

THE  
MAGIC  
CITY



**Comprehensive  
Annual  
Financial  
Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2016

**Prepared By**  
The Finance Department

**City of Minot, North Dakota  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2016**

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# City of Minot

Finance Department

April 22, 2017

To the Honorable Mayor,  
City Council, and  
Citizens of the  
City of Minot, North Dakota

Ladies and Gentlemen,

The City Council requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2016. The City Finance Department prepares this set of financial statements in conformity with 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 by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Minot (the City). Consequently, 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 internal control framework 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 provides reasonable rather than absolute assurance 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.

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2016 are free of 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 independent auditor's report has been included as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grants and/or 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 audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

GAAP requires management to provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with the MD&A. The City's MD&A is immediately following the report of the independent auditors.

### *Profile of the City of Minot*

The City, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 27.76 square miles and serves a population of 40,888 based on the 2010 census. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2016 was approximately \$591 million. During 2016, the Minot Air Force Base had over \$111 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,129 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2016, the property valuations for building permits decreased by over \$89.6 million compared to 2015 due in part to a reduction in market values and apartment vacancies being up while rents are down. New residential buildings decreased by \$21.7 million primarily due to multi-family residences and single family declining by \$16.4 million and \$5.3 million, respectively. New nonresidential buildings decreased by \$67.8 million primarily due to an increase in commercial and nonresidential remodels and additions of \$1.5 million and a decrease of \$30.7 million in schools, a decrease of \$5.4 million in office, banks, and professional buildings, and a decrease in industrial, governmental, and retail businesses of \$11.2 million, \$5.2 million, and \$15.3 million, respectively.

The City has had a moderate level of growth in property values in the past couple of years. Based on the results of the City Council passing an ordinance, the first penny sales tax was reallocated to the following as of July 1, 2014: property tax relief 10%; economic development 15%; improvements fund 25%; and flood control 50%. This reallocation continues to enable the City to reduce the number of mills levied.

In 1972, the citizens of the City voted to operate under a Home Rule Charter, with a council-manager

form of government. Policy-making and legislative authority vest in a City Council consisting of the mayor and 14 council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the City Manager and City Attorney. The City Manager 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. Council members serve four-year staggered terms, with seven council members elected every two years by ward. The mayor is elected to serve a four-year term and is elected at large.

The City provides a full range of services contemplated by statute or charter. This includes police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation, planning and community development, water and sewer, cemetery, airport, and general administrative services necessary to serve the citizens of the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies submit requests for appropriations to the City Manager in June of each year for the ensuing year's budget, which begins January 1. 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 and major special revenue funds this comparison is presented on pages 28 through 30 as part of the basic financial statements for the governmental funds. The major debt service fund comparison can be found on page 73. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 83.

### *Factors Affecting Financial Condition*

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

**Local Economy.** Minot's centralized location in North America and its high-quality transportation make it an attractive site for both businesses and manufacturers. The sales tax base, the oil industry, and construction are all factors that build a solid foundation for business and industry to enjoy greater

productivity and profitability.

<b>Sales Tax Collections</b>		<b>Property Tax Levied</b>	
2012	\$ 26,705,354	2012	\$ 9,408,148
2013	24,850,061	2013	12,449,978
2014	27,245,883	2014	14,505,927
2015	26,035,551	2015	16,451,633
2016	21,375,144	2016	17,616,035

During 2011, the City incurred the worst flooding in history. Despite the millions of dollars in damages, the financial position of the City remains sound with management continuing to administer the financial policies established by the City Council in a prudent and effective manner as shown in the table below. A continuation of that cooperative effort will assure the citizens a healthy future.

<b>Assets, Liabilities and Net Position Per Capita</b>					
Population	Total Assets & Liabilities		Total Deferred & Deferred Net Position		
	Outflow	Inflow			
2012	40,888	\$ 8,970	\$ 1,194	\$ 7,776	
2013	40,888	12,401	1,738	10,663	
2014	40,888	16,467	2,331	14,136	
2015	40,888	19,413	4,625	15,053	
2016	40,888	20,651	4,583	16,068	

<b>Expenses and Program Revenues Per Capita</b>						
Population	Expenses	Services	Charges for	Operating Grants and	Capital Grants and	Change in Net Position
				Contributions	Contributions	
2012	40,888	\$ 1,702	\$ 897	\$ 308	\$ 1,144	\$ 1,770
2013	40,888	1,638	768	370	1,160	1,472
2014	40,888	1,858	668	201	1,869	1,844
2015	40,888	2,641	913	414	3,878	3,912
2016	40,888	2,684	932	144	1,442	1,015

<b>Ratio of Net Position to Expenses</b>		
<b>Governmental Activities</b>		<b>Business-Type Activities</b>
2012	4.35	5.02
2013	5.27	6.43
2014	5.20	8.12
2015	4.39	8.50
2016	5.35	6.92

**Long-Term Financial Planning.** The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves have been capped by the Finance Director effective September 30, 2011 in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund that received a 1% dedicated sales tax. The NAWS project will bring

Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future, and has an estimated \$213 million in expenditures remaining with 35% or \$74.6 million of that cost to be paid with sales tax funds. The City has \$33 million saved for this purpose. The project will extend to Northwest North Dakota. The voters opted to continue collecting the 1% sales tax, formerly for NAWS, and dedicate 30% to property tax relief, 40% to infrastructure projects and 30% to community facilities. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to the project. A sales tax ad hoc committee has been established to determine the needs of the project funding which includes City of Max biota plant.

The sales tax ad hoc committee is also addressing the flood control funding for phases 1-4. Currently, 50% of the first penny is dedicated to flood control. Based on legislative house bill 1020, \$193 million will be dedicated to this project. The City of Minot will be required to match the funds by 35%, which would require more sales tax funds dedicated to flood control.

The NAWS and flood control funding will be addressed in the 2018 budget for the City.

The City of Minot is also the recipient of three separate allocations of funding from the U.S. Department of Housing and Urban Development Community Block Grant – Disaster Recovery Funds. The first allocation was in April 2012 for \$67,575,964. The second allocation was in April 2014 for \$35,056,000. The third allocation was in January 2016 for \$74,340,770. Each allocation has spent the following funds, respectively: \$58,082,799, \$29,279,592, and \$1,655,073 as of December 31, 2016. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. However, the City has completed an Action Plan, which has been approved by the City Council for expenditure for the funds to include housing rehabilitation and reconstruction, and public infrastructure. The second allocation has obligated a portion of the gross funds to home acquisitions, demolitions, and street repairs. The obligated funds must be spent in two years. The third allocation will be obligated to reduce flood risk and increase resilience, build affordable, resilient neighborhoods, and foster economic resilience and diversification.

The City has completed several major highway projects in recent years with additional projects planned for 2017. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with CDBG-DR, oil impact grants, storm sewer development funds, State Water Commission funds, and debt, thereby increasing the per capita debt. The per capita debt is deceiving in that not all the debt service payments will be paid through general property taxes but rather with dedicated revenue sources to fund portions of each of these projects.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its' Comprehensive Annual Financial Report for the fiscal year ended December 31, 2015. This was the 37<sup>th</sup> consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

**Acknowledgements.** The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation of this report. I would also like to thank the Mayor and City Council for their unfailing support and for maintaining the highest standards of professionalism in the management of the City's finances.

Respectfully submitted,



David Lakefield  
Finance Director



Government Finance Officers Association

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

Presented to  
**City of Minot  
North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

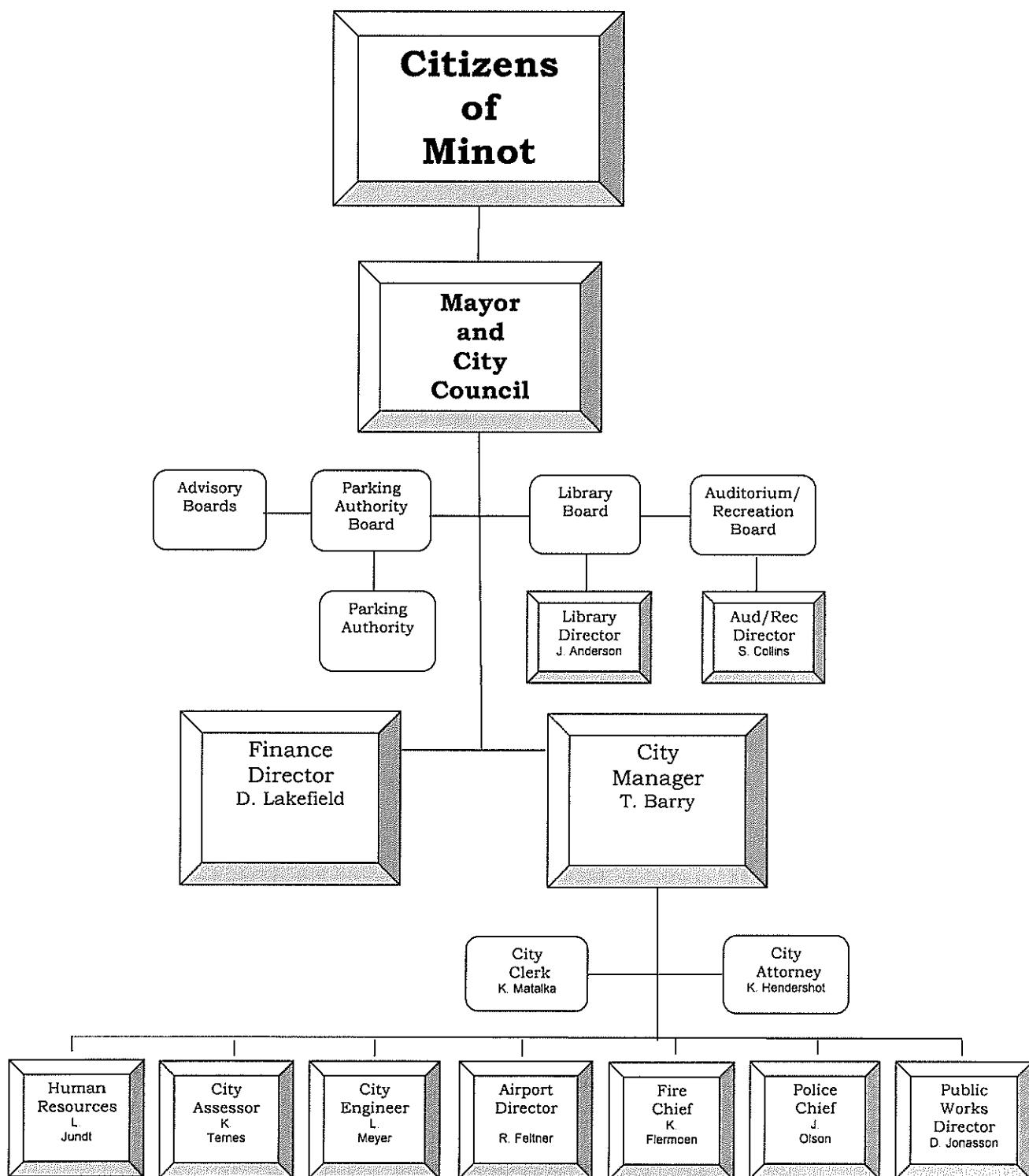
**December 31, 2015**

A handwritten signature in black ink, appearing to read "Jeffrey R. Ecker". The signature is fluid and cursive, with a large, stylized 'J' at the beginning.

Executive Director/CEO

# City of Minot

## Organizational Chart



## **Elected and Appointed Officials**

### **City of Minot, North Dakota**

Mayor.....Chuck Barney

#### Members of the City Council

Ward 1:.....Shannon Straight  
Dave Lehner

Ward 2:.....George Withus  
Ben Berg

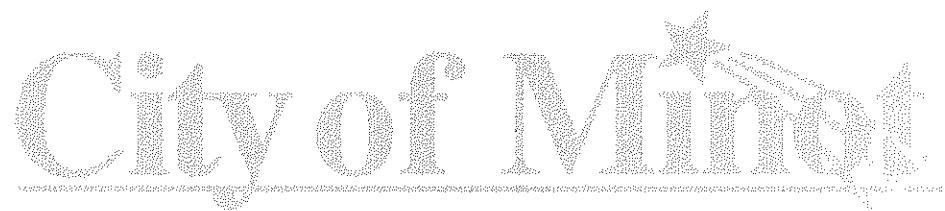
Ward 3:.....Stephan Podrygula  
Dean A. Frantsvog

Ward 4:.....Rick Hedberg  
David Shomento

Ward 5:.....Shaun Sipma  
Miranda Schuler – Vice President

Ward 6:.....Mark Jantzer – President  
Dave Pankow

Ward 7:.....Kenton Kossan  
Lisa Olson



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## Independent Auditor's Report

To the Honorable Mayor and City Council  
City of Minot, North Dakota

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota (the City) as of and for the year ended December 31, 2016, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

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

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

### **Auditor's Responsibility**

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

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

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

## **Opinion**

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, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota, as of December 31, 2016, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Comparative Information**

We have previously audited the City of Minot's 2015 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2016. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2015 is consistent, in all material respects, with the audited financial statements from which it has been derived.

## **Other Matters**

### **Required Supplementary Information**

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

### **Other Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minot, North Dakota's financial statements. The introductory section, schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, combining and individual nonmajor fund statements and schedules, capital assets used in the operation of governmental funds, and statistical section are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. Code of Federal Regulations (CFR) Part 200, *Uniform Administrative Requirements. Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements.

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

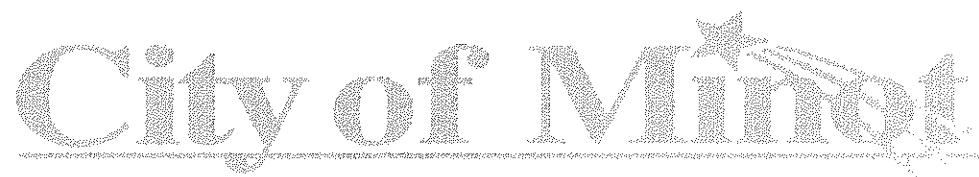
The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

**Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued a report dated April 21, 2017 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is 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 internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is fluid and cursive, with "Eide" and "Baily" connected by a flourish, and "LLP" written in a smaller, more formal script to the right.

Fargo, North Dakota  
April 21, 2017



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Management's

Discussion

and

Analysis

**City of Minot  
Comprehensive Annual Financial Report  
December 31, 2016**

**Management's Discussion and Analysis**

As management of the City of Minot, we are pleased to offer readers of the City of Minot's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2016, with comparative data for the fiscal year ended December 31, 2015. We encourage readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- The net position of the City increased by over \$41.5 million or 6.7%. The increase was due to a \$109.9 million decrease in revenues with \$99.5 million decrease in capital grants and contributions and over \$11.0 million decrease in operating grants and contributions. Program expenses increased by nearly \$1.8 million with business type activities increasing in expenses by \$10.4 million and governmental expenses decreasing by \$8.6 million. Overall governmental and business-type activities netted to a negative change in net position prior to general revenues of \$6.7 million with the governmental activities reporting a negative change in net position of \$23.7 million and the business type activities reporting a positive change in net position of \$17.0 million.
- During 2016 capital assets, net of depreciation, increased by over \$75.1 million compared to 2015. Construction in progress decreased by over \$60.9 million compared to 2015 largely in part to airport projects totaling over \$52.9 million that went into service in 2016. Land increased nearly \$13.9 million due to acquisitions for flood control in the City. Buildings increased over \$48.9 million due to the new airport terminal, new fire station, and public works building expansion. Equipment purchases increased over \$7.1 million. Over \$6.1 million of that was for the airport due to equipment in the new terminal, jet bridges, and the remaining \$1.0 million increase was due to the parking ramps equipment and a new fire truck purchase.
- Infrastructure increased over \$66.1 million. Governmental accounted for almost \$32.1 million of the increase and business-type accounted for over \$34.0 million. Several large street projects occurred in 2016, road upgrades in SW Minot for over \$6.4 million, downtown parking ramps for over \$18.5 million, and the downtown infrastructure project for over \$7.2 million. There were several water and sewer projects that went into service in 2016, 55<sup>th</sup> St SE had projects totaling over \$29.9 million, downtown infrastructure spent over \$3.2 million, and various other projects during 2016.
- Highway and street program expenses decreased by over \$8.6 million which was due to street maintenance projects completed in 2015 funded with Community Development Block Grant – Disaster Recovery funds. Airport program expenses increased over \$4.5 million due to completion of the terminal which included a \$1.7 million loss for the demolition of the old terminal and an increase in depreciation due to the addition to capital assets of the terminal. Water and Sewer increased in program expenses by nearly \$5.2 million due to depreciation of more infrastructure projects over the past few years and pension expense. Public safety program expenses increased \$3.9 million with \$2.2 million due to pension expenses.
- The unassigned fund balance for the General Fund was over \$24.4 million or 79.2% of the total general fund expenditures. This is a decrease from 2015 of over \$0.2 million.
- As of December 2016 the price per barrel for oil was \$45.32 which was over \$20.50 higher per barrel than January 2016. In 2016 North Dakota produced 29.2 million barrels of oil which is a decrease of 18.2% from one year prior. Fluctuations in the price of oil can be a factor in attributing to lower sales tax money. When oil prices or production are down or fluctuate highly it can cause chain reactions of less consumer spending which ultimately lowers the amount of sales tax dollars received by a government.

**City of Minot**  
**Comprehensive Annual Financial Report**  
**December 31, 2016**

**Management's Discussion and Analysis**

**OVERVIEW OF FINANCIAL STATEMENTS**

This discussion and analysis serves as an introduction to the City's basic financial statements. The comprehensive annual financial report presents the following three components of the financial statements:

1. Government-wide financial statements provide information for the City as a whole.
2. Fund financial statements provide detailed information for the City's significant funds.
3. Notes to the financial statements provide additional information essential to understanding the government-wide and fund statements.

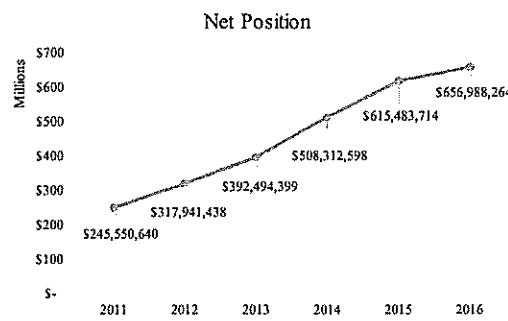
This report also contains other supplementary information in addition to the basic financial statements.

**Government-Wide Financial Statements**

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

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources 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 is improving or deteriorating.

Since the 2011 flood the City's net position has improved from \$245.5 million to \$656.9 million. This is an increase of \$411.4 million or 159.7%. The majority of the funding for this increase came from grants and contributions as the City only bonded for \$108.0 million during this same time frame.



The Statement of Activities presents information on how the City's net position changed during the most recent fiscal year. This statement uses the accrual basis of accounting, which means the City reports changes in net position as soon as the underlying event that gives rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected sales tax, and earned but unused vacation leave).

Both the Statement of Net Position and the Statement of Activities present information as follows:

- Governmental activities – This includes most of the City's basic services, with property and sales taxes, interest income, user fees and intergovernmental revenues supporting it.
- Business-type activities – This includes those services which are intended to recover all or a significant part of their costs through user fees.

The government-wide financial statements begin on page 18.

**Fund Financial Statements**

A *fund* is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on specific activities or attaining certain objectives in accordance with special regulations, restrictions, or limitations. The City of Minot, like other state and local governments, uses fund

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accounting to ensure and demonstrate compliance with finance-related legal requirements.

The fund financial statements provide detailed information about the City's significant funds – not the City as a whole. There are three categories of City funds—governmental funds, proprietary funds, and fiduciary funds.

**Governmental Funds.** Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the City's short-term financing requirements. Because the focus of governmental funds is narrower than 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 government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements. The City maintains 29 individual governmental funds. The City presents separate information in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: sales tax NAWS, special assessment debt service, highway reserves, capital purchases, and storm sewer development. Data from the other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these nonmajor governmental funds, which begin on page 74.

The City adopts an annual budget for its' governmental funds. Budgetary comparison statements demonstrate compliance.

The governmental fund financial statements begin on page 20.

**Proprietary Funds.** The City maintains two types of proprietary funds, enterprise and internal service. Enterprise funds report activities that charge for services provided to outside customers. The enterprise funds are business-type activities in the government-wide statements. The City uses enterprise funds to account for its Airport, Sanitation, and Water and Sewer operations, as major funds, and its Cemetery and Parking Authority operations, as nonmajor funds. Internal Service funds report activities that provide supplies and services to other City programs and activities. The City of Minot uses internal service funds to account for its central garage and for the self-funded insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements. Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The City combines both internal service funds in a single, aggregate presentation in the proprietary fund financial statements. The City provides individual fund data for the nonmajor proprietary funds in the form of combining statements, which begin on page 114. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 118. The basic proprietary fund statements begin on page 32

**Fiduciary Funds.** Fiduciary funds account for resources held for the benefit of parties outside the government. The City is a trustee for its employees' pension and other post-employment benefit plans. It is also responsible for other assets held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City reports fiduciary activities in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities have been excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to

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proprietary funds. The basic fiduciary fund statements begin on page 38.

**Notes to the Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 40-64 of this report.

The City presents combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 74-128 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following two table's present condensed information on the City's Net Position and Changes in Net Position for the fiscal year ended December 31, 2016, with comparative data for the fiscal year ended December 31, 2015. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$656,988,264 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (79.5%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any

related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports investment in capital assets net of related debt, the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities. A portion of the City's net position (13.2%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for sales tax property tax relief \$466,078, for economic development projects \$7,642,551, for sales tax improvements \$5,618,656, for sales tax flood control \$12,983,515, for the NAWS project \$33,063,703, for sales tax infrastructure \$9,361,205, for sales tax community facilities \$5,640,828, and \$12,356,379 for debt service. The unrestricted net position of \$47,093,267 is to meet the government's ongoing obligations to citizens and creditors.

There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use. At the end of 2016, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for governmental and business-type activities.

**Changes in Net Position.** The City's net position increased over \$41.5 during 2016. The increase was a combination of items, program

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
Current and other assets						
Capital assets	\$ 157,829,481	\$ 161,311,483	\$ 47,424,243	\$ 76,842,571	\$ 205,253,724	\$ 238,154,054
Total assets	291,525,906	251,151,060	337,447,296	302,640,945	628,973,202	553,792,005
Deferred outflows of resources	7,731,345	8,278,700	2,426,972	2,573,944	10,158,317	10,852,644
Long-term debt outstanding	89,059,531	81,837,304	71,588,842	70,965,638	160,648,373	152,802,942
Other liabilities	14,865,849	14,869,038	7,538,628	17,511,975	22,404,477	32,381,013
Total liabilities	103,925,380	96,706,342	79,705,658	88,477,613	183,631,038	185,183,955
Deferred inflows of resources	3,187,753	1,898,915	578,188	232,119	3,765,941	2,131,034
Net position						
Net investment in capital assets	245,659,435	213,781,240	277,102,647	246,874,877	522,762,082	460,656,117
Restricted net position	79,598,317	48,237,103	7,534,598	7,176,604	87,132,915	55,413,707
Unrestricted net position	24,715,847	60,117,643	22,377,420	39,296,247	47,093,267	99,413,890
Total net position	\$ 349,973,599	\$ 322,135,986	\$ 307,014,665	\$ 293,347,728	\$ 656,988,264	\$ 615,483,714

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expenses increased by nearly \$1.8 million, of that over \$8.6 million were savings in governmental activities and over \$10.4 million was an increase in business-type activities. Program revenues were down from 2015 due largely to capital grants and contributions going down over \$99.5 million between governmental and business-type activities. Charges for services increased over \$0.7 million, a decrease of governmental of over \$0.3 and an increase in business-type of over \$1.0 million.

**Governmental Activities.** Governmental program revenues decreased over \$56.6 million largely due to operating and capital grants and contributions decreasing nearly \$46.1 million. Governmental program expenses decreased by over \$8.6 million. Overall the general government program expenses increased over \$0.28 million, public safety increased over \$3.9 million, highways and street decreased over \$8.6 million, due largely to street maintenance

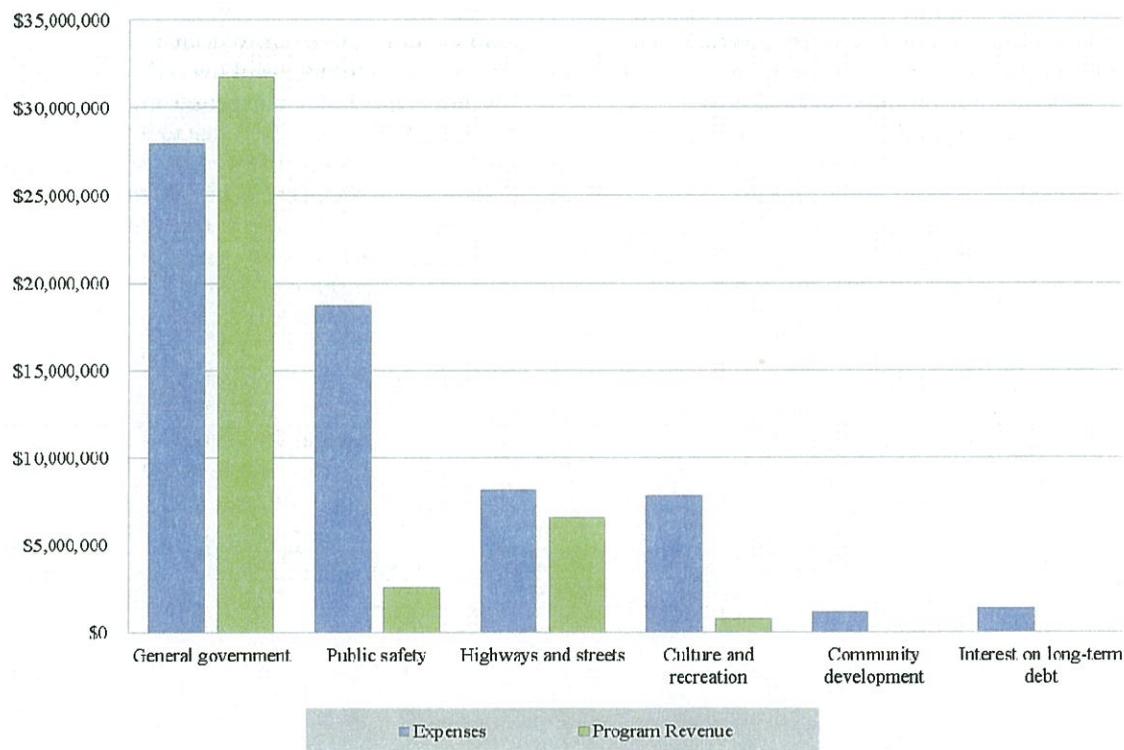
projects from 2015 funded with CDBG-DR funds, culture and recreation and economic development decreased over \$2.1 million each.

**Business-Type Activities.** Business-type program revenues decreased by over \$53.3 million during 2016 due to decreases in capital grants and contributions of over \$53.4 million. Business-type program expenses increased by over \$10.4 million in 2016 due to increases in expenses in Water and Sewer of over \$5.1 million due to an increase in infrastructure projects and Minot International Airport of over \$4.5 million due to a loss of over \$1.7 million from the demolishing of the old terminal as well as an increase in depreciation expense of over \$2.0 million from 2015. The terminal was capitalized in 2016 which was over \$46.4 million which will be depreciated over 15-40 years. The charts on pages 11 and 12 summarize the City's revenues and expenses for both governmental and business-type activities.

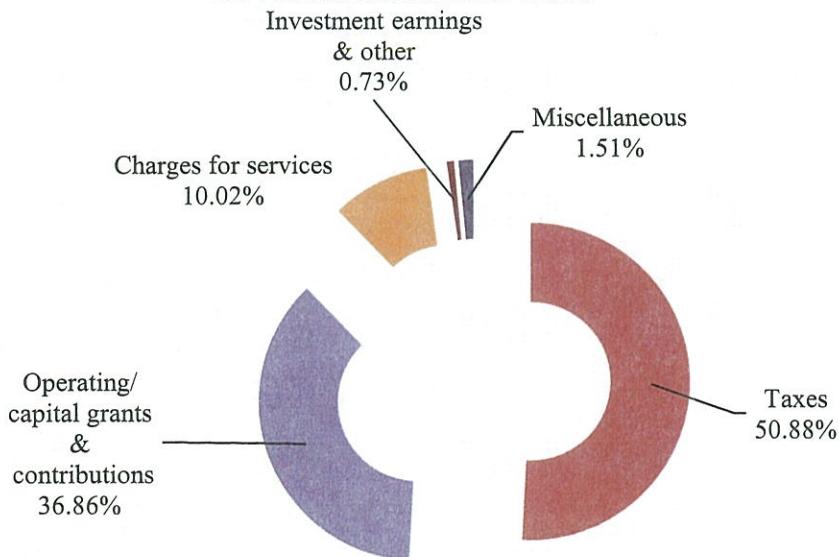
	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
<b>Program Revenues</b>						
Charges for services	\$ 8,892,909	\$ 9,235,921	\$ 29,226,260	\$ 28,176,915	\$ 38,119,169	\$ 37,412,836
Operating grants and contributions	4,355,509	14,541,486	1,535,901	2,406,340	5,891,410	16,947,826
Capital grants and contributions	28,346,960	74,438,583	30,623,098	84,112,970	58,970,058	158,551,553
<b>General revenues</b>						
Taxes	45,134,375	50,172,851	385,491	166,746	45,519,866	50,339,597
Investment earnings	645,118	694,916	98,063	119,072	743,181	813,988
Miscellaneous	1,337,662	2,702,358	660,328	1,244,180	1,997,990	3,946,538
<b>Total revenues</b>	<b>88,712,533</b>	<b>151,786,115</b>	<b>62,529,141</b>	<b>116,226,223</b>	<b>151,241,674</b>	<b>268,012,338</b>
<b>Program Expenses</b>						
General government	28,066,358	27,783,373	-	-	28,066,358	27,783,373
Public safety	18,800,391	14,843,622	-	-	18,800,391	14,843,622
Highways and streets	8,141,336	16,772,838	-	-	8,141,336	16,772,838
Culture and recreation	7,856,753	9,991,456	-	-	7,856,753	9,991,456
Economic development	1,145,992	3,266,376	-	-	1,145,992	3,266,376
Interest on long-term debt	1,359,381	1,323,446	-	-	1,359,381	1,323,446
Airport	-	-	13,340,229	8,758,360	13,340,229	8,758,360
Cemetery	-	-	533,872	469,091	533,872	469,091
Parking authority	-	-	79,994	98,705	79,994	98,705
Sanitation	-	-	5,068,307	4,464,495	5,068,307	4,464,495
Water and sewer	-	-	25,344,511	20,167,628	25,344,511	20,167,628
<b>Total expenses</b>	<b>65,370,211</b>	<b>73,981,111</b>	<b>44,366,913</b>	<b>33,958,279</b>	<b>109,737,124</b>	<b>107,939,390</b>
Excess (deficiency) before transfers	23,342,322	77,805,004	18,162,228	82,267,944	41,504,550	160,072,948
<b>Transfers</b>	<b>4,495,291</b>	<b>1,262,055</b>	<b>(4,495,291)</b>	<b>(1,262,055)</b>	<b>-</b>	<b>-</b>
<b>Change in net position</b>	<b>27,837,613</b>	<b>79,067,059</b>	<b>13,666,937</b>	<b>81,005,889</b>	<b>41,504,550</b>	<b>160,072,948</b>
Net position, January 1	322,135,986	284,887,973	293,347,728	223,424,625	615,483,714	508,312,598
Change in accounting principle - Note 5D	-	(41,819,046)	-	(11,082,786)	-	(52,901,832)
Net position, January 1, as restated	322,135,986	243,068,927	293,347,728	212,341,839	615,483,714	455,410,766
Net position, December 31	\$349,973,599	\$322,135,986	\$307,014,665	\$293,347,728	\$656,988,264	\$615,483,714

**Management's Discussion and Analysis**

**Expenses & Program Revenues**  
**Governmental Activities**



**Revenues by Source**  
**Governmental Activities**

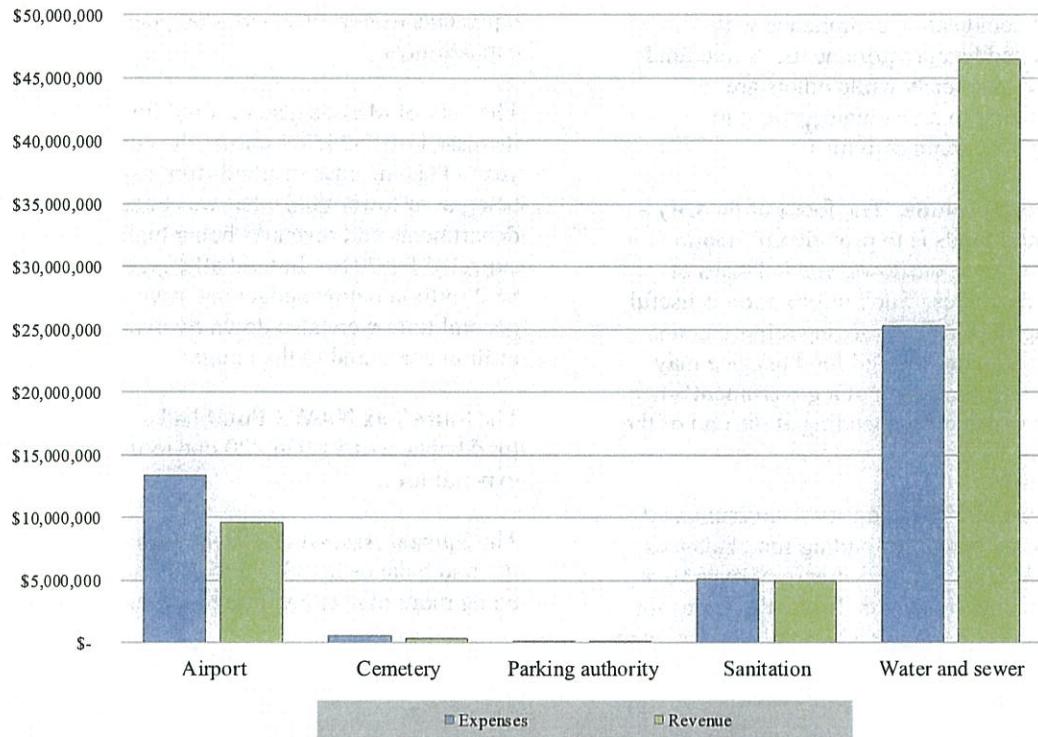


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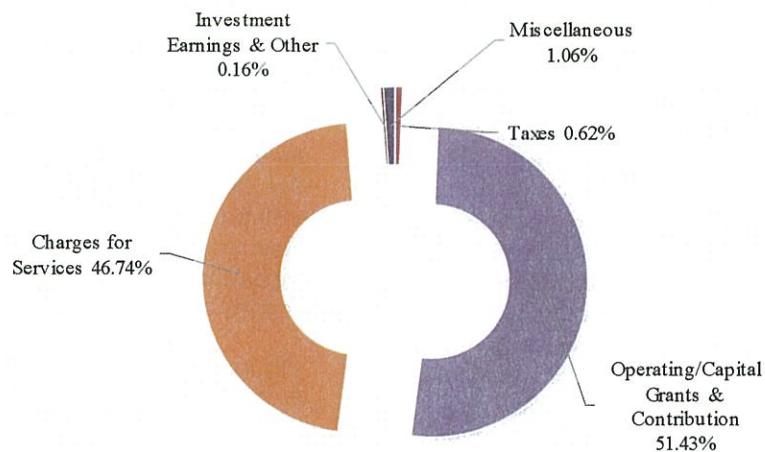
**Management's Discussion and Analysis**

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**Expenses & Program Revenues  
 Business-Type Activities**



**Revenues by Source  
 Business-Type Activities**



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**FINANCIAL ANALYSIS OF THE CITY'S FUNDS**

The City of Minot uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. Some funds are required statutorily while others are internally set up to assist management in accounting for certain activities.

**Governmental Funds.** The focus of the City's 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, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2016, the City's governmental funds reported combined ending fund balances of over \$131.9 million, a decrease of over \$0.4 million in comparison with 2015. Revenues for the period decreased over \$34.0 million due to a decrease of over \$27.6 million intergovernmental revenues, an increase in property tax collections of \$0.9 million, a decrease in special assessment collections of \$0.8 million, and a decrease in sales tax collections of over \$4.6 million while expenditures decreased over \$16.1 million due to decreases in general government by \$10.5 million, public safety expenditures increased by \$1.4 million, a decrease in highway and streets expenditures over \$1.4 million, decreases in both culture and recreation and economic development expenditures over \$2.1 million each, a decrease in capital outlay contracted work of \$4.4 million, and an increase of over \$2.1 million for capital outlay acquisitions. The City also issued over \$10.1 million in general obligation bonds in 2016 to fund expenditures for a bridge replacement and road reconstruction and upgrades and issued \$.78 million to fund special assessment districts. The governmental funds nonspendable fund balance is \$2,937,111, restricted fund balance \$80,252,754, assigned fund balance \$24,502,570, and unassigned fund balance \$24,221,366.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund

was \$24,487,188. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents nearly 79.2% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$524,744 during the current fiscal year. This increase resulted from expenditures being at or lower than what was budgeted for all departments and revenues being higher than expected for 2016. In total all expenditures were \$6.2 million below budget and revenues for the general fund were also down by over \$4.7 million compared to the budget.

The **Sales Tax NAWS Fund** had a decrease in fund balance of \$1,036,720 due to the increase in expenditures.

The **Special Assessment Debt Fund** increased its fund balance by \$858,565 due to revenues being more than expenditures during 2016.

The **Highway Reserve Fund** increased in fund balance by over \$2.7 million due to bonding in the amount of over \$10.1 million to cover construction expenditures. Capital outlay contracted work expenditures were up over \$9.1 million compared to 2015. The downtown infrastructure project will start its last phase of construction in 2017.

The **Capital Purchases Fund** decreased by over \$3.05 million due to capital purchases expenditures exceeding revenues. Capital outlay expenditures decreased overall by over \$9.3 million compared to 2015. Projects occurring in this fund include ongoing home acquisitions, which are funded with CDBG-DR funds and State Water Commission, public works building expansion, and downtown parking ramps construction.

The **Storm Sewer Development Fund** increased by \$145,501 due to revenues being higher than expected expenditures.

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

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Unrestricted net position at the end of the year for the Enterprise Funds was \$22,366,807, of which Airport accounted for \$5,172,452, Sanitation \$52,869, Water and Sewer \$17,206,990 and the nonmajor funds accounted for (\$65,504). Cemetery has an unrestricted negative net position due to the net pension liability of \$499,203. Restricted net position was \$7,534,598 for bond covenants. The restrictions do not significantly affect the availability of fund resources for future use.

The change in net position for these funds was over \$13.5 million, due to an increase in charges for services of over \$1.2 million, and increase in expenses of over \$8.5 million. The City also issued over \$4.7 million in revenue bonds in 2016 to fund expenses for an aeration pond and blower building upgrades, and sewer and infrastructure projects.

**GENERAL FUND BUDGETARY  
HIGHLIGHTS**

The differences between the original budget and the final amended budget was a decrease in revenues of over \$1.1 million and an increase in expenditure appropriations of over \$1.5 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being over \$4.7 million less than budgeted and the expenditures being \$6.2 million less than budgeted. There is a total deficiency of actual revenues over expenditures of over \$7.1 million. After transfers the net change in fund balance was \$524,744.

**CAPITAL ASSET AND DEBT  
ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2016, is \$628,973,202 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books.

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

- Home Acquisitions
- New Fire Station
- Public Works building addition
- Airport Terminal
- Downtown infrastructure
- Water & Sewer infrastructure
- Donations of infrastructure
- A variety of other street construction projects

Additional information on the City of Minot's capital assets can be found in Note 4. E on pages 50-51 of this report.

**Capital Assets (net of depreciation)**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>	<b>2016</b>	<b>2015</b>
Land	\$ 56,425,346	\$ 42,569,187	\$ 5,455,540	\$ 5,417,535	\$ 61,880,886	\$ 47,986,722
Construction in progress	7,988,494	20,208,352	31,216,689	79,901,837	39,205,183	100,110,189
Buildings	12,881,594	7,014,313	51,572,210	8,536,587	64,453,804	15,550,900
Equipment	10,320,262	9,541,125	12,775,614	6,436,326	23,095,876	15,977,451
Infrastructure	202,631,129	170,559,143	236,339,516	202,288,158	438,970,645	372,847,301
Intangible assets	271,484	322,912	87,727	60,502	359,211	383,414
Books	1,007,597	936,028	-	-	1,007,597	936,028
Total capital assets	\$291,525,906	\$251,151,060	\$337,447,296	\$302,640,945	\$628,973,202	\$553,792,005

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**Long-Term Debt.** At year-end, the City had total debt of \$109,798,948, an increase of \$7,831,106 over the prior year. Note 4. I on pages 54-56 of this report describes the City's long-term debt in detail.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2016	2015	2016	2015	2016	2015
General obligation bonds	\$21,180,000	\$13,260,000	\$ -	\$ -	\$ 21,180,000	\$ 13,260,000
Special assessment bonds	21,090,000	22,930,000	-	-	21,090,000	22,930,000
Capital financing program bonds	1,800,000	1,910,000	-	-	1,800,000	1,910,000
Revenue bonds	-	-	59,315,000	58,730,000	59,315,000	58,730,000
Unamortized premium	2,064,556	1,244,638	1,005,084	687,929	3,069,640	1,932,567
Unamortized discount	(12,355)	(14,944)	(297,774)	(316,133)	(310,129)	(331,077)
Notes payable	-	-	1,049,862	1,130,981	1,049,862	1,130,981
Capital leases	23,949	4,026	1,135,917	1,029,389	1,159,866	1,033,415
Compensated absences	1,134,682	1,067,304	310,027	304,652	1,444,709	1,371,956
Total outstanding debt	<b>\$47,280,832</b>	<b>\$40,401,024</b>	<b>\$62,518,116</b>	<b>\$61,566,818</b>	<b>\$109,798,948</b>	<b>\$101,967,842</b>

The City issued new debt for special assessment bonds of \$780,000, general obligation bonds of \$10,110,000, and water and sewer bonds of \$4,785,000. The City received a rating of Aa2 from Moody's.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$194,105,595. The City's legal debt margin is \$173,465,736. The net bonded debt per capita is \$502.55.

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGET AND RATES**

Projects in 2016, which boosted the economy in Minot included, Ward County jail expansion for \$24.4 million, Dakota Square Mall added on an addition for \$4.9 million, United Pulse Trading additional processing facilities for \$2.3 million, and several other condos, apartment buildings, restaurants and business remodels.

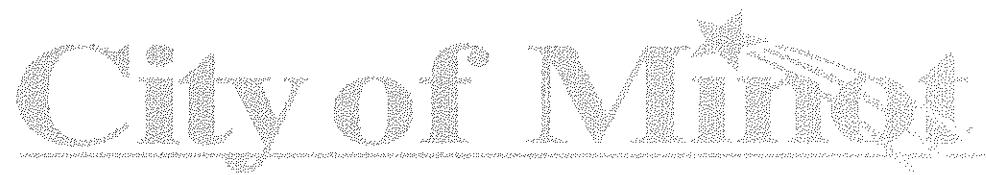
The 2017 City of Minot budget value of a mill increased from \$211,179 to \$229,680 per mill.

The mill levy for the City of Minot's 2017 budget is 79.26 mills – compared to 78.10 mills in 2016, an increase of 1.16 mills. The increase in the mills is due to an increase in operating expenditures.

Total appropriations for operations for 2017 increased over \$67.2 million dollars from 2016. This 53.5% increase is due to the CDBG-DR National Disaster Resilience Competition dollars being added into the 2017 budget for \$43.8 million, the flood control capital budget increased by over \$16.0 million, and the sanitation fund is up \$7.5 million due to an estimated land purchase of \$7.0 million.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives for the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 515 2<sup>nd</sup> Avenue SW or PO Box 5006, Minot, ND 58702 or visit us online at [www.minotnd.org](http://www.minotnd.org).



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Basic  
Financial  
Statements

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Governmental Activities	Business-Type Activities	Total 2016	Total 2015
<b>ASSETS</b>				
Cash and cash equivalents	\$ 32,195,846	\$ 11,195,301	\$ 43,391,147	\$ 70,945,226
Investments	47,311,035	13,043,987	60,355,022	60,077,642
Receivables				
Taxes receivable delinquent	1,376,195	28,668	1,404,863	1,041,202
Special assessments delinquent	192,099	-	192,099	24,760
Accounts receivable, net of allowance	834,972	4,146,077	4,981,049	4,376,295
Loans receivable, net of allowance	1,480,640	-	1,480,640	2,040,000
Intergovernmental receivable	14,319,722	11,107,189	25,426,911	25,456,551
Accrued interest receivable	115,729	16,800	132,529	36,848
Inventory	369,736	-	369,736	318,592
Prepaid	234,148	28,985	263,133	237,133
Other assets - capital credits	367,321	322,638	689,959	671,107
Restricted cash and cash equivalents	45,098,225	7,534,598	52,632,823	56,126,303
OPEB	39,993	-	39,993	40,455
Capital assets not being depreciated				
Land	56,425,346	5,455,540	61,880,886	47,986,722
Construction in progress	7,988,494	31,216,689	39,205,183	100,110,189
Capital assets net of accumulated depreciation				
Buildings	12,881,594	51,572,210	64,453,804	15,550,900
Equipment	10,320,262	12,775,614	23,095,876	15,977,451
Infrastructure	202,631,129	236,339,516	438,970,645	372,847,301
Intangible assets	271,484	87,727	359,211	383,414
Books	1,007,597	-	1,007,597	936,028
Special assessments deferred	13,893,820	-	13,893,820	16,761,940
Total assets	<u>449,355,387</u>	<u>384,871,539</u>	<u>834,226,926</u>	<u>791,946,059</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	7,731,345	2,426,972	10,158,317	10,852,644
Total deferred outflows of resources	<u>7,731,345</u>	<u>2,426,972</u>	<u>10,158,317</u>	<u>10,852,644</u>
<b>LIABILITIES</b>				
Accounts payable	2,873,120	3,332,877	6,205,997	11,406,106
Retainage payable	1,123,123	3,603,405	4,726,528	9,824,745
Internal balances	4,475,755	(4,475,755)	-	-
Accrued salaries payable	362,997	105,970	468,967	375,582
Insurance claims payable	136,303	-	136,303	142,927
Accrued interest payable	300,267	486,448	786,715	715,073
Customer deposits	43,948	203,936	247,884	339,147
Unearned revenue - other	60,475	33,988	94,463	9,854
Current debt - due within one year				
Special assessment debt with governmental commitment	36,878	-	36,878	38,476
Compensated absences	397,139	108,509	505,648	480,184
Capital leases payable	9,105	373,747	382,852	166,198
All other debt	4,681,739	4,343,691	9,025,430	8,882,721
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	166,319	-	166,319	678,410
Compensated absences	737,543	201,518	939,061	891,772
Capital leases payable	14,844	762,170	777,014	867,217
All other debt	41,237,265	56,728,481	97,965,746	89,962,864
Accrued MSWLF postclosure care costs	-	1,187,795	1,187,795	1,078,849
Net pension liability	<u>47,268,560</u>	<u>12,708,878</u>	<u>59,977,438</u>	<u>59,323,830</u>
Total liabilities	<u>103,925,380</u>	<u>79,705,658</u>	<u>183,631,038</u>	<u>185,183,955</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow of resources related to pension	3,187,753	578,188	3,765,941	2,131,034
Total deferred inflow of resources	<u>3,187,753</u>	<u>578,188</u>	<u>3,765,941</u>	<u>2,131,034</u>
<b>NET POSITION</b>				
Net investment in capital assets	245,659,435	277,102,647	522,762,082	460,656,117
Restricted for:				
Sales tax property tax relief	466,078	-	466,078	3,320,232
Sales tax economic development	7,642,551	-	7,642,551	6,440,271
Sales tax improvements	5,618,656	-	5,618,656	5,862,916
Sales tax flood control	12,983,515	-	12,983,515	11,238,809
NAWS	33,063,703	-	33,063,703	34,099,423
Sales tax infrastructure	9,361,205	-	9,361,205	7,483,834
Sales tax community facilities	5,640,828	-	5,640,828	6,669,543
Debt service	4,821,781	7,534,598	12,356,379	11,539,290
Other purposes	-	-	-	14,491
Unrestricted net position	<u>24,715,847</u>	<u>22,377,420</u>	<u>47,093,267</u>	<u>68,158,788</u>
Total net position	<u>\$349,973,599</u>	<u>\$307,014,665</u>	<u>\$656,988,264</u>	<u>\$615,483,714</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Activities**  
**For the Year Ended December 31, 2016**  
**With Comparative Totals for December 31, 2015**

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position	
	Expenses	Charges For Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total 2016	Total 2015
			Grants and Contributions	Grants and Contributions				
<b>Governmental Activities</b>								
General government	\$ 28,066,358	\$ 6,684,624	\$ 3,214,916	\$ 21,856,896	\$ 3,690,078	\$ -	\$ 3,690,078	\$ 17,082,825
Public safety	18,800,391	1,429,447	1,136,656	10,564	(16,223,724)	-	(16,223,724)	(10,793,863)
Highways and streets	8,141,336	123,754	-	6,416,100	(1,601,482)	-	(1,601,482)	31,669,214
Culture and recreation	7,856,753	655,084	3,937	63,400	(7,134,332)	-	(7,134,332)	(9,133,476)
Community development	1,145,992	-	-	-	(1,145,992)	-	(1,145,992)	(3,266,376)
Interest on long-term debt	1,359,381	-	-	-	(1,359,381)	-	(1,359,381)	(1,323,446)
Total governmental activities	<u>65,370,211</u>	<u>8,892,909</u>	<u>4,355,509</u>	<u>28,346,960</u>	<u>(23,774,833)</u>	<u>-</u>	<u>(23,774,833)</u>	<u>24,234,879</u>
<b>Business-Type Activities</b>								
Airport	13,340,229	4,585,949	1,421,390	3,564,669	-	(3,768,221)	(3,768,221)	18,332,453
Cemetery	533,872	298,117	-	-	-	(235,755)	(235,755)	(155,390)
Parking authority	79,994	48,527	-	-	-	(31,467)	(31,467)	(53,050)
Sanitation	5,068,307	4,292,700	89,903	577,716	-	(107,988)	(107,988)	76,879
Water and sewer	25,344,511	20,000,966	24,608	26,480,713	-	21,161,776	21,161,776	62,537,055
Total business-type activities	<u>44,366,913</u>	<u>29,226,260</u>	<u>1,535,901</u>	<u>30,623,098</u>	<u>-</u>	<u>17,018,346</u>	<u>17,018,346</u>	<u>80,737,946</u>
<b>Total government</b>	<u><u>\$ 109,737,124</u></u>	<u><u>\$ 38,119,169</u></u>	<u><u>\$ 5,891,410</u></u>	<u><u>\$ 58,970,058</u></u>	<u><u>(23,774,833)</u></u>	<u><u>17,018,346</u></u>	<u><u>(6,756,487)</u></u>	<u><u>104,972,825</u></u>
<b>General Revenues</b>								
Taxes								
Property taxes, levied for general purposes				14,555,649	385,491	14,941,140	13,261,691	
Property taxes, levied for debt service				2,333,770	-	2,333,770	2,875,336	
Sales tax				21,375,144	-	21,375,144	26,035,551	
Municipal highway tax				2,400,195	-	2,400,195	2,740,748	
State aid distribution-unrestricted				3,477,932	-	3,477,932	4,411,924	
Franchise taxes				676,847	-	676,847	702,627	
Other taxes				314,838	-	314,838	311,720	
Investment earnings				645,118	98,063	743,181	813,988	
Miscellaneous				1,337,662	660,328	1,997,990	3,946,538	
Transfers				4,495,291	(4,495,291)	-	-	
Total general revenues and transfers				<u>51,612,446</u>	<u>(3,351,409)</u>	<u>48,261,037</u>	<u>55,100,123</u>	
Change in net position				27,837,613	13,666,937	41,504,550	160,072,948	
Net position, January 1				322,135,986	293,347,728	615,483,714	508,312,598	
Change in accounting principle - Note 5D				-	-	-	(52,901,832)	
Net position, January 1, as restated				322,135,986	293,347,728	615,483,714	455,410,766	
<b>Net position, December 31</b>	<u><u>\$ 349,973,599</u></u>	<u><u>\$ 307,014,665</u></u>	<u><u>\$ 656,988,264</u></u>	<u><u>\$ 615,483,714</u></u>				

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

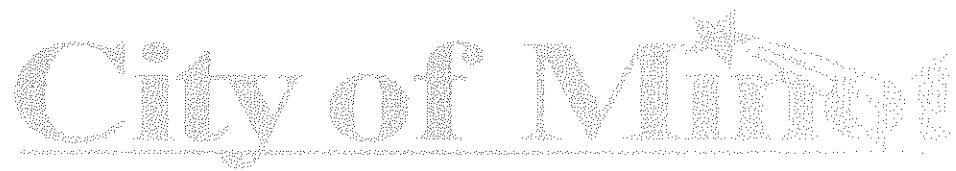
	<u>General Fund</u>	<u>Special Revenue Fund</u>	<u>Debt Service Fund</u>	<u>Capital Project Fund</u>
	<u>Sales Tax NAWS</u>	<u>Special Assessment Debt</u>		
<b>ASSETS</b>				
Cash and investments	\$ 3,536,594	\$ 5,394,406	\$ 315,596	\$ 3,383,950
Restricted cash and investments	654,437	-	3,927,355	-
Investments - certificates of deposit	19,613,182	4,034,435	-	-
Taxes receivable delinquent	726,533	-	6,774	-
Special assessments receivable delinquent	5,575	-	182,685	-
Accounts receivable	511,576	-	-	47,439
Allowance for accounts receivable	(189,903)	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	-	-	654,160
Intergovernmental receivable	1,514,254	-	2,902	7,330,236
Accrued interest receivable	109,927	5,802	-	-
Inventory	-	-	-	-
Prepaid	180,478	-	-	-
Other assets - capital credits	327,786	-	-	-
Investments	-	23,663,418	-	-
Advance from other funds	-	-	1,107,668	-
Special assessments receivable uncertified	8,925	-	13,795,730	-
Total assets	<u>\$ 26,999,364</u>	<u>\$ 33,098,061</u>	<u>\$ 19,338,710</u>	<u>\$ 11,415,785</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 490,706	\$ 34,358	\$ 20,304	\$ 551,871
Retainage payable	-	-	-	404,410
Due to other funds	-	-	-	-
Accrued salaries payable	311,443	-	-	-
Customer deposits	43,948	-	-	-
Advance to other funds	-	-	-	72,010
Unearned revenue - other	60,475	-	-	-
Total liabilities	<u>906,572</u>	<u>34,358</u>	<u>20,304</u>	<u>1,028,291</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessments	8,925	-	13,795,730	-
Unavailable revenue - property taxes	346,135	-	3,353	-
Unavailable revenue - special assessments	5,575	-	159,554	-
Deferred inflows of resources	<u>360,635</u>	<u>-</u>	<u>13,958,637</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	508,264	-	1,107,668	-
Restricted	654,437	33,063,703	3,927,355	-
Assigned	82,268	-	324,746	10,387,494
Unassigned	24,487,188	-	-	-
Total fund balance	<u>25,732,157</u>	<u>33,063,703</u>	<u>5,359,769</u>	<u>10,387,494</u>
Total liabilities, inflows and fund balance	<u>\$ 26,999,364</u>	<u>\$ 33,098,061</u>	<u>\$ 19,338,710</u>	<u>\$ 11,415,785</u>

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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	<b>Capital Project Fund</b>			<b>Total</b>	<b>Total</b>
	<b>Capital</b>	<b>Storm</b>	<b>Other</b>	<b>Governmental</b>	<b>Governmental</b>
	<b>Purchases</b>	<b>Sewer</b>	<b>Governmental</b>	<b>Funds</b>	<b>Funds</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 8,220,528	\$ 8,872,232	\$ 29,723,306	\$ 25,788,564
Restricted cash and investments	-	-	40,516,433	45,098,225	48,949,699
Investments - certificates of deposit	-	-	-	23,647,617	23,641,326
Taxes receivable delinquent	-	-	642,888	1,376,195	1,030,461
Special assessments receivable delinquent	-	-	3,839	192,099	24,760
Accounts receivable	836,206	86,018	326,487	1,807,726	648,105
Allowance for accounts receivable	(782,922)	-	-	(972,825)	(126,085)
Loans receivable	-	-	1,850,800	1,850,800	2,550,000
Allowance for loans receivable	-	-	(370,160)	(370,160)	(510,000)
Due from other funds	-	-	172,434	826,594	1,072,005
Intergovernmental receivable	1,794,063	-	3,678,267	14,319,722	15,863,832
Accrued interest receivable	-	-	-	115,729	27,987
Inventory	-	-	8,479	8,479	6,083
Prepaid	-	-	53,670	234,148	206,949
Other assets - capital credits	-	-	37,303	365,089	357,387
Investments	-	-	-	23,663,418	23,419,872
Advance from other funds	-	-	133,527	1,241,195	1,514,667
Special assessments receivable uncertified	-	-	89,165	13,893,820	16,761,940
Total assets	<u>\$ 1,847,347</u>	<u>\$ 8,306,546</u>	<u>\$ 56,015,364</u>	<u>\$ 157,021,177</u>	<u>\$ 161,227,552</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 516,457	\$ -	\$ 1,191,076	\$ 2,804,772	\$ 3,397,490
Retainage payable	572,683	-	146,030	1,123,123	1,717,338
Due to other funds	654,160	-	172,434	826,594	1,072,005
Accrued salaries payable	-	-	51,554	362,997	291,249
Customer deposits	-	-	-	43,948	137,689
Advance to other funds	-	5,038,779	-	5,110,789	4,987,751
Unearned revenue - other	-	-	-	60,475	4,179
Total liabilities	<u>1,743,300</u>	<u>5,038,779</u>	<u>1,561,094</u>	<u>10,332,698</u>	<u>11,607,701</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessments	-	-	89,165	13,893,820	16,761,940
Unavailable revenue - property taxes	40,342	-	322,060	711,890	446,512
Unavailable revenue - special assessments	-	-	3,839	168,968	16,420
Deferred inflows of resources	<u>40,342</u>	<u>-</u>	<u>415,064</u>	<u>14,774,678</u>	<u>17,224,872</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	1,321,179	2,937,111	2,320,419
Restricted	-	-	42,607,259	80,252,754	79,520,645
Assigned	63,705	3,267,767	10,376,590	24,502,570	25,864,361
Unassigned	-	-	(265,822)	24,221,366	24,689,554
Total fund balance	<u>63,705</u>	<u>3,267,767</u>	<u>54,039,206</u>	<u>131,913,801</u>	<u>132,394,979</u>
Total liabilities, inflows and fund balance	<u>\$ 1,847,347</u>	<u>\$ 8,306,546</u>	<u>\$ 56,015,364</u>	<u>\$ 157,021,177</u>	<u>\$ 161,227,552</u>

*The accompanying notes to the financial statements are an integral part of these statements.*



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**City of Minot, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Position**  
**December 31, 2016**

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Total fund balances for governmental funds	\$131,913,801
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Land	\$ 56,425,346
Construction work in process	7,988,494
Buildings, net of accumulated depreciation (\$8,295,670)	12,881,594
Equipment, net of accumulated depreciation (\$12,843,903)	10,320,262
Infrastructure, net of accumulated depreciation (\$65,899,779)	202,631,129
Intangible assets, net of accumulated depreciation (\$326,845)	271,484
Books, net of accumulated depreciation (\$2,379,312)	<u>1,007,597</u>
Total capital assets (Note 4. E)	291,525,906
A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net position and in connection with proprietary and fiduciary funds. Conversely, a negative net pension or OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund.	
	39,993
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:	
Net pension liability	(47,268,560)
Deferred outflows of resources	7,731,345
Deferred inflows of resources	<u>(3,187,753)</u>
Total net pension liability and related deferred outflows and inflows	(42,724,968)
Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. They are not included in government-wide.	
	2,025,288
Some of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds.	
Deferred revenues taxes and special assessments	<u>14,774,678</u>
Total taxes and specials not available	14,774,678
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. (Note 2. A)	
	<u>(\$47,581,099)</u>
Total net position of governmental activities	<u>\$349,973,599</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>General Fund</b>	<b>Special Revenue Fund</b>	<b>Debt Service Fund</b>	<b>Capital Project Fund</b>
		<b>Sales Tax NAWS</b>	<b>Special Assessment Debt</b>	<b>Highway Reserve</b>
<b>REVENUES</b>				
Property tax collections	\$ 8,857,271	\$ -	\$ 80,341	\$ -
Special assessment collections	10,093	-	3,980,736	-
Sales tax collections	-	-	-	-
Licenses and permits	977,803	-	-	-
Intergovernmental	9,374,863	-	-	4,327,958
Charges for services	3,129,110	-	-	-
Fines and forfeits	669,284	-	-	-
Interest income	107,890	315,402	81,444	5,214
Miscellaneous	625,346	-	188,443	210,073
Total revenues	23,751,660	315,402	4,330,964	4,543,245
<b>EXPENDITURES</b>				
Current				
General government	10,704,650	593,377	-	-
Public safety	16,320,099	-	-	-
Highways and streets	3,896,003	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	17,382,639
Equipment	-	-	-	-
Legal	-	-	-	-
Other	-	-	-	294,318
Acquisitions	-	-	-	592,807
Engineering	-	-	-	1,933,330
Debt service				
Principal retirement	-	-	2,730,000	-
Interest and fiscal charges	-	-	769,981	5,834
Total expenditures	30,920,752	593,377	3,499,981	20,208,928
Excess (deficiency) of revenues over (under) expenditures	(7,169,092)	(277,975)	830,983	(15,665,683)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Bonds issued	-	-	-	10,110,000
Premium on bonds	-	-	-	947,954
Discount on bonds	-	-	-	-
Sale of City property	-	-	-	-
Transfers in	7,695,342	-	40,611	7,597,051
Transfers out	(1,506)	(758,745)	(13,029)	(226,865)
Total other financing sources (uses)	7,693,836	(758,745)	27,582	18,428,140
Net change in fund balance	524,744	(1,036,720)	858,565	2,762,457
Fund balance, January 1	25,207,413	34,100,423	4,501,204	7,625,037
Fund balance, December 31	\$ 25,732,157	\$ 33,063,703	\$ 5,359,769	\$ 10,387,494

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<u>Capital Project Fund</u>			<u>Total Governmental Funds 2016</u>	<u>Total Governmental Funds 2015</u>
	<u>Capital Purchases</u>	<u>Storm Sewer Development</u>	<u>Other Governmental Funds</u>		
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 7,682,978	\$ 16,620,590	\$ 15,719,398
Special assessment collections	-	-	11,854	4,002,683	4,884,263
Sales tax collections	-	-	21,375,144	21,375,144	26,035,551
Licenses and permits	-	-	-	977,803	1,331,860
Intergovernmental	14,559,852	-	4,927,912	33,190,585	60,876,738
Charges for services	-	1,228,649	865,536	5,223,295	5,089,099
Fines and forfeits	-	-	-	669,284	679,969
Interest income	-	18,882	116,286	645,118	694,916
Miscellaneous	164,045	-	318,762	1,506,669	2,934,911
Total revenues	14,723,897	1,247,531	35,298,472	84,211,171	118,246,705
<b>EXPENDITURES</b>					
Current					
General government	-	-	4,423,247	15,721,274	26,239,852
Public safety	-	-	-	16,320,099	14,869,964
Highways and streets	-	-	2,576,346	6,472,349	7,966,728
Culture and recreation	-	-	7,658,965	7,658,965	9,762,841
Economic development	-	-	1,145,992	1,145,992	3,266,376
Capital outlay					
Contracted work	5,156,378	-	3,078,449	25,617,466	30,056,810
Equipment	318,380	-	2,929,344	3,247,724	2,581,331
Legal	15,577	-	2,105	17,682	181,670
Other	2,540,802	-	207,506	3,042,626	2,187,579
Acquisitions	10,748,436	-	114,000	11,455,243	9,292,206
Engineering	93,573	-	2,240,686	4,267,589	5,190,829
Debt service					
Principal retirement	-	-	2,190,000	4,920,000	4,485,000
Interest and fiscal charges	1,506	194,227	355,185	1,326,733	1,319,488
Total Expenditures	18,874,652	194,227	26,921,825	101,213,742	117,400,674
Excess (deficiency) of revenues over (under) expenditures	(4,150,755)	1,053,304	8,376,647	(17,002,571)	846,031
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	-	-	780,000	780,000	390,000
Bonds issued	-	-	-	10,110,000	3,780,000
Premium on bonds	-	-	1,662	949,616	166,241
Discount on bonds	-	-	-	-	(1,779)
Sale of City property	-	-	186,486	186,486	88,865
Transfers in	1,507,755	-	5,136,901	21,977,660	19,905,935
Transfers out	(410,793)	(907,803)	(15,163,628)	(17,482,369)	(18,643,880)
Total other financing sources (uses)	1,096,962	(907,803)	(9,058,579)	16,521,393	5,685,382
Net change in fund balance	(3,053,793)	145,501	(681,932)	(481,178)	6,531,413
Fund balance, January 1	3,117,498	3,122,266	54,721,138	132,394,979	125,863,566
Fund balance, December 31	\$ 63,705	\$ 3,267,767	\$ 54,039,206	\$ 131,913,801	\$ 132,394,979

*The accompanying notes to the financial statements are an integral part of these statements.*



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**City of Minot, 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-to-Date as of December 31, 2016**

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Net change in fund balances-total governmental funds \$ (481,178)

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B) 40,662,523

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 transaction is reported. (Note 2. B) (287,677)

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 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. (Note 4. I)

Debt issued		
Special assessment bonds issued	\$ (10,110,000)	
Premium on bonds issued	(949,616)	
General obligation bonds issued	(780,000)	
Repayments of bond principal	4,920,000	
Capital lease	(32,500)	
Payment on capital lease	12,577	
Annual amortization of leases, premiums, and discounts	127,109	
Net adjustment		(6,812,430)

Some expenses reported in the statement of activities do not require the use of current financial resources and, therefore, are not reported as expenditures in governmental funds:

Pension expense	(2,705,057)
Other post-employment benefits (OPEB)	(462)
Interest expense	(32,648)
Compensated absences	(67,378)

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. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts unavailable at the beginning of the year and increased by the amounts unavailable at the end of the year. This adjustment records a net decrease in revenues unavailable at the end of the year which were less than beginning revenues by this amount.

New special assessment districts to be billed and collected annually	1,112,619
Special assessment write-offs, foreclosures, and interest	439,870
Amount shown as revenue in governmental funds	(4,002,683)
Net change	(2,450,194)

Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The net revenue of internal service funds is reported with governmental activities.

12,114

Change in net position of governmental activities \$ 27,837,613

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Budgeted Amounts</b>		<b>2016 Actual Amounts</b>	<b>Variance With Final Budget</b>	<b>2015 Actual Amounts</b>
	<b>Original</b>	<b>Final Amended</b>			
<b>REVENUES</b>					
Property tax collections	\$ 10,690,333	\$ 9,177,369	\$ 8,857,271	\$ 320,098	\$ 7,858,702
Special assessment collections	4,717	4,717	10,093	(5,376)	4,181
Licenses & permits	1,717,308	1,717,309	977,803	739,506	1,331,860
Intergovernmental federal					
Operating Grants	6,449	68,736	292,718	(223,982)	420,610
Intergovernmental state					
Highway fund	3,063,692	3,063,692	2,400,195	663,497	2,740,748
State aid distribution	5,279,670	5,279,670	3,477,932	1,801,738	4,411,924
Cigarette tax	134,790	134,790	123,753	11,037	132,711
Telecommunications tax	132,092	132,092	144,842	(12,750)	132,092
Homestead and disabled veterans tax credits	-	-	218,089	(218,089)	190,231
Fire insurance refund	310,746	337,722	349,241	(11,519)	347,616
Gambling tax revenue	26,449	26,449	21,506	4,943	23,710
State operating grants	465,327	677,190	288,979	388,211	110,952
Intergovernmental county					
Operating grants	11,347	11,496	11,469	27	35,599
Road and bridge	6,161	6,161	-	6,161	-
Joint communications	1,222,703	1,222,703	1,135,147	87,556	1,032,124
Computer maintenance	145,895	145,895	158,668	(12,773)	125,582
Assessed utility	21,279	21,279	24,737	(3,458)	23,207
Intergovernmental other					
Housing authority	49,957	49,957	49,957	-	59,869
Parking authority	783	783	783	-	783
Cable TV franchise fees	651,965	651,965	676,847	(24,882)	702,627
Total intergovernmental	11,529,305	11,830,580	9,374,863	2,455,717	10,490,385
Charges for services					
Engineering & administrative	707,044	707,044	84,789	622,255	349,976
Utility & special funds	2,853,077	2,853,077	2,853,078	(1)	2,733,893
Agency funds	50,000	50,000	86,037	(36,037)	135,023
Fleet labor	43,600	43,600	105,206	(61,606)	70,453
Total charges for services	3,653,721	3,653,721	3,129,110	524,611	3,289,345
Fines and forfeitures					
Parking tickets	92,715	92,715	87,322	5,393	135,012
Police court	1,090,583	1,090,583	581,962	508,621	544,957
Total fines and forfeitures	1,183,298	1,183,298	669,284	514,014	679,969
Interest income					
Miscellaneous income					
Work for others	53,971	53,971	62,299	(8,328)	68,631
Policing-Central Campus	104,067	104,067	86,705	17,362	99,268
Miscellaneous	273,040	317,139	372,456	(55,317)	640,826
Damage claims	-	-	82,301	(82,301)	133,284
Towing fees	44,406	44,406	21,585	22,821	19,613
Total miscellaneous income	475,484	519,583	625,346	(105,763)	961,622
Total revenues	29,638,756	28,471,167	23,751,660	4,719,507	24,789,564

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

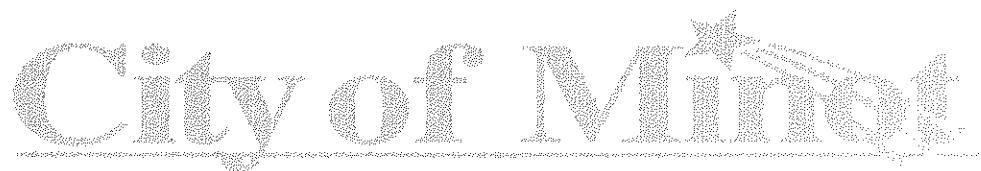
	<b>Budgeted Amounts</b>		<b>2016 Actual Amounts</b>	<b>Variance With Final Budget</b>	<b>2015 Actual Amounts</b>
	<b>Original</b>	<b>Final Amended</b>			
<b>EXPENDITURES</b>					
General government					
Mayor and city council	\$ 190,761	190,761	\$ 176,897	\$ 13,864	\$ 150,845
City manager	689,664	768,527	514,629	253,898	381,230
Human resources	326,170	326,170	283,259	42,911	339,018
City attorney	463,521	463,521	363,300	100,221	336,175
Administrative and general	2,186,215	2,618,399	1,789,267	829,132	1,698,969
Finance	1,122,729	1,122,729	1,042,188	80,541	1,091,740
Information technology	792,632	806,887	696,717	110,170	678,506
Property assessment	636,614	634,714	598,998	35,716	528,435
Planning	544,169	524,148	388,544	135,604	482,200
Building inspection	1,207,205	1,207,205	1,091,637	115,568	950,822
Traffic	1,411,816	1,411,816	1,306,636	105,180	1,244,733
Engineering	1,482,514	1,837,051	1,066,417	770,634	931,702
Vehicle maintenance	778,033	778,033	704,916	73,117	638,595
Property maintenance	748,071	842,771	681,245	161,526	647,295
Total general government	12,580,114	13,532,732	10,704,650	2,828,082	10,100,265
Public safety					
Police administration	1,396,202	1,566,227	1,339,217	227,010	1,208,451
Police patrol	5,831,738	6,115,758	5,616,168	499,590	5,280,469
Criminal investigation	1,803,298	1,809,262	1,572,490	236,772	1,362,441
Narcotics task force	63,223	66,772	66,772	-	74,428
Telecommunications division	1,222,703	1,223,299	1,135,147	88,152	1,032,124
Municipal judge	827,173	827,173	565,998	261,175	561,429
Fire administration	971,641	1,012,367	813,769	198,598	978,339
Fire control	5,468,331	5,576,406	5,210,538	365,868	4,372,283
Total public safety	17,584,309	18,197,264	16,320,099	1,877,165	14,869,964
Street & storm sewer maintenance	5,446,824	5,441,731	3,896,003	1,545,728	4,423,031
Total expenditures	35,611,247	37,171,727	30,920,752	6,250,975	29,393,260
Excess (deficiency) of revenues over (under) expenditures	(5,972,491)	(8,700,560)	(7,169,092)	(1,531,468)	(4,603,696)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	-	-	-	13,500
Transfers in	5,972,491	7,497,454	7,695,342	(197,888)	6,889,153
Transfers out	-	-	(1,506)	1,506	(67,099)
Total other financing sources (uses)	5,972,491	7,497,454	7,693,836	(196,382)	6,835,554
Net change in fund balance	\$ -	\$ (1,203,106)	524,744	\$ (1,727,850)	2,231,858
Fund balance, January 1			25,207,413		22,975,555
Fund balance, December 31			\$ 25,732,157		\$ 25,207,413

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax NAWS</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>				
Interest income	\$ 167,488	\$ 315,402	\$ (147,914)	\$ 261,084
Total revenues	<u>167,488</u>	<u>315,402</u>	<u>(147,914)</u>	<u>261,084</u>
<b>EXPENDITURES</b>				
General government	5,285,000	593,377	4,691,623	241,306
Total expenditures	<u>5,285,000</u>	<u>593,377</u>	<u>4,691,623</u>	<u>241,306</u>
Excess (deficiency) of revenues over (under) expenditures	(5,117,512)	(277,975)	(4,839,537)	19,778
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(758,745)	708,745	(50,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(758,745)</u>	<u>708,745</u>	<u>(50,000)</u>
Net change in fund balance	<u><u>\$ (5,167,512)</u></u>	<u><u>(1,036,720)</u></u>	<u><u>\$ (4,130,792)</u></u>	<u><u>(30,222)</u></u>
Fund balance, January 1		34,100,423		34,130,645
Fund balance, December 31		<u>\$ 33,063,703</u>		<u>\$ 34,100,423</u>

*The accompanying notes to the financial statements are an integral part of these statements.*



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**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Business-Type Activities</b> <b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 4,048,069	\$ 2,866,755	\$ 3,856,174	\$ 424,303
Restricted cash and cash equivalents	1,425,127	-	3,325,304	-
Investments - certificate of deposits	-	1,005,969	12,038,018	-
Taxes receivable delinquent	6,939	-	-	21,729
Accounts receivable	1,047,887	365,348	3,181,044	27,395
Allowance for doubtful accounts	-	-	(475,597)	-
Intergovernmental receivable	1,385,425	102,041	9,610,574	9,149
Accrued interest receivable	-	2,100	14,700	-
Inventory	-	-	-	-
Prepaid	2,456	167	26,280	82
Total current assets	<u>7,915,903</u>	<u>4,342,380</u>	<u>31,576,497</u>	<u>482,658</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,333,895	-	1,450,272	-
Advance from other funds	-	-	4,026,994	-
Other assets - capital credits	28,380	53,118	237,723	3,417
Capital assets				
Land	2,890,804	367,334	1,881,501	315,901
Buildings	52,242,143	2,327,920	6,848,485	150,885
Equipment	10,923,468	5,987,658	8,277,835	640,465
Infrastructure	72,117,682	4,126,280	239,675,154	482,387
Intangible assets	46,816	-	454,849	-
Construction in progress	597,375	309	30,619,005	-
Total capital assets	<u>138,818,288</u>	<u>12,809,501</u>	<u>287,756,829</u>	<u>1,589,638</u>
Less-accumulated depreciation	<u>(29,391,440)</u>	<u>(5,127,980)</u>	<u>(68,258,129)</u>	<u>(749,411)</u>
Net capital assets	<u>109,426,848</u>	<u>7,681,521</u>	<u>219,498,700</u>	<u>840,227</u>
Total noncurrent assets	<u>110,789,123</u>	<u>7,734,639</u>	<u>225,213,689</u>	<u>843,644</u>
Total assets	<u>118,705,026</u>	<u>12,077,019</u>	<u>256,790,186</u>	<u>1,326,302</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	281,927	764,797	1,320,905	59,343
Total deferred outflows of resources	<u>281,927</u>	<u>764,797</u>	<u>1,320,905</u>	<u>59,343</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	957,958	11,298	2,329,790	33,831
Retainage payable	33,126	-	3,570,279	-
Accrued salaries payable	23,095	26,514	51,679	4,682
Compensated absences	18,198	33,148	49,216	7,947
Insurance claims payable	-	-	-	-
Bonds payable	1,170,000	-	3,010,000	-
Notes payable	-	-	83,983	-
Capital leases payable	1,138	369,170	3,439	-
Accrued interest payable	255,127	-	231,321	-
Unearned revenue - other	-	-	33,988	-
Total current liabilities	<u>2,458,642</u>	<u>440,130</u>	<u>9,363,695</u>	<u>46,460</u>
Long-term liabilities				
Customer deposits	5,364	-	197,972	600
Compensated absences	33,795	61,560	91,403	14,760
Bonds payable	28,610,000	-	26,525,000	-
Notes payable	-	-	965,879	-
Unamortized bond discounts	(270,311)	-	(27,463)	-
Unamortized bond premiums	-	-	1,005,084	-
Capital leases payable	1,328	756,073	4,769	-
Advance to other funds	-	-	157,400	-
Accrued MSWLF closure and postclosure care costs	-	1,187,795	-	-
Net pension liability	812,250	3,622,816	7,774,609	499,203
Total long-term liabilities	<u>29,192,426</u>	<u>5,628,244</u>	<u>36,694,653</u>	<u>514,563</u>
Total liabilities	<u>31,651,068</u>	<u>6,068,374</u>	<u>46,058,348</u>	<u>561,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	30,340	164,295	333,654	49,899
Total deferred inflow of resources	<u>30,340</u>	<u>164,295</u>	<u>333,654</u>	<u>49,899</u>
<b>NET POSITION</b>				
Invested in capital assets	79,374,071	6,556,278	189,736,523	840,227
Restricted for bond covenants	2,759,022	-	4,775,576	-
Unrestricted net position	5,172,452	52,869	17,206,990	(65,504)
Total net position	<u>\$ 87,305,545</u>	<u>\$ 6,609,147</u>	<u>\$ 211,719,089</u>	<u>\$ 774,723</u>

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Governmental Activities</b>			
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total 2016</b>	<b>Total 2015</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 11,195,301	\$ 2,472,540	\$ 13,667,841	\$ 45,156,662
Restricted cash and cash equivalents	4,750,431	-	4,750,431	4,728,573
Investments - certificate of deposits	13,043,987	-	13,043,987	13,016,444
Taxes receivable delinquent	28,668	-	28,668	10,741
Accounts receivable	4,621,674	71	4,621,745	4,826,361
Allowance for doubtful accounts	(475,597)	-	(475,597)	(972,086)
Intergovernmental receivable	11,107,189	-	11,107,189	9,592,719
Accrued interest receivable	16,800	-	16,800	8,861
Inventory	-	361,257	361,257	312,509
Prepaid	28,985	-	28,985	30,184
Total current assets	<u>44,317,438</u>	<u>2,833,868</u>	<u>47,151,306</u>	<u>76,710,968</u>
Noncurrent assets				
Restricted cash and cash equivalents	2,784,167	-	2,784,167	2,448,031
Advance from other funds	4,026,994	-	4,026,994	3,701,456
Other assets - capital credits	322,638	2,232	324,870	313,720
Capital assets				
Land	5,455,540	-	5,455,540	5,417,535
Buildings	61,569,433	-	61,569,433	21,359,716
Equipment	25,829,426	-	25,829,426	17,986,239
Infrastructure	316,401,503	-	316,401,503	269,187,264
Intangible assets	501,665	-	501,665	454,849
Construction in progress	31,216,689	-	31,216,689	79,901,837
Total capital assets	<u>440,974,256</u>	<u>-</u>	<u>440,974,256</u>	<u>394,307,440</u>
Less-accumulated depreciation	<u>(103,526,960)</u>	<u>-</u>	<u>(103,526,960)</u>	<u>(91,666,495)</u>
Net capital assets	<u>337,447,296</u>	<u>-</u>	<u>337,447,296</u>	<u>302,640,945</u>
Total noncurrent assets	<u>344,581,095</u>	<u>2,232</u>	<u>344,583,327</u>	<u>309,104,152</u>
Total assets	<u>388,898,533</u>	<u>2,836,100</u>	<u>391,734,633</u>	<u>385,815,120</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	2,426,972	-	2,426,972	2,573,944
Total deferred outflows of resources	<u>2,426,972</u>	<u>-</u>	<u>2,426,972</u>	<u>2,573,944</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	3,332,877	68,348	3,401,225	8,008,616
Retainage payable	3,603,405	-	3,603,405	8,107,407
Accrued salaries payable	105,970	-	105,970	84,333
Compensated absences	108,509	-	108,509	106,628
Insurance claims payable	-	136,303	136,303	142,927
Bonds payable	4,180,000	-	4,180,000	4,200,000
Notes payable	83,983	-	83,983	81,119
Capital leases payable	373,747	-	373,747	162,795
Accrued interest payable	486,448	-	486,448	447,454
Unearned revenue - other	33,988	-	33,988	5,675
Total current liabilities	<u>12,308,927</u>	<u>204,651</u>	<u>12,513,578</u>	<u>21,346,954</u>
Long-term liabilities				
Customer deposits	203,936	-	203,936	201,458
Compensated absences	201,518	-	201,518	198,024
Bonds payable	55,135,000	-	55,135,000	54,530,000
Notes payable	965,879	-	965,879	1,049,862
Unamortized bond discounts	(297,774)	-	(297,774)	(316,133)
Unamortized bond premiums	1,005,084	-	1,005,084	687,929
Capital leases payable	762,170	-	762,170	866,594
Advance to other funds	157,400	-	157,400	228,372
Accrued MSWLF closure and postclosure care costs	1,187,795	-	1,187,795	1,078,849
Net pension liability	12,708,878	-	12,708,878	12,924,134
Total long-term liabilities	<u>72,029,886</u>	<u>-</u>	<u>72,029,886</u>	<u>71,449,089</u>
Total liabilities	<u>84,338,813</u>	<u>204,651</u>	<u>84,543,464</u>	<u>92,796,043</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	578,188	-	578,188	232,119
Total deferred inflow of resources	<u>578,188</u>	<u>-</u>	<u>578,188</u>	<u>232,119</u>
<b>NET POSITION</b>				
Invested in capital assets	276,507,099	-	276,507,099	246,874,877
Restricted for bond covenants	7,534,598	-	7,534,598	7,176,604
Unrestricted net position	22,366,807	2,631,449	24,998,256	41,309,421
Total net position	<u>306,408,504</u>	<u>\$ 2,631,449</u>	<u>309,039,953</u>	<u>295,360,902</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included.	606,161	-	606,161	453,560
	<u>\$ 307,014,665</u>	<u>-</u>	<u>\$ 309,646,114</u>	<u>\$ 295,814,462</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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	<b>Business-Type Activities</b> <b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>OPERATING REVENUES</b>				
Sales	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	- -	- -	- -	- -
Gross margin	- -	- -	- -	- -
Charges for services	3,854,720	4,120,274	19,868,739	342,860
Employer	- -	- -	- -	- -
Employee	- -	- -	- -	- -
Miscellaneous	667,045	130,045	89,976	- -
Total operating revenues	<u>4,521,765</u>	<u>4,250,319</u>	<u>19,958,715</u>	<u>342,860</u>
<b>OPERATING EXPENSES</b>				
Salaries	1,166,353	1,542,222	2,646,538	295,742
Employee benefits	362,632	963,157	1,696,638	134,305
Professional services	2,006,204	14,433	946,821	110
Property services	230,161	677,975	3,500,067	24,601
Purchased services	111,735	46,669	702,612	42,516
Supplies	762,650	193,887	2,569,783	18,051
Sundry	189,585	617,345	1,741,780	43,639
Insurance claims	- -	- -	- -	- -
Amortization	14,290	- -	6,514	- -
MSWLF closure & postclosure care	- -	108,946	- -	- -
Depreciation	5,768,885	901,239	10,155,381	51,491
Total operating expenses	<u>10,612,495</u>	<u>5,065,873</u>	<u>23,966,134</u>	<u>610,455</u>
Operating income (loss)	<u>(6,090,730)</u>	<u>(815,554)</u>	<u>(4,007,419)</u>	<u>(267,595)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	100,159	- -	- -	285,332
Intergovernmental revenues (expenses)	1,164,664	89,903	24,608	- -
Interest income	19,223	11,677	66,184	979
Miscellaneous income (expense)	69,580	55,004	531,527	4,217
Gain (loss) on sale of City property	(1,711,634)	(2,434)	(449,554)	(3,411)
Passenger facility charge income	621,380	- -	- -	- -
Customer facility charge income	256,726	- -	- -	- -
Interest and fiscal charges	(1,016,100)	- -	(928,823)	- -
Total non-operating revenues (expenses)	<u>(496,002)</u>	<u>154,150</u>	<u>(756,058)</u>	<u>287,117</u>
Income (loss) before contributions and transfers	<u>(6,586,732)</u>	<u>(661,404)</u>	<u>(4,763,477)</u>	<u>19,522</u>
Capital contributions	2,943,289	577,716	26,480,713	- -
Transfers in	415,712	230,184	3,192,465	10,831
Transfers out	(18,903)	(417,671)	(7,906,930)	(979)
Total contributions and transfers	<u>3,340,098</u>	<u>390,229</u>	<u>21,766,248</u>	<u>9,852</u>
Change in net position	<u>(3,246,634)</u>	<u>(271,175)</u>	<u>17,002,771</u>	<u>29,374</u>
Net position, January 1	<u>90,552,179</u>	<u>6,880,322</u>	<u>194,716,318</u>	<u>745,349</u>
Net position, December 31	<u><b>\$ 87,305,545</b></u>	<u><b>\$ 6,609,147</b></u>	<u><b>\$ 211,719,089</b></u>	<u><b>\$ 774,723</b></u>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Total Enterprise Funds	Governmental Activities		
		Internal Service Funds	Total 2016	Total 2015
<b>OPERATING REVENUES</b>				
Sales	\$ -	\$ 779,008	\$ 779,008	\$ 994,277
Cost of goods sold	-	(778,311)	(778,311)	(902,794)
Gross margin	-	697	697	91,483
Charges for services	28,186,593	-	28,186,593	28,123,691
Employer	-	2,556,624	2,556,624	2,193,558
Employee	-	748,008	748,008	633,410
Miscellaneous	887,066	-	887,066	68,835
Total operating revenues	29,073,659	3,305,329	32,378,988	31,110,977
<b>OPERATING EXPENSES</b>				
Salaries	5,650,855	-	5,650,855	5,134,869
Employee benefits	3,156,732	-	3,156,732	1,227,385
Professional services	2,967,568	-	2,967,568	1,296,464
Property services	4,432,804	-	4,432,804	4,751,121
Purchased services	903,532	-	903,532	755,851
Supplies	3,544,371	5,393	3,549,764	3,378,251
Sundry	2,592,349	-	2,592,349	2,506,798
Insurance claims	-	3,123,359	3,123,359	2,523,588
Amortization	20,804	-	20,804	11,176
MSWLF closure & postclosure care	108,946	-	108,946	155,457
Depreciation	16,876,996	-	16,876,996	13,120,322
Total operating expenses	40,254,957	3,128,752	43,383,709	34,861,282
Operating income (loss)	(11,181,298)	176,577	(11,004,721)	(3,750,305)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	385,491	-	385,491	166,746
Intergovernmental revenues (expenses)	1,279,175	-	1,279,175	1,372,949
Interest income	98,063	5,193	103,256	123,015
Miscellaneous income (expense)	660,328	(17,055)	643,273	1,288,829
Gain (loss) on sale of City property	(2,167,033)	-	(2,167,033)	(179,847)
Passenger facility charge income	621,380	-	621,380	722,830
Customer facility charge income	256,726	-	256,726	305,361
Interest and fiscal charges	(1,944,923)	-	(1,944,923)	(1,435,538)
Total non-operating revenues (expenses)	(810,793)	(11,862)	(822,655)	2,364,345
Income (loss) before contributions and transfers	(11,992,091)	164,715	(11,827,376)	(1,385,960)
Capital contributions	30,001,718	-	30,001,718	84,112,970
Transfers in	3,849,192	-	3,849,192	1,825,156
Transfers out	(8,344,483)	-	(8,344,483)	(3,087,211)
Total contributions and transfers	25,506,427	-	25,506,427	82,850,915
Change in net position	13,514,336	164,715		
Net position, January 1	292,894,168	2,466,734		
Net position, December 31	<u>\$ 306,408,504</u>	<u>\$ 2,631,449</u>		
Change in net position enterprise funds only			13,514,336	81,021,500
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			152,601	(15,610)
Change in net position of business-type activities			<u>\$ 13,666,937</u>	<u>\$ 81,005,890</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 3,874,760	\$ 4,270,113	\$ 20,635,874	\$ 321,857
Payments to suppliers	(10,018,761)	(1,633,438)	(11,806,765)	(99,442)
Payments to employees	(2,198,629)	(2,234,463)	(3,655,147)	(414,551)
Due from other agencies	1,583,164	40,330	-	-
Due to other agencies	-	-	(3,129,240)	(8,800)
Net cash provided (used) by operating activities	<b>(6,759,466)</b>	<b>442,542</b>	<b>2,044,722</b>	<b>(200,936)</b>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	1,334,403	144,907	556,135	289,549
Transfers in	415,712	230,184	3,192,465	10,831
Transfers out	(18,903)	(417,671)	(7,906,930)	(979)
Internal activity - payments from other funds	-	-	(325,538)	-
Internal activity - payments to other funds	-	-	(70,972)	-
Net cash provided (used) by noncapital financing activities	<b>1,731,212</b>	<b>(42,580)</b>	<b>(4,554,840)</b>	<b>299,401</b>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	2,943,289	577,716	24,100,923	-
Passenger facility charges	621,380	-	-	-
Customer facility charges	256,726	-	-	-
Acquisition and construction of capital assets	(1,774,345)	(1,038,301)	(45,271,008)	(146,195)
Proceeds from bonds	-	-	4,785,000	-
Disposal of capital assets	(1,711,634)	(1,772)	(830,514)	(10,233)
Capital lease payment	(1,212)	(596,127)	(3,525)	-
Principal paid on capital debt	(1,205,000)	-	(3,076,119)	-
Interest paid on capital debt	(1,016,100)	-	(928,823)	-
Net cash provided (used) by capital and related financing activities	<b>(1,886,896)</b>	<b>(1,058,484)</b>	<b>(21,224,066)</b>	<b>(156,428)</b>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	19,223	11,677	66,184	979
Net cash provided by investing activities	<b>19,223</b>	<b>11,677</b>	<b>66,184</b>	<b>979</b>
Net increase (decrease) in cash and cash equivalents	(6,895,927)	(646,845)	(23,668,000)	(56,984)
Cash and cash equivalents, January 1	13,703,018	4,519,569	44,337,768	481,287
Cash and cash equivalents, December 31	<b>\$ 6,807,091</b>	<b>\$ 3,872,724</b>	<b>\$ 20,669,768</b>	<b>\$ 424,303</b>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 4,048,069	\$ 2,866,755	\$ 3,856,174	\$ 424,303
Investments - certificate of deposits	-	1,005,969	12,038,018	-
Restricted cash and cash equivalents - current	1,425,127	-	3,325,304	-
Restricted cash and cash equivalents - noncurrent	1,333,895	-	1,450,272	-
Total cash and cash equivalents on the Statement of Net Position	<b>\$ 6,807,091</b>	<b>\$ 3,872,724</b>	<b>\$ 20,669,768</b>	<b>\$ 424,303</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (6,090,730)	\$ (815,554)	\$ (4,007,419)	\$ (267,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	5,768,885	901,239	10,155,381	51,491
Amortization expense	14,290	-	6,514	-
MSWLF closure and post closure care cost adjustment	-	108,946	-	-
Change in assets and liabilities				
Taxes receivable	(6,939)	-	-	(10,988)
Receivables, net	(648,537)	20,066	339,427	(10,097)
Accrued interest receivable	-	(992)	(6,947)	-
Inventory	-	-	-	-
Prepaid	352	1,238	(473)	82
Accounts payable	(1,239,457)	(79,237)	(3,366,033)	29,475
Retainage payable	(5,497,676)	(3,892)	997,566	-
Intergovernmental receivables	1,583,164	40,330	(3,129,240)	(8,724)
Accrued salaries payable	(2,599)	11,865	15,659	201
Insurance claims payable	-	-	-	-
Accrued interest payable	18,707	-	20,287	1,886
Customer deposits	-	-	2,478	-
Other assets/liabilities	13,794	(518)	311,164	(76)
Net pension liability	(699,504)	104,613	382,353	(2,718)
Unearned revenue - other	(5,675)	-	33,988	-
Deferred outflows of resources related to pension	9,676	46,037	86,452	4,807
Deferred inflows of resources related to pension	22,783	108,401	203,565	11,320
Net cash provided (used) by operating activities	<b>\$ (6,759,466)</b>	<b>\$ 442,542</b>	<b>\$ 2,044,722</b>	<b>\$ (200,936)</b>
<b>NONCASH CAPITAL ACTIVITY</b>				
Borrowing under capital lease	\$ -	\$ 707,392	\$ -	\$ -
Construction of capital assets from developers	-	-	2,379,790	-

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Total Enterprise Funds	Governmental Activities Internal Service Funds	Total 2016	Total 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 29,102,604	\$ 4,042,160	\$ 33,144,764	\$ 31,097,978
Payments to suppliers	(23,558,406)	(3,865,826)	(27,424,232)	(12,335,879)
Payments to employees	(8,502,790)	-	(8,502,790)	(6,977,336)
Due from other agencies	1,623,494	-	1,623,494	3,942,672
Due to other agencies	(3,138,040)	-	(3,138,040)	(1,266)
Net cash provided (used) by operating activities	<u>(4,473,138)</u>	<u>176,334</u>	<u>(4,296,804)</u>	<u>15,726,169</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	2,324,994	-	2,324,994	2,783,875
Transfers in	3,849,192	-	3,849,192	1,825,156
Transfers out	(8,344,483)	-	(8,344,483)	(3,087,211)
Internal activity - payments from other funds	(325,538)	20,029	(305,509)	(3,272,974)
Internal activity - payments to other funds	(70,972)	(37,084)	(108,056)	(69,459)
Net cash provided (used) by noncapital financing activities	<u>(2,566,807)</u>	<u>20,029</u>	<u>(2,583,862)</u>	<u>(1,820,613)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	27,621,928	-	27,621,928	63,313,649
Passenger facility charges	621,380	-	621,380	722,830
Customer facility charges	256,726	-	256,726	305,361
Acquisition and construction of capital assets	(48,229,849)	-	(48,229,849)	(63,972,516)
Proceeds from bonds	4,785,000	-	4,785,000	18,630,000
Disposal of capital assets	(2,554,153)	-	(2,554,153)	(8,496,817)
Capital lease payment	(600,864)	-	(600,864)	(328,903)
Principal paid on capital debt	(4,281,119)	-	(4,281,119)	(2,373,353)
Interest paid on capital debt	(1,944,923)	-	(1,944,923)	(1,435,538)
Net cash provided (used) by capital and related financing activities	<u>(24,325,874)</u>	<u>-</u>	<u>(24,325,874)</u>	<u>6,364,713</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	98,063	5,193	103,256	123,015
Net cash provided by investing activities	<u>98,063</u>	<u>5,193</u>	<u>103,256</u>	<u>123,015</u>
Net increase (decrease) in cash and cash equivalents	<u>(31,267,756)</u>	<u>201,556</u>	<u>(31,103,284)</u>	<u>20,393,284</u>
Cash and cash equivalents, January 1	63,041,642	2,308,068	65,349,710	44,956,426
Cash and cash equivalents, December 31	<u>\$ 31,773,886</u>	<u>\$ 2,509,624</u>	<u>\$ 34,246,426</u>	<u>\$ 65,349,710</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 11,195,301	\$ 2,472,540	\$ 13,667,841	\$ 45,156,662
Investments - certificate of deposits	13,043,987	-	13,043,987	13,016,444
Restricted cash and cash equivalents - current	4,750,431	-	4,750,431	4,728,573
Restricted cash and cash equivalents - noncurrent	2,784,167	-	2,784,167	2,448,031
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 31,773,886</u>	<u>\$ 2,472,540</u>	<u>\$ 34,246,426</u>	<u>\$ 65,349,710</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (11,181,298)	\$ 176,577	\$ (11,004,721)	\$ (3,750,305)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	16,876,996	-	16,876,996	13,120,322
Amortization expense	20,804	-	20,804	11,176
MSWLF closure and post closure care cost adjustment	108,946	-	108,946	155,457
Change in assets and liabilities				
Taxes receivable	(17,927)	-	(17,927)	(7,335)
Receivables, net	(299,141)	7,268	(291,873)	(986,216)
Accrued interest receivable	(7,939)	-	(7,939)	(8,861)
Inventory		(48,748)	(48,748)	37,852
Prepaid	1,199	-	1,199	35,060
Accounts payable	(4,655,252)	47,861	(4,607,391)	(637,195)
Retainage payable	(4,504,002)	-	(4,504,002)	4,416,467
Intergovernmental receivables	(1,514,470)	-	(1,514,470)	3,943,125
Accrued salaries payable	25,126	-	25,126	(111,109)
Insurance claims payable	-	(6,624)	(6,624)	33,858
Accrued interest payable	40,880	-	40,880	(49,580)
Customer deposits	2,478	-	2,478	9,092
Other assets/liabilities	324,364	-	324,364	10,138
Net pension liability	(215,256)	-	(215,256)	1,841,348
Unearned revenue - other	28,313	-	28,313	4,700
Deferred outflows of resources related to pension	146,972	-	146,972	(2,471,215)
Deferred inflows of resources related to pension	346,069	-	346,069	129,390
Net cash provided (used) by operating activities	<u>\$ (4,473,138)</u>	<u>\$ 176,334</u>	<u>\$ (4,296,804)</u>	<u>\$ 15,726,169</u>
<b>NONCASH CAPITAL ACTIVITY</b>				
Borrowing under capital lease	\$ 707,392	\$ -	\$ 707,392	\$ 884,900
Construction of capital assets from developers	2,379,790	-	2,379,790	20,799,321
<i>The accompanying notes to the financial statements are an integral part of these statements.</i>				

**City of Minot, North Dakota**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2016**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 128,553	\$ -	\$ 280,133
Investments			
Money market	1,175,675	29,233	
Equity/stocks	35,900,542	661,484	
Fixed income	22,477,186	400,701	
Alternative	<u>4,081,622</u>	<u>74,251</u>	
Total investments	63,635,025	1,165,669	
Taxes receivable delinquent	-	-	6
Accounts receivable	-	-	78,689
Due from other funds	174,175	-	39
Total assets	<u>63,937,753</u>	<u>1,165,669</u>	<u>\$ 368,326</u>
<b>LIABILITIES</b>			
Accounts payable	-	-	\$ 368,287
Due to other funds	-	174,175	39
Total liabilities	<u>-</u>	<u>174,175</u>	<u>\$ 368,326</u>
<b>NET POSITION</b>			
Restricted for pension benefits	63,937,753	-	
Restricted for OPEB benefits	-	991,494	
Total net position	<u>\$ 63,937,753</u>	<u>\$ 991,494</u>	

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Pension Trust Fund	OPEB Trust Fund	2016 Total	2015 Total
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,943,357	\$ 40,568	\$ 4,983,925	\$ 4,283,200
Employee	2,461,395	481,040	2,942,435	3,102,064
Total contributions	<u>7,404,752</u>	<u>521,608</u>	<u>7,926,360</u>	<u>7,385,264</u>
Investment income				
Interest and dividends	1,437,518	21,276	1,458,794	1,618,741
Net increase (decrease) in the fair value of investments	2,450,733	34,928	2,485,661	(2,799,864)
Total investment income	<u>3,888,251</u>	<u>56,204</u>	<u>3,944,455</u>	<u>(1,181,123)</u>
Less investment expense				
Net investment income	151,646	2,802	154,448	160,803
Total additions	<u>3,736,605</u>	<u>53,402</u>	<u>3,790,007</u>	<u>(1,341,926)</u>
<b>DEDUCTIONS</b>				
Benefits paid to plan member and beneficiaries	7,770,365	-	7,770,365	7,299,926
Refunds paid to plan member and beneficiaries	379,829	-	379,829	434,086
Retiree claims	-	456,344	456,344	363,549
Third party premiums	-	196,471	196,471	176,300
Administrative expenses	212,260	2,400	214,660	239,743
Total deductions	<u>8,362,454</u>	<u>655,215</u>	<u>9,017,669</u>	<u>8,513,604</u>
Change in net position	2,778,903	(80,205)	2,698,698	(2,470,266)
Net position, January 1	61,158,850	1,071,699	62,230,549	64,700,815
Net position, December 31	<u>\$ 63,937,753</u>	<u>\$ 991,494</u>	<u>\$ 64,929,247</u>	<u>\$ 62,230,549</u>

*The accompanying notes to the financial statements are an integral part of these statements.*

## **Notes to Financial Statements**

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### **NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

#### **A. BASIS OF PRESENTATION**

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard setting body for establishing GAAP for governmental accounting and financial reporting. With respect to both the government-wide and proprietary fund financial statements, the City has adopted GASB statement No. 62 *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements."*

Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

#### **B. REPORTING ENTITY**

The City of Minot was incorporated on July 16, 1887. The City has been governed by a Council, with a part-time Mayor and 14 part-time Aldermen, since the citizens approved a home rule charter in 1972. The accompanying financial statements present the activities of the City of Minot. Only funds of the City have been included since the City does not have any blended or discrete component units.

#### **C. BASIC FINANCIAL STATEMENTS (GASB 34)**

The basic financial statements are prepared in conformity with GASB Statement No. 34 and presented on both the government-wide and fund financial level. Both the government-wide and fund financial statements categorize primary activities as either governmental or business-type.

##### **Government-Wide Financial Statements**

The government-wide financial statements, consisting of the Statement of Net Position and the Statement of Activities or Changes in Net Position, report information on all of the non-fiduciary activities. Reporting of the internal activities has been eliminated to avoid duplication on the statements.

Government activities, which normally are supported by taxes and intergovernmental revenues, are reported

separately from business-type activities, which rely significantly on fees and charges for support. The Statement of Activities demonstrates the degree the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. The City eliminates indirect expense allocations from the statement of financial activities. Program revenues include: 1) fines, fees, and charges for services to customers that benefit from the services provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. The City reports taxes and other items not properly included among program revenues as general revenues.

##### **Fund Financial Statements**

The fund financial statements report information at the individual fund level. Each fund is considered a separate accounting entity. Separate financial statements are provided for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual enterprise funds are reported in separate columns in the fund financial statements. Nonmajor funds are consolidated into a single column within each fund type in the financial section of the basic financial statements and are detailed in the supplemental information.

#### **D. FINANCIAL STATEMENT PRESENTATION**

The financial transactions of the City are recorded in individual funds. Each fund is accounted for by providing a separate set of self-balancing accounts comprised of its assets, deferred outflows of resources, liabilities, deferred inflows of resources, fund balance or net position, revenues and expenditures/expenses. The various funds are reported by generic classification within the financial statements.

GASB Statement No. 34 sets forth minimum criteria (percentage of assets, liabilities, revenues or expenditures/expenses of either fund category or the governmental and enterprise combined) for the determination of major funds. The nonmajor funds are combined in a column in the fund financial statements and are detailed in the combining statements section.

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The City reports the following major governmental funds:

The **General Fund** is the government's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund. Revenue sources include property taxes, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include public safety, highways and streets, culture and recreation, and economic development.

The **Sales Tax NAWS Fund** accounts for the collection of a one percent City sales tax. The collection on this tax was reallocated by the Finance Director effective October 1, 2011 due to sufficient funds available to pay the local share of the Northwest Area Water Supply project as projected at the time the collection was reallocated.

The **Special Assessment Debt Fund** is a debt service fund established to accumulate the resources from properties benefitted by special assessment districts used to pay the principal and interest on bonds for projects in special assessment districts.

The **Highway Reserve Fund** is used to account for the financing of highway improvement projects in the City of Minot funded by federal, state, and local funds.

The **Capital Purchases Fund** is a capital project fund used to fund capital purchases deemed beneficial to the citizens of Minot and funded by federal, state, and local funds.

The **Storm Sewer Development Fund** is a capital fund used to fund construction of new storm sewer districts within the City of Minot and is funded by a monthly charge on users of Minot's water bills.

The City reports the following major proprietary funds:

The **Airport Fund** is used to account for the activities of airline services to the residents of the City and the surrounding areas. The rates generate the primary funding source.

The **Sanitation Fund** is used to account for residential garbage collection as well as landfill services for the City. The residential and landfill

rates fund the expense and keep the fund self-supporting.

The **Water and Sewer Fund** accounts for the water and sewer services provided to the City. The rates are set to ensure the costs of services and infrastructure debt are adequate.

Additionally, the government reports the following fund types:

The **Internal Service Funds** account for health insurance and fleet management services provided to other departments of the government, or to other governments, on a cost reimbursement basis.

The **Fiduciary Trust Funds** account for the activities of the City Employee Pension Plan, which accumulates resources for pension, benefit payments to qualified employees, and the City's Other Post-Employment Benefits, which accumulate resources for OPEB payments to qualified employees.

The **Agency Funds** are used for assets held by the City as the agent for other individuals, private organizations, or other governmental units and/or funds. These funds include Payroll Deductions, Social Security, and Hotel/Motel and Motor Vehicle Taxes (collects lodging and motor vehicle taxes disbursed to the Convention and Visitor's Bureau and All Season's Arena).

**E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING**

Measurement focus is a term used to describe which transactions are recorded within the various financial statements. Basis of accounting refers to when transactions are recorded, regardless of the measurement focus.

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. This focus concentrates on the fund's assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Agency funds have no measurement focus. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized when they become both measurable and available. Revenues are considered 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 available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, municipal highway taxes, estate taxes, and franchise fees are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. Only the portion of special assessment receivable due within the current fiscal period is considered susceptible to accrual as revenue of the current period. All other revenues are considered measurable and available only when cash is received by the City.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the City of Minot's enterprise and internal service funds are charges to customers for sales and services. Operating expenses for enterprise funds and internal service funds include the cost of sales and services, administrative expenses, MSWLF closure and post-closure care costs, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

When fund balance resources are available for use, it is the government's policy to use restricted, committed, assigned, and unassigned resources as they are needed in that order.

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended

December 31, 2016, from which the summarized information was derived.

**F. ASSETS, DEFERRED OUTFLOWS OF RESOURCES, LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND NET POSITION OR EQUITY**

**Cash**

Cash and cash equivalents are defined as short-term, highly liquid investments readily convertible to known amounts of cash and so near their maturity they present insignificant risk of change in value because of changes in interest rates.

Interest earnings are allocated to the funds based on an average balance in the cash account. Those funds that have an average negative balance in the cash account are charged interest at the rate earned by the cash account.

**Investments**

North Dakota state statute authorizes municipalities to invest their surplus funds in: a) bonds, treasury bills and notes, or other securities that are a direct obligation of, or an 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 of a type listed above; c) certificates of deposit fully insured by the federal deposit insurance corporation or by the state; and d) obligations of the state.

The Pension Trust Funds are authorized to invest all or part of their surplus funds in other investments by selecting a funding agent or agents to hold and invest such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management.

*Method used to value investments.* Investments are reported at fair value. Securities traded on a national or international exchange are valued at the last reported sales price at current exchange rates. For the pension and OPEB plans, independent valuation services are used along with appraisals for other investments. The net appreciation in fair value of investments consists of the realized gains or losses and the unrealized appreciation or depreciation in fair value of investments during the year. Realized gains and losses

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on sales of investments are computed based on the difference between the sales price and the fair value of the investments as of the beginning of the year or cost if purchased during the year. Unrealized appreciation or depreciation is computed based on changes in the fair value of investments between years.

The City categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs.

**Receivables and Payables**

Transactions between funds representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as "advances to/from other funds" (i.e., non-current inter-fund loans). All other outstanding balances between funds are referred to as "due to/from other funds" (i.e., current inter-fund loans). Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

All receivables are shown net of an allowance for uncollectible accounts. This allowance is equal to estimated losses that may be incurred in collection of outstanding receivables.

All real estate is assessed as of the current value on February 1 of each year. Property taxes are attached as an enforceable lien on the real estate and become due on January 1 of the year following the assessment date. A 5% reduction of the taxes is allowed if the taxes are paid in full by February 15.

Penalty and interest are added on March 1 if the first half of the taxes is not paid. Additional penalty and interest are added October 15 to those taxes not paid. Taxes are collected by the County and remitted monthly to the City.

The City is permitted under provisions of the Home Rule Charter to levy taxes, as needed for general governmental services and payment of principal and interest on long-term debt.

**Inventories and Prepaid Items**

Inventories are valued at average cost (first-in, first-

out) in the proprietary funds and the governmental funds. The costs of inventory are recognized as expenditures in governmental funds and as expenses in proprietary funds when consumed.

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

**Restricted Assets**

Assets whose use is restricted for construction, debt service, or the payment of specific claims and benefits have been classified as restricted assets as their use is limited by bond covenants or other externally imposed requirements.

Certain proceeds of the City's airport and water and sewer enterprise funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. A construction account is established within the fund into which the proceeds of the bonds are deposited. A debt service account is established within the fund to set aside the net revenues of the utility each month an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-twelfth of the principal to become due within the next twelve months.

**Capital Assets**

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, street lights, and similar items), intangibles, and books, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Capital assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated fair value on the date donated.

Additions or improvements that significantly add value to an asset such as extending the useful life of an asset or increasing capacity or efficiency are capitalized.

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Other costs for repairs and maintenance are expensed as incurred.

Depreciation/amortization has been provided over the estimated useful life, using the straight-line method, as follows:

Buildings 20-40 years  
Infrastructure 30-50 years  
Equipment 3-10 years  
Intangibles 10 years  
Books 20 years

**Net Position/Fund Balance**

The difference between assets plus deferred outflows of resources and liabilities plus 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.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

**Nonspendable** fund balance represents a portion of fund balance that includes amounts that cannot be spent because they are either (a) not in spendable form or (b) legally or contractually required to be maintained intact.

**Restricted** fund balance represents a portion of fund balance that reflects constraints placed on the use of resources (other than nonspendable items) that are either: (a) externally imposed by creditors (such as through debt covenants), grantors, contributors, or laws or regulations of other governments; or (b) imposed by law through constitutional provisions or enabling legislation.

**Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority (the City Council), the vote of the citizens, or the wishes of a donor or third party. The formal action required to be taken to establish, modify or rescind a fund balance commitment is a majority vote by the City Council.

**Assigned** fund balance represents amounts constrained by the government's intent to be used for specific purposes, but neither restricted nor committed. The City Council has the authority to assign amounts to a specific purpose via an ordinance or resolution.

**Unassigned** fund balance represents residual classification for the general fund. This classification represents fund balance not assigned to other funds and not restricted, committed, or assigned to specific purposes within the general fund. The general fund should be the only fund that reports a positive unassigned fund balance amount. In other governmental funds, if expenditures incurred for specific purposes exceeded the amounts restricted, committed, or assigned to those purposes, it would be necessary to report a negative unassigned fund balance.

In the event the fund balance exceeds the minimum requirements equal to one month's average expenditures for the budget year, the excess may be utilized for any lawful purpose approved by City Council. The first priority is to utilize the restricted before unrestricted fund balance when both are available. Committed funds will be considered spent first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used like assigned or unassigned. In order to minimize the long term effect of such use, the excess shall be appropriated to fund one time expenditures or expenses which do not result in recurring operating costs, or other onetime costs including the establishment of or increase in legitimate restriction or commitment of fund balance/retained earnings in other funds.

The emergency levy fund is established and updated through the annual budget process with the budget ordinance approval by the City Council. The fund objective is to keep the cash balance around the value of three mill levy. The funds may be spent for overtime along with associated benefits or operation expenditures not predictable in the budget.

**Compensated Absences**

Employees accrue vacation leave at a rate of eight hours per month for the first five years of continuous service. The accrual rate is increased to ten hours per month after five years, twelve hours per month after ten years, and fourteen hours per month after fifteen years of service. A maximum of 240 vacation hours may be carried over from year to year. Accumulated unpaid vacation is accrued when earned in the government-wide and proprietary fund statements.

Sick leave is accrued at a rate of eight hours per month of continuous service. Accumulation of sick leave is unlimited; however, liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave.

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**Self-Insurance**

The City is self-insured for health benefits. Liabilities are recorded when a determinable claim has been incurred.

**Deferred Inflows of Resources**

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The City has unavailable revenue from a variety of sources in the governmental funds. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

**Deferred Outflows of Resources**

In addition to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate element, deferred outflows of resources, represents a consumption of net assets by the government that is applicable to a future reporting period(s) and so will not be recognized as an outflow of resources (expenditure) until that time.

**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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

**Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year

date have been reclassified in order to be consistent with the current year's presentation.

**G. REVENUES**

**Grant Revenue**

The City recognizes grant revenues when all applicable eligibility requirements, including time requirements, are met. The City follows the policy if expenditures of funds are the prime factor for determining eligibility for the grant funds; revenue is recognized at the time of the expenditure.

**H. PENSIONS**

For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the City and additions to/deductions from the City's fiduciary net position have been determined on the same basis as they are reported by the City. Investments are reported at fair value.

**NOTE 2-RECONCILIATION OF  
GOVERNMENT-WIDE AND FUND FINANCIAL  
STATEMENTS**

**A.** The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$47,581,099) difference are as follows:

Bonds payable	\$ 44,070,000
Unamortized discounts/premiums	2,052,201
Accrued interest payable	300,267
Capital lease payable	23,949
Compensated absences	<u>1,134,682</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 47,581,099</u>

**B.** The governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliation between net changes in fund balances, total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that

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reconciliation explains "Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense." The details of these differences are as follows:

Donated capital assets	\$ 7,231,636
Capital outlay	47,648,330
Depreciation	<u>(14,217,443)</u>
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 40,662,523</u>
Proceeds from capital asset sales	\$ 186,486
Gain/(loss) on capital asset sales	(474,163)
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (287,677)</u>

**NOTE 3-STEWARSHIP, COMPLIANCE, AND ACCOUNTABILITY**

**A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS**

Annual budgets are adopted on a basis consistent with GAAP for the general fund and special revenue funds. The fire equipment, equipment purchases, and flood control capital funds are the only three capital project funds budgeted. All appropriations lapse at year-end unless encumbered.

The City incurred no material violations of finance-related legal and contractual provision.

**B. EXCESS OF EXPENDITURES OVER APPROPRIATIONS AT THE LEGAL LEVEL OF CONTROL**

The budget is prepared by fund, by department within each fund, and by line item within each department. The legal level of budgetary control is at the fund level. The management of the City of Minot has the authority to exceed line items or department budgets as long as the fund appropriations are not exceeded. City Council approval is required for (a) the transfer of appropriations from one fund to another fund or the addition of line items within a fund or both and (b) an increase in the aggregate total of appropriations in order to reflect changes in financial circumstances.

The City incurred one violations of excess of expenditures over appropriations. Special Assessment debt incurred over a \$0.4 million violation due to the City paying off the 2008 refunding bonds prior to the maturity.

**C. NET POSITION/FUND BALANCE DEFICITS**

The Flood Control Capital fund had a deficit fund balance of \$265,822 as of December 31, 2016, which will be funded by the collection of sales tax.

**NOTE 4-DETAILED NOTES ON ALL FUNDS**

**A. DEPOSITS AND INVESTMENTS**

Except for the cash in the NAWS fund, the City maintains a pooled cash portfolio used by substantially all City funds using the pooled deposit and investment concept. This concept provides the City with the ability to maximize earnings on idle fund monies while ensuring the liquidity needs of each fund are met and the integrity of the cash balances of each fund are preserved. The pool consists of checking and savings accounts, certificates of deposit, and securities, including money market accounts, which are stated at market value.

**Government and Business-Type Funds**

*Investment Policy:* The City's investment policy serves as the guide to the deposit and investment of operating funds managed within the City's pooled cash portfolio. This policy sets forth the City's investment objectives as well as authorized and suitable deposits and investments, and serves as a guide for proper diversification, maturity constraints, internal controls and performance measurement. The foremost objective of the City's investment program as set forth by the investment policy is safety of principal. Investment decisions are made under the assumption that, except under limited circumstances, all investments within the pooled cash portfolio will be held to maturity.

**Allowable deposits and investments:**

- a. U.S. Treasury obligations, which carry the full faith and credit guarantee of the United States government and are considered to be the most secure instruments available;
- b. U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- c. Certificates of deposits and other evidences of deposit at financial institutions;

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d. Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments

*Custodial credit risk – deposits:* This is the risk in the event of bank failure, the government's deposits may not be returned to it. As of December 31, 2016, the City is fully insured by FDIC and has pledged collateral in the amount of 110% of its investments.

*Custodial credit risk - investment:* This is the risk, 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 in the possession of an outside party. The City of Minot minimizes credit risk, which is the risk of loss due to the failure of the issuer or backer, by: 1) limiting investments to the types of authorized securities; 2) pre-qualifying the financial institutions with which the City will do business; and 3) diversifying the investment portfolio so the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

*Interest rate risk:* The City minimizes interest rate risk, which is the risk the market value of securities in the portfolio will fall due to changes in market interest rates, by: 1) structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity; and 2) investing operating funds primarily in shorter-term securities, money market funds, or similar investments and limiting the average maturity of the portfolio in accordance with this policy.

As of December 31, 2016, the City has invested in cash and money markets \$96,456,645, \$15,603,449 of U.S. bonds, and certificates of deposit \$17,053,719, which have no credit ratings. The City also has NAWS investments valued at \$27,697,853. The fixed income securities are all United States treasuries and government agency securities.

**NAWS investments:**

Investment Type	Fair Value	Rated AAA	Rated AA+	Not-Rated
Cash & money market	\$ 1,078,183	\$ -	\$ -	\$ 1,078,183
Certificates of deposit	1,442,825	-	-	1,442,825
Fixed income				
US treasuries	3,513,580	3,513,580	-	-
Government agencies	21,663,265	20,671,042	250,000	742,223
Total fair value	\$ 27,697,853	\$ 24,184,622	\$ 250,000	\$ 3,263,231

Maturity (Years)	Fixed Income
0-1	\$ 6,949,602
1-3	17,662,342
3-5	407,093
10-15	157,808
	<u>\$ 25,176,845</u>

**City of Minot:**

Investment Type	Fair Value	Rated AA+
Fixed income		
Government agencies	\$ 15,540,377	\$ 15,540,377
Total fair value	<u>\$ 15,540,377</u>	<u>\$ 15,540,377</u>

Maturity (Years)	Fixed Income
1-3	\$ 7,530,564
3-5	8,009,813
	<u>\$ 15,540,377</u>

The City has the following recurring fair value measurements as of December 31, 2016:

NAWS U.S. Treasury securities of \$3,513,580 and government agencies of \$21,663,265 are valued using quoted market prices (Level 1 inputs)

City government agencies of \$15,540,377 are valued using quoted market prices (Level 1 inputs)

**B. INTERGOVERNMENTAL RECEIVABLES**

A total of \$25,426,911 is due from intergovernmental receivables. This includes \$19,406,080 due from the Federal Government, \$11,762,735 from an EDA grants; \$5,082,943 from Department of Emergency Services; \$851,184 from Community Development Block Grant – Disaster Recovery grant; \$1,336,371 from the FAA; \$194,285 from U.S. Corp of Engineers; \$2,265 from Community Development Block Grants; \$98,856 from Department of Transportation grants; \$6,562 from Department of Homeland Security; \$48,137 from EPA grants; and \$22,742 from Department of Justice. It also includes \$5,885,922 from the State of North Dakota, \$2,097,198 from the State Water Commission for home acquisitions; \$1,467,997 for city sales taxes; \$908,766 for ND Department of Emergency Services; \$46,013 for State Aeronautics; \$822,219 for State Aid Distribution; \$18,142 for ND Trust Land Grants; \$236,861 for Municipal Highway tax; \$268,993 from ND Housing & Finance Agency; \$44 from ND Bureau of Criminal Investigation; \$13,259 for NDDOT projects; \$1,832 from Motor Vehicle Tax; and \$4,598 from ND

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gambling taxes; and \$134,909 due from Ward county.

**C. RECEIVABLES**

Loans receivables as of the end of the current fiscal year for the Sales Tax-Economic Development fund were:

Due within one year	\$ 762,600
Due after one year	1,088,200
Less: allowance for uncollectible	(370,160)
Total loans receivable	<u>\$ 1,480,640</u>

The only receivables not expected to be collected within one year are \$12,163,832 of special assessments deferred and the loans receivables as noted above.

Governmental funds report deferred inflows in connection with receivables for revenues not considered available to liquidate liabilities of the current period. At the end of the current fiscal year, the deferred inflows reported in the governmental funds were as follows:

Uncertified special assessments	\$ 13,893,820
Unavailable revenue - property taxes	711,890
Unavailable revenue - special assessments	168,968
Total deferred inflows of resources	<u>\$ 14,774,678</u>

Receivables for the City's individual major, nonmajor and internal service funds, including the applicable allowances for uncollectible accounts, are in the following table:

	Taxes Delinquent	Specials Deferred	Specials Delinquent	Accounts Receivable	Loans	Intergov'tl Receivable	Accrued Interest Receivable	Gross Receivables	Less: Allow for Uncollectible	Total Net Receivables
General	\$ 726,533	\$ 8,925	\$ 5,575	\$ 511,576	\$ -	\$ 1,514,254	\$ 109,927	\$ 2,876,790	\$ (189,903)	\$ 2,686,887
Sales Tax NAWS	-	-	-	-	-	-	5,802	5,802	-	5,802
Assessment debt	6,774	13,795,730	182,685	-	-	2,902	-	13,988,091	-	13,988,091
Highway reserve	-	-	-	47,439	-	7,330,236	-	7,377,675	(782,922)	6,594,753
Capital purchases	-	-	-	836,206	-	1,794,063	-	2,630,269	-	2,630,269
Storm Sewer Development	-	-	-	86,018	-	-	-	86,018	-	86,018
Nonmajor governmental	642,888	89,165	3,839	326,487	1,850,800	3,678,267	-	6,591,446	(370,160)	6,221,286
Airport	6,939	-	-	1,047,887	-	1,385,425	-	2,440,251	-	2,440,251
Sanitation	-	-	-	365,348	-	102,041	2,100	469,489	-	469,489
Water and sewer	-	-	-	3,181,044	-	9,610,574	14,700	12,806,318	(475,597)	12,330,721
Nonmajor enterprise	21,729	-	-	27,395	-	9,149	-	58,273	-	58,273
Internal service	-	-	-	71	-	-	-	71	-	71
Total net receivables	<u>\$ 1,404,863</u>	<u>\$ 13,893,820</u>	<u>\$ 192,099</u>	<u>\$ 6,429,471</u>	<u>\$ 1,850,800</u>	<u>\$ 25,426,911</u>	<u>\$ 132,529</u>	<u>\$ 49,330,493</u>	<u>\$ (1,818,582)</u>	<u>\$ 47,511,911</u>

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**D. TAX ABATEMENTS**

The Governmental Accounting Standards Board, (GASB) Statement No. 77, *Tax Abatement Disclosure*, is a requirement that became effective for years beginning after December 15, 2015. This statement will improve financial reporting by giving users of the financial statements essential information not consistently or comprehensively reported to the public at present.

As of December 31, 2016, the County provides tax abatements through four programs, Property Tax Incentives for New or Expanding Businesses, Renaissance Zone Property Tax Exemptions for Commercial Buildings, Renaissance Zone Property Tax Exemptions for Residential Buildings, and exemption of Certain New Single Family, Condo, & Townhouse Residential Properties.

The property tax incentives for new or expanding businesses, NDCC Ch. 40-57.1, provides property tax abatements to encourage activities in the public interest by assisting in establishing industrial plants, expanding and retaining existing businesses, and to help promote economic activities within the State. This allows for a new or expanding business project to possibly be granted a property tax exemption for up to five years. Before this can be done the business must be certified as a primary sector business by the ND Commerce Department. The City Council may grant a partial or complete exemption from ad valorem taxation under this section for projects operating in the retail sector.

The Renaissance Zone Property Tax Exemptions, NDCC Ch. 40-63, is for Commercial and Residential buildings located within a renaissance zone that allow for the property to be excluded for up to five years, provided the City approves the exemption. A renaissance zone is a geographic area a City applies to the State Department of Commerce to designate a portion of the City into a renaissance zone.

The exemption for certain new single family, condo, & townhouse residential properties, NDCC Ch. 57-02, allows for newly constructed homes, excluding land, to possibly be exempt for up to two years from when construction begins up to a maximum of a \$150,000 of the home's value. This is assuming the home is still owned by the builder, unoccupied and providing the exemption is approved by the City and/or County.

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2016:

Tax Abatement Programs	Amount of Taxes Abated during the 2016 Fiscal Year
Property Tax Incentives for New/Expanding Businesses	\$ 11,057
Renaissance Zone Exemption - Commercial Buildings	89,366
Renaissance Zone Exemption - Residential Buildings	4,192
Exemption of Certain New Single Family, Condo, Townhomes	40,567
	<hr/>
	\$ 145,182

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**E. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2016 was as follows:

<b>Governmental Activities</b>	<b>Balance</b>	<b>1/1/2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance</b>	<b>12/31/16</b>
Land	\$ 42,569,187	\$ 14,207,690	\$ 351,531	\$ -	\$ 56,425,346		
Construction in progress	20,208,352	55,289,113	67,508,971	-	-	7,988,494	
Depreciable assets							
Buildings	14,889,521	6,530,455	242,712	-	-	21,177,264	
Equipment	21,515,354	2,585,196	1,233,783	297,398	-	23,164,165	
Infrastructure	224,711,583	43,820,448	1,123	-	-	268,530,908	
Intangible assets	598,329	-	-	-	-	598,329	
Books	3,330,862	142,521	86,474	-	-	3,386,909	
Totals at historical cost	327,823,188	122,575,423	69,424,594	297,398	-	381,271,415	
Accumulated depreciation							
Buildings	(7,875,208)	(432,230)	11,768	-	-	(8,295,670)	
Equipment	(11,974,229)	(1,915,404)	1,122,275	(76,545)	-	(12,843,903)	
Infrastructure	(54,152,440)	(11,747,429)	90	-	-	(65,899,779)	
Intangible assets	(275,417)	(51,428)	-	-	-	(326,845)	
Books	(2,394,834)	(70,952)	86,474	-	-	(2,379,312)	
Total accumulated depreciation	(76,672,128)	(14,217,443)	1,220,607	(76,545)	-	(89,745,509)	
Governmental activities capital assets, net	\$ 251,151,060	\$ 108,357,980	\$ 68,203,987	\$ 220,853	\$ 291,525,906		

<b>Business-Type Activities</b>	<b>Balance</b>	<b>1/1/2016</b>	<b>Additions</b>	<b>Deletions</b>	<b>Transfers</b>	<b>Balance</b>	<b>12/31/16</b>
Land	\$ 5,417,535	\$ 38,049	\$ 44	\$ -	\$ 5,455,540		
Construction in progress	79,901,837	52,888,386	101,573,534	-	-	31,216,689	
Depreciable assets							
Buildings	21,359,716	46,617,237	6,407,520	-	-	61,569,433	
Equipment	17,986,239	8,479,126	291,725	(344,214)	-	25,829,426	
Infrastructure	269,187,264	47,492,958	278,719	-	-	316,401,503	
Intangible assets	454,849	-	-	46,816	-	501,665	
Totals at historical cost	394,307,440	155,515,756	108,551,542	(297,398)	-	440,974,256	
Accumulated depreciation							
Buildings	(12,823,129)	(1,833,652)	4,659,558	-	-	(9,997,223)	
Equipment	(11,549,913)	(1,763,700)	183,256	76,545	-	(13,053,812)	
Infrastructure	(66,899,106)	(13,266,567)	103,686	-	-	(80,061,987)	
Intangible assets	(394,347)	(19,591)	-	-	-	(413,938)	
Total accumulated depreciation	(91,666,495)	(16,883,510)	4,946,500	76,545	-	(103,526,960)	
Business-type activities capital assets, net	\$ 302,640,945	\$ 138,632,246	\$ 103,605,042	(220,853)	-	\$ 337,447,296	
Total capital assets, net	\$ 553,792,005	\$ 246,990,226	\$ 171,809,029	\$ -	\$ 628,973,202		

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Depreciation and amortization expenditure or expense was charged to the following functions/programs of the City for the current fiscal year:

Governmental Activities	
General government	\$ 12,989,347
Public safety	164,146
Highways and streets	1,038,366
Culture and recreation	<u>25,584</u>
Total depreciation expenditure - governmental activities	<u>\$ 14,217,443</u>
Business -Type Activities	
Airport	\$ 5,768,885
Cemetery	42,344
Parking authority	9,147
Sanitation	901,239
Water and sewer	<u>10,161,895</u>
Total depreciation expense - business-type activities	<u>\$ 16,883,510</u>

**F. COMMITMENTS**

Construction and other significant commitments as of December 31, 2016 were \$94,738,058

	<u>Spent to Date</u>	<u>Remaining</u>
General fund	\$ 393,847	\$ 220,559
Highway reserve	25,623,001	35,751,405
Capital purchases	19,358,968	9,685,520
Nonmajor governmental funds	14,211,878	22,198,964
Airport	4,497,550	899,437
Water and sewer	<u>62,386,601</u>	<u>25,982,173</u>
	<u>\$ 126,471,845</u>	<u>\$ 94,738,058</u>

The City is committed in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot, the estimated costs of the project remaining is \$213.0 million, with the City's cost share to be approximately \$75.0 million. The City's local share of expenditures to date is approximately \$34.8 million. This project will be funded with sales tax monies approved by the voters in March 1999. The City has encumbrance commitments of \$821,873 in the general fund, and \$3,360,940 in nonmajor governmental funds. The City has encumbrance commitments of \$434,183 in Airport and \$409,007 in Water and Sewer.

Although there are various other commitments, it is the opinion of the City they will not have a material effect on the financial statements.

**G. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

The composition of interfund advance to and from balances at December 31, 2016 is to fund outstanding special assessments and highway debt paid in annual installments for storm sewer development.

	Highway Reserve	Storm Sewer Development	Water & Sewer	Total Advance From
Governmental funds				
Special assessment debt	\$ -	\$ 1,083,795	\$ 23,873	\$ 1,107,668
Nonmajor government	-	-	133,527	133,527

	Water & sewer	72,010	3,954,984	-	4,026,994
Total advance to		\$ 72,010	\$ 5,038,779	\$ 157,400	\$ 5,268,189

The interfund due to and from balances are to maintain positive fund balances as of the end of the year.

	Capital Purchases	Nonmajor Gov't	Total Due From
Governmental funds			
Highway reserves	\$ 654,160	\$ -	\$ 654,160
Nonmajor governmental	-	172,434	172,434
Total Due To	\$ 654,160	\$ 172,434	\$ 826,594

Transfers are used to 1) move revenues from the fund with collection authority to the debt service fund as debt service principal and interest payments become due, 2) move restricted amounts from borrowings to the debt service fund to establish mandatory reserve accounts, and 3) move unrestricted general fund revenues to finance various programs the government must account for in other funds in accordance with budgetary authorizations.

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The following table shows transfers out by major fund and nonmajor funds in aggregate:

Transfers Out	Special			Storm			Nonmajor			Nonmajor			Total Transfers In
	General Fund	Sales Tax NAWS	Assessment Debt	Highway Reserve	Capital Purchases	Storm Sewer Development	Governmental Funds	Airport	Sanitation	Water & Sewer	Enterprise Funds		
General fund	\$ -	\$ 50,000	\$ 13,029	\$ 55,214	\$ -	\$ 18,882	\$ 7,119,367	\$ 18,903	\$ 293,283	\$ 125,685	\$ 979	\$ 7,695,342	
Assessment debt	-	-	-	-	38,416	-	-	-	-	2,195	-	-	40,611
Highway reserve	-	-	-	-	-	-	496,423	-	-	7,100,628	-	-	7,597,051
Capital purchases	1,506	-	-	-	-	-	1,431,184	-	-	75,065	-	-	1,507,755
Nonmajor governmental funds	-	-	-	171,651	372,377	-	4,095,312	-	124,388	373,173	-	-	5,136,901
Airport	-	-	-	-	-	-	415,712	-	-	-	-	-	415,712
Sanitation	-	-	-	-	-	-	-	-	-	230,184	-	-	230,184
Water and sewer	-	708,745	-	-	-	888,921	1,594,799	-	-	-	-	-	3,192,465
Nonmajor enterprise funds	-	-	-	-	-	-	10,831	-	-	-	-	-	10,831
Total transfers out	\$ 1,506	\$ 758,745	\$ 13,029	\$ 226,865	\$ 410,793	\$ 907,803	\$ 15,163,628	\$ 18,903	\$ 417,671	\$ 7,906,930	\$ 979	\$ 25,826,852	

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Transfers in/out consisted of the following:

\$ 208,813	Interest Distribution transfers to General Fund
637	Capital Purchases transfers to Highway Debt
2,195	Water/Sewer transfers to Special Assessment Debt Fund for debt payments
3,229	Highway Reserve transfers to CDBG-DR \$67.5M
4,735	Water/Sewer transfers to Highway Debt Fund for debt payments
5,799	Demolition transfers to Capital Purchases
6,642	Sertoma Sports Complex transfers to Recreation
8,682	Emergency fund transfers to General Fund
9,339	Special Assessment Capital to Street Improvements
1,912	Special Assessment Capital to Special Assessment Capital
9,491	Sales Tax Infrastructure transfers to Highway Reserve
10,831	Sales Tax Improvement transfers to Cemetery
10,873	Water/Sewer transfer to CDBG-DR \$67.5M
12,045	Equipment Purchase transfers to Library for noncapital purchases
15,096	Equipment Purchase transfers to General Fund for noncapital purchases
12,441	Equipment Purchase transfer to General Fund for noncapital purchases
15,250	Sales Tax Improvements transfers to General Fund
15,250	Fire Equipment transfers to General Fund for noncapital purchases
19,239	Capital Purchases transfers to Street Improvements
21,969	CDBG-DR \$67.5M to Capital Purchases
38,416	Capital Purchases transfers to Special Assessment Debt
40,442	Highway Reserve transfers to Street Improvements
50,000	Highway Reserve transfers to General Fund for highway repairs
50,000	Sales Tax NAWS transfers to general fund for administration
50,000	MAGIC Fund administration transfers to General Fund
50,000	Sales Tax Infrastructure transfers to General Fund
50,000	Sales Tax Community Facilities transfers to General Fund
60,265	Sales Tax Infrastructure transfers to Water/Sewer
74,171	Highway Debt transfers to Highway Reserve
66,019	Street Improvements transfers to General Fund
73,140	Water/Sewer transfers to Sales Tax Flood Control
75,065	Water/Sewer transfers to Capital Purchases
75,688	Sales Tax Property Tax Relief transfers to Recreation/Auditorium - Second Penny
5,184	Sales Tax Flood Control transfer to General Fund
103,918	Sales Tax Flood Control transfer to Flood Control Capital
124,388	Sanitation transfers to Equipment Purchase Fund
92,751	Water/Sewer transfers to General Fund
127,980	Highway Reserve transfers to Special Assessment Capital
148,879	CDBG & EDA Capital to Sales Tax Economic Development
160,917	Capital Purchases transfers to Sales Tax Community Facilities
181,087	Sales Tax Improvements transfers to Street Improvements
191,585	Capital Purchases transfers to Sales Tax Improvements
214,524	Sales Tax Improvements transfers to Highway Debt
230,184	Water/Sewer transfers to Sanitation
282,199	Sales Tax Property Tax Relief transfers to Library - Second Penny
284,425	Water/Sewer equipment transfers to Equipment Purchase Fund
287,908	Sanitation transfers to General Fund
293,902	Special Assessment Capital to Water/Sewer
249,780	Recreation/Auditorium transfers to Sales Tax Improvements
348,089	Sales Tax Improvements transfers to Recreation/Auditorium
17,261	Sales Tax Improvements transfers to Library
369,873	Sales Tax Community Facilities transfers to Recreation/Auditorium
403,416	Sales Tax Infrastructure transfers to Capital Purchases
412,761	Sales Tax Improvements transfers to Highway Reserve
415,712	Sales Tax Improvement transfers to Airport
550,000	Sales Tax Improvements transfers to Water/Sewer
690,631	Flood Control Capital to Water/Sewer
708,745	Sales Tax NAWS transfers to Water/Sewer
888,921	Storm Sewer Development to Water/Sewer
890,250	Sales Tax Improvements transfers to Fire Equipment Capital
1,000,000	Sales Tax Infrastructure transfers to Capital Purchases
1,131,985	Sales Tax Infrastructure transfers to Street Improvements Fund
1,494,463	Sales Tax Property Tax Relief transfers to General Fund
5,276,832	Sales Tax Property Tax Relief transfers to General Fund - Second Penny
7,100,628	Water/Sewer State Surge transfer to Highway Reserve
<u>\$ 25,826.852</u>	Total transfers in/out

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**H. LEASES**

*Operating Leases.* The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. There were no operating leases for the year ending 2016.

*Capital Leases.* The City has entered into two capital lease agreements as lessee for financing the acquisition for a John Deere crawler dozer and Caterpillar scraper for the landfill. The agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<u>Governmental Activities</u>	<u>Proprietary Activities</u>
<b>Asset:</b>		
Equipment	\$ 40,421	\$ 2,487,958
Less: Accumulated depreciation	(10,724)	(559,598)
<b>Total</b>	<b>\$ 29,697</b>	<b>\$ 1,928,360</b>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2016, were as follows:

<b>Year Ended December 31</b>	<u>Governmental Activities</u>	<u>Proprietary Activities</u>
2017	\$ 9,105	\$ 425,334
2018	7,971	330,844
2019	7,971	326,150
2020	3,985	176,848
<b>Total minimum lease payments</b>	<b>29,032</b>	<b>1,259,176</b>
Less: Amount representing interest	(5,083)	(123,259)
<b>Present value of minimum lease payments</b>	<b>\$ 23,949</b>	<b>\$ 1,135,917</b>

**I. LONG-TERM DEBT**

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

*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 Minot. These bonds are paid through the debt service fund by a tax levy and sales tax funds sufficient to meet the current year's principal and interest payments. The City issued \$10,110,000 of general obligation bonds in 2016 for highway projects. These bonds are generally issued as 10-15-year bonds and the outstanding bonds have interest rates ranging from 2.00% to 4.60%.

General obligation bonds currently outstanding are as follows:

<b>Year</b>	<b>Original Amount</b>	<b>Balance</b>		
		<b>Outstanding</b>	<b>Interest Rate</b>	<b>Matures</b>
2007	\$ 1,785,000	\$ 215,000	3.70%	10/01/2017
2008	1,720,000	395,000	4.40-4.60%	10/01/2018
2009	2,005,000	665,000	2.65-3.10%	10/01/2019
2010	1,375,000	585,000	2.25-2.70%	10/01/2020
2012	2,900,000	1,105,000	2.00%	10/01/2023
2013	6,815,000	4,535,000	2.00-3.00%	10/01/2023
2014	3,950,000	3,215,000	2.00-4.00%	10/01/2024
2015	390,000	355,000	2.00-3.00%	10/01/2025
2016	10,110,000	10,110,000	3.00-4.00%	10/01/2031
	<b>\$ 31,050,000</b>	<b>\$ 21,180,000</b>		

*Special assessment bonds* are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. During the year, the City issued \$780,000 of special assessment bonds for storm sewer districts and paving districts. The City has \$21,090,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorum taxes. Interest rates on the outstanding bonds range from 0.75% to 4.50%.

Special assessment bonds currently outstanding are as follows:

<b>Year</b>	<b>Original Amount</b>	<b>Balance</b>		
		<b>Outstanding</b>	<b>Interest Rate</b>	<b>Matures</b>
2007	2,255,000	\$ 1,065,000	4.37-4.50%	10/01/2022
2007	460,000	55,000	3.875%	10/01/2017
2011	4,285,000	2,325,000	2.00-3.00%	10/01/2021
2012	1,885,000	1,335,000	0.75-1.60%	10/01/2023
2013	11,595,000	10,235,000	2.00-4.00%	10/01/2033
2014	4,135,000	3,535,000	2.00-3.375%	10/01/2034
2015	1,835,000	1,760,000	2.00-3.25%	10/01/2035
2016	780,000	780,000	3.00-3.25%	10/01/2036
	<b>\$ 27,230,000</b>	<b>\$ 21,090,000</b>		

Business-type activities include the following type of long-term debt:

*Notes* outstanding as of December 31, 2016 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,049,862 with a 3.50% interest rate, and matures July 1, 2027. Water and sewer fund income is used to pay the annual principal and interest due.

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**Revenue Bonds.** The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Interest rates on the outstanding bonds range from 2.00% to 5.375%.

During the year, the City issued \$4,785,000 for water and sewer projects. The following are outstanding revenue bonds:

**Airport**

Year	Balance			
	Original Amount	Outstanding 12/31/2016	Interest Rate	Matures
2013	\$ 12,505,000	\$ 12,055,000	3.00-4.50%	10/01/2035
2014	6,710,000	6,460,000	2.00-4.00%	10/01/2035
2015	11,770,000	11,265,000	2.00-3.625%	10/01/2035
	<u>\$ 30,985,000</u>	<u>\$ 29,780,000</u>		

**Water & Sewer**

Year	Balance			
	Original Amount	Outstanding 12/31/2016	Interest Rate	Matures
1972	\$ -	\$ 1,049,862	3.50%	07/01/2027
2008	1,835,000	225,000	3.90%	10/01/2017
2008	10,380,000	5,950,000	4.625-5.375%	10/01/2023
2011	2,005,000	1,075,000	2.00%	10/01/2021
2012	3,650,000	1,785,000	2.00%	10/01/2023
2012	1,955,000	1,430,000	2.00%	10/01/2024
2013	5,220,000	4,350,000	3.00-4.00%	10/01/2028
2014	4,200,000	3,720,000	2.25-3.10%	10/01/2029
2015	6,860,000	6,215,000	2.00-3.00%	10/01/2025
2016	4,785,000	4,785,000	3.00-4.00%	10/01/2031
	<u>\$ 40,890,000</u>	<u>\$ 30,584,862</u>		

Capital financial program bonds currently outstanding are as follows:

**Capital Financing Program Bonds**

Year	Balance			
	Original Amount	Outstanding 12/31/2016	Interest Rate	Matures
2015	\$ 1,945,000	\$ 1,800,000	3.00-400%	06/01/2029

Annual debt service requirements to maturity (not including compensated absences) are as follows:

Governmental Activities	General Obligation Bonds	
	Principal	Interest
2017	\$ 2,480,000	\$ 610,414
2018	2,270,000	598,173
2019	2,125,000	534,730
2020	1,955,000	471,500
2021-2025	7,650,000	1,458,950
2026-2030	3,855,000	488,250
2031	845,000	25,350
Total governmental activities	<u>\$ 21,180,000</u>	<u>\$ 4,187,366</u>

Governmental Activities	Special Assessment Bonds	
	Principal	Interest
2017	\$ 1,960,000	\$ 665,557
2018	1,955,000	604,373
2019	2,000,000	539,139
2020	2,045,000	491,088
2021-2025	7,265,000	1,572,088
2026-2030	3,180,000	820,494
2031-2035	2,635,000	236,715
2036	50,000	1,625
Total governmental activities	<u>\$ 21,090,000</u>	<u>\$ 4,931,077</u>

Business-Type Activities	Revenue Bonds	
	Principal	Interest
2017	\$ 4,180,000	\$ 1,973,599
2018	4,050,000	1,878,906
2019	4,165,000	1,758,744
2020	4,295,000	1,631,619
2021-2025	19,890,000	5,991,241
2026-2030	12,525,000	3,267,370
2031-2035	10,210,000	1,215,694
Total business-type activities	<u>\$ 59,315,000</u>	<u>\$ 17,717,173</u>

Business-Type Activities	Notes Payable	
	Principal	Interest
2017	\$ 83,983	\$ 36,017
2018	86,948	33,052
2019	90,018	29,982
2020	93,196	26,804
2021-2025	521,119	82,101
2026-2027	174,596	6,135
Total business-type activities	<u>\$ 1,049,862</u>	<u>\$ 214,090</u>

Governmental Activities	Capital Financing Program Bonds	
	Principal	Interest
2017	\$ 115,000	\$ 60,125
2018	120,000	56,600
2019	120,000	53,000
2020	125,000	49,325
2021-2025	680,000	186,725
2026-2030	640,000	52,600
Total governmental activities	<u>\$ 1,800,000</u>	<u>\$ 458,375</u>

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*Changes in Long Term Liabilities.* The following is a summary of the activity for long-term liabilities for the year ended December 31, 2016.

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
General obligation	\$ 13,260,000	\$ 10,110,000	\$ (2,190,000)	\$ 21,180,000	\$ 2,480,000
Special assessment	22,930,000	780,000	(2,620,000)	21,090,000	1,960,000
Capital Financing Program Bonds	1,910,000	-	(110,000)	1,800,000	115,000
Total bonds payable	38,100,000	10,890,000	(4,920,000)	44,070,000	4,555,000
Unamortized premium	1,244,638	949,616	(129,698)	2,064,556	165,835
Unamortized discount	(14,944)	-	2,589	(12,355)	(2,218)
Capital leases	4,026	32,500	(12,577)	23,949	9,105
Compensated absences	1,067,304	939,334	(871,956)	1,134,682	397,139
Governmental activity long-term liabilities	<u>\$ 40,401,024</u>	<u>\$ 12,811,450</u>	<u>\$ (5,931,642)</u>	<u>\$ 47,280,832</u>	<u>\$ 5,124,861</u>

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
Revenue bonds	\$ 58,730,000	\$ 4,785,000	\$ (4,200,000)	\$ 59,315,000	\$ 4,180,000
Unamortized premium	687,929	391,308	(74,153)	1,005,084	98,066
Unamortized discount	(316,133)	-	18,359	(297,774)	(18,358)
Notes payable	1,130,981	-	(81,119)	1,049,862	83,983
Capital leases	1,029,389	1,157,675	(1,051,147)	1,135,917	373,747
Compensated absences	304,652	228,270	(222,895)	310,027	108,509
Business-type activity long-term liabilities	<u>\$ 61,566,818</u>	<u>\$ 6,562,253</u>	<u>\$ (5,610,955)</u>	<u>\$ 62,518,116</u>	<u>\$ 4,825,948</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

Arbitrage is the reinvestment of the proceeds of tax-exempt securities in materially higher yielding taxable securities. Any excess earnings resulting from arbitrage must be rebated to the federal government.

The City's debt limit is \$194,105,595 and the legal debt margin is \$173,465,736.

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**J. FUND BALANCE**

	General Fund	Sales Tax NAWS	Special	Major Debt			Storm Sewer Development	Nonmajor Other Governmental Funds	Total			
			Revenue	Service	Major Capital Project Funds							
			Fund	Special Assessment Debt	Highway Reserve	Capital Purchases						
<b>Fund balances</b>												
<b>Nonspendable</b>												
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 8,479	\$ 8,479			
Long-term loans receivable	-	-	-	-	-	-	-	1,088,200	1,088,200			
Prepaid	180,478	-	-	-	-	-	-	53,670	234,148			
Other assets - capital credits	327,786	-	-	-	-	-	-	37,303	365,089			
Advances to other funds	-	-	1,107,668	-	-	-	-	133,527	1,241,195			
<b>Total nonspendable</b>	<b>508,264</b>		<b>1,107,668</b>					<b>1,321,179</b>	<b>2,937,111</b>			
<b>Restricted</b>												
General government	136,206	-	-	-	-	-	-	-	136,206			
Public safety	518,231	-	-	-	-	-	-	-	518,231			
Community development	-	-	-	-	-	-	-	7,642,551	7,642,551			
Sales tax improvements	-	-	-	-	-	-	-	5,618,656	5,618,656			
Sales tax flood control	-	-	-	-	-	-	-	12,983,515	12,983,515			
Sales tax property tax relief	-	-	-	-	-	-	-	466,078	466,078			
Sales tax infrastructure	-	-	-	-	-	-	-	9,361,205	9,361,205			
Sales tax community facilities	-	-	-	-	-	-	-	5,640,828	5,640,828			
NAWS	-	33,063,703	-	-	-	-	-	-	33,063,703			
Debt service reserve	-	-	3,927,355	-	-	-	-	894,426	4,821,781			
<b>Total restricted</b>	<b>654,437</b>	<b>33,063,703</b>	<b>3,927,355</b>					<b>42,607,259</b>	<b>80,252,754</b>			
<b>Assigned</b>												
General government	-	-	-	-	-	-	-	1,059,854	1,059,854			
Public transportation	-	-	-	-	-	-	-	582,594	582,594			
Culture and recreation	-	-	-	-	-	-	-	1,452,202	1,452,202			
Emergency fund	-	-	-	-	-	-	-	889,170	889,170			
Highways and streets	-	-	-	10,387,494	-	-	-	4,328,648	14,716,142			
Debt service	-	-	324,746	-	-	-	-	249,555	574,301			
Equipment purchases	-	-	-	-	-	-	-	1,167,594	1,167,594			
Capital purchases	-	-	-	-	63,705	-	-	-	63,705			
Special assessment districts	-	-	-	-	-	-	-	601,961	601,961			
Storm sewer development	-	-	-	-	-	3,267,767	-	-	3,267,767			
Other purposes	82,268	-	-	-	-	-	-	45,012	127,280			
<b>Total assigned</b>	<b>82,268</b>		<b>324,746</b>	<b>10,387,494</b>	<b>63,705</b>	<b>3,267,767</b>	<b>10,376,590</b>	<b>24,502,570</b>				
<b>Unassigned</b>	<b>24,487,188</b>							<b>(265,822)</b>	<b>24,221,366</b>			
<b>Total fund balance</b>	<b>\$ 25,732,157</b>	<b>\$ 33,063,703</b>	<b>\$ 5,359,769</b>	<b>\$ 10,387,494</b>	<b>\$ 63,705</b>	<b>\$ 3,267,767</b>	<b>\$ 54,039,206</b>	<b>\$ 131,913,801</b>				

**NOTE 5-OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City of Minot 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. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable. In 1986, the state and other political subdivisions 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. All members joined to help capitalize the

NDIRF. During the past five years, the NDIRF returned approximately 9.26% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and errors and omissions, \$1,000,000 for auto liability and \$15,000,000 for airport. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

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**Employee Health Benefits**

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,607,359 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$2,172,799.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$136,303. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end. A summary of the claim liabilities and related claim payments are shown below:

Beginning Claim Liability	Current Year Claims		Ending Claim Liability
	Incurred and Changes in Estimates	Payments on Claims	
2014 \$ 115,671	\$ 1,809,265	\$ 1,815,867	\$ 109,069
2015 109,069	1,824,945	1,791,087	142,927
2016 142,927	2,090,011	2,096,635	136,303

**B. TERMINATION BENEFITS**

The Consolidated Omnibus Budget Reconciliation Act (COBRA) provides certain former employees, retirees, spouses, former spouses, and dependent children the right to temporary continuation of health coverage at group rates. Group health coverage for COBRA participants is usually more expensive than health coverage for active employees, since the employer pays a part of the premium for active employees while COBRA participants pay the entire premium themselves. It is ordinarily less expensive, though, than individual health coverage.

As of December 31, 2016, the City had zero COBRA participants for health. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is not

reasonably estimated. The City expects to have former employees on COBRA on an ongoing basis.

**C. CONTINGENT LIABILITIES**

There are various police department claims against the City; however, it is the opinion of the City they will have no material effect on the financial statements.

**D. CHANGE IN ACCOUNTING PRINCIPLE**

The City implemented GASB 68 *Accounting for Financial Reporting for Pension* in 2015 which addresses the accounting and financial reporting requirements for pension. The provisions of GASB Statement 68 separate accounting and financial reporting from how pension are funded and require changes in the notes to the financial statements and required supplementary information. Significant changes include an actuarial calculation of the total and net pension liability. It also includes comprehensive footnote disclosure regarding the pension liability, the sensitivity of the net pension liability to the discount rate, and the pension expense and related deferred outflows/inflows of resources disclosures. The City restated the beginning net position to record the beginning deferred pension contributions and net pension liability as follows:

	Governmental Activities	Business-Type Activities	Total
Net position, January 1 - beginning as previously reported	\$ 284,887,973	\$ 223,424,625	\$ 508,312,598
Change in accounting principle	(41,819,046)	(11,082,786)	(52,901,832)
Net position, January 1, beginning as restated	\$ 243,068,927	\$ 212,341,839	\$ 455,410,766

**E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

The City of Minot administers a defined benefit pension plan covering all civil service full-time employees hired before January 1, 2014 and an Other Post Employment Benefit (OPEB) plan. Each plan is included in the City's financial reports as Pension and OPEB Trust Funds. The City of Minot Finance Department, PO Box 5006, Minot, North Dakota 58702 has separate actuarial reports for each plan. Separate financial statements are not issued. The City of Minot also administers a defined contribution plan and a deferred compensation plan for all full-time employees hired after December 31, 2013.

**DEFINED BENEFIT PLAN AND OPEB PLAN**

*Plan Description.* The City Employee Pension Plan

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(CEPP) is a cost sharing, multiple employer public employee retirement system. The pension plan document provides all employees of the City of Minot (excluding non-civil service employees) and the Minot Park District, with a hire date before January 1, 2014, shall become a member of the pension plan at the time they begin employment. There are no provisions or policies with respect to automatic and ad hoc postretirement benefit increases. Effective January 1, 2014 the Plan was closed to new participants.

**OPEB Plan Description.** The OPEB Plan is a single-employer plan, which provides all employees of the City of Minot (excluding the Minot Park District, as they are not on the City health plan and non-civil service City employees) participating in the City's group health insurance plan (medical and prescription drugs), who retire under the CEPP, may continue to participate in the City's group health insurance plan after retirement. Employees are eligible to continue coverage in the group health insurance plan until they attain age 65, provided eligibility requirements are met and applicable premiums are paid. Retirees or spouses that elect not to continue health coverage, at any time, are not eligible to reenroll in the City's group health insurance plan.

**Plan Administration.** North Dakota Century Code 40-46 grants the authority to establish and amend the benefit terms to the City Council. Management of the CEPP is vested in the CEPP Board, which consists of 10 members; the Mayor, City Auditor, Human Resource Director, Police Chief, 2 members from the Police Department elected by police plan members, 2 at large members elected by all plan members except police department members, and 2 City Council members appointed by the Mayor. Elected members serve 2-year terms.

The following table summarizes membership information by plan at the actuarial date:

	<b>2016</b>	
	<b>Pension</b>	<b>OPEB</b>
Retirees and beneficiaries receiving benefits	263	50
Terminated employees		
Vested	31	28
Non-vested	18	8
Total terminated employees	49	36
Active employees		
Vested	158	191
Non-vested	96	42
Total active employees	254	233
Date of annual valuation	01/01/17	1/1/2017

**Benefits Provided.** For the CEPP, the benefit provisions, amendments, and all requirements are amended in the pension plan document. City civil service employees hired before July 6, 2010, who retire at or after the age of 60 with 60 months of service and civil service employees hired on or after July 6, 2010, who retire at or after the age of 60 with 120 months of service are eligible for a monthly pension benefit and OPEB benefits. The average monthly earnings are considered the average of the highest 36 months earnings prior to July 6, 2010 and 48 months after July 6, 2010, within the last 120 months (need not be consecutive).

After December 31, 2003, members satisfying the Rule of 85 are also eligible for a monthly pension benefit and OPEB benefits. After July 6, 2010, members satisfying the Rule of 90 and who have attained age 55 are eligible for a monthly pension benefit and OPEB benefits. Also, the average monthly earnings is calculated using the highest 78 bi-weekly earnings within the last 120 months. The Rule of 85/90 is satisfied when the member's age plus the member's total period of service equals 85/90 years and the employee is at least 55 years old.

Prior to July 6, 2010, benefits vest after 5 years of service. After July 5, 2010, benefits vest after 10 years. Vested employees may retire upon Rule of 85/90 or 60 years of age after 5/10 years of employment. The pension and OPEB plans provide the same death benefits. If death is not in the course of employment and the participant has less than 5/10 years of service, then a refund of contributions is made. In all other cases, the plan pays survivor benefits allocated on a percentage dependent upon if there is a surviving spouse and/or children or other beneficiaries. For participants who die in the course of employment or are deferred vested or active participants with more than 5/10 years of service, the benefit amount is equal to the normal retirement benefit.

**Supplemental Benefits Provided.** Employees who retire under the City of Minot Employee's Pension Plan before January 1, 2004 and annually provide proof of health insurance coverage receive a monthly healthcare supplement equal to the City's portion of the group-blended premium for an active employee with single coverage. Employees who retire under the City of Minot Pension Plan after December 31, 2003 and employees hired before July 6, 2010 receive a monthly healthcare supplement equal to \$7.50 per year of service. Employees hired after July 5, 2010 do not receive any retiree healthcare supplement. These

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supplements are accounted for in the pension plan valuation because they are not restricted to the payment of health insurance.

*Contributions Required and Contributions Made.* The actuary does not determine the pension contribution rates; rather it is done by employer recommendations within the limits established by state statute. The employees contributed 14.74% and the employer 31.40% of covered payroll. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on an actuarial valuation, contributions are providing for a closed amortization period of 30 years (27 years remaining as of January 1, 2017) respectively on the unfunded liability at January 1, 2017.

*Summary of Significant Accounting Policies and Plan Asset Matters.*

*Basis of Accounting.* The City Employee Pension and OPEB Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

*Investment Policy.* The pension plan's policy in regard to the allocation of invested assets is established and may be amended by the CEPP Board by a majority vote of its members. It is the policy of the CEPP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The pension plan's investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2016:

<b>Asset Class</b>	<b>Target Allocation</b>
US fixed income	28%
International fixed income	7%
Domestic equity	42%
International equity	15%
Alternative investments	8%
	<b>100%</b>

The target allocation and investment policy were last amended in April 2013.

The City also has pension & OPEB investments valued

at \$63,635,025 and \$1,165,669, respectively. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

<b>Maturity (Years)</b>	<b>Pension Fixed Income</b>	<b>OPEB Fixed Income</b>
1-3	\$ 128,927	\$ -
3-5	1,995,437	-
10-15	5,209,747	-
15+	11,973,132	22,041
Not defined	3,169,943	378,660
	<b>\$ 22,477,186</b>	<b>\$ 400,701</b>

<b>Credit Rating</b>	<b>Pension Fixed Income</b>	<b>OPEB Fixed Income</b>
AAA	\$ 5,451,029	\$ -
AA+	2,068,678	-
AA	2,290,715	-
AA-	1,320,087	-
A+	1,467,475	-
A	946,619	-
A-	1,511,849	-
BBB+	1,716,466	-
BBB-	461,159	-
Not rated	2,073,166	22,041
Not defined	3,169,943	378,660
	<b>\$ 22,477,186</b>	<b>\$ 400,701</b>

<b>Fixed Income Subclass</b>	<b>Pension</b>	<b>OPEB</b>
US treasuries	\$ 518,950	\$ -
Government agencies	3,847,056	22,041
Corporate bonds	5,058,999	-
Foreign corporate bonds	1,114,480	-
International fixed income	975,687	19,514
Taxable fixed income	2,194,256	359,147
Taxable municipal debt	8,767,758	-
	<b>\$ 22,477,186</b>	<b>\$ 400,701</b>

The City has the following recurring fair value measurements as of December 31, 2016:

U.S. Treasury securities and government agencies of \$13,514,952 valued using quoted market prices (Level 1 inputs)

Corporate bonds of \$9,362,936 are valued using a matrix pricing model (Level 2 inputs)

Equity securities of \$40,717,899 are valued using quoted market prices (Level 1 inputs)

Interest income is recognized when earned. Dividend income is recorded on the ex-dividend date.

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The City's annual OPEB cost and net OPEB obligation for 2016 is as follows:

	2016	2015	2014
Annual required contribution (ARC)	\$ 40,568	\$ 32,958	\$ 238,913
Interest on net OPEB obligation (asset)	(3,034)	(3,066)	(1,978)
Adjustment to ARC - beginning of year	3,496	3,496	1,701
Annual OPEB cost	41,030	33,388	238,636
Employer contributions	(40,568)	(32,958)	(253,150)
Increase (decrease) in net OPEB obligation	462	430	(14,514)
Net OPEB obligation (asset) January 1	(40,455)	(40,885)	(26,371)
Net OPEB obligation (asset) December 31	<u>\$39,993</u>	<u>\$ (40,455)</u>	<u>\$ (40,885)</u>
Percentage of annual benefit cost	98.87%	98.71%	106.08%

The long-term expected rate of return of 7.50% on plan investments was determined using official rates of return under the Global Investment Performance Standards 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 best estimates of geometric real rates of return for each major asset class are summarized in the following table:

Asset Class	Long-Term Expected Rate of Return	
	Target Allocation	
US fixed income	28%	3%
International fixed income	7%	4%
Domestic equity	42%	8%
International equity	15%	9%
Alternative investments	8%	6%
	<u>100%</u>	

*Discount Rate.* The discount rate used to measure the total pension liability was 7.5 percent. The projection of cash flows used to determine the discount rate assumed that plan member contributions will be made at the current contribution rate and that City contributions will be made at rates equal to the difference between actuarially determined contribution rates and the member rates. Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

*Rate of Return.* For the year ended December 31,

2016, the annual money-weighted rate of return on pension plan investments, net of pension plan investment expense, was 6.4 percent. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

*Actuarial Assumptions.* The actuarial methods and assumptions are presented by plan below. The information is based upon the actuary reports generated by the studies conducted by the Gallagher Group. Securities are valued at fair market value. The calculations are based on the benefits provided under the terms of the substantive plan in effect at the time of each valuation and the pattern of sharing costs between the employee and the plan members to that point.

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

The costs of administering the City Pension and OPEB plans are part of the calculation to determine the employer and employee contributions.

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Below is listed the various actuarial methods and significant assumptions used to measure the total pension liability and actuarially determined contributions.

<b><u>Assumption</u></b>	<b><u>Pension</u></b>	<b><u>OPEB</u></b>
Valuation date	January 1, 2017	January 1, 2017
Measurement date	January 1, 2017	January 1, 2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level percentage of pay
Remaining amortization period	30 year closed period (27 years remain as of 1/1/17)	27 year closed period
Asset valuation method-smooth	5 years gains and losses	Fair market value
Investment rate of return	7.5%	7.5%
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%	Same Same Same
Cost of living adjustments	1% after age 65	N/A
Marriage rate	85%	Same
Spouse age differential	males 3 years older than female spouses	Same
Mortality rate	RP-2000 mortality table with projected future	Same
Health insurance elections	N/A	80% City employees elect medical coverage 60% City employees elect spousal coverage

The healthcare trend rates are used to project health insurance claims and administration costs and retiree premiums into the future. The following table provides the healthcare cost trend rates for future years.

<b><u>Fiscal Year</u></b>	<b><u>1/1/2017</u></b>
<b><u>Beginning</u></b>	<b><u>Valuation</u></b>
2016	8.0%
2017	7.5%
2018	7.0%
2019	6.5%
2020	6.0%
2021	5.5%
2022	5.0%
2023	5.0%
2024+	5.0%

2016 data for funding progress of OPEB is as follows:

Actuarial valuation date	January 1, 2017
Actuarial value of plan assets	\$ 991,494
Actuarial accrued liability (AAL)	1,060,657
Unfunded actuarial accrued liability (UAAL)	69,163
Funded ratio	93.48%
Annual covered payroll	\$ 14,900,000
UAAL as a percentage of annual covered payro	0.46%

The OPEB schedule of funding progress found in the required supplementary information presents multi-year trend information showing the actuarial value of plan assets is increasing over time relative to the actuarial accrued liability for benefits.

*Pension Costs.* At December 31, 2016, the CEPP reported a net pension liability of \$65,297,001. The City of Minot reported a liability of \$59,977,438 for its proportionate share of the CEPP's net pension liability. The net pension liability was measured as of December 31, 2016, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City of Minot's proportion of the net pension liability was based on its present value of future payroll relative to the total present value of payroll for all participating employers. At December 31, 2016, the City of Minot's proportionate share was 91.85% which was a decrease of .03% from its proportion measured as of December 31, 2015.

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The components of the net pension liability of all participants at December 31, 2016 were as follows:

Total pension liability	\$ 129,234,754
Plan fiduciary net position	<u>69,937,753</u>
Net pension liability (asset)	<u><u>\$ 65,297,001</u></u>

For the year ended December 31, 2016, The CEPP recognized pension expense of \$8,187,281. The City of Minot recognized pension expense of \$7,500,741 for its proportionate share of the CEPP's pension expense.

At December 31, 2016, the CEPP reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

Source	City of Minot's Proportionate Share			
	Deferred Outflows of Resources	Deferred Inflows of Resources	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual expense	\$ 2,274,509	\$ (260,829)	\$ 2,089,211	\$ (239,580)
Changes of assumptions	1,298,272	-	1,192,505	-
Net difference between projected and actual earnings on investments	3,733,536	-	3,429,375	-
Changes in proportion	-	-	3,447,225	(3,526,362)
Total	<u>\$ 7,306,317</u>	<u>\$ (260,829)</u>	<u>\$ 10,158,316</u>	<u>\$ (3,765,942)</u>

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense for the CEPP and for the City of Minot's proportionate share as follows:

Year	City of Minot	
	Pension	Proportionate Share
2017	\$ 3,126,317	\$ 2,852,080
2018	2,162,497	1,966,779
2019	1,644,529	1,491,009
2020	112,145	106,200
2021	-	-
Thereafter	-	-

The following presents the CEPP's net pension liability and City of Minot's proportionate share calculated using the discount rate of 7.5 percent, as well as what the net pension liability would be if it were calculated using a discount rate that is 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	Current		
	1% Decrease	Discount Rate	1% Increase
	(6.5%)	(7.5%)	(8.5%)
Net pension liability	\$ 80,243,804	\$ 65,297,001	\$ 52,753,017
City of Minot's proportionate share	73,706,566	59,977,437	48,455,377

**DEFINED CONTRIBUTION PLAN**

The City administers the City of Minot North Dakota 401(a) Retirement Plan and the City of Minot North Dakota 457 Plan, a defined contribution plan and a 457(e)(1)(A) deferred compensation plan, respectively, for all full-time employees of the City of Minot and the Minot Park District hired after December 31, 2013. The 401(a) plan requires eligible employees to contribute 7.5 percent of their earnings to the Plan. The employee contributions meet the requirements of pick-up contributions under Internal Revenue Code 414(h) (2). The 457(b) plan is provided for those employees who elect to defer a portion of their compensation.

For each enrolled city employee, the City shall contribute an amount which will equal 400 percent of the amount of the employee's contribution to the 457(e) (1) (A) plan, not to exceed 8 percent of the employee's eligible compensation. Benefit terms, including contribution requirements are established and may be amended by the City Council. For the year ended December 31, 2016, City of Minot employee contributions totaled \$689,942 and the City recognized employer contributions of \$527,591.

Employees are immediately vested in their own contributions and earnings on those contributions and become vested in City contributions and earnings on City contributions based on the following schedule:

Years of Creditable Service	Vested Portion
Less than 1 year	0%
Less than 2 years	20%
Less than 3 years	40%
Less than 4 years	60%
Less than 5 years	80%
5 years or more	100%

Non-vested City contributions are forfeited following a five year period of severance. Such forfeitures are used to make restorations for rehired participants and to reduce employer contributions or to correct errors, omissions and exclusions. For the year ended December 31, 2016, forfeitures reduced the City's plan expense by \$0.

**City of Minot  
Comprehensive Annual Financial Report  
December 31, 2016**

**Notes to Financial Statements**

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**G. MUNICIPAL SOLID WASTE LANDFILL**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill 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 \$1,187,795 reported as MSWLF closure and post-closure care liability at December 31, 2016, represents the cumulative amount reported to date based on the use of 66.7% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of over \$0.4 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2016. The City expects the landfill will be operated for another 9 years with closure anticipated in the year 2025. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

The City is required by state and federal rules and regulations to establish a mechanism to demonstrate financial assurance for both closure and post-closure care. Mechanisms used to demonstrate financial assurance must ensure the amount of funds assured are adequate to cover the costs of closure and post-closure care costs and the funds will be available in a timely fashion whenever needed. All mechanisms must be legally valid and binding under North Dakota law. The City of Minot has chosen a financial test as their mechanism of choice.

**H. ISSUED BUT NON-AFFECTIVE  
ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The first statement issued but not yet implemented that will affect the City is statement No. 74, *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*. The objective of this statement is to improve the usefulness of information about postemployment benefits other than pensions. This statement was a result of a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for all postemployment benefits with regard

to provide decision-useful information, supporting assessments of accountability and to create additional transparency. This statement replaces statement No. 43 and No. 57 and includes requirements for defined contribution OPEB plans that replace the requirements for those in statement No. 25, statement No. 43, and statement No. 50. This statement will be implemented at the City in the year ended December 31, 2018 and management has not yet determined the affect these pronouncements will have on the City's financial statements.

Required  
Supplementary  
Information



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**City of Minot**  
**Comprehensive Annual Financial Report**  
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**Required Supplementary Information**

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**Schedule of Changes in Net Pension Liability**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total pension liability			
Service cost	\$ 2,629,375	\$ 2,772,781	\$ 2,926,936
Interest	9,316,516	8,987,447	8,647,284
Differences between expected and actual experience	(129,360)	912,914	930,846
Benefit payment, including refunds of member contributions	(8,345,228)	(7,939,080)	(7,691,728)
Net change in total pension liability	3,471,303	4,734,062	4,813,338
Total pension liability - beginning	<u>125,763,452</u>	<u>121,029,390</u>	<u>116,216,052</u>
Total pension liability - ending (a)	<u>\$ 129,234,755</u>	<u>\$ 125,763,452</u>	<u>\$ 121,029,390</u>
Plan fiduciary net position			
Contributions - employer	\$ 4,943,357	\$ 4,250,241	\$ 4,520,993
Contributions - employee	2,461,395	2,635,549	2,705,235
Net investment income	3,888,252	(1,168,638)	4,222,235
Benefit payments, including refunds of member contributions	(8,345,228)	(7,939,080)	(7,691,728)
Administrative expense	(168,872)	(176,725)	(252,270)
Net change in plan fiduciary net position	2,778,903	(2,398,653)	3,504,465
Plan fiduciary net position - liability	<u>61,158,850</u>	<u>63,557,503</u>	<u>60,053,038</u>
Plan fiduciary net position - ending (b)	<u>\$ 63,937,753</u>	<u>\$ 61,158,850</u>	<u>\$ 63,557,503</u>
Net pension liability (asset) - ending (a) - (b)	\$ 65,297,001	\$ 64,604,602	\$ 57,471,887

**Schedule of Contributions**

	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 5,084,364	\$ 4,721,976	\$ 4,772,530
Contributions in relation to the actuarially determined contribution	<u>4,943,357</u>	<u>4,250,241</u>	<u>4,520,993</u>
Contribution deficiency (excess)	<u>\$ 141,007</u>	<u>\$ 471,735</u>	<u>\$ 251,537</u>
Covered-employee payroll	\$ 16,111,568	\$ 16,945,005	\$ 16,984,001
Contributions as a percentage of covered-employee payroll	30.68%	25.08%	26.62%

Schedules are intended to show information for 10 years commencing with the fiscal year ended December 31, 2014. Additional years will be displayed as they occur.

**City of Minot**  
**Comprehensive Annual Financial Report**  
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**Required Supplementary Information**

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**Schedule of Investment Returns**

	<u>2016</u>	<u>2015</u>	<u>2014</u>
Annual money-weighted rate of return, net of investment expenses	6.4%	-1.9%	7.1%

**Schedule of Net Pension Liability - City of Minot's Proportionate Share**

Fiscal Year Ending	Proportion of the Net Pension Liability		Proportion of Net Pension		Proportionate Share of the Net Pension Liability as a Percentage of the Total Pension Liability	Plan
	the Net Liability	Share of the Net Liability	Covered Payroll	Covered Payroll		
	Pension Liability	Net Pension Liability				
2014	92.0500%	\$ 52,902,872	\$ 15,719,104	337%	48.34%	
2015	91.8260%	59,323,830	15,620,939	380%	44.66%	
2016	91.8533%	59,977,437	14,900,307	403%	45.44%	

**Schedule of Contributions - City of Minot's Proportionate Share**

Fiscal Year Ended	Contributions in Relation to the Actuarially Determined Contributions				Contributions as a Percentage of the Actuarially Determined Contribution	
	Actuarially Determined Contributions	Actuarially Determined Contributions	Deficiency (Excess)	Covered Payroll	Covered Payroll	Covered Payroll
2014	\$ 4,074,587	\$ 4,074,587	\$ -	\$ 15,719,104	25.92%	
2015	3,872,412	3,872,412	-	15,620,939	24.79%	
2016	4,314,665	4,314,665	-	14,900,307	28.96%	

Schedules are intended to show information for 10 years commencing with the fiscal year ended December 31, 2014. Additional years will be displayed as they occur.

**City of Minot**  
**Comprehensive Annual Financial Report**  
**December 31, 2016**

**Required Supplementary Information**

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**Notes to City of Minot Employee's Pension Plan:**

Measurement Date: January 1, 2017

Assumption changes: In 2012 an experience study was conducted for the City of Minot Employee's Pension Plan. Many assumptions were changed effective with the January 1, 2013 actuarial valuation. The disability assumption was removed and the marriage, salary increase, mortality, withdrawal and retirement assumptions were all changed. The investment return assumption was also changed from 7.75% to 7.50% and the plan was amended to exclude overtime from the average monthly earnings calculation effective February 24, 2013. There were no assumption changes for the January 1, 2017 actuarial valuation from those used for the January 1, 2016 actuarial valuation. Effective January 1, 2014 the Plan has been closed to new participants. As a result of the plan closing, the amortization method was changed from an open 30 year level percentage of payroll method to a 30-year close level dollar method. As of January 1, 2017 there are 27 years remaining in the amortization period.

**OPEB Schedule of Funding Progress**

Valuation Date	Actuarial Value of Plan	Unfunded			UAAL as a Percentage of		
		Actuarial Assets	Accrued Liability	Actuarial	Annual Covered	Annual Covered	
		(AAL)	(UAAL)	Funded Ratio	Payroll	Payroll	
January 1, 2008	\$ -	\$ 1,485,924	\$ 1,485,924	0.00%	\$ 11,800,000	12.59%	
January 1, 2009	(7,607)	1,881,683	1,889,290	-0.40%	11,500,000	16.43%	
January 3, 2010	90,079	2,003,167	1,913,088	4.50%	11,800,000	16.21%	
January 1, 2011	286,836	2,524,963	2,238,127	11.36%	13,300,000	16.83%	
January 1, 2012	510,513	2,679,242	2,168,729	19.05%	13,700,000	15.83%	
January 1, 2013	766,792	2,843,885	2,077,093	26.96%	13,700,000	15.16%	
January 1, 2014	1,044,145	2,906,678	1,862,533	35.92%	14,100,000	13.21%	
January 1, 2015	1,143,320	1,045,699	(97,621)	109.34%	16,700,000	-0.58%	
January 1, 2016	1,071,699	1,063,175	(8,524)	100.80%	16,700,000	-0.05%	
January 1, 2017	991,494	1,060,657	69,163	93.48%	14,900,000	0.46%	

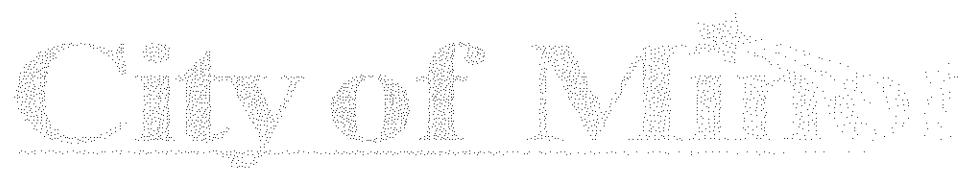
**Note to OPEB Schedule**

Annual covered payroll represents the actuarial estimate of annual covered payroll for the subsequent year.



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# Supplementary Information



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**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Debt Service Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Special Assessment Debt</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 89,282	\$ 89,282	\$ 80,341	\$ 8,941	\$ 78,806
Special assessment collections	2,211,147	2,211,147	3,980,736	(1,769,589)	4,826,273
Interest income	-	-	81,444	(81,444)	107,758
Miscellaneous	-	-	188,443	(188,443)	87,854
<b>Total revenues</b>	<b>2,300,429</b>	<b>2,300,429</b>	<b>4,330,964</b>	<b>(2,030,535)</b>	<b>5,100,691</b>
<b>EXPENDITURES</b>					
Current					
General government	-	-	-	-	2,084,467
Debt service					
Principal retirement	2,282,917	2,282,917	2,730,000	(447,083)	2,100,000
Interest and fiscal charges	757,451	750,076	769,981	(19,905)	753,402
Total expenditures	<b>3,040,368</b>	<b>3,032,993</b>	<b>3,499,981</b>	<b>(466,988)</b>	<b>4,937,869</b>
Excess (deficiency) of revenues over (under) expenditures	(739,939)	(732,564)	830,983	(1,563,547)	162,822
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issues	-	-	-	-	1,945,000
Premium on bonds	-	-	-	-	153,806
Transfers in	277,777	277,777	40,611	237,166	3,315
Transfers out	-	-	(13,029)	13,029	(3,131)
<b>Total other financing sources (uses)</b>	<b>277,777</b>	<b>277,777</b>	<b>27,582</b>	<b>250,195</b>	<b>2,098,990</b>
Net change in fund balance	<b>\$ (462,162)</b>	<b>\$ (454,787)</b>	<b>858,565</b>	<b>\$ (1,313,352)</b>	<b>2,261,812</b>
Fund balance, January 1			4,501,204		2,239,392
Fund balance, December 31			<b>\$ 5,359,769</b>		<b>\$ 4,501,204</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2016	Total Nonmajor Governmental Funds 2015
<b>ASSETS</b>					
Cash and investments	\$ 7,453,863	\$ 153,933	\$ 1,264,436	\$ 8,872,232	\$ 9,764,798
Restricted cash and investments	39,622,007	894,426	-	40,516,433	38,828,625
Taxes receivable delinquent	330,836	178,432	133,620	642,888	444,520
Special assessments receivable delinquent	3,839	-	-	3,839	7,270
Accounts receivable	326,487	-	-	326,487	80,912
Loans receivable	1,850,800	-	-	1,850,800	2,550,000
Allowance for loans receivable	(370,160)	-	-	(370,160)	(510,000)
Due from other funds	56,950	-	115,484	172,434	1,072,005
Intergovernmental receivable	2,888,151	2,780	787,336	3,678,267	4,857,671
Inventory	8,479	-	-	8,479	6,083
Prepaid	53,670	-	-	53,670	8,504
Other assets - capital credits	37,303	-	-	37,303	36,973
Advance to other funds	-	133,527	-	133,527	173,527
Special assessments receivable deferred	89,165	-	-	89,165	71,140
Total assets	<u>\$ 52,351,390</u>	<u>\$ 1,363,098</u>	<u>\$ 2,300,876</u>	<u>\$ 56,015,364</u>	<u>\$ 57,392,028</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 689,917	\$ -	\$ 501,159	\$ 1,191,076	\$ 1,196,043
Retainage payable	37,781	-	108,249	146,030	84,415
Due to other funds	56,950	-	115,484	172,434	1,072,005
Accrued salaries payable	51,554	-	-	51,554	34,049
Total liabilities	<u>836,202</u>		<u>724,892</u>	<u>1,561,094</u>	<u>2,386,512</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	89,165	-	-	89,165	71,140
Unavailable revenue - property taxes	164,219	85,590	72,251	322,060	205,968
Unavailable revenue - special assessments	3,839	-	-	3,839	7,270
Total deferred inflows of resources	<u>257,223</u>	<u>85,590</u>	<u>72,251</u>	<u>415,064</u>	<u>284,378</u>
<b>FUND BALANCE</b>					
Nonspendable	1,187,652	133,527	-	1,321,179	1,975,087
Restricted	41,712,833	894,426	-	42,607,259	42,027,052
Assigned	8,357,480	249,555	1,769,555	10,376,590	10,718,999
Unassigned	-	-	(265,822)	(265,822)	-
Total fund balance	<u>51,257,965</u>	<u>1,277,508</u>	<u>1,503,733</u>	<u>54,039,206</u>	<u>54,721,138</u>
Total liabilities, inflows, and fund balance	<u>\$ 52,351,390</u>	<u>\$ 1,363,098</u>	<u>\$ 2,300,876</u>	<u>\$ 56,015,364</u>	<u>\$ 57,392,028</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2016	Total Nonmajor Governmental Funds 2015
<b>REVENUES</b>					
Property tax collections	\$ 3,864,194	\$ 2,253,429	\$ 1,565,355	\$ 7,682,978	\$ 7,781,890
Special assessment collections	11,854	-	-	11,854	53,809
Sales tax collections	18,700,144	-	2,675,000	21,375,144	21,484,644
Intergovernmental	3,845,517	-	1,082,395	4,927,912	17,206,002
Charges for services	865,536	-	-	865,536	595,369
Interest income	104,028	5,291	6,967	116,286	107,240
Miscellaneous	256,063	-	62,699	318,762	1,273,915
Total revenues	<b>27,647,336</b>	<b>2,258,720</b>	<b>5,392,416</b>	<b>35,298,472</b>	<b>48,502,869</b>
<b>EXPENDITURES</b>					
Current					
General government	4,423,247	-	-	4,423,247	13,813,809
Highways and streets	2,576,346	-	-	2,576,346	3,543,697
Culture and recreation	7,658,965	-	-	7,658,965	9,762,841
Economic Development	1,145,992	-	-	1,145,992	3,266,376
Capital outlay					
Contracted work	-	-	3,078,449	3,078,449	4,207,498
Equipment	-	-	2,929,344	2,929,344	2,581,331
Legal	-	-	2,105	2,105	3,751
Other	-	-	207,506	207,506	197,320
Acquisitions	-	-	114,000	114,000	16,337
Engineering	-	-	2,240,686	2,240,686	3,223,643
Debt service					
Principal retirement	-	2,190,000	-	2,190,000	2,385,000
Interest and fiscal charges	-	355,185	-	355,185	386,373
Total expenditures	<b>15,804,550</b>	<b>2,545,185</b>	<b>8,572,090</b>	<b>26,921,825</b>	<b>43,387,976</b>
Excess (deficiency) of revenues over (under) expenditures	11,842,786	(286,465)	(3,179,674)	8,376,647	5,114,893
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds reissued	-	-	780,000	780,000	-
Special assessment bonds issued	-	-	-	-	1,835,000
Premium on bonds	-	-	1,662	1,662	-
Discount on bonds	-	-	-	-	(1,779)
Sale of City property	10,046	-	176,440	186,486	75,365
Transfers in	3,371,349	219,896	1,545,656	5,136,901	10,396,268
Transfers out	(13,888,068)	(79,462)	(1,196,098)	(15,163,628)	(15,724,152)
Total other financing sources (uses)	<b>(10,506,673)</b>	<b>140,434</b>	<b>1,307,660</b>	<b>(9,058,579)</b>	<b>(3,419,298)</b>
Net change in fund balance	1,336,113	(146,031)	(1,872,014)	(681,932)	1,695,595
Fund balance, January 1	49,921,852	1,423,539	3,375,747	54,721,138	53,025,543
Fund balance, December 31	<b>\$ 51,257,965</b>	<b>\$ 1,277,508</b>	<b>\$ 1,503,733</b>	<b>\$ 54,039,206</b>	<b>\$ 54,721,138</b>

## **City of Minot, North Dakota Nonmajor Special Revenue Funds**

**SPECIAL REVENUE FUNDS** – Funds used to account for and report the proceeds of specific revenue sources restricted or committed to expenditure for specified purposes other than debt service or capital projects. (GASB Statement No 54, paragraph 30) Additional information is provided below for some of the nonmajor funds in this category.

***Public Transportation*** - To account for the provisions of transportation services to the residents of the City and surrounding area. Funding is provided by a specific annual property tax levy in addition to miscellaneous revenues such as user fees and grants.

***Library*** - To account for the operation and maintenance of the City's library. Financing is provided by a specific annual property tax levy to the extent miscellaneous revenues such as state grants, rental income and various other funds and fees are not sufficient to provide adequate financing. Property taxes are levied in accordance with ND Century Code Sec. 40-37-01.

***Recreation/Auditorium*** - To account for the operation and maintenance of the City's recreation program and facilities. Financing is provided by a specific annual property tax levy in addition to miscellaneous revenues such as user fees, concessions, and facility rentals.

***Emergency Fund*** - Accounts for amounts set aside for use in emergency situations caused by natural forces. This funding is provided for by ND Century Code Sec. 57-15-48 and is limited to a maximum of unexpended funds equal to three dollars per capita.

***Sales Tax*** – The first penny sales tax is dedicated 10% to property tax, 15% to economic development, and 25% to improvements, 50% to flood control. The second penny sales tax is dedicated 30% to property tax relief and community facilities and 40% to infrastructure.

***Sidewalk Improvement*** - To account for the maintenance of sidewalks within the City of Minot. City sidewalk maintenance is funded by a tax levy dollars.

***Street Improvements*** - To account for the annual street improvement and street seal programs. The City has a budgeted levy for this program.

***Demolitions*** - To account for the demolition of condemned property within the City. Special assessments are levied against benefiting property owners.

***Community Development Block Grant - Disaster Recover \$67.5 million Fund*** - To account for the \$67.5 million grant received to assist the City of Minot in recovering from the 2011 flood.

***Community Development Block Grant - Disaster Recover \$35 million Fund*** - To account for the \$35 million grant received to assist the City of Minot in recovering from the 2011 flood.

***National Disaster Resilience \$74.3 million Fund*** - To account for the \$74.3 million grant received to assist the City of Minot in reducing flood risk and increase resilience, building affordable resilient neighborhoods, and fostering economic resilience and diversification.

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Public Transportation</b>	<b>Library</b>	<b>Recreation Auditorium</b>	<b>Emergency Fund</b>	<b>Sales Tax Property Tax Relief-1st Penny</b>	<b>Sales Tax Economic Development</b>
<b>ASSETS</b>						
Cash and investments	\$ 458,201	\$ 211,737	\$ 1,134,518	\$ 810,188	\$ -	\$ -
Restricted cash and investments	-	-	-	-	39,274	7,140,011
Taxes receivable delinquent	40,143	76,396	113,090	42,260	-	-
Special assessments delinquent	-	-	-	-	-	-
Accounts receivable	8,120	51,662	9,205	-	-	-
Loans receivable	-	-	-	-	-	1,850,800
Allowance for loans receivable	-	-	-	-	-	(370,160)
Due from other funds	-	-	-	-	-	-
Intergovernmental receivable	109,846	5,054	3,386	390,463	73,400	110,100
Inventory	-	-	8,479	-	-	-
Prepaid	488	27,476	17,706	-	-	-
Other assets - capital credits	16,159	8,584	12,088	472	-	-
Special assessments receivable deferred	-	-	-	-	-	-
Total assets	<b>\$ 632,957</b>	<b>\$ 380,909</b>	<b>\$ 1,298,472</b>	<b>\$ 1,243,383</b>	<b>\$ 112,674</b>	<b>\$ 8,730,751</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 4,602	\$ 9,436	\$ 15,344	\$ 329,954	\$ -	\$ -
Retainage payable	-	-	-	-	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries payable	9,784	14,764	19,071	4,100	-	-
Total liabilities	<b>\$ 14,386</b>	<b>\$ 24,200</b>	<b>\$ 34,415</b>	<b>\$ 334,054</b>	<b>-</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Uncertified special assessment revenue	-	-	-	-	-	-
Unavailable revenue - property taxes	19,330	37,726	56,505	19,687	-	-
Unavailable revenue - special assessments	-	-	-	-	-	-
Total deferred inflows of resources	<b>19,330</b>	<b>37,726</b>	<b>56,505</b>	<b>19,687</b>	<b>-</b>	<b>-</b>
<b>FUND BALANCE</b>						
Nonspendable	16,647	36,060	38,273	472	-	1,088,200
Restricted	-	-	-	-	112,674	7,642,551
Assigned	582,594	282,923	1,169,279	889,170	-	-
Total fund balance	<b>599,241</b>	<b>318,983</b>	<b>1,207,552</b>	<b>889,642</b>	<b>112,674</b>	<b>8,730,751</b>
Total liabilities, inflows and fund balance	<b>\$ 632,957</b>	<b>\$ 380,909</b>	<b>\$ 1,298,472</b>	<b>\$ 1,243,383</b>	<b>\$ 112,674</b>	<b>\$ 8,730,751</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements	Demolitions	Sales Tax Property Tax Relief-2nd Penny
<b>ASSETS</b>						
Cash and investments	\$ -	\$ -	\$ 39,890	\$ 3,760,141	\$ 1,039,188	\$ -
Restricted cash and investments	\$ 5,434,386	\$ 12,701,347	\$ -	\$ -	\$ -	133,205
Taxes receivable delinquent	-	441	9,730	8,178	40,598	-
Special assessments delinquent	-	-	474	-	3,365	-
Accounts receivable	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-	-
Due from other funds	-	-	-	-	-	-
Intergovernmental receivable	184,270	366,999	184	595,052	777	220,199
Inventory	-	-	-	-	-	-
Prepaid	8,000	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-	-
Special assessments receivable deferred	-	-	6,361	-	82,804	-
Total assets	<b>\$ 5,626,656</b>	<b>\$ 13,068,787</b>	<b>\$ 56,639</b>	<b>\$ 4,363,371</b>	<b>\$ 1,166,732</b>	<b>\$ 353,404</b>
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 59,011	\$ -	\$ 16,800	\$ 933	\$ -
Retainage payable	-	25,820	-	11,961	-	-
Due to other funds	-	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-	-
Total liabilities	<b>\$ -</b>	<b>84,831</b>	<b>-</b>	<b>28,761</b>	<b>933</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Uncertified special assessment revenue	-	-	6,361	-	82,804	-
Unavailable revenue - property taxes	-	441	4,792	5,962	19,776	-
Unavailable revenue - special assessments	-	-	474	-	3,365	-
Total deferred inflows of resources	<b>-</b>	<b>441</b>	<b>11,627</b>	<b>5,962</b>	<b>105,945</b>	<b>-</b>
<b>FUND BALANCE</b>						
Nonspendable	8,000	-	-	-	-	-
Restricted	5,618,656	12,983,515	-	-	-	353,404
Assigned	-	-	45,012	4,328,648	1,059,854	-
Total fund balance	<b>5,626,656</b>	<b>12,983,515</b>	<b>45,012</b>	<b>4,328,648</b>	<b>1,059,854</b>	<b>353,404</b>
Total liabilities, inflows and fund balance	<b>\$ 5,626,656</b>	<b>\$ 13,068,787</b>	<b>\$ 56,639</b>	<b>\$ 4,363,371</b>	<b>\$ 1,166,732</b>	<b>\$ 353,404</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$67.5M	CDBG-DR \$35 M	National Disaster Resilience \$74.3M	Total 2016	Total 2015
<b>ASSETS</b>							
Cash and investments	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 7,453,863	\$ 6,411,696
Restricted cash and investments	8,810,106	5,363,678	-	-	-	39,622,007	37,711,230
Taxes receivable delinquent	-	-	-	-	-	330,836	294,529
Special assessments delinquent	-	-	-	-	-	3,839	7,270
Accounts receivable	257,500	-	-	-	-	326,487	80,912
Loans receivable	-	-	-	-	-	1,850,800	2,550,000
Allowance for loans receivable	-	-	-	-	-	(370,160)	(510,000)
Due from other funds	-	56,950	-	-	-	56,950	1,072,005
Intergovernmental receivable	293,599	220,200	8,459	54,375	251,788	2,888,151	4,129,185
Inventory	-	-	-	-	-	8,479	6,083
Prepaid	-	-	-	-	-	53,670	8,504
Other assets - capital credits	-	-	-	-	-	37,303	36,973
Special assessments receivable deferred	-	-	-	-	-	89,165	71,140
Total assets	<u>\$ 9,361,205</u>	<u>\$ 5,640,828</u>	<u>\$ 8,459</u>	<u>\$ 54,375</u>	<u>\$ 251,788</u>	<u>\$ 52,351,390</u>	<u>\$ 51,869,527</u>
<b>LIABILITIES</b>							
Accounts payable	\$ -	\$ -	\$ 341	\$ 7,062	\$ 246,434	\$ 689,917	\$ 630,219
Retainage payable	-	-	-	-	-	37,781	749
Due to other funds	-	-	7,147	46,124	3,679	56,950	1,072,005
Accrued salaries payable	-	-	971	1,189	1,675	51,554	34,049
Total liabilities	<u>-</u>	<u>-</u>	<u>8,459</u>	<u>54,375</u>	<u>251,788</u>	<u>836,202</u>	<u>1,737,022</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Uncertified special assessment revenue	-	-	-	-	-	89,165	71,140
Unavailable revenue - property taxes	-	-	-	-	-	164,219	132,243
Unavailable revenue - special assessments	-	-	-	-	-	3,839	7,270
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>257,223</u>	<u>210,653</u>
<b>FUND BALANCE</b>							
Nonspendable	-	-	-	-	-	1,187,652	1,801,560
Restricted	9,361,205	5,640,828	-	-	-	41,712,833	40,909,657
Assigned	-	-	-	-	-	8,357,480	7,210,635
Total fund balance	<u>9,361,205</u>	<u>5,640,828</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>51,257,965</u>	<u>49,921,852</u>
Total liabilities, inflows and fund balance	<u>\$ 9,361,205</u>	<u>\$ 5,640,828</u>	<u>\$ 8,459</u>	<u>\$ 54,375</u>	<u>\$ 251,788</u>	<u>\$ 52,351,390</u>	<u>\$ 51,869,527</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
<b>REVENUES</b>						
Property tax collections	\$ 492,907	\$ 884,686	\$ 1,314,872	\$ 556,788	\$ -	\$ -
Special assessment collections	-	-	-	-	-	-
Sales tax collections	-	-	-	-	1,068,757	1,603,136
Intergovernmental	504,298	57,028	-	5,691	-	-
Charges for services	78,617	24,887	504,532	-	-	-
Interest income	1,160	942	5,261	1,694	526	13,892
Miscellaneous	12,734	28,023	33,304	-	-	119,444
Total revenues	1,089,716	995,566	1,857,969	564,173	1,069,283	1,736,472
<b>EXPENDITURES</b>						
Current						
General government	858,543	-	-	330,378	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	1,205,449	2,448,852	-	-	-
Economic development	-	-	-	-	-	1,145,992
Total expenditures	858,543	1,205,449	2,448,852	330,378	-	1,145,992
Excess (deficiency) of revenues over (under) expenditures	231,173	(209,883)	(590,883)	233,795	1,069,283	590,480
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City property	10,046	-	-	-	-	-
Transfers in	-	315,519	1,101,175	-	-	148,879
Transfers out	(1,160)	(919)	(308,678)	(10,376)	(1,494,989)	(50,000)
Total other financing sources (uses)	8,886	314,600	792,497	(10,376)	(1,494,989)	98,879
Net change in fund balance	240,059	104,717	201,614	223,419	(425,706)	689,359
Fund balance, January 1	359,182	214,266	1,005,938	666,223	538,380	8,041,392
Fund balance, December 31	\$ 599,241	\$ 318,983	\$ 1,207,552	\$ 889,642	\$ 112,674	\$ 8,730,751

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements	Demolitions	Sales Tax Property Tax Relief-2nd Penny
<b>REVENUES</b>						
Property tax collections	\$ -	\$ 13	\$ 116,258	\$ 13,019	\$ 485,651	\$ -
Special assessment collections	-	-	3,017	-	8,837	-
Sales tax collections	2,671,893	2,668,786	-	-	-	3,206,271
Intergovernmental	721	-	-	1,246,378	-	-
Charges for services	-	-	-	-	-	-
Interest income	11,052	25,866	436	10,901	3,218	2,979
Miscellaneous	-	-	-	121	-	-
Total revenues	<b>2,683,666</b>	<b>2,694,665</b>	<b>119,711</b>	<b>1,270,419</b>	<b>497,706</b>	<b>3,209,250</b>
<b>EXPENDITURES</b>						
Current						
General government	-	913,996	113,129	-	121,134	-
Highways and streets	-	-	-	2,576,346	-	-
Culture and recreation	28,634	-	-	-	-	-
Economic development	-	-	-	-	-	-
Total expenditures	<b>28,634</b>	<b>913,996</b>	<b>113,129</b>	<b>2,576,346</b>	<b>121,134</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	<b>2,655,032</b>	<b>1,780,669</b>	<b>6,582</b>	<b>(1,305,927)</b>	<b>376,572</b>	<b>3,209,250</b>
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City property	-	-	-	-	-	-
Transfers in	175,525	73,139	-	1,382,093	-	-
Transfers out	(3,066,817)	(109,102)	(286)	(76,920)	(8,117)	(5,637,698)
Total other financing sources (uses)	<b>(2,891,292)</b>	<b>(35,963)</b>	<b>(286)</b>	<b>1,305,173</b>	<b>(8,117)</b>	<b>(5,637,698)</b>
Net change in fund balance	<b>(236,260)</b>	<b>1,744,706</b>	<b>6,296</b>	<b>(754)</b>	<b>368,455</b>	<b>(2,428,448)</b>
Fund balance, January 1	<b>5,862,916</b>	<b>11,238,809</b>	<b>38,716</b>	<b>4,329,402</b>	<b>691,399</b>	<b>2,781,852</b>
Fund balance, December 31	<b>\$ 5,626,656</b>	<b>\$ 12,983,515</b>	<b>\$ 45,012</b>	<b>\$ 4,328,648</b>	<b>\$ 1,059,854</b>	<b>\$ 353,404</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$67.5M	CDBG-DR \$35M	National Disaster Resilience \$74.3M	Total 2016	Total 2015
<b>REVENUES</b>							
Property tax collections	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,864,194	\$ 4,345,796
Special assessment collections	-	-	-	-	-	11,854	53,809
Sales tax collections	4,275,029	3,206,272	-	-	-	18,700,144	21,484,644
Intergovernmental	-	-	333,442	732,143	965,816	3,845,517	13,974,325
Charges for services	257,500	-	-	-	-	865,536	595,369
Interest income	15,955	10,050	96	-	-	104,028	99,794
Miscellaneous	-	-	36,435	25,002	1,000	256,063	266,743
Total revenues	4,548,484	3,216,322	369,973	757,145	966,816	27,647,336	40,820,480
<b>EXPENDITURES</b>							
Current							
General government	-	-	362,106	757,145	966,816	4,423,247	13,812,809
Highways and streets	-	-	-	-	-	2,576,346	3,543,697
Culture and recreation	-	3,976,030	-	-	-	7,658,965	9,762,841
Economic development	-	-	-	-	-	1,145,992	3,266,376
Total expenditures	-	3,976,030	362,106	757,145	966,816	15,804,550	30,385,723
Excess (deficiency) of revenues over (under) expenditures	4,548,484	(759,708)	7,867	-	-	11,842,786	10,434,757
<b>OTHER FINANCING SOURCES (USES)</b>							
Sale of City property	-	-	-	-	-	10,046	550
Transfers in	-	160,917	14,102	-	-	3,371,349	4,769,044
Transfers out	(2,671,113)	(429,924)	(21,969)	-	-	(13,888,068)	(15,061,300)
Total other financing sources (uses)	(2,671,113)	(269,007)	(7,867)	-	-	(10,506,673)	(10,291,706)
Net change in fund balance	1,877,371	(1,028,715)	-	-	-	1,336,113	143,051
Fund balance, January 1	7,483,834	6,669,543	-	-	-	49,921,852	49,778,801
Fund balance, December 31	\$ 9,361,205	\$ 5,640,828	\$ -	\$ -	\$ -	\$ 51,257,965	\$ 49,921,852

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Public Transportation</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 512,278	\$ 512,278	\$ 492,907	\$ 19,371	\$ 437,376
Intergovernmental	596,831	596,831	504,298	92,533	492,767
Charges for services	97,500	97,500	78,617	18,883	99,838
Interest income	-	-	1,160	(1,160)	534
Miscellaneous	11,446	11,446	12,734	(1,288)	6,681
Total revenues	<u>1,218,055</u>	<u>1,218,055</u>	<u>1,089,716</u>	<u>128,339</u>	<u>1,037,196</u>
<b>EXPENDITURES</b>					
Current					
General government	1,145,535	1,145,981	858,543	287,438	837,589
Total expenditures	<u>1,145,535</u>	<u>1,145,981</u>	<u>858,543</u>	<u>287,438</u>	<u>837,589</u>
Excess (deficiency) of revenues over (under) expenditures	72,520	72,074	231,173	(159,099)	199,607
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	10,046	(10,046)	550
Transfers out	-	-	(1,160)	1,160	(534)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>8,886</u>	<u>(8,886)</u>	<u>16</u>
Net change in fund balance	<u>\$ 72,520</u>	<u>\$ 72,074</u>	<u>240,059</u>	<u>\$ (167,985)</u>	<u>199,623</u>
Fund balance, January 1			359,182		159,559
Fund balance, December 31			<u>\$ 599,241</u>		<u>\$ 359,182</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Library</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 1,196,719	\$ 900,418	\$ 884,686	\$ 15,732	\$ 1,112,274
Intergovernmental	54,138	54,138	57,028	(2,890)	98,447
Charges for services	19,828	19,828	24,887	(5,059)	2,209
Interest income	-	-	942	(942)	1,197
Miscellaneous	32,999	30,436	28,023	2,413	102,153
Total revenues	<u>1,303,684</u>	<u>1,004,820</u>	<u>995,566</u>	<u>9,254</u>	<u>1,316,280</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	1,325,338	1,310,456	1,205,449	105,007	1,545,144
Total expenditures	<u>1,325,338</u>	<u>1,310,456</u>	<u>1,205,449</u>	<u>105,007</u>	<u>1,545,144</u>
Excess (deficiency) of revenues over (under) expenditures	(21,654)	(305,636)	(209,883)	(95,753)	(228,864)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	18,000	300,199	315,519	(15,320)	204,356
Transfers out	-	-	(919)	919	-
Total other financing sources (uses)	<u>18,000</u>	<u>300,199</u>	<u>314,600</u>	<u>(14,401)</u>	<u>204,356</u>
Net change in fund balance	<u>\$ (3,654)</u>	<u>\$ (5,437)</u>	<u>104,717</u>	<u>\$ (110,154)</u>	<u>(24,508)</u>
Fund balance, January 1			214,266		238,774
Fund balance, December 31			<u>\$ 318,983</u>		<u>\$ 214,266</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Recreation/Auditorium</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 1,447,468	\$ 1,380,929	\$ 1,314,872	\$ 66,057	\$ 1,344,613
Charges for services	427,908	427,908	504,532	(76,624)	493,322
Interest income	-	-	5,261	(5,261)	2,575
Miscellaneous	22,964	22,964	33,304	(10,340)	63,353
Total revenues	<u>1,898,340</u>	<u>1,831,801</u>	<u>1,857,969</u>	<u>(26,168)</u>	<u>1,903,863</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,414,140	3,592,283	2,448,852	1,143,431	1,903,537
Total expenditures	<u>3,414,140</u>	<u>3,592,283</u>	<u>2,448,852</u>	<u>1,143,431</u>	<u>1,903,537</u>
Excess (deficiency) of revenues over (under) expenditures	(1,515,800)	(1,760,482)	(590,883)	(1,169,599)	326
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,515,800	1,691,488	1,101,175	590,313	390,862
Transfers out	-	(2,500)	(308,678)	306,178	(2,470)
Total other financing sources (uses)	<u>1,515,800</u>	<u>1,688,988</u>	<u>792,497</u>	<u>896,491</u>	<u>388,392</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (71,494)</u>	<u>201,614</u>	<u>\$ (273,108)</u>	<u>388,718</u>
Fund balance, January 1			1,005,938		617,220
Fund balance, December 31			<u>\$ 1,207,552</u>		<u>\$ 1,005,938</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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<b>Emergency Fund</b>					
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>	
<b>REVENUES</b>					
Property tax collections	\$ 773,245	\$ 556,788	\$ 216,457	\$ 369,500	
Intergovernmental	-	5,691	(5,691)	572,727	
Interest income	-	1,694	(1,694)	2,036	
Miscellaneous	-	-	-	19,763	
Total revenues	<u>773,245</u>	<u>564,173</u>	<u>209,072</u>	<u>964,026</u>	
<b>EXPENDITURES</b>					
Current					
General government	773,245	330,378	442,867	879,626	
Total expenditures	<u>773,245</u>	<u>330,378</u>	<u>442,867</u>	<u>879,626</u>	
Excess (deficiency) of revenues over (under) expenditures	-	233,795	(233,795)	84,400	
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	(10,376)	10,376	(15,484)	
Total other financing sources (uses)	<u>-</u>	<u>(10,376)</u>	<u>10,376</u>	<u>(15,484)</u>	
Net change in fund balance	\$ -	223,419	\$ (223,419)	68,916	
Fund balance, January 1		666,223		597,307	
Fund balance, December 31		<u>\$ 889,642</u>		<u>\$ 666,223</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Property Relief-1st Penny</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 1,260,873	\$ 1,068,757	\$ 192,116	\$ 1,301,777
Interest income	-	526	(526)	930
Total revenues	<u>1,260,873</u>	<u>1,069,283</u>	<u>191,590</u>	<u>1,302,707</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,494,463)	(1,494,989)	526	(1,369,920)
Total other financing sources (uses)	<u>(1,494,463)</u>	<u>(1,494,989)</u>	<u>526</u>	<u>(1,369,920)</u>
Net change in fund balance	\$ (233,590)	(425,706)	\$ 192,116	(67,213)
Fund balance, January 1		538,380		605,593
Fund balance, December 31	<u>\$ 112,674</u>			<u>\$ 538,380</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Economic Development</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 1,891,309	\$ 1,891,309	\$ 1,603,136	\$ 288,173	\$ -
Interest income	24,961	24,961	13,892	11,069	17,924
Miscellaneous	-	-	119,444	(119,444)	18,250
Total revenues	<u>1,916,270</u>	<u>1,916,270</u>	<u>1,736,472</u>	<u>179,798</u>	<u>36,174</u>
<b>EXPENDITURES</b>					
Current					
Economic development	1,866,270	5,090,805	1,145,992	3,944,813	3,266,376
Total expenditures	<u>1,866,270</u>	<u>5,090,805</u>	<u>1,145,992</u>	<u>3,944,813</u>	<u>3,266,376</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	(3,174,535)	590,480	(3,765,015)	(3,230,202)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	148,879	(148,879)	1,200,424
Transfers out	(50,000)	(50,000)	(50,000)	-	(597,334)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>98,879</u>	<u>(148,879)</u>	<u>603,090</u>
Net change in fund balance	\$ -	\$ (3,224,535)	689,359	\$ (3,913,894)	(2,627,112)
Fund balance, January 1			8,041,392		10,668,504
Fund balance, December 31			<u>\$ 8,730,751</u>		<u>\$ 8,041,392</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Improvements</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 3,152,182	\$ 3,152,182	\$ 2,671,893	\$ 480,289	\$ 3,254,215
Intergovernmental	-	-	721	(721)	11,393
Interest income	-	-	11,052	(11,052)	10,200
Miscellaneous income	-	-	-	-	20,259
Total revenues	<u>3,152,182</u>	<u>3,152,182</u>	<u>2,683,666</u>	<u>468,516</u>	<u>3,296,067</u>
<b>EXPENDITURES</b>					
General government	20,000	20,000	-	20,000	-
Culture and recreation	-	163,096	28,634	134,462	1,629,217
Total expenditures	<u>20,000</u>	<u>183,096</u>	<u>28,634</u>	<u>154,462</u>	<u>1,629,217</u>
Excess (deficiency) of revenues over (under) expenditures	<u>3,132,182</u>	<u>2,969,086</u>	<u>2,655,032</u>	<u>314,054</u>	<u>1,666,850</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	175,525	(175,525)	132,046
Transfers out	(3,166,382)	(3,682,182)	(3,066,817)	(615,365)	(1,776,333)
Total other financing sources (uses)	<u>(3,166,382)</u>	<u>(3,682,182)</u>	<u>(2,891,292)</u>	<u>(790,890)</u>	<u>(1,644,287)</u>
Net change in fund balance	<u>\$ (34,200)</u>	<u>\$ (713,096)</u>	<u>(236,260)</u>	<u>\$ (476,836)</u>	<u>22,563</u>
Fund balance, January 1			<u>5,862,916</u>		<u>5,840,353</u>
Fund balance, December 31			<u>\$ 5,626,656</u>		<u>\$ 5,862,916</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Flood Control</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collection	\$ -	\$ -	\$ 13	\$ (13)	\$ 68
Sales tax collections	6,304,363	3,629,363	2,668,786	960,577	6,508,886
Intergovernmental	-	-	-	-	5,183
Interest income	36,831	36,831	25,866	10,965	17,646
Total revenues	<u>6,341,194</u>	<u>3,666,194</u>	<u>2,694,665</u>	<u>971,529</u>	<u>6,531,783</u>
<b>EXPENDITURES</b>					
General government	2,500,000	3,949,506	913,996	3,035,510	34,334
Total expenditures	<u>2,500,000</u>	<u>3,949,506</u>	<u>913,996</u>	<u>3,035,510</u>	<u>34,334</u>
Excess (deficiency) of revenues over (under) expenditures	3,841,194	(283,312)	1,780,669	(2,063,981)	6,497,449
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	73,139	(73,139)	200,000
Transfers out	<u>(2,675,000)</u>	<u>-</u>	<u>(109,102)</u>	<u>109,102</u>	<u>(2,600,000)</u>
Total other financing sources (uses)	<u>(2,675,000)</u>	<u>-</u>	<u>(35,963)</u>	<u>35,963</u>	<u>(2,400,000)</u>
Net change in fund balance	<u>\$ 1,166,194</u>	<u>\$ (283,312)</u>	<u>1,744,706</u>	<u>\$ (2,028,018)</u>	<u>4,097,449</u>
Fund balance, January 1			11,238,809		7,141,360
Fund balance, December 31			<u>\$ 12,983,515</u>		<u>\$ 11,238,809</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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	<b>Sidewalk</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$ 120,000	\$ 116,258	\$ 3,742	\$ 117,137
Special assessment collections	-	3,017	(3,017)	2,435
Interest income	-	436	(436)	328
Total revenues	<u>120,000</u>	<u>119,711</u>	289	<u>119,900</u>
<b>EXPENDITURES</b>				
General government	120,000	113,129	6,871	92,018
Total expenditures	<u>120,000</u>	<u>113,129</u>	6,871	<u>92,018</u>
Excess (deficiency) of revenues over (under) expenditures	-	6,582	(6,582)	27,882
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(286)	286	(198)
Total other financing sources (uses)	<u>-</u>	<u>(286)</u>	286	<u>(198)</u>
Net change in fund balance	\$ -	6,296	\$ (6,296)	27,684
Fund balance, January 1		38,716		11,032
Fund balance, December 31		<u>\$ 45,012</u>		<u>\$ 38,716</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

		<b>Street Improvements</b>			
		<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>
					<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections		\$ -	\$ -	\$ 13,019	\$ (13,019)
Intergovernmental		-	-	1,246,378	(1,246,378)
Interest income		-	-	10,901	(10,901)
Miscellaneous income		-	-	121	(121)
Total revenues		<u>-</u>	<u>-</u>	<u>1,270,419</u>	<u>(1,270,419)</u>
<b>EXPENDITURES</b>					
Highways and streets		2,900,000	3,771,143	2,576,346	1,194,797
Total expenditures		<u>2,900,000</u>	<u>3,771,143</u>	<u>2,576,346</u>	<u>1,194,797</u>
Excess (deficiency) of revenues over (under) expenditures		(2,900,000)	(3,771,143)	(1,305,927)	(2,465,216)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in		2,900,000	2,900,000	1,382,093	1,517,907
Transfers out		-	-	(76,920)	76,920
Total other financing sources (uses)		<u>2,900,000</u>	<u>2,900,000</u>	<u>1,305,173</u>	<u>1,594,827</u>
Net change in fund balance		\$ -	\$ (871,143)	(754)	\$ (870,389)
Fund balance, January 1				4,329,402	4,981,136
Fund balance, December 31				<u>\$ 4,328,648</u>	<u>\$ 4,329,402</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Demolitions</b>					
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>	
<b>REVENUES</b>					
Property tax collections	\$ 500,000	\$ 485,651	\$ 14,349	\$ 483,525	
Special assessment collections	-	8,837	(8,837)	51,374	
Interest income	-	3,218	(3,218)	2,930	
Total revenues	<u>500,000</u>	<u>497,706</u>	<u>2,294</u>	<u>537,829</u>	
<b>EXPENDITURES</b>					
General government	500,000	121,134	378,866	26,559	
Total expenditures	<u>500,000</u>	<u>121,134</u>	<u>378,866</u>	<u>26,559</u>	
Excess (deficiency) of revenues over (under) expenditures		-	376,572	(376,572)	511,270
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	(8,117)	8,117	(1,158)	
Total other financing sources (uses)	<u>-</u>	<u>(8,117)</u>	<u>8,117</u>	<u>(1,158)</u>	
Net change in fund balance	\$ -	368,455	\$ (368,455)	510,112	
Fund balance, January 1		691,399		181,287	
Fund balance, December 31		<u>\$ 1,059,854</u>		<u>\$ 691,399</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Property Tax Relief - 2nd Penny</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 3,782,618	\$ 3,782,618	\$ 3,206,271	\$ 576,347	\$ 3,905,333
Interest income	-	-	2,979	(2,979)	5,444
Total revenues	<u>3,782,618</u>	<u>3,782,618</u>	<u>3,209,250</u>	<u>573,368</u>	<u>3,910,777</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(5,276,832)	(5,634,719)	(5,637,698)	2,979	(4,532,592)
Total other financing sources (uses)	<u>(5,276,832)</u>	<u>(5,634,719)</u>	<u>(5,637,698)</u>	<u>2,979</u>	<u>(4,532,592)</u>
Net change in fund balance	\$ (1,494,214)	\$ (1,852,101)	(2,428,448)	\$ 576,347	(621,815)
Fund balance, January 1			2,781,852		3,403,667
Fund balance, December 31			<u>\$ 353,404</u>		<u>\$ 2,781,852</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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<b>Sales Tax Infrastructure</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 5,043,491	\$ 4,275,029	\$ 768,462	\$ 2,759,100
Charges for Services	-	257,500	(257,500)	-
Interest income	-	15,955	(15,955)	13,260
Total revenues	<u>5,043,491</u>	<u>4,548,484</u>	<u>495,007</u>	<u>2,772,360</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,050,000)	(2,671,113)	(1,378,887)	(2,966,260)
Total other financing sources (uses)	<u>(4,050,000)</u>	<u>(2,671,113)</u>	<u>(1,378,887)</u>	<u>(2,966,260)</u>
Net change in fund balance	<u>\$ 993,491</u>	<u>1,877,371</u>	<u>\$ (883,880)</u>	<u>(193,900)</u>
Fund balance, January 1		7,483,834		7,677,734
Fund balance, December 31		<u>\$ 9,361,205</u>		<u>\$ 7,483,834</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Sales Tax Community Facilities</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 3,782,618	\$ 3,782,618	\$ 3,206,272	\$ 576,346	\$ 3,755,333
Interest income	-	-	10,050	(10,050)	14,484
Total revenues	<u>3,782,618</u>	<u>3,782,618</u>	<u>3,216,322</u>	<u>566,296</u>	<u>3,769,817</u>
<b>EXPENDITURES</b>					
Culture and recreation	3,000,000	5,257,776	3,976,030	1,281,746	4,684,943
Total expenditures	<u>3,000,000</u>	<u>5,257,776</u>	<u>3,976,030</u>	<u>1,281,746</u>	<u>4,684,943</u>
Excess (deficiency) of revenues over (under) expenditures	<u>782,618</u>	<u>(1,475,158)</u>	<u>(759,708)</u>	<u>(715,450)</u>	<u>(915,126)</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	160,917	(160,917)	45
Transfers out	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(429,924)</u>	<u>(620,076)</u>	<u>(70,651)</u>
Total other financing sources (uses)	<u>(1,050,000)</u>	<u>(1,050,000)</u>	<u>(269,007)</u>	<u>(780,993)</u>	<u>(70,606)</u>
Net change in fund balance	<u>\$ (267,382)</u>	<u>\$ (2,525,158)</u>	<u>(1,028,715)</u>	<u>\$ (1,496,443)</u>	<u>(985,732)</u>
Fund balance, January 1			6,669,543		7,655,275
Fund balance, December 31			<u>\$ 5,640,828</u>		<u>\$ 6,669,543</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>CDBG - Disaster Recovery \$67.5M</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 333,442	\$ (333,442)	\$ 2,334,265
Interest income	- -	- -	96	(96)	234
Miscellaneous	- -	- -	36,435	(36,435)	-
Total revenues	- -	- -	369,973	(369,973)	2,334,499
<b>EXPENDITURES</b>					
General government	- -	1,726,224	362,106	1,364,118	2,335,647
Total expenditures	- -	1,726,224	362,106	1,364,118	2,335,647
Excess (deficiency) of revenues over (under) expenditures	- -	(1,726,224)	7,867	(1,734,091)	(1,148)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	- -	- -	14,102	(14,102)	1,148
Transfers out	- -	- -	(21,969)	21,969	-
Total other financing sources (uses)	- -	- -	(7,867)	7,867	1,148
Net change in fund balance	\$ -	\$ (1,726,224)	- -	\$ (1,726,224)	- -
Fund balance, January 1			- -		- -
Fund balance, December 31			<u>\$ -</u>		<u>\$ -</u>

(continued)

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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**CDBG - Disaster Recovery \$35M**

	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 732,143	\$ (732,143)	\$ 9,571,422
Miscellaneous	-	-	25,002	(25,002)	35,614
Total revenues	-	-	757,145	(757,145)	9,607,036
<b>EXPENDITURES</b>					
General government	-	2,057,643	757,145	1,300,498	9,607,036
Total expenditures	-	2,057,643	757,145	1,300,498	9,607,036
Net change in fund balance	\$ -	\$ (2,057,643)	-	\$ (2,057,643)	-
Fund balance, January 1			-		-
Fund balance, December 31			\$ -		\$ -

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

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**National Disaster Resilience \$74.3M**

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	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ 966,823	\$ 965,816	\$ 1,007	\$ -
Miscellaneous	-	-	1,000	(1,000)	-
Total revenues	-	966,823	966,816	7	-
<b>EXPENDITURES</b>					
Economic development	-	966,823	966,816	7	-
Total expenditures	-	966,823	966,816	7	-
Net change in fund balance	\$ -	\$ -	-	\$ -	-
Fund balance, January 1			-		-
Fund balance, December 31			<u>\$ -</u>		<u>\$ -</u>

**City of Minot, North Dakota  
Nonmajor Debt Service Funds**

***Highway Debt*** – is a debt service fund established to accumulate the resources used to pay the principal and interest on bonds for paving and street projects maturing in future years.

**City of Minot, North Dakota**  
**Balance Sheet**  
**Nonmajor Debt Service Fund**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Highway Debt 2016	Highway Debt 2015
<b>ASSETS</b>		
Cash and investments	\$ 153,933	\$ 227,468
Restricted cash and investments	894,426	968,516
Taxes receivable delinquent	178,432	92,879
Intergovernmental receivable	2,780	747
Advance to other funds	<u>133,527</u>	<u>173,527</u>
Total assets	<u><u>\$ 1,363,098</u></u>	<u><u>\$ 1,463,137</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	\$ 85,590	\$ 39,598
Total deferred inflows of resources	<u>85,590</u>	<u>39,598</u>
<b>FUND BALANCE</b>		
Nonspendable	133,527	173,527
Restricted	894,426	968,516
Assigned	<u>249,555</u>	<u>281,496</u>
Total fund balance	<u>1,277,508</u>	<u>1,423,539</u>
Total deferred inflows and fund balance	<u><u>\$ 1,363,098</u></u>	<u><u>\$ 1,463,137</u></u>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Highway Debt 2016	Highway Debt 2015
<b>REVENUES</b>		
Property tax collections	\$ 2,253,429	\$ 2,796,530
Interest income	5,291	4,807
Miscellaneous income	-	214,524
Total revenues	<u>2,258,720</u>	<u>3,015,861</u>
<b>EXPENDITURES</b>		
General government	-	1,000
Debt service		
Principal retirement	2,190,000	2,385,000
Interest and fiscal charges	<u>355,185</u>	<u>386,231</u>
Total expenditures	<u>2,545,185</u>	<u>2,772,231</u>
Excess (deficiency) of revenues over (under) expenditures	(286,465)	243,630
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	219,896	5,375
Transfers out	<u>(79,462)</u>	<u>(318,865)</u>
Total other financing sources (uses)	<u>140,434</u>	<u>(313,490)</u>
Net change in fund balance	(146,031)	(69,860)
Fund balance, January 1	1,423,539	1,493,399
Fund balance, December 31	<u>\$ 1,277,508</u>	<u>\$ 1,423,539</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Debt Service Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<u>Highway Debt</u>					
	Original Budgeted Amounts	Final Budgeted Amounts	2016 Actual Amounts	Variance with Final Budget	2015 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 859,422	\$ 2,353,885	\$ 2,253,429	\$ 100,456	\$ 2,796,530
Interest income	-	-	5,291	(5,291)	4,807
Miscellaneous income	-	-	-	-	214,524
Total revenues	<u>859,422</u>	<u>2,353,885</u>	<u>2,258,720</u>	<u>95,165</u>	<u>3,015,861</u>
<b>EXPENDITURES</b>					
General government	148,122	148,122	-	148,122	1,005
Debt service					
Principal retirement	2,121,250	2,121,250	2,190,000	(68,750)	2,385,000
Interest and fiscal charges	<u>343,772</u>	<u>343,772</u>	<u>355,185</u>	<u>(11,413)</u>	<u>386,231</u>
Total expenditures	<u>2,613,144</u>	<u>2,613,144</u>	<u>2,545,185</u>	<u>67,959</u>	<u>2,772,236</u>
Excess (deficiency) of revenues over (under) expenditures	(1,753,722)	(259,259)	(286,465)	27,206	243,625
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,753,722	259,259	219,896	39,363	5,375
Transfers out	-	-	(79,462)	79,462	(318,865)
Total other financing sources (uses)	<u>1,753,722</u>	<u>259,259</u>	<u>140,434</u>	<u>118,825</u>	<u>(313,490)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ -</u>	<u>(146,031)</u>	<u>\$ 146,031</u>	<u>(69,865)</u>
Fund balance, January 1			1,423,539		1,493,399
Fund balance, December 31			<u>\$ 1,277,508</u>		<u>\$ 1,423,534</u>

## **City of Minot, North Dakota Nonmajor Capital Project Funds**

**CAPITAL PROJECT FUNDS** Funds used to account for and report financial resources restricted, committed, or assigned to expenditure for capital outlays (items with a value greater than \$5,000) including the acquisition or construction of capital facilities and other capital assets. Capital projects funds exclude those types of funds or for assets held in trust for individuals, private organizations, or other governments. (GASB Statement No. 54, paragraph 33)

***Sertoma Sports Complex*** - To account for resources used in construction of athletic facilities within the City. The City's share of funding is provided by private donations, tournament and user fees.

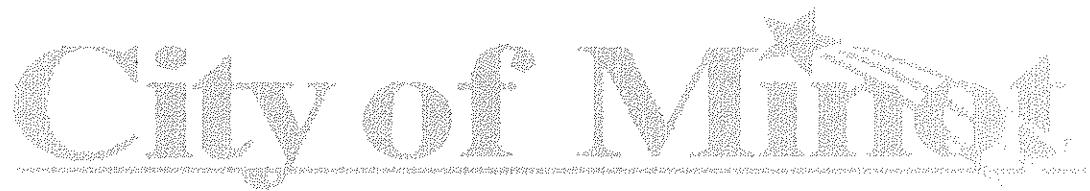
***Special Assessment Capital*** - To account for the financing of public improvements or services deemed advisable to benefit the properties against which special assessments are levied.

***Fire Equipment*** - To account for the resources used for the purchase of budgeted fire capital assets. Funding is provided by ND Century Code Sec. 57-15-42 upon a 60% vote of approval by the electorate.

***Community Development Block Grant and Economic Development Administration*** – To account for capital resources used toward the intermodal park. Funding is provided by the Community Development Block Grants and the Economic Development Administration.

***Equipment Purchase*** - To account for the resources used for the purchase and replacement of capital equipment for various City departments. Funding is provided by the sanitation and water and sewer utility funds and the mill levy.

***Flood Control Capital*** - To account for capital resources used towards flood control projects within the City of Minot. Funding is provided by sales tax collections.



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**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Sertoma Sports Complex</b>	<b>Special Assessment Capital</b>	<b>Fire Equipment</b>	<b>CDBG and EDA</b>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 251,266	\$ -
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	-	-	12,303	-
Due from other funds	-	-	115,484	-
Intergovernmental receivable	-	785,832	174	-
Total assets	<b>\$ -</b>	<b>\$ 785,832</b>	<b>\$ 379,227</b>	<b>\$ -</b>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 4,990	\$ 445	\$ -
Retainage payable	-	63,397	-	-
Due to other funds	-	115,484	-	-
Total liabilities	<b>-</b>	<b>183,871</b>	<b>445</b>	<b>-</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	5,423	-
Total deferred inflows of resources	<b>-</b>	<b>-</b>	<b>5,423</b>	<b>-</b>
<b>FUND BALANCE</b>				
Restricted	-	-	-	-
Assigned	-	601,961	373,359	-
Unassigned	-	-	-	-
Total fund balance	<b>-</b>	<b>601,961</b>	<b>373,359</b>	<b>-</b>
Total liabilities, inflows and fund balance	<b>\$ -</b>	<b>\$ 785,832</b>	<b>\$ 379,227</b>	<b>\$ -</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Equipment Purchase	Flood Control Capital	Total 2016	Total 2015
<b>ASSETS</b>				
Cash and investments	\$ 927,182	\$ 85,988	\$ 1,264,436	\$ 3,125,634
Restricted cash and investments	-	-	-	148,879
Taxes receivable delinquent	121,317	-	133,620	57,112
Due from other funds	-	-	115,484	-
Intergovernmental receivable	1,330	-	787,336	727,739
Total assets	<b>\$ 1,049,829</b>	<b>\$ 85,988</b>	<b>\$ 2,300,876</b>	<b>\$ 4,059,364</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 188,766	\$ 306,958	\$ 501,159	\$ 565,824
Retainage payable	-	44,852	108,249	83,666
Due to other funds	-	-	115,484	-
Total liabilities	<b>188,766</b>	<b>351,810</b>	<b>724,892</b>	<b>649,490</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	<b>66,828</b>	-	<b>72,251</b>	<b>34,127</b>
Total deferred inflows of resources	<b>66,828</b>	-	<b>72,251</b>	<b>34,127</b>
<b>FUND BALANCE</b>				
Restricted	-	-	-	148,879
Assigned	794,235	-	1,769,555	3,226,868
Unassigned	-	(265,822)	(265,822)	-
Total fund balance	<b>794,235</b>	<b>(265,822)</b>	<b>1,503,733</b>	<b>3,375,747</b>
Total liabilities, inflows and fund balance	<b>\$ 1,049,829</b>	<b>\$ 85,988</b>	<b>\$ 2,300,876</b>	<b>\$ 4,059,364</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Sertoma Sports Complex	Special Assessment Capital	Fire Equipment	CDBG and EDA
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 187,820	\$ -
Sales tax collections	- -	- -	- -	- -
Intergovernmental	- -	936,166	- -	- -
Interest income	5 5	1,912	426	- -
Miscellaneous	- -	31,811	- -	- -
<b>Total revenues</b>	<b>5 5</b>	<b>969,889</b>	<b>188,246</b>	<b>- -</b>
<b>EXPENDITURES</b>				
Capital outlay				
Contracted work	- -	1,870,120	- -	- -
Equipment	- -	- -	1,270,293	- -
Legal	- -	- -	- -	- -
Other	- -	190,888	505	- -
Acquisitions	- -	- -	- -	- -
Engineering	- -	126,377	- -	- -
Debt retirement				
Interest and fiscal charges	- -	- -	- -	- -
<b>Total expenditures</b>	<b>- -</b>	<b>2,187,385</b>	<b>1,270,798</b>	<b>- -</b>
Excess (deficiency) of revenues over (under) expenditures	5 (1,217,496)	(1,082,552)	- -	- -
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	- -	780,000	- -	- -
Special assessment bonds issued	- -	- -	- -	- -
Premium on general obligation bonds	- -	1,662	- -	- -
Discount on special assessment bonds	- -	- -	- -	- -
Sale of City property	- -	- -	100,000	- -
Transfers in	- -	127,980	890,250	- -
Transfers out	(6,647) (6,647)	(305,154)	(15,676)	(148,879)
<b>Total other financing sources (uses)</b>	<b>(6,647) (6,647)</b>	<b>604,488</b>	<b>974,574</b>	<b>(148,879) (148,879)</b>
Net change in fund balance	(6,642)	(613,008)	(107,978)	(148,879)
Fund balance, January 1	6,642	1,214,969	481,337	148,879
<b>Fund balance (deficit), December 31</b>	<b>\$ - \$ 601,961</b>	<b>\$ 373,359</b>	<b>\$ -</b>	<b>\$ -</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<b>Equipment Purchase</b>	<b>Flood Control Capital</b>	<b>Total 2016</b>	<b>Total 2015</b>
<b>REVENUES</b>				
Property tax collections	\$ 1,377,535	\$ -	\$ 1,565,355	\$ 639,564
Sales tax collections	-	2,675,000	2,675,000	-
Intergovernmental	146,229	-	1,082,395	3,231,677
Interest income	2,655	1,969	6,967	2,639
Miscellaneous	30,888	-	62,699	792,648
Total revenues	<b>1,557,307</b>	<b>2,676,969</b>	<b>5,392,416</b>	<b>4,666,528</b>
<b>EXPENDITURES</b>				
Capital outlay				
Contracted work	190,612	1,017,717	3,078,449	4,207,498
Equipment	1,659,051	-	2,929,344	2,581,331
Legal	-	2,105	2,105	3,751
Other	7,386	8,727	207,506	197,320
Acquisitions	-	114,000	114,000	16,337
Engineering	4,593	2,109,716	2,240,686	3,223,643
Debt retirement				
Interest and fiscal charges	-	-	-	142
Total expenditures	<b>1,861,642</b>	<b>3,252,265</b>	<b>8,572,090</b>	<b>10,230,022</b>
Excess (deficiency) of revenues over (under) expenditures	(304,335)	(575,296)	(3,179,674)	(5,563,494)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	780,000	-
Special assessment bonds issued	-	-	-	1,835,000
Premium on general obligation bonds	-	-	1,662	-
Discount on special assessment bonds	-	-	-	(1,779)
Sale of City property	76,440	-	176,440	74,815
Transfers in	423,508	103,918	1,545,656	5,621,849
Transfers out	(27,141)	(692,601)	(1,196,098)	(343,987)
Total other financing sources (uses)	<b>472,807</b>	<b>(588,683)</b>	<b>1,307,660</b>	<b>7,185,898</b>
Net change in fund balance	168,472	(1,163,979)	(1,872,014)	1,622,404
Fund balance, January 1	625,763	898,157	3,375,747	1,753,343
Fund balance (deficit), December 31	<b>\$ 794,235</b>	<b>\$ (265,822)</b>	<b>\$ 1,503,733</b>	<b>\$ 3,375,747</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Fire Equipment</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 179,000	\$ 179,000	\$ 187,820	\$ (8,820)	\$ 86,835
Intergovernmental	-	-	-	-	5,941
Interest income	-	-	426	(426)	818
Miscellaneous	-	-	-	-	320,492
Total revenues	<u>179,000</u>	<u>179,000</u>	<u>188,246</u>	<u>(9,246)</u>	<u>414,086</u>
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work					380,437
Equipment	1,084,500	1,558,650	1,270,293	288,357	283,818
Other	-	-	505	(505)	112
Engineering	-	-	-	-	7,754
Total expenditures	<u>1,084,500</u>	<u>1,558,650</u>	<u>1,270,798</u>	<u>287,852</u>	<u>672,121</u>
Excess (deficiency) of revenues over (under) expenditures	(905,500)	(1,379,650)	(1,082,552)	(297,098)	(258,035)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	100,000	(100,000)	-
Transfers in	905,500	875,000	890,250	(15,250)	63,750
Transfers out	-	-	(15,676)	15,676	(118,117)
Total other financing sources (uses)	<u>905,500</u>	<u>875,000</u>	<u>974,574</u>	<u>(99,574)</u>	<u>(54,367)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (504,650)</u>	<u>(107,978)</u>	<u>\$ (396,672)</u>	<u>(312,402)</u>
Fund balance, January 1			481,337		793,739
Fund balance, December 31			<u>\$ 373,359</u>		<u>\$ 481,337</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Equipment Purchase</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$1,424,595	\$ 1,448,049	\$ 1,377,535	\$ 70,514	\$ 552,729
Intergovernmental	400,000	486,440	146,229	340,211	2,376,217
Interest income	-	-	2,655	(2,655)	1,690
Miscellaneous	-	31,529	30,888	641	439,464
Total revenues	<u>1,824,595</u>	<u>1,966,018</u>	<u>1,557,307</u>	<u>408,711</u>	<u>3,370,100</u>
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work	-	-	190,612	(190,612)	1,862,032
Equipment	2,455,655	3,443,872	1,659,051	1,784,821	2,297,513
Other	-	-	7,386	(7,386)	109,320
Engineering	-	-	4,593	(4,593)	2,709
Total expenditures	<u>2,455,655</u>	<u>3,443,872</u>	<u>1,861,642</u>	<u>1,582,230</u>	<u>4,271,574</u>
Excess (deficiency) of revenues over (under) expenditures	(631,060)	(1,477,854)	(304,335)	(1,173,519)	(901,474)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	75,000	75,000	76,440	(1,440)	74,815
Transfers in	556,060	556,060	423,508	132,552	558,211
Transfers out	-	-	(27,141)	27,141	(106,979)
Total other financing sources (uses)	<u>631,060</u>	<u>631,060</u>	<u>472,807</u>	<u>158,253</u>	<u>526,047</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (846,794)</u>	<u>168,472</u>	<u>\$ (1,015,266)</u>	<u>(375,427)</u>
Fund balance, January 1			625,763		1,001,190
Fund balance, December 31			<u>\$ 794,235</u>		<u>\$ 625,763</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>Flood Control Capital</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2016 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2015 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ -	\$ 2,675,000	\$ 2,675,000	\$ -	\$ -
Interest income	-	-	1,969	(1,969)	-
Miscellaneous	-	-	-	-	32,692
<b>Total revenues</b>	<b>-</b>	<b>2,675,000</b>	<b>2,676,969</b>	<b>(1,969)</b>	<b>32,692</b>
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work	-	3,258,874	1,017,717	2,241,157	-
Legal	-	-	2,105	(2,105)	3,751
Other	-	-	8,727	(8,727)	-
Acquisitions	-	-	114,000	(114,000)	16,337
Engineering	-	-	2,109,716	(2,109,716)	2,772,539
<b>Total expenditures</b>	<b>-</b>	<b>3,258,874</b>	<b>3,252,265</b>	<b>6,609</b>	<b>2,792,627</b>
Excess (deficiency) of revenues over (under) expenditures	-	(583,874)	(575,296)	(8,578)	(2,759,935)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	103,918	(103,918)	3,658,092
Transfers out	-	(690,632)	(692,601)	1,969	-
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(690,632)</b>	<b>(588,683)</b>	<b>(101,949)</b>	<b>3,658,092</b>
Net change in fund balance	\$ -	<u>\$ (1,274,506)</u>	<u>(1,163,979)</u>	<u>\$ (110,527)</u>	898,157
Fund balance, January 1			898,157		-
Fund balance, December 31			<u>\$ (265,822)</u>		<u>\$ 898,157</u>

## **City of Minot, North Dakota Nonmajor Enterprise Funds**

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

*Cemetery* - To account for the provisions of burial services for the residents of the City and surrounding area. All activities necessary to provide such services are accounted for in this fund, including but not limited to, administration, operations, maintenance, and sale of burial plots and related services.

*Parking Authority* - To account for the provisions of providing parking for the Central Business District of the City of Minot. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, and maintenance.

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Nonmajor Business-Type Activities	Total Nonmajor Proprietary Funds		Total Nonmajor Proprietary Funds 2015
		Cemetery	Parking Authority	
<b>ASSETS</b>				
Current				
Cash and cash equivalents	\$ 215,388	\$ 208,915	\$ 424,303	\$ 481,287
Taxes receivable delinquent	21,729	-	21,729	10,741
Accounts receivable	24,030	3,365	27,395	17,298
Intergovernmental receivable	9,149	-	9,149	425
Prepaid	7	75	82	164
Total current assets	270,303	212,355	482,658	509,915
Noncurrent assets				
Other assets - capital credits	2,043	1,374	3,417	3,341
Capital assets				
Land	179,504	136,397	315,901	315,901
Buildings	150,885	-	150,885	150,885
Equipment	297,598	342,867	640,465	566,763
Infrastructure	465,159	17,228	482,387	407,289
Construction in progress	-	-	-	2,605
Total capital assets	1,093,146	496,492	1,589,638	1,443,443
Less-accumulated depreciation	(405,970)	(343,441)	(749,411)	(704,742)
Net capital assets	687,176	153,051	840,227	738,701
Total assets	959,522	366,780	1,326,302	1,251,957
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	59,343	-	59,343	64,150
Total deferred outflows of resources	59,343	-	59,343	64,150
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	1,474	32,357	33,831	4,356
Accrued salaries payable	4,682	-	4,682	4,481
Compensated absences	7,947	-	7,947	7,287
Total current liabilities	14,103	32,357	46,460	16,124
Long-term liabilities				
Compensated absences	14,760	-	14,760	13,534
Customer deposits	-	600	600	600
Net pension liability	499,203	-	499,203	501,921
Total long-term liabilities	513,963	600	514,563	516,055
Total liabilities	528,066	32,957	561,023	532,179
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	49,899	-	49,899	38,579
Total deferred inflows of resources	49,899	-	49,899	38,579
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	687,176	153,051	840,227	738,701
Unrestricted net position	(246,276)	180,772	(65,504)	6,648
Total net position	\$ 440,900	\$ 333,823	\$ 774,723	\$ 745,349

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2016	Total Nonmajor Proprietary Funds 2015
	Cemetery	Parking Authority		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 294,333	\$ 48,527	\$ 342,860	\$ 359,334
Total operating revenues	294,333	48,527	342,860	359,334
<b>OPERATING EXPENSES</b>				
Salaries	281,613	14,129	295,742	311,887
Employee benefits	127,472	6,833	134,305	89,264
Professional services	110	-	110	97
Property services	18,414	6,187	24,601	30,078
Purchased services	6,057	36,459	42,516	18,462
Supplies	16,110	1,941	18,051	25,277
Sundry	38,341	5,298	43,639	31,396
Depreciation	42,344	9,147	51,491	61,335
Total operating expenses	530,461	79,994	610,455	567,796
Operating income (loss)	(236,128)	(31,467)	(267,595)	(208,462)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	285,332	-	285,332	166,746
Interest income	593	386	979	1,051
Miscellaneous income (expense)	3,395	822	4,217	3,611
Gain (loss) on sale of capital assets	(3,411)	-	(3,411)	-
Total non-operating revenues (expenses)	285,909	1,208	287,117	171,408
Income (loss) before contributions and transfers	49,781	(30,259)	19,522	(37,054)
Transfers in	10,831	-	10,831	-
Transfers out	(593)	(386)	(979)	(64,327)
Total contributions and transfers	10,238	(386)	9,852	(64,327)
Change in net position	60,019	(30,645)	29,374	(101,381)
Net position, January 1	380,881	364,468	745,349	1,339,283
Change in accounting principle - Note 5D	-	-	-	(492,553)
Net position, January 1, as restated	380,881	364,468	745,349	846,730
Net position, December 31	\$ 440,900	\$ 333,823	\$ 774,723	\$ 745,349

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	<u>Nonmajor Business-Type Activities</u>	<u>Total Nonmajor Proprietary Funds 2016</u>	<u>Total Nonmajor Proprietary Funds 2015</u>
	<u>Cemetery</u>	<u>Parking Authority</u>	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from customers and users	\$ 273,844	\$ 48,013	\$ 321,857
Payments to suppliers	(80,409)	(19,033)	(99,442)
Payments to employees	(392,727)	(21,824)	(414,551)
Due from other agencies	-	-	109
Due to other agencies	(8,780)	(20)	(8,800)
Net cash provided (used) by operating activities	<u>(208,072)</u>	<u>7,136</u>	<u>(199,249)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Taxes received	288,727	822	289,549
Transfers in	10,831	-	10,831
Transfers out	(593)	(386)	(979)
Net cash provided (used) by noncapital financing activities	<u>298,965</u>	<u>436</u>	<u>299,401</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Acquisition and construction of capital assets	(146,195)	-	(146,195)
Disposal of capital asset	(10,233)	-	(10,233)
Net cash provided (used) by capital and related financing activities	<u>(156,428)</u>	<u>-</u>	<u>(34,339)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	593	386	979
Net cash provided by investing activities	<u>593</u>	<u>386</u>	<u>979</u>
Net increase (decrease) in cash and cash equivalents	(64,942)	7,958	(56,984)
Cash and investments, January 1	280,330	200,957	481,287
Cash and investments, December 31	<u>\$ 215,388</u>	<u>\$ 208,915</u>	<u>\$ 424,303</u>
Cash and cash equivalents are comprised of the following:			
Cash and cash equivalents	<u>\$ 215,388</u>	<u>\$ 208,915</u>	<u>\$ 481,287</u>
Total cash and equivalents on the Statement of Net Position	<u>\$ 215,388</u>	<u>\$ 208,915</u>	<u>\$ 424,303</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (236,128)	\$ (31,467)	\$ (267,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			\$ (208,462)
Depreciation expense	42,344	9,147	51,491
Change in assets and liabilities:			61,335
Taxes receivable	(10,988)	-	(10,988)
Receivables, net	(9,588)	(509)	(10,097)
Intergovernmental receivable	(8,724)	-	(8,724)
Prepaid	87	(5)	82
Accounts payable	(1,377)	30,852	29,475
Accrued salaries payable	1,063	(862)	201
Accrued interest payable	1,886	-	1,886
Other assets	(56)	(20)	(76)
Net pension liability	(2,718)	-	(2,718)
Deferred outflows of resources related to pension	4,807	-	4,807
Deferred inflows of resources related to pension	11,320	-	11,320
Net cash provided (used) by operating activities	<u>\$ (208,072)</u>	<u>\$ 7,136</u>	<u>\$ (199,249)</u>

## **City of Minot, North Dakota Internal Service Funds**

**INTERNAL SERVICE FUNDS** - To account for the financing of goods or services provided by one department or agency of a government to other departments or agencies on a cost reimbursement basis.

***Central Garage*** - To account for the cost of providing fuel, maintenance and repairs to vehicles and equipment of all City departments.

***Self Insurance*** - To account for the cost of providing health insurance to City of Minot employees and retirees.

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Central Garage	Self Insurance	Total Internal Service Funds 2016	Total Internal Service Funds 2015
<b>ASSETS</b>				
Cash and investments	\$ 233,879	\$ 2,238,661	\$ 2,472,540	\$ 2,308,068
Accounts receivable	-	71	71	7,339
Inventory	361,257	-	361,257	312,509
Other assets - capital credits	2,232	-	2,232	2,232
<b>Total assets</b>	<b>597,368</b>	<b>2,238,732</b>	<b>2,836,100</b>	<b>2,630,148</b>
<b>LIABILITIES</b>				
Accounts payable	68,194	154	68,348	20,487
Insurance claims payable	-	136,303	136,303	142,927
<b>Total liabilities</b>	<b>68,194</b>	<b>136,457</b>	<b>204,651</b>	<b>163,414</b>
<b>NET POSITION</b>				
Unrestricted	529,174	2,102,275	2,631,449	2,466,734
<b>Total net position</b>	<b>\$ 529,174</b>	<b>\$ 2,102,275</b>	<b>\$ 2,631,449</b>	<b>\$ 2,466,734</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Central Garage	Self Insurance	Total Internal Service Funds 2016	Total Internal Service Funds 2015
<b>OPERATING REVENUES</b>				
Sales	\$ 779,008	\$ -	\$ 779,008	\$ 994,277
Cost of goods sold	(778,311)	-	(778,311)	(902,794)
Gross margin	697	-	697	91,483
Charges for services				
Employer	-	2,556,624	2,556,624	2,193,558
Employee	-	748,008	748,008	633,410
Total operating revenues	697	3,304,632	3,305,329	2,918,451
<b>OPERATING EXPENSES</b>				
Supplies	5,393	-	5,393	-
Insurance claims	-	3,123,359	3,123,359	2,523,588
Total operating expenses	5,393	3,123,359	3,128,752	2,523,588
Operating income (loss)	(4,696)	181,273	176,577	394,863
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	510	4,683	5,193	3,943
Miscellaneous income (expense)	(37,084)	20,029	(17,055)	44,649
Total non-operating revenues (expenses)	(36,574)	24,712	(11,862)	48,592
Change in net position	(41,270)	205,985	164,715	443,455
Net position, January 1	570,444	1,896,290	2,466,734	2,023,279
Net position, December 31	\$ 529,174	\$ 2,102,275	\$ 2,631,449	\$ 2,466,734

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Central Garage	Self Insurance	Total Internal Service Funds 2016	Total Internal Service Funds 2015
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 735,498	\$ 3,306,662	\$ 4,042,160	\$ 3,858,344
Payments to suppliers	(719,637)	(3,146,189)	(3,865,826)	(3,373,586)
Net cash provided (used) by operating activities	<u>15,861</u>	<u>160,473</u>	<u>176,334</u>	<u>484,758</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Internal activity - payments from other funds	-	20,029	20,029	44,649
Internal activity - payments to other funds	(37,084)	-	(37,084)	-
Net cash provided (used) by noncapital financing activities	<u>(37,084)</u>	<u>20,029</u>	<u>(17,055)</u>	<u>44,649</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	510	4,683	5,193	3,943
Net cash provided by investing activities	<u>510</u>	<u>4,683</u>	<u>5,193</u>	<u>3,943</u>
Net increase in cash and cash equivalents	(20,713)	185,185	164,472	533,350
Cash and investments, January 1	254,592	2,053,476	2,308,068	1,774,718
Cash and investments, December 31	<u>\$ 233,879</u>	<u>\$ 2,238,661</u>	<u>\$ 2,472,540</u>	<u>\$ 2,308,068</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (4,696)	\$ 181,273	\$ 176,577	\$ 394,863
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	5,238	2,030	7,268	(753)
Inventory	(48,748)	-	(48,748)	37,852
Prepaid	-	-	-	2,850
Accounts payable	64,067	(16,206)	47,861	16,088
Insurance claims payable	-	(6,624)	(6,624)	33,858
Net cash provided (used) by operating activities	<u>\$ 15,861</u>	<u>\$ 160,473</u>	<u>\$ 176,334</u>	<u>\$ 484,758</u>

## **City of Minot, North Dakota Trust and Agency Funds**

**TRUST FUNDS** - A pension trust fund is a fund made up of money contributed to by both the employer and the employee for pension benefits. A trustee administers the funds and invests the money, collects the earnings and interest and distributes the benefits. Additional information is provided below for some of the major funds in this category.

***City Employee Pension*** - Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

***OPEB*** - Other Postemployment Benefits include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

**AGENCY FUNDS** - Funds used to report resources held by the reporting government in a purely custodial capacity (assets equal liabilities). Agency funds typically involve only the receipt, temporary investment, and remittance of fiduciary resources to individuals, private organizations, or other governments. (SGAS 34) Additional information is provided below for some of the major funds in this category.

***Payroll Deductions*** - To account for the receipt and disbursement of employee payroll deductions on a monthly basis.

***Employer Social Security*** - To account for the receipt and disbursement of employer and employee contributions to social security.

***Hotel/Motel Tax*** - To account for the receipt and disbursement of hotel/motel tax as collected and distributed by the City to the Convention and Visitor's Bureau and the All Season's Arena.

***Community Development Block Grant and Economic Development Administration*** – To account for resources provided by the Community Development Block Grants and the Economic Development Administration.

**City of Minot, North Dakota**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2016	Total Fiduciary Funds 2015
<b>ASSETS</b>				
Cash and cash equivalents	\$ 128,553	\$ -	\$ 128,553	\$ 171,064
Investments				
Money market	1,175,675	29,233	1,204,908	820,776
Equity/stocks	35,900,542	661,484	36,562,026	34,881,308
Fixed income	22,477,186	400,701	22,877,887	22,101,762
Alternative	4,081,622	74,251	4,155,873	4,255,639
Total investments	63,635,025	1,165,669	64,800,694	62,059,485
Taxes receivable delinquent	-	-	-	25,131
Due from other funds	174,175	-	174,175	88,934
Total assets	<u>63,937,753</u>	<u>1,165,669</u>	<u>65,103,422</u>	<u>62,344,614</u>
<b>LIABILITIES</b>				
Due to other funds	-	174,175	174,175	88,934
Total liabilities	<u>-</u>	<u>174,175</u>	<u>174,175</u>	<u>88,934</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	25,131
<b>NET POSITION</b>				
Restricted for pension benefits	63,937,753	-	63,937,753	61,158,850
Restricted for OPEB benefits	-	991,494	991,494	1,071,699
Total net position	<u>\$ 63,937,753</u>	<u>\$ 991,494</u>	<u>\$ 64,929,247</u>	<u>\$ 62,230,549</u>

**City of Minot, North Dakota**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2016	Total Fiduciary Funds 2015
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,943,357	\$ 40,568	\$ 4,983,925	\$ 4,283,200
Employee	2,461,395	481,040	2,942,435	3,102,064
Total contributions	<u>7,404,752</u>	<u>521,608</u>	<u>7,926,360</u>	<u>7,385,264</u>
Investment income				
Interest and dividends	1,437,518	21,276	1,458,794	1,618,741
Net increase (decrease) in the fair value of investments	2,450,733	34,928	2,485,661	(2,799,864)
Total investment income	<u>3,888,251</u>	<u>56,204</u>	<u>3,944,455</u>	<u>(1,181,123)</u>
Less investment expense	151,646	2,802	154,448	160,803
Net investment income	<u>3,736,605</u>	<u>53,402</u>	<u>3,790,007</u>	<u>(1,341,926)</u>
Total additions	<u>11,141,357</u>	<u>575,010</u>	<u>11,716,367</u>	<u>6,043,338</u>
<b>DEDUCTIONS</b>				
Benefits paid to plan member and beneficiaries	7,770,365	-	7,770,365	7,299,926
Refunds paid to plan member and beneficiaries	379,829	-	379,829	434,086
Retiree claims	-	456,344	456,344	363,549
Third party premiums	-	196,471	196,471	176,300
Administrative expenses	212,260	2,400	214,660	239,743
Total deductions	<u>8,362,454</u>	<u>655,215</u>	<u>9,017,669</u>	<u>8,513,604</u>
Change in net position	2,778,903	(80,205)	2,698,698	(2,470,266)
Net position, January 1	61,158,850	1,071,699	62,230,549	64,700,815
Net position, December 31	<u>\$ 63,937,753</u>	<u>\$ 991,494</u>	<u>\$ 64,929,247</u>	<u>\$ 62,230,549</u>

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Agency Funds**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	CDBG/ EDA	Total Agency Funds 2016	Total Agency Funds 2015
<b>ASSETS</b>						
Cash and investments	\$ 277,914	\$ -	\$ 2,219	\$ -	\$ 280,133	\$ 404,426
Taxes receivable delinquent	-	6	-	-	6	1,015
Accounts receivable	3,191	-	75,498	-	78,689	80,405
Intergovernmental receivable	-	828	1,832	6,799	9,459	24,843
Due from other funds	-	-	39	-	39	265
Total assets	<b>\$ 281,105</b>	<b>\$ 834</b>	<b>\$ 79,588</b>	<b>\$ 6,799</b>	<b>\$ 368,326</b>	<b>\$ 510,954</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 281,105	\$ 834	\$ 79,588	\$ 6,760	\$ 368,287	\$ 510,689
Due to other funds	-	-	-	39	39	265
Total liabilities	<b>\$ 281,105</b>	<b>\$ 834</b>	<b>\$ 79,588</b>	<b>\$ 6,799</b>	<b>\$ 368,326</b>	<b>\$ 510,954</b>

**City of Minot, North Dakota**  
**Combining Statements of Changes in Assets and Liabilities - Agency Funds**  
**For the Year-to-Date as of December 31, 2016**  
**With Comparative Totals for December 31, 2015**

	Beginning	Additions	Deletions	Ending
<b>PAYROLL DEDUCTIONS</b>				
Assets				
Cash and investments	\$ 308,653	\$ 6,965,951	\$ 6,996,690	\$ 277,914
Accounts receivable	398	3,724	931	3,191
Total assets	<u>\$ 309,051</u>	<u>\$ 6,969,675</u>	<u>\$ 6,997,621</u>	<u>\$ 281,105</u>
Liabilities				
Accounts payable	\$ 309,051	\$ 765,224	\$ 737,278	\$ 281,105
Total liabilities	<u>\$ 309,051</u>	<u>\$ 765,224</u>	<u>\$ 737,278</u>	<u>\$ 281,105</u>
<b>EMPLOYER SOCIAL SECURITY</b>				
Assets				
Cash and investments	\$ -	\$ 1,324	\$ 1,324	\$ -
Taxes receivable delinquent	1,015	43	1,052	6
Intergovernmental receivable	14	1,549	735	828
Total assets	<u>\$ 1,029</u>	<u>\$ 2,916</u>	<u>\$ 3,111</u>	<u>\$ 834</u>
Liabilities				
Accounts payable	\$ 1,029	\$ 1,029	\$ 834	\$ 834
Total liabilities	<u>\$ 1,029</u>	<u>\$ 1,058</u>	<u>\$ 834</u>	<u>\$ 834</u>
<b>HOTEL/MOTEL TAX</b>				
Assets				
Cash and investments	\$ 95,773	\$ 941,444	\$ 1,034,998	\$ 2,219
Accounts receivable	80,007	964,742	969,251	75,498
Intergovernmental receivable	2,090	1,832	2,090	1,832
Due from other funds	265	39	265	39
Total assets	<u>\$ 178,135</u>	<u>\$ 1,908,057</u>	<u>\$ 2,006,604</u>	<u>\$ 79,588</u>
Liabilities				
Accounts payable	\$ 178,135	\$ 946,052	\$ 847,505	\$ 79,588
Total liabilities	<u>\$ 178,135</u>	<u>\$ 946,052</u>	<u>\$ 847,505</u>	<u>\$ 79,588</u>
<b>CDBG/EDA</b>				
Assets				
Cash and investments	\$ -	\$ 76,967	\$ 76,967	\$ -
Intergovernmental receivable	22,739	53,421	69,361	6,799
Total assets	<u>\$ 22,739</u>	<u>\$ 130,388</u>	<u>\$ 146,328</u>	<u>\$ 6,799</u>
Liabilities				
Accounts payable	\$ 22,474	\$ 63,615	\$ 47,901	\$ 6,760
Due to other funds	265	265	39	39
Total liabilities	<u>\$ 22,739</u>	<u>\$ 63,880</u>	<u>\$ 47,940</u>	<u>\$ 6,799</u>
<b>TOTAL DECEMBER 31, 2016</b>				
Assets				
Cash and investments	\$ 404,426	\$ 7,985,686	\$ 8,109,979	\$ 280,133
Taxes receivable delinquent	1,015	43	1,052	6
Accounts receivable	80,405	968,466	970,182	78,689
Intergovernmental receivable	24,843	56,802	72,186	9,459
Due from other funds	265	39	265	39
Total assets	<u>\$ 510,954</u>	<u>\$ 9,011,036</u>	<u>\$ 9,153,664</u>	<u>\$ 368,326</u>
Liabilities				
Accounts payable	\$ 510,689	\$ 1,775,920	\$ 1,633,518	\$ 368,287
Due to other funds	265	265	39	39
Total liabilities	<u>\$ 510,954</u>	<u>\$ 1,776,185</u>	<u>\$ 1,633,557</u>	<u>\$ 368,326</u>
<b>TOTAL DECEMBER 31, 2015</b>				
Assets				
Cash and investments	\$ 37,107	\$ 11,143,737	\$ 10,776,418	\$ 404,426
Taxes receivable delinquent	4,085	2	3,072	1,015
Accounts receivable	127,805	1,399,536	1,446,936	80,405
Intergovernmental receivable	621,851	2,832,324	3,429,332	24,843
Due to other funds	227,474	-	227,209	265
Total assets	<u>\$ 1,018,322</u>	<u>\$ 15,375,599</u>	<u>\$ 15,882,967</u>	<u>\$ 510,954</u>
Liabilities				
Accounts payable	\$ 1,016,912	\$ 2,612,457	\$ 2,106,234	\$ 510,689
Due to other funds	1,410	1,145	-	265
Total liabilities	<u>\$ 1,018,322</u>	<u>\$ 2,613,602</u>	<u>\$ 2,106,234</u>	<u>\$ 510,954</u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2016 and 2015**

<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>2016</b>	<b>2015</b>
Land	\$ 56,425,346	\$ 42,569,187
Construction in progress	7,988,494	20,208,352
Buildings	21,177,264	14,889,521
Equipment	23,164,165	21,515,354
Infrastructure	268,530,908	224,711,583
Intangible assets	598,329	598,329
Books	3,386,909	3,330,862
Total governmental funds capital assets	<u>\$ 381,271,415</u>	<u>\$ 327,823,188</u>

**INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE**

Capital project funds		
General obligation bonds and levies	\$ 32,659,443	\$ 27,483,151
Revenue bonds	3,554,141	3,554,141
Sales tax	33,159,957	20,779,115
Federal grants	121,789,857	104,456,915
State grants	49,823,030	28,527,103
County grants	1,216,423	1,216,423
Contributions from others	93,351,869	96,627,842
General fund	24,621,890	24,607,593
Special revenue	17,755,519	17,555,095
Urban renewal	465,739	465,739
Enterprise fund	2,873,547	2,550,071
Total governmental funds capital assets	<u>\$ 381,271,415</u>	<u>\$ 327,823,188</u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2016**  
**With Comparative Totals for December 31, 2015**

<b>FUNCTION AND ACTIVITY</b>	<b>Construction in Process</b>					<b>Intangible Assets</b>			<b>Books</b>	<b>2016</b>	<b>2015</b>
	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Infrastructure</b>	<b>Books</b>						
General Government											
Civic center/property maintenance	\$ 49,374	\$ -	\$ 3,429,528	\$ 311,203	\$ 305,527	\$ -	\$ -	\$ -	\$ 4,095,632	\$ 4,073,032	
City Manager/Clerk	-	-	-	39,613	-	-	-	-	39,613	7,999	
Finance	-	-	-	26,888	-	-	-	-	26,888	26,888	
Information technology	-	-	-	235,998	-	220,899	-	-	456,897	429,598	
Assessor	-	-	-	95,718	-	32,500	-	-	128,218	105,579	
Engineering	-	-	-	416,023	-	-	-	-	416,023	379,088	
Inspection	-	-	-	345,427	-	33,000	-	-	378,427	290,631	
Traffic control	-	16,992	-	903,020	5,217,331	-	-	-	6,137,343	6,091,357	
Public works	-	-	4,411,178	172,643	-	-	-	-	4,583,821	1,545,314	
General	54,121,189	7,200,901	119,423	1,472,202	20,539,135	-	-	-	83,452,850	59,153,722	
Total general government	54,170,563	7,217,893	7,960,129	4,018,735	26,061,993	286,399	-	-	99,715,712	72,103,208	
Public Safety											
Police	-	-	161,537	4,848,218	2,254,756	-	-	-	7,264,511	7,245,979	
Fire	243,861	414,251	7,452,934	4,861,200	1,388,084	-	-	-	14,360,330	13,409,531	
Total public safety	243,861	414,251	7,614,471	9,709,418	3,642,840	-	-	-	21,624,841	20,655,510	
Street	1,580,920	356,350	385,576	4,496,080	237,424,681	311,930	-	-	244,555,537	220,010,991	
Shop	-	-	-	312,233	-	-	-	-	312,233	277,173	
Library	7,624	-	3,128,994	69,983	315,781	-	3,386,909	-	6,909,291	6,833,879	
Public transportation	-	-	853,027	3,307,846	-	-	-	-	4,160,873	4,119,950	
Recreation	422,378	-	1,235,067	1,249,870	1,085,613	-	-	-	3,992,928	3,822,477	
Total governmental funds	\$ 56,425,346	\$ 7,988,494	\$ 21,177,264	\$ 23,164,165	\$ 268,530,908	\$ 598,329	\$ 3,386,909	\$ 381,271,415	\$ 327,823,188		

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2016**

FUNCTION AND ACTIVITY	Governmental Fund Capital Assets					Construction in Process		Governmental Fund Capital Assets	
	January 1, 2016	Additions	Deletions	Transfers	December 31, 2016				
<b>GENERAL GOVERNMENT</b>									
Civic center/property maintenance	\$ 4,073,032	\$ 22,600	\$ -	\$ -	\$ 4,095,632				
City Manager/Clerk	7,999	26,322	-	5,292	-			39,613	
Finance	26,888	-	-	-	-			26,888	
Information technology	429,598	27,299	-	-	-			456,897	
Assessor	105,579	22,639	-	-	-			128,218	
Engineering	379,088	36,935	-	-	-			416,023	
Inspection	290,631	17,448	23,588	93,936	-			378,427	
Traffic control	6,091,357	66,466	18,114	(19,358)	16,992			6,137,343	
Public works	1,545,314	3,038,507	-	-	-			4,583,821	
General	59,153,722	89,119,475	72,021,248	-	7,200,901			83,452,850	
Total general government	72,103,208	92,377,691	72,062,950	79,870	7,217,893			99,715,712	
<b>PUBLIC SAFETY</b>									
Police	7,245,979	232,569	163,178	(50,859)	-			7,264,511	
Fire	13,409,531	4,229,342	3,674,277	(18,517)	414,251			14,360,330	
Total public safety	20,655,510	4,461,911	3,837,455	(69,376)	414,251			21,624,841	
Street	220,010,991	25,248,227	1,352,227	292,196	356,350			244,555,537	
Shop	277,173	35,060	-	-	-			312,233	
Library	6,833,879	167,630	92,218	-	-			6,909,291	
Public transportation	4,119,950	114,409	68,194	(5,292)	-			4,160,873	
Recreation	3,822,477	170,451	-	-	-			3,992,928	
Total governmental funds	\$ 327,823,188	\$ 122,575,379	\$ 77,413,044	\$ 297,398	\$ 7,988,494			\$ 381,271,415	

## City of Minot, North Dakota Statistical Section

This statistical section presents information to provide financial statement users with additional historical perspective, context, and detail to assist in using the information in the basic financial statements, notes to the financial statements, and combining financial statements to understand and assess the City of Minot's overall economic condition.

The Statistical Section is presented in five categories:

***Financial Trends*** – schedules are intended to assist users in understanding and assessing how the City's financial position has changed over time.

- Net Position by Component
- Changes in Net Position
- Fund Balances of Governmental Funds
- Changes in Fund Balances of Governmental Funds

***Revenue Capacity*** – schedules are intended to assist users in understanding and assessing the factors affecting the City's ability to generate its own-source revenues. The City of Minot's own-source revenues are property and sales taxes.

- Sales tax-Taxable Sales and Purchases
- Sales tax-Taxable Sales and Purchases by Industry
- Governmental Activities Tax Revenues by Source
- Assessed Value and Estimated Actual Value of Taxable Property
- Property Tax Rates in Mills - Direct and Overlapping Governments
- Property Tax Levies and Collections
- Principal Property Taxpayers

***Debt Capacity*** – schedules are intended to assist users in understanding and assessing the City's debt burden and its ability to issue new debt in the future.

- Ratios of Outstanding Debt by Type
- Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita
- Direct and Overlapping Debt
- Legal Debt Margin
- Legal Debt Margin, Last Ten Fiscal Years
- Revenue Bond Coverage

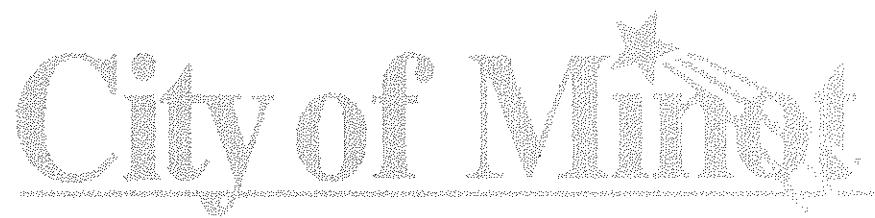
***Demographic and Economic*** - schedules are intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and with other governments.

- Demographic and Economic Statistics
- Principal Employers, Current Year and Nine Years Ago

***Operating*** - schedules are intended to provide information about the City's operations and resources to assist readers in understanding how the City's financial information relates to the services the city provides and the activities it performs.

- Full-time Equivalent City Employees by Function
- Operating Indicators by Function
- Capital Asset Statistics by Function

Sources: Unless otherwise noted, the information in the schedules is from the Comprehensive Annual Financial Reports of the City of Minot for the current year and prior years as presented. If less than 10 years of information is presented the schedule will provide an explanation. The City of Minot implemented GASB #54 in 2009 and GASB #68 in 2015.



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**City of Minot, North Dakota**  
**Net Position by Component**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 unaudited

	2007	2008	2009	2010	2011	Restated 2012	Restated 2013	Restated 2014	Restated 2015	Restated 2016
<b>Governmental activities</b>										
Net investment in capital assets	\$ 59,701,807	\$ 66,709,351	\$ 76,811,701	\$ 82,821,937	\$ 81,010,769	\$ 101,542,579	\$ 119,345,975	\$ 153,468,851	\$ 213,781,240	\$ 245,659,435
Restricted for:										
Sales tax property tax relief	345,943	469,690	539,915	663,930	1,627,741	2,951,612	3,226,156	4,009,260	3,320,232	466,078
Sales tax economic development	4,589,127	4,835,743	6,494,063	7,930,388	12,123,071	6,634,410	10,441,606	10,668,504	6,440,271	7,642,551
Sales tax improvements	977,837	2,522,588	1,670,826	2,383,709	3,710,746	4,573,624	5,419,924	5,840,353	5,862,916	5,618,656
Sales tax flood control	2,207,545	2,202,085	2,202,085	2,202,085	1,724,068	1,962,268	4,634,140	7,141,360	11,238,809	12,983,515
NAWS	24,733,175	28,615,918	28,404,171	34,204,624	39,271,885	35,085,324	34,464,866	34,130,645	34,099,423	33,063,703
Sales tax infrastructure	-	-	-	-	1,265,347	5,025,790	6,083,970	7,677,734	7,483,834	9,361,205
Sales tax community facilities	-	-	-	-	949,011	4,654,813	6,567,548	7,655,275	6,669,543	5,640,828
Debt service	2,617,579	2,025,734	2,643,771	812,051	1,230,207	960,352	517,259	1,946,942	4,362,686	4,821,781
Highway projects	1,684,693	3,640,114	2,833,320	1,448,511	1,269,078	2,777	-	-	-	-
Other purposes	715,775	14,186,277	466,931	157,398	739	16,989	51,407	631,104	14,491	-
Unrestricted	14,710,026	7,051,735	13,648,707	17,441,725	21,843,214	38,869,534	45,912,502	51,717,945	28,862,541	24,715,847
<b>Total governmental activities net position</b>	<b>\$ 112,283,507</b>	<b>\$ 132,259,235</b>	<b>\$ 135,715,490</b>	<b>\$ 150,066,358</b>	<b>\$ 166,025,876</b>	<b>\$ 202,280,072</b>	<b>\$ 236,665,353</b>	<b>\$ 284,887,973</b>	<b>\$ 322,135,986</b>	<b>\$ 349,973,599</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 57,707,036	\$ 51,274,183	\$ 61,496,412	\$ 60,096,339	\$ 62,782,830	\$ 93,309,610	\$ 117,348,148	\$ 187,576,187	\$ 246,874,877	\$ 277,102,647
Restricted for:										
Debt service	5,601,055	4,101,853	4,300,301	3,657,311	3,859,697	3,736,319	4,843,540	5,115,955	7,176,604	7,534,598
Passenger facility charges not spent	-	-	-	-	-	1,041,086	925,887	651,251	-	-
Other purposes	43,874	44,714	40,664	48,349	54,277	61,593	45,027	14,402	-	-
Unrestricted	-	6,319,775	3,589,808	6,859,415	12,827,960	17,512,758	32,666,444	30,066,830	39,296,247	22,377,420
<b>Total business-type activities net position</b>	<b>\$ 63,351,965</b>	<b>\$ 61,740,525</b>	<b>\$ 69,427,185</b>	<b>\$ 70,661,414</b>	<b>\$ 79,524,764</b>	<b>\$ 115,661,366</b>	<b>\$ 155,829,046</b>	<b>\$ 223,424,625</b>	<b>\$ 293,347,728</b>	<b>\$ 307,014,665</b>
<b>Government-wide activities</b>										
Net investment in capital assets	\$ 117,408,843	\$ 117,983,534	\$ 138,308,113	\$ 142,918,276	\$ 143,793,599	\$ 194,852,189	\$ 236,694,123	\$ 341,045,038	\$ 460,656,117	\$ 522,762,082
Restricted	43,516,603	62,644,716	49,596,047	53,508,356	67,085,867	66,706,957	77,221,330	85,482,785	86,668,809	87,132,915
Unrestricted	20,311,080	13,371,510	17,238,515	24,301,140	34,671,174	56,382,292	78,578,946	81,784,775	68,158,788	47,093,267
<b>Total government net position</b>	<b>\$ 181,236,526</b>	<b>\$ 193,999,760</b>	<b>\$ 205,142,675</b>	<b>\$ 220,727,772</b>	<b>\$ 245,550,640</b>	<b>\$ 317,941,438</b>	<b>\$ 392,494,399</b>	<b>\$ 508,312,598</b>	<b>\$ 615,483,714</b>	<b>\$ 656,988,264</b>

**City of Minot, North Dakota**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
unaudited

**City of Minot, North Dakota**  
**Changes in Net Position**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 unaudited

	2007	2008	2009	2010	2011	Restated		2014	2015	2016
						2012	2013			
Capital grants and contributions										
Airport	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789	\$ 8,103,553	\$ 13,489,126	\$ 20,519,210	\$ 21,362,081	\$ 3,564,669
Cemetery	-	-	(5,080)	61,853	10,964	26,508	-	-	-	-
Parking authority	-	-	52,921	-	-	89,053	-	(1,513)	-	-
Sanitation	10,165	248,926	1,400	2,197	407,443	298,497	1,540,548	190,550	-	577,716
Water and sewer	1,965,477	1,805,074	4,871,427	495,267	4,582,021	21,310,811	17,532,389	46,719,119	62,750,889	26,480,713
Total business-type activities program revenues	15,250,546	16,802,408	21,318,947	16,901,101	25,129,768	52,974,001	60,999,249	96,989,397	114,696,225	61,385,258
Total government program revenues	34,072,679	38,540,980	34,535,578	33,069,416	45,052,393	96,045,678	114,661,226	168,327,877	212,912,215	102,980,636
Net revenue (expense)										
Governmental activities	(12,103,949)	(14,025,106)	(23,893,851)	(18,819,142)	(21,883,173)	(3,476,818)	(7,977,339)	314,678	24,234,879	(23,774,833)
Business-type activities	1,135,230	466,016	3,626,759	(217,689)	3,449,034	30,125,042	35,846,184	67,001,117	80,737,946	17,018,346
Total government net expense	(10,968,718)	(13,559,090)	(20,267,092)	(19,036,831)	(18,434,139)	26,648,224	27,868,845	67,315,795	104,972,825	(6,756,487)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	7,665,997	7,787,046	8,147,645	8,750,586	9,556,958	6,818,892	9,479,846	9,668,534	13,094,945	14,555,649
Property taxes, levied for debt service	1,142,353	1,152,519	1,064,857	749,233	800,683	735,488	499,901	1,126,237	2,875,336	2,333,770
Sales taxes	13,242,768	14,639,441	14,845,915	17,200,391	21,612,185	26,705,354	24,850,061	27,245,883	26,035,551	21,375,144
State aid distribution-unrestricted	1,769,430	1,862,605	1,802,746	2,478,437	3,055,454	4,166,709	2,816,975	2,952,874	4,411,924	2,400,195
Municipal highway tax	1,620,893	1,985,198	1,894,613	2,120,108	2,418,451	2,570,954	4,231,254	4,792,103	2,740,748	3,477,932
Franchise taxes	400,264	442,420	483,377	517,894	525,180	588,414	668,203	699,277	702,627	676,847
Other taxes	287,113	298,025	292,845	425,536	450,630	1,729,453	564,120	700,272	311,720	314,838
Grants and contributions not restricted to specific programs										
Investment earnings	2,282,098	1,468,090	961,136	474,228	950,457	480,932	251,460	471,073	694,916	645,118
Miscellaneous	2,896,504	2,012,030	1,282,593	1,106,373	2,749,359	1,807,263	2,443,339	604,999	2,702,358	1,337,662
Transfers	1,458,649	2,353,460	(3,425,624)	(652,774)	(4,276,666)	(5,872,446)	(3,442,538)	(353,310)	1,262,055	4,495,291
Total governmental activities	32,766,069	34,000,834	27,350,103	33,170,012	37,842,691	39,731,013	42,362,621	47,907,942	54,832,180	51,612,446
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	34,608	73,047	281,001	305,389	480,909	687	186,344	82,208	166,746	385,491
Other taxes	164,724	78,526	65,609	88,318	108,670	-	-	-	-	-
Investment earnings	226,834	139,967	215,446	98,049	105,260	91,147	88,706	114,540	119,072	98,063
Miscellaneous	106,857	(15,535)	72,223	307,387	442,812	247,280	403,908	44,404	1,244,180	660,328
Transfers	(1,458,649)	(2,353,460)	3,425,624	652,774	4,276,666	5,872,446	3,442,538	353,310	(1,262,055)	(4,495,291)
Total business-type activities	(925,626)	(2,077,455)	4,059,903	1,451,917	5,414,317	6,211,560	4,121,496	594,462	267,943	(3,351,409)
Total government	31,840,443	31,923,379	31,410,006	34,621,929	43,257,008	45,942,573	46,484,117	48,502,404	55,100,123	48,261,037
Change in net position										
Governmental activities	20,662,120	19,975,728	3,456,252	14,350,870	15,959,518	36,254,196	34,385,282	48,222,620	79,067,059	27,837,613
Business-type activities	209,606	(1,611,439)	7,686,662	1,234,228	8,863,351	36,336,602	39,967,680	67,595,579	81,005,889	13,666,937
Total government	\$ 20,871,725	\$ 18,364,289	\$ 11,142,914	\$ 15,585,098	\$ 24,822,869	\$ 72,590,798	\$ 74,352,962	\$ 115,818,199	\$ 160,072,948	\$ 41,504,550

**City of Minot, North Dakota**  
**Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
 (modified accrual basis of accounting)  
 unaudited

	2007	2008	2009*	2010	2011	2012	2013	2014	2015	2016
General fund										
Reserved	\$ 66,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	4,978,325	-	-	-	-	-	-	-	-	-
Nonspendable	-	39,225	4,746	26,691	114,184	39,167	225,635	265,407	517,859	508,264
Restricted	-	-	41,532	50,077	739	6,039	-	3,171	-	654,437
Committed	-	-	4,667	-	-	-	-	-	-	-
Assigned	-	21,453	259,042	1,916	-	-	-	-	-	82,268
Unassigned	-	6,373,912	6,956,811	7,269,575	10,502,936	16,184,502	19,274,270	22,706,977	24,689,554	24,487,188
Total general fund	<b>\$ 5,044,867</b>	<b>\$ 6,434,590</b>	<b>\$ 7,266,798</b>	<b>\$ 7,348,259</b>	<b>\$ 10,617,859</b>	<b>\$ 16,229,708</b>	<b>\$ 19,499,905</b>	<b>\$ 22,975,555</b>	<b>\$ 25,207,413</b>	<b>\$ 25,732,157</b>
All other governmental funds										
Reserved	\$ 27,285,887	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved, reported in:										
Special revenue funds	8,493,078	-	-	-	-	-	-	-	-	-
Debt service funds	2,617,579	-	-	-	-	-	-	-	-	-
Capital project funds	2,503,510	-	-	-	-	-	-	-	-	-
Nonspendable	-	3,322,160	1,748,428	419,517	109,535	67,299	622,897	1,811,788	1,802,560	2,428,847
Restricted	-	30,645,782	37,780,280	40,463,027	41,771,170	36,048,453	34,982,125	36,569,675	79,520,645	79,598,317
Committed	-	8,318,890	2,531,471	1,703,715	3,972,645	6,011,986	12,497,167	38,123,755	-	-
Assigned	-	5,403,633	7,731,362	14,424,926	26,310,329	38,012,025	48,079,550	26,648,670	25,864,361	24,420,302
Unassigned	-	(111,496)	(622,965)	(353,393)	(726,084)	(1,637,152)	(1,852,004)	(265,877)	-	(265,822)
Total all other governmental funds	<b>\$ 40,900,054</b>	<b>\$ 47,578,969</b>	<b>\$ 49,168,576</b>	<b>\$ 56,657,792</b>	<b>\$ 71,437,595</b>	<b>\$ 78,502,611</b>	<b>\$ 94,329,735</b>	<b>\$ 102,888,011</b>	<b>\$ 107,187,566</b>	<b>\$ 106,181,644</b>

\*Implemented GASB #54 with 2009 CAFR

**City of Minot, North Dakota**  
**Changes in Fund Balances of Governmental Funds**  
**Last Ten Fiscal Years**  
(modified accrual basis of accounting)  
unaudited

	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
<b>REVENUES</b>										
Property taxes	\$ 8,730,892	\$ 8,855,449	\$ 9,123,666	\$ 9,324,583	\$ 10,148,857	\$ 7,391,659	\$ 9,816,255	\$ 10,550,013	\$ 15,719,398	\$ 16,620,590
Special assessment collections	669,155	779,292	1,216,553	845,259	805,084	753,755	775,793	2,030,276	4,884,263	4,002,683
Sales tax collections	13,242,768	14,639,441	14,845,915	17,200,391	21,612,185	26,705,354	24,850,061	27,245,883	26,035,551	21,375,144
Licenses and permits	607,708	744,303	701,740	836,065	1,486,521	2,311,025	2,153,400	1,862,029	1,331,860	977,803
Intergovernmental	5,348,836	6,716,698	8,123,997	9,539,038	14,840,183	23,708,545	34,430,478	40,409,003	60,876,738	33,190,585
Charges for services	3,821,965	4,540,984	5,018,590	4,868,019	6,755,299	8,311,975	8,413,316	8,746,373	5,089,099	5,223,295
Fines and forfeits	540,046	471,653	490,864	659,823	852,821	1,117,060	1,198,946	1,229,088	679,969	669,284
Interest income	2,282,098	1,468,090	961,136	454,200	958,300	546,393	251,460	471,073	694,916	645,118
Contract revenue	-	-	-	-	1,698,584	1,200,000	1,187,136	-	-	-
Miscellaneous	2,896,504	2,012,030	1,282,593	1,106,373	1,027,307	607,263	1,256,203	604,999	2,934,911	1,506,669
Total revenues	38,139,972	40,227,940	41,765,054	44,833,751	60,185,141	72,653,029	84,333,048	93,148,737	118,246,705	84,211,171
<b>EXPENDITURES</b>										
General government	8,709,351	11,048,600	14,714,972	10,245,057	15,569,025	17,366,238	19,335,762	23,680,730	26,239,852	15,721,274
Public safety	7,828,236	8,191,065	8,736,792	10,045,515	10,619,643	10,790,276	12,707,694	14,376,257	14,869,964	16,320,099
Highways and streets	2,069,635	2,777,822	3,342,302	4,201,481	4,398,650	6,145,446	12,090,496	8,557,587	7,966,728	6,472,349
Culture and recreation	3,292,295	3,377,216	2,493,537	2,642,299	3,195,012	3,356,958	4,501,165	7,364,051	9,762,841	7,658,965
Economic development	2,717,155	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475	3,266,376	1,145,992
Capital outlay	7,898,663	5,517,661	4,521,395	6,618,990	4,921,732	14,347,097	27,442,679	27,926,088	49,490,425	47,648,330
Debt retirement										
Principal	2,520,000	2,655,000	2,420,000	2,730,000	2,225,000	5,510,000	2,995,000	3,060,000	4,485,000	4,920,000
Interest and fiscal charges	627,917	773,958	787,850	700,606	600,808	696,720	551,892	1,022,919	1,319,488	1,326,733
Total expenditures	35,663,252	38,224,184	37,948,848	38,306,756	42,433,848	59,064,156	80,930,858	89,280,107	117,400,674	101,213,742
Excess (deficiency) of revenues over (under) expenditures	2,476,720	2,003,756	3,816,206	6,526,995	17,751,293	13,588,873	3,402,190	3,868,630	846,031	(17,002,571)
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation bonds issued	1,785,000	1,720,000	2,005,000	1,375,000	-	2,900,000	6,815,000	3,950,000	390,000	780,000
Special assessment bonds issued	2,715,000	1,905,000	-	-	4,285,000	1,885,000	11,595,000	4,135,000	3,780,000	10,110,000
Premium (discount) on debt issued	100	10,265	6,180	(6,875)	200,025	95,838	642,825	332,360	166,241	949,616
Capital leases	-	-	-	15,392	-	-	-	7,921	(1,779)	-
Principal retirement on current refunding	17,540	-	-	-	-	-	-	-	-	-
Sale of City Property	27,043	33,617	20,053	312,939	89,751	79,600	84,844	93,325	88,865	186,486
Transfers In	5,834,714	5,999,009	5,494,389	5,702,692	4,132,386	16,158,598	16,523,322	21,264,126	19,905,935	21,977,660
Transfers Out	(4,297,199)	(3,603,009)	(8,920,013)	(6,355,466)	(8,409,052)	(22,031,044)	(19,965,860)	(21,617,436)	(18,643,880)	(17,482,369)
Total other financing sources (uses)	6,082,198	6,064,882	(1,394,391)	1,043,682	298,110	(912,008)	15,695,131	8,165,296	5,685,382	16,521,393
Net change in fund balances	\$ 8,558,918	\$ 8,068,638	\$ 2,421,815	\$ 7,570,677	\$ 18,049,403	\$ 12,676,865	\$ 19,097,321	\$ 12,033,926	\$ 6,531,413	\$ (481,178)
Debt service as a percentage of noncapital expenditures	11.34%	10.48%	9.60%	10.83%	7.53%	13.88%	6.63%	6.65%	8.55%	11.66%

**City of Minot, North Dakota**  
**Governmental Activities Tax Revenue by Source**

**Last Ten Fiscal Years**

(accrual basis of accounting)

unaudited

Year	Property Tax	Property Tax	Sales Tax	Municipal Highway Tax	State Aid Distribution	Franchise Tax	Other Tax	Total	* Population	
	Levied for General Purposes	Levied for Debt Service								
13	2007	\$ 7,665,997	\$ 1,142,353	\$ 13,242,768	\$ 1,769,430	\$ 1,620,893	\$ 400,264	\$ 287,113	\$ 26,128,818	36,567
	2008	7,787,046	1,152,519	14,574,340	1,862,605	1,985,198	442,420	298,025	28,102,153	36,567
	2009	8,147,645	1,064,857	14,845,915	1,802,746	1,894,613	483,377	292,845	28,531,998	36,567
	2010	8,750,586	749,233	17,200,391	2,478,437	2,120,108	517,894	425,536	32,242,185	40,888
	2011	9,556,958	800,683	21,612,185	2,418,451	3,055,454	525,180	450,630	38,419,541	40,888
	2012	6,819,579	735,488	26,705,354	2,570,954	4,166,709	588,414	1,729,453	43,315,951	40,888
	2013	9,666,190	499,901	24,850,061	2,794,431	4,231,254	668,203	564,120	43,274,160	40,888
	2014	9,750,742	1,126,237	27,245,883	2,952,874	4,792,103	699,277	700,272	47,267,388	40,888
	2015	13,261,691	2,875,336	26,035,551	2,740,748	4,411,924	702,627	311,720	50,339,597	40,888
	2016	14,555,649	2,333,770	21,375,144	2,400,195	3,477,932	676,847	314,838	45,134,375	40,888

\* Population data provided by the US Census Bureau

**City of Minot, North Dakota**  
**Sales Tax - Taxable Sales and Purchases**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 unaudited

Year	Population	City Direct Sales Tax Rate	(\$1) Taxable Sales & Purchases	Sales Tax remitted by State of ND to the City										Total Sales Tax Collections	Percentage of Taxable Sales & Purchases top ten permit holders		
				First Penny					June 1998 to October 2011								
				Property Tax Relief 10%	Economic Development 40%/15%	Improvements 50%/25%	Flood Control 50%	Capital Purchases	Flood Control Capital	Northwest Area Water Supply 100%	Property Tax 30%	Infrastructure 40%	Community Facilities 30%	Capital Purchases			
2007	36,567	2%	\$ 741,745,928	\$ 662,138	\$ 2,648,554	\$ 3,310,692	\$ -	\$ -	\$ -	\$ 6,621,384	\$ -	\$ -	\$ -	\$ -	\$ 13,242,768	33.51%	
2008	36,567	2%	839,876,644	728,717	2,914,868	3,643,585	-	-	-	7,287,170	-	-	-	-	14,574,340	32.92%	
2009	36,567	2%	906,784,178	742,296	2,969,183	3,711,479	-	-	-	7,422,957	-	-	-	-	14,845,915	31.10%	
2010	40,888	2%	1,072,382,163	860,020	3,440,078	4,300,098	-	-	-	8,600,195	-	-	-	-	17,200,391	32.30%	
2011	40,888	2%	1,443,645,118	1,080,609	4,322,437	5,403,047	-	-	-	7,642,725	949,010	1,265,347	949,010	-	21,612,185	32.50%	
2012	40,888	2%	1,692,043,875	1,335,268	5,341,071	6,676,338	-	-	-	-	4,005,803	5,341,071	4,005,803	-	26,705,354	30.89%	
2013	40,888	2%	1,557,674,234	1,242,503	4,970,012	6,212,516	-	-	-	-	3,727,509	4,970,012	3,727,509	-	24,850,061	30.07%	
137	2014	40,888	2%	1,566,093,772	1,362,295	3,541,644	4,903,938	3,815,065	-	-	-	4,086,883	5,449,176	4,086,882	-	27,245,883	27.20%
2015	40,888	2%	1,419,398,286	1,301,778	-	3,254,215	6,508,886	1,952,898	-	-	3,905,333	2,759,100	3,755,333	2,598,009	26,035,551	32.00%	
2016	40,888	2%	1,046,054,220	1,068,757	1,603,136	2,671,893	2,668,786	-	2,675,000	-	3,206,271	4,275,029	3,206,272	-	21,375,144	27.70%	

In 1998, Sales Tax increased from 1% to 2%, with the additional 1% dedicated to the Northwest Area Water Supply project. The sales tax is a citizen voted tax. The original 1% is for capital improvements at 50%, economic development at 40%, and property tax relief at 10%. In June 2011, the voters opted to continue collecting the additional 1% sales tax, formerly for the Northwest Area Water Supply project and dedicate 30% to property tax relief, 40% to infrastructure projects, and 30% to community facilities. Based on the results of the City Council passing an ordinance, the first penny sales tax will be reallocated to the following as of July 1, 2014: property tax relief 10%; economic development 15%; improvements fund 25%; and flood control 50%.

(1) Taxable sales and purchases figure are from the State of ND Sales Tax Department Sales and Use Tax Statistical Annual Report.

**City of Minot, North Dakota**  
**Sales Tax - Taxable Sales and Purchases by Industry**  
**Last Ten Fiscal Years\***  
 unaudited

Industry	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
Construction	\$ 20,771,513	\$ 24,281,951	\$ 28,164,170	\$ 26,203,104	\$ 38,717,443	\$ 58,247,973	\$ 48,910,592	\$ 49,746,274	\$ 50,617,167	\$ 33,914,871
Manufacturing	26,747,454	30,885,053	31,867,746	31,694,324	37,402,333	46,344,370	41,189,329	44,013,916	35,172,479	26,147,004
Wholesale trade	84,416,178	102,051,071	131,555,267	180,417,164	220,934,137	263,822,015	251,299,458	290,327,737	188,430,808	119,459,817
Retail trade	446,711,074	502,811,606	512,271,955	575,395,068	708,083,354	844,491,363	797,159,510	787,593,298	701,907,245	588,795,861
Transportation & warehousing	4,996,441	5,573,468	12,428,865	36,440,379	3,799,564	4,249,433	4,366,386	4,857,706	4,544,458	3,843,794
Information industries	3,333,475	3,376,973	3,916,838	3,882,824	4,257,936	5,397,964	5,614,714	5,370,170	5,361,095	4,658,360
Fin, insurance, real estate, rental & leasing	11,213,308	12,972,766	14,286,085	19,157,346	43,874,462	49,996,975	66,228,844	56,572,911	37,360,861	22,283,586
Professional, scientific, tech., & mgmt serv.	9,279,587	9,845,218	10,770,836	11,333,361	12,496,178	12,529,022	13,341,555	6,201,548	4,968,086	4,993,857
Educational, health care, & social services	3,002,059	2,772,035	3,069,870	3,088,652	3,617,411	3,872,616	3,358,110	4,526,544	4,359,408	4,086,361
Arts, entertainment & recreation	3,595,895	3,863,158	3,832,661	3,750,517	3,485,182	3,849,395	5,251,128	5,852,922	6,143,852	6,546,703
Accommodation & food services	99,568,279	114,272,513	119,962,840	136,428,915	163,610,566	191,892,960	191,616,550	202,405,713	190,000,047	166,075,079
Mining and Oil Extraction					112,311,540	111,271,321	88,648,677	61,488,901	147,323,049	26,921,532
Other services	21,041,752	20,765,032	22,544,992	26,373,761	35,124,654	39,632,295	40,431,146	45,168,580	42,127,833	37,167,275
Miscellaneous	7,068,913	6,405,800	12,659,014	16,499,272	2,467,460	8,493,288	1,973,208	1,967,552	1,081,898	1,160,120
Total taxable sales and purchases	<b>\$ 741,745,928</b>	<b>\$ 839,876,644</b>	<b>\$ 907,331,139</b>	<b>\$ 1,070,664,687</b>	<b>\$ 1,390,182,220</b>	<b>\$ 1,644,090,990</b>	<b>\$ 1,559,389,207</b>	<b>\$ 1,566,093,772</b>	<b>\$ 1,419,398,286</b>	<b>\$ 1,046,054,220</b>

\* Industry taxable sales and purchases figures are from the State of ND Sales Tax Department

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NOTE: Classification by industry is based on 2002 North American Industry Classification System (NAICS)

Statistics are not reportable unless at least five businesses are included in the industry group

**City of Minot, North Dakota**  
**Assessed Value and Estimated Actual Value of Taxable Property**  
**Last Ten Fiscal Years**  
 unaudited

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Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
2007	\$ 342,470,100	\$ 623,107,100	\$ 7,982,740	\$ 973,559,940	\$ 1,934,346,747	50.33%	113.70
2008	364,312,900	658,155,100	7,921,785	1,030,389,785	2,060,779,570	50.00%	113.25
2009	399,824,050	727,791,050	8,697,477	1,136,312,577	2,272,625,153	50.00%	108.12
2010	451,055,991	820,974,530	9,717,790	1,281,748,311	2,563,496,622	50.00%	107.33
2011	485,485,645	828,297,280	9,492,470	1,323,275,395	2,646,550,790	50.00%	76.67
2012	620,200,100	936,981,878	13,467,661	1,570,649,639	3,141,299,270	50.00%	84.64
2013	843,373,150	1,188,428,700	15,175,410	2,046,977,260	4,093,954,520	50.00%	76.05
2014	1,000,617,300	1,227,636,250	15,781,324	2,244,034,874	4,488,069,748	50.00%	77.90
2015	1,126,074,880	1,300,547,378	15,256,870	2,441,879,128	4,883,758,256	50.00%	77.05
2016	1,111,099,350	1,295,175,344	20,045,240	2,426,319,934	4,852,639,869	50.00%	77.81

(1) Data obtained from the City Assessor's Office and Ward County Auditor's Office

(2) Assessed values are finalized by the State Assessment Board on the second Tuesday in August of each year.

The assessed value is calculated at 50% of the true and full value.

**City of Minot, North Dakota**  
**Property Tax Rates in Mills - Direct and Overlapping Governments**  
**Per \$1,000 Taxable Valuation**  
**Last Ten Fiscal Years**

<b>Year</b>	<b>City of Minot</b>					<b>Total</b>	<b>Minot Park District</b>	<b>Minot School District</b>	<b>State and County</b>	<b>Total</b>
	<b>General Fund</b>	<b>Proprietary Funds</b>	<b>Special Revenue Funds</b>	<b>Capital Funds</b>	<b>Debt Service Funds</b>					
2007	49.50	0.84	36.16	1.73	25.47	113.70	31.48	206.47	68.13	419.78
2008	51.11	3.01	32.93	2.88	23.32	113.25	32.80	204.65	74.45	425.15
2009	50.19	2.95	35.75	2.39	16.84	108.12	30.68	133.40	77.43	349.63
2010	51.91	4.24	33.37	3.63	14.18	107.33	29.83	129.75	72.66	339.57
2011	54.59	-	15.17	0.39	6.52	76.67	30.87	135.19	69.58	312.31
2012	55.32	1.33	16.00	8.44	3.55	84.64	31.65	141.02	71.12	328.43
2013	42.88	0.44	21.90	4.63	6.20	76.05	28.11	81.98	63.03	249.17
2014	46.01	0.82	20.64	2.94	7.49	77.90	27.09	92.41	71.22	268.62
2015	47.41	1.70	16.62	7.11	4.21	77.05	29.35	98.25	64.79	269.44
2016	44.07	3.50	12.96	3.21	14.07	77.81	31.36	108.22	65.47	282.86

Data obtained from the City of Minot Budget and the Ward County Auditor's Office

**City of Minot, North Dakota**  
**Property Tax Levies and Collections**  
**Last Ten Fiscal Years**

<u>Levy Year</u>	<u>(1) Total Current Tax Levy</u>	<u>(2) Current Collections</u>	<u>Percent of Levy Collected</u>	<u>(2) Delinquent Collections</u>	<u>(2) Total Collections</u>	<u>Total Collection as Percent of Current Levy</u>	<u>(3) Adjustments</u>	<u>(4) Accumulated Outstanding Taxes</u>	<u>Outstanding Delinquent as Percent of Current Levy</u>
2007	\$ 10,329,502	\$ 9,754,043	94.43%	\$ 188,150	\$ 9,942,193	96.25%	\$ 385,933	\$ 369,554	3.58%
2008	10,895,992	10,322,163	94.73%	201,647	10,523,810	96.58%	404,619	337,117	3.09%
2009	11,453,689	10,852,906	94.75%	257,025	11,109,931	97.00%	398,636	282,239	2.46%
2010	12,736,802	12,063,643	94.71%	205,011	12,268,654	96.32%	466,124	284,263	2.23%
2011	9,408,148	8,943,179	95.06%	206,031	9,149,210	97.25%	315,299	227,902	2.42%
2012	12,449,978	11,789,696	94.70%	170,747	11,960,443	96.07%	354,891	362,546	2.91%
2013	14,505,927	13,803,849	95.16%	264,952	14,068,802	96.99%	351,294	448,378	3.09%
2014	16,451,633	15,063,278	91.56%	309,745	15,373,023	93.44%	459,639	1,067,348	6.49%
2015	17,616,035	15,905,973	90.29%	885,793	16,791,766	95.32%	486,750	1,404,863	7.97%
2016	17,871,719	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

(1) Amounts are given to Ward County in November of each year but are not due until February 15 of the following year.

(2) Collections are for the 12 month period January through December of the year following the levy year.

(3) Includes discount, mobile homes, abatements & change orders

(4) Prior year accumulated taxes + current levy - current collections - delinquent collections - adjustments

**City of Minot, North Dakota**  
**Principal Property Taxpayers**  
**December 31, 2016**  
 unaudited

TAXPAYER	2016			2007		
	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value
Investor's Real Estate Trust (IRET)	\$ 7,279,950	1	3.00%	\$ 1,389,850	2	1.68%
Dakota Square Mall CMBS LLC	4,516,750	2	1.86%	3,353,780	1	4.06%
ARHC MMMINND01, LLC (Medical Arts/Wellington)	1,279,100	3	0.53%	290,570	16	0.35%
North Highland Minot LLC	1,279,100	4	0.53%			
Stonebridge Development Company LLC	1,167,250	5	0.48%			
SUSO 3 Southgate LP	1,104,600	6	0.46%			
Farmers Union Oil Co	1,065,200	7	0.44%	318,360	14	0.39%
Westcorp Minot, LLC	1,015,550	8	0.42%			
Schatz Properties LLC	965,700	9	0.40%			
Wal-Mart Real Estate	940,150	10	0.39%	805,790	3	0.97%
Menard's Inc.	858,050	11	0.35%	519,090	5	0.63%
Northdale Apartments III LLC	842,050	12	0.35%			
Prairie Heights Apartments	817,200	13	0.34%			
Southwood Apartments	805,500	14	0.33%			
First International Bank & Trust	789,450	15	0.33%			
Cognizant Technology Solutions (Formerly Reliastar /ING)	765,650	16	0.32%	507,370	6	0.61%
Westlie Motor Company	741,150	17	0.31%			
The Pines on 37th LLC	738,500	18	0.30%			
Cenex Harvest State	732,150	19	0.30%	323,020	13	0.39%
Dakota Upreit Limited Partnership	710,550	20	0.29%			
International Inn				451,150	7	0.55%
Kadima Medial Properties (Former Unimed Clinic)				626,650	4	0.76%
Philadelphia Macaroni				417,200	8	0.50%
Cambridge Capital Management				383,130	9	0.46%
Minot Vista (Edgewood Vista)				373,880	10	0.45%
Riverside Inc. (Holiday Inn Riverside)				330,660	11	0.40%
Glacial Holdings				324,720	12	0.39%
Dayton-Hudson Corporation(Target)				301,840	15	0.37%
Minot Senior Living (Brentmoor)				281,910	17	0.34%
MLT				272,410	18	0.33%
Johanneson's Property (Marketplace)				265,840	19	0.32%
Woodridge Mobile Home Park				252,730	20	0.31%
All Others	214,218,393		88.29%	70,860,050		85.74%
Total Taxable Assessed Value	\$242,631,993		100.00%	\$82,650,000		100.00%

(1) Data obtained from City Assessor's Office. Taxable Value of commercial property is 5% of actual market value per state statute.

**City of Minot, North Dakota**  
**Ratios of Outstanding Debt by Type**  
**Last Ten Fiscal Years**  
 unaudited

Year	Governmental Activities					Business-Type Activities					Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Loans Payable	Capital Program Bonds	Capital Lease	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases				
2007	\$ 10,435,542	\$ 6,958,074	\$ -	\$ -	\$ -	\$ 15,307,228	\$ 1,687,879	\$ 210,694	\$ -	\$ 34,599,417	17.71%	\$ 946.19	
2008	10,630,017	7,754,748	-	-	-	25,593,808	1,626,420	144,146	-	45,749,139	21.74%	1,251.10	
2009	11,400,604	6,582,285	-	-	-	23,649,469	1,562,795	74,567	-	43,269,720	18.24%	1,183.30	
2010	11,438,774	5,186,234	-	-	9,748	21,085,129	1,496,921	-	360,656	39,577,462	16.07%	967.95	
2011	9,934,280	8,953,802	-	-	6,563	20,835,653	1,428,722	-	640,437	41,799,457	15.42%	1,022.29	
2012	8,474,812	9,791,156	-	-	3,383	20,829,857	1,358,115	-	491,120	40,948,443	13.07%	1,001.48	
2013	13,628,909	20,665,181	-	265		36,292,434	1,285,015	-	683,680	72,555,484	19.60%	1,774.49	
2014	15,789,576	23,796,115	-	6,495		42,639,711	1,209,334	-	473,392	83,914,623	21.91%	2,052.30	
2015	13,732,954	23,529,579	-	2,062,952	4,026	59,101,796	1,130,981	-	1,029,389	100,591,677	24.78%	2,460.18	
2016	21,596,698	22,582,805	-	1,942,698	23,949	60,022,310	1,049,862	-	1,135,917	108,354,239	27.22%	2,650.03	

(1) \$3,980,875 (ND Job Service Q3 2015)

(2) 40,888 - U.S. Census Bureau 2010, prior years 36,567 (2000 Census)

**City of Minot, North Dakota**  
**Ratio of Net General Bonded Debt to Assessed**  
**Value and Net Bonded Debt per Capita**  
**Last Ten Fiscal Years**

Year	Population	(1) Assessed Value	(2) Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2007	36,567	\$ 973,559,940	\$ 10,435,542	\$ 1,076,549	\$ 9,358,993	0.96%	\$ 255.94
2008	36,567	1,030,389,785	10,630,017	1,043,314	9,586,703	0.93%	262.17
2009	36,567	1,136,312,577	11,400,604	1,350,573	10,050,031	0.88%	274.84
2010	40,888	1,281,748,311	11,438,774	297,431	11,141,343	0.87%	272.48
2011	40,888	1,323,275,395	9,934,280	348,339	9,585,941	0.72%	234.44
2012	40,888	1,570,649,639	8,474,812	510,105	7,964,707	0.51%	194.79
2013	40,888	2,046,977,260	13,628,909	352,896	13,276,013	0.65%	324.69
2014	40,888	2,244,034,874	15,789,576	1,273,150	14,516,426	0.65%	355.03
2015	40,888	2,441,879,128	13,732,954	1,195,984	12,536,970	0.51%	306.62
2016	40,888	2,426,319,934	21,596,698	1,048,359	20,548,339	0.85%	502.55

(1) Assessed values are finalized by the State Assessment Board on the second Tuesday in August of each year. Since 1982, assessed value is calculated at 50% of the true and full value. Prior to 1982, assessed value was calculated at a residential or commercial percentage of market value.

(2) This includes all long-term general obligation debt

**City of Minot, North Dakota**  
**Computation of Direct and Overlapping Debt**  
**For the Year Ended December 31, 2016**  
 unaudited

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Sinking Funds</b>	<b>Net Debt</b>	<b>Ratio</b>	<b>City's Share of Debt</b>
Minot School District (1)	\$ 64,036,918	\$ 1,097,496	\$ 62,939,422	101.69%	\$64,002,059
Minot Park District (2)	18,722,866	-	18,722,866	100.00%	18,722,866
Ward County (3)	46,358,180	11,392,383	34,965,798	66.95%	<u>23,410,156</u>
<b>Overlapping Debt</b>					106,135,080
City of Minot (General Obligation Direct Debt)			21,180,000	100.00%	21,180,000
City of Minot (Special Assessment Direct Debt-Government Commitment)			203,197	100.00%	203,197
City of Minot (Capital Lease)			23,949	100.00%	<u>23,949</u>
<b>Total Direct and Overlapping Debt</b>					<u>\$ 127,542,226</u>

<b>Ratios Used</b>	<b>2016 Assessed Value</b>	<b>2016 City's Assessed Value</b>	<b>Percentage</b>
Minot School District (3)	\$ 2,467,284,665	\$ 2,426,319,934	101.69%
Minot Park District (3)	2,426,319,935	2,426,319,934	100.00%
Ward County (3)	3,623,991,792	2,426,319,934	66.95%

(1) Data obtained from Minot Public School's Administration Office

(2) Data obtained from Minot Park District

(3) Data obtained from Ward County Auditor's Office

The method used to determine the percentage of overlap was the percentage of the City's assessed value shared by the separate entity.

**City of Minot, North Dakota**  
**Computation of Legal Debt Margin**  
**December 31, 2016**  
unaudited

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True and full value of taxable property - 2016	\$ 4,852,639,869
Debt limit - 8% of 50% of true and full value	194,105,595
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 21,596,698
Special Assessment bonds with Government Commitment	91,520
Less: cash in debt service sinking funds	<u>(1,048,359)</u>
Total net debt applicable to limit	<u>20,639,859</u>
Legal debt margin	<u><u>\$ 173,465,736</u></u>

**City of Minot, North Dakota**  
**Legal Debt Margin Information**  
**Last Ten Fiscal Years**  
 unaudited

	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>
Debt limit	\$ 77,884,795	\$ 82,431,183	\$ 90,905,006	\$ 102,539,865	\$ 105,862,032	\$ 126,682,969	\$ 163,758,181	\$ 179,522,790	\$ 203,226,781	\$ 194,105,595
Less total net debt applicable to limit	9,408,451	9,631,686	10,089,427	11,182,569	9,621,661	7,879,895	12,971,358	14,035,186	12,155,535	20,639,859
Legal debt margin	\$ 68,476,344	\$ 72,799,497	\$ 80,815,579	\$ 91,357,296	\$ 96,240,371	\$ 118,803,074	\$ 150,786,823	\$ 165,487,604	\$ 191,071,246	\$ 173,465,736
Total net debt applicable to the limit as a percentage of debt limit	12.08%	11.68%	11.10%	10.91%	9.09%	6.22%	7.92%	7.82%	5.98%	10.63%

**City of Minot, North Dakota**  
**Revenue Bond Coverage**  
**Airport Bonds**  
**Last Ten Fiscal Years**  
 unaudited

Year	Operating Revenue	State & Federal Collected Revenues	Tax Levy	Budget Appropriated		Net Revenue Available for Debt Service	Debt Service Requirements			
				(1) Direct Operating Expenses	(1) Transfers In for Debt Service		(2) Principal	Interest & Fiscal Charges	Total	Coverage
2007	\$ 1,143,245	\$ 1,764,185	\$ 94	\$ 1,066,534	\$ 150,000	\$ 1,990,990	\$ 275,000	\$ 81,890	\$ 356,890	5.58
2008	1,148,227	562,050	71,847	1,177,910	150,000	754,214	280,000	69,474	349,474	2.16
2009	1,237,245	1,248,678	280,979	1,189,502	150,000	1,727,400	295,000	56,287	351,287	4.92
2010	1,113,294	851,041	298,424	1,458,934	150,000	953,825	305,000	42,205	347,205	2.75
2011	1,810,807	744,646	480,907	1,353,188	150,000	1,833,172	320,000	27,395	347,395	5.28
2012	2,555,744	8,103,553	679	2,419,903	150,000	8,390,073	340,000	12,128	352,128	23.83
2013	3,946,497	13,510,812	397	2,679,069	-	14,778,637	-	83,485	83,485	177.02
2014	4,054,181	20,518,010	7	2,758,673	-	21,813,525	-	444,141	444,141	49.11
2015	3,339,385	22,735,030	-	4,434,790	-	21,639,625	-	597,076	597,076	36.24
2016	4,521,765	4,107,953	100,159	4,829,320	-	3,900,557	1,205,000	1,016,100	2,221,100	1.76

(1) Excludes depreciation

(2) Permanent financing only

**City of Minot, North Dakota**  
**Revenue Bond Coverage**  
**Water & Sewer Bonds**  
**Last Ten Fiscal Years**  
 unaudited

Year	Operating Revenue	Operating Expenses	Budget Appropriated		Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
			(1) Direct	Transfers In for Operations		(2) Principal	Interest & Fiscal Charges	Total	
2007	\$ 7,695,089	\$ 6,319,567	\$ 550,000	\$ 1,925,522	\$ 1,125,000	\$ 457,548	\$ 1,582,548	1.22	
2008	8,362,319	6,312,316	350,000	2,400,003	1,470,000	710,515	2,180,515	1.10	
2009	9,291,021	6,940,378	350,000	2,700,643	1,650,000	998,986	2,648,986	1.02	
2010	10,383,153	6,627,269	817,667	4,573,551	2,225,000	977,069	3,202,069	1.43	
2011	11,080,614	9,698,469	1,840,666	3,222,811	1,965,000	857,474	2,822,474	1.14	
2012	14,730,248	9,582,090	1,454,790	6,602,948	5,500,000	882,602	6,382,602	1.03	
2013	17,375,336	9,403,818	550,000	8,521,518	2,315,000	726,360	3,041,360	2.80	
2014	19,191,243	11,520,824	1,050,000	8,720,419	4,520,000	717,507	5,237,507	1.66	
2015	19,956,729	10,646,170	1,050,000	10,360,559	2,295,000	838,360	3,133,360	3.31	
2016	19,958,715	13,804,239	1,050,000	7,204,476	2,995,000	928,823	3,923,823	1.84	

(1) Excludes depreciation

(2) Permanent financing only

**City of Minot, North Dakota**  
**Demographic and Economic Statistics**  
**Last Ten Fiscal Years**  
 unaudited

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Year	(1) Population	(2) Annual Personal Income	(2) Per Capita Personal Income	(3) Median Age	(2) Education Levels in Years of Formal Schooling		(2) School Enrollment	(2) Unemployment Rate
					13.16	6,932		
2007	36,567	\$ 1,954,051	\$ 27,933	35.0	13.16	6,932	3.2%	
2008	36,567	2,104,568	29,407	35.0	13.47	7,100	2.9%	
2009	36,567	2,371,712	30,917	35.0	13.16	7,233	2.9%	
2010	40,888	2,462,122	32,532	35.0	13.16	7,503	2.9%	
2011	40,888	2,711,387	34,319	33.2	13.47	7,424	1.7%	
2012	40,888	3,132,692	44,252	33.2	13.47	7,758	3.1%	
2013	40,888	3,701,003	47,320	33.8	13.44	7,737	2.3%	
2014	40,888	3,830,707	49,296	30.4	13.50	7,783	2.8%	
2015	40,888	4,059,425	56,024	31.0	13.52	8,192	3.5%	
2016	40,888	3,980,875	55,852	31.1	13.41	8,027	3.7%	

(1) U.S. Census Bureau

(2) Job Services, North Dakota

(3) Minot Area Development Corporation Community Profile

**Principal Employers**  
**Current Year and Nine Years Ago**  
 unaudited

Employer	2016			2007		
	% of Total City			% of Total City		
	Employees	Rank	Employment	Employees	Rank	Employment
Minot Air Force Base	12,129	1	49.07%	5,826	1	18.64%
Trinity Health	2,067	2	8.36%	2,750	2	8.80%
Minot Public Schools	1,076	3	4.35%	1,327	3	4.25%
Hess	500	4	2.02%			
Minot State University	431	5	1.74%	857	4	2.74%
City of Minot	417	6	1.69%	289	13	0.92%
BNSF Railways	365	7	1.48%			
Kalix (MVAW)	320	8	1.29%	547	6	1.75%
MLT Inc.	275	9	1.11%	292	10	0.93%
Marketplace Foods	267	10	1.08%	200	16	0.64%
Ward County	260	11	1.05%	233	14	0.75%
Wal-Mart	256	12	1.04%	375	8	1.20%
Cognizant (ING Minot Service Center)	220	13	0.89%	725	5	2.32%
Ryan Family Dealerships-Minot	203	14	0.82%	-	0	0.00%
SRT Communications	202	15	0.82%	221	15	0.71%
YMCA of Minot	152	16	0.61%			
First Western Bank	125	17	0.51%			
Grand Hotel/International Inn	125	18	0.51%	165	18	0.53%
Westlie Motors	120	19	0.49%			
Menards	118	20	0.48%			
Choice Hotels International, Inc.				457	7	1.46%
Miracle Mart				313	9	1.00%
Sykes, Inc.				280	11	0.90%
E Telecare Global Solutions				235	12	0.75%
Dakota Boys & Girls Ranch				180	17	0.58%
ManorCare Health Services				135	19	0.43%
US Post Office				130	20	0.42%
Total	<b>19,628</b>		<b>79.41%</b>	<b>15,537</b>		<b>49.72%</b>

Source: Employers

**City of Minot, North Dakota**  
**Full-time Equivalent City Government Employees by Function (1)**  
**Last Ten Fiscal Years**  
 unaudited

Function	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government	31	31	33	33	33	38	44.84	48.34	55.84	68.34
Public safety										
Police										
Officers	64	64	63	67	69	70	75.00	79.00	83.00	85.00
Civilians	20	20	20	20	20	22	25.00	25.00	26.00	27.00
Fire										
Firefighters and officers	49	49	49	49	50	47	50.00	50.00	56.00	62.00
Civilians	1	1	1	1	1	1	2.00	2.00	2.00	2.00
Highways and streets										
Engineering	9	9	9	9	10	11	12.00	12.00	14.00	13.00
Maintenance	36	36	36	36	38	35	36.68	36.68	39.68	42.68
Culture and recreation	25	25	24	24	24	24	25.00	25.00	25.00	25.00
Airport	13	13	13	11	12	16	18.00	18.00	18.50	25.00
Cemetery	3	3	3	3	3	3	4.21	4.21	4.21	4.21
Parking authority	1	1	1	1	1	1	1.00	1.00	-	-
Sanitation	20	20	22	22	22	23	27.15	30.15	31.47	31.48
Water and sewer	39	39	39	39	38	41	42.62	48.62	49.30	50.29
Total	311	311	313	315	321	332	363.50	380.00	405.00	436.00

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - Annual Budget

**City of Minot, North Dakota**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**unaudited**

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Assessors										
Properties reviewed	1,203	775	1,600	1,500	950	150	922	4,148	3,158	3,062
Properties photographed	1,800	2,800	3,500	2,200	900	2,790	1,944	4,557	4,437	3,731
Building inspections										
Permits issued	502	540	486	447	873	1,227	996	654	719	512
City bus										
Bus ridership	152,314	151,169	131,062	123,139	123,744	136,951	128,184	130,866	114,472	89,602
Public safety										
Police										
Parking tickets issued	8,330	6,804	6,914	6,072	6,957	9,619	9,032	7,368	8,029	4,198
Criminal citations issued	5,695	5,605	5,697	6,035	6,206	6,781	7,492	6,057	4,223	3,379
Traffic citations issued	5,021	3,895	3,551	4,251	4,194	4,901	4,239	4,990	5,340	5,729
Alarms-patrol & parking division	675	693	716	839	939	1,348	1,172	1,410	1,501	1,588
Fire										
# of fire incidents	373	405	381	432	498	594	660	751	737	751
# of rescue incidents	2,003	1,924	1,867	1,957	1,920	2,052	2,175	2,043	2,036	2,044
Inspections made	1,645	1,593	1,393	1,514	1,137	1,514	2,370	2,812	1,465	2,029
Highways and streets										
Traffic										
Signs installed	1,112	1,503	1,430	1,419	1,207	1,497	1,314	1,331	1,484	1,390
Signs/posts repaired	1,302	2,118	2,138	2,005	1,776	1,543	1,582	1,401	1,351	1,124
Traffic light repairs	458	568	273	241	441	569	861	276	293	529
Street light repairs	243	301	253	186	373	396	892	274	297	644
Culture and recreation										
Auditorium										
Event days	1,895	1,996	1,539	1,362	1,137	714	746	590	697	762
Attendance	246,596	256,041	256,439	194,067	211,608	199,435	186,914	78,531	94,843	117,649
Library										
Registered borrowers	24,007	23,384	22,933	24,079	24,039	23,105	21,994	21,874	22,196	23,081
Circulation and activity	304,531	294,441	273,182	274,665	232,471	268,444	302,028	292,676	205,338	645,648
Airport										
Gallons airline fuel dispensed	748,825	870,578	1,078,256	1,714,587	2,676,456	3,829,885	3,129,913	3,999,072	3,734,641	3,421,753
Airline boarding's	74,921	75,972	72,219	96,599	306,403	444,921	222,083	222,144	182,872	151,700
Sanitation										
# of customers	10,392	10,497	10,769	10,884	10,825	15,453	11,044	11,504	11,512	11,530
Landfill tonnage	95,216	113,936	114,685	115,812	215,860	191,326	161,131	151,913	142,030	178,181
Water and Sewer										
# of consumers	11,970	12,142	12,472	13,640	13,671	13,708	14,320	14,649	14,700	14,755
Gallons pumped/treated	2,185,650,000	2,132,600,000	1,969,000,000	2,003,000,000	2,009,928,000	2,434,000,000	2,334,900,000	2,422,130,000	2,455,390,000	2,368,960,000

Source: Various city departments

**City of Minot, North Dakota**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years\***  
 unaudited

FUNCTION	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016
General government										
Public works building	1	1	1	1	1	2	2	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	31	31	31	33	35	36	40	41	42
Fire										
Stations	3	3	3	3	3	3	3	3	3	4
Highways and streets										
Streets (square miles)	16,395	16,73	17,31	18,78	19,72	25,14	27,32	27,36	27,48	27,76
Street lights	2,311	2,375	2,504	2,672	2,604	2,897	3,229	3,400	3,603	3,690
Traffic signals	50	50	50	51	51	52	53	53	53	50
Culture and recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16	16	16	16	16
Tennis courts	12	10	10	10	10	10	2	2	2	2
Indoor tennis center	1	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	8	8	8	8	8	8	8	9	9	9
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	210	210	210	245	269	292	302	315	322.9	324.15
Sewer mains (miles-estimated)	-	-	-	208.5	212.3	229.9	232.8	249.2	255.9	259.22
Maximum daily capacity (millions of gallons)	12.91	11.96	10.56	9.93	8.2	11.5	10.95	11.3	11.3	11.3

Sources: Various city departments



## **Independent Auditor's Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and Internal Control over Compliance**

To the Honorable Mayor and City Council  
City of Minot, North Dakota

### **Report on Compliance**

We have audited the compliance of the City of Minot, North Dakota Airport, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration for its Passenger Facility Charge Program for the year ended December 31, 2016.

### **Management's Responsibility**

Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge Program is the responsibility of the City of Minot, North Dakota Airport's, management.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the City of Minot, North Dakota Airport's, compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program occurred. An audit includes examining, on a test basis, evidence about the City of Minot, North Dakota Airport's, compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Minot, North Dakota Airport's, compliance with those requirements.

### **Opinion**

In our opinion, the City of Minot, North Dakota Airport, complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2016.

### **Report on Internal Control over Compliance**

The management of the City of Minot, North Dakota Airport, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program. In planning and performing our audit, we considered the City of Minot, North Dakota Airport's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance.

Accordingly, we do not express an opinion on the effectiveness of the City of Minot, North Dakota Airport's internal control over compliance.

A *deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of the Guide on a timely basis. A *material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. A *significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of the Guide that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the *Passenger Facility Charge Audit Guide for Public Agencies*. Accordingly, this report is not suitable for any other purpose.



Fargo, North Dakota

April 21, 2017



**Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance  
and Other Matters Based on an Audit of Financial Statements Performed in Accordance with  
*Government Auditing Standards***

To the Honorable Mayor and City Council  
City of Minot, North Dakota

We have audited, 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, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota as of and for the year ended December 31, 2016, and the related notes to the financial statements, and have issued our report thereon dated April 21, 2017.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or a combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over financial reporting that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not yet been identified.

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the City's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is fluid and cursive, with "Eide" and "Bailly" connected, and "LLP" written in a smaller, separate section.

Fargo, North Dakota  
April 21, 2017



## **Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance Required by the Uniform Guidance**

To the Honorable Mayor and City Council  
City of Minot, North Dakota

### **Report on Compliance for Each Major Federal Program**

We have audited the City of Minot, North Dakota's compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2016. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

#### **Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

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

Our responsibility is to express an opinion on the compliance for each of the City's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### **Opinion on Each Major Federal Program**

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended December 31, 2016.

## Report on Internal Control over Compliance

Management of the City is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.



Fargo, North Dakota  
April 21, 2017

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<b>Department of Commerce</b> Economic Adjustment Assistance	11.307		\$ 5,206,010	
<b>Department of Defense</b> North Dakota Environmental Infrastructure	12.118		1,575,092	
<b>Department of Housing and Urban Development</b> North Dakota Environmental Infrastructure <i>Passed through ND Department of Commerce, Division of Community Services</i>	14.218		\$ 1,575,238	
Community Block Development Grants	14.228	B-14-DC-38-0001	11,029	11,029
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269		<u>6,306,984</u>	
Total Department of Housing and Urban Development			<u>7,893,251</u>	
<b>Department of Justice</b> <i>Passed through ND Department of Health</i>				
Violence Against Women Formula Grants	16.588	G15.336	34,772	
Bulletproof Vest Partnership Program	16.607		10,257	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		\$ 22,836	14,950
<i>Passed through ND Department of Health</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1/1/2016 - 12/31/2016	<u>9,750</u>	
Total CFDA #16.738			<u>32,586</u>	
Total Department of Justice			<u>77,615</u>	

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<b>Department of Transportation</b>				
Airport Improvement Program	20.106		2,017,600	
<i>Passed through ND Department of Transportation</i>				
Formula Grants for Rural Areas	20.509	38151508 & 38161117	399,603	
Formula Grants for Rural Areas	20.526	38160128 & 38161117	98,316	
National Priority Safety Programs	20.616	PHSPID1610-02-15	12,210	
National Priority Safety Programs	20.616	PHSPOP1605-05-13	5,025	
National Priority Safety Programs	20.616	PHSPID1610-12-08	4,626	
National Priority Safety Programs	20.616	PHSPDD1611-02-07	2,786	
National Priority Safety Programs	20.616	PSHSPPOP1705-05-15	1,594	
National Priority Safety Programs	20.616	PHSPID1710-12-09	649	
Total CFDA #20.616			<u>26,890</u>	
Total Department of Transportation			2,542,409	
<b>Environmental Protection Agency</b>				
Brownsfields Training, Research, and Technical Assistance Grants and Cooperative Agreements	66.814		32,722	
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		<u>144,693</u>	
Total Environmental Protection Agency			177,415	
<b>Department of Homeland Security</b>				
<i>Passed through ND Department of Emergency Services</i>				
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1981-DR-ND BR3C	5,880	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	FEMA-1981-DR-ND 12C	8,055	
Disaster Grants - Public Assistance (Presidentially Declared Disasters)	97.036	PA-08-ND-1981-PW-04884(0)	<u>212,654</u>	
Total CFDA #97.039			226,589	

City of Minot, North Dakota  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2016

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<b><u>Department of Homeland Security (continued)</u></b>				
Hazard Mitigation Grant	97.039	ND-DR-1981-59F	73,085	
Hazard Mitigation Grant	97.039	ND-DR-1981-26R	<u>13,208,335</u>	
Total CFDA #97.039			13,281,420	
Homeland Security Grant Program	97.067	A0771-001-2014-RQ	14,396	
Homeland Security Grant Program	97.067	A0771-002-2014-RT	38,262	
Homeland Security Grant Program	97.067	A0771-003-2015-RQ	63,907	
Homeland Security Grant Program	97.067	A0771-003-2014-RE	16,610	
Homeland Security Grant Program	97.067	A0751-001-2014-RQ	265	
Homeland Security Grant Program	97.067	A1171-001-2014-RQ	2,954	
Homeland Security Grant Program	97.067	A1171-002-2015-RQ	4,980	
Homeland Security Grant Program	97.067	A0751-001-2015-RQ	31,439	
Homeland Security Grant Program	97.067	A1171-001-2015-RT	<u>25,003</u>	
Total CFDA #97.067			197,816	
Total Department of Homeland Security			<u>13,705,825</u>	
Total Federal Financial Assistance			<u>\$ 31,177,617</u>	<u>\$ 25,979</u>

City of Minot, North Dakota  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2016

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards includes the federal grant activity of the City of Minot, North Dakota, and is presented on the modified accrual basis of accounting. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. The City received federal awards both directly from federal agencies and indirectly through pass-through entities. Federal financial assistance provided to a subrecipient is treated as an expenditure when it is paid to the subrecipient.

**Note B – Significant Accounting Policies**

Governmental and proprietary fund types account for the City's federal grant activity. Expenditures in the schedule of expenditures of federal awards are recognized on the modified accrual basis – when they become a demand on current available financial resources. The City's summary of significant accounting policies is presented in Note 1 in the City's basic financial statements.

The City has not elected to use the 10% de minimis cost rate.

City of Minot, North Dakota  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2016

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**Section I – Summary of Auditor's Results**

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**FINANCIAL STATEMENTS**

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Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Noncompliance material to financial statements noted?	No

**FEDERAL AWARDS**

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Internal control over major program:	
Material weaknesses identified	No
Significant deficiencies identified not considered to be material weaknesses	None Reported
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with Uniform Guidance 2 CFR 200.516:	No

**Identification of major programs:**

Name of Federal Program	CFDA Number
North Dakota Environmental Infrastructure	12.118
Airport Improvement Program	20.106
Hazard Mitigation Grant	97.039
Dollar threshold used to distinguish between type A and type B programs:	\$ 935,329
Auditee qualified as low-risk auditee?	Yes

City of Minot, North Dakota  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2016

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**Section II – Financial Statement Findings**

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**None reported.**

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**Section III – Federal Award Findings and Questioned Costs**

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**None reported**