



# Annual Comprehensive Financial Report

City of Grand Forks, ND

For the year ended December 31, 2023





# *Annual Comprehensive Financial Report*



## **of the City of Grand Forks, North Dakota**

**For the Year Ended  
December 31, 2023**

**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, 2023

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June 14, 2024

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, 2023. 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, 2023, 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, 2023. 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 and one hour south of the Canadian border. 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 29.21 square miles and has a population of 62,226 at the end of 2023.

The Grand Forks region is home to the nation's most robust unmanned and autonomous systems (UAS) ecosystem, the state's flagship university (University of North Dakota) and the Grand Forks Air Base.

The University of North Dakota 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 118.

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

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

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 has been good for our local economy. The State's economy is also strong. State aid increased 13.9% in 2023 over 2022, and the City sales tax revenue increased 2.6% in 2023 over that of 2022.

The agri-business economic sector continues its growth in the region and the Northern Red River Valley. Red River Potatoes, LLC, an affiliate of Mesa Verde Trading Company, Inc., purchased the former Western Polymer (Ingredion) facility to provide dehydrated fruits and vegetables to the pet food industry. 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 2,897 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 recently 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. In fact, in August the Department of Defense announced plans to construct a new complex that will be home to the SkyRange mission, a hypersonic missile testing program that will be a “game-changer” for the nation, will be housed at the GFAFB. The new \$500 million facility will contain nearly 300,000 square feet of hangar space, 300,000 square feet of office space. Groundbreaking is slated for spring of 2024, with an estimated construction timeline of 36 months. The U.S. Department of Defense Test Resource Management Center (TRMC) officials, in conjunction with their private defense contractor partners, continue to grow the entire retired Global Hawk Block 20 and Block 30 fleets, which 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.

The Grand Forks region has 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.

There are over 1,200 people working in careers associated with UAS in the region today.

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

In addition to conducting flight tests from its facility at the Grand Sky UAS Business and Aviation Park next to the Grand Forks Air Force Base, General Atomics operates an office building near

the University of North Dakota campus in Grand Forks. It features classrooms and a Predator mission aircrew training system for accomplishing the academic and simulator segments of training. The expanding UAS opportunities, as well as related industries including data management and analysis, are another example of the growth potential in the region. Other higher education institutions in the area provide a variety of UAS-focused training programs, producing valuable workforce members for the UAS industry. Veterans of the Air Force Base offer additional potential employees with specific expertise in unmanned aircraft.

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

The University of North Dakota is a vital part of the region's economy. It is home to North Dakota's only medical school, law school and one of the largest graduate schools between the Mississippi River and Seattle. It has been designated a Carnegie Doctoral Research Institution. The University of North Dakota houses an internationally renowned flight school, the John D. Odegard School for Aviation and Aerospace Sciences.

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

The University Partnership Program (UPP) was established to harness 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. Additionally, the North Dakota Legislature approved \$4 million in funding for Space Force-related work at UND during the 2023 legislative session.

UND has and is currently undergoing a renewal of the campus from infrastructure, facilities, and programming. The renewal and reinvestment of the UND campus infrastructure, facilities, and programs are strategically positioning UND as seen by the increases in enrollment and research awards.

Memorial Village I is an estimated \$40 million mixed-use public/private partnership on the current site of UND's Memorial Stadium. The five-story mixed-use building with underground parking is currently under construction and will connect to the nearby Pollard High-Performance Center via a glass-walled walkway. The project will also include first floor commercial/office space that would be occupied by the UND Athletics Department. Memorial Village II is an estimated \$40 million plus mixed-use public/private partnership that broke ground in September 2023. Memorial Village II is a five-story mixed-use building with underground parking and is attached to a UND softball field complex. The Pollard High-Performance Center has broken ground on an estimated \$20 million expansion that will include locker rooms and performance and fitness areas.

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.



Ground has been broken on the Career Impact Academy. The region, in partnership with the State of North Dakota, public and private sectors have raised \$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. The Grand Forks Public School District will operate and program the Career Impact Academy for high school students and adult learners. A groundbreaking for this facility is planned for October 2023, with an operational start anticipated in 2025.

The Grand Forks downtown has and is seeing a renaissance with renewed street and streetscape infrastructure and mixed-use developments. Most recently, the Olive Ann Boutique Hotel adjacent to the Edgewood Corporate Center was completed in the fall of 2023 and provides a full-service hotel in downtown Grand Forks with approximately 70 rooms and at a capital investment of approximately \$30 million.

Construction continues 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.

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 an approximately \$500 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. The hospital is expected to be completed in 2025.

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 2023 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.

Unemployment in Grand Forks remains at a historically low level of 2.3%. Grand Forks Public Schools saw enrollment growth this fall of 73 students and the University of North Dakota saw enrollment growth this fall of 296 students for a total enrollment of 14,172 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 2023 Grand Forks/East Grand Forks Metropolitan Planning Organization Grand Forks population estimate is 62,226, which is an estimated 2.0% increase over the last two (2) years (1.0% 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 1,095 housing units and 249 new commercial and public buildings were constructed in 2023. Total taxable value increased by 8.67%, 2.35% from new construction and 6.32% from valuation increases for the 2024 budget year. The total city mill levy decreased 0.50 mills from 96.83 in 2023 to 96.33 for 2024. 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's bond rating was confirmed at Aa2 in October 2023.

The City had an increase in unemployment from 1.74 percent in 2022 to 2.3 percent in 2023, 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**

### **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 up to 42 million

bushels of soybeans per year from area farmers into high quality soybean oil, soybean meal and soybean hulls.

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.

### **Quality of Life Investments**

As part of a quality-of-life initiative, an election was held in November 2023, to continue the ¾% sales tax which currently goes to the Alerus Center which was scheduled to sunset in 2029. The sales tax initiative passed which omitted the sunset clause and allowed for the financing, design, acquisition, construction, reconstruction and/or leasing of health and wellness multi-use facilities and related land, fixtures and infrastructure improvements. The new indoor sports and aquatic facility will include indoor turf, a competition-sized pool and other amenities. The City is partnering with the Grand Forks Park District to construct and operate the facility. The proposed project includes a long-term capital replacement plan for the Alerus Events Center.

### **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, 2022. This was the 37<sup>th</sup> consecutive year the City has received this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized 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.

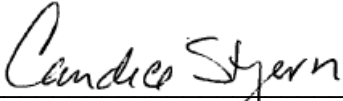
### **Acknowledgments**

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,



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Candice Stjern, CPA  
Assistant Director of Finance



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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

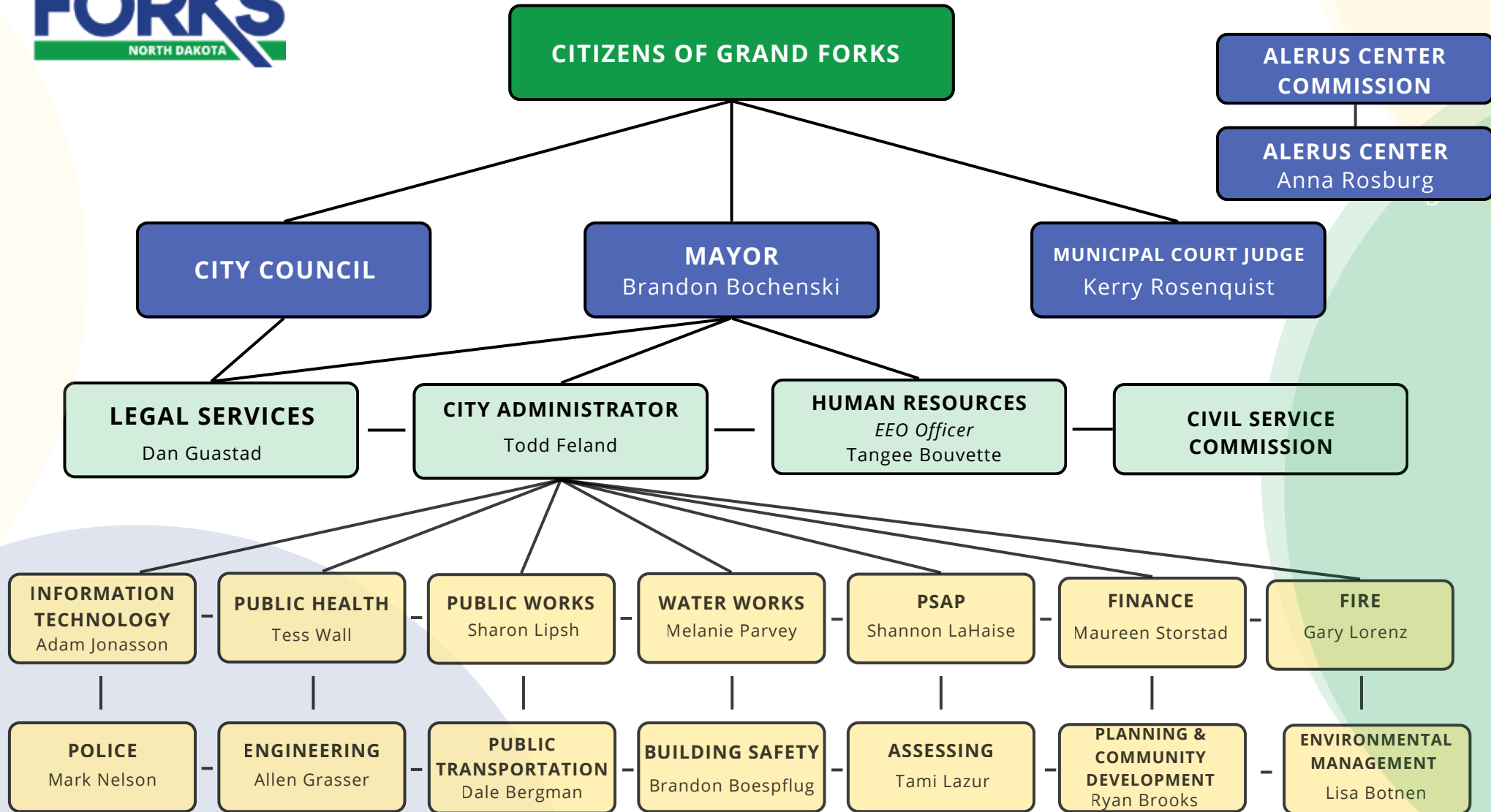
December 31, 2022

*Christopher P. Morill*

Executive Director/CEO



# City of Grand Forks Organizational Chart



## **ELECTED OFFICIALS**

|                   | <b><u>Ward</u></b> | <b><u>Current<br/>Term Expires</u></b> |
|-------------------|--------------------|--|
| 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 |

## 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, 2023, 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, 2023, and the respective changes in financial position and where applicable, cash flows, thereof and the respective budgetary comparison for the General Fund for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

#### ***Responsibilities of Management for the Financial Statements***

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

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

## ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

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

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

## ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and additional required supplementary information as listed in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. 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 2022 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 20, 2023. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2022, 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 14, 2024, 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 14, 2024

## **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, 2023. 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 \$768 million (net position) at the end of the calendar year 2023.
- The City's total net position increased by \$43 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 \$103.1 million, an increase of \$17.95 million in comparison to the prior year. Of this total amount, approximately \$23.8 million, twenty three percent (23%) 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 \$17.3 million, or thirty nine percent (39%) of total general fund expenditures of \$44.7 million.
- The City's total debt and non-current liabilities increased by \$13 million during 2023.
- During the current year, significant changes included:
  - The issuance of \$67,199,000 million in State Revolving Loan Debt for utility infrastructure projects, of which \$5,490,889 has been drawn down as of 12/31/23.
  - \$20,760,000 of Refunding Improvement Bonds, Series 2023F, to finance various improvement projects in the city.
  - The Net Pension and OPEB Liability decreased \$2.1 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 103.

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 149. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 141.

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 37-97 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 98-101 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 103-158 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, 2023.

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 \$767,873,387, as of December 31, 2023.

| City of Grand Forks Net Position*    |                                    |                                    |                                     |                                     |                |                |
|--------------------------------------|------------------------------------|------------------------------------|-------------------------------------|-------------------------------------|----------------|----------------|
|                                      | Governmental<br>Activities<br>2023 | Governmental<br>Activities<br>2022 | Business-type<br>Activities<br>2023 | Business-type<br>Activities<br>2022 | Total          |                |
|                                      |                                    |                                    |                                     |                                     | 2023           | 2022           |
| Current and other assets             | \$ 200,504,607                     | \$ 173,937,109                     | \$ 102,768,329                      | \$ 102,124,409                      | \$ 303,272,936 | \$ 276,061,518 |
| Capital assets                       | 272,072,185                        | 258,979,658                        | 546,943,015                         | 520,740,712                         | 819,015,200    | 779,720,370    |
| Total assets                         | 472,576,792                        | 432,916,767                        | 649,711,344                         | 622,865,121                         | 1,122,288,136  | 1,055,781,888  |
| Total deferred outflows of resources | 34,413,739                         | 40,632,111                         | 13,328,385                          | 17,804,045                          | 47,742,124     | 58,436,156     |
| Long-term liabilities outstanding    | 171,325,167                        | 151,195,966                        | 148,129,160                         | 155,912,715                         | 319,454,327    | 307,108,681    |
| Other liabilities                    | 15,852,266                         | 21,512,432                         | 21,247,003                          | 13,308,348                          | 37,099,269     | 34,820,780     |
| Total liabilities                    | 187,177,433                        | 172,708,398                        | 169,376,163                         | 169,221,063                         | 356,553,596    | 341,929,461    |
| Total deferred inflows of resources  | 28,558,859                         | 29,229,288                         | 17,044,418                          | 18,563,869                          | 45,603,277     | 47,793,157     |
| Net position:                        |                                    |                                    |                                     |                                     |                |                |
| Net investment in capital assets     | 154,262,167                        | 154,281,786                        | 420,013,226                         | 390,238,738                         | 574,275,393    | 544,520,524    |
| Restricted                           | 166,328,768                        | 134,050,319                        | 48,994,599                          | 49,928,937                          | 215,323,367    | 183,979,256    |
| Unrestricted                         | (29,336,696)                       | (16,720,913)                       | 7,611,323                           | 12,716,559                          | (21,725,373)   | (4,004,354)    |
| Total net position                   | \$ 291,254,239                     | \$ 271,611,192                     | \$ 476,619,148                      | \$ 452,884,234                      | \$ 767,873,387 | \$ 724,495,426 |

\*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 eight percent (28%), represents resources that are subject to external restrictions on how they may be used. The remaining unrestricted balance is a negative \$21,725,373 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 water fund and the public transit fund. The government as a whole unrestricted balance is a negative \$21,725,373. The governmental activities unrestricted balance is a negative \$29.3 million, the unrestricted balance in the sanitation fund is a negative \$8.5 million, the unrestricted balance in the water fund is a negative \$.6 million and the unrestricted balance in the public transit fund is a negative \$3.9 million. These negative balances are due to net pension and OPEB liabilities and associated deferred outflows and inflows of \$69.3 million, \$45.2 million, \$6.1 million, \$5.4 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 \$19.6 million, while overall the City's net position increased \$43.4 million.

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

## CHANGES IN NET POSITION

|   | Governmental Activities |                | Business-type Activities |                | Total          |                |
|---|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|   | 2023                    | 2022           | 2023                     | 2022           | 2023           | 2022           |
| Revenues:                                 |                         |                |                          |                |                |                |
| Program Revenues:                         |                         |                |                          |                |                |                |
| Charges for services                      | \$ 13,397,979           | \$ 14,418,879  | \$ 48,754,365            | \$ 48,907,862  | \$ 62,152,344  | \$ 63,326,741  |
| Operating grants and contributions        | 8,718,377               | 8,517,810      | 2,310,338                | 2,741,344      | 11,028,715     | 11,259,154     |
| Capital grants and contributions          | 40,708,024              | 26,899,173     | 16,129,865               | 5,552,103      | 56,837,889     | 32,451,276     |
| General Revenues:                         |                         |                |                          |                |                |                |
| Property taxes                            | 23,388,198              | 21,960,554     | 1,341,429                | 1,294,410      | 24,729,627     | 23,254,964     |
| Sales taxes                               | 21,372,119              | 20,873,662     | 11,239,165               | 10,927,087     | 32,611,284     | 31,800,749     |
| Hotel/Motel taxes                         | 1,241,544               | 1,106,309      | -                        | -              | 1,241,544      | 1,106,309      |
| State aid distribution                    | 4,654,984               | 4,085,627      |                          |                | 4,654,984      | 4,085,627      |
| Other taxes                               | 3,725,008               | 4,058,309      | 35,854                   | 34,033         | 3,760,862      | 4,092,342      |
| Miscellaneous                             | 5,486,288               | (1,179,806)    | 4,999,045                | 738,749        | 10,485,333     | (441,057)      |
| Total Revenues                            | 122,692,521             | 100,740,517    | 84,810,061               | 70,195,588     | 207,502,582    | 170,936,105    |
| Expenses:                                 |                         |                |                          |                |                |                |
| General Government                        | 20,660,368              | 16,174,877     |                          |                | 20,660,368     | 16,174,877     |
| Health and Welfare                        | 14,954,039              | 14,606,269     |                          |                | 14,954,039     | 14,606,269     |
| Public Safety                             | 38,083,406              | 25,095,169     |                          |                | 38,083,406     | 25,095,169     |
| Highways and Streets                      | 4,700,529               | 5,604,695      |                          |                | 4,700,529      | 5,604,695      |
| Culture and Recreation                    | 4,118,950               | 2,723,007      |                          |                | 4,118,950      | 2,723,007      |
| Public Works                              | 7,647,299               | 9,189,027      |                          |                | 7,647,299      | 9,189,027      |
| Interest on Long-term Debt                | 3,643,674               | 3,534,192      |                          |                | 3,643,674      | 3,534,192      |
| Sanitation                                |                         |                | 13,460,944               | 12,244,877     | 13,460,944     | 12,244,877     |
| Wastewater                                |                         |                | 12,847,414               | 11,808,066     | 12,847,414     | 11,808,066     |
| Waterworks                                |                         |                | 18,664,175               | 18,544,989     | 18,664,175     | 18,544,989     |
| Stormwater                                |                         |                | 5,030,669                | 5,014,509      | 5,030,669      | 5,014,509      |
| Mosquito Control                          |                         |                | 984,136                  | 889,443        | 984,136        | 889,443        |
| Public Transit                            |                         |                | 3,950,148                | 4,116,234      | 3,950,148      | 4,116,234      |
| Dial-A-Ride                               |                         |                | 1,645,144                | 1,428,246      | 1,645,144      | 1,428,246      |
| Alerus Center                             |                         |                | 10,849,768               | 11,319,383     | 10,849,768     | 11,319,383     |
| Job Development Authority                 |                         |                | 2,381,390                | 3,154,268      | 2,381,390      | 3,154,268      |
| Downtown Parking                          |                         |                | 502,568                  | 372,556        | 502,568        | 372,556        |
| Total Expenses                            | 93,808,265              | 76,927,236     | 70,316,356               | 68,892,571     | 164,124,621    | 145,819,807    |
| Increase in net position before transfers | 28,884,256              | 23,813,281     | 14,493,705               | 1,303,017      | 43,377,961     | 25,116,298     |
| Transfers                                 | (9,241,209)             | (6,772,408)    | 9,241,209                | 6,772,408      | -              | -              |
| Increase (decrease) in net position       | 19,643,047              | 17,040,873     | 23,734,914               | 8,075,425      | 43,377,961     | 25,116,298     |
| Net position - beginning                  | 271,611,192             | 254,572,584    | 452,884,234              | 443,784,270    | 724,495,426    | 698,356,854    |
| 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      | 271,611,192             | 254,570,319    | 452,884,234              | 444,808,809    | 724,495,426    | 699,379,128    |
| Net position - ending                     | \$ 291,254,239          | \$ 271,611,192 | \$ 476,619,148           | \$ 452,884,234 | \$ 767,873,387 | \$ 724,495,426 |

### Governmental Activities

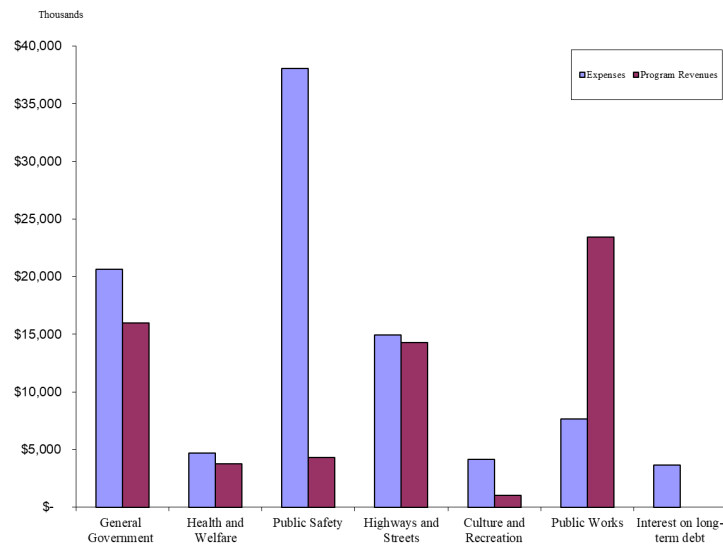
- The mill levy was held steady in 2023 but the property tax revenue did increase \$1,427,644 or 6.5%. This is a result of a growing tax base.
- Local sales tax revenue grew \$498,457 or 2.4%.
- State aid which is based on sales tax in the State of North Dakota increased \$569,357 or 13.9% which reflects the growing state economy.
- Operating grants and contributions had a modest increase of \$200,567 or 2.35%.
- Capital grants and contributions increased by \$13.8 million or 51.3% reflecting a large increase in special assessments projects in 2023.
- Hotel/Motel taxes increased \$135,235 or 12% as tourism continued to rebound.
- The miscellaneous revenue increased by \$6,666,094. This is largely due to an increase in interest income due to an increase in interest rates and an unrealized gain on investments resulting in interest income of \$4.3 million. Other items include a \$.7million settlement received from a developer to cover City costs for a project that was ultimately not done.



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

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### Expenses and Program Revenues – Governmental Activities

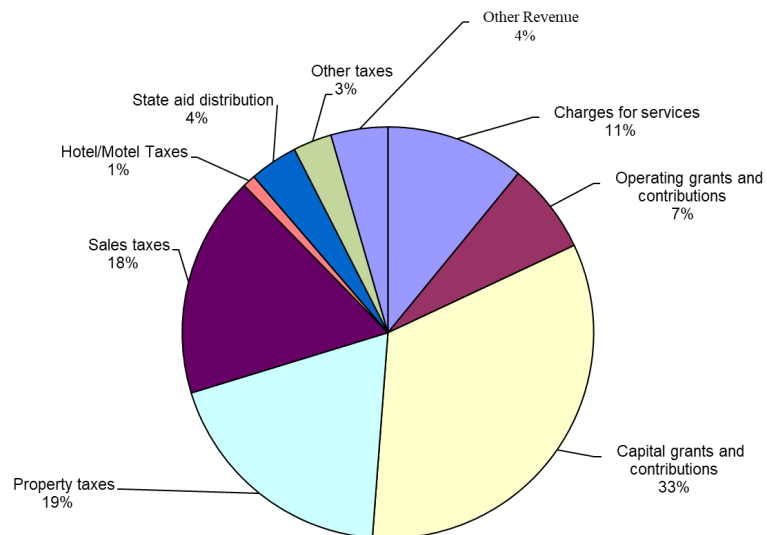


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Total governmental expenses increased by \$16.9 million, or 21.9%, due to inflationary pressures, increases in pension and OPEB expenses, wages and benefits, and maintenance costs.

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### Revenues by Sources – Governmental Activities



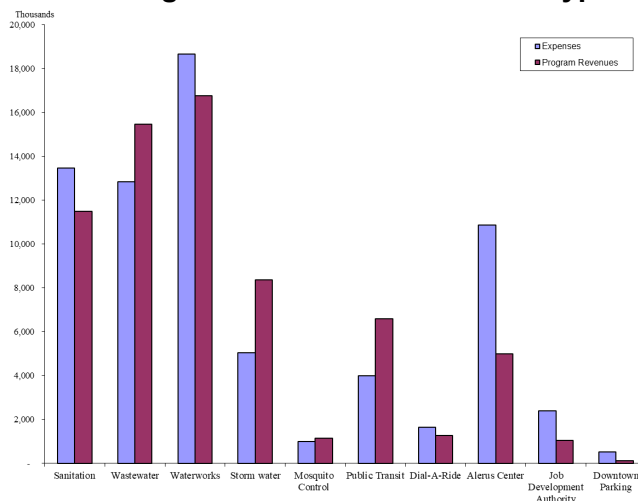
**Business-type Activities.** Business-type activities increased the City's net position by \$23.7 million.

Key elements of this change are as follows:

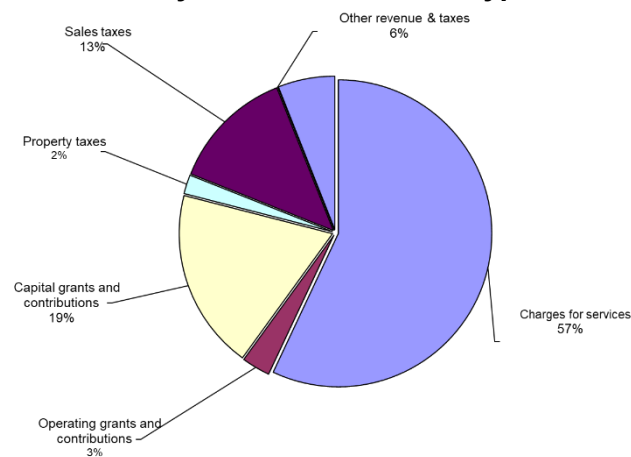
- Capital contributions made by developers for underground utilities and capitalized special assessment projects assessed to benefiting properties amounted to \$16.1 million.
- Charges for services of \$48.8 million down slightly from 2022.
- The non-operating revenue increased by \$4,260,296. This is largely due to an increase in interest income due to an increase in interest rates and an unrealized gain on investments resulting in interest income of \$3,045,120. Other items include a \$1.85 million settlement received from a developer to cover City costs for a project that was ultimately not done.
- Sales tax increased 2.9% over 2022 for a total of \$11.2 million.
- Expenses increased \$1.4 million in 2023 or 2.1%, from increases in inflation and pension and wages expense.

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 \$103,119,992, an increase of \$17,952,872 in comparison with the prior year. Approximately 16.8% of this total amount, \$17,315,721, constitutes unassigned fund balance, which is available for spending at the government's discretion. \$2,359,869 or 2.3% of this total represents assigned fund balance which has been designated by the Director of Finance or the City Administrator for certain purposes detailed in the table on page 71 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 \$4,115,644 or 4.0% of the total and has been committed by the City Council for certain purposes detailed in the table on page 71 of the notes to these financial statements. \$30,612 is nonspendable consisting of prepaid items. The remaining 76.9% or \$79,298,146 is restricted for various purposes including \$14,316,799 for debt service and \$64,981,347 for specific grants, tax related or bonded items or a variety of other purposes which are also detailed in the table on page 71 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 \$17,315,721 with a total fund balance of \$20,454,020.

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 nine percent (39%) of the total general fund expenditures, while total fund balance represents forty six percent (46%) 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 \$337,933 during the current fiscal year, which was largely due to increases in sales tax, building permits and state aid of \$2.2 million coupled with a spend down for the remodeling of City Council Chambers of \$1.9 million. Overall general fund revenue increased \$2,704,301, or 6% over the prior year. Expenditures were up \$2,081,267 or 4.9% over 2022.

The special assessment debt service fund has a fund balance of \$13,974,335 all of which is restricted for debt service. This is a decrease of \$244,575 from 2022. This is largely due to an increase in principal and interest expense.

The current year projects capital project fund has a fund balance of \$13,268,744. This balance is restricted for various infrastructure projects that are being funded by refunding improvement bonds that will be paid through special assessments. This is an increase of

\$9,261,975 which is the result of a large bond sale which was not completely spent down during the year as well as transfers from other city funds to cover the city share of various projects.

The street and infrastructure capital project fund has a fund balance of \$15,785,734. 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 an increase of \$8,941,467 due to the transfer in of \$10 million of prairie dog funds received from the State of North Dakota.

**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 \$7,277,369. Some of the proprietary funds reported decreases in net position including the Sanitation, Dial a Ride, Job Development Authority and Downtown Parking Funds, which had negative changes in net position of \$1,039,341, \$131,024, \$785,760 and \$368,167 respectively.

The Sanitation Fund decrease is due to increases in wages and maintenance expenses and an adjustment for landfill closure liability. The Dial a Ride fund had an increase in wages and fuel expenses due to inflation. The Job Development Authority fund balance decreased due to a combination of higher wage expenses, the write off of some bad debt high risk loans and lower rental income now that the sale of the Corporate Center is complete. The Parking Fund decrease is due to a decrease in parking fee revenue as employees of various businesses now work remotely and an increase in contractual service expense as we have hired a management company to handle the day-to-day maintenance and security of the parking ramps.

### **General Fund Budgetary Highlights**

During the year there was an increase of \$1,961,847 in appropriations between the original and final amended budget. Following are the main components of the increase:

- A net decrease of \$79,019 in appropriation in general government which was mostly due to contingency expenditures being less than budget.
- An increase of \$57,681 appropriation in health and welfare mainly for wages and benefits and contracted personnel services.
- An increase of \$1,383,671 appropriation in public safety overtime, fuel and maintenance of vehicles and equipment costs.
- A decrease of \$76,282 appropriation in streets due to wage slippage as vacant positions were unfilled for periods of time.
- An increase of \$675,796 in appropriation for capital outlay for the purchase of street department equipment, an engineering vehicle and furniture and fixtures for the public safety center.

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 105% of the final budget. And overall general fund expenditures were incurred at 94.5% of final budget.

## Capital Assets and Debt Administration

**Capital Assets.** The City of Grand Forks' investment in capital assets for its governmental and business type activities as of December 31, 2023, amounts to \$819,015,200 (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, the right to use leased equipment and subscriptions. The investment in capital assets in governmental funds increased by 5% and business type activities increased by 5%, resulting in a total increase in the City's investment in capital assets for the current fiscal year compared to fiscal year 2022 of 5%.

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

- 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.
- Reconstruct South Washington St from the South End Drainway to 55<sup>th</sup> Ave. S.
- Rehab Columbia Road Overpass and the North Washington Underpass.
- 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 2023.

### CAPITAL ASSETS & RIGHT TO USE ASSETS

(net of depreciation and amortization)

|   | Governmental Activities |                       | Business-type Activities |                       | Total                 |                       |
|---|-------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|   | 2023                    | 2022                  | 2023                     | 2022                  | 2023                  | 2022                  |
| Land  | \$ 38,871,409           | \$ 38,865,191         | \$ 14,020,293            | \$ 14,324,373         | \$ 52,891,702         | \$ 53,189,564         |
| Building & structures   | 23,936,072              | 20,629,909            | 305,511,951              | 298,911,563           | 329,448,023           | 319,541,472           |
| Improvement other than buildings  | 48,321,011              | 47,757,748            | 188,205,053              | 183,544,611           | 236,526,064           | 231,302,359           |
| Machinery and equipment   | 8,371,049               | 8,900,098             | 13,581,087               | 14,841,078            | 21,952,136            | 23,741,176            |
| Infrastructure  | 136,438,273             | 130,636,532           | -                        | -                     | 136,438,273           | 130,636,532           |
| Construction in progress  | 7,373,092               | 2,719,453             | 24,482,497               | 7,782,298             | 31,855,589            | 10,501,751            |
| Right to use asset  | 2,369,718               | 2,937,234             | 966,749                  | 1,336,789             | 3,336,467             | 4,274,023             |
| Subscriptions   | 42,906                  | -                     | 175,385                  | -                     | 218,291               | -                     |
| Total   | <u>\$ 265,723,530</u>   | <u>\$ 252,446,165</u> | <u>\$ 546,943,015</u>    | <u>\$ 520,740,712</u> | <u>\$ 812,666,545</u> | <u>\$ 773,186,877</u> |
| Internal Service Fund Capital Assets net of accumulated depreciation and amortization | \$ 6,348,655            | \$ 6,533,493          | \$ -                     | \$ -                  | \$ 6,348,655          | \$ 6,533,493          |
|   | <u>\$ 272,072,185</u>   | <u>\$ 258,979,658</u> | <u>\$ 546,943,015</u>    | <u>\$ 520,740,712</u> | <u>\$ 819,015,200</u> | <u>\$ 779,720,370</u> |

Numbers may vary slightly due to rounding

Additional information on the City of Grand Forks' capital assets can be found in note III.C on pages 57-59 of this report.

## Long-term Debt

At the end of the current fiscal year, the City of Grand Forks had total bonded and state revolving fund loan debt outstanding of \$241,186,668. Of this amount, \$955,330 comprises debt backed by the full faith and credit of the City and \$116,785,187 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 \$123,446,151 of this debt represents bonds secured solely by specified revenue sources (i.e., revenue bonds). Other long-term liabilities total \$92,438,249 which will be funded through a variety of revenue sources. \$28,728,068 is due to the single employer pension plan and \$44,983,574 of this amount is due to cost sharing pension and OPEB plans.

## OUTSTANDING DEBT AND OTHER NON-CURRENT LIABILITIES

|   | Governmental<br>Activities | Business-Type<br>Activities | Total<br>12/31/2023   | Total<br>12/31/2022   |
|---|----------------------------|-----------------------------|-----------------------|-----------------------|
| General Obligation Bonds                                  | \$ 885,000                 |                             | \$ 885,000            | \$ 1,190,000          |
| Unamortized Premium                                       | 70,330                     |                             | 70,330                | 94,443                |
| Special Assessment with<br>GO commitment                  | 111,421,047                |                             | 111,421,047           | 93,146,978            |
| Unamortized Premium                                       | 5,365,506                  |                             | 5,365,506             | 5,215,731             |
| Unamortized Discount                                      | (1,366)                    |                             | (1,366)               | (1,635)               |
| Sales Tax Revenue   | -                          | \$ 20,770,000               | 20,770,000            | 23,680,000            |
| Unamortized Premium                                       | -                          | 2,709,031                   | 2,709,031             | 3,163,694             |
| Revenue Bonds   |                            | 26,166,811                  | 26,166,811            | 27,456,250            |
| Unamortized Premium                                       |                            | 891,547                     | 891,547               | 980,817               |
| Unamortized Discount                                      |                            | (12,506)                    | (12,506)              | (13,948)              |
| NDBB-SRF Loans  |                            | 72,921,268                  | 72,921,268            | 72,750,000            |
| <br>Total Bonded & SRF Loan Debt                          | <br>117,740,517            | <br>123,446,151             | <br>241,186,668       | <br>227,662,330       |
| Landfill Closure/Postclosure                              |                            | 6,949,700                   | 6,949,700             | 5,919,527             |
| Lease liability   | 2,385,356                  | 939,203                     | 3,324,559             | 4,038,666             |
| Subscription liability                                    | 35,823                     | 118,468                     | 154,291               | -                     |
| Compensated Absences                                      | 6,518,200                  | 1,460,213                   | 7,978,413             | 7,096,476             |
| Net Pension Liability Single Employer Plan                | 22,155,083                 | 6,572,985                   | 28,728,068            | 11,419,237            |
| Net Pension Liability Cost Sharing Plan                   | 17,661,650                 | 14,876,393                  | 32,538,043            | 48,399,806            |
| Net Pension Liability Cost Sharing Plan-Public Safety     | 9,833,826                  | -                           | 9,833,826             | 13,134,044            |
| Net OPEB Liability Cost Sharing Plan                      | 1,417,633                  | 1,194,072                   | 2,611,705             | 2,902,930             |
| <br>Total Debt Outstanding                                | <br>177,748,088            | <br>155,557,185             | <br>333,305,273       | <br>320,573,016       |
| Internal Service Fund Long-term                           |                            |                             |                       |                       |
| Compensated Absences                                      | 319,644                    | -                           | 319,644               | 72,443                |
| Total Debt and Other Long-Term Liabilities<br>Outstanding | <u>\$ 178,067,732</u>      | <u>\$ 155,557,185</u>       | <u>\$ 333,624,917</u> | <u>\$ 320,645,459</u> |

The City's total debt and non-current liabilities increased by \$13 million during the current fiscal year, a large part of this increase was due to special assessment bonds issued in 2023.

During the current year the City issued \$20,760,000 in Refunding Improvement Bonds, Series 2023F, to finance various improvement projects in the city limits.

The City also issued a variety of State Revolving Fund Loans through the North Dakota State Department of Health, which provides funds at 2% for a 30 year term. These funds are drawn down as needed for the following purposes:

\$3,167,000 of Stormsewer Refunding Improvement Bonds, Series 2023B to finance construction of a regional stormwater pond. The amount drawn and outstanding as of December 31, 2023, was \$2,276,156.

\$54,620,000 of Sewer Reserve Revenue Bonds, Series 2023C to finance improvements to the Grand Forks Wastewater Treatment Plant. The amount drawn and outstanding as of December 31, 2023, was \$420,036.

\$3,430,000 of Sewer Refunding improvement Bonds, Series 2023D to finance the construction of a sewermain in the Highway 81 Area. The amount drawn and outstanding as of December 31, 2023, was \$813,465.

\$5,607,000 of Sewer Reserve Revenue Bonds, Series 2023E to finance the construction of lift station #49 and rural forcemain. The amount drawn and outstanding as of December 31, 2023, was \$1,966,161.

The City also issued \$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. These funds are drawn down as needed and as of 12/31/23 \$15,071 has been drawn.

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:

|                                   |        |     |
|-----------------------------------|--------|-----|
| 2023F Refunding Improvement Bonds | 4.736% | 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 \$135,460,484, which is significantly in excess of the City's outstanding net general obligation debt of \$1,022,730 (Table 15A, page 197).

Additional information on the City of Grand Forks' long-term debt can be found on pages 64-70 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 13.9% increase in state aid which reflects increases in taxable sales and purchases in 2023 as compared to 2022.

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 2.6% increase in 2023 over 2022. 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.

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 8.68%, 2.35% from growth and 6.32% from revaluation. In 2024 the value of a mill is expected to increase from \$255,103 to \$277,250 per mill. The mill levy for the City of Grand Forks' 2024 budget decreased by .5 of a mill from 96.83 in 2023 to 96.33 for 2024. Property taxes generated by new construction increases are estimated to be 2.35% or \$542,370. The mills for property taxes in the

general fund budget for 2024 decreased 0.50 mills from those in the 2023 budget. 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 2024, which includes operating, capital and debt service expenditures, is \$295.9 million compared to \$226.6 million in 2023, an increase of 31%. This is primarily due to the Wastewater Treatment Plant Expansion project in the amount of \$44,750,000 in the 2024 budget as well as various other large infrastructure projects and inflation in operations and maintenance items.

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

Capital projects increased from \$71.5 million in the 2023 budget to \$153.8 million in 2024. The 2024 budget of \$153.8 million in capital improvement projects include \$72.2 million in utility infrastructure projects, \$14.8 million of facilities and buildings, \$58.4 million in streets and bikepath projects and \$8.4 million of equipment replacement. Some of the larger projects planned for 2024 are the expansion of the Wastewater Treatment Plant, reconstruction of North Washington Street including the underpass, 47<sup>th</sup> Avenue Interchange design and engineering, as well as various other street reconstruction projects, new infrastructure and utility infrastructure projects in growing areas of town, such as the newly annexed Highway 81 area and the Grand Valley area in the southern part of the city.

The recommended rate increases for the 2024 budget for utility service charges are no rate increase for mosquito, a 4% increase for water, a 4.5% increase for wastewater, a 6% increase for sanitation, an 8% increase for stormwater, and a 2% increase for flood protection/greenway fees. User fees and charges are established to promote efficiency by shifting payment of costs to specific users of services and avoiding general taxation.

The City had an increase in unemployment from 1.74 percent in 2022 to 2.3 percent in 2023, which is much lower than the national average of 3.6 percent.

There was a total of 1,095 housing units and 249 new commercial and public buildings constructed in 2023.

### **Request for Information**

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





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**CITY OF GRAND FORKS, NORTH DAKOTA**  
**STATEMENT OF NET POSITION**  
**December 31, 2023**

|  | Primary Government    |                       |                       | Component Unit                   |
|--|-----------------------|-----------------------|-----------------------|----------------------------------|
|  | Governmental          | Business-type         | Total                 | GF Regional<br>Airport Authority |
|  | Activities            | Activities            |                       |                                  |
| <b>ASSETS</b>  |                       |                       |                       |                                  |
| Cash and cash equivalents  | \$ 44,004,690         | \$ 13,686,890         | \$ 57,691,580         | \$ 12,615,811                    |
| Investments  | 61,438,225            | 10,000,000            | 71,438,225            | 88,661                           |
| Receivables  |                       |                       |                       |                                  |
| Accounts   | 1,236,030             | 6,136,703             | 7,372,733             | 292,919                          |
| Property taxes   | 323,531               | 19,748                | 343,279               | 185,259                          |
| Special assessments  | 738,866               | 232,834               | 971,700               |                                  |
| Uncertified special assessments                                    | 86,624,026            |                       | 86,624,026            |                                  |
| Sales tax  | 1,298,873             | 696,351               | 1,995,224             |                                  |
| Hotel/Motel Tax  | 105,027               |                       | 105,027               |                                  |
| Interest receivable  |                       | 33,282                | 33,282                | 9,293                            |
| Leases receivable  | 168,666               | 3,215,217             | 3,383,883             | 3,390,837                        |
| Notes receivable   | 3,000,070             | 5,348,214             | 8,348,284             |                                  |
| Due from other governments   | 1,719,241             | 2,583,581             | 4,302,822             | 10,388,359                       |
| Internal balances  | (333,954)             | 333,954               | -                     |                                  |
| Inventories  | 142,740               | 749,987               | 892,727               | 45,304                           |
| Prepays  | 38,576                | 312,158               | 350,734               | 39,216                           |
| Assets Held for Resale   | -                     | 978,185               | 978,185               |                                  |
| Restricted assets:   |                       |                       |                       |                                  |
| Cash and cash equivalents  |                       | 23,175,808            | 23,175,808            | 610,065                          |
| Investments  |                       | 35,265,417            | 35,265,417            |                                  |
| Capital assets (net of accumulated depreciation and amortization): |                       |                       |                       |                                  |
| Land   | 39,151,470            | 14,020,293            | 53,171,763            | 2,775,606                        |
| Buildings and structures   | 27,075,198            | 305,511,951           | 332,587,149           | 14,528,550                       |
| Improvements other than buildings                                  | 50,390,481            | 188,205,053           | 238,595,534           | 12,313,466                       |
| Machinery and Equipment  | 8,954,186             | 13,581,087            | 22,535,273            | 3,633,536                        |
| Infrastructure   | 136,438,273           |                       | 136,438,273           |                                  |
| Construction-in-progress   | 7,373,092             | 24,482,497            | 31,855,589            | 40,032,779                       |
| Right to use equipment   | 2,369,718             | 966,749               | 3,336,467             | -                                |
| Subscriptions  | 319,767               | 175,385               | 495,152               | -                                |
| Total assets   | <u>472,576,792</u>    | <u>649,711,344</u>    | <u>1,122,288,136</u>  | <u>100,949,661</u>               |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                              |                       |                       |                       |                                  |
| Deferred charges on refunding                                      | 153,261               | 916,952               | 1,070,213             |                                  |
| Deferred Pension Plans   | 33,636,638            | 11,885,973            | 45,522,611            |                                  |
| Deferred OPEB NDPERS   | 623,840               | 525,460               | 1,149,300             |                                  |
| Total deferred outflows of resources                               | <u>34,413,739</u>     | <u>13,328,385</u>     | <u>47,742,124</u>     | <u>-</u>                         |
| <b>LIABILITIES</b>   |                       |                       |                       |                                  |
| Accounts payable   | 2,753,182             | 1,915,495             | 4,668,677             | 721,209                          |
| Contracts payable  | 2,324,000             | 3,342,919             | 5,666,919             | 1,623,065                        |
| Customer deposit payable   | 122,178               | 98,694                | 220,872               |                                  |
| Accrued interest payable   | 402,767               | 641,514               | 1,044,281             |                                  |
| Accrued interest payable-leases/subscriptions                      | 70,579                | 33,350                | 103,929               |                                  |
| Unearned revenue   | 3,436,995             | 7,787,006             | 11,224,001            | 630,553                          |
| Noncurrent liabilities:  |                       |                       |                       |                                  |
| Due within one year  | 6,742,565             | 7,428,025             | 14,170,590            |                                  |
| Due in more than one year  | 171,325,167           | 148,129,160           | 319,454,327           |                                  |
| Total liabilities  | <u>187,177,433</u>    | <u>169,376,163</u>    | <u>356,553,596</u>    | <u>2,974,827</u>                 |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                               |                       |                       |                       |                                  |
| Deferred Inflows Leases  | 163,171               | 3,229,357             | 3,392,528             | 3,308,748                        |
| Deferred Pension Plans   | 28,252,209            | 13,694,207            | 41,946,416            |                                  |
| Deferred OPEB NDPERS   | 143,479               | 120,854               | 264,333               |                                  |
| Total deferred inflows of resources                                | <u>28,558,859</u>     | <u>17,044,418</u>     | <u>45,603,277</u>     | <u>3,308,748</u>                 |
| <b>NET POSITION</b>  |                       |                       |                       |                                  |
| Net investment in capital assets                                   | 154,262,167           | 420,013,226           | 574,275,393           | 71,660,872                       |
| Restricted for:  |                       |                       |                       |                                  |
| Debt Service   | 99,468,678            | 33,705,833            | 133,174,511           | -                                |
| Infrastructure and Capital Projects                                | 47,112,505            | 15,288,766            | 62,401,271            | -                                |
| Library  | 2,276,208             |                       | 2,276,208             |                                  |
| Economic Development   | 9,903,740             |                       | 9,903,740             |                                  |
| Community Development  | 3,422,908             |                       | 3,422,908             |                                  |
| Emergency  | 2,630,949             |                       | 2,630,949             |                                  |
| Public Buildings   | 57,407                |                       | 57,407                |                                  |
| Other purposes   | 1,456,373             |                       | 1,456,373             |                                  |
| Unrestricted   | (29,336,696)          | 7,611,323             | (21,725,373)          | 23,005,214                       |
| Total net position   | <u>\$ 291,254,239</u> | <u>\$ 476,619,148</u> | <u>\$ 767,873,387</u> | <u>\$ 94,666,086</u>             |

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

**CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED DECEMBER 31, 2013**

Exhibit 2

| Functions/Programs                         | Program Revenues |                         |  |                                      | Net (Expense) Revenue and Changes in Net Position |                             |                 | Component Unit<br>Regional Airport<br>Authority |
|--|------------------|-------------------------|--|--------------------------------------|---|-----------------------------|-----------------|---|
|  | Expenses         | Charges for<br>Services | Operating<br>Grants &<br>Contributions | Capital<br>Grants &<br>Contributions | Primary Government                                |                             |                 |   |
|  |                  |                         |  |                                      | Governmental<br>Activities                        | Business-type<br>Activities | Total           |   |
| Primary government:                        |                  |                         |  |                                      |   |                             |                 |   |
| Governmental activities:                   |                  |                         |  |                                      |   |                             |                 |   |
| General government                         | \$ 20,660,368    | \$ 9,433,641            | \$ 690,779                             | \$ 5,863,489                         | \$ (4,672,459)                                    |                             | \$ (4,672,459)  |   |
| Highways and Streets                       | 14,954,039       | 2,920                   | 2,888,223                              | 11,409,614                           | (653,282)   |                             | (653,282)       |   |
| Public safety                              | 38,083,406       | 2,753,389               | 1,563,705                              | 17,045                               | (33,749,267)                                      |                             | (33,749,267)    |   |
| Health and welfare                         | 4,700,529        | 1,183,205               | 2,578,498                              |                                      | (938,826)   |                             | (938,826)       |   |
| Culture and recreation                     | 4,118,950        | 24,824                  | 997,172                                |                                      | (3,096,954)                                       |                             | (3,096,954)     |   |
| Public Works                               | 7,639,081        |                         |  | 23,417,876                           | 15,778,795  |                             | 15,778,795      |   |
| Interest on long-term debt                 | 3,643,674        |                         |  |                                      | (3,643,674)                                       |                             | (3,643,674)     |   |
| Total governmental activities              | 93,800,047       | 13,397,979              | 8,718,377                              | 40,708,024                           | (30,975,667)                                      |                             | (30,975,667)    |   |
| Business-type activities:                  |                  |                         |  |                                      |   |                             |                 |   |
| Sanitation                                 | 13,460,944       | 11,493,938              | -                                      |                                      |   | \$ (1,967,006)              | (1,967,006)     |   |
| Wastewater                                 | 12,847,414       | 11,894,346              | -                                      | 3,554,453                            |   | 2,601,385                   | 2,601,385       |   |
| Water                                      | 18,664,175       | 13,684,826              | 196,897                                | 2,874,831                            |   | (1,907,621)                 | (1,907,621)     |   |
| Stormwater                                 | 5,030,669        | 3,267,623               | 10,230                                 | 5,078,187                            |   | 3,325,371                   | 3,325,371       |   |
| Mosquito Control                           | 984,136          | 1,149,907               |  |                                      |   | 165,771                     | 165,771         |   |
| Public Transit                             | 3,950,148        | 1,113,668               | 1,222,600                              | 4,249,163                            |   | 2,635,283                   | 2,635,283       |   |
| Dial-A-Ride                                | 1,645,144        | 183,910                 | 880,611                                | 205,350                              |   | (375,273)                   | (375,273)       |   |
| Alerus Center                              | 10,849,768       | 4,966,312               |  | 13,305                               |   | (5,870,151)                 | (5,870,151)     |   |
| Job Development Authority                  | 2,381,390        | 876,284                 | -                                      | 154,576                              |   | (1,350,530)                 | (1,350,530)     |   |
| Downtown Parking                           | 502,568          | 123,551                 |  |                                      |   | (379,017)                   | (379,017)       |   |
| Total business-type activities             | 70,316,356       | 48,754,365              | 2,310,338                              | 16,129,865                           | -   | (3,121,788)                 | (3,121,788)     |   |
| Total primary government                   | \$ 164,116,403   | \$ 62,152,344           | \$ 11,028,715                          | \$ 56,837,889                        | \$ (30,975,667)                                   | \$ (3,121,788)              | \$ (34,097,455) |   |
| Component units:                           |                  |                         |  |                                      |   |                             |                 |   |
| Regional Airport Authority                 | \$ 7,970,049     | \$ 4,230,497            | \$ 1,797,922                           | \$ 21,719,438                        |   |                             |                 | \$ 19,777,808                                   |
| Total component units                      | \$ 7,970,049     | \$ 4,230,497            | \$ 1,797,922                           | \$ 21,719,438                        |   |                             |                 | \$ 19,777,808                                   |
| General revenues:                          |                  |                         |  |                                      |   |                             |                 |   |
| Property taxes levied for general purpose  |                  |                         |  |                                      | \$ 23,388,125                                     | \$ 1,341,429                | \$ 24,729,554   | \$ 1,262,865                                    |
| Property taxes levied for debt service     |                  |                         |  |                                      | 73  |                             | 73              |   |
| Sales taxes                                |                  |                         |  |                                      | 21,372,119  | 11,239,165                  | 32,611,284      |   |
| Hotel/Motel Tax                            |                  |                         |  |                                      | 1,241,544   |                             | 1,241,544       |   |
| Unrestricted state aid distribution        |                  |                         |  |                                      | 4,654,984   |                             | 4,654,984       |   |
| Franchise taxes                            |                  |                         |  |                                      | 3,052,376   |                             | 3,052,376       |   |
| Other taxes                                |                  |                         |  |                                      | 672,632   | 35,854                      | 708,486         |   |
| Unrestricted investment earnings or (loss) |                  |                         |  |                                      | 4,382,097   | 3,045,120                   | 7,427,217       | 563,172   |
| Interest earnings-leases                   |                  |                         |  |                                      |   | 27,835                      | 27,835          |   |
| Gain on sale of capital assets             |                  |                         |  |                                      |   | 23,230                      | 23,230          | 5,878   |
| Miscellaneous                              |                  |                         |  |                                      | 1,095,973   | 1,902,860                   | 2,998,833       | 43,934  |
| Transfers                                  |                  |                         |  |                                      | (9,241,209)                                       | 9,241,209                   |                 |   |
| Total general revenue and transfers        |                  |                         |  |                                      | 50,618,714  | 26,856,702                  | 77,475,416      | 1,875,849                                       |
| Change in net position                     |                  |                         |  |                                      | 19,643,047  | 23,734,914                  | 43,377,961      | 21,653,657                                      |
| Net position - beginning                   |                  |                         |  |                                      | 271,611,192                                       | 452,884,234                 | 724,495,426     | 73,012,429                                      |
| Net position - ending                      |                  |                         |  |                                      | \$ 291,254,239                                    | \$ 476,619,148              | \$ 767,873,387  | \$ 94,666,086                                   |

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, 2023  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

|  | General<br>Fund      | Debt Service<br>Special<br>Assessment<br>Bonds | Capital<br>Project<br>Current Year<br>Projects | Capital Project<br>Street and<br>Infrastructure<br>Fund | Non-Major<br>Governmental<br>Funds | 2023<br>Total<br>Governmental<br>Funds | 2022<br>Total<br>Governmental<br>Funds |
|--|----------------------|--|--|---|------------------------------------|--|--|
| <b>ASSETS</b>  |                      |  |  |   |                                    |  |  |
| Cash and cash equivalents  | \$ 5,121,944         | \$ 3,999,336                                   | \$ 4,332,515                                   | \$ 5,810,199  | \$ 23,567,411                      | \$ 42,831,405                          | \$ 40,989,731                          |
| Investments  | 15,000,000           | 10,000,000                                     | 10,438,225                                     | 10,000,000  | 16,000,000                         | 61,438,225                             | 51,505,098                             |
| Receivables, net:  |                      |  |  |   |                                    |  |  |
| Accounts   | 1,018,282            |  |  | 7,291   | 210,314                            | 1,235,887                              | 2,071,716                              |
| Special assessments (including liens)                                | 13,321               | 668,911  |  |   | 56,634                             | 738,866                                | 300,111                                |
| Special assessments-uncertified                                      | 757,912              | 82,494,597                                     |  |   | 3,371,517                          | 86,624,026                             | 72,482,523                             |
| Property taxes   | 245,138              |  |  |   | 78,393                             | 323,531                                | 420,583                                |
| Sales tax  | 410,405              |  |  | 239,071   | 649,397                            | 1,298,873                              | 1,786,138                              |
| Hotel/Motel Tax  |                      |  |  |   | 105,027                            | 105,027                                | 98,740                                 |
| Leases   | 168,666              |  |  |   | -                                  | 168,666                                | 179,529                                |
| Notes  |                      |  |  |   | 3,000,070                          | 3,000,070                              | 3,114,081                              |
| Intergovernmental  | 459,205              |  |  | 278,609   | 981,427                            | 1,719,241                              | 1,696,757                              |
| Prepaid Items  | 2,254                |  |  |   | 28,358                             | 30,612                                 | 30,175                                 |
| Due from other funds   | 275,000              |  |  |   | -                                  | 275,000                                | 40,000                                 |
| Total assets   | <u>\$ 23,472,127</u> | <u>\$ 97,162,844</u>                           | <u>\$ 14,770,740</u>                           | <u>\$ 16,335,170</u>                                    | <u>\$ 48,048,548</u>               | <u>\$ 199,789,429</u>                  | <u>\$ 174,715,182</u>                  |
| <b>LIABILITIES</b>   |                      |  |  |   |                                    |  |  |
| Accounts payable   | \$ 1,748,372         | \$ 25,001                                      | \$ -   | \$ -  | \$ 928,178                         | \$ 2,701,551                           | \$ 2,851,672                           |
| Contracts payable  |                      |  | 1,501,996                                      | 549,436   | 272,568                            | 2,324,000                              | 2,118,468                              |
| Surety deposits  | 122,178              |  |  |   |                                    | 122,178                                | 120,678                                |
| Due to other funds   |                      |  |  |   | 275,000                            | 275,000                                | 1,525,466                              |
| Advance from other funds   |                      |  |  |   | -                                  | -                                      | 12,283                                 |
| Unearned income  |                      |  |  |   | 3,436,995                          | 3,436,995                              | 9,387,023                              |
| Total liabilities  | <u>1,870,550</u>     | <u>25,001</u>                                  | <u>1,501,996</u>                               | <u>549,436</u>  | <u>4,912,741</u>                   | <u>8,859,724</u>                       | <u>16,015,590</u>                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                      |  |  |   |                                    |  |  |
| Unavailable revenue-leases   | 163,171              |  |  |   | -                                  | 163,171                                | 176,816                                |
| Unavailable revenue-property taxes                                   | 213,153              |  |  |   | 70,498                             | 283,651                                | 573,025                                |
| Unavailable revenue-special assessments                              | 771,233              | 83,163,508                                     |  |   | 3,428,150                          | 87,362,891                             | 72,782,631                             |
| Total deferred inflows of resources                                  | <u>1,147,557</u>     | <u>83,163,508</u>                              | <u>-</u>                                       | <u>-</u>  | <u>3,498,648</u>                   | <u>87,809,713</u>                      | <u>73,532,472</u>                      |
| <b>FUND BALANCES</b>   |                      |  |  |   |                                    |  |  |
| Non-spendable  | 2,254                |  |  |   | 28,358                             | 30,612                                 | 30,175                                 |
| Restricted   |                      | 13,974,335                                     | 13,268,744                                     | 15,785,734  | 36,269,333                         | 79,298,146                             | 61,422,371                             |
| Committed  | 776,176              |  |  |   | 3,339,468                          | 4,115,644                              | 6,550,523                              |
| Assigned   | 2,359,869            |  |  |   |                                    | 2,359,869                              | 2,333,409                              |
| Unassigned   | 17,315,721           |  |  |   |                                    | 17,315,721                             | 14,830,642                             |
| TOTAL FUND BALANCE   | <u>20,454,020</u>    | <u>13,974,335</u>                              | <u>13,268,744</u>                              | <u>15,785,734</u>                                       | <u>39,637,159</u>                  | <u>103,119,992</u>                     | <u>85,167,120</u>                      |
| Total liabilities, deferred inflows of<br>resources and fund balance | <u>\$ 23,472,127</u> | <u>\$ 97,162,844</u>                           | <u>\$ 14,770,740</u>                           | <u>\$ 16,335,170</u>                                    | <u>\$ 48,048,548</u>               | <u>\$ 199,789,429</u>                  | <u>\$ 174,715,182</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, 2023

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

|   |                |
|---|----------------|
| Total Fund Balance - Governmental Funds | \$ 103,119,992 |
|---|----------------|

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

|  |               |             |
|--|---------------|-------------|
| Land   | \$ 38,871,409 |             |
| Buildings net of depreciation                        | 23,936,072    |             |
| Improvement other than Buildings net of depreciation | 48,321,011    |             |
| Machinery & equipment net of depreciation            | 8,371,048     |             |
| Infrastructure net of depreciation                   | 136,438,273   |             |
| Construction in progress                             | 7,373,092     |             |
| Right to use equipment net of amortization           | 2,369,719     |             |
| Subscriptions net of amortization                    | 42,906        |             |
|  | 265,723,530   | 265,723,530 |

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

|   |                |               |
|---|----------------|---------------|
| Bonds Payable   | \$ 112,306,047 |               |
| Deferred Amount on Refunding                            | (153,261)      |               |
| Lease liability   | 2,385,356      |               |
| Subscription liability                                  | 35,823         |               |
| Compensated Absences                                    | 6,518,200      |               |
| Net Pension Liability - Single Employer Plan            | 22,155,083     |               |
| Net Pension Liability - Main Cost Sharing Plan          | 17,661,650     |               |
| Net Pension Liability - Public Safety Cost Sharing Plan | 9,833,826      |               |
| Net OPEB Liability - Cost Sharing Plan                  | 1,417,633      |               |
| Accrued Interest Payable-leases                         | 65,096         |               |
| Accrued Interest Payable                                | 402,767        |               |
|   | 172,628,220    | (172,628,220) |

|                              |             |
|------------------------------|-------------|
| Unamortized Discount/Premium | (5,434,470) |
|------------------------------|-------------|

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 - Pension     | 33,636,638   |
| Deferred Outflows of Resources - NDPERS OPEB | 623,840      |
| Deferred Inflows of Resources Pension        | (28,252,209) |
| Deferred Inflows of Resources - NDPERS OPEB  | (143,479)    |

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.

87,646,542

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

6,962,075

Net Position of Governmental Activities

\$ 291,254,239

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

FOR THE YEAR ENDED DECEMBER 31, 2023  
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2022

|  | General<br>Fund | Debt Service<br>Special<br>Assessments<br>Bonds | Capital<br>Project<br>Current Year<br>Projects | Capital Project<br>Street and<br>Infrastructure<br>Fund | Non-Major<br>Governmental<br>Funds | Total<br>Governmental<br>Funds<br>2023 | Total<br>Governmental<br>Funds<br>2022 |
|--|-----------------|---|--|---|------------------------------------|--|--|
| <b>REVENUES</b>  |                 |   |  |   |                                    |  |  |
| Taxes:   |                 |   |  |   |                                    |  |  |
| Property   | \$ 19,243,165   |   |  |   | \$ 4,145,033                       | \$ 23,388,198                          | \$ 21,960,554                          |
| Sales  | 6,752,683       |   |  | \$ 3,933,602  | 10,685,834                         | 21,372,119                             | 20,873,662                             |
| Hotel/Motel Tax  |                 |   |  |   | 1,241,544                          | 1,241,544                              | 1,106,309                              |
| Licenses and permits   | 2,452,655       |   |  |   |                                    | 2,452,655                              | 3,061,233                              |
| Intergovernmental  | 6,681,249       |   |  | 2,888,223   | 21,766,671                         | 31,336,143                             | 21,334,671                             |
| Charges for services   | 7,726,532       |   |  | 1,298   | 2,473,684                          | 10,201,514                             | 10,333,612                             |
| Special assessments  |                 | \$ 8,037,777                                    |  | -   | 1,089,211                          | 9,126,988                              | 9,283,828                              |
| Fines and forfeits   | 731,810         |   |  |   | 12,000                             | 743,810                                | 947,752                                |
| Lease revenues   | 13,645          |   |  |   | -                                  | 13,645                                 | 13,645                                 |
| Investment earnings (loss)                                   | 974,179         | 794,684   | \$ 155,712                                     | 614,055   | 1,795,442                          | 4,334,072                              | (1,517,789)                            |
| Miscellaneous  | 3,223,679       | -   | 51,826   | 402,473   | 456,726                            | 4,134,704                              | 3,679,418                              |
| Total revenues   | 47,799,597      | 8,832,461                                       | 207,538  | 7,839,651   | 43,666,145                         | 108,345,392                            | 91,076,895                             |
| <b>EXPENDITURES</b>  |                 |   |  |   |                                    |  |  |
| Current:   |                 |   |  |   |                                    |  |  |
| General government   | 10,415,906      |   |  |   | 4,715,037                          | 15,130,943                             | 14,827,101                             |
| Health & welfare   | 2,218,196       |   |  |   | 2,413,175                          | 4,631,371                              | 5,604,279                              |
| Public safety  | 23,747,257      |   |  |   | 4,279,859                          | 28,027,116                             | 25,957,516                             |
| Highway & streets  | 7,578,513       | -   |  | 782,278   |                                    | 8,360,791                              | 8,477,446                              |
| Culture and recreation                                       |                 |   |  |   | 2,894,609                          | 2,894,609                              | 2,714,345                              |
| Debt service:  |                 |   |  |   |                                    |  |  |
| Principal  | 11,000          | 5,575,551                                       |  |   | 664,177                            | 6,250,728                              | 5,791,202                              |
| Interest and fiscal charges                                  |                 | 3,364,805                                       |  |   | 186,355                            | 3,551,160                              | 3,152,176                              |
| Bond issuance costs  |                 | 224,171   |  |   |                                    | 224,171                                | 103,579                                |
| Contractual services   |                 | 1,566   |  |   |                                    | 1,566                                  | 20,030                                 |
| Capital outlay:  |                 |   |  |   |                                    |  |  |
| General government   | 42,404          |   |  |   | 4,236,633                          | 4,279,037                              | 2,559,901                              |
| Health & welfare   | 29,042          |   |  |   | -                                  | 29,042                                 | 41,413                                 |
| Culture and recreation                                       |                 |   |  |   | 1,215,829                          | 1,215,829                              | 309,138                                |
| Public safety  | 52,605          |   |  |   | 790,412                            | 843,017                                | 3,086,318                              |
| Public works   | 576,808         |   | 20,358,496                                     | 7,673,979   | 1,199,261                          | 29,808,544                             | 23,179,614                             |
| Total expenditures   | 44,671,731      | 9,166,093                                       | 20,358,496                                     | 8,456,257   | 22,595,347                         | 105,247,924                            | 95,824,058                             |
| Excess (deficiency) of revenues<br>over (under) expenditures | 3,127,866       | (333,632)                                       | (20,150,958)                                   | (616,606)   | 21,070,798                         | 3,097,468                              | (4,747,163)                            |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                 |   |  |   |                                    |  |  |
| Transfers in   | 2,342,955       | 1,814,862                                       | 7,210,484                                      | 17,651,566  | 7,221,108                          | 36,240,975                             | 23,902,319                             |
| Transfers out  | (5,171,498)     | (1,725,805)                                     | (2,111,836)                                    | (8,093,493)   | (28,654,107)                       | (45,756,739)                           | (26,711,853)                           |
| Issuance of subscriptions                                    | 36,939          |   | -  |   | 12,922                             | 49,861                                 | -                                      |
| Issuance of bonds  |                 |   | 23,849,622                                     |   | -                                  | 23,849,622                             | 9,460,000                              |
| Issuance of leases   |                 |   |  |   | -                                  | -                                      | 2,468,330                              |
| Bond (discount) premium                                      |                 | -   | 464,663  |   |                                    | 464,663                                | 482,374                                |
| Sale of capital assets                                       | 1,671           |   |  |   | 5,351                              | 7,022                                  | 49,375                                 |
| Total other financing sources and uses                       | (2,789,933)     | 89,057  | 29,412,933                                     | 9,558,073   | (21,414,726)                       | 14,855,404                             | 9,650,545                              |
| Net change in fund balances                                  | 337,933         | (244,575)                                       | 9,261,975                                      | 8,941,467   | (343,928)                          | 17,952,872                             | 4,903,382                              |
| Fund balances - beginning                                    | 20,116,087      | 14,218,910                                      | 4,006,769                                      | 6,844,267   | 39,981,087                         | 85,167,120                             | 80,263,738                             |
| Fund balances - ending                                       | \$ 20,454,020   | \$ 13,974,335                                   | \$ 13,268,744                                  | \$ 15,785,734   | \$ 39,637,159                      | \$ 103,119,992                         | \$ 85,167,120                          |

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, 2023

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

|  |    |            |
|--|----|------------|
| Net change in fund balances - total governmental funds | \$ | 17,952,872 |
|--|----|------------|

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                     | \$ 24,678,613 |            |
| Depreciation expense - current year | (10,266,402)  |            |
| Amortization expense - current year | (574,470)     |            |
|                                     | 13,837,741    | 13,837,741 |

|   |  |         |
|---|--|---------|
| 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 |  | (7,022) |
|---|--|---------|

|                                   |  |           |
|-----------------------------------|--|-----------|
| Net book value of assets disposed |  | (553,354) |
|-----------------------------------|--|-----------|

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 | \$ (23,849,622) |  |
| Lease/Subscriptions                | (49,861)        |  |
| Bonds discount and premium         | (464,663)       |  |

Repayments:

|   |              |              |
|---|--------------|--------------|
| Bond principal + finance purchases      | 6,250,728    |              |
| Bond deferred charges amortization      | (39,131)     |              |
| Bonds discount and premium amortization | 338,732      |              |
| Net adjustment                          | (17,813,817) | (17,813,817) |

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 |  | (160,018)   |
| Change in compensated absences     |  | (874,025)   |
| Change in net pension obligation   |  | (1,438,587) |
| Change in net OPEB obligation      |  | 158,078     |

|   |  |             |
|---|--|-------------|
| Changes in Deferred outflows and inflows of resources related to the net pension and OPEB liabilities |  |             |
| Change in Deferred Outflow of Resources   |  | (6,179,241) |
| Change in Deferred Inflow of Resources  |  | 656,784     |

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, 2023 | \$ 87,646,542 |            |
| Unavailable revenue December 31, 2022 | (73,355,656)  |            |
| Net change                            | 14,290,886    | 14,290,886 |

|  |  |           |
|--|--|-----------|
| Internal service funds are used by the City to charge the cost of the Central Garage, Public Works Facility, Central Purchasing and Information Systems. the net revenue of internal service funds is reported with governmental activities. |  | (227,250) |
|--|--|-----------|

|   |    |            |
|---|----|------------|
| Change in net position of governmental activities (Exhibit 2) | \$ | 19,643,047 |
|---|----|------------|

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, 2023

With Comparative Actual Totals for Year Ended December 31, 2022

|                                      | Original<br>Budget | Final<br>Budget<br>As Amended | 2023<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2022<br>Actual<br>Amounts |
|--------------------------------------|--------------------|-------------------------------|---------------------------|----------------------------------|---------------------------|
| <b>REVENUES</b>                      |                    |                               |                           |                                  |                           |
| Taxes:                               |                    |                               |                           |                                  |                           |
| Property                             | \$ 20,532,666      | \$ 20,532,666                 | \$ 19,243,165             | \$ (1,289,501)                   | \$ 18,024,204             |
| Sales                                | 6,047,361          | 6,047,361                     | 6,752,683                 | 705,322                          | 6,595,199                 |
| Licenses and permits                 | 1,959,882          | 1,959,882                     | 2,452,655                 | 492,773                          | 3,061,233                 |
| Intergovernmental                    | 4,654,541          | 5,143,037                     | 6,681,249                 | 1,538,212                        | 5,446,102                 |
| Charges for services                 | 7,852,436          | 7,910,175                     | 7,726,532                 | (183,643)                        | 7,850,367                 |
| Fines and forfeits                   | 740,000            | 740,000                       | 731,810                   | (8,190)                          | 901,315                   |
| Lease revenue                        | -                  | -                             | 13,645                    | 13,645                           | 13,645                    |
| Interest                             | 115,413            | 190,413                       | 974,179                   | 783,766                          | (360,781)                 |
| Miscellaneous                        | 2,959,880          | 3,084,698                     | 3,223,679                 | 138,981                          | 3,564,012                 |
| Total Revenues                       | 44,862,179         | 45,608,232                    | 47,799,597                | 2,191,365                        | 45,095,296                |
| <b>EXPENDITURES</b>                  |                    |                               |                           |                                  |                           |
| Current:                             |                    |                               |                           |                                  |                           |
| General Government:                  |                    |                               |                           |                                  |                           |
| Assessor                             | 851,852            | 865,663                       | 784,992                   | 80,671                           | 788,519                   |
| Attorney                             | 351,850            | 352,387                       | 259,815                   | 92,572                           | 260,178                   |
| Finance and Administrative Services  | 1,565,717          | 1,694,975                     | 1,680,785                 | 14,190                           | 1,560,428                 |
| Planning & Zoning                    | 427,548            | 514,366                       | 450,382                   | 63,984                           | 389,251                   |
| City Hall                            | 373,699            | 370,536                       | 356,081                   | 14,455                           | 390,261                   |
| Information Services                 | 1,184,381          | 1,298,710                     | 1,284,553                 | 14,157                           | 1,183,864                 |
| Building and Safety                  | 1,476,419          | 1,535,572                     | 1,513,828                 | 21,744                           | 1,377,354                 |
| Mayor and Council/City Administrator | 931,127            | 948,710                       | 843,815                   | 104,895                          | 854,173                   |
| Miscellaneous                        | 4,294,165          | 3,676,214                     | 2,352,287                 | 1,323,927                        | 2,414,931                 |
| Human Resources                      | 870,816            | 991,422                       | 900,368                   | 91,054                           | 735,795                   |
| Total General Government             | 12,327,574         | 12,248,555                    | 10,426,906                | 1,821,649                        | 9,954,754                 |
| Health and Welfare:                  |                    |                               |                           |                                  |                           |
| Health                               | 2,284,462          | 2,342,143                     | 2,218,196                 | 123,947                          | 2,228,312                 |
| Total Health and Welfare             | 2,284,462          | 2,342,143                     | 2,218,196                 | 123,947                          | 2,228,312                 |

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, 2023

With Comparative Actual Totals for Year Ended December 31, 2022

|  | Original<br>Budget | Final<br>Budget<br>As Amended | 2023<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2022<br>Actual<br>Amounts |
|--|--------------------|-------------------------------|---------------------------|----------------------------------|---------------------------|
| Public Safety:                                       |                    |                               |                           |                                  |                           |
| Fire   | \$ 9,300,596       | \$ 9,723,614                  | \$ 9,645,201              | \$ 78,413                        | \$ 8,947,840              |
| Municipal Court                                      | 799,473            | 811,279                       | 728,537                   | 82,742                           | 681,731                   |
| Police   | 12,446,987         | 13,396,291                    | 13,220,119                | 176,172                          | 12,571,251                |
| Public Safety Training Center                        | 67,347             | 66,890                        | 58,851                    | 8,039                            | 58,827                    |
| Emergency Program Management                         | 95,888             | 95,888                        | 94,549                    | 1,339                            | 93,613                    |
| Total Public Safety                                  | 22,710,291         | 24,093,962                    | 23,747,257                | 346,705                          | 22,353,262                |
| Highways and Streets:                                |                    |                               |                           |                                  |                           |
| Engineering  | 3,013,858          | 2,904,362                     | 2,700,794                 | 203,568                          | 2,681,665                 |
| Street   | 4,959,091          | 4,992,305                     | 4,877,719                 | 114,586                          | 4,894,963                 |
| Total Highway and Streets                            | 7,972,949          | 7,896,667                     | 7,578,513                 | 318,154                          | 7,576,628                 |
| Capital Outlay                                       | 26,000             | 701,796                       | 700,859                   | 937                              | 477,508                   |
| Total Expenditures                                   | 45,321,276         | 47,283,123                    | 44,671,731                | 2,611,392                        | 42,590,464                |
| Excess (Deficiency) of Revenues<br>Over Expenditures | (459,097)          | (1,674,891)                   | 3,127,866                 | 4,802,757                        | 2,504,832                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                    |                               |                           |                                  |                           |
| Sale of capital assets                               | -                  | 2,362                         | 1,671                     | (691)                            | 15,312                    |
| Issuance of subscriptions                            | -                  | -                             | 36,939                    | 36,939                           |                           |
| Transfers in   | 2,236,496          | 2,369,729                     | 2,342,955                 | (26,774)                         | 3,110,313                 |
| Transfers out  | (3,934,843)        | (5,728,119)                   | (5,171,498)               | 556,621                          | (1,606,393)               |
| Total Other Financing Sources (Uses)                 | (1,698,347)        | (3,356,028)                   | (2,789,933)               | 566,095                          | 1,519,232                 |
| Net Change in Fund Balance                           | (2,157,444)        | (5,030,919)                   | 337,933                   | 5,368,852                        | 4,024,064                 |
| Fund Balances - Beginning                            | 20,116,087         | 20,116,087                    | 20,116,087                |                                  | 16,092,023                |
| Fund Balances - Ending                               | \$ 17,958,643      | \$ 15,085,168                 | \$ 20,454,020             | \$ 5,368,852                     | \$ 20,116,087             |

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, 2023

|  | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS |                    |                     |               |                  |                                 |                                  |                              | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|---|--------------------|---------------------|---------------|------------------|---------------------------------|----------------------------------|------------------------------|--|
|  | Sanitation<br>Fund                          | Wastewater<br>Fund | Storm Water<br>Fund | Water<br>Fund | Alerus<br>Center | Job<br>Development<br>Authority | Non Major<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |  |
| <b>ASSETS</b>  |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Current Assets:  |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Cash and cash equivalents  | \$ 2,073,419                                | \$ 4,073,717       | \$ 624,085          | \$ 1,858,031  | \$ 463,210       | \$ 2,252,440                    | \$ 2,341,988                     | \$ 13,686,890                | \$ 1,173,285   |
| Investments  |   | -                  |                     | 5,000,000     | 20,000,000       | 10,000,000                      |                                  | 35,000,000                   |  |
| Restricted cash, cash equivalents, and investments:                        |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Customer deposits  | 6,877                                       | 12,597             | 3,058               | 74,746        |                  |                                 | 1,416                            | 98,694                       |  |
| Construction account   | 1,027,421                                   | 1,639,725          | 1,568,575           | 4,351,197     |                  |                                 | 186,177                          | 8,773,095                    |  |
| Operating and capital reserve fund   |   |                    |                     |               | 319,424          |                                 |                                  | 319,424                      |  |
| Trust acct.-advance ticket sales/suite rev.                                |   |                    |                     |               | 8,803,154        |                                 |                                  | 8,803,154                    |  |
| Revenue bond current debt service acct.                                    | 479,390                                     | 564,519            |                     | 1,067,064     | 3,038,668        |                                 | 31,800                           | 5,181,441                    |  |
| Receivables (net of allowances for uncoll.):                               |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Accounts   | 1,149,493                                   | 1,203,596          | 672,492             | 1,478,394     | 622,995          | 488,968                         | 520,765                          | 6,136,703                    | 143  |
| Notes receivable   |   |                    |                     |               |                  | 629,461                         |                                  | 629,461                      |  |
| Taxes - property   |   |                    |                     |               |                  |                                 | 19,748                           | 19,748                       |  |
| Taxes - sales  |   |                    |                     |               | 696,351          |                                 |                                  | 696,351                      |  |
| Special assessments  |   | 10,483             | 115,363             | 2,293         | 104,695          |                                 |                                  | 232,834                      |  |
| Leases receivable  |   |                    |                     | 463,926       | 426,499          | 2,324,792                       |                                  | 3,215,217                    |  |
| Accrued interest receivable-leases   |   |                    |                     | 621           | 939              | 31,722                          |                                  | 33,282                       |  |
| Due from other funds   |   |                    |                     | 1,350,000     |                  |                                 |                                  | 1,350,000                    |  |
| Intergovernmental:   |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Federal government   |   |                    | 8,100               |               |                  | 154,576                         | 2,125,171                        | 2,287,847                    |  |
| State of North Dakota  |   |                    | 1,080               | 100,340       |                  |                                 | 194,314                          | 295,734                      |  |
| Inventories  |   |                    |                     | 408,162       | 188,580          |                                 | 153,245                          | 749,987                      | 142,740  |
| Prepaid items  | 26,858                                      | 34,172             | 15,713              | 56,662        | 120,430          | 19,561                          | 38,762                           | 312,158                      | 7,964  |
| Total current assets   | 4,763,458                                   | 7,538,809          | 3,008,466           | 16,211,436    | 34,784,945       | 15,901,520                      | 5,613,386                        | 87,822,020                   | 1,324,132  |
| Noncurrent Assets:   |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Restricted cash, cash equivalents, and investments:                        |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Revenue bond reserve account   | 1,188,216                                   | 3,984,524          |                     | 3,276,375     |                  |                                 | 87,000                           | 8,536,115                    |  |
| Reserved for Landfill Closure  | 1,729,302                                   |                    |                     |               |                  |                                 |                                  | 1,729,302                    |  |
| Total restricted cash, cash equivalents,<br>and investments                | 2,917,518                                   | 3,984,524          |                     | 3,276,375     |                  |                                 | 87,000                           | 10,265,417                   |  |
| Receivables (net of allowances for uncoll.):                               |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Notes receivable   |   |                    |                     |               |                  | 4,718,753                       |                                  | 4,718,753                    |  |
| Assets held for resale   |   |                    |                     |               |                  | 978,185                         |                                  | 978,185                      |  |
| Total noncurrent receivables   |   |                    |                     |               |                  | 5,696,938                       |                                  | 5,696,938                    |  |
| Capital Assets:  |   |                    |                     |               |                  |                                 |                                  |                              |  |
| Land   | 2,581,184                                   | 253,751            | 998,517             | 735,883       | 5,956,441        | 3,133,691                       | 360,826                          | 14,020,293                   | 280,060  |
| Buildings  | 10,113,234                                  | 88,519,192         | 6,448,100           | 194,977,238   | 104,501,866      | 20,001,597                      | 9,697,099                        | 434,258,326                  | 8,263,536  |
| Improvements other than buildings  | 27,283,822                                  | 121,167,322        | 83,805,577          | 86,965,355    | 1,545,731        | 1,374,906                       | 3,867,175                        | 326,009,888                  | 2,394,540  |
| Machinery and equipment  | 14,685,515                                  | 3,992,822          | 928,456             | 6,948,444     | 16,422,647       | 112,981                         | 10,110,867                       | 53,201,732                   | 2,781,852  |
| Construction in progress   |   | 15,820,647         | 2,228,668           | 1,063,521     | 410,640          | 119,738                         | 4,839,283                        | 24,482,497                   |  |
| Intangible right to use asset  | 1,675,278                                   |                    |                     |               |                  |                                 |                                  | 1,675,278                    |  |
| Subscription based IT arrangements   |   |                    |                     |               |                  |                                 | 221,920                          | 221,920                      | 396,095  |
| Less accumulated depreciation  | (25,853,348)                                | (98,996,296)       | (27,618,367)        | (77,862,031)  | (56,035,058)     | (8,341,209)                     | (11,465,546)                     | (306,171,855)                | (7,648,194)  |
| Less accumulated amortization of leases                                    | (708,529)                                   |                    |                     |               |                  |                                 |                                  | (708,529)                    |  |
| Less accumulated subscription amortization                                 |   |                    |                     |               |                  |                                 | (46,535)                         | (46,535)                     | (119,234)  |
| Total Capital Assets (net of<br>accumulated depreciation and amortization) | 29,777,156                                  | 130,757,438        | 66,790,951          | 212,828,410   | 72,802,267       | 16,401,704                      | 17,585,089                       | 546,943,015                  | 6,348,655  |
| Total Noncurrent Assets  | 32,694,674                                  | 134,741,962        | 66,790,951          | 216,104,785   | 72,802,267       | 22,098,642                      | 17,672,089                       | 562,905,370                  | 6,348,655  |
| Total Assets   | 37,458,132                                  | 142,280,771        | 69,799,417          | 232,316,221   | 107,587,212      | 38,000,162                      | 23,285,475                       | 650,727,390                  | 7,672,787  |

Continued

CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF NET POSITION  
PROPRIETARY FUNDS  
DECEMBER 31, 2023

|   | BUSINESS TYPE ACTIVITIES - ENTERPRISE FUNDS |                    |                     |                |                  |                                 |                                  |                              | Governmental<br>Activities-<br>Internal<br>Service Funds |
|---|---|--------------------|---------------------|----------------|------------------|---------------------------------|----------------------------------|------------------------------|--|
|   | Sanitation<br>Fund                          | Wastewater<br>Fund | Storm Water<br>Fund | Water<br>Fund  | Alerus<br>Center | Job<br>Development<br>Authority | Non Major<br>Enterprise<br>Funds | Total<br>Enterprise<br>Funds |  |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>   |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Deferred charges on refunding   |   |                    |                     |                | 916,952          |                                 |                                  | 916,952                      |  |
| Deferred Pension Single Employer Plan   | 671,551                                     | 382,374            | 66,197              | 663,711        |                  | 1,742                           | 207,301                          | 1,992,876                    |  |
| Deferred Pension NDPERS   | 2,293,675                                   | 1,560,132          | 536,633             | 1,982,081      |                  | 746,527                         | 2,774,049                        | 9,893,097                    |  |
| Deferred NDPERS OPEB  | 121,826                                     | 82,865             | 28,502              | 105,276        |                  | 39,651                          | 147,340                          | 525,460                      |  |
| Total deferred outflow of resources   | 3,087,052                                   | 2,025,371          | 631,332             | 2,751,068      | 916,952          | 787,920                         | 3,128,690                        | 13,328,385                   |  |
| <b>LIABILITIES</b>  |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Current Liabilities:  |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Accounts payable  | 114,108                                     | 150,108            | 14,739              | 116,454        | 743,094          | 131,454                         | 645,538                          | 1,915,495                    | 51,631   |
| Due to other funds  |   |                    |                     |                |                  |                                 | 1,350,000                        | 1,350,000                    |  |
| Compensated absences payable-current  | 8,028                                       | 9,157              | 4,214               | 13,009         |                  | 1,047                           | 10,086                           | 45,541                       |  |
| Contracts payable (Includes Retainage)  | 31,285                                      | 1,634,716          | 75,153              | 302,698        | 907,627          | 86,178                          | 305,262                          | 3,342,919                    | -  |
| Customer deposits payable   | 6,877                                       | 12,597             | 3,058               | 74,746         |                  |                                 | 1,416                            | 98,694                       |  |
| Subscriptions due in one year   |   |                    |                     |                |                  |                                 | 30,474                           | 30,474                       | 80,945   |
| Advance ticket and suite revenue  |   |                    |                     |                | 7,787,006        |                                 |                                  | 7,787,006                    |  |
| Accrued interest payable  | 128,847                                     | 149,188            |                     | 321,654        | 40,025           |                                 | 1,800                            | 641,514                      |  |
| Accrued interest payable-leases   | 31,785                                      |                    |                     |                |                  |                                 |                                  | 31,785                       |  |
| Accrued interest payable-subscriptions  |   |                    |                     |                |                  |                                 | 1,565                            | 1,565                        | 5,483  |
| Lease Liability-current   | 366,698                                     |                    |                     |                |                  |                                 |                                  | 366,698                      |  |
| Bonds payable-current   | 760,000                                     | 1,156,459          |                     | 1,927,000      | 3,055,000        |                                 | 90,000                           | 6,988,459                    |  |
| Total Current Liabilities   | 1,447,628                                   | 3,112,225          | 97,164              | 2,755,561      | 12,532,752       | 218,679                         | 2,436,141                        | 22,600,150                   | 138,059  |
| Noncurrent Liabilities:   |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Compensated absences payable  | 323,165                                     | 274,400            | -                   | 348,558        |                  | 41,749                          | 426,800                          | 1,414,672                    | 110,864  |
| Revenue bonds payable   | 12,496,313                                  | 22,305,234         |                     | 61,050,566     | 20,424,031       |                                 | 181,548                          | 116,457,692                  |  |
| Lease Liability   | 572,505                                     |                    |                     |                |                  |                                 |                                  | 572,505                      |  |
| Net Pension Liability Single Employer Plan  | 2,214,934                                   | 1,261,163          | 218,334             | 2,189,079      |                  | 5,747                           | 683,728                          | 6,572,985                    |  |
| Net Pension Liability NDPERS  | 3,449,032                                   | 2,345,993          | 806,943             | 2,980,485      |                  | 1,122,563                       | 4,171,377                        | 14,876,393                   |  |
| Net OPEB Liability NDPERS   | 276,840                                     | 188,304            | 64,771              | 239,232        |                  | 90,104                          | 334,821                          | 1,194,072                    |  |
| Subscription liability  |   |                    |                     |                |                  |                                 | 87,994                           | 87,994                       | 127,835  |
| Landfill closure and postclosure care   | 6,949,700                                   |                    |                     |                |                  |                                 |                                  | 6,949,700                    |  |
| Total Noncurrent Liabilities  | 26,282,489                                  | 26,375,094         | 1,090,048           | 66,807,920     | 20,424,031       | 1,260,163                       | 5,886,268                        | 148,126,013                  | 238,699  |
| Total Liabilities   | 27,730,117                                  | 29,487,319         | 1,187,212           | 69,563,481     | 32,956,783       | 1,478,842                       | 8,322,409                        | 170,726,163                  | 376,758  |
| <b>DEFERRED INFLOWS OF RESOURCES</b>  |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Deferred Inflows Leases   |   |                    |                     | 450,954        | 414,511          | 2,363,892                       |                                  | 3,229,357                    |  |
| Deferred Pension  | 3,174,947                                   | 2,159,563          | 742,819             | 2,743,633      |                  | 1,033,356                       | 3,839,889                        | 13,694,207                   |  |
| Deferred OPEB NDPERS  | 28,019                                      | 19,059             | 6,556               | 24,213         |                  | 9,120                           | 33,887                           | 120,854                      |  |
| Total deferred inflow of resources  | 3,202,966                                   | 2,178,622          | 749,375             | 3,218,800      | 414,511          | 3,406,368                       | 3,873,776                        | 17,044,418                   |  |
| <b>NET POSITION</b>   |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Net investment in capital assets  | 15,550,355                                  | 105,661,029        | 66,715,798          | 149,548,146    | 49,332,561       | 16,315,526                      | 16,889,811                       | 420,013,226                  | 6,139,875  |
| Net position-restricted   |   |                    |                     |                |                  |                                 |                                  |                              |  |
| Debt Service  | 1,506,975                                   | 4,399,855          |                     | 4,021,785      | 23,660,218       |                                 | 117,000                          | 33,705,833                   |  |
| Capital   | 1,027,421                                   | 1,639,725          | 1,568,575           | 9,351,197      | 215,671          | 1,300,000                       | 186,177                          | 15,288,766                   |  |
| Net position-unrestricted   | (8,472,650)                                 | 939,592            | 209,789             | (636,120)      | 1,924,420        | 16,287,346                      | (2,975,008)                      | 7,277,369                    | 1,156,154  |
| Total Net Position  | \$ 9,612,101                                | \$ 112,640,201     | \$ 68,494,162       | \$ 162,285,008 | \$ 75,132,870    | \$ 33,902,872                   | \$ 14,217,980                    | \$ 476,285,194               | \$ 7,296,029   |
| Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |   |                    |                     |                |                  |                                 |                                  | \$ 333,954                   |  |
| Net position of business-type activities  |   |                    |                     |                |                  |                                 |                                  | \$ 476,619,148               |  |

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, 2023

|   | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |                    |                     |               |                  |                                 |                                  | Governmental                             |
|---|---|--------------------|---------------------|---------------|------------------|---------------------------------|----------------------------------|--|
|   | Sanitation<br>Fund                          | Wastewater<br>Fund | Storm Water<br>Fund | Water<br>Fund | Alerus<br>Center | Job<br>Development<br>Authority | Non-Major<br>Enterprise<br>Funds | Activities-<br>Internal<br>Service Funds |
| Operating Revenues:   |   |                    |                     |               |                  |                                 |                                  |  |
| Charges for sales and services:   |   |                    |                     |               |                  |                                 |                                  |  |
| Utility fees  | \$ 11,475,137                               | \$ 11,894,346      | \$ 3,261,293        | \$ 13,650,347 |                  |                                 | \$ 2,458,201                     | \$ 42,739,324                            |
| Rents - concessions and other   |   |                    |                     |               | \$ 4,966,312     |                                 |                                  | 4,966,312                                |
| Lease revenue   | 18,801                                      |                    |                     | 30,562        |                  | \$ 793,208                      |                                  | 842,571                                  |
| Operating assessment  |   |                    |                     |               |                  |                                 | 110,191                          | 110,191                                  |
| Miscellaneous   |   |                    | 6,330               | 3,917         |                  | 83,076                          | 2,644                            | 95,967                                   |
| Total Operating Revenues  | 11,493,938                                  | 11,894,346         | 3,267,623           | 13,684,826    | 4,966,312        | 876,284                         | 2,571,036                        | 48,754,365                               |
| Operating Expenses:   |   |                    |                     |               |                  |                                 |                                  |  |
| Salaries and wages  | 2,269,638                                   | 1,568,784          | 334,586             | 1,894,975     | 2,360,849        | 549,413                         | 2,918,158                        | 11,896,403                               |
| Supplies  | 550,225                                     | 695,984            | 12,491              | 2,371,766     | 142,161          | 31,368                          | 287,869                          | 4,091,864                                |
| Contractual services  | 2,570,590                                   | 1,440,786          | 785,333             | 1,893,556     | 184,234          | 161,067                         | 691,892                          | 7,727,458                                |
| Maintenance - structures and equipment                                    | 3,052,912                                   | 1,363,438          | 881,059             | 1,383,039     | 713,574          | 107,296                         | 916,588                          | 8,417,906                                |
| Concession and catering   |   |                    |                     |               | 1,252,692        |                                 |                                  | 1,252,692                                |
| Advertising and marketing   |   |                    |                     |               | 115,269          |                                 |                                  | 115,269                                  |
| Sundry expenses   | 31,412                                      | 35,597             | 13,804              | 71,711        | 45,430           | 331,789                         | 42,473                           | 572,216                                  |
| Utilities - heat and lights   | 264,216                                     | 1,133,553          | 205,267             | 1,320,785     | 622,870          | 149,059                         | 123,563                          | 3,819,313                                |
| Pension and social security   | 715,597                                     | 442,219            | 82,763              | 690,002       |                  | 59,056                          | 349,645                          | 2,339,282                                |
| Management fee  |   |                    |                     |               | 157,424          |                                 |                                  | 157,424                                  |
| Administrative and general  | 1,030,419                                   | 1,263,806          | 941,985             | 2,068,922     | 771,769          | 437,989                         | 661,876                          | 7,176,766                                |
| Total Operating Expenses  | 10,485,009                                  | 7,944,167          | 3,257,288           | 11,694,756    | 6,366,272        | 1,827,037                       | 5,992,064                        | 47,566,593                               |
| Net Income (Loss) from Operations<br>before Depreciation and Amortization | 1,008,929                                   | 3,950,179          | 10,335              | 1,990,070     | (1,399,960)      | (950,753)                       | (3,421,028)                      | 1,187,772                                |
| Less - Depreciation   | 2,156,932                                   | 4,382,700          | 1,768,041           | 5,765,966     | 3,683,538        | 507,084                         | 964,566                          | 19,228,827                               |
| Less - Amortization of leases   | 370,040                                     |                    |                     |               |                  |                                 |                                  | 370,040                                  |
| Less - Amortization of subscriptions                                      |   |                    |                     |               |                  |                                 | 46,535                           | 46,535                                   |
| Net Operating Income (Loss)   | (1,518,043)                                 | (432,521)          | (1,757,706)         | (3,775,896)   | (5,083,498)      | (1,457,837)                     | (4,432,129)                      | (18,457,630)                             |
| Nonoperating Revenues (Expenses):   |   |                    |                     |               |                  |                                 |                                  |  |
| Interest earnings (loss)  | 263,108                                     | 476,239            | 68,146              | 587,637       | 1,091,053        | 509,684                         | 49,253                           | 3,045,120                                |
| Interest earnings leases  | 48  |                    |                     | 8,844         | 1,821            | 17,122                          |                                  | 27,835                                   |
| Federal grants  |   |                    | 10,230              |               |                  |                                 | 1,678,135                        | 1,688,365                                |
| State grants  |   |                    |                     | 196,897       |                  |                                 | 425,076                          | 621,973                                  |
| General property taxes  |   |                    |                     |               |                  |                                 | 1,341,429                        | 1,341,429                                |
| Personal property replacements  |   |                    |                     |               |                  |                                 | 35,854                           | 35,854                                   |
| Sales tax   |   |                    |                     |               | 11,239,165       |                                 |                                  | 11,239,165                               |
| Settlements   |   | 1,145,535          | 77,017              | 576,417       |                  | 55,021                          |                                  | 1,853,990                                |
| Miscellaneous   |   | 22,314             | 100                 | 26,456        |                  |                                 |                                  | 48,870                                   |
| Gain (loss) on capital assets   | 9,842                                       | 10,273             | (5,340)             |               | 3,115            | (47,269)                        | (64,417)                         | (93,796)                                 |
| Interest expense-leases   | (47,443)                                    |                    |                     |               |                  |                                 |                                  | (47,443)                                 |
| Interest expense-subscriptions  |   |                    |                     |               |                  |                                 |                                  | (6,360)                                  |
| Interest expense  | (401,520)                                   | (520,547)          |                     | (1,203,453)   | (799,958)        |                                 | (14,414)                         | (2,939,892)                              |
| Total Nonoperating Revenues (Expenses)                                    | (175,965)                                   | 1,133,814          | 150,153             | 192,798       | 11,535,196       | 534,558                         | 3,450,916                        | 16,821,470                               |
| Income (Loss) Before Capital Contributions<br>and Transfers               | (1,694,008)                                 | 701,293            | (1,607,553)         | (3,583,098)   | 6,451,698        | (923,279)                       | (981,213)                        | (1,636,160)                              |

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, 2023

|  | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS   |                       |                      |                       |                      |                                 |                                  |                | Governmental<br>Activities-<br>Internal<br>Service Funds |
|--|---|-----------------------|----------------------|-----------------------|----------------------|---------------------------------|----------------------------------|----------------|--|
|  | Sanitation<br>Fund  | Wastewater<br>Fund    | Storm Water<br>Fund  | Water<br>Fund         | Alerus<br>Center     | Job<br>Development<br>Authority | Non-Major<br>Enterprise<br>Funds | Totals<br>2023 |  |
| Capital Grants, Contributions and Transfers: |   |                       |                      |                       |                      |                                 |                                  |                |  |
| Contributed Capital and Capital Grants       |   | \$ 3,554,453          | \$ 5,078,187         | \$ 2,874,831          | \$ 13,305            | \$ 154,576                      | \$ 4,454,513                     | \$ 16,129,865  |  |
| Transfers in                                 | \$ 692,167  | 6,348,362             | 929,349              | 2,030,000             | -                    | -                               | -                                | 9,999,878      | \$ 361,062   |
| Transfers out                                | (37,500)  | (280,478)             | (98,615)             | (219,528)             |                      | (17,057)                        |                                  | (653,178)      | (192,000)  |
| Total Capital Contributions and Transfers    | 654,667   | 9,622,337             | 5,908,921            | 4,685,303             | 13,305               | 137,519                         | 4,454,513                        | 25,476,565     | 169,062  |
| Change in Net Position                       | (1,039,341)   | 10,323,630            | 4,301,368            | 1,102,205             | 6,465,003            | (785,760)                       | 3,473,300                        | 23,840,405     | (332,743)  |
| Total Net Position-Beginning                 | 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  |
| Total Net Position-Ending                    | <u>\$ 9,612,101</u>   | <u>\$ 112,640,201</u> | <u>\$ 68,494,162</u> | <u>\$ 162,285,008</u> | <u>\$ 75,132,870</u> | <u>\$ 33,902,872</u>            | <u>\$ 14,217,980</u>             |                | <u>\$ 7,296,029</u>                                      |
|  | Adjustment to reflect the consolidation of internal service fund activities related to enterprise funds |                       |                      |                       |                      |                                 |                                  |                | (105,491)  |
| * see note IV K                              | Change in net position of business-type activities  |                       |                      |                       |                      |                                 |                                  |                | \$ 23,734,914  |

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, 2023

Exhibit 8

|  | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |                    |                     |               |                  |                                 |                                  | Governmental<br>Activities<br>Internal Service<br>Funds |              |
|--|---|--------------------|---------------------|---------------|------------------|---------------------------------|----------------------------------|---|--------------|
|  | Sanitation<br>Fund                          | Wastewater<br>Fund | Storm Sewer<br>Fund | Water<br>Fund | Alerus<br>Center | Job<br>Development<br>Authority | Non-Major<br>Enterprise<br>Funds | Totals<br>2023  |              |
| <b>Cash Flows from Operating Activities:</b>                           |   |                    |                     |               |                  |                                 |                                  |   |              |
| Receipts from customers  | \$ 11,413,824                               | \$ 12,034,693      | \$ 3,253,187        | \$ 13,900,333 | \$ 11,558,144    | \$ 2,216,197                    | \$ 3,003,936                     | \$ 57,380,314   | \$ -         |
| Payments to suppliers  | (7,058,997)                                 | (6,296,569)        | (2,949,235)         | (9,947,455)   | (4,193,910)      | (2,203,193)                     | (2,667,153)                      | (35,316,512)  | (2,670,304)  |
| Payments to employees  | (2,281,431)                                 | (1,564,053)        | (352,253)           | (1,911,696)   | (2,360,849)      | (516,748)                       | (2,869,299)                      | (11,856,329)  | (572,559)    |
| Receipts (Payments) for interfund services used                        |   | 1,485,466          |                     | (500,000)     |                  |                                 | 500,000                          | 1,485,466   | 3,395,307    |
| Net cash provided (used) by operating activities                       | 2,073,396                                   | 5,659,537          | (48,301)            | 1,541,182     | 5,003,385        | (503,744)                       | (2,032,516)                      | 11,692,939  | 152,444      |
| <b>Cash Flows from Non-Capital<br/>Financing Activities:</b>           |   |                    |                     |               |                  |                                 |                                  |   |              |
| Transfers from other funds   | 692,167                                     | 6,348,362          | 929,349             | 2,030,000     |                  |                                 |                                  | 9,999,878   | 361,062      |
| Transfers to other funds   | (37,500)                                    | (280,478)          | (98,615)            | (219,528)     |                  | (17,057)                        |                                  | (653,178)   | (192,000)    |
| Proceeds of repayment of advances from other funds                     |   |                    |                     | 12,283        |                  |                                 |                                  | 12,283  |              |
| Operating subsidies from federal grants                                |   |                    | 133,958             |               |                  |                                 | 736,118                          | 870,076   |              |
| Operating subsidies from state grants                                  |   |                    |                     | 196,897       |                  |                                 | 418,608                          | 615,505   |              |
| Operating subsidies from Taxes   |   |                    |                     |               | 684,114          |                                 | 1,383,483                        | 2,067,597   |              |
| Net cash provided (used) by non-capital financing activities           | 654,667                                     | 6,067,884          | 964,692             | 2,019,652     | 684,114          | (17,057)                        | 2,538,209                        | 12,912,161  | 169,062      |
| <b>Cash Flows from Capital &amp; Related<br/>Financing Activities:</b> |   |                    |                     |               |                  |                                 |                                  |   |              |
| Proceeds from revenue bonds, premiums and notes                        |   | 2,386,197          |                     | 15,071        |                  |                                 |                                  | 2,401,268   |              |
| Capital contributions  |   | 1,198,031          | 93,307              | 1,771,526     | 10,821,337       | 361,869                         | 4,249,163                        | 18,495,233  |              |
| Acquisition and construction of capital assets                         | (2,666,544)                                 | (13,274,759)       | (776,773)           | (2,983,685)   | (9,199,341)      | (1,174,479)                     | (4,529,656)                      | (34,605,237)  | (243,146)    |
| Proceeds from sale of capital assets                                   | 9,842                                       | 10,300             |                     |               | 3,115            | 391,567                         | 102                              | 414,926   |              |
| Acquisition of leases and subscriptions                                | (357,968)                                   |                    |                     |               |                  |                                 |                                  | (357,968)   |              |
| Principal paid on capital debt   | (415,000)                                   | (1,134,439)        |                     | (1,880,000)   | (2,910,000)      |                                 | (90,000)                         | (6,429,439)   | (877)        |
| Interest paid on capital debt  | (460,702)                                   | (564,043)          |                     | (1,211,806)   | (1,106,789)      |                                 | (14,030)                         | (3,357,370)   |              |
| Net cash provided (used) by capital<br>& related financing activities  | (3,890,372)                                 | (11,378,713)       | (683,466)           | (4,288,894)   | (2,391,678)      | (421,043)                       | (384,421)                        | (23,438,587)  | (244,023)    |
| <b>Cash Flows from Investing Activities:</b>                           |   |                    |                     |               |                  |                                 |                                  |   |              |
| Proceeds from sales and maturities of investments                      | 2,855,460                                   | 2,788,265          |                     | 4,269,275     |                  |                                 | 87,000                           | 10,000,000  |              |
| Purchase of investments  | (2,917,518)                                 | (3,984,524)        |                     | (8,276,375)   | (20,000,000)     | (10,000,000)                    | (87,000)                         | (45,265,417)  |              |
| Interest and dividends   | 263,156                                     | 476,239            | 68,146              | 596,530       | 1,093,321        | 497,968                         | 49,253                           | 3,044,613   | 48,026       |
| Net cash provided (used) by investing activities                       | 201,098                                     | (720,020)          | 68,146              | (3,410,570)   | (18,906,679)     | (9,502,032)                     | 49,253                           | (32,220,804)  | 48,026       |
| Net increase (decrease) in cash and cash equivalents                   | (961,211)                                   | (371,312)          | 301,071             | (4,138,630)   | (15,610,858)     | (10,443,876)                    | 170,525                          | (31,054,291)  | 125,509      |
| Cash and cash equivalents - beginning 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  | 1,047,776    |
| Cash and cash equivalents - end of the year                            | \$ 3,587,107                                | \$ 6,290,558       | \$ 2,195,718        | \$ 7,351,038  | \$ 12,624,456    | \$ 2,252,440                    | \$ 2,561,381                     | \$ 36,862,698   | \$ 1,173,285 |
| Continued  |   |                    |                     |               |                  |                                 |                                  |   |              |

CITY OF GRAND FORKS, NORTH DAKOTA  
STATEMENT OF CASH FLOWS  
PROPRIETARY FUNDS  
Year Ended December 31, 2023

Exhibit 8 (Con't)

|   | BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS |                    |                     |                |                  |                                 |                                  | Governmental<br>Activities<br>Internal Service<br>Funds |              |
|---|---|--------------------|---------------------|----------------|------------------|---------------------------------|----------------------------------|---|--------------|
|   | Sanitation<br>Fund                          | Wastewater<br>Fund | Storm Sewer<br>Fund | Water<br>Fund  | Alerus<br>Center | Job<br>Development<br>Authority | Non-Major<br>Enterprise<br>Funds | Totals<br>2023  |              |
| <b>Reconciliation of operating income (loss) to net cash<br/>provided (used) by operating activities:</b> |   |                    |                     |                |                  |                                 |                                  |   |              |
| Operating Income (loss)   | \$ (1,518,043)                              | \$ (432,521)       | \$ (1,757,706)      | \$ (3,775,896) | \$ (5,083,498)   | \$ (1,457,837)                  | \$ (4,432,129)                   | \$(18,457,630)  | \$ (551,689) |
| <b>Adjustments to reconcile operating income to net cash<br/>provided (used) by operating activities:</b> |   |                    |                     |                |                  |                                 |                                  |   |              |
| Depreciation Expense  | 2,156,932                                   | 4,382,700          | 1,768,041           | 5,765,966      | 3,683,538        | 507,084                         | 964,566                          | 19,228,827  | 525,749      |
| Amortization Expense  | 370,040                                     |                    |                     |                |                  |                                 | 46,535                           | 416,575   | 119,234      |
| (Increase) decrease in accounts receivable  | (51,022)                                    | 127,997            | (13,362)            | 281,554        | 38,158           | 8,416                           | 432,900                          | 824,641   |              |
| (Increase) decrease in inventories  |   |                    |                     | (76,665)       | (3,226)          |                                 | (11,535)                         | (91,426)  | 1,249        |
| (Increase) decrease in prepaid items  | 11,656                                      | (70)               | (1,479)             | 50,242         | 45,676           | 6,444                           | 8,130                            | 120,599   | (752)        |
| Increase (Decrease) in customer deposits  | (48,664)                                    | 12,350             | (1,074)             | (87,735)       | 7,322,663        |                                 |                                  | 7,197,540   |              |
| (Increase) decrease in notes receivable   |   |                    |                     |                |                  | 572,326                         |                                  | 572,326   |              |
| (Increase) decrease in leases receivable  | 19,572                                      |                    |                     | 21,688         | 128,199          | 759,171                         |                                  | 928,630   |              |
| (Increase) decrease in deferred outflows  | 872,258                                     | 639,372            | 260,373             | 702,129        |                  | 418,152                         | 1,429,482                        | 4,321,766   |              |
| Increase (decrease) in accounts payable   | (24,985)                                    | (3,224)            | (31,350)            | (248,303)      | (997,659)        | (78,506)                        | 435,903                          | (948,124)   | 20,232       |
| Increase (decrease) in compensated absences payable   | (14,784)                                    | 2,533              | (17,600)            | (28,229)       |                  | 28,053                          | 37,939                           | 7,912   | 38,421       |
| Increase (decrease) in net pension liability  | (346,836)                                   | (383,775)          | (261,825)           | (134,004)      |                  | (543,769)                       | (1,621,528)                      | (3,291,737)   |              |
| Increase (decrease) in net OPEB liability   | (30,870)                                    | (20,997)           | (7,222)             | (26,676)       |                  | (10,047)                        | (37,335)                         | (133,147)   |              |
| Increase (decrease) in landfill closure/postclosure liability   | 1,030,173                                   |                    |                     |                |                  |                                 |                                  | 1,030,173   |              |
| Increase (decrease) in deferred inflows   | (352,031)                                   | (150,294)          | 14,903              | (402,889)      | (130,466)        | (713,231)                       | 214,556                          | (1,519,452)   |              |
| (Increase) decrease in due from other funds operating activities  |   | 1,485,466          |                     | (500,000)      |                  |                                 |                                  | 985,466   |              |
| Increase (decrease) in due to other funds operating activities  |   |                    |                     |                |                  |                                 | 500,000                          | 500,000   |              |
| Total Adjustments   | 3,591,439                                   | 6,092,058          | 1,709,405           | 5,317,078      | 10,086,883       | 954,093                         | 2,399,613                        | 30,150,569  | 704,133      |
| Net cash provided by operating activities   | \$ 2,073,396                                | \$ 5,659,537       | \$ (48,301)         | \$ 1,541,182   | \$ 5,003,385     | \$ (503,744)                    | \$ (2,032,516)                   | \$ 11,692,939   | \$ 152,444   |
| <b>Noncash Investing, Capital and Financing Activities:</b>   |   |                    |                     |                |                  |                                 |                                  |   |              |
| Net (decrease) in fair value of investments   | \$ 40,443                                   | \$ 76,529          | \$ 5,577            | \$ 39,137      | \$ 154,714       | \$ 104,937                      | \$ 10,197                        | \$ 431,534  | \$ 9,711     |
| Capital contributions   |   | 3,504,327          | 5,010,237           | 1,580,528      |                  |                                 | 205,350                          | 10,300,442  |              |
| Issuance of subscriptions used for new arrangements   |   |                    |                     |                |                  |                                 | 221,920                          | 221,920   |              |
| <b>Reconciliation of cash and cash equivalents:</b>   |   |                    |                     |                |                  |                                 |                                  |   |              |
| Current Assets:   |   |                    |                     |                |                  |                                 |                                  |   |              |
| Cash and cash equivalents   | \$ 2,073,419                                | \$ 4,073,717       | \$ 624,085          | \$ 1,858,031   | \$ 463,210       | \$ 2,252,440                    | \$ 2,341,988                     | \$ 13,686,890   | \$ 1,173,285 |
| Restricted cash, and cash equivalents:  |   |                    |                     |                |                  |                                 |                                  |   |              |
| Customer deposits   | 6,877                                       | 12,597             | 3,058               | 74,746         |                  |                                 | 1,416                            | 98,694  |              |
| Construction account  | 1,027,421                                   | 1,639,725          | 1,568,575           | 4,351,197      |                  |                                 | 186,177                          | 8,773,095   |              |
| Revenue bond current debt service acct.   | 479,390                                     | 564,519            |                     | 1,067,064      | 3,038,668        |                                 | 31,800                           | 5,181,441   |              |
| Operating and capital fund  |   |                    |                     |                | 319,424          |                                 |                                  | 319,424   |              |
| Trust account/advance ticket sales  |   |                    |                     |                | 8,803,154        |                                 |                                  | 8,803,154   |              |
| Total Cash and Cash equivalents   | \$ 3,587,107                                | \$ 6,290,558       | \$ 2,195,718        | \$ 7,351,038   | \$ 12,624,456    | \$ 2,252,440                    | \$ 2,561,381                     | \$ 36,862,698   | \$ 1,173,285 |

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, 2023

|                            | 2023<br>Pension<br>Trust | 2022<br>Pension<br>Trust |
|----------------------------|--------------------------|--------------------------|
| <b>ASSETS</b>              |                          |                          |
| Cash and cash equivalents  | \$ 5,852,542             | \$ 5,700,346             |
| Investments at fair value: |                          |                          |
| ND State Investment Board  | 74,695,219               | 70,331,514               |
| Total Assets               | <u>\$ 80,547,761</u>     | <u>\$ 76,031,860</u>     |
| <b>NET POSITION</b>        |                          |                          |
| Restricted for:            |                          |                          |
| Pensions                   | \$ 80,547,761            | \$ 76,031,860            |
| Total net position         | <u>\$ 80,547,761</u>     | <u>\$ 76,031,860</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, 2023  
With Comparative Totals for December 31, 2022

|   | Pension Trust<br>Fund<br>2023 | Pension Trust<br>Fund<br>2022 |
|---|-------------------------------|-------------------------------|
| <b>Additions:</b>   |                               |                               |
| Contributions:  |                               |                               |
| Employer contributions  | \$ 3,126,869                  | \$ 3,316,869                  |
| Employee contributions  | 171,658                       | 196,109                       |
| Total contributions   | 3,298,527                     | 3,512,978                     |
| Investment Earnings:  |                               |                               |
| Net appreciation (depreciation) in fair value of assets &<br>Interest, dividends and other income | 9,313,735                     | (9,120,181)                   |
| Net investment earnings   | 9,313,735                     | (9,120,181)                   |
| Total additions   | 12,612,262                    | (5,607,203)                   |
| <b>Deductions:</b>  |                               |                               |
| Benefits paid to participants   | 8,077,128                     | 7,852,246                     |
| Administrative Expenses   | 19,233                        | 218,353                       |
| Total Deductions  | 8,096,361                     | 8,070,599                     |
| Change in net position  | 4,515,901                     | (13,677,802)                  |
| Net position - beginning  | 76,031,860                    | 89,709,662                    |
| Net position - ending   | \$ 80,547,761                 | \$ 76,031,860                 |

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, 2023**

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

- 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, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The statement is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, Compensated Absences, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The statement is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, Certain Risk Disclosures, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

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, 2022 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 four items reported on the statement of net position as leases, the single employer defined benefit pension plan, cost sharing defined benefit pension (main and public safety) and OPEB plan, which represents lease receipts 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 1<sup>st</sup> of the year following the assessment date and are recorded as receivable by the City at that date. Within the fund financial statements, property taxes are accrued and recognized as revenue, excluding delinquent taxes received over 60 days after year-end. Unavailable revenue in governmental activities is susceptible to full accrual on the government-wide statements.

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

Taxes are collected by the County and remitted monthly to the City. The City is permitted under the provisions of its Home Rule Charter to levy a maximum of one hundred and thirty (130) mills for general governmental services, excluding debt service, social security, special assessments, and city's share of special assessments. In its 2023 budget, the City levied 43.17 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 2023 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 2023 to the City Council on July 18, 2022. 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 2022 for preliminary approval. This meeting is open to the public and notice of this meeting is published in the local newspaper. The City Council gives final approval of the city budget at the second regularly scheduled meeting in September. The City Council holds a public hearing and may subtract from or change appropriations at this meeting.

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

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

The appropriated budget is prepared by fund, function and department. The legal level of control is the fund level. The management of the City of Grand Forks has the authority to make transfers between object level within a department, function and fund as long as the total fund appropriations are not exceeded. City Council approval is required for an increase in the aggregate total of appropriations in order to reflect



additional revenues that were not anticipated at the time of original adoption of the annual budget and appropriation ordinance. Several supplementary appropriations were made during the year.

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

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

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

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

For the year ended December 31, 2023, expenditures did not exceed appropriations in any funds.

#### **C. Deficit fund equity**

For the year ended December 31, 2023, 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, 2023, the carrying amount of the City's deposits was \$80,867,388 and the bank balance was \$85,071,341. 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 \$5,852,542 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, 2023, the carrying amount of the Airport Authority's deposits was \$13,225,876 and the bank balance was \$13,225,844, 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, 2023 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) | \$ 44,397,713                    | \$ 38,584,221        | \$ 5,813,492         | \$ -                | \$ -                 | n/a           | n/a           |
| Federal National Mortgage Assn Pool     | 27,420,579                       | 1,374,743            | 12,807,639           | 5,420,453           | 7,817,744            | Aaa           | Moody         |
| Federal Home Loan Bank                  | 6,904,243                        | 595,266              | 1,679,295            | 1,573,576           | 3,056,106            | Aaa           | Moody         |
| Federal Home Loan Mortgage Corp         | 16,012,134                       | -                    | 8,288,917            | -                   | 7,723,217            | Aaa           | Moody         |
| Ginnie Mae                              | 11,968,973                       | -                    | -                    | 2,804,928           | 9,164,045            | Aaa           | Moody         |
| Total                                   | <u>\$ 106,703,642</u>            | <u>\$ 40,554,230</u> | <u>\$ 28,589,343</u> | <u>\$ 9,798,957</u> | <u>\$ 27,761,112</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)* | \$ -  | \$ -                   | \$ -                        | \$ -                          |
| Federal National Mortgage Assn Pool      | 27,420,579                                      | -                      | 27,420,579                  | -                             |
| Federal Home Loan Bank                   | 6,904,243                                       | -                      | 6,904,243                   | -                             |
| Federal Home Loan Mortgage Corp          | 16,012,134                                      | -                      | 16,012,134                  | -                             |
| Ginnie Mae                               | 11,968,973                                      | -                      | 11,968,973                  | -                             |
| Total                                    | <u>\$ 62,305,929</u>                            | <u>\$ -</u>            | <u>\$ 62,305,929</u>        | <u>\$ -</u>                   |

\*Bank CD's, totaling \$44,397,713, 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.

|                                 | <b>Level 1</b> | <b>Level 2</b> | <b>Level 3</b> |
|---------------------------------|----------------|----------------|----------------|
| Pension investments:            |                |                |                |
| Domestic Equities               | \$2,161,608    |                |                |
| Global / International Equities | \$44,117,883   |                |                |
| International Fixed Income      |                | \$17,406,272   |                |

Investments measured at the net asset value (NAV)

Pension investments:

Real assets NAV: \$11,009,456

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                              |              |                                 |  | \$ 3,000,070                 |                            |                            |                       |                            |                        | \$ 6,655,803        |  |                        | \$ 9,655,873   |
| Taxes                              | \$ 655,543   |                                 | \$ 239,071                                     | 832,817                      |                            |                            |                       |                            | \$ 696,351             |                     | \$ 19,748                                  |                        | 2,443,530      |
| Accounts                           | 1,018,282    |                                 | 7,291  | 210,314                      | \$ 1,187,849               | \$ 1,229,118               | \$ 1,516,672          | \$ 685,984                 | 622,995                | 488,968             | 525,704                                    | \$ 143                 | 7,493,320      |
| Special Assessments                | 771,233      | \$83,163,508                    |  | 3,428,151                    |                            | 10,483                     | 2,293                 | 115,363                    | 104,695                |                     |  |                        | 87,595,726     |
| Leases & interest                  | 168,666      |                                 |  |                              | -                          |                            | 464,547               |                            | 427,438                | 2,356,514           |  |                        | 3,417,165      |
| Intergovernmental                  | 459,205      |                                 | 278,609  | 981,427                      |                            |                            | 100,340               | 9,180                      |                        | 154,576             | 2,319,485                                  | -                      | 4,302,822      |
| Gross Receivables                  | 3,072,929    | 83,163,508                      | 524,971  | 8,452,779                    | 1,187,849                  | 1,239,601                  | 2,083,852             | 810,527                    | 1,851,479              | 9,655,861           | 2,864,937                                  | 143                    | 114,908,436    |
| Less: Allowance for Uncollectibles |              |                                 |  | -                            | (38,356)                   | (25,522)                   | (38,278)              | (13,492)                   |                        | (1,307,589)         | (4,939)                                    |                        | (1,428,176)    |
| Net Total Receivables              | \$3,072,929  | \$83,163,508                    | \$ 524,971                                     | \$ 8,452,779                 | \$ 1,149,493               | \$ 1,214,079               | \$ 2,045,574          | \$ 797,035                 | \$ 1,851,479           | \$ 8,348,272        | \$ 2,859,998                               | \$ 143                 | \$ 113,480,260 |

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                           | \$ -                | \$ 283,651           |
| Special assessments not yet due                                | -                   | 87,362,891           |
| Leases not yet due   |                     | 163,171              |
| Grant draw-downs prior to meeting all eligibility requirements | 3,436,995           | -                    |
| Total unavailable/unearned revenue                             | <u>\$ 3,436,995</u> | <u>\$ 87,809,713</u> |

## C. Capital assets

Capital asset activity for the year ended December 31, 2023, was as follows:

|   | Balance<br>1/1/2023<br>as restated | Additions         | Deletions          | Balance<br>12/31/2023 |
|---|------------------------------------|-------------------|--------------------|-----------------------|
| <b>Governmental activities:</b>   |                                    |                   |                    |                       |
| <b>Capital assets not being depreciated:</b>  |                                    |                   |                    |                       |
| Land  | \$ 31,360,000                      | \$ -              | \$ -               | \$ 31,360,000         |
| Infrastructure - ROW  | 7,505,191                          | 6,218             | -                  | 7,511,409             |
| Construction in progress  | 2,719,452                          | 7,255,346         | (2,601,708)        | 7,373,091             |
| <b>Total capital assets not being depreciated</b>   | <b>41,584,644</b>                  | <b>7,261,565</b>  | <b>(2,601,708)</b> | <b>\$ 46,244,501</b>  |
| <b>Capital assets being depreciated/amortized:</b>  |                                    |                   |                    |                       |
| Buildings   | 33,936,050                         | 4,242,309         | -                  | 38,178,359            |
| Improvements other than buildings   | 67,396,136                         | 1,681,952         | -                  | 69,078,088            |
| Machinery & equipment   | 31,095,585                         | 1,771,391         | (1,128,463)        | 31,738,513            |
| Infrastructure  | 261,964,107                        | 11,872,325        | -                  | 273,836,432           |
| Leased  | 3,146,305                          | 400,918           | (400,918)          | 3,146,305             |
| Subscriptions   | 12,922                             | 36,939            | -                  | 49,861                |
| <b>Total capital assets being depreciated/amortized</b>   | <b>397,551,105</b>                 | <b>20,005,833</b> | <b>(1,529,381)</b> | <b>\$ 416,027,557</b> |
| <b>Less accumulated depreciation for:</b>   |                                    |                   |                    |                       |
| Buildings   | 13,306,142                         | 936,146           | -                  | 14,242,288            |
| Improvements other than buildings   | 19,638,388                         | 1,118,690         | -                  | 20,757,077            |
| Machinery & equipment   | 22,195,487                         | 2,140,981         | (969,005)          | 23,367,463            |
| Infrastructure  | 131,327,574                        | 6,070,584         | -                  | 137,398,158           |
| <b>Less accumulated amortization for:</b>   |                                    |                   |                    |                       |
| Leased  | 209,071                            | 567,515           | -                  | 776,586               |
| Subscriptions   | 2,241                              | 4,714             | -                  | 6,955                 |
| <b>Total accumulated depreciation and amortization</b>  | <b>186,678,902</b>                 | <b>10,838,631</b> | <b>(969,005)</b>   | <b>196,548,528</b>    |
| <b>Net capital assets being depreciated and amortized</b>   | <b>210,872,203</b>                 |                   |                    | <b>219,479,030</b>    |
| <b>Total governmental activities capital assets net of depreciation/amortization</b>                                  | <b>\$ 252,456,847</b>              |                   |                    | <b>\$ 265,723,530</b> |
| Internal Service Fund capital assets net of accumulated depreciation/amortization included in governmental activities |                                    |                   |                    | \$ 6,348,655          |
| <b>Total capital assets reported in the statements of net position</b>  |                                    |                   |                    | <b>\$ 272,072,185</b> |

Numbers may vary slightly due to rounding

|  | Balance<br>1/1/2023<br>as restated | Additions         | Deletions          | Balance<br>12/31/2023 |
|--|------------------------------------|-------------------|--------------------|-----------------------|
| <b>Business-Type activities:</b>   |                                    |                   |                    |                       |
| <b>Capital assets not being depreciated:</b>                                       |                                    |                   |                    |                       |
| Land   | \$ 14,324,374                      | \$ 141,172        | \$ (445,253)       | \$ 14,020,293         |
| Construction in progress   | 7,782,298                          | 21,536,214        | (4,836,015)        | 24,482,497            |
| <b>Total capital assets not being depreciated</b>                                  | <b>22,106,672</b>                  | <b>21,677,386</b> | <b>(5,281,268)</b> | <b>38,502,791</b>     |
| <b>Capital assets being depreciated/amortized:</b>                                 |                                    |                   |                    |                       |
| Buildings  | 418,325,606                        | 15,932,720        | -                  | 434,258,326           |
| Improvements other than buildings  | 315,140,625                        | 10,869,263        | -                  | 326,009,888           |
| Machinery & equipment  | 51,058,941                         | 2,522,766         | (379,975)          | 53,201,732            |
| Leased Machinery & Equipment   | 1,675,278                          | -                 | -                  | 1,675,278             |
| Subscriptions  | 204,615                            | 17,305            | -                  | 221,920               |
| <b>Total capital assets being depreciated/amortized</b>                            | <b>786,405,064</b>                 | <b>29,342,054</b> | <b>(379,975)</b>   | <b>815,367,144</b>    |
| <b>Less accumulated depreciation for:</b>  |                                    |                   |                    |                       |
| Buildings  | 119,414,040                        | 9,332,335         | -                  | 128,746,375           |
| Improvements other than buildings  | 131,596,016                        | 6,208,819         | -                  | 137,804,835           |
| Machinery & equipment  | 36,217,861                         | 3,687,674         | (284,890)          | 39,620,645            |
| <b>Less accumulated amortization for:</b>  |                                    |                   |                    |                       |
| Leased Machinery & Equipment   | 338,489                            | 370,040           | -                  | 708,529               |
| Subscriptions  | 22,430                             | 24,105            | -                  | 46,535                |
| <b>Total accumulated depreciation and amortization</b>                             | <b>287,588,836</b>                 | <b>19,622,973</b> | <b>(284,890)</b>   | <b>306,926,919</b>    |
| <b>Net capital assets being depreciated and amortized</b>                          | <b>498,816,228</b>                 | <b>9,719,082</b>  | <b>(95,085)</b>    | <b>508,440,225</b>    |
| <b>Total business type activities capital assets net depreciation/amortization</b> | <b>\$ 520,922,900</b>              |                   |                    | <b>\$ 546,943,015</b> |

Numbers may vary slightly due to rounding

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     | \$ 1,032,921 |
| Health & Welfare       | 37,171       |
| Public Safety          | 1,684,364    |
| Highways and Streets   | 6,295,198    |
| Culture and Recreation | 8,512        |
| Public Works           | 1,208,235    |

Amortization expense:

|                    |         |
|--------------------|---------|
| General Government | 3,968   |
| Public Safety      | 746     |
| Public Works       | 567,516 |

|   |                      |
|---|----------------------|
| Total depreciation and amortization expense - governmental activities | <u>\$ 10,838,631</u> |
|---|----------------------|

Business-type activities:

Depreciation expense:

|                           |              |
|---------------------------|--------------|
| Sanitation                | \$ 2,156,932 |
| Wastewater                | 4,382,700    |
| Water                     | 5,765,966    |
| Stormwater                | 1,768,041    |
| Public Transit            | 673,482      |
| Dial a Ride               | 95,997       |
| Mosquito Control          | 89,750       |
| Alerus Center             | 3,683,538    |
| Job Development Authority | 507,084      |
| Downtown Parking          | 105,337      |

Amortization expense:

|                      |         |
|----------------------|---------|
| Sanitation           | 370,040 |
| Non-Major Enterprise | 46,535  |

|  |                      |
|--|----------------------|
| Total depreciation and amortization expense - business-type activities | <u>\$ 19,645,402</u> |
|--|----------------------|

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

### Construction commitments

Construction commitments as of December 31, 2023, were approximately \$36,099,144. Of this amount, \$23,347,908 relates to the construction of a new sanitary lift station #49, paving in the Grand Valley Addition 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, 2023:

Encumbrances:

|   |                     |
|---|---------------------|
| General Fund                              | \$ 45,068           |
| American Rescue Plan Grant Fund           | 97,139              |
| Flood Protection Capital Maintenance Fund | 1,146,399           |
| Street and Infrastructure Fund            | 3,038,722           |
| Sidewalk Repair Fund                      | 63,862              |
| Sanitation Fund                           | 706,375             |
| Wastewater Fund                           | 1,043,262           |
| Water Fund                                | 596,911             |
| Stormwater Fund                           | 151,028             |
| Alerus Fund                               | 4,122,527           |
| Central Garage                            | 36,575              |
| Public works Facility                     | <u>70,439</u>       |
| Total Encumbrances                        | <u>\$11,118,307</u> |

**Discretely presented component unit**

Capital asset activity for the Grand Forks Regional Airport Authority for the year ended December 31, 2023, was as follows:

|   | Beginning<br>Balance<br>1/01/2023 | Additions         | Deletions | Transfers | Ending<br>Balance<br>12/31/2023 |
|---|-----------------------------------|-------------------|-----------|-----------|---------------------------------|
| <b>Capital assets not being depreciated:</b>          |                                   |                   |           |           |                                 |
| Land  | \$ 2,775,606                      | \$ -              |           |           | \$ 2,775,606                    |
| Software  | 59,950                            |                   |           |           | 59,950                          |
| Construction in progress                              | 18,982,980                        | 21,049,799        | \$ -      | \$ -      | 40,032,779                      |
| Total capital assets not being depreciated            | <u>21,818,536</u>                 | <u>21,049,799</u> | <u>-</u>  | <u>-</u>  | <u>42,868,335</u>               |
| <b>Capital assets being depreciated:</b>              |                                   |                   |           |           |                                 |
| Equipment   | 3,833,820                         | 96,442            | -         | -         | 3,930,262                       |
| Motor Vehicles  | 6,736,208                         | 64,340            | -         | -         | 6,800,548                       |
| Buildings   | 27,077,560                        | -                 | -         | -         | 27,077,560                      |
| Systems and Structures                                | 74,979,486                        | -                 | -         | -         | 74,979,486                      |
| Total capital assets being depreciated                | <u>112,627,074</u>                | <u>160,782</u>    | <u>-</u>  | <u>-</u>  | <u>112,787,856</u>              |
| <b>Less accumulated depreciation for:</b>             |                                   |                   |           |           |                                 |
| Equipment   | 3,375,079                         | 76,895            | -         | -         | 3,451,974                       |
| Motor Vehicles  | 3,351,388                         | 353,862           | -         | -         | 3,705,250                       |
| Buildings   | 11,644,795                        | 904,215           | -         | -         | 12,549,010                      |
| Systems and Structures                                | 60,488,441                        | 2,177,579         | -         | -         | 62,666,020                      |
| Total accumulated depreciation                        | <u>78,859,703</u>                 | <u>3,512,551</u>  | <u>-</u>  | <u>-</u>  | <u>82,372,254</u>               |
| <b>Capital assets net of accumulated depreciation</b> | <u>33,767,371</u>                 | <u>-</u>          | <u>-</u>  | <u>-</u>  | <u>30,415,602</u>               |
| <b>Total component unit capital assets net</b>        | <u>\$ 55,585,907</u>              |                   |           |           | <u>\$ 73,283,937</u>            |

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

The composition of interfund balances as of December 31, 2023, is as follows:

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

| <b>Receivable<br/>Fund</b> | <b>Payable<br/>Fund</b>   | <b>Amount</b>       |     |
|----------------------------|---------------------------|---------------------|-----|
| General Fund               | Non-Major Governmental    | \$ 275,000          | (1) |
| Water Fund                 | Non-Major Enterprise Fund | 1,350,000           | (1) |
| Total                      |                           | <u>\$ 1,625,000</u> |     |

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

## 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                      |              | \$ 629                                    |  |  | \$ 5,125,869                 |                 |                 |              |                 |                           |                            | \$ 45,000              | \$ 5,171,498        |
| Special Assessment Fund           | \$ 507,368   |   |  |  | 642,925                      | \$ 467,699      |                 |              | \$ 107,812      |                           |                            |                        | 1,725,804           |
| Current Year Capital Project Fund | -            | 1,796,001                                 | \$ 315,835                                 |  |                              |                 |                 |              |                 |                           |                            |                        | 2,111,836           |
| Street and Infrastructure Fund    | 1,300,000    |   | \$ 6,392,431                               |  | 100,000                      | -               |                 |              |                 |                           | \$ 301,062                 |                        | 8,093,493           |
| Other Governmental Funds          | 440,867      | 18,232                                    | 25,000                                     | \$ 17,651,566                                  | 1,348,543                    | \$ -            | \$ 6,348,362    | \$ 2,000,000 | \$ 821,537      |                           |                            |                        | 28,654,107          |
| Sanitation Fund                   | 7,500        |   |  |  | -                            |                 |                 | 15,000       |                 |                           |                            | 15,000                 | 37,500              |
| Wastewater Fund                   | 32,300       |   | 200,710                                    |  | -                            | 32,468          |                 | 15,000       |                 |                           |                            |                        | 280,478             |
| Water Fund                        | 27,763       |   | 191,764                                    |  |                              |                 |                 |              |                 |                           |                            |                        | 219,527             |
| Stormwater Fund                   | 10,100       |   | 84,743                                     |  | 3,772                        |                 |                 |              |                 |                           |                            |                        | 98,615              |
| Job Development Authority         | 17,057       |   | -  |  | -                            |                 |                 |              |                 |                           |                            |                        | 17,057              |
| Internal Service Funds            | -            |   |  |  |                              | 192,000         |                 |              |                 |                           |                            | -                      | 192,000             |
| Total Transfers In                | \$ 2,342,955 | \$ 1,814,862                              | \$ 7,210,483                               | \$ 17,651,566                                  | \$ 7,221,109                 | \$ 692,167      | \$ 6,348,362    | \$ 2,030,000 | \$ 929,349      | \$ -                      | \$ -                       | \$ 361,062             | \$ 46,601,915       |

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

Numbers may vary slightly due to rounding

## E. Leases

### Leases Payable

As of 12/31/2023, Grand Forks, ND had 11 active leases. The leases have payments that range from \$18,150 to \$169,781 and interest rates that range from 2.1500% to 5.5900%. As of 12/31/2023, the total combined value of the lease liability is \$3,324,559. The combined value of the right to use asset, as of 12/31/2023 of \$4,821,582 with accumulated amortization of \$1,485,115 is included within the Lease Class activities table found below.

#### 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        | \$1,485,115              |
| Total Leases | <u>\$4,821,582</u> | <u>\$1,485,115</u>       |

##### Governmental Activities

| Fiscal Year | Principal Payments | Interest Payments | Total Payments     |
|-------------|--------------------|-------------------|--------------------|
| 2024        | \$327,307          | \$123,058         | \$450,365          |
| 2025        | 254,429            | 110,716           | 365,145            |
| 2026        | 222,848            | 99,736            | 322,584            |
| 2027        | 1,324,269          | 89,146            | 1,413,415          |
| 2028        | <u>256,503</u>     | <u>15,289</u>     | <u>271,792</u>     |
| Total       | <u>\$2,385,356</u> | <u>\$ 437,945</u> | <u>\$2,823,301</u> |

##### Business-Type Activities

| Fiscal Year | Principal Payments | Interest Payments | Total Payments   |
|-------------|--------------------|-------------------|------------------|
| 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>\$939,203</u>   | <u>\$52,155</u>   | <u>\$991,358</u> |

### Lease Receivable

As of 12/31/2023, Grand Forks, ND had 15 active leases. The leases have receipts that range from \$5,000 to \$672,492 and interest rates that range from 0.2383% to 2.1843%. As of 12/31/2023, the total combined value of the lease receivable is \$3,383,883, and the combined value of the deferred inflow of resources is \$3,392,528.

Principal and Interest Expected to Maturity

| Fiscal Year | Business-Type Activities |                   | Total              |
|-------------|--------------------------|-------------------|--------------------|
|             | Principal Payments       | Interest Payments | Payments           |
| 2024        | \$947,876                | \$26,471          | \$974,348          |
| 2025        | 727,232                  | 20,548            | 747,781            |
| 2026        | 705,280                  | 15,001            | 720,281            |
| 2027        | 205,565                  | 10,954            | 216,519            |
| 2028        | 36,052                   | 10,133            | 46,185             |
| 2029 - 2033 | 138,138                  | 43,846            | 181,984            |
| 2034 - 2038 | 174,382                  | 31,073            | 205,455            |
| 2039 - 2043 | 186,593                  | 15,324            | 201,917            |
| 2044 - 2047 | <u>94,099</u>            | <u>3,030</u>      | <u>97,129</u>      |
| Total       | <u>\$3,215,217</u>       | <u>\$176,380</u>  | <u>\$3,391,599</u> |

| Fiscal Year | Governmental Activities |                   | Total            |
|-------------|-------------------------|-------------------|------------------|
|             | Principal Payments      | Interest Payments | Payments         |
| 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        | 12,998                  | 1,522             | 14,520           |
| 2029 - 2033 | 73,624                  | 4,784             | 78,408           |
| 2034 - 2038 | <u>33,068</u>           | <u>474</u>        | <u>33,542</u>    |
| Total       | <u>\$168,666</u>        | <u>\$14,564</u>   | <u>\$183,230</u> |

**F. Subscription Based IT Arrangements:**

For the year ended 12/31/2023, the financial statements include the adoption of GASB Statement No. 96, Subscription-Based Information Technology Arrangements. The primary objective of this statement is to enhance the relevance and consistency of information about governments' subscription activities. This statement establishes a single model for subscription accounting based on the principle that subscriptions are financings of the right to use an underlying asset. Under this Statement, an organization is required to recognize a subscription liability and an intangible right-to-use subscription asset. For additional information, refer to the disclosures below.

As of 12/31/2023, Grand Forks, ND had 11 active subscriptions. The subscriptions have payments that range from \$3,150 to \$60,500 and interest rates that range from 2.3633% to 2.9010%. As of 12/31/2023, the total combined value of the subscription liability is \$363,071. The combined value of the right to use subscription, as of 12/31/2023 of \$667,876 with accumulated amortization of \$172,724 is included within the Subscription Class activities table found below.

Amount of Subscription Assets by Major Classes of Underlying Asset

As of Fiscal Year-end

| Asset Class   | Subscription<br>Asset Value | Accumulated<br>Amortization |
|---------------|-----------------------------|-----------------------------|
| Subscriptions | \$667,876                   | \$172,724                   |
| Total         | <u>\$667,876</u>            | <u>\$172,724</u>            |

Governmental Activities

| Fiscal Year | Principal<br>Payments | Interest<br>Payments | Total<br>Payments |
|-------------|-----------------------|----------------------|-------------------|
| 2024        | \$14,349              | \$959                | \$15,308          |
| 2025        | 15,924                | 550                  | 16,474            |
| 2026        | <u>5,550</u>          | <u>95</u>            | <u>5,645</u>      |
| Total       | <u>\$35,823</u>       | <u>\$1,604</u>       | <u>\$37,427</u>   |

Business-Type Activities

| Fiscal Year | Principal<br>Payments | Interest<br>Payments | Total<br>Payments |
|-------------|-----------------------|----------------------|-------------------|
| 2024        | \$ 27,327             | \$3,147              | \$30,474          |
| 2025        | 28,968                | 2,421                | 31,389            |
| 2026        | 30,679                | 1,651                | 32,330            |
| 2027        | <u>31,494</u>         | <u>836</u>           | <u>32,330</u>     |
| Total       | <u>\$118,468</u>      | <u>\$8,055</u>       | <u>\$126,523</u>  |

Internal Service Fund Activities

| Fiscal Year | Principal<br>Payments | Interest<br>Payments | Total<br>Payments |
|-------------|-----------------------|----------------------|-------------------|
| 2024        | \$80,945              | \$5,926              | \$86,871          |
| 2025        | 67,215                | 3,656                | 70,871            |
| 2026        | <u>60,620</u>         | <u>1,755</u>         | <u>62,375</u>     |
| Total       | <u>\$208,780</u>      | <u>\$11,337</u>      | <u>\$220,117</u>  |

**G. 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, 2023, totaled \$885,000. 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 \$135,460,484. The general obligation debt, net of cash available for bond retirement was \$1,022,730 leaving a legal debt margin of \$134,437,754. For a complete listing of the bonds outstanding please refer to pages 169-171 schedule H-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 \$20,760,000 of Special Assessment Refunding Improvement Bonds, Series 2023F to finance various improvement projects within the City.

The City drew down \$2,276,156 from the \$3,167,000 of Stormsewer Refunding Bonds, Series 2023B to finance construction of a regional storm pond through the North Dakota State Department of Health in 2023. This bond will be repaid through wastewater fees. The outstanding balance as of December 31, 2023, was \$2,276,156.

\$813,465 was drawn down from the \$4,380,000 of Sewer Refunding Bonds, Series 2023D to finance construction of a sewermain in the Highway 81 Area through the North Dakota State Department of Health in 2023. This bond will be repaid through wastewater fees. The outstanding balance as of December 31, 2023, was \$813,465.

The City pledges special assessments against benefited properties for payment of these bonds. The special assessment bonds outstanding as of December 31, 2023, totaled \$111,421,047. Their original issue amount totaled \$149,546,989. For a complete listing of the bonds outstanding please refer to schedule H-8 on pages 169-171.

#### 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, 2023, there were no outstanding sales tax revenue bonds for governmental activities. Sales tax revenue bonds outstanding as of December 31, 2023, for business-type activities totaled \$20,770,000. The original issue amount totaled \$40,380,000. Business-type activities sales tax bonds principal and interest for the current year was \$4,016,100. The sales tax revenue for the year was \$10,542,814.

For a complete listing of the bonds outstanding please refer to schedule H-8 on pages 169-171. The annual principal and interest payments for the sales tax bonds are shown at the end of the revenue bond note.

### 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.

The City drew down \$420,036 from the \$54,620,000 of Sewer Reserve Revenue Bonds, Series 2023C to finance improvements to the Wastewater Treatment Plant through the North Dakota State Department of Health in 2023. This bond will be repaid through wastewater fees. The outstanding balance as of December 31, 2023, was \$420,036.

\$1,966,160 was drawn down from the \$5,607,000 of Sewer Reserve Revenue Bonds, Series 2023E to finance construction of Lift Station #49 and forcemain through the North Dakota State Department of Health in 2023. This bond will be repaid through wastewater fees. The outstanding balance as of December 31, 2023, was \$1,966,160.

The City drew down \$15,071 from the \$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. The outstanding balance as of December 31, 2023, was \$15,071.

Business-type revenue bonds outstanding as of December 31, 2023, for business-type activities totaled \$99,088,078; \$26,166,810 for revenue bonds and \$72,921,268 for SRF loans. Their original issue amounts totaled \$173,977,996 revenue bonds \$34,310,011, and SRF loans \$72,921,268 respectively.

Principal and interest paid for the current year on the water revenue bonds was \$2,865,997. Water fund operating revenue totaled \$13,684,826 for the year. Principal and interest paid for the current year on the wastewater revenue bonds was \$1,547,300. Wastewater fund operating revenue totaled \$11,894,346 for the year. Principal and interest paid for the current year on the sanitation revenue bonds was \$810,891. Sanitation fund operating revenue totaled \$11,493,938 for the year.



Principal and interest paid for the current year on the mosquito control revenue bonds was \$96,019. Mosquito Control fund operating revenue totaled \$1,149,907 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 H-8 on pages 169-171.

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<br>December 31          | General Obligation<br>Bonds |           | Special Assessment<br>Bonds |               | SRF - Loans (1) (2) |              | Total Principal &<br>Interest |
|-------------------------------------|-----------------------------|-----------|-----------------------------|---------------|---------------------|--------------|-------------------------------|
|                                     | Principal                   | Interest  | Principal                   | Interest      | Principal           | Interest     |                               |
| 2024                                | \$ 320,000                  | \$ 35,400 | \$ 5,535,909                | \$ 4,161,997  | \$ -                | \$ 83,230    | \$ 10,136,536                 |
| 2025                                | 330,000                     | 22,600    | 5,298,727                   | 3,910,774     | 80,000              | 97,800       | 9,739,901                     |
| 2026                                | 235,000                     | 9,400     | 5,236,601                   | 3,694,025     | 165,000             | 96,600       | 9,436,626                     |
| 2027                                |                             |           | 5,129,533                   | 3,480,030     | 170,000             | 94,125       | 8,873,688                     |
| 2028                                |                             |           | 5,647,524                   | 3,280,537     | 175,000             | 91,575       | 9,194,636                     |
| 2029-2033                           |                             |           | 26,784,616                  | 13,055,632    | 915,000             | 417,825      | 41,173,073                    |
| 2034-2038                           |                             |           | 21,848,881                  | 8,421,261     | 1,010,000           | 346,425      | 31,626,567                    |
| 2039-2043                           |                             |           | 19,281,917                  | 4,862,018     | 1,115,000           | 267,675      | 25,526,610                    |
| 2044-2048                           |                             |           | 11,502,717                  | 1,712,229     | 1,235,000           | 180,450      | 14,630,396                    |
| 2049-2053                           |                             |           | 2,065,001                   | 227,250       | 1,360,000           | 83,925       | 3,736,176                     |
| 2054-2055                           |                             |           |                             |               | 372,000             | 6,675        | 378,675                       |
| Total<br>Governmental<br>Activities | \$ 885,000                  | \$ 67,400 | \$ 108,331,426              | \$ 46,805,753 | \$ 6,597,000        | \$ 1,766,305 | \$ 164,452,884                |

1. SRF loans include loans for regional stormwater pond and sanitary sewer mains-to be paid from special assessments
2. Payment schedule based on full amount of the State Revolving Fund Loan-will differ from amounts drawn & outstanding.

### Business-type Activities

| Year Ending<br>December 31  | Revenue<br>Bonds (1) |              | Sales Tax Revenue<br>Bonds (2) |              | SRF - Loans (3) (4) |               | Total Principal &<br>Interest |
|-----------------------------|----------------------|--------------|--------------------------------|--------------|---------------------|---------------|-------------------------------|
|                             | Principal            | Interest     | Principal                      | Interest     | Principal           | Interest      |                               |
| 2024                        | \$ 1,646,459         | \$ 797,070   | \$ 3,055,000                   | \$ 960,600   | \$ 2,287,000        | \$ 1,930,168  | \$ 10,676,297                 |
| 2025                        | 1,691,988            | 741,633      | 3,205,000                      | 807,850      | 3,820,000           | 1,930,165     | 12,196,636                    |
| 2026                        | 1,752,628            | 680,444      | 3,365,000                      | 647,600      | 3,608,000           | 1,870,065     | 11,923,737                    |
| 2027                        | 1,713,380            | 622,141      | 3,535,000                      | 479,350      | 3,678,000           | 1,815,945     | 11,843,816                    |
| 2028                        | 1,764,248            | 562,036      | 3,715,000                      | 302,600      | 3,745,000           | 1,760,775     | 11,849,659                    |
| 2029-2033                   | 8,418,445            | 1,894,543    | 3,895,000                      | 116,850      | 19,885,000          | 7,938,450     | 42,148,288                    |
| 2034-2038                   | 5,193,772            | 844,857      |                                |              | 21,950,000          | 6,386,250     | 34,374,879                    |
| 2039-2043                   | 2,856,306            | 263,970      |                                |              | 24,225,000          | 4,673,100     | 32,018,376                    |
| 2044-2048                   | 1,129,585            | 42,965       |                                |              | 26,750,000          | 2,782,050     | 30,704,600                    |
| 2049-2053                   |                      |              |                                |              | 18,195,000          | 894,150       | 19,089,150                    |
| 2054                        |                      |              |                                |              | 2,641,500           | 39,907        | 2,681,407                     |
| Business-type<br>Activities | \$ 26,166,811        | \$ 6,449,659 | \$ 20,770,000                  | \$ 3,314,850 | \$ 130,784,500      | \$ 32,021,025 | \$ 219,506,845                |

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 cleanwell, wastewater treatment plant, water treatment plant and bio-solids management project, watermain and lift station projects-to be paid from user utility fees.
4. Payment schedule based on full amount of the 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, 2023, is as follows:

|  | Beginning<br>Balance as<br>restated | Additions            | Reductions           | Ending<br>Balance     | Due within<br>One Year |
|--|-------------------------------------|----------------------|----------------------|-----------------------|------------------------|
| <b>Governmental Activities:</b>  |                                     |                      |                      |                       |                        |
| Bonds Payable:   |                                     |                      |                      |                       |                        |
| General obligation   | \$ 1,190,000                        | \$ -                 | \$ 305,000           | \$ 885,000            | \$ 320,000             |
| Unamortized Premium  | 94,443                              | -                    | 24,113               | 70,330                | -                      |
| Special Assessment with<br>GO commitment   | 93,146,978                          | 20,760,000           | 5,575,552            | 108,331,426           | 5,535,909              |
| Unamortized Premium  | 5,215,731                           | 464,663              | 314,888              | 5,365,506             | -                      |
| Unamortized Discount   | (1,635)                             | -                    | (269)                | (1,366)               | -                      |
| Total bonds payable  | 99,645,517                          | 21,224,663           | 6,219,284            | 114,650,896           | 5,855,909              |
| NDBB-SRF Loan  | -                                   | 3,089,621            | -                    | 3,089,621             | -                      |
| Lease Liability  | 2,741,495                           | -                    | 356,139              | 2,385,356             | 327,307                |
| Subscription liability   | -                                   | 49,861               | 14,038               | 35,823                | 14,349                 |
| Compensated absences   | 5,644,175                           | 1,360,025            | 486,000              | 6,518,200             | 545,000                |
| Net pension liability Single Employer Plan   | 8,806,513                           | 13,348,570           | -                    | 22,155,083            | -                      |
| Net pension liability NDPERS-Main Plan   | 26,271,415                          | -                    | 8,609,765            | 17,661,650            | -                      |
| Net pension liability NDPERS-Public Safety   | 13,134,044                          | -                    | 3,300,218            | 9,833,826             | -                      |
| Net OPEB liability NDPERS  | 1,575,711                           | -                    | 158,078              | 1,417,633             | -                      |
| Governmental Activity<br>Long-term Liabilities                                     | <u>\$ 157,818,870</u>               | <u>\$ 39,072,740</u> | <u>\$ 19,143,522</u> | <u>\$ 177,748,088</u> | <u>\$ 6,742,565</u>    |
| Internal Service Fund long-term<br>liabilities included in governmental activities |                                     |                      |                      | <u>\$ 319,644</u>     |                        |
| Total long-term liabilities in the statement of net position                       |                                     |                      |                      | <u>\$ 178,067,732</u> |                        |
| *Totals maybe be off slightly due to rounding                                      |                                     |                      |                      |                       |                        |

|   | Beginning<br>Balance as<br>restated | Additions           | Reductions           | Ending<br>Balance     | Due within<br>One Year |
|---|-------------------------------------|---------------------|----------------------|-----------------------|------------------------|
| <b>Business-type Activities:</b>                |                                     |                     |                      |                       |                        |
| Bonds payable:                                  |                                     |                     |                      |                       |                        |
| Revenue bonds                                   | \$ 27,456,250                       | \$ -                | \$ 1,289,439         | \$ 26,166,811         | \$ 1,646,459           |
| Unamortized Discount                            | (13,949)                            | -                   | (1,443)              | (12,506)              | -                      |
| Unamortized Premium                             | 980,816                             | -                   | 89,269               | 891,547               | -                      |
| Sales tax revenue bonds                         | 23,680,000                          | -                   | 2,910,000            | 20,770,000            | 3,055,000              |
| Unamortized Premium                             | 3,163,694                           | -                   | 454,663              | 2,709,031             | -                      |
| Total Bonds payable                             | 55,266,811                          | -                   | 4,741,928            | 50,524,883            | 4,701,459              |
| NDBB-SRF Loan                                   | 72,750,000                          | 2,401,268           | 2,230,000            | 72,921,268            | 2,287,000              |
| Landfill closure/postclosure                    | 5,919,527                           | 1,031,693           | 1,520                | 6,949,700             | -                      |
| Lease liability                                 | 1,297,171                           | -                   | 357,968              | 939,203               | 366,698                |
| Subscription liability                          | -                                   | 163,420             | 44,952               | 118,468               | 27,327                 |
| Compensated absences                            | 1,452,301                           | 70,505              | 62,593               | 1,460,213             | 45,541                 |
| Net pension liability Single Employer Plan      | 2,612,724                           | 3,960,261           | -                    | 6,572,985             | -                      |
| Net pension liability NDPERS                    | 22,128,391                          | -                   | 7,251,998            | 14,876,393            | -                      |
| Net OPEB liability NDPERS                       | 1,327,219                           | -                   | 133,147              | 1,194,072             | -                      |
| Business-type Activity<br>Long-term Liabilities | <u>\$ 162,754,144</u>               | <u>\$ 7,627,147</u> | <u>\$ 14,824,106</u> | <u>\$ 155,557,185</u> | <u>\$ 7,428,025</u>    |
| *Totals maybe be off slightly due to rounding   |                                     |                     |                      |                       |                        |

### Prior year defeasance of debt

There are no defeased bonds outstanding as of December 31, 2023.

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, 2023, the aggregate principal amount payable of the seven series issued was \$644,742,939. Their original issue amounts totaled \$691,525,835.

### 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, 2023, there were no amounts for arbitrage rebates.

## **H. 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.

## **I. 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 | \$ | 8,803,154  |
| Customer deposits                                    |    | 98,694     |
| Operating & Capital Reserve                          |    | 319,424    |
| Construction account                                 |    | 13,773,095 |
| Revenue bond current debt service account            |    | 25,181,441 |
| Revenue bond reserve account                         |    | 8,536,115  |
| Reserve for landfill closure                         |    | 1,729,302  |
| Total restricted assets                              | \$ | 58,441,225 |

The fund balances of the governmental funds are as follows:

|   | General<br>Fund | Major Debt<br>Service Fund<br>Special<br>Assessment<br>Fund | Major Capital<br>Project Fund<br>Current<br>Year Projects | Major Capital<br>Project Fund<br>Street and<br>Infrastructure<br>Fund | Other<br>Governmental<br>Funds | Total          |
|---|-----------------|---|---|---|--------------------------------|----------------|
| <b>Fund Balances:</b>   |                 |   |   |   |                                |                |
| <b>Nonspendable:</b>  |                 |   |   |   |                                |                |
| Prepaid Items   | \$ 2,254        |   |   |   | \$ 28,358                      | \$ 30,612      |
| <b>Restricted for:</b>  |                 |   |   |   |                                |                |
| Debt service  |                 | \$ 13,974,335   |   |   | 342,464                        | 14,316,799     |
| Construction  |                 |   | \$ 13,268,744   |   |                                | 13,268,744     |
| Community development   |                 |   |   |   | 3,422,908                      | 3,422,908      |
| Economic development  |                 |   |   |   | 9,903,740                      | 9,903,740      |
| Public buildings  |                 |   |   |   | 46,154                         | 46,154         |
| Public safety:  |                 |   |   |   |                                |                |
| Police and Fire Grants  |                 |   |   |   | 228,405                        | 228,405        |
| Public Safety Answering Point/E911                                  |                 |   |   |   | 2,237,057                      | 2,237,057      |
| Emergency   |                 |   |   |   | 165,487                        | 165,487        |
| Health and welfare:   |                 |   |   |   |                                |                |
| Health Grants   |                 |   |   |   | 994,044                        | 994,044        |
| Nuisance Abatement  |                 |   |   |   | 69,637                         | 69,637         |
| Library   |                 |   |   |   | 2,249,514                      | 2,249,514      |
| Flood control/greenway projects                                     |                 |   |   |   | 8,722,594                      | 8,722,594      |
| Infrastructure  |                 |   |   | \$ 15,785,734   | 5,911,723                      | 21,697,457     |
| City special assessments  |                 |   |   |   | 1,597,213                      | 1,597,213      |
| Other purposes  |                 |   |   |   | 378,393                        | 378,393        |
| <b>Committed to:</b>  |                 |   |   |   |                                |                |
| Special assessment deficiencies,<br>infrastructure and pension need | 440,599         |   |   |   |                                | 440,599        |
| Sick leave liability  | 335,577         |   |   |   |                                | 335,577        |
| Bridges and Underpasses   |                 |   |   |   | 1,731,994                      | 1,731,994      |
| Future capital purchases  |                 |   |   |   | 1,606,719                      | 1,606,719      |
| Public buildings  |                 |   |   |   | 755                            | 755            |
| <b>Assigned to:</b>   |                 |   |   |   |                                |                |
| Public safety - fire station  | 1,070,095       |   |   |   |                                | 1,070,095      |
| Department cash carryover   | 1,288,595       |   |   |   |                                | 1,288,595      |
| Other purposes  | 1,179           |   |   |   |                                | 1,179          |
| <b>Unassigned</b>   | 17,315,721      |   |   |   |                                | 17,315,721     |
| Total Fund Balance  | \$ 20,454,020   | \$ 13,974,335   | \$ 13,268,744   | \$ 15,785,734   | \$ 39,637,159                  | \$ 103,119,992 |

The net investment in capital assets was calculated as follows:

| <b><u>Net Investment in Capital Assets</u></b>   | <b><u>Governmental<br/>Activities</u></b> |
|--|---|
| Total capital assets (both tangible and intangible)  | \$ 476,388,142                            |
| Less: Accumulated depreciation/amortization  | 204,315,957                               |
| Net carrying value of capital assets   | 272,072,185                               |
| 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") | 104,439,850                               |
| Outstanding principal of debt and other borrowing used to refund capital-related borrowings  | 3,135,000                                 |
| Lease Liability  | 2,385,356                                 |
| Subscription Liability   | 244,603                                   |
| Outstanding principal balance of any other (non-debt) capital related liabilities as of fiscal year end, including capital accounts payable and retainage payable  | 2,324,000                                 |
| Unamortized original issue premiums on outstanding capital debt  | 5,435,836                                 |
|  | 117,964,645                               |
| Plus:  |   |
| Unamortized original issue discounts on outstanding capital debt   | 1,366                                     |
| Capital-related deferred outflows of resources (such as a loss on refunding of outstanding capital d   | 153,261                                   |
|  | 154,627                                   |
| <b>Equals: Net investment in capital assets</b>  | <b>154,262,167</b>                        |

#### 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, 2023. There is approximately \$1.73 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 2,715,044 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 2,715,044 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, 2023 the solid waste cubic yards capacity remaining is 1,111,549.

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 \$5.4 million reported as MSWLF closure and post-closure care liability for the new landfill at December 31, 2023 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.

| <b>Selected Retirement Age</b> | <b>Contribution Rate</b> |
|--------------------------------|--------------------------|
| 55                             | 7.4%                     |
| 62                             | 4.7%                     |
| 65                             | 3.7%                     |

6. **Average Earnings:** The average considered compensation for the seven highest consecutive calendar years during the last ten consecutive years preceding the retirement or termination date.
7. **Past Benefit Service:** All service with employer prior to January 1, 1970, limited to 10 years.

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

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

#### B. Benefits Provided

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

##### Past Service Benefit:

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

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

##### Future Service Benefit:

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

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

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

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

Disability Benefit: Same as early retirement benefit.

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

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

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

C. Employees Covered by Benefit Terms

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

|   |            |
|---|------------|
| At January 1, 2024 membership consisted of:                   |            |
| Retired employees and beneficiaries                           | 328        |
| Terminated Participants with deferred benefits                | 21         |
| Nonvested terminated participants<br>entitled to a refund     | 0          |
| All other employees with vested<br>employer provided benefits | 28         |
| <b>TOTAL</b>  | <b>377</b> |

The payroll for the employees covered by the City Employee Pension Plan for the year ended December 31, 2023, was \$1,856,650. The total payroll was \$2,523,408.

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, 2024, for participants under normal retirement age is \$1,856,650.

City Council has authority to establish and amend contribution requirements.

Contributions made for the City Pension Plan totaled \$3,298,526 (\$3,126,869 employer, \$171,657 employee). The employer contribution was equivalent to 168.4% of annual covered payroll and the employee contributions were the equivalent of 9.2% of annual covered payroll, respectively.

E. Actuarial Methods and Assumptions.

The City's net pension liability was measured as of December 31, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of January 1, 2023.

Actuarial assumptions. The total pension liability in the January 1, 2023, 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, 2023, valuation were based on the results of an actuarial experience study for the period January 1, 2022-December 31, 2022.

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

|                              |   |
|------------------------------|---|
| Actuarial Assumptions:       |   |
| Investment Rate of Return    | 7.00% Compounded Annually   |
| Salary Scale/ Inflation Rate | 2.50% Per Year  |
| Mortality                    | Police and Firefighters: Pub-2010 Safety – Full Data Set Mortality Table with generational mortality projection using Scale MP-2021<br>All Other Participants: Pub-2010 General – Full Data Set Mortality Table with generational mortality projections using Scale MP-2021 |
| 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 | 15.64%            | 3.49%  |
| US Corp Bonds-High Yield  | 6.44%             | 4.95%  |
| US Treasuries             | 8.92%             | 1.99%  |
| US Equity – Large Cap     | 25.08%            | 6.54%  |
| US Equity – Small/Mid Cap | 4.43%             | 6.99%  |
| Non-US Equity – Developed | 16.30%            | 7.08%  |
| Non-US Equity Emerging    | 3.36%             | 7.89%  |
| Real Estate               | 6.44%             | 5.98%  |
| Commodities               | 1.56%             | 4.23%  |
| Infrastructure            | 5.80%             | 6.90%  |
| Private Equity            | 6.03%             | 9.84%  |

\* Return expectations are based on the 2022 Horizon Survey of Capital Market Expectations that compiles capital market expectations of several firms.

## F. Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability as of December 31, 2022. For December 31, 2022, the single discount rate was based on the expected rate of return on pension plan investments of 7.00% and a municipal bond rate of 3.72% (based on the 20-year Bond Buyer GO Index as of the end of December 2022). Based on the stated assumptions and the projection of cash flows, the pension plan's fiduciary net position and estimated future contributions were sufficient to finance the future benefit payments of the current plan members for all projection years. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of the projected benefit payments to determine the total pension liability. The projection of cash flows used to determine the single discount rate for each fiscal year end assumed that employer contributions will be made based on the current funding policy of at least the total recommended contribution in all future years which is intended to fully fund the plan by 2035.

## G. Schedule of Changes in Net Pension Liability

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

|  | <b>Total Pension<br/>Liability (a)</b> | <b>Plan Fiduciary<br/>Net Position<br/>(b)</b> | <b>Net Pension<br/>Liability (a)-(b)</b> |
|--|--|--|--|
| <b>January 1, 2022</b>                             | <b>\$ 101,128,900</b>                  | <b>\$ 89,709,662</b>                           | <b>\$ 11,419,238</b>                     |
| Service Cost                                       | 171,162                                |  | 171,162                                  |
| Interest   | 7,064,591                              |  | 7,064,591                                |
| Changes in assumptions                             | 4,289,822                              |  | 4,289,822                                |
| Differences between expected and actual experience | (42,301)                               |  | (42,301)                                 |
| Benefit Payments                                   | (7,852,246)                            | (7,852,246)                                    | -  |
| Contributions - Employer                           |  | 3,316,869                                      | (3,316,869)                              |
| Contributions - Employee                           |  | 196,109  | (196,109)                                |
| Administrative expenses                            |  | (17,848)                                       | 17,848                                   |
| Net investment income                              |  | (9,320,686)                                    | 9,320,686                                |
| Net Change   | 3,631,028                              | (13,677,802)                                   | 17,308,830                               |
| <b>December 31, 2022</b>                           | <b>\$ 104,759,928</b>                  | <b>\$ 76,031,860</b>                           | <b>\$ 28,728,068</b>                     |

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

The following presents the net pension liability of the City calculated using a discount rate of 7.00 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:

|                              | <b>1% Decrease<br/>(6.00%)</b> | <b>Current Discount<br/>Rate (7.00%)</b> | <b>1% Increase (8.00%)</b> |
|------------------------------|--------------------------------|--|----------------------------|
| City's Net Pension Liability | \$37,975,436                   | \$28,728,068                             | \$20,737,965               |

Pension plan fiduciary net position. Detailed information about the pension plan's fiduciary net position as of January 1, 2024, 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, 2023, the City recognized pension expense of \$6,162,779.

As of December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

| <b>Schedule of Deferred Outflows/Inflows</b>  |                                       |           |                                      |
|---|---------------------------------------|-----------|--------------------------------------|
|   | <b>Deferred Outflows of Resources</b> |           | <b>Deferred Inflows of Resources</b> |
| Differences between expected and actual experience  | \$                                    | -         | \$ -                                 |
| Changes of assumptions  |                                       | -         | -                                    |
| Net difference between projected and actual earnings on pension plan investments subsequent to the measurement date |                                       | 5,583,253 | -                                    |
|   |                                       | 3,126,869 | -                                    |
| Total   | \$                                    | 8,710,122 | \$ -                                 |

\$3,126,869 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, 2024. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| <b>Year</b> | <b>Outflows/Inflows</b> |
|-------------|-------------------------|
| 2024        | \$ (260,937)            |
| 2025        | 1,049,868               |
| 2026        | 1,658,423               |
| 2027        | 3,135,900               |

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

#### **Post Employment Benefits**

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

The contributions are held in trust by the LaSalle National Bank as trustee of the PEHP for the exclusive benefit of the plan participants and their qualified dependents. Nationwide Retirement Solutions, Inc. is the administrator for the Post Employment Health Plan. The City contributed \$236,739 for the plan year ended December 31, 2023. The total fair value of plan assets as of December 31, 2023 was \$6,742,843.

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

### **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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

#### ***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. The main plan will be closed to new employees with the passage of North Dakota House bill 1040. The closure of the plan will be effective January 1, 2025.

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, 2023, the City reported a net pension liability of \$32,538,043 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023 the Employer's proportion was 1.687437 percent, which is an increase of



0.006927 percent from its proportion measured at June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$546,545. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual experience  | \$ 1,059,218                   | \$ 179,446                    |
| Changes of assumptions  | 17,941,859                     | 24,697,202                    |
| Net difference between projected and actual earnings on pension plan investments                              | 853,740                        | -                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 972,758                        | 5,075,679                     |
| Employer contributions subsequent to the measurement date   | 810,868                        | -                             |
| Total   | \$ 21,638,443                  | \$ 29,952,327                 |

\$810,868 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, 2024.

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: |                |
| 2024                     | \$ (2,274,501) |
| 2025                     | (5,649,033)    |
| 2026                     | 675,678        |
| 2027                     | (1,876,897)    |
| 2028                     | -              |
| Thereafter               | -              |

### Actuarial Assumptions

The total pension liability in the July 1, 2023 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  | 6.50%, net of investment expenses  |
| Cost-of-living adjustments | None                               |

For active members, inactive members and healthy retirees, mortality rates were based on the 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       | 31%               | 6.25%                                  |
| International Equity  | 20%               | 6.95%                                  |
| Private Equity        | 7%                | 9.45%                                  |
| Domestic Fixed Income | 23%               | 2.51%                                  |
| Global Real Assets    | 19%               | 4.33%                                  |

### **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 3.86%; and resulting Single Discount Rate is 6.50%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

|   | 1% Decrease (5.50%) | Current Discount<br>Rate (6.50%) | 1% Increase (7.50%) |
|---|---------------------|----------------------------------|---------------------|
| Employer's proportionate<br>share of the net pension<br>liability | \$ 44,862,145       | \$ 32,538,043                    | \$ 22,314,246       |

## **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is included in the report of the separately issued NDPERS financial report available on the NDPERS website, <https://www.ndpers.nd.gov/about/financial-actuarial-reports>

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

### ***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 eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

### ***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. 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:

| <b>Plan</b>                              | <b>Member contribution rate</b> | <b>Employer contribution rate</b> |
|--|---------------------------------|-----------------------------------|
| 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, 2023, the City reported a net pension liability of \$9,833,826 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, 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, 2023 the Employer's proportion was 16.232368 percent which was an increase of .23415 percent over June 30, 2022.

For the year ended December 31, 2023, the City recognized pension expense of \$5,909,299. Due to the allocation of pension liabilities, negative expenses are possible. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
|---|--------------------------------|-------------------------------|
| Differences between expected and actual experience  | \$ 3,767,387                   | \$ 33,868                     |
| Changes of assumptions  | 8,656,511                      | 11,903,812                    |
| Net difference between projected and actual earnings on pension plan investments                              | 503,121                        | -                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 1,645,738                      | 56,406                        |
| Employer contributions subsequent to the measurement date   | 601,288                        |                               |
| Total   | <u>\$ 15,174,045</u>           | <u>\$ 11,994,086</u>          |

\$601,288 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, 2024.

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

|            |              |
|------------|--------------|
| 2024       | \$ 1,197,674 |
| 2025       | 1,402,355    |
| 2026       | 650,583      |
| 2027       | 2,026        |
| 2028       | (542,176)    |
| Thereafter | (131,791)    |

## Actuarial Assumptions

The total pension liability in the July 1, 2023 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 6.50%, net of investment expenses

Cost-of-living adjustments None

For active members, inactive members and healthy retirees, mortality rates were based on the 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       | 31%               | 6.25%                                  |
| International Equity  | 20%               | 6.95%                                  |
| Private Equity        | 7%                | 9.45%                                  |
| Domestic Fixed Income | 23%               | 2.51%                                  |
| Global Real Assets    | 19%               | 4.33%                                  |

## 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 3.86% and the resulting Single Discount Rate is 6.50%.

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

The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 6.50 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50 percent) or 1-percentage-point higher (7.50 percent) than the current rate:

|   | 1% Decrease<br>(5.50%) | Current Discount<br>Rate (6.50%) | 1% Increase<br>(7.50%) |
|---|------------------------|----------------------------------|------------------------|
| Employer's proportionate share of the net pension liability | \$ 15,184,618          | \$ 9,833,826                     | \$ 5,741,516           |

### **Pension Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is included in the report of the separately issued NDPERS financial report available on the NDPERS website, <https://www.ndpers.nd.gov/about/financial-actuarial-reports>

### **F. Pension Summary**

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

| <b>Pension Plan</b>               | Net<br>Pension<br>Asset | Deferred<br>Outflows of<br>Resources-<br>Pension | Net Pension<br>Liability | Deferred<br>Inflows of<br>Resources-<br>Pension | Pension<br>Expense |
|-----------------------------------|-------------------------|--|--------------------------|---|--------------------|
| Single Employer Pension Plan      | \$ -                    | \$ 8,710,123                                     | \$ 28,728,068            | \$ 3  | \$ 3,035,972       |
| NDPERS Pension Plan-Main          | -                       | 21,638,443                                       | 32,538,043               | 29,952,327                                      | 546,545            |
| NDPERS Pension Plan-Public Safety | -                       | 15,174,045                                       | 9,833,826                | 11,994,086                                      | 5,909,299          |
| Total                             | \$ -                    | \$ 45,522,611                                    | \$ 71,099,937            | \$ 41,946,416                                   | \$ 9,491,816       |

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

#### **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

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. 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, 2023, the Employer reported a liability of \$2,611,705 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023, 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, 2023, the Employer's proportion was 2.612353 percent, which was an increase of .193868% from its proportion measured as of June 30, 2022.

For the year ended December 31, 2023, the Employer recognized OPEB expense of \$559,373. At December 31, 2023, 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  | \$ 49,135                      | \$ 29,888                     |
| Changes of assumptions  | 557,016                        | 216,281                       |
| Net difference between projected and actual earnings on pension plan investments                              | 188,637                        | -                             |
| Changes in proportion and differences between employer contributions and proportionate share of contributions | 197,907                        | 18,164                        |
| Employer contributions subsequent to the measurement date   | 156,605                        | -                             |
| Total   | \$ 1,149,300                   | \$ 264,333                    |

\$156,605 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, 2024.

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

|      |            |
|------|------------|
| 2024 | \$ 262,193 |
| 2025 | 230,007    |
| 2026 | 295,470    |
| 2027 | (59,308)   |

### **Actuarial assumptions**

The total OPEB liability in the July 1, 2023 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, 2023 are summarized in the following table:

| Asset Class                 | Target Allocation | Long-Term Expected Real Rate of Return |
|-----------------------------|-------------------|--|
| Large Cap Domestic Equities | 33%               | 6.10%                                  |
| Small Cap Domestic Equities | 6%                | 7.10%                                  |
| Domestic Fixed Income       | 35%               | 2.59%                                  |
| International Equities      | 26%               | 6.50%                                  |

### ***Discount rate***

The discount rate used to measure the total OPEB liability was 5.75%. 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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

|   | 1% Decrease (4.75%) | Current Discount Rate (5.75%) | 1% Increase (6.75%) |
|---|---------------------|-------------------------------|---------------------|
| Employer's proportionate share of the net OPEB liability \$ | 3,432,417 \$        | 2,611,705 \$                  | 1,920,762           |

### **OPEB Plan Fiduciary Net Position**

Detailed information about the pension plan's fiduciary net position is included in the report of the separately issued NDPERS financial report available on the NDPERS website, <https://www.ndpers.nd.gov/about/financial-actuarial-reports>

## **H. Concentration**

The Water Fund and the Wastewater Fund receive more than 10% of their operating revenue from one external customer. They received \$3.0 million (22.03%) and \$2.9 million (24.39%) in revenue respectively in 2023.

## **G. Tax Exemptions / Abatements**

As of 12/31/2023, the City of Grand Forks provides property tax exemptions under 16 programs/categories for property within the City limits: The New Home Builder, New Home Buyer, New and Expanding Business, Payment in Lieu of Tax, Commercial Remodel, Child Care Facilities, Residential Remodel, Renaissance Zone, Tax Increment Finance, Blind property owner, Charitable Organization, Renewable Energy, Group Homes, Housing Authority, Religious Organizations, and Wheel Chair property owner. All of these programs reduce the taxable value of the property by the applicable, or negotiated, dollar amount, therefore lowering the respective real estate taxes due on the property in question. North Dakota Century Code 40-05-24 further states that any tax exemption lasting longer than five years must have approval from the County Commission and each School District impacted.

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

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

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

Payment in Lieu of Tax agreement allows the City to accept an negotiated amount due as payment in lieu of ad valorem taxes on buildings, structures, fixtures and improvements used in the operation of a project for up to twenty years from the date of commencement of a project. This exemption is provided under the authority of the

State of North Dakota's Century Code 40-57.1, with resolution passed by the City on an individual basis.

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

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

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

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

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

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

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

The property tax exemption for renewable energy include the installations, machinery, and equipment of systems in new or existing buildings or structures, designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, or to store any of these, by utilization of solar, wind, or geothermal energy; provided, that if the solar, wind, or geothermal energy device is part of a system which uses other means of energy, only that portion of the total system directly attributable to solar, wind, or geothermal energy shall be exempt. Provided, however, that any exemptions granted by this subsection shall be valid for a five-year period following installation of any such system and apply only to locally assessed property. For the purposes of this subsection, solar or wind energy devices shall have the meaning provided in section 57-38-01.8 and geothermal energy device means a system or mechanism or series of mechanisms designed to provide heating or cooling or to produce electrical or mechanical power, or any combination of these, by a method which extracts or converts the energy naturally occurring beneath the earth's surface in rock structures, water, or steam. The exemption is provided by the authority of the State of North Dakota's Century Code 57-02-08-27.

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

The property of the Housing Authority used for low-income housing, authority administration, or other property solely owned by the authority and used to conduct the powers granted to the authority in this chapter, including an authority created under Indian laws recognized by the federal government, is declared to be public property used for essential public and governmental purposes and is exempt from all taxes and special assessments of the state or any political subdivision. Notwithstanding any other

provision of law, the property of an authority used for moderate income housing is exempt from all taxes of the state or any political subdivision except special assessments unless specifically exempted from the special assessment by the political subdivision. The exemption is provided under the authority of State of North Dakota's Century Code 23-11-29.

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

Property tax exemptions for property owners includes fixtures, buildings, and improvements up to the amount of valuation specified, when owned and occupied as a homestead, as hereinafter defined, by any permanently and totally disabled person who is permanently confined to use of a wheelchair, or, if deceased, the unremarried surviving spouse of a permanently and totally disabled person. If the spouse of a permanently and totally disabled person owns the homestead or if it is jointly owned by them, the same reduction in assessed valuation applies as long as both reside thereon. The provisions of this subdivision do not reduce the liability for special assessments levied upon the homestead. The phrase "permanently confined to use of a wheelchair" means that the person cannot walk with the assistance of crutches or any other device and will never be able to do so and that a physician selected by the local governing board has so certified. The exemption is provided under the authority of the State of North Dakota's Century Code 57-02-08-20.

| <u>Tax Exemption Program</u> | <u>Amount of Tax Exempted<br/>During the Fiscal Year</u> |
|------------------------------|--|
| New Home Builder             | \$ 42,365  |
| New Home Buyer               | 120,342  |
| New/Expanding Business       | 132,056  |
| Payment in Lieu of Tax       | 33,739   |
| Commercial Remodel           | 62,713   |
| Child Care Facilities        | 16,927   |
| Residential Remodel          | 35,513   |
| Renaissance Zone             | 81,730   |
| Tax Increment Financing      | 67,073   |
| Total City Exemptions        | <u>\$ 592,458</u>  |

#### State of North Dakota Tax Exemptions:

City property tax revenues were reduced by \$1,461,621 under agreements entered into by the State of North Dakota.

#### **J. Subsequent Events**

In February 2024, the City purchased land near the Alerus Center for \$2,123,837 for the site of the future Altru Sports and Aquatic Complex. This was paid through the  $\frac{3}{4}$  cent sales tax which was extended by public vote in November of 2023.

In April of 2024, the \$1,050,000 of Water Reserve Revenue Bonds, Series 2024A was issued. A total of \$1,050,000 with loan forgiveness of \$787,500 for a net obligation for the city of \$262,500. This program is 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 75% through the State's Loan Forgiveness Program.

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

**December 31, 2023**

**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           | 2023           |
|---|---------------|---------------|---------------|---------------|---------------|---------------|----------------|----------------|----------------|
| <b>Total Pension Liability</b>  |               |               |               |               |               |               |                |                |                |
| Service cost  | \$ 50,331     | \$ 556,392    | \$ 461,205    | \$ 406,090    | \$ 368,476    | \$ 365,903    | \$ 353,646     | \$ 256,767     | \$ 171,162     |
| 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      | 7,064,591      |
| 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)      | (42,301)       |
| Changes of assumptions  | -             | 3,000,205     | (1,030,576)   | 941,124       | (764,113)     | -             | 1,714,581      | -              | 4,289,822      |
| 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)    | (7,852,246)    |
| <b>Net change in total pension liability</b>                                      | 1,786,037     | 5,390,256     | 2,260,320     | 1,611,197     | 2,036,306     | 567,047       | 2,286,988      | (280,497)      | 3,631,028      |
| <b>Total pension liability - beginning</b>  | 85,471,244    | 87,257,281    | 92,647,537    | 94,907,857    | 96,519,054    | 98,555,360    | 99,122,407     | 101,409,395    | 101,128,898    |
| <b>Total pension liability - ending (a)</b>                                       | \$ 87,257,281 | \$ 92,647,537 | \$ 94,907,857 | \$ 96,519,054 | \$ 98,555,360 | \$ 99,122,407 | \$ 101,409,395 | \$ 101,128,898 | \$ 104,759,926 |
| <b>Plan fiduciary net position</b>  |               |               |               |               |               |               |                |                |                |
| 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   | \$ 3,316,869   |
| Contributions - employee  | 497,997       | 486,834       | 441,589       | 428,480       | 385,280       | 322,264       | 286,825        | 258,980        | 196,109        |
| 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     | (9,320,686)    |
| 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)    | (7,852,247)    |
| Administrative expenses   | (286,387)     | (237,060)     | (182,647)     | (204,338)     | (169,566)     | (219,381)     | (252,210)      | (276,184)      | (17,849)       |
| Other   | -             | -             | 11,888        | -             | -             | -             | -              | -              | -              |
| <b>Net change in plan fiduciary net position</b>                                  | 2,899,839     | (540,683)     | 2,696,068     | 7,611,445     | (4,970,450)   | 8,577,094     | 4,899,157      | 10,226,362     | (13,677,804)   |
| <b>Plan fiduciary net position - beginning</b>                                    | 58,322,718    | 61,222,557    | 60,681,874    | 63,377,942    | 70,977,499    | 66,007,049    | 74,584,143     | 79,483,300     | 89,709,662     |
| <b>Plan fiduciary net position - ending (b)</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  | \$ 76,031,858  |
| <b>City's net pension liability - ending (a)-(b)</b>                              | \$ 26,034,724 | \$ 31,965,663 | \$ 31,529,915 | \$ 25,529,667 | \$ 32,548,311 | \$ 24,538,264 | \$ 21,926,095  | \$ 11,419,236  | \$ 28,728,068  |
| <b>Plan fiduciary net position as a percentage of the total pension liability</b> | 70%           | 65%           | 67%           | 74%           | 67%           | 75%           | 78%            | 89%            | 73%            |
| <b>Covered payroll</b>  | \$ 7,953,162  | \$ 7,540,235  | \$ 6,613,621  | \$ 6,272,995  | \$ 5,601,246  | \$ 4,451,392  | \$ 4,400,244   | \$ 2,956,450   | \$ 2,491,260   |
| <b>City's net pension liability as a percentage of covered payroll</b>            | 327%          | 424%          | 477%          | 407%          | 581%          | 551%          | 498%           | 386%           | 1153%          |

\* 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     | 12/31/2023     |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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   | \$ 2,744,612   |
| 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) | \$ (3,126,869) |
| Contribution deficiency (excesses)                                   | \$ (70,187)    | \$ (132,506)   | \$ -           | \$ -           | \$ (501,863)   | \$ (225,185)   | \$ (1,300,284) | \$ (347,811)   | \$ (382,257)   |
| 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   | \$ 1,856,650   |
| Contributions as a percentage of covered payroll                     | 47.6%          | 54.3%          | 53.0%          | 59.6%          | 86.2%          | 79.7%          | 153.3%         | 133.1%         | 168.4%         |

Completed data for this schedule is not available prior to 2015

**Notes to Schedule:**

Valuation date: January 1, 2023

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-2010 Safety - 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-2010 General - 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, 2023**

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

|  | As of a<br>measurement<br>date of<br>06/30/2015 | As of a<br>measurement<br>date of<br>06/30/2016 | As of a<br>measurement<br>date of<br>06/30/2017 | As of a<br>measurement<br>date of<br>06/30/2018 | As of a<br>measurement<br>date of<br>06/30/2019 | As of a<br>measurement<br>date of<br>06/30/2020 | As of a<br>measurement<br>date of<br>06/30/2021 | As of a<br>measurement<br>date of<br>06/30/2022 | As of a<br>measurement<br>date of<br>06/30/2023 |
|--|---|---|---|---|---|---|---|---|---|
| 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%                                       | 1.687437%                                       |
| 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                                   | \$ 32,538,043                                   |
| 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                                   | \$ 20,635,174                                   |
| Employer's share of net pension liability (asset) as a percentage of its covered payroll | 76%   | 97%   | 157%  | 164%  | 113%  | 285%  | 106%  | 248%  | 158%  |
| Plan fiduciary net position as a percentage of the total pension liability               | 77%   | 70%   | 62%   | 63%   | 72%   | 49%   | 78%   | 54%   | 65%   |

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     | 12/31/2023     |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 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   | \$ 1,517,797   |
| 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) | \$ (1,517,797) |
| 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   | \$ 21,045,258  |
| Contributions as a percentage of covered payroll       | 8.51%          | 7.38%          | 7.15%          | 7.12%          | 7.15%          | 7.57%          | 8.75%          | 8.26%          | 7.21%          |

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.**

In 2023, House Bill 1040 was passed, which closes the Main System to employees newly enrolled into the system on January 1, 2025 and later. The state employer contribution for 2026 and later was changed to be the amount sufficient to fund the Main System on actuarial basis, with the amortization of the unfunded liability determined on a level percent of payroll basis over a closed period beginning on January 1, 2026 and ending June 30, 2056.

**Changes of assumptions.**

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022

**CITY OF GRAND FORKS, NORTH DAKOTA**  
**Required Supplementary Information**  
**December 31, 2023**

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

|  | As of a<br>measurement<br>date of<br>06/30/2021 | As of a<br>measurement<br>date of<br>06/30/2022 | As of a<br>measurement<br>date of<br>06/30/2023 |
|--|---|---|---|
| Employer's proportion of the net pension liability (asset)                               | 16.326865%                                      | 15.998218%                                      | 16.232368%                                      |
| Employer's proportionate share of the net pension liability (asset)                      | \$ 2,705,608                                    | \$ 13,134,044                                   | \$ 9,833,826                                    |
| Employer's covered payroll   | \$ 10,046,492                                   | \$ 10,358,225                                   | \$ 11,615,084                                   |
| Employer's share of net pension liability (asset) as a percentage of its covered payroll | 27%   | 127%  | 85%   |
| Plan fiduciary net position as a percentage of the total pension liability               | 87%   | 57%   | 68%   |

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     | 12/31/2023     |
|--|---------------|----------------|----------------|
| Statutorily required contribution                      | \$ 987,748    | \$ 1,041,156   | \$ 1,170,695   |
| Contributions in relation to the required contribution | \$ (987,748)  | \$ (1,041,156) | \$ (1,170,695) |
| Contribution deficiency (excesses)                     | \$ -          | \$ -           | \$ -           |
| Employer's covered payroll                             | \$ 10,059,271 | \$ 9,508,274   | \$ 11,933,681  |
| Contributions as a percentage of covered payroll       | 9.82%         | 10.95%         | 9.81%          |

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.**

Legislation was passed relating to the Public Safety with Prior Service System. The Public Safety with Prior Service System was expanded to allow peace officers employed by the State to participate. The provisions are similar to the Public Safety with Prior Service System, but with a 6.00 percent employee contribution rate. The benefit multiplier and the vesting requirements for the Bureau of Criminal Investigation group were changed.

**Changes of assumptions.**

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022

**CITY OF GRAND FORKS, NORTH DAKOTA****Required Supplementary Information****December 31, 2023**

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

|   | As of a<br>measurement<br>date of<br>06/30/2018 | As of a<br>measurement date<br>of 06/30/2019 | As of a<br>measurement date<br>of 06/30/2020 | As of a<br>measurement date<br>of 06/30/2021 | As of a<br>measurement date<br>of 06/30/2022 | As of a<br>measurement date<br>of 06/30/2023 |
|---|---|--|--|--|--|--|
| Employer's proportion of the net OPEB liability (asset)   | 2.042171%                                       | 2.171713%                                    | 2.214994%                                    | 2.300347%                                    | 2.418480%                                    | 2.612353%                                    |
| 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                                 | \$ 2,611,705                                 |
| Employer's covered payroll  | \$22,345,783                                    | \$ 24,233,227                                | \$ 25,250,280                                | \$ 24,298,025                                | \$ 24,968,563                                | \$ 26,258,921                                |
| Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll | 7%  | 7%   | 7%   | 5%   | 12%  | 10%  |
| Plan fiduciary net position as a percentage of the total OPEB liability                                 | 62%   | 63%  | 63%  | 63%  | 56%  | 63%  |

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

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

|  | 12/31/2018    | 12/31/2019    | 12/31/2020    | 12/31/2021    | 12/31/2022    | 12/31/2023    |
|--|---------------|---------------|---------------|---------------|---------------|---------------|
| Statutorily required contribution                      | \$ 254,379    | \$ 273,868    | \$ 289,097    | \$ 238,160    | \$ 303,897    | \$ 312,311    |
| Contributions in relation to the required contribution | \$ (254,379)  | \$ (273,868)  | \$ (289,097)  | \$ (238,160)  | \$ (303,897)  | \$ (312,311)  |
| Contribution deficiency (excesses)                     | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          | \$ -          |
| Employer's covered payroll                             | \$ 23,004,333 | \$ 23,924,496 | \$ 25,254,195 | \$ 20,891,241 | \$ 26,657,632 | \$ 27,395,821 |
| Contributions as a percentage of covered payroll       | 1.11%         | 1.14%         | 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**

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.



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## **NON-MAJOR GOVERNMENTAL FUNDS:**

**Special Revenue Funds.** Account for the proceeds of specific revenue (other than those for major capital projects) that are restricted legally to expenditure for specified purposes.

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

**Capital Projects Funds.** Account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary or trust funds).

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

A-1

DECEMBER 31, 2022

|  | Non-Major<br>Special Revenue<br>Funds | Non-Major<br>Debt Service<br>Funds | Non-Major<br>Capital Project<br>Funds | Total<br>Non-Major<br>Governmental<br>Funds |
|--|---------------------------------------|------------------------------------|---------------------------------------|---|
| <b>ASSETS</b>  |                                       |                                    |                                       |   |
| Cash and cash equivalents  | \$ 18,988,980                         | \$ 342,464                         | \$ 4,235,967                          | \$ 23,567,411                               |
| Investments  | 8,000,000                             |                                    | 8,000,000                             | 16,000,000                                  |
| Receivables, net:  |                                       |                                    |                                       |   |
| Accounts   | 210,314                               |                                    | -                                     | 210,314                                     |
| Special assessments (including liens)                                |                                       | 4,440                              | 52,194                                | 56,634                                      |
| Special assessments-uncertified                                      |                                       |                                    | 3,371,517                             | 3,371,517                                   |
| Property taxes   | 60,141                                | 18,252                             |                                       | 78,393                                      |
| Sales tax  | 578,574                               |                                    | 70,823                                | 649,397                                     |
| Hotel/Motel Tax  | 105,027                               |                                    |                                       | 105,027                                     |
| Notes  | 3,000,070                             |                                    |                                       | 3,000,070                                   |
| Intergovernmental  | 952,450                               |                                    | 28,977                                | 981,427                                     |
| Prepaid Items  | 28,358                                |                                    |                                       | 28,358                                      |
| Total assets   | <u>\$ 31,923,914</u>                  | <u>\$ 365,156</u>                  | <u>\$ 15,759,478</u>                  | <u>\$ 48,048,548</u>                        |
| <b>LIABILITIES</b>   |                                       |                                    |                                       |   |
| Accounts payable   | \$ 928,178                            | \$ -                               | \$ -                                  | \$ 928,178                                  |
| Contracts payable  | 55,600                                |                                    | 216,968                               | 272,568                                     |
| Due to other funds   | 275,000                               |                                    | -                                     | 275,000                                     |
| Unearned income  | 3,436,995                             |                                    |                                       | 3,436,995                                   |
| Total liabilities  | <u>4,695,773</u>                      | <u>-</u>                           | <u>216,968</u>                        | <u>4,912,741</u>                            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                                       |                                    |                                       |   |
| Unavailable revenue-property taxes                                   | 52,246                                | 18,252                             |                                       | 70,498                                      |
| Unavailable revenue-special assessments                              |                                       | 4,440                              | 3,423,710                             | 3,428,150                                   |
| Total deferred inflows of resources                                  | <u>52,246</u>                         | <u>22,692</u>                      | <u>3,423,710</u>                      | <u>3,498,648</u>                            |
| <b>FUND BALANCES</b>   |                                       |                                    |                                       |   |
| Nonspendable   | 28,358                                |                                    |                                       | 28,358                                      |
| Restricted   | 27,147,537                            | 342,464                            | 8,779,332                             | 36,269,333                                  |
| Committed  |                                       |                                    | 3,339,468                             | 3,339,468                                   |
| Total Fund Balances  | <u>27,175,895</u>                     | <u>342,464</u>                     | <u>12,118,800</u>                     | <u>39,637,159</u>                           |
| Total liabilities, deferred inflows of<br>resources and fund balance | <u>\$ 31,923,914</u>                  | <u>\$ 365,156</u>                  | <u>\$ 15,759,478</u>                  | <u>\$ 48,048,548</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, 2023

|  | Non-Major<br>Special<br>Revenue | Non-Major<br>Debt<br>Service | Non-Major<br>Capital<br>Projects | Total<br>Non-major<br>Governmental<br>Funds |
|--|---------------------------------|------------------------------|----------------------------------|---|
| Revenues:  |                                 |                              |                                  |   |
| Taxes:   |                                 |                              |                                  |   |
| Property   | \$ 4,144,960                    | \$ 73                        | \$                               | \$ 4,145,033                                |
| Sales  | 9,519,809                       |                              | \$1,166,025                      | 10,685,834                                  |
| Hotel/Motel/Airport Car Rental                       | 1,241,544                       |                              |                                  | 1,241,544                                   |
| Intergovernmental                                    | 21,572,951                      |                              | 193,720                          | 21,766,671                                  |
| Charges for services                                 | 2,473,684                       |                              |                                  | 2,473,684                                   |
| Special assessments                                  |                                 | 39,162                       | 1,050,049                        | 1,089,211                                   |
| Fines and forfeits                                   | 12,000                          |                              |                                  | 12,000                                      |
| Interest   | 1,283,625                       | 8,687                        | 503,130                          | 1,795,442                                   |
| Miscellaneous  | 456,726                         |                              |                                  | 456,726                                     |
| Total Revenues                                       | <u>40,705,299</u>               | <u>47,922</u>                | <u>2,912,924</u>                 | <u>43,666,145</u>                           |
| Expenditures:  |                                 |                              |                                  |   |
| Current:   |                                 |                              |                                  |   |
| General government                                   | 4,715,037                       |                              |                                  | 4,715,037                                   |
| Health & welfare                                     | 2,413,175                       |                              |                                  | 2,413,175                                   |
| Public safety  | 4,279,859                       |                              |                                  | 4,279,859                                   |
| Culture & recreation                                 | 2,894,609                       |                              |                                  | 2,894,609                                   |
| Capital outlay                                       | 5,095,750                       |                              | 2,346,385                        | 7,442,135                                   |
| Debt service:  |                                 |                              |                                  |   |
| Principal retirement                                 | 3,038                           | 305,000                      | 356,139                          | 664,177                                     |
| Interest and fiscal charges                          | 286                             | 49,428                       | 136,641                          | 186,355                                     |
| Total Expenditures                                   | <u>19,401,754</u>               | <u>354,428</u>               | <u>2,839,165</u>                 | <u>22,595,347</u>                           |
| Excess (Deficiency) of<br>Revenues Over Expenditures | <u>21,303,545</u>               | <u>(306,506)</u>             | <u>73,759</u>                    | <u>21,070,798</u>                           |
| Other Financing Sources (Uses):                      |                                 |                              |                                  |   |
| Issuance of subscription                             | 12,922                          |                              |                                  | 12,922                                      |
| Sale of capital assets                               |                                 |                              | 5,351                            | 5,351                                       |
| Transfers in   | 5,035,539                       | 353,600                      | 1,831,969                        | 7,221,108                                   |
| Transfers out  | (28,037,099)                    | (25,000)                     | (592,008)                        | (28,654,107)                                |
| Total Other Financing<br>Sources (Uses)              | <u>(22,988,638)</u>             | <u>328,600</u>               | <u>1,245,312</u>                 | <u>(21,414,726)</u>                         |
| Net change in fund balances                          | (1,685,093)                     | 22,094                       | 1,319,071                        | (343,928)                                   |
| Fund balance Beginning                               | <u>28,860,988</u>               | <u>320,370</u>               | <u>10,799,729</u>                | <u>39,981,087</u>                           |
| Fund Balances Ending                                 | <u>\$ 27,175,895</u>            | <u>\$ 342,464</u>            | <u>\$ 12,118,800</u>             | <u>\$ 39,637,159</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.

### **Legacy Earnings Distribution**

During the 2023 legislative session, the North Dakota Legislature provided an additional appropriation to the Legacy Earnings Highway Distribution Fund to distribute to cities and counties through the same formula as the highway tax distribution. (State Law Sec. 54-27-19.3) This fund receives and disburses these funds.

**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.

**Visit Greater Grand Forks**

This is a fund used to account for the receipt of a three percent room tax and the disbursement of these funds to the Visit Greater Grand Forks 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 Development**

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



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

B-1

DECEMBER 31, 2023  
With Comparative Totals for December 31, 2022

|  | Emergency<br>Levy | Municipal<br>Band | Public<br>Building<br>Fund | Library             | Library<br>Capital<br>Mtce. |
|--|-------------------|-------------------|----------------------------|---------------------|-----------------------------|
| <b>ASSETS</b>  |                   |                   |                            |                     |                             |
| Cash and cash equivalents  | \$ 165,259        | \$ 2,140          | \$ 39,225                  | \$ 1,218,060        | \$ 936,620                  |
| Investments  |                   |                   |                            |                     | -                           |
| Receivables (Net of allowances<br>for uncollectibles):                       |                   |                   |                            |                     |                             |
| Accounts   |                   |                   | 10,500                     |                     |                             |
| Notes  |                   |                   |                            |                     |                             |
| Taxes:   |                   |                   |                            |                     |                             |
| Property   | 1,750             | 241               | 12,932                     | 30,741              |                             |
| Sales  |                   |                   |                            |                     |                             |
| Hotel/Motel  |                   |                   |                            |                     |                             |
| Intergovernmental:   |                   |                   |                            |                     |                             |
| State of North Dakota  |                   |                   |                            | 3,333               |                             |
| Federal  |                   |                   |                            |                     |                             |
| Grand Forks County   |                   |                   |                            | 103,895             |                             |
| Prepaid Items  |                   |                   | 27,885                     |                     |                             |
| <b>Total Assets</b>  | <b>\$ 167,009</b> | <b>\$ 2,381</b>   | <b>\$ 90,542</b>           | <b>\$ 1,356,029</b> | <b>\$ 936,620</b>           |
| <b>LIABILITIES</b>   |                   |                   |                            |                     |                             |
| Accounts payable   |                   |                   |                            |                     | \$ 16,441                   |
| Contracts payable and retainage  |                   |                   | \$ 5,250                   |                     |                             |
| Due to other funds   |                   |                   |                            |                     |                             |
| Advances from other funds  |                   |                   |                            |                     |                             |
| Unearned Income  |                   |                   |                            |                     |                             |
| <b>Total Liabilities</b>   |                   |                   | <b>5,250</b>               |                     | <b>16,441</b>               |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                   |                   |                            |                     |                             |
| Unavailable revenue-property taxes   | \$ 1,522          | \$ 208            | 11,253                     | \$ 26,694           |                             |
| <b>Total Deferred Inflows of Resources</b>                                   | <b>1,522</b>      | <b>208</b>        | <b>11,253</b>              | <b>26,694</b>       |                             |
| <b>FUND BALANCES</b>   |                   |                   |                            |                     |                             |
| Non spendable fund balance   |                   |                   | 27,885                     |                     |                             |
| Restricted fund balance  | 165,487           | 2,173             | 46,154                     | 1,329,335           | 920,179                     |
| <b>Total Fund Balances</b>   | <b>165,487</b>    | <b>2,173</b>      | <b>74,039</b>              | <b>1,329,335</b>    | <b>920,179</b>              |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balance</b> | <b>\$ 167,009</b> | <b>\$ 2,381</b>   | <b>\$ 90,542</b>           | <b>\$ 1,356,029</b> | <b>\$ 936,620</b>           |

Continued

| Special Grants<br>Fire | Special Grants<br>Police | Special Grants<br>Health | Special<br>Grants-Other | Asset<br>Forfeiture | Legacy<br>Earnings<br>Distribution | City Special<br>Assessment<br>Fund |
|------------------------|--------------------------|--------------------------|-------------------------|---------------------|------------------------------------|------------------------------------|
| \$ 8,721               | \$ 13,768                | \$ 627,644               | \$ 908                  | \$ 46,128           | \$ 889,542                         | \$ 1,596,281                       |
|                        |                          | 5,911                    |                         |                     |                                    |                                    |
|                        |                          |                          |                         |                     |                                    | 7,104                              |
| 12,181                 | 102,321<br>317,923       | 390,489                  | 8,513<br>2,592          |                     |                                    |                                    |
| <u>\$ 20,902</u>       | <u>\$ 434,012</u>        | <u>\$ 1,024,044</u>      | <u>\$ 12,013</u>        | <u>\$ 46,128</u>    | <u>\$ 889,542</u>                  | <u>\$ 1,603,385</u>                |
|                        | \$ -                     | \$ 30,000                | \$ 4,598                |                     |                                    |                                    |
|                        | 275,000                  |                          |                         |                     |                                    |                                    |
|                        | <u>275,000</u>           | <u>30,000</u>            | <u>4,598</u>            |                     |                                    |                                    |
|                        |                          |                          |                         |                     |                                    | \$ 6,172                           |
|                        |                          |                          |                         |                     |                                    | 6,172                              |
| \$ 20,902              | 159,012                  | 994,044                  | 7,415                   | \$ 46,128           | \$ 889,542                         | 1,597,213                          |
| <u>20,902</u>          | <u>159,012</u>           | <u>994,044</u>           | <u>7,415</u>            | <u>46,128</u>       | <u>889,542</u>                     | <u>1,597,213</u>                   |
| <u>\$ 20,902</u>       | <u>\$ 434,012</u>        | <u>\$ 1,024,044</u>      | <u>\$ 12,013</u>        | <u>\$ 46,128</u>    | <u>\$ 889,542</u>                  | <u>\$ 1,603,385</u>                |

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

B-1

DECEMBER 31, 2023  
With Comparative Totals for December 31, 2022

|  | Insurance<br>Reserve<br>Fund | Noxious<br>Weed<br>Control | E-911<br>System     | Economic<br>Development<br>Sales<br>Tax | Prairie Dog<br>Infrastructure | Public<br>Service<br>Answering<br>Point |
|--|------------------------------|----------------------------|---------------------|---|-------------------------------|---|
| <b>ASSETS</b>  |                              |                            |                     |   |                               |   |
| Cash and cash equivalents  | \$ 368,069                   | \$ 30,412                  | \$ 1,849,589        | \$ 4,652,361                            | \$ 1,023,645                  | \$ 289,798                              |
| Investments  |                              |                            |                     | 5,000,000                               | 1,000,000                     |   |
| Receivables (Net of allowances<br>for uncollectibles):                       |                              |                            |                     |   |                               |   |
| Accounts   |                              |                            | 188,360             | 5,543                                   |                               |   |
| Notes  |                              |                            |                     | 105,000                                 |                               |   |
| Taxes:   |                              |                            |                     |   |                               |   |
| Property   | 5,548                        | 75                         |                     |   |                               |   |
| Sales  |                              |                            |                     | 147,427                                 |                               |   |
| Hotel/Motel  |                              |                            |                     |   |                               |   |
| Intergovernmental:   |                              |                            |                     |   |                               |   |
| State of North Dakota  |                              |                            |                     |   |                               |   |
| Federal  |                              |                            |                     |   |                               |   |
| Grand Forks County   |                              |                            |                     |   |                               |   |
| Prepaid Items  |                              |                            |                     |   |                               |   |
| <b>Total Assets</b>  | <b>\$ 373,617</b>            | <b>\$ 30,487</b>           | <b>\$ 2,037,949</b> | <b>\$ 9,910,331</b>                     | <b>\$ 2,023,645</b>           | <b>\$ 289,798</b>                       |
| <b>LIABILITIES AND FUND BALANCES</b>   |                              |                            |                     |   |                               |   |
| Accounts payable   |                              |                            | \$ 90,690           | \$ 46,096                               |                               |   |
| Contracts payable and retainage  |                              |                            |                     |   |                               |   |
| Due to other funds   |                              |                            |                     |   |                               |   |
| Advances from other funds  |                              |                            |                     |   |                               |   |
| Unearned Income  |                              |                            |                     |   |                               |   |
| <b>Total Liabilities</b>   |                              |                            | <b>90,690</b>       | <b>46,096</b>                           |                               |   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                              |                            |                     |   |                               |   |
| Unavailable revenue-property taxes   | \$ 4,812                     | \$ 63                      |                     |   |                               |   |
| <b>Total Deferred Inflows of Resources</b>                                   | <b>4,812</b>                 | <b>63</b>                  |                     |   |                               |   |
| <b>Fund Balances:</b>  |                              |                            |                     |   |                               |   |
| Non spendable fund balance   |                              |                            |                     |   |                               |   |
| Restricted fund balance  | 368,805                      | 30,424                     | 1,947,259           | 9,864,235                               | \$ 2,023,645                  | \$ 289,798                              |
| <b>Total Fund Balances</b>   | <b>368,805</b>               | <b>30,424</b>              | <b>1,947,259</b>    | <b>9,864,235</b>                        | <b>2,023,645</b>              | <b>289,798</b>                          |
| <b>Total liabilities, deferred inflows of<br/>resources and fund balance</b> | <b>\$ 373,617</b>            | <b>\$ 30,487</b>           | <b>\$ 2,037,949</b> | <b>\$ 9,910,331</b>                     | <b>\$ 2,023,645</b>           | <b>\$ 289,798</b>                       |

Continued

| Water and<br>Street<br>Sales Tax | Visit<br>Greater<br>Grand Forks | Animal<br>Control | American<br>Rescue<br>Plan Grant | COVID<br>Relief Grant | Community<br>Development | 2023<br>Total                   | 2022<br>Total                                |
|----------------------------------|---------------------------------|-------------------|----------------------------------|-----------------------|--------------------------|---------------------------------|--|
| \$ 278,628<br>2,000,000          | \$ 141,989                      | \$ 2,135          | \$ 846,900                       | \$ -                  | \$ 3,961,158<br>-        | \$ 18,988,980<br>8,000,000      | \$ 14,801,400<br>21,000,000                  |
|                                  |                                 |                   |                                  |                       |                          | 210,314                         | 190,574                                      |
|                                  |                                 |                   |                                  |                       | 2,895,070                | 3,000,070                       | 3,114,081                                    |
|                                  |                                 | 1,750             |                                  |                       |                          | 60,141                          | 80,885                                       |
| 431,147                          |                                 |                   |                                  |                       |                          | 578,574                         | 795,623                                      |
|                                  | 105,027                         |                   |                                  |                       |                          | 105,027                         | 98,740                                       |
|                                  |                                 |                   |                                  |                       |                          | 504,656                         | 520,284                                      |
|                                  |                                 |                   |                                  |                       | 11,203                   | 343,899                         | 295,767                                      |
|                                  |                                 |                   |                                  |                       |                          | 103,895                         | 111,140                                      |
|                                  |                                 |                   |                                  |                       | 473                      | 28,358                          | 25,866                                       |
| <u>\$ 2,709,775</u>              | <u>\$ 247,016</u>               | <u>\$ 3,885</u>   | <u>\$ 846,900</u>                | <u>\$ -</u>           | <u>\$ 6,867,904</u>      | <u>\$ 31,923,914</u>            | <u>\$ 41,034,360</u>                         |
|                                  | \$ 207,511                      |                   | \$ -<br>50,350                   |                       | \$ 532,842               | \$ 928,178<br>55,600<br>275,000 | \$ 1,131,400<br>6,236<br>1,525,466<br>12,283 |
|                                  |                                 |                   | 525,314                          |                       | 2,911,681                | 3,436,995                       | 9,387,023                                    |
|                                  | 207,511                         |                   | 575,664                          |                       | 3,444,523                | 4,695,773                       | 12,062,408                                   |
|                                  |                                 | \$ 1,522          |                                  |                       |                          | 52,246                          | 110,964                                      |
|                                  |                                 | 1,522             |                                  |                       |                          | 52,246                          | 110,964                                      |
|                                  |                                 |                   |                                  |                       | 473                      | 28,358                          | 25,866                                       |
| \$ 2,709,775                     | 39,505                          | 2,363             | 271,236                          | \$ -                  | 3,422,908                | 27,147,537                      | 28,835,122                                   |
| 2,709,775                        | 39,505                          | 2,363             | 271,236                          |                       | 3,423,381                | 27,175,895                      | 28,860,988                                   |
| <u>\$ 2,709,775</u>              | <u>\$ 247,016</u>               | <u>\$ 3,885</u>   | <u>\$ 846,900</u>                | <u>\$ -</u>           | <u>\$ 6,867,904</u>      | <u>\$ 31,923,914</u>            | <u>\$ 41,034,360</u>                         |

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

FOR THE YEAR ENDED DECEMBER 31, 2023  
With Comparative Totals for December 31, 2022

|  | Emergency<br>Levy | Municipal<br>Band | Public<br>Building<br>Fund | Library      | Library<br>Capital<br>Maintenance | Special<br>Grants<br>Fire |
|--|-------------------|-------------------|----------------------------|--------------|-----------------------------------|---------------------------|
| <b>REVENUES</b>                                      |                   |                   |                            |              |                                   |                           |
| Taxes:   |                   |                   |                            |              |                                   |                           |
| Property   | \$ 120,550        | \$ 16,579         | \$ 902,293                 | \$ 2,117,033 | \$ -                              | \$ -                      |
| Sales  |                   |                   |                            |              |                                   |                           |
| Hotel/Motel/Airport Car Rental                       |                   |                   |                            |              |                                   |                           |
| Intergovernmental                                    | 3,249             | 390               | 21,250                     | 1,025,716    |                                   | 166,205                   |
| Charges for services                                 |                   |                   |                            | 24,824       |                                   |                           |
| Fines and forfeits                                   |                   |                   |                            |              |                                   |                           |
| Interest (Loss)                                      | 7,759             | 129               | 29,110                     | 79,505       | 52,972                            | 1,050                     |
| Miscellaneous  |                   |                   |                            | 2,108        |                                   | 39,731                    |
| Total Revenues                                       | 131,558           | 17,098            | 952,653                    | 3,249,186    | 52,972                            | 206,986                   |
| <b>EXPENDITURES</b>                                  |                   |                   |                            |              |                                   |                           |
| Current:   |                   |                   |                            |              |                                   |                           |
| General government                                   |                   |                   | 301,216                    |              |                                   |                           |
| Health & welfare                                     |                   |                   |                            |              |                                   |                           |
| Public safety  | 274               |                   |                            |              |                                   | 172,674                   |
| Culture & recreation                                 |                   | 16,643            |                            | 2,833,481    |                                   |                           |
| Capital outlay                                       | 11,941            |                   | 3,136,913                  | 198,666      | 1,017,030                         | 25,514                    |
| Debt service:  |                   |                   |                            |              |                                   |                           |
| Principal payment                                    |                   |                   |                            |              |                                   |                           |
| Interest and fiscal charges                          |                   |                   |                            |              |                                   |                           |
| Total Expenditures                                   | 12,215            | 16,643            | 3,438,129                  | 3,032,147    | 1,017,030                         | 198,188                   |
| Excess (Deficiency) of<br>Revenues Over Expenditures | 119,343           | 455               | (2,485,476)                | 217,039      | (964,058)                         | 8,798                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                   |                   |                            |              |                                   |                           |
| Issuance of subscriptions                            |                   |                   |                            |              |                                   |                           |
| Transfers in   |                   |                   | 2,800,711                  |              |                                   | 1,080                     |
| Transfers out  | (95,888)          |                   | (353,600)                  |              |                                   |                           |
| Total Other Financing<br>Sources (Uses)              | (95,888)          |                   | 2,447,111                  |              |                                   | 1,080                     |
| Net change in fund balances                          | 23,455            | 455               | (38,365)                   | 217,039      | (964,058)                         | 9,878                     |
| Fund Balances - Beginning                            | 142,032           | 1,718             | 112,404                    | 1,112,296    | 1,884,237                         | 11,024                    |
| Fund Balances - Ending                               | \$ 165,487        | \$ 2,173          | \$ 74,039                  | \$ 1,329,335 | \$ 920,179                        | \$ 20,902                 |

Continued



| Special<br>Grants<br>Police | Special<br>Grants<br>Health | Special<br>Grants<br>Other | Asset<br>Forfeiture | Legacy<br>Earnings<br>Distribution | City Special<br>Assessment<br>Fund | Insurance<br>Reserve<br>Fund |
|-----------------------------|-----------------------------|----------------------------|---------------------|------------------------------------|------------------------------------|------------------------------|
| \$ -                        | \$ -                        | \$ -                       | \$ -                | \$ -                               | \$ 489,687                         | \$ 372,763                   |
| 879,386                     | 2,217,723                   | 47,019                     |                     | 889,542                            | 13,204                             | 8,760                        |
| 212                         | 278,033                     |                            | 12,000              |                                    | 518                                |                              |
|                             |                             | (284)                      | 1,826               |                                    | 51,201                             | 14,391                       |
| 1,851                       | 112,962                     | 16,059                     |                     |                                    |                                    |                              |
| 881,449                     | 2,608,718                   | 62,794                     | 13,826              | 889,542                            | 554,610                            | 395,914                      |
|                             |                             |                            |                     |                                    | 462,850                            | 450,060                      |
| 992,493                     | 2,413,175                   | 18,460                     | 26,195              |                                    |                                    |                              |
| 22,276                      |                             | 44,485                     |                     |                                    |                                    |                              |
|                             |                             | 133                        |                     |                                    |                                    |                              |
| 1,014,769                   | 2,413,175                   | 63,078                     | 26,195              |                                    | 462,850                            | 450,060                      |
| (133,320)                   | 195,543                     | (284)                      | (12,369)            | 889,542                            | 91,760                             | (54,146)                     |
| 200,295                     | 68,632                      |                            |                     |                                    | 612,575                            |                              |
|                             | (14,805)                    |                            | (10,066)            |                                    | (43,232)                           |                              |
| 200,295                     | 53,827                      |                            | (10,066)            |                                    | 569,343                            |                              |
| 66,975                      | 249,370                     | (284)                      | (22,435)            | 889,542                            | 661,103                            | (54,146)                     |
| 92,037                      | 744,674                     | 7,699                      | 68,563              |                                    | 936,110                            | 422,951                      |
| \$ 159,012                  | \$ 994,044                  | \$ 7,415                   | \$ 46,128           | \$ 889,542                         | \$ 1,597,213                       | \$ 368,805                   |

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

FOR THE YEAR ENDED DECEMBER 31, 2023  
With Comparative Totals for December 31, 2022

|  | Noxious<br>Weed<br>Control | E-911<br>System | Economic<br>Development<br>Sales<br>Tax | Prairie Dog<br>Infrastructure | Public<br>Service<br>Answering<br>Point |
|--|----------------------------|-----------------|---|-------------------------------|---|
| <b>REVENUES</b>                                      |                            |                 |   |                               |   |
| Taxes:   |                            |                 |   |                               |   |
| Property   | \$ 5,503                   | \$ -            | \$ -                                    | \$ -                          | \$ -                                    |
| Sales  |                            |                 | 2,425,721                               |                               |   |
| Hotel/Motel/Airport Car Rental                       |                            |                 |   |                               |   |
| Intergovernmental                                    | 2,130                      |                 |   | 10,326,352                    |   |
| Charges for services                                 |                            | 1,509,276       | 53,627                                  |                               | 607,194                                 |
| Fines and forfeits                                   |                            |                 |   |                               |   |
| Interest (Loss)                                      | 1,196                      | 76,285          | 389,747                                 | 180,091                       | 11,736                                  |
| Miscellaneous  |                            | 2,000           | 220,802                                 |                               | 156                                     |
| Total Revenues                                       | 8,829                      | 1,587,561       | 3,089,897                               | 10,506,443                    | 619,086                                 |
| <b>EXPENDITURES</b>                                  |                            |                 |   |                               |   |
| Current:   |                            |                 |   |                               |   |
| General government                                   |                            |                 | 1,574,458                               |                               |   |
| Health & welfare                                     |                            |                 |   |                               |   |
| Public safety  |                            | 919,508         |   |                               | 1,965,306                               |
| Culture & recreation                                 |                            |                 |   |                               |   |
| Capital outlay                                       |                            | 22,346          | 344,150                                 |                               | 58                                      |
| Debt service:  |                            |                 |   |                               |   |
| Principal payment                                    |                            | 3,038           |   |                               |   |
| Interest and fiscal charges                          |                            | 286             |   |                               |   |
| Total Expenditures                                   |                            | 945,178         | 1,918,608                               |                               | 1,965,364                               |
| Excess (Deficiency) of<br>Revenues Over Expenditures | 8,829                      | 642,383         | 1,171,289                               | 10,506,443                    | (1,346,278)                             |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                            |                 |   |                               |   |
| Sale of capital assets                               |                            | 12,922          |   |                               |   |
| Transfers in   |                            |                 |   |                               | 1,346,540                               |
| Transfers out  |                            | (486,789)       | (1,050,013)                             | (11,000,000)                  |   |
| Total Other Financing<br>Sources (Uses)              |                            | (473,867)       | (1,050,013)                             | (11,000,000)                  | 1,346,540                               |
| Net change in fund balances                          | 8,829                      | 168,516         | 121,276                                 | (493,557)                     | 262                                     |
| Fund Balances - Beginning                            | 21,595                     | 1,778,743       | 9,742,959                               | 2,517,202                     | 289,536                                 |
| Fund Balances - Ending                               | \$ 30,424                  | \$ 1,947,259    | \$ 9,864,235                            | \$ 2,023,645                  | \$ 289,798                              |

Continued

| Water and<br>Street<br>Sales Tax | Visit<br>Greater<br>Grand Forks | Animal<br>Control   | American<br>Rescue<br>Plan Grant | COVID<br>Relief Grant | Community<br>Development | 2023<br>Total   | 2022<br>Total   |
|----------------------------------|---------------------------------|---------------------|----------------------------------|-----------------------|--------------------------|---|---|
| \$ -<br>7,094,088                | \$ -<br>1,241,544               | \$ 120,552<br>3,251 | \$ -<br>5,863,489                | \$ -                  | \$ -<br>105,285          | \$ 4,144,960<br>9,519,809<br>1,241,544<br>21,572,951<br>2,473,684<br>12,000<br>1,283,625<br>456,726 | \$ 3,934,817<br>9,297,788<br>1,106,309<br>12,481,136<br>2,481,922<br>46,437<br>(258,131)<br>115,406 |
| 159,545                          | 5,811                           | 992<br>56,827       | 156,979                          | 2                     | 63,582<br>4,230          | 456,726   |   |
| 7,253,633                        | 1,247,355                       | 181,622             | 6,020,468                        | 2                     | 173,097                  | 40,705,299  | 29,205,684  |
|                                  | 1,240,929                       |                     |                                  |                       | 685,524                  | 4,715,037<br>2,413,175<br>4,279,859<br>2,894,609<br>5,095,750<br>3,038<br>286                       | 4,872,347<br>3,375,967<br>3,604,254<br>2,714,345<br>2,283,279<br>1,227                              |
|                                  | 1,240,929                       | 184,949             | 316,723                          |                       | 685,524                  | 19,401,754  | 16,851,419  |
| 7,253,633                        | 6,426                           | (3,327)             | 5,703,745                        | 2                     | (512,427)                | 21,303,545  | 12,354,265  |
|                                  |                                 | 1,934               | 3,772<br>(5,629,503)             | (108)                 |                          | 12,922<br>5,035,539<br>(28,037,099)   | 7,853,454<br>(13,901,210)   |
| (9,353,095)                      |                                 | 1,934               | (5,625,731)                      | (108)                 |                          | (22,988,638)  | (6,047,756)   |
| (2,099,462)                      | 6,426                           | (1,393)             | 78,014                           | (106)                 | (512,427)                | (1,685,093)   | 6,306,509   |
| 4,809,237                        | 33,079                          | 3,756               | 193,222                          | 106                   | 3,935,808                | 28,860,988  | 22,554,479  |
| \$ 2,709,775                     | \$ 39,505                       | \$ 2,363            | \$ 271,236                       | \$ -                  | \$ 3,423,381             | \$ 27,175,895   | \$ 28,860,988   |

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, 2023  
 With Comparative Actual Totals for December 31, 2022

|                                 | Emergency Levy  |            |                               | Municipal Band  |           |                               |
|---------------------------------|-----------------|------------|-------------------------------|-----------------|-----------|-------------------------------|
|                                 | Final<br>Budget | Actual     | Variance with<br>Final Budget | Final<br>Budget | Actual    | Variance with<br>Final Budget |
| Revenues:                       |                 |            |                               |                 |           |                               |
| Taxes:                          |                 |            |                               |                 |           |                               |
| Property                        | \$ 125,511      | \$ 120,550 | \$ (4,961)                    | \$ 17,572       | \$ 16,579 | \$ (993)                      |
| Sales                           |                 |            |                               |                 |           |                               |
| Hotel/Motel/Airport Car Rental  |                 |            |                               |                 |           |                               |
| Intergovernmental               | 2,611           | 3,249      | 638                           | 408             | 390       | (18)                          |
| Charges for services            |                 |            |                               |                 |           |                               |
| Fines and forfeits              |                 |            |                               |                 |           |                               |
| Interest (Loss)                 | 853             | 7,759      | 6,906                         | 12              | 129       | 117                           |
| Miscellaneous                   |                 |            |                               |                 |           |                               |
| Total Revenues                  | 128,975         | 131,558    | 2,583                         | 17,992          | 17,098    | (894)                         |
| Expenditures:                   |                 |            |                               |                 |           |                               |
| Current:                        |                 |            |                               |                 |           |                               |
| General government              |                 |            |                               |                 |           |                               |
| Health & welfare                |                 |            |                               |                 |           |                               |
| Public safety                   | 18,058          | 274        | 17,784                        |                 |           |                               |
| Culture & recreation            |                 |            |                               | 17,900          | 16,643    | 1,257                         |
| Capital outlay                  | 11,942          | 11,941     | 1                             |                 |           |                               |
| Debt service:                   |                 |            |                               |                 |           |                               |
| Principal payment               |                 |            |                               |                 |           |                               |
| Interest and fiscal charges     |                 |            |                               |                 |           |                               |
| Total Expenditures              | 30,000          | 12,215     | 17,785                        | 17,900          | 16,643    | 1,257                         |
| Excess (Deficiency) of          |                 |            |                               |                 |           |                               |
| Revenues Over Expenditures      | 98,975          | 119,343    | 20,368                        | 92              | 455       | 363                           |
| Other Financing Sources (Uses): |                 |            |                               |                 |           |                               |
| Issuance of subscriptions       |                 |            |                               |                 |           |                               |
| Transfers in                    |                 |            |                               |                 |           |                               |
| Transfers out                   | (95,888)        | (95,888)   |                               |                 |           |                               |
| Total Other Financing           |                 |            |                               |                 |           |                               |
| Sources (Uses)                  | (95,888)        | (95,888)   |                               |                 |           |                               |
| Net change in fund balances     | 3,087           | 23,455     | 20,368                        | 92              | 455       | 363                           |
| Fund Balances - Beginning       | 142,032         | 142,032    |                               | 1,718           | 1,718     |                               |
| Fund Balances - Ending          | \$ 145,119      | \$ 165,487 | \$ 20,368                     | \$ 1,810        | \$ 2,173  | \$ 363                        |

Continued

| Public Building Fund |             |                               | Library         |              |                               |
|----------------------|-------------|-------------------------------|-----------------|--------------|-------------------------------|
| Final<br>Budget      | Actual      | Variance with<br>Final Budget | Final<br>Budget | Actual       | Variance with<br>Final Budget |
| \$ 894,269           | \$ 902,293  | \$ 8,024                      | \$ 2,209,001    | \$ 2,117,033 | \$ (91,968)                   |
| 17,681               | 21,250      | 3,569                         | 1,006,137       | 1,025,716    | 19,579                        |
|                      |             |                               | 10,700          | 24,824       | 14,124                        |
| 2,424                | 29,110      | 26,686                        | 15,000          | 79,505       | 64,505                        |
|                      |             |                               | 1,884           | 2,108        | 224                           |
| 914,374              | 952,653     | 38,279                        | 3,242,722       | 3,249,186    | 6,464                         |
| 316,955              | 301,216     | 15,739                        |                 |              |                               |
| 3,303,732            | 3,136,913   | 166,819                       | 3,036,722       | 2,833,481    | 203,241                       |
|                      |             |                               | 256,000         | 198,666      | 57,334                        |
| 3,620,687            | 3,438,129   | 182,558                       | 3,292,722       | 3,032,147    | 260,575                       |
| (2,706,313)          | (2,485,476) | 220,837                       | (50,000)        | 217,039      | 267,039                       |
| 2,800,711            | 2,800,711   |                               |                 |              |                               |
| (353,600)            | (353,600)   |                               |                 |              |                               |
| 2,447,111            | 2,447,111   |                               |                 |              |                               |
| (259,202)            | (38,365)    | 220,837                       | (50,000)        | 217,039      | 267,039                       |
| 112,404              | 112,404     |                               | 1,112,296       | 1,112,296    |                               |
| \$ (146,798)         | \$ 74,039   | \$ 220,837                    | \$ 1,062,296    | \$ 1,329,335 | \$ 267,039                    |

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, 2023  
 With Comparative Actual Totals for December 31, 2022

|                                 | Library Capital Maintenance |            |                               | Special Grants - Fire |           |                               |
|---------------------------------|-----------------------------|------------|-------------------------------|-----------------------|-----------|-------------------------------|
|                                 | Final<br>Budget             | Actual     | Variance with<br>Final Budget | Final<br>Budget       | Actual    | Variance with<br>Final Budget |
| Revenues:                       |                             |            |                               |                       |           |                               |
| Taxes:                          |                             |            |                               |                       |           |                               |
| Property                        | \$ -                        | \$ -       | \$ -                          | \$ -                  | \$ -      | \$ -                          |
| Sales                           |                             |            |                               |                       |           |                               |
| Hotel/Motel/Airport Car Rental  |                             |            |                               |                       |           |                               |
| Intergovernmental               |                             |            |                               | 167,470               | 166,205   | (1,265)                       |
| Charges for services            |                             |            |                               |                       |           |                               |
| Fines and forfeits              |                             |            |                               |                       |           |                               |
| Interest (Loss)                 | 10,000                      | 52,972     | 42,972                        |                       | 1,050     | 1,050                         |
| Miscellaneous                   |                             |            |                               | 39,731                | 39,731    |                               |
| Total Revenues                  | 10,000                      | 52,972     | 42,972                        | 207,201               | 206,986   | (215)                         |
| Expenditures:                   |                             |            |                               |                       |           |                               |
| Current:                        |                             |            |                               |                       |           |                               |
| General government              |                             |            |                               |                       |           |                               |
| Health & welfare                |                             |            |                               |                       |           |                               |
| Public safety                   |                             |            |                               | 178,213               | 172,674   | 5,539                         |
| Culture & recreation            | 10,000                      |            | 10,000                        |                       |           |                               |
| Capital outlay                  | 1,080,000                   | 1,017,030  | 62,970                        | 34,731                | 25,514    | 9,217                         |
| Debt service:                   |                             |            |                               |                       |           |                               |
| Principal payment               |                             |            |                               |                       |           |                               |
| Interest and fiscal charges     |                             |            |                               |                       |           |                               |
| Total Expenditures              | 1,090,000                   | 1,017,030  | 72,970                        | 212,944               | 198,188   | 14,756                        |
| Excess (Deficiency) of          |                             |            |                               |                       |           |                               |
| Revenues Over Expenditures      | (1,080,000)                 | (964,058)  | 115,942                       | (5,743)               | 8,798     | 14,541                        |
| Other Financing Sources (Uses): |                             |            |                               |                       |           |                               |
| Issuance of subscriptions       |                             |            |                               |                       |           |                               |
| Transfers in                    |                             |            |                               | 1,080                 | 1,080     |                               |
| Transfers out                   |                             |            |                               |                       |           |                               |
| Total Other Financing           |                             |            |                               |                       |           |                               |
| Sources (Uses)                  |                             |            |                               | 1,080                 | 1,080     |                               |
| Net change in fund balances     | (1,080,000)                 | (964,058)  | 115,942                       | (4,663)               | 9,878     | 14,541                        |
| Fund Balances - Beginning       | 1,884,237                   | 1,884,237  |                               | 11,024                | 11,024    |                               |
| Fund Balances Ending            | \$ 804,237                  | \$ 920,179 | \$ 115,942                    | \$ 6,361              | \$ 20,902 | \$ 14,541                     |

Continued

| Special Grants-Police |            |                               | Special Grants-Health |            |                               |
|-----------------------|------------|-------------------------------|-----------------------|------------|-------------------------------|
| Final<br>Budget       | Actual     | Variance with<br>Final Budget | Final<br>Budget       | Actual     | Variance with<br>Final Budget |
| \$ -                  | \$ -       | \$ -                          | \$ -                  | \$ -       | \$ -                          |
| 940,842               | 879,386    | (61,456)                      | 2,288,242             | 2,217,723  | (70,519)                      |
| 212                   | 212        |                               | 297,569               | 278,033    | (19,536)                      |
| 2,126                 | 1,851      | (275)                         | 47,501                | 112,962    | 65,461                        |
| 943,180               | 881,449    | (61,731)                      | 2,633,312             | 2,608,718  | (24,594)                      |
|                       |            |                               |                       |            |                               |
| 1,149,418             | 992,493    | 156,925                       | 2,753,867             | 2,413,175  | 340,692                       |
| 22,276                | 22,276     |                               | 2,000                 |            | 2,000                         |
|                       |            |                               |                       |            |                               |
| 1,171,694             | 1,014,769  | 156,925                       | 2,755,867             | 2,413,175  | 342,692                       |
| (228,514)             | (133,320)  | 95,194                        | (122,555)             | 195,543    | 318,098                       |
|                       |            |                               |                       |            |                               |
| 228,514               | 200,295    | (28,219)                      | 36,000                | 68,632     | 32,632                        |
|                       |            |                               | (18,270)              | (14,805)   | 3,465                         |
| 228,514               | 200,295    | (28,219)                      | 17,730                | 53,827     | 36,097                        |
|                       | 66,975     | 66,975                        | (104,825)             | 249,370    | 354,195                       |
| 92,037                | 92,037     |                               | 744,674               | 744,674    |                               |
| \$ 92,037             | \$ 159,012 | \$ 66,975                     | \$ 639,849            | \$ 994,044 | \$ 354,195                    |

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, 2023

With Comparative Actual Totals for December 31, 2022

|                                 | Special Grants-Other |          |                               | Asset Forfeiture |           |                               |
|---------------------------------|----------------------|----------|-------------------------------|------------------|-----------|-------------------------------|
|                                 | Final<br>Budget      | Actual   | Variance with<br>Final Budget | Final<br>Budget  | Actual    | Variance with<br>Final Budget |
| Revenues:                       |                      |          |                               |                  |           |                               |
| Taxes:                          |                      |          |                               |                  |           |                               |
| Property                        | \$ -                 | \$ -     | \$ -                          | \$ -             | \$ -      | \$ -                          |
| Sales                           |                      |          |                               |                  |           |                               |
| Hotel/Motel/Airport Car Rental  |                      |          |                               |                  |           |                               |
| Intergovernmental               | 50,217               | 47,019   | (3,198)                       |                  |           |                               |
| Charges for services            |                      |          |                               |                  |           |                               |
| Fines and forfeits              |                      |          |                               | 20,000           | 12,000    | (8,000)                       |
| Interest (Loss)                 |                      | (284)    | (284)                         |                  | 1,826     | 1,826                         |
| Miscellaneous                   | 15,590               | 16,059   | 469                           |                  |           |                               |
| Total Revenues                  | 65,807               | 62,794   | (3,013)                       | 20,000           | 13,826    | (6,174)                       |
| Expenditures:                   |                      |          |                               |                  |           |                               |
| Current:                        |                      |          |                               |                  |           |                               |
| General government              |                      |          |                               |                  |           |                               |
| Health & welfare                |                      |          |                               |                  |           |                               |
| Public safety                   | 21,500               | 18,460   | 3,040                         | 26,196           | 26,195    | 1                             |
| Culture & recreation            | 46,715               | 44,485   | 2,230                         |                  |           |                               |
| Capital outlay                  | 800                  | 133      | 667                           | 14,999           |           | 14,999                        |
| Debt service:                   |                      |          |                               |                  |           |                               |
| Principal payment               |                      |          |                               |                  |           |                               |
| Interest and fiscal charges     |                      |          |                               |                  |           |                               |
| Total Expenditures              | 69,015               | 63,078   | 5,937                         | 41,195           | 26,195    | 15,000                        |
| Excess (Deficiency) of          |                      |          |                               |                  |           |                               |
| Revenues Over Expenditures      | (3,208)              | (284)    | 2,924                         | (21,195)         | (12,369)  | 8,826                         |
| Other Financing Sources (Uses): |                      |          |                               |                  |           |                               |
| Issuance of subscriptions       |                      |          |                               |                  |           |                               |
| Transfers in                    |                      |          |                               |                  |           |                               |
| Transfers out                   |                      |          |                               | (10,066)         | (10,066)  |                               |
| Total Other Financing           |                      |          |                               |                  |           |                               |
| Sources (Uses)                  |                      |          |                               | (10,066)         | (10,066)  |                               |
| Net change in fund balances     | (3,208)              | (284)    | 2,924                         | (31,261)         | (22,435)  | 8,826                         |
| Fund Balances - Beginning       | 7,699                | 7,699    |                               | 68,563           | 68,563    |                               |
| Fund Balances Ending            | \$ 4,491             | \$ 7,415 | \$ 2,924                      | \$ 37,302        | \$ 46,128 | \$ 8,826                      |

Continued



| Legacy Earnings Distribution |                   |                               | City Special Assessment Fund |                     |                               |
|------------------------------|-------------------|-------------------------------|------------------------------|---------------------|-------------------------------|
| Final<br>Budget              | Actual            | Variance with<br>Final Budget | Final<br>Budget              | Actual              | Variance with<br>Final Budget |
| \$ -                         | \$ -              | \$ -                          | \$ 509,576                   | \$ 489,687          | \$ (19,889)                   |
| 889,542                      | 889,542           |                               | 10,852                       | 13,204<br>518       | 2,352<br>518                  |
|                              |                   |                               | 9,010                        | 51,201              | 42,191                        |
| <u>889,542</u>               | <u>889,542</u>    |                               | <u>529,438</u>               | <u>554,610</u>      | <u>25,172</u>                 |
|                              |                   |                               | 520,312                      | 462,850             | 57,462                        |
|                              |                   |                               | <u>520,312</u>               | <u>462,850</u>      | <u>57,462</u>                 |
| <u>889,542</u>               | <u>889,542</u>    |                               | <u>9,126</u>                 | <u>91,760</u>       | <u>82,634</u>                 |
|                              |                   |                               | (43,235)                     | 612,575<br>(43,232) | 612,575<br>3                  |
|                              |                   |                               | <u>(43,235)</u>              | <u>569,343</u>      | <u>612,578</u>                |
| 889,542                      | 889,542           |                               | (34,109)                     | 661,103             | 695,212                       |
|                              |                   |                               | <u>936,110</u>               | <u>936,110</u>      |                               |
| <u>\$ 889,542</u>            | <u>\$ 889,542</u> | <u>\$ -</u>                   | <u>\$ 902,001</u>            | <u>\$ 1,597,213</u> | <u>\$ 695,212</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, 2023  
 With Comparative Actual Totals for December 31, 2022

|                                 | Insurance Reserve Fund |                   |                               | Noxious Weed Control |                  |                               |
|---------------------------------|------------------------|-------------------|-------------------------------|----------------------|------------------|-------------------------------|
|                                 | Final<br>Budget        | Actual            | Variance with<br>Final Budget | Final<br>Budget      | Actual           | Variance with<br>Final Budget |
| Revenues:                       |                        |                   |                               |                      |                  |                               |
| Taxes:                          |                        |                   |                               |                      |                  |                               |
| Property                        | \$ 389,085             | \$ 372,763        | \$ (16,322)                   | \$ 5,020             | \$ 5,503         | \$ 483                        |
| Sales                           |                        |                   |                               |                      |                  |                               |
| Hotel/Motel/Airport Car Rental  |                        |                   |                               |                      |                  |                               |
| Intergovernmental               | 7,654                  | 8,760             | 1,106                         | 72                   | 2,130            | 2,058                         |
| Charges for services            |                        |                   |                               |                      |                  |                               |
| Fines and forfeits              |                        |                   |                               |                      |                  |                               |
| Interest (Loss)                 | 100                    | 14,391            | 14,291                        | 177                  | 1,196            | 1,019                         |
| Miscellaneous                   |                        |                   |                               |                      |                  |                               |
| Total Revenues                  | <u>396,839</u>         | <u>395,914</u>    | <u>(925)</u>                  | <u>5,269</u>         | <u>8,829</u>     | <u>3,560</u>                  |
| Expenditures:                   |                        |                   |                               |                      |                  |                               |
| Current:                        |                        |                   |                               |                      |                  |                               |
| General government              | 514,650                | 450,060           | 64,590                        |                      |                  |                               |
| Health & welfare                |                        |                   |                               | 5,625                |                  | 5,625                         |
| Public safety                   |                        |                   |                               |                      |                  |                               |
| Culture & recreation            |                        |                   |                               |                      |                  |                               |
| Capital outlay                  |                        |                   |                               |                      |                  |                               |
| Debt service:                   |                        |                   |                               |                      |                  |                               |
| Principal payment               |                        |                   |                               |                      |                  |                               |
| Interest and fiscal charges     |                        |                   |                               |                      |                  |                               |
| Total Expenditures              | <u>514,650</u>         | <u>450,060</u>    | <u>64,590</u>                 | <u>5,625</u>         |                  | <u>5,625</u>                  |
| Excess (Deficiency) of          |                        |                   |                               |                      |                  |                               |
| Revenues Over Expenditures      | <u>(117,811)</u>       | <u>(54,146)</u>   | <u>63,665</u>                 | <u>(356)</u>         | <u>8,829</u>     | <u>9,185</u>                  |
| Other Financing Sources (Uses): |                        |                   |                               |                      |                  |                               |
| Issuance of subscriptions       |                        |                   |                               |                      |                  |                               |
| Transfers in                    |                        |                   |                               |                      |                  |                               |
| Transfers out                   |                        |                   |                               |                      |                  |                               |
| Total Other Financing           |                        |                   |                               |                      |                  |                               |
| Sources (Uses)                  |                        |                   |                               |                      |                  |                               |
| Net change in fund balances     | <u>(117,811)</u>       | <u>(54,146)</u>   | <u>63,665</u>                 | <u>(356)</u>         | <u>8,829</u>     | <u>9,185</u>                  |
| Fund Balances - Beginning       | <u>422,951</u>         | <u>422,951</u>    |                               | <u>21,595</u>        | <u>21,595</u>    |                               |
| Fund Balances Ending            | <u>\$ 305,140</u>      | <u>\$ 368,805</u> | <u>\$ 63,665</u>              | <u>\$ 21,239</u>     | <u>\$ 30,424</u> | <u>\$ 9,185</u>               |

Continued

| E911 System  |              |                            | Economic Development Sales Tax |              |                            |
|--------------|--------------|----------------------------|--------------------------------|--------------|----------------------------|
| Final Budget | Actual       | Variance with Final Budget | Final Budget                   | Actual       | Variance with Final Budget |
| \$ -         | \$ -         | \$ -                       | \$ -                           | \$ -         | \$ -                       |
|              |              |                            | 2,172,353                      | 2,425,721    | 253,368                    |
| 1,000        |              | (1,000)                    |                                |              |                            |
| 1,472,236    | 1,509,276    | 37,040                     | 10,000                         | 53,627       | 43,627                     |
| 15,771       | 76,285       | 60,514                     | 80,430                         | 389,747      | 309,317                    |
| 2,000        | 2,000        |                            | 30,000                         | 220,802      | 190,802                    |
| 1,491,007    | 1,587,561    | 96,554                     | 2,292,783                      | 3,089,897    | 797,114                    |
|              |              |                            |                                |              |                            |
|              |              |                            | 2,743,294                      | 1,574,458    | 1,168,836                  |
| 1,108,824    | 919,508      | 189,316                    |                                |              |                            |
| 375,000      | 22,346       | 352,654                    | 3,344,150                      | 344,150      | 3,000,000                  |
|              | 3,038        |                            |                                |              |                            |
| 174          | 286          | (112)                      |                                |              |                            |
| 1,483,998    | 945,178      | 541,858                    | 6,087,444                      | 1,918,608    | 4,168,836                  |
|              |              |                            |                                |              |                            |
| 7,009        | 642,383      | 638,412                    | (3,794,661)                    | 1,171,289    | 4,965,950                  |
|              | 12,922       | 12,922                     |                                |              |                            |
|              |              |                            | 244,269                        |              | (244,269)                  |
| (506,601)    | (486,789)    | 19,812                     | (1,550,013)                    | (1,050,013)  | 500,000                    |
| (506,601)    | (473,867)    | 32,734                     | (1,305,744)                    | (1,050,013)  | 255,731                    |
| (499,592)    | 168,516      | 671,146                    | (5,100,405)                    | 121,276      | 5,221,681                  |
| 1,778,743    | 1,778,743    |                            | 9,742,959                      | 9,742,959    |                            |
| \$ 1,279,151 | \$ 1,947,259 | \$ 671,146                 | \$ 4,642,554                   | \$ 9,864,235 | \$ 5,221,681               |

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, 2023  
 With Comparative Actual Totals for December 31, 2022

|                                 | Prairie Dog<br>Infrastructure |              |                               | Public Service<br>Answering Point |             |                               |
|---------------------------------|-------------------------------|--------------|-------------------------------|-----------------------------------|-------------|-------------------------------|
|                                 | Final<br>Budget               | Actual       | Variance with<br>Final Budget | Final<br>Budget                   | Actual      | Variance with<br>Final Budget |
| Revenues:                       |                               |              |                               |                                   |             |                               |
| Taxes:                          |                               |              |                               |                                   |             |                               |
| Property                        | \$ -                          | \$ -         | \$ -                          | \$ -                              | \$ -        | \$ -                          |
| Sales                           |                               |              |                               |                                   |             |                               |
| Hotel/Motel/Airport Car Rental  |                               |              |                               |                                   |             |                               |
| Intergovernmental               | 12,000,000                    | 10,326,352   | (1,673,648)                   |                                   |             |                               |
| Charges for services            |                               |              |                               | 606,436                           | 607,194     | 758                           |
| Fines and forfeits              |                               |              |                               |                                   |             |                               |
| Interest (Loss)                 |                               | 180,091      | 180,091                       | 2,297                             | 11,736      | 9,439                         |
| Miscellaneous                   |                               |              |                               |                                   | 156         | 156                           |
| Total Revenues                  | 12,000,000                    | 10,506,443   | (1,493,557)                   | 608,733                           | 619,086     | 10,353                        |
| Expenditures:                   |                               |              |                               |                                   |             |                               |
| Current:                        |                               |              |                               |                                   |             |                               |
| General government              |                               |              |                               |                                   |             |                               |
| Health & welfare                |                               |              |                               |                                   |             |                               |
| Public safety                   |                               |              |                               | 2,005,143                         | 1,965,306   | 39,837                        |
| Culture & recreation            |                               |              |                               |                                   |             |                               |
| Capital outlay                  |                               |              |                               | 500                               | 58          | 442                           |
| Debt service:                   |                               |              |                               |                                   |             |                               |
| Principal payment               |                               |              |                               |                                   |             |                               |
| Interest and fiscal charges     |                               |              |                               |                                   |             |                               |
| Total Expenditures              |                               |              |                               | 2,005,643                         | 1,965,364   | 40,279                        |
| Excess (Deficiency) of          |                               |              |                               |                                   |             |                               |
| Revenues Over Expenditures      | 12,000,000                    | 10,506,443   | (1,493,557)                   | (1,396,910)                       | (1,346,278) | 50,632                        |
| Other Financing Sources (Uses): |                               |              |                               |                                   |             |                               |
| Issuance of subscriptions       |                               |              |                               |                                   |             |                               |
| Transfers in                    |                               |              |                               | 1,346,540                         | 1,346,540   |                               |
| Transfers out                   | (11,000,000)                  | (11,000,000) |                               |                                   |             |                               |
| Total Other Financing           |                               |              |                               |                                   |             |                               |
| Sources (Uses)                  | (11,000,000)                  | (11,000,000) |                               | 1,346,540                         | 1,346,540   |                               |
| Net change in fund balances     | 1,000,000                     | (493,557)    | (1,493,557)                   | (50,370)                          | 262         | 50,632                        |
| Fund Balances - Beginning       | 2,517,202                     | 2,517,202    |                               | 289,536                           | 289,536     |                               |
| Fund Balances Ending            | \$ 3,517,202                  | \$ 2,023,645 | \$ (1,493,557)                | \$ 239,166                        | \$ 289,798  | \$ 50,632                     |

Continued

| Water and Street<br>Sales Tax Fund |                   |                               | Visit Greater Grand Forks |                   |                               |
|------------------------------------|-------------------|-------------------------------|---------------------------|-------------------|-------------------------------|
| Final<br>Budget                    | Actual            | Variance with<br>Final Budget | Final<br>Budget           | Actual            | Variance with<br>Final Budget |
| \$ -<br>6,353,095                  | \$ -<br>7,094,088 | \$ -<br>740,993               | \$ -<br>1,243,717         | \$ -<br>1,241,544 | \$ -<br>(2,173)               |
| 30,000                             | 159,545           | 129,545                       |                           | 5,811             | 5,811                         |
| 6,383,095                          | 7,253,633         | 870,538                       | 1,243,717                 | 1,247,355         | 3,638                         |
|                                    |                   |                               | 1,243,717                 | 1,240,929         | 2,788                         |
|                                    |                   |                               | 1,243,717                 | 1,240,929         | 2,788                         |
| 6,383,095                          | 7,253,633         | 870,538                       |                           | 6,426             | 6,426                         |
| (9,353,095)                        | (9,353,095)       |                               |                           |                   |                               |
| (9,353,095)                        | (9,353,095)       |                               |                           |                   |                               |
| (2,970,000)                        | (2,099,462)       | 870,538                       |                           | 6,426             | 6,426                         |
| 4,809,237                          | 4,809,237         |                               | 33,079                    | 33,079            |                               |
| \$ 1,839,237                       | \$ 2,709,775      | \$ 870,538                    | \$ 33,079                 | \$ 39,505         | \$ 6,426                      |

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, 2023  
 With Comparative Actual Totals for December 31, 2022

|                                 | Animal Control Fund |            |                               | American Rescue Plan Grant Fund |             |                               |
|---------------------------------|---------------------|------------|-------------------------------|---------------------------------|-------------|-------------------------------|
|                                 | Final<br>Budget     | Actual     | Variance with<br>Final Budget | Final<br>Budget                 | Actual      | Variance with<br>Final Budget |
| Revenues:                       |                     |            |                               |                                 |             |                               |
| Taxes:                          |                     |            |                               |                                 |             |                               |
| Property                        | \$ 125,511          | \$ 120,552 | \$ (4,959)                    | \$ -                            | \$ -        | \$ -                          |
| Sales                           |                     |            |                               |                                 |             |                               |
| Hotel/Motel/Airport Car Rental  |                     |            |                               |                                 |             |                               |
| Intergovernmental               | 2,611               | 3,251      | 640                           |                                 | 5,863,489   | 5,863,489                     |
| Charges for services            |                     |            |                               |                                 |             |                               |
| Fines and forfeits              |                     |            |                               |                                 |             |                               |
| Interest (Loss)                 |                     | 992        | 992                           |                                 | 156,979     | 156,979                       |
| Miscellaneous                   | 56,827              | 56,827     |                               |                                 |             |                               |
| Total Revenues                  | 184,949             | 181,622    | (3,327)                       |                                 | 6,020,468   | 6,020,468                     |
| Expenditures:                   |                     |            |                               |                                 |             |                               |
| Current:                        |                     |            |                               |                                 |             |                               |
| General government              |                     |            |                               |                                 |             |                               |
| Health & welfare                |                     |            |                               |                                 |             |                               |
| Public safety                   | 189,949             | 184,949    | 5,000                         |                                 |             |                               |
| Culture & recreation            |                     |            |                               |                                 |             |                               |
| Capital outlay                  |                     |            |                               | 561,180                         | 316,723     | 244,457                       |
| Debt service:                   |                     |            |                               |                                 |             |                               |
| Principal payment               |                     |            |                               |                                 |             |                               |
| Interest and fiscal charges     |                     |            |                               |                                 |             |                               |
| Total Expenditures              | 189,949             | 184,949    | 5,000                         | 561,180                         | 316,723     | 244,457                       |
| Excess (Deficiency) of          |                     |            |                               |                                 |             |                               |
| Revenues Over Expenditures      | (5,000)             | (3,327)    | 1,673                         | (561,180)                       | 5,703,745   | 6,264,925                     |
| Other Financing Sources (Uses): |                     |            |                               |                                 |             |                               |
| Issuance of subscriptions       |                     |            |                               |                                 |             |                               |
| Transfers in                    |                     | 1,934      | 1,934                         |                                 | 3,772       | 3,772                         |
| Transfers out                   |                     |            |                               | (5,629,504)                     | (5,629,503) | 1                             |
| Total Other Financing           |                     |            |                               |                                 |             |                               |
| Sources (Uses)                  |                     | 1,934      | 1,934                         | (5,629,504)                     | (5,625,731) | 3,773                         |
| Net change in fund balances     | (5,000)             | (1,393)    | 3,607                         | (6,190,684)                     | 78,014      | 6,268,698                     |
| Fund Balances - Beginning       | 3,756               | 3,756      |                               | 193,222                         | 193,222     |                               |
| Fund Balances Ending            | \$ (1,244)          | \$ 2,363   | \$ 3,607                      | \$ (5,997,462)                  | \$ 271,236  | \$ 6,268,698                  |

Continued

| COVID Relief Grant Fund |        |                               | Community Development |              |                               |
|-------------------------|--------|-------------------------------|-----------------------|--------------|-------------------------------|
| Final<br>Budget         | Actual | Variance with<br>Final Budget | Final<br>Budget       | Actual       | Variance with<br>Final Budget |
| \$ -                    | \$ -   | \$ -                          | \$ -                  | \$ -         | \$ -                          |
|                         |        |                               | 759,036               | 105,285      | (653,751)                     |
|                         | 2      | 2                             | 3,000                 | 63,582       | 60,582                        |
|                         |        |                               | 3,000                 | 4,230        | 1,230                         |
|                         | 2      | 2                             | 765,036               | 173,097      | (591,939)                     |
|                         |        |                               | 1,803,446             | 685,524      | 1,117,922                     |
|                         |        |                               |                       |              |                               |
|                         |        |                               | 1,803,446             | 685,524      | 1,117,922                     |
|                         | 2      | 2                             | (1,038,410)           | (512,427)    | 525,983                       |
|                         |        |                               |                       |              |                               |
| (109)                   | (108)  | 1                             |                       |              |                               |
| (109)                   | (108)  | 1                             |                       |              |                               |
| (109)                   | (106)  | 3                             | (1,038,410)           | (512,427)    | 525,983                       |
| 106                     | 106    |                               | 3,935,808             | 3,935,808    |                               |
| \$ (3)                  | \$ -   | \$ 3                          | \$ 2,897,398          | \$ 3,423,381 | \$ 525,983                    |

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)

|                                 | 2023 Total      |               |                               | 2022 Actual   |
|---------------------------------|-----------------|---------------|-------------------------------|---------------|
|                                 | Final<br>Budget | Actual        | Variance with<br>Final Budget | Total         |
| Revenues:                       |                 |               |                               |               |
| Taxes:                          |                 |               |                               |               |
| Property                        | \$ 4,275,545    | \$ 4,144,960  | \$ (130,585)                  | \$ 3,934,817  |
| Sales                           | 8,525,448       | 9,519,809     | 994,361                       | 9,297,788     |
| Hotel/Motel/Airport Car Rental  | 1,243,717       | 1,241,544     | (2,173)                       | 1,106,392     |
| Intergovernmental               | 18,144,375      | 21,572,951    | 3,428,576                     | 12,481,053    |
| Charges for services            | 2,397,153       | 2,473,684     | 76,531                        | 2,481,922     |
| Fines and forfeits              | 20,000          | 12,000        | (8,000)                       | 46,437        |
| Interest (Loss)                 | 169,074         | 1,283,625     | 1,114,551                     | (258,131)     |
| Miscellaneous                   | 198,659         | 456,726       | 258,067                       | 115,406       |
| Total Revenues                  | 34,973,971      | 40,705,299    | 5,731,328                     | 29,205,684    |
| Expenditures:                   |                 |               |                               |               |
| Current:                        |                 |               |                               |               |
| General government              | 7,142,374       | 4,715,037     | 2,427,337                     | 4,872,347     |
| Health & welfare                | 2,759,492       | 2,413,175     | 346,317                       | 3,375,967     |
| Public safety                   | 4,697,301       | 4,279,859     | 417,442                       | 3,604,254     |
| Culture & recreation            | 3,111,337       | 2,894,609     | 216,728                       | 2,714,345     |
| Capital outlay                  | 9,007,310       | 5,095,750     | 3,911,560                     | 2,283,279     |
| Debt service:                   |                 |               |                               |               |
| Principal payment               |                 | 3,038         |                               |               |
| Interest and fiscal charges     | 174             | 286           | (112)                         | 1,227         |
| Total Expenditures              | 26,717,988      | 19,401,754    | 7,319,272                     | 16,851,419    |
| Excess (Deficiency) of          |                 |               |                               |               |
| Revenues Over Expenditures      | 8,255,983       | 21,303,545    | 13,050,600                    | 12,354,265    |
| Other Financing Sources (Uses): |                 |               |                               |               |
| Issuance of subscriptions       |                 | 12,922        | 12,922                        |               |
| Transfers in                    | 4,657,114       | 5,035,539     | 378,425                       | 7,853,454     |
| Transfers out                   | (28,560,381)    | (28,037,099)  | 523,282                       | (13,901,210)  |
| Total Other Financing           |                 |               |                               |               |
| Sources (Uses)                  | (23,903,267)    | (22,988,638)  | 914,629                       | (6,047,756)   |
| Net change in fund balances     | (15,647,284)    | (1,685,093)   | 13,965,229                    | 6,306,509     |
| Fund Balances - Beginning       | 28,860,988      | 28,860,988    |                               | 22,554,479    |
| Fund Balances Ending            | \$ 13,213,704   | \$ 27,175,895 | \$ 13,965,229                 | \$ 28,860,988 |

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.

#### **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, 2023

With Comparative Totals for December 31, 2022

|  | General<br>Obligation<br>Bonds | Current<br>Year<br>Projects | 2023<br>Total     | 2022<br>Total     |
|--|--------------------------------|-----------------------------|-------------------|-------------------|
| <b>ASSETS</b>  |                                |                             |                   |                   |
| Cash and cash equivalents  | \$ 266,028                     | \$ 76,436                   | \$ 342,464        | \$ 320,370        |
| Taxes receivable:  |                                |                             |                   |                   |
| Property   | 18,252                         |                             | 18,252            | 18,366            |
| Special assessments  |                                | 4,440                       | 4,440             | 5,291             |
| Total Assets   | <u>\$ 284,280</u>              | <u>\$ 80,876</u>            | <u>\$ 365,156</u> | <u>\$ 344,027</u> |
| <b>LIABILITIES</b>   |                                |                             |                   |                   |
| Advances from other funds  | \$ -                           |                             | \$ -              | \$ -              |
| Total Liabilities  |                                |                             |                   |                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                                |                             |                   |                   |
| Unavailable revenue-property taxes                                   | 18,252                         |                             | 18,252            | 18,366            |
| Unavailable revenue-special assessments                              |                                | \$ 4,440                    | 4,440             | 5,291             |
| Total Deferred Inflows of Resources                                  | <u>18,252</u>                  | <u>4,440</u>                | <u>22,692</u>     | <u>23,657</u>     |
| <b>FUND BALANCES</b>   |                                |                             |                   |                   |
| Restricted   | <u>266,028</u>                 | <u>76,436</u>               | <u>342,464</u>    | <u>320,370</u>    |
| Total Fund Balances  | <u>266,028</u>                 | <u>76,436</u>               | <u>342,464</u>    | <u>320,370</u>    |
| Total liabilities, deferred inflows of<br>resources and fund balance | <u>\$ 284,280</u>              | <u>\$ 80,876</u>            | <u>\$ 365,156</u> | <u>\$ 344,027</u> |

CITY OF GRAND FORKS, NORTH DAKOTA C-2  
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
 NON-MAJOR DEBT SERVICE FUNDS

YEAR ENDED DECEMBER 31, 2023  
 With Comparative Totals for December 31, 2022

|  | General<br>Obligation<br>Bonds | Current<br>Year<br>Projects | 2023<br>Total | 2022<br>Total |
|--|--------------------------------|-----------------------------|---------------|---------------|
| <b>REVENUES</b>                                      |                                |                             |               |               |
| Property taxes                                       | \$ 73                          | \$ -                        | \$ 73         | \$ 1,533      |
| Special assessments                                  |                                | 39,162                      | 39,162        | 28,618        |
| Intergovernmental                                    |                                |                             |               | 99            |
| Interest   | 5,633                          | 3,054                       | 8,687         | 6,679         |
| Total Revenues                                       | 5,706                          | 42,216                      | 47,922        | 36,929        |
| <b>EXPENDITURES</b>                                  |                                |                             |               |               |
| Contractual services                                 |                                |                             |               |               |
| Debt Services:                                       |                                |                             |               |               |
| Interest & fiscal charges                            | 48,478                         | 950                         | 49,428        | 62,921        |
| Principal retirement                                 | 305,000                        |                             | 305,000       | 555,000       |
| Total Expenditures                                   | 353,478                        | 950                         | 354,428       | 617,921       |
| Excess (Deficiency) of<br>Revenues Over Expenditures | (347,772)                      | 41,266                      | (306,506)     | (580,992)     |
| <b>OTHER FINANCING SOURCES (USES)</b>                |                                |                             |               |               |
| Transfers in   | 353,600                        |                             | 353,600       | 466,317       |
| Transfers out  |                                | (25,000)                    | (25,000)      | (1,350,013)   |
| Total Other Financing Sources (Uses)                 | 353,600                        | (25,000)                    | 328,600       | (883,696)     |
| Net change in fund balances                          | 5,828                          | 16,266                      | 22,094        | (1,464,688)   |
| Fund Balances at Beginning of Year                   | 260,200                        | 60,170                      | 320,370       | 1,785,058     |
| Fund Balances at End of Year                         | \$ 266,028                     | \$ 76,436                   | \$ 342,464    | \$ 320,370    |



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## **NON-MAJOR CAPITAL PROJECTS FUNDS**

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

### **Bikeway Project**

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

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

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

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

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

### **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, 2023

With Comparative Totals for December 31, 2022

|  | Bikeway<br>Project | Flood<br>Protection<br>Capital Maintenance | Underpass &<br>Bridge<br>Construction |
|--|--------------------|--|---------------------------------------|
| <b>ASSETS</b>  |                    |  |                                       |
| Cash and cash equivalents  | \$ -               | \$ 771,872                                 | \$ 1,731,994                          |
| Investments  |                    | 8,000,000                                  |                                       |
| Accounts receivable  |                    |  |                                       |
| Sales tax receivable   |                    | 70,823                                     |                                       |
| Special assessments receivable                                       |                    | 46,360                                     |                                       |
| Special assessments-uncertified                                      |                    | 3,371,198                                  |                                       |
| Due from State   |                    | 28,977                                     |                                       |
|  |                    |  |                                       |
| Total Assets   | <u>\$ -</u>        | <u>\$ 12,289,230</u>                       | <u>\$ 1,731,994</u>                   |
| <b>LIABILITIES</b>   |                    |  |                                       |
| Liabilities:   |                    |  |                                       |
| Contracts payable (including retainage)                              |                    | \$ 149,079                                 |                                       |
|  |                    |  |                                       |
| Total Liabilities  |                    | <u>149,079</u>                             |                                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                                 |                    |  |                                       |
| Unavailable revenue-special assessments                              |                    | <u>3,417,557</u>                           |                                       |
|  |                    |  |                                       |
| Total Deferred Inflows of Resources                                  |                    | <u>3,417,557</u>                           |                                       |
| <b>FUND BALANCES</b>   |                    |  |                                       |
| Restricted   |                    | 8,722,594                                  |                                       |
| Committed  | \$ -               |  | \$ 1,731,994                          |
|  |                    |  |                                       |
| Total Fund Balances  |                    | <u>8,722,594</u>                           | <u>1,731,994</u>                      |
|  |                    |  |                                       |
| Total liabilities, deferred inflows of<br>resources and fund balance | <u>\$ -</u>        | <u>\$ 12,289,230</u>                       | <u>\$ 1,731,994</u>                   |

| General Government<br>ARPA Capital<br>Project | Capital<br>Replacement<br>Fund | Public<br>Building<br>Capital Projects | Nuisance<br>Abatements | 2023<br>Total             | 2022<br>Total             |
|---|--------------------------------|--|------------------------|---------------------------|---------------------------|
| \$ 79,011                                     | \$ 1,613,122                   | \$ 755                                 | \$ 39,213              | \$ 4,235,967<br>8,000,000 | \$ 2,714,109<br>8,000,000 |
|   |                                |  |                        | 79,011                    | 79,011                    |
|   |                                |  |                        | 70,823                    | 97,392                    |
|   |                                |  | 5,834                  | 52,194                    | 53,615                    |
|   |                                |  | 319                    | 3,371,517                 | 3,708,872                 |
|   |                                |  |                        | 28,977                    | -                         |
| <u>\$ 79,011</u>                              | <u>\$ 1,613,122</u>            | <u>\$ 755</u>                          | <u>\$ 45,366</u>       | <u>\$ 15,759,478</u>      | <u>\$ 14,652,999</u>      |
| \$ 61,486                                     | 6,403                          |  |                        | \$ 216,968                | \$ 90,783                 |
| <u>61,486</u>                                 | <u>6,403</u>                   |  |                        | <u>216,968</u>            | <u>90,783</u>             |
|   |                                |  | \$ 6,153               | 3,423,710                 | 3,762,487                 |
|   |                                |  | 6,153                  | 3,423,710                 | 3,762,487                 |
| 17,525  | \$ 1,606,719                   | \$ 755                                 | 39,213                 | 8,779,332                 | 7,196,933                 |
|   |                                |  |                        | 3,339,468                 | 3,602,796                 |
| <u>17,525</u>                                 | <u>1,606,719</u>               | <u>755</u>                             | <u>39,213</u>          | <u>12,118,800</u>         | <u>10,799,729</u>         |
| <u>\$ 79,011</u>                              | <u>\$ 1,613,122</u>            | <u>\$ 755</u>                          | <u>\$ 45,366</u>       | <u>\$ 15,759,478</u>      | <u>\$ 14,652,999</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, 2023  
 With Comparative Totals for December 31, 2022

|   | Bikeway<br>Projects | Flood<br>Protection<br>Capital Maintenance | Underpass/<br>Bridge<br>Construction | General<br>Government<br>ARPA Capital<br>Project |
|---|---------------------|--|--------------------------------------|--|
| <b>REVENUES:</b>  |                     |  |                                      |  |
| Special assessments                                     | \$ -                | \$ 1,038,618                               | \$ -                                 | \$ -   |
| Intergovernmental                                       |                     |  |                                      |  |
| Sales Tax   |                     | 1,166,025                                  |                                      |  |
| Investment Interest (Loss)                              | 2,386               | 367,903                                    | 81,761                               |  |
| Intergovernmental                                       |                     | 193,720                                    |                                      |  |
| Total Revenues  | 2,386               | 2,766,266                                  | 81,761                               |  |
| <b>EXPENDITURES</b>                                     |                     |  |                                      |  |
| Capital outlay:   |                     |  |                                      |  |
| General government                                      |                     |  |                                      | 438,848  |
| Public safety   |                     |  |                                      |  |
| Public works  |                     | 1,181,826                                  |                                      |  |
| Debt Service:   |                     |  |                                      |  |
| Interest on leases                                      |                     | 2,800                                      |                                      |  |
| Principal retirement                                    |                     |  |                                      |  |
| Total Expenditures                                      |                     | 1,184,626                                  |                                      | 438,848  |
| Excess (Deficiency) of<br>Revenues Over<br>Expenditures | 2,386               | 1,581,640                                  | 81,761                               | (438,848)  |
| <b>OTHER FINANCING<br/>SOURCES (USES):</b>              |                     |  |                                      |  |
| Sale of property  |                     |  |                                      |  |
| Issuance of Capital Lease                               |                     |  |                                      |  |
| Transfers in  |                     | 30,350                                     | 100,000                              | 456,373  |
| Transfers out   | (148,471)           | (18,537)                                   | (400,000)                            |  |
| Total Other Financing<br>Sources (Uses)                 | (148,471)           | 11,813                                     | (300,000)                            | 456,373  |
| Net change in fund<br>balance                           | (146,085)           | 1,593,453                                  | (218,239)                            | 17,525   |
| Fund Balances at<br>Beginning of Year                   | 146,085             | 7,129,141                                  | 1,950,233                            |  |
| Fund Balances at<br>End of Year                         | \$ -                | \$ 8,722,594                               | \$ 1,731,994                         | \$ 17,525  |



| Capital<br>Replacement<br>Fund | Public<br>Building<br>Capital Projects | Nuisance<br>Abatements | 2023<br>Total | 2022<br>Total |
|--------------------------------|--|------------------------|---------------|---------------|
| \$ -                           | \$ -                                   | \$ 11,431              | \$ 1,050,049  | \$ 999,306    |
|                                |  |                        |               | 632,500       |
| 48,655                         |  | 2,425                  | 1,166,025     | 1,138,811     |
|                                |  |                        | 503,130       | (191,573)     |
|                                |  |                        | 193,720       |               |
| 48,655                         |  | 13,856                 | 2,912,924     | 2,579,044     |
|                                |  |                        |               |               |
| 566,155                        |  |                        | 438,848       | 1,108,725     |
| 142,121                        |  | 17,435                 | 566,155       | 2,369,231     |
|                                |  |                        | 1,341,382     | 2,332,913     |
| 133,841                        |  |                        | 136,641       | 5,941         |
| 356,139                        |  |                        | 356,139       | 667,056       |
| 1,198,256                      |  | 17,435                 | 2,839,165     | 6,483,866     |
| (1,149,601)                    |  | (3,579)                | 73,759        | (3,904,822)   |
|                                |  |                        |               |               |
| 5,351                          |  |                        | 5,351         | 34,063        |
| 1,245,246                      |  | (25,000)               | 1,831,969     | 2,468,330     |
|                                |  |                        | (592,008)     | 3,013,904     |
|                                |  |                        |               | (426,103)     |
| 1,250,597                      |  | (25,000)               | 1,245,312     | 5,090,194     |
|                                |  |                        |               |               |
| 100,996                        |  | (28,579)               | 1,319,071     | 1,185,372     |
|                                |  |                        |               |               |
| 1,505,723                      | 755                                    | 67,792                 | 10,799,729    | 9,614,357     |
| \$ 1,606,719                   | \$ 755                                 | \$ 39,213              | \$ 12,118,800 | \$ 10,799,729 |



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## **NON-MAJOR ENTERPRISE FUNDS**

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

### **Public Transit**

This is a fund used to account for the providing of public transportation (bus) services to the residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection and depositing of fares.

### **Dial-A-Ride**

This is a fund used to account for the providing of public transportation (dial-a-ride) services to the handicapped residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection and depositing of fares.

### **Mosquito Control**

This is a fund to account for the administration, operation and maintenance of the mosquito control program. The purpose of the mosquito control program is to reduce the number of mosquitoes, which reduces the risk of diseases transmitted by mosquitoes (i.e. West Nile Virus), and also reduces nuisance mosquitoes to a tolerable level. This program also improves the quality of outdoor activities in the City of Grand Forks by providing relief from mosquitoes.

### **Downtown Parking**

This is a fund used to account for the providing of parking services to the residents of the city. All activities necessary to provide such services are accounted for in this fund including, but not limited to, administration, operation, maintenance, and collection of fees.

CITY OF GRAND FORKS, NORTH DAKOTA  
COMBINING STATEMENT OF NET POSITION  
NON MAJOR PROPRIETARY FUNDS

E-1

DECEMBER 31, 2023

With Comparative Totals for December 31, 2022

|   | Public Transit | Dial-a-Ride | Mosquito Control |
|---|----------------|-------------|------------------|
| <b>ASSETS</b>   |                |             |                  |
| Current Assets:   |                |             |                  |
| Cash and cash equivalents                               | \$ 1,319,814   | \$ 117,343  | \$ 793,541       |
| Restricted cash, cash equivalents, and investments:     |                |             |                  |
| Customer deposits                                       |                | 1,416       |                  |
| Construction account                                    |                |             | 186,177          |
| Revenue bond current debt service account               |                |             | 31,800           |
| Receivables:  |                |             |                  |
| Accounts  | 284,984        | 48,040      | 119,786          |
| Taxes - property  | 16,245         | 3,503       |                  |
| Intergovernmental:                                      |                |             |                  |
| Federal government                                      | 2,002,594      | 122,577     |                  |
| State of North Dakota                                   | 89,239         | 105,075     |                  |
| Inventories   | 153,245        |             |                  |
| Prepaid items   | 32,869         |             | 592              |
| Total Current Assets                                    | 3,898,990      | 397,954     | 1,131,896        |
| Noncurrent Assets:                                      |                |             |                  |
| Restricted cash, cash equivalents, and investments:     |                |             |                  |
| Revenue bond reserve account                            |                |             | 87,000           |
| Total restricted cash, cash equivalents and investments | -              | -           | 87,000           |
| Capital Assets:   |                |             |                  |
| Land  | 27,199         |             |                  |
| Buildings   | 8,298,307      |             | 1,398,792        |
| Improvements other than buildings                       | 679,663        |             | 77,499           |
| Machinery and equipment                                 | 7,724,776      | 1,103,893   | 1,034,505        |
| Construction in progress                                | 4,839,283      |             |                  |
| Subscription based IT arrangements                      | 221,920        |             |                  |
| Less accumulated depreciation                           | (7,633,812)    | (800,327)   | (1,397,763)      |
| Less subscription amortization                          | (46,535)       |             |                  |
| Total Capital Assets (net of accumulated depreciation)  | 14,110,801     | 303,566     | 1,113,033        |
| Total Noncurrent Assets                                 | 14,110,801     | 303,566     | 1,200,033        |
| Total Assets  | 18,009,791     | 701,520     | 2,331,929        |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>                   |                |             |                  |
| Deferred Pension Single Employer Plan                   | 207,301        |             |                  |
| Deferred Pension NDPERS                                 | 2,774,049      |             |                  |
| Deferred OPEB NDPERS                                    | 147,340        |             |                  |
| Total deferred outflow of resources                     | 3,128,690      |             |                  |
| <b>LIABILITIES</b>                                      |                |             |                  |
| Current Liabilities:                                    |                |             |                  |
| Accounts payable  | 353,529        | 113,223     | 9,141            |
| Due to Other Funds                                      | 1,200,000      | 150,000     |                  |
| Customer Deposits                                       |                | 1,416       |                  |
| Contracts payable (Includes Retainage)                  | 305,262        |             |                  |
| Compensated absences payable-current                    | 7,200          | 163         | 2,723            |
| Subscriptions due in one year                           | 30,474         |             | -                |
| Accrued interest payable                                |                |             | 1,800            |
| Accrued interest payable-subscriptions                  | 1,565          |             |                  |
| Bonds payable-current                                   |                |             | 90,000           |
| Total Current Liabilities                               | 1,898,030      | 264,802     | 103,664          |
| Noncurrent Liabilities:                                 |                |             |                  |
| Compensated absences payable                            | 277,568        | 71,295      | 77,937           |
| Net pension liability Single Employer Plan              | 683,728        |             |                  |
| Net pension liability NDPERS                            | 4,171,377      |             |                  |
| Net OPEB liability NDPERS                               | 334,821        |             |                  |
| Subscription liability                                  | 87,994         |             |                  |
| Revenue bonds payable                                   |                |             | 181,548          |
| Total Noncurrent Liabilities                            | 5,555,488      | 71,295      | 259,485          |
| Total Liabilities                                       | 7,453,518      | 336,097     | 363,149          |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                    |                |             |                  |
| Deferred Pension Single Employer Plan                   |                |             |                  |
| Deferred Pension NDPERS                                 | 3,839,889      |             |                  |
| Deferred OPEB NDPERS                                    | 33,887         |             |                  |
| Total deferred inflow of resources                      | 3,873,776      |             |                  |
| <b>NET POSITION</b>                                     |                |             |                  |
| Net investment in capital assets                        | 13,687,071     | 303,566     | 841,485          |
| Net position-restricted for:                            |                |             |                  |
| Debt Service  |                |             | 117,000          |
| Capital   |                |             | 186,177          |
| Net position-unrestricted                               | (3,875,884)    | 61,857      | 824,118          |
| Total Net Position                                      | \$ 9,811,187   | \$ 365,423  | \$ 1,968,780     |

| Downtown<br>Parking | 2023 Total<br>Non Major<br>Enterprise Funds | 2022 Total<br>Non Major<br>Enterprise Funds |
|---------------------|---|---|
| \$ 111,290          | \$ 2,341,988                                | \$ 2,002,898                                |
|                     | 1,416                                       | 1,416                                       |
|                     | 186,177                                     | 354,142                                     |
|                     | 31,800                                      | 32,400                                      |
| 67,955              | 520,765                                     | 953,665                                     |
|                     | 19,748                                      | 25,948                                      |
|                     | 2,125,171                                   | 1,183,154                                   |
|                     | 194,314                                     | 187,846                                     |
|                     | 153,245                                     | 141,710                                     |
| 5,301               | 38,762                                      | 46,892                                      |
| 184,546             | 5,613,386                                   | 4,930,071                                   |
|                     | 87,000                                      | 87,000                                      |
|                     | 87,000                                      | 87,000                                      |
| 333,627             | 360,826                                     | 360,826                                     |
|                     | 9,697,099                                   | 9,697,099                                   |
| 3,110,013           | 3,867,175                                   | 3,867,175                                   |
| 247,693             | 10,110,867                                  | 9,718,276                                   |
|                     | 4,839,283                                   | 401,117                                     |
|                     | 221,920                                     |   |
| (1,633,644)         | (11,465,546)                                | (10,542,520)                                |
|                     | (46,535)                                    |   |
| 2,057,689           | 17,585,089                                  | 13,501,973                                  |
| 2,057,689           | 17,672,089                                  | 13,588,973                                  |
| 2,242,235           | 23,285,475                                  | 18,519,044                                  |
|                     | 207,301                                     | 78,943                                      |
|                     | 2,774,049                                   | 4,286,427                                   |
|                     | 147,340                                     | 192,802                                     |
|                     | 3,128,690                                   | 4,558,172                                   |
| 169,645             | 645,538                                     | 209,635                                     |
|                     | 1,350,000                                   | 850,000                                     |
|                     | 1,416                                       | 1,416                                       |
|                     | 305,262                                     | -   |
|                     | 10,086                                      | 16,861                                      |
|                     | 30,474                                      | 2,400                                       |
|                     | 1,800                                       |   |
|                     | 1,565                                       |   |
|                     | 90,000                                      | 90,000                                      |
| 169,645             | 2,436,141                                   | 1,170,312                                   |
|                     | 426,800                                     | 382,086                                     |
|                     | 683,728                                     | 271,778                                     |
|                     | 4,171,377                                   | 6,204,855                                   |
|                     | 334,821                                     | 372,156                                     |
|                     | 87,994                                      |   |
|                     | 181,548                                     | 272,129                                     |
|                     | 5,886,268                                   | 7,503,004                                   |
| 169,645             | 8,322,409                                   | 8,673,316                                   |
|                     | -   | 211,336                                     |
|                     | 3,839,889                                   | 3,440,590                                   |
|                     | 33,887                                      | 7,294                                       |
|                     | 3,873,776                                   | 3,659,220                                   |
| 2,057,689           | 16,889,811                                  | 13,139,845                                  |
|                     | 117,000                                     | 117,000                                     |
|                     | 186,177                                     | 354,142                                     |
| 14,901              | (2,975,008)                                 | (2,866,307)                                 |
| \$ 2,072,590        | \$ 14,217,980                               | \$ 10,744,680                               |

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 NON MAJOR PROPRIETARY FUNDS  
 YEAR ENDED DECEMBER 31, 2023  
 With Comparative Totals for December 31, 2022

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|  | Public Transit | Dial-A-Ride | Mosquito Control |
|--|----------------|-------------|------------------|
| Operating Revenues:                                      |                |             |                  |
| Charges for sales and services:                          |                |             |                  |
| Utility fees   | \$ 1,111,024   | \$ 183,910  | \$ 1,149,907     |
| Operating assessment                                     |                |             |                  |
| Miscellaneous  | 2,644          |             |                  |
| Total Operating Revenues                                 | 1,113,668      | 183,910     | 1,149,907        |
| Operating Expenses:                                      |                |             |                  |
| Salaries and wages                                       | 1,667,240      | 917,910     | 309,151          |
| Supplies   | 43,974         | 4,590       | 239,273          |
| Contractual services                                     | 323,887        | 360         | 129,162          |
| Maintenance - structures and equipment                   | 415,380        | 365,886     | 87,416           |
| Sundry expenses  | 22,971         | 8,088       | 11,414           |
| Utilities - heat and lights                              | 26,068         | 22,835      | 12,245           |
| Pension and social security                              | 180,316        | 125,726     | 39,890           |
| Administrative and general                               | 482,373        | 103,752     | 54,926           |
| Total Operating Expenses                                 | 3,162,209      | 1,549,147   | 883,477          |
| Net Income (Loss) from Operations before Depreciation    | (2,048,541)    | (1,365,237) | 266,430          |
| Less - Depreciation                                      | 673,482        | 95,997      | 89,750           |
| Less - Subscription amortization                         | 46,535         |             |                  |
| Net Operating Income (Loss)                              | (2,768,558)    | (1,461,234) | 176,680          |
| Nonoperating Revenues (Expenses):                        |                |             |                  |
| Interest (Loss)  | (7,239)        | 541         | 45,101           |
| Federal grants   | 1,185,831      | 492,304     |                  |
| State grants   | 36,769         | 388,307     |                  |
| General property taxes                                   | 1,103,402      | 238,027     |                  |
| Personal property replacements                           | 30,173         | 5,681       |                  |
| Gain (loss) on capital assets                            | (64,417)       |             |                  |
| Interest expense   | (3,505)        |             | (10,909)         |
| Total Nonoperating Revenues (Expenses)                   | 2,281,014      | 1,124,860   | 34,192           |
| Income (Loss) Before Capital Contributions and Transfers | (487,544)      | (336,374)   | 210,872          |
| Capital Contributions and Transfers:                     |                |             |                  |
| Capital Contributions                                    | 4,249,163      | 205,350     |                  |
| Transfers in   | -              |             |                  |
| Transfers Out  | -              |             | -                |
| Total Capital Contributions and Transfers                | 4,249,163      | 205,350     |                  |
| Change in Net Position                                   | 3,761,619      | (131,024)   | 210,872          |
| Total Net Position-Beginning                             | 6,049,568      | 496,447     | 1,757,908        |
| Total Net Position-Ending                                | \$ 9,811,187   | \$ 365,423  | \$ 1,968,780     |

| <u>Downtown<br/>Parking</u> | <u>2023 Total<br/>Non Major<br/>Enterprise Funds</u> | <u>2022 Total<br/>Non Major<br/>Enterprise Funds</u> |
|-----------------------------|--|--|
| \$ 13,360                   | \$ 2,458,201   | \$ 2,370,261   |
| 110,191                     | 110,191  | 229,735  |
|                             | 2,644  | 3,181  |
| <u>123,551</u>              | <u>2,571,036</u>                                     | <u>2,603,177</u>                                     |
| 23,857                      | 2,918,158  | 2,703,868  |
| 32                          | 287,869  | 294,636  |
| 238,483                     | 691,892  | 439,825  |
| 47,906                      | 916,588  | 817,563  |
|                             | 42,473   | 40,160   |
| 62,415                      | 123,563  | 154,322  |
| 3,713                       | 349,645  | 659,392  |
| 20,825                      | 661,876  | 531,224  |
| <u>397,231</u>              | <u>5,992,064</u>                                     | <u>5,640,990</u>                                     |
| (273,680)                   | (3,421,028)  | (3,037,813)  |
| 105,337                     | 964,566  | 1,093,794  |
|                             | 46,535   |  |
| <u>(379,017)</u>            | <u>(4,432,129)</u>                                   | <u>(4,131,607)</u>                                   |
| 10,850                      | 49,253   | (15,988)   |
|                             | 1,678,135  | 1,836,467  |
|                             | 425,076  | 263,617  |
|                             | 1,341,429  | 1,294,410  |
|                             | 35,854   | 34,033   |
|                             | (64,417)   | 24,260   |
|                             | (14,414)   | (8,386)  |
| <u>10,850</u>               | <u>3,450,916</u>                                     | <u>3,428,413</u>                                     |
| <u>(368,167)</u>            | <u>(981,213)</u>                                     | <u>(703,194)</u>                                     |
|                             | 4,454,513  | -  |
| -                           | -  | 93,200   |
|                             | -  | (2,174)  |
| <u></u>                     | <u>4,454,513</u>                                     | <u>91,026</u>  |
| (368,167)                   | 3,473,300  | (612,168)  |
| <u>2,440,757</u>            | <u>10,744,680</u>                                    | <u>11,356,848</u>                                    |
| <u>\$ 2,072,590</u>         | <u>\$ 14,217,980</u>                                 | <u>\$ 10,744,680</u>                                 |

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF CASH FLOWS  
 NON MAJOR PROPRIETARY FUNDS  
 Year Ended December 31, 2023  
 With Comparative Totals for December 31, 2022

|  | Public Transit<br>Fund | Dial A Ride<br>Fund |
|--|------------------------|---------------------|
| <b>Cash Flows from Operating Activities:</b>   |                        |                     |
| Receipts from customers  | \$ 1,504,999           | \$ 213,927          |
| Payments to suppliers  | (1,317,664)            | (562,787)           |
| Payments to employees  | (1,643,276)            | (899,034)           |
| Payments for interfund services used   | 500,000                |                     |
| Net cash provided (used) by operating activities   | (955,941)              | (1,247,894)         |
| <b>Cash Flows from Non-Capital Financing Activities:</b>   |                        |                     |
| Transfers from other funds   |                        |                     |
| Transfers to other funds   |                        |                     |
| Operating subsidies from federal grants  | 32,950                 | 703,168             |
| Operating subsidies from state grants  | 36,650                 | 381,958             |
| Operating subsidies from Taxes   | 1,138,700              | 244,783             |
| Net cash provided (used) by non-capital financing activities   | 1,208,300              | 1,329,909           |
| <b>Cash Flows from Capital &amp; Related Financing Activities:</b>                                       |                        |                     |
| Capital contributions  | 4,249,163              |                     |
| Purchases of capital assets  | (4,236,356)            |                     |
| Proceeds from sale of capital assets   | 102                    |                     |
| Principal paid on capital debt   |                        |                     |
| Interest paid  | (1,940)                |                     |
| Net cash provided (used) by capital<br>& related financing activities                                    | 10,969                 |                     |
| <b>Cash Flows from Investing Activities:</b>   |                        |                     |
| Proceeds from sales and maturities of investments  |                        |                     |
| Purchase of investments  |                        |                     |
| Interest and dividends   | (7,239)                | 541                 |
| Net cash provided by investing activities  | (7,239)                | 541                 |
| Net increase (decrease) in cash and cash equivalents   | 256,089                | 82,556              |
| Cash and cash equivalents - beginning of the year  | 1,063,725              | 36,203              |
| Cash and cash equivalents - end of the year  | \$ 1,319,814           | \$ 118,759          |
| <b>Reconciliation of operating income to net cash<br/>provided (used) by operating activities:</b>       |                        |                     |
| Operating Income (loss)  | \$ (2,768,558)         | \$ (1,461,234)      |
| Adjustments to reconcile operating income (loss) to net cash<br>provided (used) by operating activities: |                        |                     |
| Depreciation/Amortization Expense  | 720,017                | 95,997              |
| (Increase) decrease in accounts receivable   | 391,331                | 30,017              |
| (Increase) decrease in inventories   | (11,535)               |                     |
| (Increase) decrease in prepaid items   | 8,691                  |                     |
| (Increase) decrease in deferred outflows   | 1,429,482              |                     |
| Increase (decrease) in accounts payable  | 197,356                | 76,679              |
| Increase (decrease) in compensated absences payable  | 21,582                 | 10,647              |
| Increase (decrease) in net pension liability   | (1,621,528)            |                     |
| Increase (decrease) in net OPEB liability  | (37,335)               |                     |
| Increase (decrease) in deferred inflows  | 214,556                |                     |
| Increase (decrease) in due to other funds  | 500,000                |                     |
| Total Adjustments  | 1,812,617              | 213,340             |
| Net cash provided (used) by operating activities   | \$ (955,941)           | \$ (1,247,894)      |
| <b>Noncash Investing, Capital and Financing Activities:</b>  |                        |                     |
| Net (decrease) in fair value of investments  | \$ -                   | \$ -                |
| Contributed Capital  |                        | 205,350             |
| Issuance of subscriptions used for new arrangements  | 221,920                |                     |



| Mosquito Control<br>Fund | Downtown<br>Parking | 2023<br>Total Non-Major<br>Enterprise<br>Funds | 2022<br>Total Non-Major<br>Enterprise<br>Funds |
|--------------------------|---------------------|--|--|
| \$ 1,142,832             | \$ 142,178          | \$ 3,003,936                                   | \$ 2,339,597                                   |
| (574,061)                | (212,641)           | (2,667,153)                                    | (2,664,746)                                    |
| (303,132)                | (23,857)            | (2,869,299)                                    | (2,647,594)                                    |
|                          |                     | 500,000  | (1,250,000)                                    |
| <u>265,639</u>           | <u>(94,320)</u>     | <u>(2,032,516)</u>                             | <u>(4,222,743)</u>                             |
|                          |                     |  | 93,200   |
|                          |                     |  | (2,174)  |
|                          |                     | 736,118  | 3,340,306                                      |
|                          |                     | 418,608  | 306,144  |
|                          |                     | <u>1,383,483</u>                               | <u>1,328,518</u>                               |
|                          |                     | <u>2,538,209</u>                               | <u>5,065,994</u>                               |
|                          |                     | 4,249,163                                      |  |
| (145,242)                | (148,058)           | (4,529,656)                                    | (416,333)                                      |
|                          |                     | 102  | 100,269  |
| (90,000)                 |                     | (90,000)                                       | (85,000)                                       |
| <u>(12,090)</u>          |                     | <u>(14,030)</u>                                | <u>(9,533)</u>                                 |
| <u>(247,332)</u>         | <u>(148,058)</u>    | <u>(384,421)</u>                               | <u>(410,597)</u>                               |
| 87,000                   |                     | 87,000   | 87,000   |
| (87,000)                 |                     | (87,000)                                       | (87,000)                                       |
| 45,101                   | 10,850              | 49,253   | (15,988)                                       |
| <u>45,101</u>            | <u>10,850</u>       | <u>49,253</u>                                  | <u>(15,988)</u>                                |
| 63,408                   | (231,528)           | 170,525  | 416,666  |
| <u>948,110</u>           | <u>342,818</u>      | <u>2,390,856</u>                               | <u>1,974,190</u>                               |
| <u>\$ 1,011,518</u>      | <u>\$ 111,290</u>   | <u>\$ 2,561,381</u>                            | <u>\$ 2,390,856</u>                            |
| <u>\$ 176,680</u>        | <u>\$ (379,017)</u> | <u>\$ (4,432,129)</u>                          | <u>\$ (4,131,607)</u>                          |
| 89,750                   | 105,337             | 1,011,101                                      | 1,093,794                                      |
| (7,075)                  | 18,627              | 432,900  | (263,580)                                      |
|                          |                     | (11,535)                                       | (12,180)                                       |
| 1                        | (562)               | 8,130  | 1,381  |
|                          |                     | 1,429,482                                      | (1,639,719)                                    |
| 573                      | 161,295             | 435,903  | 66,698   |
| 5,710                    |                     | 37,939   | 48,904   |
|                          |                     | (1,621,528)                                    | 3,784,293                                      |
|                          |                     | (37,335)                                       | 208,138  |
|                          |                     | 214,556  | (2,128,865)                                    |
|                          |                     | <u>500,000</u>                                 | <u>(1,250,000)</u>                             |
| <u>88,959</u>            | <u>284,697</u>      | <u>2,399,613</u>                               | <u>(91,136)</u>                                |
| <u>\$ 265,639</u>        | <u>\$ (94,320)</u>  | <u>\$ (2,032,516)</u>                          | <u>\$ (4,222,743)</u>                          |
| \$ 9,038                 | \$ 1,159            | \$ 10,197                                      | \$ (29,515)                                    |
|                          |                     | 205,350  |  |
|                          |                     | 221,920  |  |



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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.

### **Public Works Facility**

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

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

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DECEMBER 31, 2023

With Comparative Totals for December 31, 2022

|   | Computer<br>Service<br>Fund | Central<br>Garage | Public Works<br>Facility | 2023<br>Total | 2022<br>Total |
|---|-----------------------------|-------------------|--------------------------|---------------|---------------|
| <b>ASSETS</b>   |                             |                   |                          |               |               |
| Current assets:                                       |                             |                   |                          |               |               |
| Cash and cash equivalents                             | \$ 137,671                  | \$ 111,828        | \$ 923,786               | \$ 1,173,285  | \$ 1,047,776  |
| Accounts Receivable                                   |                             | 143               |                          | 143           | 143           |
| Prepaid items   |                             |                   | 7,964                    | 7,964         | 7,212         |
| Inventories   |                             | 142,740           |                          | 142,740       | 143,989       |
| Total current assets                                  | 137,671                     | 254,711           | 931,750                  | 1,324,132     | 1,199,120     |
| Capital assets:                                       |                             |                   |                          |               |               |
| Building and equipment, net<br>of accumulated deprec. | 730,250                     | 81,123            | 5,537,282                | 6,348,655     | 6,533,494     |
| Total assets  | 867,921                     | 335,834           | 6,469,032                | 7,672,787     | 7,732,614     |
| <b>LIABILITIES</b>                                    |                             |                   |                          |               |               |
| Current liabilities:                                  |                             |                   |                          |               |               |
| Accounts payable                                      |                             | 40,619            | 11,012                   | 51,631        | 31,399        |
| Subscription based IT arrangements                    | 208,780                     |                   |                          | 208,780       | -             |
| Accrued interest payable-SBITA                        | 5,483                       |                   |                          | 5,483         | -             |
| Compensated absences                                  |                             | 54,963            | 55,901                   | 110,864       | 72,443        |
| Total current liabilities                             | 214,263                     | 95,582            | 66,913                   | 376,758       | 103,842       |
| Total liabilities                                     | 214,263                     | 95,582            | 66,913                   | 376,758       | 103,842       |
| <b>NET POSITION</b>                                   |                             |                   |                          |               |               |
| Net investment in capital assets                      | 521,470                     | 81,123            | 5,537,282                | 6,139,875     | 6,533,494     |
| Net position-unrestricted                             | 132,188                     | 159,129           | 864,837                  | 1,156,154     | 1,095,278     |
| Total net position                                    | \$ 653,658                  | \$ 240,252        | \$ 6,402,119             | \$ 7,296,029  | \$ 7,628,772  |

CITY OF GRAND FORKS, NORTH DAKOTA  
 COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION  
 INTERNAL SERVICE FUNDS

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For the Fiscal Year Ended December 31, 2023  
 With Comparative Totals for December 31, 2022

|  | Computer<br>Service<br>Fund | Central<br>Garage | Public Works<br>Facility | 2023<br>Total       | 2022<br>Total       |
|--|-----------------------------|-------------------|--------------------------|---------------------|---------------------|
| Operating Revenues:                              |                             |                   |                          |                     |                     |
| Charges for services - internal                  | \$ 994,366                  | \$ 1,622,436      | \$ 530,440               | \$ 3,147,242        | \$ 2,839,282        |
| Service Fees                                     |                             |                   | 186,090                  | 186,090             |                     |
| Intergovernmental                                | 60,087                      | -                 | 1,888                    | 61,975              | 8,519               |
| Total operating revenues                         | <u>1,054,453</u>            | <u>1,622,436</u>  | <u>718,418</u>           | <u>3,395,307</u>    | <u>2,847,801</u>    |
| Operating expenses:                              |                             |                   |                          |                     |                     |
| Wages and Salaries                               |                             | 354,106           | 264,063                  | 618,169             | 452,809             |
| Supplies   | 3,110                       | 929,202           | 24,253                   | 956,565             | 890,116             |
| Contractual services                             | 813,434                     | 88,924            | 1,863                    | 904,221             | 800,563             |
| Maintenance- structures & equip.                 | 32,146                      | 37,004            | 295,184                  | 364,334             | 194,025             |
| Sundry   | 1,199                       | 5,275             | 89                       | 6,563               | 3,265               |
| Utilities  | -                           | -                 | 133,918                  | 133,918             | 180,546             |
| Pension and social security                      |                             | 82,758            | 33,521                   | 116,279             | 100,359             |
| Administrative and general                       | 93,690                      | 50,716            | 57,558                   | 201,964             | 200,928             |
| Depreciation/Amortization                        | <u>275,051</u>              | <u>19,532</u>     | <u>350,400</u>           | <u>644,983</u>      | <u>502,329</u>      |
| Total operating expenses                         | <u>1,218,630</u>            | <u>1,567,517</u>  | <u>1,160,849</u>         | <u>3,946,996</u>    | <u>3,324,940</u>    |
| Operating income (loss)                          | <u>(164,177)</u>            | <u>54,919</u>     | <u>(442,431)</u>         | <u>(551,689)</u>    | <u>(477,139)</u>    |
| Nonoperating revenues (expense)                  |                             |                   |                          |                     |                     |
| Earnings on investments                          | 9,655                       | 545               | 37,826                   | 48,026              | (14,179)            |
| Interest expense-SBITA                           | (6,360)                     |                   |                          | (6,360)             | -                   |
| Gain (loss) on disposal of capital assets        | 8,218                       | -                 |                          | 8,218               | 5,660               |
| Total nonoperating revenues (expenses)           | <u>11,513</u>               | <u>545</u>        | <u>37,826</u>            | <u>49,884</u>       | <u>(8,519)</u>      |
| Income (loss) before contributions and transfers | <u>(152,664)</u>            | <u>55,464</u>     | <u>(404,605)</u>         | <u>(501,805)</u>    | <u>(485,658)</u>    |
| Transfers in (out)                               | <u>45,000</u>               | <u>15,000</u>     | <u>109,062</u>           | <u>169,062</u>      | <u>35,067</u>       |
| Change in net position                           | <u>(107,664)</u>            | <u>70,464</u>     | <u>(295,543)</u>         | <u>(332,743)</u>    | <u>(450,591)</u>    |
| Total net position - beginning                   | <u>761,322</u>              | <u>169,788</u>    | <u>6,697,662</u>         | <u>7,628,772</u>    | <u>8,079,363</u>    |
| Total net position - ending                      | <u>\$ 653,658</u>           | <u>\$ 240,252</u> | <u>\$ 6,402,119</u>      | <u>\$ 7,296,029</u> | <u>\$ 7,628,772</u> |

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

Year Ended December 31, 2023

With Comparative Totals for December 31, 2022

|  | Computer<br>Service Fund | Central<br>Garage Fund |
|--|--------------------------|------------------------|
| <b>Cash Flows from Operating Activities:</b>   |                          |                        |
| Payments to suppliers  | \$ (943,579)             | \$ (1,179,587)         |
| Payments to employees  |                          | (344,326)              |
| Internal activity-payments to/from other funds   | 1,054,453                | 1,622,436              |
| Net cash provided (used) by operating activities   | 110,874                  | 98,523                 |
| <b>Cash Flows from Non-Capital Financing Activities:</b>                                       |                          |                        |
| Transfers to other funds   |                          |                        |
| Transfers from other funds   | 45,000                   | 15,000                 |
| Net cash provided (used) by non-capital financing activities                                   | 45,000                   | 15,000                 |
| <b>Cash Flows from Capital &amp; Related Financing Activities:</b>                             |                          |                        |
| Acquisition of capital assets  | (185,203)                | (5,124)                |
| Interest paid on subscriptions   | (877)                    |                        |
| Net cash provided (used) by capital & related financing activities                             | (186,080)                | (5,124)                |
| <b>Cash Flows from Investing Activities:</b>   |                          |                        |
| Interest and dividends   | 9,655                    | 545                    |
| Net cash provided by investing activities  | 9,655                    | 545                    |
| Net increase (decrease) in cash and cash equivalents   | (20,551)                 | 108,944                |
| Cash & cash equivalents - beginning of the year  | 158,222                  | 2,884                  |
| Cash & cash equivalents - end of the year  | \$ 137,671               | \$ 111,828             |
| <b>Reconciliation of operating income to net cash provided (used) by operating activities:</b> |                          |                        |
| Operating Income (loss)  | \$ (164,177)             | \$ 54,919              |
| Adjustments to reconcile operating income to net cash provided (used) by operating activities: |                          |                        |
| Depreciation and amortization expense  | 275,051                  | 19,532                 |
| (Increase) decrease in accounts receivable   |                          |                        |
| (Increase) decrease in inventories   |                          | 1,249                  |
| (Increase) decrease in prepaid items   |                          |                        |
| Increase (decrease) in accounts payable  |                          | 13,043                 |
| Increase (decrease) in compensated absences payable  |                          | 9,780                  |
| Increase (decrease) in due to other funds  |                          |                        |
| Total Adjustments  | 275,051                  | 43,604                 |
| Net cash provided (used) by operating activities   | \$ 110,874               | \$ 98,523              |

| Public Works<br>Facility Fund | Total<br>2023  | Total<br>2022  |
|-------------------------------|----------------|----------------|
| \$ (547,138)                  | \$ (2,670,304) | \$ (2,393,694) |
| (228,233)                     | (572,559)      | (442,381)      |
| 718,418                       | 3,395,307      | 2,844,208      |
| (56,953)                      | 152,444        | 8,133          |
| (192,000)                     | (192,000)      | (811)          |
| 301,062                       | 361,062        | 35,878         |
| 109,062                       | 169,062        | 35,067         |
| (52,819)                      | (243,146)      | (1,087,635)    |
|                               | (877)          |                |
| (52,819)                      | (244,023)      | (1,087,635)    |
| 37,826                        | 48,026         | (14,179)       |
| 37,826                        | 48,026         | (14,179)       |
| 37,116                        | 125,509        | (1,058,614)    |
| 886,670                       | 1,047,776      | 2,106,390      |
| \$ 923,786                    | \$ 1,173,285   | \$ 1,047,776   |
| \$ (442,431)                  | \$ (551,689)   | \$ (477,139)   |
| 350,400                       | 644,983        | 502,329        |
|                               |                | 2,907          |
|                               | 1,249          | (5,712)        |
| (752)                         | (752)          | (92)           |
| 7,189                         | 20,232         | (17,828)       |
| 28,641                        | 38,421         | 10,168         |
|                               |                | (6,500)        |
| 385,478                       | 704,133        | 485,272        |
| \$ (56,953)                   | \$ 152,444     | \$ 8,133       |



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## **CAPITAL ASSETS**

CITY OF GRAND FORKS, NORTH DAKOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE BY SOURCE

G-1

December 31, 2023

Governmental Funds Capital Assets:

|                                   |                  |
|-----------------------------------|------------------|
| Land                              | \$ 38,871,409    |
| Buildings                         | 38,178,360       |
| Improvements other than buildings | 69,078,088       |
| Machinery and equipment           | 31,738,513       |
| Infrastructure                    | 273,836,431      |
| Right to Use Equipment Asset      | 3,146,305        |
| Subscriptions                     | 49,861           |
| Construction in Progress          | <u>7,373,092</u> |

|   |                       |
|---|-----------------------|
| Total Governmental Funds Capital Assets | <u>\$ 462,272,059</u> |
|---|-----------------------|

Investment in Governmental Funds Capital Assets by Source:

|   |                   |
|---|-------------------|
| General obligation bonds and levies     | \$ 189,404,787    |
| Sales tax revenue bonds                 | 19,235,000        |
| Special Revenue Funds                   | 84,991,376        |
| General Fund Revenue                    | 33,013,594        |
| Contributions and donations from others | 5,850,516         |
| State Grants                            | 60,968,837        |
| Federal Grants                          | <u>68,807,949</u> |

|   |                       |
|---|-----------------------|
| Total Governmental Funds Capital Assets | <u>\$ 462,272,059</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

G-2

December 31, 2023

| Function and Activity          | Total          | Land          | Buildings     | Improvements<br>Other Than<br>Buildings | Machinery<br>and<br>Equipment | Infrastructure | Right to Use<br>Equipment Asset<br>Lease | Subscriptions | Construction<br>In Progress |
|--------------------------------|----------------|---------------|---------------|---|-------------------------------|----------------|--|---------------|-----------------------------|
| <b>General Government:</b>     |                |               |               |   |                               |                |  |               |                             |
| Mayor and Council              | \$ 166,806     | \$ -          | \$ -          | \$ -                                    | \$ 166,806                    | \$ -           | \$ -                                     | \$ -          | \$ -                        |
| Attorney                       |                |               |               |   | -                             |                |  |               |                             |
| Assessor                       | 31,065         |               |               |   | 31,065                        |                |  |               |                             |
| Auditor and Accounting         | 42,781         |               |               |   | 42,781                        |                |  |               |                             |
| City Hall                      | 8,894,514      | 113,525       | 7,856,863     |   | 836,058                       |                |  |               | 88,068                      |
| Data Services                  | 1,012,850      |               |               | 995,841                                 | 17,009                        |                |  |               |                             |
| Inspections                    | 126,136        |               |               |   | 126,136                       |                |  |               |                             |
| Miscellaneous                  | 36,939         |               |               |   |                               |                |  | 36,939        |                             |
| Human Resources                | 44,204         |               |               |   | 44,204                        |                |  |               |                             |
| Planning and Zoning            | 19,077         |               |               |   | 19,077                        |                |  |               |                             |
| Economic Development           | 550,421        |               |               | 543,035                                 | 7,386                         |                |  |               |                             |
| Total General Government       | 10,924,793     | 113,525       | 7,856,863     | 1,538,876                               | 1,290,522                     | -              | -  | 36,939        | 88,068                      |
| <b>Health and Welfare</b>      |                |               |               |   |                               |                |  |               |                             |
| Health                         | 631,569        |               | 34,495        |   | 597,074                       |                |  |               |                             |
| Total Health and Welfare       | 631,569        | -             | 34,495        | -                                       | 597,074                       | -              | -  | -             | -                           |
| <b>Public Safety:</b>          |                |               |               |   |                               |                |  |               |                             |
| Civil Preparedness             | 13,196         |               | 7,247         |   | 5,949                         |                |  |               |                             |
| Fire                           | 15,999,980     | 545,004       | 6,607,234     | 44,192                                  | 8,686,368                     | 117,182        |  |               |                             |
| Municipal Court                | 585,868        |               | 537,540       |   | 48,328                        |                |  |               |                             |
| Police                         | 13,797,764     | 38,000        | 3,813,770     | 239,017                                 | 9,430,719                     | 276,258        |  |               |                             |
| Public Safety Center           | 4,463,686      |               | 3,200,504     | 855,009                                 | 20,380                        | 387,793        |  |               |                             |
| Public Service Answering Point | 427,954        |               | 35,903        |   | 392,051                       |                |  |               |                             |
| E-911                          | 3,275,918      |               | 2,199,563     |   | 1,063,433                     |                |  | 12,922        |                             |
| Total Public Safety            | 38,564,367     | 583,004       | 16,401,761    | 1,138,218                               | 19,647,229                    | 781,233        | -  | 12,922        | -                           |
| <b>Highways and Streets</b>    |                |               |               |   |                               |                |  |               |                             |
| Engineer                       | 1,687,897      |               |               |   | 1,687,897                     |                |  |               |                             |
| Street Department              | 10,774,536     | 39,334        | 544,133       | 17,577                                  | 7,027,187                     |                | 3,146,305                                |               |                             |
| Street System                  | 286,912,969    | 8,107,438     |               | 2,101,893                               | 373,750                       | 269,454,298    |  |               | 6,875,590                   |
| Total Highways and Streets     | 299,375,401    | 8,146,772     | 544,133       | 2,119,470                               | 9,088,834                     | 269,454,298    | 3,146,305                                | -             | 6,875,590                   |
| <b>Culture and Recreation</b>  |                |               |               |   |                               |                |  |               |                             |
| Public Library                 | 2,729,192      |               | 2,291,689     | 28,558                                  | 408,945                       |                |  |               |                             |
| Total Culture & Recreation     | 2,729,192      | -             | 2,291,689     | 28,558                                  | 408,945                       |                |  | -             | -                           |
| <b>Landscape Department</b>    |                |               |               |   |                               |                |  |               |                             |
| Parking Facilities             | 340,463        |               |               |   | 340,463                       |                |  |               |                             |
|                                | 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     | 88,742,792     | 20,539,821    | 3,472,006     | 62,050,478                              | 120,141                       | 2,150,912      |  |               | 409,434                     |
| Total Capital Assets           | \$ 462,272,059 | \$ 38,871,409 | \$ 38,178,360 | \$ 69,078,088                           | \$ 31,738,513                 | \$ 273,836,431 | \$ 3,146,305                             | \$ 49,861     | \$ 7,373,092                |

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 \$7,511,409 of Right-of-Way costs included as infrastructure in the Statement of Net Position.

Numbers may vary slightly due to rounding

CITY OF GRAND FORKS, NORTH DAKOTA  
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS  
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY

G-3

December 31, 2023

| Function and Activity          | Governmental<br>Funds Capital<br>Assets 1/1/23 | Additions     | Deletions      | Transfers | Governmental<br>Funds Capital<br>Assets 12/31/23 |
|--------------------------------|--|---------------|----------------|-----------|--|
| General Government:            |  |               |                |           |  |
| Mayor and Council              | \$ 166,806                                     |               |                | \$ -      | \$ 166,806                                       |
| Attorney                       |  |               |                |           |  |
| Assessor                       | 31,065   |               |                |           | 31,065   |
| Finance & Admin Services       | 42,781   |               |                |           | 42,781   |
| City Hall                      | 6,892,889                                      | \$ 2,177,051  | \$ (175,426)   |           | 8,894,514  |
| Information Services           | 574,002  | 995,841       | (556,993)      |           | 1,012,850  |
| Inspections                    | 69,210   | 56,926        |                |           | 126,136  |
| Human Resources                | 44,204   |               |                |           | 44,204   |
| Micellaneous                   | -  | 36,939        |                |           | 36,939   |
| Planning and Zoning            | 19,077   |               |                |           | 19,077   |
| Economic Development           | 220,186  | 330,235       |                |           | 550,421  |
| Total General Government       | 8,060,220                                      | 3,596,992     | (732,419)      |           | 10,924,793                                       |
| Health and Welfare             |  |               |                |           |  |
| Health                         | 631,569  |               |                |           | 631,569  |
| Total Health and Welfare       | 631,569  |               |                |           | 631,569  |
| Public Safety:                 |  |               |                |           |  |
| Civil Preparedness             | 13,196   |               |                |           | 13,196   |
| Fire                           | 15,563,868                                     | 581,534       | (145,422)      |           | 15,999,980                                       |
| Municipal Court                | 585,868  |               |                |           | 585,868  |
| Police                         | 12,580,415                                     | 1,486,169     | (268,820)      |           | 13,797,764                                       |
| Public Safety Center           | 4,466,526                                      |               | (2,840)        |           | 4,463,686  |
| Public Service Answering Point | 427,954  |               |                |           | 427,954  |
| E-911                          | 3,262,996                                      | 12,922        |                |           | 3,275,918  |
| Total Public Safety            | 36,900,823                                     | 2,080,625     | (417,082)      |           | 38,564,366                                       |
| Highways and Streets           |  |               |                |           |  |
| Engineering                    | 1,614,171                                      | 168,001       | (94,275)       |           | 1,687,897  |
| Street Department              | 10,816,490                                     | 976,070       | (1,018,024)    |           | 10,774,536                                       |
| Street System                  | 270,110,300                                    | 18,671,956    | (1,869,288)    |           | 286,912,968                                      |
| Total Highways and Streets     | 282,540,961                                    | 19,816,027    | (2,981,587)    |           | 299,375,401                                      |
| Culture and Recreation         |  |               |                |           |  |
| Public Library                 | 1,707,824                                      | 1,021,368     |                |           | 2,729,192  |
| Total Culture & Recreation     | 1,707,824                                      | 1,021,368     |                |           | 2,729,192  |
| Landscape Department           | 340,463  |               |                |           | 340,463  |
| Parking Facilities             | 2,536,105                                      |               |                |           | 2,536,105  |
| Public Buildings               | 13,280,671                                     |               |                |           | 13,280,671                                       |
| Senior Citizens                | 1,607,292                                      |               |                |           | 1,607,292  |
| Greenway                       | 3,539,415                                      |               |                |           | 3,539,415  |
| Permanent Flood Protection     | 87,977,483                                     | 765,309       |                |           | 88,742,792                                       |
| Total Capital Assets           | 439,122,826                                    | \$ 27,280,321 | \$ (4,131,088) | \$ -      | \$ 462,272,059                                   |

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. Numbers may vary slightly due to rounding

## **SUPPORTING SCHEDULES**

CITY OF GRAND FORKS, NORTH DAKOTA  
SCHEDULE OF CASH EQUIVALENTS AND INVESTMENTS <sup>(1)</sup>  
BY FINANCIAL INSTITUTION  
December 31, 2023

| Description                          | Date of<br>Maturity | Balance<br>December 31, 2023 | Yield  |
|--------------------------------------|---------------------|------------------------------|--------|
| Wells Fargo Bank, Grand Forks:       |                     |                              |        |
| Surety Account                       |                     | \$ 87,278                    | 0.000% |
| Bremer Bank, Grand Forks:            |                     |                              |        |
| Money Market Savings - Main          |                     | 250,183                      | 1.900% |
| Money Market Savings - JDA           |                     | 490,752                      | 1.900% |
| American Federal Bank, Grand Forks:  |                     |                              |        |
| Money Market Checking                |                     | 6,420,962                    | 2.950% |
| Alerus Financial, Grand Forks:       |                     |                              |        |
| Money Market Checking                |                     | 15,419,574                   | 4.270% |
| Choice Financial, Grand Forks:       |                     |                              |        |
| Business Savings                     |                     | 15,615,655                   | 5.120% |
| Total Financial Institution Accounts |                     | 38,284,404                   |        |
| US Bank:                             |                     |                              |        |
| Bremer Bank - CD                     | 1/3/24              | 1,335,000                    | 4.150% |
| Alerus Financial - CD                | 1/19/24             | 10,000,000                   | 4.100% |
| Choice Bank - CDs                    | 3/21/24             | 10,107,083                   | 4.250% |
| Bremer Bank - CD                     | 6/12/24             | 10,000,000                   | 4.250% |
| Federal National Mortgage            | 4/1/24              | 1,374,743                    | 2.521% |
| Federal Home Loan Mortgage Corp      | 9/25/24             | 595,266                      | 1.975% |
| Bremer Bank - CD                     | 12/7/24             | 7,142,138                    | 5.000% |
| Federal Home Loan Bank               | 5/25/25             | 1,679,295                    | 0.695% |
| Federal Home Loan Mortgage Corp      | 7/25/25             | 2,124,793                    | 3.022% |
| Choice Bank - CD                     | 1/11/26             | 5,813,492                    | 3.250% |
| Federal Home Loan Mortgage Corp      | 3/25/26             | 2,070,850                    | 0.794% |
| Federal National Mortgage            | 5/1/26              | 1,395,667                    | 2.400% |
| Federal Home Loan Mortgage Corp      | 7/25/26             | 3,797,812                    | 3.462% |
| Federal Home Loan Mortgage Corp      | 2/15/27             | 295,462                      | 3.199% |
| Federal National Mortgage            | 5/1/27              | 139,355                      | 1.791% |
| Federal National Mortgage            | 10/1/27             | 63,248                       | 2.972% |
| Federal National Mortgage            | 2/1/28              | 3,000,179                    | 4.693% |
| Federal National Mortgage            | 7/1/28              | 4,141,690                    | 4.922% |
| Federal National Mortgage            | 7/1/28              | 4,067,500                    | 4.751% |
| Federal National Mortgage            | 3/1/29              | 3,221,234                    | 4.510% |
| Federal National Mortgage            | 2/1/31              | 1,239,492                    | 1.722% |
| Ginnie Mae                           | 4/20/32             | 2,804,928                    | 4.870% |
| Federal Home Loan Bank               | 7/25/33             | 1,573,576                    | 5.102% |
| Federal National Mortgage            | 8/1/33              | 625,786                      | 3.005% |
| Federal National Mortgage            | 10/25/33            | 333,941                      | 2.643% |
| Federal Home Loan Bank               | 2/15/34             | 1,551,680                    | 5.129% |
| Federal National Mortgage            | 4/15/34             | 850,307                      | 3.105% |
| Federal Home Loan Mortgage Corp      | 12/25/41            | 1,756,796                    | 2.425% |
| Federal Home Loan Mortgage Corp      | 3/1/42              | 3,456,092                    | 0.905% |
| Federal National Mortgage            | 3/25/42             | 930,423                      | 2.622% |
| Federal National Mortgage            | 2/25/43             | 2,457,257                    | 5.070% |
| Federal Home Loan Bank               | 7/25/44             | 1,504,426                    | 4.569% |
| Federal National Mortgage            | 7/25/44             | 1,158,673                    | 1.716% |
| Federal Home Loan Mortgage Corp      | 7/25/45             | 2,510,329                    | 1.709% |
| Federal National Mortgage            | 2/25/51             | 2,421,084                    | 0.801% |
| Ginnie Mae                           | 4/20/51             | 2,887,777                    | 1.242% |
| Ginnie Mae                           | 8/20/51             | 2,792,306                    | 1.011% |
| Ginnie Mae                           | 3/20/52             | 2,528,565                    | 3.795% |
| Ginnie Mae                           | 3/21/52             | 955,397                      | 3.073% |
| Total Investments US Bank            |                     | 106,703,642                  |        |
| Total Investments                    |                     | 106,703,642                  |        |
| Cash on Hand and In Checking         |                     | 33,001,038                   | 5.28%  |
| Alerus Center Cash                   |                     | 9,581,946                    |        |
| TOTAL CASH AND INVESTMENTS           |                     | \$ 187,571,030               |        |

(1) Does not include \$80,547,761 cash and investments in Employee's Retirement System

## CITY OF GRAND FORKS, NORTH DAKOTA

## SUMMARY OF DEBT STATISTICS

DECEMBER 31, 2023

|   |                              |
|---|------------------------------|
| Market Value of Taxable Property - 2023 | <u>\$ 5,418,419,360</u>      |
| Assessed Valuation - 2023               | <u>2,709,209,680</u>         |
| Direct Debt                             |                              |
| Debt Supported by Special Assessments   | 116,785,187                  |
| General Obligation Debt                 | 955,330                      |
| Lease Liability                         | 2,385,356                    |
| Subscription Liability                  | <u>35,823</u>                |
| Total Direct Debt                       | <u>120,161,696</u>           |
| Overlapping Debt                        | <u>68,936,640</u>            |
| Total Direct and Overlapping Debt       | <u><u>\$ 189,098,336</u></u> |

## CITY OF GRAND FORKS, NORTH DAKOTA

## Debt Statistics

|                  | <u>Amount</u>                | <u>Per Capita<br/>(1)</u> | <u>Percent of<br/>Market<br/>Value</u> | <u>Percent of<br/>Assessed<br/>Value</u> |
|------------------|------------------------------|---------------------------|--|--|
| Direct Debt      | \$ 120,161,696               | \$ 1,931                  | 2.22%                                  | 4.44%                                    |
| Overlapping Debt | <u>68,936,640</u>            | <u>1,108</u>              | <u>1.27%</u>                           | <u>2.54%</u>                             |
| Totals           | <u><u>\$ 189,098,336</u></u> | <u><u>\$ 3,039</u></u>    | <u><u>3.49%</u></u>                    | <u><u>6.98%</u></u>                      |

NOTES: (1) 2023 MPO Census Population Estimate 62,226

## CITY OF GRAND FORKS, NORTH DAKOTA

## DEBT STATEMENT

December 31, 2023

|  | <u>Outstanding</u> | <u>Sinking<br/>Funds</u> | <u>Net Liability</u> |
|--|--------------------|--------------------------|----------------------|
| <u>General Obligation Bonds:</u>                                 |                    |                          |                      |
| 2016 "C" GO Refunding Bonds*                                     | \$ 885,000         | \$ 13,883                | \$ 871,117           |
| Net Liability General Obligation Bonds                           | <u>885,000</u>     | <u>13,883</u>            | <u>871,117</u>       |
| <u>Revenue Bonds:</u>  |                    |                          |                      |
| 2005 "E" SRL BioSolids Mgmt Project                              | 555,000            | 386,092                  | 168,908              |
| 2012 "B" Water Reserve Revenue Bond                              | 1,960,000          | 238,995                  | 1,721,005            |
| 2015 "A" Sanitation Reserve Revenue Refunding Bond**             | 5,630,000          | 322,134                  | 5,307,866            |
| 2015 "C" Sewer Reserve Revenue Bonds                             | 1,730,000          | 209,945                  | 1,520,055            |
| 2016 "D" Mosquito Control Reserve Refunding Bonds***             | 270,000            | 118,800                  | 151,200              |
| 2016 Wastewater Revenue Loan - Bank of North Dakota (Loan #1)    | 2,109,104          | 183,636                  | 1,925,468            |
| 2016 Wastewater Rev & Sales Tax Loan-Bank of N. Dakota (Loan #3) | 5,737,706          | 359,702                  | 5,378,004            |
| 2017 "A" Water Utility Reserve Revenue Bond                      | 61,015,000         | 4,060,777                | 56,954,223           |
| 2018 "A" Wastewater Revenue Loan - Bank of North Dakota          | 7,850,000          | 536,640                  | 7,313,360            |
| 2019 "A" Wastewater Revenue Loan - Bank of North Dakota          | 1,100,000          | 74,250                   | 1,025,750            |
| 2019 "C" Sanitation Reserve Revenue Bonds                        | 3,400,000          | 335,003                  | 3,064,997            |
| 2021 "C" Sewer Reserve Revenue Refunding Bonds                   | 1,695,000          | 382,883                  | 1,312,117            |
| 2022 "B" Sanitation Reserve Revenue Bond                         | 3,635,000          | 1,010,470                | 2,624,530            |
| 2023 "A" Water Reserve Revenue SRL                               | 15,072             | 43,666                   | (28,594)             |
| 2023 "C" Wastewater Reserve Revenue SRL                          | 420,036            | 2,296,430                | (1,876,394)          |
| 2023 "E" Wastewater Reserve Revenue SRL                          | <u>1,966,161</u>   | <u>119,467</u>           | <u>1,846,694</u>     |
| Net Liability Revenue Bonds                                      | <u>99,088,079</u>  | <u>10,678,890</u>        | <u>88,409,189</u>    |
| <u>Sales Tax Revenue Bonds:</u>                                  |                    |                          |                      |
| 2015 "D" Sales Tax Revenue Refunding Bond****                    | <u>20,770,000</u>  | <u>23,700,243</u>        | <u>(2,930,243)</u>   |
| Net Liability Sales Tax Revenue Bonds                            | <u>20,770,000</u>  | <u>23,700,243</u>        | <u>(2,930,243)</u>   |

\*2016C is Current Refunding of 2006B and Crossover Refunding of 2007A

\*\*2015A is Current Refunding of 2009A (BABs)

\*\*\*2016D is Current Refunding of 2007B

\*\*\*\*2015D is Current Refunding of 2005A



## CITY OF GRAND FORKS, NORTH DAKOTA

## DEBT STATEMENT

December 31, 2023

|   | <u>Outstanding</u>    | <u>Sinking<br/>Funds</u> | <u>Net Liability</u>  |
|---|-----------------------|--------------------------|-----------------------|
| <u>Refunding Improvement Bonds:</u>                         |                       |                          |                       |
| 2007 "D" Refunding Improvement Bond                         | \$ 185,000            | \$ (108,438)             | \$ 293,438            |
| 2009 "E" Refunding Improvement Bond                         | 675,000               | 391,612                  | 283,388               |
| 2012 "A" Refunding Improvement Refunding Bond*              | 1,335,000             | 1,609,713                | (274,713)             |
| 2013 "A" Refunding Improvement Refunding Bond               | 4,565,000             | 2,546,667                | 2,018,333             |
| 2014 "A" Refunding Improvement Bond                         | 5,675,000             | 2,465,778                | 3,209,222             |
| 2015 "B" Refunding Improvement Bond                         | 3,915,000             | 1,605,591                | 2,309,409             |
| 2016 "A" Refunding Improvement Bond                         | 4,070,000             | 354,041                  | 3,715,959             |
| 2016 Bank of North Dakota Special Assessment Loan (Loan #2) | 4,056,426             | (139,234)                | 4,195,660             |
| 2017 "B" Refunding Improvement Bond                         | 9,190,000             | 94,394                   | 9,095,606             |
| 2018 "B" Refunding Improvement Bond                         | 11,550,000            | 1,214,548                | 10,335,452            |
| 2019 "B" Refunding Improvement Bond                         | 20,255,000            | 405,570                  | 19,849,430            |
| 2020 "A" Refunding Improvement Bond                         | 3,845,000             | 157,264                  | 3,687,736             |
| 2020 "B" Refunding Improvement Bond                         | 800,000               | 263,770                  | 536,230               |
| 2021 "A" Refunding Improvement Bond                         | 6,995,000             | (22,630)                 | 7,017,630             |
| 2021 "B" Refunding Improvement Refunding Bond               | 1,000,000             | 544,220                  | 455,780               |
| 2022 "A" Refunding Improvement Bond                         | 9,460,000             | (102,402)                | 9,562,402             |
| 2023 "B" Refunding Improvement SRL                          | 2,276,156             | 4,232                    | 2,271,924             |
| 2023 "D" Refunding Improvement SRL                          | 813,465               | -                        | 813,465               |
| 2023 "F" Refunding Improvement Bond                         | 20,760,000            | 978,710                  | 19,781,290            |
| Net Liability Refunding Improvement Bonds                   | <u>111,421,047</u>    | <u>12,263,406</u>        | <u>99,157,641</u>     |
| Net Liability All Funds                                     | <u>\$ 232,164,126</u> | <u>\$ 46,656,422</u>     | <u>\$ 185,507,704</u> |

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

## CITY OF GRAND FORKS, NORTH DAKOTA

## SUMMARY OF DEBT SERVICE REQUIREMENTS TO MATURITY

As of December 31, 2023

| Year | General<br>Obligation<br>& Tax Incr. | Revenue<br>Bonds      | Sales Tax<br>Revenue<br>Bonds | Refunding<br>Improvement<br>Bonds | Total<br>Requirement |
|------|--------------------------------------|-----------------------|-------------------------------|-----------------------------------|----------------------|
| 2024 | \$ 355,400                           | \$ 6,660,696          | \$ 4,015,600                  | \$ 9,858,136                      | \$ 20,889,832        |
| 2025 | 352,600                              | 8,183,785             | 4,012,850                     | 9,387,301                         | 21,936,536           |
| 2026 | 244,400                              | 7,911,137             | 4,012,600                     | 9,192,226                         | 21,360,363           |
| 2027 | -                                    | 7,836,348             | 4,014,350                     | 8,873,688                         | 20,724,386           |
| 2028 | -                                    | 7,832,059             | 4,017,600                     | 9,194,636                         | 21,044,295           |
| 2029 | -                                    | 7,854,259             | 4,011,850                     | 8,844,171                         | 20,710,280           |
| 2030 | -                                    | 7,714,434             | -                             | 8,556,306                         | 16,270,740           |
| 2031 | -                                    | 7,727,721             | -                             | 8,172,342                         | 15,900,063           |
| 2032 | -                                    | 7,917,847             | -                             | 7,903,280                         | 15,821,127           |
| 2033 | -                                    | 6,922,178             | -                             | 7,696,975                         | 14,619,153           |
| 2034 | -                                    | 6,942,858             | -                             | 7,295,831                         | 14,238,689           |
| 2035 | -                                    | 6,953,108             | -                             | 6,715,843                         | 13,668,951           |
| 2036 | -                                    | 6,795,860             | -                             | 6,188,269                         | 12,984,129           |
| 2037 | -                                    | 6,827,241             | -                             | 5,783,718                         | 12,610,959           |
| 2038 | -                                    | 6,855,812             | -                             | 5,642,906                         | 12,498,718           |
| 2039 | -                                    | 6,867,339             | -                             | 5,477,105                         | 12,344,444           |
| 2040 | -                                    | 6,437,077             | -                             | 5,316,881                         | 11,753,958           |
| 2041 | -                                    | 6,214,470             | -                             | 5,154,525                         | 11,368,995           |
| 2042 | -                                    | 6,236,796             | -                             | 4,930,099                         | 11,166,895           |
| 2043 | -                                    | 6,262,696             | -                             | 4,647,999                         | 10,910,695           |
| 2044 | -                                    | 6,287,096             | -                             | 4,285,762                         | 10,572,858           |
| 2045 | -                                    | 6,309,893             | -                             | 3,965,274                         | 10,275,167           |
| 2046 | -                                    | 6,213,861             | -                             | 2,618,034                         | 8,831,895            |
| 2047 | -                                    | 5,927,750             | -                             | 2,172,175                         | 8,099,925            |
| 2048 | -                                    | 5,966,000             | -                             | 1,589,150                         | 7,555,150            |
| 2049 | -                                    | 5,577,450             | -                             | 1,193,075                         | 6,770,525            |
| 2050 | -                                    | 5,558,475             | -                             | 789,100                           | 6,347,575            |
| 2051 | -                                    | 2,638,600             | -                             | 768,125                           | 3,406,725            |
| 2052 | -                                    | 2,651,325             | -                             | 697,250                           | 3,348,575            |
| 2053 | -                                    | 2,663,300             | -                             | 288,625                           | 2,951,925            |
| 2054 | -                                    | 2,674,525             | -                             | 149,425                           | 2,823,950            |
| 2055 | -                                    | -                     | -                             | 152,250                           | 152,250              |
|      | <u>\$ 952,400</u>                    | <u>\$ 195,421,996</u> | <u>\$ 24,084,850</u>          | <u>\$ 163,500,482</u>             | <u>\$383,959,728</u> |

CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENT TO MATURITY  
GENERAL OBLIGATION AND TAX INCREMENT BONDS

December 31, 2023

| <u>Year</u> | <u>Principal</u>  | <u>Interest</u>  | <u>Total<br/>Requirement</u> |
|-------------|-------------------|------------------|------------------------------|
| 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>\$ 885,000</u> | <u>\$ 67,400</u> | <u>\$ 952,400</u>            |

## CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY  
REVENUE BONDS

December 31, 2023

| Year | Principal            | Interest             | Total Requirement     |
|------|----------------------|----------------------|-----------------------|
| 2024 | \$ 3,933,459         | \$ 2,727,237         | \$ 6,660,696          |
| 2025 | 5,511,987            | 2,671,798            | 8,183,785             |
| 2026 | 5,360,628            | 2,550,509            | 7,911,137             |
| 2027 | 5,397,880            | 2,438,468            | 7,836,348             |
| 2028 | 5,509,248            | 2,322,811            | 7,832,059             |
| 2029 | 5,650,233            | 2,204,026            | 7,854,259             |
| 2030 | 5,631,338            | 2,083,096            | 7,714,434             |
| 2031 | 5,757,564            | 1,970,157            | 7,727,721             |
| 2032 | 6,063,916            | 1,853,931            | 7,917,847             |
| 2033 | 5,200,394            | 1,721,784            | 6,922,178             |
| 2034 | 5,312,002            | 1,630,856            | 6,942,858             |
| 2035 | 5,413,742            | 1,539,366            | 6,953,108             |
| 2036 | 5,350,617            | 1,445,243            | 6,795,860             |
| 2037 | 5,472,629            | 1,354,612            | 6,827,241             |
| 2038 | 5,594,782            | 1,261,030            | 6,855,812             |
| 2039 | 5,702,077            | 1,165,262            | 6,867,339             |
| 2040 | 5,369,519            | 1,067,558            | 6,437,077             |
| 2041 | 5,232,109            | 982,361              | 6,214,470             |
| 2042 | 5,334,852            | 901,944              | 6,236,796             |
| 2043 | 5,442,749            | 819,947              | 6,262,696             |
| 2044 | 5,550,804            | 736,292              | 6,287,096             |
| 2045 | 5,658,917            | 650,976              | 6,309,893             |
| 2046 | 5,649,864            | 563,997              | 6,213,861             |
| 2047 | 5,450,000            | 477,750              | 5,927,750             |
| 2048 | 5,570,000            | 396,000              | 5,966,000             |
| 2049 | 5,265,000            | 312,450              | 5,577,450             |
| 2050 | 5,325,000            | 233,475              | 5,558,475             |
| 2051 | 2,485,000            | 153,600              | 2,638,600             |
| 2052 | 2,535,000            | 116,325              | 2,651,325             |
| 2053 | 2,585,000            | 78,300               | 2,663,300             |
| 2054 | 2,635,000            | 39,525               | 2,674,525             |
|      | <u>\$156,951,310</u> | <u>\$ 38,470,686</u> | <u>\$ 195,421,996</u> |

Repayment schedule based upon State Revolving Loans through Bank of North Dakota being fully drawn upon. As of 12/31/23, only \$2,401,268 out of the \$60,602,000 limit dr

## CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY  
SALES TAX REVENUE BONDS

December 31, 2023

| Year | Business-type Activities |                     | Total               |
|------|--------------------------|---------------------|---------------------|
|      | Principal                | Interest            | Requirement         |
| 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>\$ 20,770,000</u>     | <u>\$ 3,314,850</u> | <u>\$24,084,850</u> |

## CITY OF GRAND FORKS, NORTH DAKOTA

DEBT SERVICE REQUIREMENTS TO MATURITY  
REFUNDING IMPROVEMENT BONDS

December 31, 2023

| Year | Principal             | Interest             | Total Requirement     |
|------|-----------------------|----------------------|-----------------------|
| 2024 | \$ 5,612,909          | \$ 4,245,227         | \$ 9,858,136          |
| 2025 | 5,378,727             | 4,008,574            | 9,387,301             |
| 2026 | 5,401,601             | 3,790,625            | 9,192,226             |
| 2027 | 5,299,533             | 3,574,155            | 8,873,688             |
| 2028 | 5,822,524             | 3,372,112            | 9,194,636             |
| 2029 | 5,705,575             | 3,138,596            | 8,844,171             |
| 2030 | 5,648,686             | 2,907,620            | 8,556,306             |
| 2031 | 5,496,860             | 2,675,482            | 8,172,342             |
| 2032 | 5,430,097             | 2,473,183            | 7,903,280             |
| 2033 | 5,418,399             | 2,278,576            | 7,696,975             |
| 2034 | 5,206,767             | 2,089,064            | 7,295,831             |
| 2035 | 4,810,202             | 1,905,641            | 6,715,843             |
| 2036 | 4,448,707             | 1,739,562            | 6,188,269             |
| 2037 | 4,197,280             | 1,586,438            | 5,783,718             |
| 2038 | 4,195,926             | 1,446,980            | 5,642,906             |
| 2039 | 4,169,644             | 1,307,461            | 5,477,105             |
| 2040 | 4,148,437             | 1,168,444            | 5,316,881             |
| 2041 | 4,127,306             | 1,027,219            | 5,154,525             |
| 2042 | 4,046,252             | 883,847              | 4,930,099             |
| 2043 | 3,905,277             | 742,722              | 4,647,999             |
| 2044 | 3,679,383             | 606,379              | 4,285,762             |
| 2045 | 3,488,570             | 476,704              | 3,965,274             |
| 2046 | 2,264,764             | 353,270              | 2,618,034             |
| 2047 | 1,905,000             | 267,175              | 2,172,175             |
| 2048 | 1,400,000             | 189,150              | 1,589,150             |
| 2049 | 1,065,000             | 128,075              | 1,193,075             |
| 2050 | 705,000               | 84,100               | 789,100               |
| 2051 | 710,000               | 58,125               | 768,125               |
| 2052 | 665,000               | 32,250               | 697,250               |
| 2053 | 280,000               | 8,625                | 288,625               |
| 2054 | 145,000               | 4,425                | 149,425               |
| 2055 | <u>150,000</u>        | <u>2,250</u>         | <u>152,250</u>        |
|      | <u>\$ 114,928,426</u> | <u>\$ 48,572,056</u> | <u>\$ 163,500,482</u> |

Repayment schedule based upon State Revolving Loans through Bank of North Dakota being fully drawn upon. As of 12/31/23, only \$3,089,621 out of the \$6,597,000 limit drawn.

## Summary of Individual Bonds as of December 31, 2023

**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% to  
4.0%

\$ 885,000

**Total General Obligation Bonds**

**\$ 885,000**

**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%

\$ 555,000

\$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% to 2.75%

1,960,000

\$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% to 4.0%

5,630,000

\$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% to 4.00%

1,730,000

\$870,000 2016 "D" Mosquito Control Reserve Revenue Bonds, Mosquito Control Building  
Construction; annual installments of \$85,000 to \$90,000 through Sept 1, 2026; interest at  
2.0%

270,000

\$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%

2,109,104

\$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%

5,737,706

\$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%;

61,015,000

\$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 2.0%;

7,850,000

\$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%;

1,100,000

\$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% to 4.0%

3,400,000

|   |                      |
|---|----------------------|
| \$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% to 4.0% | 1,695,000            |
| \$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 5.0%   | 3,635,000            |
| \$37,500 2023 "A" Bank of North Dakota Water SRF Loan, Lead Service Line Replacement Program; Annual installments of \$6,500 to \$8,000 starting September 1, 2023 through Septemeber 1, 2027; Interest of 2.0%   | 15,072               |
| \$54,620,000 2023 "C" Bank of North Dakota Wastewater SRF Loan, Wastewater Treatment Plant Improvements; Annual installments of \$1,345,000 to \$2,385,000 starting September 1, 2025 through September 1, 2054; Interest of 2.0%   | 420,036              |
| \$5,607,000 2023 "E" Bank of North Dakota Wastewater SRF Loan, Wastewater Life Station & Forecmain Construction; Annual installments of \$140,000 to \$250,000 starting September 1, 2025 through September 1, 2054; Interest of 2.0%   | 1,966,161            |
| <b>Total Revenue Bonds</b>  | <b>\$ 99,088,079</b> |

**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% to 5.0% | \$ 20,770,000        |
| <b>Total Sales Tax Revenue Bonds</b>  | <b>\$ 20,770,000</b> |

**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% to 4.4%           | \$ 185,000 |
| \$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% to 4.20%          | 675,000    |
| \$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% to 3.0% | 1,335,000  |
| \$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%           | 4,565,000  |
| \$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 2.0% to 3.6%           | 5,675,000  |
| \$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%         | 3,915,000  |



|   |                          |
|---|--------------------------|
| \$6,180,000 2016 "A" Refunding Improvement Bond, Various Special Assessment Projects;<br>annual installments of \$50,000 to \$370,000 through December 1, 2042;<br>interest ranging from 2.0% to 3.125%   | H-8(Cont'd)<br>4,070,000 |
| \$5,334,989 2016 Bank of North Dakota Special Assessment Loan #2, Various Special<br>Assessment Projects; annual installments of \$178,840 to \$313,704 through December 1,<br>2046; interest at 2.0%; Loan drawn upon as needed through life of project  | 4,056,426                |
| \$10,555,000 2017 "B" Refunding Improvement Bond, Various Special Assessment Projects;<br>annual installments of \$220,000 to \$485,000 beginning in December 2021 through<br>December 2045; interest at 2.25% to 5.0%                                    | 9,190,000                |
| \$12,155,000 2018 "B" Refunding Improvement Bond, Various Special Assessment Projects;<br>annual installments of \$280,000 to \$605,000 beginning in December 2023 through<br>December 2047; interest at 4.0% to 5.0%                                     | 11,550,000               |
| \$22,160,000 2019 "B" Refunding Improvement Bond, Various Special Assessment Projects;<br>annual installments of \$575,000 to \$1,020,000 beginning in December 2021 through<br>December 2045; interest at 2.375% to 5.0%                                 | 20,255,000               |
| \$4,190,000 2020 "A" Refunding Improvement Bonds, Various Special Assessment Projects;<br>annual installments of \$120,000 to \$195,000 beginning in December 2022 through<br>December 2046; interest at 2.0% to 5.0%                                     | 3,845,000                |
| \$1,430,000 2020 "B" Refunding Improvement Refunding Bonds, Various Special<br>Assessment Projects; annual installments of \$195,000 to \$210,000 beginning December<br>2021 through December of 2027; interest of 4.0%                                   | 800,000                  |
| \$7,500,000 2021 "A" Refunding Improvement Bonds, Various Special Assessment Projects;<br>annual installments of \$220,000 to \$505,000 beginning December 2022 through<br>December of 2047; interest of 2.5% to 5.0%                                     | 6,995,000                |
| \$1,550,000 2021 "B" Refunding Improvement Refunding Bonds, Refunds 2011C Refunding<br>Bonds for Various Special Assessment Projects; annual installments of \$230,000 to<br>\$300,000 beginning December 2022 through December of 2027; interest of 5.0% | 1,000,000                |
| \$9,460,000 2022 "A" Refunding Improvement Bonds, Various Special Assessment Projects;<br>annual installments of \$320,000 to \$415,000 beginning December 2024 through<br>December of 2048; interest ranging from 4.375% to 5.0%                         | 9,460,000                |
| \$3,167,000 2023 "B" Bank of North Dakota Stormwater Special Assessment SRF Loan,<br>Stormwater Pond Construction; Annual Installments of \$77,000 to \$135,000 beginning<br>September 1, 2023 through September 1, 2052; Interest of 2.0%                | 2,276,156                |
| \$3,430,000 2023 "D" Bank of North Dakota Wastewater Special Assessment SRF Loan,<br>Wastewater Main Construction; Annual Installments of \$85,000 to \$150,000 beginning<br>September 1, 2026 through September 1, 2055; Interest of 2.0%                | 813,465                  |
| \$20,760,000 2023 "F" Refunding Improvement Bonds, Various Special Assessment<br>Projects; Annual installments of \$390,000 to \$955,000 beginning December 1, 2028<br>through December 1, 2052; Interest ranging from 4.5% to 5.0%                       | 20,760,000               |
| <b>Total Special Assessment Bonds</b>   | <b>\$ 111,421,047</b>    |

## CITY OF GRAND FORKS, NORTH DAKOTA

## SCHEDULE OF INSURANCE IN FORCE

December 31, 2023

| <u>Type of Coverage and Name of Company</u>   | <u>Policy Number</u>    | <u>From</u> | <u>To</u> |
|---|-------------------------|-------------|-----------|
| Buildings and Contents<br>State Fire and Tornado Fund   | FT-1971-04              | 07/01/23    | 07/01/24  |
| Buildings and Contents-Leased Properties<br>State Fire and Tornado Fund   | FT-2523-04              | 07/01/23    | 07/01/24  |
| Public Officials Error and Omissions<br>Auto Liability and Comp. General<br>North Dakota Insurance Reserve Fund | GL-440-37<br>& BA224-37 | 01/01/23    | 01/01/24  |
| Equipment Floater<br>North Dakota Insurance Reserve Fund  | IM0591-31               | 01/01/23    | 01/01/24  |
| Public Employee Blanket Bond<br>North Dakota Bonding Fund   | Bond #2634              | Continuous  |           |
| Workers Compensation (Minnesota)<br>State Auto  | MN COMP<br>10133510WC2  | 5/16/2023   | 5/16/2024 |
| Workers Compensation (North Dakota)   | 48710                   | 1/1/2023    | 12/31/23  |
| Flood Insurance<br>Vaaler Ins./ Assurant/Selective<br>40 policies   | Various                 | 4/1/2023    | 04/01/24  |
| Alerus Center<br>Traveler's / Vaaler Ins.   | P-630-3F694973-TIL-23   | 1/1/2023    | 01/01/24  |
| Employee Health Insurance<br>BC/BS of North Dakota  | 10442519                | 1/1/2023    | 12/31/23  |

\* Except for specific covered services as outlined

| Details of Coverage  | Co-Insurance                                     | Liabilities<br>Limit                    | Annual<br>Premium |
|--|--|---|-------------------|
| Blanket real and personal property                                     | 90%  | Replacement value                       | \$ 277,863        |
| Blanket real and personal property                                     | 90%  | Replacement value                       | 39,123            |
| General Liability/Auto Fleet and Public Officials Errors and Omissions |  | \$5,000,000 per occurrence              | 670,307           |
| Equipment Floater  |  | \$14,784,445                            | 39,092            |
| 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 | 3,415             |
| Bodily Injury  | \$250  |   | 323,779           |
| Flood insurance  |  | \$6,181,000                             | 44,531            |
| Building   | 100%   | \$145,648,305                           | 135,885           |
| Business Personal Property   |  | \$8,279,584                             |                   |
| Business Income and Extra Expense                                      |  | \$10,623,174                            |                   |
| Outdoor Property (Signs)   |  | \$832,248                               |                   |
| Employee Health Insurance  | <u>Product Blue Access</u><br><u>80/500 Plan</u> | Unlimited *                             | 5,023,110         |
|  | Single Deductible                                | \$500                                   |                   |
|  | Single Coinsurance                               | \$2,700                                 |                   |
|  | Family Deductible                                | \$1,500                                 |                   |
|  | Family Coinsurance                               | \$5,900                                 |                   |



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## **STATISTICAL SECTION**

This part of the City of Grand Forks' annual comprehensive financial report (ACFR) presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the City's overall financial health.

### **Contents**

#### **Financial Trends**

These schedules contain trend information to help the reader understand how the City's financial performance and well-being have changed over time.

#### **Revenue Capacity**

These schedules contain information to help the reader assess the factors affecting the city's ability to generate its property and sales taxes.

#### **Debt Capacity**

These schedules present information to help the reader assess the affordability of the city's current levels of outstanding debt and the city's ability to issue additional debt in the future.

#### **Demographic and Economic Information**

These schedules offer demographic and economic indicators to help the readers understand the environment within which the city's financial activities take place and to help make comparisons over time and with other governments.

#### **Operating Information**

These schedules contain information about the city's operations and resources to help the reader understand how the city's financial information relates to the services the city provides and the activities it performs.

#### **Financial Trends**

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

#### **Revenue Capacity**

- Tax Revenues by Source, Governmental Funds, Last Ten Fiscal Years
- Assessed and Estimated Actual Value of Taxable Property, Last Ten Fiscal Years
- Property Tax Levies and Collections, Last Ten Fiscal Years

Direct and Overlapping Property Tax Rates, Last Ten Fiscal Years  
Principal Property Tax Payers, Current Year and Nine Years Ago  
Construction Value, Last Ten Years

### **Debt Capacity**

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

### **Demographic and Economic Information**

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

### **Operating Information**

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

Sources: Unless otherwise noted, the information in these schedules is derived from the 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)

|  | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
|--|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Governmental activities                    |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 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        | \$ 154,262,167        |
| Restricted                                 | 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           | 166,328,768           |
| Unrestricted                               | <u>7,785,156</u>      | <u>(12,400,329) *</u> | <u>(15,251,671)</u>   | <u>(20,239,365)</u>   | <u>(26,594,425)</u>   | <u>(31,390,956)</u>   | <u>(32,140,648)</u>   | <u>(16,199,342)</u>   | <u>(16,720,913)</u>   | <u>(29,336,696)</u>   |
| Total governmental activities net position | <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> | <u>\$ 291,254,239</u> |
| Business-type activities                   |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 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        | \$ 420,013,226        |
| Restricted                                 | 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            | 48,994,599            |
| Unrestricted                               | <u>33,557,777</u>     | <u>28,954,961 *</u>   | <u>25,672,012</u>     | <u>20,584,754</u>     | <u>25,274,715</u>     | <u>25,593,933</u>     | <u>25,155,629</u>     | <u>17,022,830</u>     | <u>12,716,559</u>     | <u>7,611,323</u>      |
| Total business-type activity net position  | <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> | <u>\$ 476,619,148</u> |
| Primary government                         |                       |                       |                       |                       |                       |                       |                       |                       |                       |                       |
| Net investment in capital assets           | \$ 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        | \$ 574,275,393        |
| Restricted                                 | 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           | 215,323,367           |
| Unrestricted                               | <u>41,342,933</u>     | <u>16,554,632 *</u>   | <u>10,420,341</u>     | <u>345,389</u>        | <u>(1,319,710)</u>    | <u>(5,797,023)</u>    | <u>(6,985,019)</u>    | <u>823,488</u>        | <u>(4,004,354)</u>    | <u>(21,725,373)</u>   |
| Total primary government net position      | <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> | <u>\$ 767,873,387</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)**

|  | 2014           | 2015           | 2016           | 2017           | 2018           | 2019           | 2020           | 2021           | 2022           | 2023           |
|--|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| <b>Expenses</b>                                |                |                |                |                |                |                |                |                |                |                |
| Governmental Activities                        |                |                |                |                |                |                |                |                |                |                |
| General Government                             | \$ 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  | \$ 20,660,368  |
| Highways and Streets                           | 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     | 14,954,039     |
| Public Safety                                  | 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     | 38,083,406     |
| Health and Welfare                             | 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      | 4,700,529      |
| Culture and Recreation                         | 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      | 4,118,950      |
| Public Works                                   | 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      | 7,639,081      |
| Interest on Long-term Debt                     | 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      | 3,643,674      |
| Total Governmental Activities Expenses         | 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     | 93,800,047     |
| Business-type Activities                       |                |                |                |                |                |                |                |                |                |                |
| Sanitation                                     | 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     | 13,460,944     |
| Wastewater                                     | 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     | 12,847,414     |
| Waterworks                                     | 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     | 18,664,175     |
| Stormwater                                     | 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      | 5,030,669      |
| Mosquito Control                               | 849,760        | 890,242        | 971,488        | 861,285        | 910,279        | 1,011,195      | 1,104,823      | 925,398        | 889,443        | 984,136        |
| Public Transit                                 | 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      | 3,950,148      |
| Dial-A-Ride                                    | 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      | 1,645,144      |
| Alerus Center                                  | 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     | 10,849,768     |
| Job Development Authority                      | 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      | 2,381,390      |
| Downtown Parking                               | 436,713        | 435,199        | 437,045        | 396,790        | 360,691        | 340,057        | 453,665        | 365,621        | 372,556        | 502,568        |
| Total Business-type Activities Expenses        | 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     | 70,316,356     |
| Total Primary Government Expenses              | \$ 102,658,124 | \$ 103,333,578 | \$ 112,092,554 | \$ 120,302,668 | \$ 118,215,394 | \$ 130,927,944 | \$ 142,050,804 | \$ 133,315,859 | \$ 145,819,807 | \$ 164,116,403 |
| <b>Program Revenue</b>                         |                |                |                |                |                |                |                |                |                |                |
| Governmental Activities:                       |                |                |                |                |                |                |                |                |                |                |
| Charges for Services:                          |                |                |                |                |                |                |                |                |                |                |
| General Government                             | \$ 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  | \$ 9,433,641   |
| Highways and Streets                           | 49,035         | -              | -              | -              | -              | 2,893          | 1,397          | 1,372          | 2,367          | 2,920          |
| Public Safety                                  | 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      | 2,753,389      |
| Health and Welfare                             | 747,414        | 809,609        | 775,186        | 785,831        | 772,966        | 794,145        | 855,493        | 836,054        | 1,097,316      | 1,183,205      |
| Culture & Recreation                           | 45,765         | 50,161         | 47,749         | 47,935         | 49,348         | 47,440         | 31,241         | 6,494          | 20,349         | 24,824         |
| Operating Grants and Contributions             | 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      | 8,718,377      |
| Capital Grants and Contributions               | 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     | 40,708,024     |
| Total Governmental Activities Program Revenue  | 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     | 62,824,380     |
| Business-type Activities:                      |                |                |                |                |                |                |                |                |                |                |
| Charges for Services:                          |                |                |                |                |                |                |                |                |                |                |
| Sanitation                                     | 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     | 11,493,938     |
| Wastewater                                     | 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     | 11,894,346     |
| Waterworks                                     | 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     | 13,684,826     |
| Stormwater                                     | 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      | 3,267,623      |
| Mosquito Control                               | 812,942        | 821,991        | 844,214        | 884,826        | 985,032        | 1,064,495      | 1,096,441      | 1,107,653      | 1,134,247      | 1,149,907      |
| Public Transit                                 | 526,513        | 571,160        | 585,696        | 592,407        | 574,409        | 505,604        | 825,707        | 949,280        | 993,942        | 1,113,668      |
| Dial-A-Ride                                    | 2,633          | 3,539          | 2,107          | 400            | 145,951        | 244,341        | 231,129        | 100,343        | 216,713        | 183,910        |
| Alerus Center                                  | 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      | 4,966,312      |
| Job Development Authority                      | 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      | 876,284        |
| Downtown Parking                               | 483,983        | 449,013        | 412,806        | 342,713        | 438,711        | 322,926        | 222,416        | 163,772        | 258,275        | 123,551        |
| Operating Grants and Contributions             | 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      | 2,310,338      |
| Capital Grants and Contributions               | 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      | 16,129,865     |
| Total Business-type Activities Program Revenue | 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     | 67,194,568     |
| Total Primary Government Program Revenue       | \$ 65,071,698  | \$ 79,621,271  | \$ 77,540,238  | \$ 80,934,768  | \$ 85,539,782  | \$ 100,919,557 | \$ 113,394,140 | \$ 105,000,683 | \$ 107,037,171 | \$ 130,018,948 |



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

|   | 2014                   | 2015                   | 2016                   | 2017                   | 2018                   | 2019                   | 2020                   | 2021                   | 2022                   | 2023                   |
|---|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|------------------------|
| <b>Net (Expense) Revenue</b>                              |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ (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)        | \$ (30,975,667)        |
| Business-type activities                                  | (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)           | (3,121,788)            |
| Total Net Expense   | <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> | <u>\$ (34,097,455)</u> |
| <b>General Revenues and Other Changes in Net Position</b> |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities:                                  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Taxes:  |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property Taxes  | \$ 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          | \$ 23,388,198          |
| Sales Taxes   | 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             | 21,372,119             |
| Hotel/Motel Sales Taxes                                   | -                      | -                      | -                      | -                      | -                      | -                      | 999,838                | 549,414                | 1,106,309              | 1,241,544              |
| State aid distribution                                    | 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              | 4,654,984              |
| Franchise Taxes   | 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              | 3,052,376              |
| Other Taxes   | 496,779                | 505,662                | 594,311                | 891,893                | 1,136,931              | 936,753                | 668,166                | 680,867                | 695,163                | 672,632                |
| Investment Earnings/Loss                                  | 999,883                | (59,189)               | 973,515                | 455,804                | 701,848                | 531,193                | 2,511,525              | 1,024,164              | (1,534,236)            | 4,382,097              |
| Gain(loss) on disposition of capital assets               | -                      | 37                     | 1,000                  | 858,642                | 35,666                 | -                      | -                      | -                      | 2,268                  | -                      |
| Miscellaneous   | 435,595                | 245,113                | 1,448,041              | 205,898                | 247,658                | 1,304,134              | 560,600                | 1,083,447              | 352,162                | 1,095,973              |
| Transfers   | (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)            | (9,241,209)            |
| Total Governmental Activities                             | <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>      | <u>50,618,714</u>      |
| Business-type Activities:                                 |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Property tax  | 836,047                | 862,632                | 920,869                | 999,737                | 1,073,660              | 1,168,530              | 1,244,401              | 1,269,066              | 1,294,410              | 1,341,429              |
| Sales tax   | 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             | 11,239,165             |
| Other taxes   | 19,129                 | 19,355                 | 22,787                 | 30,974                 | 28,937                 | 29,280                 | 30,952                 | 31,580                 | 34,033                 | 35,854                 |
| Investment Earnings                                       | 1,032,021              | 766,605                | 1,082,214              | 848,607                | 884,722                | 853,790                | 1,799,228              | 1,642,416              | (999,753)              | 3,072,955              |
| Gain (loss) on sale of capital assets                     | 304,893                | 625,328                | 896,373                | 78,922                 | 24,721                 | 357,964                | 461,292                | 904,583                | 52,484                 | 23,230                 |
| Miscellaneous   | 536,265                | 629,556                | 169,489                | 72,605                 | 19,759                 | 84,035                 | 40,927                 | 19,620                 | 1,686,018              | 1,902,860              |
| Transfers   | 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              | 9,241,209              |
| Total Business-type Activities                            | <u>13,494,158</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>      | <u>26,856,702</u>      |
| Total Primary Government                                  | <u>\$ 46,496,751</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>   | <u>\$ 77,475,416</u>   |
| <b>Change in Net Position</b>                             |                        |                        |                        |                        |                        |                        |                        |                        |                        |                        |
| Governmental Activities                                   | \$ 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          | \$ 19,643,047          |
| Business-type Activities                                  | 7,942,980              | 9,330,969              | 7,868,029              | 7,830,232              | 15,711,414             | 21,428,749             | 33,778,799             | 6,382,305              | 8,075,425              | 23,734,914             |
| Total Change in Net Position Primary Government           | <u>\$ 8,910,325</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>   | <u>\$ 43,377,961</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)**

|                                   | 2014                 | 2015                 | 2016                 | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
|-----------------------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <b>Function/Program</b>           |                      |                      |                      |                       |                       |                       |                       |                       |                       |                       |
| Governmental activities:          |                      |                      |                      |                       |                       |                       |                       |                       |                       |                       |
| General government                | \$ 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         | \$ 15,987,909         |
| Highways and streets              | 3,806,820            | 3,541,765            | 3,101,680            | 5,131,354             | 3,474,912             | 3,469,404             | 5,586,173             | -                     | 5,277,201             | 14,300,757            |
| Public safety                     | 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             | 4,334,139             |
| Health and welfare                | 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             | 3,761,703             |
| Culture and recreation            | 760,496              | 789,761              | 815,582              | 946,797               | 960,275               | 901,350               | 943,764               | 3,228,587             | 819,531               | 1,021,996             |
| Public works/flood protection     | 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            | 23,417,876            |
| Subtotal governmental activities  | <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>  | <u>\$ 62,824,380</u>  |
| Business-type activities:         |                      |                      |                      |                       |                       |                       |                       |                       |                       |                       |
| Sanitation                        | \$ 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         | \$ 11,493,938         |
| Wastewater                        | 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            | 15,448,799            |
| Water                             | 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            | 16,756,554            |
| Stormwater                        | 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             | 8,356,040             |
| Mosquito Control                  | 851,214              | 895,949              | 988,532              | 1,067,995             | 1,084,219             | 1,096,441             | 1,107,653             | 1,117,215             | 1,134,247             | 1,149,907             |
| Public Transit                    | 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             | 6,585,431             |
| Dial-A-Ride                       | 669,006              | 1,403,731            | 926,799              | 1,281,679             | 986,609               | 1,177,724             | 881,399               | 1,551,640             | 927,931               | 1,269,871             |
| Alerus Center                     | 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             | 4,979,617             |
| Job Development Authority         | 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             | 1,030,860             |
| Downtown parking                  | 412,806              | 342,713              | 438,711              | 322,926               | 274,160               | 222,416               | 163,772               | 120,681               | 258,275               | 123,551               |
| Subtotal business-type activities | <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>  | <u>\$ 67,194,568</u>  |
| Total primary government          | <u>\$ 77,540,238</u> | <u>\$ 80,934,768</u> | <u>\$ 85,539,782</u> | <u>\$ 103,096,234</u> | <u>\$ 103,985,905</u> | <u>\$ 113,394,140</u> | <u>\$ 105,000,683</u> | <u>\$ 100,086,982</u> | <u>\$ 107,037,171</u> | <u>\$ 130,018,948</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                   | 2014                  | 2015                  | 2016                  | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
|----------------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Government         | \$ 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         | \$ 20,660,368         |
| Highways and Streets       | 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            | 14,954,039            |
| Public Safety              | 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            | 38,083,406            |
| Health and Welfare         | 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             | 4,700,529             |
| Culture and Recreation     | 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             | 4,118,950             |
| Public Works               | 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             | 7,639,081             |
| Interest on Long-term Debt | 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             | 3,643,674             |
| Sanitation                 | 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            | 13,460,944            |
| Wastewater                 | 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            | 12,847,414            |
| Waterworks                 | 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            | 18,664,175            |
| Stormwater                 | 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             | 5,030,669             |
| Mosquito Control           | 849,760               | 890,242               | 971,488               | 861,285               | 910,279               | 1,011,195             | 1,104,823             | 925,398               | 889,443               | 984,136               |
| Public Transit             | 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             | 3,950,148             |
| Dial-A-Ride                | 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             | 1,645,144             |
| Alerus Center              | 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            | 10,849,768            |
| Job Development Authority  | 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             | 2,381,390             |
| Downtown Parking           | 436,713               | 435,199               | 437,045               | 396,790               | 360,691               | 340,057               | 453,665               | 365,621               | 372,556               | 502,568               |
| Total                      | <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> | <u>\$ 164,116,403</u> |

Table 5

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

|                                    | 2014                 | 2015                 | 2016                 | 2017                 | 2018                 | 2019                 | 2020                 | 2021                 | 2022                 | 2023                 |
|------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| General Fund                       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-spendable                      | \$ 28,901            | \$ 28,901            | \$ 28,901            | \$ 51,643            | \$ 46,454            | \$ 24,016            | \$ 32,324            | \$ 22,773            | \$ 4,309             | \$ 2,254             |
| Restricted                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Committed                          | 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            | 776,176              |
| Assigned                           | 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            | 2,359,869            |
| Unassigned                         | 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           | 17,315,721           |
| Total General Fund                 | <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> | <u>\$ 20,454,020</u> |
| All Other Governmental Funds       |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Non-spendable                      | \$ -                 | \$ -                 | \$ -                 | \$ 310               | \$ 15,566            | \$ 22,159            | \$ 30,279            | \$ 28,002            | \$ 25,866            | \$ 28,358            |
| Restricted                         | 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           | 79,298,146           |
| Committed                          | 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            | 3,339,468            |
| Assigned                           |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Unassigned                         |                      |                      |                      |                      |                      |                      |                      |                      |                      |                      |
| Total all Other Governmental Funds | <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> | <u>\$ 82,665,972</u> |

Table 6

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

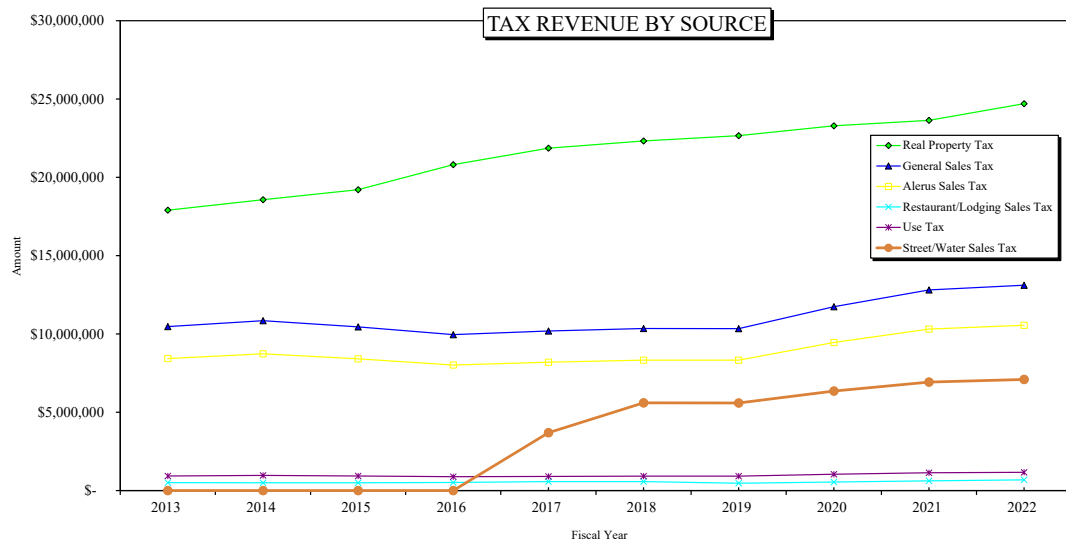
|   | 2014                 | 2015                | 2016                | 2017                  | 2018                | 2019                | 2020                | 2021                  | 2022                | 2023                 |
|---|----------------------|---------------------|---------------------|-----------------------|---------------------|---------------------|---------------------|-----------------------|---------------------|----------------------|
| <b>Revenues</b>   |                      |                     |                     |                       |                     |                     |                     |                       |                     |                      |
| Taxes   | \$ 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       | \$ 46,001,861        |
| Licenses, fees and permits                              | 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           | 2,452,655            |
| Intergovernmental                                       | 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          | 31,336,143           |
| Charges for services                                    | 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          | 10,201,514           |
| Special assessments                                     | 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           | 9,126,988            |
| Fines and forfeitures                                   | 805,196              | 905,661             | 871,577             | 928,074               | 774,980             | 747,422             | 635,406             | 809,702               | 947,752             | 743,810              |
| Lease revenues  |                      |                     |                     |                       |                     |                     |                     |                       | 13,645              | 13,645               |
| Investment earnings/loss                                | 960,423              | 454,947             | 700,740             | 530,525               | 1,176,225           | 2,488,993           | 1,667,167           | (165,160)             | (1,517,789)         | 4,334,072            |
| Other revenues  | 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           | 4,134,704            |
| <b>Total Revenues</b>                                   | <b>71,395,077</b>    | <b>65,853,798</b>   | <b>63,284,463</b>   | <b>67,248,952</b>     | <b>72,183,317</b>   | <b>77,624,517</b>   | <b>89,160,463</b>   | <b>81,366,851</b>     | <b>91,076,895</b>   | <b>108,345,392</b>   |
| <b>Expenditures</b>                                     |                      |                     |                     |                       |                     |                     |                     |                       |                     |                      |
| General government                                      | 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          | 15,130,943           |
| Health and welfare                                      | 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           | 4,631,371            |
| Public safety   | 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          | 28,027,116           |
| Highways and streets                                    | 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           | 8,360,791            |
| Culture & recreation                                    | 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           | 2,894,609            |
| Capital outlay  | 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          | 36,175,469           |
| Debt Service:   |                      |                     |                     |                       |                     |                     |                     |                       |                     |                      |
| Contractual services                                    | 10,111               | 20,577              | 8,955               | 6,762                 | 16,047              | 17,501              | 22,188              | 3,829                 | 20,030              | 1,566                |
| Bond issue costs  | 221,537              | 126,626             | 154,038             | 63,262                | 68,868              | 168,686             | 112,204             | 193,237               | 103,579             | 224,171              |
| Interest & fiscal charges                               | 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           | 3,551,160            |
| Principal   | 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           | 6,250,728            |
| <b>Total Expenditures</b>                               | <b>70,690,333</b>    | <b>75,450,784</b>   | <b>73,601,248</b>   | <b>78,550,671</b>     | <b>80,886,489</b>   | <b>92,469,277</b>   | <b>93,726,883</b>   | <b>88,765,201</b>     | <b>95,824,058</b>   | <b>105,247,924</b>   |
| Excess of revenues over (under) expenditures            | <u>704,744</u>       | <u>(9,596,986)</u>  | <u>(10,316,785)</u> | <u>(11,301,719)</u>   | <u>(8,703,172)</u>  | <u>(14,844,760)</u> | <u>(4,566,420)</u>  | <u>(7,398,350)</u>    | <u>(4,747,163)</u>  | <u>3,097,468</u>     |
| <b>Other Financing Sources ( Uses)</b>                  |                      |                     |                     |                       |                     |                     |                     |                       |                     |                      |
| Proceeds from borrowing                                 | 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          | 23,899,483           |
| Premium on bonds issued                                 | 371,495              | 413,692             | 249,322             | 308,221               | 771,222             | 1,395,336           | 664,167             | 1,070,447             | 482,374             | 464,663              |
| Proceeds from refunding                                 | -                    | -                   | -                   | 2,735,000             | -                   | -                   | 1,430,000           | 1,550,000             | -                   | -                    |
| Redemption of refunded bonds                            | -                    | -                   | -                   | (860,000)             | -                   | -                   | (1,320,000)         | (2,485,000)           | -                   | -                    |
| Sale of capital assets                                  | 386,698              | 100                 | 2,252,851           | 369,424               | 65,443              | 18,353              | 47,596              | 4,730                 | 49,375              | 7,022                |
| Transfers in  | 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          | 36,240,975           |
| Transfers out   | (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)        | (45,756,739)         |
| <b>Total other financing sources (uses)</b>             | <b>9,705,040</b>     | <b>11,125,691</b>   | <b>9,780,994</b>    | <b>10,110,062</b>     | <b>11,902,603</b>   | <b>21,995,686</b>   | <b>3,820,732</b>    | <b>4,092,109</b>      | <b>9,650,545</b>    | <b>14,855,404</b>    |
| <b>Net change in fund balances</b>                      | <b>\$ 10,409,784</b> | <b>\$ 1,528,705</b> | <b>\$ (535,791)</b> | <b>\$ (1,191,657)</b> | <b>\$ 3,199,431</b> | <b>\$ 7,150,926</b> | <b>\$ (745,688)</b> | <b>\$ (3,306,241)</b> | <b>\$ 4,903,382</b> | <b>\$ 17,952,872</b> |
| Debt Service as a percentage of noncapital expenditures | 17.02%               | 17.64%              | 22.48%              | 19.51%                | 17.74%              | 15.50%              | 16.96%              | 15.16%                | 12.32%              | 12.17%               |

## 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 |
|-----------|-----------------|--------------------------------|-----------------------------------|-------------------------------------|------------------------|------------|-----------------------------------|---------------------------|------------------------|
| 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                        | 1,064,072,186             | 23,294,339             |
| 2021      | 2022            | 10,308,982                     | 6,928,639                         | 618,105                             | 12,806,213             | 1,138,811  | 31,800,750                        | 1,116,785,465             | 23,637,363             |
| 2022      | 2023            | 10,555,157                     | 7,094,088                         | 684,008                             | 13,112,005             | 1,166,025  | 32,611,283                        | 1,170,658,167             | 24,704,203             |

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

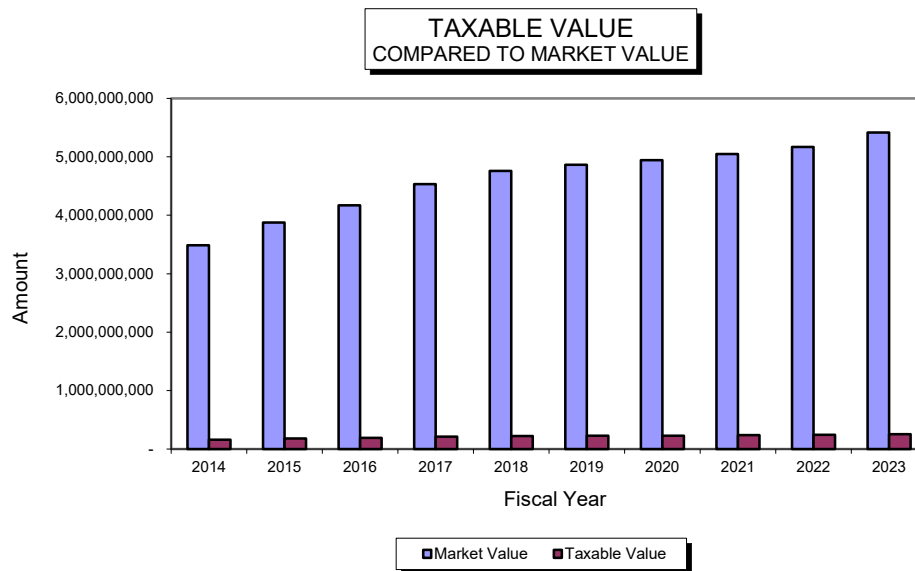




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CITY OF GRAND FORKS, NORTH DAKOTA  
ASSESSED AND ESTIMATED MARKET VALUE  
OF TAXABLE PROPERTY  
LAST TEN FISCAL YEARS

| Fiscal Year | Assessed Value | Estimated Market Value | Ratio of Assessed to Market Value | Taxable Value | Effective Tax Rate - Residential * | Effective Tax Rate - Commercial * |
|-------------|----------------|------------------------|-----------------------------------|---------------|------------------------------------|-----------------------------------|
| 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%                             |
| 2023        | 2,709,209,680  | 5,418,419,360          | 50.0%                             | 255,103,295   | 1.48%                              | 1.64%                             |



\* Reflects all taxing entities



Table 8

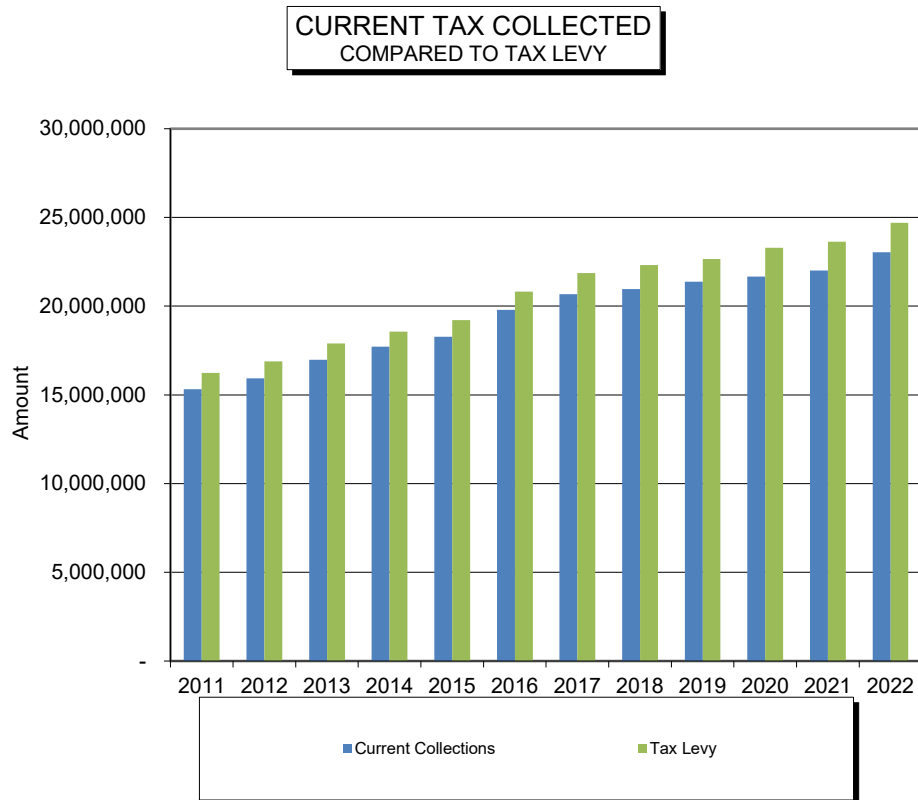
| Property Value |               |               |              |                     |                |                                 |
|----------------|---------------|---------------|--------------|---------------------|----------------|---------------------------------|
| Year           | Commercial    | Residential   | Agricultural | Public<br>Utilities | Tax Increments | Total Estimated<br>Market Value |
| 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                   |
| 2023           | 2,151,501,500 | 3,164,807,100 | 1,415,800    | 100,694,960         | -              | 5,418,419,360                   |

## CITY OF GRAND FORKS, NORTH DAKOTA

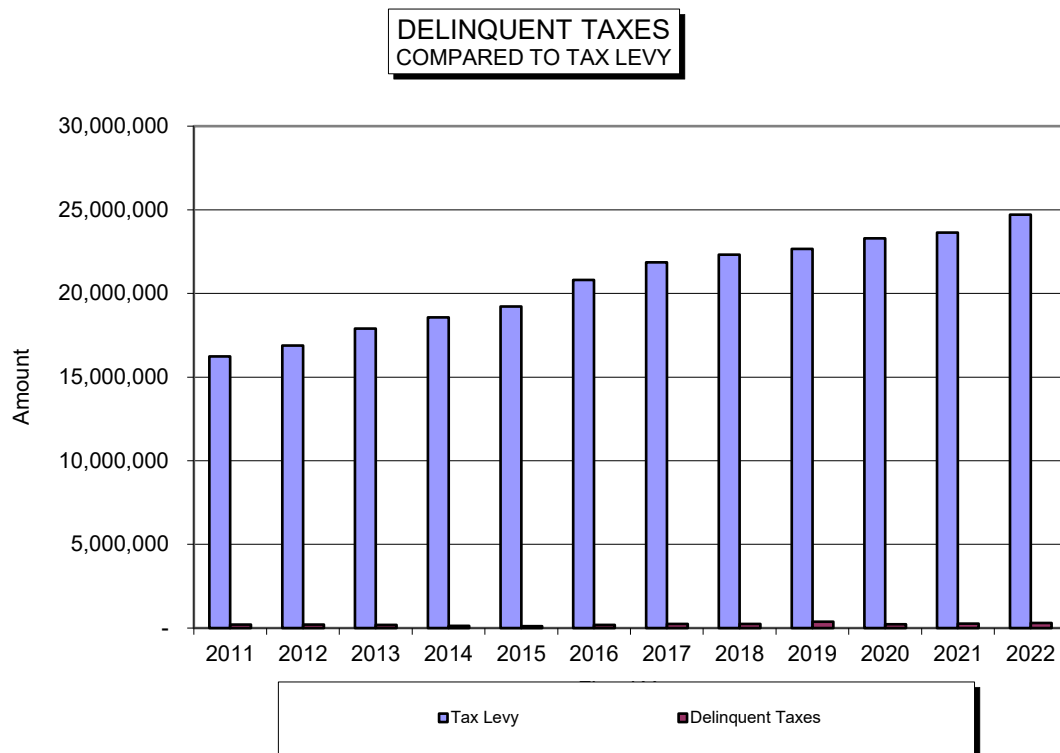
PROPERTY TAX LEVY AND COLLECTION  
LAST TEN FISCAL YEARS

| 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%                     |
| 2022         | 24,704,203     | 1,082,006 | 23,030,789            | 97.5%                     |

(1) Collection year is one year later  
(i.e., Levy Year 2022 Collection Year 2023)

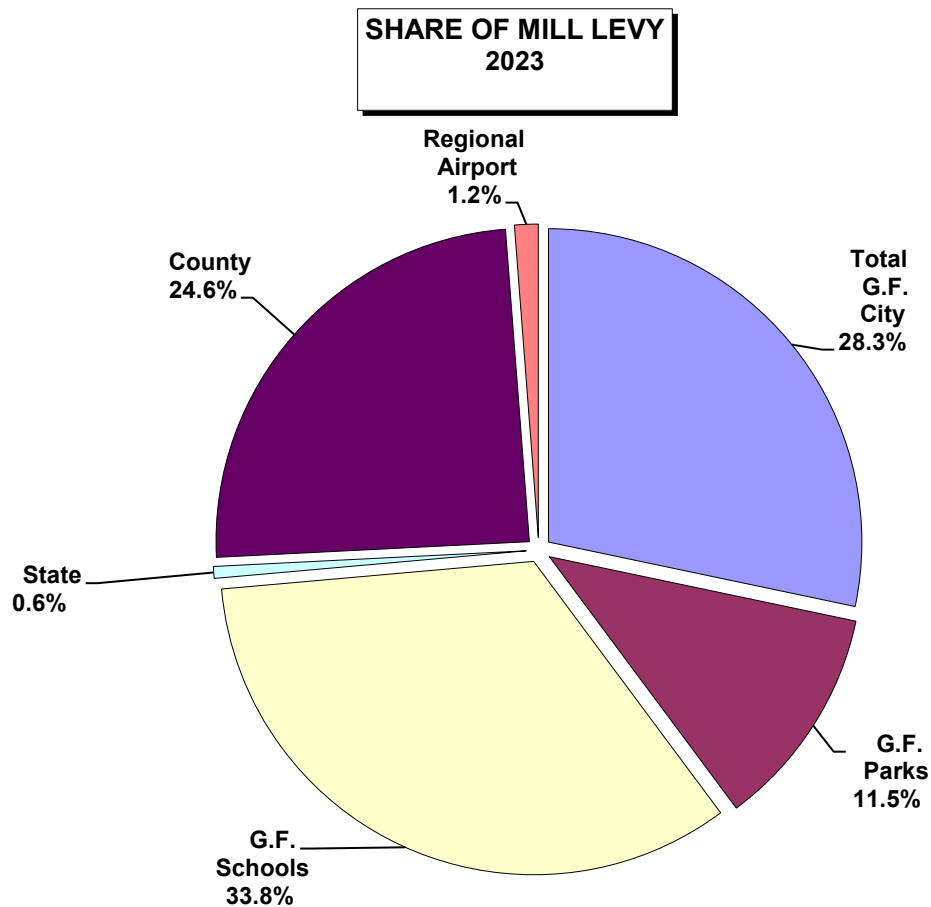


| Levy Year | Delinquent Tax Collection | Total Collection | Collection as Percent of Current Levy | Outstanding Delinquent Taxes | Outstanding Delinquent Taxes as Percent of Current Levy |
|-----------|---------------------------|------------------|---------------------------------------|------------------------------|---|
| 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%   |
| 2022      | 304,079                   | 23,334,868       | 94.5%                                 | 325,028                      | 1.38%   |



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  |
| 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 |
| 2023                | 70.00     | 17.20        | -              | 5.64         | 92.84           | 37.80      | 110.79       | 2.00  | 80.63  | 3.99             | 328.05 |



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

| <u>Taxpayer</u>                                    | <b>2022 Values (2023 collections)</b> |      |                                   | <b>2013 Values (2014 collections)</b> |      |                                   |
|--|---------------------------------------|------|-----------------------------------|---------------------------------------|------|-----------------------------------|
|  | Taxable Value                         | Rank | Percentage of Total Taxable Value | Taxable Value                         | Rank | Percentage of Total Taxable Value |
| IRET Properties                                    | \$ 3,882,100                          | 1    | 1.43%                             | \$ 2,395,485                          | 2    | 1.56%                             |
| Sterling Properties LLLP                           | 2,803,500                             | 2    | 1.03%                             |                                       |      |                                   |
| Altru Health System <sup>(1)</sup>                 | 2,674,500                             | 3    | 0.98%                             | 3,211,415                             | 1    | 2.07%                             |
| Simplot US Food Group Holdings, LLC                | 1,588,750                             | 4    | 0.58%                             | 1,449,030                             | 5    | 0.94%                             |
| Campus Crest at Grand Forks, LLC                   | 1,138,600                             | 5    | 0.42%                             |                                       |      |                                   |
| Menards, INC                                       | 1,012,700                             | 6    | 0.37%                             |                                       |      |                                   |
| LM Wind Power Blades (ND) INC                      | 1,003,400                             | 7    | 0.37%                             | 912,195                               | 10   | 0.59%                             |
| Sterling Pointe Apartment, LLC                     | 988,050                               | 8    | 0.36%                             |                                       |      |                                   |
| Wal-Mart Real Estate Business Trust <sup>(2)</sup> | 987,450                               | 9    | 0.36%                             |                                       |      |                                   |
| GFDA, LLC  | 972,300                               | 10   | 0.36%                             |                                       |      |                                   |
|  |                                       |      |                                   |                                       |      |                                   |
| Northern States Power Company                      |                                       |      |                                   | 2,312,212                             | 3    | 1.50%                             |
| Mikkelson Consolidated Limited Partnership         |                                       |      |                                   | 1,250,130                             | 6    | 0.81%                             |
| Columbia Grand Forks, LLC                          |                                       |      |                                   | 1,554,165                             | 4    | 1.01%                             |
| IREIT Properties, LLLP                             |                                       |      |                                   | 1,090,400                             | 8    | 0.71%                             |
| Canad Inns   |                                       |      |                                   | 1,018,425                             | 7    | 0.66%                             |
| Terrace Pointe LLC ET AL                           |                                       |      |                                   | 923,345                               | 9    | 0.60%                             |
|  | <u>\$ 17,051,350</u>                  |      | <u>6.26%</u>                      | <u>\$ 16,116,802</u>                  |      | <u>10.47%</u>                     |
|  |                                       |      |                                   |                                       |      |                                   |
| 2023 Total Taxable Value                           | \$ 272,244,460                        |      |                                   |                                       |      |                                   |
| 2014 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(1)    | Value (2)   | Number of Units          | Value(2)    |
| 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                      | 38,776,488  |
| 2022 | 49                      | 337,461,499 | 124                      | 31,184,885  |
| 2023 | 249                     | 241,544,033 | 252                      | 38,202,204  |

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

(2) In 2022, this statistic was changed to include all permits issued. Prior to 2022, minor repairs permits were not included in this value.



**CITY OF GRAND FORKS, NORTH DAKOTA  
RATIOS OF OUTSTANDING DEBT BY TYPE  
LAST TEN FISCAL YEARS**

| Fiscal<br>Year | GOVERNMENTAL ACTIVITIES        |                                |                               |                                    |                   |                    |                           | BUSINESS-TYPE ACTIVITIES |                               |              |                   |                    |                           |           | Total<br>Primary<br>Government | Percentage<br>of Personal<br>Income | Per<br>Capita |
|----------------|--------------------------------|--------------------------------|-------------------------------|------------------------------------|-------------------|--------------------|---------------------------|--------------------------|-------------------------------|--------------|-------------------|--------------------|---------------------------|-----------|--------------------------------|-------------------------------------|---------------|
|                | General<br>Obligation<br>Bonds | Special<br>Assessment<br>Bonds | Sales Tax<br>Revenue<br>Bonds | Industrial<br>Development<br>Bonds | Capital<br>Leases | Lease<br>Liability | Subscription<br>Liability | Revenue<br>Bonds         | Sales Tax<br>Revenue<br>Bonds | SRF<br>Loans | Capital<br>Leases | Lease<br>Liability | Subscription<br>Liability | Notes     |                                |                                     |               |
| 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                    | 3.56%                               | 3,760.77      |
| 2023           | 955,330                        | 116,785,187                    | -                             | -                                  | -                 | 2,385,356          | \$ 35,836                 | 27,045,852               | 23,479,031                    | 72,921,268   | -                 | 939,203            | \$ 118,468                | -         | 244,665,531                    | not available                       | 3,931.89      |

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

Population                      62,226

## CITY OF GRAND FORKS, NORTH DAKOTA

 RATIO OF NET GENERAL BONDED DEBT TO ASSESSED  
 VALUE AND NET BONDED DEBT PER CAPITA  
 LAST TEN FISCAL YEARS

| Year    | Census <sup>(1)</sup> | Assessed<br>Value | Gross<br>Bonded<br>Debt | Less Debt<br>Service<br>Funds | Net<br>Bonded<br>Debt | Ratio<br>of Net GO<br>Bonded<br>Debt to<br>Assessed Value | Net<br>Bonded<br>Debt<br>Per<br>Capita |
|---------|-----------------------|-------------------|-------------------------|-------------------------------|-----------------------|---|--|
| 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                                   |
| 2023    | 62,226                | 2,709,209,680     | 1,022,730               | 1,638,321                     | (615,591)             | -0.02%  | (9.89)                                 |

## 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, 2023

| Governmental Unit                     | Net Bonded<br>Debt Outstanding | Applicable<br>to this<br>Gov't Unit | Share of Debt                |
|---------------------------------------|--------------------------------|-------------------------------------|------------------------------|
| Direct Debt:                          |                                |                                     |                              |
| City of Grand Forks:                  |                                |                                     |                              |
| General Obligation Debt               | \$ 955,330                     | 100.0%                              | \$ 955,330                   |
| Debt Supported by Special Assessments | 116,785,187                    | 100.0%                              | 116,785,187                  |
| Lease Liability                       | 2,385,356                      | 100.0%                              | 2,385,356                    |
| Subscription Liability                | 35,823                         | 100.0%                              | <u>35,823</u>                |
| Total Direct Debt                     |                                |                                     | <u>120,161,696</u>           |
| Overlapping Debt:                     |                                |                                     |                              |
| Grand Forks School District           | 35,209,543                     | 94.5%                               | 33,271,757                   |
| Grand Forks County                    | 39,055,751                     | 73.5%                               | 28,709,882                   |
| Grand Forks Park District             | 6,955,000                      | 100.0%                              | <u>6,955,000</u>             |
| Total Overlapping Debt                |                                |                                     | <u>68,936,639</u>            |
| Total Direct and Overlapping Debt     |                                |                                     | <u><u>\$ 189,098,335</u></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          |                      |                      |                       |                       |                       |                       |                       |                       |                       |
|--|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
|  | 2014                 | 2015                 | 2016                 | 2017                  | 2018                  | 2019                  | 2020                  | 2021                  | 2022                  | 2023                  |
| Debt limit   | \$ 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        | \$ 135,460,484        |
| Total net debt applicable to limit   | 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             | 1,022,730             |
| Legal debt margin  | <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> | <u>\$ 134,437,754</u> |
| Total net debt applicable to the<br>limit as a percentage of<br>debt limit | 9.72%                | 7.67%                | 8.13%                | 4.73%                 | 3.52%                 | 2.47%                 | 1.97%                 | 1.48%                 | 1.00%                 | 0.76%                 |

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, 2023

|  |               |                         |
|--|---------------|-------------------------|
| <u>Market Value</u>                      |               | <u>\$ 5,418,419,360</u> |
| Debt Limit - 5% of 50% of Market Value   |               | \$ 135,460,484          |
| Amount of Debt Applicable to Debt Limit: |               |                         |
| General Obligation Bonds                 | \$ 952,400    |                         |
| Unamortized Premium/Discount             | <u>70,330</u> |                         |
| Bonded Debt                              |               | <u>1,022,730</u>        |
| Legal Debt Margin                        |               | <u>\$ 134,437,754</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<br>Revenue <sup>(1)</sup> | Debt<br>Related<br>Transfers In | Direct<br>Operating<br>Expenses <sup>(2)</sup> | Net<br>Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements |  |          |          |
|------|---------------------------------|---------------------------------|--|--|---------------------------|--|----------|----------|
|      |                                 |                                 |  |  | Principal                 | Interest &<br>Fiscal<br>Charges <sup>(3)</sup> | Total    | Coverage |
| 2014 | \$ 9,725                        | \$ 100                          | \$ 6,534                                       | \$ 3,291   | \$ 1,480                  | \$ 328   | \$ 1,808 | 1.82     |
| 2015 | 10,348                          | 99                              | 6,404  | 4,044  | 1,535                     | 295  | 1,830    | 2.21     |
| 2016 | 10,916                          | 95                              | 6,672  | 4,339  | 1,390                     | 261  | 1,651    | 2.63     |
| 2017 | 11,757                          | 287                             | 7,397  | 4,647  | 1,440                     | 287  | 1,727    | 2.69     |
| 2018 | 12,137                          | 1,553                           | 6,915  | 6,775  | 1,475                     | 506  | 1,981    | 3.42     |
| 2019 | 12,604                          | 1,916                           | 7,923  | 6,597  | 1,520                     | 967  | 2,487    | 2.65     |
| 2020 | 12,394                          | 1,927                           | 10,228   | 4,093  | 1,435                     | 1,268  | 2,703    | 1.51     |
| 2021 | 13,261                          | 1,811                           | 9,743  | 5,329  | 1,805                     | 1,345  | 3,150    | 1.69     |
| 2022 | 12,992                          | 2,235                           | 11,311   | 3,916  | 1,845                     | 1,431  | 3,276    | 1.20     |
| 2023 | 14,281                          | 2,000                           | 11,695   | 4,587  | 1,880                     | 1,203  | 3,083    | 1.49     |

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

(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<br>Revenue <sup>(1)</sup> | Debt Related<br>Transfers In | Direct<br>Operating<br>Expenses <sup>(2)</sup> | Net<br>Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements  |  | Total    | Coverage |
|------|---------------------------------|------------------------------|--|--|----------------------------|--|----------|----------|
|      |                                 |                              |  |  | Annual<br>Principal<br>(4) | Annual<br>Interest &<br>Fiscal<br>Charges <sup>(3)</sup> |          |          |
| 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     |
| 2023 | 12,371                          | 247                          | 7,944  | 4,674  | 1,134                      | 521  | 1,655    | 2.82     |

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<br>Assessment<br>Collections | Debt Service Requirements |                                 |          | Coverage |
|------|--------------------------------------|---------------------------|---------------------------------|----------|----------|
|      |                                      | Principal                 | Interest &<br>Fiscal<br>Charges | Total    |          |
| 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                           | 7,929    | 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     |
| 2023 | 8,038                                | 5,576                     | 3,591                           | 9,167    | 0.88     |

## CITY OF GRAND FORKS, NORTH DAKOTA

DEMOGRAPHIC STATISTICS  
LAST TEN FISCAL YEARS

| Fiscal<br>Year | Population <sup>(1)</sup> | Personal<br>Income<br>(millions of dollars) <sup>(2)</sup> | Per Capita<br>Income <sup>(2)</sup> | School<br>Enrollment <sup>(3)</sup> | University of ND<br>Enrollment <sup>(4)</sup> | Unemployment<br>Rate <sup>(5)</sup> |
|----------------|---------------------------|--|-------------------------------------|-------------------------------------|---|-------------------------------------|
| 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  | 55,235                              | 7,410                               | 13,772  | 3.1%                                |
| 2022           | 61,610                    | 6,513.8  | 57,386                              | 7,395                               | 13,876  | 1.9%                                |
| 2023           | 62,226                    | Not available  | 61,058                              | 7,468                               | 14,172  | 2.1%                                |

## Data Sources:

(1) 2014-2019 and 2021-2023 are estimated population provided by GF/EGF Metropolitan Planning Organization. 2020 source is US Census.

(2) Bureau of Economic Analysis, US Department of Commerce,

(3) Grand Forks Public School District

(4) University of North Dakota

(5) North Dakota Job Service.

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

| Employer                                   | 2023<br>Employees | Rank | Percentage<br>of Total City<br>Employment (6) | 2014<br>Employees | Rank | Percentage<br>of Total City<br>Employment |
|--|-------------------|------|---|-------------------|------|---|
| University of North Dakota <sup>(1)</sup>  | 5,562             | 1    | 17.35%  | 6,963             | 1    | 9.46%                                     |
| Altru Health System                        | 3,400             | 2    | 10.61%  | 4,200             | 2    | 13.70%                                    |
| Grand Forks Air Force Base <sup>(2)</sup>  | 2,897             | 3    | 9.04%   | 2,100             | 3    | 13.70%                                    |
| Grand Forks School District <sup>(3)</sup> | 1,700             | 4    | 5.30%   | 1,100             | 4    | 5.55%                                     |
| Valley Memorial Home                       | 818               | 6    | 2.55%   | 715               | 5    | 2.24%                                     |
| LM Wind Power (USA), Inc. <sup>(4)</sup>   | 560               | 7    | 1.75%   | 611               | 7    | 2.16%                                     |
| City of Grand Forks <sup>(3)</sup>         | 527               | 5    | 1.64%   | 469               | 9    | 1.67%                                     |
| Development Homes                          | 480               | 8    | 1.50%   | -                 | -    |   |
| Hugo's (4 Locations) <sup>(5)</sup>        | 460               | 9    | 1.43%   | 452               | 10   | 1.50%                                     |
| J. R. Simplot                              | 440               | 10   | 1.37%   | -                 | -    |   |
| Alerus Financial                           |                   |      |   | 575               | 8    | 1.90%                                     |
| Amazon                                     |                   |      |   | 625               | 6    | 1.99%                                     |
|  | 16,844            |      | 52.54%  | 17,810            |      | 53.87%                                    |

1) Includes full and part time employees.

2) 2023 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) 2023 Total Labor Force of 32,060 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                          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          | 2022          | 2023          |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>General government</b>         | 96.45         | 101.60        | 101.90        | 102.03        | 101.58        | 103.44        | 101.20        | 100.40        | 109.10        | 110.15        |
| 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          | 2.55          | 1.20          | 1.20          | 1.20          | 1.20          | 1.20          | 1.20          | 0.70          | 2.30          |
| Housing Authority                 | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| <b>Public Health</b>              | 36.56         | 37.36         | 36.03         | 43.92         | 43.35         | 43.08         | 42.99         | 42.61         | 41.61         | 41.25         |
| <b>Public Safety</b>              |               |               |               |               |               |               |               |               |               |               |
| Police                            |               |               |               |               |               |               |               |               |               |               |
| Officers                          | 82.00         | 82.00         | 84.00         | 88.00         | 88.00         | 90.00         | 92.00         | 92.00         | 93.00         | 98.00         |
| Civilians                         | 15.00         | 15.00         | 16.00         | 16.00         | 16.00         | 16.00         | 16.00         | 16.00         | 17.00         | 18.00         |
| Fire                              |               |               |               |               |               |               |               |               |               |               |
| Firefighters and officers         | 63.00         | 63.00         | 75.00         | 75.00         | 75.00         | 75.00         | 75.00         | 76.00         | 76.00         | 76.00         |
| Civilians                         | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 3.00          | 4.00          | 3.00          | 3.00          | 3.00          |
| PSAP                              | 17.00         | 17.00         | 18.00         | 19.00         | 19.00         | 20.00         | 21.50         | 21.50         | 21.50         | 22.50         |
| Municipal Court                   | 4.30          | 4.30          | 4.30          | 4.30          | 4.30          | 4.30          | 4.30          | 4.30          | 4.55          | 4.30          |
| <b>Highways and streets</b>       | 35.65         | 36.85         | 36.85         | 35.41         | 35.41         | 35.41         | 37.08         | 36.74         | 36.74         | 36.74         |
| <b>Culture and recreation</b>     | 1.00          | 1.00          | 1.00          | 0.63          | 0.63          | 0.63          | 0.63          | 0.63          | 0.63          | 0.63          |
| <b>Permanent flood protection</b> | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Sanitation                        | 37.66         | 37.84         | 37.06         | 36.65         | 37.65         | 39.65         | 41.20         | 40.90         | 38.95         | 39.95         |
| Wastewater                        | 22.76         | 21.82         | 21.79         | 21.23         | 21.23         | 22.39         | 23.06         | 21.36         | 24.19         | 24.69         |
| Waterworks                        | 28.06         | 27.13         | 28.35         | 27.85         | 27.85         | 27.85         | 28.56         | 29.02         | 29.52         | 31.02         |
| Stormwater                        | 5.47          | 5.76          | 6.10          | 6.18          | 6.18          | 6.35          | 6.62          | 6.02          | 5.72          | 4.72          |
| Public Transit                    | 21.55         | 21.50         | 21.50         | 20.95         | 23.10         | 28.90         | 28.90         | 30.90         | 30.90         | 31.00         |
| Dial-A-Ride                       | 3.55          | 3.55          | 3.55          | 3.55          | 4.55          | 4.55          | 18.55         | 18.55         | 21.55         | 22.55         |
| Alerus                            | 20.00         | 21.00         | 18.00         | 18.00         | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          | 0.00          |
| Job Development Authority         | 3.18          | 3.35          | 3.25          | 4.55          | 4.25          | 4.68          | 4.85          | 5.85          | 5.80          | 7.50          |
| Downtown Parking                  | 0.00          | 0.20          | 0.60          | 0.60          | 0.70          | 0.47          | 1.40          | 1.40          | 1.40          | 0.10          |
| <b>Total Authorized Positions</b> | <b>501.17</b> | <b>505.81</b> | <b>517.48</b> | <b>528.05</b> | <b>512.98</b> | <b>526.90</b> | <b>549.04</b> | <b>548.38</b> | <b>561.86</b> | <b>574.40</b> |

Source: City's Human Resources Department

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

| Function   | 2014           | 2015           | 2016           | 2017           |
|--|----------------|----------------|----------------|----------------|
| General Government                                     |                |                |                |                |
| Building permits issued                                | 1,727          | 1,816          | 1,981          | 1,948          |
| Value of Permits issued                                | \$ 368,599,640 | \$ 203,309,401 | \$ 140,940,924 | \$ 133,766,938 |
| Number of Business License Issued <sup>(3)</sup>       | 1,904          | 1,905          | 1,113          | 1,172          |
| Police   |                |                |                |                |
| Priority 1 (LE only) Calls Average Response Time       | 3Min. 49 Sec.  | 3Min. 58 Sec.  | 4Min. 03 Sec.  | 4 Min. 44 sec. |
| Priority 7 (Medical) Calls Average Response Time       |                |                |                |                |
| Priority 9 (Fire) Calls Average Response Time          |                |                |                |                |
| Number of 911 Calls <sup>(1)</sup>                     | 22,947         | 24,023         | 24,365         | 24,086         |
| Incidents Requiring 911 Assistance                     | 73,337         | 74,380         | 81,441         | 87,587         |
| Text to 911  |                |                |                |                |
| Fire   |                |                |                |                |
| Emergency responses                                    | 4,254          | 4,286          | 4,995          | 5,510          |
| Health   |                |                |                |                |
| Percent of Nuisance Complaints resolved within 30 days | 97.83%         | 96.01%         | 95.98%         | 97.43%         |
| Number of times sprayed                                | 19             | 14             | 22             | 5              |
| Culture and Recreation                                 |                |                |                |                |
| Alerus Center Attendance <sup>(3)</sup>                | 203,475        | 170,576        | 188,328        | 184,822        |
| Alerus Center Number of Events <sup>(3)</sup>          | 469            | 390            | 489            | 326            |
| Waterworks   |                |                |                |                |
| Number of customers                                    | 14,619         | 14,821         | 14,975         | 15,127         |
| New connections  | 215            | 204            | 162            | 139            |
| Watermain breaks                                       | 25             | 53             | 51             | 58             |
| Average daily consumption(MGD)                         | 7.70           | 7.90           | 7.60           | 7.90           |
| Peak daily consumption (MGD)                           | 11.30          | 9.50           | 9.93           | 11.30          |
| Sanitation   |                |                |                |                |
| Number of customers                                    | 13,128         | 13,315         | 13,492         | 13,539         |
| Landfill (tons)  | 97,644         | 94,828         | 98,625         | 96,382         |
| Recycled Materials (tons) (City of GF)                 | 3,016          | 2,996          | 2,380          | 2,063          |
| Recycled Materials Diverted (tons) (City of GF)        |                |                |                |                |
| Wastewater   |                |                |                |                |
| Number of customers                                    | 14,319         | 14,506         | 14,669         | 14,757         |
| Average daily sewage treatment (MGD)                   | 6.83           | 6.80           | 6.88           | 6.83           |
| Public Transit   |                |                |                |                |
| Ridership - City Bus <sup>(3)</sup>                    | 346,673        | 336,652        | 317,992        | 280,289        |
| Ridership - Dial-A-Ride <sup>(3)</sup>                 | 34,602         | 35,553         | 32,337         | 33,079         |
| Ridership - Senior Rider <sup>(3)</sup>                | 19,733         | 19,195         | 16,026         | 19,828         |
| Job Development Authority                              |                |                |                |                |
| Businesses Assisted                                    | 7              | 3              | 2              | 4              |
| New Jobs Projected in 2 years                          | 82             | 42             | 18             | 15             |

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)

| 2018           | 2019           | 2020           | 2021           | 2022           | 2023  |
|----------------|----------------|----------------|----------------|----------------|---|
| 1,895          | 1,691          | 1,731          | 1,778          | 1,509          | 1,344   |
| \$ 156,473,039 | \$ 329,061,146 | \$ 256,295,102 | \$168,089,376  | \$440,489,957  | \$307,837,639                                     |
| 1,102          | 1,015          | 855            | 1001           | 1060           | 1172  |
| 4 Min. 33 Sec. | 4 Min. 13 Sec. | 3 Min. 54 Sec. | 3 Min. 44 Sec. | 3 Min. 32 Sec. | 3 Min. 53 Sec.<br>4 Min. 42 Sec.<br>4 Min 41 Sec. |
| 23,447         | 24,939         | 23,279         | 24,345         | 24,021         | 25,361  |
| 92,720         | 92,661         | 94,847         | 106,963        | 102,993        | 108,533   |
|                |                |                |                | 110            | 96  |
| 5,117          | 5,623          | 5,174          | 5,631          | 5,895          | 6,559   |
| 93.09%         | 93.09%         | 95.58%         | 94.87%         | 95.82%         | 96.10%  |
| 10             | 8              | 11             | 1              | 6              | 2   |
| 243,468        | 228,745        | 112,722        | 203,451        | 224,774        | 197,899   |
| 385            | 481            | 323            | 404            | 378            | 372   |
| 15,275         | 15,121         | 15,404         | 15,579         | 15,620         | 15,700  |
| 135            | 198            | 150            | 133            | 118            | 116   |
| 38             | 42             | 24             | 35             | 27             | 32  |
| 8.12           | 7.42           | 7.25           | 8.72           | 7.88           | 8.29  |
| 11.40          | 10.85          | 11.30          | 15.6           | 13.19          | 14.20   |
| 13,266         | 13,367         | 13,492         | 13,625         | 13,755         | 13,795  |
| 100,606        | 111,400        | 98,165         | 78,573         | 105,776        | 89,900  |
| 1,975          | 2,320          | 2,575          | 2,306          | 4,552          | 4,022   |
|                |                |                |                | 11,368         | 42,840  |
| 14,935         | 14,822         | 14,976         | 15,477         | 15,390         | 15,387  |
| 7.12           | 12.63          | 9.20           | 7.196          | 8.451          | 9.231   |
| 253,657        | 225,141        | 132,354        | 173,082        | 229,439        | 258,970   |
| 40,064         | 42,218         | 22,129         | 33,457         | 34,031         | 35,163  |
| 22,829         | 22,965         | 15,413         | 17,853         | 20,611         | 21,271  |
| 7              | 8              | 26             | 22             | 11             | 7   |
| 15             | 105            | 55             | 63             | 97             | 73  |

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

| Function/Program                                 | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             | 2022             | 2023             |
|--|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| General Government                               |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Buildings & Structures                           | 11               | 11               | 11               | 11               | 11               | 12               | 12               | 12               | 14               | 15               |
| Vehicles (All Gen Fund) <sup>(5)</sup>           | 84               | 88               | 98               | 109              | 117              | 120              | 133              | 142              | 155              | 145              |
| Area in Sq. Miles                                | 26.09            | 26.86            | 27.08            | 27.31            | 27.57            | 27.99            | 28.04            | 28.07            | 29.14            | 29.21            |
| Police   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Stations   | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                |
| Patrol Units                                     | 22               | 22               | 22               | 22               | 22               | 22               | 22               | 23               | 26               | 25               |
| Fire   |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Stations   | 4                | 4                | 4                | 4                | 4                | 4                | 4                | 5                | 4                | 5                |
| Training Facilities (includes 3 mobile trailers) | 5                | 5                | 7                | 7                | 7                | 7                | 7                | 7                | 5                | 5                |
| Aerial Trucks                                    | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                | 2                |
| Pumpers  | 6                | 6                | 7                | 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                | 2                | 2                |
| Hazmat Regional Response Vehicle                 | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 2                | 2                |
| Mobile Command Vehicle                           | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                | 1                |
| Special Operations Trailers                      | 4                | 4                | 5                | 5                | 5                | 5                | 5                | 5                | 7                | 7                |
| Fire Prevention Vehicle                          | 1                | 1                | 3                | 3                | 3                | 3                | 3                | 3                | 3                | 3                |
| Highways and Streets                             |                  |                  |                  |                  |                  |                  |                  |                  |                  |                  |
| Paved Streets (miles)                            | 241.09           | 245.28           | 246.83           | 251.05           | 258.29           | 260.26           | 271.60           | 274.52           | 276.29           | 278.44           |
| Paved Alleys (miles)                             | 4.74             | 4.74             | 4.74             | 4.74             | 4.98             | 4.98             | 4.98             | 4.98             | 4.98             | 4.98             |
| Street lights                                    | 4200             | 4800             | 4976             | 5059             | 5151             | 5216             | 5300             | 5565             | 5657             | 5746             |
| Traffic Signals                                  | 60               | 61               | 63               | 62               | 63               | 66               | 67               | 70               | 71               | 72               |
| School Crossing Signals                          | 25               | 25               | 25               | 26               | 26               | 26               | 26               | 40               | 40               | 40               |
| Street Sweepers                                  | 4                | 4                | 5                | 5                | 5                | 5                | 5                | 5                | 5                | 5                |
| Snow Plows                                       | 4                | 4                | 4                | 4                | 4                | 4                | 4                | 5                | 3                | 3                |
| Motor graders                                    | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 7 <sup>(1)</sup> | 8 <sup>(1)</sup> | 8 <sup>(1)</sup> | 8 <sup>(1)</sup> |
| Payloaders                                       | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 6 <sup>(2)</sup> | 7 <sup>(2)</sup> | 7 <sup>(2)</sup> |
| 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) <sup>(3)</sup>                 | 41               | 42.34            | 42.78            | 42.78            | 43.59            | 44.57            | 46.72            | 32.86            | 33.73            | 34.29            |

Table 23 (Con't)

| Function/Program                          | 2014   | 2015   | 2016   | 2017   | 2018   | 2019                | 2020                | 2021                | 2022                | 2023                |
|---|--------|--------|--------|--------|--------|---------------------|---------------------|---------------------|---------------------|---------------------|
| <b>Sanitation</b>                         |        |        |        |        |        |                     |                     |                     |                     |                     |
| Collection Trucks-Side Load               | 6      | 6      | 6      | 6      | 6      | 6                   | 6                   | 6                   | 7                   | 7                   |
| Collection Trucks-Front Load              | 6      | 6      | 6      | 6      | 6      | 6                   | 6                   | 6                   | 8                   | 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                   |
| <b>Water</b>                              |        |        |        |        |        |                     |                     |                     |                     |                     |
| Water mains (miles)                       | 266.42 | 269.01 | 270.91 | 276.64 | 281.02 | 285.29              | 286.00              | 288.80              | 288.89              | 291.30              |
| Fire Hydrants                             | 3000   | 3000   | 2903   | 2903   | 3012   | 3502 <sup>(4)</sup> | 3502 <sup>(4)</sup> | 3567 <sup>(4)</sup> | 3563 <sup>(4)</sup> | 3583 <sup>(4)</sup> |
| Water Storage Facilities                  | 7      | 7      | 8      | 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                | 17.0                | 17.0                |
| Intake Capacity (MGD)                     | 24     | 24     | 24     | 24     | 24     | 24                  | 24                  | 24                  | 24                  | 24                  |
| <b>Wastewater</b>                         |        |        |        |        |        |                     |                     |                     |                     |                     |
| Sanitary Sewers (miles)                   | 175.81 | 177.06 | 177.5  | 181.0  | 184.8  | 188.5               | 189.2               | 191.0               | 191.0               | 192.1               |
| Treatment Capacity ( Million Gallons Day) | 10.0   | 10.0   | 10.0   | 13.0   | 13.0   | 13.0                | 13.0                | 13.0                | 10.0                | 24.3                |
| Sewage Lift Stations                      | 43     | 45     | 41     | 43     | 43     | 43                  | 43                  | 44                  | 44                  | 44                  |
| <b>Stormwater</b>                         |        |        |        |        |        |                     |                     |                     |                     |                     |
| Storm sewers (miles)                      | 212.1  | 214.42 | 215.85 | 221.92 | 227.66 | 232.57              | 233.48              | 238.32              | 239.13              | 240.39              |
| Lift Stations                             | 12     | 12     | 12     | 13     | 13     | 13                  | 13                  | 15                  | 15                  | 15                  |
| Flood Stations                            | 12     | 12     | 12     | 12     | 12     | 12                  | 12                  | 12                  | 12                  | 12                  |
| <b>Public Transit</b>                     |        |        |        |        |        |                     |                     |                     |                     |                     |
| 35' Bus - Diesel/Electric Hybrid          | 2      | 2      | 2      | 2      | 2      | 2                   | 2                   | 2                   | 2                   | 2                   |
| 35' Bus - Diesel                          | 3      | 3      | 3      | 3      | 5      | 5                   | 5                   | 7                   | 7                   | 7                   |
| 29' Bus                                   | 2      | 2      | 2      | 2      | 2      | 2                   | 2                   | 2                   | 2                   | 2                   |
| People Mover                              | 3      | 3      | 4      | 4      | 4      | 4                   | 4                   | 4                   | 0                   | 0                   |
| Senior Rider/Dial-A-Ride Vehicles         | 9      | 10     | 10     | 10     | 12     | 12                  | 12                  | 14                  | 12                  | 15                  |
| Cutaway Vehicles                          |        |        |        |        |        |                     |                     |                     | 2                   | 4                   |
| <b>Job Development</b>                    |        |        |        |        |        |                     |                     |                     |                     |                     |
| Buildings and Structures                  | 6      | 6      | 6      | 6      | 6      | 6                   | 6                   | 6                   | 2                   | 2                   |
| <b>Municipal Parking Structures</b>       |        |        |        |        |        |                     |                     |                     |                     |                     |
| Buildings & Structures                    | 2      | 2      | 2      | 2      | 2      | 2                   | 2                   | 3                   | 2                   | 2                   |

(1) 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.

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

(3) 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.

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

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



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