



Annual Comprehensive Financial Report

City of Grand Forks, ND

For the year ended December 31, 2022

Photo Credits:

Top Row:

- 1) Town Square Farmers Market,
Courtesy of Downtown Development Association
- 2) Kayaking on the Red River, Visit Greater Grand Forks
Courtesy of Visit Greater Grand Forks

Center: Downtown Mural, courtesy of Downtown Development Association

Bottom Row:

- 1) Skaters on Town Square Ice Rink
Courtesy of Downtown Development Association
- 2) North Valley Law Enforcement Memorial, Optimist Park
Courtesy of Russell Hons Photography

Annual Comprehensive Financial Report



of the City of Grand Forks, North Dakota

**For the Year Ended
December 31, 2022**

Prepared by
THE DEPARTMENT OF FINANCE AND ADMINISTRATIVE SERVICES
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(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, 2022

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June 20, 2023

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, 2022. 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, 2022, 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, 2022. 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 29.14 square miles and has a population of 61,952 at the end of 2022. 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. And 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 26-27 as part of the basic financial statements for the governmental funds. For the governmental funds other than the general fund with the appropriated annual budgets, this comparison is presented in the governmental subsection of this report, which starts on page 126.

Economic Condition and Outlook

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

The Grand Forks regional economy continues to show strong growth. Sales tax, building permits and new missions at the Air Force Base are indications that our economy is growing. On May 11, 2023 Canada lifted restricted on travel between Canada and the United States, which had been in place since March of 2020, which will be good for our local economy. The State's economy is also strong. State aid increased 17.4% in 2022 over 2021, and the City sales tax revenue increased 9.1% in 2022 over that of 2021.

The agri-business economic sector continues its growth in the Grand Forks region and the Northern Red River Valley. Epite Energy announced their intention to locate a \$400 million soybean crushing facility on the north edge of Grand Forks in December 2022, which is expected to create a local soybean market for regional producers. The plant will process up to \$42 million bushels of soybeans per year into crude degummed soybean oil, meal and hulls. The soybean oil will likely go into the renewable diesel industry, while the meal will go into the livestock industry. The company hopes to have construction completed in 2025.

JR Simplot Co., ND Mill and Elevator, Philadelphia Macaroni Company, and Red River BioRefinery continue to make reinvestments in their facilities in the Grand Forks agri-business park.

The Grand Forks Air Force Base (GFAFB) is one of the largest employers in the state of North Dakota and a model military base of the future. The base is home to approximately 1,600 active-

duty personnel and 1,500 dependents. There are also another 1,000 civilians employed at GFAFB. The GFAFB is a part of Air Combat Command with a focus on Intelligence, Surveillance, and Recognizance (ISR) capabilities. The US Air Force is utilizing the base as an operating location for Global Hawk (RQ-4) UAS systems and is home to the 319th Reconnaissance Wing. The GFAFB is also lead and strategic location for unmanned and other future strategic ISR missions that complement the Global Hawk, as well as additional unmanned and Arctic missions. The GFAFB is also home to the regional headquarters of the US Border Patrol. The City continues to build on its strong collaborative and supportive relationship with the GFAFB and was named one of ten cities nationally to be designated as a "Great American Defense Community".

US Space Development Agency (SDA) officials with their private defense contractor partners have announced a program to establish a new low-Earth orbit satellite mission at the GFAFB. The satellites will use low-power lasers to establish communication with one another, and from there to unmanned aerial vehicles in flight. Those UAVs will then be able to transmit large amounts of sensor data in a much more secure and speedy manner than through the radio frequencies now in use.

These missions have well-positioned GFAFB to play a critical role in the future of national security.

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 US Department of Defense at the GFAFB. 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.

The US DOD Test Resource Management Center (TRMC) officials recently announced with their private defense contractor partners that the entire retired Global Hawk Block 20 and Block 30 fleets will be housed at Grand Sky. The retired Global Hawk Block 20 and Block 30 fleets will be converted into Range Hawks for the TRMC Sky Range hypersonic missile testing program. There are over 1,200 people working in careers associated with UAS in the region today.

The GFAFB has forged partnerships locally, including with UND, which offer thousands of opportunities to work jointly, on air, space and cyberspace initiatives. 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 and programming. Most recently, the new \$70 million Nistler School of Business and Public Administration Building that includes a Grand Forks Workforce Development Center opened its doors to students for the fall semester 2022.

Recently a public/private partnership with Johnson Controls Inc. (JCI) was approved to replace existing dated dormitories and other student housing options with new buildings, which will include updated designs reflecting the desires of today's students.

Memorial Village, an estimated \$40 million mixed-use public/private partnership on the current site of UND's Memorial Stadium is under construction on the five-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. And Memorial Village 2 is in the planning stage.

The City received a \$1.1 million Economic Development Administration (EDA) grant to convert the GF Herald building to a downtown technology accelerator named the HIVE. This EDA project, which has a \$1.1 million local match, is estimated to create 139 jobs. The commitment from the U.S. Department of Commerce on the development of the GF Herald building shows that the City is taking the next step forward when it comes to growing the tech sector. Converting the GF Herald building into the HIVE will make it an economic driver, not just for the City, but for the entire

Red River Valley. The HIVE will focus on tech acceleration in the UAS and data analytics economic cluster and workforce development and upskilling. Construction was completed in 2022.

The Grand Forks region and in partnership with the State of North Dakota are working on a regional technical career center, Career Impact Academy. The Grand Forks region and both the public and private sectors have raised more than \$10 million to match the State of North Dakota's \$10 million funding as part of moving forward with this critical and strategic workforce initiative and over \$20 million capital investment. The Grand Forks Public School District will operate and program the Career Impact Academy for high school students and adult learners.

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.

The Grand Forks downtown has and is seeing a renaissance with renewed street and streetscape infrastructure and mixed-use developments. The Grand Forks Herald building renewal as a downtown tech accelerator was previously mentioned. The following are additional developments.

Recently completed projects include Pure Development, which is a five story, \$14 million development made up of a grocery store, bank, and apartments; the Argyle, a mixed use \$6 million five-story building which houses the architectural office of JLG Architects; Harry's Steakhouse, an up-scale dining experience, have all completed construction and are now contributing to the thriving downtown.

Three city landmarks are set to be revamped or outright replaced. These three city landmark projects and the previously noted downtown completed projects total an investment of over \$130 million. These redevelopment projects are at the former Townhouse Hotel, Lyon's Auto Supply, and the Edgewood Corporate Center which contains the Cloud 9 Events Center and a rebranded Skies 322 up-scale restaurant, currently in renovation and will be attached to the under construction Olive Ann Hotel and event center.

The Beacon redevelopment project is a mixed use, multi-building complex of apartments, condos, commercial space, and a public plaza at the site of the former Townhouse Hotel and surrounding properties. This investment of \$50 million plus, and 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. Construction of the two of three seven story mixed use buildings is underway with first units available for occupancy in 2023.

Construction has begun on a new 5 story mixed-use development, Franklin on 4th, at the site of the former Lyons Auto Supply in downtown Grand Forks, is set to be turned into several stories' worth of residential, office, and retail space. The approximately \$30 million, Franklin on 4th 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.

The Olive Ann Boutique Hotel is under construction adjacent to the Edgewood Corporate Center with a completion date in 2023 and will provide a full-service hotel in downtown Grand Forks with approximately 70 rooms and at a capital investment of approximately \$30 million.

Altru, 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 has broken ground on a nearly \$400 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 impact on the City's 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 resumed in 2022 with completion expected in 2024.

Edgewood Senior Living completed construction on a large senior living housing development that includes an attached Sanford Health medical clinic. In 2022 Sanford Health announced the purchase of over 60 acres in the southwest part of Grand Forks as part of a yet to be announced Sanford Health campus development.

Grand Forks construction remains strong in all the construction building sectors to include residential, commercial, and industrial. Importantly, there are many construction projects that are multi year and phased projects beyond the 2022 construction period. The City adopted development policies to attract and encourage more development both in new areas and infill areas of the City. In part, due to these policy changes, the City has seen larger developments with more private capital investment, better infrastructure economies of scale, and better than historic average single and townhouse housing starts.

Grand Forks workforce labor numbers have recovered from the COVID 19 pandemic and unemployment remains at a historically low level of 1.74%. Grand Forks Public Schools saw enrollment growth this fall of 191 students and the University of North Dakota saw enrollment growth this fall of 104 students for a total enrollment of 13,876 students.

Based on the 2020 census, Grand Forks' population grew at 1.2% annually or 12 percent over the decade (2010 – 52,838 and 2020 – 59,166) and the 2022 Grand Forks/East Grand Forks Metropolitan Planning Organization Grand Forks population estimate is 61,000, which is an estimated 3.1% increase over the last two (2) years (1.55% annually). Grand Forks' population demographic has a good balance throughout the age groups and is well positioned for growth with strong demographic cohorts in the younger age categories.

The City has experienced growth in valuation due to new construction and revaluation. A total of 124 housing units and 49 new commercial and public buildings were constructed in 2022. Total taxable value increased by 4.52%, 1.74% from new construction and 2.78% from valuation increases for the 2023 budget year. The total city mill levy remained the same at 97.02 for 2023. Efforts continue to minimize property tax increases without detriment to service levels.

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.

The City's bond rating was confirmed at Aa2 in October 2022.

The City had a decrease in unemployment from 3.1 percent in 2021 to 1.74 percent in 2022, which is much lower than the national average of 3.6 percent.

Business Incentives and creating Economic Development

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

Major Initiatives

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 of \$5.7 million in 2021 and 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.

Epitome Energy

Epitome Energy is seeking to build a \$400 million full-service soybean crush plant, which will require 50-60 full time employees in Grand Forks. Epitome Energy is committed to becoming a valuable neighbor, employer, and partner in Grand Forks. The plant will process an estimated 120,000 bushels (or approximately 110 truckloads) of soybeans per day. The plant will produce three in-demand products to include:

- Soybean Meal – Over 940,000 tons per year.
- Soybean Oil – Over 60 million gallons per year.
- Soybean Hulls – 84,000 tons per year.

Soybean production has increased by more than 300% over the past two decades in Northeast North Dakota and Northwest Minnesota. The facility will be an economic driver in the region and support area farmers and provide processing for soybean farmers in over two dozen North Dakota and Minnesota counties.

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, 2021. This was the 36th 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.

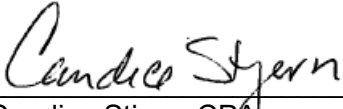
A Certificate of Achievement is valid for a period of one year only. We believe that our current annual comprehensive financial report continues to meet the Certificate of Achievement program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

Acknowledgments

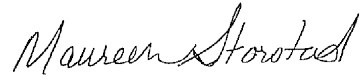
The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Finance and Administrative Services Department. We wish to express our appreciation to all the members of the department, especially Samantha Bergan, Bryant Halvorson, Joline Hughes, Sherie Lundmark, Josh Odegard, Brittany Salwey 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,

Handwritten signature of Candice Stjern in cursive script.

Candice Stjern, CPA
Assistant Director of Finance

Handwritten signature of Maureen Storstad in cursive script.

Maureen Storstad, CPA
Director of Finance



Government Finance Officers Association

**Certificate of
Achievement
for Excellence
in Financial
Reporting**

Presented to

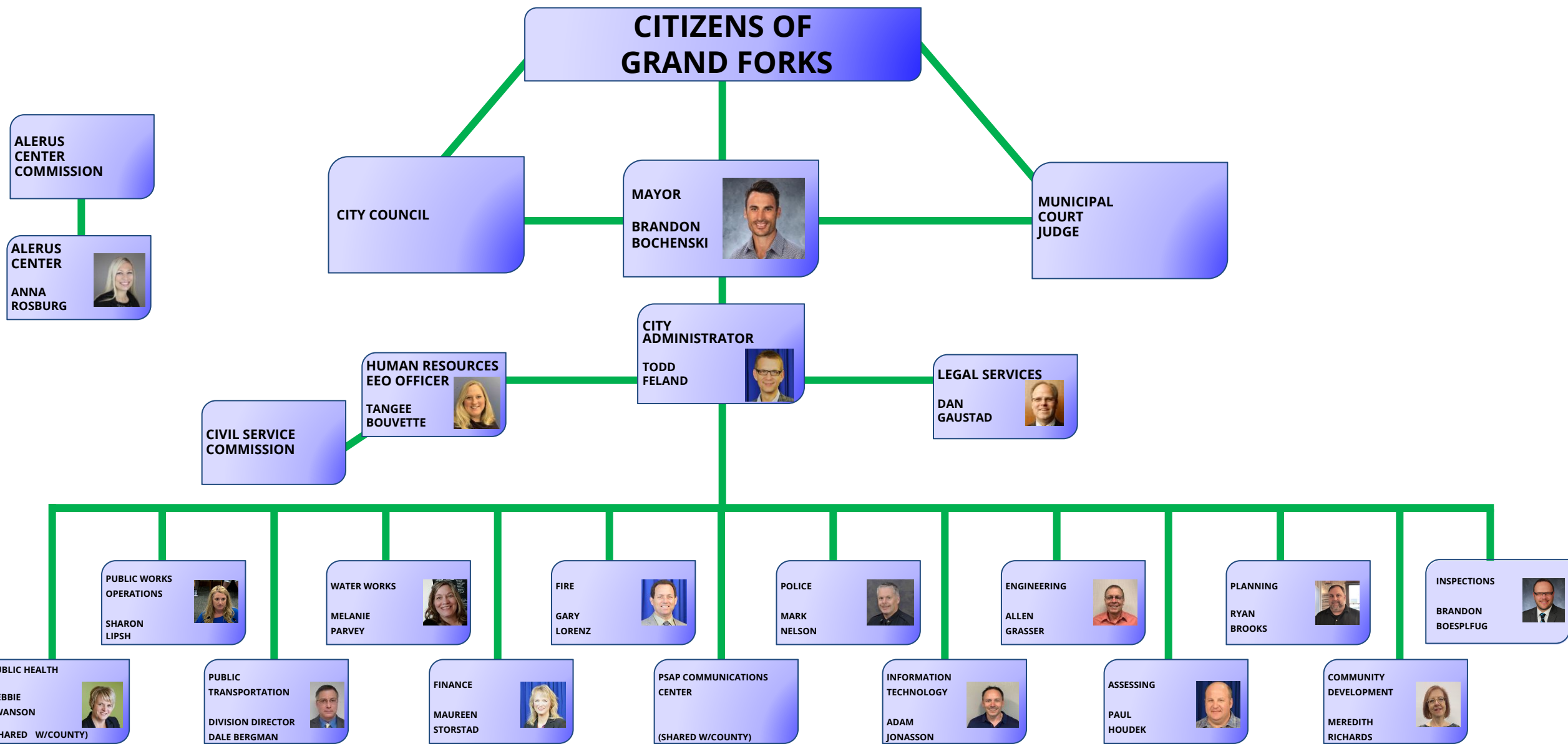
**City of Grand Forks
North Dakota**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

December 31, 2021

Christopher P. Morill

Executive Director/CEO



CITY OF GRAND FORKS ORGANIZATIONAL CHART

ELECTED OFFICIALS

	<u>Ward</u>	<u>Current Term Expires</u>
Brandon Bochenski		June 2024
Danny Weigel	1	June 2024
Rebecca Osowski	2	June 2026
Bret Weber	3	June 2024
Tricia Lunski	4	June 2026
Kyle Kvamme	5	June 2024
Dana Sande	6	June 2026
Ken Vein	7	June 2024

APPOINTED OFFICIALS

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



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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, 2022, 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, 2022, 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.

Emphasis of Matters

As described in Note IV-K to the financial statements, the City adopted new accounting guidance, GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

As described in Note IV-K to the financial statements, the City corrected an error for prior year over reported depreciation expense and accumulated depreciation. Our opinions are not modified with respect to this matter.

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. Such information is 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. The 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 2021 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, 2021, 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 20, 2023, 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 20, 2023

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, 2022. 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 \$724 million (net position) at the end of the calendar year 2022.
- The City's total net position increased by \$25 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 \$85.2 million, an increase of \$4.9 million in comparison to the prior year. Of this total amount, approximately \$23.7 million, twenty eight percent (28%) 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 \$14.8 million, or thirty five percent (35%) of total general fund expenditures of \$42.6 million.
- The City's total debt and non-current liabilities increased by \$38 million during 2022.
- During the current year, significant changes included:
 - \$9,460,000 of Refunding Improvement Bonds, Series 2022A, to finance various improvement projects in the city.
 - \$3,635,000 of Sanitation Reserve Revenue Bonds, Series 2022B to finance the construction of Cell C at the landfill.
 - \$1,778,000 of Water Reserve Revenue Bonds, Series 2022C to finance watermain expansion projects in a newly annexed area through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. As of December 31, 2022, no funds were drawn down or outstanding.
 - The City drew down the final \$1,320,000 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 2022.
 - The Net Pension Liability increased \$31 million.

Overview of the Financial Statements

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

Government-wide Financial Statements

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

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

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

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

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

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

Fund Financial Statements

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

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

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

information may be useful in evaluating the City's near-term financing requirements. These funds are reported on the modified accrual basis of accounting.

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

The City of Grand Forks maintains 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 107.

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

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

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

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail and additional information, such as cash flow statements. Internal service funds are combined into a single aggregated presentation in the proprietary fund financial statements. Individual fund data for internal service funds is provided in the form of combining statements, which begin on page 157. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 149.

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 37-102 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 103-106 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 107-163 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, 2022.

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 \$724,495,426, as of December 31, 2022.

City of Grand Forks Net Position*						
	Governmental Activities		Business-type Activities		Total	
	2022	2021 as restated	2022	2021 as restated	2022	2021 as restated
Current and other assets	\$ 173,937,109	\$ 157,727,201	\$ 102,124,409	\$ 95,612,057	\$ 276,061,518	\$ 253,339,258
Capital assets and right to use leases	258,979,658	249,089,207	520,740,712	516,682,079	779,720,370	765,771,286
Total assets	432,916,767	406,816,408	622,865,121	612,294,136	1,055,781,888	1,019,110,544
Total deferred outflows of resources	40,632,111	29,977,838	17,804,045	12,284,868	58,436,156	42,262,706
Long-term liabilities outstanding	151,195,966	125,562,643	155,912,715	144,457,184	307,108,681	270,019,827
Other liabilities	21,512,432	18,380,627	13,308,348	14,203,673	34,820,780	32,584,300
Total liabilities	172,708,398	143,943,270	169,221,063	158,660,857	341,929,461	302,604,127
Total deferred inflows of resources	29,229,288	38,280,657	18,563,869	21,109,338	47,793,157	59,389,995
Net position:						
Net investment in capital assets and right to use leases	154,281,786	151,180,086	390,238,738	384,326,165	544,520,524	535,506,251
Restricted	134,050,319	119,591,840	49,928,937	42,435,275	183,979,256	162,027,115
Unrestricted	(16,720,913)	(16,201,607)	12,716,559	18,047,369	(4,004,354)	1,845,762
Total net position	\$ 271,611,192	\$ 254,570,319	\$ 452,884,234	\$ 444,808,809	\$ 724,495,426	\$ 699,379,128

*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 five percent (75%), reflects its investment in capital assets and right to use leases (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 five percent (25%), represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is a negative \$4,004,354 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 government as a whole, governmental activities, the sanitation fund, the stormwater fund, the water fund and the public transit fund. The government as a whole unrestricted balance is a negative \$4,004,354. The governmental activities unrestricted balance is a negative \$16.7 million, the unrestricted balance in the sanitation fund is a negative \$7.2 million, the unrestricted balance in the stormwater fund is a negative \$19,281, the unrestricted balance in the water fund is a negative \$.7 million and the unrestricted balance in the public transit fund is a negative \$4.2 million. These negative balances are due to net pension and OPEB liabilities and associated deferred outflows and inflows of \$62 million, \$38.4 million, \$5.9 million, \$1.2 million, \$5.3 million and \$5.9 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 \$17 million, while overall the City's net position increased \$26 million.

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

CHANGES IN NET POSITION

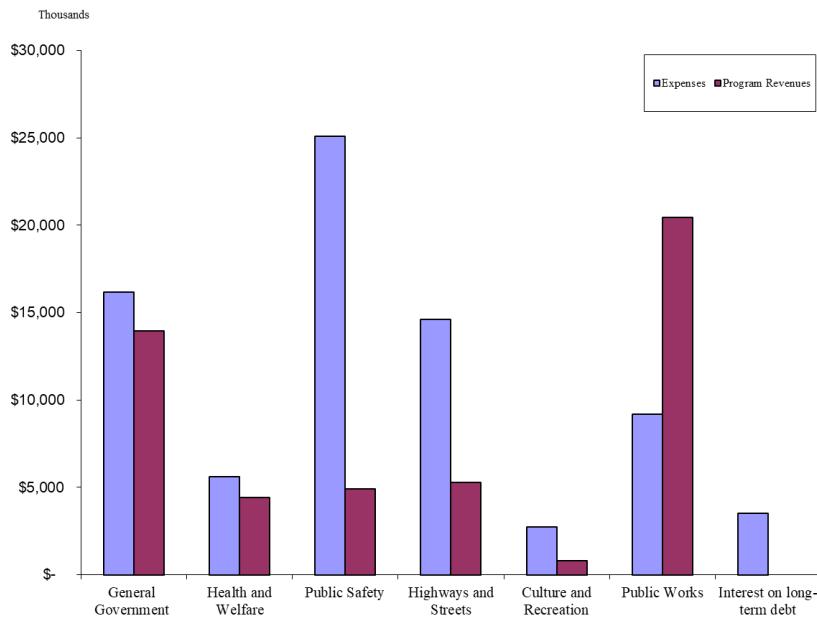
	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
Revenues:						
Program Revenues:						
Charges for services	\$ 14,418,879	\$ 12,493,663	\$ 48,907,862	\$ 46,132,042	\$ 63,326,741	\$ 58,625,705
Operating grants and contributions	8,517,810	9,483,686	2,741,344	3,763,772	11,259,154	13,247,458
Capital grants and contributions	26,899,173	25,087,121	5,552,103	3,126,698	32,451,276	28,213,819
General Revenues:						
Property taxes	21,960,554	21,455,684	1,294,410	1,274,619	23,254,964	22,730,303
Sales taxes	20,873,662	19,139,716	10,927,087	9,998,521	31,800,749	29,138,237
Hotel/Motel taxes	1,106,309	767,056	-	-	1,106,309	767,056
State aid distribution	4,085,627	3,479,603			4,085,627	3,479,603
Other taxes	4,058,309	3,367,010	34,033	31,613	4,092,342	3,398,623
Miscellaneous	(1,179,806)	795,820	738,749	469,496	(441,057)	1,265,316
Total Revenues	100,740,517	96,069,359	70,195,588	64,796,761	170,936,105	160,866,120
Expenses:						
General Government	16,174,877	16,872,394			16,174,877	16,872,394
Health and Welfare	14,606,269	13,284,472			14,606,269	13,284,472
Public Safety	25,095,169	14,159,871			25,095,169	14,159,871
Highways and Streets	5,604,695	6,016,802			5,604,695	6,016,802
Culture and Recreation	2,723,007	2,471,485			2,723,007	2,471,485
Public Works	9,189,027	5,757,583			9,189,027	5,757,583
Interest on Long-term Debt	3,534,192	4,061,759			3,534,192	4,061,759
Sanitation			12,244,877	11,592,850	12,244,877	11,592,850
Wastewater			11,808,066	12,171,382	11,808,066	12,171,382
Waterworks			18,544,989	16,434,388	18,544,989	16,434,388
Stormwater			5,014,509	5,278,886	5,014,509	5,278,886
Mosquito Control			889,443	925,398	889,443	925,398
Public Transit			4,116,234	7,822,618	4,116,234	7,822,618
Dial-A-Ride			1,428,246	1,445,768	1,428,246	1,445,768
Alerus Center			11,319,383	10,340,082	11,319,383	10,340,082
Job Development Authority			3,154,268	4,314,500	3,154,268	4,314,500
Downtown Parking			372,556	365,621	372,556	365,621
Total Expenses	76,927,236	62,624,366	68,892,571	70,691,493	145,819,807	133,315,859
Increase in net position before transfers	23,813,281	33,444,993	1,303,017	(5,894,732)	25,116,298	27,550,261
Transfers	(6,772,408)	(4,874,954)	6,772,408	4,874,954	-	-
Increase (decrease) in net position	17,040,873	28,570,039	8,075,425	(1,019,778)	25,116,298	27,550,261
Net position - beginning	254,572,584	226,002,545	443,784,270	444,804,048	698,356,854	670,806,593
Change in Accounting Principle-GASB 87	(2,265)	-	107,195	-	104,930	-
Prior Period Adjustment-Depreciation	-	-	917,344	-	917,344	-
Net position - beginning as restated	254,570,319	226,002,545	444,808,809	444,804,048	699,379,128	670,806,593
Net position - ending	\$ 271,611,192	\$ 254,572,584	\$ 452,884,234	\$ 443,784,270	\$ 724,495,426	\$ 698,356,854

Governmental Activities

- The mill levy was decreased by .88 mills in 2022 but the property tax revenue did increase \$504,870 or 2.35%. This is a result of a growing tax base.
- Local sales tax revenue grew \$1,733,946 or 9%.
- State aid which is based on sales tax in the State of North Dakota increased \$606,024 or 17.4% which reflects the growing state economy.
- Operating grants and contributions decreased \$.97 million or 10%. In 2021 the last of the CARES grants in response to the pandemic were received which resulted in a decrease in operating grants in 2022.
- Capital grants and contributions increased by \$1.8 million or 7.2% reflecting an increase in special assessments and federally funded road projects in 2022.
- Hotel/Motel taxes increased \$339,253 or 44% as tourism continued to rebound.
- The miscellaneous revenue decreased by \$1,975,626. This is largely due to an unrealized loss on investments.

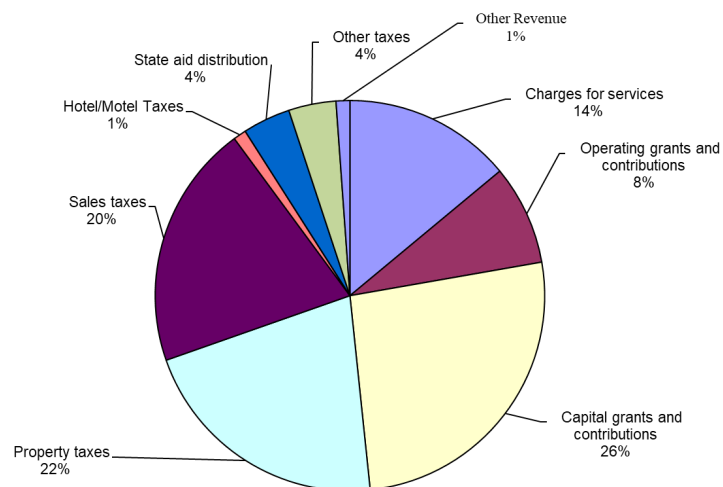
Below are specific graphs which provide comparisons of governmental revenues and expenses:

Expenses and Program Revenues – Governmental Activities



Total governmental expenses increased by \$14.3 million, or 22.8%, due to inflationary pressures increases in pension and OPEB expenses and snow removal and maintenance costs due to a cold and snowy winter.

Revenues by Sources – Governmental Activities



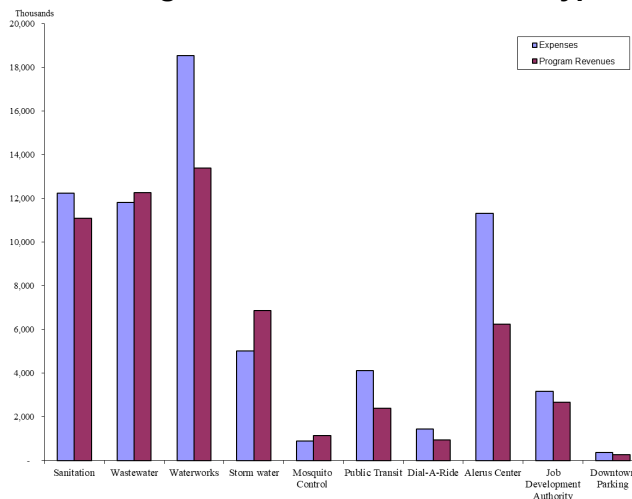
Business-type Activities. Business-type activities increased the City's net position by \$8.1 million.

Key elements of this change are as follows:

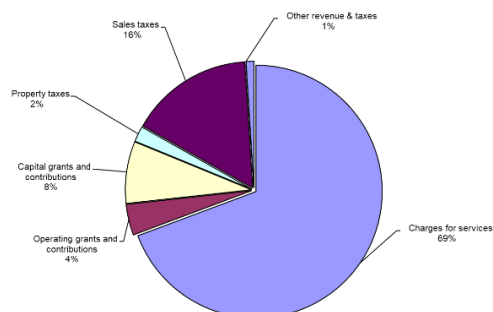
- During 2022, as part of the existing agreement with the Job Development Authority, a purchase option was exercised on the facility at 401 Demers Ave which was sold for \$5,701,337. This sale resulted in a gain of \$1,508,034.
- Capital contributions made by developers for underground utilities and capitalized special assessment projects assessed to benefiting properties amounted to \$4.8 million.
- Charges for services of \$48.9 million increased \$2.8 million mainly due to a variety of large concerts at the Alerus Center in 2022.
- State and federal operating grant revenue contributed \$2.7 million to our public transit and dial-a-ride programs; this includes COVID-19 related grants.
- Sales tax increased 9.3% over 2021 for a total of \$10.9 million.
- Expenses decreased \$1.8 million in 2022, as higher pension expenses in 2021 offset inflationary increases in these funds.

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 \$85,167,120, an increase of \$4,903,382 in comparison with the prior year. Approximately 17.4% of this total amount, \$14,830,642, constitutes unassigned fund balance, which is available for spending at the government's discretion. \$2,333,409 or 2.7% 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 75 of the notes to these financial statements. The remainder of the fund balance is not available for new spending because it has already been committed, restricted or is nonspendable. The committed fund balance is \$6,550,523 or 7.7% of the total and has been committed by the City Council for certain purposes detailed in the table on page 75 of the notes to these financial statements. \$30,175 is nonspendable consisting of prepaid items. The remaining 72% or \$61,422,371 is restricted for various purposes including \$14,539,280 for debt service and \$46,883,091 for specific grants, tax related or bonded items or a variety of other purposes which are also detailed in the table on page 75 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 \$14,830,642 with a total fund balance of \$20,116,087.

As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to total general fund expenditures. Unassigned fund balance represents thirty five percent (35%) of the total general fund expenditures, while total fund balance represents forty seven percent (47%) of that same amount. The fund balance policy goal of 18% has been achieved for this fiscal year.

The fund balance of the City of Grand Forks' general fund increased by \$4,024,064 during the current fiscal year, which was largely due to increases in sales tax, building permits, state aid and franchise fees. There were many large building projects started in 2022 including the new Altru hospital which alone resulted in a building permit fee of \$751,271. Overall general fund revenue increased \$3,568,464, or 8.6% over the prior year. Expenditures were up \$473,711 or 1.1% over 2021.

The special assessment debt service fund has a fund balance of \$14,218,910 all of which is restricted for debt service. This is a decrease of \$1,346,610 from 2021. This is largely due to an unrealized loss on investments which outpaced interest earned on investments and the closing of various bond funds in which the bonds have been paid off.

The current year projects capital project fund has a fund balance of \$4,006,769. This balance is restricted for various infrastructure projects that are being funded by refunding improvement bonds that will be paid through special assessments. This is a decrease of \$1,135,787 which is the result of spending down/accruing expenditures on projects for which transfers from other funds for the City's share of large projects were transferred in prior to 2022.

The street and infrastructure capital project fund has a fund balance of \$6,844,267. 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 \$2,665,478 due to the planned spend down of cash on the city share of road projects.

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

Unrestricted net position of the proprietary funds at the end of the year amounted to \$12,277,114. Some of the proprietary funds reported decreases in net position including the Sanitation, Water, Public Transit, Dial a Ride and Downtown Parking Funds which had negative changes in net position of \$1,238,413, \$2,893,524, \$565,568, \$265,720 and \$21,370 respectively.

The Sanitation Fund decrease is due to a loss on the sale of old baling equipment, higher maintenance expenses and an adjustment for landfill closure liability. The Water Fund reflects a large increase in utility, maintenance and chemical expenses as well as a large unrealized loss on investments which outpaced interest earned on investments. Public Transit Fund saw an increase in wages and fuel as the demand for drivers rose and fuel costs increased. The Dial a Ride fund had an increase in wages and fuel expenses due to inflation. The Parking Fund also saw a small decrease due to an increase in utility expenses and an increase in contractual services as we transitioned to a management company.

General Fund Budgetary Highlights

During the year there was an increase of \$1,878,461 in appropriations between the original and final amended budget. Following are the main components of the increase:

- A net decrease of \$50,443 in appropriation in general government which was mostly due to wage slippage as vacant positions were unfilled for periods of time.
- An increase of \$137,160 appropriation in health and welfare mainly for various wages and benefits due to COVID-19 testing and vaccination clinics.
- An increase of \$928,345 appropriation in public safety overtime, fuel and maintenance of vehicles and equipment costs.
- An increase of \$380,230 appropriation in streets for the fuel and maintenance costs due to rising prices and more snow removal, sand and ice control.
- An increase of \$483,169 in appropriation for capital outlay for the purchase of furniture and fixtures for the remodeling of various departments in city hall.

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

Noted variances between final budget and actual are as follows:

Revenues in total were 109% of the final budget. And overall general fund expenditures were incurred at 97.2% of final budget.

Capital Assets and Debt Administration

Capital Assets. The City of Grand Forks' investment in capital assets and right to use assets for its governmental and business type activities as of December 31, 2022, amounts to \$779,720,370 (net of accumulated depreciation and amortization). This investment in capital assets includes land, buildings, improvements other than buildings, machinery and equipment, work in progress, infrastructure and the right to use leased equipment. The investment in capital assets in governmental funds increased by 4% and business type activities increased by 1%, resulting in a total increase in the City's investment in capital assets for the current fiscal year compared to fiscal year 2021 of 2%.

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

- The sale of the Corporate Center 1 building.
- The expansion/improvement of the wastewater treatment facility.
- 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.
- Sale of various baling facility equipment.
- The leasing of equipment by the City's street and sanitation departments.
- A variety of infrastructure projects including paving, street lighting and traffic signals were also completed in 2022.

CAPITAL ASSETS & RIGHT TO USE ASSETS

(net of depreciation and amortization)

	Governmental Activities		Business-type Activities		Total	
	2022	2021	2022	2021	2022	2021
		as restated		as restated		as restated
Land	\$ 38,865,191	\$ 38,689,311	\$ 14,324,373	\$ 13,885,537	\$ 53,189,564	\$ 52,574,848
Building & structures	20,629,909	24,353,999	298,911,563	303,759,931	319,541,472	328,113,930
Improvement other than buildings	47,757,748	48,651,008	183,544,611	177,969,512	231,302,359	226,620,520
Machinery and equipment	8,900,098	7,875,353	14,841,078	17,504,464	23,741,176	25,379,817
Infrastructure	130,636,532	120,498,688	-	-	130,636,532	120,498,688
Construction in progress	2,719,453	2,305,577	7,782,298	1,240,445	10,501,751	3,546,022
Right to use asset	2,937,234	677,974	1,336,789	1,404,846	4,274,023	2,082,820
Total	\$ 252,446,165	\$ 243,051,910	\$ 520,740,712	\$ 515,764,735	\$ 773,186,877	\$ 758,816,645
Internal Service Fund Capital Assets						
net of accumulated depreciation	\$ 6,533,493	\$ 6,037,295	\$ -	\$ -	\$ 6,533,493	\$ 6,037,295
	\$ 258,979,658	\$ 249,089,205	\$ 520,740,712	\$ 515,764,735	\$ 779,720,370	\$ 764,853,940

Additional information on the City of Grand Forks' capital assets can be found in note III.C on pages 58-60 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 \$227,662,330. Of this amount, \$1,284,443 comprises debt backed by the full faith and credit of the City and \$98,361,074 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 \$128,016,813 of this debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term liabilities total \$92,910,686 which will be funded through a variety of revenue sources.

\$11,419,237 is due to the single employer pension plan and \$64,436,780 of this amount is due to cost sharing pension and OPEB plans.

OUTSTANDING DEBT AND OTHER NON-CURRENT LIABILITIES

	Governmental Activities	Business-Type Activities	Total 12/31/2022	Total 12/31/2021 as restated
General Obligation Bonds	\$ 1,190,000		\$ 1,190,000	\$ 1,745,000
Unamortized Premium	94,443		94,443	122,600
Special Assessment with GO commitment	93,146,978		93,146,978	88,256,124
Unamortized Premium	5,215,731		5,215,731	5,028,584
Unamortized Discount	(1,635)		(1,635)	(21,814)
Sales Tax Revenue	-	\$ 23,680,000	23,680,000	26,455,000
Unamortized Premium	-	3,163,694	3,163,694	3,618,357
Revenue Bonds		27,456,250	27,456,250	25,075,205
Unamortized Premium		980,817	980,817	741,848
Unamortized Discount		(13,948)	(13,948)	(15,391)
NDBB-SRF Loans		72,750,000	72,750,000	73,615,000
Total Bonded & SRF Loan Debt	99,645,517	128,016,813	227,662,330	224,620,513
Landfill Closure/Postclosure		5,919,527	5,919,527	5,179,122
Lease liability	2,741,495	1,297,171	4,038,666	2,082,820
Financed Purchases	-	-	-	273,742
Compensated Absences	5,644,175	1,452,301	7,096,476	7,172,590
Net Pension Liability Single Employer Plan	8,806,513	2,612,724	11,419,237	21,926,096
Net Pension Liability Cost Sharing Plan	26,271,415	22,128,391	48,399,806	16,930,569
Net Pension Liability Cost Sharing Plan-Public Safety	13,134,044	-	13,134,044	2,705,608
Net OPEB Liability Cost Sharing Plan	1,575,711	1,327,219	2,902,930	1,279,391
Total Debt Outstanding	\$ 157,818,870	\$ 162,754,146	\$ 320,573,016	\$ 282,170,451
Internal Service Fund Long-term				
Compensated Absences	\$ 72,443	\$ -	\$ 72,443	\$ 62,276
Total Debt and Other Long-Term Liabilities Outstanding	\$ 157,891,313	\$ 162,754,146	\$ 320,645,459	\$ 282,232,727

The City's total debt increased by \$38.7 million during the current fiscal year, a large part of this increase was due to a \$33 million increase in the net pension and OPEB liability.

During the current year the City issued \$9,460,000 in Refunding Improvement Bonds, Series 2022A, to finance various improvement projects in the city limits; \$3,635,000 of Sanitation Reserve Revenue Bonds, Series 2022B to finance the construction of Cell C at the City's landfill.

The City also issued \$1.778 million of Water Reserve Revenue Bonds, Series 2022C to finance watermain expansion projects in a newly annexed area through the North Dakota State Department of Health, approved by the North Dakota Public Finance Authority to utilize their low interest bond program (State Revolving Loan Fund) that offers a 2% interest rate and term of 30 years. These funds are drawn down as needed and as of 12/31/22 no funds have been drawn.

The City drew down the final \$1,320,000 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 2022.

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:

2022A Refunding Improvement Bonds	4.30%	Aa2
2021B Refunding Improvement Refunding Bonds	3.59%	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 \$127,986,798, which is significantly in excess of the City's outstanding net general obligation debt of \$1,284,443 (Table 15A, page 207).

Additional information on the City of Grand Forks' long-term debt can be found on pages 70-74 of this report.

Economic Factors and Next Year's Budget and Rates

The State's economy continues to be strong. This was reflected in a 17% increase in state aid which reflects increases in taxable sales and purchases in 2022 as compared to 2021.

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 continues to grow with a 9.3% increase in 2022 over 2021. 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.

There are many exciting projects being constructed or on the horizon, the Beacon, Memorial Village and Lyon's Auto Redevelopment are under construction and will result in nearly \$100 million investment in the community. Memorial Village 2 is already in the planning stages. And a large development is underway in the south part of town called Grand Valley. It will consist of residential, multi-family and commercial development.

The Olive Ann Boutique Hotel is under construction adjacent to the Edgewood Corporate Center with a completion date in 2023 and will provide a full-service hotel in downtown Grand Forks with approximately 70 rooms and at a capital investment of approximately \$30 million.

Epitome Energy announced plans to build a \$418 million full-service soybean crushing plant on the northwest edge of the City to serve farmers and agribusiness throughout Eastern North Dakota and Northwestern Minnesota. The plant will process up to 42 million bushels of soybeans per year from area farmers into high quality soybean oil, soybean meal and soybean hulls.

The City has experienced a growth in valuation due to new construction and revaluation. The total taxable value of property increased 4.52%, 1.74% from growth and 2.78% from revaluation. In 2023 the value of a mill is expected to increase from \$243,634 to \$254,645 per mill. The mill levy for the City of Grand Forks' 2023 budget remained steady at 97.02 mills for 2023. Property taxes generated by new construction increases are estimated to

be 1.74% or \$411,277. The mills for property taxes in the general fund budget for 2023 remained the same as those in the 2022 budget. This resulted in an increase in revenue for the general fund due to the change in the 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 2023, which includes operating, capital and debt service expenditures, is \$226.6 million compared to \$216.7 million in 2022, an increase of 4%. This is primarily due to increases in estimates of capital projects as inflation pressures have driven up the costs of materials and labor.

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

Capital projects decreased from \$76.3 million in the 2022 budget to \$71.5 million in 2023. The 2023 budget of \$71.5 million in capital improvement projects include \$9.8 million in utility infrastructure projects, \$15.9 million of facilities and buildings, \$39.6 million in streets and bikepath projects and \$6.2 million of equipment replacement. Some of the larger projects planned for 2023 are the rehabilitation of the CAT (Public Transit) Facility, re-roofing of the Alerus Center, reconstruction of North Washington Street including the underpass, further improvements at the wastewater treatment plant, as well as various other street reconstruction projects, new infrastructure in growing areas of town, and a variety of utility infrastructure projects.

The recommended rate increases for the 2023 budget for utility service charges are no rate increase for mosquito, a 2% increase for water, a 3% increase for wastewater, a 4% increase for sanitation, 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 3.1 percent in 2021 to 1.8 percent in 2022, which is much lower than the national average of 3.6 percent.

There was a total of 124 housing units and 49 new commercial and public buildings constructed in 2022.

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, 2022

	Primary Government			Component Unit
	Governmental	Business-type	Total	GF Regional
	Activities	Activities		Airport Authority
ASSETS				
Cash and cash equivalents	\$ 42,037,507	\$ 22,560,118	\$ 64,597,625	\$ 14,734,150
Investments	51,505,098	2,127,608	53,632,706	94,578
Receivables				
Accounts	2,071,859	6,961,333	9,033,192	495,628
Property taxes	420,583	25,948	446,531	213,366
Special assessments	300,111	197,997	498,108	
Uncertified special assessments	72,482,523		72,482,523	
Sales tax	1,786,138	937,105	2,723,243	
Hotel/Motel Tax	98,740		98,740	
Interest receivable		4,951	4,951	8,938
Leases receivable	179,529	4,143,847	4,323,376	3,320,170
Notes receivable	3,114,081	5,920,540	9,034,621	
Due from other governments	1,696,757	1,809,676	3,506,433	7,150,738
Internal balances	(1,937,194)	1,937,194	-	
Inventories	143,990	658,560	802,550	43,399
Prepays	37,387	432,757	470,144	18,240
Assets Held for Resale	-	1,177,512	1,177,512	
Restricted assets:				
Cash and cash equivalents		45,356,871	45,356,871	489,887
Investments		7,872,392	7,872,392	
Capital assets (net of accumulated depreciation and amortization):				
Land	39,145,251	14,324,373	53,469,624	2,775,606
Buildings and structures	23,992,963	298,911,563	322,904,526	15,432,765
Improvements other than buildings	49,887,723	183,544,611	233,432,334	14,491,045
Machinery and Equipment	9,660,502	14,841,078	24,501,580	3,903,511
Infrastructure	130,636,532		130,636,532	
Construction-in-progress	2,719,453	7,782,298	10,501,751	18,982,980
Right to use equipment	2,937,234	1,336,789	4,274,023	-
Total assets	432,916,767	622,865,121	1,055,781,888	82,155,001
DEFERRED OUTFLOWS OF RESOURCES				
Deferred charges on refunding	192,392	1,070,846	1,263,238	
Deferred Pension Single Employer Plan	2,558,018	758,914	3,316,932	
Deferred Pension NDPERS	18,148,770	15,286,694	33,435,464	
Deferred Pension NDPERS-Public Safety	18,916,605		18,916,605	
Deferred OPEB NDPERS	816,326	687,591	1,503,917	
Total deferred outflows of resources	40,632,111	17,804,045	58,436,156	-
LIABILITIES				
Accounts payable	2,883,071	1,966,431	4,849,502	259,465
Contracts payable	2,118,468	2,258,836	4,377,304	5,012,315
Customer deposit payable	120,678	223,817	344,495	
Accrued interest payable	284,013	638,018	922,031	
Accrued interest payable-leases	23,832	18,284	42,116	
Unearned revenue	9,387,023	1,361,531	10,748,554	587,920
Noncurrent liabilities:				
Due within one year	6,695,347	6,841,431	13,536,778	
Due in more than one year	151,195,966	155,912,715	307,108,681	
Total liabilities	172,708,398	169,221,063	341,929,461	5,859,700
DEFERRED INFLOWS OF RESOURCES				
Deferred Inflows Leases	176,816	4,236,004	4,412,820	3,282,872
Deferred Pension Single Employer Plan	6,848,000	2,031,669	8,879,669	
Deferred Pension NDPERS-Main	14,567,485	12,270,181	26,837,666	
Deferred Pension NDPERS-Public Safety	7,606,104		7,606,104	
Deferred OPEB NDPERS	30,883	26,015	56,898	
Total deferred inflows of resources	29,229,288	18,563,869	47,793,157	3,282,872
NET POSITION				
Net investment in capital assets and right to use assets	154,281,786	390,238,738	544,520,524	50,573,592
Restricted for:				
Debt Service	84,229,887	32,951,325	117,181,212	-
Infrastructure and Capital Projects	29,262,325	16,977,612	46,239,937	-
Library	3,052,407		3,052,407	
Economic Development	9,776,038		9,776,038	
Community Development	3,935,384		3,935,384	
Emergency	2,385,691		2,385,691	
Public Buildings	111,307		111,307	
Other purposes	1,297,280		1,297,280	
Unrestricted	(16,720,913)	12,716,559	(4,004,354)	22,438,837
Total net position	\$ 271,611,192	\$ 452,884,234	\$ 724,495,426	\$ 73,012,429

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, 2022**

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	\$ 16,174,877	\$ 10,478,357	\$ 689,777	\$ 2,776,739	\$ (2,230,004)		\$ (2,230,004)	
Highways and Streets	14,606,269	2,367	2,774,834	2,500,000	(9,329,068)		(9,329,068)	
Public safety	25,095,169	2,820,490	915,444	1,182,629	(20,176,606)		(20,176,606)	
Health and welfare	5,604,695	1,097,316	3,338,573		(1,168,806)		(1,168,806)	
Culture and recreation	2,723,007	20,349	799,182		(1,903,476)		(1,903,476)	
Public Works	9,189,027			20,439,805	11,250,778		11,250,778	
Interest on long-term debt	3,534,192				(3,534,192)		(3,534,192)	
Total governmental activities	76,927,236	14,418,879	8,517,810	26,899,173	(27,091,374)		(27,091,374)	
Business-type activities:								
Sanitation	12,244,877	11,080,917	554			\$ (1,163,406)	(1,163,406)	
Wastewater	11,808,066	11,579,177	57,166	621,633		449,910	449,910	
Water	18,544,989	12,915,729		477,374		(5,151,886)	(5,151,886)	
Stormwater	5,014,509	3,127,975	150,040	3,577,389		1,840,895	1,840,895	
Mosquito Control	889,443	1,134,247				244,804	244,804	
Public Transit	4,116,234	993,942	1,388,866			(1,733,426)	(1,733,426)	
Dial-A-Ride	1,428,246	216,713	711,218			(500,315)	(500,315)	
Alerus Center	11,319,383	6,125,905		119,681		(5,073,797)	(5,073,797)	
Job Development Authority	3,154,268	1,474,982	433,500	756,026		(489,760)	(489,760)	
Downtown Parking	372,556	258,275				(114,281)	(114,281)	
Total business-type activities	68,892,571	48,907,862	2,741,344	5,552,103	-	(11,691,262)	(11,691,262)	
Total primary government	\$ 145,819,807	\$ 63,326,741	\$ 11,259,154	\$ 32,451,276	\$ (27,091,374)	\$ (11,691,262)	\$ (38,782,636)	
Component units:								
Regional Airport Authority	\$ 10,354,950	\$ 4,186,597		\$ 20,092,352				\$ 13,923,999
Total component units	\$ 10,354,950	\$ 4,186,597	\$ -	\$ 20,092,352				\$ 13,923,999
General revenues:								
Property taxes levied for general purpose					\$ 21,959,020	\$ 1,294,410	\$ 23,253,430	\$ 1,462,577
Property taxes levied for debt service					1,534		1,534	
Sales taxes					20,873,662	10,927,087	31,800,749	
Hotel/Motel Tax					1,106,309		1,106,309	
Unrestricted state aid distribution					4,085,627		4,085,627	
Franchise taxes					3,363,146		3,363,146	
Other taxes					695,163	34,033	729,196	
Unrestricted investment earnings or (loss)					(1,534,236)	(999,752)	(2,533,988)	211,157
Interest earnings-leases					2,268	52,483	54,751	
Gain on sale of capital assets					5,661	1,686,018	1,691,679	114,006
Miscellaneous					346,501		346,501	51,855
Transfers					(6,772,408)	6,772,408		
Total general revenue and transfers					44,132,247	19,766,687	63,898,934	1,839,595
Change in net position					17,040,873	8,075,425	25,116,298	15,763,594
Net position - beginning					254,572,584	443,784,270	698,356,854	57,248,835
Prior Period Adjustment-Depreciation						917,344	917,344	
Change in Accounting Principle-GASB 87			(see note VI K)		(2,265)	107,195	104,930	
Total Net Position-Beginning as Restated					254,570,319	444,808,809	699,379,128	57,248,835
Net position - ending					\$ 271,611,192	\$ 452,884,234	\$ 724,495,426	\$ 73,012,429

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, 2022
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021

	General Fund	Debt Service Special Assessment Bonds	Capital Project Current Year Projects	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	2022 Total Governmental Funds	2021 Total Governmental Funds
ASSETS							
Cash and cash equivalents	\$ 8,695,314	\$ 2,218,908	\$ 5,741,667	\$ 6,497,963	\$ 17,835,879	\$ 40,989,731	\$ 42,121,156
Investments	10,505,098	12,000,000	-	-	29,000,000	51,505,098	41,737,169
Receivables, net:							
Accounts	1,781,819			20,312	269,585	2,071,716	1,371,118
Special assessments (including liens)	1,988	239,217			58,906	300,111	377,322
Special assessments-uncertified	571,989	68,201,662			3,708,872	72,482,523	62,734,803
Property taxes	321,332				99,251	420,583	419,891
Sales tax	564,366			328,757	893,015	1,786,138	1,476,943
Hotel/Motel Tax					98,740	98,740	65,643
Leases	179,529				-	179,529	-
Notes					3,114,081	3,114,081	3,305,659
Intergovernmental	485,780			283,786	927,191	1,696,757	2,436,120
Prepaid Items	4,309				25,866	30,175	34,374
Due from other funds	40,000				-	40,000	510,000
Advances to other funds	-					-	16,401
Total assets	<u>\$ 23,151,524</u>	<u>\$ 82,659,787</u>	<u>\$ 5,741,667</u>	<u>\$ 7,130,818</u>	<u>\$ 56,031,386</u>	<u>\$ 174,715,182</u>	<u>\$ 156,606,599</u>
LIABILITIES							
Accounts payable	\$ 1,720,272	\$ -	\$ -	\$ -	\$ 1,131,400	\$ 2,851,672	\$ 2,332,930
Contracts payable			1,734,898	286,551	97,019	2,118,468	1,514,383
Surety deposits	120,678					120,678	117,178
Due to other funds					1,525,466	1,525,466	510,000
Advance from other funds					12,283	12,283	60,928
Unearned income					9,387,023	9,387,023	8,117,016
Total liabilities	<u>1,840,950</u>	<u>-</u>	<u>1,734,898</u>	<u>286,551</u>	<u>12,153,191</u>	<u>16,015,590</u>	<u>12,652,435</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable revenue-leases	176,816				-	176,816	-
Unavailable revenue-property taxes	443,695				129,330	573,025	578,301
Unavailable revenue-special assessments	573,976	68,440,877			3,767,778	72,782,631	63,112,125
Total deferred inflows of resources	<u>1,194,487</u>	<u>68,440,877</u>	<u>-</u>	<u>-</u>	<u>3,897,108</u>	<u>73,532,472</u>	<u>63,690,426</u>
FUND BALANCES							
Non-spendable	4,309				25,866	30,175	50,775
Restricted		14,218,910	4,006,769	6,844,267	36,352,425	61,422,371	59,064,738
Committed	2,947,727				3,602,796	6,550,523	7,089,697
Assigned	2,333,409					2,333,409	2,649,918
Unassigned	14,830,642					14,830,642	11,408,610
TOTAL FUND BALANCE	<u>20,116,087</u>	<u>14,218,910</u>	<u>4,006,769</u>	<u>6,844,267</u>	<u>39,981,087</u>	<u>85,167,120</u>	<u>80,263,738</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 23,151,524</u>	<u>\$ 82,659,787</u>	<u>\$ 5,741,667</u>	<u>\$ 7,130,818</u>	<u>\$ 56,031,386</u>	<u>\$ 174,715,182</u>	<u>\$ 156,606,599</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, 2022

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

Total Fund Balance - Governmental Funds	\$	85,167,120
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Capital assets and right to use assets are used in governmental activities are not financial resources and therefore not reported in the fund financial statements:

Land	\$	38,865,191	
Buildings net of depreciation		20,629,909	
Improvement other than Buildings net of depreciation		47,757,748	
Machinery & equipment net of depreciation		8,900,098	
Infrastructure net of depreciation		130,636,532	
Construction in progress		2,719,453	
Right to use equipment net of amortization		2,937,234	
		252,446,165	252,446,165

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

Bonds Payable	\$	94,336,978	
Deferred Amount on Refunding		(192,392)	
Lease liability		2,741,495	
Compensated Absences		5,644,175	
Net Pension Liability - Single Employer Plan		8,806,513	
Net Pension Liability - Main Cost Sharing Plan		26,271,415	
Net Pension Liability - Public Safety Cost Sharing Plan		13,134,044	
Net OPEB Liability - Cost Sharing Plan		1,575,711	
Accrued Interest Payable-leases		23,832	
Accrued Interest Payable		284,013	
		152,625,784	(152,625,784)

Unamortized Discount/Premium		(5,308,539)
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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	2,558,018
Deferred Outflows of Resources - NDPERS Pension	18,148,770
Deferred Outflows of Resources - NDPERS Pension-Public Safety	18,916,605
Deferred Outflows of Resources - NDPERS OPEB	816,326
Deferred Inflows of Resources - Single Employer Plan	(6,848,000)
Deferred Inflows of Resources - NDPERS Pension	(14,567,485)
Deferred Inflows of Resources - NDPERS Pension-Public Safety	(7,606,104)
Deferred Inflows of Resources - NDPERS OPEB	(30,883)

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.

73,355,656

Assets or liabilities of internal service funds that primarily serve governmental funds:

7,189,327

Net Position of Governmental Activities

\$ 271,611,192

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

FOR THE YEAR ENDED DECEMBER 31, 2022
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2021

	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 2022	Total Governmental Funds 2021
REVENUES							
Taxes:							
Property	\$ 18,024,204				\$ 3,936,350	\$ 21,960,554	\$ 21,455,683
Sales	6,595,199			\$ 3,841,864	10,436,599	20,873,662	19,139,716
Hotel/Motel Tax					1,106,309	1,106,309	767,056
Licenses and permits	3,061,233					3,061,233	2,177,109
Intergovernmental	5,446,102			2,774,834	13,113,735	21,334,671	15,036,141
Charges for services	7,850,367			1,323	2,481,922	10,333,612	9,428,626
Special assessments		\$ 8,255,904		-	1,027,924	9,283,828	9,537,941
Fines and forfeits	901,315				46,437	947,752	809,702
Lease revenues	13,645				-	13,645	-
Investment earnings (loss)	(360,781)	(341,442)	\$ (186,853)	(185,688)	(443,025)	(1,517,789)	(165,160)
Miscellaneous	3,564,012	-		-	115,406	3,679,418	3,180,037
Total revenues	45,095,296	7,914,462	(186,853)	6,432,333	31,821,657	91,076,895	81,366,851
EXPENDITURES							
Current:							
General government	9,954,754				4,872,347	14,827,101	15,570,702
Health & welfare	2,228,312				3,375,967	5,604,279	5,710,601
Public safety	22,353,262				3,604,254	25,957,516	24,941,961
Highway & streets	7,576,628	-		900,818		8,477,446	7,734,331
Culture and recreation					2,714,345	2,714,345	2,461,769
Debt service:							
Principal		4,569,146			1,222,056	5,791,202	7,519,705
Interest and fiscal charges		3,082,087			70,089	3,152,176	3,155,410
Bond issuance costs		103,579				103,579	193,237
Contractual services		20,030				20,030	3,829
Capital outlay:							
General government	176,181				2,383,720	2,559,901	1,512,631
Health & welfare	40,319				1,094	41,413	103,203
Culture and recreation					309,138	309,138	207,983
Public safety	19,035				3,067,283	3,086,318	1,804,087
Public works	241,973		15,853,061	4,751,667	2,332,913	23,179,614	17,845,752
Total expenditures	42,590,464	7,774,842	15,853,061	5,652,485	23,953,206	95,824,058	88,765,201
Excess (deficiency) of revenues over (under) expenditures	2,504,832	139,620	(16,039,914)	779,848	7,868,451	(4,747,163)	(7,398,350)
OTHER FINANCING SOURCES (USES)							
Transfers in	3,110,313	465,220	5,385,572	3,607,539	11,333,675	23,902,319	25,038,956
Transfers out	(1,606,393)	(1,951,450)	(423,819)	(7,052,865)	(15,677,326)	(26,711,853)	(29,059,684)
Issuance of bonds			9,460,000		-	9,460,000	7,500,000
Issuance of leases					2,468,330	2,468,330	472,660
Issuance of refunding bonds		-				-	1,550,000
Redemption of refunded bonds		-				-	(2,485,000)
Bond (discount) premium		-	482,374			482,374	1,070,447
Sale of capital assets	15,312				34,063	49,375	4,730
Total other financing sources and uses	1,519,232	(1,486,230)	14,904,127	(3,445,326)	(1,841,258)	9,650,545	4,092,109
Net change in fund balances	4,024,064	(1,346,610)	(1,135,787)	(2,665,478)	6,027,193	4,903,382	(3,306,241)
Fund balances - beginning	16,092,023	15,565,520	5,142,556	9,509,745	33,953,894	80,263,738	83,569,979
Fund balances - ending	\$ 20,116,087	\$ 14,218,910	\$ 4,006,769	\$ 6,844,267	\$ 39,981,087	\$ 85,167,120	\$ 80,263,738

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, 2022

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

Net change in fund balances - total governmental funds	\$	4,903,382
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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	\$ 23,228,772	
Depreciation expense - current year	(9,472,149)	
Amortization expense - current year	<u>(209,071)</u>	
	13,547,552	13,547,552

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	(49,375)
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Net book value of assets disposed	11,379
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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	(4,115,303)
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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	\$ (9,460,000)	
Lease	(2,468,330)	
Bonds discount and premium	(482,374)	
Repayments:		
Bond principal + Finance Purchases	5,386,392	
Amortization of lease liability	404,810	
Bond deferred charges amortization	(39,131)	
Bonds discount and premium amortization	<u>303,206</u>	
Net adjustment	(6,355,427)	(6,355,427)

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	(23,822)
Change in compensated absences	157,204
Change in net pension obligation	(19,407,048)
Change in net OPEB obligation	(881,257)

Changes in Deferred outflows and inflows of resources related to the net pension and OPEB liabilities	
Change in Deferred Outflow of Resources	10,693,404
Change in Deferred Inflow of Resources	9,228,184

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, 2022	\$ 73,355,656	
Unavailable revenue December 31, 2021	<u>(63,690,426)</u>	
Net change	9,665,230	9,665,230

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.	(333,230)
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Change in net position of governmental activities (Exhibit 2)	\$	<u>17,040,873</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, 2022

With Comparative Actual Totals for Year Ended December 31, 2021

	Original Budget	Final Budget As Amended	2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
REVENUES					
Taxes:					
Property	\$ 18,491,707	\$ 18,491,707	\$ 18,024,204	\$ (467,503)	\$ 17,473,906
Sales	5,326,694	5,326,694	6,595,199	1,268,505	6,047,361
Licenses and permits	1,894,420	1,894,420	3,061,233	1,166,813	2,177,109
Intergovernmental	4,358,235	4,461,424	5,446,102	984,678	4,978,995
Charges for services	7,479,567	7,508,021	7,850,367	342,346	7,172,794
Fines and forfeits	690,000	738,000	901,315	163,315	786,754
Lease revenue			13,645	13,645	
Interest	123,641	123,641	(360,781)	(484,422)	(34,169)
Miscellaneous	2,637,860	2,726,322	3,564,012	837,690	2,924,082
Total Revenues	41,002,124	41,270,229	45,095,296	3,825,067	41,526,832
EXPENDITURES					
Current:					
General Government:					
Assessor	791,684	799,257	788,519	10,738	791,424
Attorney	319,350	319,829	260,178	59,651	316,586
Finance and Administrative Services	1,566,494	1,582,606	1,560,428	22,178	1,582,221
Planning & Zoning	366,302	408,092	389,251	18,841	360,646
City Hall	393,089	397,798	390,261	7,537	226,609
Information Services	1,163,461	1,194,073	1,183,864	10,209	1,149,034
Inspections	1,435,677	1,445,139	1,377,354	67,785	1,404,955
Mayor and Council/City Administrator	874,129	903,817	854,173	49,644	1,258,104
Miscellaneous	2,689,865	2,479,087	2,414,931	64,156	3,101,644
Human Resources	811,831	831,741	735,795	95,946	730,928
Total General Government	10,411,882	10,361,439	9,954,754	406,685	10,922,151
Health and Welfare:					
Health	2,167,149	2,304,309	2,228,312	75,997	2,149,220
Total Health and Welfare	2,167,149	2,304,309	2,228,312	75,997	2,149,220

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, 2022

With Comparative Actual Totals for Year Ended December 31, 2021

	Original Budget	Final Budget As Amended	2022 Actual Amounts	Variance with Final Budget	2021 Actual Amounts
Public Safety:					
Fire	\$ 8,899,640	\$ 9,122,346	\$ 8,947,840	\$ 174,506	\$ 8,704,402
Municipal Court	786,868	835,201	681,731	153,470	603,292
Police	12,079,715	12,734,983	12,571,251	163,732	12,061,570
Public Safety Training Center	67,155	69,193	58,827	10,366	55,878
Emergency Program Management	95,888	95,888	93,613	2,275	58,070
Total Public Safety	21,929,266	22,857,611	22,353,262	504,349	21,483,212
Highways and Streets:					
Engineering	2,869,225	2,805,822	2,681,665	124,157	2,498,004
Street	4,567,678	5,011,311	4,894,963	116,348	4,326,078
Total Highway and Streets	7,436,903	7,817,133	7,576,628	240,505	6,824,082
Capital Outlay	-	483,169	477,508	5,661	738,088
Total Expenditures	41,945,200	43,823,661	42,590,464	1,233,197	42,116,753
Excess (Deficiency) of Revenues Over Expenditures	(943,076)	(2,553,432)	2,504,832	5,058,264	(589,921)
OTHER FINANCING SOURCES (USES)					
Sale of capital assets	-	9,951	15,312	5,361	4,730
Transfers in	1,848,679	1,975,330	3,110,313	1,134,983	3,768,800
Transfers out	(1,637,985)	(1,812,481)	(1,606,393)	206,088	(4,834,254)
Total Other Financing Sources (Uses)	210,694	172,800	1,519,232	1,346,432	(1,060,724)
Net Change in Fund Balance	(732,382)	(2,380,632)	4,024,064	6,404,696	(1,650,645)
Fund Balances - Beginning	16,092,023	16,092,023	16,092,023		17,742,668
Fund Balances - Ending	\$ 15,359,641	\$ 13,711,391	\$ 20,116,087	\$ 6,404,696	\$ 16,092,023

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, 2022

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	\$ 2,262,636	\$ 3,442,335	\$ 380,509	\$ 1,218,499	\$ 556,925	\$ 12,696,316	\$ 2,002,898	\$ 22,560,118	\$ 1,047,776
Investments		1,127,608		1,000,000		-		2,127,608	
Restricted cash, cash equivalents, and investments:									
Customer deposits	55,541	247	4,132	162,481			1,416	223,817	
Construction account	1,981,027	2,657,716	1,510,006	9,046,063			354,142	15,548,954	
Operating and capital reserve fund					1,257,031			1,257,031	
Trust acct.-advance ticket sales/suite rev.					1,733,541			1,733,541	
Revenue bond current debt service acct.	249,114	561,572		1,062,625	24,687,817		32,400	26,593,528	
Receivables (net of allowances for uncoll.):									
Accounts	1,098,460	1,331,593	659,130	1,759,948	661,153	497,384	953,665	6,961,333	143
Notes receivable						618,298		618,298	
Taxes - property							25,948	25,948	
Taxes - sales					937,105			937,105	
Special assessments		12,853	64,783	3,439	116,922			197,997	
Leases receivable	19,572			485,614	554,698	3,083,963		4,143,847	
Accrued interest receivable-leases	11			670	1,386	2,884		4,951	
Due from other funds		1,485,466		850,000				2,335,466	
Advances to other funds				12,283				12,283	
Intergovernmental:									
Federal government			131,828			306,848	1,183,154	1,621,830	
State of North Dakota							187,846	187,846	
Inventories				331,497	185,354		141,710	658,561	143,989
Prepaid items	38,514	34,102	14,234	106,904	166,106	26,005	46,892	432,757	7,212
Total current assets	5,704,875	10,653,492	2,764,622	16,040,023	30,858,038	17,231,698	4,930,071	88,182,819	1,199,120
Noncurrent Assets:									
Restricted cash, cash equivalents, and investments:									
Revenue bond reserve account	1,180,269	1,660,657		3,269,275			87,000	6,197,201	
Reserved for Landfill Closure	1,675,191							1,675,191	
Total restricted cash, cash equivalents, and investments	2,855,460	1,660,657		3,269,275			87,000	7,872,392	
Receivables (net of allowances for uncoll.):									
Notes receivable						5,302,242		5,302,242	
Assets held for resale						1,177,512		1,177,512	
Total noncurrent receivables						6,479,754		6,479,754	
Capital Assets:									
Land	2,581,184	253,751	998,517	735,883	5,956,441	3,437,771	360,826	14,324,373	280,060
Buildings	10,098,642	83,861,892	5,854,936	194,713,227	95,185,101	18,914,708	9,697,099	418,325,605	8,210,716
Improvements other than buildings	27,041,810	119,820,546	78,215,256	83,275,202	1,545,731	1,374,906	3,867,175	315,140,626	2,394,540
Machinery and equipment	13,241,547	3,923,340	967,212	6,952,256	16,143,328	112,981	9,718,276	51,058,940	2,770,622
Construction in progress	71,709	4,124,489	2,616,026	278,763	290,194		401,117	7,782,298	
Intangible right to use asset	1,675,278							1,675,278	
Less accumulated depreciation	(23,758,543)	(94,636,492)	(25,929,070)	(72,131,921)	(52,395,248)	(7,834,125)	(10,542,520)	(287,227,919)	(7,122,444)
Less accumulated amortization of leases	(338,489)							(338,489)	
Total Capital Assets (net of accumulated depreciation and amortization)	30,613,138	117,347,526	62,722,877	213,823,410	66,725,547	16,006,241	13,501,973	520,740,712	6,533,494
Total Noncurrent Assets	33,468,598	119,008,183	62,722,877	217,092,685	66,725,547	22,485,995	13,588,973	535,092,858	6,533,494
Total Assets	39,173,473	129,661,675	65,487,499	233,132,708	97,583,585	39,717,693	18,519,044	623,275,677	7,732,614

Continued

CITY OF GRAND FORKS, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2022

	BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS								Governmental Activities- Internal Service Funds
	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non Major Enterprise Funds	Total Enterprise Funds	
DEFERRED OUTFLOWS OF RESOURCES									
Deferred charges on refunding					1,070,846			1,070,846	
Deferred Pension Single Employer Plan	255,736	145,613	25,209	252,750		663	78,943	758,914	
Deferred Pension NDPERS	3,544,159	2,410,697	829,199	3,062,688		1,153,524	4,286,427	15,286,694	
Deferred NDPERS OPEB	159,415	108,433	37,297	137,759		51,885	192,802	687,591	
Total deferred outflow of resources	3,959,310	2,664,743	891,705	3,453,197	1,070,846	1,206,072	4,558,172	17,804,045	
LIABILITIES									
Current Liabilities:									
Accounts payable	139,093	153,332	46,089	364,757	843,565	209,960	209,635	1,966,431	31,399
Due to other funds							850,000	850,000	
Compensated absences payable-current	14,945	3,001	21,814	5,972			16,861	62,593	
Contracts payable (Includes Retainage)	1,006,839	643,477	20,808	122,401	346,710	118,601	-	2,258,836	-
Customer deposits payable	55,541	247	4,132	162,481			1,416	223,817	
Advance ticket and suite revenue					1,361,531			1,361,531	
Accrued interest payable	103,106	154,975		331,450	46,087		2,400	638,018	
Accrued interest payable-leases	18,284							18,284	
Lease Liability-current	357,968							357,968	
Bonds payable-current	415,000	1,125,870		1,880,000	2,910,000		90,000	6,420,870	
Total Current Liabilities	2,110,776	2,080,902	92,843	2,867,061	5,507,893	328,561	1,170,312	14,158,348	31,399
Noncurrent Liabilities:									
Compensated absences payable	331,032	278,023	-	383,824		14,743	382,086	1,389,708	72,443
Revenue bonds payable	13,307,294	21,121,774		62,961,052	23,933,694		272,129	121,595,943	
Lease Liability	939,203							939,203	
Net Pension Liability Single Employer Plan	880,423	501,305	86,787	870,146		2,285	271,778	2,612,724	
Net Pension Liability NDPERS	5,130,379	3,489,626	1,200,315	4,433,422		1,669,794	6,204,855	22,128,391	
Net OPEB Liability NDPERS	307,710	209,301	71,993	265,908		100,151	372,156	1,327,219	
Landfill closure and postclosure care	5,919,527							5,919,527	
Total Noncurrent Liabilities	26,815,568	25,600,029	1,359,095	68,914,352	23,933,694	1,786,973	7,503,004	155,912,715	72,443
Total Liabilities	28,926,344	27,680,931	1,451,938	71,781,413	29,441,587	2,115,534	8,673,316	170,071,063	103,842
DEFERRED INFLOWS OF RESOURCES									
Deferred Inflows Leases	19,551			481,516	544,977	3,189,960		4,236,004	
Deferred Pension Single Employer Plan	684,623	389,817	67,486	676,631		1,776	211,336	2,031,669	
Deferred Pension NDPERS	2,844,792	1,934,996	665,574	2,458,330		925,900	3,440,590	12,270,182	
Deferred OPEB NDPERS	6,031	4,103	1,412	5,212		1,963	7,294	26,015	
Total deferred inflow of resources	3,554,997	2,328,916	734,472	3,621,689	544,977	4,119,599	3,659,220	18,563,870	
NET POSITION									
Net investment in capital assets	14,586,834	94,456,404	62,702,069	148,859,957	40,605,989	15,887,640	13,139,845	390,238,738	6,533,494
Net position-restricted									
Debt Service	1,307,993	2,067,254		4,000,450	25,458,628		117,000	32,951,325	
Capital	1,981,027	2,657,716	1,510,006	9,046,063	328,658	1,100,000	354,142	16,977,612	
Net position-unrestricted	(7,224,412)	3,135,197	(19,281)	(723,667)	2,274,592	17,700,992	(2,866,307)	12,277,114	1,095,278
Total Net Position	\$ 10,651,442	\$ 102,316,571	\$ 64,192,794	\$ 161,182,803	\$ 68,667,867	\$ 34,688,632	\$ 10,744,680	\$ 452,444,789	\$ 7,628,772
Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds								\$ 439,445	
Net position of business-type activities								\$ 452,884,234	

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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS							Governmental
	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds	Activities- Internal Service Funds
							Totals 2022	
Operating Revenues:								
Charges for sales and services:								
Utility fees	\$ 11,061,366	\$ 11,579,177	\$ 3,124,675	\$ 12,862,686			\$ 2,370,261	\$ 40,998,165
Rents - concessions and other					\$ 6,125,905	\$ 710,028		6,835,933
Lease revenue	19,551			24,323		734,000		777,874
Operating assessment							229,735	229,735
Miscellaneous			3,300	28,720		30,954	3,181	\$ 2,839,282
								8,519
Total Operating Revenues	11,080,917	11,579,177	3,127,975	12,915,729	6,125,905	1,474,982	2,603,177	48,907,862
								2,847,801
Operating Expenses:								
Salaries and wages	2,173,704	1,324,705	396,749	1,769,359	2,161,305	308,102	2,703,868	10,837,792
Supplies	72,125	556,887	26,227	2,522,879	239,201	29,750	294,636	3,741,705
Contractual services	2,320,034	1,564,299	767,002	2,000,543	157,947	182,154	439,825	7,431,804
Maintenance - structures and equipment	2,698,124	900,449	834,486	1,124,461	807,500	963,030	817,563	8,145,613
Concession and catering					1,659,519			1,659,519
Advertising and marketing					74,517			74,517
Sundry expenses	28,361	12,932	6,052	55,588	48,331	229,903	40,160	421,327
Utilities - heat and lights	248,263	1,161,221	237,013	1,431,884	611,147	303,362	154,322	4,147,212
Pension and social security	334,781	252,174	112,491	669,745		165,270	659,392	2,193,853
Management fee					310,281			310,281
Administrative and general	871,025	1,276,845	905,818	1,782,530	681,954	488,143	531,224	6,537,539
								200,928
Total Operating Expenses	8,746,417	7,049,512	3,285,838	11,356,989	6,751,702	2,669,714	5,640,990	45,501,162
								2,822,611
Net Income (Loss) from Operations before Depreciation and Amortization	2,334,500	4,529,665	(157,863)	1,558,740	(625,797)	(1,194,732)	(3,037,813)	3,406,700
Less - Depreciation	2,001,708	4,311,653	1,728,671	5,756,634	3,628,698	484,554	1,093,794	19,005,712
Less - Amortization of leases	338,489							338,489
Net Operating Income (Loss)	(5,697)	218,012	(1,886,534)	(4,197,894)	(4,254,495)	(1,679,286)	(4,131,607)	(15,937,501)
								(477,139)
Nonoperating Revenues (Expenses):								
Interest earnings (loss)	(75,750)	(86,788)	(9,063)	61,459	(611,498)	(262,125)	(15,988)	(999,753)
Interest earnings leases	100			8,387	6,609	37,388		52,484
Federal grants	554	57,166	150,040			433,500	1,836,467	2,477,727
State grants							263,617	263,617
General property taxes							1,294,410	1,294,410
Personal property replacements							34,033	34,033
Sales tax					10,927,087			10,927,087
Gain (loss) on capital assets	(773,835)		415			1,598,034	24,260	848,874
Interest expense-leases	(32,086)							(32,086)
Interest expense	(352,342)	(446,901)		(1,431,366)	(938,983)		(8,386)	(3,177,978)
Total Nonoperating Revenues (Expenses)	(1,233,359)	(476,523)	141,392	(1,361,520)	9,383,215	1,806,797	3,428,413	11,688,415
								(8,519)
Income (Loss) Before Capital Contributions and Transfers	(1,239,056)	(258,511)	(1,745,142)	(5,559,414)	5,128,720	127,511	(703,194)	(4,249,086)
								(485,658)

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, 2022

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS								Governmental Activities- Internal Service Funds
	Sanitation Fund	Wastewater Fund	Storm Water Fund	Water Fund	Alerus Center	Job Development Authority	Non-Major Enterprise Funds	Totals 2022	
Capital Grants, Contributions and Transfers:									
Contributed Capital and Capital Grants		\$ 621,633	\$ 3,577,389	\$ 477,374	\$ 119,681	\$ 4,871,329	\$ -	\$ 9,667,406	
Transfers in	\$ 44,882	3,424,773	585,408	2,235,079	-	478,760	93,200	6,862,102	\$ 35,878
Transfers out	(44,239)	(368,883)	(826,573)	(46,563)		(2,799,203)	(2,174)	(4,087,635)	(811)
Total Capital Contributions and Transfers	643	3,677,523	3,336,224	2,665,890	119,681	2,550,886	91,026	12,441,873	35,067
Change in Net Position	(1,238,413)	3,419,012	1,591,082	(2,893,524)	5,248,401	2,678,397	(612,168)	8,192,787	(450,591)
Total Net Position-Beginning	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
Prior Period Adjustment-Depreciation					917,344			917,344	*
Prior Period Adjustment-GASB 87	(85,884)					193,079		107,195	*
Total Net Position-Beginning as Restated	11,889,855	98,897,559	62,601,712	164,076,327	63,419,466	32,010,235	11,356,848	444,252,002	8,079,363
Total Net Position-Ending	\$ 10,651,442	\$ 102,316,571	\$ 64,192,794	\$ 161,182,803	\$ 68,667,867	\$ 34,688,632	\$ 10,744,680		\$ 7,628,772
	Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds							(117,362)	
* see note IV K	Change in net position of business-type activities							\$ 8,075,425	

* see note IV K

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

CITY OF GRAND FORKS, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022

Exhibit 8

	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 2022
Cash Flows from Operating Activities:								
Receipts from customers	\$ 10,963,014	\$ 11,321,332	\$ 3,133,736	\$ 12,105,818	\$ 2,823,037	\$ 1,577,753	\$ 2,339,597	\$ 44,264,287
Payments to suppliers	(6,019,571)	(5,800,881)	(2,890,737)	(8,807,730)	(4,004,916)	(2,908,523)	(2,664,746)	(33,097,104)
Payments to employees	(2,126,257)	(1,292,491)	(396,122)	(1,709,989)	(2,161,305)	(398,390)	(2,647,594)	(10,732,148)
Receipts (Payments) for interfund services used		(1,485,466)		1,250,000			(1,250,000)	(1,485,466)
Net cash provided (used) by operating activities	2,817,186	2,742,494	(153,123)	2,838,099	(3,343,184)	(1,729,160)	(4,222,743)	(1,050,431)
Cash Flows from Non-Capital Financing Activities:								
Transfers from other funds	44,882	3,424,773	585,408	2,235,079		478,760	93,200	6,862,102
Transfers to other funds	(44,239)	(368,883)	(826,573)	(46,563)		(2,799,203)	(2,174)	(4,087,635)
Proceeds of repayment of advances from other funds				38,744				38,744
Operating subsidies from federal grants	554	57,166	18,212			568,292	3,340,306	3,984,530
Operating subsidies from state grants							306,144	306,144
Operating subsidies from Taxes					600,898		1,328,518	1,929,416
Net cash provided (used) by non-capital financing activities	1,197	3,113,056	(222,953)	2,227,260	600,898	(1,752,151)	5,065,994	9,033,301
Cash Flows from Capital & Related Financing Activities:								
Proceeds from revenue bonds, premiums and notes	3,935,249			1,320,000				5,255,249
Capital contributions		46,395	12,732	451,710	10,294,038	442,578		11,247,453
Acquisition and construction of capital assets	(6,502,862)	(4,813,351)	(579,654)	(2,954,767)	(1,506,548)	1,718,106	(416,333)	(15,055,409)
Proceeds from sale of capital assets	241,355		415			1,598,034	100,269	1,940,073
Principal paid on capital debt	(789,602)	(1,108,956)		(1,845,000)	(2,775,000)		(85,000)	(6,603,558)
Interest paid on capital debt	(386,616)	(545,013)		(1,432,856)	(1,245,532)		(9,533)	(3,619,550)
Net cash provided (used) by capital & related financing activities	(3,502,476)	(6,420,925)	(566,507)	(4,460,913)	4,766,958	3,758,718	(410,597)	(6,835,742)
Cash Flows from Investing Activities:								
Proceeds from sales and maturities of investments	2,505,264	1,640,344		3,196,763		7,000,000	87,000	14,429,371
Purchase of investments	(2,855,460)	(2,788,265)		(4,269,275)			(87,000)	(10,000,000)
Interest and dividends	(75,661)	(86,788)	(9,063)	69,176	(606,275)	(227,621)	(15,988)	(952,220)
Net cash provided (used) by investing activities	(425,857)	(1,234,709)	(9,063)	(1,003,336)	(606,275)	6,772,379	(15,988)	3,477,151
Net increase (decrease) in cash and cash equivalents	(1,109,950)	(1,800,084)	(951,646)	(398,890)	1,418,397	7,049,786	416,666	4,624,279
Cash and cash equivalents - beginning 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
Cash and cash equivalents - end of the year	\$ 4,548,318	\$ 6,661,870	\$ 1,894,647	\$ 11,489,668	\$ 28,235,314	\$ 12,696,316	\$ 2,390,856	\$ 67,916,989
Continued								\$ 1,047,776

CITY OF GRAND FORKS, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
Year Ended December 31, 2022

Exhibit 8 (Con't)

	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 2022	
Reconciliation of operating income (loss) to net cash provided (used) by operating activities:									
Operating Income (loss)	\$ (5,697)	\$ 218,012	\$ (1,886,534)	\$ (4,197,894)	\$ (4,254,495)	\$ (1,679,286)	\$ (4,131,607)	\$ (15,937,501)	\$ (477,139)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:									
Depreciation Expense	2,001,709	4,311,653	1,728,671	5,756,634	3,628,698	484,554	1,093,794	19,005,713	502,329
Amortization Expense	338,489							338,489	
(Increase) decrease in accounts receivable	(144,185)	(257,263)	6,174	(407,556)	(359,492)	139,239	(263,580)	(1,286,663)	2,907
(Increase) decrease in inventories				(89,432)	(42,205)		(12,180)	(143,817)	(5,712)
(Increase) decrease in prepaid items	(36,598)	2,322	(1,061)	(51,856)	93,599	(2,320)	1,381	5,467	(92)
Increase (Decrease) in customer deposits	45,854	(582)	(413)	83,259	(2,388,678)			(2,260,560)	
(Increase) decrease in notes receivable						(969,730)		(969,730)	
(Increase) decrease in leases receivable	(19,572)			(485,614)	(554,698)	933,262		(126,622)	
(Increase) decrease in deferred outflows	(1,286,088)	(885,150)	(313,564)	(1,099,755)		(448,796)	(1,639,719)	(5,673,072)	
Increase (decrease) in accounts payable	30,925	6,860	(30,479)	250,672	(10,890)	184,695	66,698	498,481	(17,828)
Increase (decrease) in compensated absences payable	43,982	22,678	5,854	55,292		(95,620)	48,904	81,090	10,168
Increase (decrease) in net pension liability	2,525,660	1,807,681	700,585	2,081,959		1,083,588	3,784,293	11,983,766	
Increase (decrease) in net OPEB liability	172,095	117,057	40,264	148,716		56,012	208,138	742,282	
Increase (decrease) in landfill closure/postclosure liability	740,405							740,405	
Increase (decrease) in deferred inflows	(1,589,793)	(1,115,308)	(402,620)	(456,326)	544,977	(1,414,758)	(2,128,865)	(6,562,693)	
(Increase) decrease in due from other funds operating activities		(1,485,466)		1,250,000				(235,466)	
Increase (decrease) in due to other funds operating activities							(1,250,000)	(1,250,000)	(6,500)
Total Adjustments	2,822,883	2,524,482	1,733,411	7,035,993	911,311	(49,874)	(91,136)	14,887,070	485,272
Net cash provided by operating activities	\$ 2,817,186	\$ 2,742,494	\$ (153,123)	\$ 2,838,099	\$ (3,343,184)	\$ (1,729,160)	\$ (4,222,743)	\$ (1,050,431)	\$ 8,133
Noncash Investing, Capital and Financing Activities:									
Net (decrease) in fair value of investments	\$ (159,904)	\$ (216,282)	\$ (37,556)	\$ (141,936)	\$ (1,047,884)	\$ (397,138)	\$ (29,515)	\$ (2,030,215)	\$ (31,537)
Capital contributions		579,285	3,574,158	476,848	119,681	4,121,903		8,871,875	
Proceeds of lease	1,297,171							1,297,171	
Reconciliation of cash and cash equivalents:									
Current Assets:									
Cash and cash equivalents	\$ 2,262,636	\$ 3,442,335	\$ 380,509	\$ 1,218,499	\$ 556,925	\$ 12,696,316	\$ 2,002,898	\$ 22,560,118	\$ 1,047,776
Restricted cash, and cash equivalents:									
Customer deposits	55,541	247	4,132	162,481			1,416	223,817	
Construction account	1,981,027	2,657,716	1,510,006	9,046,063			354,142	15,548,954	
Revenue bond current debt service acct.	249,114	561,572		1,062,625	24,687,817		32,400	26,593,528	
Operating and capital fund					1,257,031			1,257,031	
Trust account/advance ticket sales					1,733,541			1,733,541	
Total Cash and Cash equivalents	\$ 4,548,318	\$ 6,661,870	\$ 1,894,647	\$ 11,489,668	\$ 28,235,314	\$ 12,696,316	\$ 2,390,856	\$ 67,916,989	\$ 1,047,776

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, 2022

	2022 Pension Trust	2021 Pension Trust
ASSETS		
Cash and cash equivalents	\$ 5,700,346	\$ 5,536,967
Investments at fair value:		
ND State Investment Board	70,331,514	84,172,695
Total Assets	<u>\$ 76,031,860</u>	<u>\$ 89,709,662</u>
NET POSITION		
Restricted for:		
Pensions	\$ 76,031,860	\$ 89,709,662
Total net position	<u>\$ 76,031,860</u>	<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, 2022
With Comparative Totals for December 31, 2021

	Pension Trust Fund 2022	Pension Trust Fund 2021
Additions:		
Contributions:		
Employer contributions	\$ 3,316,869	\$ 4,530,594
Employee contributions	196,109	258,980
Total contributions	3,512,978	4,789,574
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	(9,120,181)	13,014,968
Net investment earnings	(9,120,181)	13,014,968
Total additions	(5,607,203)	17,804,542
Deductions:		
Benefits paid to participants	7,852,246	7,301,996
Administrative Expenses	218,353	276,184
Total Deductions	8,070,599	7,578,180
Change in net position	(13,677,802)	10,226,362
Net position - beginning	89,709,662	79,483,300
Net position - ending	<u>\$ 76,031,860</u>	<u>\$ 89,709,662</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, 2022

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. 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. 99, Omnibus 2022, provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.
- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management’s Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62, provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, Compensated Absences, provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

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

B. Financial reporting entity

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

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

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

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

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

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

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

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

D. Basis of presentation – fund financial statements

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

The City reports the following major governmental funds:

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

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

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

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

The City reports the following major proprietary funds:

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

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

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

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

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

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

Additionally, the City reports the following fund types:

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

The Pension Trust Fund accounts for the activities of the City Employee's Pension Plan, which accumulates resources for pension benefit payments to qualified employees at year end. The Net Pension Liabilities associated with this plan are reported as of the measurement date at December 31, 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 on general long-term debt, including lease liabilities, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the City of Grand Forks the right to use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through 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 assets that applies to 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 - main 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 assets 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 five 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 five items reported on the statement of net position as leases, the single employer defined benefit pension plan, cost sharing defined benefit pension and OPEB plan, which represents lease payments and 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 (except for intangible right-to-use lease assets, the measurement of which is discussed in G.8 below). 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).

Land and construction in progress are not depreciated. The other tangible and intangible property, plant, equipment, the right to use leased equipment and infrastructure of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

Building and structures	10 – 50 years
Improvements other than buildings	10 – 100 years
Infrastructure	30 – 50 years
Machinery and equipment	3 – 30 years
Right-to use leased equipment	5 - 20 years

9. Leases

At the commencement of a lease, the City initially measures the lease liability at the present value of payments expected to be made during the lease term.

Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to leases include how the City determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The City uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the City generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the City is reasonably certain to exercise.

The City monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

Lease assets are reported with other capital assets and lease liabilities are reported with long term debt on the statement of net position.

Lessor: The City is a lessor for noncancellable leases of various buildings, infrastructure and land. The City recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

10. 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.

11. 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.

12. 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.

13. 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.

14. 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.

15. 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.

16. 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 2022 budget, the City levied 46.58 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 2022 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 2022 to the City Council on July 19, 2021. 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 2021 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, 2022, expenditures did not exceed appropriations in any funds.

C. Deficit fund equity

For the year ended December 31, 2022, 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, 2022, the carrying amount of the City's deposits was \$109,954,496 and the bank balance was \$112,400,288. 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 \$5,700,346 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, 2022, the carrying amount of the Airport Authority's deposits was \$15,224,757 and the bank balance was \$15,231,658, 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, 2022 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)	\$ 5,037,940	\$ 5,037,940	\$ -	\$ -	\$ -	n/a	n/a
Federal National Mortgage Assn Pool	15,045,275	19,343	3,046,368	4,436,811	7,542,753	Aaa	Moody
Federal Home Loan Bank	3,315,573	-	1,661,697	-	1,653,876	Aaa	Moody
Federal Home Loan Mortgage Corp	24,882,574	5,269,447	11,312,941	-	8,300,186	Aaa	Moody
Ginnie Mae	13,223,736	-	-	3,063,746	10,159,990	Aaa	Moody
Total	<u>\$ 61,505,098</u>	<u>\$ 10,326,730</u>	<u>\$ 16,021,006</u>	<u>\$ 7,500,557</u>	<u>\$ 27,656,805</u>		

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)*	\$ 1,702,940	\$ -	\$ 1,702,940	\$ -
Federal Farm Credit	-	-	-	-
Federal National Mortgage Assn Pool	15,045,275	-	15,045,275	-
Federal Home Loan Bank	3,315,573	-	3,315,573	-
Federal Home Loan Mortgage Corp	24,882,574	-	24,882,574	-
Ginnie Mae	13,223,736	-	13,223,736	-
	<u>\$ 58,170,098</u>	<u>\$ -</u>	<u>\$ 58,170,098</u>	<u>\$ -</u>

*Bank CD's, totaling \$3,335,000, are not included as the Fair 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 1 or 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	\$1,084,695		
Global / International Equities	\$41,955,810		
International Fixed Income		\$16,787,837	

Investments measured at the net asset value (NAV)

Pension investments:

Real assets NAV: \$10,503,172

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:

	General Fund	Debt Service Special Assessment	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	Enterprise Fund Sanitation	Enterprise Fund Wastewater	Enterprise Fund Water	Enterprise Fund Stormwater	Enterprise Fund Alerus	Enterprise Fund JDA	Non Major Enterprise Funds and Other Funds	Internal Service Funds	Total
Receivables:													
Notes				\$ 3,114,081						\$ 6,900,475			\$ 10,014,556
Taxes	\$ 885,698		\$ 328,757	1,091,006					\$ 937,105		\$ 25,948		3,268,514
Accounts	1,781,819		20,312	269,585	\$ 1,129,773	\$ 1,351,155	\$ 1,789,940	\$ 671,045	661,153	497,384	957,674	\$ 143	9,129,983
Special Assessments	573,977	\$68,440,879		3,767,778		12,853	3,439	64,783	116,922				72,980,631
Leases/interest	179,529				19,583		486,284		556,084	3,086,847			4,328,327
Intergovernmental	485,780		283,786	927,191			-	131,828		306,848	1,371,000	-	3,506,433
Gross Receivables	3,906,803	68,440,879	632,855	9,169,641	1,149,356	1,364,008	2,279,663	867,656	2,271,264	10,791,554	2,354,622	143	103,228,444
Less: Allowance for Uncollectibles				-	(31,313)	(19,562)	(29,992)	(11,915)		(979,935)	(4,009)		(1,076,726)
Net Total Receivables	\$3,906,803	\$68,440,879	\$ 632,855	\$ 9,169,641	\$ 1,118,043	\$ 1,344,446	\$ 2,249,671	\$ 855,741	\$ 2,271,264	\$ 9,811,619	\$ 2,350,613	\$ 143	\$102,151,718

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
Delinquent property taxes receivable	\$ -	\$ 573,025
Special assessments not yet due	-	72,782,631
Grant draw-downs prior to meeting all eligibility requirements	9,387,023	-
Total unavailable/unearned revenue	<u>\$ 9,387,023</u>	<u>\$ 73,355,656</u>

C. Capital assets

Capital asset activity for the year ended December 31, 2022, was as follows:

	Balance 1/1/2022 as restated	Additions	Deletions	Balance 12/31/2022
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 31,360,000	\$ -	\$ -	\$ 31,360,000
Infrastructure - ROW	7,329,311	175,880	-	7,505,191
Construction in progress	2,305,577	2,625,563	(2,211,687)	2,719,453
Total capital assets not being depreciated	40,994,888	2,801,443	(2,211,687)	41,584,644
Capital assets being depreciated:				
Buildings	40,375,250	1,269,539	(7,708,739)	33,936,050
Improvements other than buildings	67,183,336	212,800	-	67,396,136
Machinery & equipment	28,608,593	2,944,549	(457,558)	31,095,584
Infrastructure	246,288,059	15,743,797	(67,749)	261,964,107
Total capital assets being depreciated	382,455,238	20,170,685	(8,234,046)	394,391,877
Less accumulated depreciation for:				
Buildings	16,021,250	925,751	(3,640,860)	13,306,141
Improvements other than buildings	18,532,328	1,106,060	-	19,638,388
Machinery & equipment	20,733,240	1,881,808	(419,561)	22,195,487
Infrastructure	125,789,371	5,558,528	(20,325)	131,327,574
Total accumulated depreciation	181,076,188	9,472,148	(4,080,746)	186,467,590
Total capital assets being depreciated, net	242,373,938			249,508,931
Lease assets:				
Machinery & equipment	677,974	2,468,331	-	3,146,305
Total lease assets being amortized	677,974	2,468,331	-	3,146,305
Less accumulated depreciation/amortization for:				
Machinery & equipment		209,071		209,071
Total accumulated amortization	-	209,071	-	209,071
Total leased assets being amortized, net	677,974			2,937,234
Total governmental activities capital assets net	\$ 243,051,912			\$ 252,446,165
Internal Service Fund capital assets net of accumulated depreciation included in governmental activities				\$ 6,533,493
Total capital assets reported in the statements of net position				\$ 258,979,658

	Balance 1/1/2022 as restated	Additions	Deletions	Balance 12/31/2022
Business-Type activities:				
Capital assets not being depreciated:				
Land	\$ 13,885,537	\$ 438,836	\$ -	\$ 14,324,373
Construction in progress	1,240,445	7,275,895	(734,042)	7,782,298
Total capital assets not being depreciated	15,125,982	7,714,731	(734,042)	22,106,671
Capital assets being depreciated:				
Buildings	414,525,750	3,799,855	-	418,325,605
Improvements other than buildin	303,556,054	11,584,572	-	315,140,626
Machinery & equipment	52,485,428	1,900,537	(3,327,024)	51,058,941
Total capital assets being depreciated	770,567,232	17,284,964	(3,327,024)	784,525,172
Less accumulated depreciation for:				
Buildings	110,765,819	8,648,223	-	119,414,042
Improvements other than buildings	125,586,542	6,009,473	-	131,596,015
Machinery & equipment	34,980,964	4,348,016	(3,111,117)	36,217,863
Total accumulated depreciation	271,333,325	19,005,712	(3,111,117)	287,227,920
Total capital assets being depreciated, net	499,233,907			497,297,252
Lease assets:				
Machinery & equipment	1,404,846	270,432		1,675,278
Total lease assets being amortized	1,404,846	270,432	-	1,675,278
Less accumulated amortization for:				
Machinery & equipment		338,489		338,489
Total accumulated amortization	-	338,489	-	338,489
Total leased assets being amortized, net	1,404,846			1,336,789
Total business type activities capital assets net	\$ 515,764,735			\$ 520,740,712

Depreciation expense and lease amortization expense were charged to the following functions/programs of the primary government as follows:

Governmental activities:

Depreciation expense:

General Government	\$	916,898
Health & Welfare		41,419
Public Safety		1,474,771
Highways and Streets		5,925,550
Culture and Recreation		8,659
Public Works		1,104,851

Amortization expense:

Public Works		209,071
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Total depreciation and amortization expense - governmental activities	\$	9,681,219
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Business-type activities:

Depreciation expense:

Sanitation	\$	2,001,708
Wastewater		4,311,653
Water		5,756,634
Stormwater		1,728,671
Public Transit		791,860
Dial a Ride		107,833
Mosquito Control		92,686
Alerus Center		3,628,698
Job Development Authority		484,554
Downtown Parking		101,415

Amortization expense:

Sanitation		338,489
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Total depreciation and amortization expense - business-type activities	\$	19,344,201
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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, 2022, were approximately \$14,463,650. Of this amount, \$9,222,713 relates to the construction of a new storm pond in the Grand Valley Addition, Lift Station #48 and improvements to the Wastewater Treatment Facility. These projects will be largely paid through special assessments on the benefiting properties, wastewater fund rate revenue and ARPA

funds. 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, 2022:

Encumbrances:

General Fund	\$ 36,533
American Rescue Plan Grant Fund	531,881
Flood Protection Capital Maintenance Fund	161,292
Street and Infrastructure Fund	965,875
Sidewalk Repair Fund	1,000
Sanitation Fund	1,554,017
Wastewater Fund	394,328
Water Fund	97,007
Stormwater Fund	93,459
Alerus Fund	<u>10,925,490</u>
Total Encumbrances	<u>\$14,760,882</u>

Discretely presented component unit

Capital asset activity for the Grand Forks Regional Airport Authority for the year ended December 31, 2022, was as follows:

	Beginning Balance 1/01/2022	Additions	Deletions	Transfers	Ending Balance 12/31/2022
Capital assets not being depreciated:					
Land	\$ 2,775,606	\$ -			\$ 2,775,606
Construction in progress	1,046,871	17,936,109	\$ -	\$ -	18,982,980
Total capital assets not being depreciated	<u>3,822,477</u>	<u>17,936,109</u>	<u>-</u>	<u>-</u>	<u>21,758,586</u>
Capital assets being depreciated:					
Equipment	3,688,207	227,920	(22,357)	-	3,893,770
Motor Vehicles	4,739,486	2,737,844	(741,122)	-	6,736,208
Buildings	27,077,560	-	-	-	27,077,560
Systems and Structures	74,979,486	-	-	-	74,979,486
Total capital assets being depreciated	<u>110,484,739</u>	<u>2,965,764</u>	<u>(763,479)</u>	<u>-</u>	<u>112,687,024</u>
Less accumulated depreciation for:					
Equipment	3,315,628	80,143	(20,692)	-	3,375,079
Motor Vehicles	3,812,865	274,956	(736,433)	-	3,351,388
Buildings	10,737,061	907,734	-	-	11,644,795
Systems and Structures	58,114,651	2,373,790	-	-	60,488,441
Total accumulated depreciation	<u>75,980,205</u>	<u>3,636,623</u>	<u>(757,125)</u>	<u>-</u>	<u>78,859,703</u>
Capital assets net of accumulated depreciation	<u>34,504,534</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>33,827,321</u>
Total component unit capital assets net	<u>\$ 38,327,011</u>				<u>\$ 55,585,907</u>

D. Interfund receivables, payables, and transfers

The composition of interfund balances as of December 31, 2022, is as follows:

Due to/Due from other funds:

Receivable Fund	Payable Fund	Amount
General Fund	Non-Major Governmental	\$ 40,000 (1)
Wastewater Fund	Non-Major Governmental	1,485,466 (2)
Water Fund	Non-Major Enterprise Fund	850,000 (1)
Total		<u>\$ 2,375,466</u>

1. The purpose of this interfund receivable is to maintain a positive cash balance at year end.
2. Amount owed but not paid yet.

Advances to Other Funds	Advances From Other Funds	Amount
Water Fund	Non-Major Governmental	\$ 12,283 (1)
Total		<u>\$ 12,283</u>

1. 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												
	General Fund	Debt Service Special Assessment Bond Fund	Capital Project Current Year Projects Fund	Capital Project Street and Infrastructure Fund	Non-Major Governmental Funds	Sanitation Fund	Wastewater Fund	Water Fund	Stormwater Fund	Job Development Authority	Non Major Enterprise Funds	Internal Service Funds	Total Transfers Out
General Fund					\$ 1,585,515							\$ 20,878	\$ 1,606,393
Special Assessment Fund	\$ 1,330,912	\$ 41,401							\$ 579,136				1,951,450
Current Year Capital Project Fund		423,819											423,819
Street and Infrastructure Fund	1,300,000		\$ 5,360,572		392,293	-							7,052,865
Other Governmental Funds	364,027	-	25,000	\$ 3,607,539	5,552,595	\$ 12,500	\$ 3,424,773	\$ 2,155,860	\$ 6,272	\$ 478,760	\$ 50,000		15,677,326
Sanitation Fund	7,500				-			21,739				15,000	44,239
Wastewater Fund	42,000		-		244,269	32,382		50,233					368,883
Water Fund	46,563		-										46,563
Stormwater Fund	18,500		-		803,000			5,073					826,573
Job Development Authority	-		-		2,756,003						43,200		2,799,203
Non-Major Enterprise Funds					-			2,174					2,174
Internal Service Funds	811											-	811
Total Transfers In	\$ 3,110,313	\$ 465,220	\$ 5,385,572	\$ 3,607,539	\$ 11,333,675	\$ 44,882	\$ 3,424,773	\$ 2,235,079	\$ 585,408	\$ 478,760	\$ 93,200	\$ 35,878	\$ 30,800,299

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

E. Leases

Leases Payable

For the year ended 12/31/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. For additional information, refer to the disclosures below.

On 11/01/2022, Grand Forks, ND entered into a 72-month lease as Lessee for the use of Vehicle - John Deere 772G Motor Grader. An initial lease liability was recorded in the amount of \$373,789. As of 12/31/2022, the value of the lease liability is \$334,956. Grand Forks, ND is required to make annual fixed payments of \$38,832.74. The lease has an interest rate of 5.5500%. The value of the right to use asset as of 12/31/2022 of \$373,789 with accumulated amortization of \$10,383 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$362,138.

On 11/01/2022, Grand Forks, ND entered into a 72-month lease as Lessee for the use of Vehicle - John Deere 544P Wheel Loader. An initial lease liability was recorded in the amount of \$200,391. As of 12/31/2022, the value of the lease liability is \$182,241. Grand Forks, ND is required to make annual fixed payments of \$18,150. The lease has an interest rate of 5.5500%. The value of the right to use asset as of 12/31/2022 of \$200,392 with accumulated amortization of \$5,566 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$197,593.

On 11/01/2022, Grand Forks, ND entered into a 72-month lease as Lessee for the use of Vehicle - 2022 John Deere 772 Motor Grader. An initial lease liability was recorded in the amount of \$1,493,231. As of 12/31/2022, the value of the lease liability is \$1,323,450. Grand Forks, ND is required to make annual fixed payments of \$169,781. The lease has an interest rate of 5.5900%. The value of the right to use asset as of 12/31/2022 of \$1,493,231 with accumulated amortization of \$41,479 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$1,429,893.

On 02/01/2022, Grand Forks, ND entered into a 60-month lease as Lessee for the use of Vehicle - Caterpillar 950M Wheel Loader. An initial lease liability was recorded in the amount of \$268,988. As of 12/31/2022, the value of the lease liability is \$212,782. Grand Forks, ND is required to make annual fixed payments of \$56,206. The lease has an interest rate of 2.2390%. The value of the right to use asset as of 12/31/2022 of \$268,988 with accumulated amortization of \$49,314 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$55,066.

On 01/01/2022, Grand Forks, ND entered into a 49-month lease as Lessee for the use of #6591 Vehicle - HV613 Tandem Axle Dump. An initial lease liability was recorded in the amount of \$164,409. As of 12/31/2022, the value of the lease liability is \$122,288. Grand Forks, ND is required to make annual fixed payments of \$42,561.00. The lease has an interest rate of 2.1900%. The value of the right to use asset as of 12/31/2022 of \$164,409 with accumulated amortization of \$39,884 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$162,257.

On 01/01/2022, Grand Forks, ND entered into a 47-month lease as Lessee for the use of #6571 & #6581 Vehicle - HV613 Tandem-Dump. An initial lease liability was recorded in the amount of \$244,577. As of 12/31/2022, the value of the lease liability is \$164,858. Grand Forks, ND is required to make annual fixed payments of \$85,220. The lease has an interest rate of 2.2490%. The value of the right to use asset as of 12/31/2022 of \$244,577 with accumulated amortization of \$62,445 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$83,589.

On 08/01/2022, Grand Forks, ND entered into a 60-month lease as Lessee for the use of JD 744L Vehicle - Wheel Loader. An initial lease liability was recorded in the amount of \$270,432. As of 12/31/2022, the value of the lease liability is \$212,184. Grand Forks, ND is required to make annual fixed payments of \$58,248. The lease has an interest rate of 3.8500%. The value of the right to use asset as of 12/31/2022 of \$270,432 with accumulated amortization of \$22,536 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$565,850.

On 01/01/2022, Grand Forks, ND entered into a 58-month lease as Lessee for the use of JD 644P Vehicle - Wheel Loader. An initial lease liability was recorded in the amount of \$239,769. As of 12/31/2022, the value of the lease liability is \$222,345. Grand Forks, ND is required to make annual fixed payments of \$23,831. The lease has an interest rate of 3.2500%. The value of the right to use asset as of 12/31/2022 of \$239,769 with accumulated amortization of \$48,877 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$0.98.

On 01/01/2022, Grand Forks, ND entered into a 60-month lease as Lessee for the use of Vehicle - BOMAG Compaction roller. An initial lease liability was recorded in the amount of \$677,552. As of 12/31/2022, the value of the lease liability is \$536,216. Grand Forks, ND is required to make annual fixed payments of \$141,336. The lease has an interest rate of 2.1500%. The value of the right to use asset as of 12/31/2022 of \$677,552 with accumulated amortization of \$135,510 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$539,259.

On 01/01/2022, Grand Forks, ND entered into a 44-month lease as Lessee for the use of Vehicle - Bomag BC772RB. An initial lease liability was recorded in the amount of \$487,525. As of 12/31/2022, the value of the lease liability is \$326,425. Grand Forks, ND is required to make annual fixed payments of \$168,495. The lease has an interest rate of 2.1500%. The value of the right to use asset as of 12/31/2022 of \$487,525 with accumulated amortization of \$131,566 is included with Vehicles on

the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$165,191.

On 12/30/2022, Grand Forks, ND entered into a 72 month lease as Lessee for the use of #6258 2 2023 John Deere 544P Wheel Loaders. An initial lease liability was recorded in the amount of \$400,918. As of 12/31/2022, the value of the lease liability is \$400,918. Grand Forks, ND is required to make annual fixed payments of \$39,615. The lease has an interest rate of 5.5300%. The value of the right to use asset as of 12/31/2022 of \$400,918 with accumulated amortization of \$0.00 is included with Vehicles on the Lease Class activities table found below. Grand Forks, ND has the option to purchase the Vehicles for \$387,058.

Amount of Lease Assets by Major Classes of Underlying Asset

As of Fiscal Year-end

Asset Class	Lease Asset Value	Accumulated Amortization
Vehicles	\$4,821,582	\$547,561
Total Leases	<u>\$ 4,821,582</u>	<u>\$ 547,561</u>

Governmental Activities

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$336,349	114,017	\$450,366
2024	327,307	123,058	450,365
2025	254,428	110,717	365,145
2026	222,849	99,736	322,585
2027	1,324,451	89,146	1,413,597
2028	<u>276,111</u>	<u>15,289</u>	<u>291,400</u>
Total	<u>\$2,741,495</u>	<u>\$ 551,963</u>	<u>\$3,293,458</u>

Business-Type Activities

Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$357,968	\$33,942	\$391,910
2024	366,698	25,212	391,910
2025	207,159	16,255	223,414
2026	<u>365,346</u>	<u>10,688</u>	<u>376,034</u>
Total	<u>\$1,297,171</u>	<u>\$86,097</u>	<u>\$1,383,268</u>

Lease Receivable

For the year ended 12/31/2022, the financial statements include the adoption of GASB Statement No. 87, Leases. The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing

activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset. 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. For additional information, refer to the disclosures below.

On 01/01/2022, Grand Forks, ND entered into a 28-month lease as Lessor for the use of Grand Forks Herald building. An initial lease receivable was recorded in the amount of \$146,372. As of 12/31/2022, the value of the lease receivable is \$89,960. The lessee is required to make monthly fixed payments of \$5,216. The lease has an interest rate of 1.0840%. The value of the deferred inflow of resources as of 12/31/2022 was \$83,997, and Grand Forks, ND recognized lease revenue of \$62,731 during the fiscal year. The lessee has 2 extension option(s), each for 36 months.

On 01/01/2022, Grand Forks, ND entered into a 307-month lease as Lessor for the AT&T to use space at the Viking Water Tower for a cell tower. An initial lease receivable was recorded in the amount of \$414,892. As of 12/31/2022, the value of the lease receivable is \$401,064. The lessee is required to make monthly fixed payments of \$1,957. The lease has an interest rate of 1.7093%. The value of the deferred inflow of resources as of 12/31/2022 was \$398,675, and Grand Forks, ND recognized lease revenue of \$16,217 during the fiscal year. The lessee has 5 extension option(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement.

On 01/01/2022, Grand Forks, ND entered into a 63-month lease as Lessor for LM's use of building at 1550 S 48th St Lease. An initial lease receivable was recorded in the amount of \$3,818,594. As of 12/31/2022, the value of the lease receivable is \$2,978,912. The lessee is required to make monthly fixed payments of \$76,973. The lease has an interest rate of 0.6857%. The value of the deferred inflow of resources as of 12/31/2022 was \$3,091,243, and Grand Forks, ND recognized lease revenue of \$727,351 during the fiscal year. The lessee has 1 extension option(s), each for 36 months.

On 01/01/2022, Grand Forks, ND entered into a 167-month lease as Lessor for Verizon Wireless to use space at the Public Safety Center for a cell tower. An initial lease receivable was recorded in the amount of \$190,461. As of 12/31/2022, the value of the lease receivable is \$179,529. The lessee is required to make monthly fixed payments of \$1,100.00. The lease has an interest rate of 1.3383%. The value of the deferred inflow of resources as of 12/31/2022 was \$176,816, and Grand Forks, ND recognized lease revenue of \$13,645 during the fiscal year. The lessee has 2 extension option(s), each for 60 months.

On 01/01/2022, Grand Forks, ND entered into a 81 month lease as Lessor for T-Mobile to use space at the Viking Water Tower for a communication site. An initial lease receivable was recorded in the amount of \$96,828. As of 12/31/2022, the value of the lease receivable is \$84,551. The lessee is required to make monthly fixed payments of \$1,137. The lease has an interest rate of 1.6220%. The value of the deferred inflow of resources as of 12/31/2022 was \$82,483, and Grand Forks, ND recognized lease revenue of \$14,345 during the fiscal year. The lessee has 1

extension option(s), each for 60 months. The lessee had a termination period of 1 month as of the lease commencement.

On 01/01/2022, Grand Forks, ND entered into a 17-month lease as Lessor for the EDC's use of the Grand Forks HIVE building. An initial lease receivable was recorded in the amount of \$51,259. As of 12/31/2022, the value of the lease receivable is \$15,091. The lessee is required to make monthly fixed payments of \$3,020. The lease has an interest rate of 0.2383%. The value of the deferred inflow of resources as of 12/31/2022 was \$15,076, and Grand Forks, ND recognized lease revenue of \$36,182 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 248-month lease as Lessor for Verizon's use of space at the Alerus Center for a cell tower. An initial lease receivable was recorded in the amount of \$332,579. As of 12/31/2022, the value of the lease receivable is \$321,965. The lessee is required to make monthly fixed payments of \$1,250. The lease has an interest rate of 1.5870%. The value of the deferred inflow of resources as of 12/31/2022 was \$316,517, and Grand Forks, ND recognized lease revenue of \$16,062 during the fiscal year. The lessee has 4 extension option(s), each for 60 months.

On 01/01/2022, Grand Forks, ND entered into a 24-month lease as Lessor for Mulligan's use of a portion of the South Half of Section 13. An initial lease receivable was recorded in the amount of \$12,317. As of 12/31/2022, the value of the lease receivable is \$6,165. The lessee is required to make semi-annual fixed payments of \$3,090. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 12/31/2022 was \$6,158, and Grand Forks, ND recognized lease revenue of \$6,158 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 24-month lease as Lessor for Klava's use of the North Half (N $\frac{1}{2}$) of Section 13. An initial lease receivable was recorded in the amount of \$26,786. As of 12/31/2022, the value of the lease receivable is \$13,407. The lessee is required to make semi-annual fixed payments of \$6,720. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 12/31/2022 was \$13,393, and Grand Forks, ND recognized lease revenue of \$13,393 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 24-month lease as Lessor for the use of Facility - Suite #313 at the Alerus Center. An initial lease receivable was recorded in the amount of \$16,967. As of 12/31/2022, the value of the lease receivable is \$8,472. The lessee is required to make annual fixed payments of \$8,500. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 12/31/2022 was \$8,484, and Grand Forks, ND recognized lease revenue of \$8,484 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 47-month lease as Lessor for the use of Facility - Suite #312 at the Alerus Center. An initial lease receivable was recorded in the amount of \$49,363. As of 12/31/2022, the value of the lease receivable is \$37,091. The lessee is required to make annual fixed payments of \$12,500. The lease has an interest rate of 0.5517%. The value of the deferred inflow of resources as of 12/31/2022 was \$36,884, and Grand Forks, ND recognized lease revenue of \$12,479 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #311 at the Alerus Center. An initial lease receivable was recorded in the amount of \$38,835. As of 12/31/2022, the value of the lease receivable is \$25,835. The lessee is required to make annual fixed payments of \$13,000. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of 12/31/2022 was \$25,890, and Grand Forks, ND recognized lease revenue of \$12,945 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #310 at the Alerus Center. An initial lease receivable was recorded in the amount of \$38,835. As of 12/31/2022, the value of the lease receivable is \$25,835. The lessee is required to make annual fixed payments of \$13,000. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of 12/31/2022 was \$25,890, and Grand Forks, ND recognized lease revenue of \$12,945 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 30-month lease as Lessor for the use of Facility - Suite #308 at the Alerus Center. An initial lease receivable was recorded in the amount of \$29,946. As of 12/31/2022, the value of the lease receivable is \$14,996. The lessee is required to make annual fixed payments of \$15,000. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 12/31/2022 was \$17,968, and Grand Forks, ND recognized lease revenue of \$11,979 during the fiscal year.

On 07/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #307 at the Alerus Center. An initial lease receivable was recorded in the amount of \$43,106. As of 12/31/2022, the value of the lease receivable is \$43,106. The lessee is required to make annual fixed payments of \$15,000. The lease has an interest rate of 2.1843%. The value of the deferred inflow of resources as of 12/31/2022 was \$35,922, and Grand Forks, ND recognized lease revenue of \$7,184 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #306 at the Alerus Center. An initial lease receivable was recorded in the amount of \$43,017. As of 12/31/2022, the value of the lease receivable is \$28,617. The lessee is required to make annual fixed payments of \$14,400. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of 12/31/2022 was \$28,678, and Grand Forks, ND recognized lease revenue of \$14,339 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #301 at the Alerus Center. An initial lease receivable was recorded in the amount of \$35,759. As of 12/31/2022, the value of the lease receivable is \$23,873. The lessee is required to make semi-annual fixed payments of \$6,000. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of 12/31/2022 was \$23,839, and Grand Forks, ND recognized lease revenue of \$11,920 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 30-month lease as Lessor for the use of Facility - Suite #303 at the Alerus Center. An initial lease receivable was recorded

in the amount of \$24,914. As of 12/31/2022, the value of the lease receivable is \$14,973. The lessee is required to make monthly fixed payments of \$834. The lease has an interest rate of 0.3300%. The value of the deferred inflow of resources as of 12/31/2022 was \$14,948, and Grand Forks, ND recognized lease revenue of \$9,965 during the fiscal year.

On 01/01/2022, Grand Forks, ND entered into a 36-month lease as Lessor for the use of Facility - Suite #304 at the Alerus Center. An initial lease receivable was recorded in the amount of \$14,937. As of 12/31/2022, the value of the lease receivable is \$9,937. The lessee is required to make annual fixed payments of \$5,000. The lease has an interest rate of 0.4257%. The value of the deferred inflow of resources as of 12/31/2022 was \$9,958, and Grand Forks, ND recognized lease revenue of \$4,979 during the fiscal year.

Principal and Interest Expected to Maturity

Business-Type Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$905,968	\$33,896	\$939,864
2024	970,489	26,522	997,011
2025	727,232	20,548	747,781
2026	705,280	15,001	720,281
2027	205,565	10,954	216,519
2028 - 2032	143,211	46,133	189,344
2033 - 2037	166,584	33,871	200,455
2038 - 2042	201,852	18,544	220,396
2043 - 2047	<u>117,666</u>	<u>4,858</u>	<u>122,524</u>
Total	<u>\$4,143,847</u>	<u>\$210,327</u>	<u>\$4,354,174</u>

Governmental Activities			
Fiscal Year	Principal Payments	Interest Payments	Total Payments
2023	\$10,864	\$2,336	13,200
2024	11,010	2,190	13,200
2025	12,486	2,034	14,520
2026	12,655	1,865	14,520
2027	12,825	1,695	14,520
2028 - 2032	71,205	5,751	76,956
2033 - 2037	<u>48,485</u>	<u>1,028</u>	<u>49,513</u>
Total	<u>\$179,530</u>	<u>\$16,899</u>	<u>\$196,429</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, 2022, totaled \$1,190,000. Their original issue amount totaled \$2,735,000. The City is subject to a statutory limit by the State of North Dakota for indebtedness payable principally from property taxes. At December 31, 2022 the statutory limit for the City was \$127,986,798. The general obligation debt, net of cash available for bond retirement was \$1,284,443 leaving a legal debt margin of \$126,702,355. For a complete listing of the bonds outstanding please refer to pages 179-181 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 \$9,460,000 of Special Assessment Refunding Improvement Bonds, Series 2022A to finance various improvement projects within the City.

The City pledges special assessments against benefited properties for payment of these bonds. The special assessment bonds outstanding as of December 31, 2022, totaled \$93,146,978. Their original issue amount totaled \$124,069,989. For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 179-181.

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, 2022, there were no outstanding sales tax revenue bonds for governmental activities. Sales tax revenue bonds outstanding as of December 31, 2022, for business-type activities totaled \$23,680,000. The original issue amount totaled \$40,380,000. Business-type activities sales tax bonds principal and interest for the current year was \$3,713,300. The sales tax revenue for the year was \$10,927,087.

For a complete listing of the bonds outstanding please refer to schedule J-8 on pages 179-181. 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 \$2,830,000 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, 2022, \$115,000. For a complete listing of these bonds outstanding please refer to schedule J-8 on pages 179-181.

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 Sanitation Reserve Revenue Bonds, Series 2022B, in the amount of \$3,635,000 to finance the construction of Cell C at the landfill. This bond will be repaid through sanitation fees.

The City drew down the final \$1,320,000 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 2022. This bond will be repaid through water fees. The outstanding balance as of December 31, 2022, was \$62,705,000.

Business-type revenue bonds outstanding as of December 31, 2022, for business-type activities totaled \$100,206,250; \$27,456,250 for revenue bonds and \$72,750,000 for SRF loans. Their original issue amounts totaled \$116,816,496 revenue bonds \$34,310,011, and SRF loans \$82,506,485 respectively.

Principal and interest paid for the current year on the water revenue bonds was \$3,277,856. Water fund operating revenue totaled \$12,891,789 for the year.

Principal and interest paid for the current year on the wastewater revenue bonds was \$1,653,969. Wastewater fund operating revenue totaled \$11,579,177 for the year. Principal and interest paid for the current year on the sanitation revenue bonds was \$681,282. Sanitation fund operating revenue totaled \$11,080,917 for the year. Principal and interest paid for the current year on the mosquito control revenue bonds was \$91,975. Mosquito Control fund operating revenue totaled \$1,134,247 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 179-181.

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)		Leases		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 305,000	\$ 47,600	\$ 5,567,998	\$ 3,323,771	\$ 336,349	\$ 114,017	\$ 9,694,735
2024	320,000	35,400	5,535,758	3,114,811	327,307	123,058	9,456,334
2025	330,000	22,600	5,298,573	2,891,897	254,429	110,717	8,908,215
2026	235,000	9,400	5,236,444	2,675,151	222,849	99,736	8,478,580
2027			5,129,373	2,461,159	1,324,451	89,146	9,004,129
2028-2032			22,537,890	9,511,113	276,110	15,288	32,340,401
2033-2037			18,535,415	5,797,789			24,333,204
2038-2042			15,166,529	3,147,308			18,313,837
2043-2047			9,818,999	898,570			10,717,569
2048-2051			320,000	16,000			336,000
Total Governmental Activities	\$ 1,190,000	\$ 115,000	\$ 93,146,978	\$ 33,837,569	\$ 2,741,495	\$ 551,962	\$ 131,583,004

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

Business-type Activities

Year Ending December 31	Revenue Bonds (1) (4)		Sales Tax Revenue Bonds (2)		SRF - Loans (3) (4)		Leases		Total Principal & Interest
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
2023	\$ 1,280,870	\$ 788,105	\$ 2,910,000	\$ 1,106,100	\$ 2,230,000	\$ 1,117,835	\$ 357,968	\$ 33,942	\$ 9,824,820
2024	1,646,288	797,071	3,055,000	960,600	2,323,000	1,090,020	366,698	25,212	10,263,889
2025	1,691,813	741,808	3,205,000	807,850	2,370,000	1,052,425	207,160	16,255	10,092,311
2026	1,752,450	680,622	3,365,000	647,600	2,130,000	1,014,075	365,346	10,688	9,965,780
2027	1,713,199	622,323	3,535,000	479,350	2,170,000	982,125			9,501,996
2028-2032	9,121,334	2,204,186	7,610,000	419,450	11,535,000	4,408,800			35,298,770
2033-2037	5,228,318	983,877			12,735,000	3,507,976			22,455,171
2038-2042	3,477,162	349,905			14,065,000	2,513,550			20,405,617
2043-2047	1,544,816	74,640			15,525,000	1,416,075			18,560,531
2048-2052					9,365,000	287,850			9,652,850
2053	-	-			80,000	1,200			81,200
Business-type Activities	\$ 27,456,250	\$ 7,242,537	\$ 23,680,000	\$ 4,420,950	\$ 74,528,000	\$ 17,391,931	\$ 1,297,171	\$ 86,097	\$ 156,102,935

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, 2022, is as follows:

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due within One Year
Governmental Activities:					
Bonds Payable:					
General obligation	\$ 1,745,000	\$ -	\$ 555,000	\$ 1,190,000	\$ 305,000
Unamortized Premium	122,600	-	28,157	94,443	-
Special Assessment with GO commitment	88,256,124	9,460,000	4,569,146	93,146,978	5,567,998
Unamortized Premium	5,028,584	482,374	295,227	5,215,731	-
Unamortized Discount	(21,813)	-	(20,178)	(1,635)	-
Total bonds payable	95,130,495	9,942,374	5,427,352	99,645,517	5,872,998
Lease Liability	677,974	2,468,331	404,810	2,741,495	336,349
Capital leases	262,246	-	262,246	-	-
Compensated absences	5,801,379	296,796	454,000	5,644,175	486,000
Net pension liability Single Employer Plan	16,909,403	-	8,102,890	8,806,513	-
Net pension liability NDPERS-Main Plan	9,189,913	17,081,502	-	26,271,415	-
Net pension liability NDPERS-Public Safety	2,705,608	10,428,436	-	13,134,044	-
Net OPEB liability NDPERS	694,454	881,257	-	1,575,711	-
Governmental Activity Long-term Liabilities	<u>\$ 131,371,472</u>	<u>\$ 41,098,696</u>	<u>\$ 14,651,298</u>	<u>\$ 157,818,870</u>	<u>\$ 6,695,347</u>
Internal Service Fund long-term liabilities included in governmental activities				<u>\$ 72,443</u>	
Total long-term liabilities in the statement of net position				<u>\$ 157,891,313</u>	

	Beginning Balance as restated	Additions	Reductions	Ending Balance	Due within One Year
Business-type Activities:					
Bonds payable:					
Revenue bonds	\$ 25,075,205	\$ 3,635,000	\$ 1,253,955	\$ 27,456,250	\$ 1,280,870
Unamortized Discount	(15,391)	-	(1,443)	(13,948)	-
Unamortized Premium	741,847	300,249	61,279	980,817	-
Sales tax revenue bonds	26,455,000	-	2,775,000	23,680,000	2,910,000
Unamortized Premium	3,618,357	-	454,663	3,163,694	-
Total Bonds payable	55,875,018	3,935,249	4,543,454	55,266,813	4,190,870
NDBB-SRF Loan	73,615,000	1,320,000	2,185,000	72,750,000	2,230,000
Landfill closure/postclosure	5,179,122	740,405	-	5,919,527	-
Lease liability	1,404,846	270,432	378,107	1,297,171	357,968
Capital leases	11,496	-	11,496	-	-
Compensated absences	1,371,211	197,435	116,345	1,452,301	62,593
Net pension liability Single Employer Plan	5,016,693	-	2,403,969	2,612,724	-
Net pension liability NDPERS	7,740,656	14,387,735	-	22,128,391	-
Net OPEB liability NDPERS	584,937	742,282	-	1,327,219	-
Business-type Activity Long-term Liabilities	<u>\$ 150,798,979</u>	<u>\$ 21,593,538</u>	<u>\$ 9,638,371</u>	<u>\$ 162,754,146</u>	<u>\$ 6,841,431</u>

Prior year defeasance of debt

There are no defeased bonds outstanding as of December 31, 2022.

Compensated absences, the net pension and net OPEB liability for governmental activities are generally liquidated by the general fund. Net lease liability for governmental activities are liquidated by the capital replacement fund and the business type are liquidated by the sanitation 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, 2022, the aggregate principal amount payable of the seven series issued was \$503,695,768. 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, 2022, there were no amounts for arbitrage rebates.

G. Segment Information

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

H. Restricted Assets

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

Trust account for advance ticket sales/suite revenue	\$ 1,733,541
Customer deposits	223,817
Operating & Capital Reserve	1,257,031
Construction account	15,548,954
Revenue bond current debt service account	26,593,528
Revenue bond reserve account	6,197,201
Reserve for landfill closure	1,675,191
Total restricted assets	\$ 53,229,263

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:						
Prepaid Items	\$ 4,309				\$ 25,866	\$ 30,175
Restricted for:						
Debt service		\$ 14,218,910			320,370	14,539,280
Construction			\$ 4,006,769			4,006,769
Community development					3,935,384	3,935,384
Economic development					9,776,038	9,776,038
Public buildings					86,962	86,962
Public safety:						
Police and Fire Grants					175,380	175,380
Public Safety Answering Point/E911					2,068,279	2,068,279
Emergency					142,032	142,032
Health and welfare:						
Health Grants					744,780	744,780
Nuisance Abatement					89,387	89,387
Library					2,996,533	2,996,533
Flood control/greenway projects					7,129,141	7,129,141
Infrastructure				\$ 6,844,267	7,519,661	14,363,928
City special assessments					936,110	936,110
Other purposes					432,368	432,368
Committed to:						
Special assessment deficiencies, infrastructure and pension nee	2,663,532					2,663,532
Sick leave liability	284,195					284,195
Bikeway projects					146,085	146,085
Bridges and Underpasses					1,950,233	1,950,233
Future capital purchases					1,505,723	1,505,723
Public buildings					755	755
Assigned to:						
Public safety - fire station	1,031,683					1,031,683
Department cash carryover	1,277,013					1,277,013
Other purposes	24,713					24,713
Unassigned	14,830,642					14,830,642
Total Fund Balance	\$ 20,116,087	\$ 14,218,910	\$ 4,006,769	\$ 6,844,267	\$ 39,981,087	\$ 85,167,120

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)	\$ 452,778,763
Less: Accumulated depreciation/amortization	<u>193,799,105</u>
Net carrying value of capital assets	258,979,658
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")	90,396,978
Outstanding principal of debt and other borrowing used to refund capital-related borrowings	3,940,000
Lease Liability	2,741,495
Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable	2,118,468
Unamortized original issue premiums on outstanding capital debt	5,310,174
Capital-related deferred inflows of resources (such as a gain on refunding of outstanding capital debt)	192,392
	<u>104,699,507</u>
Plus:	
Unamortized original issue discounts on outstanding capital debt	1,635
	<u>1,635</u>
Equals: Net investment in capital assets	<u>154,281,786</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 (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. The City of Grand Forks pays an annual premium to NDIRF for its general liability, auto, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of 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 \$1.6 million as of December 31, 2022. There is approximately \$1.68 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 2,449,446 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 three cells (Cell A, B & C). Based on design this cell has 2,449,446 cubic yards of waste volume capacity. Significant cell life improvements have been obtained due to waste density changes within Cell B & C 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. As of December 31, 2022 the solid waste cubic yards capacity remaining is 1,200,000.

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 \$5.9 million reported as MSWLF closure and post-closure care liability for the new landfill at December 31, 2022 represents

the cumulative amount reported to date based on the estimated capacity of Cell A, B & C 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, 2023 membership consisted of:	
Retired employees and beneficiaries	322
Terminated Participants with deferred benefits	21
Nonvested terminated participants entitled to a refund	0
All other employees with vested employer provided benefits	38
TOTAL	381

The payroll for the employees covered by the City Employee Pension Plan for the year ended December 31, 2022, was \$2,491,260. The total payroll was \$3,225,773.

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, 2023, for participants under normal retirement age is \$2,491,260.

City Council has authority to establish and amend contribution requirements.

Contributions made for the City Pension Plan totaled \$3,512,978 (\$3,316,869 employer, \$196,109 employee). The employer contribution was equivalent to 94.4% of annual covered payroll and the employee contributions were the equivalent of 5.6% of annual covered payroll, respectively.

E. Actuarial Methods and Assumptions.

The City's net pension liability was measured as of December 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2022.

Actuarial assumptions. The total pension liability in the January 1, 2022, 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, 2022, valuation were based on the results of an actuarial experience study for the period January 1, 2021-December 31, 2021.

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	15.62%	3.23%
US Corp Bonds-High Yield	6.44%	4.98%
US Treasuries	8.46%	1.90%
US Equity – Large Cap	24.09%	6.65%
US Equity – Small/Mid Cap	6.08%	7.04%
Non-US Equity - Developed	17.68%	7.14%
Non-US Equity Emerging	2.84%	7.81%
Real Estate	6.48%	6.21%
Commodities	1.74%	3.96%
Infrastructure	5.57%	6.79%
Private Equity	4.82%	9.65%

* Return expectations are based on the 2021 Horizon Survey of Capital Market Expectations 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, 2021. 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 2.06% (based on the 20-year Bond Buyer GO Index as of the end of December 2021). 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:

	Plan Fiduciary		
	Total Pension	Net Position	Net Pension
	Liability (a)	(b)	Liability (a)-(b)
January 1, 2021	\$ 101,409,395	\$ 79,483,300	\$ 21,926,095
Service Cost	256,767		256,767
Interest	7,110,731		7,110,731
Changes in assumptions	-		-
Differences between expected and actual experience	(345,999)		(345,999)
Benefit Payments	(7,301,996)	(7,301,996)	-
Contributions - Employer		4,530,594	(4,530,594)
Contributions - Employee		258,980	(258,980)
Administrative expenses		(276,184)	276,184
Net investment income		13,014,968	(13,014,968)
Net Change	(280,497)	10,226,362	(10,506,859)
December 31, 2021	\$ 101,128,898	\$ 89,709,662	\$ 11,419,236

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:

	1% Decrease	Current Discount	1% Increase (8.25%)
	<u>(6.25%)</u>	<u>Rate (7.25%)</u>	
City's Net Pension Liability	\$20,183,009	\$11,419,236	\$3,836,649

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position as of January 1, 2023, is available on Exhibit 10.

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

For the year ended December 31, 2022, the City recognized pension expense of a negative \$1,523,000.

As of December 31, 2022, 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		8,879,669
Employer contributions subsequent to the measurement date	3,316,932	-
Total	<u>\$ 3,316,932</u>	<u>\$ 8,879,669</u>

\$3,316,933 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, 2023. 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
2023	\$(1,919,330)
2024	(3,396,834)
2025	(2,086,029)
2026	(1,477,474)

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 \$242,019 for the plan year ended December 31, 2022. Total fair value of plan assets as of December 31, 2022 was \$5,739,231.

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, 2022, the City reported a net pension liability of \$48,399,807 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022 the Employer's proportion was 1.680510 percent, which is an increase of 0.056161 percent from its proportion measured at June 30, 2021.

For the year ended December 31, 2022, the Employer recognized pension expense of \$4,332,633. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	252,467	\$	924,520
Changes of assumptions		28,943,797		17,943,552
Net difference between projected and actual earnings on pension plan investments		1,771,422		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		1,713,035		7,969,594
Employer contributions subsequent to the measurement date		754,743		-
Total	\$	33,435,464	\$	26,837,666

\$754,743 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, 2023.

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:		
2023	\$	1,284,495
2024		1,656,329
2025		(1,702,409)
2026		4,604,640
2027		-
Thereafter		-

Actuarial Assumptions

The total pension liability in the July 1, 2022 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	5.10%, 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%	5.75%
International Equity	21.00%	6.45%
Private Equity	7.00%	9.20%
Domestic Fixed Income	23.00%	0.34%
Global Real Assets	19.00%	4.34%

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 6.50%; the municipal bond rate is 3.69%; and resulting Single Discount Rate is 5.10%.

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 5.10 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 (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

	1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
Employer's proportionate share of the net pension liability	\$ 63,884,416	\$ 48,399,807	\$ 35,687,479

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, 2022, the City reported a net pension liability of \$13,134,044 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, 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, 2022 the Employer's proportion was 15.998218 percent which was a decrease of .328647 percent over June 30, 2021.

For the year ended December 31, 2022, the Employer recognized pension expense of \$3,489,065. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	4,199,982	\$	75,292
Changes of assumptions		11,212,791		7,478,258
Net difference between projected and actual earnings on pension plan investments		893,225		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		2,087,808		52,554
Employer contributions subsequent to the measurement date		522,799		
Total	\$	18,916,605	\$	7,606,104

\$522,799 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, 2023.

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:		
2023	\$	2,417,527
2024		2,331,993
2025		2,533,722
2026		1,792,794
2027		1,151,825
Thereafter		559,841

Actuarial Assumptions

The total pension liability in the July 1, 2022 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	5.10%, 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%	6.00%
International Equity	21.00%	6.45%
Private Equity	7.00%	9.20%
Domestic Fixed Income	23.00%	0.34%
Global Real Assets	19.00%	4.35%

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 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 4.64 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (3.64 percent) or 1-percentage-point higher (5.64 percent) than the current rate:

	1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
Employer's proportionate share of the net pension liability	\$ 19,191,477	\$ 13,134,044	\$ 8,340,391

Pension Plan Fiduciary Net Position

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

F. Pension Summary

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

Pension Plan	Net Pension Asset	Deferred Outflows of Resources- Pension	Net Pension Liability	Deferred Inflows of Resources- Pension	Pension Expense
Single Employer Pension Plan	\$ -	\$ 3,316,932	\$ 11,419,236	\$ 8,879,669	\$ (1,523,000)
NDPERS Pension Plan-Main	-	33,435,464	48,399,807	26,837,666	4,332,633
NDPERS Pension Plan-Public Safety	-	18,916,605	13,134,044	7,606,104	3,489,065
Total	\$ -	\$ 55,669,001	\$ 72,953,087	\$ 43,323,439	\$ 6,298,698

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, 2022, the Employer reported a liability of \$2,902,930 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022, 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, 2022, the Employer's proportion was 2.418485 percent, which was an increase of .118138% from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Employer recognized OPEB expense of \$516,422. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2022, the Employer reported deferred outflows of resources and deferred

inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources		Deferred Inflows of Resources	
Differences between expected and actual experience	\$	68,820	\$	24,964
Changes of assumptions		731,214		-
Net difference between projected and actual earnings on pension plan investments		390,870		-
Changes in proportion and differences between employer contributions and proportionate share of contributions		165,222		31,034
Employer contributions subsequent to the measurement date		147,791		-
Total	\$	1,503,917	\$	55,998

\$147,791 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, 2023.

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		
2023	\$	337,610
2024		320,386
2025		291,153
2026		350,079

Actuarial assumptions

The total OPEB liability in the July 1, 2022 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	5.75%, 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
Broad US Equities	39.00%	5.75%
Core-Plus Fixed Income	35.00%	0.22%
International Equities	26.00%	6.00%

Discount rate

The discount rate used to measure the total OPEB liability was 5.39%. 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, 2022, calculated using the discount rate of 5.39%, 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 (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease (4.39%)	Current Discount Rate (5.39%)	1% Increase (6.39%)
Employer's proportionate share of the net OPEB liability	\$ 3,705,417	\$ 2,902,930	\$ 2,229,265

H. Concentration

The Water Fund and the Wastewater Fund receive more than 10% of their operating revenue from one external customer. They received \$2.83 million (24.4%) and \$2.76 million (21.4%) in revenue respectively in 2022.

I. Tax Exemptions / Abatements

As of 12/31/2022, the City of Grand Forks provides property tax exemptions under 16 programs/categories for property within the City limits: The New Home Builder, New Home Buyer, New and Expanding Business, Payment in Lieu of Tax, Commercial Remodel, Child Care Facilities, Residential Remodel, Renaissance Zone, Tax Increment Finance, Blind property owner, Charitable Organization, Renewable Energy, Group Homes, Housing Authority, Religious Organizations, and Wheel Chair property owner. All of these programs

reduce the taxable value of the property by the applicable, or negotiated, dollar amount, therefore lowering the respective real estate taxes due on the property in question. North Dakota Century Code 40-05-24 further states that any tax exemption lasting longer than five years must have approval from the County Commission and each School District impacted.

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

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

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

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

The Commercial Remodel exemption includes an exemption in property taxes, in whole or in part, for property whose market value increases by at least ten percent, and fifteen-thousand dollars, due to a renovation, remodeling, or alteration project of an existing commercial building, for up to five years upon receipt of an application for exemption. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02.2 & 57-02.3, with resolution passed by the City in 1995, amended in 2009 and 2020.

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

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

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

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

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

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

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

Property tax exemptions for property owners includes fixtures, buildings, and improvements up to the amount of valuation specified, when owned and occupied as a homestead, as hereinafter defined, by any permanently and totally disabled person who is permanently confined to use of a wheelchair, or, if deceased, the unmarried 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	\$26,062
New Home Buyer	123,555
New/Expanding Business	159,983
Payment in Lieu of Tax	94,908
Commercial Remodel	50,635
Child Care Facilities	17,691
Residential Remodel	33,612
Renaissance Zone	107,750
Tax Increment Financing	<u>71,576</u>
Total City Exemptions	<u>\$685,772</u>

State of North Dakota Tax Exemptions:

City property tax revenues were reduced by \$1,310,544 under agreements entered into by the State of North Dakota.

J. Subsequent Events

In January 2023, the City entered into various State Revolving Fund Loans:

\$375,000 of Water Reserve Revenue Bonds, Series 2023A to finance a lead service line replacement project which will give homeowners the opportunity to hire a contractor to replace their lead service lines through the North Dakota State Department of Health (State Revolving Loan Fund). The City will pay 90% of the cost and the homeowner will pay only 10%. The State will then reimburse the City for the 90% through the State's Loan Forgiveness Program.

\$3,167,000 of Stormsewer Refunding Improvement Bonds, Series 2023B to finance construction of a regional stormwater pond through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed.

\$54,620,000 of Sewer Reserve Revenue Bonds, Series 2023C to finance improvements to the Grand Forks Wastewater Treatment Plant through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed.

\$3,500,000 of Refunding Improvement Bonds, Series 2023D to finance sewer main improvements through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed. This project came in over budget and will be rebid in the fall of 2023.

\$5,606,942 of Sewer Reserve Revenue Bonds, Series 2023E to finance the construction of wastewater lift station #49 and associated force main through the North Dakota State Department of Health (State Revolving Loan Fund). These funds are drawn down as needed.

K. Change in Accounting Principles and Restatement of Net Position

The City implemented GASB Statement No. 87 *Leases* as a result, the beginning net position has been restated to reflect the related right to use asset, machinery and equipment asset, capital lease payable and lease liability as of January 1, 2022. The implementation of the standard also required the change in the amount of leases receivable and deferred inflows in the Job Development Authority Fund of \$4,017,225. The City also restated the accumulated depreciation for the Alerus Center Fund where an error was made in calculating the depreciation in the Alerus Center Fund which caused the prior year depreciation expense and accumulated depreciation to be overstated. Also a note receivable in the Job Development Authority Fund was reclassified which resulted in an understated notes receivable and overstated rental revenue as of January 1, 2022 as follows:

	Governmental			Job
	Activities	Sanitation	Alerus Center	Development Authority
Net position January 1, 2022, as previously reported	\$ 254,572,584	\$ 11,975,739	\$ 62,502,122	\$ 31,817,156
Decrease in accumulated depreciation			917,344	
Increase in notes receivable				193,079
Add right to use asset	677,974	1,404,846		
Add lease liabilities	(677,974)	(1,404,846)	-	-
Less deleted capital leased assets	(676,828)	(1,485,714)		
Less deleted capital leases	674,563	1,399,830	-	-
Net Position January 1, 2022, as restated	\$ 254,570,319	\$ 11,889,855	\$ 63,419,466	\$ 32,010,235

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

December 31, 2022

**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	2022
Total Pension Liability								
Service cost	\$ 50,331	\$ 556,392	\$ 461,205	\$ 406,090	\$ 368,476	\$ 365,903	\$ 353,646	\$ 256,767
Interest	6,444,944	6,569,255	7,006,404	6,938,458	7,033,601	7,168,712	7,196,826	7,110,731
Changes of benefit terms	-	-	-	-	-	-	-	-
Differences between expected and actual experience	-	344,624	1,333,162	(968,991)	1,725,082	(167,759)	188,224	(345,999)
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)	(7,301,996)
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	(280,497)
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	101,409,395
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	\$ 101,128,898
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	\$ 4,530,594
Contributions - employee	497,997	486,834	441,589	428,480	385,280	322,264	286,825	258,980
Net investment income	3,814,150	699,438	4,344,791	9,767,726	(2,197,466)	11,435,454	8,525,051	13,014,968
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)	(7,301,996)
Administrative expenses	(286,387)	(237,060)	(182,647)	(204,338)	(169,566)	(219,381)	(252,210)	(276,184)
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	10,226,362
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	79,483,300
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	\$ 89,709,662
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	\$ 11,419,236
Plan fiduciary net position as a percentage of the total pension liability	70%	65%	67%	74%	67%	75%	78%	89%
Covered payroll	\$ 7,953,162	\$ 7,540,235	\$ 6,613,621	\$ 6,272,995	\$ 5,601,246	\$ 4,451,392	\$ 4,400,244	\$ 2,956,450
City's net pension liability as a percentage of covered payroll	327%	424%	477%	407%	581%	551%	498%	386%

* 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	12/31/2022
Actuarial Determined Contribution	\$ 3,520,138	\$ 3,457,816	\$ 3,325,061	\$ 3,338,042	\$ 3,336,703	\$ 3,280,594	\$ 3,230,558	\$ 2,969,058
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)	\$ (3,316,869)
Contribution deficiency (excesses)	\$ (70,187)	\$ (132,506)	\$ -	\$ -	\$ (501,863)	\$ (225,185)	\$ (1,300,284)	\$ (347,811)
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	\$ 2,491,260
Contributions as a percentage of covered payroll	47.6%	54.3%	53.0%	59.6%	86.2%	79.7%	153.3%	133.1%

Completed data for this schedule is not available prior to 2015

Notes to Schedule:

Valuation date:	January 1, 2022
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:	12 years
Asset valuation method:	Fair value of assets plus contributions receivable
Salary scale/inflation:	2.50%
Investment rate of return:	7.00%, 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 : Mortality rates based Pub -2010Safety - Full Data Set and Safety Disabled Retiree tables for males and females , generationally projected using the scale MP-2021 mortality improvement scale. All Other Participants : Mortality rates based on Pub -2010General - Full Data Set tables for males and females , adjusted with the below scaling factors , and generationally projected using the Scale MP-2021 mortality improvement scale.

CITY OF GRAND FORKS, NORTH DAKOTA
Required Supplementary Information
December 31, 2022

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	As of a measurement date of 06/30/2022
Employer's proportion of the net pension liability (asset)	1.837291%	1.988687%	2.236455%	2.167287%	2.320733%	2.416780%	1.624349%	1.680510%
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	\$48,399,807
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	\$19,507,979
Employer's share of net pension liability (asset) as a percentage of its covered payroll	76%	97%	157%	164%	113%	285%	106%	248%
Plan fiduciary net position as a percentage of the total pension liability	77%	70%	62%	63%	72%	49%	78%	54%

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	12/31/2022
Statutorily required contribution	\$ 1,586,546	\$ 1,494,529	\$ 1,588,376	\$ 1,587,730	\$ 1,710,275	\$ 1,912,861	\$ 1,316,859	\$ 1,469,282
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)	\$ (1,469,282)
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	\$ 17,787,918
Contributions as a percentage of covered payroll	8.51%	7.38%	7.15%	7.12%	7.15%	7.57%	8.75%	8.26%

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 6.50 percent to 6.00 percent effective January 1, 2023 (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.

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for first use commencing with the actuarial valuation as of July 1, 2020.

CITY OF GRAND FORKS, NORTH DAKOTA
Required Supplementary Information
December 31, 2022

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	As of a measurement date of 06/30/2022
Employer's proportion of the net pension liability (asset)	16.326865%	15.998218%
Employer's proportionate share of the net pension liability (asset)	\$ 2,705,608	\$ 13,134,044
Employer's covered payroll	\$ 10,046,492	\$ 10,358,225
Employer's share of net pension liability (asset) as a percentage of its covered payroll	27%	127%
Plan fiduciary net position as a percentage of the total pension liability	87%	57%

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	12/31/2022
Statutorily required contribution	\$ 987,748	\$ 1,041,156
Contributions in relation to the required contribution	\$ (987,748)	\$ (1,041,156)
Contribution deficiency (excesses)	\$ -	\$ -
Employer's covered payroll	\$ 10,059,271	\$ 9,508,274
Contributions as a percentage of covered payroll	9.82%	10.95%

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 6.50 percent to 6.00 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Public Safety 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). 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, 2022

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	As of a measurement date of 06/30/2022
Employer's proportion of the net OPEB liability (asset)	2.042171%	2.171713%	2.214994%	2.300347%	2.418480%
Employer's proportionate share of the net OPEB liability (asset)	\$ 1,608,349	\$ 1,744,293	\$ 1,863,249	\$ 1,279,391	\$ 2,902,930
Employer's covered payroll	\$ 22,345,783	\$ 24,233,227	\$ 25,250,280	\$ 24,298,025	\$ 24,968,563
Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	7%	7%	7%	5%	12%
Plan fiduciary net position as a percentage of the total OPEB liability	62%	63%	63%	63%	56%

*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	12/31/2021	12/31/2022
Statutorily required contribution	\$ 254,379	\$ 273,868	\$ 289,097	\$ 238,160	\$ 303,897
Contributions in relation to the required contribution	\$ (254,379)	\$ (273,868)	\$ (289,097)	\$ (238,160)	\$ (303,897)
Contribution deficiency (excesses)	\$ -	\$ -	\$ -	\$ -	\$ -
Employer's covered payroll	\$ 23,004,333	\$ 23,924,496	\$ 25,254,195	\$ 20,891,241	\$ 26,657,632
Contributions as a percentage of covered payroll	1.11%	1.14%	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

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

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, 2022

	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	\$ 14,801,400	\$ 320,370	\$ 2,714,109	\$ 17,835,879
Investments	21,000,000		8,000,000	29,000,000
Receivables, net:				
Accounts	190,574		79,011	269,585
Special assessments (including liens)		5,291	53,615	58,906
Special assessments-uncertified			3,708,872	3,708,872
Property taxes	80,885	18,366		99,251
Sales tax	795,623		97,392	893,015
Hotel/Motel Tax	98,740			98,740
Notes	3,114,081			3,114,081
Intergovernmental	927,191			927,191
Prepaid Items	25,866			25,866
Total assets	<u>\$ 41,034,360</u>	<u>\$ 344,027</u>	<u>\$ 14,652,999</u>	<u>\$ 56,031,386</u>
LIABILITIES				
Accounts payable	\$ 1,131,400	\$ -	\$ -	\$ 1,131,400
Contracts payable	6,236		90,783	97,019
Due to other funds	1,525,466		-	1,525,466
Advances from other funds	12,283	-		12,283
Unearned income	9,387,023			9,387,023
Total liabilities	<u>12,062,408</u>	<u>-</u>	<u>90,783</u>	<u>12,153,191</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-property taxes	110,964	18,366		129,330
Unavailable revenue-special assessments		5,291	3,762,487	3,767,778
Total deferred inflows of resources	<u>110,964</u>	<u>23,657</u>	<u>3,762,487</u>	<u>3,897,108</u>
FUND BALANCES				
Nonspendable	25,866			25,866
Restricted	28,835,122	320,370	7,196,933	36,352,425
Committed			3,602,796	3,602,796
Total Fund Balances	<u>28,860,988</u>	<u>320,370</u>	<u>10,799,729</u>	<u>39,981,087</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 41,034,360</u>	<u>\$ 344,027</u>	<u>\$ 14,652,999</u>	<u>\$ 56,031,386</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, 2022

	Non-Major Special Revenue	Non-Major Debt Service	Non-Major Capital Projects	Total Non-major Governmental Funds
Revenues:				
Taxes:				
Property	\$ 3,934,817	\$ 1,533	\$	\$ 3,936,350
Sales	9,297,788		\$1,138,811	10,436,599
Hotel/Motel/Airport Car Rental	1,106,309			1,106,309
Intergovernmental	12,481,136	99	632,500	13,113,735
Charges for services	2,481,922			2,481,922
Special assessments		28,618	999,306	1,027,924
Fines and forfeits	46,437			46,437
Interest	(258,131)	6,679	(191,573)	(443,025)
Miscellaneous	115,406			115,406
Total Revenues	<u>29,205,684</u>	<u>36,929</u>	<u>2,579,044</u>	<u>31,821,657</u>
Expenditures:				
Current:				
General government	4,872,347			4,872,347
Health & welfare	3,375,967			3,375,967
Public safety	3,604,254			3,604,254
Culture & recreation	2,714,345			2,714,345
Capital outlay	2,283,279		5,810,869	8,094,148
Debt service:				
Principal retirement		555,000	667,056	1,222,056
Interest and fiscal charges	1,227	62,921	5,941	70,089
Total Expenditures	<u>16,851,419</u>	<u>617,921</u>	<u>6,483,866</u>	<u>23,953,206</u>
Excess (Deficiency) of Revenues Over Expenditures	12,354,265	(580,992)	(3,904,822)	7,868,451
Other Financing Sources (Uses):				
Issuance of Capital Lease			2,468,330	2,468,330
Sale of capital assets			34,063	34,063
Transfers in	7,853,454	466,317	3,013,904	11,333,675
Transfers out	(13,901,210)	(1,350,013)	(426,103)	(15,677,326)
Total Other Financing Sources (Uses)	<u>(6,047,756)</u>	<u>(883,696)</u>	<u>5,090,194</u>	<u>(1,841,258)</u>
Net change in fund balances	6,306,509	(1,464,688)	1,185,372	6,027,193
Fund balance Beginning	<u>22,554,479</u>	<u>1,785,058</u>	<u>9,614,357</u>	<u>33,953,894</u>
Fund Balances Ending	<u>\$ 28,860,988</u>	<u>\$ 320,370</u>	<u>\$ 10,799,729</u>	<u>\$ 39,981,087</u>



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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, 2022
With Comparative Totals for December 31, 2021

	Emergency Levy	Municipal Band	Public Building Fund	Library	Library Capital Mtce.
ASSETS					
Cash and cash equivalents	\$ 142,907	\$ 1,838	\$ 535,458	\$ 1,013,163	\$ 904,120
Investments					1,000,000
Receivables (Net of allowances for uncollectibles):					
Accounts					
Notes					
Taxes:					
Property	2,297	317	17,607	40,534	
Sales					
Hotel/Motel					
Intergovernmental:					
State of North Dakota				3,333	
Federal					
Grand Forks County				111,140	
Prepaid Items			25,442		
Total Assets	\$ 145,204	\$ 2,155	\$ 578,507	\$ 1,168,170	\$ 1,904,120
LIABILITIES					
Accounts payable			\$ 441,758		\$ 19,883
Contracts payable and retainage					
Due to other funds					
Advances from other funds					
Unearned Income					
Total Liabilities			441,758		19,883
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	\$ 3,172	\$ 437	\$ 24,345	\$ 55,874	
Total Deferred Inflows of Resources	3,172	437	24,345	55,874	
FUND BALANCES					
Non spendable fund balance			25,442		
Restricted fund balance	142,032	1,718	86,962	1,112,296	\$ 1,884,237
Total Fund Balances	142,032	1,718	112,404	1,112,296	1,884,237
Total liabilities, deferred inflows of resources and fund balance	\$ 145,204	\$ 2,155	\$ 578,507	\$ 1,168,170	\$ 1,904,120

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

B-1

DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	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	\$ 939,661	\$ 425,485	\$ 21,641	\$ 1,696,019	\$ 1,457,524	\$ 517,202
Investments					8,000,000	2,000,000
Receivables (Net of allowances for uncollectibles):						
Accounts				184,130	4,044	
Notes					120,000	
Taxes:						
Property	9,592	8,170	71			
Sales					202,734	
Hotel/Motel						
Intergovernmental:						
State of North Dakota						
Federal						
Grand Forks County						
Prepaid Items						
Total Assets	\$ 949,253	\$ 433,655	\$ 21,712	\$ 1,880,149	\$ 9,784,302	\$ 2,517,202
LIABILITIES AND FUND BALANCES						
Accounts payable				\$ 89,123	\$ 41,343	
Contracts payable and retainage						
Due to other funds						
Advances from other funds				12,283		
Unearned Income						
Total Liabilities				101,406	41,343	
DEFERRED INFLOWS OF RESOURCES						
Unavailable revenue-property taxes	\$ 13,143	\$ 10,704	\$ 117			
Total Deferred Inflows of Resources	13,143	10,704	117			
Fund Balances:						
Non spendable fund balance						
Restricted fund balance	936,110	422,951	21,595	1,778,743	9,742,959	\$ 2,517,202
Total Fund Balances	936,110	422,951	21,595	1,778,743	9,742,959	2,517,202
Total liabilities, deferred inflows of resources and fund balance	\$ 949,253	\$ 433,655	\$ 21,712	\$ 1,880,149	\$ 9,784,302	\$ 2,517,202

Continued

Public Service Answering Point	Water and Street Sales Tax	Convention & Visitors Bureau	Animal Control	American Rescue Plan Grant	COVID Relief Grant	Community Development
\$ 289,536	\$ 1,216,348 3,000,000	\$ 119,534	\$ 4,631	\$ 3,164,369 5,000,000	\$ 106	\$ 1,996,116 2,000,000
						2,400 2,994,081
	592,889		2,297			
		98,740				
						144,476
						424
<u>\$ 289,536</u>	<u>\$ 4,809,237</u>	<u>\$ 218,274</u>	<u>\$ 6,928</u>	<u>\$ 8,164,369</u>	<u>\$ 106</u>	<u>\$ 7,137,497</u>
		\$ 185,195		\$ 90,643 6,236 1,485,466		\$ 203,468
				6,388,802		2,998,221
		185,195		7,971,147		3,201,689
			\$ 3,172			
			3,172			
						424
\$ 289,536	\$ 4,809,237	33,079	3,756	193,222	\$ 106	3,935,384
289,536	4,809,237	33,079	3,756	193,222	106	3,935,808
<u>\$ 289,536</u>	<u>\$ 4,809,237</u>	<u>\$ 218,274</u>	<u>\$ 6,928</u>	<u>\$ 8,164,369</u>	<u>\$ 106</u>	<u>\$ 7,137,497</u>

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

B-1

DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

	2022 Total	2021 Total
ASSETS		
Cash and cash equivalents	\$ 14,801,400	\$ 17,048,762
Investments	21,000,000	9,000,000
Receivables (Net of allowances for uncollectibles):		
Accounts	190,574	190,086
Notes	3,114,081	3,305,659
Taxes:		
Property	80,885	81,883
Sales	795,623	657,894
Hotel/Motel	98,740	65,643
Intergovernmental:		
State of North Dakota	520,284	458,734
Federal	295,767	1,087,943
Grand Forks County	111,140	146,489
Prepaid Items	25,866	28,002
 Total Assets	 \$ 41,034,360	 \$ 32,071,095
LIABILITIES AND FUND BALANCES		
Accounts payable	\$ 1,131,400	\$ 726,054
Contracts payable and retainage	6,236	
Due to other funds	1,525,466	510,000
Advances from other funds	12,283	51,027
Unearned Income	9,387,023	8,117,016
 Total Liabilities	 12,062,408	 9,404,097
DEFERRED INFLOWS OF RESOURCES		
Unavailable revenue-property taxes	110,964	112,519
 Total Deferred Inflows of Resources	 110,964	 112,519
Fund Balances:		
Non spendable fund balance	25,866	28,002
Restricted fund balance	28,835,122	22,526,477
 Total Fund Balances	 28,860,988	 22,554,479
 Total liabilities, deferred inflows of resources and fund balance	 \$ 41,034,360	 \$ 32,071,095



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COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NON-MAJOR SPECIAL REVENUE FUNDS

FOR THE YEAR ENDED DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	Emergency Levy	Municipal Band	Public Building Fund	Library
REVENUES				
Taxes:				
Property	\$ 114,544	\$ 15,771	\$ 803,307	\$ 2,016,305
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental	59,315	373	19,001	860,496
Charges for services				20,350
Fines and forfeits				
Interest (Loss)	(2,766)	(30)	(10,840)	(26,300)
Miscellaneous				3,869
Total Revenues	171,093	16,114	811,468	2,874,720
EXPENDITURES				
Current:				
General government			362,691	
Health & welfare				
Public safety	22,875			
Culture & recreation		16,355		2,647,920
Capital outlay	3,116		529,825	216,402
Debt service:				
Interest and fiscal charges				
Total Expenditures	25,991	16,355	892,516	2,864,322
Excess (Deficiency) of Revenues Over Expenditures	145,102	(241)	(81,048)	10,398
OTHER FINANCING SOURCES (USES)				
Transfers in				
Transfers out	(95,888)		(491,226)	(500,000)
Total Other Financing Sources (Uses)	(95,888)		(491,226)	(500,000)
Net change in fund balances	49,214	(241)	(572,274)	(489,602)
Fund Balances - Beginning	92,818	1,959	684,678	1,601,898
Fund Balances - Ending	\$ 142,032	\$ 1,718	\$ 112,404	\$ 1,112,296

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>
\$ -	\$ -	\$ -	\$ -	\$ -
	122,875	871,916	3,067,276 254,498	57,668
(15,191)	194			(117)
<u> </u>	<u>25,850</u>	<u>3,275</u>	<u>3,275</u>	<u>20,457</u>
<u>(15,191)</u>	<u>148,919</u>	<u>875,191</u>	<u>3,325,049</u>	<u>78,008</u>
			3,375,692	
	125,264	448,035		24,846 50,070
92,736	38,970	543,716	1,094	
<u>92,736</u>	<u>164,234</u>	<u>991,751</u>	<u>3,376,786</u>	<u>74,916</u>
<u>(107,927)</u>	<u>(15,315)</u>	<u>(116,560)</u>	<u>(51,737)</u>	<u>3,092</u>
500,000	23,380	76,181	22,569	
<u>500,000</u>	<u>23,380</u>	<u>76,181</u>	<u>22,569</u>	
392,073	8,065	(40,379)	(29,168)	3,092
<u>1,492,164</u>	<u>2,959</u>	<u>132,416</u>	<u>773,842</u>	<u>4,607</u>
<u>\$ 1,884,237</u>	<u>\$ 11,024</u>	<u>\$ 92,037</u>	<u>\$ 744,674</u>	<u>\$ 7,699</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, 2022
 With Comparative Totals for December 31, 2021

	Asset Forfeiture	City Special Assessment Fund	Insurance Reserve Fund
REVENUES			
Taxes:			
Property	\$ -	\$ 465,473	\$ 401,358
Sales			
Hotel/Motel/Airport Car Rental			
Intergovernmental	3,112	12,528	9,501
Charges for services			
Fines and forfeits	46,437		
Interest (Loss)	814	(25,057)	(8,852)
Miscellaneous			
Total Revenues	50,363	452,944	402,007
EXPENDITURES			
Current:			
General government		454,110	239,067
Health & welfare			
Public safety	11,093		
Culture & recreation			
Capital outlay	14,729		
Debt service:			
Interest and fiscal charges			
Total Expenditures	25,822	454,110	239,067
Excess (Deficiency) of Revenues Over Expenditures	24,541	(1,166)	162,940
OTHER FINANCING SOURCES (USES)			
Transfers in			
Transfers out	(4,588)	(25,000)	
Total Other Financing Sources (Uses)	(4,588)	(25,000)	
Net change in fund balances	19,953	(26,166)	162,940
Fund Balances - Beginning	48,610	962,276	260,011
Fund Balances - Ending	\$ 68,563	\$ 936,110	\$ 422,951

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
\$ 3,511	\$ -	\$ - 2,369,149	\$ -	\$ -	\$ - 6,928,639	\$ - 1,106,309
83	1,566,906	83,844	2,500,000	170 556,324		
(507)	(43,475)	(117,961)	4,604	(9,306) 209	(100,571)	(1,311)
3,087	1,523,431	2,335,032	2,504,604	547,397	6,828,068	1,104,998
275		1,547,758				1,106,381
	990,247			1,809,722		
	95,329	289,248		2,192		
	1,227					
275	1,086,803	1,837,006		1,811,914		1,106,381
2,812	436,628	498,026	2,504,604	(1,264,517)	6,828,068	(1,383)
	(357,340)	3,434,123 (802,793)		1,191,043	(5,594,722)	
	(357,340)	2,631,330		1,191,043	(5,594,722)	
2,812	79,288	3,129,356	2,504,604	(73,474)	1,233,346	(1,383)
18,783	1,699,455	6,613,603	12,598	363,010	3,575,891	34,462
\$ 21,595	\$ 1,778,743	\$ 9,742,959	\$ 2,517,202	\$ 289,536	\$ 4,809,237	\$ 33,079

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, 2022
 With Comparative Totals for December 31, 2021

	Animal Control	American Rescue Plan Grant	COVID Relief Grant	Community Development
REVENUES				
Taxes:				
Property	\$ 114,548	\$ -	\$ -	\$ -
Sales				
Hotel/Motel/Airport Car Rental				
Intergovernmental	3,076	4,262,205	13,500	618,041
Charges for services				
Fines and forfeits				
Interest (Loss)	423	98,981	9,113	(9,976)
Miscellaneous	55,172			3,299
Total Revenues	173,219	4,361,186	22,613	611,364
EXPENDITURES				
Current:				
General government				1,162,340
Health & welfare				
Public safety	172,172			
Culture & recreation				
Capital outlay		455,922		
Debt service:				
Interest and fiscal charges				
Total Expenditures	172,172	455,922		1,162,340
Excess (Deficiency) of Revenues Over Expenditures	1,047	3,905,264	22,613	(550,976)
OTHER FINANCING SOURCES (USES)				
Transfers in				2,606,158
Transfers out		(3,712,042)	(2,317,611)	
Total Other Financing Sources (Uses)		(3,712,042)	(2,317,611)	2,606,158
Net change in fund balances	1,047	193,222	(2,294,998)	2,055,182
Fund Balances - Beginning	2,709		2,295,104	1,880,626
Fund Balances - Ending	\$ 3,756	\$ 193,222	\$ 106	\$ 3,935,808

B-2 (Cont'd)

2022	2021
Total	Total
\$ 3,934,817	\$ 3,975,568
9,297,788	8,525,448
1,106,309	767,056
12,481,136	7,039,675
2,481,922	2,254,485
46,437	22,948
(258,131)	1,986
115,406	243,328
29,205,684	22,830,494
4,872,347	4,648,551
3,375,967	3,561,381
3,604,254	3,458,749
2,714,345	2,461,769
2,283,279	1,511,538
1,227	2,370
16,851,419	15,644,358
12,354,265	7,186,136
7,853,454	7,558,435
(13,901,210)	(12,831,633)
(6,047,756)	(5,273,198)
6,306,509	1,912,938
22,554,479	20,641,541
\$ 28,860,988	\$ 22,554,479

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

B-3

YEAR ENDED DECEMBER 31, 2022
 With Comparative Actual Totals for December 31, 2021

	Emergency Levy			Municipal Band		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property	\$ 120,213	\$ 114,544	\$ (5,669)	\$ 16,830	\$ 15,771	\$ (1,059)
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental	18,858	59,315	40,457	386	373	(13)
Charges for services						
Fines and forfeits						
Interest (Loss)	2,290	(2,766)	(5,056)	29	(30)	(59)
Miscellaneous						
Total Revenues	141,361	171,093	29,732	17,245	16,114	(1,131)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	43,296	22,875	20,421			
Culture & recreation				17,900	16,355	1,545
Capital outlay	3,116	3,116				
Debt service:						
Interest and fiscal charges						
Total Expenditures	46,412	25,991	20,421	17,900	16,355	1,545
Excess (Deficiency) of						
Revenues Over Expenditures	94,949	145,102	50,153	(655)	(241)	414
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(95,888)	(95,888)				
Total Other Financing						
Sources (Uses)	(95,888)	(95,888)				
Net change in fund balances	(939)	49,214	50,153	(655)	(241)	414
Fund Balances - Beginning	92,818	92,818		1,959	1,959	
Fund Balances - Ending	\$ 91,879	\$ 142,032	\$ 50,153	\$ 1,304	\$ 1,718	\$ 414

Continued

Public Building Fund			Library		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ 799,414	\$ 803,307	\$ 3,893	\$ 2,144,718	\$ 2,016,305	\$ (128,413)
15,625	19,001	3,376	921,107	860,496	(60,611)
			9,700	20,350	10,650
8,302	(10,840)	(19,142)	15,000	(26,300)	(41,300)
			500	3,869	3,369
823,341	811,468	(11,873)	3,091,025	2,874,720	(216,305)
320,024	362,691	(42,667)			
688,954	529,825	159,129	2,833,788	2,647,920	185,868
			283,000	216,402	66,598
1,008,978	892,516	116,462	3,116,788	2,864,322	252,466
(185,637)	(81,048)	104,589	(25,763)	10,398	36,161
(491,226)	(491,226)		(500,000)	(500,000)	
(491,226)	(491,226)		(500,000)	(500,000)	
(676,863)	(572,274)	104,589	(525,763)	(489,602)	36,161
684,678	684,678		1,601,898	1,601,898	
\$ 7,815	\$ 112,404	\$ 104,589	\$ 1,076,135	\$ 1,112,296	\$ 36,161

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, 2022
 With Comparative Actual Totals for December 31, 2021

	Library Capital Maintenance			Special Grants - Fire		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental				337,734	122,875	(214,859)
Charges for services						
Fines and forfeits						
Interest (Loss)	15,000	(15,191)	(30,191)		194	194
Miscellaneous				25,850	25,850	
Total Revenues	15,000	(15,191)	(30,191)	363,584	148,919	(214,665)
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety				409,014	125,264	283,750
Culture & recreation	10,000		10,000			
Capital outlay	540,000	92,736	447,264	43,315	38,970	4,345
Debt service:						
Interest and fiscal charges						
Total Expenditures	550,000	92,736	457,264	452,329	164,234	288,095
Excess (Deficiency) of						
Revenues Over Expenditures	(535,000)	(107,927)	427,073	(88,745)	(15,315)	73,430
Other Financing Sources (Uses):						
Transfers in	500,000	500,000		23,380	23,380	
Transfers out						
Total Other Financing						
Sources (Uses)	500,000	500,000		23,380	23,380	
Net change in fund balances	(35,000)	392,073	427,073	(65,365)	8,065	73,430
Fund Balances - Beginning	1,492,164	1,492,164		2,959	2,959	
Fund Balances Ending	\$1,457,164	\$1,884,237	\$ 427,073	\$ (62,406)	\$ 11,024	\$ 73,430

Continued

Special Grants-Police			Special Grants-Health		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
864,411	871,916	7,505	3,758,195	3,067,276	(690,919)
			290,607	254,498	(36,109)
33,025	3,275	(29,750)	10,000	3,275	(6,725)
897,436	875,191	(22,245)	4,058,802	3,325,049	(733,753)
460,110	448,035	12,075	4,310,407	3,375,692	934,715
542,137	543,716	(1,579)	3,090	1,094	1,996
1,002,247	991,751	10,496	4,313,497	3,376,786	936,711
(104,811)	(116,560)	(11,749)	(254,695)	(51,737)	202,958
100,000	76,181	(23,819)	22,569	22,569	
100,000	76,181	(23,819)	22,569	22,569	
(4,811)	(40,379)	(35,568)	(232,126)	(29,168)	202,958
132,416	132,416		773,842	773,842	
\$ 127,605	\$ 92,037	\$ (35,568)	\$ 541,716	\$ 744,674	\$ 202,958

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, 2022

With Comparative Actual Totals for December 31, 2021

	Special Grants-Other			Asset Forfeiture		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property Sales	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Intergovernmental	51,622	57,668	6,046		3,112	3,112
Charges for services						
Fines and forfeits				2,527	46,437	43,910
Interest (Loss)		(117)	(117)		814	814
Miscellaneous	19,050	20,457	1,407			
Total Revenues	70,672	78,008	7,336	2,527	50,363	47,836
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	24,846	24,846		11,094	11,093	1
Culture & recreation	53,857	50,070	3,787			
Capital outlay				14,729	14,729	
Debt service:						
Interest and fiscal charges						
Total Expenditures	78,703	74,916	3,787	25,823	25,822	1
Excess (Deficiency) of						
Revenues Over Expenditures	(8,031)	3,092	11,123	(23,296)	24,541	47,837
Other Financing Sources (Uses):						
Transfers in						
Transfers out	(1,028)		1,028	(4,588)	(4,588)	
Total Other Financing						
Sources (Uses)	(1,028)		1,028	(4,588)	(4,588)	
Net change in fund balances	(9,059)	3,092	12,151	(27,884)	19,953	47,837
Fund Balances - Beginning	4,607	4,607		48,610	48,610	
Fund Balances Ending	\$ (4,452)	\$ 7,699	\$ 12,151	\$ 20,726	\$ 68,563	\$ 47,837

Continued

City Special Assessment Fund			Insurance Reserve Fund		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ 488,063	\$ 465,473	\$ (22,590)	\$ 420,744	\$ 401,358	\$ (19,386)
10,184	12,528	2,344	7,803	9,501	1,698
7,119	(25,057)	(32,176)	100	(8,852)	(8,952)
<u>505,366</u>	<u>452,944</u>	<u>(52,422)</u>	<u>428,647</u>	<u>402,007</u>	<u>(26,640)</u>
533,228	454,110	79,118	425,650	239,067	186,583
<u>533,228</u>	<u>454,110</u>	<u>79,118</u>	<u>425,650</u>	<u>239,067</u>	<u>186,583</u>
<u>(27,862)</u>	<u>(1,166)</u>	<u>26,696</u>	<u>2,997</u>	<u>162,940</u>	<u>159,943</u>
<u>(25,000)</u>	<u>(25,000)</u>				
<u>(25,000)</u>	<u>(25,000)</u>				
<u>(52,862)</u>	<u>(26,166)</u>	<u>26,696</u>	<u>2,997</u>	<u>162,940</u>	<u>159,943</u>
<u>962,276</u>	<u>962,276</u>		<u>260,011</u>	<u>260,011</u>	
<u>\$ 909,414</u>	<u>\$ 936,110</u>	<u>\$ 26,696</u>	<u>\$ 263,008</u>	<u>\$ 422,951</u>	<u>\$ 159,943</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, 2022
 With Comparative Actual Totals for December 31, 2021

	Noxious Weed Control			E911 System		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property	\$ 4,809	\$ 3,511	\$ (1,298)	\$ -	\$ -	\$ -
Sales						
Hotel/Motel/Airport Car Rental		83				
Intergovernmental	66		(66)	1,000		(1,000)
Charges for services				1,457,659	1,566,906	109,247
Fines and forfeits						
Interest (Loss)	181	(507)	(688)	11,325	(43,475)	(54,800)
Miscellaneous						
Total Revenues	<u>5,056</u>	<u>3,087</u>	<u>(2,052)</u>	<u>1,469,984</u>	<u>1,523,431</u>	<u>53,447</u>
Expenditures:						
Current:						
General government						
Health & welfare	5,625	275	5,350			
Public safety				1,043,043	990,247	52,796
Culture & recreation						
Capital outlay				125,000	95,329	29,671
Debt service:						
Interest and fiscal charges				1,227	1,227	
Total Expenditures	<u>5,625</u>	<u>275</u>	<u>5,350</u>	<u>1,169,270</u>	<u>1,086,803</u>	<u>82,467</u>
Excess (Deficiency) of						
Revenues Over Expenditures	<u>(569)</u>	<u>2,812</u>	<u>3,298</u>	<u>300,714</u>	<u>436,628</u>	<u>135,914</u>
Other Financing Sources (Uses):						
Transfers in						
Transfers out				(571,090)	(357,340)	213,750
Total Other Financing						
Sources (Uses)				<u>(571,090)</u>	<u>(357,340)</u>	<u>213,750</u>
Net change in fund balances	(569)	2,812	3,298	(270,376)	79,288	349,664
Fund Balances - Beginning	<u>18,783</u>	<u>18,783</u>		<u>1,699,455</u>	<u>1,699,455</u>	
Fund Balances Ending	<u>\$ 18,214</u>	<u>\$ 21,595</u>	<u>\$ 3,298</u>	<u>\$ 1,429,079</u>	<u>\$ 1,778,743</u>	<u>\$ 349,664</u>

Continued

Economic Development Sales Tax			Prarie Dog Infrastructure		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
1,913,472	2,369,149	455,677			
				2,500,000	2,500,000
10,000	83,844	73,844			
63,839	(117,961)	(181,800)		4,604	4,604
30,000		(30,000)			
2,017,311	2,335,032	317,721		2,504,604	2,504,604
1,578,777	1,547,758	31,019			
289,249	289,248	1			
1,868,026	1,837,006	31,020			
149,285	498,026	348,741		2,504,604	2,504,604
3,063,482	3,434,123	370,641			
(802,793)	(802,793)				
2,260,689	2,631,330	370,641			
2,409,974	3,129,356	719,382		2,504,604	2,504,604
6,613,603	6,613,603		12,598	12,598	
\$ 9,023,577	\$ 9,742,959	\$ 719,382	\$ 12,598	\$ 2,517,202	\$ 2,504,604

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, 2022
 With Comparative Actual Totals for December 31, 2021

	Public Service Answering Point			Water and Street Sales Tax Fund		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales				5,595,899	6,928,639	1,332,740
Hotel/Motel/Airport Car Rental						
Intergovernmental	171	170	(1)			
Charges for services	556,091	556,324	233			
Fines and forfeits						
Interest (Loss)	3,757	(9,306)	(13,063)	12,000	(100,571)	(112,571)
Miscellaneous		209	209			
Total Revenues	560,019	547,397	(12,622)	5,607,899	6,828,068	1,220,169
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety	1,870,504	1,809,722	60,782			
Culture & recreation						
Capital outlay	5,593	2,192	3,401			
Debt service:						
Interest and fiscal charges						
Total Expenditures	1,876,097	1,811,914	64,183			
Excess (Deficiency) of						
Revenues Over Expenditures	(1,316,078)	(1,264,517)	51,561	5,607,899	6,828,068	1,220,169
Other Financing Sources (Uses):						
Transfers in	1,366,043	1,191,043	(175,000)			
Transfers out				(5,595,899)	(5,594,722)	1,177
Total Other Financing						
Sources (Uses)	1,366,043	1,191,043	(175,000)	(5,595,899)	(5,594,722)	1,177
Net change in fund balances	49,965	(73,474)	(123,439)	12,000	1,233,346	1,221,346
Fund Balances - Beginning	363,010	363,010		3,575,891	3,575,891	
Fund Balances Ending	\$ 412,975	\$ 289,536	\$ (123,439)	\$ 3,587,891	\$ 4,809,237	\$ 1,221,346

Continued

Convention & Visitors Bureau			Animal Control Fund		
Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -	\$ 120,213	\$ 114,548	\$ (5,665)
1,106,310	1,106,309	(1)	2,446	3,076	630
1,574	(1,311)	(2,885)	55,172	423	423
<u>1,107,884</u>	<u>1,104,998</u>	<u>(2,886)</u>	<u>177,831</u>	<u>173,219</u>	<u>(4,612)</u>
1,107,884	1,106,381	1,503	177,831	172,172	5,659
<u>1,107,884</u>	<u>1,106,381</u>	<u>1,503</u>	<u>177,831</u>	<u>172,172</u>	<u>5,659</u>
	(1,383)	(1,383)		1,047	1,047
	(1,383)	(1,383)		1,047	1,047
<u>34,462</u>	<u>34,462</u>		<u>2,709</u>	<u>2,709</u>	
<u>\$ 34,462</u>	<u>\$ 33,079</u>	<u>\$ (1,383)</u>	<u>\$ 2,709</u>	<u>\$ 3,756</u>	<u>\$ 1,047</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, 2022
 With Comparative Actual Totals for December 31, 2021

	American Rescue Plan Grant Fund			COVID Relief Grant Fund		
	Final Budget	Actual	Variance with Final Budget	Final Budget	Actual	Variance with Final Budget
Revenues:						
Taxes:						
Property	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Sales						
Hotel/Motel/Airport Car Rental						
Intergovernmental	5,719,649	4,262,205	(1,457,444)		13,500	13,500
Charges for services						
Fines and forfeits						
Interest (Loss)		98,981	98,981		9,113	9,113
Miscellaneous						
Total Revenues	5,719,649	4,361,186	(1,358,463)		22,613	22,613
Expenditures:						
Current:						
General government						
Health & welfare						
Public safety						
Culture & recreation						
Capital outlay	1,618,119	455,922	1,162,197			
Debt service:						
Interest and fiscal charges						
Total Expenditures	1,618,119	455,922	1,162,197			
Excess (Deficiency) of						
Revenues Over Expenditures	4,101,530	3,905,264	(196,266)		22,613	22,613
Other Financing Sources (Uses):						
Transfers in				2,317,611		(2,317,611)
Transfers out	(8,279,782)	(3,712,042)	4,567,740	(2,317,611)	(2,317,611)	
Total Other Financing						
Sources (Uses)	(8,279,782)	(3,712,042)	4,567,740		(2,317,611)	(2,317,611)
Net change in fund balances	(4,178,252)	193,222	4,371,474		(2,294,998)	(2,294,998)
Fund Balances - Beginning				2,295,104	2,295,104	
Fund Balances Ending	\$ (4,178,252)	\$ 193,222	\$ 4,371,474	\$ 2,295,104	\$ 106	\$ (2,294,998)

Continued

Community Development		
Final Budget	Actual	Variance with Final Budget
\$ -	\$ -	\$ -
566,450	618,041	51,591
3,000	(9,976)	(12,976)
153,000	3,299	(149,701)
722,450	611,364	(111,086)
2,088,766	1,162,340	926,426
2,088,766	1,162,340	926,426
(1,366,316)	(550,976)	815,340
384,942	2,606,158	2,221,216
384,942	2,606,158	2,221,216
(981,374)	2,055,182	3,036,556
1,880,626	1,880,626	
\$ 899,252	\$ 3,935,808	\$ 3,036,556

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)

	2022 Total			2021 Actual
	Final Budget	Actual	Variance with Final Budget	Total
Revenues:				
Taxes:				
Property	\$ 4,115,004	\$ 3,934,817	\$ (180,187)	\$ 3,975,568
Sales	7,509,371	9,297,788	1,788,417	8,525,448
Hotel/Motel/Airport Car Rental	1,106,310	1,106,392	82	767,056
Intergovernmental	12,275,707	12,481,053	205,346	7,039,675
Charges for services	2,324,057	2,481,922	157,865	2,254,485
Fines and forfeits	2,527	46,437	43,910	22,948
Interest (Loss)	143,516	(258,131)	(401,647)	1,986
Miscellaneous	326,597	115,406	(211,191)	243,328
Total Revenues	27,803,089	29,205,684	1,402,595	22,830,494
Expenditures:				
Current:				
General government	6,054,329	4,872,347	1,181,982	4,648,551
Health & welfare	4,316,032	3,375,967	940,065	3,561,381
Public safety	4,039,738	3,604,254	435,484	3,458,749
Culture & recreation	2,915,545	2,714,345	201,200	2,461,769
Capital outlay	4,156,302	2,283,279	1,873,023	1,511,538
Debt service:	-	-		
Interest and fiscal charges	1,227	1,227		2,370
Total Expenditures	21,483,173	16,851,419	4,631,754	15,644,358
Excess (Deficiency) of Revenues Over Expenditures	6,319,916	12,354,265	6,034,349	7,186,136
Other Financing Sources (Uses):				
Transfers in	7,778,027	7,853,454	75,427	7,558,435
Transfers out	(18,684,905)	(13,901,210)	4,783,695	(12,831,633)
Total Other Financing Sources (Uses)	(10,906,878)	(6,047,756)	4,859,122	(5,273,198)
Net change in fund balances	(4,586,962)	6,306,509	10,893,471	1,912,938
Fund Balances - Beginning	22,554,479	22,554,479		20,641,541
Fund Balances Ending	\$ 17,967,517	\$ 28,860,988	\$ 10,893,471	\$ 22,554,479

Continued

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, 2022

With Comparative Totals for December 31, 2021

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2022 Total	2021 Total
ASSETS					
Cash and cash equivalents	\$ 260,200	\$ -	\$ 60,170	\$ 320,370	\$ 2,049,828
Taxes receivable:					
Property	18,366			18,366	15,174
Special assessments			5,291	5,291	1,654
Total Assets	<u>\$ 278,566</u>	<u>\$ -</u>	<u>\$ 65,461</u>	<u>\$ 344,027</u>	<u>\$ 2,066,656</u>
LIABILITIES					
Advances from other funds	\$ -			\$ -	\$ 9,901
Total Liabilities					<u>9,901</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable revenue-property taxes	18,366			18,366	9,820
Unavailable revenue-special assessments			\$ 5,291	5,291	1,654
Total Deferred Inflows of Resources	<u>18,366</u>		<u>5,291</u>	<u>23,657</u>	<u>11,474</u>
FUND BALANCES					
Restricted	<u>260,200</u>	<u>\$ -</u>	<u>60,170</u>	<u>320,370</u>	<u>2,045,281</u>
Total Fund Balances	<u>260,200</u>		<u>60,170</u>	<u>320,370</u>	<u>2,045,281</u>
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 278,566</u>	<u>\$ -</u>	<u>\$ 65,461</u>	<u>\$ 344,027</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, 2022
 With Comparative Totals for December 31, 2021

	General Obligation Bonds	Sales Tax Revenue Bonds	Current Year Projects	2022 Total	2021 Total
REVENUES					
Property taxes	\$ 1,533	\$ -	\$ -	\$ 1,533	\$ 6,209
Special assessments			28,618	28,618	55,665
Intergovernmental	99			99	603
Interest	4,696	4,129	(2,146)	6,679	6,981
	<u>6,328</u>	<u>4,129</u>	<u>26,472</u>	<u>36,929</u>	<u>69,458</u>
EXPENDITURES					
Contractual services					
Debt Services:					
Interest & fiscal charges	62,516		405	62,921	126,171
Principal retirement	555,000			555,000	1,670,000
	<u>617,516</u>	<u></u>	<u>405</u>	<u>617,921</u>	<u>1,796,171</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(611,188)</u>	<u>4,129</u>	<u>26,067</u>	<u>(580,992)</u>	<u>(1,726,713)</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	466,317			466,317	1,535,373
Transfers out		(1,275,013)	(75,000)	(1,350,013)	(68,883)
	<u>466,317</u>	<u>(1,275,013)</u>	<u>(75,000)</u>	<u>(883,696)</u>	<u>1,466,490</u>
Net change in fund balances	(144,871)	(1,270,884)	(48,933)	(1,464,688)	(260,223)
Fund Balances at Beginning of Year	405,071	1,270,884	109,103	1,785,058	2,045,281
	<u>405,071</u>	<u>1,270,884</u>	<u>109,103</u>	<u>1,785,058</u>	<u>2,045,281</u>
Fund Balances at End of Year	<u>\$ 260,200</u>	<u>\$ -</u>	<u>\$ 60,170</u>	<u>\$ 320,370</u>	<u>\$ 1,785,058</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, 2022

With Comparative Totals for December 31, 2021

	<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	\$ 146,085	\$ 1,043,521	\$ 950,233	\$ -
Investments		6,000,000	1,000,000	
Accounts receivable				
Sales tax receivable		97,392		
Special assessments receivable		52,875		
Special assessments-uncertified		3,707,637		
Total Assets	<u>\$ 146,085</u>	<u>\$ 10,901,425</u>	<u>\$ 1,950,233</u>	<u>\$ -</u>
LIABILITIES				
Liabilities:				
Contracts payable (including retainage)		\$ 11,772		
Total Liabilities		<u>11,772</u>		
DEFERRED INFLOWS OF RESOURCES				
Unavailable revenue-special assessments		<u>3,760,512</u>		
Total Deferred Inflows of Resources		<u>3,760,512</u>		
FUND BALANCES				
Restricted		7,129,141		
Committed	\$ 146,085		\$ 1,950,233	\$ -
Total Fund Balances	<u>146,085</u>	<u>7,129,141</u>	<u>1,950,233</u>	
Total liabilities, deferred inflows of resources and fund balance	<u>\$ 146,085</u>	<u>\$ 10,901,425</u>	<u>\$ 1,950,233</u>	<u>\$ -</u>

General Government ARPA Capital Project	Capital Replacement Fund	Public Building Capital Projects	Nuisance Abatements	2022 Total	2021 Total
\$ - 79,011	\$ 505,723 1,000,000	\$ 755	\$ 67,792	\$ 2,714,109 8,000,000 79,011 97,392 740 53,615 3,708,872	\$ 9,702,834 - 56,684 4,402,364
<u>\$ 79,011</u>	<u>\$ 1,505,723</u>	<u>\$ 755</u>	<u>\$ 69,767</u>	<u>\$ 14,652,999</u>	<u>\$ 14,161,882</u>
\$ 79,011				\$ 90,783	\$ 88,477
<u>79,011</u>				<u>90,783</u>	<u>88,477</u>
			\$ 1,975	<u>3,762,487</u>	<u>4,459,048</u>
			<u>1,975</u>	<u>3,762,487</u>	<u>4,459,048</u>
	\$ 1,505,723	\$ 755	67,792	7,196,933 3,602,796	4,535,382 5,078,975
	<u>1,505,723</u>	<u>755</u>	<u>67,792</u>	<u>10,799,729</u>	<u>9,614,357</u>
<u>\$ 79,011</u>	<u>\$ 1,505,723</u>	<u>\$ 755</u>	<u>\$ 69,767</u>	<u>\$ 14,652,999</u>	<u>\$ 14,161,882</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, 2022
 With Comparative Totals for December 31, 2021

	Bikeway Projects	Flood Protection Capital Maintenance	Underpass/ Bridge Construction	Veteran's Memorial Park	General Government ARPA Capital Project
REVENUES:					
Special assessments	\$ -	\$ 985,858	\$ -	\$ -	\$ -
Intergovernmental					
Sales Tax		1,138,811			
Misc					
Investment Interest (Loss)	(3,902)	(147,842)	(56,822)		
Total Revenues	(3,902)	1,976,827	(56,822)		
EXPENDITURES					
Capital outlay:					
General government					475,349
Public safety					
Public works		567,424		506	
Debt Service:					
Interest on leases					
Principal retirement					
Total Expenditures		567,424		506	475,349
Excess (Deficiency) of Revenues Over Expenditures	(3,902)	1,409,403	(56,822)	(506)	(475,349)
OTHER FINANCING SOURCES (USES):					
Sale of property					
Issuance of Capital Lease					
Transfers in		1,275,013	100,000		475,349
Transfers out			(400,000)	(1,103)	
Total Other Financing Sources (Uses)		1,275,013	(300,000)	(1,103)	475,349
Net change in fund balance	(3,902)	2,684,416	(356,822)	(1,609)	
Fund Balances at Beginning of Year	149,987	4,444,725	2,307,055	1,609	
Fund Balances at End of Year	\$ 146,085	\$ 7,129,141	\$ 1,950,233	\$ -	\$ -

Capital Replacement Fund	Public Building Capital Projects	Nuisance Abatements	2022 Total	2021 Total
\$ - 632,500	\$ -	\$ 13,448	\$ 999,306 632,500 1,138,811	\$ 1,705,329 45,042 12,627
17,643	1,398	(2,048)	(191,573)	(15,557)
650,143	1,398	11,400	2,579,044	1,747,441
	633,376		1,108,725	517,947
2,369,231			2,369,231	911,650
1,755,718		9,265	2,332,913	303,198
5,941			5,941	
667,056			667,056	263,212
4,797,946	633,376	9,265	6,483,866	1,996,007
(4,147,803)	(631,978)	2,135	(3,904,822)	(248,566)
34,063			34,063	
2,468,330			2,468,330	472,660
1,012,756	150,786		3,013,904	1,154,676
		(25,000)	(426,103)	(85,000)
3,515,149	150,786	(25,000)	5,090,194	1,542,336
(632,654)	(481,192)	(22,865)	1,185,372	1,293,770
2,138,377	481,947	90,657	9,614,357	8,320,587
\$ 1,505,723	\$ 755	\$ 67,792	\$ 10,799,729	\$ 9,614,357



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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, 2022
With Comparative Totals for December 31, 2021

E-1

	Public Transit	Dial-a-Ride
ASSETS		
Current Assets:		
Cash and cash equivalents	\$ 1,063,725	\$ 34,787
Restricted cash, cash equivalents, and investments:		
Customer deposits		1,416
Construction account		
Revenue bond current debt service account		
Receivables:		
Accounts	676,315	78,057
Taxes - property	21,370	4,578
Intergovernmental:		
Federal government	849,713	333,441
State of North Dakota	89,120	98,726
Inventories	141,710	
Prepaid items	41,560	
Total Current Assets	2,883,513	551,005
Noncurrent Assets:		
Restricted cash, cash equivalents, and investments:		
Revenue bond reserve account		
Total restricted cash, cash equivalents and investments	-	-
Capital Assets:		
Land	27,199	
Buildings	8,298,307	
Improvements other than buildings	679,663	
Machinery and equipment	7,830,834	898,543
Construction in progress	401,117	
Less accumulated depreciation	(7,001,869)	(704,330)
Total Capital Assets (net of accumulated depreciation)	10,235,251	194,213
Total Noncurrent Assets	10,235,251	194,213
Total Assets	13,118,764	745,218
DEFERRED OUTFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	78,943	
Deferred Pension NDPERS	4,286,427	
Deferred OPEB NDPERS	192,802	
Total deferred outflow of resources	4,558,172	
LIABILITIES		
Current Liabilities:		
Accounts payable	156,173	36,544
Due to Other Funds	700,000	150,000
Customer Deposits		1,416
Compensated absences payable-current	14,750	2,111
Accrued interest payable		
Bonds payable-current		
Total Current Liabilities	870,923	190,071
Noncurrent Liabilities:		
Compensated absences payable	248,436	58,700
Net Pension Liability Single Employer Plan	271,778	
Net Pension Liability NDPERS	6,204,855	
Net OPEB Liability NDPERS	372,156	
Revenue bonds payable		
Total Noncurrent Liabilities	7,097,225	58,700
Total Liabilities	7,968,148	248,771
DEFERRED INFLOWS OF RESOURCES		
Deferred Pension Single Employer Plan	211,336	
Deferred Pension NDPERS	3,440,590	
Deferred OPEB NDPERS	7,294	
Total deferred inflow of resources	3,659,220	
NET POSITION		
Net investment in capital assets	10,235,251	194,213
Net position-restricted for:		
Debt Service		
Capital		
Net position-unrestricted	(4,185,683)	302,234
Total Net Position	\$ 6,049,568	\$ 496,447

Mosquito Control	Downtown Parking	2022 Total Non Major Enterprise Funds	2021 Total Non Major Enterprise Funds
\$ 760,003	\$ 144,383	\$ 2,002,898	\$ 1,616,471
		1,416	1,416
155,707	198,435	354,142	325,003
32,400		32,400	31,300
112,711	86,582	953,665	690,085
		25,948	26,023
		1,183,154	2,686,993
		187,846	230,373
		141,710	129,530
		46,892	48,273
593	4,739		
1,061,414	434,139	4,930,071	5,785,467
87,000		87,000	87,000
87,000		87,000	87,000
	333,627	360,826	360,826
1,398,792		9,697,099	9,697,099
77,499	3,110,013	3,867,175	3,847,327
889,263	99,636	9,718,276	9,754,340
		401,117	117,990
(1,308,013)	(1,528,308)	(10,542,520)	(9,522,139)
1,057,541	2,014,968	13,501,973	14,255,443
1,144,541	2,014,968	13,588,973	14,342,443
2,205,955	2,449,107	18,519,044	20,127,910
		78,943	107,827
		4,286,427	2,739,775
		192,802	70,851
		4,558,172	2,918,453
8,568	8,350	209,635	142,937
		850,000	2,100,000
		1,416	1,416
		16,861	20,628
2,400		2,400	2,967
90,000		90,000	85,000
100,968	8,350	1,170,312	2,352,948
74,950		382,086	329,415
		271,778	521,841
		6,204,855	2,170,499
		372,156	164,018
272,129		272,129	362,709
347,079		7,503,004	3,548,482
448,047	8,350	8,673,316	5,901,430
		211,336	152,955
		3,440,590	5,568,753
		7,294	66,377
		3,659,220	5,788,085
695,413	2,014,968	13,139,845	13,807,735
117,000		117,000	115,333
155,707	198,435	354,142	325,003
789,788	227,354	(2,866,307)	(2,891,223)
\$ 1,757,908	\$ 2,440,757	\$ 10,744,680	\$ 11,356,848

CITY OF GRAND FORKS, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
NON MAJOR PROPRIETARY FUNDS
YEAR ENDED DECEMBER 31, 2022
With Comparative Totals for December 31, 2021

E-2

	Public Transit	Dial-A-Ride	Mosquito Control
Operating Revenues:			
Charges for sales and services:			
Utility fees	\$ 990,761	\$ 216,713	\$ 1,134,247
Operating assessment			
Miscellaneous	3,181		
Total Operating Revenues	993,942	216,713	1,134,247
Operating Expenses:			
Salaries and wages	1,524,331	866,314	283,814
Supplies	40,761	976	252,817
Contractual services	292,435	289	105,007
Maintenance - structures and equipment	566,742	135,945	31,134
Sundry expenses	8,126	3,360	15,689
Utilities - heat and lights	39,692	24,610	13,910
Pension and social security	492,586	122,053	36,713
Administrative and general	359,701	103,557	49,287
Total Operating Expenses	3,324,374	1,257,104	788,371
Net Income (Loss) from Operations before Depreciation	(2,330,432)	(1,040,391)	345,876
Less - Depreciation	791,860	107,833	92,686
Net Operating Income (Loss)	(3,122,292)	(1,148,224)	253,190
Nonoperating Revenues (Expenses):			
Interest (Loss)	(1,697)	(302)	(13,700)
Federal grants	1,270,446	566,021	
State grants	118,420	145,197	
General property taxes	1,064,948	229,462	
Personal property replacements	28,598	5,435	
Gain (loss) on capital assets	76,009	(63,309)	11,560
Interest expense			(8,386)
Total Nonoperating Revenues (Expenses)	2,556,724	882,504	(10,526)
Income (Loss) Before Capital Contributions and Transfers	(565,568)	(265,720)	242,664
Capital Contributions and Transfers:			
Capital Contributions	-	-	
Transfers in	-		
Transfers Out	-		(2,174)
Total Capital Contributions and Transfers			(2,174)
Change in Net Position	(565,568)	(265,720)	240,490
Total Net Position-Beginning	6,615,136	762,167	1,517,418
Total Net Position-Ending	\$ 6,049,568	\$ 496,447	\$ 1,757,908

<u>Downtown Parking</u>	<u>2022 Total Non Major Enterprise Funds</u>	<u>2021 Total Non Major Enterprise Funds</u>
\$ 28,540	\$ 2,370,261	\$ 2,165,108
229,735	229,735	109,741
	3,181	1,019
<u>258,275</u>	<u>2,603,177</u>	<u>2,275,868</u>
29,409	2,703,868	2,547,904
82	294,636	325,193
42,094	439,825	419,943
83,742	817,563	688,745
12,985	40,160	12,674
76,110	154,322	119,561
8,040	659,392	4,553,972
18,679	531,224	658,981
<u>271,141</u>	<u>5,640,990</u>	<u>9,326,973</u>
(12,866)	(3,037,813)	(7,051,105)
101,415	1,093,794	1,222,364
<u>(114,281)</u>	<u>(4,131,607)</u>	<u>(8,273,469)</u>
(289)	(15,988)	(4,975)
	1,836,467	2,590,789
	263,617	322,200
	1,294,410	1,274,619
	34,033	31,613
	24,260	75,105
	(8,386)	(10,068)
<u>(289)</u>	<u>3,428,413</u>	<u>4,279,283</u>
<u>(114,570)</u>	<u>(703,194)</u>	<u>(3,994,186)</u>
	-	581,258
93,200	93,200	62,640
	(2,174)	(1,350)
<u>93,200</u>	<u>91,026</u>	<u>642,548</u>
(21,370)	(612,168)	(3,351,638)
<u>2,462,127</u>	<u>11,356,848</u>	<u>14,708,486</u>
<u>\$ 2,440,757</u>	<u>\$ 10,744,680</u>	<u>\$ 11,356,848</u>

CITY OF GRAND FORKS, NORTH DAKOTA
 COMBINING STATEMENT OF CASH FLOWS
 NON MAJOR PROPRIETARY FUNDS
 Year Ended December 31, 2022
 With Comparative Totals for December 31, 2021

	Public Transit Fund	Dial A Ride Fund
Cash Flows from Operating Activities:		
Receipts from customers	\$ 783,153	\$ 162,927
Payments to suppliers	(1,535,218)	(388,925)
Payments to employees	(1,485,784)	(845,222)
Payments for interfund services used	(800,000)	(450,000)
Net cash provided (used) by operating activities	(3,037,849)	(1,521,220)
Cash Flows from Non-Capital Financing Activities:		
Transfers from other funds		
Transfers to other funds		
Operating subsidies from federal grants	2,307,056	1,033,250
Operating subsidies from state grants	122,300	183,844
Operating subsidies from Taxes	1,093,620	234,898
Net cash provided (used) by non-capital financing activities	3,522,976	1,451,992
Cash Flows from Capital & Related Financing Activities:		
Capital contributions		
Purchases of capital assets	(374,484)	
Proceeds from sale of capital assets	76,009	12,700
Principal paid on capital debt		
Interest paid		
Net cash provided (used) by capital & related financing activities	(298,475)	12,700
Cash Flows from Investing Activities:		
Proceeds from sales and maturities of investments		
Purchase of investments		
Interest and dividends	(1,697)	(302)
Net cash provided by investing activities	(1,697)	(302)
Net increase (decrease) in cash and cash equivalents	184,955	(56,830)
Cash and cash equivalents - beginning of the year	878,770	93,033
Cash and cash equivalents - end of the year	\$ 1,063,725	\$ 36,203
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	\$ (3,122,292)	\$ (1,148,224)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities:		
Depreciation Expense	791,860	107,833
(Increase) decrease in accounts receivable	(210,789)	(53,786)
(Increase) decrease in inventories	(12,180)	
(Increase) decrease in prepaid items	(99)	1,865
(Increase) decrease in deferred outflows	(1,639,719)	
Increase (decrease) in accounts payable	60,063	62
Increase (decrease) in compensated absences payable	31,741	21,030
Increase (decrease) in net pension liability	3,784,293	
Increase (decrease) in net OPEB liability	208,138	
Increase (decrease) in deferred inflows	(2,128,865)	
Increase (decrease) in due to other funds	(800,000)	(450,000)
Total Adjustments	84,443	(372,996)
Net cash provided (used) by operating activities	\$ (3,037,849)	\$ (1,521,220)
Noncash Investing, Capital and Financing Activities:		
Net (decrease) in fair value of investments	\$ -	\$ -
Contributed Capital		

Mosquito Control Fund	Downtown Parking	2022 Total Non-Major Enterprise Funds	2021 Total Non-Major Enterprise Funds
\$ 1,145,010	\$ 248,507	\$ 2,339,597	\$ 2,333,235
(504,686)	(235,917)	(2,664,746)	(2,597,120)
(287,179)	(29,409)	(2,647,594)	(2,517,108)
		(1,250,000)	(1,100,000)
<u>353,145</u>	<u>(16,819)</u>	<u>(4,222,743)</u>	<u>(3,880,993)</u>
	93,200	93,200	62,640
(2,174)		(2,174)	(1,350)
		3,340,306	1,845,585
		306,144	140,585
		<u>1,328,518</u>	<u>1,313,331</u>
<u>(2,174)</u>	<u>93,200</u>	<u>5,065,994</u>	<u>3,360,791</u>
			1,894,528
(22,001)	(19,848)	(416,333)	(398,945)
11,560		100,269	75,105
(85,000)		(85,000)	(85,000)
<u>(9,533)</u>		<u>(9,533)</u>	<u>(11,215)</u>
<u>(104,974)</u>	<u>(19,848)</u>	<u>(410,597)</u>	<u>1,474,473</u>
87,000		87,000	87,000
(87,000)		(87,000)	(87,000)
<u>(13,700)</u>	<u>(289)</u>	<u>(15,988)</u>	<u>(4,975)</u>
<u>(13,700)</u>	<u>(289)</u>	<u>(15,988)</u>	<u>(4,975)</u>
232,297	56,244	416,666	949,296
<u>715,813</u>	<u>286,574</u>	<u>1,974,190</u>	<u>1,024,894</u>
<u>\$ 948,110</u>	<u>\$ 342,818</u>	<u>\$ 2,390,856</u>	<u>\$ 1,974,190</u>
<u>\$ 253,190</u>	<u>\$ (114,281)</u>	<u>\$ (4,131,607)</u>	<u>\$ (8,273,469)</u>
92,686	101,415	1,093,794	1,222,364
10,763	(9,768)	(263,580)	57,367
		(12,180)	(10,036)
73	(458)	1,381	25,750
		(1,639,719)	(1,699,143)
300	6,273	66,698	47,718
(3,867)		48,904	16,002
		3,784,293	298,753
		208,138	73,950
		(2,128,865)	5,459,751
		<u>(1,250,000)</u>	<u>(1,100,000)</u>
<u>99,955</u>	<u>97,462</u>	<u>(91,136)</u>	<u>4,392,476</u>
<u>\$ 353,145</u>	<u>\$ (16,819)</u>	<u>\$ (4,222,743)</u>	<u>\$ (3,880,993)</u>
\$ (25,066)	\$ (4,449)	\$ (29,515)	\$ (6,071)



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INTERNAL SERVICE FUNDS

Internal Service Funds. Account for the financing of goods or services provided by one fund, department, or agency to other funds, departments or agencies of the financial reporting entity, or to other governments, on a cost-reimbursement basis.

Computer Service

This is a fund used to account for the costs of maintaining computer equipment used by the city departments. Departments are billed a monthly maintenance charge to accumulate funds to maintain the equipment.

Central Garage

This is a fund used to account for the costs of operating the central fueling facilities and central vehicle maintenance garage for equipment used by various city departments and other governmental units. Such costs are billed to the using entity or department.

Central Purchasing

This is a fund used to account for the cost of centrally purchasing office supplies used by other city departments. Such costs are billed to the other departments at actual cost plus five percent.

Public Works Facility

This is a fund used to account for the cost of operating and maintaining the City's combined Public Works facility. These expenses are apportioned among the departments utilizing the facility in the form of rental charges.

CITY OF GRAND FORKS, NORTH DAKOTA
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS

F-1

DECEMBER 31, 2022

With Comparative Totals for December 31, 2021

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2022 Total	2021 Total
ASSETS						
Current assets:						
Cash and cash equivalents	\$ 158,222	\$ 2,884	\$ -	\$ 886,670	\$ 1,047,776	\$ 2,106,390
Accounts Receivable		143	-		143	3,050
Prepaid items				7,212	7,212	7,120
Inventories		143,989	-		143,989	138,277
Total current assets	158,222	147,016	-	893,882	1,199,120	2,254,837
Capital assets:						
Building and equipment, net of accumulated deprec.	603,100	95,531		5,834,863	6,533,494	6,037,295
Total assets	761,322	242,547	-	6,728,745	7,732,614	8,292,132
LIABILITIES						
Current liabilities:						
Accounts payable		27,576	-	3,823	31,399	49,227
Contracts Payable				-	-	94,766
Advances from other funds			-		-	6,500
Compensated absences		45,183		27,260	72,443	62,276
Total current liabilities	-	72,759	-	31,083	103,842	212,769
Total liabilities	-	72,759	-	31,083	103,842	212,769
NET POSITION						
Net investment in capital assets	603,100	95,531		5,834,863	6,533,494	5,942,529
Net position-unrestricted	158,222	74,257	-	862,799	1,095,278	2,136,834
Total net position	\$ 761,322	\$ 169,788	\$ -	\$ 6,697,662	\$ 7,628,772	\$ 8,079,363

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, 2022
 With Comparative Totals for December 31, 2021

	Computer Service Fund	Central Garage	Central Purchasing	Public Works Facility	2022 Total	2021 Total
Operating Revenues:						
Charges for services - internal	\$ 756,448	\$ 1,532,395	\$ -	\$ 550,439	\$ 2,839,282	\$ 2,448,946
Intergovernmental		8,519			8,519	
Total operating revenues	<u>756,448</u>	<u>1,540,914</u>	<u>-</u>	<u>550,439</u>	<u>2,847,801</u>	<u>2,448,946</u>
Operating expenses:						
Wages and Salaries		362,238		90,571	452,809	404,463
Supplies	2,963	872,931	-	14,222	890,116	661,470
Contractual services	688,764	107,549		4,250	800,563	811,511
Maintenance- structures & equip.	33,011	39,473		121,541	194,025	251,612
Sundry	2,198	842		225	3,265	15,647
Utilities		-		180,546	180,546	125,941
Pension and social security		88,382		11,977	100,359	102,449
Administrative and general	107,774	59,035	113	34,006	200,928	186,127
Depreciation	157,195	25,018		320,116	502,329	514,823
Total operating expenses	<u>991,905</u>	<u>1,555,468</u>	<u>113</u>	<u>777,454</u>	<u>3,324,940</u>	<u>3,074,043</u>
Operating income (loss)	<u>(235,457)</u>	<u>(14,554)</u>	<u>(113)</u>	<u>(227,015)</u>	<u>(477,139)</u>	<u>(625,097)</u>
Nonoperating revenues (expense)						
Earnings on investments	(4,400)			(9,779)	(14,179)	(10,604)
Gain (loss) on disposal of capital assets	4,380	1,280			5,660	-
Total nonoperating revenues (expenses)	<u>(20)</u>	<u>1,280</u>	<u>-</u>	<u>(9,779)</u>	<u>(8,519)</u>	<u>(10,604)</u>
Income (loss) before contributions and transfers	<u>(235,477)</u>	<u>(13,274)</u>	<u>(113)</u>	<u>(236,794)</u>	<u>(485,658)</u>	<u>(635,701)</u>
Transfers in (out)	<u>20,878</u>	<u>15,000</u>	<u>(811)</u>	<u>-</u>	<u>35,067</u>	<u>1,855,326</u>
Change in net position	<u>(214,599)</u>	<u>1,726</u>	<u>(924)</u>	<u>(236,794)</u>	<u>(450,591)</u>	<u>1,219,625</u>
Total net position - beginning	<u>975,921</u>	<u>168,062</u>	<u>924</u>	<u>6,934,456</u>	<u>8,079,363</u>	<u>6,859,738</u>
Total net position - ending	<u>\$ 761,322</u>	<u>\$ 169,788</u>	<u>\$ -</u>	<u>\$ 6,697,662</u>	<u>\$ 7,628,772</u>	<u>\$ 8,079,363</u>

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

Year Ended December 31, 2022

With Comparative Totals for December 31, 2021

	Computer Service Fund	Central Garage Fund
Cash Flows from Operating Activities:		
Payments to suppliers	\$ (834,710)	\$ (1,191,661)
Payments to employees		(356,180)
Internal activity-payments to/from other funds	756,448	1,540,914
Net cash provided (used) by operating activities	(78,262)	(6,927)
Cash Flows from Non-Capital Financing Activities:		
Transfers to other funds		
Transfers from other funds	20,878	15,000
Net cash provided (used) by non-capital financing activities	20,878	15,000
Cash Flows from Capital & Related Financing Activities:		
Acquisition of capital assets	(27,351)	(23,975)
Net cash provided (used) by capital & related financing activities	(27,351)	(23,975)
Cash Flows from Investing Activities:		
Interest and dividends	(4,400)	
Net cash provided by investing activities	(4,400)	
Net increase (decrease) in cash and cash equivalents	(89,135)	(15,902)
Cash & cash equivalents - beginning of the year	247,357	18,786
Cash & cash equivalents - end of the year	\$ 158,222	\$ 2,884
Reconciliation of operating income to net cash provided (used) by operating activities:		
Operating Income (loss)	\$ (235,457)	\$ (14,554)
Adjustments to reconcile operating income to net cash provided (used) by operating activities:		
Depreciation Expense	157,195	25,018
(Increase) decrease in accounts receivable		
(Increase) decrease in inventories		(5,712)
(Increase) decrease in prepaid items		
Increase (decrease) in accounts payable		(17,737)
Increase (decrease) in compensated absences payable		6,058
Increase (decrease) in due to other funds		
Total Adjustments	157,195	7,627
Net cash provided (used) by operating activities	\$ (78,262)	\$ (6,927)

Central Purchasing Fund	Public Works Facility Fund	Total 2022	Total 2021
\$ (464)	\$ (366,859)	\$ (2,393,694)	\$ (2,155,264)
	(86,201)	(442,381)	(441,569)
(3,593)	550,439	2,844,208	2,438,539
<u>(4,057)</u>	<u>97,379</u>	<u>8,133</u>	<u>(158,294)</u>
(811)		(811)	
		35,878	1,855,326
<u>(811)</u>		<u>35,067</u>	<u>1,855,326</u>
	(1,036,309)	(1,087,635)	(1,051,334)
	<u>(1,036,309)</u>	<u>(1,087,635)</u>	<u>(1,051,334)</u>
	(9,779)	(14,179)	(10,604)
	<u>(9,779)</u>	<u>(14,179)</u>	<u>(10,604)</u>
(4,868)	(948,709)	(1,058,614)	635,094
<u>4,868</u>	<u>1,835,379</u>	<u>2,106,390</u>	<u>1,471,296</u>
<u>\$ -</u>	<u>\$ 886,670</u>	<u>\$ 1,047,776</u>	<u>\$ 2,106,390</u>
\$ (113)	\$ (227,015)	\$ (477,139)	\$ (625,097)
	320,116	502,329	514,823
2,907		2,907	(2,907)
		(5,712)	(17,556)
	(92)	(92)	(1,126)
(351)	260	(17,828)	20,421
	4,110	10,168	(39,352)
<u>(6,500)</u>		<u>(6,500)</u>	<u>(7,500)</u>
(3,944)	324,394	485,272	466,803
<u>\$ (4,057)</u>	<u>\$ 97,379</u>	<u>\$ 8,133</u>	<u>\$ (158,294)</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, 2022
With Comparative Totals for December 31, 2021

	Pension Trust Fund 2022	Pension Trust Fund 2021
Additions:		
Contributions:		
Employer contributions	\$ 3,316,869	\$ 4,530,594
Employee contributions	196,109	258,980
Total contributions	3,512,978	4,789,574
Investment Earnings:		
Net appreciation (depreciation) in fair value of assets & Interest, dividends and other income	(9,120,181)	13,014,968
Net investment earnings	(9,120,181)	13,014,968
Total additions	(5,607,203)	17,804,542
Deductions:		
Benefits paid to participants	7,852,246	7,301,996
Expenses and fees	218,353	276,184
Total Deductions	8,070,599	7,578,180
Change in net position	(13,677,802)	10,226,362
Net position - beginning	89,709,662	79,483,300
Net position - ending	\$ 76,031,860	\$ 89,709,662



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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, 2022

Governmental Funds Capital Assets:

Land	\$ 38,865,191
Buildings	33,936,050
Improvements other than buildings	67,396,136
Machinery and equipment	31,095,584
Infrastructure	261,964,107
Right to Use Equipment Asset	3,146,305
Construction in Progress	<u>2,719,453</u>
Total Governmental Funds Capital Assets	<u>\$ 439,122,826</u>

Investment in Governmental Funds Capital Assets by Source:

General obligation bonds and levies	\$ 179,652,363
Sales tax revenue bonds	19,235,000
Special Revenue Funds	73,937,462
General Fund Revenue	31,432,489
Contributions and donations from others	5,844,298
State Grants	60,968,837
Federal Grants	<u>68,052,377</u>
Total Governmental Funds Capital Assets	<u>\$ 439,122,826</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, 2022

	Total	Land	Buildings	Improvements Other Than Buildings	Machinery and Equipment	Infrastructure	Right to Use Equipment Asset Lease	Construction In Progress
Function and Activity								
General Government:								
Mayor and Council	\$ 166,806	\$ -	\$ -	\$ -	\$ 166,806	\$ -	\$ -	\$ -
Attorney					-			
Assessor	31,065				31,065			
Auditor and Accounting	42,781				42,781			
City Hall	6,892,888	113,525	5,822,207		746,162			210,994
Data Services	574,002				17,009			556,993
Inspections	69,210				69,210			
Personnel	44,204				44,204			
Planning and Zoning	19,077				19,077			
Economic Development	220,186			212,800	7,386			
Total General Government	8,060,219	113,525	5,822,207	212,800	1,143,700	-	-	767,987
Health and Welfare								
Health	631,569		34,495		597,074			
Total Health and Welfare	631,569	-	34,495	-	597,074	-	-	-
Public Safety:								
Civil Preparedness	13,196		7,247		5,949			
Fire	15,563,868	545,004	6,355,834	44,192	8,501,656	117,182		
Municipal Court	585,868		537,540		48,328			
Police	12,580,415	38,000	2,826,920	239,017	9,200,220	276,258		
Public Safety Center	4,466,526		3,200,504	855,009	23,220	387,793		
Public Service Answering Point	392,051				392,051			
E-911	3,298,899		2,235,466		1,063,433			
Total Public Safety	36,900,824	583,004	15,163,511	1,138,218	19,234,858	781,233	-	-
Highways and Streets								
Engineer	1,614,171				1,614,171			
Street Department	10,816,490	39,334	544,133	17,577	7,069,141		3,146,305	
Street System	270,110,302	8,101,220		2,101,893	373,750	257,581,973		1,951,467
Total Highways and Streets	282,540,962	8,140,554	544,133	2,119,470	9,057,062	257,581,973	3,146,305	1,951,467
Culture and Recreation								
Historic Preservation								
Public Library	1,707,824		1,322,285	28,558	356,981			
Total Culture & Recreation	1,707,824	-	1,322,285	28,558	356,981			-
Landscape Department	340,463				340,463			
Parking Facilities	2,536,105	2,514,958	20,000		1,147			
Public Buildings	13,280,671	6,973,329	5,960,733	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	\$ 439,122,826	\$ 38,865,191	\$ 33,936,050	\$ 67,396,136	\$ 31,095,584	\$ 261,964,107	\$ 3,146,305	\$ 2,719,453

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 \$7,505,191 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, 2022

Function and Activity	Governmental Funds Capital Assets 1/1/22	Additions	Deletions	Transfers	Governmental Funds Capital Assets 12/31/22
General Government:					
Mayor and Council	\$ 137,937	\$ 28,869		\$ -	\$ 166,806
Attorney					
Assessor	31,065				31,065
Finance & Admin Services	42,781				42,781
City Hall	5,633,015	\$ 1,282,588	(22,713)		6,892,889
Information Services	98,653	475,349			574,002
Inspections	-	69,210			69,210
Human Resources	44,203				44,203
Planning and Zoning	19,076				19,076
Economic Development	7,386	212,800			220,186
Total General Government	6,014,117	2,068,815	(22,713)		8,060,219
Health and Welfare					
Health	626,917	17,809	(13,157)		631,569
Total Health and Welfare	626,917	17,809	(13,157)		631,569
Public Safety:					
Civil Preparedness	13,196				13,196
Fire	14,143,866	1,670,114	(250,111)		15,563,868
Municipal Court	585,868				585,868
Police	11,987,753	688,068	(95,405)		12,580,415
Public Safety Center	4,466,526				4,466,526
Public Service Answering Point	320,205	115,898	(8,149)		427,954
E-911	3,262,996				3,262,996
Total Public Safety	34,780,410	2,474,079	(353,665)		36,900,823
Highways and Streets					
Engineering	1,262,221	372,622	(20,672)		1,614,171
Street Department	8,369,359	2,494,481	(47,350)		10,816,490
Street System	254,483,026	15,695,024	(67,750)		270,110,300
Total Highways and Streets	264,114,606	18,562,127	(135,772)		282,540,961
Culture and Recreation					
Historic Preservation					
Public Library	1,601,882	105,942			1,707,824
Total Culture & Recreation	1,601,882	105,942			1,707,824
Cirrus Parking Lot	-				-
Landscape Department	340,463				340,463
Parking Facilities	2,536,105				2,536,105
Public Buildings	20,989,411		(7,708,739)		13,280,672
Senior Citizens	1,607,292				1,607,292
Greenway	3,539,415				3,539,415
Permanent Flood Protection	87,977,483				87,977,483
Total Capital Assets	424,128,100	\$ 23,228,772	\$ (8,234,046)	\$ -	\$ 439,122,826

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, 2022

Description	Date of Maturity	Balance December 31, 2022	Yield
Wells Fargo Bank, Grand Forks:			
Surety Account		\$ 85,778	0.170%
Bremer Bank, Grand Forks:			
Money Market Savings - Main		19,085,266	1.300%
Money Market Savings - JDA		119,733	1.300%
American Federal Bank, Grand Forks:			
Money Market Checking		6,288,336	1.080%
Choice Financial, Grand Forks:			
Business Savings		5,813,492	0.360%
Total Financial Institution Accounts		31,392,606	
US Bank:			
Federal Home Loan Mortgage Corp	2/1/23	642,177	2.962%
Federal Home Loan Mortgage Corp	2/25/23	1,667,283	2.870%
Federal National Mortgage	3/1/23	3,308	1.169%
Bremer Bank - CD	6/7/23	3,000,000	3.250%
Federal National Mortgage	7/1/23	16,035	1.533%
Bremer Bank - CD	7/3/23	335,000	3.250%
Federal Home Loan Mortgage Corp	7/25/23	2,959,988	3.030%
Various Banks - CD's	Nov-23	1,702,940	3.560%
Federal National Mortgage	4/1/24	1,345,500	2.521%
Federal Home Loan Mortgage Corp	9/25/24	1,256,632	1.975%
Federal Home Loan Bank	5/25/25	1,661,697	0.695%
Federal Home Loan Mortgage Corp	7/25/25	2,096,824	3.022%
Federal Home Loan Mortgage Corp	3/25/26	2,888,419	0.794%
Federal National Mortgage	5/1/26	1,373,000	2.400%
Federal Home Loan Mortgage Corp	7/25/26	3,709,117	3.462%
Federal Home Loan Mortgage Corp	8/25/26	982,241	2.884%
Federal Home Loan Mortgage Corp	2/15/27	379,708	3.199%
Federal National Mortgage	5/1/27	207,111	1.791%
Federal National Mortgage	10/1/27	120,757	2.972%
Federal National Mortgage	3/1/29	3,235,554	4.510%
Federal National Mortgage	2/1/31	1,201,257	1.722%
Ginnie Mae	4/20/32	3,063,746	4.870%
Federal National Mortgage	8/1/33	837,834	3.005%
Federal National Mortgage	10/25/33	405,483	2.643%
Federal National Mortgage	4/15/34	999,455	3.105%
Federal Home Loan Mortgage Corp	12/25/41	1,775,553	2.425%
Federal Home Loan Mortgage Corp	3/1/42	3,775,862	0.905%
Federal National Mortgage	3/25/42	1,189,084	2.622%
Federal Home Loan Bank	7/25/44	1,653,876	4.569%
Federal National Mortgage	7/25/44	1,273,857	1.716%
Federal Home Loan Mortgage Corp	7/25/45	2,748,771	1.709%
Federal National Mortgage	2/25/51	2,837,039	0.801%
Ginnie Mae	4/20/51	3,134,808	1.242%
Ginnie Mae	8/20/51	3,027,221	1.011%
Ginnie Mae	3/20/52	2,870,088	3.795%
Ginnie Mae	3/21/52	1,127,873	3.073%
Total Investments US Bank		61,505,098	
Total Investments		61,505,098	
Cash on Hand and In Checking		75,018,124	4.00%
Alerus Center Cash		3,543,766	
TOTAL CASH AND INVESTMENTS		\$ 171,459,594	

(1) Does not include \$76,031,860 cash in Employee's Retirement System

CITY OF GRAND FORKS, NORTH DAKOTA

SUMMARY OF DEBT STATISTICS

DECEMBER 31, 2022

Market Value of Taxable Property - 2022	<u>\$ 5,170,849,640</u>
Assessed Valuation - 2022	<u>2,585,424,820</u>
Direct Debt	
Debt Supported by Special Assessments	98,361,074
General Obligation Debt	1,284,443
Lease Liability	<u>2,741,495</u>
Total Direct Debt	<u>102,387,012</u>
Overlapping Debt	<u>56,458,400</u>
Total Direct and Overlapping Debt	<u>\$ 158,845,412</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	\$ 102,387,012	\$ 1,662	1.98%	3.96%
Overlapping Debt	<u>56,458,400</u>	<u>916</u>	<u>1.09%</u>	<u>2.18%</u>
Totals	<u>\$ 158,845,412</u>	<u>\$ 2,578</u>	<u>3.07%</u>	<u>6.14%</u>

NOTES: (1) 2022 MPO Census Population Estimate 61,610

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT STATEMENT

December 31, 2022

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>General Obligation Bonds:</u>			
2016 "C" GO Refunding Bonds*****	<u>\$ 1,190,000</u>	<u>\$ 13,165</u>	<u>\$ 1,176,835</u>
Net Liability General Obligation Bonds	<u>1,190,000</u>	<u>13,165</u>	<u>1,176,835</u>
<u>Revenue Bonds:</u>			
2005 "E" SRL BioSolids Mgmt Project	825,000	412,430	412,570
2012 "B" Water Reserve Revenue Bond	2,150,000	334,308	1,815,692
2015 "A" Sanitation Reserve Revenue Refunding Bond****	5,900,000	317,025	5,582,975
2015 "C" Sewer Reserve Revenue Bonds	1,850,000	234,394	1,615,606
2016 "D" Mosquito Control Reserve Refunding Bonds*****	360,000	119,400	240,600
2016 Wastewater Revenue Loan - Bank of North Dakota (Loan #1)	2,184,861	180,080	2,004,781
2016 Wastewater Rev & Sales Tax Loan-Bank of N. Dakota (Loan #3)	5,941,389	351,776	5,589,613
2017 "A" Water Utility Reserve Revenue Bond	62,705,000	3,964,034	58,740,966
2018 "A" Wastewater Revenue Loan - Bank of North Dakota	8,090,000	523,975	7,566,025
2019 "A" Wastewater Revenue Loan - Bank of North Dakota	1,130,000	86,374	1,043,626
2019 "C" Sanitation Reserve Revenue Bonds	3,545,000	773,359	2,771,641
2021 "C" Sewer Reserve Revenue Refunding Bonds	1,890,000	433,201	1,456,799
2022 "B" Sanitation Reserve Revenue Bonds	<u>3,635,000</u>	<u>338,999</u>	<u>3,296,001</u>
Net Liability Revenue Bonds	<u>100,206,250</u>	<u>8,069,353</u>	<u>92,136,897</u>
<u>Sales Tax Revenue Bonds:</u>			
2015 "D" Sales Tax Revenue Refunding Bond*****	<u>23,680,000</u>	<u>25,504,107</u>	<u>(1,824,107)</u>
Net Liability Sales Tax Revenue Bonds	<u>23,680,000</u>	<u>25,504,107</u>	<u>(1,824,107)</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, 2022

	<u>Outstanding</u>	<u>Sinking Funds</u>	<u>Net Liability</u>
<u>Refunding Improvement Bonds:</u>			
2007 "D" Refunding Improvement Bond	\$ 430,000	\$ (110,211)	\$ 540,211
2009 "E" Refunding Improvement Bond	775,000	395,306	379,694
2011 "B" Refunding Improvement Refunding Bond*	115,000	1,579,319	(1,464,319)
2012 "A" Refunding Improvement Refunding Bond**	1,565,000	1,558,464	6,536
2013 "A" Refunding Improvement Refunding Bond	5,065,000	2,590,870	2,474,130
2014 "A" Refunding Improvement Bond	6,240,000	2,481,288	3,758,712
2015 "B" Refunding Improvement Bond	4,330,000	1,621,001	2,708,999
2016 "A" Refunding Improvement Bond	4,375,000	356,675	4,018,325
2016 Bank of North Dakota Special Assessment Loan (Loan #2)	4,201,978	(250,631)	4,452,609
2017 "B" Refunding Improvement Bond	9,650,000	55,906	9,594,094
2018 "B" Refunding Improvement Bond	12,155,000	1,624,700	10,530,300
2019 "B" Refunding Improvement Bond	21,010,000	(303,756)	21,313,756
2020 "A" Refunding Improvement Bond	4,015,000	222,999	3,792,001
2020 "B" Refunding Improvement Bond	1,010,000	234,697	775,303
2021 "A" Refunding Improvement Bond	7,500,000	317,368	7,182,632
2021 "B" Refunding Improvement Refunding Bond	1,250,000	624,789	625,211
2022 "A" Refunding Improvement Bond	<u>9,460,000</u>	<u>(49,546)</u>	<u>9,509,546</u>
Net Liability Refunding Improvement Bonds	<u>93,146,978</u>	<u>12,949,238</u>	<u>80,197,740</u>
Net Liability All Funds	<u>\$ 218,223,228</u>	<u>\$ 46,535,864</u>	<u>\$ 171,687,364</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, 2022

Year	General Obligation & Tax Incr.	Revenue Bonds	Sales Tax Revenue Bonds	Refunding Improvement Bonds	Total Requirement
2023	\$ 352,600	\$ 5,398,475	\$ 4,016,100	\$ 8,891,769	\$ 18,658,944
2024	355,400	5,786,709	4,015,600	8,650,569	18,808,278
2025	352,600	5,785,021	4,012,850	8,190,470	18,340,941
2026	244,400	5,506,797	4,012,600	7,911,595	17,675,391
2027	-	5,417,972	4,014,350	7,590,532	17,022,854
2028	-	5,421,859	4,017,600	6,954,030	16,393,489
2029	-	5,432,684	4,011,850	6,678,940	16,123,473
2030	-	5,287,009	-	6,435,199	11,722,208
2031	-	5,294,897	-	6,100,436	11,395,333
2032	-	5,475,071	-	5,880,399	11,355,470
2033	-	4,469,977	-	5,748,118	10,218,096
2034	-	4,481,758	-	5,376,075	9,857,832
2035	-	4,483,633	-	4,844,511	9,328,144
2036	-	4,318,535	-	4,360,363	8,678,898
2037	-	4,337,591	-	4,004,137	8,341,729
2038	-	4,359,437	-	3,907,125	8,266,561
2039	-	4,364,764	-	3,789,975	8,154,739
2040	-	3,923,827	-	3,678,025	7,601,851
2041	-	3,686,145	-	3,555,931	7,242,076
2042	-	3,699,070	-	3,382,781	7,081,851
2043	-	3,716,170	-	3,141,712	6,857,882
2044	-	3,732,370	-	2,850,412	6,582,782
2045	-	3,742,580	-	2,570,699	6,313,279
2046	-	3,648,110	-	1,286,046	4,934,156
2047	-	3,337,250	-	868,700	4,205,950
2048	-	3,359,925	-	336,000	3,695,924
2049	-	2,966,550	-	-	2,966,550
2050	-	2,933,349	-	-	2,933,349
	<u>\$ 1,305,000</u>	<u>\$ 124,367,534</u>	<u>\$ 28,100,950</u>	<u>\$ 126,984,546</u>	<u>\$ 280,758,030</u>

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

December 31, 2022

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirement</u>
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>\$ 1,190,000</u>	<u>\$ 115,000</u>	<u>\$ 1,305,000</u>

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY
REVENUE BONDS

December 31, 2022

Year	Principal	Interest	Total Requirement
2023	\$ 3,510,870	\$ 1,887,605	\$ 5,398,475
2024	3,926,288	1,860,421	5,786,709
2025	4,016,813	1,768,208	5,785,021
2026	3,837,450	1,669,347	5,506,797
2027	3,838,199	1,579,773	5,417,972
2028	3,934,063	1,487,796	5,421,859
2029	4,040,044	1,392,640	5,432,684
2030	3,991,145	1,295,864	5,287,009
2031	4,087,368	1,207,529	5,294,897
2032	4,358,715	1,116,356	5,475,071
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	3,191,869	494,276	3,686,145
2042	3,254,607	444,463	3,699,070
2043	3,322,499	393,671	3,716,170
2044	3,390,549	341,821	3,732,370
2045	3,453,670	288,910	3,742,580
2046	3,413,098	235,012	3,648,110
2047	3,155,000	182,250	3,337,250
2048	3,225,000	134,925	3,359,925
2049	2,880,000	86,550	2,966,550
2050	2,890,000	43,349	2,933,349
	<u>\$ 100,206,250</u>	<u>\$ 24,161,284</u>	<u>\$ 124,367,534</u>

Repayment schedule based upon Water Treatment Plant Loan through Bank of North Dakota fully drawn upon. As of 12/31/22, only \$64,675,000 of \$66,000,000 limit drawn on.

As of 12/31/2022, \$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, 2022

Year	<u>Business-type Activities</u>		Total
	<u>Principal</u>	<u>Interest</u>	<u>Requirement</u>
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>\$ 23,680,000</u>	<u>\$ 4,420,950</u>	<u>\$28,100,950</u>

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

December 31, 2022

Year	Principal	Interest	Total Requirement
2023	\$ 5,567,998	\$ 3,323,771	\$ 8,891,769
2024	5,535,758	3,114,811	8,650,569
2025	5,298,573	2,891,897	8,190,470
2026	5,236,444	2,675,151	7,911,595
2027	5,129,373	2,461,159	7,590,532
2028	4,692,361	2,261,669	6,954,030
2029	4,600,408	2,078,532	6,678,940
2030	4,538,516	1,896,683	6,435,199
2031	4,386,686	1,713,750	6,100,436
2032	4,319,920	1,560,479	5,880,399
2033	4,303,218	1,444,900	5,748,118
2034	4,101,583	1,274,492	5,376,075
2035	3,705,014	1,139,497	4,844,511
2036	3,338,515	1,021,848	4,360,363
2037	3,087,085	917,052	4,004,137
2038	3,085,727	821,398	3,907,125
2039	3,064,441	725,534	3,789,975
2040	3,048,230	629,795	3,678,025
2041	3,022,095	533,836	3,555,931
2042	2,946,036	436,745	3,382,781
2043	2,800,057	341,655	3,141,712
2044	2,599,158	251,254	2,850,412
2045	2,403,341	167,358	2,570,699
2046	1,196,442	89,604	1,286,046
2047	820,000	48,700	868,700
2048	<u>320,000</u>	<u>16,000</u>	<u>336,000</u>
	<u>\$ 93,146,978</u>	<u>\$ 33,837,568</u>	<u>\$ 126,984,546</u>

Summary of Individual Bonds as of December 31, 2021

General Obligation Bonds :

\$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	\$ 1,190,000
Total General Obligation Bonds	\$ 1,190,000

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	\$ 825,000
\$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	2,150,000
\$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	5,900,000
\$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	1,850,000
\$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	360,000
\$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	2,184,861
\$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	5,941,389
\$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%;	62,705,000
\$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%;	8,090,000
\$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%;	1,130,000
\$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	3,545,000

\$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 1,890,000

\$3,635,000 2022 "B" Sanitation Reserve Revenue Bonds, Landfill Cell Construction;
annual installments of \$330,000 to \$735,000 Starting Sept 1, 2024 through Sept 1, 2032;
interest of 5 percent 3,635,000

Total Revenue Bonds **\$ 100,206,250**

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 23,680,000

Total Sales Tax Revenue Bonds **\$ 23,680,000**

Special Assessment Bonds:

\$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 \$ 430,000

\$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 775,000

\$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 115,000

\$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 1,565,000

\$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 5,065,000

\$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 6,240,000

\$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 4,330,000

\$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 4,375,000

\$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 4,201,978

\$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 9,650,000

\$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	21,010,000
\$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	4,015,000
\$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	1,010,000
\$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	1,250,000
\$9,460,000 2022 "A" Refunding Improvement Bonds, Various Special Assessment Projects; annual installments of \$320,000 to \$415,000 beginning December 2024 through December of 2048; interest ranging from 4.375 percent to 5.0 percent	<u>9,460,000</u>
Total Special Assessment Bonds	<u>\$ 93,146,978</u>

CITY OF GRAND FORKS, NORTH DAKOTA

SCHEDULE OF INSURANCE IN FORCE

December 31, 2022

<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-1971-03	07/01/22	07/01/23
Buildings and Contents-Leased Properties State Fire and Tornado Fund	FT-2523-03	07/01/22	07/01/23
Public Officials Error and Omissions Auto Liability and Comp. General North Dakota Insurance Reserve Fund	GL-440-36 & BA224-36	01/01/22	01/01/23
Equipment Floater North Dakota Insurance Reserve Fund	IM0591-30	01/01/22	01/01/23
Public Employee Blanket Bond North Dakota Bonding Fund	Bond #2634	Continuous	
Workers Compensation (Minnesota) State Auto	MN COMP 10133510	5/16/2022	5/16/2023
Workers Compensation (North Dakota)	48710	1/1/2022	12/31/22
Flood Insurance Vaaler Ins./ Assurant/Selective 54 policies	Various	4/1/2022	04/01/23
Alerus Center Traveler's / Vaaler Ins.	P-630-3F694973-TIL-22	1/1/2022	01/01/23
Employee Health Insurance BC/BS of North Dakota	10442519	1/1/2022	12/31/22

* Except for specific covered services as outlined

Details of Coverage	Co-Insurance	Liabilities Limit	Annual Premium
Blanket real and personal property	90%	Replacement value	\$ 248,408
Blanket real and personal property	90%	Replacement value	50,528
General Liability/Auto Fleet and Public Officials Errors and Omissions		\$5,000,000 per occurrence	575,902
Equipment Floater		\$12,527,317	35,233
Robberies inside & outside premises and safe burglary		\$622,000	
Blanket Public Employee Bonding		\$2,000,000	- 0 -
Bodily injury		\$1,000,000 / \$1,000,000 / \$1,000,000	3,316
Bodily Injury	\$250		286,672
Flood insurance		\$7,096,000	55,808
Building	100%	\$140,046,447	126,085
Business Personal Property		\$7,961,139	
Business Income and Extra Expense		\$9,417,516	
Outdoor Property (Signs)		\$800,238	
Employee Health Insurance	<u>Product Blue Access</u> <u>80/500 Plan</u>	Unlimited *	4,763,759
	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.

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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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities										
Net investment in capital assets	\$ 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	\$ 154,281,786
Restricted	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	134,050,319
Unrestricted	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)	(16,720,913)
Total governmental activities net position	<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>	<u>\$ 271,611,192</u>
Business-type activities										
Net investment in capital assets	\$ 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	\$ 390,238,738
Restricted	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	49,928,937
Unrestricted	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	12,716,559
Total business-type activity net position	<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>	<u>\$ 452,884,234</u>
Primary government										
Net investment in capital assets	\$ 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	\$ 544,520,524
Restricted	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	183,979,256
Unrestricted	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	(4,004,354)
Total primary government net position	<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>	<u>\$ 724,495,426</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)

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Expenses										
Governmental Activities										
General Government	\$ 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	\$ 16,174,877
Highways and Streets	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	14,606,269
Public Safety	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	25,095,169
Health and Welfare	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	5,604,695
Culture and Recreation	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	2,723,007
Public Works	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	9,189,027
Interest on Long-term Debt	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	3,534,192
Total Governmental Activities Expenses	55,986,961	56,826,267	55,631,820	63,440,146	69,684,765	67,960,467	75,635,848	82,888,075	62,624,366	76,927,236
Business-type Activities										
Sanitation	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	12,244,877
Wastewater	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	11,808,066
Waterworks	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	18,544,989
Stormwater	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	5,014,509
Mosquito Control	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823	925,398	889,443
Public Transit	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	4,116,234
Dial-A-Ride	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	1,428,246
Alerus Center	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	11,319,383
Job Development Authority	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	3,154,268
Downtown Parking	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665	365,621	372,556
Total Business-type Activities Expenses	46,646,306	45,831,857	47,701,758	48,652,408	50,617,903	50,254,927	55,292,096	59,162,729	70,691,493	68,892,571
Total Primary Government Expenses	<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>	<u>\$ 145,819,807</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	\$ 10,478,357
Highways and Streets	18,451	49,035	-	-	-	-	2,893	1,397	1,372	2,367
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	2,820,490
Health and Welfare	1,745,294	747,414	809,609	775,186	785,831	772,966	794,145	855,493	836,054	1,097,316
Culture & Recreation	44,739	45,765	50,161	47,749	47,935	49,348	47,440	31,241	6,494	20,349
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	8,517,810
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	26,899,173
Total Governmental Activities Program Revenue	26,017,045	24,791,019	31,673,783	31,051,242	32,342,730	30,272,464	33,428,507	34,000,580	41,256,977	49,835,862
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	11,080,917
Wastewater	8,083,746	8,178,056	8,780,703	9,010,657	9,544,207	9,791,487	9,779,379	10,986,349	11,713,328	11,579,177
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	12,915,729
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	3,127,975
Mosquito Control	802,039	812,942	821,991	844,214	884,826	985,032	1,064,495	1,096,441	1,107,653	1,134,247
Public Transit	498,674	526,513	571,160	585,696	592,407	574,409	505,604	825,707	949,280	993,942
Dial-A-Ride	586	2,633	3,539	2,107	400	145,951	244,341	231,129	100,343	216,713
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	6,125,905
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	1,474,982
Downtown Parking	322,690	483,983	449,013	412,806	342,713	438,711	322,926	222,416	163,772	258,275
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	2,741,344
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	5,552,103
Total Business-type Activities Program Revenue	37,496,267	40,280,679	47,947,488	46,488,996	48,592,038	55,267,318	67,491,050	79,393,560	63,743,706	57,201,309
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>\$ 107,037,171</u>

Table 2

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Net (Expense) Revenue										
Governmental Activities	\$ (29,969,916)	\$ (32,035,248)	\$ (23,958,037)	\$ (32,388,904)	\$ (37,342,035)	\$ (37,688,003)	\$ (42,207,341)	\$ (48,887,495)	\$ (21,367,389)	\$ (27,091,374)
Business-type activities	(9,150,039)	(5,551,178)	245,730	(2,163,412)	(2,025,865)	5,012,391	12,198,954	20,230,831	(6,947,787)	(11,691,262)
Total Net Expense	<u>\$ (39,119,955)</u>	<u>\$ (37,586,426)</u>	<u>\$ (23,712,307)</u>	<u>\$ (34,552,316)</u>	<u>\$ (39,367,900)</u>	<u>\$ (32,675,612)</u>	<u>\$ (30,008,387)</u>	<u>\$ (28,656,664)</u>	<u>\$ (28,315,176)</u>	<u>\$ (38,782,636)</u>
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	\$ 21,960,554
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	20,873,662
Hotel/Motel Sales Taxes	-	-	-	-	-	-	-	999,838	549,414	1,106,309
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	4,085,627
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	3,363,146
Other Taxes	462,865	496,779	505,662	594,311	891,893	1,136,931	936,753	668,166	680,867	695,163
Investment Earnings/Loss	831,646	999,883	(59,189)	973,515	455,804	701,848	531,193	2,511,525	1,024,164	(1,534,236)
Gain(loss) on disposition of capital assets	-	-	37	1,000	858,642	35,666	-	-	-	2,268
Miscellaneous	793,701	435,595	245,113	1,448,041	205,898	247,658	1,304,134	560,600	1,083,447	352,162
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)	(6,772,408)
Total Governmental Activities	<u>32,794,701</u>	<u>33,002,593</u>	<u>37,186,645</u>	<u>41,218,059</u>	<u>39,950,129</u>	<u>37,438,844</u>	<u>40,602,907</u>	<u>47,542,494</u>	<u>46,546,931</u>	<u>44,132,247</u>
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	1,294,410
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	10,927,087
Other taxes	17,825	19,129	19,355	22,787	30,974	28,937	29,280	30,952	31,580	34,033
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	(999,753)
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	52,484
Lawsuit Settlement	-	275,000	-	-	-	-	-	-	-	-
Miscellaneous	1,024,457	536,265	629,556	169,489	72,605	19,759	84,035	40,927	19,620	1,686,018
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	6,772,408
Total Business-type Activities	<u>11,134,332</u>	<u>13,219,158</u>	<u>9,085,239</u>	<u>10,031,441</u>	<u>9,856,097</u>	<u>10,699,023</u>	<u>9,229,795</u>	<u>13,547,968</u>	<u>13,330,092</u>	<u>19,766,687</u>
Total Primary Government	<u>\$ 43,929,033</u>	<u>\$ 46,221,751</u>	<u>\$ 46,271,884</u>	<u>\$ 51,249,500</u>	<u>\$ 49,806,226</u>	<u>\$ 48,137,867</u>	<u>\$ 49,832,702</u>	<u>\$ 61,090,462</u>	<u>\$ 59,877,023</u>	<u>\$ 63,898,934</u>
Change in Net Position										
Governmental Activities	\$ 2,824,785	\$ 967,345	\$ 13,228,608	\$ 8,829,155	\$ 2,608,094	\$ (249,159)	\$ (1,604,434)	\$ (1,345,001)	\$ 25,179,542	\$ 17,040,873
Business-type Activities	1,984,293	7,667,980	9,330,969	7,868,029	7,830,232	15,711,414	21,428,749	33,778,799	6,382,305	8,075,425
Total Change in Net Position Primary Government	<u>\$ 4,809,078</u>	<u>\$ 8,635,325</u>	<u>\$ 22,559,577</u>	<u>\$ 16,697,184</u>	<u>\$ 10,438,326</u>	<u>\$ 15,462,255</u>	<u>\$ 19,824,315</u>	<u>\$ 32,433,798</u>	<u>\$ 31,561,847</u>	<u>\$ 25,116,298</u>

*Hotel/Motel Tax for the Conventions and Visitors Bureau Fund was reclassified in 2019 as a result of GASB Statement 84,Fiduciary Activities which required the change from an Agency to a Special Revenue Fund

**CITY OF GRAND FORKS, NORTH DAKOTA
PROGRAM REVENUE BY FUNCTION/PROGRAM
LAST TEN FISCAL YEARS
(Accrual Basis of Accounting)**

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Governmental activities:										
General government	\$ 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	\$ 13,944,873
Highways and streets	6,013,520	3,806,820	3,541,765	3,101,680	5,131,354	3,474,912	3,469,404	5,586,173	-	5,277,201
Public safety	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	4,918,563
Health and welfare	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	4,435,889
Culture and recreation	731,181	760,496	789,761	815,582	946,797	960,275	901,350	943,764	3,228,587	819,531
Public works/flood protection	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	20,439,805
Subtotal governmental activities	<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>	<u>\$ 49,835,862</u>
Business-type activities:										
Sanitation	\$ 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	\$ 11,081,471
Wastewater	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	12,257,976
Water	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	13,393,103
Stormwater	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	6,855,404
Mosquito Control	831,741	851,214	895,949	988,532	1,067,995	1,084,219	1,096,441	1,107,653	1,117,215	1,134,247
Public Transit	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	2,382,808
Dial-A-Ride	1,447,565	669,006	1,403,731	926,799	1,281,679	986,609	1,177,724	881,399	1,551,640	927,931
Alerus Center	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	6,245,586
Job Development Authority	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	2,664,508
Downtown parking	449,013	412,806	342,713	438,711	322,926	274,160	222,416	163,772	120,681	258,275
Subtotal business-type activities	<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>	<u>\$ 57,201,309</u>
Total primary government	<u><u>\$ 79,621,271</u></u>	<u><u>\$ 77,540,238</u></u>	<u><u>\$ 80,934,768</u></u>	<u><u>\$ 85,539,782</u></u>	<u><u>\$ 103,096,234</u></u>	<u><u>\$ 103,985,905</u></u>	<u><u>\$ 113,394,140</u></u>	<u><u>\$ 105,000,683</u></u>	<u><u>\$ 100,086,982</u></u>	<u><u>\$ 107,037,171</u></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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government	\$ 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	\$ 16,174,877
Highways and Streets	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	14,606,269
Public Safety	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	25,095,169
Health and Welfare	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	5,604,695
Culture and Recreation	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	2,723,007
Public Works	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	9,189,027
Interest on Long-term Debt	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	3,534,192
Sanitation	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	12,244,877
Wastewater	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	11,808,066
Waterworks	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	18,544,989
Stormwater	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	5,014,509
Mosquito Control	927,084	849,760	890,242	971,488	861,285	910,279	1,011,195	1,104,823	925,398	889,443
Public Transit	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	4,116,234
Dial-A-Ride	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	1,428,246
Alerus Center	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	11,319,383
Job Development Authority	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	3,154,268
Downtown Parking	304,177	436,713	435,199	437,045	396,790	360,691	340,057	453,665	365,621	372,556
Total	<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>\$ 118,215,389</u>	<u>\$ 130,927,944</u>	<u>\$ 142,050,804</u>	<u>\$ 133,315,859</u>	<u>\$ 145,819,807</u>

Table 5

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Fund										
Non-spendable	\$ 28,901	\$ 28,901	\$ 28,901	\$ 28,901	\$ 51,643	\$ 46,454	\$ 24,016	\$ 32,324	\$ 22,773	\$ 4,309
Restricted										
Committed	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	2,947,727
Assigned	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	2,333,409
Unassigned	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	14,830,642
Total General Fund	<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>	<u>\$ 20,116,087</u>
All Other Governmental Funds										
Non-spendable	\$ -	\$ -	\$ -	\$ -	\$ 310	\$ 15,566	\$ 22,159	\$ 30,279	\$ 28,002	\$ 25,866
Restricted	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	61,422,371
Committed	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	3,602,796
Assigned										
Unassigned										
Total all Other Governmental Funds	<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>	<u>\$ 65,051,033</u>

Table 6

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

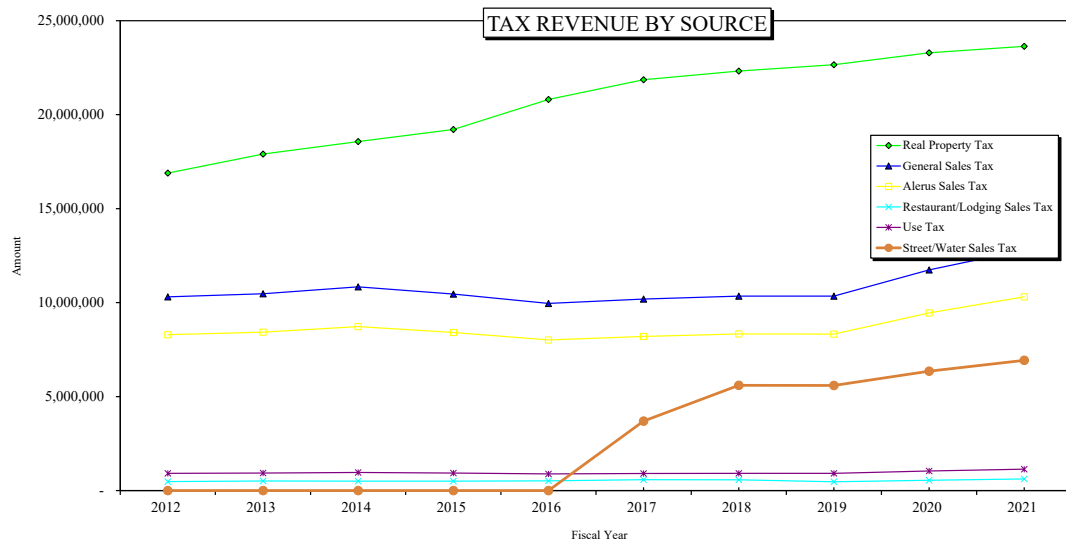
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Revenues										
Taxes	\$ 27,201,868	\$ 28,783,137	\$ 29,355,294	\$ 29,450,638	\$ 30,371,112	\$ 35,192,719	\$ 38,682,441	\$ 38,851,014	\$ 41,362,455	\$ 43,940,525
Licenses, fees and permits	2,219,434	2,872,086	2,210,419	1,737,903	1,863,331	1,871,020	1,975,505	2,025,224	2,177,109	3,061,233
Intergovernmental	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	21,334,671
Charges for services	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	10,333,612
Special assessments	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	9,283,828
Fines and forfeitures	795,907	805,196	905,661	871,577	928,074	774,980	747,422	635,406	809,702	947,752
Lease revenues										13,645
Investment earnings/loss	(57,288)	960,423	454,947	700,740	530,525	1,176,225	2,488,993	1,667,167	(165,160)	(1,517,789)
Other revenues	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	3,679,418
Total Revenues	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	91,076,895
Expenditures										
General government	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	14,827,101
Health and welfare	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	5,604,279
Public safety	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	25,957,516
Highways and streets	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	8,477,446
Culture & recreation	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	2,714,345
Capital outlay	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	29,438,630
Debt Service:										
Contractual services	11,997	10,111	20,577	8,955	6,762	16,047	17,501	22,188	3,829	20,030
Bond issue costs	52,982	221,537	126,626	154,038	63,262	68,868	168,686	112,204	193,237	103,579
Interest & fiscal charges	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	3,152,176
Principal	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	5,528,956
Total Expenditures	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	95,824,058
Excess of revenues over (under) expenditures	(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)	(4,747,163)
Other Financing Sources (Uses)										
Proceeds from borrowing	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	11,928,330
Premium on bonds issued	301,211	371,495	413,692	249,322	308,221	771,222	1,395,336	664,167	1,070,447	482,374
Proceeds from refunding	-	-	-	-	2,735,000	-	-	1,430,000	1,550,000	-
Redemption of refunded bonds	(12,230,000)	-	-	-	(860,000)	-	-	(1,320,000)	(2,485,000)	-
Sale of capital assets	112,453	386,698	100	2,252,851	369,424	65,443	18,353	47,596	4,730	49,375
Transfers in	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	23,902,319
Transfers out	(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)	(26,711,853)
Total other financing sources (uses)	(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	9,650,545
Net change in fund balances	\$ (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)	\$ 4,903,382
Debt Service as a percentage of noncapital expenditures	17.66%	17.02%	17.64%	22.48%	19.51%	17.74%	15.50%	16.96%	15.16%	12.32%

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
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	1,018,952,073	22,323,108
2019	2020	8,325,851	5,595,899	468,150	10,343,095	919,218	25,652,213	957,471,412	22,656,578
2020	2021	9,452,630	6,353,095	545,891	11,742,449	1,044,173	29,138,238	1,064,316,036	23,294,339
2021	2022	10,308,982	6,928,639	618,105	12,806,213	1,138,811	31,800,748	1,115,257,878	23,637,363

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

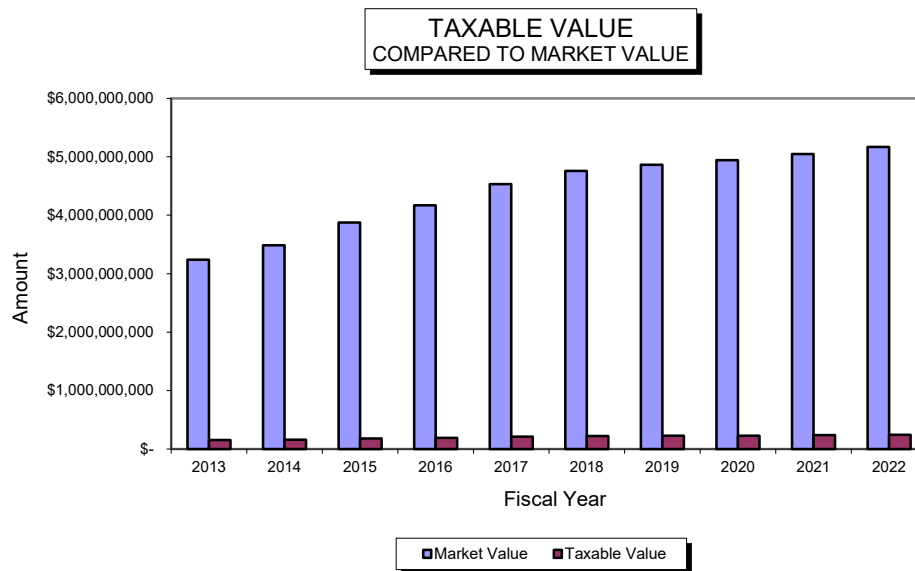




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CITY OF GRAND FORKS, NORTH DAKOTA
ASSESSED AND ESTIMATED MARKET VALUE
OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year	Assessed Value	Estimated Market Value	Ratio of Assessed to Market Value	Taxable Value	Effective Tax Rate - Residential *	Effective Tax Rate - Commercial *
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%
2022	2,585,424,820	5,170,849,640	50.0%	243,633,917	1.39%	1.54%



* Reflects all taxing entities

Table 8

Property Value						
Year	Commercial	Residential	Agricultural	Public Utilities	Tax Increments	Total Estimated Market Value
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
2022	2,095,524,000	2,983,058,400	979,200	91,288,040	-	5,170,849,640

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%
2021	23,637,363	1,034,807	22,005,113	97.4%

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

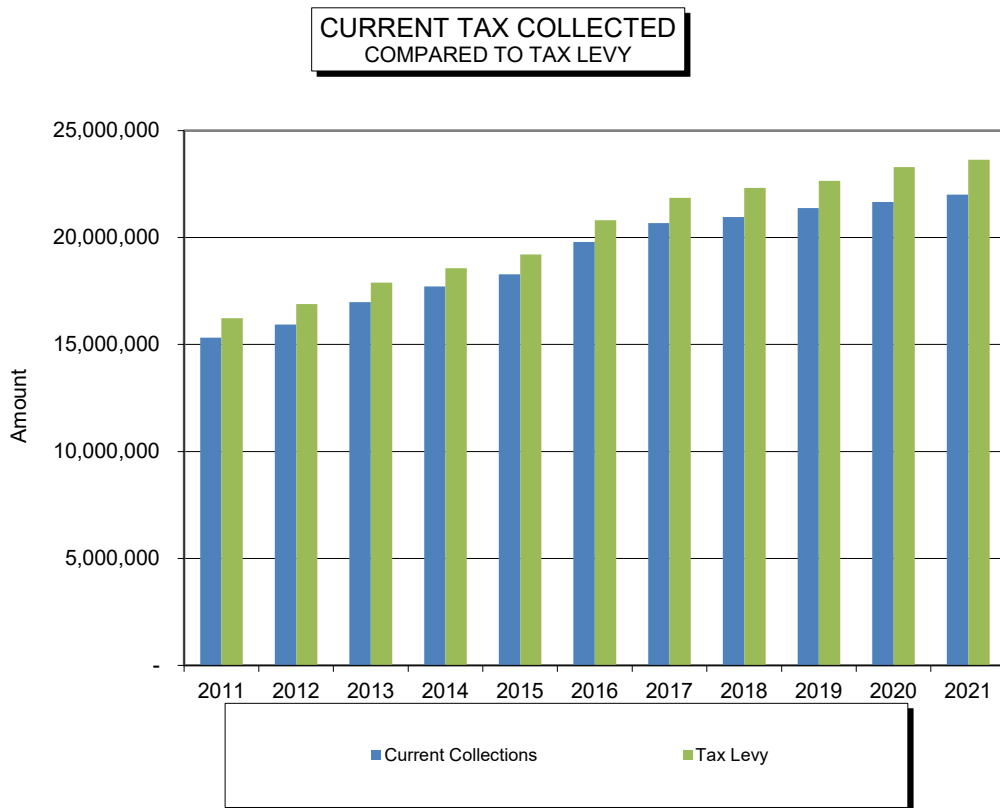
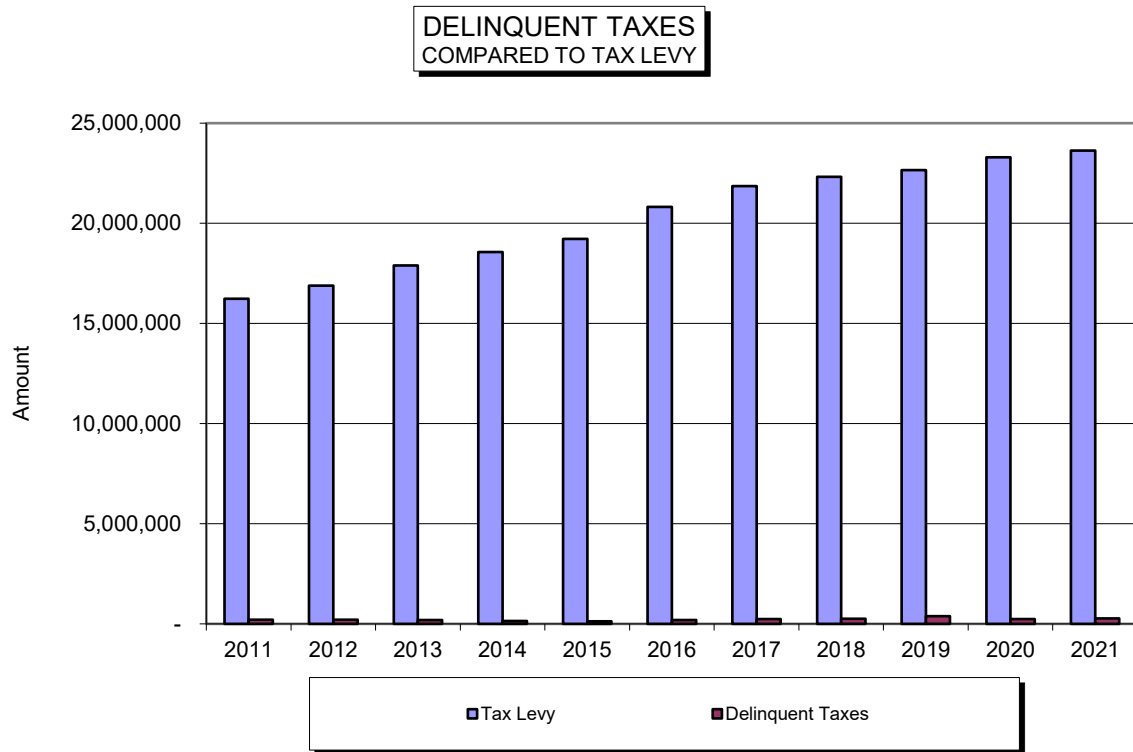


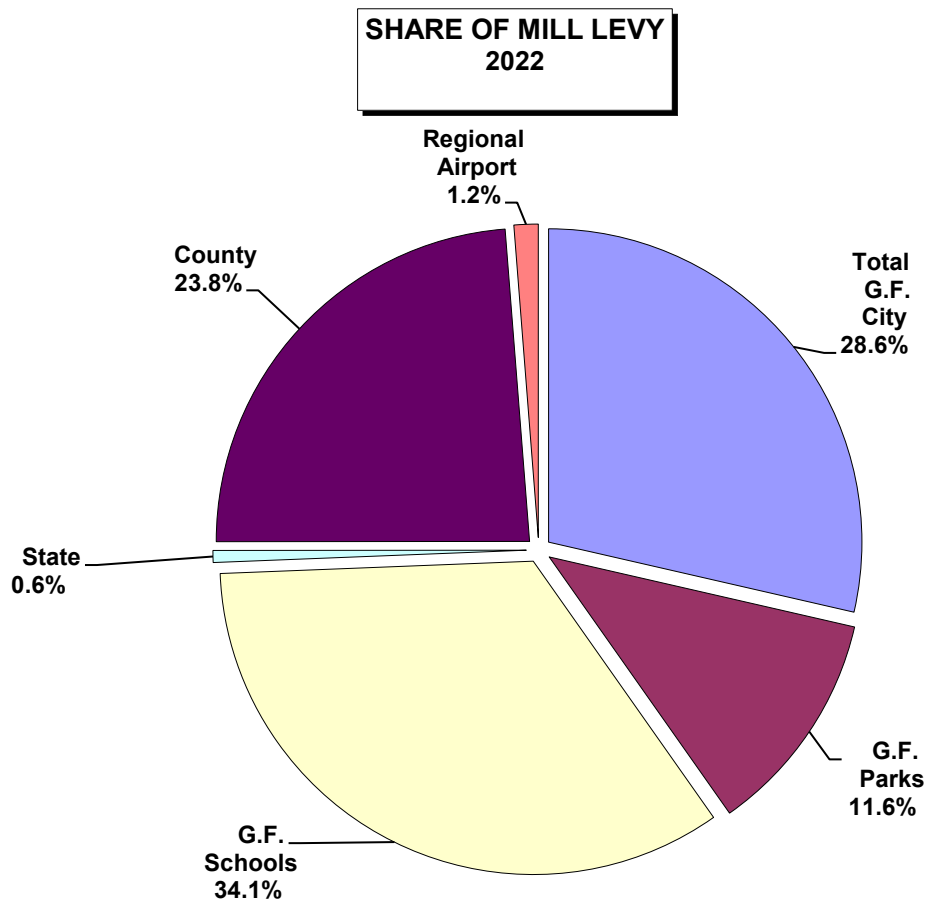
Table 9

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%
2021	273,364	22,278,477	94.3%	428,280	1.89%



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 Svc Funds	Public Trans	Total G.F. City	G.F. Parks	G.F. Schools	State	County	Regional Airport	Total
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
2022	70.15	17.17	-	5.65	92.97	37.88	111.00	2.00	77.29	4.05	325.19



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

Taxpayer	2021 Values (2022 collections)			2012 values (2013 collections)		
	Taxable Value	Rank	Percentage of Total Taxable Value	Taxable Value	Rank	Percentage of Total Taxable Value
IRET Properties	\$ 3,792,945	1	1.56%	\$ 2,060,515	3	1.34%
Sterling Properties LLLP	2,732,600	2	1.12%			
Altru Health System ⁽¹⁾	1,652,805	3	0.68%	3,074,850	1	2.00%
Simplot US Food Group Holdings, LLC	1,435,470	4	0.59%	1,365,340	7	0.89%
Campus Crest at Grand Forks, LLC	1,152,455	5	0.47%			
LM Wind Power Blades (ND) Inc.	1,024,670	6	0.42%	911,320	9	1%
Wal-Mart Real Estate Business Trust	1,008,030	7	0.41%	793,660	10	0.33%
Menard, INC	971,910	8	0.40%			
Sterling Pointe Apartments, LLC	968,730	9	0.40%			
MFR-XX Forest, LLC	834,730	10	0.34%			
Northern States Power Company				2,250,221	2	1.46%
Mikkelson Consolidated Limited Partnership				1,782,970	4	1.16%
Columbia Grand Forks, LLC				1,547,345	5	1.01%
IREIT Properties, LLLP				1,402,680	6	0.91%
Terrace Pointe LLC ET AL				938,200	8	0.61%
	<u>\$ 15,574,345</u>		<u>6.39%</u>	<u>\$ 16,127,101</u>		<u>10.31%</u>
2022 Total Taxable Value	\$ 243,633,917					
2013 Total Taxable Value	\$ 153,748,856					

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)
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
2022	49	337,461,499	124	31,184,885

(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	Capital Leases	Leases Liability	Revenue Bonds	Sales Tax Revenue Bonds	SRF Loans	Capital Leases	Leases Liability	Notes			
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	3.76%	3,720.80
2022	1,284,443	98,361,074	-	-	-	\$ 2,741,495	28,423,119	26,843,694	72,750,000	-	\$ 1,297,171	-	231,700,996	not available	3,740.01

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
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
2022	61,610	2,585,424,820	1,284,443	977,491	306,952	0.01%	4.98

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, 2022

<u>Governmental Unit</u>	<u>Net Bonded Debt Outstanding</u>	<u>Applicable to this Gov't'l Unit</u>	<u>Share of Debt</u>
Direct Debt:			
City of Grand Forks:			
General Obligation Debt	\$ 1,284,443	100.0%	\$ 1,284,443
Debt Supported by Special Assessments	98,361,074	100.0%	98,361,074
Lease Liability	2,741,495	100.0%	2,741,495
Total Direct Debt			<u>102,387,012</u>
Overlapping Debt:			
Grand Forks School District	22,742,314	94.5%	21,482,534
Grand Forks County	37,190,000	73.2%	27,240,866
Grand Forks Park District	7,735,000	100.0%	<u>7,735,000</u>
Total Overlapping Debt			<u>56,458,400</u>
Total Direct and Overlapping Debt			<u>\$ 158,845,412</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.

Table 15

CITY OF GRAND FORKS, NORTH DAKOTA
LEGAL DEBT MARGIN INFORMATION
LAST TEN FISCAL YEARS

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Debt limit	\$ 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	\$ 127,986,798
Total net debt applicable to limit	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	1,284,443
Legal debt margin	<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>	<u>\$ 126,702,355</u>
Total net debt applicable to the limit as a percentage of debt limit	11.05%	9.72%	7.67%	8.13%	4.73%	3.52%	2.47%	1.97%	1.48%	1.00%

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, 2022

<u>Market Value</u>		<u>\$ 5,170,849,640</u>
Debt Limit - 5% of 50% of Market Value		\$ 129,271,241
Amount of Debt Applicable to Debt Limit:		
General Obligation Bonds	\$ 1,190,000	
Unamortized Premium/Discount	<u>94,443</u>	
Bonded Debt		<u>1,284,443</u>
Legal Debt Margin		<u>\$ 127,986,798</u>

(1) In accordance with State of North Dakota Constitution Article X, Section 15, special assessment debt is not included in this calculation

CITY OF GRAND FORKS, NORTH DAKOTA
 REVENUE BOND COVERAGE
 WATER BONDS
 LAST TEN FISCAL YEARS
 (In Thousands of Dollars)

Year	Gross Revenue ⁽¹⁾	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements			
				Principal	Interest & Fiscal Charges ⁽³⁾	Total	Coverage
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
2022	15,227	11,311	3,916	1,845	1,431	3,276	1.20

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.

CITY OF GRAND FORKS, NORTH DAKOTA
 REVENUE BOND COVERAGE
 WASTEWATER BONDS
 LAST TEN FISCAL YEARS
 (In Thousands of Dollars)

Year	Gross Revenue ⁽¹⁾	Debt Related Transfers In	Direct Operating Expenses ⁽²⁾	Net Revenue Available for Debt Service	Debt Service Requirements		Total	Coverage
					Annual Principal (4)	Annual Interest & Fiscal Charges ⁽³⁾		
2013	\$ 8,838	\$ -	\$ 4,568	\$ 4,270	\$ 2,467	\$ 720	\$ 3,187	1.34
2014	9,107	-	4,579	4,528	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	1.46
2017	10,188	-	5,213	4,975	3,010	576	3,586	1.39
2018	11,599	-	5,265	6,334	3,015	579	3,594	1.76
2019	11,195	278	6,048	5,425	2,399	639	3,038	1.79
2020	11,920	278	6,903	5,295	2,402	695	3,097	1.71
2021	11,812	278	7,332	4,758	2,427	662	3,089	1.54
2022	11,492	278	6,964	4,806	1,109	447	1,556	3.09

Notes: (1) Gross revenue includes operating revenue and interest revenue.

(2) Total operating expenses exclusive of depreciation.

(3) Includes interest on capital leases.

(4) Excluding debt service on refunded bonds

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	
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
2022	8,256	4,569	3,206	7,775	1.06

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⁾
2013	56,262	4,507.3	44,171	7,080	15,143	2.9%
2014	58,012	4,610.9	44,788	7,149	14,906	2.7%
2015	58,766	4,724.8	45,464	7,273	14,951	2.3%
2016	59,299	4,761.0	45,471	7,348	14,648	2.2%
2017	59,870	4,882.8	46,464	7,479	14,406	2.1%
2018	60,351	5,044.9	47,982	7,345	13,847	2.2%
2019	60,636	5,203.9	49,829	7,456	13,581	2.0%
2020	59,166	5,701.8	54,766	7,431	13,615	4.6%
2021	61,000	6,031.3	58,295	7,410	13,772	3.1%
2022	61,610	Not Available	Not Available	7,395	13,876	1.8%

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.

Table 20

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

Employer	2022 Employees	Rank	Percentage of Total City Employment (6)	2013 Employees	Rank	Percentage of Total City Employment
University of North Dakota ⁽¹⁾	5,562	1	17.90%	2,850	3	9.46%
Altru Health System	3,400	2	10.94%	4,129	1	13.70%
Grand Forks Air Force Base ⁽²⁾	2,897	3	9.33%	4,127	2	13.70%
Grand Forks School District ⁽³⁾	1,700	4	5.47%	1,671	4	5.55%
City of Grand Forks ⁽³⁾	831	5	2.68%	503	9	1.67%
Valley Memorial Home	818	6	2.63%	675	5	2.24%
LM Wind Power (USA), Inc. ⁽⁴⁾	560	7	1.80%	650	6	2.16%
Development Homes	480	8	1.55%	-	-	0.00%
Hugo's (4 Locations) ⁽⁵⁾	460	9	1.48%	452	10	1.50%
J. R. Simplot	440	10	1.42%	-	-	0.00%
Alerus Financial				573	8	1.90%
Amazon				600	7	1.99%
	<u>17,148</u>		<u>55.20%</u>	<u>16,230</u>		<u>53.87%</u>

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) 2022 Total Labor Force of 31,065 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	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government	95	96.45	101.60	101.90	102.03	101.58	103.44	101.20	100.40	109.10
Economic Development	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Community Development	4.98	4.98	2.55	1.20	1.20	1.20	1.20	1.20	1.20	0.70
Housing Authority	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00	0.00
Public Health	32.93	36.56	37.36	36.03	43.92	43.35	43.08	42.99	42.61	41.61
Public Safety										
Police										
Officers	82.00	82.00	82.00	84.00	88.00	88.00	90.00	92.00	92.00	93.00
Civilians	15.00	15.00	15.00	16.00	16.00	16.00	16.00	16.00	16.00	17.00
Fire										
Firefighters and officers	63.00	63.00	63.00	75.00	75.00	75.00	75.00	75.00	76.00	76.00
Civilians	3.00	3.00	3.00	3.00	3.00	3.00	3.00	4.00	3.00	3.00
PSAP	17.00	17.00	17.00	18.00	19.00	19.00	20.00	21.50	21.50	21.50
Municipal Court	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.30	4.55
Highways and streets	35.85	35.65	36.85	36.85	35.41	35.41	35.41	37.08	36.74	36.74
Culture and recreation	1.00	1.00	1.00	1.00	0.63	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	37.66	37.84	37.06	36.65	37.65	39.65	41.20	40.90	38.95
Wastewater	22.73	22.76	21.82	21.79	21.23	21.23	22.39	23.06	21.36	24.19
Waterworks	30.03	28.06	27.13	28.35	27.85	27.85	27.85	28.56	29.02	29.52
Stormwater	5.41	5.47	5.76	6.10	6.18	6.18	6.35	6.62	6.02	5.72
Public Transit	21.55	21.55	21.50	21.50	20.95	23.10	28.90	28.90	30.90	30.90
Dial-A-Ride	3.55	3.55	3.55	3.55	3.55	4.55	4.55	18.55	18.55	21.55
Alerus	21.00	20.00	21.00	18.00	18.00	0.00	0.00	0.00	0.00	0.00
Job Development Authority	3.18	3.18	3.35	3.25	4.55	4.25	4.68	4.85	5.85	5.80
Downtown Parking	0.20	0.00	0.20	0.60	0.60	0.70	0.47	1.40	1.40	1.40
Total Authorized Positions	499.29	501.17	505.81	517.48	528.05	512.98	526.90	549.04	548.38	561.86

Source: City's Human Resources Department

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

Function	2013	2014	2015	2016
General Government				
Building permits issued	1,579	1,727	1,816	1,981
Value of Permits issued	\$ 212,067,083	\$ 368,599,640	\$ 203,309,401	\$ 140,940,924
Number of Business License Issued ⁽³⁾	1,657	1,904	1,905	1,113
Police				
Priority 1 Calls Average Response Time	3Min. 27 Sec.	3Min. 49 Sec.	3Min. 58 Sec.	4Min. 03 Sec.
Number of 911 Calls ⁽¹⁾	22,892	22,947	24,023	24,365
Incidents Requiring 911 Assistance Text to 911	72,322	73,337	74,380	81,441
Fire				
Emergency responses	4,005	4,254	4,286	4,995
Health				
Percent of Nuisance Complaints resolved within 30 days	96.75%	97.83%	96.01%	95.98%
Number of times sprayed	14	19	14	22
Culture and Recreation				
Alerus Center Attendance ⁽³⁾	205,767	203,475	170,576	188,328
Alerus Center Number of Events ⁽³⁾	495	469	390	489
Waterworks				
Number of customers	14,312	14,619	14,821	14,975
New connections	154	215	204	162
Watermain breaks	30	25	53	51
Average daily consumption(MGD)	7.80	7.70	7.90	7.60
Peak daily consumption (MGD)	12.30	11.30	9.50	9.93
Sanitation				
Number of customers	12,913	13,128	13,315	13,492
Landfill (tons)	91,219	97,644	94,828	98,625
Recycled Materials (tons) (City of GF)	2,923	3,016	2,996	2,380
Recycled Materials Diverted (tons) (City of GF)				
Wastewater				
Number of customers	14,038	14,319	14,506	14,669
Average daily sewage treatment (MGD)	6.87	6.83	6.80	6.88
Public Transit				
Ridership - City Bus ⁽³⁾	364,317	346,673	336,652	317,992
Ridership - Dial-A-Ride ⁽³⁾	33,041	34,602	35,553	32,337
Ridership - Senior Rider ⁽³⁾	19,485	19,733	19,195	16,026
Job Development Authority				
Businesses Assisted	4	7	3	2
New Jobs Projected in 2 years	61	82	42	18

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.

Table 22 (Con't)

2017	2018	2019	2020	2021	2022
1,948	1,895	1,691	1,731	1,778	1,509
\$ 133,766,938	\$ 156,473,039	\$ 329,061,146	\$ 256,295,102	\$168,089,376	\$440,489,957
1,172	1,102	1,015	855	1001	1060
4 Min. 44 sec.	4 Min. 33 Sec.	4 Min. 13 Sec.	3 Min. 54 Sec.	3 Min. 44 Sec.	3 Min. 32 Sec.
24,086	23,447	24,939	23,279	24,345	24,021
87,587	92,720	92,661	94,847	106,963	102,993
					110
5,510	5,117	5,623	5,174	5,631	5,895
97.43%	93.09%	93.09%	95.58%	94.87%	95.82%
5	10	8	11	1	6
184,822	243,468	228,745	112,722	203,451	224,774
326	385	481	323	404	378
15,127	15,275	15,121	15,404	15,579	15,620
139	135	198	150	133	118
58	38	42	24	35	27
7.90	8.12	7.42	7.25	8.72	7.88
11.30	11.40	10.85	11.30	15.6	13.19
13,539	13,266	13,367	13,492	13,625	13,755
96,382	100,606	111,400	98,165	78,573.06	105,775.71
2,063	1,975	2,320	2,575	2,305.60	4,551.51
					11,367.92
14,757	14,935	14,822	14,976	15,477	15,390
6.83	7.12	12.63	9.20	7.196	8.451
280,289	253,657	225,141	132,354	173,082	229,439
33,079	40,064	42,218	22,129	33,457	34,031
19,828	22,829	22,965	15,413	17,853	20,611
4	7	8	26	22	11
15	15	105	55	63	97

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

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General Government										
Buildings & Structures	11	11	11	11	11	11	12	12	12	14
Vehicles (All Gen Fund) ⁽⁶⁾	79	84	88	98	109	117	120	133	142	155
Area in Sq. Miles	26.01	26.09	26.86	27.08	27.31	27.57	27.99	28.04	28.07	29.14
Police										
Stations	2	2	2	2	2	2	2	2	2	2
Patrol Units	22	22	22	22	22	22	22	22	23	26
Fire										
Stations	4	4	4	4	4	4	4	4	5	4
Training Facilities (includes 3 mobile trailers)	5	5	5	7	7	7	7	7	7	5
Aerial Trucks	2	2	2	2	2	2	2	2	2	2
Pumpers	6	6	6	7	7	7	7	7	7	7
Rescue Truck	1	1	1	1	1	1	1	1	1	1
Boat	3	3	3	3	3	3	3	3	3	2
Hazmat Regional Response Vehicle	1	1	1	1	1	1	1	1	1	2
Mobile Command Vehicle	1	1	1	1	1	1	1	1	1	1
Special Operations Trailers	4	4	4	5	5	5	5	5	5	7
Fire Prevention Vehicle	1	1	1	3	3	3	3	3	3	3
Highways and Streets										
Paved Streets (miles)	237.70	241.09	245.28	246.83	251.05	258.29	260.26	271.60	274.52	276.29
Paved Alleys (miles)	4.74	4.74	4.74	4.74	4.74	4.98	4.98	4.98	4.98	4.98
Street lights	4200	4200	4800	4976	5059	5151	5216	5300	5565	5657
Traffic Signals	60	60	61	63	62	63	66	67	70	71
School Crossing Signals	25	25	25	25	26	26	26	26	40	40
Street Sweepers	4	4	4	5	5	5	5	5	5	5
Snow Plows	4	4	4	4	4	4	4	4	5	3
Motor graders	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	7 ⁽²⁾	8 ⁽²⁾	8 ⁽²⁾
Payloaders	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	6 ⁽³⁾	7 ⁽³⁾
Culture and Recreation										
Library	1	1	1	1	1	1	1	1	1	1
Events Center	1	1	1	1	1	1	1	1	1	1
Greenway (developed acres)	800	800	800	800	800	800	800	800	800	800
Boat Ramps	2	2	2	2	2	2	2	2	2	2
Bikepaths (miles) ⁽⁴⁾	41	41	42.34	42.78	42.78	43.59	44.57	46.72	32.86	33.73

Table 23 (Con't)

Function/Program	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Sanitation										
Collection Trucks-Side Load	6	6	6	6	6	6	6	6	6	7
Collection Trucks-Front Load	6	6	6	6	6	6	6	6	6	8
Collection Trucks-Rear Load	3	3	3	3	3	3	3	3	3	3
Collection Trucks-Roll Off	5	5	5	5	5	5	5	5	5	5
Water										
Water mains (miles)	263.37	266.42	269.01	270.91	276.64	281.02	285.29	286.00	288.8	288.89
Fire Hydrants	2958	3000	3000	2903	2903	3012	3502 ⁽⁵⁾	3502 ⁽⁵⁾	3567 ⁽⁵⁾	3563 ⁽⁵⁾
Water Storage Facilities	7	7	7	8	8	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	17
Intake Capacity (MGD)	24	24	24	24	24	24	24	24	24	24
Wastewater										
Sanitary Sewers (miles)	173.84	175.81	177.06	177.5	181.0	184.8	188.5	189.2	190.99	191.02
Treatment Capacity (Million Gallons Day)	10.0	10.0	10.0	10.0	13.0	13.0	13.0	13.0	13	10
Sewage Lift Stations	43	43	45	41	43	43	43	43	44	47
Stormwater										
Storm sewers (miles)	207.89	212.1	214.42	215.85	221.92	227.66	232.57	233.48	238.32	239.13
Lift Stations	12	12	12	12	13	13	13	13	15	15
Flood Stations	12	12	12	12	12	12	12	12	12	12
Public Transit										
35' Bus - Diesel/Electric Hybrid	2	2	2	2	2	2	2	2	2	2
35' Bus - Diesel	3	3	3	3	3	5	5	5	7	7
29' Bus	2	2	2	2	2	2	2	2	2	2
People Mover	3	3	3	4	4	4	4	4	4	0
Trolley	1	0 ⁽¹⁾	0	0	0	0	0	0	0	0
Senior Rider/Dial-A-Ride Vehicles	9	9	10	10	10	12	12	12	14	12
Cutaway Vehicles										2
Job Development										
Buildings and Structures	6	6	6	6	6	6	6	6	6	2
Municipal Parking Structures										
Buildings & Structures	2	2	2	2	2	2	2	2	3	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.

(6) Vehicles includes all items covered under the City's Auto Insurance Policy except trailers.



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