	14,605,713	14,540,319	19,093,254	31,233,726	33,698,967
Total liabilities	<u>189,407,437</u>	<u>159,590,250</u>	<u>175,122,948</u>	<u>165,841,051</u>	<u>364,530,385</u>	<u>325,431,301</u>
Total deferred inflows of resources	10,639,145	11,388,495	3,156,426	2,862,625	13,795,571	14,251,120
Net position:						
Net investment in capital assets	149,213,144	137,777,584	385,034,798	369,418,451	534,247,942	507,196,035
Restricted	108,930,049	114,700,084	34,613,621	31,880,595	143,543,670	146,580,679
Unrestricted	(32,140,648)	(31,390,956)	25,155,629	25,593,933	(6,985,019)	(5,797,023)
Total net position	<u>\$ 226,002,545</u>	<u>\$ 221,086,712</u>	<u>\$ 444,804,048</u>	<u>\$ 426,892,979</u>	<u>\$ 670,806,593</u>	<u>\$ 647,979,691</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, eighty percent (80%), 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 one percent (21%), represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is a negative \$7 million, primarily due to the effects of the pension plans the City is involved with.

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 \$32.1 million, the unrestricted balance for the government as a whole is a negative \$7 million, the unrestricted balance in the sanitation fund is a negative \$4.5 million and the unrestricted balance in the public transit fund is a negative \$1 million. These negative balances are due to net pension and OPEB liabilities and associated deferred outflows and inflows of \$50.1 million, \$65 million, \$5 million and \$1.6 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 \$4.9 million, while overall the City's net position increased \$22.8 million. Key elements of this increase in net position are as follows:

	CHANGES IN NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Revenues:						
Program Revenues:						
Charges for services	\$ 12,493,341	\$ 12,345,100	\$ 44,679,736	\$ 45,831,949	\$ 57,173,077	\$ 58,177,049
Operating grants and contributions	13,937,680	7,324,543	2,727,074	1,537,290	16,664,754	8,861,833
Capital grants and contributions	14,825,956	14,330,937	16,336,896	32,024,321	31,162,852	46,355,258
General Revenues:						
Property taxes	21,443,385	20,813,060	1,269,066	1,244,401	22,712,451	22,057,461
Sales taxes	16,858,213	16,869,543	8,794,001	8,902,308	25,652,214	25,771,851
Hotel/Motel taxes	549,414	999,838	-	-	549,414	999,838
State aid distribution	3,215,584	3,743,718	-	-	3,215,584	3,743,718
Other taxes	3,041,550	3,113,070	31,580	30,952	3,073,130	3,144,022
Miscellaneous	2,107,611	3,072,125	2,566,619	2,301,447	4,674,230	5,373,572
Total Revenues	<u>88,472,734</u>	<u>82,611,934</u>	<u>76,404,972</u>	<u>91,872,668</u>	<u>164,877,706</u>	<u>174,484,602</u>
Expenses:						
General Government	15,723,994	14,229,096	-	-	15,723,994	14,229,096
Health and Welfare	5,216,119	3,566,356	-	-	5,216,119	3,566,356
Public Safety	33,326,831	28,651,930	-	-	33,326,831	28,651,930
Highways and Streets	14,043,190	13,969,553	-	-	14,043,190	13,969,553
Culture and Recreation	2,381,471	2,331,246	-	-	2,381,471	2,331,246
Public Works	9,021,808	10,068,711	-	-	9,021,808	10,068,711
Interest on Long-term Debt	3,174,662	2,818,956	-	-	3,174,662	2,818,956
Sanitation	-	-	11,889,559	10,750,481	11,889,559	10,750,481
Wastewater	-	-	11,551,534	10,425,044	11,551,534	10,425,044
Waterworks	-	-	14,265,271	11,181,753	14,265,271	11,181,753
Stormwater	-	-	4,139,609	3,829,667	4,139,609	3,829,667
Mosquito Control	-	-	1,104,823	1,011,195	1,104,823	1,011,195
Public Transit	-	-	3,554,347	3,236,517	3,554,347	3,236,517
Dial-A-Ride	-	-	1,191,965	1,544,725	1,191,965	1,544,725
Alerus Center	-	-	8,369,592	10,396,914	8,369,592	10,396,914
Job Development Authority	-	-	2,642,364	2,575,743	2,642,364	2,575,743
Downtown Parking	-	-	453,665	340,057	453,665	340,057
Total Expenses	<u>82,888,075</u>	<u>75,635,848</u>	<u>59,162,729</u>	<u>55,292,096</u>	<u>142,050,804</u>	<u>130,927,944</u>
Increase in net position before transfers	5,584,659	6,976,086	17,242,243	36,580,572	22,826,902	43,556,658
Transfers	<u>(668,826)</u>	<u>(1,068,860)</u>	<u>668,826</u>	<u>1,068,860</u>	<u>-</u>	<u>-</u>
Increase (decrease) in net position	4,915,833	5,907,226	17,911,069	37,649,432	22,826,902	43,556,658
Net position - beginning	221,086,712	215,179,486	426,892,979	389,243,547	647,979,691	604,423,033
Net position - ending	<u>\$ 226,002,545</u>	<u>\$ 221,086,712</u>	<u>\$ 444,804,048</u>	<u>\$ 426,892,979</u>	<u>\$ 670,806,593</u>	<u>\$ 647,979,691</u>

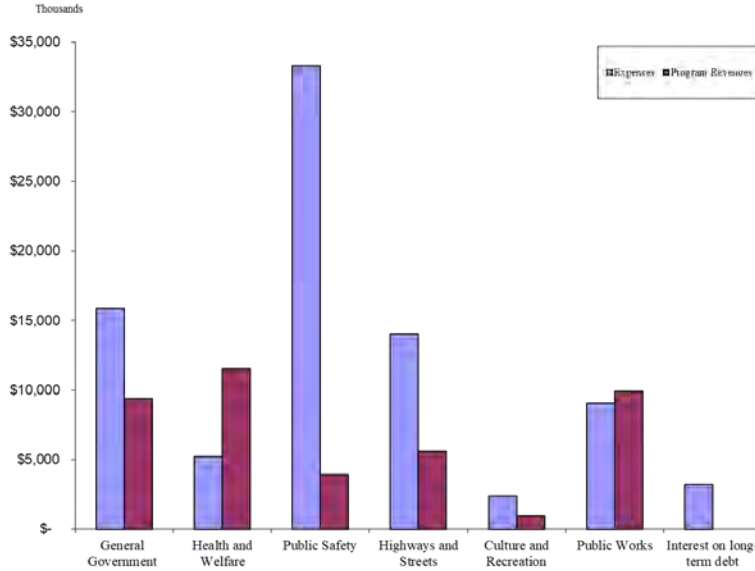
Governmental Activities

- The mill levy was decreased by .8 mills in 2020 but the property tax revenue did increase \$630,325 or 3%. This is a result of a growing tax base.
- Local sales tax revenue was down \$11,330, reflecting the stagnant economy due to the pandemic.
- State aid which is based on sales tax in the State of North Dakota decreased by \$528,134 or 14% which was in large part due to the downturn in oil and tourism revenues during the pandemic.
- Operating grants and contributions increased \$6.6 million or 90%. This mainly reflects the various CARES grants received in response to the pandemic.
- Capital grants and contributions also increased by \$495,019 also in response to the pandemic.

- Hotel/Motel taxes decreased \$450,424 or 45% also due to the pandemic.
- The miscellaneous revenue decreased by \$964,514 or 31%. This is largely due to a decrease in interest income from less favorable interest rates.

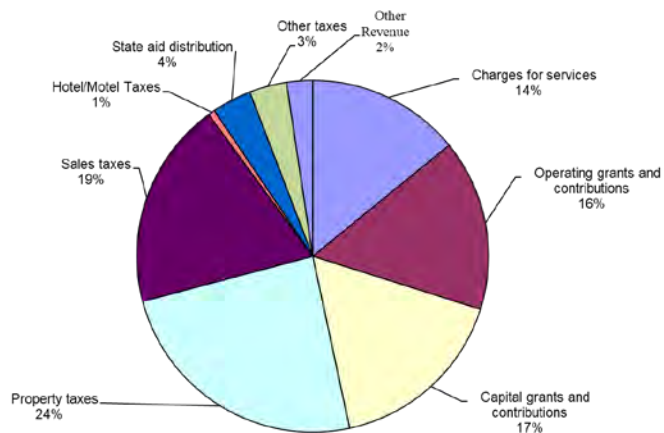
Below are specific graphs which provide comparisons of governmental revenues and expenses:

Expenses and Program Revenues – Governmental Activities



Total governmental expenses increased by \$7.3 million, or 9.6%, primarily due to increases in pension and OPEB expense which totaled \$8 million.

Revenues by Sources – Governmental Activities



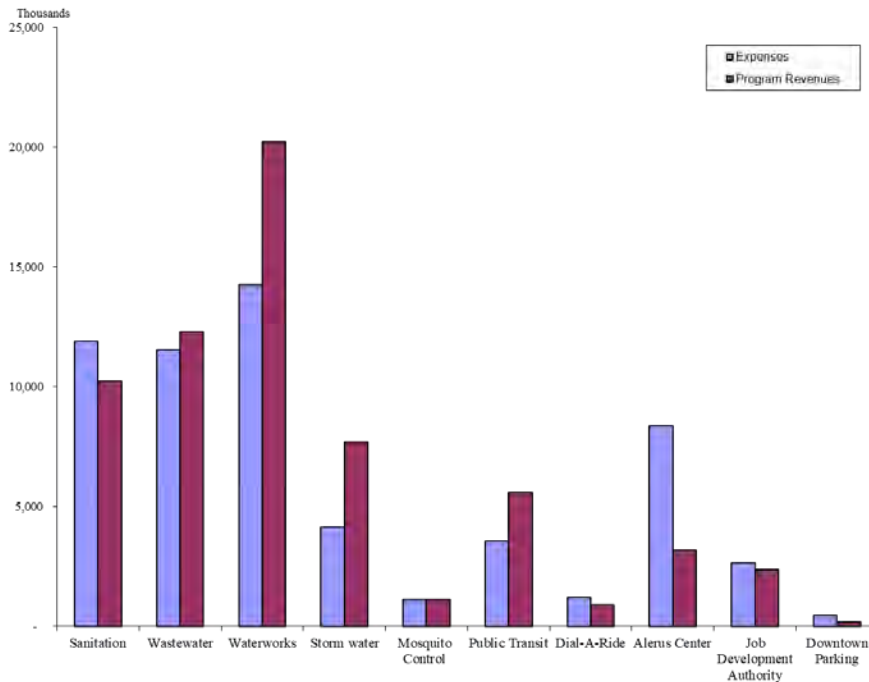
Business-type Activities. Business-type activities increased the City’s net position by \$18 million.

Key elements of this increase are as follows:

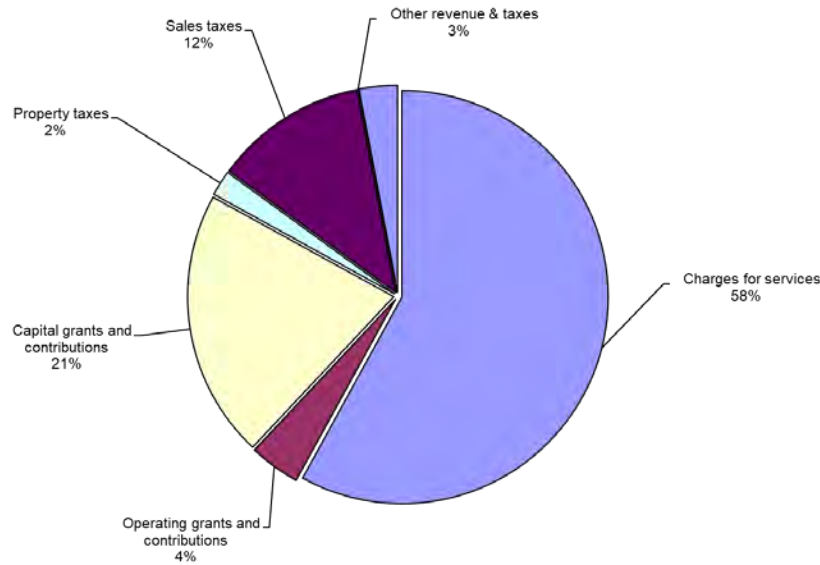
- The State Water Commission Grant of \$7.8 million for the new water treatment plant is responsible for a large share of this increase. This grant is down from \$22 million in 2019 as construction was completed in 2020.
- Capital contributions made by developers for underground utilities and capitalized special assessment projects assessed to benefiting properties amounted to \$8.5 million.
- Public transit received \$3 million of federal capital grant money to complete the new Cities Area Transit Facility and toward the purchase of 3 buses.
- Charges for services of \$44.7 million decreased \$1.2 million due to many businesses being shut down during the pandemic.
- State and federal operating grant revenue contributed \$2.4 million to our public transit and dial-a-ride programs, this includes COVID-19 related grants.
- Other revenue of \$2.6 million consisted mainly of \$1.6 million interest income and a \$.9 million gain on the sale of land in the business park.

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

Expenses and Program Revenues – Business-type Activities



Revenues by Source – Business-type Activities



The business-type expenses increased \$3.9 million or 7%, over 2019. There were increases in the water fund expenses due to the new water treatment plant coming online which required both water treatment plants to run for a few months to make sure the new plant was operational. The Alerus Center fund expenses were down by \$2 million as there were fewer events due to the pandemic. But the vast majority of the increase is from the additional pension and OPEB expenses in 2020, which reflect requirements of GASB Statement No. 68 and 75, which amounted to \$3.7 million.

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 \$83,569,979, a decrease of \$745,688 in comparison with the prior year. Approximately 15.6% of this total amount, \$13,058,337, constitutes unassigned fund balance, which is available for spending at the government's discretion. \$2,577,587 or 3.1%, 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

70 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 \$7,220,035 or 8.6% of the total and has been committed by the City Council for certain purposes detailed in the table on page 70 of the notes to these financial statements. \$62,603 is nonspendable consisting of inventories, prepaid items or advances. The remaining 72.6% or \$60,651,417 is restricted for various purposes including \$21,562,090 for debt service and \$38,089,327 for specific grants, tax related or bonded items or a variety of other purposes which are also detailed in the table on page 70 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 \$13,058,337, with a total fund balance of \$17,742,668.

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 thirty one percent (31%) of the total general fund expenditures, while total fund balance represents forty three percent (43%) 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 increased by \$4,096,081 during the current fiscal year. Overall general fund revenue increased \$7,609,061, or 19.2% over the prior year. This was mostly due to a variety of COVID-19 related grants. Expenditures were up \$1,642,150, or 4.1% over 2019.

The special assessment debt service fund has a fund balance of \$19,516,809 all of which is restricted for debt service. This is a decrease of \$812,095 from 2019. This is largely due to a decrease in interest income and an increase in interest expense.

The current year projects capital project fund has a fund balance of \$3,208,405. 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 a decrease of \$8,262,465 which is the result of prior year transfers from other funds for the City's share of large projects which were spent in 2020 and some remaining prior year bond proceeds that were spent down as well.

The street and infrastructure capital project fund has a fund balance of \$12,094,688. 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 \$2,230,524 due the planned spend down of cash on the City share of a large road projects.

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 \$25,450,822. All individual proprietary funds reported increases in net position, except for the Sanitation, Dial a Ride and Parking Funds which had negative changes in net position of \$1,510,966, \$90,523 and \$221,366 respectively.

The Sanitation Fund decrease is due to the pension and OPEB adjustments required by GASB Statement No. 68 and 75, of \$1.4 million. The Dial a Ride Fund saw a significant decrease in revenue during the pandemic. The Parking Fund also saw a decrease in revenue and increases in maintenance costs.

General Fund Budgetary Highlights

During the year there was an increase of \$4,648,652 in appropriations between the original and final amended budget. Following are the main components of the increase:

- A net increase of \$2,130,000 in appropriation in general government which consisted of a decrease of about \$550,000 for wage market adjustments, transfer of budgeted, health and welfare, street and public safety wage market adjustments in general government to health and welfare, street and public safety functions. However, the majority of this increase is due to \$2,300,000 CARES grant funding that was put into the Mayor's Cares Relief Funding Allocation expenditure line. Also, an increase of \$170,000 in attorney fees and contracted personnel services. Other increases are due to overtime and supplies mainly funded by the CARES grant.
- An increase of \$80,000 appropriation in health and welfare for overtime wages due to COVID-19 and higher pension contributions.
- An increase of \$400,000 appropriation in public safety for wage market adjustments and \$60,000 in fire wages and other expenditures to assist with fires in Oregon which were reimbursed by the state of Oregon through the state of North Dakota. Also, \$175,000 in police and fire overtime and benefits due to COVID-19, funded through CARES grant funding. A new initiative was started in the police department called Mental Health Matters for \$100,000 which was also funded through CARES grant funding. Other increases were due to added supplies and maintenance expenditures.
- An increase of \$130,000 appropriation in streets for wage market adjustments. And an increase of \$310,000 appropriation in highways and streets to cover added sand and salt ice control and vehicle maintenance expenditures.
- An increase of \$1,240,000 in appropriation for capital outlay of which \$900,000 was due to the purchase of radios and personal protection equipment for police and fire along with a health vehicle, software and office equipment which was funded through the CARES grant. Also, \$130,000 in fire equipment from the reimbursement from the departments' assistance in Oregon and from the sale of old fire equipment. Other increases are due to various office equipment, software and electrical equipment.

Increases in appropriations were funded from unanticipated revenues including CARES grant funding 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 100.1% of final budget. And overall general fund expenditures were incurred at 92% of final budget, a variance less than prior years. In 2020, expenditures were cut due to the uncertainty of the pandemic.

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, 2020, amounts to \$768,919,234 (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 4.45% and in business type activities increased by 3.51%, resulting in a total increase in the City's investment in capital assets for the current fiscal year compared to fiscal year 2019 of 3.81%.

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 was completed on the Cities Area Transit facility remodel in the spring of 2020.
- Stormwater projects included storm sewer rehab and storm pond projects.
- Construction was completed on the new Water Treatment Plant in early 2020.
- Construction was also completed on a disinfection project at the Wastewater Treatment Plant during the year.
- A variety of infrastructure projects including paving, street lighting and traffic signals were also completed in 2020.

CAPITAL ASSETS
(net of depreciation)

CITY OF GRAND FORKS - CAPITAL ASSETS
(net of depreciation)

	Governmental Activities		Business-type Activities		Total	
	2020	2019	2020	2019	2020	2019
Land	\$ 39,103,115	\$ 39,039,979	\$ 13,976,127	\$ 13,969,128	\$ 53,079,242	\$ 53,009,107
Building & structures	28,557,047	28,846,612	312,533,095	154,308,801	341,090,142	183,155,413
Improvement other than buildings	49,650,796	50,631,016	179,842,621	176,358,272	229,493,417	226,989,288
Machinery and equipment	7,926,352	7,576,630	18,697,405	16,892,435	26,623,757	24,469,065
Infrastructure	112,203,553	101,176,254	-	-	112,203,553	101,176,254
Construction in progress	624,526	544,887	398,579	146,092,469	1,023,105	146,637,356
Total	\$ 238,065,389	\$ 227,815,378	\$ 525,447,827	\$ 507,621,105	\$ 763,513,216	\$ 735,436,483
Internal Service Fund Capital Assets net of accumulated depreciation	\$ 5,406,018	\$ 5,274,351	\$ -	\$ -	\$ 5,406,018	\$ 5,274,351
	\$ 243,471,407	\$ 233,089,729	\$ 525,447,827	\$ 507,621,105	\$ 768,919,234	\$ 740,710,834

Additional information on the City of Grand Forks' capital assets can be found in note III.C on pages 57-59 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 \$233,366,692. Of this amount, \$2,441,125 comprises debt backed by the full faith and credit of the City and \$91,534,221 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 \$139,391,346 of this debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term liabilities total \$116,031,851 which will be funded through a variety of revenue sources. \$77,895,856 of this amount is due to cost sharing pension and OPEB 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 12/31/2020	Total 12/31/2019
General Obligation Bonds	\$ 2,290,000		\$ 2,290,000	\$ 2,820,000
Unamortized Premium	151,125		151,125	179,650
Special Assessment with GO commitment	87,277,618		87,277,618	90,363,072
Unamortized Premium	4,285,909		4,285,909	3,850,569
Unamortized Discount	(29,306)		(29,306)	(87,410)
Sales Tax Revenue	1,125,000	\$ 29,100,000	30,225,000	33,920,000
Unamortized Premium	60,095	4,073,019	4,133,114	4,677,919
Revenue Bonds		27,578,983	27,578,983	28,450,993
Unamortized Premium		435,109	435,109	495,436
Unamortized Discount		(34,345)	(34,345)	(37,449)
NDBB-SRF Loans		77,053,485	77,053,485	69,148,646
Total Bonded & SRF Loan Debt	95,160,441	138,206,251	233,366,692	233,781,426
Landfill Closure/Postclosure		5,218,271	5,218,271	4,843,437
Capital Leases	727,361	619,545	1,346,906	834,633
Compensated Absences	5,481,418	1,449,508	6,930,926	6,130,172
Net Pension Liability Single Employer Plan	18,923,908	5,614,356	24,538,264	32,548,311
Net Pension Liability Cost Sharing Plan	58,636,346	17,396,261	76,032,607	27,200,670
Net OPEB Liability Cost Sharing Plan	1,436,938	426,311	1,863,249	1,744,293
Total Debt Outstanding	\$ 180,366,412	\$ 168,930,503	\$ 349,296,915	\$ 307,082,942
Internal Service Fund Long-term				
Compensated Absences	\$ 101,628	\$ -	\$ 101,628	\$ 86,790
Total Debt and Other Long-Term Liabilities Outstanding	\$ 180,468,040	\$ 168,930,503	\$ 349,398,543	\$ 307,169,732

The City's total debt increased by \$42 million during the current fiscal year, a large part of this increase was due to a \$41 million increase in the net pension and OPEB liability. The state revolving loan debt also increased \$10.4 million to fund the water treatment plant and improvements at the wastewater treatment plant. This increase is partially offset by payments on outstanding debt.

During the current year the City issued \$4,190,000 in Refunding Improvement Bonds, Series 2020A, to finance various improvement projects in the city limits and \$1,430,000 of Refunding Improvement Refunding Bonds, Series 2020B to refund the Refunding Improvement Bonds, Series 2010C, to achieve interest savings. Also, \$1,320,000 of Refunding Improvement Bonds, Series 2010B were called in December 2020.

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:

2020A Refunding Improvement Bonds	1.879%	Aa2
2020B Refunding Improvement Refunding Bonds	0.564%	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 \$123,635,842, which is significantly in excess of the City's outstanding net general obligation debt of \$2,441,125 (Table 15A, page 195).

Additional information on the City of Grand Forks' long-term debt can be found on pages 63-69 of this report.

Economic Factors and Next Year's Budget and Rates

The State's economy was strong to start 2020, however on March 13, 2020, the President of the United States declared a national emergency concerning a world-wide pandemic due to a novel strain of coronavirus (COVID-19). This resulted in a dramatic economic slowdown worldwide. State aid decreased \$.5 million or 14% in 2020 from 2019. Oil and tourism were major contributors to this decrease. The federal government has made available various grant opportunities to mitigate some of the effects of the pandemic on the economy. The City has received various Coronavirus Aid Relief and Economic Security grants will be pursuing additional grant funds.

In the City of Grand Forks, sales tax revenue started the year out very strong prior to the pandemic, and for the entire year the sales tax revenue was only down 0.5% in 2020. Despite a downturn in retail and the pandemic, Grand Forks' economy continues to remain strong in the energy, agriculture, aviation, unmanned aircraft systems, border security, medicine, research and tourism sectors. The local and regional economy continues to 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.

There are tremendous growth possibilities with the continuing development of the Grand Sky business park at the Grand Forks Air Force Base. In fact, the City of Grand Forks has received a \$1.1 million Economic Development Administration grant to convert the GF Herald building to a technology accelerator. This EDA project, which has a \$1.1 million local match, is estimated to create 139 jobs. Grand Forks is now home to Mobile Recon Systems, the regions first drone designer and manufacturer.

There are four new exciting projects on the horizon, The Beacon, Memorial Village, Lyon's Auto Redevelopment and St. John's Block V which will result in nearly \$100 million investment in the community.

The City has experienced a growth in valuation due to new construction and revaluation. The total taxable value of property increased 2.09%, 1.49% from new construction and .06% from revaluation. In 2021 the value of a mill is expected to increase from \$233,037 to \$237,908 per mill. The mill levy for the City of Grand Forks' 2021 budget decreased from 98.68 mills for 2020 to 97.9 mills for 2021. Property taxes generated by new construction increases are estimated to be 1.49% or \$332,563. This includes an increase to the City's General Fund of \$334,853 plus 1.59 mills were moved into the general fund from the dike construction fund for an increase of \$378,274. 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 2021, which includes operating, capital and debt service expenditures, is \$178.4 million compared to \$189.4 million in 2020, a decrease of 5.8%. The decrease is largely due to the timing of the construction of large capital projects such as the \$150 million Water Treatment Plant and special assessment projects.

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 \$58.4 million in the 2020 budget to \$48.3 million in the 2021 budget largely due to the completion of the new Water Treatment Plant in 2020. The 2021 budget of \$48.3 million in capital improvement projects include \$10.7 million in utility infrastructure projects, \$6.3 million of facilities and buildings, \$28.2 million in streets and bikepath projects and \$3.1 million of equipment replacement. Some of the larger projects planned for 2021 various street reconstruction projects, new infrastructure in growing areas of town, and various utility infrastructure projects.

The recommended rate increases for the 2021 budget for utility service charges are no rate increase for water, sanitation or mosquito, a 2% increase for wastewater, a 3.5% increase for stormwater, and a 2% increase for flood protection/greenway fees. 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 had an increase in unemployment from 2.0 percent in 2019 to 4.6 percent in 2020, which is much lower than the national average of 8.1 percent. This increase was due to the closures during the pandemic

There was a total of 407 housing units and 41 new commercial and public buildings constructed in 2020.

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 4th 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, 2020

	Primary Government			Component Unit
	Governmental	Business-type	Total	GF Regional Airport Authority
	Activities	Activities		
ASSETS				
Cash and cash equivalents	\$ 44,601,384	\$ 27,162,512	\$ 71,763,896	\$ 17,271,192
Investments	38,366,067	-	38,366,067	55,910
Receivables				
Accounts	1,389,178	6,232,374	7,621,552	208,823
Property taxes	512,042	33,122	545,164	47,631
Capital lease receivable		2,127,038	2,127,038	
Special assessments	269,775	216,936	486,711	
Uncertified special assessments	48,365,423		48,365,423	
Sales tax	1,500,268	776,257	2,276,525	
Hotel/Motel Tax	34,790		34,790	
Notes receivable	3,555,360	3,639,759	7,195,119	
Due from other governments	4,079,914	4,074,935	8,154,849	123,228
Internal balances	206,566	(206,566)	-	
Inventories	120,721	520,685	641,406	18,129
Prepaids	44,696	357,306	402,002	12,364
Assets Held for Resale	-	1,177,512	1,177,512	
Restricted assets:				
Cash and cash equivalents		29,465,757	29,465,757	331,846
Investments		8,957,566	8,957,566	
Capital assets (net of accumulated depreciation):				
Land	39,383,175	13,976,127	53,359,302	1,746,081
Buildings and structures	32,478,139	312,533,095	345,011,234	17,339,538
Improvements other than buildings	49,848,781	179,842,621	229,691,402	19,436,430
Machinery and Equipment	8,917,570	18,697,405	27,614,975	1,446,517
Infrastructure	112,203,553	-	112,203,553	
Construction-in-progress	640,189	398,579	1,038,768	-
Total assets	<u>386,517,591</u>	<u>609,983,020</u>	<u>996,500,611</u>	<u>58,037,689</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	21,815	1,378,635	1,400,450	
Deferred Pension Single Employer Plan	2,703,656	802,123	3,505,779	
Deferred Pension NDPERS	36,339,161	10,781,119	47,120,280	
Deferred OPEB NDPERS	466,904	138,525	605,429	
Total deferred outflows of resources	<u>39,531,536</u>	<u>13,100,402</u>	<u>52,631,938</u>	<u>-</u>
LIABILITIES				
Accounts payable	4,115,297	1,060,372	5,175,669	140,067
Contracts payable	637,219	2,905,794	3,543,013	-
Customer deposit payable	118,829	72,673	191,502	-
Accrued interest payable	295,774	768,967	1,064,741	-
Unearned revenue	3,772,278	1,384,639	5,156,917	355,640
Noncurrent liabilities:				
Due within one year	7,754,010	8,347,874	16,101,884	-
Due in more than one year	172,714,030	160,582,629	333,296,659	-
Total liabilities	<u>189,407,437</u>	<u>175,122,948</u>	<u>364,530,385</u>	<u>495,707</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Single Employer Plan	2,141,323	635,289	2,776,612	
Deferred Pension NDPERS	8,419,660	2,497,949	10,917,609	
Deferred OPEB NDPERS	78,162	23,188	101,350	
Total deferred inflows of resources	<u>10,639,145</u>	<u>3,156,426</u>	<u>13,795,571</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	149,213,144	385,034,798	534,247,942	39,968,566
Restricted for:				
Debt Service	67,201,868	25,927,190	93,129,058	-
Infrastructure and Capital Projects	26,013,930	8,686,431	34,700,361	-
Library	2,760,392		2,760,392	
Economic Development	6,801,678		6,801,678	
Community Development	924,845		924,845	
Emergency	2,119,435		2,119,435	
Public Buildings	1,164,653		1,164,653	
Other purposes	1,943,248		1,943,248	
Unrestricted	<u>(32,140,648)</u>	<u>25,155,629</u>	<u>(6,985,019)</u>	<u>17,573,416</u>
Total net position	<u>\$ 226,002,545</u>	<u>\$ 444,804,048</u>	<u>\$ 670,806,593</u>	<u>\$ 57,541,982</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, 2020**

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		
Primary government:								
Governmental activities:								
General government	\$ 15,723,994	\$ 8,883,660	\$ 477,401		\$ (6,362,933)		\$ (6,362,933)	
Highways and Streets	14,043,190	1,372	3,084,801	\$ 2,500,000	(8,457,017)		(8,457,017)	
Public safety	33,326,831	2,765,761	1,145,368	3,268	(29,412,434)		(29,412,434)	
Health and welfare	5,216,119	836,054	8,292,840	2,425,402	6,338,177		6,338,177	
Culture and recreation	2,381,471	6,494	937,270		(1,437,707)		(1,437,707)	
Public Works	9,021,808		-	9,897,286	875,478		875,478	
Interest on long-term debt	3,174,662				(3,174,662)		(3,174,662)	
Total governmental activities	<u>82,888,075</u>	<u>12,493,341</u>	<u>13,937,680</u>	<u>14,825,956</u>	<u>(41,631,098)</u>		<u>(41,631,098)</u>	
Business-type activities:								
Sanitation	11,889,559	10,203,590	23,876			\$ (1,662,093)	(1,662,093)	
Wastewater	11,551,534	11,713,328	66,651	517,199		745,644	745,644	
Waterworks	14,265,271	12,203,479	-	8,030,362		5,968,570	5,968,570	
Stormwater	4,139,609	2,943,097	30,386	4,714,940		3,548,814	3,548,814	
Mosquito Control	1,104,823	1,107,653				2,830	2,830	
Public Transit	3,554,347	949,280	1,595,129	3,048,445		2,038,507	2,038,507	
Dial-A-Ride	1,191,965	100,343	776,346	4,710		(310,566)	(310,566)	
Alerus Center	8,369,592	3,155,589	1,691	21,240		(5,191,072)	(5,191,072)	
Job Development Authority	2,642,364	2,139,605	232,995			(269,764)	(269,764)	
Downtown Parking	453,665	163,772				(289,893)	(289,893)	
Total business-type activities	<u>59,162,729</u>	<u>44,679,736</u>	<u>2,727,074</u>	<u>16,336,896</u>	<u>-</u>	<u>4,580,977</u>	<u>4,580,977</u>	
Total primary government	<u>\$ 142,050,804</u>	<u>\$ 57,173,077</u>	<u>\$ 16,664,754</u>	<u>\$ 31,162,852</u>	<u>\$ (41,631,098)</u>	<u>\$ 4,580,977</u>	<u>\$ (37,050,121)</u>	
Component units:								
Regional Airport Authority	\$ 7,663,054	\$ 3,438,652	\$ -	\$ 4,523,649				\$ 299,247
Total component units	<u>\$ 7,663,054</u>	<u>\$ 3,438,652</u>	<u>\$ -</u>	<u>\$ 4,523,649</u>				<u>\$ 299,247</u>
General revenues:								
Property taxes levied for general purpose					\$ 20,975,052	\$ 1,269,066	\$ 22,244,118	\$ 1,253,999
Property taxes levied for debt service					468,333		468,333	
Sales taxes					16,858,213	8,794,001	25,652,214	
Hotel/Motel Tax					549,414		549,414	
Unrestricted state aid distribution					3,215,584		3,215,584	
Franchise taxes					2,360,683		2,360,683	
Other taxes					680,867	31,580	712,447	
Unrestricted investment earnings					1,024,164	1,642,416	2,666,580	157,547
Gain on sale of capital assets					-	904,583	904,583	-
Miscellaneous					1,083,447	19,620	1,103,067	35,595
Transfers					(668,826)	668,826	-	-
Total general revenue and transfers					<u>46,546,931</u>	<u>13,330,092</u>	<u>59,877,023</u>	<u>1,447,141</u>
Change in net position					4,915,833	17,911,069	22,826,902	1,746,388
Net position - beginning					<u>221,086,712</u>	<u>426,892,979</u>	<u>647,979,691</u>	<u>56,841,859</u>
Net position - ending					<u>\$ 226,002,545</u>	<u>\$ 444,804,048</u>	<u>\$ 670,806,593</u>	<u>\$ 58,588,247</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, 2020
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019

	General Fund	Debt Service Special Assessment Bonds	Capital Project Current Year Projects	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	2020 Total Governmental Funds	2019 Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 5,567,791	\$ 4,150,742	\$ 4,122,622	\$ 5,717,157	\$ 23,571,776	\$ 43,130,088	\$ 34,079,818
Investments	12,000,000	15,366,067		6,000,000	5,000,000	38,366,067	47,061,977
Receivables, net:							
Accounts	1,040,303			725	348,007	1,389,035	1,306,655
Special assessments (including liens)	2,043	231,875			35,857	269,775	463,061
Special assessments-uncertified	408,407	44,547,758			3,409,258	48,365,423	48,825,426
Property taxes	393,957				118,085	512,042	505,600
Sales tax	474,040			357,944	668,284	1,500,268	1,887,254
Hotel/Motel Tax					34,790	34,790	86,535
Notes					3,555,360	3,555,360	3,656,552
Intergovernmental	1,744,295			349,633	1,985,986	4,079,914	2,212,415
Prepaid Items	8,423				30,279	38,702	22,274
Due from other funds	66,000				15,000	81,000	953,385
Advances to other funds	23,901					23,901	23,901
Total assets	<u>\$ 21,729,160</u>	<u>\$ 64,296,442</u>	<u>\$ 4,122,622</u>	<u>\$ 12,425,459</u>	<u>\$ 38,772,682</u>	<u>\$ 141,346,365</u>	<u>\$ 141,084,853</u>
LIABILITIES							
Accounts payable	\$ 3,189,992	\$ -	\$ 414,131	\$ 232,549	\$ 249,819	\$ 4,086,491	\$ 2,026,156
Contracts payable			500,086	98,222	38,911	637,219	861,004
Surety deposits	118,829					118,829	107,687
Due to other funds					81,000	81,000	128,100
Advance from other funds					98,528	98,528	135,019
Unearned income					3,772,278	3,772,278	3,820,293
Total liabilities	<u>3,308,821</u>	<u>-</u>	<u>914,217</u>	<u>330,771</u>	<u>4,240,536</u>	<u>8,794,345</u>	<u>7,078,259</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	267,221				79,622	346,843	402,441
Unavailable revenue-special assessments	410,450	44,779,633			3,445,115	48,635,198	49,288,486
Total deferred inflows of resources	<u>677,671</u>	<u>44,779,633</u>	<u>-</u>	<u>-</u>	<u>3,524,737</u>	<u>48,982,041</u>	<u>49,690,927</u>
FUND BALANCES							
Non-spendable	32,324				30,279	62,603	46,175
Restricted		19,516,809	3,208,405	12,094,688	25,831,515	60,651,417	65,640,958
Committed	2,074,420				5,145,615	7,220,035	6,987,917
Assigned	2,577,587					2,577,587	2,204,498
Unassigned	13,058,337					13,058,337	9,436,119
TOTAL FUND BALANCE	<u>17,742,668</u>	<u>19,516,809</u>	<u>3,208,405</u>	<u>12,094,688</u>	<u>31,007,409</u>	<u>83,569,979</u>	<u>84,315,667</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 21,729,160</u>	<u>\$ 64,296,442</u>	<u>\$ 4,122,622</u>	<u>\$ 12,425,459</u>	<u>\$ 38,772,682</u>	<u>\$ 141,346,365</u>	<u>\$ 141,084,853</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, 2020

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

Total Fund Balance - Governmental Funds	\$	83,569,979
-----------------------------------------	----	------------

Capital Assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements:

Land	\$	39,103,115	
Buildings net of depreciation		28,557,048	
Improvement Other Than Buildings net of depreciation		49,650,796	
Machinery & Equipment net of depreciation		7,926,351	
Infrastructure net of depreciation		112,203,553	
Construction in progress		<u>624,526</u>	
		238,065,389	238,065,389

Liabilities that are not due and payable in the current period and therefore not reported in the governmental funds:

Bonds Payable	\$	90,692,618	
Deferred Amount on Refunding		(21,815)	
Capital Lease Payable		727,361	
Compensated Absences		5,481,418	
Net Pension Liability - Single Employer Plan		18,923,908	
Net Pension Liability - Cost Sharing Plan		58,636,346	
Net OPEB Liability - Cost Sharing Plan		1,436,938	
Accrued Interest Payable		<u>295,774</u>	
		176,172,548	(176,172,548)

Unamortized Discount/Premium			(4,467,825)
------------------------------	--	--	-------------

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			2,703,656
Deferred Outflows of Resources - NDPERS Pension			36,339,161
Deferred Outflows of Resources - NDPERS OPEB			466,904
Deferred Inflows of Resources - Single Employer Plan			(2,141,322)
Deferred Inflows of Resources - NDPERS Pension			(8,419,660)
Deferred Inflows of Resources - NDPERS OPEB			(78,162)

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.

			48,982,041
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Assets or liabilities of internal service funds that primarily serve governmental funds:

			<u>7,154,932</u>
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Net Position of Governmental Activities			<u>\$ 226,002,545</u>
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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, 2020
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2019

	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 2020	Total Governmental Funds 2019
REVENUES							
Taxes:							
Property	\$ 16,989,935				\$ 4,453,451	\$ 21,443,386	\$ 20,813,060
Sales	5,326,694			\$ 4,022,147	7,509,372	16,858,213	16,869,543
Hotel/Motel Tax					549,415	549,415	999,838
Licenses and permits	2,025,224					2,025,224	1,975,505
Intergovernmental	11,772,901			3,084,801	7,905,946	22,763,648	12,011,460
Charges for services	7,712,660			1,372	2,241,775	9,955,807	9,794,561
Special assessments		\$ 9,555,727			678,533	10,234,260	9,216,414
Fines and forfeits	615,492				19,914	635,406	747,422
Investment earnings (loss)	281,570	483,878	\$ 164,152	273,414	464,153	1,667,167	2,488,993
Miscellaneous	2,517,795	76,982		3,000	430,160	3,027,937	2,707,721
Total revenues	47,242,271	10,116,587	164,152	7,384,734	24,252,719	89,160,463	77,624,517
EXPENDITURES							
Current:							
General government	10,234,729				3,989,033	14,223,762	12,976,136
Health & welfare	2,057,800				3,008,820	5,066,620	3,538,878
Public safety	20,693,270				3,059,196	23,752,466	23,589,495
Highway & streets	6,967,677	-		705,496		7,673,173	7,738,401
Culture and recreation					2,370,694	2,370,694	2,318,146
Debt service:							
Principal		7,416,091			1,929,156	9,345,247	8,017,339
Interest and fiscal charges		3,147,364			191,496	3,338,860	2,813,973
Bond issuance costs		112,204				112,204	168,686
Contractual services		22,188				22,188	17,501
Capital outlay:							
General government	8,684				95,260	103,944	356,184
Health & welfare	20,691				104,645	125,336	30,115
Culture and recreation					959,075	959,075	288,363
Public safety	1,473,071				1,796,550	3,269,621	601,384
Public works	18,433		16,865,002	5,447,947	1,032,311	23,363,693	30,014,676
Total expenditures	41,474,355	10,697,847	16,865,002	6,153,443	18,536,236	93,726,883	92,469,277
Excess (deficiency) of revenues over (under) expenditures	5,767,916	(581,260)	(16,700,850)	1,231,291	5,716,483	(4,566,420)	(14,844,760)
OTHER FINANCING SOURCES (USES)							
Transfers in	2,399,466	2,890,955	3,748,715	2,900,000	7,623,622	19,562,758	19,007,591
Transfers out	(4,112,897)	(3,426,924)	-	(6,361,815)	(7,290,368)	(21,192,004)	(20,585,594)
Issuance of bonds			4,220,637		-	4,220,637	22,160,000
Issuance of capital leases					407,578	407,578	-
Issuance of refunding bonds		1,430,000				1,430,000	-
Redemption of refunded bonds		(1,320,000)				(1,320,000)	-
Bond (discount) premium		195,134	469,033			664,167	1,395,336
Sale of capital assets	41,596				6,000	47,596	18,353
Total other financing sources and uses	(1,671,835)	(230,835)	8,438,385	(3,461,815)	746,832	3,820,732	21,995,686
Net change in fund balances	4,096,081	(812,095)	(8,262,465)	(2,230,524)	6,463,315	(745,688)	7,150,926
Fund balances - beginning	13,646,587	20,328,904	11,470,870	14,325,212	24,544,094	84,315,667	77,090,090
Change in Accounting Principle-GASB 84					-	-	74,651
Fund balances - beginning as restated	13,646,587	20,328,904	11,470,870	14,325,212	24,544,094	84,315,667	77,164,741
Fund balances - ending	\$ 17,742,668	\$ 19,516,809	\$ 3,208,405	\$ 12,094,688	\$ 31,007,409	\$ 83,569,979	\$ 84,315,667

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, 2020

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) \$ (745,688)

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	\$ 18,918,206	
Depreciation expense - current year	(8,502,409)	
	10,415,797	10,415,797

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 (47,596)

Gain (Loss) on disposition of capital assets (118,189)

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	\$ (5,650,637)	
Capital Lease	(407,578)	
Bonds discount and premium	(664,167)	

Repayments:

Bond and Capital Lease Principal	10,665,247	
Bond deferred charges amortization	(23,799)	
Bonds discount and premium amortization	289,391	
Net Adjustment	4,208,457	4,208,457

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		32,999
Change in compensated absences		(646,281)
Change in net pension obligation		(31,591,848)
Change in net OPEB obligation		(27,057)

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

Change in Deferred Outflow of Resources		22,876,256
Change in Deferred Inflow of Resources		749,351

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, 2020	\$ 48,982,041	
Unavailable revenue December 31, 2019	(49,690,927)	
Net change	(708,886)	(708,886)

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.

518,518

Change in net position of governmental activities (Exhibit 2) \$ 4,915,833

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, 2020

With Comparative Actual Totals for Year Ended December 31, 2019

	Original Budget	Final Budget As Amended	2020 Actual Amounts	Variance with Final Budget Positive (Negative)	2019 Actual Amounts
REVENUES					
Taxes:					
Property	\$ 17,563,595	\$ 17,463,595	\$ 16,989,935	\$ (473,660)	\$ 16,220,513
Sales	4,973,100	4,973,100	5,326,694	353,594	5,123,273
Licenses and permits	1,894,845	1,596,610	2,025,224	428,614	1,975,505
Intergovernmental	4,738,867	12,343,424	11,772,901	(570,523)	4,960,849
Charges for services	6,588,932	6,822,692	7,712,660	889,968	7,574,259
Fines and forfeits	813,375	813,375	615,492	(197,883)	729,533
Interest	162,219	162,219	281,570	119,351	436,042
Miscellaneous	2,616,880	2,656,979	2,517,795	(139,184)	2,613,236
Total Revenues	39,351,813	46,831,994	47,242,271	410,277	39,633,210
EXPENDITURES					
Current:					
General Government:					
Assessor	772,894	801,316	766,651	34,665	766,109
Attorney	280,250	432,725	432,724	1	318,452
Finance and Administrative Services	1,410,294	1,490,044	1,436,885	53,159	1,537,733
Planning & Zoning	390,075	441,409	429,871	11,538	390,037
City Hall	355,438	368,601	319,162	49,439	330,332
Information Services	1,111,952	1,161,263	1,102,433	58,830	1,048,216
Inspections	1,222,866	1,283,894	1,253,108	30,786	1,234,437
Mayor and Council	425,520	2,814,816	1,218,064	1,596,752	411,155
City Administrator	297,934	309,627	343,635	(34,008)	366,049
Public Information Center	278,709	308,613	283,985	24,628	280,242
Miscellaneous	2,772,901	2,039,801	1,963,195	76,606	1,911,596
Human Resources	805,561	802,434	685,016	117,418	933,204
Total General Government	10,124,394	12,254,543	10,234,729	2,019,814	9,527,562
Health and Welfare:					
Health	2,143,250	2,221,669	2,057,800	163,869	2,156,623
Total Health and Welfare	2,143,250	2,221,669	2,057,800	163,869	2,156,623

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, 2020

With Comparative Actual Totals for Year Ended December 31, 2019

	Original Budget	Final Budget As Amended	2020 Actual Amounts	Variance with Final Budget Positive (Negative)	2019 Actual Amounts
Public Safety:					
Fire	\$ 8,349,361	\$ 8,591,444	\$ 8,582,729	\$ 8,715	\$ 8,244,177
Municipal Court	812,772	823,907	557,832	266,075	633,265
Police	11,334,140	11,785,675	11,373,969	411,706	11,123,951
Public Safety Training Center	67,985	61,632	51,494	10,138	60,022
Emergency Program Management	95,888	127,246	127,246		56,781
Total Public Safety	20,660,146	21,389,904	20,693,270	696,634	20,118,196
Highways and Streets:					
Engineering	2,504,603	2,523,473	2,398,446	125,027	2,352,401
Street	4,316,862	4,769,360	4,569,231	200,129	4,769,457
Total Highway and Streets	6,821,465	7,292,833	6,967,677	325,156	7,121,858
Capital Outlay	596,606	1,835,564	1,520,879	314,685	907,966
Total Expenditures	40,345,861	44,994,513	41,474,355	3,520,158	39,832,205
Excess (Deficiency) of Revenues Over Expenditures	(994,048)	1,837,481	5,767,916	3,930,435	(198,995)
OTHER FINANCING SOURCES (USES)					
Sale of property		41,085	41,596	511	18,353
Transfers in	1,597,836	2,012,831	2,399,466	386,635	1,866,989
Transfers out	(1,096,406)	(3,927,427)	(4,112,897)	(185,470)	(1,694,352)
Total Other Financing Sources (Uses)	501,430	(1,873,511)	(1,671,835)	201,676	190,990
Net Change in Fund Balance	(492,618)	(36,030)	4,096,081	4,132,111	(8,005)
Fund Balances - Beginning	13,646,587	13,646,587	13,646,587		13,654,592
Fund Balances - Ending	\$ 13,153,969	\$ 13,610,557	\$ 17,742,668	\$ 4,132,111	\$ 13,646,587

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, 2020

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
ASSETS									
Current Assets:									
Cash and cash equivalents	\$ 3,695,108	\$ 4,936,243	\$ 1,668,553	\$ 5,396,583	\$ 893,381	\$ 9,959,530	\$ 613,114	\$ 27,162,512	\$ 1,471,296
Restricted cash, cash equivalents, and investments:									
Customer deposits	1,707	299	5,335	63,916			1,416	72,673	
Construction account	1,903,944	1,061,808	1,303,300	2,460,669			378,497	7,108,218	
Operating and capital reserve fund					964,216			964,216	
Trust acct.-advance ticket sales/suite rev.					1,801,142			1,801,142	
Revenue bond current debt service acct.	482,251	1,070,779		937,993	16,996,618		31,867	19,519,508	
Receivables (net of allowances for uncoll.):									
Accounts	898,368	1,449,789	668,090	1,785,429	355,417	327,829	747,452	6,232,374	143
Capital Lease Receivable						2,127,038		2,127,038	
Notes Receivable						616,666		616,666	
Taxes - property							33,122	33,122	
Taxes - sales					776,257			776,257	
Special assessments		11,107	52,040		153,789			216,936	
Due from other funds				3,200,000				3,200,000	
Advances to other funds				88,627				88,627	
Intergovernmental:									
Federal government						230,595	1,837,433	2,068,028	
State of North Dakota				540,523			1,466,384	2,006,907	
Inventories				317,854	83,337		119,494	520,685	120,721
Prepaid items	1,604	32,979	11,579	85,717	120,666	30,738	74,023	357,306	5,994
Total current assets	6,982,982	8,563,004	3,708,897	14,877,311	22,144,823	13,292,396	5,302,802	74,872,215	1,598,154
Noncurrent Assets:									
Restricted cash, cash equivalents, and investments:									
Revenue bond reserve account	855,378	3,037,509		3,196,762			87,000	7,176,649	
Revenue bond construction account	136,927							136,927	
Reserved for Landfill Closure	1,643,990							1,643,990	
Total restricted cash, cash equivalents, and investments	2,636,295	3,037,509		3,196,762			87,000	8,957,566	
Receivables (net of allowances for uncoll.):									
Notes receivable						3,023,093		3,023,093	
Assets held for resale						1,177,512		1,177,512	
Total noncurrent receivables						4,200,605		4,200,605	
Capital Assets:									
Land	2,581,184	253,751	998,517	735,883	5,956,441	3,089,525	360,826	13,976,127	280,060
Buildings	9,705,540	82,864,774	5,854,936	193,650,964	94,230,041	18,019,221	9,697,099	414,022,575	8,209,675
Improvements other than buildings	20,168,209	116,615,630	75,674,755	80,371,816	1,434,824	1,374,906	3,847,327	299,487,467	420,500
Machinery and equipment	16,357,746	3,501,322	1,040,337	6,861,756	13,308,124	32,256	9,827,905	50,929,446	2,612,206
Construction in progress		15,089		13,091	190,449	68,910	111,040	398,579	15,663
Less accumulated depreciation	(21,878,580)	(86,469,404)	(22,736,411)	(60,643,172)	(45,416,320)	(7,457,145)	(8,765,335)	(253,366,367)	(6,132,086)
Total Capital Assets (net of accumulated depreciation)	26,934,099	116,781,162	60,832,134	220,990,338	69,703,559	15,127,673	15,078,862	525,447,827	5,406,018
Total Noncurrent Assets	29,570,394	119,818,671	60,832,134	224,187,100	69,703,559	19,328,278	15,165,862	538,605,998	5,406,018
Total Assets	36,553,376	128,381,675	64,541,031	239,064,411	91,848,382	32,620,674	20,468,664	613,478,213	7,004,172

Continued

CITY OF GRAND FORKS, NORTH DAKOTA
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2020

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
DEFERRED OUTFLOWS OF RESOURCES									
Deferred charges on refunding					1,378,635			1,378,635	
Deferred Pension	3,903,270	2,222,485	384,757	3,857,705		10,125	1,204,900	11,583,242	
Deferred NDPERS OPEB	46,679	26,579	4,601	46,134		122	14,410	138,525	
Total deferred outflow of resources	3,949,949	2,249,064	389,358	3,903,839	1,378,635	10,247	1,219,310	13,100,402	
LIABILITIES									
Current Liabilities:									
Accounts payable	176,484	174,645	121,582	100,684	370,158	21,600	95,219	1,060,372	28,806
Due to other funds							3,200,000	3,200,000	
Compensated absences payable-current	58,096	10,905	1,562	21,663		1,531	51,474	145,231	
Contracts payable (Includes Retainage)	724,675	29,834	13,435	1,889,201	248,649		-	2,905,794	
Customer deposits payable	1,707	299	5,335	63,916			1,416	72,673	
Advance ticket and suite revenue					1,384,639			1,384,639	
Accrued interest payable	110,584	261,145		336,326	57,379		3,533	768,967	
Capital leases payable-current	123,742							123,742	
Bonds payable-current	1,115,000	2,428,901		1,805,000	2,645,000		85,000	8,078,901	
Total Current Liabilities	2,310,288	2,905,729	141,914	4,216,790	4,705,825	23,131	3,436,642	17,740,319	28,806
Noncurrent Liabilities:									
Compensated absences payable	294,227	260,594	39,155	303,463		124,271	282,567	1,304,277	101,628
Revenue bonds payable	10,241,621	23,546,254		65,363,166	30,528,019		448,290	130,127,350	
Capital leases payable	495,803							495,803	
Advances from other funds								-	14,000
Net Pension Liability Single Employer Plan	1,891,900	1,077,230	186,491	1,869,816		4,908	584,011	5,614,356	
Net Pension Liability NDPERS	5,862,114	3,337,831	577,848	5,793,685		15,207	1,809,576	17,396,261	
Net OPEB Liability NDPERS	143,656	81,797	14,161	141,979		(45,350)	90,068	426,311	
Landfill closure and postclosure care	5,218,271							5,218,271	
Total Noncurrent Liabilities	24,147,592	28,303,706	817,655	73,472,109	30,528,019	99,036	3,214,512	160,582,629	115,628
Total Liabilities	26,457,880	31,209,435	959,569	77,688,899	35,233,844	122,167	6,651,154	178,322,948	144,434
DEFERRED INFLOWS OF RESOURCES									
Deferred Pension	1,055,825	601,176	104,076	1,043,500		2,739	325,922	3,133,238	
Deferred OPEB NDPERS	7,814	4,449	770	7,723		20	2,412	23,188	
Total deferred inflow of resources	1,063,639	605,625	104,846	1,051,223		2,759	328,334	3,156,426	
NET POSITION									
Net investment in capital assets	14,304,040	90,645,316	60,818,699	151,932,972	37,660,526	15,127,673	14,545,572	385,034,798	5,406,018
Net position-restricted									
Debt Service	1,227,045	3,847,143		3,798,429	16,939,239		115,334	25,927,190	
Capital	1,903,944	1,061,808	1,303,300	2,460,669	1,578,213		378,497	8,686,431	
Net position-unrestricted	(4,453,223)	3,261,412	1,743,975	6,036,058	1,815,195	17,378,322	(330,917)	25,450,822	1,453,720
Total Net Position	\$ 12,981,806	\$ 98,815,679	\$ 63,865,974	\$ 164,228,128	\$ 57,993,173	\$ 32,505,995	\$ 14,708,486	\$ 445,099,241	\$ 6,859,738
								Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds	\$ (295,193)
								Net position of business-type activities	\$ 444,804,048

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, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2020	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	\$ 10,203,590	\$ 11,713,328	\$ 2,942,047	\$ 12,147,308			\$ 2,161,897	\$ 39,168,170	
Rents - concessions and other					\$ 3,155,589	\$ 2,104,885		5,260,474	
Operating assessment							158,412	158,412	\$ 2,632,766
Miscellaneous			1,050	56,171		34,720	739	92,680	
Total Operating Revenues	<u>10,203,590</u>	<u>11,713,328</u>	<u>2,943,097</u>	<u>12,203,479</u>	<u>3,155,589</u>	<u>2,139,605</u>	<u>2,321,048</u>	<u>44,679,736</u>	<u>2,632,766</u>
Operating Expenses:									
Salaries and wages	2,109,951	1,231,254	410,843	1,760,308	1,594,809	439,631	2,519,737	10,066,533	448,074
Supplies	122,880	520,384	9,970	1,722,184	75,054	7,003	398,710	2,856,185	822,242
Contractual services	2,205,776	1,272,035	410,448	1,407,147	103,813	94,094	359,461	5,852,774	129,620
Maintenance - structures and equipment	2,252,791	606,220	752,528	642,737	574,956	353,531	974,118	6,156,881	866,725
Concession and catering					480,964			480,964	
Advertising and marketing					52,521			52,521	
Sundry expenses	16,164	17,623	6,389	23,074	17,327	191,022	8,229	279,828	315
Utilities - heat and lights	332,349	1,064,572	200,218	862,117	494,546	266,794	99,215	3,319,811	118,001
Pension and social security	1,941,531	916,563	84,406	2,358,294		(196,424)	403,235	5,507,605	71,445
Management fee					148,667			148,667	
Administrative and general	819,681	1,274,255	705,016	1,452,307	328,729	950,894	555,426	6,086,308	218,618
Total Operating Expenses	<u>9,801,123</u>	<u>6,902,906</u>	<u>2,579,818</u>	<u>10,228,168</u>	<u>3,871,386</u>	<u>2,106,545</u>	<u>5,318,131</u>	<u>40,808,077</u>	<u>2,675,040</u>
Net Income (Loss) from Operations before Depreciation	402,467	4,810,422	363,279	1,975,311	(715,797)	33,060	(2,997,083)	3,871,659	(42,274)
Less - Depreciation	<u>1,665,389</u>	<u>3,953,678</u>	<u>1,559,791</u>	<u>2,768,619</u>	<u>3,300,674</u>	<u>535,819</u>	<u>975,066</u>	<u>14,759,036</u>	<u>449,527</u>
Net Operating Income (Loss)	<u>(1,262,922)</u>	<u>856,744</u>	<u>(1,196,512)</u>	<u>(793,308)</u>	<u>(4,016,471)</u>	<u>(502,759)</u>	<u>(3,972,149)</u>	<u>(10,887,377)</u>	<u>(491,801)</u>
Nonoperating Revenues (Expenses):									
Interest	181,717	140,258	46,958	190,169	734,015	353,316	(4,017)	1,642,416	21,154
Federal grants	23,876	66,651	30,386		1,691	230,595	2,085,988	2,439,187	26,264
State grants						2,400	285,487	287,887	2,634
General property taxes							1,269,066	1,269,066	
Personal property replacements							31,580	31,580	
Sales tax					8,794,001			8,794,001	
Miscellaneous	19,620							19,620	
Gain (loss) on capital assets	(106,117)					891,933	12,650	798,466	(153)
Interest expense	<u>(316,930)</u>	<u>(694,950)</u>		<u>(1,268,484)</u>	<u>(1,197,532)</u>		<u>(11,603)</u>	<u>(3,489,499)</u>	
Total Nonoperating Revenues (Expenses)	<u>(197,834)</u>	<u>(488,041)</u>	<u>77,344</u>	<u>(1,078,315)</u>	<u>8,332,175</u>	<u>1,478,244</u>	<u>3,669,151</u>	<u>11,792,724</u>	<u>49,899</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(1,460,756)</u>	<u>368,703</u>	<u>(1,119,168)</u>	<u>(1,871,623)</u>	<u>4,315,704</u>	<u>975,485</u>	<u>(302,998)</u>	<u>905,347</u>	<u>(441,902)</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, 2020

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2020	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		\$ 517,199	\$ 4,714,940	\$ 8,030,362	\$ 21,240	\$ -	\$ 3,053,155	\$ 16,336,896	
Transfers in	\$ 35,816	-	6,045	1,927,470	215,056	157	65,605	2,250,149	\$ 926,393
Transfers out	(86,026)	(206,999)	(120,173)	(185,306)		(939,617)	(5,050)	(1,543,171)	(4,124)
Total Capital Contributions and Transfers	(50,210)	310,200	4,600,812	9,772,526	236,296	(939,460)	3,113,710	17,043,874	922,269
Change in Net Position	(1,510,966)	678,903	3,481,644	7,900,903	4,552,000	36,025	2,810,712	17,949,221	480,367
Total Net Position-Beginning	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
Total Net Position-Ending	\$ 12,981,806	\$ 98,815,679	\$ 63,865,974	\$ 164,228,128	\$ 57,993,173	\$ 32,505,995	\$ 14,708,486		\$ 6,859,738
								(38,152)	
								\$ 17,911,069	

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 Activities Internal Service Funds	
	Sanitation Fund	Wastewater Fund	Storm Sewer Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds		Totals 2020
Cash Flows from Operating Activities:									
Receipts from customers	\$ 10,288,025	\$ 11,604,032	\$ 2,963,996	\$ 11,597,388	\$ 3,758,770	\$ 1,443,687	\$ 2,002,927	\$ 43,658,825	\$ -
Payments to suppliers	(5,889,091)	(4,951,373)	(2,078,103)	(6,651,289)	(2,769,530)	(1,869,910)	(2,888,606)	(27,097,902)	(2,232,063)
Payments to employees	(2,072,887)	(1,177,856)	(399,778)	(1,694,675)	(1,594,809)	(409,589)	(2,479,433)	(9,829,027)	(433,312)
Receipts (Payments) for interfund services used				100,000	(825,285)		(100,000)	(825,285)	2,632,766
Net cash provided (used) by operating activities	<u>2,326,047</u>	<u>5,474,803</u>	<u>486,115</u>	<u>3,351,424</u>	<u>(1,430,854)</u>	<u>(835,812)</u>	<u>(3,465,112)</u>	<u>5,906,611</u>	<u>(32,609)</u>
Cash Flows from Non-Capital Financing Activities:									
Transfers from other funds	35,816		6,045	1,927,470	215,056	157	65,605	2,250,149	926,393
Transfers to other funds	(86,026)	(206,999)	(120,173)	(185,306)		(939,617)	(5,050)	(1,543,171)	(4,124)
Proceeds of repayment of advances from other funds				36,491	1,691			38,182	
Operating subsidies from federal grants	23,876	66,651	64,807				1,494,472	1,649,806	2,634
Operating subsidies from state grants						2,400	571,911	574,311	
Operating subsidies from Taxes					489,343		1,300,242	1,789,585	
Net cash provided (used) by non-capital financing activities	<u>(26,334)</u>	<u>(140,348)</u>	<u>(49,321)</u>	<u>1,778,655</u>	<u>706,090</u>	<u>(937,060)</u>	<u>3,427,180</u>	<u>4,758,862</u>	<u>924,903</u>
Cash Flows from Capital & Related Financing Activities:									
Proceeds from revenue bonds and notes		3,511,643		8,708,207				12,219,850	
Proceeds from capital lease receivable	666,711					975,227		1,641,938	
Capital contributions		107,968	54,309	10,684,545	8,544,691		3,773,199	23,164,712	26,264
Acquisition and construction of capital assets	(4,553,238)	(2,801,653)	(430,785)	(18,959,297)	(2,114,555)	93,061	(3,690,835)	(32,457,302)	(581,347)
Proceeds from sale of capital assets						891,933	12,650	904,583	
Principal paid on capital debt	(1,602,859)	(2,402,021)		(1,435,000)	(2,520,000)		(85,000)	(8,044,880)	
Interest paid on capital debt	(341,063)	(623,317)		(1,240,927)	(1,503,551)		(12,751)	(3,721,609)	
Net cash provided (used) by capital & related financing activities	<u>(5,830,449)</u>	<u>(2,207,380)</u>	<u>(376,476)</u>	<u>(2,242,472)</u>	<u>2,406,585</u>	<u>1,960,221</u>	<u>(2,737)</u>	<u>(6,292,708)</u>	<u>(555,083)</u>
Cash Flows from Investing Activities:									
Proceeds from sales and maturities of investments	5,687,732	3,205,822		3,256,986			87,000	12,237,540	
Purchase of investments	(2,636,295)	(3,037,509)		(3,196,762)			(87,000)	(8,957,566)	
Interest and dividends received	181,717	140,258	46,958	190,169	734,015	164,072	(4,017)	1,453,172	21,154
Net cash provided (used) by investing activities	<u>3,233,154</u>	<u>308,571</u>	<u>46,958</u>	<u>250,393</u>	<u>734,015</u>	<u>164,072</u>	<u>(4,017)</u>	<u>4,733,146</u>	<u>21,154</u>
Net increase (decrease) in cash and cash equivalents	(297,582)	3,435,646	107,276	3,138,000	2,415,836	351,421	(44,686)	9,105,911	358,365
Cash and cash equivalents - beginning 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
Cash and cash equivalents - end of the year	<u>\$ 6,083,010</u>	<u>\$ 7,069,129</u>	<u>\$ 2,977,188</u>	<u>\$ 8,859,161</u>	<u>\$ 20,655,357</u>	<u>\$ 9,959,530</u>	<u>\$ 1,024,894</u>	<u>\$ 56,628,269</u>	<u>\$ 1,471,296</u>

Continued

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2020	Governmental Activities Internal Service Funds
	Sanitation Fund	Wastewater Fund	Storm Sewer Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds		
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating Income (loss)	<u>\$ (1,262,922)</u>	<u>\$ 856,744</u>	<u>\$ (1,196,512)</u>	<u>\$ (793,308)</u>	<u>\$ (4,016,471)</u>	<u>\$ (415,259)</u>	<u>\$ (3,972,149)</u>	<u>\$(10,799,877)</u>	<u>\$ (491,801)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation Expense	1,665,389	3,953,678	1,559,791	2,768,619	3,300,674	535,819	975,066	14,759,036	449,527
(Increase) decrease in accounts receivable	90,423	(105,353)	17,413	(607,480)	38,664	56,413	(318,121)	(828,041)	
(Increase) decrease in inventories				(38,256)	24,777		15,615	2,136	(5,400)
(Increase) decrease in prepaid items	547	(776)	(141)	(21,079)	(65,043)	(1,123)	(9,079)	(96,694)	(2,515)
Increase (Decrease) in customer deposits	(5,988)	(3,943)	3,486	1,389	564,517			559,461	
(Increase) decrease in notes receivable						(752,331)		(752,331)	
(Increase) decrease in deferred outflows	(2,133,483)	(1,076,315)	(48,387)	(2,331,408)		115,121	(458,334)	(5,932,806)	
Increase (decrease) in accounts payable	23,650	58,420	96,557	32,204	(452,687)	(21,831)	(60,350)	(324,037)	2,742
Increase (decrease) in compensated absences payable	27,450	39,065	5,839	47,693		23,734	10,693	154,474	14,838
Increase (decrease) in net pension liability	3,202,324	1,698,225	134,020	3,533,185		(112,476)	774,764	9,230,042	
Increase (decrease) in net OPEB liability	71,882	24,514	(8,608)	58,678		(72,131)	17,564	91,899	
Increase (decrease) in landfill closure/postclosure liability	374,833							374,833	
Increase (decrease) in deferred inflows	271,942	30,544	(77,343)	601,187		(191,748)	(340,781)	293,801	
(Increase) decrease in due from other funds operating activities				100,000				100,000	
Increase (decrease) in due to other funds operating activities					(825,285)		(100,000)	(925,285)	
Total Adjustments	<u>3,588,969</u>	<u>4,618,059</u>	<u>1,682,627</u>	<u>4,144,732</u>	<u>2,585,617</u>	<u>(420,553)</u>	<u>507,037</u>	<u>16,706,488</u>	<u>459,192</u>
Net cash provided by operating activities	<u>\$ 2,326,047</u>	<u>\$ 5,474,803</u>	<u>\$ 486,115</u>	<u>\$ 3,351,424</u>	<u>\$ (1,430,854)</u>	<u>\$ (835,812)</u>	<u>\$ (3,465,112)</u>	<u>\$ 5,906,611</u>	<u>\$ (32,609)</u>
Noncash Investing, Capital and Financing Activities:									
Net (decrease) in fair value of investments	\$ 44,783	\$ 3,401	\$ 13,776	\$ 29,173	\$ 380,178	\$ 81,170	\$ 3,963	\$ 556,444	\$ 5,136
Capital contributions		409,345	4,662,602	256,269	21,240			5,349,456	
Reconciliation of cash and cash equivalents:									
Current Assets:									
Cash and cash equivalents	\$ 3,695,108	\$ 4,936,243	\$ 1,668,553	\$ 5,396,583	\$ 893,381	\$ 9,959,530	\$ 613,114	\$ 27,162,512	
Restricted cash, and cash equivalents:									
Customer deposits	1,707	299	5,335	63,916			1,416	72,673	
Construction account	1,903,944	1,061,808	1,303,300	2,460,669			378,497	7,108,218	
Revenue bond current debt service acct.	482,251	1,070,779		937,993	16,996,618		31,867	19,519,508	
Operating and capital fund					964,216			964,216	
Trust account/advance ticket sales					1,801,142			1,801,142	
Total Cash and Cash equivalents	<u>\$ 6,083,010</u>	<u>\$ 7,069,129</u>	<u>\$ 2,977,188</u>	<u>\$ 8,859,161</u>	<u>\$ 20,655,357</u>	<u>\$ 9,959,530</u>	<u>\$ 1,024,894</u>	<u>\$ 56,628,269</u>	

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, 2020

	2020 Pension Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 5,378,164
Investments at fair value:	
ND State Investment Board	<u>74,105,136</u>
Total Assets	<u>\$ 79,483,300</u>
NET POSITION	
Restricted for:	
Pensions	\$ 79,483,300
Total net position	<u>\$ 79,483,300</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, 2020
 With Comparative Totals for December 31, 2019

	Pension Trust Fund 2020	Pension Trust Fund 2019
Additions:		
Contributions:		
Employer contributions	\$ 3,505,780	\$ 3,838,566
Employee contributions	286,825	322,264
Total contributions	<u>3,792,605</u>	<u>4,160,830</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	<u>8,525,051</u>	<u>11,435,454</u>
Net investment earnings	<u>8,525,051</u>	<u>11,435,454</u>
Total additions	<u>12,317,656</u>	<u>15,596,284</u>
Deductions:		
Benefits paid to participants	7,166,289	6,799,809
Administrative Expenses	<u>252,210</u>	<u>219,381</u>
Total Deductions	<u>7,418,499</u>	<u>7,019,190</u>
Change in net position	4,899,157	8,577,094
Net position - beginning	<u>74,584,143</u>	<u>66,007,049</u>
Net position - ending	<u>\$ 79,483,300</u>	<u>\$ 74,584,143</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, 2020

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 December 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, except for paragraph 11b, are effective for reporting periods beginning after June 15, 2020. The requirement in paragraph 11b is effective for reporting periods ending after December 31, 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.

GASB Statement No. 96, Subscription-Based Information Arrangements provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this

Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 97, Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32 provides additional guidance for determining whether a primary government is financially accountable for a potential component unit. This Statement requires that the financial burden criterion in paragraph 7 of Statement No. 84, Fiduciary Activities, be applicable to only defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement No. 67, Financial Reporting for Pension Plans, or paragraph 3 of Statement No. 74, Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans, respectively. This Statement (1) requires that a Section 457 plan be classified as either a pension plan or an other employee benefit plan depending on whether the plan meets the definition of a pension plan and (2) clarifies that Statement 84, as amended, should be applied to all arrangements organized under IRC Section 457 to determine whether those arrangements should be reported as fiduciary activities. The requirements of this Statement that (1) exempt primary governments that perform the duties that a governing board typically performs from treating the absence of a governing board the same as the appointment of a voting majority of a governing board in determining whether they are financially accountable for defined contribution pension plans, defined contribution OPEB plans, or other employee benefit plans and (2) limit the applicability of the financial burden criterion in paragraph 7 of Statement 84 to defined benefit pension plans and defined benefit OPEB plans that are administered through trusts that meet the criteria in paragraph 3 of Statement 67 or paragraph 3 of Statement 74, respectively, are effective immediately. The requirements of this Statement that are related to the accounting and financial reporting for Section 457 plans are effective for fiscal years beginning after June 15, 2021.

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 four 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. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. The City also has three items reported on the statement of net position as the single employer defined benefit pension plan, cost sharing defined benefit pension and OPEB plan, which represents actuarial differences within the single employer plan, 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 1st 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 15th. Penalty and interest are added on March 1st if the first half of the taxes are not paid. Additional penalty and interest are added on October 15th 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 2020 budget, the City levied 47.55 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 2020 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 2020 to the City Council on July 22, 2019. 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 2019 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 10th, 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, 2020, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

For the year ended December 31, 2020, 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, 2020 the carrying amount of the City's deposits was \$101,229,653 and the bank balance was \$103,588,799. 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 \$5,378,164 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, 2020 the carrying amount of the Airport Authority's deposits was \$17,603,038 and the bank balance was \$17,598,910, 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, 2020 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)	\$ 5,487,460	\$ -	\$ 5,487,460	\$ -	\$ -	n/a	n/a
Federal National Mortgage Assn Pool	16,889,388	-	11,142,675	3,869,762	1,876,951	Aaa	Moody
Federal Home Loan Bank	2,011,581	-	2,011,581	-	-	Aaa	Moody
Federal Home Loan Mortgage Corp	22,935,204	4,159,803	18,172,403	602,998	-	Aaa	Moody
Total	\$ 47,323,633	\$ 4,159,803	\$ 36,814,119	\$ 4,472,760	\$ 1,876,951		

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)*	\$ 2,152,460	\$ -	\$ 2,152,460	\$ -
Federal National Mortgage Assn Pool	16,889,388	-	16,889,388	-
Federal Home Loan Bank	2,011,581	-	2,011,581	-
Federal Home Loan Mortgage Corp	22,935,204	-	22,935,204	-
Total	\$ 43,988,633	\$ -	\$ 43,988,633	\$ -

*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	\$ 868,360		
Global / international equities	\$44,479,290		
International fixed income		\$ 17,693,612	

Investments measured at the net asset value (NAV)

Pension investments:
 Real assets NAV: \$11,063,874
 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				\$ 3,555,360						\$ 4,401,820		\$ 7,957,180
Taxes	\$ 867,997		\$ 357,944	821,159					\$ 776,257		\$ 33,122	2,856,479
Accounts	1,040,303		725	348,007	\$ 915,714	\$ 1,468,551	\$ 1,810,665	\$ 674,520	355,417	327,829	750,260	7,691,991
Capital Leases										2,127,038		2,127,038
Special Assessments	410,450	\$ 44,779,633		3,445,115		11,107		52,040	153,789			48,852,134
Intergovernmental	<u>1,744,295</u>		<u>349,633</u>	<u>1,985,986</u>			<u>540,523</u>	<u>-</u>		<u>230,595</u>	<u>3,303,817</u>	<u>8,154,849</u>
Gross Receivables	4,063,045	44,779,633	708,302	10,155,627	915,714	1,479,658	2,351,188	726,560	1,285,463	7,087,282	4,087,199	77,639,671
Less: Allowance for Uncollectibles				-	(17,346)	(18,762)	(25,236)	(6,430)		(762,061)	(2,665)	(832,500)
Net Total Receivables	\$ 4,063,045	\$ 44,779,633	\$ 708,302	\$ 10,155,627	\$ 898,368	\$ 1,460,896	\$ 2,325,952	\$ 720,130	\$ 1,285,463	\$ 6,325,221	\$ 4,084,534	\$ 76,807,171

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	\$ -	\$ 346,843	\$ 346,843
Special assessments not yet due	-	48,635,198	48,635,198
Grant draw-downs prior to meeting all eligibility requirements	<u>3,772,278</u>	<u>-</u>	<u>3,772,278</u>
Total unavailable/unearned revenue	<u>\$ 3,772,278</u>	<u>\$ 48,982,041</u>	<u>\$ 52,754,319</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2020 was as follows:

	Balance				Balance
	1/1/2020	Additions	Deletions	Transfers	12/31/2020
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 31,790,213	\$ -	\$ -	\$ -	\$ 31,790,213
Infrastructure - ROW	7,249,766	126,271	(63,136)	-	7,312,902
Construction in progress	544,887	607,164	(527,525)	-	624,526
Total capital assets not being depreciated	<u>39,584,867</u>	<u>733,435</u>	<u>(590,661)</u>	-	<u>39,727,641</u>
Capital assets being depreciated:					
Buildings	45,926,501	790,399	-	-	46,716,900
Improvements other than buildings	67,069,515	128,436	-	-	67,197,952
Machinery & equipment	25,869,106	2,146,585	(575,669)	-	27,440,023
Infrastructure	217,262,349	15,646,874	(24,240)	-	232,884,982
Total capital assets being depreciated	<u>356,127,471</u>	<u>18,712,295</u>	<u>(599,909)</u>	-	<u>374,239,857</u>
Less accumulated depreciation for:					
Buildings	17,079,888	1,079,964	-	-	18,159,852
Improvements other than buildings	16,438,500	1,108,655	-	-	17,547,155
Machinery & equipment	18,292,477	1,718,456	(497,260)	-	19,513,673
Infrastructure	116,086,096	4,595,333	-	-	120,681,429
Total accumulated depreciation	<u>167,896,961</u>	<u>8,502,408</u>	<u>(497,260)</u>	-	<u>175,902,109</u>
Capital assets net of accumulated depreciation	<u>188,230,511</u>				<u>198,337,748</u>
Total governmental activities capital assets net	<u>\$ 227,815,378</u>				<u>\$ 238,065,389</u>
					Internal Service Fund capital assets net of accumulated depreciation included in governmental activities <u>\$ 5,406,018</u>
					Total capital assets reported in the statements of net position <u>\$ 243,471,407</u>

	Balance				Balance
	1/1/2020	Additions	Deletions	Transfers	12/31/2020
Business-Type activities:					
Capital assets not being depreciated:					
Land	\$ 13,969,128	\$ 6,999	\$ -	\$ -	\$ 13,976,127
Construction in progress	146,092,469	367,699	(146,061,589)	-	398,579
Total capital assets not being depreciated	<u>160,061,597</u>	<u>374,698</u>	<u>(146,061,589)</u>	-	<u>14,374,706</u>
Capital assets being depreciated:					
Buildings	250,113,556	163,920,241	(11,222)	-	414,022,575
Improvements other than buildings	290,289,383	9,295,495	(97,411)	-	299,487,467
Machinery & equipment	47,009,433	5,984,822	(2,064,809)	-	50,929,446
Total capital assets being depreciated	<u>587,412,372</u>	<u>179,200,558</u>	<u>(2,173,442)</u>	-	<u>764,439,488</u>
Less accumulated depreciation for:					
Buildings	95,804,758	5,695,944	(11,222)	-	101,489,480
Improvements other than buildings	113,931,109	5,764,682	(50,945)	-	119,644,846
Machinery & equipment	30,116,996	3,298,410	(1,183,365)	-	32,232,041
Total accumulated depreciation	<u>239,852,863</u>	<u>14,759,036</u>	<u>(1,245,532)</u>	-	<u>253,366,367</u>
Capital assets net of accumulated depreciation	<u>347,559,509</u>				<u>511,073,121</u>
Total business type activities capital assets net	<u>\$ 507,621,106</u>				<u>\$ 525,447,827</u>

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

Governmental activities:	
General Government	\$ 1,134,554
Health & Welfare	36,477
Public Safety	1,174,399
Highways and Streets	6,146,201
Culture and Recreation	<u>10,778</u>
Total depreciation expense - governmental activities	<u>\$ 8,502,409</u>
Business-type activities:	
Sanitation	\$ 1,665,389
Wastewater	3,953,678
Water	2,768,619
Stormwater	1,559,791
Public Transit	634,373
Dial A Ride	137,833
Mosquito Control	99,491
Alerus Center	3,300,674
Job Development Authority	535,819
Downtown Parking	<u>103,369</u>
Total depreciation expense - business-type activities	<u>\$ 14,759,036</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, 2020 were approximately \$4,958,784. Of this amount, \$4,057,564 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, 2020:

Encumbrances:

General Fund	\$1,131,862
Flood Protection Capital Maintenance Fund	76,917
Street and Infrastructure Fund	3,348,455
Current Year Capital Project Fund	1,000
Sanitation Fund	91,400
Wastewater Fund	545,887
Stormwater Fund	210,727
Alerus Fund	<u>1,135,097</u>
Total Encumbrances	<u>\$6,541,345</u>

Discretely presented component unit

Capital asset activity for the Grand Forks Regional Airport Authority for the year ended December 31, 2020 was as follows:

	Beginning Balance 1/01/2020	Additions	Deletions	Transfers	Ending Balance 12/31/2020
Capital assets not being depreciated:					
Land	\$ 1,746,081				\$ 1,746,081
Construction in progress	964,453	\$ 24,286	\$ -	\$ (988,739)	-
Total capital assets not being depreciated	<u>2,710,534</u>	<u>24,286</u>	<u>-</u>	<u>(988,739)</u>	<u>1,746,081</u>
Capital assets being depreciated:					
Equipment	3,514,225	11,370	-	-	3,525,595
Motor Vehicles	4,235,276	683,113	(65,800)	-	4,852,589
Buildings	27,154,080	-	-	-	27,154,080
Systems and Structures	73,990,746	-	(76,520)	988,739	74,902,965
Total capital assets being depreciated	<u>108,894,327</u>	<u>694,483</u>	<u>(142,320)</u>	<u>988,739</u>	<u>110,435,229</u>
Less accumulated depreciation for:					
Equipment	3,044,094	146,714	-	-	3,190,808
Motor Vehicles	3,579,309	227,352	(65,802)	-	3,740,859
Buildings	8,934,692	942,595	(62,745)	-	9,814,542
Systems and Structures	52,814,885	2,651,650	-	-	55,466,535
Total accumulated depreciation	<u>68,372,980</u>	<u>3,968,311</u>	<u>(128,547)</u>	<u>-</u>	<u>72,212,744</u>
Capital assets net of accumulated depreciation	<u>40,521,347</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>38,222,485</u>
Total component unit capital assets net	<u>\$ 43,231,881</u>				<u>\$ 39,968,566</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2020, is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental	\$ 66,000 (1)
Non-Major Governmental	Non-Major Governmental	15,000 (1)
Water Fund	Non-Major Enterprise Fund	3,200,000 (1)
Total		<u>\$ 3,281,000</u>

1. The purpose of this interfund receivable is to maintain a positive cash balance at year end.

Advances to Other Funds	Advances From Other Funds	Amount
General Fund	Non-Major Governmental	\$ 9,901 (1)
General Fund	Internal Service	14,000 (1)
Water Fund	Non-Major Governmental	88,627 (2)
Total		<u>\$ 112,528</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
	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	Water Fund	Stormwater Fund	Alerus Center	Job Development Authority	Non Major Enterprise Funds	Internal Service Funds	
General Fund					\$ 3,177,667	\$ 3,392		\$ 45	\$ 215,056	157	\$ 2,965	\$ 713,615	\$ 4,112,897
Special Assessment Fund	\$ 386,635	\$ 2,890,955			109,824		\$ 39,511						3,426,925
Street and Infrastructure Fund	1,300,000		\$ 3,402,935		1,658,880								6,361,815
Other Governmental Funds	640,094		125,000	\$ 2,900,000	1,800,274		1,825,000						7,290,368
Sanitation Fund	7,500				-		22,000					56,526	86,026
Wastewater Fund	27,000		35,990			32,424	34,959					76,626	206,999
Water Fund	21,563		117,930					6,000				39,813	185,306
Stormwater Fund	9,000		66,860				4,500					39,813	120,173
Job Development Authority					876,977								939,617
Non-Major Enterprise Funds	3,550				-		1,500				62,640		5,050
Internal Service Funds	4,124											-	4,124
Total Transfers In	\$ 2,399,466	\$ 2,890,955	\$ 3,748,715	\$ 2,900,000	\$ 7,623,622	\$ 35,816	\$ 1,927,470	\$ 6,045	\$ 215,056	\$ 157	\$ 65,605	\$ 926,393	\$ 22,739,300

Transfers are made for funding various projects, meeting debt service requirements, and for capital infrastructure.

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 \$198,261 for the year ended December 31, 2020. 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 any 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>
2021	\$ 442,591
2022	135,000
2023	135,000
Total	<u>\$ 712,591</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 \$2,104,885 for the year ended December 31, 2020.

	<u>Business-type Activities</u>
Assets:	
Buildings	\$ 37,006,440
Less: Accumulated depreciation	(15,601,276)
Capital Lease Receivable	<u>704,166</u>
Total	<u>\$ 22,109,330</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>
2021	\$ 1,834,737
2022	1,771,940
2023	1,583,547
2024	1,567,707
2025	1,572,334
2026	1,577,100
Total	<u>\$ 9,907,365</u>

The potential sale of the corporate centers in 2021 would reduce lease payments reported in this schedule.

Capital Leases

The City has entered into lease agreements 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 6 governmental activities leases will be repaid through a combination of general fund revenue and the half-cent water and street sales tax, these leases are for street department equipment. The 3 business-type activities leases will be repaid through sanitation fund revenue, these leases are for refuse collection and landfill equipment.

The assets acquired through capital leases are as follows:

	Governmental Activities	Business-type Activities	Total
Assets:			
Machinery and Equipment	\$ 1,481,289	\$ 963,749	\$ 2,445,038
Less: Accumulated depreciation	(753,928)	(344,203)	(1,098,131)
Total	\$ 727,361	\$ 619,546	\$ 1,346,907

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2020, were as follows:

	Governmental Activities	Business- type Activities	Total
2021	\$ 237,994	\$ 137,665	\$ 375,659
2022	350,519	180,361	530,880
2023	85,220	168,495	253,715
2024	85,220	168,494	253,714
Total Minimum Lease Payments	758,953	655,015	1,413,968
Less: amount representing interest	(31,592)	(35,470)	(67,062)
Present value of minimum lease payment	\$ 727,361	\$ 619,545	\$ 1,346,906

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, 2020 totaled \$2,290,000. 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, 2020 the statutory limit for the City was \$123,635,842. The general obligation debt, net of cash available for bond retirement was \$2,441,125 leaving a legal debt margin of \$121,194,717. For a complete listing of the bonds outstanding please refer to pages 166-168 schedule J-8.

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 20-30 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 \$4,190,000 of Special Assessment Refunding Improvement Bonds, Series 2020A to finance various improvement projects within the City. \$1,430,000 of Refunding Improvement Refunding Bonds, Series 2020B, were also issued to refund the Refunding Improvement Bonds, Series 2010C, to achieve interest savings and resulted in an economic gain of \$37,295.

The City drew an additional \$30,637 on the \$5,334,989 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, 2020 was \$4,467,618. This loan has now been closed.

The City pledges special assessments against benefited properties for payment of these bonds. The special assessment bonds outstanding as of December 31, 2020 totaled \$87,277,618. Their original issue amount totaled \$134,474,636. For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 166-168.

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, 2020 for governmental activities totaled \$1,125,000. Their original issue amount totaled \$10,690,000. Sales tax revenue bonds outstanding as of December 31, 2020 for business-type activities totaled \$29,100,000. The original issue amount totaled \$40,380,000. Principal and interest paid for the current year on the governmental activities sales tax bonds was \$1,273,100. Sales tax revenue totaled \$4,022,147 for the year. Business-type activities sales tax bonds principal and interest for the current year was \$3,717,532. The sales tax revenue for the year was \$8,794,001.

For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 166-168. The annual principal and interest payments for the sales tax bonds are shown at the end of the revenue bond note.

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 \$7,759,647 (to be paid from city-wide special assessments, these bonds have been refinanced, original amount was \$41,117,147, current outstanding \$2,095,000), general obligation bonds totaling \$2,260,000 (to be paid from 5.34 mills pledged out of general property taxes (this has been decreased to 2.09 mills), these bonds have been refinanced, original amount was \$14,480,000, current outstanding \$495,000), 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 \$695,000) as of December 31, 2020. For a complete listing of these bonds outstanding please refer to schedule J-8 on pages 166-168.

Revenue Bond

The City also issues revenue bonds for construction or improvements to assets in the enterprise funds. These bonds are repaid through revenue generated by the associated enterprise fund through utility fees. 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 drew \$1,138,700 of the \$1,228,485 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). The amount and the outstanding as of December 31, 2020 was \$1,193,485. This bond will be repaid through wastewater fees.

The City also drew down an additional \$8,708,207 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, 2020 was \$64,670,000.

Another \$552,932 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). The amount drawn and the outstanding balance as of December 31, 2020 was \$8,550,000.

\$1,820,011 was drawn on the \$6,995,011 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. The outstanding balance as of December 31, 2020 was \$6,316,998.

Business-type revenue bonds outstanding as of December 31, 2020 for business-type activities totaled \$104,632,468; \$27,578,983 for revenue bonds and \$77,053,485 for SRF loans. Their original issue amounts totaled \$138,196,557 revenue bonds \$38,465,011, and SRF loans \$99,731,546 respectively.

Principal and interest paid for the current year on the water revenue bonds was \$2,413,903. Water fund operating revenue totaled \$12,203,479 for the year. Principal and interest paid for the current year on the wastewater revenue bonds was \$3,034,252. Wastewater fund operating revenue totaled \$11,713,328 for the year. Principal and interest paid for the current year on the sanitation revenue bonds was \$1,578,755. Sanitation fund operating revenue totaled \$10,203,590 for the year. Principal and interest paid for the current year on the mosquito control revenue bonds was \$96,153. Mosquito Control fund operating revenue totaled \$1,107,653 for the year.

If revenues on hand at any time are insufficient to pay principal and interest payments, such deficiencies shall be restored from the bond reserve and the City will levy an ad valorem tax upon all taxable property in the city in an amount required to restore the reserve account balance.

For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 166-168.

There are a number of limitations and restrictions contained in the various bond indentures. The City is in compliance with all significant limitations and restrictions.

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)		Sales Tax Revenue Bonds (2)		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2021	\$ 545,000	\$ 74,550	\$ 5,587,685	\$ 3,002,588	\$ 1,125,000	\$ 47,650	\$ 10,382,473
2022	555,000	61,200	4,575,339	2,798,271			7,989,810
2023	305,000	47,600	5,063,045	2,621,902			8,037,547
2024	320,000	35,400	4,800,806	2,434,263			7,590,469
2025	330,000	22,600	4,553,622	2,252,785			7,159,007
2026-2030	235,000	9,400	21,077,365	8,763,475			30,085,240
2031-2035			17,691,712	5,253,571			22,945,283
2036-2040			12,289,318	2,908,186			15,197,504
2041-2045			10,736,042	1,094,662			11,830,704
2046-2049			902,684	40,853			943,537
Total Governmental Activities	\$ 2,290,000	\$ 250,750	\$ 87,277,618	\$ 31,170,557	\$ 1,125,000	\$ 47,650	\$ 122,161,574

1. Special assessment bonds includes SRF loans.
2. To be paid from dedicated sales tax revenue.

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	
2021	\$ 1,995,416	\$ 741,718	\$ 2,645,000	\$ 1,377,100	\$ 3,438,485	\$ 1,201,363	\$ 11,399,082
2022	1,295,624	690,560	2,775,000	1,244,850	2,185,000	1,134,950	9,325,984
2023	1,340,936	655,598	2,910,000	1,106,100	2,235,000	1,099,575	9,347,209
2024	1,376,355	616,441	3,055,000	960,600	2,280,000	1,063,350	9,351,746
2025	1,421,882	578,508	3,205,000	807,850	2,325,000	1,026,400	9,364,640
2026-2030	7,221,265	2,259,061	14,510,000	1,546,400	10,845,000	4,624,650	41,006,376
2031-2035	5,946,997	1,290,639			11,990,000	3,777,525	23,005,161
2036-2040	4,658,938	573,165			13,230,000	2,842,050	21,304,153
2041-2045	2,013,775	153,201			14,605,000	1,809,150	18,581,126
2046-2050	307,795	6,156			15,245,000	1,995,074	17,554,025
Total Business- type Activities	\$ 27,578,983	\$ 7,565,046	\$ 29,100,000	\$ 7,042,900	\$ 78,378,485	\$ 20,574,087	\$ 170,239,502

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 fees.
4. Payment schedule based on full amount of the Water State Revolving Fund Loan-will differ from amounts drawn & outstanding.

Changes in Long-term Liabilities

Long-term liability activity for the year ended December 31, 2020, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable:					
General obligation	\$ 2,820,000	\$ -	\$ 530,000	\$ 2,290,000	\$ 545,000
Unamortized Premium	179,650	-	28,525	151,125	-
Special Assessment with GO commitment	90,363,072	5,650,637	8,736,091	87,277,618	5,587,685
Unamortized Premium	3,850,569	664,167	228,827	4,285,909	-
Unamortized Discount	(87,410)	-	(58,104)	(29,306)	-
Sales Tax Revenue	2,300,000	-	1,175,000	1,125,000	1,125,000
Unamortized Premium	150,238	-	90,143	60,095	-
Total bonds payable	99,576,119	6,314,804	10,730,482	95,160,441	7,257,685
Capital leases	543,940	407,578	224,157	727,361	220,651
Compensated absences	4,835,137	1,100,281	454,000	5,481,418	275,674
Net pension liability Single Employer Plan	25,158,458	-	6,234,550	18,923,908	-
Net pension liability NDPERS	20,809,948	37,826,398	-	58,636,346	-
Net OPEB liability NDPERS	1,409,881	27,057	-	1,436,938	-
Governmental Activity Long-term Liabilities	<u>\$ 152,333,483</u>	<u>\$ 45,676,118</u>	<u>\$ 17,643,189</u>	<u>\$ 180,366,412</u>	<u>\$ 7,754,010</u>
Internal Service Fund long-term liabilities included in governmental activities				<u>\$ 101,628</u>	
Total long-term liabilities in the statement of net position				<u>\$ 180,468,040</u>	

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 28,450,993	\$ 1,820,011	\$ 2,692,021	\$ 27,578,983	\$ 1,995,416
Unamortized Discount	(37,450)	-	(3,105)	(34,345)	-
Unamortized Premium	495,436	-	60,327	435,109	-
Sales tax revenue bonds	31,620,000	-	2,520,000	29,100,000	2,645,000
Unamortized Premium	4,527,681	-	454,662	4,073,019	-
Total Bonds payable	65,056,660	1,820,011	5,723,905	61,152,766	4,640,416
NDBB-SRF Loan	69,148,646	10,399,839	2,495,000	77,053,485	3,438,485
Landfill closure/postclosure	4,843,437	374,834	-	5,218,271	-
Capital leases	290,692	666,711	337,858	619,545	123,742
Compensated absences	1,295,034	299,706	145,232	1,449,508	145,231
Net pension liability Single Employer Plan	7,389,853	-	1,775,497	5,614,356	-
Net pension liability NDPERS	6,390,722	11,005,539	-	17,396,261	-
Net OPEB liability NDPERS	334,412	91,899	-	426,311	-
Business-type Activity Long-term Liabilities	<u>\$ 154,749,456</u>	<u>\$ 24,658,539</u>	<u>\$ 10,477,492</u>	<u>\$ 168,930,503</u>	<u>\$ 8,347,874</u>

Prior year defeasance of debt

In December 2020, the City defeased the \$3,195,000 Refunding Improvement Dike Refunding Bonds, Series 2010B, of which \$1,490,000 in principal remained outstanding. Cash had accumulated in the bond fund in an amount sufficient to pay off the outstanding principal. There are no other defeased bonds outstanding as of December 31, 2020.

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

In July 2020, the Airport Revenue Bonds of 2009 were called and subsequently paid off using AIP funding related to COVID-19 which allowed for funds to be used for debt service. The Airport Revenue Bonds of 2013 were fully defeased through escrow accounts as of December 31, 2020. The Authority has no remaining payments left to be made on debt as of December 31, 2020.

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, 2020, the aggregate principal amount payable of the nine series issued was \$251,482,548. Their original issue amounts totaled \$357,375,835.

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, 2020, 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	\$ 1,801,142
Customer deposits	72,673
Operating & Capital Reserve	964,216
Construction account	7,108,218
Revenue bond construction account	136,927
Revenue bond current debt service account	19,519,508
Revenue bond reserve account	7,176,649
Reserve for landfill closure	1,643,990
Total restricted assets	\$ 38,423,323

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
Fund Balances:						
Nonspendable:						
Advances to other funds	\$ 23,901				\$ 23,901	
Prepaid Items	8,423				\$ 30,279	38,702
Restricted for:						
Debt service		\$ 19,516,809			2,045,281	21,562,090
Construction			\$ 3,208,405			3,208,405
Community development					924,525	924,525
Economic development					6,801,678	6,801,678
Public buildings					1,126,553	1,126,553
Public safety:						
Police and Fire Grants					176,457	176,457
Public Safety Answering Point/E911					1,860,743	1,860,743
Emergency					82,235	82,235
Health and welfare:						
Health Grants					1,696,878	1,696,878
Nuisance Abatement					120,883	120,883
Library					2,747,612	2,747,612
Flood control/greenway projects					3,073,738	3,073,738
Infrastructure				\$ 12,094,688	4,193,638	16,288,326
City share of special improvements					38,397	38,397
City special assessments					837,173	837,173
Other purposes					105,724	105,724
Committed to:						
Special assessment deficiencies, infrastructure and pension needs	1,560,203					1,560,203
Sick leave liability	514,217					514,217
Bikeway projects					150,671	150,671
Bridges and Underpasses					2,217,358	2,217,358
Future capital purchases					2,398,244	2,398,244
Public buildings					376,694	376,694
Other purposes					2,648	2,648
Assigned to:						
Public safety - fire station	1,007,757					1,007,757
Department cash carryover	1,545,556					1,545,556
Other purposes	24,274					24,274
Unassigned	13,058,337					13,058,337
Total Fund Balance	\$17,742,668	\$ 19,516,809	\$ 3,208,405	\$ 12,094,688	\$ 31,007,409	\$ 83,569,979

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 (NDIRF), 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.

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, 2020. 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 2020 the estimated volume used was 126,487 cubic yards with 150,444 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 \$3.7 million reported as MSWLF closure and post-closure care liability for the new landfill at December 31, 2020 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 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 65th 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, 2021 membership consisted of:	
Retired employees and beneficiaries	308
Terminated Participants with deferred benefits	23
Nonvested terminated participants entitled to a refund	0
All other employees with vested employer provided benefits	60
TOTAL	391

The payroll for the employees covered by the City Employee Pension Plan for the year ended December 31, 2020 was \$4,400,244. The total payroll was \$4,816,321.

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, 2021 for participants under normal retirement age is \$4,400,244.

City Council has authority to establish and amend contribution requirements.

Contributions made for the City Pension Plan totaled \$3,792,605 (\$3,505,779 employer, \$286,826 employee). The employer contribution was equivalent to 79.7% of annual

covered payroll and the employee contributions were the equivalent of 6.5% of annual covered payroll, respectively.

E. Actuarial Methods and Assumptions.

The City’s net pension liability was measured as of December 31, 2019, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2020.

Actuarial assumptions. The total pension liability in the January 1, 2020 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, 2020 valuation were based on the results of an actuarial experience study for the period January 1, 2019-December 31, 2019.

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-2019 All Other Participants: RP-2014 Combined Healthy Mortality Table with generational mortality projections using Scale MP-2019
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	15.78%	4.30%
US Corp Bonds-High Yield	6.52%	5.82%
US Treasuries	8.36%	3.03%
US Equity – Large Cap	19.67%	7.05%
US Equity – Small/Mid Cap	6.54%	7.54%

Non-US Equity - Developed	21.33%	7.70%
Non-US Equity Emerging	3.27%	8.67%
Real Estate	6.51%	6.82%
Commodities	2.42%	4.68%
Infrastructure	4.98%	7.24%
Private Equity	4.62%	10.10%

* 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, 2019 and December 31, 2018. 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 2.74% (based on the 20-year Bond Buyer GO Index as of the end of December 2019). Similarly, the municipal bond rate based on the 20-year Bond Buyer GO Index as of the end of December 2018 was 4.10%. 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:

	<u>Total Pension Liability (a)</u>	<u>Plan Fiduciary Net Position (b)</u>	<u>Net Pension Liability (a)-(b)</u>
January 1, 2019	\$ 98,555,360	\$ 66,007,049	\$ 32,548,311
Service Cost	365,903		365,903
Interest	7,168,712		7,168,712
Changes in assumptions	-		-
Differences between expected and actual experience	(167,759)		(167,759)
Benefit Payments	(6,799,809)	(6,799,809)	-
Contributions - Employer		3,838,566	(3,838,566)
Contributions - Employee		322,264	(322,264)
Administrative expenses		(219,381)	219,381
Net investment income		11,435,454	(11,435,454)
Expected investment earnings	5,190,059		
Differences between expected and actual earnings	(7,387,525)		
Net Change	567,047	8,577,094	(8,010,047)
December 31, 2019	\$ 99,122,407	\$ 74,584,143	\$ 24,538,264

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:

	<u>1% Decrease (6.50%)</u>	<u>Current Discount Rate (7.50%)</u>	<u>1% Increase (8.50%)</u>
City's Net Pension Liability	\$33,325,697	\$24,538,264	\$16,940,004

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position as of January 1, 2021 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, 2020, the City recognized pension expense of \$2,395,847.

As of December 31, 2020, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ -	\$ -
Changes of assumptions	-	-
Net difference between projected and actual earnings on pension plan investments		2,776,612
Employer contributions subsequent to the measurement date	3,505,779	-
Total	<u>\$ 3,505,779</u>	<u>\$ 2,776,612</u>

\$3,505,779 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, 2021. 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
2021	\$ (784,435)
2022	(848,069)
2023	166,698
2024	(1,310,806)

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 \$236,074 for the plan year ended December 31, 2020. Total market value of plan assets as of December 31, 2020 was \$6,240,905.

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 2020, the City reported a net pension liability of \$76,032,607 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2020, 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, 2020 the Employer’s proportion was 2.416786 percent, which is an increase of 0.096053 percent from its proportion measured at June 30, 2019.

For the year ended December 31, 2020 the Employer recognized pension expense of \$14,511,713. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2020, 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	\$	295,891	\$	3,852,643
Changes of assumptions		40,758,274		6,738,351
Net difference between projected and actual earnings on pension plan investments		2,453,947		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		2,623,716		326,615
Employer contributions subsequent to the measurement date		988,452		-
Total	\$	47,120,280	\$	10,917,609

\$988,452 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, 2021.

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:	
2021	\$ 10,661,378
2022	9,082,475
2023	7,416,700
2024	8,053,667
2025	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases:	3.5% to 17.75% including inflation
Investment rate of return	7.00%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

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%	6.30%
International Equity	21.00%	6.85%
Private Equity	7.00%	9.75%
Domestic Fixed Income	23.00%	1.25%
Global Real Assets	19.00%	5.01%

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 7.00%; the municipal bond rate is 2.45%; and resulting Single Discount Rate is 4.64%.

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 4.64 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 (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current rate:

	1% Decrease (3.64%)	Current Discount Rate (4.64%)	1% Increase (5.64%)
Employer's proportionate share of the net pension liability	\$ 98,646,597	\$ 76,032,604	\$ 57,528,850

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	\$ -	\$ 3,505,779	\$ 24,538,264	\$ 2,776,612	\$ 2,395,847
NDPERS Pension Plan	-	47,120,280	76,032,607	10,917,609	14,511,713
Total	\$ -	\$ 50,626,059	\$ 100,570,871	\$ 13,694,221	\$ 16,907,560

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, 2020, the Employer reported a liability of \$1,863,249 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2020, 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, 2020, the Employer's proportion was 2.214994 percent, which was an increase of .043281% from its proportion measured as of June 30, 2019.

For the year ended December 31, 2020, the Employer recognized OPEB expense of \$276,149. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2020, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	41,377	\$	44,672
Changes of assumptions		249,826		-
Net difference between projected and actual earnings on pension plan investments		64,075		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		91,890		56,678
Employer contributions subsequent to the measurement date		158,261		-
Total	\$	605,429	\$	101,350

\$158,261 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, 2021.

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 Ended December 31

2021	\$	67,968
2022		84,529
2023		81,490
2024		65,981
2025		39,847
Thereafter		6,002

Actuarial assumptions

The total OPEB liability in the July 1, 2020 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	6.50%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

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, 2020 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33.00%	6.10%
Small Cap Domestic Equities	6.00%	7.00%
Domestic Fixed Income	40.00%	1.15%
International Equities	21.00%	6.45%

Discount rate

The discount rate used to measure the total OPEB liability was 6.5%. 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, 2020, calculated using the discount rate of 6.50%, 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 (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

	1% Decrease (5.50%)	Current Discount Rate (6.50%)	1% Increase (7.50%)
Employer's proportionate share of the net OPEB liability	\$ 2,443,691	\$ 1,863,249	\$ 1,372,406

H. Concentration

The Water Fund and the Wastewater Fund receive more than 10% of their operating revenue from one external customer. They received \$2.5 million (20.2%) and \$2.5 million (21.1%) in revenue respectively in 2020.

I. Tax Exemptions / Abatements

As of December 31, 2020, 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 1st 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 1st 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 an 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, and fifteen-thousand dollars, due to a renovation, remodeling, or alteration project of an existing commercial 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 & 57-02.3, with resolution passed by the City in 1995, amended in 2009 and 2020.

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.

Tax Exemption Program	Amount of Tax Exempted During the Fiscal Year
New Home Builder	\$ 24,025
New Home Buyer	132,829
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/>
Total City Exemptions	\$ 428,353
	<hr/>

State of North Dakota Tax Exemptions:

City property tax revenues were reduced by \$1,287,183 under agreements entered into by the State of North Dakota.

J. Subsequent Events

In January 2021, the Cirrus Building was sold. Cirrus had previously leased the property since 1996. The building was sold for \$1,874,230 and an adjacent piece of land was sold for \$296,048 for a total of \$2,170,278. As a result, the lease agreement between Cirrus and the City of Grand Forks was terminated.

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

December 31, 2020

**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	2020
Total Pension Liability						
Service cost	\$ 50,331	\$ 556,392	\$ 461,205	\$ 406,090	\$ 368,476	\$ 365,903
Interest	6,444,944	6,569,255	7,006,404	6,938,458	7,033,601	7,168,712
Changes of benefit terms	-	-	-	-	-	-
Differences between expected and actual experience	-	344,624	1,333,162	(968,991)	1,725,082	(167,759)
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)	(6,799,809)
Net change in total pension liability	1,786,037	5,390,256	2,260,320	1,611,197	2,036,306	567,047
Total pension liability - beginning	85,471,244	87,257,281	92,647,537	94,907,857	96,519,054	98,555,360
Total pension liability - ending (a)	\$ 87,257,281	\$ 92,647,537	\$ 94,907,857	\$ 96,519,054	\$ 98,555,360	\$ 99,122,407
Plan fiduciary net position						
Contributions - employer	\$ 3,583,317	\$ 3,590,325	\$ 3,590,322	\$ 3,325,061	\$ 3,338,042	\$ 3,838,566
Contributions - employee	497,997	486,834	441,589	428,480	385,280	322,264
Net investment income	3,814,150	699,438	4,344,791	9,767,726	(2,197,466)	11,435,454
Benefit payments, including refunds of employee contributions	(4,709,238)	(5,080,220)	(5,509,875)	(5,705,484)	(6,326,740)	(6,799,809)
Administrative expenses	(286,387)	(237,060)	(182,647)	(204,338)	(169,566)	(219,381)
Other	-	-	11,888	-	-	-
Net change in plan fiduciary net position	2,899,839	(540,683)	2,696,068	7,611,445	(4,970,450)	8,577,094
Plan fiduciary net position - beginning	58,322,718	61,222,557	60,681,874	63,377,942	70,977,499	66,007,049
Plan fiduciary net position - ending (b)	\$ 61,222,557	\$ 60,681,874	\$ 63,377,942	\$ 70,989,387	\$ 66,007,049	\$ 74,584,143
City's net pension liability - ending (a)-(b)	\$ 26,034,724	\$ 31,965,663	\$ 31,529,915	\$ 25,529,667	\$ 32,548,311	\$ 24,538,264
Plan fiduciary net position as a percentage of the total pension liability	70%	65%	67%	74%	67%	75%
Covered payroll	\$ 7,953,162	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 4,451,392
City's net pension liability as a percentage of covered payroll	327%	424%	477%	407%	581%	551%

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	12/31/2020
Actuarial Determined Contribution	\$ 3,520,138	\$ 3,457,816	\$ 3,325,061	\$ 3,338,042	\$ 3,336,703	\$ 3,505,779
Contributions in relation to the actuarially determined contribution	\$ (3,590,325)	\$ (3,590,322)	\$ (3,325,061)	\$ (3,338,042)	\$ (3,838,566)	\$ (3,505,779)
Contribution deficiency (excesses)	\$ (70,187)	\$ (132,506)	\$ -	\$ -	\$ (501,863)	\$ -
Employer's covered payroll	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 4,451,392	\$ 4,400,244
Contributions as a percentage of covered payroll	47.6%	54.3%	53.0%	59.6%	86.2%	79.7%

Completed data for this schedule is not available prior to 2015

Notes to Schedule:

Valuation date: December 31, 2019

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:	14 years
Asset valuation method:	Market value of assets plus contributions receivable
Salary scale/inflation:	2.75%
Investment rate of return:	7.50%, compound annually
Retirement age:	Contributions are based on retirement age selected by participant (for the retirement with full benefits) Age 55-7.4%, Age 61-4.7%, Age 65-3.7%
Mortality	Police and Firefighters: RP-2014 Blue Collar Mortality Table with generational mortality projection using Scale MP-2019 All other participants: RP-2014 Combined Healthy Mortality Table with generational mortality projection using Scale MP-2019

CITY OF GRAND FORKS, NORTH DAKOTA
Required Supplementary Information

December 31, 2020

**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	As of a measurement date of 06/30/2020
Employer's proportion of the net pension liability (asset)	1.837291%	1.988687%	2.236455%	2.167287%	2.320733%	2.416780%
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	\$76,032,605
Employer's covered payroll	\$ 16,890,785	\$ 20,041,274	\$ 22,830,700	\$ 22,264,912	\$ 24,139,567	\$26,660,075
Employer's share of net pension liability (asset) as a percentage of its covered payroll	76%	97%	157%	164%	113%	285%
Plan fiduciary net position as a percentage of the total pension liability	77%	70%	62%	63%	72%	49%

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	12/31/2020
Statutorily required contribution	\$ 1,586,546	\$ 1,494,529	\$ 1,588,376	\$ 1,587,730	\$ 1,710,275	\$ 1,912,861
Contributions in relation to the required contribution	\$ (1,586,546)	\$ (1,494,529)	\$ (1,588,376)	\$ (1,587,730)	\$ (1,710,275)	\$ (1,912,861)
Contribution deficiency (excesses)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 18,644,665	\$ 20,281,722	\$ 22,213,275	\$ 22,345,783	\$ 23,924,496	\$ 25,254,195
Contributions as a percentage of covered payroll	8.51%	7.38%	7.15%	7.12%	7.15%	7.57%

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 7.00 percent to 6.50 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, 2019.

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 7.5% to 7.0%
- The assumed rate of price inflation was lowered from 2.5 to 2.25 percent for the July 1, 2020 valuation
- The assumed rate of total payroll growth was updated for the July 1, 2020 valuation
- Mortality table updates were made for the July 1, 2020 valuation

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.

CITY OF GRAND FORKS, NORTH DAKOTA
Required Supplementary Information

December 31, 2020

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	As of a measurement date of 06/30/2020
Employer's proportion of the net OPEB liability (asset)	2.042171%	2.171713%	2.214994%
Employer's proportionate share of the net OPEB liability (asset)	\$ 1,608,349	\$ 1,744,293	\$ 1,863,249
Employer's covered payroll	\$ 22,345,783	\$ 24,233,227	\$ 25,250,280
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7%	7%	7%
Plan fiduciary net position as a percentage of the total OPEB liability	62%	63%	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	12/31/2020
Statutorily required contribution	\$ 254,379	\$ 273,868	\$ 289,097
Contributions in relation to the required contribution	\$ (254,379)	\$ (273,868)	\$ 289,097
Contribution deficiency (excesses)	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 23,004,333	\$ 23,924,496	\$ 25,254,195
Contributions as a percentage of covered payroll	1.11%	1.14%	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, 2019.

CHANGES OF ASSUMPTIONS

The Board approved the following changes to the actuarial assumptions beginning with the July 1, 2020 valuation:

- The investment return assumption was lowered from 7.25% to 6.50%

All other actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2019.



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NON-MAJOR GOVERNMENTAL 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.

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.

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).

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

A-1

DECEMBER 31, 2020

	Non-Major Special Revenue Funds	Non-Major Debt Service Funds	Non-Major Capital Project Funds	Total Non-Major Governmental Funds
ASSETS				
Cash and cash equivalents	\$ 13,200,480	\$ 2,049,828	\$ 8,321,468	\$ 23,571,776
Investments	5,000,000	-	-	5,000,000
Receivables, net:				
Accounts	306,977		41,030	348,007
Special assessments (including liens)		1,654	34,203	35,857
Special assessments-uncertified			3,409,258	3,409,258
Property taxes	102,911	15,174		118,085
Sales tax	668,284			668,284
Hotel/Motel Tax	34,790			34,790
Notes	3,555,360			3,555,360
Intergovernmental	1,985,986			1,985,986
Prepaid Items	30,279			30,279
Due from other funds	-		15,000	15,000
Total assets	\$ 24,885,067	\$ 2,066,656	\$ 11,820,959	\$ 38,772,682
LIABILITIES				
Accounts payable	\$ 249,819	\$ -	\$ -	\$ 249,819
Contracts payable			38,911	38,911
Due to other funds	63,000		18,000	81,000
Advances from other funds	88,627	9,901		98,528
Unearned income	3,772,278			3,772,278
Total liabilities	4,173,724	9,901	56,911	4,240,536
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	69,802	9,820		79,622
Unavailable revenue-special assessments		1,654	3,443,461	3,445,115
Total deferred inflows of resources	69,802	11,474	3,443,461	3,524,737
FUND BALANCES				
Nonspendable	30,279			30,279
Restricted	20,611,262	2,045,281	3,174,972	25,831,515
Committed			5,145,615	5,145,615
Total Fund Balances	20,641,541	2,045,281	8,320,587	31,007,409
Total liabilities, deferred inflows of resources and fund balance	\$ 24,885,067	\$ 2,066,656	\$ 11,820,959	\$ 38,772,682

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, 2020

	Non-Major Special Revenue	Non-Major Debt Service	Non-Major Capital Projects	Total Non-major Governmental Funds
Revenues:				
Taxes:				
Property	\$ 3,985,118	\$ 468,333	\$	\$ 4,453,451
Sales	7,509,372			7,509,372
Hotel/Motel/Airport Car Rental	549,415			549,415
Intergovernmental	7,857,680	12,266	36,000	7,905,946
Charges for services	2,241,775			2,241,775
Special assessments		52,059	626,474	678,533
Fines and forfeits	19,914			19,914
Interest	281,334	33,741	149,078	464,153
Miscellaneous	93,726		336,434	430,160
	<u>22,538,334</u>	<u>566,399</u>	<u>1,147,986</u>	<u>24,252,719</u>
Total Revenues				
Expenditures:				
Current:				
General government	3,989,033			3,989,033
Health & welfare	3,008,820			3,008,820
Public safety	3,059,196			3,059,196
Culture & recreation	2,370,694			2,370,694
Capital outlay	1,957,909		2,029,932	3,987,841
Debt service:				
Principal retirement		1,705,000	224,156	1,929,156
Interest and fiscal charges	3,480	188,016		191,496
	<u>14,389,132</u>	<u>1,893,016</u>	<u>2,254,088</u>	<u>18,536,236</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	8,149,202	(1,326,617)	(1,106,102)	5,716,483
Other Financing Sources (Uses):				
Issuance of Capital Lease			407,578	407,578
Sale of capital assets			6,000	6,000
Transfers in	3,736,173	2,572,304	1,315,145	7,623,622
Transfers out	(6,054,764)	(1,010,604)	(225,000)	(7,290,368)
Total Other Financing Sources (Uses)	<u>(2,318,591)</u>	<u>1,561,700</u>	<u>1,503,723</u>	<u>746,832</u>
Net change in fund balances	5,830,611	235,083	397,621	6,463,315
Fund balance Beginning	<u>14,810,930</u>	<u>1,810,198</u>	<u>7,922,966</u>	<u>24,544,094</u>
Fund Balances Ending	<u>\$ 20,641,541</u>	<u>\$ 2,045,281</u>	<u>\$ 8,320,587</u>	<u>\$ 31,007,409</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 fund receives and disburses federal and state grants for Historic Preservation, the Community Violence Intervention Center that administers the Edward Byrne Formula Grant and The US Department of Justice, Office of Justice Programs grants.

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.

Prairie Dog Infrastructure

This fund is to account for Prairie Dog Infrastructure funds which we receive from the State of North Dakota per the 2019 ND Legislative Session.

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.

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

B-1

DECEMBER 31, 2020
 With Comparative Totals for December 31, 2019

	Emergency Levy	Municipal Band	Public Building Fund	Library	Library Capital Mtce.
ASSETS					
Cash and cash equivalents	\$ 28,315	\$ 2,695	\$ 1,119,769	\$ 1,698,467	\$ 844,833
Investments					-
Receivables (Net of allowances for uncollectibles):					
Accounts					
Notes					
Taxes:					
Property	2,880	391	21,315	52,154	
Sales					
Hotel/Motel					
Intergovernmental:					
State of North Dakota				10,000	
Federal	52,991				
Grand Forks County				177,486	
Prepaid Items			23,569	6,390	
Due from other funds					
Total Assets	\$ 84,186	\$ 3,086	\$ 1,164,653	\$ 1,944,497	\$ 844,833
LIABILITIES					
Accounts payable	\$ -			\$ -	
Contracts payable and retainage			\$ -		
Due to other funds					
Advances from other funds					
Unearned Income					
Total Liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	1,951	\$ 264	14,531	35,328	
Total Deferred Inflows of Resources	1,951	264	14,531	35,328	
FUND BALANCES					
Non spendable fund balance			23,569	6,390	
Restricted fund balance	82,235	2,822	1,126,553	1,902,779	\$ 844,833
Total Fund Balances	82,235	2,822	1,150,122	1,909,169	844,833
Total liabilities, deferred inflows of resources and fund balance	\$ 84,186	\$ 3,086	\$ 1,164,653	\$ 1,944,497	\$ 844,833

Continued

Special Grants Fire	Special Grants Police	Special Grants Health	Special Grants-Other	Asset Forfeiture	City's Share Of Special Improvements
\$ 8,429	\$ 83,505	\$ 77,281	\$ 1,831	\$ 54,368	\$ 38,397
		60,297			
51,644	34,921	1,559,570	3,080		
			4,732		
<u>\$ 60,073</u>	<u>\$ 118,426</u>	<u>\$ 1,697,148</u>	<u>\$ 9,643</u>	<u>\$ 54,368</u>	<u>\$ 38,397</u>
	\$ 1,455	\$ 270	\$ 4,732		
\$ 60,000			3,000		
<u>60,000</u>	<u>1,455</u>	<u>270</u>	<u>7,732</u>		
73	116,971	1,696,878	1,911	\$ 54,368	\$ 38,397
73	116,971	1,696,878	1,911	54,368	38,397
<u>\$ 60,073</u>	<u>\$ 118,426</u>	<u>\$ 1,697,148</u>	<u>\$ 9,643</u>	<u>\$ 54,368</u>	<u>\$ 38,397</u>

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

B-1

DECEMBER 31, 2020
 With Comparative Totals for December 31, 2019

	City Special Assessment Fund	Insurance Reserve Fund	Noxious Weed Control	E-911 System	Economic Development Sales Tax	Prairie Dog Infrastructure
ASSETS						
Cash and cash equivalents	\$ 833,015	\$ 97,342	\$ 19,608	\$ 1,440,857	\$ 3,454,805	\$ 509,736
Investments					3,000,000	2,000,000
Receivables (Net of allowances for uncollectibles):						
Accounts				220,869	624	
Notes					150,000	
Taxes:						
Property	12,862	10,299	129			
Sales					170,286	
Hotel/Motel						
Intergovernmental:						
State of North Dakota						
Federal						
Grand Forks County						
Prepaid Items						
Due from other funds						
Total Assets	\$ 845,877	\$ 107,641	\$ 19,737	\$ 1,661,726	\$ 6,775,715	\$ 2,509,736
LIABILITIES AND FUND BALANCES						
Accounts payable				\$ 199,862	\$ 6,086	\$ -
Contracts payable and retainage						
Due to other funds						
Advances from other funds				88,627		
Unearned Income						
Total Liabilities				288,489	6,086	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 8,704	\$ 6,985	\$ 88			
Total Deferred Inflows of Resources	8,704	6,985	88			
Fund Balances:						
Non spendable fund balance						
Restricted fund balance	837,173	100,656	19,649	1,373,237	6,769,629	2,509,736
Total Fund Balances	837,173	100,656	19,649	1,373,237	6,769,629	2,509,736
Total liabilities, deferred inflows of resources and fund balance	\$ 845,877	\$ 107,641	\$ 19,737	\$ 1,661,726	\$ 6,775,715	\$ 2,509,736

Continued

Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau	Animal Control	Community Enhancement	Community Development	2020 Total	2019 Total
\$ 462,506	\$ 1,185,904	\$ 34,673	\$ 4,115	\$ 335	\$ 1,199,694	\$ 13,200,480 5,000,000	\$ 8,760,553 4,000,000
25,000					187 3,405,360	306,977 3,555,360	285,885 3,656,552
	497,998		2,881			102,911 668,284 34,790	99,601 863,822 86,535
		34,790					
					91,562	1,607,571 200,929 177,486	180,002 256,554 169,234
					320	30,279	22,159
						-	825,285
<u>\$ 487,506</u>	<u>\$ 1,683,902</u>	<u>\$ 69,463</u>	<u>\$ 6,996</u>	<u>\$ 335</u>	<u>\$ 4,697,123</u>	<u>\$ 24,885,067</u>	<u>\$ 19,206,182</u>
\$ -		\$ 37,414			\$ -	\$ 249,819	\$ 242,462
						63,000 88,627	128,100 125,118
					<u>3,772,278</u>	<u>3,772,278</u>	<u>3,820,293</u>
		<u>37,414</u>			<u>3,772,278</u>	<u>4,173,724</u>	<u>4,315,973</u>
			\$ 1,951			69,802	79,279
			1,951			69,802	79,279
487,506	\$ 1,683,902	32,049	5,045	\$ 335	320 924,525	30,279 20,611,262	22,159 14,788,771
<u>487,506</u>	<u>1,683,902</u>	<u>32,049</u>	<u>5,045</u>	<u>335</u>	<u>924,845</u>	<u>20,641,541</u>	<u>14,810,930</u>
<u>\$ 487,506</u>	<u>\$ 1,683,902</u>	<u>\$ 69,463</u>	<u>\$ 6,996</u>	<u>\$ 335</u>	<u>\$ 4,697,123</u>	<u>\$ 24,885,067</u>	<u>\$ 19,206,182</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, 2020
 With Comparative Totals for December 31, 2019

	Emergency Levy	Municipal Band	Public Building Fund	Library
REVENUES				
Taxes:				
Property	\$ 110,744	\$ 15,053	\$ 849,125	\$ 2,004,342
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental	214,571	332	18,794	997,976
Charges for services				6,494
Fines and forfeits				
Interest	3,675	88	22,535	39,635
Miscellaneous				3,011
Total Revenues	<u>328,990</u>	<u>15,473</u>	<u>890,454</u>	<u>3,051,458</u>
EXPENDITURES				
Current:				
General government			154,543	
Health & welfare				
Public safety	30,196			
Culture & recreation		14,626		2,301,971
Capital outlay	105,329		37,571	166,594
Debt service:				
Interest and fiscal charges				
Total Expenditures	<u>135,525</u>	<u>14,626</u>	<u>192,114</u>	<u>2,468,565</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>193,465</u>	<u>847</u>	<u>698,340</u>	<u>582,893</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			24,222	22,677
Transfers out	(303,888)		(361,600)	(200,000)
Total Other Financing Sources (Uses)	<u>(303,888)</u>		<u>(337,378)</u>	<u>(177,323)</u>
Net change in fund balances	(110,423)	847	360,962	405,570
Fund Balances - Beginning	192,658	1,975	789,160	1,503,599
Change in Accounting Principle-GASB 84				
Fund balances - beginning as restated	<u>192,658</u>	<u>1,975</u>	<u>789,160</u>	<u>1,503,599</u>
Fund Balances - Ending	<u>\$ 82,235</u>	<u>\$ 2,822</u>	<u>\$ 1,150,122</u>	<u>\$ 1,909,169</u>

Continued

Library Capital Maintenance	Special Grants Fire	Special Grants Police	Special Grants Health	Special Grants Other
\$ -	\$ -	\$ -	\$ -	\$ -
	51,643	496,017	3,081,231 208,812	51,851
16,719			5,658	(88)
<u>16,719</u>	<u>51,643</u>	<u>496,017</u>	<u>3,295,701</u>	<u>74,621</u>
	51,643	281,419	3,003,557	21,681
4,178		225,061	104,645	49,919
790,399				2,081
<u>794,577</u>	<u>51,643</u>	<u>506,480</u>	<u>3,108,202</u>	<u>73,681</u>
<u>(777,858)</u>		<u>(10,463)</u>	<u>187,499</u>	<u>940</u>
200,000		5,834	1,082,660 (34,258)	
<u>200,000</u>		<u>5,834</u>	<u>1,048,402</u>	
<u>(577,858)</u>		<u>(4,629)</u>	<u>1,235,901</u>	<u>940</u>
1,422,691	73	121,600	460,977	971
<u>1,422,691</u>	<u>73</u>	<u>121,600</u>	<u>460,977</u>	<u>971</u>
<u>\$ 844,833</u>	<u>\$ 73</u>	<u>\$ 116,971</u>	<u>\$ 1,696,878</u>	<u>\$ 1,911</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, 2020
 With Comparative Totals for December 31, 2019

	Asset Forfeiture	City's Share Of Special Improvements	City Special Assessment Fund	Insurance Reserve Fund
REVENUES				
Taxes:				
Property Sales	\$ -	\$ -	\$ 494,015	\$ 396,089
Hotel/Motel/Airport Car Rental				
Intergovernmental			12,541	8,751
Charges for services			8,533	
Fines and forfeits	19,914			
Interest	519	825	14,753	307
Miscellaneous				
Total Revenues	20,433	825	529,842	405,147
EXPENDITURES				
Current:				
General government			447,179	314,744
Health & welfare				
Public safety	4,171			
Culture & recreation				
Capital outlay				
Debt service:				
Interest and fiscal charges				
Total Expenditures	4,171		447,179	314,744
Excess (Deficiency) of Revenues Over Expenditures	16,262	825	82,663	90,403
OTHER FINANCING SOURCES (USES)				
Transfers in			50,000	6,462
Transfers out			(25,000)	
Total Other Financing Sources (Uses)			25,000	6,462
Net change in fund balances	16,262	825	107,663	96,865
Fund Balances - Beginning	38,106	37,572	729,510	3,791
Change in Accounting Principle-GASB 84				
Fund balances - beginning as restated	38,106	37,572	729,510	3,791
Fund Balances - Ending	\$ 54,368	\$ 38,397	\$ 837,173	\$ 100,656

Continued

Noxious Weed Control	E-911 System	Economic Development Sales Tax	Prairie Dog Infrastructure	Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau
\$ 5,003	\$ -	\$ - 1,913,473	\$ -	\$ -	\$ - 5,595,899	\$ - 549,415
2,111	253 1,457,659	22,880	2,500,000	7,479 537,397		
406	28,241 7,552	103,413	9,736	6,033	18,979	1,471
<u>7,520</u>	<u>1,493,705</u>	<u>2,039,766</u>	<u>2,509,736</u>	<u>550,909</u>	<u>5,614,878</u>	<u>550,886</u>
5,263	808,943	1,768,780		1,696,643		599,415
	503,418	22,121		690		
	3,480					
<u>5,263</u>	<u>1,315,841</u>	<u>1,790,901</u>		<u>1,697,333</u>		<u>599,415</u>
<u>2,257</u>	<u>177,864</u>	<u>248,865</u>	<u>2,509,736</u>	<u>(1,146,424)</u>	<u>5,614,878</u>	<u>(48,529)</u>
	15,156 (253,018)	700,003 (100,000)		1,150,126	(4,777,000)	
	(237,862)	600,003		1,150,126	(4,777,000)	
2,257	(59,998)	848,868	2,509,736	3,702	837,878	(48,529)
17,392	1,433,235	5,920,761		483,804	846,024	80,578
<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>
<u>\$ 19,649</u>	<u>\$ 1,373,237</u>	<u>\$ 6,769,629</u>	<u>\$ 2,509,736</u>	<u>\$ 487,506</u>	<u>\$ 1,683,902</u>	<u>\$ 32,049</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, 2020
 With Comparative Totals for December 31, 2019

	Animal Control	Community Enhancement	Community Development	2020 Total	2019 Total
REVENUES					
Taxes:					
Property	\$ 110,747.00	\$ -	\$ -	\$ 3,985,118	\$ 3,764,575
Sales				7,509,372	7,721,420
Hotel/Motel/Airport Car Rental				549,415	999,838
Intergovernmental	2,811		411,319	7,857,680	3,561,198
Charges for services				2,241,775	2,218,905
Fines and forfeits				19,914	17,889
Interest	554	5	13,528	281,334	385,424
Miscellaneous	54,090		557	93,726	94,485
Total Revenues	168,202	5	425,404	22,538,334	18,763,734
EXPENDITURES					
Current:					
General government			704,372	3,989,033	3,436,328
Health & welfare				3,008,820	1,382,255
Public safety	164,500			3,059,196	3,471,299
Culture & recreation				2,370,694	2,318,146
Capital outlay				1,957,909	1,100,008
Debt service:					
Interest and fiscal charges				3,480	4,557
Total Expenditures	164,500		704,372	14,389,132	11,712,593
Excess (Deficiency) of Revenues Over Expenditures	3,702	5	(278,968)	8,149,202	7,051,141
OTHER FINANCING SOURCES (USES)					
Transfers in			479,033	3,736,173	2,660,533
Transfers out				(6,054,764)	(8,646,186)
Total Other Financing Sources (Uses)			479,033	(2,318,591)	(5,985,653)
Net change in fund balances	3,702	5	200,065	5,830,611	1,065,488
Fund Balances - Beginning	1,343	330	724,780	14,810,930	13,670,791
Change in Accounting Principle-GASB 84					74,651
Fund balances - beginning as restated	1,343	330	724,780	14,810,930	13,745,442
Fund Balances - Ending	\$ 5,045	\$ 335	\$ 924,845	\$ 20,641,541	\$ 14,810,930



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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

B-3

YEAR ENDED DECEMBER 31, 2020
 With Comparative Actual Totals for December 31, 2019

	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	\$ 114,631	\$ 110,744	\$ (3,887)	\$ 16,048	\$ 15,053	\$ (995)
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental	114,027	214,571	100,544	305	332	27
Charges for services						
Fines and forfeits						
Interest	5,525	3,675	(1,850)	14	88	74
Miscellaneous						
Total Revenues	<u>234,183</u>	<u>328,990</u>	<u>94,807</u>	<u>16,367</u>	<u>15,473</u>	<u>(894)</u>
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	30,196	30,196				
Culture & recreation				16,048	14,626	1,422
Capital outlay	105,329	105,329				
Debt service:						
Interest and fiscal charges						
Total Expenditures	<u>135,525</u>	<u>135,525</u>		<u>16,048</u>	<u>14,626</u>	<u>1,422</u>
Excess (Deficiency) of						
Revenues Over Expenditures	<u>98,658</u>	<u>193,465</u>	<u>94,807</u>	<u>319</u>	<u>847</u>	<u>528</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(303,888)	(303,888)				
Total Other Financing Sources (Uses)	<u>(303,888)</u>	<u>(303,888)</u>				
Net change in fund balances	(205,230)	(110,423)	94,807	319	847	528
Fund Balances - Beginning	192,658	192,658		1,975	1,975	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	<u>192,658</u>	<u>192,658</u>		<u>1,975</u>	<u>1,975</u>	
Fund Balances - Ending	<u>\$ (12,572)</u>	<u>\$ 82,235</u>	<u>\$ 94,807</u>	<u>\$ 2,294</u>	<u>\$ 2,822</u>	<u>\$ 528</u>

Continued

Public Building Fund			Library		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 838,527	\$ 849,125	\$ 10,598	\$ 2,077,114	\$ 2,004,342	\$ (72,772)
11,226	18,794	7,568	887,538 23,700	997,976 6,494	110,438 (17,206)
5,491	22,535	17,044	15,000 500	39,635 3,011	24,635 2,511
<u>855,244</u>	<u>890,454</u>	<u>35,210</u>	<u>3,003,852</u>	<u>3,051,458</u>	<u>47,606</u>
187,811	154,543	33,268			
384,528	37,571	346,957	2,759,029 267,500	2,301,971 166,594	457,058 100,906
<u>572,339</u>	<u>192,114</u>	<u>380,225</u>	<u>3,026,529</u>	<u>2,468,565</u>	<u>557,964</u>
<u>282,905</u>	<u>698,340</u>	<u>415,435</u>	<u>(22,677)</u>	<u>582,893</u>	<u>605,570</u>
24,222 (361,600)	24,222 (361,600)		22,677 (200,000)	22,677 (200,000)	
<u>(337,378)</u>	<u>(337,378)</u>		<u>(177,323)</u>	<u>(177,323)</u>	
(54,473)	360,962	415,435	(200,000)	405,570	605,570
789,160	789,160		1,503,599	1,503,599	
<u>789,160</u>	<u>789,160</u>		<u>1,503,599</u>	<u>1,503,599</u>	
<u>\$ 734,687</u>	<u>\$ 1,150,122</u>	<u>\$ 415,435</u>	<u>\$ 1,303,599</u>	<u>\$ 1,909,169</u>	<u>\$ 605,570</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, 2020
 With Comparative Actual Totals for December 31, 2019

	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				52,600	51,643	(957)
Charges for services						
Fines and forfeits						
Interest	15,000	16,719	1,719			
Miscellaneous						
Total Revenues	15,000	16,719	1,719	52,600	51,643	(957)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				52,600	51,643	957
Culture & recreation	61,320	4,178	57,142			
Capital outlay	830,000	790,399	39,601			
Debt service:						
Interest and fiscal charges						
Total Expenditures	891,320	794,577	96,743	52,600	51,643	957
Excess (Deficiency) of Revenues Over Expenditures	(876,320)	(777,858)	98,462			
Other Financing Sources (Uses):						
Transfers in	200,000	200,000				
Transfers out						
Total Other Financing Sources (Uses)	200,000	200,000				
Net change in fund balances	(676,320)	(577,858)	98,462			
Fund Balances - Beginning	1,422,691	1,422,691		73	73	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	1,422,691	1,422,691		73	73	
Fund Balances Ending	\$ 746,371	\$ 844,833	\$ 98,462	\$ 73	\$ 73	\$ -

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
553,804	496,017	(57,787)	3,488,553	3,081,231	(407,322)
			267,884	208,812	(59,072)
			5,658	5,658	
553,804	496,017	(57,787)	3,762,095	3,295,701	(466,394)
334,577	281,419	53,158	4,676,099	3,003,557	1,672,542
225,061	225,061		221,836	104,645	117,191
559,638	506,480	53,158	4,897,935	3,108,202	1,789,733
(5,834)	(10,463)	(4,629)	(1,135,840)	187,499	1,323,339
5,834	5,834		1,082,660	1,082,660	34,259
			(68,517)	(34,258)	
5,834	5,834		1,014,143	1,048,402	34,259
	(4,629)	(4,629)	(121,697)	1,235,901	1,357,598
121,600	121,600		460,977	460,977	
121,600	121,600		460,977	460,977	
\$ 121,600	\$ 116,971	\$ (4,629)	\$ 339,280	\$ 1,696,878	\$ 1,357,598

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, 2020
 With Comparative Actual Totals for December 31, 2019

	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	64,117	51,851	(12,266)			
Charges for services						
Fines and forfeits				19,913	19,914	1
Interest		(88)	(88)		519	519
Miscellaneous	25,815	22,858	(2,957)			
Total Revenues	89,932	74,621	(15,311)	19,913	20,433	520
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	29,057	21,681	7,376	19,913	4,171	15,742
Culture & recreation	55,175	49,919	5,256			
Capital outlay	5,700	2,081	3,619			
Debt service:						
Interest and fiscal charges						
Total Expenditures	89,932	73,681	16,251	19,913	4,171	15,742
Excess (Deficiency) of Revenues Over Expenditures		940	940		16,262	16,262
Other Financing Sources (Uses):						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
Net change in fund balances		940	940		16,262	16,262
Fund Balances - Beginning	971	971		38,106	38,106	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	971	971		38,106	38,106	
Fund Balances Ending	\$ 971	\$ 1,911	\$ 940	\$ 38,106	\$ 54,368	\$ 16,262

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)
\$ -	\$ -	\$ -	\$ 511,254	\$ 494,015	\$ (17,239)
			8,000	12,541	4,541
				8,533	8,533
	825	825	5,813	14,753	8,940
	825	825	525,067	529,842	4,775
			557,325	447,179	110,146
			557,325	447,179	110,146
	825	825	(32,258)	82,663	114,921
			(25,000)	50,000	50,000
			(25,000)	(25,000)	
			(25,000)	25,000	50,000
	825	825	(57,258)	107,663	164,921
37,572	37,572		729,510	729,510	
37,572	37,572		729,510	729,510	
<u>\$ 37,572</u>	<u>\$ 38,397</u>	<u>\$ 825</u>	<u>\$ 672,252</u>	<u>\$ 837,173</u>	<u>\$ 164,921</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, 2020
 With Comparative Actual Totals for December 31, 2019

	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	\$ 410,379	\$ 396,089	\$ (14,290)	\$ 4,585	\$ 5,003	\$ 418
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental	5,745	8,751	3,006		2,111	2,111
Charges for services						
Fines and forfeits						
Interest		307	307	118	406	288
Miscellaneous						
Total Revenues	<u>416,124</u>	<u>405,147</u>	<u>(10,977)</u>	<u>4,703</u>	<u>7,520</u>	<u>2,817</u>
Expenditures:						
Current:						
General government	422,586	314,744	107,842			
Health & welfare				5,625	5,263	362
Public safety						
Culture & recreation						
Capital outlay						
Debt service:						
Interest and fiscal charges						
Total Expenditures	<u>422,586</u>	<u>314,744</u>	<u>107,842</u>	<u>5,625</u>	<u>5,263</u>	<u>362</u>
Excess (Deficiency) of						
Revenues Over Expenditures	<u>(6,462)</u>	<u>90,403</u>	<u>96,865</u>	<u>(922)</u>	<u>2,257</u>	<u>3,179</u>
Other Financing Sources (Uses):						
Transfers in	6,462	6,462				
Transfers out						
Total Other Financing Sources (Uses)	<u>6,462</u>	<u>6,462</u>				
Net change in fund balances		96,865	96,865	(922)	2,257	3,179
Fund Balances - Beginning	3,791	3,791		17,392	17,392	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated	<u>3,791</u>	<u>3,791</u>		<u>17,392</u>	<u>17,392</u>	
Fund Balances Ending	<u>\$ 3,791</u>	<u>\$ 100,656</u>	<u>\$ 96,865</u>	<u>\$ 16,470</u>	<u>\$ 19,649</u>	<u>\$ 3,179</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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			1,786,451	1,913,473	127,022
7,753	253	(7,500)			
1,381,249	1,457,659	76,410	30,000	22,880	(7,120)
4,423	28,241	23,818	66,613	103,413	36,800
	7,552	7,552			
<u>1,393,425</u>	<u>1,493,705</u>	<u>100,280</u>	<u>1,883,064</u>	<u>2,039,766</u>	<u>156,702</u>
			1,980,979	1,768,780	212,199
1,003,207	808,943	194,264			
551,000	503,418	47,582	25,000	22,121	2,879
3,481	3,480	(1)			
<u>1,557,688</u>	<u>1,315,841</u>	<u>241,845</u>	<u>2,005,979</u>	<u>1,790,901</u>	<u>215,078</u>
<u>(164,263)</u>	<u>177,864</u>	<u>342,125</u>	<u>(122,915)</u>	<u>248,865</u>	<u>371,780</u>
15,156	15,156		359,141	700,003	340,862
<u>(289,508)</u>	<u>(253,018)</u>	<u>36,490</u>	<u>(978,919)</u>	<u>(100,000)</u>	<u>878,919</u>
<u>(274,352)</u>	<u>(237,862)</u>	<u>36,490</u>	<u>(619,778)</u>	<u>600,003</u>	<u>1,219,781</u>
(438,615)	(59,998)	378,615	(742,693)	848,868	1,591,561
1,433,235	1,433,235		5,920,761	5,920,761	
<u>1,433,235</u>	<u>1,433,235</u>		<u>5,920,761</u>	<u>5,920,761</u>	
<u>\$ 994,620</u>	<u>\$ 1,373,237</u>	<u>\$ 378,615</u>	<u>\$ 5,178,068</u>	<u>\$ 6,769,629</u>	<u>\$ 1,591,561</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, 2020
 With Comparative Actual Totals for December 31, 2019

	Prairie Dog Infrastructure			Public Service Answering Point		
	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	2,500,000	2,500,000		7,478	7,479	1
Charges for services				542,414	537,397	(5,017)
Fines and forfeits						
Interest		9,736	9,736	3,543	6,033	2,490
Miscellaneous						
Total Revenues	2,500,000	2,509,736	9,736	553,435	550,909	(2,526)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				1,782,205	1,696,643	85,562
Culture & recreation						
Capital outlay				2,690	690	2,000
Debt service:						
Interest and fiscal charges						
Total Expenditures				1,784,895	1,697,333	87,562
Excess (Deficiency) of						
Revenues Over Expenditures	2,500,000	2,509,736	9,736	(1,231,460)	(1,146,424)	85,036
Other Financing Sources (Uses):						
Transfers in				1,150,126	1,150,126	
Transfers out						
Total Other Financing Sources (Uses)				1,150,126	1,150,126	
Net change in fund balances	2,500,000	2,509,736	9,736	(81,334)	3,702	85,036
Fund Balances - Beginning				483,804	483,804	
Change in Accounting Principle-GASB 84						
Fund balances - beginning as restated				483,804	483,804	
Fund Balances Ending	\$ 2,500,000	\$ 2,509,736	\$ 9,736	\$ 402,470	\$ 487,506	\$ 85,036

Continued

Water and Street Sales Tax Fund			Convention & Visitors Bureau		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,825,000	5,595,899	770,899	930,000	549,415	(380,585)
	18,979	18,979		1,471	1,471
<u>4,825,000</u>	<u>5,614,878</u>	<u>789,878</u>	<u>930,000</u>	<u>550,886</u>	<u>(379,114)</u>
			930,000	599,415	330,585
48,000		48,000			
<u>48,000</u>		<u>48,000</u>	<u>930,000</u>	<u>599,415</u>	<u>330,585</u>
<u>4,777,000</u>	<u>5,614,878</u>	<u>837,878</u>		<u>(48,529)</u>	<u>(48,529)</u>
<u>(4,777,000)</u>	<u>(4,777,000)</u>				
<u>(4,777,000)</u>	<u>(4,777,000)</u>				
	837,878	837,878		(48,529)	(48,529)
846,024	846,024		80,578	80,578	
<u>846,024</u>	<u>846,024</u>		<u>80,578</u>	<u>80,578</u>	
<u>\$ 846,024</u>	<u>\$ 1,683,902</u>	<u>\$ 837,878</u>	<u>\$ 80,578</u>	<u>\$ 32,049</u>	<u>\$ (48,529)</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, 2020
 With Comparative Actual Totals for December 31, 2019

	Animal Control Fund			Community Enhancement		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property	\$ 114,631	\$ 110,747	\$ (3,884)	\$ -	\$ -	\$ -
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental	1,400	2,811	1,411			
Charges for services						
Fines and forfeits						
Interest		554	554		5	(5)
Miscellaneous	54,090	54,090				
Total Revenues	170,121	168,202	(1,919)		5	(5)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	168,000	164,500	3,500			
Culture & recreation						
Capital outlay						
Debt service:						
Interest and fiscal charges						
Total Expenditures	168,000	164,500	3,500			
Excess (Deficiency) of Revenues Over Expenditures	2,121	3,702	1,581		5	(5)
Other Financing Sources (Uses):						
Transfers in						
Transfers out						
Total Other Financing Sources (Uses)						
Net change in fund balances	2,121	3,702	1,581		5	(5)
Fund Balances - Beginning	1,343	1,343		330	330	
Change in Accounting Principle-GASB 8						
Fund balances - beginning as restated	1,343	1,343		330	330	
Fund Balances Ending	\$ 3,464	\$ 5,045	\$ 1,581	\$ 330	\$ 335	\$ (5)

Community Development			2020 Total			2019 Actual
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Total
\$ -	\$ -	\$ -	\$ 4,087,169	\$ 3,985,118	\$ (102,051)	\$ 3,764,575
			6,611,451	7,509,372	897,921	7,721,420
			930,000	549,415	(380,585)	999,838
547,422	411,319	(136,103)	8,249,968	7,857,680	(392,288)	3,561,198
			2,245,247	2,241,775	(3,472)	2,218,905
			19,913	19,914	1	17,889
16,000	13,528	(2,472)	137,540	281,334	143,794	385,424
	557	557	86,063	93,726	7,663	94,485
<u>563,422</u>	<u>425,404</u>	<u>(138,018)</u>	<u>22,367,351</u>	<u>22,538,334</u>	<u>170,983</u>	<u>18,763,734</u>
940,047	704,372	235,675	5,018,748	3,989,033	1,029,715	3,436,328
			4,681,724	3,008,820	1,672,904	1,382,255
			3,419,755	3,059,196	360,559	3,471,299
			2,891,572	2,370,694	520,878	2,318,146
			2,666,644	1,957,909	708,735	1,100,008
					-	
			3,481	3,480	1	4,557
<u>940,047</u>	<u>704,372</u>	<u>235,675</u>	<u>18,681,924</u>	<u>14,389,132</u>	<u>4,292,792</u>	<u>11,712,593</u>
<u>(376,625)</u>	<u>(278,968)</u>	<u>97,657</u>	<u>3,685,427</u>	<u>8,149,202</u>	<u>4,463,775</u>	<u>7,051,141</u>
4,042,730	479,033	(3,563,697)	6,909,008	3,736,173	(3,172,835)	2,660,533
			(7,004,432)	(6,054,764)	949,668	(8,646,186)
<u>4,042,730</u>	<u>479,033</u>	<u>(3,563,697)</u>	<u>(95,424)</u>	<u>(2,318,591)</u>	<u>(2,223,167)</u>	<u>(5,985,653)</u>
3,666,105	200,065	(3,466,040)	3,590,003	5,830,611	2,240,608	1,065,488
724,780	724,780		14,810,930	14,810,930	-	13,670,791
						74,651
<u>724,780</u>	<u>724,780</u>		<u>14,810,930</u>	<u>14,810,930</u>		<u>13,745,442</u>
<u>\$ 4,390,885</u>	<u>\$ 924,845</u>	<u>\$ (3,466,040)</u>	<u>\$ 18,400,933</u>	<u>\$ 20,641,541</u>	<u>\$ 2,240,608</u>	<u>\$ 14,810,930</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:

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:

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, 2020
 With Comparative Totals for December 31, 2019

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2020 Total	2019 Total
ASSETS					
Cash and cash equivalents	\$ 665,641	\$ 1,261,180	\$ 123,007	\$ 2,049,828	\$ 816,222
Investments					1,000,000
Accounts Receivable					
Taxes receivable:					
Property	15,174			15,174	23,430
Special assessments			1,654	1,654	1,349
Total Assets	\$ 680,815	\$ 1,261,180	\$ 124,661	\$ 2,066,656	\$ 1,841,001
LIABILITIES					
Accounts Payable	\$ -			\$ -	\$ 780
Advances from other funds	9,901			9,901	9,901
Total Liabilities	9,901			9,901	10,681
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	9,820			9,820	18,773
Unavailable revenue-special assessments			\$ 1,654	1,654	1,349
Total Deferred Inflows of Resources	9,820		1,654	11,474	20,122
FUND BALANCES					
Restricted	661,094	\$ 1,261,180	123,007	2,045,281	1,810,198
Total Fund Balances	661,094	1,261,180	123,007	2,045,281	1,810,198
Total liabilities, deferred inflows of resources and fund balance	\$ 680,815	\$ 1,261,180	\$ 124,661	\$ 2,066,656	\$ 1,841,001

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, 2020
 With Comparative Totals for December 31, 2019

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2020 Total	2019 Total
REVENUES					
Property taxes	\$ 468,333	\$ -	\$ -	\$ 468,333	\$ 827,972
Special assessments			52,059	52,059	5,830
Intergovernmental	12,266			12,266	21,406
Interest	14,287	16,912	2,542	33,741	64,860
Total Revenues	494,886	16,912	54,601	566,399	920,068
EXPENDITURES					
Contractual services					12,246
Debt Services:					
Interest & fiscal charges	88,450	99,100	466	188,016	273,805
Principal retirement	530,000	1,175,000		1,705,000	2,295,000
Total Expenditures	618,450	1,274,100	466	1,893,016	2,581,051
Excess (Deficiency) of Revenues Over Expenditures	(123,564)	(1,257,188)	54,135	(1,326,617)	(1,660,983)
OTHER FINANCING SOURCES (USES)					
Transfers in	1,297,204	1,275,100		2,572,304	1,947,225
Transfers out	(935,604)		(75,000)	(1,010,604)	(712,472)
Total Other Financing Sources (Uses)	361,600	1,275,100	(75,000)	1,561,700	1,234,753
Net change in fund balances	238,036	17,912	(20,865)	235,083	(426,230)
Fund Balances at Beginning of Year	423,058	1,243,268	143,872	1,810,198	2,236,428
Fund Balances at End of Year	\$ 661,094	\$ 1,261,180	\$ 123,007	\$ 2,045,281	\$ 1,810,198



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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, 2020
 With Comparative Totals for December 31, 2019

	<u>Bikeway Project</u>	<u>Flood Protection Capital Maintenance</u>	<u>Underpass/ Bridge Construction</u>	<u>Veteran's Memorial Park</u>
ASSETS				
Cash and cash equivalents	\$ 150,671	\$ 3,074,941	\$ 2,217,358	\$ 2,326
Investments				
Accounts receivable				41,030
Special assessments receivable		26,646		
Special assessments-uncertified		3,404,259		
Due from Other Funds		15,000		
	<u>150,671</u>	<u>6,520,846</u>	<u>2,217,358</u>	<u>43,356</u>
Total Assets	<u>\$ 150,671</u>	<u>\$ 6,520,846</u>	<u>\$ 2,217,358</u>	<u>\$ 43,356</u>
LIABILITIES				
Liabilities:				
Accounts payable	\$ -	\$ -	\$ -	\$ -
Contracts payable (including retainage)		16,203		22,708
Due to Other Funds				18,000
	<u>-</u>	<u>16,203</u>	<u>-</u>	<u>40,708</u>
Total Liabilities	<u>-</u>	<u>16,203</u>	<u>-</u>	<u>40,708</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments		3,430,905		
	<u>-</u>	<u>3,430,905</u>	<u>-</u>	<u>-</u>
Total Deferred Inflows of Resources	<u>-</u>	<u>3,430,905</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted		3,073,738		
Committed	150,671		2,217,358	2,648
	<u>150,671</u>	<u>3,073,738</u>	<u>2,217,358</u>	<u>2,648</u>
Total Fund Balances	<u>150,671</u>	<u>3,073,738</u>	<u>2,217,358</u>	<u>2,648</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 150,671</u>	<u>\$ 6,520,846</u>	<u>\$ 2,217,358</u>	<u>\$ 43,356</u>

<u>Capital Replacement Fund</u>	<u>Public Building Capital Projects</u>	<u>Nuisance Abatements</u>	<u>2020 Total</u>	<u>2019 Total</u>
\$ 2,398,244	\$ 376,694	\$ 101,234	\$ 8,321,468	\$ 1,922,966
			41,030	6,000,000
		7,557	34,203	18,839
		4,999	3,409,258	2,351,521
			15,000	-
<u>\$ 2,398,244</u>	<u>\$ 376,694</u>	<u>\$ 113,790</u>	<u>\$ 11,820,959</u>	<u>\$ 10,293,326</u>
\$ -	\$ -	\$ -	\$ -	\$ -
			38,911	
			18,000	
			56,911	
		12,556	3,443,461	2,370,360
		12,556	3,443,461	2,370,360
2,398,244	376,694	101,234	3,174,972	2,917,003
			5,145,615	5,005,963
<u>2,398,244</u>	<u>376,694</u>	<u>101,234</u>	<u>8,320,587</u>	<u>7,922,966</u>
<u>\$ 2,398,244</u>	<u>\$ 376,694</u>	<u>\$ 113,790</u>	<u>\$ 11,820,959</u>	<u>\$ 10,293,326</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, 2020
 With Comparative Totals for December 31, 2019

	Bikeway Projects	Flood Protection Capital Maintenance	Underpass/ Bridge Construction	Veteran's Memorial Park
REVENUES:				
Special assessments	\$ -	\$ 597,354	\$ -	\$ -
Intergovernmental				36,000
Sales Tax				
Misc				335,914
Interest	4,674	63,295	44,517	539
	<u>4,674</u>	<u>660,649</u>	<u>44,517</u>	<u>372,453</u>
Total Revenues				
EXPENDITURES				
Capital outlay:				
General government				
Public safety				
Public works	128,436	409,164		484,286
Debt Service:				
Principal retirement				
	<u>128,436</u>	<u>409,164</u>		<u>484,286</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	<u>(123,762)</u>	<u>251,485</u>	<u>44,517</u>	<u>(111,833)</u>
OTHER FINANCING SOURCES (USES):				
Sale of property				
Issuance of Capital Lease				
Transfers in		59,824	100,000	
Transfers out			(150,000)	
		<u>59,824</u>	<u>(50,000)</u>	
Total Other Financing Sources (Uses)				
Net change in fund balance	(123,762)	311,309	(5,483)	(111,833)
Fund Balances at Beginning of Year	<u>274,433</u>	<u>2,762,429</u>	<u>2,222,841</u>	<u>114,481</u>
Fund Balances at End of Year	<u>\$ 150,671</u>	<u>\$ 3,073,738</u>	<u>\$ 2,217,358</u>	<u>\$ 2,648</u>

Capital Replacement Fund	Public Building Capital Projects	Nuisance Abatements	2020 Total	2019 Total
\$ -	\$ -	\$ 29,120	\$ 626,474 36,000	\$ 344,350
25,644	7,964	520 2,445	336,434 149,078	225,878
<u>25,644</u>	<u>7,964</u>	<u>32,085</u>	<u>1,147,986</u>	<u>570,228</u>
962,053	35,568		35,568 962,053	
		10,425	1,032,311	1,059,797
<u>224,156</u>	<u></u>	<u></u>	<u>224,156</u>	<u>135,220</u>
<u>1,186,209</u>	<u>35,568</u>	<u>10,425</u>	<u>2,254,088</u>	<u>1,195,017</u>
<u>(1,160,565)</u>	<u>(27,604)</u>	<u>21,660</u>	<u>(1,106,102)</u>	<u>(624,789)</u>
6,000 407,578 1,155,321			6,000 407,578 1,315,145 (225,000)	861,513 (25,000)
<u>1,568,899</u>	<u></u>	<u>(75,000)</u>	<u>1,503,723</u>	<u>836,513</u>
408,334	(27,604)	(53,340)	397,621	211,724
<u>1,989,910</u>	<u>404,298</u>	<u>154,574</u>	<u>7,922,966</u>	<u>7,711,242</u>
<u>\$ 2,398,244</u>	<u>\$ 376,694</u>	<u>\$ 101,234</u>	<u>\$ 8,320,587</u>	<u>\$ 7,922,966</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
 DECEMBER 31, 2020
 With Comparative Totals for December 31, 2019

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	Public Transit	Dial-a-Ride
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 85,742	\$ 57,586
Restricted cash, cash equivalents, and investments:		
Customer deposits		1,416
Construction account		
Revenue bond current debt service account		
Receivables:		
Accounts	510,204	21,762
Taxes - property	27,381	5,741
Intergovernmental:		
Federal government	1,459,317	378,116
State of North Dakota	1,443,176	23,208
Inventories	119,494	
Prepaid items	38,735	31,088
Total Current Assets	<u>3,684,049</u>	<u>518,917</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	8,298,307	
Improvements other than buildings	679,663	
Machinery and equipment	7,867,329	967,464
Construction in progress	111,040	
Less accumulated depreciation	<u>(5,637,843)</u>	<u>(624,848)</u>
Total Capital Assets (net of accumulated depreciation)	<u>11,345,695</u>	<u>342,616</u>
Total Noncurrent Assets	<u>11,345,695</u>	<u>342,616</u>
Total Assets	<u>15,029,744</u>	<u>861,533</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	83,438	
Deferred Pension NDPERS	1,121,462	
Deferred OPEB NDPERS	14,410	
Total deferred outflow of resources	<u>1,219,310</u>	
LIABILITIES		
Current Liabilities:		
Accounts payable	59,505	28,363
Due to Other Funds	2,800,000	400,000
Customer Deposits		1,416
Contracts payable (Includes Retainage)	-	
Compensated absences payable-current	47,546	717
Accrued interest payable		
Bonds payable-current		
Total Current Liabilities	<u>2,907,051</u>	<u>430,496</u>
Noncurrent Liabilities:		
Compensated absences payable	165,572	39,730
Net Pension Liability Single Employer Plan	584,011	
Net Pension Liability NDPERS	1,809,576	
Net OPEB Liability NDPERS	90,068	
Revenue bonds payable		
Total Noncurrent Liabilities	<u>2,649,227</u>	<u>39,730</u>
Total Liabilities	<u>5,556,278</u>	<u>470,226</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	113,690	
Deferred Pension NDPERS	212,232	
Deferred OPEB NDPERS	2,412	
Total deferred inflow of resources	<u>328,334</u>	
NET POSITION		
Net investment in capital assets	11,345,695	342,616
Net position-restricted for:		
Debt Service		
Capital		
Net position-unrestricted	<u>(981,253)</u>	<u>48,691</u>
Total Net Position	<u>\$ 10,364,442</u>	<u>\$ 391,307</u>

Mosquito Control	Downtown Parking	2020 Total Non Major Enterprise Funds	2019 Total Non Major Enterprise Funds
\$ 413,705	\$ 56,081	\$ 613,114	\$ 647,756
		1,416	1,416
103,198	275,299	378,497	387,408
31,867		31,867	33,000
105,791	109,695	747,452	429,331
		33,122	32,718
		1,837,433	2,592,682
		1,466,384	1,126,087
		119,494	135,109
579	3,621	74,023	64,944
<u>655,140</u>	<u>444,696</u>	<u>5,302,802</u>	<u>5,450,451</u>
87,000		87,000	87,000
<u>87,000</u>		<u>87,000</u>	<u>87,000</u>
	333,627	360,826	360,826
1,398,792		9,697,099	4,090,953
77,499	3,090,165	3,847,327	3,847,327
893,476	99,636	9,827,905	8,088,763
		111,040	4,092,278
(1,177,596)	(1,325,048)	(8,765,335)	(7,865,030)
<u>1,192,171</u>	<u>2,198,380</u>	<u>15,078,862</u>	<u>12,615,117</u>
<u>1,279,171</u>	<u>2,198,380</u>	<u>15,165,862</u>	<u>12,702,117</u>
<u>1,934,311</u>	<u>2,643,076</u>	<u>20,468,664</u>	<u>18,152,568</u>
		83,438	235,605
		1,121,462	503,952
		14,410	21,419
		<u>1,219,310</u>	<u>760,976</u>
7,351	-	95,219	155,569
		3,200,000	3,300,000
		1,416	1,416
		-	252,024
3,211		51,474	11,205
3,533		3,533	4,100
85,000		85,000	85,000
<u>99,095</u>		<u>3,436,642</u>	<u>3,809,314</u>
77,265		282,567	312,143
		584,011	831,269
		1,809,576	787,554
		90,068	72,504
<u>448,290</u>		<u>448,290</u>	<u>533,871</u>
<u>525,555</u>		<u>3,214,512</u>	<u>2,537,341</u>
<u>624,650</u>	-	<u>6,651,154</u>	<u>6,346,655</u>
		113,690	47,607
		212,232	616,571
		2,412	4,937
		<u>328,334</u>	<u>669,115</u>
658,881	2,198,380	14,545,572	11,744,222
115,334		115,334	115,900
103,198	275,299	378,497	387,408
432,248	169,397	(330,917)	(349,756)
<u>\$ 1,309,661</u>	<u>\$ 2,643,076</u>	<u>\$ 14,708,486</u>	<u>\$ 11,897,774</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NON MAJOR PROPRIETARY FUNDS

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YEAR ENDED DECEMBER 31, 2020
 With Comparative Totals for December 31, 2019

	<u>Public Transit</u>	<u>Dial-A-Ride</u>	<u>Mosquito Control</u>
Operating Revenues:			
Charges for sales and services:			
Utility fees	\$ 948,541	\$ 100,343	\$ 1,107,653
Operating assessment			
Miscellaneous	739		
Total Operating Revenues	<u>949,280</u>	<u>100,343</u>	<u>1,107,653</u>
Operating Expenses:			
Salaries and wages	1,464,393	733,072	299,478
Supplies	42,148	3,597	352,886
Contractual services	204,465	39,884	110,885
Maintenance - structures and equipment	545,027	45,084	134,418
Sundry expenses	1,901	68	6,260
Utilities - heat and lights	34,434		10,901
Pension and social security	259,648	103,352	36,773
Administrative and general	367,958	129,075	42,128
Total Operating Expenses	<u>2,919,974</u>	<u>1,054,132</u>	<u>993,729</u>
Net Income (Loss) from Operations			
before Depreciation	(1,970,694)	(953,789)	113,924
Less - Depreciation	634,373	137,833	99,491
Net Operating Income (Loss)	<u>(2,605,067)</u>	<u>(1,091,622)</u>	<u>14,433</u>
Nonoperating Revenues (Expenses):			
Interest	(16,149)	(4,868)	11,113
Federal grants	1,492,478	593,510	
State grants	102,651	182,836	
General property taxes	1,049,029	220,037	
Personal property replacements	26,706	4,874	
Gain (loss) on capital assets	12,650		
Interest expense			(11,603)
Total Nonoperating Revenues (Expenses)	<u>2,667,365</u>	<u>996,389</u>	<u>(490)</u>
Income (Loss) Before Capital Contributions and Transfers	<u>62,298</u>	<u>(95,233)</u>	<u>13,943</u>
Capital Contributions and Transfers:			
Capital Contributions	3,048,445	4,710	
Transfers in	2,965		
Transfers Out	-		(5,050)
Total Capital Contributions and Transfers	<u>3,051,410</u>	<u>4,710</u>	<u>(5,050)</u>
Change in Net Position	3,113,708	(90,523)	8,893
Total Net Position-Beginning	<u>7,250,734</u>	<u>481,830</u>	<u>1,300,768</u>
Total Net Position-Ending	<u>\$ 10,364,442</u>	<u>\$ 391,307</u>	<u>\$ 1,309,661</u>

<u>Downtown Parking</u>	<u>2020 Total Non Major Enterprise Funds</u>	<u>2019 Total Non Major Enterprise Funds</u>
\$ 5,360	\$ 2,161,897	\$ 2,163,612
158,412	158,412	210,656
<u>163,772</u>	<u>739</u>	<u>1,425</u>
<u>22,794</u>	<u>2,321,048</u>	<u>2,375,693</u>
79	2,519,737	1,857,631
4,227	398,710	384,896
249,589	359,461	402,224
53,880	974,118	573,279
3,462	8,229	35,591
16,265	99,215	96,529
<u>350,296</u>	<u>403,235</u>	<u>502,354</u>
(186,524)	<u>555,426</u>	<u>1,397,019</u>
103,369	<u>5,318,131</u>	<u>5,249,523</u>
<u>(289,893)</u>	<u>(2,997,083)</u>	<u>(2,873,830)</u>
5,887	975,066	869,512
(284,006)	<u>(3,972,149)</u>	<u>(3,743,342)</u>
5,887	(4,017)	22,499
(284,006)	2,085,988	1,147,482
62,640	285,487	345,284
<u>62,640</u>	1,269,066	1,244,401
(221,366)	31,580	30,952
2,864,442	12,650	30,414
<u>\$ 2,643,076</u>	<u>(11,603)</u>	<u>(13,459)</u>
\$ 14,708,486	<u>3,669,151</u>	<u>2,807,573</u>
<u>\$ 11,897,774</u>	<u>(302,998)</u>	<u>(935,769)</u>
62,640	3,053,155	4,007,042
<u>62,640</u>	65,605	62,640
(221,366)	(5,050)	-
2,864,442	<u>3,113,710</u>	<u>4,069,682</u>
<u>\$ 2,643,076</u>	<u>2,810,712</u>	<u>3,133,913</u>
\$ 14,708,486	<u>11,897,774</u>	<u>8,763,861</u>
<u>\$ 11,897,774</u>	<u>\$ 14,708,486</u>	<u>\$ 11,897,774</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF CASH FLOWS
 NON MAJOR PROPRIETARY FUNDS
 Year Ended December 31, 2020
 With Comparative Totals for December 31, 2019

	Public Transit Fund	Dial A Ride Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 605,293	\$ 114,343
Payments to suppliers	(1,468,832)	(398,098)
Payments to employees	(1,455,236)	(710,333)
Payments for interfund services used	200,000	(300,000)
Net cash provided (used) by operating activities	<u>(2,118,775)</u>	<u>(1,294,088)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers from other funds	2,965	
Transfers to other funds		
Operating subsidies from federal grants	881,491	612,981
Operating subsidies from state grants	77,101	494,810
Operating subsidies from Taxes	1,075,405	224,837
Net cash provided (used) by non-capital financing activities	<u>2,036,962</u>	<u>1,332,628</u>
Cash Flows from Capital & Related Financing Activities		
Financing Activities:		
Proceeds of revenue bonds and notes		
Capital contributions	3,768,489	4,710
Purchases of capital assets	(3,659,675)	
Sale of Property	12,650	
Principal paid on capital debt		
Interest paid		
Net cash provided (used) by capital & related financing activities	<u>121,464</u>	<u>4,710</u>
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments		
Purchase of investments		
Interest and dividends	(16,149)	(4,868)
Net cash provided by investing activities	<u>(16,149)</u>	<u>(4,868)</u>
Net increase (decrease) in cash and cash equivalents	23,502	38,382
Cash and cash equivalents - beginning of the year	<u>62,240</u>	<u>20,620</u>
Cash and cash equivalents - end of the year	<u>\$ 85,742</u>	<u>\$ 59,002</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	<u>\$ (2,605,067)</u>	<u>\$ (1,091,622)</u>
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	634,373	137,833
(Increase) decrease in accounts receivable	(343,987)	14,000
(Increase) decrease in inventories	15,615	
(Increase) decrease in prepaid items	(6,569)	(\$2,527)
Increase (decrease) in customer deposits		
(Increase) decrease in deferred outflows	(458,334)	
Increase (decrease) in accounts payable	(2,101)	(60,046)
Increase (decrease) in compensated absences payable	(4,252)	8,274
Increase (decrease) in net pension liability	774,764	
Increase (decrease) in net OPEB liability	17,564	
Increase (decrease) in deferred inflows	(340,781)	
(Increase) decrease in due from other funds		
Increase (decrease) in due to other funds	200,000	(300,000)
Total Adjustments	<u>486,292</u>	<u>(202,466)</u>
Net cash provided (used) by operating activities	<u>\$ (2,118,775)</u>	<u>\$ (1,294,088)</u>
Noncash Investing, Capital and Financing Activities:		
Net (decrease) in fair value of investments	\$ -	\$ -
Contributed Capital		

Mosquito Control Fund	Downtown Parking	2020 Total Non-Major Enterprise Funds	2019 Total Non-Major Enterprise Funds
\$ 1,119,289	\$ 164,002	\$ 2,002,927	\$ 2,291,172
(694,159)	(327,517)	(2,888,606)	(3,665,374)
(291,070)	(22,794)	(2,479,433)	(1,824,232)
		(100,000)	3,300,000
<u>134,060</u>	<u>(186,309)</u>	<u>(3,465,112)</u>	<u>101,566</u>
	62,640	65,605	62,640
(5,050)		(5,050)	
		1,494,472	33,498
		571,911	300,048
		<u>1,300,242</u>	<u>1,264,618</u>
<u>(5,050)</u>	<u>62,640</u>	<u>3,427,180</u>	<u>1,660,804</u>
		3,773,199	2,599,753
(31,160)		(3,690,835)	(4,931,630)
(85,000)		12,650	30,414
(12,751)		(85,000)	(85,000)
		<u>(12,751)</u>	<u>(14,606)</u>
<u>(128,911)</u>		<u>(2,737)</u>	<u>(2,401,069)</u>
87,000		87,000	87,000
(87,000)		(87,000)	(87,000)
11,113	5,887	(4,017)	22,499
<u>11,113</u>	<u>5,887</u>	<u>(4,017)</u>	<u>22,499</u>
11,212	(117,782)	(44,686)	(616,200)
<u>537,558</u>	<u>449,162</u>	<u>1,069,580</u>	<u>1,685,780</u>
<u>\$ 548,770</u>	<u>\$ 331,380</u>	<u>\$ 1,024,894</u>	<u>\$ 1,069,580</u>
<u>\$ 14,433</u>	<u>\$ (289,893)</u>	<u>\$ (3,972,149)</u>	<u>\$ (3,743,342)</u>
99,491	103,369	975,066	869,512
11,636	230	(318,121)	(84,521)
		15,615	(47,800)
32	(15)	(9,079)	(27,363)
		(458,334)	(24,181)
1,797		(60,350)	(369,602)
6,671		10,693	23,586
		774,764	(287,819)
		17,564	6,240
		(340,781)	486,856
			50,000
		<u>(100,000)</u>	<u>3,250,000</u>
<u>119,627</u>	<u>103,584</u>	<u>507,037</u>	<u>3,844,908</u>
<u>\$ 134,060</u>	<u>\$ (186,309)</u>	<u>\$ (3,465,112)</u>	<u>\$ 101,566</u>
\$ 3,221	\$ 742	\$ 3,963	\$ 6,534



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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, 2020
 With Comparative Totals for December 31, 2019

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2020 Total	2019 Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 676,977	\$ 5,658	\$ 3,978	\$ 784,683	\$ 1,471,296	\$ 1,112,931
Accounts Receivable		143			143	143
Prepaid items				5,994	5,994	3,479
Inventories		109,669	11,052		120,721	115,321
Total current assets	676,977	115,470	15,030	790,677	1,598,154	1,231,874
Capital assets:						
Building and equipment, net of accumulated deprec.	799,497	86,325		4,520,196	5,406,018	5,274,351
Total assets	1,476,474	201,795	15,030	5,310,873	7,004,172	6,506,225
LIABILITIES						
Current liabilities:						
Accounts payable	27,489	-	-	1,317	28,806	26,064
Advances from other funds			14,000		14,000	14,000
Compensated absences		89,759		11,869	101,628	86,790
Total current liabilities	27,489	89,759	14,000	13,186	144,434	126,854
Total liabilities	27,489	89,759	14,000	13,186	144,434	126,854
NET POSITION						
Net investment in capital assets	799,497	86,325		4,520,196	5,406,018	5,274,351
Net position-unrestricted	649,488	25,711	1,030	777,491	1,453,720	1,105,020
Total net position	\$ 1,448,985	\$ 112,036	\$ 1,030	\$ 5,297,687	\$ 6,859,738	\$ 6,379,371

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, 2020
 With Comparative Totals for December 31, 2019

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2020 Total	2019 Total
Operating Revenues:						
Charges for services - internal	\$ 580,450	\$ 1,509,814	\$ 863	\$ 541,639	\$ 2,632,766	\$ 2,418,047
Total operating revenues	580,450	1,509,814	863	541,639	2,632,766	2,418,047
Operating expenses:						
Wages and Salaries		400,210		47,864	448,074	435,653
Supplies	1,762	804,627	(110)	15,963	822,242	788,560
Contractual services	20,752	106,545		2,323	129,620	119,911
Maintenance- structures & equip.	689,127	42,809		134,789	866,725	557,285
Sundry	-	-		315	315	5,132
Utilities		-		118,001	118,001	122,944
Pension and social security		65,956		5,489	71,445	96,869
Administrative and general	88,672	95,662		34,284	218,618	120,184
Depreciation	96,588	30,275		322,664	449,527	455,132
Total operating expenses	896,901	1,546,084	(110)	681,692	3,124,567	2,701,670
Operating income (loss)	(316,451)	(36,270)	973	(140,053)	(491,801)	(283,623)
Nonoperating revenues (expense)						
Earnings on investments	8,309		25	12,820	21,154	22,532
Intergovernmental		1,529		27,369	28,898	
Gain (loss) on disposal of capital assets	(153)				(153)	(208)
Total nonoperating revenues (expenses)	8,156	1,529	25	40,189	49,899	22,324
Income (loss) before contributions and transfers	(308,295)	(34,741)	998	(99,864)	(441,902)	(261,299)
Transfers in (out)	860,190	15,859	-	46,220	922,269	439,695
Change in net position	551,895	(18,882)	998	(53,644)	480,367	178,396
Total net position - beginning	897,090	130,918	32	5,351,331	6,379,371	6,200,975
Total net position - ending	\$ 1,448,985	\$ 112,036	\$ 1,030	\$ 5,297,687	\$ 6,859,738	\$ 6,379,371

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF CASH FLOWS
 INTERNAL SERVICE FUNDS

Year Ended December 31, 2020
 With Comparative Totals for December 31, 2019

	Computer Service Fund	Central Garage Fund
Cash Flows from Operating Activities:		
Payments to suppliers	\$ (772,824)	\$ (1,133,072)
Payments to employees		(388,935)
Internal activity-payments to/from other funds	580,450	1,509,814
	<u>(192,374)</u>	<u>(12,193)</u>
Net cash provided (used) by operating activities		
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds	(4,124)	
Transfers from other funds	864,314	15,859
Operating subsidies from federal grants		1,529
Net cash provided (used) by non-capital financing activities	<u>860,190</u>	<u>17,388</u>
Cash Flows from Capital & Related Financing Activities:		
Capital Contributions		
Acquisition of capital assets	<u>(513,124)</u>	
Net cash provided (used) by capital & related financing activities	<u>(513,124)</u>	
Cash Flows from Investing Activities:		
Interest and dividends	8,309	
	<u>8,309</u>	
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	163,001	5,195
Cash & cash equivalents - beginning of the year	<u>513,976</u>	<u>463</u>
Cash & cash equivalents - end of the year	<u>\$ 676,977</u>	<u>\$ 5,658</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	<u>\$ (316,451)</u>	<u>\$ (36,270)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	96,588	30,275
(Increase) decrease in accounts receivable		
(Increase) decrease in inventories		(4,944)
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable	27,489	(12,529)
Increase (decrease) in compensated absences payable		11,275
(Increase) decrease in due from other funds		
Increase (decrease) in due to other funds		
	<u>124,077</u>	<u>24,077</u>
Total Adjustments		
Net cash provided (used) by operating activities	<u>\$ (192,374)</u>	<u>\$ (12,193)</u>

Central Purchasing Fund	Public Works Facility Fund	Total 2020	Total 2019
\$ (476)	\$ (325,691)	\$ (2,232,063)	\$ (1,853,928)
	(44,377)	(433,312)	(453,830)
863	541,639	2,632,766	2,417,904
<u>387</u>	<u>171,571</u>	<u>(32,609)</u>	<u>110,146</u>
		(4,124)	(3,273)
	46,220	926,393	442,968
	1,105	2,634	
	<u>47,325</u>	<u>924,903</u>	<u>439,695</u>
	26,264	26,264	(105,843)
	<u>(68,223)</u>	<u>(581,347)</u>	
	<u>(41,959)</u>	<u>(555,083)</u>	<u>(105,843)</u>
25	12,820	21,154	22,532
<u>25</u>	<u>12,820</u>	<u>21,154</u>	<u>22,532</u>
412	189,757	358,365	466,530
<u>3,566</u>	<u>594,926</u>	<u>1,112,931</u>	<u>646,401</u>
<u>\$ 3,978</u>	<u>\$ 784,683</u>	<u>\$ 1,471,296</u>	<u>\$ 1,112,931</u>
<u>\$ 973</u>	<u>\$ (140,053)</u>	<u>\$ (491,801)</u>	<u>\$ (283,623)</u>
	322,664	449,527	455,132
(456)		(5,400)	(143)
	(2,515)	(2,515)	27,686
(130)	(12,088)	2,742	54,604
	3,563	14,838	(126,252)
			(17,258)
			5,000
			<u>(5,000)</u>
<u>(586)</u>	<u>311,624</u>	<u>459,192</u>	<u>393,769</u>
<u>\$ 387</u>	<u>\$ 171,571</u>	<u>\$ (32,609)</u>	<u>\$ 110,146</u>

FIDUCIARY FUNDS

Fiduciary Funds

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, 2020
 With Comparative Totals for December 31, 2019

	Pension Trust Fund 2020	Pension Trust Fund 2019
Additions:		
Contributions:		
Employer contributions	\$ 3,505,780	\$ 3,838,566
Employee contributions	286,825	322,264
Total contributions	<u>3,792,605</u>	<u>4,160,830</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	8,525,051	11,435,454
Net investment earnings	<u>8,525,051</u>	<u>11,435,454</u>
Total additions	<u>12,317,656</u>	<u>15,596,284</u>
Deductions:		
Benefits paid to participants	7,166,289	6,799,809
Expenses and fees	252,210	219,381
Total Deductions	<u>7,418,499</u>	<u>7,019,190</u>
Change in net position	4,899,157	8,577,094
Net position - beginning	<u>74,584,143</u>	<u>66,007,049</u>
Net position - ending	<u>\$ 79,483,300</u>	<u>\$ 74,584,143</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, 2020

Governmental Funds Capital Assets:

Land	\$ 39,103,115
Buildings	46,716,900
Improvements other than buildings	67,197,952
Machinery and equipment	27,440,024
Infrastructure	232,884,982
Construction in Progress	<u>624,526</u>
 Total Governmental Funds Capital Assets	 <u><u>\$ 413,967,499</u></u>

Investment in Governmental Funds Capital Assets by Source:

General obligation bonds and levies	\$ 168,593,254
Sales tax revenue bonds	19,235,000
Special Revenue Funds	61,217,733
General Fund Revenue	25,745,822
Contributions and donations from others	11,624,864
State Grants	60,951,028
Federal Grants	<u>66,599,798</u>
 Total Governmental Funds Capital Assets	 <u><u>\$ 413,967,499</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, 2020

Function and Activity	Total	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Construction In Progress
General Government:							
Mayor and Council	\$ 137,937	\$ -	\$ -	\$ -	\$ 137,937	\$ -	\$ -
Attorney					-		
Assessor	31,065				31,065		
Auditor and Accounting	42,781				42,781		
City Hall	5,232,848	113,525	4,352,503		731,252		35,568
Data Services	17,009				17,009		
Personnel	44,204				44,204		
Planning and Zoning	19,077				19,077		
Economic Development	7,386				7,386		
Total General Government	5,532,307	113,525	4,352,503	-	1,030,711	-	35,568
Health and Welfare							
Health	622,265		34,495		587,770		
Total Health and Welfare	622,265	-	34,495	-	587,770	-	-
Public Safety:							
Civil Preparedness	13,196		7,247		5,949		
Fire	13,526,415	545,004	6,256,446	44,192	6,648,251	32,522	
Municipal Court	585,868		537,540		48,328		
Police	10,793,964	38,000	2,770,224	239,017	7,515,170	231,553	
Public Safety Center	4,446,636		3,200,504	855,009	23,220	367,903	
Public Service Answering Point	320,205				320,205		
E-911	3,262,996		2,199,563		1,063,433		
Total Public Safety	32,949,280	583,004	14,971,524	1,138,218	15,624,556	631,978	-
Highways and Streets							
Engineer	1,200,071				1,200,071		
Street Department	8,192,431	39,334	544,133	17,577	7,591,387		
Street System	239,642,044	7,925,340		2,101,893	373,750	228,652,103	588,958
Total Highways and Streets	249,034,546	7,964,674	544,133	2,119,470	9,165,208	228,652,103	588,958
Culture and Recreation							
Historic Preservation							
Public Library	1,591,862		1,237,435	28,558	325,869		
Total Culture & Recreation	1,591,862	-	1,237,435	28,558	325,869	-	-
Cirrus Parking Lot							
Landscape Department	340,463			163,450	340,463		
Parking Facilities	2,536,105	2,514,958	20,000		1,147		
Public Buildings	28,221,866	7,387,133	20,488,124	117,297	229,312		
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	
Total Capital Assets	\$ 413,967,499	\$ 39,103,115	\$ 46,716,900	\$ 67,197,952	\$ 27,440,024	\$ 232,884,982	\$ 624,526

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 \$7,312,902 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, 2020

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 1/1/20</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets 12/31/20</u>
General Government:				
Mayor and Council	\$ 137,937			\$ 137,937
Attorney				
Assessor	31,065			31,065
Finance & Admin Services	42,781			42,781
City Hall	5,197,281	\$ 35,568		5,232,849
Information Services	17,009			17,009
Human Resources	35,945	8,258		44,203
Planning and Zoning	19,076			19,076
Economic Development	71,653		\$ 64,267	7,386
Total General Government	<u>5,552,748</u>	<u>43,826</u>	<u>64,267</u>	<u>5,532,307</u>
Health and Welfare				
Health	551,955	78,074	7,764	622,265
Total Health and Welfare	<u>551,955</u>	<u>78,074</u>	<u>7,764</u>	<u>622,265</u>
Public Safety:				
Civil Preparedness	13,196			13,196
Fire	13,313,715	541,200	328,500	13,526,415
Municipal Court	585,868			585,868
Police	10,440,214	543,881	190,131	10,793,964
Public Safety Center	4,439,534	7,102		4,446,636
Public Service Answering Point	320,205			320,205
E-911	2,753,751	509,245		3,262,996
Total Public Safety	<u>31,866,483</u>	<u>1,601,427</u>	<u>518,631</u>	<u>32,949,280</u>
Highways and Streets				
Engineering	1,193,869	14,037	7,835	1,200,071
Street Department	7,820,293	413,577	41,439	8,192,431
Street System	223,719,501	16,473,177	550,634	239,642,044
Total Highways and Streets	<u>232,733,663</u>	<u>16,900,791</u>	<u>599,908</u>	<u>249,034,546</u>
Culture and Recreation				
Historic Preservation				
Public Library	801,463	790,399		1,591,862
Total Culture & Recreation	<u>801,463</u>	<u>790,399</u>		<u>1,591,862</u>
Cirrus Parking Lot	163,450			163,450
Landscape Department	340,463			340,463
Parking Facilities	2,536,105			2,536,105
Public Buildings	28,190,653	31,213		28,221,866
Senior Citizens	1,607,292			1,607,292
Greenway	3,430,025			3,430,025
Permanent Flood Protection	87,938,038			87,938,038
Total Capital Assets	<u>\$ 395,712,338</u>	<u>\$ 19,445,730</u>	<u>\$ 1,190,570</u>	<u>\$ 413,967,499</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 as governmental activities in the statement of net position.

SUPPORTING SCHEDULES

CITY OF GRAND FORKS, NORTH DAKOTA
 SCHEDULE OF CASH EQUIVALENTS AND INVESTMENTS ⁽¹⁾
 BY FINANCIAL INSTITUTION
 December 31, 2020

Description	Date of Maturity	Balance December 31, 2020	Yield
Wells Fargo Bank, Grand Forks:			
Surety Account		\$ 82,275	0.010%
Bremer Bank, Grand Forks:			
Money Market Savings		68,775,619	0.162%
American Federal Bank, Grand Forks:			
Money Market Checking		6,241,821	0.550%
Choice Financial, Grand Forks:			
Business Savings		<u>5,788,526</u>	0.300%
Total Financial Institution Accounts		<u>80,888,241</u>	
US Bank:			
Federal Home Loan Mortgage Corp	10/25/21	2,308,390	2.023%
Federal Home Loan Mortgage Corp	12/1/21	1,851,413	2.213%
Federal National Mortgage	2/25/22	210,638	3.202%
Federal National Mortgage	5/1/22	2,492,336	2.041%
Federal National Mortgage	5/25/22	572,362	1.999%
Federal Home Loan Mortgage Corp	8/25/22	1,180,636	2.103%
Federal Home Loan Mortgage Corp	8/25/22	1,475,795	2.160%
Federal Home Loan Mortgage Corp	8/25/22	1,216,583	2.140%
Federal National Mortgage	9/1/22	93,709	1.327%
Federal National Mortgage	10/1/22	105,623	1.246%
Federal National Mortgage	12/1/22	3,085,590	2.826%
Various Banks - CD's	12/7/22	264,899	3.400%
Federal National Mortgage	12/25/22	355,263	2.321%
Federal Home Loan Mortgage Corp	1/25/23	2,074,600	2.803%
Federal Home Loan Mortgage Corp	2/1/23	3,155,970	2.962%
Federal Home Loan Mortgage Corp	2/25/23	2,643,775	2.870%
Federal National Mortgage	3/1/23	146,176	1.169%
Bremer Bank - CD	6/7/23	3,000,000	3.250%
Federal National Mortgage	7/1/23	198,094	1.533%
Bremer Bank - CD	7/3/23	335,000	3.250%
Federal Home Loan Mortgage Corp	7/15/23	835,973	1.849%
Federal Home Loan Mortgage Corp	7/25/23	3,224,550	3.030%
Various Banks - CD's	Nov-23	1,887,561	3.560%
Federal National Mortgage	Apr-24	1,473,692	2.521%
Federal Home Loan Mortgage Corp	9/25/24	2,364,522	1.975%
Federal Home Loan Bank	5/25/25	2,011,581	0.695%
Federal National Mortgage	7/25/25	2,409,192	3.022%
Federal National Mortgage	5/1/26	1,591,263	2.400%
Federal National Mortgage	5/1/26	1,405,443	2.520%
Federal Home Loan Mortgage Corp	2/15/27	602,998	3.199%
Federal National Mortgage	5/1/27	506,492	1.791%
Federal National Mortgage	10/1/27	366,565	2.972%
Federal National Mortgage	8/1/33	<u>1,876,951</u>	3.005%
Total Investments US Bank		47,323,633	
Total Investments		47,323,633	
Cash on Hand and In Checking		17,364,077	0.01%
Alerus Center Cash		<u>2,977,337</u>	
TOTAL CASH AND INVESTMENTS		<u>\$ 148,553,288</u>	

(1) Does not include \$79,483,300 cash in Employee's Retirement System

CITY OF GRAND FORKS, NORTH DAKOTA

SUMMARY OF DEBT STATISTICS

DECEMBER 31, 2020

Market Value of Taxable Property - 2020	<u>\$ 4,945,433,680</u>
Assessed Valuation - 2020	<u>2,472,716,840</u>
Direct Debt	
Debt Supported by Special Assessments	91,534,221
Debt Supported by Sales Tax Revenue	1,185,095
General Obligation Debt	2,441,125
Capital Lease Debt	<u>727,361</u>
Total Direct Debt	95,887,802
Overlapping Debt	<u>41,322,413</u>
 Total Direct and Overlapping Debt	 <u><u>\$ 137,210,215</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	\$ 95,887,802	\$ 1,572	1.94%	3.88%
Overlapping Debt	<u>41,322,413</u>	<u>677</u>	<u>0.84%</u>	<u>1.67%</u>
Totals	<u><u>\$ 137,210,215</u></u>	<u><u>\$ 2,249</u></u>	<u><u>2.77%</u></u>	<u><u>5.55%</u></u>

NOTES: (1) 2020 MPO Census Population Estimate 61,000

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT STATEMENT

December 31, 2020

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>General Obligation Bonds:</u>			
2011 "E" GO Refunding Bonds - Dike*	\$ 495,000	\$ 18,345	\$ 476,655
2016 "C" GO Refunding Bonds*****	<u>1,795,000</u>	<u>13,200</u>	<u>1,781,800</u>
Net Liability General Obligation Bonds	<u>2,290,000</u>	<u>31,545</u>	<u>2,258,455</u>
<u>Revenue Bonds:</u>			
2001 "D" SRL WWTP - phase 2	865,000	1,238,346	(373,346)
2002 "C" SRL WWTP - phase 3	435,000	627,218	(192,218)
2005 "E" SRL BioSolids Mgmt Project	1,340,000	407,353	932,647
2009 "B" Sewer Reserve Revenue and Refunding Bond	1,245,000	422,050	822,950
2011 "D" Sewer Reserve Revenue Bond	1,600,000	252,930	1,347,070
2012 "B" Water Reserve Revenue Bond	2,515,000	344,227	2,170,773
2015 "A" Sanitation Reserve Revenue Refunding Bond****	6,410,000	288,082	6,121,918
2015 "C" Sewer Reserve Revenue Bonds	2,080,000	231,260	1,848,740
2016 "B" Sanitation Reserve Revenue Bonds	730,000	587,177	142,823
2016 "D" Mosquito Control Reserve Refunding Bonds*****	530,000	121,026	408,974
2016 Wastewater Revenue Loan - Bank of North Dakota (Loan #1)	2,331,985	163,524	2,168,461
2016 Wastewater Rev & Sales Tax Loan-Bank of N. Dakota (Loan #3)	6,316,998	321,094	5,995,904
2017 "A" Water Utility Reserve Revenue Bond	64,670,000	2,664,722	62,005,278
2018 "A" Wastewater Revenue Loan - Bank of North Dakota	8,550,000	495,330	8,054,670
2019 "A" Wastewater Revenue Loan - Bank of North Dakota	1,193,485	82,870	1,110,615
2019 "C" Sanitation Reserve Revenue Bonds	<u>3,820,000</u>	<u>406,222</u>	<u>3,413,778</u>
Net Liability Revenue Bonds	<u>104,632,468</u>	<u>8,653,429</u>	<u>95,979,039</u>
<u>Sales Tax Revenue Bonds:</u>			
2011 "A" Sales Tax Reserve Revenue Refunding Bond - Dike**	430,000	482,588	(52,588)
2011 "F" Sales Tax Reserve Revenue Refunding Bond - Dike***	695,000	780,570	(85,570)
2015 "D" Sales Tax Revenue Refunding Bond*****	<u>29,100,000</u>	<u>17,316,219</u>	<u>11,783,781</u>
Net Liability Sales Tax Revenue Bonds	<u>30,225,000</u>	<u>18,579,377</u>	<u>11,645,623</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, 2020

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>Refunding Improvement Bonds:</u>			
2002 "A" SRL Water Reclamation Phase 1	\$ 105,000	\$ 51,075	\$ 53,925
2002 "B" SRL Water Reclamation Phase 2	130,000	141,459	(11,459)
2006 "C" Refunding Improvement Bond	480,000	85,313	394,687
2007 "D" Refunding Improvement Bond	1,085,000	14,157	1,070,843
2008 "D" Refunding Improvement Bond	165,000	176,040	(11,040)
2009 "C" Refunding Improvement Refunding Bond	320,000	4,574,470	(4,254,470)
2009 "E" Refunding Improvement Bond	980,000	403,308	576,692
2011 "B" Refunding Improvement Refunding Bond*	430,000	1,938,001	(1,508,001)
2011 "C" Refunding Improvement Bond	2,800,000	1,570,256	1,229,744
2012 "A" Refunding Improvement Refunding Bond**	2,100,000	1,335,307	764,693
2013 "A" Refunding Improvement Refunding Bond	6,080,000	2,636,863	3,443,137
2014 "A" Refunding Improvement Bond	7,365,000	2,382,674	4,982,326
2015 "B" Refunding Improvement Bond	5,240,000	1,714,462	3,525,538
2016 "A" Refunding Improvement Bond	5,040,000	(100,643)	5,140,643
2016 Bank of North Dakota Special Assessment Loan (Loan #2)	4,467,618	(489,097)	4,956,715
2017 "B" Refunding Improvement Bond	10,555,000	510,499	10,044,501
2018 "B" Refunding Improvement Bond	12,155,000	1,372,984	10,782,016
2019 "B" Refunding Improvement Bond	22,160,000	(661,681)	22,821,681
2020 "A" Refunding Improvement Bond	4,190,000	112,938	4,077,062
2020 "B" Refunding Improvement Refunding Bond	<u>1,430,000</u>	<u>179,567</u>	<u>1,250,433</u>
Net Liability Refunding Improvement Bonds	<u>87,277,618</u>	<u>17,947,951</u>	<u>69,329,667</u>
Net Liability All Funds	<u>\$ 224,425,086</u>	<u>\$ 45,212,303</u>	<u>\$ 179,212,783</u>

*2011B Crossover Refunding of 2003A

**2012A Refunding Improvement Bond & Refunding of 2002F & 2003B

CITY OF GRAND FORKS, NORTH DAKOTA

SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

As of December 31, 2020

Year	General Obligation & Tax Incr.	Revenue Bonds	Sales Tax Revenue Bonds	Refunding Improvement Bonds	Total Requirement
2021	\$ 619,550	\$ 7,376,982	\$ 5,194,750	\$ 8,590,273	\$ 21,781,555
2022	616,200	5,306,134	4,019,850	7,373,610	17,315,794
2023	352,600	5,331,109	4,016,100	7,684,947	17,384,756
2024	355,400	5,336,146	4,015,600	7,235,069	16,942,215
2025	352,600	5,351,790	4,012,850	6,806,407	16,523,647
2026	244,400	5,076,040	4,012,600	6,563,982	15,897,022
2027	-	4,990,272	4,014,350	6,284,532	15,289,154
2028	-	5,008,096	4,017,600	5,898,942	14,924,638
2029	-	5,023,096	4,011,850	5,658,777	14,693,723
2030	-	4,852,471	-	5,434,606	10,287,077
2031	-	4,866,471	-	5,129,592	9,996,064
2032	-	4,703,321	-	4,979,305	9,682,626
2033	-	4,469,978	-	4,641,762	9,111,740
2034	-	4,481,758	-	4,348,968	8,830,726
2035	-	4,483,633	-	3,845,656	8,329,289
2036	-	4,318,535	-	3,391,756	7,710,291
2037	-	4,337,592	-	3,070,680	7,408,272
2038	-	4,359,437	-	2,996,093	7,355,530
2039	-	4,364,764	-	2,911,731	7,276,495
2040	-	3,923,826	-	2,827,243	6,751,070
2041	-	3,691,145	-	2,738,212	6,429,358
2042	-	3,698,995	-	2,613,244	6,312,239
2043	-	3,716,095	-	2,405,000	6,121,095
2044	-	3,732,295	-	2,166,175	5,898,470
2045	-	3,742,595	-	1,908,075	5,650,670
2046	-	3,642,625	-	652,337	4,294,962
2047	-	3,342,175	-	291,200	3,633,375
2048	-	3,359,775	-	-	3,359,775
2049	-	3,458,203	-	-	3,458,203
2050	-	3,751,242	-	-	3,751,242
	<u>\$ 2,540,750</u>	<u>\$ 134,096,600</u>	<u>\$ 37,315,550</u>	<u>\$ 118,448,175</u>	<u>\$ 292,401,075</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 DEBT SERVICE REQUIREMENT TO MATURITY
 GENERAL OBLIGATION AND TAX INCREMENT BONDS

December 31, 2020

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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>\$ 2,290,000</u>	<u>\$ 250,750</u>	<u>\$ 2,540,750</u>

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS

December 31, 2020

Year	Principal	Interest	Total Requirement
2021	\$ 5,433,901	\$ 1,943,081	\$ 7,376,982
2022	3,480,624	1,825,510	5,306,134
2023	3,575,936	1,755,173	5,331,109
2024	3,656,355	1,679,791	5,336,146
2025	3,746,882	1,604,908	5,351,790
2026	3,552,520	1,523,520	5,076,040
2027	3,538,270	1,452,001	4,990,272
2028	3,629,136	1,378,961	5,008,096
2029	3,720,118	1,302,978	5,023,096
2030	3,626,221	1,226,251	4,852,471
2031	3,712,445	1,154,026	4,866,471
2032	3,623,794	1,079,527	4,703,321
2033	3,460,270	1,009,708	4,469,978
2034	3,536,875	944,882	4,481,758
2035	3,603,613	880,020	4,483,633
2036	3,505,485	813,050	4,318,535
2037	3,587,495	750,097	4,337,592
2038	3,674,645	684,792	4,359,437
2039	3,746,938	617,826	4,364,764
2040	3,374,376	549,450	3,923,826
2041	3,196,964	494,181	3,691,145
2042	3,254,703	444,292	3,698,995
2043	3,322,597	393,498	3,716,095
2044	3,390,649	341,646	3,732,295
2045	3,453,862	288,733	3,742,595
2046	3,407,794	234,831	3,642,625
2047	3,160,000	182,175	3,342,175
2048	3,225,000	134,775	3,359,775
2049	2,885,000	573,203	3,458,203
2050	2,875,000	876,243	3,751,243
	<u>\$ 105,957,468</u>	<u>\$ 28,139,131</u>	<u>\$ 134,096,600</u>

Repayment schedule based upon Water Treatment Plant Loan through Bank of North Dakota fully drawn upon. As of 12/31/20, only \$64,675,000 of \$66,000,000 limit drawn on.

CITY OF GRAND FORKS, NORTH DAKOTA
 DEBT SERVICE REQUIREMENTS TO MATURITY
 SALES TAX REVENUE BONDS

December 31, 2020

Year	<u>Governmental Activities</u>		<u>Business-type Activities</u>		Total <u>Requirement</u>
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	
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>\$ 1,125,000</u>	<u>\$ 47,650</u>	<u>\$ 29,100,000</u>	<u>\$ 7,042,900</u>	<u>\$37,315,550</u>

CITY OF GRAND FORKS, NORTH DAKOTA
DEBT SERVICE REQUIREMENTS TO MATURITY
REFUNDING IMPROVEMENT BONDS

December 31, 2020

Year	Principal	Interest	Total Requirement
2021	\$ 5,587,685	\$ 3,002,588	\$ 8,590,273
2022	4,575,339	2,798,271	7,373,610
2023	5,063,045	2,621,902	7,684,947
2024	4,800,806	2,434,263	7,235,069
2025	4,553,622	2,252,785	6,806,407
2026	4,486,495	2,077,487	6,563,982
2027	4,379,425	1,905,108	6,284,532
2028	4,152,413	1,746,529	5,898,942
2029	4,065,461	1,593,316	5,658,777
2030	3,993,571	1,441,035	5,434,606
2031	3,841,742	1,287,850	5,129,592
2032	3,814,977	1,164,328	4,979,305
2033	3,598,276	1,043,486	4,641,762
2034	3,416,642	932,326	4,348,968
2035	3,020,075	825,581	3,845,656
2036	2,658,576	733,180	3,391,756
2037	2,417,148	653,533	3,070,680
2038	2,415,791	580,303	2,996,093
2039	2,404,507	507,225	2,911,731
2040	2,393,297	433,947	2,827,243
2041	2,377,163	361,050	2,738,212
2042	2,326,106	287,138	2,613,244
2043	2,190,128	214,872	2,405,000
2044	2,019,231	146,944	2,166,175
2045	1,823,415	84,659	1,908,075
2046	622,684	29,654	652,337
2047	<u>280,000</u>	<u>11,200</u>	<u>291,200</u>
	<u>\$ 87,277,618</u>	<u>\$ 31,170,557</u>	<u>\$ 118,448,175</u>



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Summary of Individual Bonds as of December 31, 2020

General Obligation Bonds :

\$2,260,000 2011 "E" GO Dike Refunding Bonds, Flood Control Project; annual installments of \$205,000 to \$250,000 through December 1, 2022; interest at 2.0 percent to 3.0 percent	\$ 495,000
\$2,375,000 2016 "C" GO Refunding Bonds, Public Safety Training Center Construction; annual installments of \$80,000 to \$330,000 through December 1, 2026; interest at 2.0 percent to 4.0 percent	<u>1,795,000</u>
Total General Obligation Bonds	<u>\$ 2,290,000</u>

Revenue Bonds :

2001 "D" SRF Loan Wastewater Treatment Plant Construction - Phase 2; annual installments of \$84,694 to \$107,625 through September 1, 2021; interest and admin at 3.0 percent	\$ 865,000
2002 "C" SRF Loan Wastewater Treatment Plant Construction - Phase 3; annual installments of \$133,250 to \$152,700 through September 1, 2021; interest and admin at 3.0 percent	435,000
2005 "E" SRF Loan BioSolids Construction; annual installments of \$233,889 to \$290,625 through September 1, 2025; interest and admin at 3.0 percent	1,340,000
\$3,705,000 2009 "B" Sewer Reserve Revenue and Refunding Bonds, Pump Station and Forcemain Construction; annual installments of \$110,000 to \$265,000 through Sept 1, 2029; interest at 2.0 percent to 4.0 percent	1,245,000
\$2,645,000 2011 "D" Sewer Reserve Revenue Bonds, Forcemain Projects; annual installments of \$110,000 to \$170,000 through Sept 1, 2031; interest at 2.0 percent to 3.75 percent	1,600,000
\$3,880,000 2012 "B" Water Reserve Revenue Bonds, Upgrade Water Residual Pond; annual installments of \$175,000 to \$240,000 through Sept 1, 2032; interest at 2.0 percent to 2.75 percent	2,515,000
\$7,705,000 2015 "A" Sanitation Reserve Revenue Refunding Bonds, New Landfill Construction; annual installments of \$150,000 to \$435,000 through Sept 1, 2039; interest at 2.125 percent to 4.0 percent	6,410,000
\$2,640,000 2015 "C" Sewer Reserve Revenue Bonds, Lift Station Construction; annual installments of \$105,000 to \$170,000 through Sept 1, 2035; interest at 2.0 percent to 4.00 percent	2,080,000
\$3,535,000 2016 "B" Sanitation Reserve Revenue Bonds, Landfill Cell B Construction; annual installments of \$690,000 to \$730,000 through Sept 1, 2021; interest at 2.0 percent	730,000
\$870,000 2016 "D" Mosquito Control Reserve Revenue Bonds, Mosquito Control Building Construction; annual installments of \$85,000 to \$90,000 through Sept 1, 2026; interest at 2.0 percent	530,000
\$2,670,000 2016 Bank of North Dakota Wastewater Revenue Loan #1, Rehab Lift Station #17 and Bypass Forcemain; annual installments of \$65,954 to \$115,410 through Sept 1, 2045; interest at 2.0 percent	2,331,985
\$6,527,656 2016 Bank of North Dakota Wastewater Revenue Loan #3, Various Lift Station and Forcemain Projects; annual installments of \$129,350 to \$226,893 through Sept 1, 2046; interest at 2.0 percent	6,316,998

\$66,000,000 2017A SRF Loan, Water Treatment Plant Construction; Annual installments of \$5,000 to \$2,875,000 through September of 2050; Interest at 2.0%;	64,670,000
\$9,000,000 2018 "A" Bank of North Dakota Wastewater SRF Loan, Wastewater Treatment Plant Improvements; Annual installments of \$225,000 to \$390,000 through September, 2048; Interest at 2%;	8,550,000
\$1,228,485 2019 "A" Bank of North Dakota Wastewater SRF Loan, Wastewater Treatment Plant Improvements; Annual installments of \$50,688 to \$65,975 through September, 2049; Interest at 2%;	1,193,485
\$3,820,000 2019 "C" Sanitation Reserve Revenue Bonds, Landfill Scale Facility Improvements; 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	<u>3,820,000</u>
Total Revenue Bonds	<u>\$ 104,632,468</u>

Sales Tax Revenue Bonds:

\$3,860,000 2011 "A" Sales Tax Reserve Revenue Refunding Bonds, Flood Control Project; annual installments of \$350,000 to \$430,000 through December 1, 2021; interest at 2.0 percent to 3.0 percent	\$ 430,000
\$6,830,000 2011 "F" Sales Tax Reserve Revenue Refunding Bonds, Flood Control Project; annual installments of \$515,000 to \$760,000 through September 1, 2021; interest at 3.0 percent to 5.0 percent	695,000
\$40,380,000 2015 "D" Sales Tax Reserve Revenue Refunding Bonds, Alerus Center Construction; annual installments of \$1,900,000 to \$3,895,000 through December 1, 2029; interest at 3.0 percent to 5.0 percent	<u>29,100,000</u>
Total Sales Tax Revenue Bonds	<u>\$ 30,225,000</u>

Special Assessment Bonds:

2002 "A" SRF Loan, Water Reclamation Facility Construction - Phase 1; annual installments of \$84,694 to \$107,625, through September 1, 2021; interest and admin at 3 percent	\$ 105,000
2002 "B" SRF Loan, Water Reclamation Facility Construction - Phase 2; annual installments of \$133,250 to \$152,700 through September 1, 2021; interest and admin at 3 percent	130,000
\$7,320,000 2006 "C" Refunding Improvement bonds, Various Special Assessment Projects; annual installments of \$120,000 to \$395,000 through December 1, 2022; interest at 3.75 percent to 4.25 percent	480,000
\$6,210,000 2007 "D" Refunding Improvement bonds, Various Special Assessment Projects; annual installments of \$115,000 to \$400,000 through December 1, 2024; interest at 4.0 percent to 4.4 percent	1,085,000
\$3,410,000 2008 "D" Refunding Improvement bonds, Various Special Assessment Projects; annual installments of \$95,000 to \$275,000 through December 1, 2021; interest at 4.0 percent to 5.0 percent	165,000
\$7,560,000 2009 "C" Refunding Improvement Refunding bonds, Various Special Assessment Projects; annual installments of \$320,000 to \$925,000 through December 1, 2021; interest at 2.0 percent to 5.0 percent	320,000
\$2,200,000 2009 "E" Refunding Improvement bonds, Various Special Assessment Projects; annual installments of \$90,000 to \$140,000 through December 1, 2030; interest at 2.25 percent to 4.20 percent	980,000

\$2,830,000 2011 "B" Refunding Improvement Refunding bonds, Various Special Assessment Projects; annual installments of \$115,000 to \$400,000 through December 1, 2023; interest at 2.0 percent to 3.125 percent	430,000
\$5,695,000 2011 "C" Refunding Improvement bonds, Various Special Assessment Projects; annual installments of \$195,000 to \$410,000 through December 1, 2032; interest at 2.0 percent to 3.75 percent	2,800,000
\$5,290,000 2012 "A" Refunding Improvement Refunding bonds, Various Special Assessment Projects; annual installments of \$100,000 to \$475,000 through December 1, 2033; interest at 2.0 percent to 3.00 percent	2,100,000
\$9,360,000 2013 "A" Refunding Improvement Bond, Various Special Assessment Projects; annual installments of \$310,000 to \$565,000 through December 1, 2034; interest at 2.25 to 4.0 percent	6,080,000
\$10,415,000 2014 "A" Refunding Improvement Bond, Various Special Assessment Projects; annual installments of \$345,000 to \$640,000 through December 1, 2035; interest at 2.00 to 3.6 percent	7,365,000
\$7,250,000 2015 "B" Refunding Improvement Bond, Various Special Assessment Projects; annual installments of \$240,000 to \$510,000 through December 1, 2036; interest at 2.25 to 3.375 percent	5,240,000
\$6,180,000 2016 "A" Refunding Improvement Bond, Various Special Assessment Projects; annual installments of \$50,000 to \$370,000 through December 1, 2042; interest ranging from 2.0 to 3.125 percent	5,040,000
\$5,334,989 2016 Bank of North Dakota Special Assessment Loan #2, Various Special Assessment Projects; 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	4,467,618
\$10,555,000 2017 "B" Refunding Improvement Bond, Various Special Assessment Projects; 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, Various Special Assessment Projects; 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, Various Special Assessment Projects; 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
\$4,190,000 2020 "A" Refunding Improvement Bonds, Various Special Assessment Projects; annual installments of \$120,000 to \$195,000 beginning in December 2022 through December 2046; interest at 2.0 to 5.0 percent	4,190,000
\$1,430,000 2020 "B" Refunding Improvement Refunding Bonds, Various Special Assessment Projects; annual installments of \$195,000 to \$210,000 beginning December 2021 through December of 2027; interest of 4.0 percent	1,430,000
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Total Special Assessment Bonds	\$ 87,277,618



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CITY OF GRAND FORKS, NORTH DAKOTA

SCHEDULE OF INSURANCE IN FORCE

December 31, 2020

<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	FT-1971-01	07/01/20	07/01/21
Buildings and Contents-Leased Properties State Fire and Tornado Fund	FT-2523-01	07/01/20	07/01/21
Boiler and Machinery Chubb Group of Insurance Co.	7641-45-41 WUC	02/07/20	02/07/21
Public Officials Error and Omissions Auto Liability and Comp. General North Dakota Insurance Reserve Fund	GL-440-34 & BA224-34	01/01/20	01/01/21
Equipment Floater North Dakota Insurance Reserve Fund	IM0591-28	01/01/20	01/01/21
Public Employee Blanket Bond North Dakota Bonding Fund	Bond #2634	Continuous	
Workers Compensation (Minnesota) Acuity	MN COMP X97083	5/16/2020	5/16/2021
Workers Compensation (North Dakota)	48710	1/1/2020	12/31/20
Flood Insurance Vaaler Ins./ American Banker's Insurance Company/Selective Insurance Co. of America 80 policies	Various	4/1/2020	04/01/21
Alerus Center Traveler's / Vaaler Ins.	P-630-3F694973-TIL-20	1/1/2020	01/01/21
Employee Health Insurance BC/BS of North Dakota	10442519	1/1/2020	12/31/20

* 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	\$ 188,094
Blanket real and personal property	90%	Replacement value	53,361
Boiler and Machinery		\$75,000,000	28,316
General Liability/Auto Fleet and Public Officials Errors and Omissions		\$5,000,000 per occurrence	576,628
Equipment Floater Robberies inside & outside premises and safe burglary		\$10,191,153 \$622,000	29,353
Blanket Public Employee Bonding		\$2,000,000	- 0 -
Bodily injury		\$100,000 / \$100,000 / \$500,000	5,733
Bodily Injury	\$250		202,882
Flood insurance		\$5,000 / \$5,378,000	155,026
Building Business Personal Property Business Income and Extra Expense Outdoor Property (Signs)	100%	\$134,622,555 \$7,578,511 \$9,729,674 \$769,246	112,073
Employee Health Insurance	<u>Product Blue Access 80/500 Plan</u>	Unlimited *	4,835,775
	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 (ACFR) 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

Net Position by Component, Last Ten Fiscal Years
Changes in Net Position, Last Ten Fiscal Years
Program Revenue by Function, Last Ten Fiscal Years
Government-wide expenses by function/program
Fund Balances, Governmental Funds, Last Ten Fiscal Years
Changes in Fund Balances, Governmental Funds, Last Ten Fiscal Years

Revenue Capacity

Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years
Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years
Property Tax Levies and Collections, Last Ten Fiscal Years
Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years
Principal Property Tax Payers, Current Year and Nine Years Ago
Construction Value, Last Ten Years

Debt Capacity

Ratio of Outstanding Debt by Type, Last Ten Fiscal Years
Ratio of General Bonded Debt Outstanding, Last Ten Fiscal Years
Direct and Overlapping Governmental Activities Debt
Legal Debt Margin Information, Last Ten Fiscal Years
Pledged Revenue Coverage, Last Ten Fiscal Years

Demographic and Economic Information

Demographic and Economic Statistics, Last Ten Fiscal Years
Principal Employers, Current Year and Nine Years Ago

Operating Information

Full-time Equivalent City Employees by Function/Program, last Eight Fiscal Years
Operating Indicators by Function/Program
Capital Asset Statistics by Function/Program

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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities										
Net investment in capital assets	\$ 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	\$ 149,213,144
Restricted	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	108,930,049
Unrestricted	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) *	(32,140,648) *
Total governmental activities net position	<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>	<u>\$ 226,002,545</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 385,034,798
Restricted	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	34,613,621
Unrestricted	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 *	25,155,629 *
Total business-type activity net position	<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>	<u>\$ 444,804,048</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 534,247,942
Restricted	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	143,543,670
Unrestricted	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) *	(6,985,019) *
Total primary government net position	<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>	<u>\$ 670,806,593</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)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 15,723,994
Highways and Streets	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	14,043,190
Public Safety	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	33,326,831
Health and Welfare	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	5,216,119
Culture and Recreation	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	2,381,471
Public Works	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	9,021,808
Interest on Long-term Debt	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	3,174,662
Total Governmental Activities Expenses	<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>	<u>82,888,075</u>
Business-type Activities										
Sanitation	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	11,889,559
Wastewater	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	11,551,534
Waterworks	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	14,265,271
Stormwater	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	4,139,609
Mosquito Control	799,264	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823
Public Transit	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	3,554,347
Dial-A-Ride	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	1,191,965
Alerus Center	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	8,369,592
Job Development Authority	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	2,642,364
Downtown Parking	237,682	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665
Total Business-type Activities Expenses	<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>	<u>59,162,729</u>
Total Primary Government Expenses	<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>	<u>\$ 142,050,804</u>
Program Revenue										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 8,883,660
Highways and Streets	-	18,451	49,035	-	-	-	-	2,893	1,397	1,372
Public Safety	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	2,765,761
Health and Welfare	760,074	1,745,294	747,414	809,609	775,186	785,831	772,966	794,145	855,493	836,054
Culture & Recreation	43,207	44,739	45,765	50,161	47,749	47,935	49,348	47,440	31,241	6,494
Operating Grants and Contributions	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	13,937,680
Capital Grants and Contributions	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	14,825,956
Total Governmental Activities Program Revenue	<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>	<u>41,256,977</u>
Business-type Activities:										
Charges for Services:										
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	10,641,518	10,203,590
Wastewater	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	11,713,328
Waterworks	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	12,203,479
Stormwater	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	2,943,097
Mosquito Control	779,311	802,039	812,942	821,991	844,214	884,826	985,032	1,064,495	1,096,441	1,107,653
Public Transit	431,198	498,674	526,513	571,160	585,696	592,407	574,409	505,604	825,707	949,280
Dial-A-Ride	2,521	586	2,633	3,539	2,107	400	145,951	244,341	231,129	100,343
Alerus Center	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	3,155,589
Job Development Authority	3,095,668	2,334,700	2,298,244	2,442,334	2,454,406	2,297,859	3,210,665	2,141,371	2,268,995	2,139,605
Downtown Parking	314,013	322,690	483,983	449,013	412,806	342,713	438,711	322,926	222,416	163,772
Operating Grants and Contributions	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	2,727,074
Capital Grants and Contributions	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	16,336,896
Total Business-type Activities Program Revenue	<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>	<u>63,743,706</u>
Total Primary Government Program Revenue	<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>	<u>\$ 105,000,683</u>

CITY OF GRAND FORKS, NORTH DAKOTA
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (41,631,098)
Business-type activities	(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	4,580,977
Total Net Expense	<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>	<u>\$ (37,050,121)</u>
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 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	\$ 21,443,385
Sales Taxes	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	16,858,213
Hotel/Motel Sales Taxes	-	-	-	-	-	-	-	-	999,838	549,414
State aid distribution	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	3,215,584
Franchise Taxes	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	2,360,683
Other Taxes	411,570	462,865	496,779	505,662	594,311	891,893	1,136,931	936,753	668,166	680,867
Investment Earnings	995,961	831,646	999,883	(59,189)	973,515	455,804	701,848	531,193	2,511,525	1,024,164
Gain(loss) on disposition of capital assets	-	-	-	37	1,000	858,642	35,666	-	-	-
Miscellaneous	763,132	793,701	435,595	245,113	1,448,041	205,898	247,658	1,304,134	560,600	1,083,447
Transfers	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)	(668,826)
Total Governmental Activities	<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>	<u>46,546,931</u>
Business-type Activities:										
Property tax	790,411	811,463	836,047	862,632	920,869	999,737	1,073,660	1,168,530	1,244,401	1,269,066
Sales tax	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	8,794,001
Other taxes	15,354	17,825	19,129	19,355	22,787	30,974	28,937	29,280	30,952	31,580
Investment Earnings	1,447,283	1,369,837	1,032,021	766,605	1,082,214	848,607	884,722	853,790	1,799,228	1,642,416
Gain (loss) on sale of capital assets	95,332	42,227	29,893	625,328	896,373	78,922	24,721	357,964	461,292	904,583
Lawsuit Settlement	-	-	275,000	-	-	-	-	-	-	-
Miscellaneous	147,883	1,024,457	536,265	629,556	169,489	72,605	19,759	84,035	40,927	19,620
Transfers	(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	668,826
Total Business-type Activities	<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>	<u>13,330,092</u>
Total Primary Government	<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>	<u>\$ 59,877,023</u>
Change in Net Position										
Governmental Activities	\$ 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	\$ 4,915,833
Business-type Activities	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	17,911,069
Total Change in Net Position Primary Government	<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>	<u>\$ 22,826,902</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)

Function/Program	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Governmental activities:										
General government	\$ 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	\$ 9,361,061
Highways and streets	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	5,586,173
Public safety	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	3,914,397
Health and welfare	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	11,554,296
Culture and recreation	750,520	689,615	731,181	760,496	789,761	815,582	946,797	960,275	901,350	943,764
Public works/flood protection	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	9,897,286
Subtotal governmental activities	<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>	<u>\$ 41,256,977</u>
Business-type activities:										
Sanitation	\$ 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	\$ 10,227,466
Wastewater	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	12,297,178
Water	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	20,233,841
Stormwater	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	7,688,423
Mosquito Control	817,039	827,942	831,741	851,214	895,949	988,532	1,067,995	1,084,219	1,096,441	1,107,653
Public Transit	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	5,592,854
Dial-A-Ride	508,361	350,238	1,447,565	669,006	1,403,731	926,799	1,281,679	986,609	1,177,724	881,399
Alerus Center	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	3,178,520
Job Development Authority	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	2,372,600
Downtown parking	322,690	483,983	449,013	412,806	342,713	438,711	322,926	274,160	222,416	163,772
Subtotal business-type activities	<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>	<u>\$ 63,743,706</u>
Total primary government	<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>\$ 103,096,234</u>	<u>\$ 103,985,905</u>	<u>\$ 113,394,140</u>	<u>\$ 105,000,683</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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government	\$ 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	\$ 15,723,994
Highways and Streets	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	14,043,190
Public Safety	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	33,326,831
Health and Welfare	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	5,216,119
Culture and Recreation	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	2,381,471
Public Works	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	9,021,808
Interest on Long-term Debt	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	3,174,662
Sanitation	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	11,889,559
Wastewater	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	11,551,534
Waterworks	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	14,265,271
Stormwater	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	4,139,609
Mosquito Control	799,264	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823
Public Transit	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	3,554,347
Dial-A-Ride	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	1,191,965
Alerus Center	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	8,369,592
Job Development Authority	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	2,642,364
Downtown Parking	237,682	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665
Total	\$ 96,770,895	\$ 95,341,346	\$ 102,633,267	\$ 102,658,124	\$ 103,333,578	\$ 112,092,554	\$ 120,302,668	\$ 118,215,389	\$ 130,927,944	\$ 142,050,804

Table 5

CITY OF GRAND FORKS, NORTH DAKOTA
 FUND BALANCES OF GOVERNMENTAL FUNDS*
 LAST TEN FISCAL YEARS
 (modified accrual basis of accounting)

	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Fund										
Non-spendable	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 51,643	\$ 46,454	\$ 24,016	\$ 32,324
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	2,074,420
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	2,577,587
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	13,058,337
Total General Fund	<u>\$ 11,600,077</u>	<u>\$ 12,623,389</u>	<u>\$ 11,913,729</u>	<u>\$ 13,771,359</u>	<u>\$ 14,089,026</u>	<u>\$ 14,066,260</u>	<u>\$ 13,332,019</u>	<u>\$ 13,654,592</u>	<u>\$ 13,646,587</u>	<u>\$ 17,742,668</u>
All Other Governmental Funds										
Non-spendable	\$ 299,518	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 15,566	\$ 22,159	\$ 30,279
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	60,651,417
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	5,145,615
Assigned	59,600									
Unassigned	(95,795)									
Total all Other Governmental Funds	<u>\$ 49,694,108</u>	<u>\$ 38,206,890</u>	<u>\$ 46,379,262</u>	<u>\$ 56,352,067</u>	<u>\$ 56,218,408</u>	<u>\$ 56,034,451</u>	<u>\$ 60,558,640</u>	<u>\$ 63,435,498</u>	<u>\$ 70,669,080</u>	<u>\$ 65,827,311</u>

CITY OF GRAND FORKS, NORTH DAKOTA
CHANGES IN FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

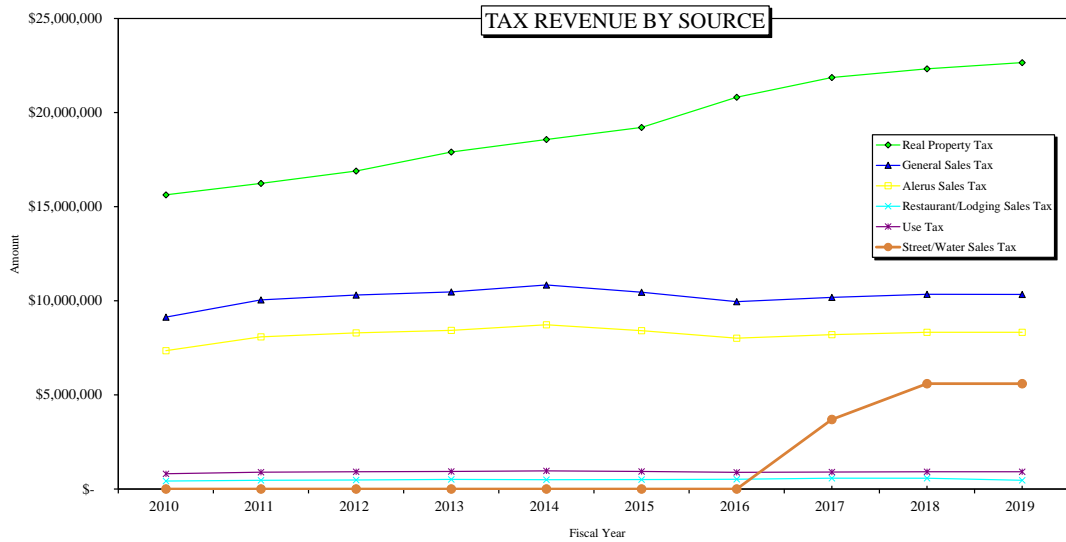
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Revenues										
Taxes	\$ 25,209,797	\$ 26,559,528	\$ 27,201,868	\$ 28,783,137	\$ 29,355,294	\$ 29,450,638	\$ 30,371,112	\$ 35,192,719	\$ 38,682,441	\$ 38,851,014
Licenses, fees and permits	1,735,385	1,806,907	2,219,434	2,872,086	2,210,419	1,737,903	1,863,331	1,871,020	1,975,505	2,025,224
Intergovernmental	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	22,763,648
Charges for services	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	9,955,807
Special assessments	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	10,234,260
Fines and forfeitures	819,005	958,635	795,907	805,196	905,661	871,577	928,074	774,980	747,422	635,406
Investment earnings	827,756	994,534	(57,288)	960,423	454,947	700,740	530,525	1,176,225	2,488,993	1,667,167
Other revenues	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	3,027,937
Total Revenues	60,687,283	63,305,591	63,866,169	71,395,077	65,853,798	63,284,463	67,248,952	72,183,317	77,624,517	89,160,463
Expenditures										
General government	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	14,223,762
Health and welfare	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	5,066,620
Public safety	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	23,752,466
Highways and streets	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	7,673,173
Culture & recreation	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	2,370,694
Capital outlay	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	27,821,669
Debt Service:										
Interest & fiscal charges	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	3,473,252
Principal	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	9,345,247
Total Expenditures	61,170,142	66,799,791	66,108,497	70,690,333	75,450,784	73,601,248	78,550,671	80,886,489	92,469,277	93,726,883
Excess of revenues over (under) expenditures	(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)	(4,566,420)
Other Financing Sources (Uses)										
Proceeds from borrowing	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	4,628,215
Premium on bonds issued	-	1,067,093	301,211	371,495	413,692	249,322	308,221	771,222	1,395,336	664,167
Discount on bonds issued	(98,354)	-	-	-	-	-	-	-	-	-
Proceeds from refunding	2,930,576	12,950,000	-	-	-	-	2,735,000	-	-	1,430,000
Redemption of refunded bonds	(12,030,000)	(11,570,604)	(12,230,000)	-	-	-	(860,000)	-	-	(1,320,000)
Sale of capital assets	387,269	38,259	112,453	386,698	100	2,252,851	369,424	65,443	18,353	47,596
Transfers in	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	19,562,758
Transfers out	(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)	(21,192,004)
Total other financing sources (uses)	(3,893,364)	10,825,856	(6,969,706)	9,705,040	11,125,691	9,780,994	10,110,062	11,902,603	21,995,686	3,820,732
Net change in fund balances	\$ (4,376,223)	\$ 7,331,656	\$ (9,212,034)	\$ 10,409,784	\$ 1,528,705	\$ (535,791)	\$ (1,191,657)	\$ 3,199,431	\$ 7,150,926	\$ (745,688)
Debt Service as a percentage of noncapital expenditures	22.38%	26.42%	17.77%	17.39%	17.87%	22.78%	19.61%	17.86%	15.77%	17.14%

CITY OF GRAND FORKS, NORTH DAKOTA

TAX REVENUE BY SOURCE
LAST TEN FISCAL YEARS

Levy Year	Collection Year	Alerus Center Sales Tax (3/4%)	Street/Water Sales Tax (1/2%) (1)	Restaurant/Lodging Sales Tax (1/4%)	General Sales Tax (1%)	Use Tax	Total Sales & Use Tax Collections	Taxable Sales & Purchases	Real Property Tax Levy
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	3,698,234	576,495	10,186,198	905,752	23,566,090	1,018,084,191	21,863,774
2018	2019	8,331,447	5,599,660	570,861	10,350,046	919,836	25,771,850	1,017,295,426	22,323,108
2019	2020	8,325,851	5,595,899	468,150	10,343,095	919,218	25,652,213	956,601,566	22,656,578

(1) Beginning in May of 2018, an additional 1/2% sales tax was implimented for Street and Water Infrastructure



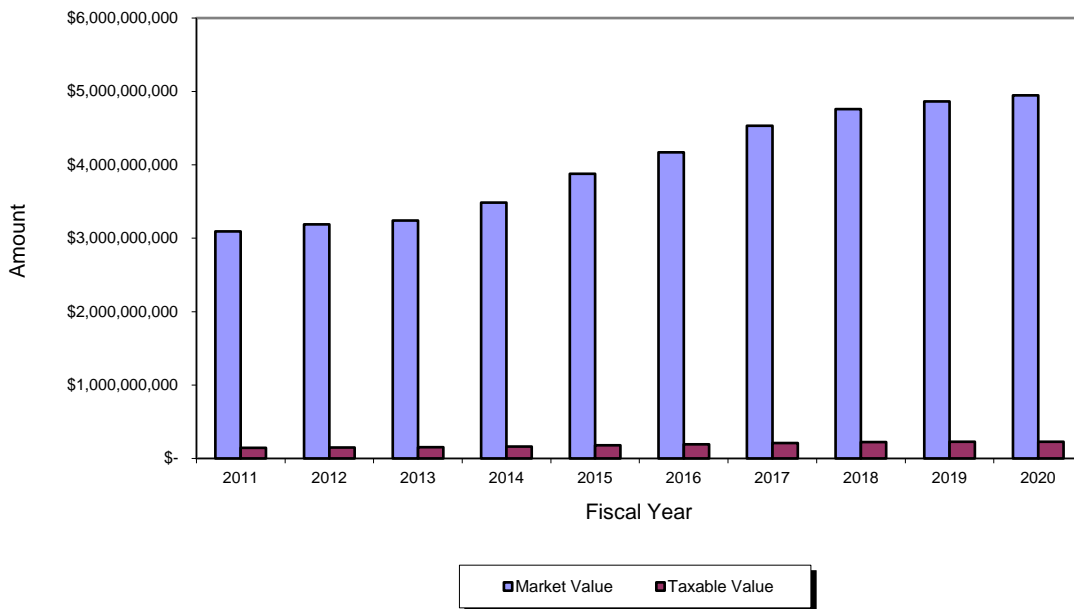


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CITY OF GRAND FORKS, NORTH DAKOTA
 ASSESSED AND ESTIMATED MARKET VALUE
 OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Estimated Market Value	Ratio of Assessed to Market Value	Taxable Value	Effective Tax Rate - Residential *	Effective Tax Rate - Commercial *
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%
2020	2,472,716,840	4,945,433,680	50.0%	229,619,718	1.37%	1.52%

**TAXABLE VALUE
 COMPARED TO MARKET VALUE**



* Reflects all taxing entities

Property Value

Year	Commercial	Residential	Agricultural	Public Utilities	Tax Increments	Total Estimated Market Value
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
2020	2,001,833,900	2,848,138,200	998,100	94,463,480	-	4,945,433,680

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
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%
2019	22,656,578	989,241	21,374,735	98.6%

(1) Collection year is one year later
(i.e., Levy Year 2019 Collection Year 2020)

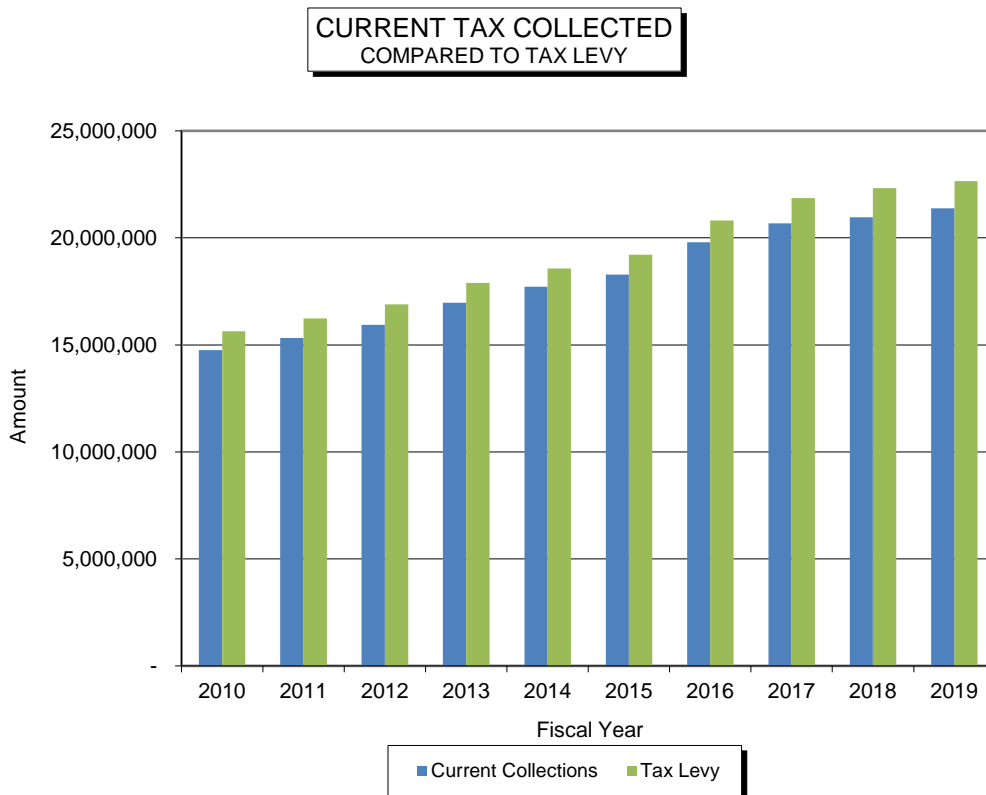
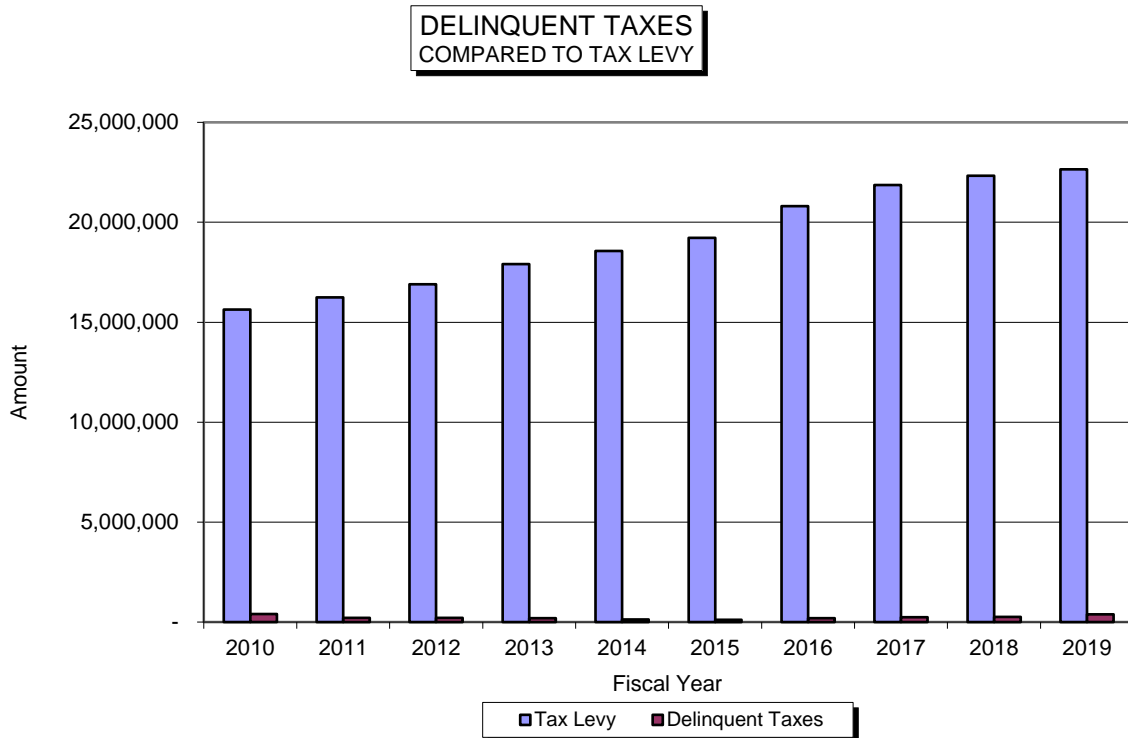


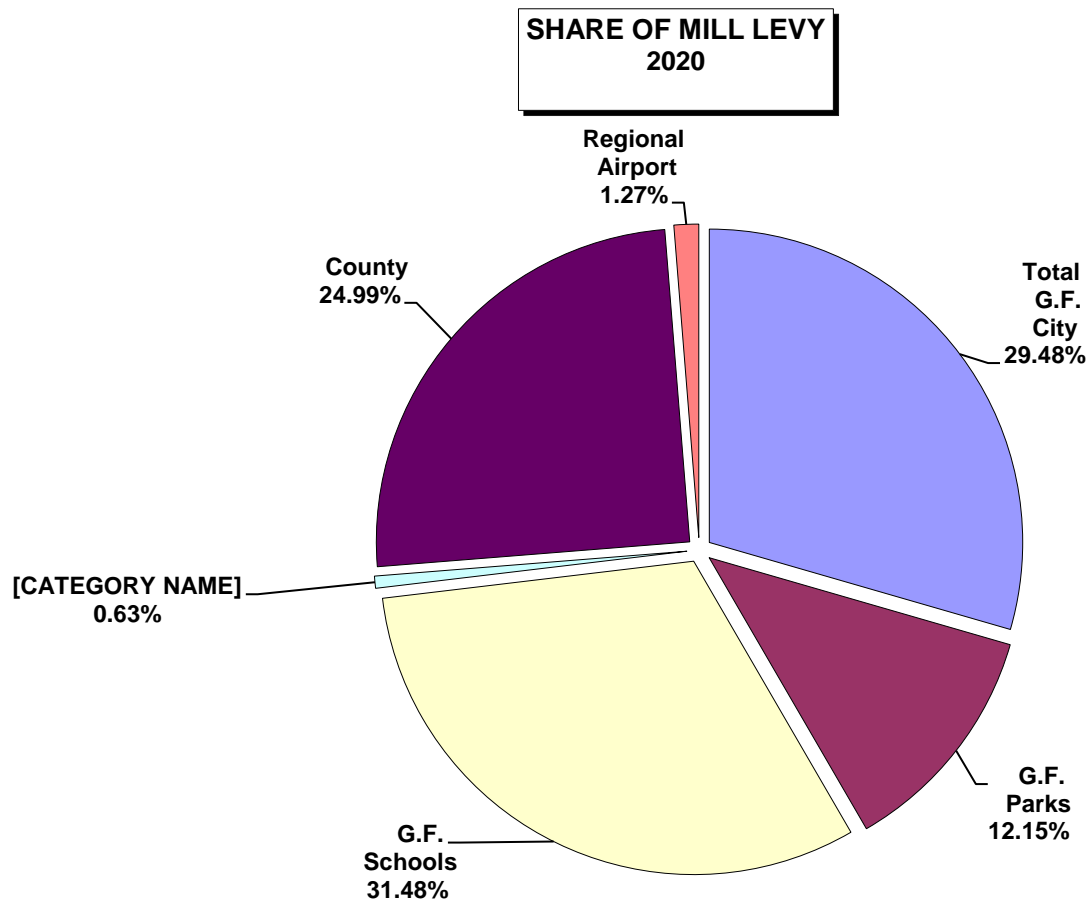
Table 9

Levy Year	Delinquent Tax Collection	Total Collection	Collection as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
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%
2019	388,263	21,762,998	96.1%	545,163	2.52%



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
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
2020	68.74	18.01	2.09	5.75	94.59	39.00	101.00	2.00	80.20	4.08	320.87



CITY OF GRAND FORKS, NORTH DAKOTA
PRINCIPAL PROPERTY TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO

Taxpayer	2019 Values (2020 collections)			2010 values (2011 collections)		
	Taxable Assessed	Rank	Percentage of Total Taxable Assessed	Taxable Assessed	Rank	Percentage of Total Taxable Assessed
	Value		Value	Value		Value
IRET Properties	\$ 3,637,580	1	1.58%	\$ 2,000,535	2	1.38%
Sterling Properties LLLP	2,223,745	2	0.97%			
Altru Health System ⁽¹⁾	1,895,335	3	0.83%	779,925	8	0.54%
Campus Crest at Grand Forks LLC	1,087,200	4	0.47%			
Wal-Mart Real Estate Business Trust ⁽²⁾	1,045,875	5	0.46%			
LM Wind Power Blades (ND) Inc.	1,015,475	6	0.44%			
JR Simplot	1,000,100	7	0.44%			
Menard, Inc	977,955	8	0.43%	750,390	9	0.52%
Sterling Pointe Apartments, LLP	953,240	9	0.42%			
Columbia Grand Forks, LLC	863,250	10	0.38%	1,547,785	4	1.07%
Northern States Power Company				2,270,961	1	1.57%
Mikkelson Consolidated Limited Partnership				1,793,700	3	1.24%
INREIT, LLLP				1,224,280	5	0.84%
Terrace Point, LLC, Rtal				938,200	6	0.65%
Aurora Medical Park No. 2 LLC				826,810	7	0.57%
Aurora Medical Park LLC				728,925	10	0.50%
	<u>\$ 14,699,755</u>		<u>6.40%</u>	<u>\$ 12,861,511</u>		<u>8.88%</u>
2019 Total Taxable Value	\$ 229,619,718					
2010 Total Taxable Value	\$ 145,045,875					

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)
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
2020	41	133,054,714	402	57,352,088

(1) Estimated Actual Value. Source - City Inspection Department



**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 Bonds	Special Assessment Bonds	Sales Tax Revenue Bonds	Industrial Development Bonds	Leases	Revenue Bonds	Sales Tax Revenue Bonds	SRF Loans	Leases	Notes			
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
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	4.48%	3,869.25
2020	2,441,125	91,534,221	1,185,095	-	727,361	27,979,747	33,173,019	77,053,485	619,545	-	234,713,598	not available	3,847.76

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

Population 61,000

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 ⁽¹⁾	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
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
2020	61,000	2,472,716,840	2,441,125	831,089	1,610,036	0.07%	26.39

Notes:

(1) Estimated population provided by GF/EGF Metropolitan Planning Organization.

CITY OF GRAND FORKS, NORTH DAKOTA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2020

<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	\$ 2,441,125	100.0%	\$ 2,441,125
Debt Supported by Special Assessments	91,534,221	100.0%	91,534,221
Debt Supported by Sales Tax Revenue	1,185,095	100.0%	1,185,095
Capital Lease Debt	727,361	100.0%	727,361
Total Direct Debt			<u>95,887,802</u>
Overlapping Debt:			
Grand Forks School District	28,404,501	94.7%	26,893,938
Grand Forks County	5,945,000	73.6%	4,373,474
Grand Forks Park District	10,055,000	100.0%	<u>10,055,000</u>
Total Overlapping Debt			<u>41,322,413</u>
Total Direct and Overlapping Debt			<u>\$ 137,210,215</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									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Debt limit	\$ 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	\$ 123,635,842
Total net debt applicable to limit	<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>	<u>2,441,125</u>
Legal debt margin	<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>	<u>\$ 121,194,717</u>
Total net debt applicable to the limit as a percentage of debt limit	17.81%	13.11%	11.05%	9.72%	7.67%	8.13%	4.73%	3.52%	2.47%	1.97%

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, 2020

<u>Market Value</u>		<u>\$ 4,945,433,680</u>
Debt Limit - 5% of 50% of Market Value		\$ 123,635,842
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 2,290,000	
Unamortized Premium/Discount	<u>151,125</u>	
Bonded Debt		<u>2,441,125</u>
Legal Debt Margin		<u>\$ 121,194,717</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 ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest & Fiscal Charges ⁽³⁾	Total	Coverage
2011 (4)	\$ 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
2020	14,321	10,228	4,093	1,435	1,268	2,703	1.51

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 ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
				Principal	Interest & Fiscal Charges ⁽³⁾	Total	
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
2020	11,854	6,903	4,951	2,402	695	3,097	1.60

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.

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	
2011	\$ 8,270	\$ 5,149	\$ 2,139	\$ 7,288	1.13
2012 ⁽¹⁾	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
2020	9,556	8,736	3,282	12,018	0.80

(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 ⁽¹⁾	Personal Income (millions of dollars) ⁽²⁾	Per Capita Income ⁽²⁾	School Enrollment ⁽³⁾	University of ND Enrollment ⁽⁴⁾	Unemployment Rate ⁽⁵⁾
2011	53,502	\$ 3,990.0	\$ 40,635	6,823	14,697	3.6%
2012	54,358	4,425.0	44,661	6,830	15,250	3.4%
2013	56,200	4,476.0	44,426	7,013	15,143	2.9%
2014	58,277	4,593.0	45,354	7,158	14,906	2.7%
2015	59,031	4,731.0	46,448	7,301	14,951	2.3%
2016	59,299	4,780.0	46,787	7,338	14,648	2.2%
2017	59,870	4,921.0	48,184	7,470	14,406	2.1%
2018	60,351	5,115.0	50,258	7,338	13,847	2.2%
2019	60,636	5,237.0	51,950	7,459	13,581	2.0%
2020	61,000	Not Available	Not Available	7,413	13,615	4.6%

Data Sources:

- (1) 2011-2020 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	2020		Percentage of Total City	2011		Percentage of Total City
	Employees	Rank	Employment (6)	Employees	Rank	Employment
Altru Health System	3,950	1	12.91%	3,762	2	14.47%
University of North Dakota ⁽¹⁾⁽³⁾	3,464	2	11.32%	4,206	1	12.94%
Grand Forks Air Force Base ⁽²⁾	2,897	3	9.47%	1,800	3	6.19%
Grand Forks School District ⁽³⁾	1,600	4	5.23%	1,522	4	5.23%
LM Wind Power (USA), Inc. ⁽⁴⁾	900	5	2.94%	450	8	1.55%
Valley Memorial Home	890	6	2.91%	652	5	2.24%
City of Grand Forks ⁽³⁾	510	7	1.67%	525	6	2.24%
Development Homes	480	8	1.57%			
Hugo's (4 locations) ⁽³⁾⁽⁵⁾	450	9	1.47%	420	9	1.44%
J. R. Simplot	440	10	1.44%	392	10	1.35%
Amazon				499	7	1.72%
	<u>15,581</u>		<u>50.93%</u>	<u>14,228</u>		<u>49.37%</u>

1) Includes full and part time employees. Historical 2010 data was employment of all personnel.

2) 2020 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) Data shown is for 4 Grand Forks locations only

6) 2020 Total Labor Force of 30,596. 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	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General government	95.85	94.85	95	96.45	101.60	101.90	102.03	101.58	103.44	101.20
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Development	5.30	5.35	4.98	4.98	2.55	1.20	1.20	1.20	1.20	1.20
Housing Authority	8.20	6.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Health	33.35	33.35	32.93	36.56	37.36	36.03	43.92	43.35	43.08	42.99
Public Safety										
Police										
Officers	82.00	82.00	82.00	82.00	82.00	84.00	88.00	88.00	90.00	92.00
Civilians	15.00	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	16.00
Fire										
Firefighters and officers	63.00	63.00	63.00	63.00	63.00	75.00	75.00	75.00	75.00	76.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00
PSAP	16.00	16.00	17.00	17.00	17.00	18.00	19.00	19.00	20.00	21.50
Municipal Court	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30
Highways and streets	35.85	35.85	35.85	35.65	36.85	36.85	35.41	35.41	35.41	37.08
Culture and recreation	1.00	1.00	1.00	1.00	1.00	1.00	0.63	0.63	0.63	0.63
Permanent flood protection	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Sanitation	37.58	37.58	37.58	37.66	37.84	37.06	36.65	37.65	39.65	41.20
Wastewater	23.48	23.48	22.73	22.76	21.82	21.79	21.23	21.23	22.39	23.06
Waterworks	30.03	30.03	30.03	28.06	27.13	28.35	27.85	27.85	27.85	28.56
Stormwater	5.66	5.66	5.41	5.47	5.76	6.10	6.18	6.18	6.35	6.62
Public Transit	22.00	22.00	21.55	21.55	21.50	21.50	20.95	23.10	28.90	28.90
Dial-A-Ride	0.60	2.60	3.55	3.55	3.55	3.55	3.55	4.55	4.55	18.55
Alerus		18	21	20	21	18	18	0	0	0.00
Job Development Authority	3.30	3.15	3.18	3.18	3.35	3.25	4.55	4.25	4.68	4.85
Downtown Parking	0.20	0.20	0.20	0.00	0.20	0.60	0.60	0.70	0.47	1.40
Total Authorized Positions	485.70	503.00	499.29	501.17	505.81	517.48	528.05	512.98	526.90	549.04

Source: City's Human Resources Department

**CITY OF GRAND FORKS, NORTH DAKOTA
OPERATING INDICATORS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS**

Function	2011	2012	2013	2014
General Government				
Building permits issued	1,480	1,506	1,579	1,727
Value of Permits issued	\$ 144,053,797	\$ 127,729,350	\$ 212,067,083	\$ 368,599,640
Number of Business License Issued ⁽³⁾	1,473	1,674	1,657	1,904
Police				
Priority 1 Calls Average Response Time	3 Min. 12 Sec.	2Min. 57 Sec.	3Min. 27 Sec.	3Min. 49 Sec.
Number of 911 Calls ⁽¹⁾	20,261	21,884	22,892	22,947
Incidents Requiring 911 Assistance	67,517	75,917	72,322	73,337
Fire				
Emergency responses	3,688	4,087	4,005	4,254
Health				
Percent of Nuisance Complaints resolved within 30 days	97.74%	98.14%	96.75%	97.83%
Number of times sprayed	9	0	14	19
Culture and Recreation				
Alerus Center Attendance ⁽³⁾	224,687	245,582	205,767	203,475
Alerus Center Number of Events ⁽³⁾	567	564	495	469
Waterworks				
Number of customers	14,055	14,200	14,312	14,619
New connections	110	151	154	215
Watermain breaks	34	36	30	25
Average daily consumption(MGD)	7.90	7.40	7.80	7.70
Peak daily consumption (MGD)	11.00	12.00	12.30	11.30
Sanitation				
Number of customers	12,687	12,804	12,913	13,128
Landfill (tons)	96,372	86,554	91,219	97,644
Recycled Materials (tons) (City of GF)	2,470	2,672	2,923	3,016
Wastewater				
Number of customers	13,807	13,937	14,038	14,319
Average daily sewage treatment (MGD)	7.00	6.80	6.87	6.83
Public Transit				
Ridership - City Bus ⁽³⁾	328,880	371,242	364,317	346,673
Ridership - Dial-A-Ride ⁽³⁾	39,122	35,358	33,041	34,602
Ridership - Senior Rider ⁽³⁾	22,296	19,854	19,485	19,733
Job Development Authority				
Businesses Assisted	4	5	4	7
New Jobs Projected in 2 years	159	118	61	82

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 2020, this number breaks into: Inert Waste - 26,395 total (9,175 City of Grand Forks generated, 17,220 tons private haulers in the region; Municipal Solid Waste - 58,560 tons (34,510 City of Grand Forks generated, 24,050 from regional customers); Industrial/Ag Waste 13,210

(3) The COVID-19 pandemic impacted the community in many ways. With many industries closing or limiting operations, transportation needs were reduced. Likewise, many community events and activities were cancelled due to gathering prohibitions, lowering the number of events, attendees and special licenses.

Fiscal Year						
	2015	2016	2017	2018	2019	2020
	1,816	1,981	1,948	1,895	1,691	1,731
\$	203,309,401	\$ 140,940,924	\$ 133,766,938	\$ 156,473,039	\$ 329,061,146	\$ 256,295,102
	1,905	1,113	1,172	1,102	1,015	855
	3Min. 58 Sec.	4Min. 03 Sec.	4 Min. 44 sec.	4 Min. 33 Sec.	4 Min. 13 Sec.	3 Min. 54 Sec.
	24,023	24,365	24,086	23,447	24,939	23,279
	74,380	81,441	87,587	92,720	92,661	94,847
	4,286	4,995	5,510	5,117	5,623	5,174
	96.01%	95.98%	97.43%	93.09%	93.09%	95.58%
	14	22	5	10	8	11
	170,576	188,328	184,822	243,468	228,745	112,722
	390	489	326	385	481	323
	14,821	14,975	15,127	15,275	15,121	15,404
	204	162	139	135	198	150
	53	51	58	38	42	24
	7.90	7.60	7.90	8.12	7.42	7.25
	9.50	9.93	11.30	11.40	10.85	11.30
	13,315	13,492	13,539	13,840	14,623	14,678
	94,828	98,625	96,382	100,606	111,400	98,165
	2,996	2,380	2,063	1,975	2,320	2,575
	14,506	14,669	14,757	14,935	14,822	14,976
	6.80	6.88	6.83	7.12	12.63	9.20
	336,652	317,992	280,289	253,657	225,141	132,354
	35,553	32,337	33,079	40,064	42,218	22,129
	19,195	16,026	19,828	22,829	22,965	15,413
	3	2	4	7	8	26
	42	18	15	15	105	55

CITY OF GRAND FORKS, NORTH DAKOTA
CAPITAL ASSET STATISTICS BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government										
Buildings & Structures	11	11	11	11	11	11	11	11	12	12
Cars (All Gen Fund)	79	79	79	79	79	79	79	79	79	79
Area in Sq. Miles	20.49	20.51	26.01	26.09	26.86	27.08	27.31	27.57	27.99	28.04
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	20	22	22	22	22	22	22	22	22	22
Fire										
Stations	4	4	4	4	4	4	4	4	4	4
Training Facilities (including 4 mobile units)	5	5	5	5	5	7	7	7	7	7
Aerial Trucks	2	2	2	2	2	2	2	2	2	2
Pumpers	6	6	6	6	6	7	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	1
Mobile Command Post	1	1	1	1	1	1	1	1	1	1
Special Operations Trailers	4	4	4	4	4	5	5	5	5	5
Fire Prevention Vehicle	-	-	1	1	1	3	3	3	3	3
Highways and Streets										
Paved Streets (miles)	235.96	236.45	237.70	241.09	245.28	246.83	251.05	258.29	260.26	271.60
Paved Alleys (miles)	4.74	4.74	4.74	4.74	4.74	4.74	4.74	4.98	4.98	4.98
Street lights	4200	4200	4200	4200	4800	4976	5059	5151	5216	5300
Traffic Signals	60	60	60	60	61	63	62	63	66	67
School Crossing Signals	25	25	25	25	25	25	26	26	26	26
Street Sweepers	4	4	4	4	4	5	5	5	5	5
Snow Plows	4	4	4	4	4	4	4	4	4	4
Motor graders	7	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾	7 ⁽⁴⁾
Payloaders	5	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾	6 ⁽⁵⁾
Culture and Recreation										
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	3
Bikepaths (miles) ⁽⁶⁾	41	41	41	41	42.34	42.78	42.78	43.59	44.57	46.72

Table 23 (Con't)

Function/Program	Fiscal Year									
	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sanitation										
Collection Trucks-Side Load	6	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	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	331.67	236.5 ⁽²⁾	263.37	266.42	269.01	270.91	276.64	281.02	285.29	286.00
Fire Hydrants	2528	2952 ⁽³⁾	2958	3000	3000	2903	2903	3012	3502 ⁽⁷⁾	3502 ⁽⁷⁾
Water Storage Facilities	7	7	7	7	7	8	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
Wastewater										
Sanitary Sewers (miles)	156.16	173	173.84	175.81	177.06	177.5	181.0	184.8	188.5	189.2
Treatment Capacity (Million Gallons Day)	10.0	10.0	10.0	10.0	10.0	10.0	13.0	13.0	13.0	13.0
Sewage Lift Stations	43	42	43	43	45	41	43	43	43	43
Stormwater										
Storm sewers (miles)	187.92	195	207.89	212.1	214.42	215.85	221.92	227.66	232.57	233.48
Lift Stations	12	12	12	12	12	12	13	13	13	13
Flood Stations	12	12	12	12	12	12	12	12	12	12
Public Transit										
35' Bus - Diesel/Electric Hybrid	2	2	2	2	2	2	2	2	2	2
35' Bus - Diesel	3	3	3	3	3	3	3	5	5	5
29' Bus	2	2	2	2	2	2	2	2	2	2
People Mover	3	3	3	3	3	4	4	4	4	4
Trolley	1	1	1	0 ⁽¹⁾	0	0	0	0	0	0
Senior Rider/Dial-A-Ride Vehicles	5	9	9	9	10	10	10	12	12	12
Job Development										
Buildings and Structures	6	6	6	6	6	6	6	6	6	6
Municipal Parking Structures										
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 2020, that portion of the Bikepath System increased 2.15 to 30.2 miles.

(7) In 2019 privately owned hydrants were added to the count.



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