



CITY OF GRAND FORKS, ND

ANNUAL
COMPREHENSIVE
FINANCIAL REPORT
**FOR THE YEAR ENDED
DECEMBER 31, 2021**



Annual Comprehensive Financial Report



of the City of Grand Forks, North Dakota

**For the Year Ended
December 31, 2021**

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
ANNUAL COMPREHENSIVE FINANCIAL REPORT
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2021

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June 22, 2022

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, 2021. 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, 2021, 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, 2021. 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 28.07 square miles and has a population of 59,166 at the end of 2021. 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' Annual Comprehensive 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 28-29 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 118.

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.

Despite the ongoing pandemic, the State's economy started to rebound in 2021. State aid increased 8.2% in 2021 over 2020, and the City sales tax revenue increased 13.6% in 2021 over that of 2020. The federal government 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 Grand Forks Air Force Base (GFAFB) is one of the largest employers in the state of North Dakota. The base is home to more than 3,000 active duty personnel and dependents. There are also hundreds of civilians employed at the base. The Grand Forks Air Force Base (GFAFB) is home to the Air Combat Command. 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 missions that complement the Global Hawk, as well as additional unmanned and Arctic missions.

In recent months, new missions have been announced including a new intelligence, surveillance and reconnaissance mission and a low-earth-orbit satellite mission. This upcoming ISR mission will entail air, space and cyberspace operations. The new satellite mission, part of a partnership with the U.S. Space

Development Agency is ongoing and will make use of 400 small satellites to create a laser-based communications system. These missions well-position GFAFB to play a critical role in the future of national security. The Base is also home to the regional headquarters of the US Border Patrol.

The GFAFB has forged partnerships locally, including with UND, which offer thousands of opportunities to work jointly, on air, space and cyberspace initiatives.

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. Northrup Grumman and General Atomics are the anchor tenants at Grand Sky. There are over 1,200 people working in careers associated with UAS in the region today.

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 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 houses an internationally renowned flight school, the John D. Odegard School for Aviation and Aerospace Sciences.

UND became the first university in the nation to officially partner with the U.S. Space Force after university and space leaders signed a memorandum of understanding. In May 2022, it was announced that the Space Development Agency awarded a nearly \$325 million grant to General Dynamics Missions Systems, to establish the Space Networking Center at the Grand Forks Air Force Base.

The University Partnership Program (UPP) was established to harness the innovation at universities across our country. University of North Dakota is the first official UPP member, with 10 more schools to follow in the coming months. The partnership goes beyond the aerospace school and will also bring in the College of Engineering and Mines and the College of Arts and Sciences. The university has committed around \$9 million itself to fund new faculty positions in a variety of areas to work on issues related to the Space Force. Additionally, the North Dakota Legislature approved \$4 million in funding for Space Force-related work at UND during the latest legislative session.

The University of North Dakota is currently undergoing a renewal of the campus from infrastructure to facilities. UND recently constructed a new Student Union, Gershman Graduate Student Center, renewed the Chester Fritz Library and is constructing a new \$70 million Nistler School of Business and Public Administration Building that will include a Grand Forks Workforce Development Center. Recently a plan was approved to replace existing dated dormitories with new buildings which will include updated designs reflecting the desires of today's students.

Work has begun on the conversion of the Grand Forks Herald building to a technology accelerator. The City of Grand Forks received a \$1.1 million Economic Development Administration grant with a \$1.1 million match to accomplish this. The project is estimated to create 139 jobs.

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 expanded to Grand Forks with the opening of 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, exceeded \$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 \$300 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 construction has now resumed 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. Sanford recently purchased 67 acres of land on the southeast side of Grand Forks near Interstate 29, however they have not announced their plans for the land.

Two major redevelopment projects downtown were completed, Pure Development, which is a five story, \$14 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 recently completed 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.

Construction has begun on The Beacon redevelopment project, which 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 has broken ground. 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.

Work is also underway on the Memorial Village, a \$25 million mixed-use public-private arrangement on the current site of UND's Memorial Stadium. The stadium has been demolished and site work is proceeding on the 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. Demolition on the site has been completed. 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. Upwards of two hundred and fifty thousand (250,000) people use Grand Forks as their regional center for trade, health care, education and entertainment. Many of these people using Grand Forks come from Canada.

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

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

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

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

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

The City has experienced growth in valuation due to new construction and revaluation. There were a total of 162 housing units and 22 new commercial and public buildings constructed in 2021. Total taxable value increased by 2.45% from new construction of 1.51% and .94% from valuation increases for the 2022 budget year. The total city mill levy actually decreased .88 mills from 97.87 in 2021 to 96.99 for 2022. The City's residential effective tax rate is just 0.44%, which is equivalent to the previous 4 years. Efforts continue to minimize property tax increases without detriment to service levels.

The City's bond rating was confirmed at Aa2 in October 2021.

The City had a decrease in unemployment from 4.6 percent in 2020 to 3.1 percent in 2021, which is much lower than the national average of 5.3 percent. This decrease was due to businesses reopening after 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

American Rescue Plan Act Impacts and Funding

The City of Grand Forks, as a metropolitan city received a direct allocation of American Rescue Plan (ARPA) grant funding from the US Treasury in 2021 of \$5.7 million and will receive another allocation of \$5.7 million in 2022 to offset community impacts resulting from the COVID-19 pandemic. The majority of this funding has been allocated to utility projects in the wastewater and stormwater funds that will benefit all of our citizens. The balance is allocated to security, public safety and public building projects.

Wet Corn Mill Development

In what could be the largest private sector investment in the city's history, Fufeng Group Ltd. has chosen Grand Forks, ND for its first U.S.-based manufacturing facility. The company is a global leader in bio-fermentation; manufacturing products that serve animal nutrition, food & beverage, pharmaceutical, health and wellness, oil & gas, and other industries.

Fufeng Group Ltd. conducted an extensive nationwide search for a suitable location that could support the project with 25 sites ultimately being submitted by local governments for consideration. After a 16-month comprehensive evaluation process, Grand Forks has been selected. The site chosen is approximately 370 acres in Grand Forks' agri-business park. The facility is expected to initially require 25 million bushels of corn annually.

The construction phase of the project may employ up to 1,000 workers for up to 3 years. Once operational we anticipate 233 direct jobs and 525 indirect jobs will be created, for a total of over 750 new jobs in our region. The project is dependent on FuFeng's ability to obtain all of the proper state and federal permits required.

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.

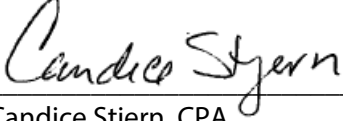
Certificate of Achievement – The Government Finance Officers Association of United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Grand Forks for its annual comprehensive financial report for the fiscal year ended December 31, 2020. This was the 35th 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 annual comprehensive 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 annual comprehensive 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.

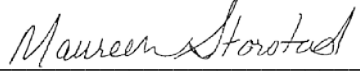
Acknowledgments

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

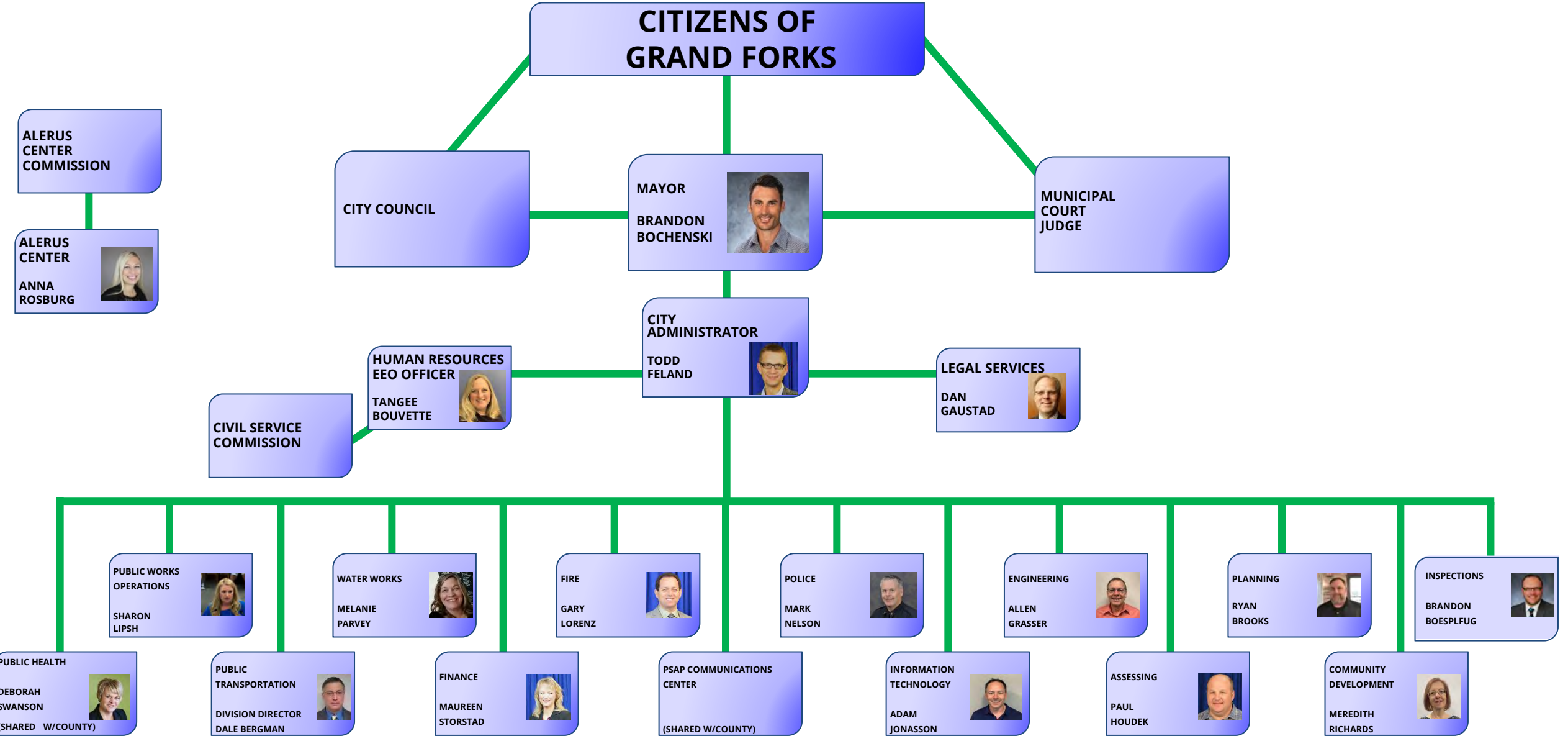
**City of Grand Forks
North Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2020

Christopher P. Morill

Executive Director/CEO



CITY OF GRAND FORKS ORGANIZATIONAL CHART

AS OF 6/2022

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 the Audit of the Financial Statements

Opinions

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, 2021, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the 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, 2021, and the respective changes in financial position and where applicable, cash flows, 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.

Basis for Opinions

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. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the City of Grand Forks, North Dakota and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

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

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

Required Supplementary Information

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

Supplementary 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 accompanying combining and individual non-major fund financial statements, schedules of capital assets used in the operation of governmental funds, and supporting schedules 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.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Report on Summarized Comparative Information

We have previously audited the City's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, the business-type activities, the discretely presented component units, each major fund, and the aggregate remaining fund information in our report dated June 18, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2022, 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 22, 2022

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, 2021. 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 \$698 million (net position) at the end of the calendar year 2021.
- The City's total net position increased by \$27.6 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 \$80.3 million, a decrease of \$3.3 million in comparison to the prior year. Of this total amount, approximately \$21.1 million, twenty six percent (26%) 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 \$11.4 million, or twenty seven percent (27%) of total general fund expenditures of \$42 million.
- The City's total debt and non-current liabilities decreased by \$67 million during 2021.
- During the current year, significant changes included:
 - \$7,500,000 of Refunding Improvement Bonds, Series 2021A, to finance various improvement projects in the city.
 - \$1,550,000 of Refunding Improvement Refunding Bonds, Series 2021B to refund the Refunding Improvement Bonds, Series 2011C, to achieve interest savings.
 - \$2,095,000 of Sewer Reserve Revenue Refunding Bonds, Series 2021C to refund the Sewer Reserve Revenue Bonds, Series 2009B and Sewer Reserve Revenue Bonds, Series 2011D, to achieve interest savings.
 - The Net Pension Liability decreased \$59,008,598.

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 22-23 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 40 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 102.

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 24 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 150. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 142.

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 37-96 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 97-100 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 102-175 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, 2021.

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 \$698,356,854 as of December 31, 2021.

City of Grand Forks Net Position*

	Governmental		Business-type		Total	
	Activities		Activities			
	2021	2020	2021	2020	2021	2020
Current and other assets	\$ 157,727,201	\$ 143,046,184	\$ 95,418,978	\$ 84,535,193	\$ 253,146,179	\$ 227,581,377
Capital assets	249,088,061	243,471,407	515,845,603	525,447,827	764,933,664	768,919,234
Total assets	<u>406,815,262</u>	<u>386,517,591</u>	<u>611,264,581</u>	<u>609,983,020</u>	<u>1,018,079,843</u>	<u>996,500,611</u>
Total deferred outflows of resources	29,977,838	39,531,536	12,284,868	13,100,402	42,262,706	52,631,938
Long-term liabilities outstanding	125,384,369	172,714,030	144,136,870	160,582,629	269,521,239	333,296,659
Other liabilities	18,555,490	16,693,407	14,518,971	14,540,319	33,074,461	31,233,726
Total liabilities	<u>143,939,859</u>	<u>189,407,437</u>	<u>158,655,841</u>	<u>175,122,948</u>	<u>302,595,700</u>	<u>364,530,385</u>
Total deferred inflows of resources	38,280,657	10,639,145	21,109,338	3,156,426	59,389,995	13,795,571
Net position:						
Net investment in capital assets	151,180,086	149,213,144	384,326,165	385,034,798	535,506,251	534,247,942
Restricted	119,591,840	108,930,049	42,435,275	34,613,621	162,027,115	143,543,670
Unrestricted	(16,199,342)	(32,140,648)	17,022,830	25,155,629	823,488	(6,985,019)
Total net position	<u>\$ 254,572,584</u>	<u>\$ 226,002,545</u>	<u>\$ 443,784,270</u>	<u>\$ 444,804,048</u>	<u>\$ 698,356,854</u>	<u>\$ 670,806,593</u>

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

City of Grand Forks' Net Position

By far the largest portion of the City's net position, seventy seven percent (77%), reflects its investment in capital assets (e.g., land, buildings, machinery, equipment, and infrastructure), less any related outstanding debt used to acquire those assets. The City uses these capital assets to provide a variety of services to citizens. Accordingly, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it

should be noted that the resources used to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

An additional portion of the City's net position, twenty three percent (23%), represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is \$823,488, primarily due to the effects of the pension and OPEB plans the City is involved with that are reported in accordance with GASB Statements 68 and 75.

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 sanitation fund and the public transit fund. The governmental activities unrestricted balance is a negative \$16.2 million, the unrestricted balance in the sanitation fund is a negative \$5.7 million and the unrestricted balance in the public transit fund is a negative \$4 million. These negative balances are due to net pension and OPEB liabilities and associated deferred outflows and inflows of \$38 million, \$6.1 million and \$5.7 million respectively, which reflects requirements of GASB Statement No. 68 and 75.

Governmental Activities. During the current fiscal year, net position for governmental activities increased by \$28.6 million, while overall the City's net position increased \$27.6 million.

Key elements of this increase in net position are as follows:

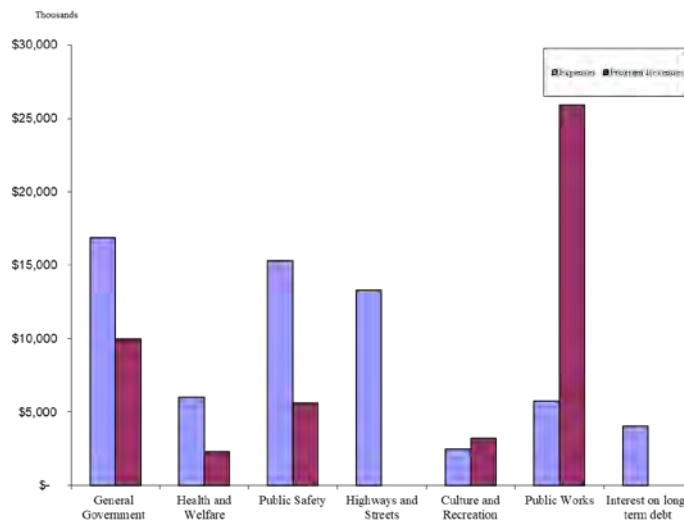
	CHANGES IN NET POSITION					
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Revenues:						
Program Revenues:						
Charges for services	\$ 12,493,663	\$ 12,493,341	\$ 46,132,042	\$ 44,679,736	\$ 58,625,705	\$ 57,173,077
Operating grants and contributions	9,483,686	13,937,680	3,763,772	2,727,074	13,247,458	16,664,754
Capital grants and contributions	25,087,121	14,825,956	3,126,698	16,336,896	28,213,819	31,162,852
General Revenues:						
Property taxes	21,455,684	21,443,385	1,274,619	1,269,066	22,730,303	22,712,451
Sales taxes	19,139,716	16,858,213	9,998,521	8,794,001	29,138,237	25,652,214
Hotel/Motel taxes	767,056	549,414	-	-	767,056	549,414
State aid distribution	3,479,603	3,215,584			3,479,603	3,215,584
Other taxes	3,367,010	3,041,550	31,613	31,580	3,398,623	3,073,130
Miscellaneous	795,820	2,107,611	469,496	2,566,619	1,265,316	4,674,230
Total Revenues	96,069,359	88,472,734	64,796,761	76,404,972	160,866,120	164,877,706
Expenses:						
General Government	16,872,394	15,723,994			16,872,394	15,723,994
Health and Welfare	13,284,472	5,216,119			13,284,472	5,216,119
Public Safety	14,159,871	33,326,831			14,159,871	33,326,831
Highways and Streets	6,016,802	14,043,190			6,016,802	14,043,190
Culture and Recreation	2,471,485	2,381,471			2,471,485	2,381,471
Public Works	5,757,583	9,021,808			5,757,583	9,021,808
Interest on Long-term Debt	4,061,759	3,174,662			4,061,759	3,174,662
Sanitation			11,592,850	11,889,559	11,592,850	11,889,559
Wastewater			12,171,382	11,551,534	12,171,382	11,551,534
Waterworks			16,434,388	14,265,271	16,434,388	14,265,271
Stormwater			5,278,886	4,139,609	5,278,886	4,139,609
Mosquito Control			925,398	1,104,823	925,398	1,104,823
Public Transit			7,822,618	3,554,347	7,822,618	3,554,347
Dial-A-Ride			1,445,768	1,191,965	1,445,768	1,191,965
Alerus Center			10,340,082	8,369,592	10,340,082	8,369,592
Job Development Authority			4,314,500	2,642,364	4,314,500	2,642,364
Downtown Parking			365,621	453,665	365,621	453,665
Total Expenses	62,624,366	82,888,075	70,691,493	59,162,729	133,315,859	142,050,804
Increase in net position before transfers	33,444,993	5,584,659	(5,894,732)	17,242,243	27,550,261	22,826,902
Transfers	(4,874,954)	(668,826)	4,874,954	668,826	-	-
Increase (decrease) in net position	28,570,039	4,915,833	(1,019,778)	17,911,069	27,550,261	22,826,902
Net position - beginning	226,002,545	221,086,712	444,804,048	426,892,979	670,806,593	647,979,691
Net position - ending	\$ 254,572,584	\$ 226,002,545	\$ 443,784,270	\$ 444,804,048	\$ 698,356,854	\$ 670,806,593

Governmental Activities

- The mill levy was decreased by .78 mills in 2021 but the property tax revenue did increase \$12,299 or .06%. This is a result of a growing tax base.
- Local sales tax revenue bounced back after the pandemic and was up \$2,281,503 or 13.5%.
- State aid which is based on sales tax in the State of North Dakota increased \$264,019 or 8.2% which reflects the economy picking up as we got back to a more normal year.
- Operating grants and contributions decreased \$4.5 million or 32%. In 2021 the CARES grants received in response to the pandemic were less significant than those received in 2020.
- Capital grants and contributions increased by \$10.3 million reflecting a large increase in special assessments.
- Hotel/Motel taxes increased \$217,642 or 39.6% as tourism started to return.
- The miscellaneous revenue decreased by \$1,311,791 or 62%. This is largely due to an unrealized loss on investments.

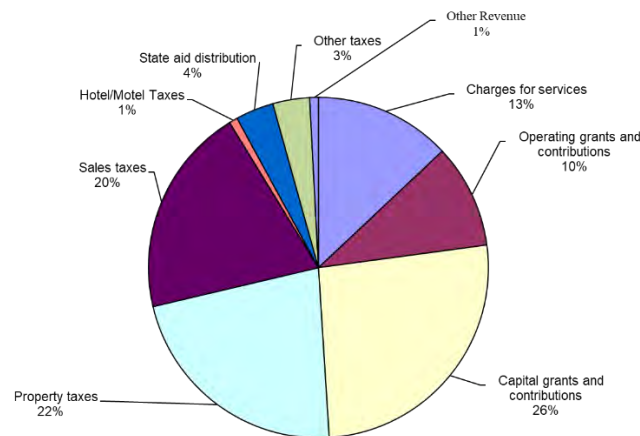
Below are specific graphs which provide comparisons of governmental revenues and expenses:

Expenses and Program Revenues – Governmental Activities



Total governmental expenses decreased by \$20.3 million, or 24%, largely due to decreases in pension and OPEB expenses which totaled \$11 million along with decreases in heating and snow removal due to a mild winter and other maintenance items.

Revenues by Sources – Governmental Activities



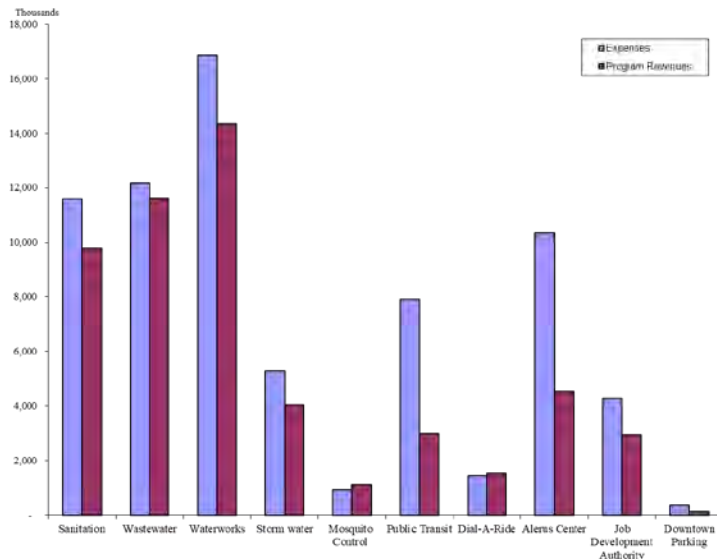
Business-type Activities. Business-type activities decreased the City's net position by \$1 million.

Key elements of this change are as follows:

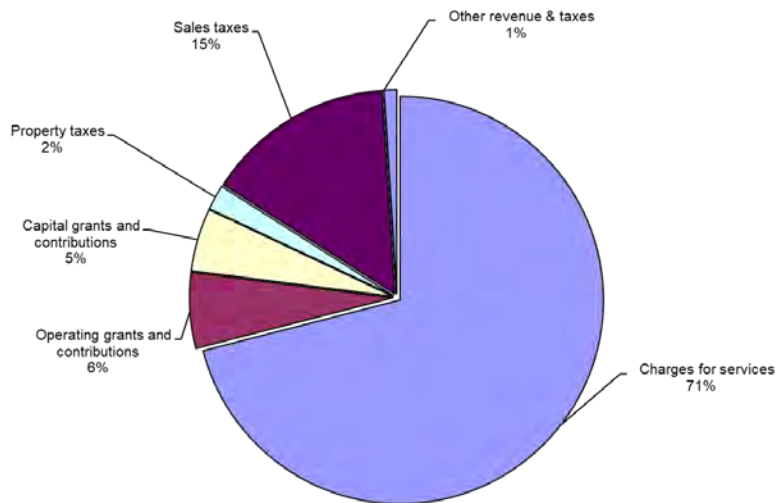
- This reflects the additional pension and OPEB expense required by GASB Statements No. 68 and No. 75 of \$9 million.
- During 2021, as part of existing agreements with the Job Development Authority, purchase options were exercised on two facilities. 1400 S 48th St was sold for \$2,167,783 and 402 Demers Ave sold for \$2,463,601. These sales resulted in a loss of \$453,738.
- Capital contributions made by developers for underground utilities and capitalized special assessment projects assessed to benefiting properties amounted to \$3.1 million.
- Charges for services of \$46 million increased \$1.5 million mainly due to an increase in events at the Alerus Center as live events returned after the pandemic.
- State and federal operating grant revenue contributed \$3.5 million to our public transit and dial-a-ride programs; this includes COVID-19 related grants.
- Miscellaneous revenue decreased \$2.1 million largely due a decrease in interest revenue of \$1.5 million which reflects lower interest rates and an unrealized loss on investments.
- The capital grants decreased \$12.6 million, mostly due to the state water treatment grant being down \$8 million.

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



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 \$80,263,738, a decrease of \$3,306,241 in comparison with the prior year. Approximately 14.2% of this total amount, \$11,408,610, constitutes unassigned fund balance, which is available for spending at the government's discretion. \$2,649,918 or 3.3% 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 \$7,089,697 or 8.8% 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. \$50,775 is nonspendable consisting of inventories and advances. The remaining 73.6% or \$59,064,738 is restricted for various purposes including \$17,350,578 for debt service and \$41,714,160 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 \$11,408,610, with a total fund balance of \$16,092,023.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents twenty seven percent (27%) of the total general fund expenditures, while total fund balance represents thirty eight percent (38%) of that same amount. The fund balance policy goal of 18% has been achieved for this fiscal year.

The fund balance of the City of Grand Forks' general fund decreased by \$1,650,645 during the current fiscal year, which was largely due to a one-time additional contribution of \$1 million to the City's single employer pension plan from excess actual revenue over the budgeted revenue.

Overall general fund revenue decreased \$5,715,439, or 12.1% over the prior year. In 2020, the City received a large amount of COVID-19 related grants but the amount received in 2021 was less substantial. Expenditures were up \$642,398, or 1.5% over 2020.

The special assessment debt service fund has a fund balance of \$15,565,520 all of which is restricted for debt service. This is a decrease of \$3,951,289 from 2020. This is largely due to the redemption of 2011C Refund Improvement Bonds and an unrealized loss on investments which outpaced interest earned on investments.

The current year projects capital project fund has a fund balance of \$5,142,556. This balance is restricted for various infrastructure projects that are being funded by refunding improvement bonds that will be paid through special assessments. This is an increase of \$1,934,151 which is the result of transfers from other funds for the City's share of large projects.

The street and infrastructure capital project fund has a fund balance of \$9,509,745. 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 \$2,584,943 due to the planned spend down of cash on the city share of road projects. Cash is transferred into the special assessment capital project funds for the city share of those 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 \$16,466,023. Many of the proprietary funds reported decreases in net position including, the Sanitation, Water, Stormwater, Job Development Authority, Public Transit and Parking Funds which had negative changes in net position of \$1,006,067, \$151,801, \$1,264,262, \$688,839, \$3,749,306 and \$180,949 respectively.

The Sanitation Fund decrease is due to the pension and OPEB adjustments required by GASB Statement No. 68 and No. 75, of \$1.1 million. The Water Fund reflects an increase in pension and OPEB expenses required by GASB Statements No. 68 and 75 of \$.2 million. The Stormwater Fund had an expense required by GASB Statements No. 65 and 75 of \$.7 million as well as increases in temporary and overtime wages and fuel and maintenance expenses. The Job Development Authority saw a loss on the sale of the Cirrus and Corporate Center 2 buildings of \$.5 million as well as an expense required by GASB Statement No. 68 and No. 75 of \$1.4 million. The Public Transit Fund saw a significant increase in pension required by GASB Statement No. 68 and No. 75 of \$4.1 million. The Parking Fund also saw a decrease due to a spend down of reserve cash for maintenance costs and a decrease in revenue as downtown businesses now have many employees working remotely.

General Fund Budgetary Highlights

During the year there was an increase of \$3,335,345 in appropriations between the original and final amended budget. Following are the main components of the increase:

- A net increase of \$2,031,000 in appropriation in general government which consisted of an additional payment into the defined benefit single employer pension plan of \$1 million from excess sales tax revenue. Also, an increase due to expenditures for coronavirus relief grant funds and overtime and temporary wages.
- An increase of \$158,000 appropriation in health and welfare for overtime and temporary wages due to COVID-19 testing and vaccination clinics.
- An increase of \$328,000 appropriation in public safety overtime and temporary wages, pension contributions and maintenance of vehicles and equipment.
- An increase of \$56,000 appropriation in streets for the maintenance of vehicles and equipment and sand for ice control.
- An increase of \$762,000 in appropriation for capital outlay for the purchase of equipment, vehicles and radios.

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

Noted variances between final budget and actual are as follows:

Revenues in total were 105% of final budget. And overall general fund expenditures were incurred at 97.8% of final budget.

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, 2021, amounts to \$764,933,663 (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 2.3% and in business type activities decreased by 1.8%, resulting in a total decrease in the City's investment in capital assets for the current fiscal year compared to fiscal year 2020 of .5%.

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

- The sale of the Corporate Center 2 building and the Cirrus building.
- 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.
- Stormwater projects included storm sewer rehab and storm pond projects.
- A variety of infrastructure projects including paving, street lighting and traffic signals were also completed in 2021.

CAPITAL ASSETS (net of depreciation)						
	Governmental Activities		Business-type Activities		Total	
	2021	2020	2021	2020	2021	2020
Land	\$ 38,689,311	\$ 39,103,115	\$ 13,885,537	\$ 13,976,127	\$ 52,574,848	\$ 53,079,242
Building & structures	24,354,000	28,557,047	303,759,929	312,533,095	328,113,929	341,090,142
Improvement other than buildings	48,651,010	49,650,796	177,969,513	179,842,621	226,620,523	229,493,417
Machinery and equipment	8,552,181	7,926,352	18,990,179	18,697,405	27,542,360	26,623,757
Infrastructure	120,498,687	112,203,553	-	-	120,498,687	112,203,553
Construction in progress	2,305,577	624,526	1,240,445	398,579	3,546,022	1,023,105
Total	<u>\$ 243,050,766</u>	<u>\$ 238,065,389</u>	<u>\$ 515,845,603</u>	<u>\$ 525,447,827</u>	<u>\$ 758,896,369</u>	<u>\$ 763,513,216</u>
Internal Service Fund Capital Assets net of accumulated depreciation	<u>\$ 6,037,295</u>	<u>\$ 5,406,018</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 6,037,295</u>	<u>\$ 5,406,018</u>
	<u>\$ 249,088,061</u>	<u>\$ 243,471,407</u>	<u>\$ 515,845,603</u>	<u>\$ 525,447,827</u>	<u>\$ 764,933,664</u>	<u>\$ 768,919,234</u>

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 \$224,620,513. Of this amount, \$1,867,600 comprises debt backed by the full faith and credit of the City and \$93,262,894 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 \$129,490,019 of this debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term liabilities total \$57,541,511 which will be funded through a variety of revenue sources. \$21,926,096 is due to the single employer pension plan and \$20,915,598 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 12/31/2021	Total 12/31/2020
General Obligation Bonds	\$ 1,745,000		\$ 1,745,000	\$ 2,290,000
Unamortized Premium	122,600		122,600	151,125
Special Assessment with GO commitment	88,256,124		88,256,124	87,277,618
Unamortized Premium	5,028,584		5,028,584	4,285,909
Unamortized Discount	(21,814)		(21,814)	(29,306)
Sales Tax Revenue	-	\$ 26,455,000	26,455,000	30,225,000
Unamortized Premium	-	3,618,357	3,618,357	4,133,114
Revenue Bonds		25,075,205	25,075,205	27,578,983
Unamortized Premium		741,848	741,848	435,109
Unamortized Discount		(15,391)	(15,391)	(34,345)
NDBB-SRF Loans		73,615,000	73,615,000	77,053,485
Total Bonded & SRF Loan Debt	95,130,494	129,490,019	224,620,513	233,366,692
Landfill Closure/Postclosure		5,179,122	5,179,122	5,218,271
Capital Leases	936,809	1,411,326	2,348,135	1,346,906
Compensated Absences	5,801,379	1,371,211	7,172,590	6,930,926
Net Pension Liability Single Employer Plan	16,909,403	5,016,693	21,926,096	24,538,264
Net Pension Liability Cost Sharing Plan	9,189,913	7,740,656	16,930,569	76,032,607
Net Pension Liability Cost Sharing Plan-Public Safety	2,705,608	-	2,705,608	-
Net OPEB Liability Cost Sharing Plan	694,454	584,937	1,279,391	1,863,249
Total Debt Outstanding	\$ 131,368,060	\$ 150,793,964	\$ 282,162,024	\$ 349,296,915
Internal Service Fund Long-term Compensated Absences	\$ 62,276	\$ -	\$ 62,276	\$ 101,628
Total Debt and Other Long-Term Liabilities Outstanding	\$ 131,430,336	\$ 150,793,964	\$ 282,224,300	\$ 349,398,543

The City’s total debt decreased by \$67 million during the current fiscal year, a large part of this decrease was due to a \$59.6 million decrease in the net pension and OPEB liability. The Refunding Improvement Bonds were increased \$1.7 million which was offset by payments on outstanding debt.

During the current year the City issued \$7,500,000 in Refunding Improvement Bonds, Series 2021A, to finance various improvement projects in the city limits; \$1,550,000 of Refunding Improvement Refunding Bonds, Series 2021B to refund the Refunding Improvement Bonds, Series 2011C, and \$2,095,000 of Sewer Reserve Revenue Refunding Bonds, Series 2021C, to refund the Sewer Reserve Revenue Bonds, Series 2009B and the Sewer Reserve Revenue Bonds, Series 2011D, to achieve interest savings.

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:

2021A Refunding Improvement Bonds	2.046%	Aa2
2021B Refunding Improvement Refunding Bonds	0.751%	Aa2
2021 Sewer Reserve Revenue Refunding Bond	1.140%	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 \$126,274,955, which is significantly in excess of the City's outstanding net general obligation debt of \$1,867,600 (Table 15A, page 199).

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

After a year of significant decline in 2020, the State's economy demonstrated continued economic recovery and a gradual return to pre-pandemic levels. This was reflected in a 9.2% increase in taxable sales and purchases in 2021 as compared to 2020. Oil and tourism industries, which were hit hard by the pandemic, are rebounding.

Grand Forks' economy continues to remain strong in the energy, agriculture, aviation, unmanned aircraft systems, border security, medicine, research and tourism sectors. The sales tax revenue rebounded with a 13.6% increase in 2021 over 2020. 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. There are over 1,200 people working in careers associated with the Unmanned Aircraft Systems in the region today.

The City of Grand Forks 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.

Four exciting projects are 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. Construction has already begun on the Beacon and Memorial Village.

The City is poised to be home to FuFeng, a wet corn milling plant which would be the largest private capital investment in the region's history. It would result in a large new factory on the city's north end, hundreds of new jobs, opportunities for the region's ag producers and indirectly create hundreds of additional jobs.

The City has experienced a growth in valuation due to new construction and revaluation. The total taxable value of property increased 2.45%, 1.51% from new construction and .94% from revaluation. In 2022 the value of a mill is expected to increase from \$238,013 to \$243,718 per mill. The mill levy for the City of Grand Forks' 2022 budget decreased from 97.87 mills for 2021 to 96.99 mills for 2022. Property taxes generated by new construction increases are estimated to be 1.47% or \$343,870. The general fund budget was lowered by 0.20 mills for property tax which resulted in a net increase of \$352,427 in the general fund due to change in mills and value of a mill. 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 2022, which includes operating, capital and debt service expenditures, is \$216.7 million compared to \$178.4 million in 2021, an increase of 21.4%. This is primarily due to the timing of major capital projects that were previously planned or were put on pause for 2021 given the unknown financial impacts of COVID-19.

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 increased from \$48.3 million in the 2021 budget to \$76.3 million in the 2022. The 2022 budget of \$76.3 million in capital improvement projects include \$32.9 million in utility infrastructure projects, \$12.9 million of facilities and buildings, \$26.2 million in streets and bikepath projects and \$4.3 million of equipment replacement. Some of the larger projects planned for 2022 are the construction of Cell C at the landfill, a new sanitary lift station, improvements at the wastewater treatment plant, as well as various street reconstruction projects, new infrastructure in growing areas of town, and a variety of utility infrastructure projects.

The recommended rate increases for the 2022 budget for utility service charges are no rate increase for water, sanitation or mosquito, a 2% increase for wastewater, a 4% 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 a decrease in unemployment from 4.6 percent in 2020 to 3.1 percent in 2021, which is much lower than the national average of 5.3 percent. This decrease was due to the reopening of businesses that had closures during the pandemic.

There was a total of 162 housing units and 22 new commercial and public buildings constructed in 2021.

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, 2021

	Primary Government			Component Unit
	Governmental Activities	Business-type Activities	Total	GF Regional Airport Authority
ASSETS				
Cash and cash equivalents	\$ 44,227,546	\$ 22,905,676	\$ 67,133,222	\$ 18,122,772
Investments	41,737,169	7,000,000	48,737,169	81,516
Receivables				
Accounts	1,374,168	5,674,670	7,048,838	219,100
Property taxes	419,891	26,023	445,914	21,297
Special assessments	377,322	230,769	608,091	
Uncertified special assessments	62,734,803		62,734,803	
Sales tax	1,476,943	767,195	2,244,138	
Hotel/Motel Tax	65,643		65,643	
Notes receivable	3,305,659	4,757,731	8,063,390	
Due from other governments	2,436,120	3,502,195	5,938,315	922,578
Internal balances	(607,834)	607,834	-	
Inventories	138,277	514,744	653,021	20,393
Prepays	41,494	438,224	479,718	64,450
Assets Held for Resale	-	1,177,512	1,177,512	
Restricted assets:				
Cash and cash equivalents		40,387,034	40,387,034	408,626
Investments		7,429,371	7,429,371	
Capital assets (net of accumulated depreciation):				
Land	38,969,371	13,885,537	52,854,908	2,775,606
Buildings and structures	27,996,628	303,759,929	331,756,557	16,340,499
Improvements other than buildings	48,827,970	177,969,513	226,797,483	16,864,835
Machinery and Equipment	9,457,331	18,990,179	28,447,510	1,299,200
Infrastructure	120,498,687		120,498,687	
Construction-in-progress	3,338,074	1,240,445	4,578,519	1,046,871
Total assets	<u>406,815,262</u>	<u>611,264,581</u>	<u>1,018,079,843</u>	<u>58,187,743</u>
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	231,523	1,224,741	1,456,264	
Deferred Pension Single Employer Plan	3,493,942	1,036,585	4,530,527	
Deferred Pension NDPERS	11,600,232	9,770,865	21,371,097	
Deferred Pension NDPERS-Public Safety	14,352,157		14,352,157	
Deferred OPEB NDPERS	299,984	252,677	552,661	
Total deferred outflows of resources	<u>29,977,838</u>	<u>12,284,868</u>	<u>42,262,706</u>	<u>-</u>
LIABILITIES				
Accounts payable	2,382,157	1,467,949	3,850,106	425,950
Contracts payable	1,609,149	1,842,837	3,451,986	75,683
Customer deposit payable	117,178	95,699	212,877	
Accrued interest payable	284,023	705,183	989,206	
Unearned revenue	8,117,016	3,750,209	11,867,225	437,273
Noncurrent liabilities:				
Due within one year	6,045,967	6,657,094	12,703,061	
Due in more than one year	125,384,369	144,136,870	269,521,239	
Total liabilities	<u>143,939,859</u>	<u>158,655,841</u>	<u>302,595,700</u>	<u>938,906</u>
DEFERRED INFLOWS OF RESOURCES				
Deferred Pension Single Employer Plan	3,413,642	1,012,760	4,426,402	
Deferred Pension NDPERS	23,578,149	19,859,856	43,438,005	
Deferred Pension NDPERS-Public Safety	11,007,826		11,007,826	
Deferred OPEB NDPERS	281,040	236,722	517,762	
Total deferred inflows of resources	<u>38,280,657</u>	<u>21,109,338</u>	<u>59,389,995</u>	<u>-</u>
NET POSITION				
Net investment in capital assets	151,180,086	384,326,165	535,506,251	38,251,328
Restricted for:				
Debt Service	76,535,491	27,224,568	103,760,059	-
Infrastructure and Capital Projects	27,144,563	15,210,707	42,355,270	-
Library	3,150,867		3,150,867	
Economic Development	6,648,065		6,648,065	
Community Development	1,880,626		1,880,626	
Emergency	2,341,977		2,341,977	
Public Buildings	708,368		708,368	
Other purposes	1,181,883		1,181,883	
Unrestricted	(16,199,342)	17,022,830	823,488	18,997,509
Total net position	<u>\$ 254,572,584</u>	<u>\$ 443,784,270</u>	<u>\$ 698,356,854</u>	<u>\$ 57,248,837</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, 2021**

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	\$ 16,872,394	\$ 8,713,449	\$ 1,276,325	\$ -	\$ (6,882,620)		\$ (6,882,620)	
Highways and Streets	13,284,472				(13,284,472)		(13,284,472)	
Public safety	14,159,871	2,672,181	2,918,242	30,207	(8,539,241)		(8,539,241)	
Health and welfare	6,016,802	1,091,562	1,193,230	9,670	(3,722,340)		(3,722,340)	
Culture and recreation	2,471,485	16,471	3,212,116		757,102		757,102	
Public Works	5,757,583		883,773	25,047,244	20,173,434		20,173,434	
Interest on long-term debt	4,061,759				(4,061,759)		(4,061,759)	
Total governmental activities	<u>62,624,366</u>	<u>12,493,663</u>	<u>9,483,686</u>	<u>25,087,121</u>	<u>(15,559,896)</u>		<u>(15,559,896)</u>	
Business-type activities:								
Sanitation	11,592,850	9,781,457				\$ (1,811,393)	(1,811,393)	
Wastewater	12,171,382	11,150,301		466,007		(555,074)	(555,074)	
Water	16,434,388	13,212,174		1,124,860		(2,097,354)	(2,097,354)	
Stormwater	5,278,886	3,098,587		941,991		(1,238,308)	(1,238,308)	
Mosquito Control	925,398	1,117,215				191,817	191,817	
Public Transit	7,822,618	788,508	1,866,306	325,765		(4,842,039)	(4,842,039)	
Dial-A-Ride	1,445,768	249,464	1,046,683	255,493		105,872	105,872	
Alerus Center	10,340,082	4,520,436		12,582		(5,807,064)	(5,807,064)	
Job Development Authority	4,314,500	2,093,219	850,783	-		(1,370,498)	(1,370,498)	
Downtown Parking	365,621	120,681				(244,940)	(244,940)	
Total business-type activities	<u>70,691,493</u>	<u>46,132,042</u>	<u>3,763,772</u>	<u>3,126,698</u>	<u>-</u>	<u>(17,668,981)</u>	<u>(17,668,981)</u>	
Total primary government	<u>\$ 133,315,859</u>	<u>\$ 58,625,705</u>	<u>\$ 13,247,458</u>	<u>\$ 28,213,819</u>	<u>\$ (15,559,896)</u>	<u>\$ (17,668,981)</u>	<u>\$ (33,228,877)</u>	
Component units:								
Regional Airport Authority	\$ 8,693,301	\$ 3,518,315	\$ -	\$ 3,557,928				\$ (1,617,058)
Total component units	<u>\$ 8,693,301</u>	<u>\$ 3,518,315</u>	<u>\$ -</u>	<u>\$ 3,557,928</u>				<u>\$ (1,617,058)</u>
General revenues:								
Property taxes levied for general purpose					\$ 21,449,475	\$ 1,274,619	\$ 22,724,094	\$ 1,212,101
Property taxes levied for debt service					6,209		6,209	
Sales taxes					19,139,716	9,998,521	29,138,237	
Hotel/Motel Tax					767,056		767,056	
Unrestricted state aid distribution					3,479,603		3,479,603	
Franchise taxes					2,693,209		2,693,209	
Other taxes					673,801	31,613	705,414	
Unrestricted investment earnings or (loss)					(175,767)	74,567	(101,200)	84,721
Gain on sale of capital assets					4,730	169,982	174,712	-
Miscellaneous					966,857	224,947	1,191,804	27,091
Transfers					(4,874,954)	4,874,954	-	-
Total general revenue and transfers					<u>44,129,935</u>	<u>16,649,203</u>	<u>60,779,138</u>	<u>1,323,913</u>
Change in net position					28,570,039	(1,019,778)	27,550,261	(293,145)
Net position - beginning					<u>226,002,545</u>	<u>444,804,048</u>	<u>670,806,593</u>	<u>57,541,982</u>
Net position - ending					<u>\$ 254,572,584</u>	<u>\$ 443,784,270</u>	<u>\$ 698,356,854</u>	<u>\$ 57,248,837</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, 2021
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020

	General Fund	Debt Service Special Assessment Bonds	Capital Project Current Year Projects	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	2021 Total Governmental Funds	2020 Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 2,295,682	\$ 3,828,351	\$ 4,815,887	\$ 2,635,960	\$ 28,545,276	\$ 42,121,156	\$ 43,130,088
Investments	13,000,000	11,737,169	1,000,000	7,000,000	9,000,000	41,737,169	38,366,067
Receivables, net:							
Accounts	1,181,032			-	190,086	1,371,118	1,389,035
Special assessments (including liens)	1,333	314,156			61,833	377,322	269,775
Special assessments-uncertified	629,731	57,702,708			4,402,364	62,734,803	48,365,423
Property taxes	319,756				100,135	419,891	512,042
Sales tax	466,670			352,379	657,894	1,476,943	1,500,268
Hotel/Motel Tax					65,643	65,643	34,790
Notes					3,305,659	3,305,659	3,555,360
Intergovernmental	468,973			273,981	1,693,166	2,436,120	4,079,914
Prepaid Items	6,372				28,002	34,374	38,702
Due from other funds	510,000				-	510,000	81,000
Advances to other funds	16,401					16,401	23,901
Total assets	<u>\$ 18,895,950</u>	<u>\$ 73,582,384</u>	<u>\$ 5,815,887</u>	<u>\$ 10,262,320</u>	<u>\$ 48,050,058</u>	<u>\$ 156,606,599</u>	<u>\$ 141,346,365</u>
LIABILITIES							
Accounts payable	\$ 1,606,876	\$ -	\$ -	\$ -	\$ 726,054	\$ 2,332,930	\$ 4,086,491
Contracts payable			673,331	752,575	88,477	1,514,383	637,219
Surety deposits	117,178					117,178	118,829
Due to other funds					510,000	510,000	81,000
Advance from other funds					60,928	60,928	98,528
Unearned income					8,117,016	8,117,016	3,772,278
Total liabilities	<u>1,724,054</u>	<u>-</u>	<u>673,331</u>	<u>752,575</u>	<u>9,502,475</u>	<u>12,652,435</u>	<u>8,794,345</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-property taxes	448,809				129,492	578,301	346,843
Unavailable revenue-special assessments	631,064	58,016,864			4,464,197	63,112,125	48,635,198
Total deferred inflows of resources	<u>1,079,873</u>	<u>58,016,864</u>	<u>-</u>	<u>-</u>	<u>4,593,689</u>	<u>63,690,426</u>	<u>48,982,041</u>
FUND BALANCES							
Non-spendable	22,773				28,002	50,775	62,603
Restricted		15,565,520	5,142,556	9,509,745	28,846,917	59,064,738	60,651,417
Committed	2,010,722				5,078,975	7,089,697	7,220,035
Assigned	2,649,918					2,649,918	2,577,587
Unassigned	11,408,610					11,408,610	13,058,337
TOTAL FUND BALANCE	<u>16,092,023</u>	<u>15,565,520</u>	<u>5,142,556</u>	<u>9,509,745</u>	<u>33,953,894</u>	<u>80,263,738</u>	<u>83,569,979</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 18,895,950</u>	<u>\$ 73,582,384</u>	<u>\$ 5,815,887</u>	<u>\$ 10,262,320</u>	<u>\$ 48,050,058</u>	<u>\$ 156,606,599</u>	<u>\$ 141,346,365</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, 2021

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

Total Fund Balance - Governmental Funds		\$ 80,263,738
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Capital Assets used in governmental activities are not financial resources and therefore not reported in the fund financial statements:

Land	\$ 38,689,311	
Buildings net of depreciation	24,354,000	
Improvement Other Than Buildings net of depreciation	48,651,010	
Machinery & Equipment net of depreciation	8,552,181	
Infrastructure net of depreciation	120,498,687	
Construction in progress	<u>2,305,577</u>	
	243,050,766	243,050,766

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

Bonds Payable	\$ 90,001,124	
Deferred Amount on Refunding	(231,523)	
Capital Lease Payable	936,809	
Compensated Absences	5,801,379	
Net Pension Liability - Single Employer Plan	16,909,403	
Net Pension Liability - Cost Sharing Plan	9,189,912	
Net Pension Liability - Public Safety Cost Sharing Plan	2,705,608	
Net OPEB Liability - Cost Sharing Plan	694,454	
Accrued Interest Payable	<u>284,023</u>	
	126,291,189	(126,291,189)

Unamortized Discount/Premium		(5,129,370)
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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		3,493,942
Deferred Outflows of Resources - NDPERS Pension		11,600,232
Deferred Outflows of Resources - NDPERS Pension-Public Safety		14,352,157
Deferred Outflows of Resources - NDPERS OPEB		299,984
Deferred Inflows of Resources - Single Employer Plan		(3,413,642)
Deferred Inflows of Resources - NDPERS Pension		(23,578,149)
Deferred Inflows of Resources - NDPERS Pension-Public Safety		(11,007,826)
Deferred Inflows of Resources - NDPERS OPEB		(281,040)

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.

		63,690,426
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Assets or liabilities of internal service funds that primarily serve governmental funds:

		<u>7,522,555</u>
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Net Position of Governmental Activities		<u>\$ 254,572,584</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, 2021
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2020

	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 2021	Total Governmental Funds 2020
REVENUES							
Taxes:							
Property	\$ 17,473,906				\$ 3,981,777	\$ 21,455,683	\$ 21,443,386
Sales	6,047,361			\$ 4,566,907	8,525,448	19,139,716	16,858,213
Hotel/Motel Tax					767,056	767,056	549,415
Licenses and permits	2,177,109					2,177,109	2,025,224
Intergovernmental	4,978,995			2,971,826	7,085,320	15,036,141	22,763,648
Charges for services	7,172,794			1,347	2,254,485	9,428,626	9,955,807
Special assessments		\$ 7,776,947			1,760,994	9,537,941	10,234,260
Fines and forfeits	786,754				22,948	809,702	635,406
Investment earnings (loss)	(34,169)	(59,789)	\$ (41,138)	(23,474)	(6,590)	(165,160)	1,667,167
Miscellaneous	2,924,082	-		-	255,955	3,180,037	3,027,937
Total revenues	<u>41,526,832</u>	<u>7,717,158</u>	<u>(41,138)</u>	<u>7,516,606</u>	<u>24,647,393</u>	<u>81,366,851</u>	<u>89,160,463</u>
EXPENDITURES							
Current:							
General government	10,922,151				4,648,551	15,570,702	14,223,762
Health & welfare	2,149,220				3,561,381	5,710,601	5,066,620
Public safety	21,483,212				3,458,749	24,941,961	23,752,466
Highway & streets	6,824,082	-		910,249		7,734,331	7,673,173
Culture and recreation					2,461,769	2,461,769	2,370,694
Debt service:							
Principal		5,586,493			1,933,212	7,519,705	9,345,247
Interest and fiscal charges		3,026,869			128,541	3,155,410	3,338,860
Bond issuance costs		193,237				193,237	112,204
Contractual services		3,829				3,829	22,188
Capital outlay:							
General government	5,785				1,506,846	1,512,631	103,944
Health & welfare	18,709				84,494	103,203	125,336
Culture and recreation					207,983	207,983	959,075
Public safety	662,275				1,141,812	1,804,087	3,269,621
Public works	51,319		10,760,382	6,730,853	303,198	17,845,752	23,363,693
Total expenditures	<u>42,116,753</u>	<u>8,810,428</u>	<u>10,760,382</u>	<u>7,641,102</u>	<u>19,436,536</u>	<u>88,765,201</u>	<u>93,726,883</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(589,921)</u>	<u>(1,093,270)</u>	<u>(10,801,520)</u>	<u>(124,496)</u>	<u>5,210,857</u>	<u>(7,398,350)</u>	<u>(4,566,420)</u>
OTHER FINANCING SOURCES (USES)							
Transfers in	3,768,800	1,266,565	4,785,427	4,969,680	10,248,484	25,038,956	19,562,758
Transfers out	(4,834,254)	(3,421,954)	(387,833)	(7,430,127)	(12,985,516)	(29,059,684)	(21,192,004)
Issuance of bonds			7,500,000		-	7,500,000	4,220,637
Issuance of capital leases					472,660	472,660	407,578
Issuance of refunding bonds		1,550,000				1,550,000	1,430,000
Redemption of refunded bonds		(2,485,000)				(2,485,000)	(1,320,000)
Bond (discount) premium		232,370	838,077			1,070,447	664,167
Sale of capital assets	4,730				-	4,730	47,596
Total other financing sources and uses	<u>(1,060,724)</u>	<u>(2,858,019)</u>	<u>12,735,671</u>	<u>(2,460,447)</u>	<u>(2,264,372)</u>	<u>4,092,109</u>	<u>3,820,732</u>
Net change in fund balances	(1,650,645)	(3,951,289)	1,934,151	(2,584,943)	2,946,485	(3,306,241)	(745,688)
Fund balances - beginning	<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>
Fund balances - ending	<u>\$ 16,092,023</u>	<u>\$ 15,565,520</u>	<u>\$ 5,142,556</u>	<u>\$ 9,509,745</u>	<u>\$ 33,953,894</u>	<u>\$ 80,263,738</u>	<u>\$ 83,569,979</u>

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, 2021

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

Net change in fund balances - total governmental funds	\$	(3,306,241)
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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	\$	18,354,348	
Depreciation expense - current year		<u>(9,165,175)</u>	
		9,189,173	9,189,173

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		(4,730)
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Net book value of assets disposed		(2,341,515)
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A transfer of capital assets from governmental activities to business-type activities is not reported in the governmental funds but is reported as an interfund transfer in governmental activities		(1,857,552)
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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	\$	(9,050,000)	
Capital Lease		(472,660)	
Deferred Charges		234,784	
Bonds discount and premium		(1,070,447)	

Repayments:

Bond and Capital Lease Principal		10,004,705	
Bond deferred charges amortization		(25,076)	
Bonds discount and premium amortization		<u>408,900</u>	
Net Adjustment		30,206	30,206

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		11,751
Change in compensated absences		(319,961)
Change in net pension obligation		48,755,330
Change in net OPEB obligation		742,484

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

Change in Deferred Outflow of Resources		(9,763,406)
Change in Deferred Inflow of Resources		(27,641,512)

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, 2021	\$	63,690,426	
Unavailable revenue December 31, 2020		<u>(48,982,041)</u>	
Net change		14,708,385	14,708,385

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.

367,627

Change in net position of governmental activities (Exhibit 2)	\$	<u>28,570,039</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 BALANCE - BUDGET AND ACTUAL
 GENERAL FUND

Year Ended December 31, 2021

With Comparative Actual Totals for Year Ended December 31, 2020

	Original Budget	Final Budget As Amended	2021 Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual Amounts
REVENUES					
Taxes:					
Property	\$ 18,076,820	\$ 18,076,820	\$ 17,473,906	\$ (602,914)	\$ 16,989,935
Sales	4,235,413	5,485,413	6,047,361	561,948	5,326,694
Licenses and permits	1,516,185	1,516,185	2,177,109	660,924	2,025,224
Intergovernmental	3,724,445	3,843,198	4,978,995	1,135,797	11,772,901
Charges for services	6,953,105	7,114,113	7,172,794	58,681	7,712,660
Fines and forfeits	753,000	753,000	786,754	33,754	615,492
Interest	141,017	141,017	(34,169)	(175,186)	281,570
Miscellaneous	2,452,880	2,564,001	2,924,082	360,081	2,517,795
Total Revenues	37,852,865	39,493,747	41,526,832	2,033,085	47,242,271
EXPENDITURES					
Current:					
General Government:					
Assessor	793,766	791,687	791,424	263	766,651
Attorney	257,850	318,518	316,586	1,932	432,724
Finance and Administrative Services	1,452,322	1,590,326	1,582,221	8,105	1,436,885
Planning & Zoning	402,726	406,391	360,646	45,745	429,871
City Hall	366,247	278,698	226,609	52,089	319,162
Information Services	1,142,940	1,157,377	1,149,034	8,343	1,102,433
Inspections	1,325,767	1,485,486	1,404,955	80,531	1,253,108
Mayor and Council	265,558	629,740	623,190	6,550	1,218,064
City Administrator	274,620	335,355	332,521	2,834	343,635
Public Information Center	300,030	303,232	302,393	839	283,985
Miscellaneous	1,896,075	3,227,286	3,101,644	125,642	1,963,195
Human Resources	795,632	780,909	730,928	49,981	685,016
Total General Government	9,273,533	11,305,005	10,922,151	382,854	10,234,729
Health and Welfare:					
Health	2,070,643	2,228,494	2,149,220	79,274	2,057,800
Total Health and Welfare	2,070,643	2,228,494	2,149,220	79,274	2,057,800

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, 2021

With Comparative Actual Totals for Year Ended December 31, 2020

	Original Budget	Final Budget As Amended	2021 Actual Amounts	Variance with Final Budget Positive (Negative)	2020 Actual Amounts
Public Safety:					
Fire	\$ 8,708,985	\$ 8,738,746	\$ 8,704,402	\$ 34,344	\$ 8,582,729
Municipal Court	786,884	801,454	603,292	198,162	557,832
Police	11,882,449	12,166,146	12,061,570	104,576	11,373,969
Public Safety Training Center	67,985	67,750	55,878	11,872	51,494
Emergency Program Management	95,888	95,888	58,070	37,818	127,246
Total Public Safety	21,542,191	21,869,984	21,483,212	386,772	20,693,270
Highways and Streets:					
Engineering	2,505,390	2,517,858	2,498,004	19,854	2,398,446
Street	4,321,294	4,364,906	4,326,078	38,828	4,569,231
Total Highway and Streets	6,826,684	6,882,764	6,824,082	58,682	6,967,677
Capital Outlay	-	762,149	738,088	24,061	1,520,879
Total Expenditures	39,713,051	43,048,396	42,116,753	931,643	41,474,355
Excess (Deficiency) of Revenues Over Expenditures	(1,860,186)	(3,554,649)	(589,921)	2,964,728	5,767,916
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	4,730	4,730		41,596
Transfers in	2,433,352	4,680,371	3,768,800	(911,571)	2,399,466
Transfers out	(1,135,235)	(4,834,254)	(4,834,254)		(4,112,897)
Total Other Financing Sources (Uses)	1,298,117	(149,153)	(1,060,724)	(911,571)	(1,671,835)
Net Change in Fund Balance	(562,069)	(3,703,802)	(1,650,645)	2,053,157	4,096,081
Fund Balances - Beginning	17,742,668	17,742,668	17,742,668		13,646,587
Fund Balances - Ending	\$ 17,180,599	\$ 14,038,866	\$ 16,092,023	\$ 2,053,157	\$ 17,742,668

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, 2021

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	\$ 3,397,677	\$ 5,365,255	\$ 1,439,474	\$ 4,161,565	\$ 1,278,704	\$ 5,646,530	\$ 1,616,471	\$ 22,905,676	\$ 2,106,390
Investments						7,000,000		7,000,000	
Restricted cash, cash equivalents, and investments:									
Customer deposits	9,687	829	4,545	79,222			1,416	95,699	
Construction account	2,016,987	2,556,394	1,402,274	6,698,388			325,003	12,999,046	
Operating and capital reserve fund					134,215			134,215	
Trust acct.-advance ticket sales/suite rev.					5,002,667			5,002,667	
Revenue bond current debt service acct.	233,917	539,476		949,383	20,401,331		31,300	22,155,407	
Receivables (net of allowances for uncoll.):									
Accounts	954,275	1,074,330	665,304	1,352,392	301,661	636,623	690,085	5,674,670	3,050
Notes Receivable						323,900		323,900	
Taxes - property							26,023	26,023	
Taxes - sales					767,195			767,195	
Special assessments		16,900	74,284	4,585	135,000			230,769	
Due from other funds				2,100,000				2,100,000	
Advances to other funds				51,027				51,027	
Intergovernmental:									
Federal government						134,792	2,686,993	2,821,785	
State of North Dakota				450,037			230,373	680,410	
Inventories				242,065	143,149		129,530	514,744	138,277
Prepaid items	1,916	36,424	13,173	55,048	259,705	23,685	48,273	438,224	7,120
Total current assets	6,614,459	9,589,608	3,599,054	16,143,712	28,423,627	13,765,530	5,785,467	83,921,457	2,254,837
Noncurrent Assets:									
Restricted cash, cash equivalents, and investments:									
Revenue bond reserve account	850,237	1,640,344		3,196,763			87,000	5,774,344	
Reserved for Landfill Closure	1,655,027							1,655,027	
Total restricted cash, cash equivalents, and investments	2,505,264	1,640,344		3,196,763			87,000	7,429,371	
Receivables (net of allowances for uncoll.):									
Notes receivable						4,433,831		4,433,831	
Assets held for resale						1,177,512		1,177,512	
Total noncurrent receivables						5,611,343		5,611,343	
Capital Assets:									
Land	2,581,184	253,751	998,517	735,883	5,956,441	2,998,935	360,826	13,885,537	280,060
Buildings	10,427,967	82,907,504	5,854,936	194,401,757	94,578,446	16,658,041	9,697,099	414,525,750	8,210,716
Improvements other than buildings	20,450,263	118,345,966	76,726,110	81,376,658	1,434,824	1,374,906	3,847,327	303,556,054	420,500
Machinery and equipment	17,429,933	3,745,117	943,040	6,856,088	15,264,343	100,981	9,754,340	54,093,842	2,740,430
Construction in progress		869,910		33,957	33,483	185,105	117,990	1,240,445	1,032,497
Less accumulated depreciation	(23,945,992)	(90,363,656)	(24,215,486)	(66,375,287)	(49,683,894)	(7,349,571)	(9,522,139)	(271,456,025)	(6,646,908)
Total Capital Assets (net of accumulated depreciation)	26,943,355	115,758,592	60,307,117	217,029,056	67,583,643	13,968,397	14,255,443	515,845,603	6,037,295
Total Noncurrent Assets	29,448,619	117,398,936	60,307,117	220,225,819	67,583,643	19,579,740	14,342,443	528,886,317	6,037,295
Total Assets	36,063,078	126,988,544	63,906,171	236,369,531	96,007,270	33,345,270	20,127,910	612,807,774	8,292,132

Continued

CITY OF GRAND FORKS, NORTH DAKOTA
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 DECEMBER 31, 2021

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					1,224,741			1,224,741	
Deferred Pension Single Employer Plan	349,304	198,890	34,432	345,226		906	107,827	1,036,585	
Deferred Pension NDPERS	2,265,336	1,540,856	530,003	1,957,592		737,303	2,739,775	9,770,865	
Deferred NDPERS OPEB	58,582	39,847	13,706	50,624		19,067	70,851	252,677	
Total deferred outflow of resources	2,673,222	1,779,593	578,141	2,353,442	1,224,741	757,276	2,918,453	12,284,868	
LIABILITIES									
Current Liabilities:									
Accounts payable	108,168	146,472	76,568	114,085	854,455	25,265	142,937	1,467,950	49,227
Due to other funds							2,100,000	2,100,000	
Compensated absences payable-current	54,751	22,733		18,233			20,628	116,345	
Contracts payable (Includes Retainage)	674,094	135,527	30,189	1,003,027	-		-	1,842,837	94,766
Customer deposits payable	9,687	829	4,545	79,222			1,416	95,699	
Advance ticket and suite revenue					3,750,209			3,750,209	
Accrued interest payable	100,584	215,380		334,383	51,869		2,967	705,183	
Capital leases payable-current	326,794							326,794	
Bonds payable-current	400,000	1,108,955		1,845,000	2,775,000		85,000	6,213,955	
Total Current Liabilities	1,674,078	1,629,896	111,302	3,393,950	7,431,533	25,265	2,352,948	16,618,972	143,993
Noncurrent Liabilities:									
Compensated absences payable	247,244	235,613	15,960	316,271		110,363	329,415	1,254,866	62,276
Revenue bonds payable	9,810,038	22,285,351		63,519,609	27,298,356		362,709	123,276,063	
Capital leases payable	1,084,532							1,084,532	
Advances from other funds								-	6,500
Net Pension Liability Single Employer Plan	1,690,502	962,556	166,639	1,670,769		4,386	521,841	5,016,693	
Net Pension Liability NDPERS	1,794,640	1,220,694	419,878	1,550,840		584,105	2,170,499	7,740,656	
Net OPEB Liability NDPERS	135,615	92,244	31,729	117,192		44,139	164,018	584,937	
Landfill closure and postclosure care	5,179,122							5,179,122	
Total Noncurrent Liabilities	19,941,693	24,796,458	634,206	67,174,681	27,298,356	742,993	3,548,482	144,136,869	68,776
Total Liabilities	21,615,771	26,426,354	745,508	70,568,631	34,729,889	768,258	5,901,430	160,755,841	212,769
DEFERRED INFLOWS OF RESOURCES									
Deferred Pension Single Employer Plan	485,479	275,013	46,989	51,667		657	152,955	1,012,760	
Deferred Pension NDPERS	4,604,428	3,131,880	1,077,262	3,978,921		1,498,612	5,568,753	19,859,856	
Deferred OPEB NDPERS	54,883	37,331	12,841	47,427		17,863	66,377	236,722	
Total deferred inflow of resources	5,144,790	3,444,224	1,137,092	4,078,015		1,517,132	5,788,085	21,109,338	
NET POSITION									
Net investment in capital assets	14,647,897	92,228,760	60,276,928	150,661,420	38,735,028	13,968,397	13,807,735	384,326,165	5,942,529
Net position-restricted									
Debt Service	983,570	1,964,440		3,811,763	20,349,462		115,333	27,224,568	
Capital	2,016,987	2,556,394	1,402,274	6,698,388	1,411,661	800,000	325,003	15,210,707	
Net position-unrestricted	(5,672,715)	2,147,965	922,510	2,904,756	2,005,971	17,048,759	(2,891,223)	16,466,023	2,136,834
Total Net Position	\$ 11,975,739	\$ 98,897,559	\$ 62,601,712	\$ 164,076,327	\$ 62,502,122	\$ 31,817,156	\$ 11,356,848	\$ 443,227,463	\$ 8,079,363
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								\$ 556,807	
Net position of business-type activities								\$ 443,784,270	

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, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2021	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	\$ 9,781,457	\$ 11,150,301	\$ 3,093,362	\$ 13,144,758			\$2,165,108	\$ 39,334,986	
Rents - concessions and other					\$ 4,520,436	\$ 2,064,044		6,584,480	
Operating assessment							109,741	109,741	\$ 2,448,946
Miscellaneous			5,225	67,416		29,175	1,019	102,835	
Total Operating Revenues	9,781,457	11,150,301	3,098,587	13,212,174	4,520,436	2,093,219	2,275,868	46,132,042	2,448,946
Operating Expenses:									
Salaries and wages	2,008,238	1,180,067	413,349	1,626,003	1,814,923	399,405	2,547,904	9,989,889	404,463
Supplies	52,231	567,780	12,417	1,725,288	116,425	8,119	325,193	2,807,453	661,470
Contractual services	2,438,862	1,427,176	667,857	1,547,679	165,308	196,672	419,943	6,863,497	811,511
Maintenance - structures and equipment	1,975,483	528,785	680,802	917,666	500,893	213,715	688,745	5,506,089	251,612
Concession and catering					938,204			938,204	
Advertising and marketing					81,973			81,973	
Sundry expenses	19,917	19,812	11,709	19,839	31,420	240,014	12,674	355,385	15,647
Utilities - heat and lights	253,612	982,819	171,012	1,260,639	598,915	326,991	119,561	3,713,549	125,941
Pension and social security	1,611,886	1,408,488	770,009	615,008		1,490,599	4,553,972	10,449,962	102,449
Management fee					288,013			288,013	
Administrative and general	870,059	1,211,447	846,685	1,607,487	464,997	504,518	658,981	6,164,174	186,127
Total Operating Expenses	9,230,288	7,326,374	3,573,840	9,319,609	5,001,071	3,380,033	9,326,973	47,158,188	2,559,220
Net Income (Loss) from Operations before Depreciation	551,169	3,823,927	(475,253)	3,892,565	(480,635)	(1,286,814)	(7,051,105)	(1,026,146)	(110,274)
Less - Depreciation	2,070,492	4,182,966	1,705,046	5,769,981	4,267,574	480,729	1,222,364	19,699,152	514,823
Net Operating Income (Loss)	(1,519,323)	(359,039)	(2,180,299)	(1,877,416)	(4,748,209)	(1,767,543)	(8,273,469)	(20,725,298)	(625,097)
Nonoperating Revenues (Expenses):									
Interest earnings (loss)	20,613	12,380	325	48,996	12,013	(14,785)	(4,975)	74,567	(10,604)
Federal grants						850,783	2,590,789	3,441,572	
State grants							322,200	322,200	
General property taxes							1,274,619	1,274,619	
Personal property replacements							31,613	31,613	
Sales tax					9,998,521			9,998,521	
Miscellaneous	19,722			205,225				224,947	
Gain (loss) on capital assets	(4)	42,252	20,066	32,059	500	(453,738)	75,105	(283,760)	
Interest expense	(292,066)	(662,042)		(1,344,798)	(1,071,437)		(10,068)	(3,380,411)	
Total Nonoperating Revenues (Expenses)	(251,735)	(607,410)	20,391	(1,058,518)	8,939,597	382,260	4,279,283	11,703,868	(10,604)
Income (Loss) Before Capital Contributions and Transfers	(1,771,058)	(966,449)	(2,159,908)	(2,935,934)	4,191,388	(1,385,283)	(3,994,186)	(9,021,430)	(635,701)

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, 2021

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Totals 2021	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		\$ 466,007	\$ 941,991	\$ 1,124,860	\$ 12,582	\$ 1,857,552	\$ 581,258	\$ 4,984,250	
Transfers in	\$ 800,991	649,429	1,028	1,810,836	304,979	14,507	62,640	3,644,410	\$ 1,855,326
Transfers out	(36,000)	(67,107)	(47,373)	(151,563)		(1,175,615)	(1,350)	(1,479,008)	
Total Capital Contributions and Transfers	764,991	1,048,329	895,646	2,784,133	317,561	696,444	642,548	7,149,652	1,855,326
Change in Net Position	(1,006,067)	81,880	(1,264,262)	(151,801)	4,508,949	(688,839)	(3,351,638)	(1,871,778)	1,219,625
Total Net Position-Beginning	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
Total Net Position-Ending	\$ 11,975,739	\$ 98,897,559	\$ 62,601,712	\$ 164,076,327	\$ 62,502,122	\$ 31,817,156	\$ 11,356,848		\$ 8,079,363
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								852,000	
Change in net position of business-type activities								\$ (1,019,778)	

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

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Governmental	
	Sanitation Fund	Wastewater Fund	Storm Sewer Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds	Totals 2021	Activities Internal Service Funds
Cash Flows from Operating Activities:									
Receipts from customers	\$ 9,733,530	\$ 11,526,290	\$ 3,100,583	\$ 13,660,517	\$ 6,939,762	\$ 666,453	\$ 2,333,235	\$ 47,960,370	\$ -
Payments to suppliers	(6,266,365)	(5,096,219)	(2,528,111)	(7,470,983)	(2,900,702)	(1,543,216)	(2,597,120)	(28,402,716)	(2,155,264)
Payments to employees	(2,041,063)	(1,188,220)	(433,885)	(1,608,879)	(1,814,923)	(416,329)	(2,517,108)	(10,020,407)	(441,569)
Receipts (Payments) for interfund services used				1,100,000			(1,100,000)	-	2,438,539
Net cash provided (used) by operating activities	1,426,102	5,241,851	138,587	5,680,655	2,224,137	(1,293,092)	(3,880,993)	9,537,247	(158,294)
Cash Flows from Non-Capital Financing Activities:									
Transfers from other funds	800,991	649,429	1,028	1,810,836	304,979	14,507	62,640	3,644,410	1,855,326
Transfers to other funds	(36,000)	(67,107)	(47,373)	(151,563)		(1,175,615)	(1,350)	(1,479,008)	
Proceeds of repayment of advances from other funds				37,600				37,600	
Repayment of advances to other entities				205,225				205,225	
Operating subsidies from federal grants						946,586	1,845,585	2,792,171	
Operating subsidies from state grants							140,585	140,585	
Operating subsidies from Taxes					543,434		1,313,331	1,856,765	
Net cash provided (used) by non-capital financing activities	764,991	582,322	(46,345)	1,902,098	848,413	(214,522)	3,360,791	7,197,748	1,855,326
Cash Flows from Capital & Related Financing Activities:									
Proceeds from revenue bonds and notes		2,439,245						2,439,245	
Proceeds from capital lease	938,703							938,703	
Proceeds from capital lease receivable						2,127,038		2,127,038	
Capital contributions		88,468	16,882	541,999	9,495,520	1,857,552	1,894,528	13,894,949	
Acquisition and construction of capital assets	(2,110,611)	(2,682,956)	(260,410)	(2,026,111)	(2,396,307)	224,809	(398,945)	(9,650,531)	(1,051,334)
Proceeds from sale of capital assets		42,252	20,066	32,059	500		75,105	169,982	
Principal paid on capital debt	(1,261,922)	(5,030,392)		(1,805,000)	(2,645,000)		(85,000)	(10,827,314)	
Interest paid on capital debt	(333,649)	(697,510)		(1,345,298)	(1,377,716)		(11,215)	(3,765,388)	
Net cash provided (used) by capital & related financing activities	(2,767,479)	(5,840,893)	(223,462)	(4,602,351)	3,076,997	4,209,399	1,474,473	(4,673,316)	(1,051,334)
Cash Flows from Investing Activities:									
Proceeds from sales and maturities of investments	2,636,295	3,037,509		3,196,762			87,000	8,957,566	
Purchase of investments	(2,505,264)	(1,640,344)		(3,196,763)		(7,000,000)	(87,000)	(14,429,371)	
Interest and dividends	20,613	12,380	325	48,996	12,013	(14,785)	(4,975)	74,567	(10,604)
Net cash provided (used) by investing activities	151,644	1,409,545	325	48,995	12,013	(7,014,785)	(4,975)	(5,397,238)	(10,604)
Net increase (decrease) in cash and cash equivalents	(424,742)	1,392,825	(130,895)	3,029,397	6,161,560	(4,313,000)	949,296	6,664,441	635,094
Cash and cash equivalents - beginning of the year	6,083,010	7,069,129	2,977,188	8,859,161	20,655,357	9,959,530	1,024,894	56,628,269	1,471,296
Cash and cash equivalents - end of the year	\$ 5,658,268	\$ 8,461,954	\$ 2,846,293	\$ 11,888,558	\$ 26,816,917	\$ 5,646,530	\$ 1,974,190	\$ 63,292,710	\$ 2,106,390

Continued

	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 2021
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating Income (loss)	<u>\$ (1,519,323)</u>	<u>\$ (359,039)</u>	<u>\$ (2,180,299)</u>	<u>\$ (1,877,416)</u>	<u>\$ (4,748,209)</u>	<u>\$ (1,767,543)</u>	<u>\$ (8,273,469)</u>	<u>\$ (20,725,298)</u>	<u>\$ (625,097)</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation Expense	2,070,492	4,182,966	1,705,046	5,769,981	4,267,574	480,729	1,222,364	19,699,152	514,823
(Increase) decrease in accounts receivable	(55,907)	375,459	2,786	433,037	53,756	(308,794)	57,367	557,704	(2,907)
(Increase) decrease in inventories				75,789	(59,812)		(10,036)	5,941	(17,556)
(Increase) decrease in prepaid items	(312)	(3,445)	(1,594)	30,669	(139,039)	7,053	25,750	(80,918)	(1,126)
Increase (Decrease) in customer deposits	7,980	530	(790)	15,306	2,365,570			2,388,596	
(Increase) decrease in notes receivable						(1,117,972)		(1,117,972)	
(Increase) decrease in deferred outflows	1,276,727	469,471	(188,783)	1,550,397		(747,029)	(1,699,143)	661,640	
Increase (decrease) in accounts payable	(68,316)	(28,173)	(45,014)	13,401	484,297	3,665	47,718	407,578	20,421
Increase (decrease) in compensated absences payable	(50,329)	(13,153)	(24,757)	9,378		(15,439)	16,002	(78,298)	(39,352)
Increase (decrease) in net pension liability	(4,268,872)	(2,231,811)	(177,822)	(4,441,892)		568,376	298,753	(10,253,268)	
Increase (decrease) in net OPEB liability	(8,041)	10,447	17,568	(24,787)		89,489	73,950	158,626	
Increase (decrease) in landfill closure/postclosure liability	(39,149)							(39,149)	
Increase (decrease) in deferred inflows	4,081,152	2,838,599	1,032,246	3,026,792		1,514,373	5,459,751	17,952,913	
(Increase) decrease in due from other funds operating activities				1,100,000				1,100,000	
Increase (decrease) in due to other funds operating activities							(1,100,000)	(1,100,000)	(7,500)
Total Adjustments	<u>2,945,425</u>	<u>5,600,890</u>	<u>2,318,886</u>	<u>7,558,071</u>	<u>6,972,346</u>	<u>474,451</u>	<u>4,392,476</u>	<u>30,262,545</u>	<u>466,803</u>
Net cash provided by operating activities	<u>\$ 1,426,102</u>	<u>\$ 5,241,851</u>	<u>\$ 138,587</u>	<u>\$ 5,680,655</u>	<u>\$ 2,224,137</u>	<u>\$ (1,293,092)</u>	<u>\$ (3,880,993)</u>	<u>\$ 9,537,247</u>	<u>\$ (158,294)</u>
Noncash Investing, Capital and Financing Activities:									
Net (decrease) in fair value of investments	\$ (41,152)	\$ (58,426)	\$ (18,044)	\$ (56,567)	\$ (276,911)	\$ (93,866)	\$ (6,071)	\$ (551,037)	\$ (19,814)
Capital contributions		371,746	902,865	668,762	12,582			1,955,955	
Reconciliation of cash and cash equivalents:									
Current Assets:									
Cash and cash equivalents	\$ 3,397,677	\$ 5,365,255	\$ 1,439,474	\$ 4,161,565	\$ 1,278,704	\$ 5,646,530	\$ 1,616,471	\$ 22,905,676	\$ 2,106,390
Restricted cash, and cash equivalents:									
Customer deposits	9,687	829	4,545	79,222			1,416	95,699	
Construction account	2,016,987	2,556,394	1,402,274	6,698,388			325,003	12,999,046	
Revenue bond current debt service acct.	233,917	539,476		949,383	20,401,331		31,300	22,155,407	
Operating and capital fund					134,215			134,215	
Trust account/advance ticket sales					5,002,667			5,002,667	
Total Cash and Cash equivalents	<u>\$ 5,658,268</u>	<u>\$ 8,461,954</u>	<u>\$ 2,846,293</u>	<u>\$ 11,888,558</u>	<u>\$ 26,816,917</u>	<u>\$ 5,646,530</u>	<u>\$ 1,974,190</u>	<u>\$ 63,292,710</u>	<u>\$ 2,106,390</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, 2021

	2021 Pension Trust
	<u> </u>
ASSETS	
Cash and cash equivalents	\$ 5,536,967
Investments at fair value:	
ND State Investment Board	<u>84,172,695</u>
Total Assets	<u>\$ 89,709,662</u>
NET POSITION	
Restricted for:	
Pensions	\$ 89,709,662
Total net position	<u>\$ 89,709,662</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, 2021
 With Comparative Totals for December 31, 2020

	Pension Trust Fund 2021	Pension Trust Fund 2020
Additions:		
Contributions:		
Employer contributions	\$ 4,530,594	\$ 3,505,780
Employee contributions	258,980	286,825
Total contributions	<u>4,789,574</u>	<u>3,792,605</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	<u>13,014,968</u>	<u>8,525,051</u>
Net investment earnings	<u>13,014,968</u>	<u>8,525,051</u>
Total additions	<u>17,804,542</u>	<u>12,317,656</u>
Deductions:		
Benefits paid to participants	7,301,996	7,166,289
Administrative Expenses	<u>276,184</u>	<u>252,210</u>
Total Deductions	<u>7,578,180</u>	<u>7,418,499</u>
Change in net position	10,226,362	4,899,157
Net position - beginning	<u>79,483,300</u>	<u>74,584,143</u>
Net position - ending	<u>\$ 89,709,662</u>	<u>\$ 79,483,300</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, 2021

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. 91, Conduit Debt Obligations, provides a single method of reporting conduit debt obligations by issuers and eliminates diversity in practice associated with (1) commitments extended by issuers, (2) arrangements associated with conduit debt obligations, and (3) related note disclosures. This Statement clarifies the existing definition of a conduit debt obligation; establishes that a conduit debt obligation is not a liability of the issuer; establishes standards for accounting and financial reporting of additional commitments and voluntary commitments extended by issuers and arrangements associated with conduit debt obligations; and improves required note disclosures. This Statement also addresses arrangements—often characterized as leases—that are associated with conduit debt obligations. The requirements of this Statement are effective for reporting periods beginning after December 15, 2021. Earlier application is encouraged.

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

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

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

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, 2020 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.

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 five 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 four 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-mail plan, the cost sharing defined benefit pension plan-Public Safety 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 four 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 "Trust Account Advanced Tickets" is used to hold amounts for tickets purchased for shows that have not happened yet.

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 2021 budget, the City levied 45.92 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 2021 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 2021 to the City Council on July 20, 2020. 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 2020 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, 2021, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

For the year ended December 31, 2021, 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

As of December 31, 2021, the carrying amount of the City's deposits was \$107,520,250 and the bank balance was \$109,717,797. 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 \$5,536,967 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

As of December 31, 2021, the carrying amount of the Airport Authority's deposits was \$18,521,315 and the bank balance was \$18,520,988, 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, 2021 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)	\$ 5,405,814	\$ 256,116	\$ 5,149,698	\$ -	\$ -	n/a	n/a
Federal National Mortgage Assn Pool	17,366,606	3,641,699	6,741,983	2,032,804	4,950,120	Aaa	Moody
Federal Home Loan Bank	1,940,551	-	1,940,551	-	-	Aaa	Moody
Federal Home Loan Mortgage Corp	23,486,613	1,240,289	16,947,387	498,110	4,800,827	Aaa	Moody
Ginnie Mae	7,966,956	-	-	-	7,966,956	Aaa	Moody
Total	\$ 56,166,540	\$ 5,138,104	\$ 30,779,619	\$ 2,530,914	\$ 17,717,903		

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)*	\$ 2,070,814	\$ -	\$ 2,070,814	\$ -
Federal National Mortgage Assn Pool	17,366,606	-	17,366,606	-
Federal Home Loan Bank	1,940,551	-	1,940,551	-
Federal Home Loan Mortgage Corp	23,486,613	-	23,486,613	-
Ginnie Mae	7,966,956	-	7,966,956	-
Total	\$ 52,831,540	\$ -	\$ 52,831,540	\$ -

*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	\$ 2,211,978		
Global / international equities	\$49,812,961		
International fixed income		\$19,809,701	

Investments measured at the net asset value (NAV)

Pension investments:

Real assets NAV: \$12,338,055

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.

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:

	Capital										Non Major Enterprise Funds and Other Funds	Total
	General Fund	Project Street		Non-Major Governmental Funds	Enterprise Fund Sanitation	Enterprise Fund Wastewater	Enterprise Fund Water	Enterprise Fund Stormwater	Enterprise Fund Alerus	Enterprise Fund JDA		
		Debt Service Special Assessment	and Infrastructure Fund									
Receivables:												
Notes				\$ 3,305,659						\$ 5,520,249		\$ 8,825,908
Taxes	\$ 786,426		\$ 352,379	823,672						\$ 767,195	\$ 26,023	2,755,695
Accounts	1,181,032			190,086	\$ 975,661	\$ 1,098,677	\$ 1,381,401	\$ 679,910	301,661	636,623	696,505	7,141,556
Special Assessments	631,064	\$ 58,016,864		4,464,197		16,900	4,585	74,284	135,000			63,342,894
Intergovernmental	<u>468,973</u>		<u>273,981</u>	<u>1,693,166</u>			<u>450,037</u>	<u>-</u>		<u>134,792</u>	<u>2,917,366</u>	<u>5,938,315</u>
Gross Receivables	3,067,495	58,016,864	626,360	10,476,780	975,661	1,115,577	1,836,023	754,194	1,203,856	6,291,664	3,639,894	88,004,368
Less: Allowance for Uncollectibles				-	<u>(21,386)</u>	<u>(24,347)</u>	<u>(29,009)</u>	<u>(14,606)</u>		<u>(762,518)</u>	<u>(3,370)</u>	<u>(855,236)</u>
Net Total Receivables	\$ 3,067,495	\$ 58,016,864	\$ 626,360	\$ 10,476,780	\$ 954,275	\$ 1,091,230	\$ 1,807,014	\$ 739,588	\$ 1,203,856	\$ 5,529,146	\$ 3,636,524	\$ 87,149,132

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	\$ -	\$ 578,301	\$ 578,301
Special assessments not yet due	-	63,112,125	63,112,125
Grant draw-downs prior to meeting all eligibility requirements	<u>8,117,016</u>	<u>-</u>	<u>8,117,016</u>
Total unavailable/unearned revenue	<u>\$ 8,117,016</u>	<u>\$ 63,690,426</u>	<u>\$ 71,807,442</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2021, was as follows:

	Balance				Balance
	1/1/2021	Additions	Deletions	Transfers	12/31/2021
Governmental activities:					
Capital assets not being depreciated:					
Land	\$ 31,790,213	\$ -	\$ (430,213)	\$ -	\$ 31,360,000
Infrastructure - ROW	7,312,902	16,409	-	-	7,329,311
Construction in progress	624,526	2,738,946	(1,057,895)	-	2,305,577
Total capital assets not being depreciated	39,727,641	2,755,355	(1,488,108)	-	40,994,888
Capital assets being depreciated:					
Buildings	46,716,900	477,003	(6,818,652)	-	40,375,251
Improvements other than buildings	67,197,952	148,835	(163,450)	-	67,183,337
Machinery & equipment	27,440,023	2,622,023	(720,004)	-	29,342,042
Infrastructure	232,884,982	13,409,027	(5,951)	-	246,288,058
Total capital assets being depreciated	374,239,857	16,656,888	(7,708,057)	-	383,188,688
Less accumulated depreciation for:					
Buildings	18,159,852	1,023,720	(3,162,321)	-	16,021,251
Improvements other than buildings	17,547,155	1,105,030	(119,858)	-	18,532,327
Machinery & equipment	19,513,673	1,928,483	(652,295)	-	20,789,861
Infrastructure	120,681,429	5,107,942	-	-	125,789,371
Total accumulated depreciation	175,902,109	9,165,175	(3,934,474)	-	181,132,810
Capital assets net of accumulated depreciation	198,337,748				202,055,878
Total governmental activities capital assets net	\$ 238,065,389				\$ 243,050,766
					Internal Service Fund capital assets net of accumulated depreciation included in governmental activities
					\$ 6,037,295
					\$ 249,088,061

	Balance				Balance
	1/1/2021	Additions	Deletions	Transfers	12/31/2021
Business-Type activities:					
Capital assets not being depreciated:					
Land	\$ 13,976,127	\$ -	\$ (90,590)	\$ -	\$ 13,885,537
Construction in progress	398,577	1,609,909	(768,041)	-	1,240,445
Total capital assets not being depreciated	14,374,704	1,609,909	(858,631)	-	15,125,982
Capital assets being depreciated:					
Buildings	414,022,575	2,103,912	(1,600,739)	-	414,525,748
Improvements other than buildings	299,487,468	4,068,587	-	-	303,556,055
Machinery & equipment	50,929,447	4,222,756	(1,058,360)	-	54,093,843
Total capital assets being depreciated	764,439,490	10,395,255	(2,659,099)	-	772,175,646
Less accumulated depreciation for:					
Buildings	101,489,480	9,864,642	(588,303)	-	110,765,819
Improvements other than buildings	119,644,846	5,941,696	-	-	125,586,542
Machinery & equipment	32,232,041	3,892,814	(1,021,191)	-	35,103,664
Total accumulated depreciation	253,366,369	19,699,152	(1,609,494)	-	271,456,025
Capital assets net of accumulated depreciation	511,073,121				500,719,621
Total business type activities capital assets net	\$ 525,447,825				\$ 515,845,603

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

Governmental activities:	
General Government	\$ 1,041,636
Health & Welfare	47,548
Public Safety	1,388,739
Highways and Streets	5,467,585
Culture and Recreation	9,717
Public Works	<u>1,209,950</u>
Total depreciation expense - governmental activities	<u>\$ 9,165,175</u>
Business-type activities:	
Sanitation	\$ 2,070,492
Wastewater	4,182,966
Water	5,769,981
Stormwater	1,705,046
Public Transit	869,445
Dial A Ride	155,822
Mosquito Control	95,252
Alerus Center	4,267,574
Job Development Authority	480,729
Downtown Parking	<u>101,845</u>
Total depreciation expense - business-type activities	<u>\$ 19,699,152</u>

Depreciation expenses 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, 2021, were approximately \$4,571,500. Of this amount, \$1,943,167 relates to the construction of a new road in the Oscarville area of the city. This project will be largely paid through special assessments on the benefiting properties. 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, 2021:

Encumbrances:

General Fund	\$ 532,863
Fire Department Grant Fund	62,500
Capital Replacement Fund	1,454,937
Street and Infrastructure Fund	2,559,076
Current Year Capital Project Fund	1,000
Sanitation Fund	875,954
Wastewater Fund	960,993
Water Fund	85,896
Stormwater Fund	159,935
Alerus Fund	<u>1,757,184</u>
Total Encumbrances	<u>\$8,450,338</u>

Discretely presented component unit

Capital asset activity for the Grand Forks Regional Airport Authority for the year ended December 31, 2021, was as follows:

	Beginning Balance		Additions		Deletions		Transfers		Ending Balance	
	1/01/2021								12/31/2021	
Capital assets not being depreciated:										
Land	\$ 1,746,081	\$ 1,029,525							\$ 2,775,606	
Construction in progress	-	1,046,871	\$ -	\$ -					1,046,871	
Total capital assets not being depreciated	<u>1,746,081</u>	<u>2,076,396</u>							<u>3,822,477</u>	
Capital assets being depreciated:										
Equipment	3,525,595	162,612			-				3,688,207	
Motor Vehicles	4,852,588	32,398	(145,500)						4,739,486	
Buildings	27,077,560	-							27,077,560	
Systems and Structures	74,979,486	-							74,979,486	
Total capital assets being depreciated	<u>110,435,229</u>	<u>195,010</u>	<u>(145,500)</u>						<u>110,484,739</u>	
Less accumulated depreciation for:										
Equipment	3,190,808	124,820			-				3,315,628	
Motor Vehicles	3,740,859	217,506	(145,500)						3,812,865	
Buildings	9,814,542	922,519							10,737,061	
Systems and Structures	55,466,535	2,648,116							58,114,651	
Total accumulated depreciation	<u>72,212,744</u>	<u>3,912,961</u>	<u>(145,500)</u>						<u>75,980,205</u>	
Capital assets net of accumulated depreciation	<u>38,222,485</u>	<u>-</u>	<u>-</u>						<u>34,504,534</u>	
Total component unit capital assets net	<u>\$ 39,968,566</u>								<u>\$ 38,327,011</u>	

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2021, is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental	\$ 510,000 (1)
Water Fund	Non-Major Enterprise Fund	2,100,000 (1)
Total		<u>\$ 2,610,000</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	6,500 (1)
Water Fund	Non-Major Governmental	51,027 (2)
Total		<u>\$ 67,428</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. This will be paid in full in 2023.

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	Wastewater Fund	Water Fund	Stormwater Fund	Alerus Center	Job Development Authority	Non Major Enterprise Funds	Internal Service Funds		
General Fund					\$ 4,799,228								\$ 35,026	\$ 4,834,254	
Special Assessment Fund		\$ 818,732	\$ 7,492		50,000	\$ 723,489	\$ 16,941						1,805,300	3,421,954	
Current Year Capital Project Fund			387,833											387,833	
Street and Infrastructure Fund	\$ 1,300,000		4,526,552		1,558,430	45,145								7,430,127	
Other Governmental Funds	2,369,087	60,000	93,760	\$ 4,969,680	2,760,201		632,488	\$ 1,779,786	\$ 1,028	\$ 304,979	\$ 14,507			12,985,516	
Sanitation Fund	7,500				-			13,500					15,000	36,000	
Wastewater Fund	21,700		-			32,357		13,050						67,107	
Water Fund	25,963		125,600											151,563	
Alerus Center					-									-	
Stormwater Fund	12,200		32,023					3,150						47,373	
Job Development Authority	32,350				1,080,625							\$ 62,640		1,175,615	
Non-Major Enterprise Funds					-			1,350						1,350	
Total Transfers In	\$ 3,768,800	\$ 1,266,565	\$ 4,785,427	\$ 4,969,680	\$ 10,248,484	\$ 800,991	\$ 649,429	\$ 1,810,836	\$ 1,028	\$ 304,979	\$ 14,507	\$ 62,640	\$ 1,855,326	\$ 30,538,692	

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 \$450,491 for the year ended December 31, 2021. This is much higher than a normal year, as the 2020 football season was postponed until the spring of 2021 due to the pandemic. 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>
2022	\$ 142,900
2023	142,900
2024	142,900
Total	<u>\$ 428,700</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 \$2,064,044 for the year ended December 31, 2021.

	<u>Business-type Activities</u>
Assets:	
Buildings	\$ 28,718,660
Less: Accumulated depreciation	<u>(14,144,740)</u>
Total	<u>\$ 14,573,920</u>

During 2021 the City sold the Corporate Center II building which will result in lower rents in the future. 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>
2022	\$ 847,120
2023	802,120
2024	787,120
2025	810,734
2026	835,056
2027	860,107
Total	<u>\$ 4,942,257</u>

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 8 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 4 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	\$ 2,007,949	\$ 1,902,452	\$ 3,910,401
Less: Accumulated depreciation	(1,071,140)	(491,126)	(1,562,266)
Total	<u>\$ 936,809</u>	<u>\$ 1,411,326</u>	<u>\$ 2,348,135</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

	Governmental Activities	Business- type Activities	Total
2022	\$ 449,286	\$ 345,528	\$ 794,814
2023	183,987	333,662	517,649
2024	183,987	333,662	517,649
2025	98,767	165,167	263,934
2026	56,206	317,787	373,993
Total Minimum Lease Payments	972,233	1,495,806	2,468,039
Less: amount representing interest	(35,424)	(84,480)	(119,904)
Present value of minimum lease payments	<u>\$ 936,809</u>	<u>\$ 1,411,326</u>	<u>\$ 2,348,135</u>

F. Long-term debt

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

General Obligation Bonds

General obligation bonds are issued to provide funds for the acquisition and construction of major capital items. They are direct obligations and pledge the full faith and credit of the City of Grand Forks. GO bonds are paid through the debt service funds by a mill levy sufficient to meet the current year's principal and interest payments. These bonds are

generally issued as 20-year serial bonds with varying amounts of principal maturing each year. The outstanding bonds have varying interest rates ranging from 2.0% to 4.0%.

General Obligation Bonds outstanding as of December 31, 2021, totaled \$1,745,000. 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, 2021 the statutory limit for the City was \$126,274,955. The general obligation debt, net of cash available for bond retirement was \$1,867,600 leaving a legal debt margin of \$124,407,355. For a complete listing of the bonds outstanding please refer to pages 171-173 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 \$7,500,000 of Special Assessment Refunding Improvement Bonds, Series 2021A to finance various improvement projects within the City. \$1,550,000 of Refunding Improvement Refunding Bonds, Series 2021B, were also issued, along with accumulated cash, to refund the Refunding Improvement Bonds, Series 2011C, which had an outstanding balance of \$2,485,000, to achieve interest savings and resulted in an economic gain of \$234,784.

The City pledges special assessments against benefited properties for payment of these bonds. The special assessment bonds outstanding as of December 31, 2021, totaled \$88,256,124. Their original issue amount totaled \$121,929,989. For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 171-173.

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.

As of December 31, 2021, there were no outstanding sales tax revenue bonds for governmental activities. Sales tax revenue bonds outstanding as of December 31, 2021, for business-type activities totaled \$26,455,000. The original issue amount totaled \$40,380,000.

Business-type activities sales tax bonds principal and interest for the current year was \$3,715,821. The sales tax revenue for the year was \$9,998,521.

For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 171-173. 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 as of December 31, 2021, \$250,000. General obligation bonds totaling \$2,260,000 were sold, to be paid from 5.34 mills pledged out of general property taxes (there are no longer any mills dedicated to these bonds as there is sufficient cash in the bond reserve account to pay them off in 2022). These bonds have been refinanced, (original amount was \$14,480,000). Sales tax revenue bonds of \$19,235,000 to be paid from dedicated sales tax revenues were paid off in 2021. For a complete listing of these bonds outstanding please refer to schedule J-8 on pages 171-173.

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 issued Sewer Reserve Revenue Refunding Bonds, Series 2021C, in the amount of \$2,095,000 along with accumulated cash, to refund the Sewer Reserve Revenue, Series 2009B, which had an outstanding balance of \$1,130,000 and Sewer Reserve Revenue, Series 2011D, which had an outstanding balance of \$1,475,000, to achieve interest savings resulted in an economic gain of \$38,444. This bond will be repaid through wastewater fees.

While the City did not draw down any additional funds 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 in 2021, this project is not yet closed and additional funds will be drawn at closing. This bond will be repaid through water fees. The outstanding balance as of December 31, 2021, was \$63,045,000.

Business-type revenue bonds outstanding as of December 31, 2021, for business-type activities totaled \$98,690,205; \$25,075,205 for revenue bonds and \$73,615,000 for SRF loans. Their original issue amounts totaled \$110,078,496 revenue bonds \$30,675,011, and SRF loans \$79,403,485 respectively. An additional \$1,320,000 was drawn on the SRF Water Treatment Plant loan in 2022 to final it out.

Principal and interest paid for the current year on the water revenue bonds was \$3,150,298. Water fund operating revenue totaled \$13,212,174 for the year. Principal and interest paid for the current year on the wastewater revenue bonds was \$5,727,901. Wastewater fund operating revenue totaled \$11,150,301 for the year. Principal and interest paid for the current year on the sanitation revenue bonds was \$1,595,571. Sanitation fund operating revenue totaled \$9,781,457 for the year. Principal and interest paid for the current year on the mosquito control revenue bonds was \$96,215. Mosquito Control fund operating revenue totaled \$1,117,215 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 171-173.

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)		Total Principal & Interest
	Principal	Interest	Principal	Interest	
2022	\$ 555,000	\$ 61,200	\$ 4,569,146	\$ 3,070,142	\$ 8,255,488
2023	305,000	47,600	5,567,998	2,873,518	8,794,116
2024	320,000	35,400	5,120,758	2,655,630	8,131,788
2025	330,000	22,600	4,883,573	2,453,465	7,689,638
2026	235,000	9,400	4,826,444	2,257,469	7,328,313
2027-2031			21,302,343	8,630,888	29,933,231
2032-2036			17,803,250	5,166,059	22,969,309
2037-2041			13,437,577	2,810,046	16,247,623
2042-2046			10,245,035	882,853	11,127,888
2047-2050			500,000	16,700	516,700
Total Governmental Activities	\$ 1,745,000	\$ 176,200	\$ 88,256,124	\$ 30,816,770	\$ 120,994,094

1. Special assessment bonds includes SRF loans.

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	
2022	\$ 1,253,955	\$ 673,251	\$ 2,775,000	\$ 1,244,850	\$ 2,185,000	\$ 1,134,950	\$ 9,267,006
2023	1,280,870	655,326	2,910,000	1,106,100	2,235,000	1,099,575	9,286,871
2024	1,316,288	615,321	3,055,000	960,600	2,280,000	1,063,350	9,290,559
2025	1,361,813	576,558	3,205,000	807,850	2,325,000	1,026,400	9,302,621
2026	1,407,450	531,872	3,365,000	647,600	2,085,000	988,725	9,025,647
2027-2031	6,930,817	2,027,877	11,145,000	898,800	11,065,000	4,461,975	36,529,469
2032-2036	5,504,626	1,129,924			12,225,000	3,597,675	22,457,225
2037-2041	4,079,963	453,201			13,500,000	2,643,600	20,676,764
2042-2046	1,939,423	113,430			14,895,000	1,590,075	18,537,928
2047-2050	-	-			12,145,000	1,793,653	13,938,653
Total Business- type Activities	\$ 25,075,205	\$ 6,776,760	\$ 26,455,000	\$ 5,665,800	\$ 74,940,000	\$ 19,399,978	\$ 158,312,743

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, 2021, is as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable:					
General obligation	\$ 2,290,000	\$ -	\$ 545,000	\$ 1,745,000	\$ 555,000
Unamortized Premium	151,125	-	28,525	122,600	-
Special Assessment with GO commitment	87,277,618	9,050,000	8,071,494	88,256,124	4,569,146
Unamortized Premium	4,285,909	1,070,447	327,772	5,028,584	-
Unamortized Discount	(29,306)	-	(7,492)	(21,814)	-
Sales Tax Revenue	1,125,000	-	1,125,000	-	-
Unamortized Premium	60,095	-	60,095	-	-
Total bonds payable	95,160,441	10,120,447	10,150,394	95,130,494	5,124,146
Capital leases	727,361	472,660	263,212	936,809	437,109
Compensated absences	5,481,418	432,204	112,243	5,801,379	484,712
Net pension liability Single Employer Plan	18,923,908	-	2,014,505	16,909,403	-
Net pension liability NDPERS-Main Plan	58,636,346	-	49,446,433	9,189,913	-
Net pension liability NDPERS-Public Safety	-	2,705,608	-	2,705,608	-
Net OPEB liability NDPERS	1,436,938	-	742,484	694,454	-
Governmental Activity Long-term Liabilities	<u>\$ 180,366,412</u>	<u>\$ 13,730,919</u>	<u>\$ 62,729,271</u>	<u>\$ 131,368,060</u>	<u>\$ 6,045,967</u>
Internal Service Fund long-term liabilities included in governmental activities				\$ 62,276	
Total long-term liabilities in the statement of net position				<u>\$ 131,430,336</u>	

	Beginning Balance	Additions	Reductions	Ending Balance	Due within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 27,577,112	\$ 2,095,000	\$ 4,596,907	\$ 25,075,205	\$ 1,253,955
Unamortized Discount	(34,345)	-	(18,954)	(15,391)	-
Unamortized Premium	435,109	344,245	37,506	741,848	-
Sales tax revenue bonds	29,100,000	-	2,645,000	26,455,000	2,775,000
Unamortized Premium	4,073,019	-	454,662	3,618,357	-
Total Bonds payable	61,150,895	2,439,245	7,715,121	55,875,019	4,028,955
NDBB-SRF Loan	77,053,485	-	3,438,485	73,615,000	2,185,000
Landfill closure/postclosure	5,218,271	-	39,149	5,179,122	-
Capital leases	619,545	938,703	146,922	1,411,326	326,794
Compensated absences	1,449,508	66,934	145,231	1,371,211	116,345
Net pension liability Single Employer Plan	5,614,356	-	597,663	5,016,693	-
Net pension liability NDPERS	17,396,261	-	9,655,605	7,740,656	-
Net OPEB liability NDPERS	426,311	158,626	-	584,937	-
Business-type Activity Long-term Liabilities	<u>\$ 168,928,632</u>	<u>\$ 3,603,508</u>	<u>\$ 21,738,176</u>	<u>\$ 150,793,964</u>	<u>\$ 6,657,094</u>

Prior year defeasance of debt

There are no defeased bonds outstanding as of December 31, 2021.

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

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, 2021, the aggregate principal amount payable of the nine series issued was \$495,299,797. Their original issue amounts totaled \$541,525,835.

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, 2021, 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	\$ 5,002,667
Customer deposits	95,699
Operating & Capital Reserve	134,215
Construction account	12,999,046
Revenue bond current debt service account	22,155,407
Revenue bond reserve account	5,774,344
Reserve for landfill closure	1,655,027
Total restricted assets	\$ 47,816,405

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	\$ 16,401				\$ 16,401	
Prepaid Items	6,372				\$ 28,002	34,374
Restricted for:						
Debt service		\$ 15,565,520			1,785,058	17,350,578
Construction			\$ 5,142,556			5,142,556
Community development					1,880,242	1,880,242
Economic development					6,648,065	6,648,065
Public buildings					657,060	657,060
Public safety:						
Police and Fire Grants					186,694	186,694
Public Safety Answering Point/E911					2,062,465	2,062,465
Emergency					92,818	92,818
Health and welfare:						
Health Grants					3,068,946	3,068,946
Nuisance Abatement					109,440	109,440
Library					3,094,062	3,094,062
Flood control/greenway projects					4,444,725	4,444,725
Infrastructure				\$ 9,509,745	3,588,489	13,098,234
City share of special improvements					-	-
City special assessments					962,276	962,276
Other purposes					266,577	266,577
Committed to:						
Special assessment deficiencies, infrastructure and pension needs	1,556,607					1,556,607
Sick leave liability	454,115					454,115
Bikeway projects					149,987	149,987
Bridges and Underpasses					2,307,055	2,307,055
Future capital purchases					2,138,377	2,138,377
Public buildings					481,947	481,947
Other purposes					1,609	1,609
Assigned to:						
Public safety - fire station	1,014,522					1,014,522
Department cash carryover	1,610,967					1,610,967
Other purposes	24,429					24,429
Unassigned	11,408,610					11,408,610
Total Fund Balance	\$ 16,092,023	\$ 15,565,520	\$ 5,142,556	\$ 9,509,745	\$ 33,953,894	\$ 80,263,738

The net investment in capital assets was calculated as follows:

<u>Net Investment in Capital Assets</u>	<u>Governmental Activities</u>
Total capital assets (both tangible and intangible)	\$ 436,867,779
Less: Accumulated depreciation/amortization	<u>187,779,718</u>
Net carrying value of capital assets	249,088,061
Less:	
Outstanding principal of capital-related borrowings related to the government's own capital assets (limited to proceeds expended for capital purposes and excluding unspent proceeds) ("outstanding capital debt")	84,357,933
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	6,580,000
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	1,609,149
Unamortized original issue premiums on outstanding capital debt	5,151,184
Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	<u>231,523</u>
	97,929,789
Plus:	
Unamortized original issue discounts on outstanding capital debt	<u>21,814</u>
	<u>21,814</u>
Equals: Net investment in capital assets	<u><u>151,180,086</u></u>

IV. OTHER INFORMATION

A. Risk Management

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

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDRIF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The City of Grand Forks pays an annual premium to NDRIF for its general liability, auto, and inland marine insurance coverage. The coverage by NDRIF is limited to losses of five 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 \$1.56 million as of December 31, 2021. There is approximately \$1.66 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. Significant cell life improvements have been obtained due to waste density changes within Cell B due to the change of operation from baling to loose fill. As a result, the estimated landfill capacity grew in 2021 by 85,483 cubic yards with 35,927 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, 2021 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, 2022 membership consisted of:	
Retired employees and beneficiaries	317
Terminated Participants with deferred benefits	22
Nonvested terminated participants entitled to a refund	0
All other employees with vested employer provided benefits	47
TOTAL	386

The payroll for the employees covered by the City Employee Pension Plan for the year ended December 31, 2021, was \$2,956,450. The total payroll was \$3,796,393.

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 \$2,956,450.

City Council has authority to establish and amend contribution requirements.

Contributions made for the City Pension Plan totaled \$4,789,574 (\$4,530,594 employer, \$258,980 employee). The employer contribution was equivalent to 94.6% of annual covered payroll and the employee contributions were the equivalent of 5.4% of annual covered payroll, respectively.

E. Actuarial Methods and Assumptions.

The City's net pension liability was measured as of December 31, 2010, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2021.

Actuarial assumptions. The total pension liability in the January 1, 2021, 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, 2021, valuation were based on the results of an actuarial experience study for the period January 1, 2020-December 31, 2020.

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

Actuarial Assumptions:	
Investment Rate of Return	7.25% Compounded Annually
Salary Scale/ Inflation Rate	2.50% 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	15.76%	3.56%
US Corp Bonds-High Yield	6.50%	5.62%
US Treasuries	7.86%	2.25%
US Equity – Large Cap	24.21%	7.06%
US Equity – Small/Mid Cap	6.00%	7.56%
Non-US Equity - Developed	17.85%	7.48%
Non-US Equity Emerging	2.86%	8.42%
Real Estate	6.51%	6.59%
Commodities	2.14%	4.04%
Infrastructure	5.25%	7.30%
Private Equity	5.06%	9.87%

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

F. Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability as of December 31, 2020 and 7.5% as of December 31, 2019. This single discount rate was based

on the expected rate of return on pension plan investments of 7.25% 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:

	Total Pension Liability (a)	Plan Fiduciary Net Position (b)	Net Pension Liability (a)-(b)
January 1, 2020	\$ 99,122,407	\$ 74,584,143	\$ 24,538,264
Service Cost	353,646		353,646
Interest	7,196,826		7,196,826
Changes in assumptions	1,714,581		1,714,581
Differences between expected and actual experience	188,224		188,224
Benefit Payments	(7,166,289)	(7,166,289)	-
Contributions - Employer		3,505,780	(3,505,780)
Contributions - Employee		286,825	(286,825)
Administrative expenses		(252,210)	252,210
Net investment income		8,525,051	(8,525,051)
Net Change	2,286,988	4,899,157	(2,612,169)
December 31, 2020	\$ 101,409,395	\$ 79,483,300	\$ 21,926,096

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 7.25 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 (6.25%)</u>	<u>Current Discount Rate (7.25%)</u>	<u>1% Increase (8.25%)</u>
City's Net Pension Liability	\$30,884,444	\$21,926,096	\$14,189,297

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position as of January 1, 2022, is available on Exhibit 10.

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

As of December 31, 2021, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

Schedule of Deferred Outflows/Inflows				
	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				4,426,402
Employer contributions subsequent to the measurement date		4,530,527		-
Total	\$	4,530,527	\$	4,426,402

\$4,530,527 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, 2022. 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
2022	\$(1,456,625)
2023	(441,858)
2024	(1,919,362)
2025	(608,557)

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 \$242,445 for the plan year ended December 31, 2021. Total market value of plan assets as of December 31, 2021 was \$7,122,320.

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

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

Death and Disability Benefits

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

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

Refunds of Member Account Balance

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

Member and Employer Contributions

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

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

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

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

At December 31, 2021, the City reported a net pension liability of \$16,930,569 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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, 2021 the Employer's proportion was 1.624349 percent, which is a decrease of 0.792437 percent from its proportion measured at June 30, 2020.

For the year ended December 31, 2021, the Employer recognized pension expense of \$686,368. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2021, 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	\$ 292,304	\$ 1,727,996
Changes of assumptions	18,738,850	24,431,544
Net difference between projected and actual earnings on pension plan investments	-	6,279,281
Changes in proportion and differences between employer contributions and proportionate share of contributions	1,658,233	10,999,182
Employer contributions subsequent to the measurement date	681,710	-
Total	<u>\$ 21,371,097</u>	<u>\$ 43,438,003</u>

\$681,710 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, 2022.

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:	
2022	\$ (4,195,562)
2023	(5,341,861)
2024	(4,990,252)
2025	(8,220,941)
2026	-
Thereafter	-

Actuarial Assumptions

The total pension liability in the July 1, 2021 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%	6.70%
Private Equity	7.00%	9.50%
Domestic Fixed Income	23.00%	73.00%
Global Real Assets	19.00%	4.77%

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 1.92%; and resulting Single Discount Rate is 7.00%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Employer's proportionate share of the

net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 26,925,292	\$ 16,930,567	\$ 8,608,388

Pension Plan Fiduciary Net Position

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

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 (Law Enforcement System)

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

The Law Enforcement System is a cost-sharing multiple-employer defined benefit pension plan that covers peace officers and correctional officers employed by participating political subdivisions. Effective August 1, 2015, the plan will include National Guard Security Officers and Firefighters. The Law Enforcement System 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. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement 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 (55) with three or more years of service. 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 first enrolled in the plan after December 31, 2019 the multiplier was reduced from 2.0% to 1.75%. The plan permits early retirement at ages 50-55 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 in the Law Enforcement 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 Law Enforcement 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 of disabled is set by the NDPERS in the North Dakota Administrative Code.

Refunds of Member Account Balance

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 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 established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Contribution rates for the Law Enforcement System are established as follows:

Plan	Member contribution rate	Employer contribution rate
Law Enforcement with previous service		
Political Subdivisions	5.50%	9.81%
State	6.00%	9.81%
National Guard	5.50%	9.81%
Law Enforcement without previous service	5.50%	7.93%

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

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

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

At December 31, 2021, the City reported a net pension liability of \$2,705,608 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2021, 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/contributions in the Law Enforcement System pension plan relative to the covered payroll/contributions of all participating Law Enforcement System employers. At June 30, 2021 the Employer's proportion was 16.326865 percent.

For the year ended December 31, 2021, the Employer recognized pension expense of \$377,460. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2021, 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	\$ 5,164,428	\$ 128,917
Changes of assumptions	6,134,301	9,411,145
Net difference between projected and actual earnings on pension plan investments	-	1,467,764
Changes in proportion and differences between employer contributions and proportionate share of contributions	2,529,878	-
Employer contributions subsequent to the measurement date	523,550	-
Total	<u>\$ 14,352,157</u>	<u>\$ 11,007,826</u>

\$523,550 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, 2022.

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:		
2022	\$	936,841
2023		653,846
2024		566,555
2025		772,428
2026		16,280
Thereafter		(125,169)

Actuarial Assumptions

The total pension liability in the July 1, 2021 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%	6.70%
Private Equity	7.00%	9.50%
Domestic Fixed Income	23.00%	0.73%
Global Real Assets	19.00%	4.77%

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 1.92%; and resulting Single Discount Rate is 7.00%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Employer’s proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

	1% Decrease (6.00%)	Current Discount Rate (7.00%)	1% Increase (8.00%)
Employer's proportionate share of the net pension liability	\$ 6,332,447	\$ 2,705,608	\$ (204,791)

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	\$ -	\$ 4,530,827	\$ 21,926,096	\$ 4,426,402	\$ 2,543,401
NDPERS Pension Plan-Main	-	21,731,570	16,930,569	43,438,003	686,368
NDPERS Pension Plan-Public Safety	-	14,352,157	2,705,608	11,007,826	377,460
Total	\$ -	\$ 40,614,554	\$ 41,562,273	\$ 58,872,231	\$ 3,607,229

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, 2021, the Employer reported a liability of \$1,279,392 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2021, 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, 2021, the Employer's proportion was 2.300347 percent, which was an increase of .085353% from its proportion measured as of June 30, 2020.

For the year ended December 31, 2021, the Employer recognized OPEB expense of \$188,452. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>		<u>Deferred Inflows of Resources</u>	
Differences between expected and actual experience	\$	73,474	\$	35,068
Changes of assumptions		198,127		-
Net difference between projected and actual earnings on pension plan investments		-		438,350
Changes in proportion and differences between employer contributions and proportionate share of contributions		138,646		44,346
Employer contributions subsequent to the measurement date		142,414		-
Total	\$	<u>552,661</u>	\$	<u>517,764</u>

\$142,414 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, 2022.

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

2022	\$	(12,857)
2023		(16,012)
2024		(32,240)
2025		(59,674)
2026		13,266
Thereafter		-

Actuarial assumptions

The total OPEB liability in the July 1, 2021 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, 2021 are summarized in the following table:

Asset Class	Target Allocation	Long-Term Expected Real Rate of Return
Large Cap Domestic Equities	33.00%	5.85%
Small Cap Domestic Equities	6.00%	6.75%
Core-Plus Fixed Income	35.00%	0.50%
International Equities	26.00%	6.25%

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 rates described in this report. 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, 2021, 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	\$ 1,897,501	\$ 1,279,391	\$ 756,377

H. Concentration

The Water Fund and the Wastewater Fund receive more than 10% of their operating revenue from one external customer. They received \$2.2 million (19.4%) and \$2.8 million (21.2%) in revenue respectively in 2021.

I. Tax Exemptions / Abatements

As of 12/31/2021, 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 a negotiated amount due as payment in lieu of ad valorem taxes on buildings, structures, fixtures and improvements used in the operation of a project for up to twenty years from the date of commencement of a project. This exemption is provided under the authority of the State of North Dakota's Century Code 40-57.1, with resolution passed by the City on an individual basis.

The Commercial Remodel exemption includes an exemption in property taxes, in whole or in part, for property whose market value increases by at least ten percent, 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 childcare 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 non-farmland 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	\$ 14,284
New Home Buyer	123,536
New/Expanding Business	175,663
Payment in Lieu of Tax	64,284
Commercial Remodel	54,053
Child Care Facilities	13,558
Residential Remodel	30,077
Renaissance Zone	31,679
Tax Increment Financing	46,000
Total City Exemptions	\$ 553,134

State of North Dakota Tax Exemptions:

City property tax revenues were reduced by \$1,303,791 under agreements entered into by the State of North Dakota.

J. Subsequent Events

In April 2022, the City drew down the final \$1,320,000 of the State Revolving Fund Loan for the Water Treatment Plant.

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

December 31, 2021

**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	2021
Total Pension Liability							
Service cost	\$ 50,331	\$ 556,392	\$ 461,205	\$ 406,090	\$ 368,476	\$ 365,903	\$ 353,646
Interest	6,444,944	6,569,255	7,006,404	6,938,458	7,033,601	7,168,712	7,196,826
Changes of benefit terms	-	-	-	-	-	-	-
Differences between expected and actual experience	-	344,624	1,333,162	(968,991)	1,725,082	(167,759)	188,224
Changes of assumptions	-	3,000,205	(1,030,576)	941,124	(764,113)	-	1,714,581
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)	(7,166,289)
Net change in total pension liability	1,786,037	5,390,256	2,260,320	1,611,197	2,036,306	567,047	2,286,988
Total pension liability - beginning	85,471,244	87,257,281	92,647,537	94,907,857	96,519,054	98,555,360	99,122,407
Total pension liability - ending (a)	\$ 87,257,281	\$ 92,647,537	\$ 94,907,857	\$ 96,519,054	\$ 98,555,360	\$ 99,122,407	\$ 101,409,395
Plan fiduciary net position							
Contributions - employer	\$ 3,583,317	\$ 3,590,325	\$ 3,590,322	\$ 3,325,061	\$ 3,338,042	\$ 3,838,566	\$ 3,505,780
Contributions - employee	497,997	486,834	441,589	428,480	385,280	322,264	286,825
Net investment income	3,814,150	699,438	4,344,791	9,767,726	(2,197,466)	11,435,454	8,525,051
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)	(7,166,289)
Administrative expenses	(286,387)	(237,060)	(182,647)	(204,338)	(169,566)	(219,381)	(252,210)
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	4,899,157
Plan fiduciary net position - beginning	58,322,718	61,222,557	60,681,874	63,377,942	70,977,499	66,007,049	74,584,143
Plan fiduciary net position - ending (b)	\$ 61,222,557	\$ 60,681,874	\$ 63,377,942	\$ 70,989,387	\$ 66,007,049	\$ 74,584,143	\$ 79,483,300
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	\$ 21,926,095
Plan fiduciary net position as a percentage of the total pension liability	70%	65%	67%	74%	67%	75%	78%
Covered payroll	\$ 7,953,162	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 4,451,392	\$ 4,400,244
City's net pension liability as a percentage of covered payroll	327%	424%	477%	407%	581%	551%	498%

* 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	12/31/2021
Actuarial Determined Contribution	\$ 3,520,138	\$ 3,457,816	\$ 3,325,061	\$ 3,338,042	\$ 3,336,703	\$ 3,280,594	\$ 3,230,558
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)	\$ (4,530,842)
Contribution deficiency (excesses)	\$ (70,187)	\$ (132,506)	\$ -	\$ -	\$ (501,863)	\$ (225,185)	\$ (1,300,284)
Employer's covered payroll	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 4,451,392	\$ 4,400,244	\$ 2,956,450
Contributions as a percentage of covered payroll	47.6%	54.3%	53.0%	59.6%	86.2%	79.7%	153.3%

Completed data for this schedule is not available prior to 2015

Notes to Schedule:

Valuation date:	December 31, 2020
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:	13 years
Asset valuation method:	Market value of assets plus contributions receivable
Salary scale/inflation:	2.50%
Investment rate of return:	7.25%, 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, 2021

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	As of a measurement date of 06/30/2021
Employer's proportion of the net pension liability (asset)	1.837291%	1.988687%	2.236455%	2.167287%	2.320733%	2.416780%	1.624349%
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	\$16,930,567
Employer's covered payroll	\$ 16,890,785	\$ 20,041,274	\$ 22,830,700	\$ 22,264,912	\$ 24,139,567	\$26,660,075	\$16,038,743
Employer's share of net pension liability (asset) as a percentage of its covered payroll	76%	97%	157%	164%	113%	285%	106%
Plan fiduciary net position as a percentage of the total pension liability	77%	70%	62%	63%	72%	49%	78%

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	12/31/2021
Statutorily required contribution	\$ 1,586,546	\$ 1,494,529	\$ 1,588,376	\$ 1,587,730	\$ 1,710,275	\$ 1,912,861	\$ 1,316,859
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)	\$ (1,316,859)
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	\$ 15,050,117
Contributions as a percentage of covered payroll	8.51%	7.38%	7.15%	7.12%	7.15%	7.57%	8.75%

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 decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (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 increased 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, 2020.

Changes of assumptions.

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

CITY OF GRAND FORKS, NORTH DAKOTA
 Required Supplementary Information

December 31, 2021

**Schedule of Employer's Share of Net Pension Liability
 NDPERS Law Enforcement Retirement System
 Last 10 Fiscal Years***

	As of a measurement date of 06/30/2021
Employer's proportion of the net pension liability (asset)	16.326865%
Employer's proportionate share of the net pension liability (asset)	\$ 2,705,608
Employer's covered payroll	\$ 10,046,492
Employer's share of net pension liability (asset) as a percentage of its covered payroll	27%
Plan fiduciary net position as a percentage of the total pension liability	87%

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 2021

**Schedule of Employer Contribution
 NDPERS Law Enforcement Retirement System
 Last 10 Fiscal Years***

	12/31/2021
Statutorily required contribution	\$ 987,748
Contributions in relation to the required contribution	\$ (987,748)
Contribution deficiency (excesses)	\$ -
Employer's covered payroll	\$ 10,059,271
Contributions as a percentage of covered payroll	9.82%

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 2021

Changes of benefit terms.

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (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 increased 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, 2020.

Changes of assumptions.

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

CITY OF GRAND FORKS, NORTH DAKOTA
Required Supplementary Information

December 31, 2021

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	As of a measurement date of 06/30/2021
Employer's proportion of the net OPEB liability (asset)	2.042171%	2.171713%	2.214994%	2.300347%
Employer's proportionate share of the net OPEB liability (asset)	\$ 1,608,349	\$ 1,744,293	\$ 1,863,249	\$ 1,279,391
Employer's covered payroll	\$ 22,345,783	\$ 24,233,227	\$ 25,250,280	\$ 24,298,025
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7%	7%	7%	5%
Plan fiduciary net position as a percentage of the total OPEB liability	62%	63%	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	1/1/2021
Statutorily required contribution	\$ 254,379	\$ 273,868	\$ 289,097	\$ 238,160
Contributions in relation to the required contribution	\$ (254,379)	\$ (273,868)	\$ (289,097)	\$ (238,160)
Contribution deficiency (excesses)	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 23,004,333	\$ 23,924,496	\$ 25,254,195	\$ 20,891,241
Contributions as a percentage of covered payroll	1.11%	1.14%	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, 2020.

CHANGES OF ASSUMPTIONS

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

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, 2021

	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	\$ 17,048,762	\$ 1,793,680	\$ 9,702,834	\$ 28,545,276
Investments	9,000,000			9,000,000
Receivables, net:				
Accounts	190,086			190,086
Special assessments (including liens)		5,149	56,684	61,833
Special assessments-uncertified			4,402,364	4,402,364
Property taxes	81,883	18,252		100,135
Sales tax	657,894			657,894
Hotel/Motel Tax	65,643			65,643
Notes	3,305,659			3,305,659
Intergovernmental	1,693,166			1,693,166
Prepaid Items	28,002			28,002
Total assets	<u>\$ 32,071,095</u>	<u>\$ 1,817,081</u>	<u>\$ 14,161,882</u>	<u>\$ 48,050,058</u>
LIABILITIES				
Accounts payable	\$ 726,054	\$ -	\$ -	\$ 726,054
Contracts payable			88,477	88,477
Due to other funds	510,000		-	510,000
Advances from other funds	51,027	9,901		60,928
Unearned income	8,117,016			8,117,016
Total liabilities	<u>9,404,097</u>	<u>9,901</u>	<u>88,477</u>	<u>9,502,475</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	112,519	16,973		129,492
Unavailable revenue-special assessments		5,149	4,459,048	4,464,197
Total deferred inflows of resources	<u>112,519</u>	<u>22,122</u>	<u>4,459,048</u>	<u>4,593,689</u>
FUND BALANCES				
Nonspendable	28,002			28,002
Restricted	22,526,477	1,785,058	4,535,382	28,846,917
Committed			5,078,975	5,078,975
Total Fund Balances	<u>22,554,479</u>	<u>1,785,058</u>	<u>9,614,357</u>	<u>33,953,894</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 32,071,095</u>	<u>\$ 1,817,081</u>	<u>\$ 14,161,882</u>	<u>\$ 48,050,058</u>

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

A-2

FOR THE YEAR ENDED DECEMBER 31, 2021

	Non-Major Special Revenue	Non-Major Debt Service	Non-Major Capital Projects	Total Non-major Governmental Funds
Revenues:				
Taxes:				
Property	\$ 3,975,568	\$ 6,209	\$	\$ 3,981,777
Sales	8,525,448			8,525,448
Hotel/Motel/Airport Car Rental	767,056			767,056
Intergovernmental	7,039,675	603	45,042	7,085,320
Charges for services	2,254,485			2,254,485
Special assessments		55,665	1,705,329	1,760,994
Fines and forfeits	22,948			22,948
Interest	1,986	6,981	(15,557)	(6,590)
Miscellaneous	243,328		12,627	255,955
	<u>22,830,494</u>	<u>69,458</u>	<u>1,747,441</u>	<u>24,647,393</u>
Total Revenues				
Expenditures:				
Current:				
General government	4,648,551			4,648,551
Health & welfare	3,561,381			3,561,381
Public safety	3,458,749			3,458,749
Culture & recreation	2,461,769			2,461,769
Capital outlay	1,511,538		1,732,795	3,244,333
Debt service:				
Principal retirement		1,670,000	263,212	1,933,212
Interest and fiscal charges	2,370	126,171		128,541
	<u>15,644,358</u>	<u>1,796,171</u>	<u>1,996,007</u>	<u>19,436,536</u>
Total Expenditures				
Excess (Deficiency) of Revenues Over Expenditures	7,186,136	(1,726,713)	(248,566)	5,210,857
Other Financing Sources (Uses):				
Issuance of Capital Lease			472,660	472,660
Transfers in	7,558,435	1,535,373	1,154,676	10,248,484
Transfers out	(12,831,633)	(68,883)	(85,000)	(12,985,516)
Total Other Financing Sources (Uses)	<u>(5,273,198)</u>	<u>1,466,490</u>	<u>1,542,336</u>	<u>(2,264,372)</u>
Net change in fund balances	1,912,938	(260,223)	1,293,770	2,946,485
Fund balance Beginning	<u>20,641,541</u>	<u>2,045,281</u>	<u>8,320,587</u>	<u>31,007,409</u>
Fund Balances Ending	<u>\$ 22,554,479</u>	<u>\$ 1,785,058</u>	<u>\$ 9,614,357</u>	<u>\$ 33,953,894</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.

American Rescue Plan Act Grant Fund

This fund receives and disburses federal American Rescue Plan (ARPA) Grant funds.

COVID Relief Grant Fund

This fund receives and disburses federal COVID Relief Grant funds.

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, 2021
 With Comparative Totals for December 31, 2020

	Emergency Levy	Municipal Band	Public Building Fund	Library	Library Capital Mtce.
ASSETS					
Cash and cash equivalents	\$ 93,732	\$ 2,086	\$ 663,133	\$ 1,457,993	\$ 1,492,164
Investments					-
Receivables (Net of allowances for uncollectibles):					
Accounts				10,000	
Notes					
Taxes:					
Property	2,290	315	17,617	40,888	
Sales					
Hotel/Motel					
Intergovernmental:					
State of North Dakota				3,333	
Federal					
Grand Forks County				146,489	
Prepaid Items			27,618		
Total Assets	\$ 96,022	\$ 2,401	\$ 708,368	\$ 1,658,703	\$ 1,492,164
LIABILITIES					
Accounts payable					
Due to other funds					
Advances from other funds					
Unearned Income					
Total Liabilities					
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 3,204	\$ 442	\$ 23,690	\$ 56,805	
Total Deferred Inflows of Resources	3,204	442	23,690	56,805	
FUND BALANCES					
Non spendable fund balance			27,618		
Restricted fund balance	92,818	1,959	657,060	1,601,898	\$ 1,492,164
Total Fund Balances	92,818	1,959	684,678	1,601,898	1,492,164
Total liabilities, deferred inflows of resources and fund balance	\$ 96,022	\$ 2,401	\$ 708,368	\$ 1,658,703	\$ 1,492,164

Continued

Special Grants Fire	Special Grants Police	Special Grants Health	Special Grants-Other	Asset Forfeiture	City's Share Of Special Improvements
\$ 6,809	\$ 57,373	\$ 15,541	\$ 685	\$ 48,610	\$ -
	15	90,322			
86,150	56,183 22,204	395,296 692,683	3,922 3,610		
<u>\$ 92,959</u>	<u>\$ 135,775</u>	<u>\$ 1,193,842</u>	<u>\$ 8,217</u>	<u>\$ 48,610</u>	<u>\$ -</u>
\$ 90,000	\$ 3,359	\$ 420,000	\$ 3,610		
<u>90,000</u>	<u>3,359</u>	<u>420,000</u>	<u>3,610</u>		
2,959	132,416	773,842	4,607	\$ 48,610	\$ -
<u>2,959</u>	<u>132,416</u>	<u>773,842</u>	<u>4,607</u>	<u>48,610</u>	
<u>\$ 92,959</u>	<u>\$ 135,775</u>	<u>\$ 1,193,842</u>	<u>\$ 8,217</u>	<u>\$ 48,610</u>	<u>\$ -</u>

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

B-1

DECEMBER 31, 2021
 With Comparative Totals for December 31, 2020

	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	\$ 965,778	\$ 263,176	\$ 18,807	\$ 1,714,414	\$ 1,366,526	\$ 12,598
Investments					5,000,000	
Receivables (Net of allowances for uncollectibles):						
Accounts				87,780	1,969	
Notes					120,000	
Taxes:						
Property	10,214	8,188	81			
Sales					167,639	
Hotel/Motel						
Intergovernmental:						
State of North Dakota						
Federal						
Grand Forks County						
Prepaid Items						
Total Assets	\$ 975,992	\$ 271,364	\$ 18,888	\$ 1,802,194	\$ 6,656,134	\$ 12,598
LIABILITIES AND FUND BALANCES						
Accounts payable				\$ 51,712	\$ 42,531	
Due to other funds						
Advances from other funds				51,027		
Unearned Income						
Total Liabilities				102,739	42,531	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 13,716	\$ 11,353	\$ 105			
Total Deferred Inflows of Resources	13,716	11,353	105			
Fund Balances:						
Non spendable fund balance						
Restricted fund balance	962,276	260,011	18,783	1,699,455	6,613,603	\$ 12,598
Total Fund Balances	962,276	260,011	18,783	1,699,455	6,613,603	12,598
Total liabilities, deferred inflows of resources and fund balance	\$ 975,992	\$ 271,364	\$ 18,888	\$ 1,802,194	\$ 6,656,134	\$ 12,598

Continued

Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau	Animal Control	American Rescue Plan Grant	COVID Relief Grant	Community Enhancement	Community Development
\$ 363,010	\$ 1,085,636 2,000,000	\$ 33,820	\$ 3,623	\$ 2,931,358 2,000,000	\$ 2,295,104	\$ -	\$ 2,156,786
							3,185,659
	490,255		2,290				
		65,643					
							283,296
							384
<u>\$ 363,010</u>	<u>\$ 3,575,891</u>	<u>\$ 99,463</u>	<u>\$ 5,913</u>	<u>\$ 4,931,358</u>	<u>\$ 2,295,104</u>	<u>\$ -</u>	<u>\$ 5,626,125</u>
		\$ 65,001					\$ 559,841
				\$ 4,931,358			3,185,658
		65,001		4,931,358			3,745,499
			\$ 3,204				
			3,204				
\$ 363,010	\$ 3,575,891	34,462	2,709		\$ 2,295,104	\$ -	384 1,880,242
363,010	3,575,891	34,462	2,709		2,295,104		1,880,626
<u>\$ 363,010</u>	<u>\$ 3,575,891</u>	<u>\$ 99,463</u>	<u>\$ 5,913</u>	<u>\$ 4,931,358</u>	<u>\$ 2,295,104</u>	<u>\$ -</u>	<u>\$ 5,626,125</u>

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

B-1

DECEMBER 31, 2021
 With Comparative Totals for December 31, 2020

	2021 Total	2020 Total
ASSETS		
Cash and cash equivalents	\$ 17,048,762	\$ 13,200,480
Investments	9,000,000	5,000,000
Receivables (Net of allowances for uncollectibles):		
Accounts	190,086	306,977
Notes	3,305,659	3,555,360
Taxes:		
Property	81,883	102,911
Sales	657,894	668,284
Hotel/Motel	65,643	34,790
Intergovernmental:		
State of North Dakota	458,734	1,607,571
Federal	1,087,943	200,929
Grand Forks County	146,489	177,486
Prepaid Items	28,002	30,279
	<u>32,071,095</u>	<u>24,885,067</u>
Total Assets	\$ 32,071,095	\$ 24,885,067
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 726,054	\$ 249,819
Due to other funds	510,000	63,000
Advances from other funds	51,027	88,627
Unearned Income	8,117,016	3,772,278
	<u>9,404,097</u>	<u>4,173,724</u>
Total Liabilities	9,404,097	4,173,724
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	112,519	69,802
	<u>112,519</u>	<u>69,802</u>
Total Deferred Inflows of Resources	112,519	69,802
Fund Balances:		
Non spendable fund balance	28,002	30,279
Restricted fund balance	22,526,477	20,611,262
	<u>22,554,479</u>	<u>20,641,541</u>
Total Fund Balances	22,554,479	20,641,541
Total liabilities, deferred inflows of resources and fund balance	\$ 32,071,095	\$ 24,885,067



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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, 2021
 With Comparative Totals for December 31, 2020

	Emergency Levy	Municipal Band	Public Building Fund	Library
REVENUES				
Taxes:				
Property	\$ 111,519	\$ 15,460	\$ 858,782	\$ 1,978,800
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental	18,507	348	19,318	946,839
Charges for services				16,471
Fines and forfeits				
Interest	338		678	(688)
Miscellaneous				5,525
Total Revenues	<u>130,364</u>	<u>15,808</u>	<u>878,778</u>	<u>2,946,947</u>
EXPENDITURES				
Current:				
General government			207,408	
Health & welfare				
Public safety				
Culture & recreation		16,671		2,397,459
Capital outlay	95		231,114	206,759
Debt service:				
Interest and fiscal charges				
Total Expenditures	<u>95</u>	<u>16,671</u>	<u>438,522</u>	<u>2,604,218</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>130,269</u>	<u>(863)</u>	<u>440,256</u>	<u>342,729</u>
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(119,686)		(905,700)	(650,000)
Total Other Financing Sources (Uses)	<u>(119,686)</u>		<u>(905,700)</u>	<u>(650,000)</u>
Net change in fund balances	10,583	(863)	(465,444)	(307,271)
Fund Balances - Beginning	<u>82,235</u>	<u>2,822</u>	<u>1,150,122</u>	<u>1,909,169</u>
Fund Balances - Ending	<u>\$ 92,818</u>	<u>\$ 1,959</u>	<u>\$ 684,678</u>	<u>\$ 1,601,898</u>

Continued

<u>Library Capital Maintenance</u>	<u>Special Grants Fire</u>	<u>Special Grants Police</u>	<u>Special Grants Health</u>	<u>Special Grants Other</u>
\$ -	\$ -	\$ -	\$ -	\$ -
	86,150	563,314	2,968,583 251,614	49,156
1,902	20			(72)
<u>1,902</u>	<u>42,567</u>	<u>3,938</u>	<u>2,507</u>	<u>20,419</u>
<u>1,902</u>	<u>128,737</u>	<u>567,252</u>	<u>3,222,704</u>	<u>69,503</u>
			3,557,027	
	86,150	502,412		21,487
3,388				44,251
1,183	39,701	149,395	84,494	41
<u>4,571</u>	<u>125,851</u>	<u>651,807</u>	<u>3,641,521</u>	<u>65,779</u>
<u>(2,669)</u>	<u>2,886</u>	<u>(84,555)</u>	<u>(418,817)</u>	<u>3,724</u>
650,000		100,000		
			(504,219)	(1,028)
<u>650,000</u>		<u>100,000</u>	<u>(504,219)</u>	<u>(1,028)</u>
647,331	2,886	15,445	(923,036)	2,696
<u>844,833</u>	<u>73</u>	<u>116,971</u>	<u>1,696,878</u>	<u>1,911</u>
<u>\$ 1,492,164</u>	<u>\$ 2,959</u>	<u>\$ 132,416</u>	<u>\$ 773,842</u>	<u>\$ 4,607</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, 2021
 With Comparative Totals for December 31, 2020

	Asset Forfeiture	City's Share Of Special Improvements	City Special Assessment Fund	Insurance Reserve Fund
REVENUES				
Taxes:				
Property Sales	\$ -	\$ -	\$ 497,380	\$ 398,653
Hotel/Motel/Airport Car Rental				
Intergovernmental			12,743	8,980
Charges for services			3,855	
Fines and forfeits	22,948			
Interest	385	(73)	(4,009)	(889)
Miscellaneous				
Total Revenues	<u>23,333</u>	<u>(73)</u>	<u>509,969</u>	<u>406,744</u>
EXPENDITURES				
Current:				
General government			448,190	247,389
Health & welfare				
Public safety	7,972			
Culture & recreation				
Capital outlay	12,361			
Debt service:				
Interest and fiscal charges				
Total Expenditures	<u>20,333</u>	<u></u>	<u>448,190</u>	<u>247,389</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>3,000</u>	<u>(73)</u>	<u>61,779</u>	<u>159,355</u>
OTHER FINANCING SOURCES (USES)				
Transfers in			88,324	
Transfers out	(8,758)	(38,324)	(25,000)	
Total Other Financing Sources (Uses)	<u>(8,758)</u>	<u>(38,324)</u>	<u>63,324</u>	
Net change in fund balances	(5,758)	(38,397)	125,103	159,355
Fund Balances - Beginning	<u>54,368</u>	<u>38,397</u>	<u>837,173</u>	<u>100,656</u>
Fund Balances - Ending	<u>\$ 48,610</u>	<u>\$ -</u>	<u>\$ 962,276</u>	<u>\$ 260,011</u>

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
\$ 3,453	\$ -	\$ - 2,172,353	\$ -	\$ -	\$ - 6,353,095	\$ - 767,056
101	1,396,656	41,077		544,812		
(66)	(7,553) 5,000	(5,427) 106,809	2,862	(2,664) 143	(11,640)	177
<u>3,488</u>	<u>1,394,103</u>	<u>2,314,812</u>	<u>2,862</u>	<u>542,291</u>	<u>6,341,455</u>	<u>767,233</u>
4,354	863,176	1,416,554		1,806,552		764,820
	28,218	628,115		392		
	2,370					
<u>4,354</u>	<u>893,764</u>	<u>2,044,669</u>		<u>1,806,944</u>		<u>764,820</u>
(866)	500,339	270,143	2,862	(1,264,653)	6,341,455	2,413
	130,000 (304,121)	(426,169)	(2,500,000)	1,140,157	(4,449,466)	
	(174,121)	(426,169)	(2,500,000)	1,140,157	(4,449,466)	
(866)	326,218	(156,026)	(2,497,138)	(124,496)	1,891,989	2,413
<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>
<u>\$ 18,783</u>	<u>\$ 1,699,455</u>	<u>\$ 6,613,603</u>	<u>\$ 12,598</u>	<u>\$ 363,010</u>	<u>\$ 3,575,891</u>	<u>\$ 34,462</u>

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

FOR THE YEAR ENDED DECEMBER 31, 2021
 With Comparative Totals for December 31, 2020

	Animal Control	American Rescue Plan Grant	COVID Relief Grant	Community Enhancement	Community Development
REVENUES					
Taxes:					
Property	\$ 111,521.00	\$ -	\$ -	\$ -	\$ -
Sales					
Hotel/Motel/Airport Car Rental					
Intergovernmental	2,857	788,291	514,322		1,060,166
Charges for services					
Fines and forfeits					
Interest	196	17,637	10,386	2	484
Miscellaneous	54,090				2,330
Total Revenues	<u>168,664</u>	<u>805,928</u>	<u>524,708</u>	<u>2</u>	<u>1,062,980</u>
EXPENDITURES					
Current:					
General government			100,249		1,463,941
Health & welfare					
Public safety	171,000				
Culture & recreation					
Capital outlay		73,579	48,091		8,000
Debt service:					
Interest and fiscal charges					
Total Expenditures	<u>171,000</u>	<u>73,579</u>	<u>148,340</u>	<u></u>	<u>1,471,941</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(2,336)</u>	<u>732,349</u>	<u>376,368</u>	<u>2</u>	<u>(408,961)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in			4,085,212		1,364,742
Transfers out		(732,349)	(2,166,476)	(337)	
Total Other Financing Sources (Uses)		<u>(732,349)</u>	<u>1,918,736</u>	<u>(337)</u>	<u>1,364,742</u>
Net change in fund balances	(2,336)		2,295,104	(335)	955,781
Fund Balances - Beginning	<u>5,045</u>			<u>335</u>	<u>924,845</u>
Fund Balances - Ending	<u>\$ 2,709</u>	<u>\$ -</u>	<u>\$ 2,295,104</u>	<u>\$ -</u>	<u>\$ 1,880,626</u>

B-2 (Cont'd)

2021	2020
<u>Total</u>	<u>Total</u>
\$ 3,975,568	\$ 3,985,118
8,525,448	7,509,372
767,056	549,415
7,039,675	7,857,680
2,254,485	2,241,775
22,948	19,914
1,986	281,334
<u>243,328</u>	<u>93,726</u>
<u>22,830,494</u>	<u>22,538,334</u>
4,648,551	3,989,033
3,561,381	3,008,820
3,458,749	3,059,196
2,461,769	2,370,694
1,511,538	1,957,909
<u>2,370</u>	<u>3,480</u>
<u>15,644,358</u>	<u>14,389,132</u>
<u>7,186,136</u>	<u>8,149,202</u>
7,558,435	3,736,173
<u>(12,831,633)</u>	<u>(6,054,764)</u>
<u>(5,273,198)</u>	<u>(2,318,591)</u>
1,912,938	5,830,611
<u>20,641,541</u>	<u>14,810,930</u>
<u>\$ 22,554,479</u>	<u>\$ 20,641,541</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

YEAR ENDED DECEMBER 31, 2021
 With Comparative Actual Totals for December 31, 2020

	Emergency Levy			Municipal Band		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ 117,350	\$ 111,519	\$ (5,831)	\$ 16,430	\$ 15,460	\$ (970)
Hotel/Motel/Airport Car Rental						
Intergovernmental	2,503	18,507	16,004	398	348	(50)
Charges for services						
Fines and forfeits						
Interest	1,683	338	(1,345)	20		(20)
Miscellaneous						
Total Revenues	121,536	130,364	8,828	16,848	15,808	(1,040)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	23,798		23,798			
Culture & recreation				16,673	16,671	2
Capital outlay		95	(95)			
Debt service:						
Interest and fiscal charges						
Total Expenditures	23,798	95	23,703	16,673	16,671	2
Excess (Deficiency) of Revenues Over Expenditures	97,738	130,269	32,531	175	(863)	(1,038)
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(119,686)	(119,686)				
Total Other Financing Sources (Uses)	(119,686)	(119,686)				
Net change in fund balances	(21,948)	10,583	32,531	175	(863)	(1,038)
Fund Balances - Beginning	82,235	82,235		2,822	2,822	
Fund Balances - Ending	\$ 60,287	\$ 92,818	\$ 32,531	\$ 2,997	\$ 1,959	\$ (1,038)

Continued

Public Building Fund			Library		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ 858,487	\$ 858,782	\$ 295	\$ 2,077,114	\$ 1,978,800	\$ (98,314)
16,151	19,318	3,167	885,363	946,839	61,476
			23,700	16,471	(7,229)
10,301	678	(9,623)	15,000	(688)	(15,688)
			500	5,525	5,025
<u>884,939</u>	<u>878,778</u>	<u>(6,161)</u>	<u>3,001,677</u>	<u>2,946,947</u>	<u>(54,730)</u>
217,133	207,408	9,725			
			2,742,677	2,397,459	345,218
277,848	231,114	46,734	259,000	206,759	52,241
<u>494,981</u>	<u>438,522</u>	<u>56,459</u>	<u>3,001,677</u>	<u>2,604,218</u>	<u>397,459</u>
389,958	440,256	50,298		342,729	342,729
			22,677		(22,677)
<u>(905,700)</u>	<u>(905,700)</u>		<u>(650,000)</u>	<u>(650,000)</u>	
<u>(905,700)</u>	<u>(905,700)</u>		<u>(627,323)</u>	<u>(650,000)</u>	<u>(22,677)</u>
(515,742)	(465,444)	50,298	(627,323)	(307,271)	320,052
<u>1,150,122</u>	<u>1,150,122</u>		<u>1,909,169</u>	<u>1,909,169</u>	
<u>\$ 634,380</u>	<u>\$ 684,678</u>	<u>\$ 50,298</u>	<u>\$ 1,281,846</u>	<u>\$ 1,601,898</u>	<u>\$ 320,052</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, 2021
 With Comparative Actual Totals for December 31, 2020

	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				160,112	86,150	(73,962)
Charges for services						
Fines and forfeits						
Interest	15,000	1,902	(13,098)		20	20
Miscellaneous				42,567	42,567	
Total Revenues	15,000	1,902	(13,098)	202,679	128,737	(73,942)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				97,612	86,150	11,462
Culture & recreation	10,000	3,388	6,612			
Capital outlay	690,000	1,183	688,817	42,567	39,701	2,866
Debt service:						
Interest and fiscal charges						
Total Expenditures	700,000	4,571	695,429	140,179	125,851	14,328
Excess (Deficiency) of Revenues Over Expenditures	(685,000)	(2,669)	682,331	62,500	2,886	(59,614)
Other Financing Sources (Uses):						
Transfers in	650,000	650,000				
Transfers out						
Total Other Financing Sources (Uses)	650,000	650,000				
Net change in fund balances	(35,000)	647,331	682,331	62,500	2,886	(59,614)
Fund Balances - Beginning	844,833	844,833		73	73	
Fund Balances Ending	\$ 809,833	\$ 1,492,164	\$ 682,331	\$ 62,573	\$ 2,959	\$ (59,614)

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
621,242	563,314	(57,928)	3,340,699	2,968,583	(372,116)
			322,470	251,614	(70,856)
<u>3,328</u>	<u>3,938</u>	<u>610</u>	<u>15,658</u>	<u>2,507</u>	<u>(13,151)</u>
<u>624,570</u>	<u>567,252</u>	<u>(57,318)</u>	<u>3,678,827</u>	<u>3,222,704</u>	<u>(456,123)</u>
575,175	502,412	72,763	4,700,950	3,557,027	1,143,923
149,395	149,395		81,714	84,494	(2,780)
<u>724,570</u>	<u>651,807</u>	<u>72,763</u>	<u>4,782,664</u>	<u>3,641,521</u>	<u>1,141,143</u>
<u>(100,000)</u>	<u>(84,555)</u>	<u>15,445</u>	<u>(1,103,837)</u>	<u>(418,817)</u>	<u>685,020</u>
<u>100,000</u>	<u>100,000</u>		<u>1,082,660</u>		<u>(1,082,660)</u>
			<u>(504,219)</u>	<u>(504,219)</u>	
<u>100,000</u>	<u>100,000</u>		<u>578,441</u>	<u>(504,219)</u>	<u>(1,082,660)</u>
	15,445	15,445	<u>(525,396)</u>	<u>(923,036)</u>	<u>(397,640)</u>
<u>116,971</u>	<u>116,971</u>		<u>1,696,878</u>	<u>1,696,878</u>	
<u>\$ 116,971</u>	<u>\$ 132,416</u>	<u>\$ 15,445</u>	<u>\$ 1,171,482</u>	<u>\$ 773,842</u>	<u>\$ (397,640)</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, 2021
 With Comparative Actual Totals for December 31, 2020

	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	50,994	49,156	(1,838)			
Charges for services						
Fines and forfeits				22,948	22,948	
Interest		(72)	(72)		385	385
Miscellaneous	18,170	20,419	2,249			
Total Revenues	69,164	69,503	339	22,948	23,333	385
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	21,104	21,487	(383)	7,971	7,972	(1)
Culture & recreation	48,019	44,251	3,768			
Capital outlay	41	41		18,146	12,361	5,785
Debt service:						
Interest and fiscal charges						
Total Expenditures	69,164	65,779	3,385	26,117	20,333	5,784
Excess (Deficiency) of Revenues Over Expenditures		3,724	3,724	(3,169)	3,000	6,169
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(1,028)	(1,028)		(8,758)	(8,758)	
Total Other Financing Sources (Uses)	(1,028)	(1,028)		(8,758)	(8,758)	
Net change in fund balances	(1,028)	2,696	3,724	(11,927)	(5,758)	6,169
Fund Balances - Beginning	1,911	1,911		54,368	54,368	
Fund Balances Ending	\$ 883	\$ 4,607	\$ 3,724	\$ 42,441	\$ 48,610	\$ 6,169

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)
\$ -	\$ -	\$ -	\$ 523,425	\$ 497,380	\$ (26,045)
			11,109	12,743	1,634
				3,855	3,855
	(73)	(73)	6,511	(4,009)	(10,520)
	(73)	(73)	541,045	509,969	(31,076)
100		100	587,851	448,190	139,661
100		100	587,851	448,190	139,661
(100)	(73)	27	(46,806)	61,779	108,585
(39,000)	(38,324)	676	89,000	88,324	(676)
(39,000)	(38,324)	676	(50,000)	(25,000)	25,000
(39,000)	(38,324)	676	39,000	63,324	24,324
(39,100)	(38,397)	703	(7,806)	125,103	132,909
38,397	38,397		837,173	837,173	
\$ (703)	\$ -	\$ 703	\$ 829,367	\$ 962,276	\$ 132,909

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, 2021
 With Comparative Actual Totals for December 31, 2020

	Insurance Reserve Fund			Noxious Weed Control		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ 420,148	\$ 398,653	\$ (21,495)	\$ 4,694	\$ 3,453	\$ (1,241)
Hotel/Motel/Airport Car Rental						
Intergovernmental	7,552	8,980	1,428	63	101	38
Charges for services						
Fines and forfeits						
Interest		(889)	(889)	158	(66)	(224)
Miscellaneous						
Total Revenues	427,700	406,744	(20,956)	4,915	3,488	(1,427)
Expenditures:						
Current:						
General government	425,904	247,389	178,515			
Health & welfare				5,625	4,354	1,271
Public safety						
Culture & recreation						
Capital outlay						
Debt service:						
Interest and fiscal charges						
Total Expenditures	425,904	247,389	178,515	5,625	4,354	1,271
Excess (Deficiency) of Revenues Over Expenditures	1,796	159,355	157,559	(710)	(866)	(156)
Other Financing Sources (Uses):						
Transfers in	6,462		(6,462)			
Transfers out						
Total Other Financing Sources (Uses)	6,462		(6,462)			
Net change in fund balances	8,258	159,355	151,097	(710)	(866)	(156)
Fund Balances - Beginning	100,656	100,656		19,649	19,649	
Fund Balances Ending	\$ 108,914	\$ 260,011	\$ 151,097	\$ 18,939	\$ 18,783	\$ (156)

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
			2,199,458	2,172,353	(27,105)
6,000		(6,000)			
1,312,187	1,396,656	84,469	50,000	41,077	(8,923)
13,466	(7,553)	(21,019)	35,267	(5,427)	(40,694)
	5,000	5,000	111,309	106,809	(4,500)
<u>1,331,653</u>	<u>1,394,103</u>	<u>62,450</u>	<u>2,396,034</u>	<u>2,314,812</u>	<u>(81,222)</u>
			1,461,985	1,416,554	45,431
954,885	863,176	91,709			
120,000	28,218	91,782	628,200	628,115	85
2,371	2,370	(1)			
<u>1,077,256</u>	<u>893,764</u>	<u>183,490</u>	<u>2,090,185</u>	<u>2,044,669</u>	<u>45,516</u>
<u>254,397</u>	<u>500,339</u>	<u>245,940</u>	<u>305,849</u>	<u>270,143</u>	<u>(35,706)</u>
130,000	130,000		359,141		(359,141)
(341,721)	(304,121)	37,600	(566,400)	(426,169)	140,231
(211,721)	(174,121)	37,600	(207,259)	(426,169)	(218,910)
42,676	326,218	283,540	98,590	(156,026)	(254,616)
<u>1,373,237</u>	<u>1,373,237</u>		<u>6,769,629</u>	<u>6,769,629</u>	
<u>\$ 1,415,913</u>	<u>\$ 1,699,455</u>	<u>\$ 283,540</u>	<u>\$ 6,868,219</u>	<u>\$ 6,613,603</u>	<u>\$ (254,616)</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, 2021
 With Comparative Actual Totals for December 31, 2020

	Prarie 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						
Charges for services				545,650	544,812	(838)
Fines and forfeits						
Interest		2,862	2,862	3,919	(2,664)	(6,583)
Miscellaneous					143	143
Total Revenues		2,862	2,862	549,569	542,291	(7,278)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				1,841,451	1,806,552	34,899
Culture & recreation						
Capital outlay				5,600	392	5,208
Debt service:						
Interest and fiscal charges						
Total Expenditures				1,847,051	1,806,944	40,107
Excess (Deficiency) of Revenues Over Expenditures		2,862	2,862	(1,297,482)	(1,264,653)	32,829
Other Financing Sources (Uses):						
Transfers in				1,140,157	1,140,157	
Transfers out	(2,500,000)	(2,500,000)				
Total Other Financing Sources (Uses)	(2,500,000)	(2,500,000)		1,140,157	1,140,157	
Net change in fund balances	(2,500,000)	(2,497,138)	2,862	(157,325)	(124,496)	32,829
Fund Balances - Beginning	2,509,736	2,509,736		487,506	487,506	
Fund Balances Ending	\$ 9,736	\$ 12,598	\$ 2,862	\$ 330,181	\$ 363,010	\$ 32,829

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)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
4,449,466	6,353,095	1,903,629	817,000	767,056	(49,944)
15,000	(11,640)	(26,640)		177	177
<u>4,464,466</u>	<u>6,341,455</u>	<u>1,876,989</u>	<u>817,000</u>	<u>767,233</u>	<u>(49,767)</u>
			817,000	764,820	52,180
			<u>817,000</u>	<u>764,820</u>	<u>52,180</u>
4,464,466	6,341,455	1,876,989		2,413	2,413
(4,449,466)	(4,449,466)				
(4,449,466)	(4,449,466)				
15,000	1,891,989	1,876,989		2,413	2,413
1,683,902	1,683,902		32,049	32,049	
<u>\$ 1,698,902</u>	<u>\$ 3,575,891</u>	<u>\$ 1,876,989</u>	<u>\$ 32,049</u>	<u>\$ 34,462</u>	<u>\$ 2,413</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

YEAR ENDED DECEMBER 31, 2021
 With Comparative Actual Totals for December 31, 2020

	Animal Control Fund			American Rescue Plan Grant Fund		
	Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
Revenues:						
Taxes:						
Property Sales	\$ 117,360	\$ 111,521	\$ (5,839)	\$ -	\$ -	\$ -
Hotel/Motel/Airport Car Rental						
Intergovernmental	2,394	2,857	463	5,719,649	788,291	(4,931,358)
Charges for services						
Fines and forfeits						
Interest		196	196		17,637	17,637
Miscellaneous	54,090	54,090				
Total Revenues	173,844	168,664	(5,180)	5,719,649	805,928	(4,913,721)
Expenditures:						
Current:						
General government				4,913,295		4,913,295
Health & welfare						
Public safety	173,844	171,000	2,844			
Culture & recreation						
Capital outlay				74,000	73,579	421
Debt service:						
Interest and fiscal charges						
Total Expenditures	173,844	171,000	2,844	4,987,295	73,579	4,913,716
Excess (Deficiency) of Revenues Over Expenditures		(2,336)	(2,336)	732,354	732,349	(5)
Other Financing Sources (Uses):						
Transfers in						
Transfers out				(732,534)	(732,349)	185
Total Other Financing Sources (Uses)				(732,534)	(732,349)	185
Net change in fund balances		(2,336)	(2,336)	(180)		180
Fund Balances - Beginning	5,045	5,045				
Fund Balances Ending	\$ 5,045	\$ 2,709	\$ (2,336)	\$ (180)	\$ -	\$ 180

Continued

COVID Relief Grant Fund			Community Enhancement		
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Final Budget	Actual	Variance with Final Budget Positive (Negative)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
	514,322	514,322			
	10,386	10,386		2	(2)
<u>514,322</u>	<u> </u>	<u>(514,322)</u>	<u> </u>	<u> </u>	<u> </u>
<u>514,322</u>	<u>524,708</u>	<u>10,386</u>	<u> </u>	<u>2</u>	<u>(2)</u>
4,551,442	100,249	4,451,193			
48,092	48,091	1			
<u>4,599,534</u>	<u>148,340</u>	<u>4,451,194</u>	<u> </u>	<u> </u>	<u> </u>
<u>(4,085,212)</u>	<u>376,368</u>	<u>4,461,580</u>	<u> </u>	<u>2</u>	<u>(2)</u>
4,085,212	4,085,212				
<u>(2,166,476)</u>	<u>(2,166,476)</u>	<u> </u>	<u>(338)</u>	<u>(337)</u>	<u>1</u>
<u>1,918,736</u>	<u>1,918,736</u>	<u> </u>	<u>(338)</u>	<u>(337)</u>	<u>1</u>
<u>(2,166,476)</u>	<u>2,295,104</u>	<u>4,461,580</u>	<u>(338)</u>	<u>(335)</u>	<u>(1)</u>
<u> </u>	<u> </u>	<u> </u>	<u>335</u>	<u>335</u>	<u> </u>
<u>\$ (2,166,476)</u>	<u>\$ 2,295,104</u>	<u>\$ 4,461,580</u>	<u>\$ (3)</u>	<u>\$ -</u>	<u>\$ (1)</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

YEAR ENDED DECEMBER 31, 2021
 With Comparative Actual Totals for December 31, 2020

	Community Development		Variance with Final Budget Positive (Negative)
	Final Budget	Actual	
Revenues:			
Taxes:			
Property Sales	\$ -	\$ -	\$ -
Hotel/Motel/Airport Car Rental			
Intergovernmental	455,668	1,060,166	604,498
Charges for services			
Fines and forfeits			
Interest	6,250	484	(5,766)
Miscellaneous	155,000	2,330	(152,670)
Total Revenues	616,918	1,062,980	446,062
Expenditures:			
Current:			
General government	2,777,647	1,463,941	1,313,706
Health & welfare			
Public safety			
Culture & recreation			
Capital outlay	8,000	8,000	
Debt service:			
Interest and fiscal charges			
Total Expenditures	2,785,647	1,471,941	1,313,706
Excess (Deficiency) of			
Revenues Over Expenditures	(2,168,729)	(408,961)	1,759,768
Other Financing Sources (Uses):			
Transfers in	3,847,915	1,364,742	(2,483,173)
Transfers out			
Total Other Financing Sources (Uses)	3,847,915	1,364,742	(2,483,173)
Net change in fund balances	1,679,186	955,781	(723,405)
Fund Balances - Beginning	924,845	924,845	
Fund Balances - Ending	\$ 2,604,031	\$ 1,880,626	\$ (723,405)

2021 Total		2020 Actual	
Final Budget	Actual	Variance with Final Budget Positive (Negative)	Total
\$ 4,135,008	\$ 3,975,568	\$ (159,440)	\$ 3,985,118
6,648,924	8,525,448	1,876,524	7,509,372
817,000	767,056	(49,944)	549,415
11,279,897	7,039,675	(4,240,222)	7,857,680
2,254,007	2,254,485	478	2,241,775
22,948	22,948	-	19,914
122,575	1,986	(120,589)	281,334
914,944	243,328	(671,616)	93,726
<u>26,195,303</u>	<u>22,830,494</u>	<u>(3,364,809)</u>	<u>22,538,334</u>
15,752,357	4,648,551	11,103,806	3,989,033
4,706,575	3,561,381	1,145,194	3,008,820
3,695,840	3,458,749	237,091	3,059,196
2,817,369	2,461,769	355,600	2,370,694
2,402,603	1,511,538	891,065	1,957,909
<u>2,371</u>	<u>2,370</u>	<u>1</u>	<u>3,480</u>
<u>29,377,115</u>	<u>15,644,358</u>	<u>13,732,757</u>	<u>14,389,132</u>
<u>(3,181,812)</u>	<u>7,186,136</u>	<u>10,367,948</u>	<u>8,149,202</u>
11,513,224	7,558,435	(3,954,789)	3,736,173
<u>(13,035,326)</u>	<u>(12,831,633)</u>	<u>203,693</u>	<u>(6,054,764)</u>
<u>(1,522,102)</u>	<u>(5,273,198)</u>	<u>(3,751,096)</u>	<u>(2,318,591)</u>
(4,703,914)	1,912,938	6,616,852	5,830,611
<u>20,641,541</u>	<u>20,641,541</u>		<u>14,810,930</u>
<u>\$ 15,937,627</u>	<u>\$ 22,554,479</u>	<u>\$ 6,616,852</u>	<u>\$ 20,641,541</u>

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, 2021

With Comparative Totals for December 31, 2020

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2021 Total	2020 Total
ASSETS					
Cash and cash equivalents	\$ 413,693	\$ 1,270,884	\$ 109,103	\$ 1,793,680	\$ 2,049,828
Taxes receivable:					
Property	18,252			18,252	15,174
Special assessments			5,149	5,149	1,654
Total Assets	<u>\$ 431,945</u>	<u>\$ 1,270,884</u>	<u>\$ 114,252</u>	<u>\$ 1,817,081</u>	<u>\$ 2,066,656</u>
LIABILITIES					
Advances from other funds	\$ 9,901			\$ 9,901	\$ 9,901
Total Liabilities	<u>9,901</u>			<u>9,901</u>	<u>9,901</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	16,973			16,973	9,820
Unavailable revenue-special assessments			\$ 5,149	5,149	1,654
Total Deferred Inflows of Resources	<u>16,973</u>		<u>5,149</u>	<u>22,122</u>	<u>11,474</u>
FUND BALANCES					
Restricted	405,071	\$ 1,270,884	109,103	1,785,058	2,045,281
Total Fund Balances	<u>405,071</u>	<u>1,270,884</u>	<u>109,103</u>	<u>1,785,058</u>	<u>2,045,281</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 431,945</u>	<u>\$ 1,270,884</u>	<u>\$ 114,252</u>	<u>\$ 1,817,081</u>	<u>\$ 2,066,656</u>

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, 2021
 With Comparative Totals for December 31, 2020

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2021 Total	2020 Total
REVENUES					
Property taxes	\$ 6,209	\$ -	\$ -	\$ 6,209	\$ 468,333
Special assessments			55,665	55,665	52,059
Intergovernmental	603			603	12,266
Interest	(1,703)	9,036	(352)	6,981	33,741
Total Revenues	<u>5,109</u>	<u>9,036</u>	<u>55,313</u>	<u>69,458</u>	<u>566,399</u>
EXPENDITURES					
Contractual services					
Debt Services:					
Interest & fiscal charges	76,832	48,982	357	126,171	188,016
Principal retirement	545,000	1,125,000		1,670,000	1,705,000
Total Expenditures	<u>621,832</u>	<u>1,173,982</u>	<u>357</u>	<u>1,796,171</u>	<u>1,893,016</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(616,723)</u>	<u>(1,164,946)</u>	<u>54,956</u>	<u>(1,726,713)</u>	<u>(1,326,617)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	360,723	1,174,650		1,535,373	2,572,304
Transfers out	(23)		(68,860)	(68,883)	(1,010,604)
Total Other Financing Sources (Uses)	<u>360,700</u>	<u>1,174,650</u>	<u>(68,860)</u>	<u>1,466,490</u>	<u>1,561,700</u>
Net change in fund balances	(256,023)	9,704	(13,904)	(260,223)	235,083
Fund Balances at Beginning of Year	661,094	1,261,180	123,007	2,045,281	1,810,198
Fund Balances at End of Year	<u>\$ 405,071</u>	<u>\$ 1,270,884</u>	<u>\$ 109,103</u>	<u>\$ 1,785,058</u>	<u>\$ 2,045,281</u>

NON-MAJOR CAPITAL PROJECTS FUNDS

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

Bikeway Project

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

Flood Protection Capital Maintenance Fund

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

Underpass/Bridge Construction Fund

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

Veteran's Memorial Park Fund

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

General Government American Rescue Plan Act (ARPA) Capital Project Fund

To account for general government capital projects funded through the American Rescue Plan Act grant funds.

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, 2021

With Comparative Totals for December 31, 2020

	<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	\$ 149,987	\$ 4,451,558	\$ 2,307,055	\$ 1,609
Accounts receivable				
Special assessments receivable		55,526		
Special assessments-uncertified		4,399,247		
Due from Other Funds				
Total Assets	<u>\$ 149,987</u>	<u>\$ 8,906,331</u>	<u>\$ 2,307,055</u>	<u>\$ 1,609</u>
LIABILITIES				
Liabilities:				
Contracts payable (including retainage)		\$ 6,833		
Due to Other Funds				
Total Liabilities		<u>6,833</u>		
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments		4,454,773		
Total Deferred Inflows of Resources		<u>4,454,773</u>		
FUND BALANCES				
Restricted		4,444,725		
Committed	\$ 149,987		\$ 2,307,055	\$ 1,609
Total Fund Balances	<u>149,987</u>	<u>4,444,725</u>	<u>2,307,055</u>	<u>1,609</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 149,987</u>	<u>\$ 8,906,331</u>	<u>\$ 2,307,055</u>	<u>\$ 1,609</u>

<u>General Government ARPA Capital Project</u>	<u>Capital Replacement Fund</u>	<u>Public Building Capital Projects</u>	<u>Nuisance Abatements</u>	<u>2021 Total</u>	<u>2020 Total</u>
\$ 81,644	\$ 2,138,377	\$ 481,947	\$ 90,657	\$ 9,702,834	\$ 8,321,468
					41,030
			1,158	56,684	34,203
			3,117	4,402,364	3,409,258
					15,000
<u>\$ 81,644</u>	<u>\$ 2,138,377</u>	<u>\$ 481,947</u>	<u>\$ 94,932</u>	<u>\$ 14,161,882</u>	<u>\$ 11,820,959</u>
\$ 81,644				\$ 88,477	\$ 38,911
					18,000
<u>81,644</u>				<u>88,477</u>	<u>56,911</u>
			\$ 4,275	4,459,048	3,443,461
			4,275	4,459,048	3,443,461
			90,657	4,535,382	3,174,972
	\$ 2,138,377	\$ 481,947		5,078,975	5,145,615
	2,138,377	481,947	90,657	9,614,357	8,320,587
<u>\$ 81,644</u>	<u>\$ 2,138,377</u>	<u>\$ 481,947</u>	<u>\$ 94,932</u>	<u>\$ 14,161,882</u>	<u>\$ 11,820,959</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, 2021
 With Comparative Totals for December 31, 2020

	Bikeway Projects	Flood Protection Capital Maintenance	Underpass/ Bridge Construction	Veteran's Memorial Park	General Government ARPA Capital Project
REVENUES:					
Special assessments	\$ -	\$ 1,685,333	\$ -	\$ -	\$ -
Intergovernmental		45,042			
Misc				12,627	
Investment Interest (Loss)	(684)	(14,915)	(10,303)	(106)	
Total Revenues	(684)	1,715,460	(10,303)	12,521	
EXPENDITURES					
Capital outlay:					
General government					81,644
Public safety					
Public works		284,473		13,560	
Debt Service:					
Principal retirement					
Total Expenditures		284,473		13,560	81,644
Excess (Deficiency) of Revenues Over Expenditures	(684)	1,430,987	(10,303)	(1,039)	(81,644)
OTHER FINANCING SOURCES (USES):					
Sale of property					
Issuance of Capital Lease					
Transfers in			100,000		81,644
Transfers out		(60,000)			
Total Other Financing Sources (Uses)		(60,000)	100,000		81,644
Net change in fund balance	(684)	1,370,987	89,697	(1,039)	
Fund Balances at Beginning of Year	150,671	3,073,738	2,217,358	2,648	
Fund Balances at End of Year	\$ 149,987	\$ 4,444,725	\$ 2,307,055	\$ 1,609	\$ -

Capital Replacement Fund	Public Building Capital Projects	Nuisance Abatements	2021 Total	2020 Total
\$ -	\$ -	\$ 19,996	\$ 1,705,329	\$ 626,474
			45,042	36,000
			12,627	336,434
<u>14,303</u>	<u>(3,444)</u>	<u>(408)</u>	<u>(15,557)</u>	<u>149,078</u>
<u>14,303</u>	<u>(3,444)</u>	<u>19,588</u>	<u>1,747,441</u>	<u>1,147,986</u>
	436,303		517,947	35,568
911,650		5,165	911,650	962,053
			303,198	1,032,311
<u>263,212</u>			<u>263,212</u>	<u>224,156</u>
<u>1,174,862</u>	<u>436,303</u>	<u>5,165</u>	<u>1,996,007</u>	<u>2,254,088</u>
<u>(1,160,559)</u>	<u>(439,747)</u>	<u>14,423</u>	<u>(248,566)</u>	<u>(1,106,102)</u>
				6,000
472,660			472,660	407,578
428,032	545,000		1,154,676	1,315,145
		(25,000)	(85,000)	(225,000)
<u>900,692</u>	<u>545,000</u>	<u>(25,000)</u>	<u>1,542,336</u>	<u>1,503,723</u>
(259,867)	105,253	(10,577)	1,293,770	397,621
<u>2,398,244</u>	<u>376,694</u>	<u>101,234</u>	<u>8,320,587</u>	<u>7,922,966</u>
<u>\$ 2,138,377</u>	<u>\$ 481,947</u>	<u>\$ 90,657</u>	<u>\$ 9,614,357</u>	<u>\$ 8,320,587</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, 2021
 With Comparative Totals for December 31, 2020

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	<u>Public Transit</u>	<u>Dial-a-Ride</u>
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 878,770	\$ 91,617
Restricted cash, cash equivalents, and investments:		
Customer deposits		1,416
Construction account		
Revenue bond current debt service account		
Receivables:		
Accounts	465,526	24,271
Taxes - property	21,444	4,579
Intergovernmental:		
Federal government	1,886,323	800,670
State of North Dakota	93,000	137,373
Inventories	129,530	
Prepaid items	41,461	1,865
Total Current Assets	<u>3,516,054</u>	<u>1,061,791</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	7,709,427	1,043,267
Construction in progress	117,990	
Less accumulated depreciation	<u>(6,179,959)</u>	<u>(665,212)</u>
Total Capital Assets (net of accumulated depreciation)	<u>10,652,627</u>	<u>378,055</u>
Total Noncurrent Assets	<u>10,652,627</u>	<u>378,055</u>
Total Assets	<u>14,168,681</u>	<u>1,439,846</u>
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	107,827	
Deferred Pension NDPERS	2,739,775	
Deferred OPEB NDPERS	70,851	
Total deferred outflow of resources	<u>2,918,453</u>	
LIABILITIES		
Current Liabilities:		
Accounts payable	96,110	36,482
Due to Other Funds	1,500,000	600,000
Customer Deposits		1,416
Compensated absences payable-current	14,100	6,528
Accrued interest payable		
Bonds payable-current		
Total Current Liabilities	<u>1,610,210</u>	<u>644,426</u>
Noncurrent Liabilities:		
Compensated absences payable	217,345	33,253
Net Pension Liability Single Employer Plan	521,841	
Net Pension Liability NDPERS	2,170,499	
Net OPEB Liability NDPERS	164,018	
Revenue bonds payable		
Total Noncurrent Liabilities	<u>3,073,703</u>	<u>33,253</u>
Total Liabilities	<u>4,683,913</u>	<u>677,679</u>
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	152,955	
Deferred Pension NDPERS	5,568,753	
Deferred OPEB NDPERS	66,377	
Total deferred inflow of resources	<u>5,788,085</u>	
NET POSITION		
Net investment in capital assets	10,652,627	378,056
Net position-restricted for:		
Debt Service		
Capital		
Net position-unrestricted	<u>(4,037,491)</u>	<u>384,111</u>
Total Net Position	<u>\$ 6,615,136</u>	<u>\$ 762,167</u>

Mosquito Control	Downtown Parking	2021 Total Non Major Enterprise Funds	2020 Total Non Major Enterprise Funds
\$ 555,556	\$ 90,528	\$ 1,616,471	\$ 613,114
		1,416	1,416
128,957	196,046	325,003	378,497
31,300		31,300	31,867
123,474	76,814	690,085	747,452
		26,023	33,122
		2,686,993	1,837,433
		230,373	1,466,384
		129,530	119,494
666	4,281	48,273	74,023
<u>839,953</u>	<u>367,669</u>	<u>5,785,467</u>	<u>5,302,802</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	9,697,099
77,499	3,090,165	3,847,327	3,847,327
902,010	99,636	9,754,340	9,827,905
		117,990	111,040
<u>(1,250,075)</u>	<u>(1,426,893)</u>	<u>(9,522,139)</u>	<u>(8,765,335)</u>
<u>1,128,226</u>	<u>2,096,535</u>	<u>14,255,443</u>	<u>15,078,862</u>
<u>1,215,226</u>	<u>2,096,535</u>	<u>14,342,443</u>	<u>15,165,862</u>
<u>2,055,179</u>	<u>2,464,204</u>	<u>20,127,910</u>	<u>20,468,664</u>
		107,827	83,438
		2,739,775	1,121,462
		70,851	14,410
		<u>2,918,453</u>	<u>1,219,310</u>
8,268	2,077	142,937	95,219
		2,100,000	3,200,000
		1,416	1,416
		20,628	51,474
2,967		2,967	3,533
85,000		85,000	85,000
<u>96,235</u>	<u>2,077</u>	<u>2,352,948</u>	<u>3,436,642</u>
78,817		329,415	282,567
		521,841	584,011
		2,170,499	1,809,576
		164,018	90,068
<u>362,709</u>		<u>362,709</u>	<u>448,290</u>
<u>441,526</u>		<u>3,548,482</u>	<u>3,214,512</u>
<u>537,761</u>	<u>2,077</u>	<u>5,901,430</u>	<u>6,651,154</u>
		152,955	113,690
		5,568,753	212,232
		66,377	2,412
		<u>5,788,085</u>	<u>328,334</u>
680,517	2,096,535	13,807,735	14,545,572
115,333		115,333	115,334
128,957	196,046	325,003	378,497
<u>592,611</u>	<u>169,546</u>	<u>(2,891,223)</u>	<u>(330,917)</u>
<u>\$ 1,517,418</u>	<u>\$ 2,462,127</u>	<u>\$ 11,356,848</u>	<u>\$ 14,708,486</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
 NON MAJOR PROPRIETARY FUNDS
 YEAR ENDED DECEMBER 31, 2021
 With Comparative Totals for December 31, 2020

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	<u>Public Transit</u>	<u>Dial-A-Ride</u>	<u>Mosquito Control</u>
Operating Revenues:			
Charges for sales and services:			
Utility fees	\$ 787,489	\$ 249,464	\$ 1,117,215
Operating assessment			
Miscellaneous	1,019		
Total Operating Revenues	<u>788,508</u>	<u>249,464</u>	<u>1,117,215</u>
Operating Expenses:			
Salaries and wages	1,440,939	816,005	265,601
Supplies	33,737	2,189	289,233
Contractual services	233,010	35,542	126,013
Maintenance - structures and equipment	432,400	88,590	36,077
Sundry expenses	3,822	1,375	7,477
Utilities - heat and lights	34,126	15,243	11,387
Pension and social security	4,398,326	117,246	34,591
Administrative and general	376,813	213,756	49,699
Total Operating Expenses	<u>6,953,173</u>	<u>1,289,946</u>	<u>820,078</u>
Net Income (Loss) from Operations before Depreciation	(6,164,665)	(1,040,482)	297,137
Less - Depreciation	869,445	155,822	95,252
Net Operating Income (Loss)	<u>(7,034,110)</u>	<u>(1,196,304)</u>	<u>201,885</u>
Nonoperating Revenues (Expenses):			
Interest	(3,564)	(2,386)	(376)
Federal grants	1,773,306	817,483	
State grants	93,000	229,200	
General property taxes	1,048,725	225,894	
Personal property replacements	26,597	5,016	
Gain (loss) on capital assets	20,975	36,464	17,666
Pass through grant expense			
Miscellaneous			
Interest expense			(10,068)
Total Nonoperating Revenues (Expenses)	<u>2,959,039</u>	<u>1,311,671</u>	<u>7,222</u>
Income (Loss) Before Capital Contributions and Transfers	<u>(4,075,071)</u>	<u>115,367</u>	<u>209,107</u>
Capital Contributions and Transfers:			
Capital Contributions	325,765	255,493	
Transfers in	-		
Transfers Out	-		(1,350)
Total Capital Contributions and Transfers	<u>325,765</u>	<u>255,493</u>	<u>(1,350)</u>
Change in Net Position	(3,749,306)	370,860	207,757
Total Net Position-Beginning	<u>10,364,442</u>	<u>391,307</u>	<u>1,309,661</u>
Total Net Position-Ending	<u>\$ 6,615,136</u>	<u>\$ 762,167</u>	<u>\$ 1,517,418</u>

Downtown Parking	2021 Total Non Major Enterprise Funds	2020 Total Non Major Enterprise Funds
\$ 10,940	\$ 2,165,108	\$ 2,161,897
109,741	109,741	158,412
<u>120,681</u>	<u>2,275,868</u>	<u>2,321,048</u>
25,359	2,547,904	2,519,737
34	325,193	398,710
25,378	419,943	359,461
131,678	688,745	974,118
58,805	12,674	8,229
3,809	119,561	99,215
18,713	4,553,972	403,235
<u>263,776</u>	<u>9,326,973</u>	<u>5,318,131</u>
(143,095)	(7,051,105)	(2,997,083)
101,845	1,222,364	975,066
<u>(244,940)</u>	<u>(8,273,469)</u>	<u>(3,972,149)</u>
1,351	(4,975)	(4,017)
	2,590,789	2,085,988
	322,200	285,487
	1,274,619	1,269,066
	31,613	31,580
	75,105	12,650
<u>1,351</u>	<u>(10,068)</u>	<u>(11,603)</u>
<u>1,351</u>	<u>4,279,283</u>	<u>3,669,151</u>
<u>(243,589)</u>	<u>(3,994,186)</u>	<u>(302,998)</u>
62,640	581,258	3,053,155
<u>62,640</u>	62,640	65,605
<u>62,640</u>	(1,350)	(5,050)
<u>62,640</u>	<u>642,548</u>	<u>3,113,710</u>
(180,949)	(3,351,638)	2,810,712
<u>2,643,076</u>	<u>14,708,486</u>	<u>11,897,774</u>
<u>\$ 2,462,127</u>	<u>\$ 11,356,848</u>	<u>\$ 14,708,486</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF CASH FLOWS
 NON MAJOR PROPRIETARY FUNDS
 Year Ended December 31, 2021
 With Comparative Totals for December 31, 2020

	Public Transit Fund	Dial A Ride Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 833,186	\$ 246,955
Payments to suppliers	(1,360,643)	(444,718)
Payments to employees	(1,417,049)	(808,552)
Payments for interfund services used	(1,300,000)	200,000
Net cash provided (used) by operating activities	<u>(3,244,506)</u>	<u>(806,315)</u>
Cash Flows from Non-Capital Financing Activities:		
Transfers from other funds		
Transfers to other funds		
Operating subsidies from federal grants	1,450,656	394,929
Operating subsidies from state grants	25,550	115,035
Operating subsidies from Taxes	1,081,259	232,072
Net cash provided (used) by non-capital financing activities	<u>2,557,465</u>	<u>742,036</u>
Cash Flows from Capital & Related Financing Activities:		
Proceeds of revenue bonds and notes		
Capital contributions	1,639,035	255,493
Purchases of capital assets	(176,377)	(191,261)
Proceeds from sale of capital assets	20,975	36,464
Principal paid on capital debt		
Interest paid		
Net cash provided (used) by capital & related financing activities	<u>1,483,633</u>	<u>100,696</u>
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments		
Purchase of investments		
Interest and dividends	(3,564)	(2,386)
Net cash provided by investing activities	<u>(3,564)</u>	<u>(2,386)</u>
Net increase (decrease) in cash and cash equivalents	793,028	34,031
Cash and cash equivalents - beginning of the year	85,742	59,002
Cash and cash equivalents - end of the year	<u>\$ 878,770</u>	<u>\$ 93,033</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	\$ (7,034,110)	\$ (1,196,304)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	869,445	155,822
(Increase) decrease in accounts receivable	44,678	(2,509)
(Increase) decrease in inventories	(10,036)	
(Increase) decrease in prepaid items	(2,726)	29,223
(Increase) decrease in deferred outflows	(1,699,143)	
Increase (decrease) in accounts payable	36,605	8,119
Increase (decrease) in compensated absences payable	18,327	(666)
Increase (decrease) in net pension liability	298,753	
Increase (decrease) in net OPEB liability	73,950	
Increase (decrease) in deferred inflows	5,459,751	
Increase (decrease) in due to other funds	(1,300,000)	200,000
Total Adjustments	<u>3,789,604</u>	<u>389,989</u>
Net cash provided (used) by operating activities	<u>\$ (3,244,506)</u>	<u>\$ (806,315)</u>
Noncash Investing, Capital and Financing Activities:		
Net (decrease) in fair value of investments	\$ -	\$ -
Contributed Capital		

Mosquito Control Fund	Downtown Parking	2021 Total Non-Major Enterprise Funds	2020 Total Non-Major Enterprise Funds
\$ 1,099,532	\$ 153,562	\$ 2,333,235	\$ 2,002,927
(554,759)	(237,000)	(2,597,120)	(2,888,606)
(266,148)	(25,359)	(2,517,108)	(2,479,433)
		(1,100,000)	(100,000)
<u>278,625</u>	<u>(108,797)</u>	<u>(3,880,993)</u>	<u>(3,465,112)</u>
	62,640	62,640	65,605
(1,350)		(1,350)	(5,050)
		1,845,585	1,494,472
		140,585	571,911
		<u>1,313,331</u>	<u>1,300,242</u>
<u>(1,350)</u>	<u>62,640</u>	<u>3,360,791</u>	<u>3,427,180</u>
		1,894,528	3,773,199
(31,307)		(398,945)	(3,690,835)
17,666		75,105	12,650
(85,000)		(85,000)	(85,000)
<u>(11,215)</u>		<u>(11,215)</u>	<u>(12,751)</u>
<u>(109,856)</u>		<u>1,474,473</u>	<u>(2,737)</u>
87,000		87,000	87,000
(87,000)		(87,000)	(87,000)
(376)	1,351	(4,975)	(4,017)
<u>(376)</u>	<u>1,351</u>	<u>(4,975)</u>	<u>(4,017)</u>
167,043	(44,806)	949,296	(44,686)
<u>548,770</u>	<u>331,380</u>	<u>1,024,894</u>	<u>1,069,580</u>
<u>\$ 715,813</u>	<u>\$ 286,574</u>	<u>\$ 1,974,190</u>	<u>\$ 1,024,894</u>
<u>\$ 201,885</u>	<u>\$ (244,940)</u>	<u>\$ (8,273,469)</u>	<u>\$ (3,972,149)</u>
95,252	101,845	1,222,364	975,066
(17,683)	32,881	57,367	(318,121)
		(10,036)	15,615
(87)	(660)	25,750	(9,079)
		(1,699,143)	(458,334)
917	2,077	47,718	(60,350)
(1,659)		16,002	10,693
		298,753	774,764
		73,950	17,564
		5,459,751	(340,781)
		<u>(1,100,000)</u>	<u>(100,000)</u>
<u>76,740</u>	<u>136,143</u>	<u>4,392,476</u>	<u>507,037</u>
<u>\$ 278,625</u>	<u>\$ (108,797)</u>	<u>\$ (3,880,993)</u>	<u>\$ (3,465,112)</u>
\$ (5,299)	\$ (772)	\$ (6,071)	\$ 3,963



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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

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DECEMBER 31, 2021
 With Comparative Totals for December 31, 2020

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2021 Total	2020 Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 247,357	\$ 18,786	\$ 4,868	\$ 1,835,379	\$ 2,106,390	\$ 1,471,296
Accounts Receivable		143	2,907		3,050	143
Prepaid items				7,120	7,120	5,994
Inventories		138,277	-		138,277	120,721
Total current assets	247,357	157,206	7,775	1,842,499	2,254,837	1,598,154
Capital assets:						
Building and equipment, net of accumulated deprec.	728,564	95,295		5,213,436	6,037,295	5,406,018
Total assets	975,921	252,501	7,775	7,055,935	8,292,132	7,004,172
LIABILITIES						
Current liabilities:						
Accounts payable		45,313	351	3,563	49,227	28,806
Contracts Payable				94,766	94,766	-
Advances from other funds			6,500		6,500	14,000
Compensated absences		39,126		23,150	62,276	101,628
Total current liabilities	-	84,439	6,851	121,479	212,769	144,434
Total liabilities	-	84,439	6,851	121,479	212,769	144,434
NET POSITION						
Net investment in capital assets	728,564	95,295		5,118,670	5,942,529	5,406,018
Net position-unrestricted	247,357	72,767	924	1,815,786	2,136,834	1,453,720
Total net position	\$ 975,921	\$ 168,062	\$ 924	\$ 6,934,456	\$ 8,079,363	\$ 6,859,738

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, 2021
 With Comparative Totals for December 31, 2020

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2021 Total	2020 Total
Operating Revenues:						
Charges for services - internal	\$ 569,230	\$ 1,330,876	\$ 7,201	\$ 541,639	\$ 2,448,946	\$ 2,632,766
Total operating revenues	569,230	1,330,876	7,201	541,639	2,448,946	2,632,766
Operating expenses:						
Wages and Salaries		334,761		69,702	404,463	448,074
Supplies	428	644,202	11,052	5,788	661,470	822,242
Contractual services	702,763	107,692		1,056	811,511	129,620
Maintenance- structures & equip.	90,446	31,903		129,263	251,612	866,725
Sundry	-	2,294		13,353	15,647	315
Utilities		-		125,941	125,941	118,001
Pension and social security		95,286		7,163	102,449	71,445
Administrative and general	94,483	65,721	255	25,668	186,127	218,618
Depreciation	160,658	29,530		324,635	514,823	449,527
Total operating expenses	1,048,778	1,311,389	11,307	702,569	3,074,043	3,124,567
Operating income (loss)	(479,548)	19,487	(4,106)	(160,930)	(625,097)	(491,801)
Nonoperating revenues (expense)						
Earnings on investments	(3,003)			(7,601)	(10,604)	21,154
Intergovernmental					-	28,898
Gain (loss) on disposal of capital assets					-	(153)
Total nonoperating revenues (expenses)	(3,003)	-	-	(7,601)	(10,604)	49,899
Income (loss) before contributions and transfers	(482,551)	19,487	(4,106)	(168,531)	(635,701)	(441,902)
Transfers in (out)	9,487	36,539	4,000	1,805,300	1,855,326	922,269
Change in net position	(473,064)	56,026	(106)	1,636,769	1,219,625	480,367
Total net position - beginning	1,448,985	112,036	1,030	5,297,687	6,859,738	6,379,371
Total net position - ending	\$ 975,921	\$ 168,062	\$ 924	\$ 6,934,456	\$ 8,079,363	\$ 6,859,738

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

Year Ended December 31, 2021
 With Comparative Totals for December 31, 2020

	<u>Computer Service Fund</u>	<u>Central Garage Fund</u>
Cash Flows from Operating Activities:		
Payments to suppliers	\$ (915,609)	\$ (930,393)
Payments to employees		(385,394)
Internal activity-payments to/from other funds	569,230	1,330,876
	<u>(346,379)</u>	<u>15,089</u>
Net cash provided (used) by operating activities		
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds		
Transfers from other funds	9,487	36,539
Operating subsidies from federal grants		
Net cash provided (used) by non-capital financing activities	<u>9,487</u>	<u>36,539</u>
Cash Flows from Capital & Related Financing Activities:		
Capital Contributions		
Acquisition of capital assets	<u>(89,725)</u>	<u>(38,500)</u>
Net cash provided (used) by capital & related financing activities	<u>(89,725)</u>	<u>(38,500)</u>
Cash Flows from Investing Activities:		
Interest and dividends	(3,003)	
	<u>(3,003)</u>	
Net cash provided by investing activities		
Net increase (decrease) in cash and cash equivalents	(429,620)	13,128
Cash & cash equivalents - beginning of the year	<u>676,977</u>	<u>5,658</u>
Cash & cash equivalents - end of the year	<u>\$ 247,357</u>	<u>\$ 18,786</u>
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	<u>\$ (479,548)</u>	<u>\$ 19,487</u>
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	160,658	29,530
(Increase) decrease in accounts receivable		
(Increase) decrease in inventories		(28,608)
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable	(27,489)	45,313
Increase (decrease) in compensated absences payable		(50,633)
Increase (decrease) in due to other funds		
	<u>133,169</u>	<u>(4,398)</u>
Total Adjustments		
Net cash provided (used) by operating activities	<u>\$ (346,379)</u>	<u>\$ 15,089</u>

Central Purchasing Fund	Public Works Facility Fund	Total 2021	Total 2020
\$ 96	\$ (309,358)	\$ (2,155,264)	\$ (2,232,063)
	(56,175)	(441,569)	(433,312)
(3,206)	541,639	2,438,539	2,632,766
<u>(3,110)</u>	<u>176,106</u>	<u>(158,294)</u>	<u>(32,609)</u>
			(4,124)
4,000	1,805,300	1,855,326	926,393
			2,634
<u>4,000</u>	<u>1,805,300</u>	<u>1,855,326</u>	<u>924,903</u>
			26,264
	<u>(923,109)</u>	<u>(1,051,334)</u>	<u>(581,347)</u>
	<u>(923,109)</u>	<u>(1,051,334)</u>	<u>(555,083)</u>
	(7,601)	(10,604)	21,154
	<u>(7,601)</u>	<u>(10,604)</u>	<u>21,154</u>
890	1,050,696	635,094	358,365
<u>3,978</u>	<u>784,683</u>	<u>1,471,296</u>	<u>1,112,931</u>
<u>\$ 4,868</u>	<u>\$ 1,835,379</u>	<u>\$ 2,106,390</u>	<u>\$ 1,471,296</u>
<u>\$ (4,106)</u>	<u>\$ (160,930)</u>	<u>\$ (625,097)</u>	<u>\$ (491,801)</u>
	324,635	514,823	449,527
(2,907)		(2,907)	
11,052		(17,556)	(5,400)
	(1,126)	(1,126)	(2,515)
351	2,246	20,421	2,742
	11,281	(39,352)	14,838
<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>	<u>(7,500)</u>
996	337,036	466,803	459,192
<u>\$ (3,110)</u>	<u>\$ 176,106</u>	<u>\$ (158,294)</u>	<u>\$ (32,609)</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, 2021
 With Comparative Totals for December 31, 2020

	Pension Trust Fund 2021	Pension Trust Fund 2020
Additions:		
Contributions:		
Employer contributions	\$ 4,530,594	\$ 3,505,780
Employee contributions	258,980	286,825
Total contributions	<u>4,789,574</u>	<u>3,792,605</u>
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	13,014,968	8,525,051
Net investment earnings	<u>13,014,968</u>	<u>8,525,051</u>
Total additions	<u>17,804,542</u>	<u>12,317,656</u>
Deductions:		
Benefits paid to participants	7,301,996	7,166,289
Expenses and fees	276,184	252,210
Total Deductions	<u>7,578,180</u>	<u>7,418,499</u>
Change in net position	10,226,362	4,899,157
Net position - beginning	<u>79,483,300</u>	<u>74,584,143</u>
Net position - ending	<u>\$ 89,709,662</u>	<u>\$ 79,483,300</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, 2021

Governmental Funds Capital Assets:

Land	\$ 38,689,311
Buildings	40,375,251
Improvements other than buildings	67,183,337
Machinery and equipment	29,342,042
Infrastructure	246,288,058
Construction in Progress	<u>2,305,577</u>
 Total Governmental Funds Capital Assets	 <u>\$ 424,183,576</u>

Investment in Governmental Funds Capital Assets by Source:

General obligation bonds and levies	\$ 173,385,101
Sales tax revenue bonds	19,235,000
Special Revenue Funds	67,045,599
General Fund Revenue	28,592,096
Contributions and donations from others	8,286,938
State Grants	60,968,837
Federal Grants	<u>66,670,005</u>
 Total Governmental Funds Capital Assets	 <u>\$ 424,183,576</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, 2021

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	5,633,014	113,525	4,740,423		731,252		47,814
Data Services	98,653				17,009		81,644
Personnel	44,204				44,204		
Planning and Zoning	19,077				19,077		
Economic Development	7,386				7,386		
Total General Government	6,014,117	113,525	4,740,423	-	1,030,711	-	129,458
Health and Welfare							
Health	626,917		34,495		592,422		
Total Health and Welfare	626,917	-	34,495	-	592,422	-	-
Public Safety:							
Civil Preparedness	13,196		7,247		5,949		
Fire	14,143,866	545,004	6,288,832	44,192	7,148,656	117,182	
Municipal Court	585,868		537,540		48,328		
Police	11,987,753	38,000	2,826,920	239,017	8,607,558	276,258	
Public Safety Center	4,466,526		3,200,504	855,009	23,220	387,793	
Public Service Answering Point	320,205				320,205		
E-911	3,262,996		2,199,563		1,063,433		
Total Public Safety	34,780,410	583,004	15,060,606	1,138,218	17,217,349	781,233	-
Highways and Streets							
Engineer	1,262,221				1,262,221		
Street Department	8,424,834	39,334	544,133	17,577	7,823,790		
Street System	254,483,026	7,925,340		2,101,893	373,750	241,905,924	2,176,119
Total Highways and Streets	264,170,081	7,964,674	544,133	2,119,470	9,459,761	241,905,924	2,176,119
Culture and Recreation							
Historic Preservation							
Public Library	1,601,882		1,237,435	28,558	335,889		
Total Culture & Recreation	1,601,882	-	1,237,435	28,558	335,889	-	-
Landscape Department							
Landscape Department	340,463				340,463		
Parking Facilities	2,536,105	2,514,958	20,000		1,147		
Public Buildings	20,989,411	6,973,329	13,669,473	117,297	229,312		
Senior Citizens	1,607,292		1,596,680		10,612		
Greenway	3,539,415			2,085,192	4,235	1,449,988	
Permanent Flood Protection	87,977,483	20,539,821	3,472,006	61,694,602	120,141	2,150,913	
Total Capital Assets	\$ 424,183,576	\$ 38,689,311	\$ 40,375,251	\$ 67,183,337	\$ 29,342,042	\$ 246,288,058	\$ 2,305,577

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, 2021

<u>Function and Activity</u>	<u>Governmental Funds Capital Assets 1/1/21</u>	<u>Additions</u>	<u>Deletions</u>	<u>Governmental Funds Capital Assets 12/31/21</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	5,232,849	\$ 441,928	41,762	5,633,015
Information Services	17,009	81,644		98,653
Human Resources	44,203			44,203
Planning and Zoning	19,076			19,076
Economic Development	7,386			7,386
Total General Government	<u>5,532,306</u>	<u>523,572</u>	<u>41,762</u>	<u>6,014,116</u>
Health and Welfare				
Health	622,265	17,809	13,157	626,917
Total Health and Welfare	<u>622,265</u>	<u>17,809</u>	<u>13,157</u>	<u>626,917</u>
Public Safety:				
Civil Preparedness	13,196			13,196
Fire	13,526,415	789,040	171,589	14,143,866
Municipal Court	585,868			585,868
Police	10,793,964	1,409,790	216,001	11,987,753
Public Safety Center	4,446,636	19,890		4,466,526
Public Service Answering Point	320,205			320,205
E-911	3,262,996			3,262,996
Total Public Safety	<u>32,949,280</u>	<u>2,218,720</u>	<u>387,590</u>	<u>34,780,410</u>
Highways and Streets				
Engineering	1,200,071	62,150		1,262,221
Street Department	8,192,431	232,403		8,424,834
Street System	239,642,044	16,118,095	1,277,113	254,483,026
Total Highways and Streets	<u>249,034,546</u>	<u>16,412,648</u>	<u>1,277,113</u>	<u>264,170,081</u>
Culture and Recreation				
Historic Preservation				
Public Library	1,591,862	10,020		1,601,882
Total Culture & Recreation	<u>1,591,862</u>	<u>10,020</u>		<u>1,601,882</u>
Cirrus Parking Lot	163,450		163,450	-
Landscape Department	340,463			340,463
Parking Facilities	2,536,105			2,536,105
Public Buildings	28,221,866	80,638	7,313,093	20,989,411
Senior Citizens	1,607,292			1,607,292
Greenway	3,430,025	109,390		3,539,415
Permanent Flood Protection	87,938,038	39,445		87,977,483
Total Capital Assets	<u>\$ 413,967,499</u>	<u>\$ 19,412,242</u>	<u>\$ 9,196,165</u>	<u>\$ 424,183,575</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, 2021

Description	Date of Maturity	Balance December 31, 2021	Yield
Wells Fargo Bank, Grand Forks:			
Surety Account		\$ 83,778	0.170%
Bremer Bank, Grand Forks:			
Money Market Savings		38,902,763	0.150%
American Federal Bank, Grand Forks:			
Money Market Checking		6,265,367	0.240%
Choice Financial, Grand Forks:			
Business Savings		<u>5,800,861</u>	0.200%
Total Financial Institution Accounts		<u>51,052,769</u>	
US Bank:			
Federal National Mortgage	2/25/22	7,602	3.202%
Federal National Mortgage	5/25/22	346,328	1.999%
Federal Home Loan Mortgage Corp	8/25/22	350,298	2.103%
Federal Home Loan Mortgage Corp	8/25/22	437,873	2.160%
Federal Home Loan Mortgage Corp	8/25/22	452,118	2.140%
Federal National Mortgage	9/1/22	22,346	1.327%
Federal National Mortgage	10/1/22	27,874	1.246%
Federal National Mortgage	12/1/22	3,026,820	2.826%
Various Banks - CD's	12/7/22	256,116	3.400%
Federal National Mortgage	12/25/22	210,729	2.321%
Federal Home Loan Mortgage Corp	1/25/23	2,032,500	2.803%
Federal Home Loan Mortgage Corp	2/1/23	3,043,173	2.962%
Federal Home Loan Mortgage Corp	2/25/23	2,489,961	2.870%
Federal National Mortgage	3/1/23	51,298	1.169%
Bremer Bank - CD	6/7/23	3,000,000	3.250%
Federal National Mortgage	7/1/23	79,591	1.533%
Bremer Bank - CD	7/3/23	335,000	3.250%
Federal Home Loan Mortgage Corp	7/25/23	3,109,080	3.030%
Various Banks - CD's	Nov-23	1,814,698	3.560%
Federal National Mortgage	4/1/24	1,425,570	2.521%
Federal Home Loan Mortgage Corp	9/25/24	2,294,490	1.975%
Federal Home Loan Bank	5/25/25	1,940,551	0.695%
Federal National Mortgage	7/25/25	2,304,229	3.022%
Federal Home Loan Mortgage Corp	3/25/26	3,978,183	79.400%
Federal National Mortgage	5/1/26	1,535,067	2.400%
Federal National Mortgage	5/1/26	1,346,228	2.520%
Federal Home Loan Mortgage Corp	2/15/27	498,110	3.199%
Federal National Mortgage	5/1/27	338,831	1.791%
Federal National Mortgage	10/1/27	220,868	2.972%
Federal National Mortgage	2/1/31	1,473,105	1.722%
Federal National Mortgage	8/1/33	1,238,261	3.005%
Federal Home Loan Mortgage Corp	3/1/42	4,800,827	0.905%
Federal National Mortgage	2/25/51	3,711,859	0.801%
Ginnie Mae	4/20/51	4,077,483	1.242%
Ginnie Mae	8/20/51	<u>3,889,473</u>	1.011%
Total Investments US Bank		56,166,540	
Total Investments		56,166,540	
Cash on Hand and In Checking		50,544,575	0.01%
Alerus Center Cash		<u>5,922,912</u>	
TOTAL CASH AND INVESTMENTS		<u>\$ 163,686,796</u>	

(1) Does not include \$89,709,662 cash in Employee's Retirement System

CITY OF GRAND FORKS, NORTH DAKOTA

SUMMARY OF DEBT STATISTICS

DECEMBER 31, 2021

Market Value of Taxable Property - 2021	<u>\$ 5,050,998,180</u>
Assessed Valuation - 2021	<u>2,525,499,090</u>
Direct Debt	
Debt Supported by Special Assessments	93,262,894
General Obligation Debt	1,867,600
Capital Lease Debt	<u>936,809</u>
Total Direct Debt	96,067,303
Overlapping Debt	<u>35,392,186</u>
 Total Direct and Overlapping Debt	 <u>\$ 131,459,489</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	\$ 96,067,303	\$ 1,575	1.90%	3.80%
Overlapping Debt	<u>35,392,186</u>	<u>580</u>	<u>0.70%</u>	<u>1.40%</u>
Totals	<u>\$ 131,459,489</u>	<u>\$ 2,155</u>	<u>2.60%</u>	<u>5.21%</u>

NOTES: (1) 2021 MPO Census Population Estimate 61,000

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT STATEMENT

December 31, 2021

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>General Obligation Bonds:</u>			
2011 "E" GO Refunding Bonds - Dike*	\$ 250,000	\$ 407,212	\$ (157,212)
2016 "C" GO Refunding Bonds*****	<u>1,495,000</u>	<u>12,649</u>	<u>1,482,351</u>
Net Liability General Obligation Bonds	<u>1,745,000</u>	<u>419,861</u>	<u>1,325,139</u>
<u>Revenue Bonds:</u>			
2005 "E" SRL BioSolids Mgmt Project	1,085,000	407,914	677,086
2012 "B" Water Reserve Revenue Bond	2,335,000	330,825	2,004,175
2015 "A" Sanitation Reserve Revenue Refunding Bond****	6,160,000	314,289	5,845,711
2015 "C" Sewer Reserve Revenue Bonds	1,965,000	231,384	1,733,616
2016 "D" Mosquito Control Reserve Refunding Bonds*****	445,000	118,300	326,700
2016 Wastewater Revenue Loan - Bank of North Dakota (Loan #1)	2,259,139	179,057	2,080,082
2016 Wastewater Rev & Sales Tax Loan-Bank of N. Dakota (Loan #3)	6,131,066	390,226	5,740,840
2017 "A" Water Utility Reserve Revenue Bond	63,045,000	3,815,321	59,229,679
2018 "A" Wastewater Revenue Loan - Bank of North Dakota	8,325,000	519,180	7,805,820
2019 "A" Wastewater Revenue Loan - Bank of North Dakota	1,160,000	85,345	1,074,655
2019 "C" Sanitation Reserve Revenue Bonds	3,685,000	492,982	3,192,018
2021 "C" Sewer Reserve Revenue Refunding Bonds	<u>2,095,000</u>	<u>366,714</u>	<u>1,728,286</u>
Net Liability Revenue Bonds	<u>98,690,205</u>	<u>7,251,537</u>	<u>91,438,668</u>
<u>Sales Tax Revenue Bonds:</u>			
2015 "D" Sales Tax Revenue Refunding Bond*****	<u>26,455,000</u>	<u>20,401,331</u>	<u>6,053,669</u>
Net Liability Sales Tax Revenue Bonds	<u>26,455,000</u>	<u>20,401,331</u>	<u>6,053,669</u>

*2011E is Crossover Refunding of 2002G

****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, 2021

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>Refunding Improvement Bonds:</u>			
2006 "C" Refunding Improvement Bond	\$ 120,000	\$ 42,688	\$ 77,312
2007 "D" Refunding Improvement Bond	755,000	(43,467)	798,467
2009 "E" Refunding Improvement Bond	875,000	382,952	492,048
2011 "B" Refunding Improvement Refunding Bond*	250,000	1,701,954	(1,451,954)
2012 "A" Refunding Improvement Refunding Bond**	1,820,000	1,361,626	458,374
2013 "A" Refunding Improvement Refunding Bond	5,570,000	2,611,572	2,958,428
2014 "A" Refunding Improvement Bond	6,805,000	2,410,685	4,394,315
2015 "B" Refunding Improvement Bond	4,745,000	1,629,063	3,115,937
2016 "A" Refunding Improvement Bond	4,685,000	217,292	4,467,708
2016 Bank of North Dakota Special Assessment Loan (Loan #2)	4,336,124	(366,700)	4,702,824
2017 "B" Refunding Improvement Bond	10,100,000	79,797	10,020,203
2018 "B" Refunding Improvement Bond	12,155,000	1,167,454	10,987,546
2019 "B" Refunding Improvement Bond	21,585,000	(668,238)	22,253,238
2020 "A" Refunding Improvement Bond	4,190,000	293,329	3,896,671
2020 "B" Refunding Improvement Refunding Bond	1,215,000	207,860	1,007,140
2021 "A" Refunding Improvement Refunding Bond	7,500,000	148,958	7,351,042
2021 "B" Refunding Improvement Refunding Bond	<u>1,550,000</u>	<u>730,415</u>	<u>819,585</u>
Net Liability Refunding Improvement Bonds	<u>88,256,124</u>	<u>11,907,240</u>	<u>76,348,884</u>
Net Liability All Funds	<u>\$ 215,146,329</u>	<u>\$ 39,979,968</u>	<u>\$ 175,166,361</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, 2021

Year	General Obligation & Tax Incr.	Revenue Bonds	Sales Tax Revenue Bonds	Refunding Improvement Bonds	Total Requirement
2022	\$ 616,200	\$ 5,247,156	\$ 4,019,850	\$ 7,639,288	\$ 17,522,494
2023	352,600	5,270,771	4,016,100	8,441,516	18,080,987
2024	355,400	5,274,959	4,015,600	7,776,388	17,422,347
2025	352,600	5,289,771	4,012,850	7,337,038	16,992,259
2026	244,400	5,013,047	4,012,600	7,083,913	16,353,960
2027	-	4,926,472	4,014,350	6,783,351	15,724,173
2028	-	4,943,359	4,017,600	6,167,349	15,128,308
2029	-	4,962,434	4,011,850	5,912,758	14,887,042
2030	-	4,820,509	-	5,689,518	10,510,027
2031	-	4,832,897	-	5,380,255	10,213,151
2032	-	4,703,321	-	5,180,467	9,883,788
2033	-	4,469,977	-	5,068,437	9,538,415
2034	-	4,481,758	-	4,736,643	9,218,401
2035	-	4,483,633	-	4,224,330	8,707,963
2036	-	4,318,535	-	3,759,431	8,077,966
2037	-	4,337,591	-	3,427,456	7,765,047
2038	-	4,359,437	-	3,347,069	7,706,505
2039	-	4,364,764	-	3,251,544	7,616,308
2040	-	3,923,827	-	3,161,000	7,084,826
2041	-	3,691,145	-	3,060,556	6,751,701
2042	-	3,698,995	-	2,909,287	6,608,282
2043	-	3,716,095	-	2,689,868	6,405,963
2044	-	3,732,295	-	2,439,987	6,172,282
2045	-	3,742,505	-	2,175,949	5,918,455
2046	-	3,648,035	-	912,797	4,560,832
2047	-	3,342,175	-	516,700	3,858,875
2048	-	3,359,775	-	-	3,359,775
2049	-	3,458,203	-	-	3,458,203
2050	-	3,778,499	-	-	3,778,499
2051	-	-	-	-	-
	<u>\$ 1,921,200</u>	<u>\$ 126,191,940</u>	<u>\$ 32,120,800</u>	<u>\$ 119,072,895</u>	<u>\$ 279,306,834</u>

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

December 31, 2021

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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>\$ 1,745,000</u>	<u>\$ 176,200</u>	<u>\$ 1,921,200</u>

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS

December 31, 2021

Year	Principal	Interest	Total Requirement
2022	\$ 3,438,955	\$ 1,808,201	\$ 5,247,156
2023	3,515,870	1,754,901	5,270,771
2024	3,596,288	1,678,671	5,274,959
2025	3,686,813	1,602,958	5,289,771
2026	3,492,450	1,520,597	5,013,047
2027	3,478,199	1,448,273	4,926,472
2028	3,569,063	1,374,296	4,943,359
2029	3,665,044	1,297,390	4,962,434
2030	3,601,145	1,219,364	4,820,509
2031	3,682,368	1,150,529	4,832,897
2032	3,623,715	1,079,606	4,703,321
2033	3,460,189	1,009,788	4,469,977
2034	3,536,793	944,965	4,481,758
2035	3,603,529	880,104	4,483,633
2036	3,505,399	813,136	4,318,535
2037	3,587,407	750,184	4,337,591
2038	3,674,556	684,881	4,359,437
2039	3,746,847	617,917	4,364,764
2040	3,374,284	549,543	3,923,827
2041	3,196,869	494,276	3,691,145
2042	3,254,607	444,388	3,698,995
2043	3,322,499	393,596	3,716,095
2044	3,390,549	341,746	3,732,295
2045	3,453,670	288,835	3,742,505
2046	3,413,098	234,937	3,648,035
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	903,499	3,778,499
	<u>\$ 100,015,205</u>	<u>\$ 26,176,734</u>	<u>\$ 126,191,940</u>

Repayment schedule based upon Water Treatment Plant Loan through Bank of North Dakota fully drawn upon. As of 12/31/21, only \$64,675,000 of \$66,000,000 limit drawn on.

As of 12/31/2021, \$1,630,000 of the Water Treatment Plant loan previously drawn upon has been repaid. This schedule reflects that repayment.

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

December 31, 2021

Year	Business-type Activities		Total
	Principal	Interest	Requirement
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>\$ 26,455,000</u>	<u>\$ 5,665,800</u>	<u>\$32,120,800</u>

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

December 31, 2021

Year	Principal	Interest	Total Requirement
2022	\$ 4,569,146	\$ 3,070,142	\$ 7,639,288
2023	5,567,998	2,873,518	8,441,516
2024	5,120,758	2,655,630	7,776,388
2025	4,883,573	2,453,465	7,337,038
2026	4,826,444	2,257,469	7,083,913
2027	4,719,373	2,063,978	6,783,351
2028	4,282,361	1,884,988	6,167,349
2029	4,190,408	1,722,351	5,912,758
2030	4,128,516	1,561,002	5,689,518
2031	3,981,686	1,398,569	5,380,255
2032	3,914,920	1,265,547	5,180,467
2033	3,898,218	1,170,219	5,068,437
2034	3,716,583	1,020,060	4,736,643
2035	3,320,014	904,316	4,224,330
2036	2,953,515	805,916	3,759,431
2037	2,707,085	720,371	3,427,456
2038	2,705,727	641,342	3,347,069
2039	2,689,441	562,103	3,251,544
2040	2,678,230	482,770	3,161,000
2041	2,657,095	403,461	3,060,556
2042	2,586,036	323,251	2,909,287
2043	2,445,057	244,811	2,689,868
2044	\$2,269,158	170,829	2,439,987
2045	\$2,073,341	102,608	2,175,949
2046	\$871,442	41,354	912,796
2047	500,000	16,700	516,700
	<u>\$ 88,256,124</u>	<u>\$ 30,816,770</u>	<u>\$ 119,072,894</u>

Summary of Individual Bonds as of December 31, 2021

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	\$ 250,000
\$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>1,495,000</u>
Total General Obligation Bonds	\$ <u>1,745,000</u>

Revenue Bonds :

\$4,500,000 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	\$ 1,085,000
\$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	2,335,000
\$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	6,160,000
\$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	1,965,000
\$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	445,000
\$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	2,259,139
\$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	6,131,066
\$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%;	63,045,000
\$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%;	8,325,000
\$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%;	1,160,000
\$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	3,685,000

\$2,095,000 2021 "C" Sewer Reserve Revenue Refunding Bonds, Refunded 2009B and 2011D Sewer Reserve Revenue Bonds for Pump Station & Forcemain Improvements; annual installments of \$140,000 to \$270,000 Starting Sept 1, 2022 through Sept 1, 2031; interest ranging from 2.25 percent to 4.0 percent

J-8(Cont'd)

2,095,000

Total Revenue Bonds

\$ 98,690,205

Sales Tax Revenue Bonds:

\$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

\$ 26,455,000

Total Sales Tax Revenue Bonds

\$ 26,455,000

Special Assessment Bonds:

\$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

\$ 120,000

\$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

755,000

\$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

875,000

\$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

250,000

\$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

1,820,000

\$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

5,570,000

\$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

6,805,000

\$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

4,745,000

\$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

4,685,000

\$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

4,336,124

\$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

10,100,000

\$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	21,585,000
\$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	1,215,000
\$7,500,000 2021 "A" Refunding Improvement Bonds, Various Special Assessment Projects; annual installments of \$220,000 to \$505,000 beginning December 2022 through December of 2047; interest of 2.5 percent to 5.0 percent	7,500,000
\$1,550,000 2021 "B" Refunding Improvement Refunding Bonds, Refunds 2011C Refunding Bonds for Various Special Assessment Projects; annual installments of \$230,000 to \$300,000 beginning December 2022 through December of 2027; interest of 5.0 percent	<u>1,550,000</u>
Total Special Assessment Bonds	<u>\$ 88,256,124</u>

CITY OF GRAND FORKS, NORTH DAKOTA

SCHEDULE OF INSURANCE IN FORCE

December 31, 2021

<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-1971-02	07/01/21	07/01/22
Buildings and Contents-Leased Properties State Fire and Tornado Fund	FT-2523-02	07/01/21	07/01/22
Public Officials Error and Omissions Auto Liability and Comp. General North Dakota Insurance Reserve Fund	GL-440-35 & BA224-35	01/01/21	01/01/22
Equipment Floater North Dakota Insurance Reserve Fund	IM0591-29	01/01/21	01/01/22
Public Employee Blanket Bond North Dakota Bonding Fund	Bond #2634	Continuous	
Workers Compensation (Minnesota) Acuity	MN COMP X97083	5/16/2021	5/16/2022
Workers Compensation (North Dakota)	48710	1/1/2021	12/31/21
Flood Insurance Vaaler Ins./ American Banker's Insurance Company/Selective Insurance Co. of America 54 policies	Various	4/1/2021	04/01/22
Alerus Center Traveler's / Vaaler Ins.	P-630-3F694973-TIL-21	1/1/2021	01/01/22
Employee Health Insurance BC/BS of North Dakota	10442519	1/1/2021	12/31/21

* 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	\$ 217,452
Blanket real and personal property	90%	Replacement value	41,818
General Liability/Auto Fleet and Public Officials Errors and Omissions		\$5,000,000 per occurrence	641,026
Equipment Floater Robberies inside & outside premises and safe burglary		\$10,298,512 \$622,000	25,877
Blanket Public Employee Bonding		\$2,000,000	- 0 -
Bodily injury		\$100,000 / \$100,000 / \$500,000	5,692
Bodily Injury	\$250		290,210
Flood insurance		\$5,000 / \$5,378,000	90,366
Building Business Personal Property Business Income and Extra Expense Outdoor Property (Signs)	100%	\$137,300,439 \$7,729,261 \$8,289,381 \$784,548	119,435
Employee Health Insurance	<u>Product Blue Access 80/500 Plan</u>	Unlimited *	5,039,772
	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' annual comprehensive 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

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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 annual comprehensive 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)

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities										
Net investment in capital assets	\$ 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	\$ 151,180,086
Restricted	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	119,591,840
Unrestricted	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)	(16,199,342)
Total governmental activities net position	<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>	<u>\$ 254,572,584</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 384,326,165
Restricted	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	42,435,275
Unrestricted	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	17,022,830
Total business-type activity net position	<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>	<u>\$ 443,784,270</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 535,506,251
Restricted	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	162,027,115
Unrestricted	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)	823,488
Total primary government net position	<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>	<u>\$ 698,356,854</u>

* This decrease in unrestricted fund balance is largely due to the implementation of GASB Statement No. 68 in 2015

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

	<u>2012</u>	<u>2013</u>	<u>2014</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 16,872,394
Highways and Streets	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	13,284,472
Public Safety	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	14,159,871
Health and Welfare	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	6,016,802
Culture and Recreation	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	2,471,485
Public Works	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	5,757,583
Interest on Long-term Debt	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	4,061,759
Total Governmental Activities Expenses	<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>	<u>62,624,366</u>
Business-type Activities										
Sanitation	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	11,592,850
Wastewater	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	12,171,382
Waterworks	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	16,434,388
Stormwater	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	5,278,886
Mosquito Control	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823	925,398
Public Transit	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	7,822,618
Dial-A-Ride	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	1,445,768
Alerus Center	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	10,340,082
Job Development Authority	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	4,314,500
Downtown Parking	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665	365,621
Total Business-type Activities Expenses	<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>	<u>70,691,493</u>
Total Primary Government Expenses	<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>	<u>\$ 133,315,859</u>
Program Revenue										
Governmental Activities:										
Charges for Services:										
General Government	\$ 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	\$ 8,713,449
Highways and Streets	18,451	49,035	-	-	-	-	2,893	1,397	1,372	-
Public Safety	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	2,672,181
Health and Welfare	1,745,294	747,414	809,609	775,186	785,831	772,966	794,145	855,493	836,054	1,091,562
Culture & Recreation	44,739	45,765	50,161	47,749	47,935	49,348	47,440	31,241	6,494	16,471
Operating Grants and Contributions	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	9,483,686
Capital Grants and Contributions	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	25,087,121
Total Governmental Activities Program Revenue	<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>	<u>47,064,470</u>
Business-type Activities:										
Charges for Services:										
Sanitation	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	9,781,457
Wastewater	8,083,746	8,178,056	8,510,703	9,010,657	9,544,207	9,791,487	9,779,379	10,986,349	11,713,328	11,150,301
Waterworks	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	13,212,174
Stormwater	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	3,098,587
Mosquito Control	802,039	812,942	821,991	844,214	884,826	985,032	1,064,495	1,096,441	1,107,653	1,117,215
Public Transit	498,674	526,513	571,160	585,696	592,407	574,409	505,604	825,707	949,280	788,508
Dial-A-Ride	586	2,633	3,539	2,107	400	145,951	244,341	231,129	100,343	249,464
Alerus Center	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	4,520,436
Job Development Authority	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	2,093,219
Downtown Parking	322,690	483,983	449,013	412,806	342,713	438,711	322,926	222,416	163,772	120,681
Operating Grants and Contributions	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	3,763,772
Capital Grants and Contributions	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	3,126,698
Total Business-type Activities Program Revenue	<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>	<u>53,022,512</u>
Total Primary Government Program Revenue	<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>	<u>\$ 100,086,982</u>

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Net (Expense) Revenue										
Governmental Activities	\$ (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)	\$ (15,559,896)
Business-type activities	(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	(17,668,981)
Total Net Expense	\$ (31,828,034)	\$ (37,561,569)	\$ (23,036,853)	\$ (25,793,340)	\$ (31,157,786)	\$ (34,762,886)	\$ (17,295,837)	\$ (17,533,804)	\$ (37,050,121)	\$ (33,228,877)
General Revenues and Other Changes in Net Position										
Governmental Activities:										
Taxes:										
Property Taxes	\$ 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	\$ 21,455,684
Sales Taxes	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	19,139,716
Hotel/Motel Sales Taxes	-	-	-	-	-	-	-	999,838 *	549,414 *	767,056
State aid distribution	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	3,479,603
Franchise Taxes	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	2,693,209
Other Taxes	462,865	496,779	505,662	594,311	891,893	1,136,931	936,753	668,166	680,867	673,801
Investment Earnings/Loss	831,646	999,883	(59,189)	973,515	455,804	701,848	531,193	2,511,525	1,024,164	(175,767)
Gain(loss) on disposition of capital assets	-	-	37	1,000	858,642	35,666	-	-	-	4,730
Miscellaneous	793,701	435,595	245,113	1,448,041	205,898	247,658	1,304,134	560,600	1,083,447	966,857
Transfers	(91,892)	(1,935,906)	2,590,205	1,998,863	1,401,853	248,937	1,799,987	(1,068,860)	(668,826)	(4,874,954)
Total Governmental Activities	32,794,701	33,002,593	37,186,645	41,218,059	39,950,129	37,438,844	40,602,907	47,542,494	46,546,931	44,129,935
Business-type Activities:										
Property tax	811,463	836,047	862,632	920,869	999,737	1,073,660	1,168,530	1,244,401	1,269,066	1,274,619
Sales tax	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	9,998,521
Other taxes	17,825	19,129	19,355	22,787	30,974	28,937	29,280	30,952	31,580	31,613
Investment Earnings	1,369,837	1,032,021	766,605	1,082,214	848,607	884,722	853,790	1,799,228	1,642,416	74,567
Gain (loss) on sale of capital assets	42,227	29,893	625,328	896,373	78,922	24,721	357,964	461,292	904,583	169,982
Lawsuit Settlement	-	275,000	-	-	-	-	-	-	-	-
Miscellaneous	1,024,457	536,265	629,556	169,489	72,605	19,759	84,035	40,927	19,620	224,947
Transfers	91,892	1,935,906	(2,590,205)	(1,998,863)	(1,401,853)	(248,937)	(1,799,987)	1,068,860	668,826	4,874,954
Total Business-type Activities	11,134,332	13,219,158	9,085,239	10,031,441	9,856,097	10,699,023	9,229,795	13,547,968	13,330,092	16,649,203
Total Primary Government	\$ 43,929,033	\$ 46,221,751	\$ 46,271,884	\$ 51,249,500	\$ 49,806,226	\$ 48,137,867	\$ 49,832,702	\$ 61,090,462	\$ 59,877,023	\$ 60,779,138
Change in Net Position										
Governmental Activities	\$ 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	\$ 28,570,039
Business-type Activities	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	(1,019,778)
Total Change in Net Position Primary Government	\$ 12,100,999	\$ 8,660,182	\$ 23,235,031	\$ 25,456,160	\$ 18,648,440	\$ 13,374,981	\$ 32,536,865	\$ 43,556,658	\$ 22,826,902	\$ 27,550,261

*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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Governmental activities:										
General government	\$ 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	\$ 9,989,774
Highways and streets	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	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	5,620,630
Health and welfare	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	2,294,462
Culture and recreation	689,615	731,181	760,496	789,761	815,582	946,797	960,275	901,350	943,764	3,228,587
Public works/flood protection	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	25,931,017
Subtotal governmental activities	<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>	<u>\$ 47,064,470</u>
Business-type activities:										
Sanitation	\$ 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	\$ 9,781,457
Wastewater	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	11,616,308
Water	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	14,337,034
Stormwater	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	4,040,578
Mosquito Control	827,942	831,741	851,214	895,949	988,532	1,067,995	1,084,219	1,096,441	1,107,653	1,117,215
Public Transit	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	2,980,579
Dial-A-Ride	350,238	1,447,565	669,006	1,403,731	926,799	1,281,679	986,609	1,177,724	881,399	1,551,640
Alerus Center	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	4,533,018
Job Development Authority	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	2,944,002
Downtown parking	483,983	449,013	412,806	342,713	438,711	322,926	274,160	222,416	163,772	120,681
Subtotal business-type activities	<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>	<u>\$ 53,022,512</u>
Total primary government	<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>	<u>\$ 100,086,982</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	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Government	\$ 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	\$ 16,872,394
Highways and Streets	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	13,284,472
Public Safety	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	14,159,871
Health and Welfare	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	6,016,802
Culture and Recreation	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	2,471,485
Public Works	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	5,757,583
Interest on Long-term Debt	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	4,061,759
Sanitation	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	11,592,850
Wastewater	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	12,171,382
Waterworks	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	16,434,388
Stormwater	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	5,278,886
Mosquito Control	656,754	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823	925,398
Public Transit	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	7,822,618
Dial-A-Ride	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	1,445,768
Alerus Center	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	10,340,082
Job Development Authority	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	4,314,500
Downtown Parking	344,326	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665	365,621
Total	\$ 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	\$ 133,315,859

Table 5

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

	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General Fund										
Non-spendable	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 51,643	\$ 46,454	\$ 24,016	\$ 32,324	\$ 22,773
Restricted										
Committed	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	2,010,722
Assigned	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	2,649,918
Unassigned	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	11,408,610
Total General Fund	<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>	<u>\$ 16,092,023</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 15,566	\$ 22,159	\$ 30,279	\$ 28,002
Restricted	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	59,064,738
Committed	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	5,078,975
Assigned										
Unassigned										
Total all Other Governmental Funds	<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>	<u>\$ 64,171,715</u>

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

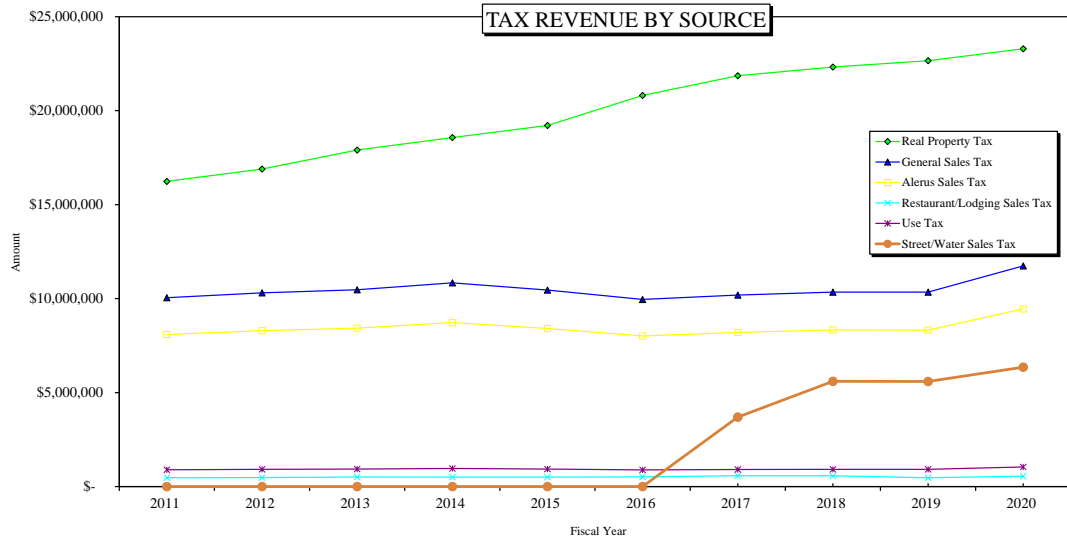
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Revenues										
Taxes	\$ 26,559,528	\$ 27,201,868	\$ 28,783,137	\$ 29,355,294	\$ 29,450,638	\$ 30,371,112	\$ 35,192,719	\$ 38,682,441	\$ 38,851,014	\$ 41,362,455
Licenses, fees and permits	1,806,907	2,219,434	2,872,086	2,210,419	1,737,903	1,863,331	1,871,020	1,975,505	2,025,224	2,177,109
Intergovernmental	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	15,036,141
Charges for services	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	9,428,626
Special assessments	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	9,537,941
Fines and forfeitures	958,635	795,907	805,196	905,661	871,577	928,074	774,980	747,422	635,406	809,702
Investment earnings/loss	994,534	(57,288)	960,423	454,947	700,740	530,525	1,176,225	2,488,993	1,667,167	(165,160)
Other revenues	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	3,180,037
Total Revenues	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	81,366,851
Expenditures										
General government	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	15,570,702
Health and welfare	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	5,710,601
Public safety	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	24,941,961
Highways and streets	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	7,734,331
Culture & recreation	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	2,461,769
Capital outlay	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	21,473,656
Debt Service:										
Contractual services	7,021	11,997	10,111	20,577	8,955	6,762	16,047	17,501	22,188	3,829
Bond Issue costs	54,086	52,982	221,537	126,626	154,038	63,262	68,868	168,686	112,204	193,237
Interest & fiscal charges	3,691,660	2,567,440	2,647,882	2,660,349	2,627,104	2,566,605	2,586,452	2,813,973	3,338,860	3,155,410
Principal	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	7,519,705
Total Expenditures	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	88,765,201
Excess of revenues over (under) expenditures	(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)	(7,398,350)
Other Financing Sources (Uses)										
Proceeds from borrowing	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	7,972,660
Premium on bonds issued	1,067,093	301,211	371,495	413,692	249,322	308,221	771,222	1,395,336	664,167	1,070,447
Proceeds from refunding	12,950,000	-	-	-	-	2,735,000	-	-	1,430,000	1,550,000
Redemption of refunded bonds	(11,570,604)	(12,230,000)	-	-	-	(860,000)	-	-	(1,320,000)	(2,485,000)
Sale of capital assets	38,259	112,453	386,698	100	2,252,851	369,424	65,443	18,353	47,596	4,730
Transfers in	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	25,038,956
Transfers out	(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)	(29,059,684)
Total other financing sources (uses)	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	4,092,109
Net change in fund balances	\$ 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)	\$ (3,306,241)
Debt Service as a percentage of noncapital expenditures	26.32%	17.66%	17.02%	17.64%	22.48%	19.51%	17.74%	15.50%	16.96%	15.16%

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
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
2020	2021	9,452,630	6,353,095	545,891	11,742,449	1,044,173	29,138,238	1,063,416,685	23,294,339

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

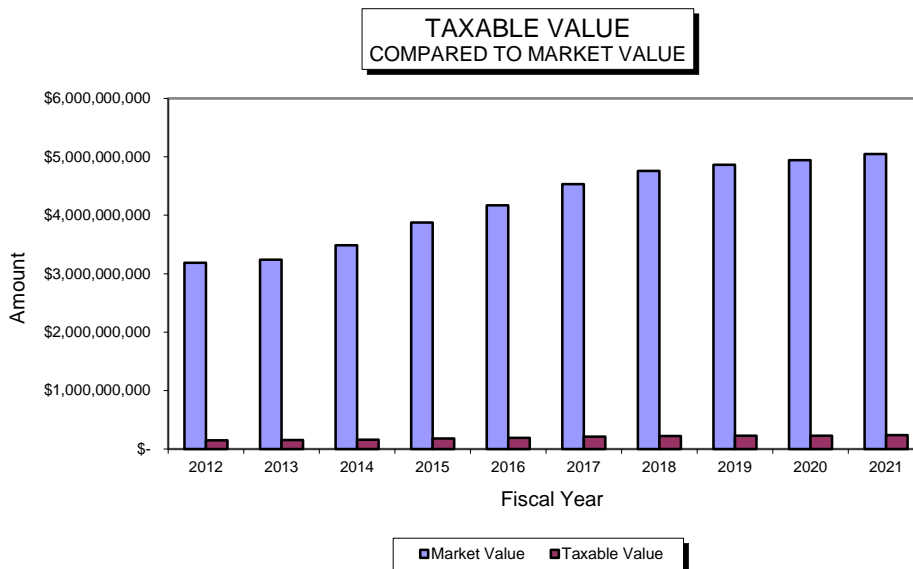




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**CITY OF GRAND FORKS, NORTH DAKOTA
ASSESSED AND ESTIMATED MARKET VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS**

Fiscal Year	Assessed Value	Estimated Market Value	Ratio of Assessed to Market Value	Taxable Value	Effective Tax Rate - Residential *	Effective Tax Rate - Commercial *
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%
2021	2,525,499,090	5,050,998,180	50.0%	238,013,072	1.36%	1.51%



* Reflects all taxing entities

Property Value

Year	Commercial	Residential	Agricultural	Public Utilities	Tax Increments	Total Estimated Market Value
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
2021	2,047,971,200	2,908,661,800	966,300	93,398,880	-	5,050,998,180

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
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%
2020	23,294,339	1,025,985	21,669,736	97.3%

(1) Collection year is one year later
(i.e., Levy Year 2020 Collection Year 2021)

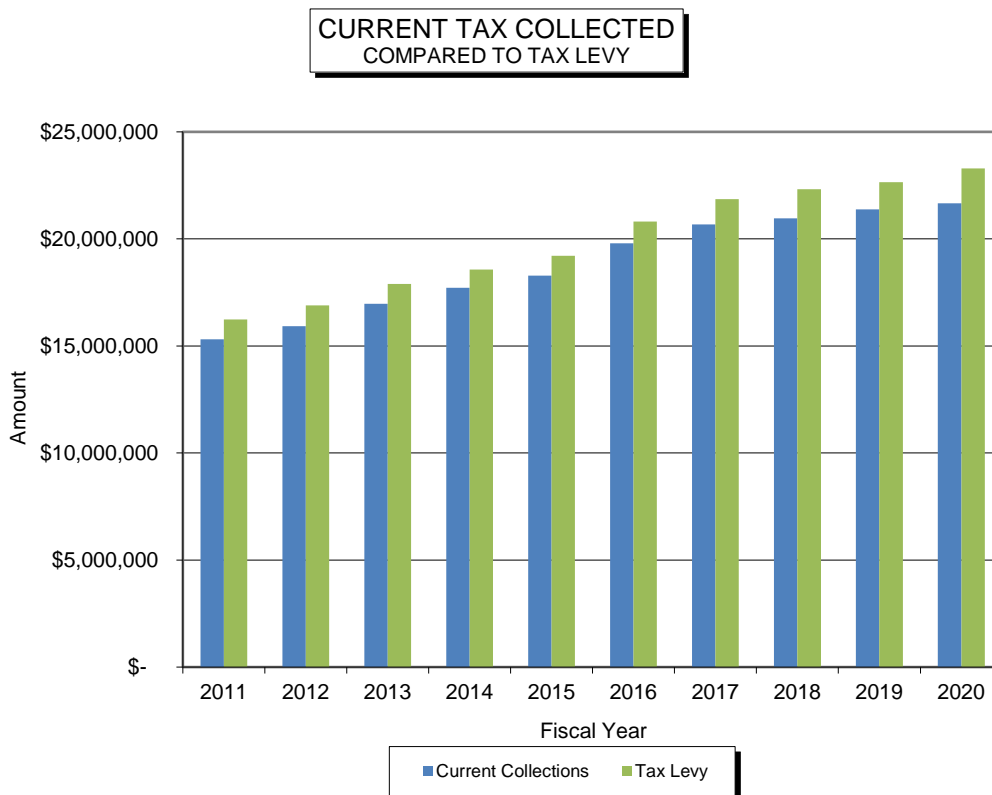
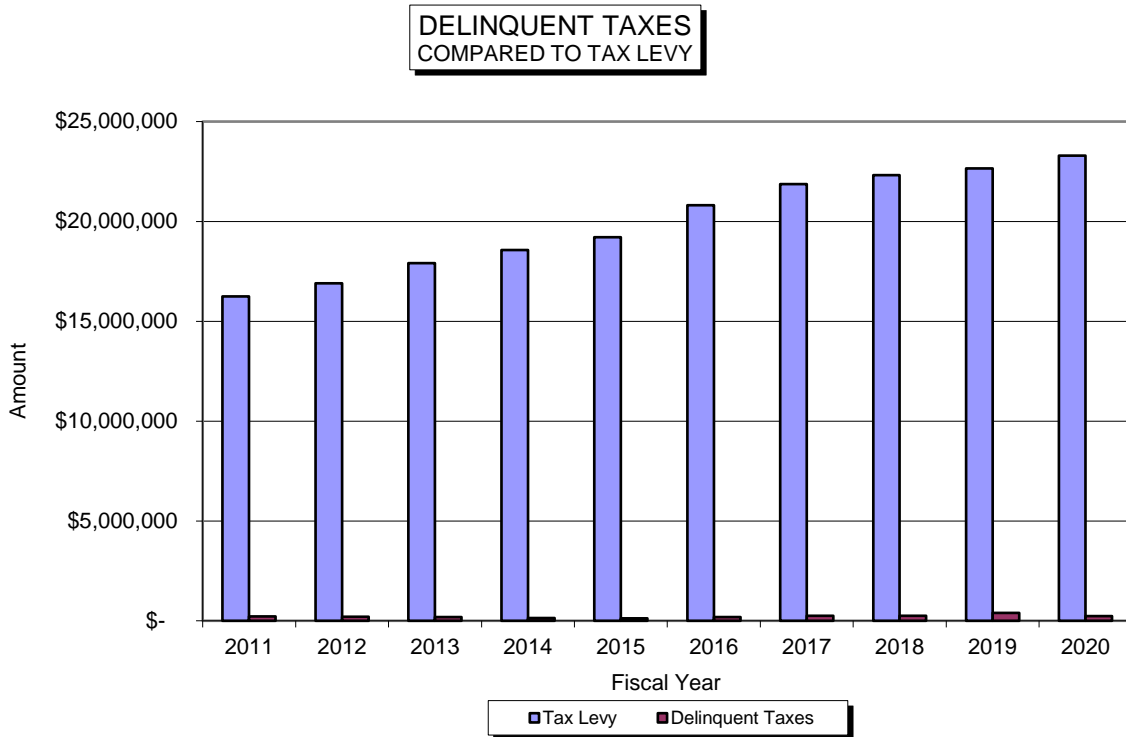


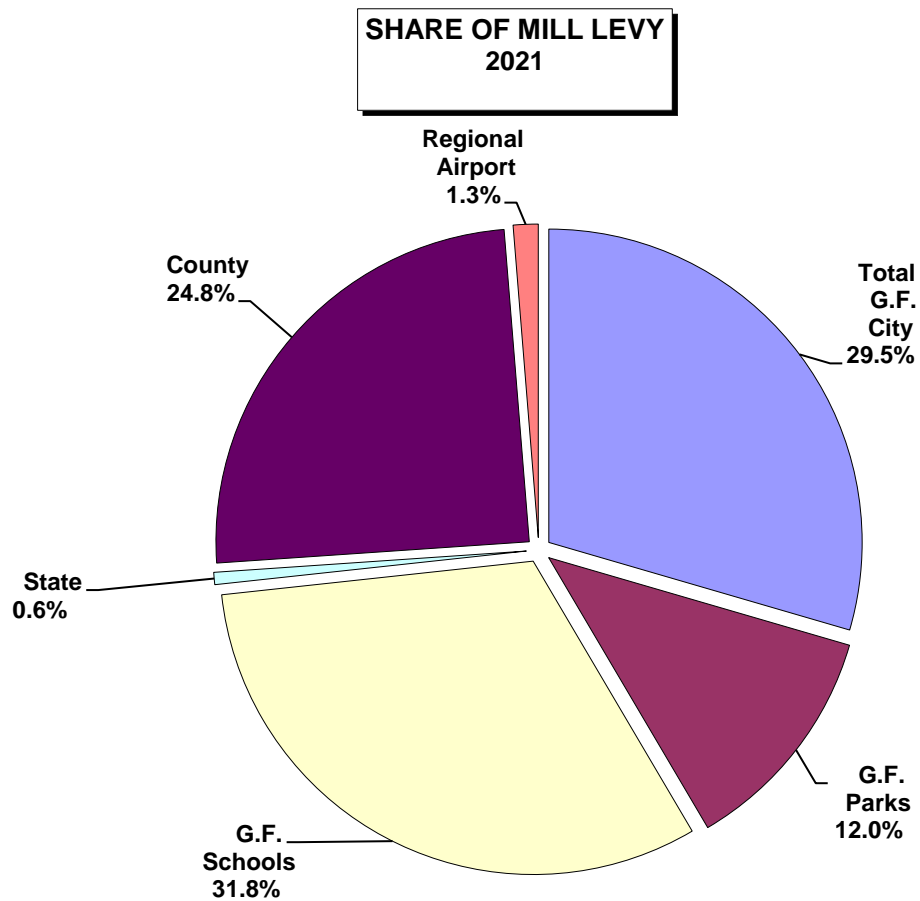
Table 9

Levy Year	Delinquent Tax Collection	Total Collection	Collection as Percent of Current Levy	Outstanding Delinquent Taxes	Outstanding Delinquent Taxes as Percent of Current Levy
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%
2020	233,357	21,903,093	94.0%	430,743	1.93%



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	G.F. Parks	G.F. Schools	State	County	Regional	
			Svc Funds	Public Trans	G.F. City					Airport	Total
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
2021	70.32	17.82	-	5.65	93.79	38.19	100.94	2.00	78.82	4.08	317.82



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

Taxpayer	2020 Values (2021 collections)			2011 values (2012 collections)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
IRET Properties	\$ 3,637,575	1	1.53%	\$ 2,022,965	1	1.36%
Sterling Properties LLLP	2,232,575	2	0.94%			
Altru Health System ⁽¹⁾	1,672,275	3	0.70%	1,590,815	4	1.07%
Campus Crest at Grand Forks LLC	1,087,220	4	0.46%			
Wal-Mart Real Estate Business Trust ⁽²⁾	1,045,875	5	0.44%			
LM Wind Power Blades (ND) Inc.	1,027,970	6	0.43%			
Menard, Inc	977,955	7	0.41%	752,970	9	0.32%
Lithia Real Estate Inc	833,340	8	0.35%			
Canad Inns	831,960	9	0.35%			
EVI GF 55+ LLC	827,580	10	0.35%			
Northern States Power Company				1,852,849	2	1.24%
Mikkelson Consolidated Limited Partnership				1,816,370	3	1.22%
INREIT, LLLP				1,247,115	6	0.84%
Terrace Point, LLC, Rtal				938,200	8	0.63%
Aurora Medical Park No. 2 LLC				968,080	7	0.65%
Aurora Medical Park LLC				738,740	10	0.50%
	<u>\$ 14,174,325</u>		<u>5.96%</u>	<u>\$ 11,928,104</u>		<u>7.83%</u>
2020 Total Taxable Value	\$ 238,013,072					
2011 Total Taxable Value	\$ 148,898,501					

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)
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
2021	22	48,435,959	162	40,844,648

(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			
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	4.09%	3,967.04
2021	1,867,600	93,262,894	-	-	936,809	25,801,662	30,073,357	73,615,000	1,411,326	-	226,968,648	not available	3,720.80

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
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(2)	59,166	2,472,716,840	2,441,125	831,089	1,610,036	0.07%	27.21
2021	61,000	2,525,499,090	1,867,600	1,373,801	493,799	0.02%	8.10

Notes:

- (1) Estimated population provided by GF/EGF Metropolitan Planning Organization.
(2) 2020 population using US Census Bureau.

CITY OF GRAND FORKS, NORTH DAKOTA
COMPUTATION OF DIRECT AND OVERLAPPING DEBT
December 31, 2021

<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	\$ 1,867,600	100.0%	\$ 1,867,600
Debt Supported by Special Assessments	93,262,894	100.0%	93,262,894
Debt Supported by Sales Tax Revenue	-	100.0%	-
Capital Lease Debt	936,809	100.0%	936,809
Total Direct Debt			<u>96,067,303</u>
Overlapping Debt:			
Grand Forks School District	24,874,263	94.6%	23,520,701
Grand Forks County	4,625,000	73.4%	3,396,485
Grand Forks Park District	8,475,000	100.0%	<u>8,475,000</u>
Total Overlapping Debt			<u>35,392,186</u>
Total Direct and Overlapping Debt			<u>\$ 131,459,489</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									
	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
Debt limit	\$ 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	\$ 126,274,955
Total net debt applicable to limit	10,457,200	9,483,848	8,470,497	7,432,145	8,483,130	5,365,174	4,194,912	2,999,650	2,441,125	1,867,600
Legal debt margin	<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>	<u>\$ 124,407,355</u>
Total net debt applicable to the limit as a percentage of debt limit	13.11%	11.05%	9.72%	7.67%	8.13%	4.73%	3.52%	2.47%	1.97%	1.48%

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, 2021

<u>Market Value</u>		<u>\$ 5,050,998,180</u>
Debt Limit - 5% of 50% of Market Value		\$ 126,274,955
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 1,745,000	
Unamortized Premium/Discount	<u>122,600</u>	
Bonded Debt		<u>1,867,600</u>
Legal Debt Margin		<u>\$ 124,407,355</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			Coverage
				Principal	Interest & Fiscal Charges ⁽³⁾	Total	
2012 (4)	\$ 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
2021	15,072	9,743	5,329	1,805	1,345	3,150	1.69

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		
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	
2021	11,812	7,332	4,480	5,032	662	5,694	0.79	

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	
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	7,416	3,282	10,698	0.89
2021	7,777	5,585	3,225	8,810	0.88

(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⁾
2012	54,358	4,438.0	44,745	6,830	15,250	3.4%
2013	56,200	4,507.0	44,693	7,013	15,143	2.9%
2014	58,277	4,612.0	45,489	7,158	14,906	2.7%
2015	59,031	4,726.0	46,344	7,301	14,951	2.3%
2016	59,299	4,762.0	46,524	7,338	14,648	2.2%
2017	59,870	4,879.0	47,665	7,470	14,406	2.1%
2018	60,351	5,083.0	49,813	7,338	13,847	2.2%
2019	60,636	5,194.0	51,429	7,459	13,581	2.0%
2020	59,166	5,732.0	57,102	7,413	13,615	4.6%
2021	61,000	Not Available	Not Available	7,404	13,772	3.1%

Data Sources:

- (1) 2011-2019 and 2021 are estimated population provided by GF/EGF Metropolitan Planning Organization. 2020 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	2021	Rank	Percentage	2012	Rank	Percentage
	Employees		of Total City	Employees		of Total City
			Employment (6)			Employment
Altru Health System	3,500	1	11.32%	4,069	1	13.51%
Grand Forks Air Force Base ⁽²⁾	2,897	2	9.37%	3,741	2	12.42%
University of North Dakota ⁽¹⁾⁽³⁾	2,492	3	8.06%	2,850	3	9.46%
Grand Forks School District ⁽³⁾	1,700	4	5.50%	1,500	4	4.98%
LM Wind Power (USA), Inc. ⁽⁴⁾	880	5	2.85%			
Valley Memorial Home	845	6	2.73%	714	5	2.37%
City of Grand Forks ⁽³⁾	549	7	1.78%	525	7	1.74%
Hugo's (4 locations) ⁽³⁾⁽⁵⁾	485	8	1.57%	443	9	1.47%
Development Homes	480	9	1.55%			
J. R. Simplot	440	10	1.42%	400	10	1.33%
Alerus Financial				559	6	1.86%
Amazon.com				450	8	1.49%
	14,268		46.17%	15,251		50.63%

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

2) 2021 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) 2021 Total Labor Force of 30,912 Source: ND Job Service

Source: Annual employer survey conducted by Baker Tilly

CITY OF GRAND FORKS, NORTH DAKOTA
FULL-TIME EQUIVALENT CITY GOVERNMENT EMPLOYEES BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS

Function	2012	2013	2014	2015	2016	2017	2018	2019	2020	2021
General government	94.85	95	96.45	101.60	101.90	102.03	101.58	103.44	101.20	100.40
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Development	5.35	4.98	4.98	2.55	1.20	1.20	1.20	1.20	1.20	1.20
Housing Authority	6.60	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Health	33.35	32.93	36.56	37.36	36.03	43.92	43.35	43.08	42.99	42.61
Public Safety										
Police										
Officers	82.00	82.00	82.00	82.00	84.00	88.00	88.00	90.00	92.00	91.00
Civilians	15.00	15.00	15.00	15.00	16.00	16.00	16.00	16.00	16.00	17.00
Fire										
Firefighters and officers	63.00	63.00	63.00	63.00	75.00	75.00	75.00	75.00	76.00	75.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00
PSAP	16.00	17.00	17.00	17.00	18.00	19.00	19.00	20.00	21.50	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	35.65	36.85	36.85	35.41	35.41	35.41	37.08	36.74
Culture and recreation	1.00	1.00	1.00	1.00	1.00	0.63	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	37.66	37.84	37.06	36.65	37.65	39.65	41.20	40.90
Wastewater	23.48	22.73	22.76	21.82	21.79	21.23	21.23	22.39	23.06	21.36
Waterworks	30.03	30.03	28.06	27.13	28.35	27.85	27.85	27.85	28.56	29.02
Stormwater	5.66	5.41	5.47	5.76	6.10	6.18	6.18	6.35	6.62	6.02
Public Transit	22.00	21.55	21.55	21.50	21.50	20.95	23.10	28.90	28.90	30.90
Dial-A-Ride	2.60	3.55	3.55	3.55	3.55	3.55	4.55	4.55	18.55	18.55
Alerus	18	21	20	21	18	18	0	0	0.00	0.00
Job Development Authority	3.15	3.18	3.18	3.35	3.25	4.55	4.25	4.68	4.85	5.85
Downtown Parking	0.20	0.20	0.00	0.20	0.60	0.60	0.70	0.47	1.40	1.40
Total Authorized Positions	503.00	499.29	501.17	505.81	517.48	528.05	512.98	526.90	549.04	548.38

Source: City's Human Resources Department

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

Function	2012	2013	2014	2015
General Government				
Building permits issued	1,506	1,579	1,727	1,816
Value of Permits issued	\$ 127,729,350	\$ 212,067,083	\$ 368,599,640	\$ 203,309,401
Number of Business License Issued ⁽³⁾	1,674	1,657	1,904	1,905
Police				
Priority 1 Calls Average Response Time	2Min. 57 Sec.	3Min. 27 Sec.	3Min. 49 Sec.	3Min. 58 Sec.
Number of 911 Calls ⁽¹⁾	21,884	22,892	22,947	24,023
Incidents Requiring 911 Assistance	75,917	72,322	73,337	74,380
Fire				
Emergency responses	4,087	4,005	4,254	4,286
Health				
Percent of Nuisance Complaints resolved within 30 days	98.14%	96.75%	97.83%	96.01%
Number of times sprayed	0	14	19	14
Culture and Recreation				
Alerus Center Attendance ⁽³⁾	245,582	205,767	203,475	170,576
Alerus Center Number of Events ⁽³⁾	564	495	469	390
Waterworks				
Number of customers	14,200	14,312	14,619	14,821
New connections	151	154	215	204
Watermain breaks	36	30	25	53
Average daily consumption(MGD)	7.40	7.80	7.70	7.90
Peak daily consumption (MGD)	12.00	12.30	11.30	9.50
Sanitation				
Number of customers	12,804	12,913	13,128	13,315
Landfill (tons)	86,554	91,219	97,644	94,828
Recycled Materials (tons) (City of GF)	2,672	2,923	3,016	2,996
Wastewater				
Number of customers	13,937	14,038	14,319	14,506
Average daily sewage treatment (MGD)	6.80	6.87	6.83	6.80
Public Transit				
Ridership - City Bus ⁽³⁾	371,242	364,317	346,673	336,652
Ridership - Dial-A-Ride ⁽³⁾	35,358	33,041	34,602	35,553
Ridership - Senior Rider ⁽³⁾	19,854	19,485	19,733	19,195
Job Development Authority				
Businesses Assisted	5	4	7	3
New Jobs Projected in 2 years	118	61	82	42

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 2021, this number breaks into: Inert Waste - 13,918.37 total (4,003 City of Grand Forks generated, 9,915 tons private haulers in the region; Municipal Solid Waste - 57, 735.68 tons (33,466 City of Grand Forks generated, 24,269.92 from regional customers); Industrial/Ag Waste 6,919

(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.

	2016	2017	2018	2019	2020	2021
	1,981	1,948	1,895	1,691	1,731	1,778
\$	140,940,924	\$ 133,766,938	\$ 156,473,039	\$ 329,061,146	\$ 256,295,102	\$168,089,376
	1,113	1,172	1,102	1,015	855	1001
	4Min. 03 Sec.	4 Min. 44 sec.	4 Min. 33 Sec.	4 Min. 13 Sec.	3 Min. 54 Sec.	
	24,365	24,086	23,447	24,939	23,279	24,345
	81,441	87,587	92,720	92,661	94,847	106,963
	4,995	5,510	5,117	5,623	5,174	5,631
	95.98%	97.43%	93.09%	93.09%	95.58%	94.87%
	22	5	10	8	11	1
	188,328	184,822	243,468	228,745	112,722	203,451
	489	326	385	481	323	404
	14,975	15,127	15,275	15,121	15,404	15,579
	162	139	135	198	150	133
	51	58	38	42	24	35
	7.60	7.90	8.12	7.42	7.25	8.72
	9.93	11.30	11.40	10.85	11.30	15.6
	13,492	13,539	13,840	14,623	14,678	17,417
	98,625	96,382	100,606	111,400	98,165	78,573.06
	2,380	2,063	1,975	2,320	2,575	2,305.60
	14,669	14,757	14,935	14,822	14,976	15,477
	6.88	6.83	7.12	12.63	9.20	7.196
	317,992	280,289	253,657	225,141	132,354	173,082
	32,337	33,079	40,064	42,218	22,129	33,457
	16,026	19,828	22,829	22,965	15,413	17,853
	2	4	7	8	26	22
	18	15	15	105	55	63

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

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020
General Government									
Buildings & Structures	11	11	11	11	11	11	11	12	12
Cars (All Gen Fund)	79	79	79	79	79	79	79	79	79
Area in Sq. Miles	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
Patrol Units	22	22	22	22	22	22	22	22	22
Fire									
Stations	4	4	4	4	4	4	4	4	4
Training Facilities (including 4 mobile units)	5	5	5	5	7	7	7	7	7
Aerial Trucks	2	2	2	2	2	2	2	2	2
Pumpers	6	6	6	6	7	7	7	7	7
Rescue Truck	1	1	1	1	1	1	1	1	1
Boat	3	3	3	3	3	3	3	3	3
Hazmat Regional Response Vehicle	1	1	1	1	1	1	1	1	1
Mobile Command Post	1	1	1	1	1	1	1	1	1
Special Operations Trailers	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)	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	4.98	4.98	4.98
Street lights	4200	4200	4200	4800	4976	5059	5151	5216	5300
Traffic Signals	60	60	60	61	63	62	63	66	67
School Crossing Signals	25	25	25	25	25	26	26	26	26
Street Sweepers	4	4	4	4	5	5	5	5	5
Snow Plows	4	4	4	4	4	4	4	4	4
Motor graders	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾
Payloaders	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾
Culture and Recreation									
Library	1	1	1	1	1	1	1	1	1
Events Center	1	1	1	1	1	1	1	1	1
Greenway (developed acres)	800	800	800	800	800	800	800	800	800
Boat Ramps	2	2	2	2	2	2	2	2	3
Bikepaths (miles) ⁽⁴⁾	41	41	41	42.34	42.78	42.78	43.59	44.57	46.72

Table 23 (Con't)

Function/Program	2012	2013	2014	2015	2016	2017	2018	2019	2020
Sanitation									
Collection Trucks-Side Load	6	6	6	6	6	6	6	6	6
Collection Trucks-Front Load	6	6	6	6	6	6	6	6	6
Collection Trucks-Rear Load	3	3	3	3	3	3	3	3	3
Collection Trucks-Roll Off	5	5	5	5	5	5	5	5	5
Water									
Water mains (miles)	236.5	263.37	266.42	269.01	270.91	276.64	281.02	285.29	286.00
Fire Hydrants	2952	2958	3000	3000	2903	2903	3012	3502 ⁽⁵⁾	3502 ⁽⁵⁾
Water Storage Facilities	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
Intake Capacity (MGD)	24	24	24	24	24	24	24	24	24
Wastewater									
Sanitary Sewers (miles)	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	13.0	13.0	13.0	13.0
Sewage Lift Stations	42	43	43	45	41	43	43	43	43
Stormwater									
Storm sewers (miles)	195	207.89	212.1	214.42	215.85	221.92	227.66	232.57	233.48
Lift Stations	12	12	12	12	12	13	13	13	13
Flood Stations	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
35' Bus - Diesel	3	3	3	3	3	3	5	5	5
29' Bus	2	2	2	2	2	2	2	2	2
People Mover	3	3	3	3	4	4	4	4	4
Trolley	1	1	0 ⁽¹⁾	0	0	0	0	0	0
Senior Rider/Dial-A-Ride Vehicles	9	9	9	10	10	10	12	12	12
Job Development									
Buildings and Structures	6	6	6	6	6	6	6	6	6
Municipal Parking Structures									
Buildings & Structures	2	2	2	2	2	2	2	2	2

(1) The Trolley Bus was sold in June 2013.

(2) The City has a total of 8 units for use. Of those, 1 are owned, 2 are leased and 5 are rented only for winter months.

(3) The City has a total of 6 units. Of those, 4 are owned and the remaining 2 are leased for winter months.

(4) 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.

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



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