

# 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.

| Sales Tax Collections |               | Property Tax Levied |              |
|-----------------------|---------------|---------------------|--------------|
| 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.

| Assets, Liabilities and Net Position Per Capita |         |          |             |          |
|---|---------|----------|-------------|----------|
|   |         | Total    | Total       |          |
|   |         | Assets   | Liabilities |          |
|   |         | Deferred | Deferred    | Net      |
| Population                                      | Outflow | Inflow   | Position    |          |
| 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   |

| Expenses and Program Revenues Per Capita |          |          |               |               |          |          |
|--|----------|----------|---------------|---------------|----------|----------|
|  |          | Charges  | Operating     | Capital       |          |          |
|  |          | for      | Grants and    | Grants and    |          |          |
| Population                               | Expenses | Services | Contributions | Contributions | Change   |          |
|  |          |          |               |               | in Net   |          |
| 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    |

| Ratio of Net Position to Expenses |              |               |
|-----------------------------------|--------------|---------------|
|                                   | Governmental | Business-Type |
|                                   | Activities   | Activities    |
| 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.

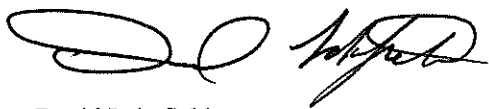
The City has completed several major highway projects in recent years with additional projects planned for 2017. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with CDBG-DR, oil impact grants, storm sewer development 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,

A handwritten signature in black ink, appearing to read 'David Lakefield', is written over a horizontal line.

David Lakefield  
Finance Director





Government Finance Officers Association

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

Presented to

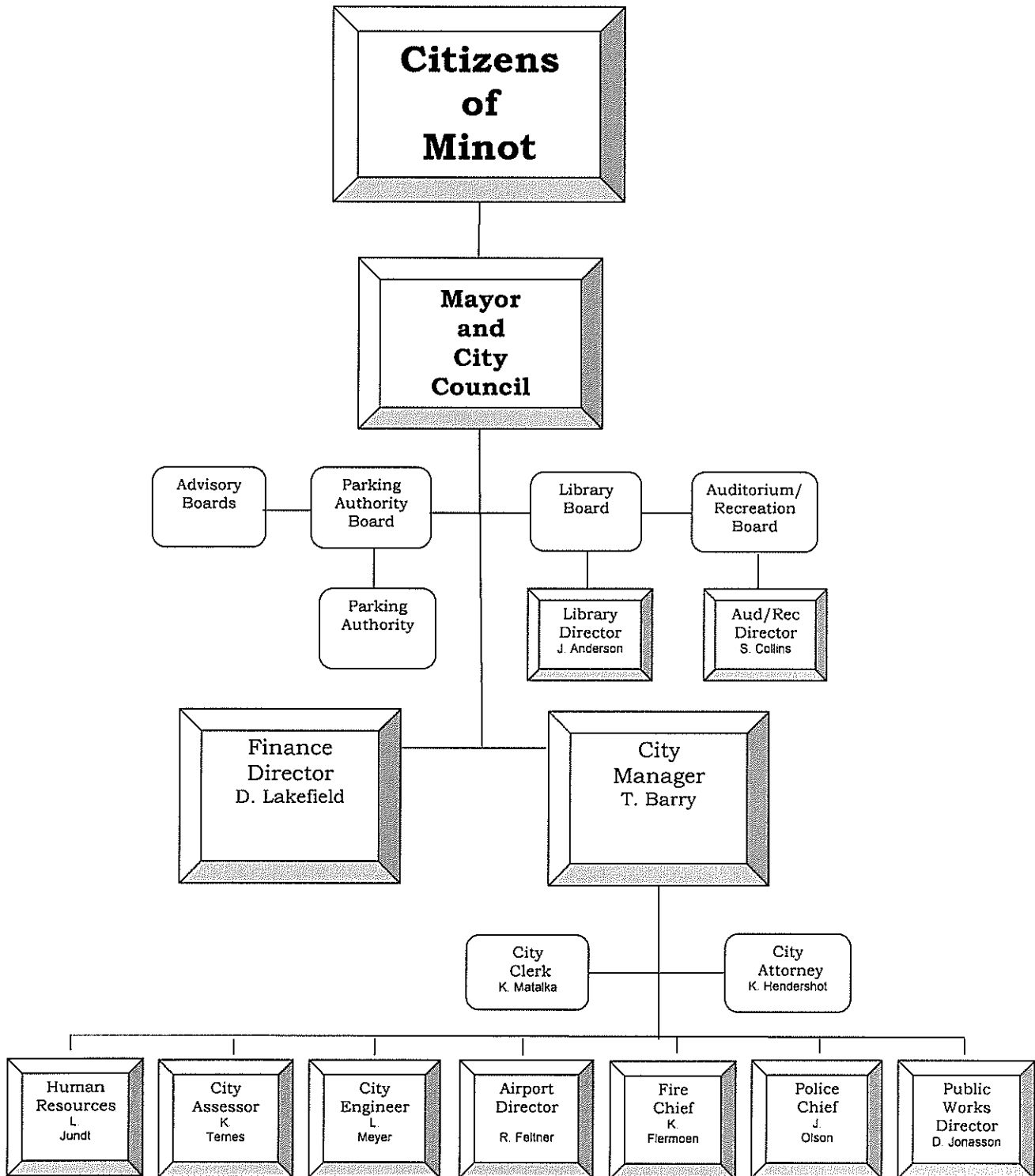
**City of Minot  
North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2015**

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 "Eric Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
April 21, 2017



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Management's  
Discussion  
and  
Analysis

## 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.

## 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.

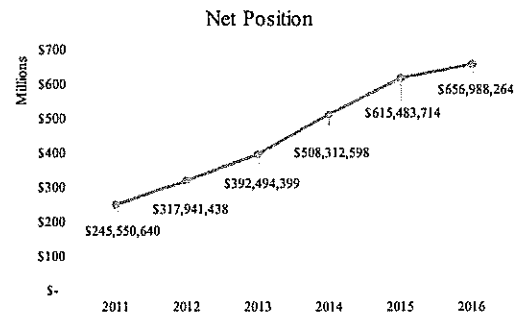
This report also contains other supplementary information in addition to the basic financial statements.

#### 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

## Management's Discussion and Analysis

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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         | \$ 157,829,481          | \$ 161,311,483 | \$ 47,424,243            | \$ 76,842,571  | \$ 205,253,724 | \$ 238,154,054 |
| Capital assets                   | 291,525,906             | 251,151,060    | 337,447,296              | 302,640,945    | 628,973,202    | 553,792,005    |
| Total assets                     | 449,355,387             | 412,462,543    | 384,871,539              | 379,483,516    | 834,226,926    | 791,946,059    |
| 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

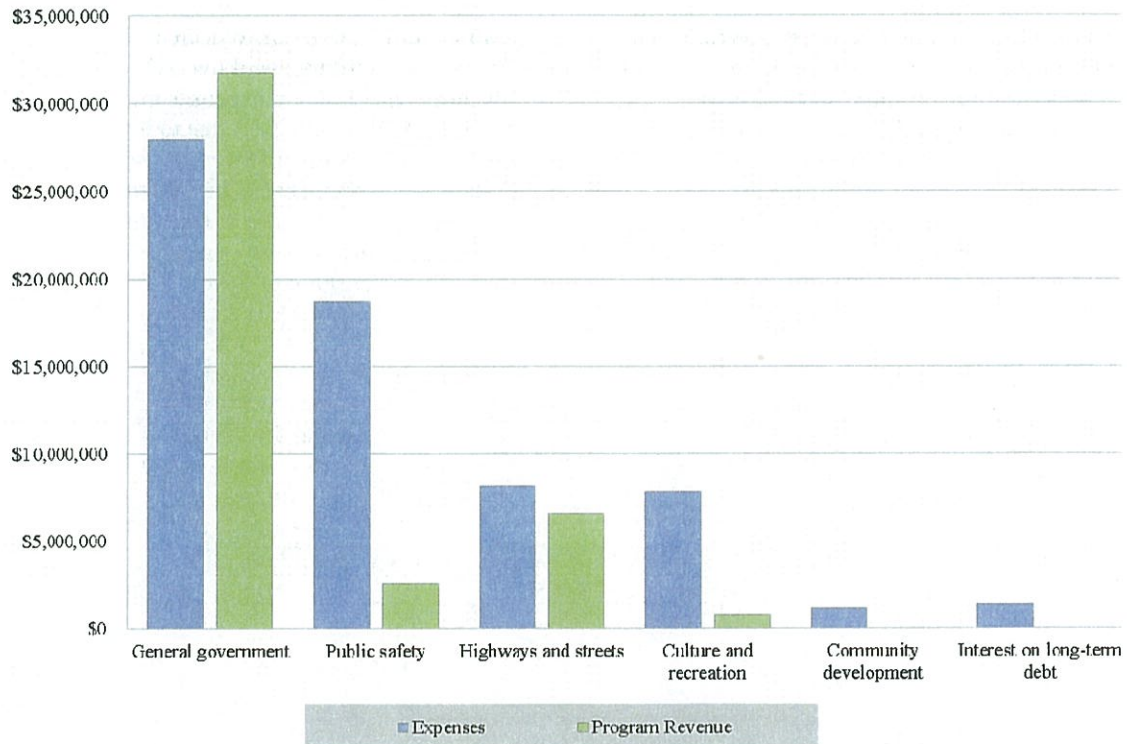
projects from 2015 funded with CDBG-DR funds, culture and recreation and economic development decreased over \$2.1 million each.

**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.

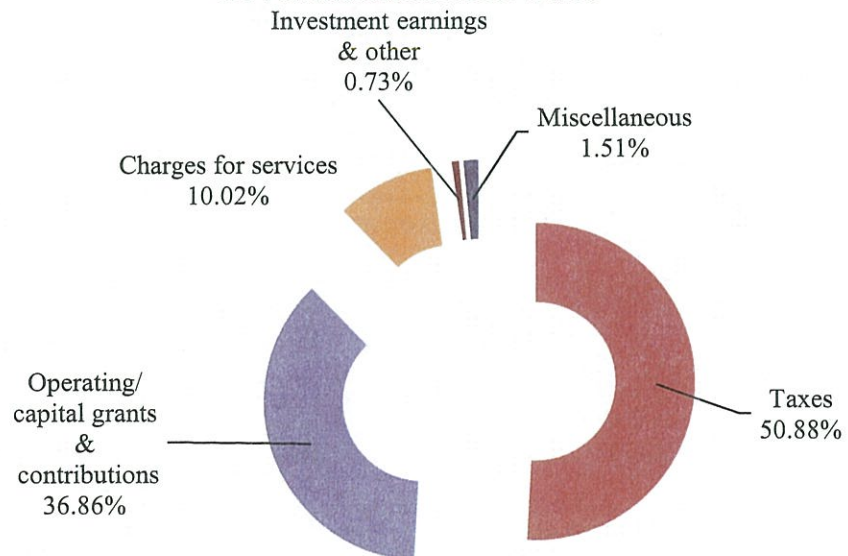
|  | Changes in Net Position |                      |                          |                      |                      |                      |
|--|-------------------------|----------------------|--------------------------|----------------------|----------------------|----------------------|
|  | 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          |
| Transfers                                | 4,495,291               | 1,262,055            | (4,495,291)              | (1,262,055)          | -                    | -                    |
| <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          |
| <b>Net position, December 31</b>         | <b>\$349,973,599</b>    | <b>\$322,135,986</b> | <b>\$307,014,665</b>     | <b>\$293,347,728</b> | <b>\$656,988,264</b> | <b>\$615,483,714</b> |

Management's Discussion and Analysis

### Expenses & Program Revenues Governmental Activities

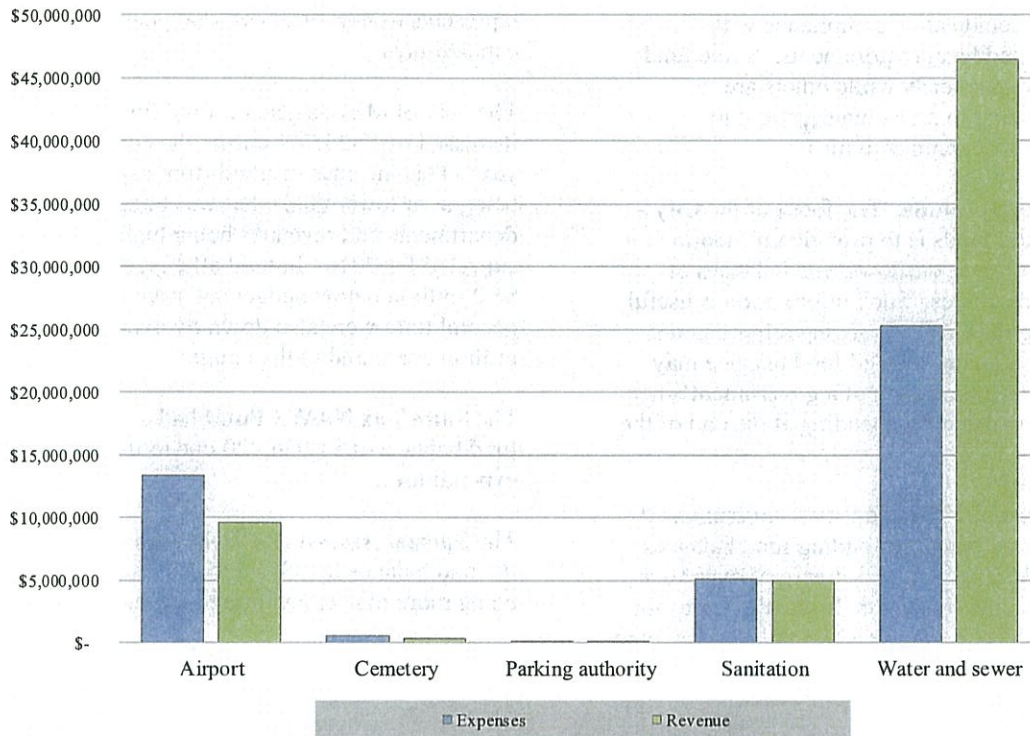


### Revenues by Source Governmental Activities

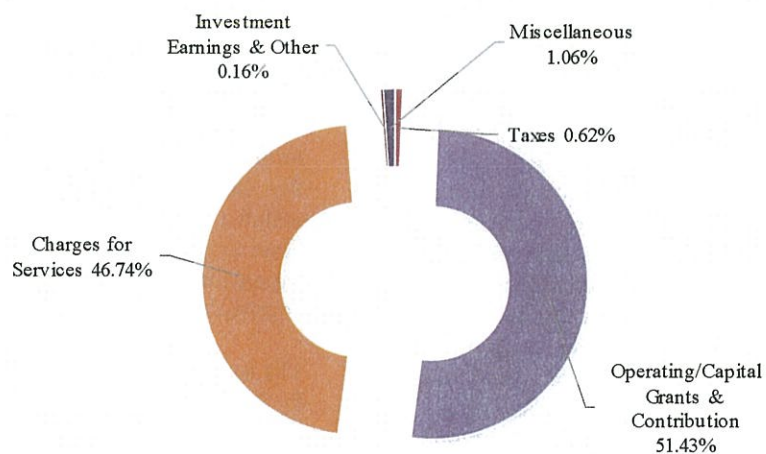


Management's Discussion and Analysis

### Expenses & Program Revenues Business-Type Activities



### Revenues by Source Business-Type Activities





**Management's Discussion and Analysis**

**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) |               |                          |               |               |               |
|--------------------------|--------------------------------------|---------------|--------------------------|---------------|---------------|---------------|
|                          | Governmental Activities              |               | Business-Type Activities |               | Total         |               |
|                          | 2016                                 | 2015          | 2016                     | 2015          | 2016          | 2015          |
| 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          | \$47,280,832            | \$40,401,024 | \$62,518,116             | \$61,566,818 | \$109,798,948 | \$101,967,842 |

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<br>Activities | Business-Type<br>Activities | Total<br>2016 | Total<br>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   | 449,355,387                | 384,871,539                 | 834,226,926   | 791,946,059   |
| <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                 | 7,731,345                  | 2,426,972                   | 10,158,317    | 10,852,644    |
| <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                                | 47,268,560                 | 12,708,878                  | 59,977,438    | 59,323,830    |
| Total liabilities                                    | 103,925,380                | 79,705,658                  | 183,631,038   | 185,183,955   |
| <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                   | 3,187,753                  | 578,188                     | 3,765,941     | 2,131,034     |
| <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                            | 24,715,847                 | 22,377,420                  | 47,093,267    | 68,158,788    |
| Total net position                                   | \$349,973,599              | \$307,014,665               | \$656,988,264 | \$615,483,714 |

*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 Grants and Contributions | Capital Grants and Contributions | Governmental Activities                           | Business-Type Activities | Total 2016           | Total 2015            |
| <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)           |
| <b>Total governmental activities</b>        | <b>65,370,211</b>    | <b>8,892,909</b>     | <b>4,355,509</b>                   | <b>28,346,960</b>                | <b>(23,774,833)</b>                               | <b>-</b>                 | <b>(23,774,833)</b>  | <b>24,234,879</b>     |
| <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            |
| <b>Total business-type activities</b>       | <b>44,366,913</b>    | <b>29,226,260</b>    | <b>1,535,901</b>                   | <b>30,623,098</b>                | <b>-</b>  | <b>17,018,346</b>        | <b>17,018,346</b>    | <b>80,737,946</b>     |
| <b>Total government</b>                     | <b>\$109,737,124</b> | <b>\$ 38,119,169</b> | <b>\$ 5,891,410</b>                | <b>\$ 58,970,058</b>             | <b>(23,774,833)</b>                               | <b>17,018,346</b>        | <b>(6,756,487)</b>   | <b>104,972,825</b>    |
| <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)              | -                    | -                     |
| <b>Total general revenues and transfers</b> |                      |                      |                                    |                                  | <b>51,612,446</b>                                 | <b>(3,351,409)</b>       | <b>48,261,037</b>    | <b>55,100,123</b>     |
| 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>            |                      |                      |                                    |                                  | <b>\$349,973,599</b>                              | <b>\$ 307,014,665</b>    | <b>\$656,988,264</b> | <b>\$ 615,483,714</b> |

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**

|   | General<br>Fund      | Special<br>Revenue<br>Fund<br>Sales Tax<br>NAWS | Debt<br>Service Fund<br>Special<br>Assessment<br>Debt | Capital<br>Project Fund<br>Highway<br>Reserve |
|---|----------------------|---|---|---|
| <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**

|   | <u>Capital Project Fund</u> |                     | <u>Other</u>         | <u>Total</u>          | <u>Total</u>          |
|---|-----------------------------|---------------------|----------------------|-----------------------|-----------------------|
|   | <u>Capital</u>              | <u>Storm Sewer</u>  | <u>Governmental</u>  | <u>Governmental</u>   | <u>Governmental</u>   |
|   | <u>Purchases</u>            | <u>Development</u>  | <u>Funds</u>         | <u>Funds</u>          | <u>Funds</u>          |
|   |                             |                     |                      | <u>2016</u>           | <u>2015</u>           |
| <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**

---

|  |               |
|--|---------------|
| 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)

(\$47,581,099)

Total net position of governmental activities

\$349,973,599

*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<br/>Revenue<br/>Fund<br/>Sales Tax<br/>NAWS</b> | <b>Debt<br/>Service Fund<br/>Special<br/>Assessment<br/>Debt</b> | <b>Capital<br/>Project Fund<br/>Highway<br/>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<br>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</u>        | <u>Total</u>        |
|---|-----------------------------|--------------------|---------------|---------------------|---------------------|
|   | <u>Capital</u>              | <u>Storm Sewer</u> | <u>Other</u>  | <u>Governmental</u> | <u>Governmental</u> |
|   | <u>Purchases</u>            | <u>Development</u> | <u>Funds</u>  | <u>Funds</u>        | <u>Funds</u>        |
| <b>REVENUES</b>   |                             |                    |               | <b>2016</b>         | <b>2015</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**

---

|  |              |
|--|--------------|
| 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 | <u>127,109</u>  |
| 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                        | <u>(4,002,683)</u> |
| 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.

|  |               |
|--|---------------|
|  | <u>12,114</u> |
|--|---------------|

|   |                             |
|---|-----------------------------|
| Change in net position of governmental activities | <u><u>\$ 27,837,613</u></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 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</b>           | <b>Variance</b>          | <b>2015</b>           |
|---|-------------------------|----------------------|-----------------------|--------------------------|-----------------------|
|   | <b>Original</b>         | <b>Final Amended</b> | <b>Actual Amounts</b> | <b>With Final Budget</b> | <b>Actual Amounts</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                             | 384,590                 | 384,590              | 107,890               | 276,700                  | 173,500               |
| 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</b>           | <b>Variance</b>          | <b>2015</b>           |
|---|-------------------------|----------------------|-----------------------|--------------------------|-----------------------|
|   | <b>Original</b>         | <b>Final Amended</b> | <b>Actual Amounts</b> | <b>With Final Budget</b> | <b>Actual Amounts</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                                 |                         |                      | <u>\$ 25,732,157</u>  |                          | <u>\$ 25,207,413</u>  |

*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**

|  | Sales Tax NAWS                             |                           |                                  |                           |
|--|--|---------------------------|----------------------------------|---------------------------|
|  | Original<br>& Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <b>REVENUES</b>  |  |                           |                                  |                           |
| Interest income  | \$ 167,488                                 | \$ 315,402                | \$ (147,914)                     | \$ 261,084                |
| Total revenues   | 167,488                                    | 315,402                   | (147,914)                        | 261,084                   |
| <b>EXPENDITURES</b>  |  |                           |                                  |                           |
| General government   | 5,285,000                                  | 593,377                   | 4,691,623                        | 241,306                   |
| Total expenditures   | 5,285,000                                  | 593,377                   | 4,691,623                        | 241,306                   |
| Excess (deficiency) of revenues<br>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)                         | (50,000)                                   | (758,745)                 | 708,745                          | (50,000)                  |
| Net change in fund balance                                   | <u>\$ (5,167,512)</u>                      | <u>(1,036,720)</u>        | <u>\$ (4,130,792)</u>            | <u>(30,222)</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**

|   | Business-Type Activities<br>Enterprise Funds |              |                  |            |
|---|--|--------------|------------------|------------|
|   | Airport                                      | Sanitation   | Water<br>& Sewer | Nonmajor   |
| <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                              | 7,915,903                                    | 4,342,380    | 31,576,497       | 482,658    |
| 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                              | 138,818,288                                  | 12,809,501   | 287,756,829      | 1,589,638  |
| Less-accumulated depreciation                     | (29,391,440)                                 | (5,127,980)  | (68,258,129)     | (749,411)  |
| Net capital assets                                | 109,426,848                                  | 7,681,521    | 219,498,700      | 840,227    |
| Total noncurrent assets                           | 110,789,123                                  | 7,734,639    | 225,213,689      | 843,644    |
| Total assets                                      | 118,705,026                                  | 12,077,019   | 256,790,186      | 1,326,302  |
| <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              | 281,927                                      | 764,797      | 1,320,905        | 59,343     |
| <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                         | 2,458,642                                    | 440,130      | 9,363,695        | 46,460     |
| 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                       | 29,192,426                                   | 5,628,244    | 36,694,653       | 514,563    |
| Total liabilities                                 | 31,651,068                                   | 6,068,374    | 46,058,348       | 561,023    |
| <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                | 30,340                                       | 164,295      | 333,654          | 49,899     |
| <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                                | \$ 87,305,545                                | \$ 6,609,147 | \$ 211,719,089   | \$ 774,723 |

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

|  | Governmental Activities |                        |                       |                       |
|--|-------------------------|------------------------|-----------------------|-----------------------|
|  | Total Enterprise Funds  | Internal Service Funds | Total 2016            | Total 2015            |
| <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   | 44,317,438              | 2,833,868              | 47,151,306            | 76,710,968            |
| 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   | 440,974,256             | -                      | 440,974,256           | 394,307,440           |
| Less-accumulated depreciation  | (103,526,960)           | -                      | (103,526,960)         | (91,666,495)          |
| Net capital assets   | 337,447,296             | -                      | 337,447,296           | 302,640,945           |
| Total noncurrent assets  | 344,581,095             | 2,232                  | 344,583,327           | 309,104,152           |
| Total assets   | 388,898,533             | 2,836,100              | 391,734,633           | 385,815,120           |
| <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   | 2,426,972               | -                      | 2,426,972             | 2,573,944             |
| <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  | 12,308,927              | 204,651                | 12,513,578            | 21,346,954            |
| 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  | 72,029,886              | -                      | 72,029,886            | 71,449,089            |
| Total liabilities  | 84,338,813              | 204,651                | 84,543,464            | 92,796,043            |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                         |                        |                       |                       |
| Deferred inflows of resources related to pension   | 578,188                 | -                      | 578,188               | 232,119               |
| Total deferred inflow of resources   | 578,188                 | -                      | 578,188               | 232,119               |
| <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   | 306,408,504             | \$ 2,631,449           | 309,039,953           | 295,360,902           |
| 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>\$ 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**

|  | Business-Type Activities<br>Enterprise Funds |              |                  |            |
|--|--|--------------|------------------|------------|
|  | Airport                                      | Sanitation   | Water<br>& Sewer | Nonmajor   |
| <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                         | 4,521,765                                    | 4,250,319    | 19,958,715       | 342,860    |
| <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                         | 10,612,495                                   | 5,065,873    | 23,966,134       | 610,455    |
| Operating income (loss)                          | (6,090,730)                                  | (815,554)    | (4,007,419)      | (267,595)  |
| <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)          | (496,002)                                    | 154,150      | (756,058)        | 287,117    |
| Income (loss) before contributions and transfers | (6,586,732)                                  | (661,404)    | (4,763,477)      | 19,522     |
| 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                | 3,340,098                                    | 390,229      | 21,766,248       | 9,852      |
| Change in net position                           | (3,246,634)                                  | (271,175)    | 17,002,771       | 29,374     |
| Net position, January 1                          | 90,552,179                                   | 6,880,322    | 194,716,318      | 745,349    |
| Net position, December 31                        | \$ 87,305,545                                | \$ 6,609,147 | \$ 211,719,089   | \$ 774,723 |

**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**

|  |                              | Governmental<br>Activities   |                      |                      |
|--|------------------------------|------------------------------|----------------------|----------------------|
|  | Total<br>Enterprise<br>Funds | Internal<br>Service<br>Funds | Total<br>2016        | Total<br>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<br>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<br>Enterprise Funds |              |                  |              |
|--|--|--------------|------------------|--------------|
|  | Airport                                      | Sanitation   | Water &<br>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   | (6,759,466)                                  | 442,542      | 2,044,722        | (200,936)    |
| <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  | 1,731,212                                    | (42,580)     | (4,554,840)      | 299,401      |
| <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                                 | (1,886,896)                                  | (1,058,484)  | (21,224,066)     | (156,428)    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |              |                  |              |
| Interest and dividends   | 19,223                                       | 11,677       | 66,184           | 979          |
| Net cash provided by investing activities  | 19,223                                       | 11,677       | 66,184           | 979          |
| 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   | \$ 6,807,091                                 | \$ 3,872,724 | \$ 20,669,768    | \$ 424,303   |
| 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                                     | \$ 6,807,091                                 | \$ 3,872,724 | \$ 20,669,768    | \$ 424,303   |
| <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   | (6,759,466)                                  | 442,542      | 2,044,722        | (200,936)    |
| <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<br>Enterprise<br>Funds | Governmental<br>Activities<br>Internal Service<br>Funds | Total<br>2016   | Total<br>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   | (4,473,138)                  | 176,334   | (4,296,804)     | 15,726,169     |
| <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  | (2,566,807)                  | 20,029  | (2,583,862)     | (1,820,613)    |
| <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                                 | (24,325,874)                 | -   | (24,325,874)    | 6,364,713      |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                              |   |                 |                |
| Interest and dividends   | 98,063                       | 5,193   | 103,256         | 123,015        |
| Net cash provided by investing activities  | 98,063                       | 5,193   | 103,256         | 123,015        |
| Net increase (decrease) in cash and cash equivalents   | (31,267,756)                 | 201,556   | (31,103,284)    | 20,393,284     |
| Cash and cash equivalents, January 1   | 63,041,642                   | 2,308,068   | 65,349,710      | 44,956,426     |
| Cash and cash equivalents, December 31   | \$ 31,773,886                | \$ 2,509,624  | \$ 34,246,426   | \$ 65,349,710  |
| 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                                     | \$ 31,773,886                | \$ 2,472,540  | \$ 34,246,426   | \$ 65,349,710  |
| <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   | \$ (4,473,138)               | \$ 176,334  | \$ (4,296,804)  | \$ 15,726,169  |
| <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     |

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

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

|                                 | <b>Pension<br/>Trust<br/>Fund</b> | <b>OPEB<br/>Trust<br/>Fund</b> | <b>Agency<br/>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                     | 4,081,622                         | 74,251                         |                         |
| 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**

|  | <b>Pension<br/>Trust<br/>Fund</b> | <b>OPEB<br/>Trust<br/>Fund</b> | <b>2016<br/>Total</b> | <b>2015<br/>Total</b> |
|--|-----------------------------------|--------------------------------|-----------------------|-----------------------|
| <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>  |

*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.

## Notes to Financial Statements

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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.

## Notes to Financial Statements

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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

## Notes to Financial Statements

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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.

## Notes to Financial Statements

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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                   | 1,134,682            |
| 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<br>in fund balances—total governmental<br>funds to arrive at changes in net position<br>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<br>in fund balances—total governmental<br>funds to arrive at changes in net position<br>of governmental funds | <u>\$ (287,677)</u>  |

**NOTE 3-STEWARDSHIP, 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:**

- 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;
- U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- 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               | Specials             | Specials          | Accounts            |                     | Intergov't'l         | Accrued           | Gross                | Less: Allow           | Total Net            |
|-------------------------|---------------------|----------------------|-------------------|---------------------|---------------------|----------------------|-------------------|----------------------|-----------------------|----------------------|
|                         | Delinquent          | Deferred             | Delinquent        | Receivable          | Loans               | Receivable           | Interest          | Receivables          | for                   | Receivables          |
|                         |                     |                      |                   |                     |                     |                      |                   |                      | Uncollectible         |                      |
| 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:

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

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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<br/>1/1/2016</b> | <b>Additions</b> | <b>Deletions</b> | <b>Transfers</b> | <b>Balance<br/>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<br/>1/1/2016</b> | <b>Additions</b> | <b>Deletions</b> | <b>Transfers</b> | <b>Balance<br/>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                                   | 25,584               |
| 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                                       | 10,161,895           |
| 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             | 62,386,601            | 25,982,173           |
|                             | <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             |
| Business-type funds     |                  |                         |                   |                     |
| Water & sewer           | 72,010           | 3,954,984               | -                 | 4,026,994           |
| Total advance to        | <u>\$ 72,010</u> | <u>\$ 5,038,779</u>     | <u>\$ 157,400</u> | <u>\$ 5,268,189</u> |

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          | <u>\$ 654,160</u> | <u>\$ 172,434</u> | <u>\$ 826,594</u> |

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               | General Fund | Sales Tax NAWS | Special Assessment Debt | Highway Reserve | Capital Purchases | Storm Sewer Development | Nonmajor Governmental Funds | Airport   | Sanitation | Water & Sewer | Nonmajor Enterprise Funds | Total Transfers In |
|-----------------------------|--------------|----------------|-------------------------|-----------------|-------------------|-------------------------|-----------------------------|-----------|------------|---------------|---------------------------|--------------------|
| 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:

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

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

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

**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:

| Year | Original<br>Amount   | Balance<br>Outstanding<br>12/31/2016 | Interest<br>Rate | Matures    |
|------|----------------------|--------------------------------------|------------------|------------|
| 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 |
|      | <u>\$ 31,050,000</u> | <u>\$ 21,180,000</u>                 |                  |            |

*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 valorem taxes. Interest rates on the outstanding bonds range from 0.75% to 4.50%.

Special assessment bonds currently outstanding are as follows:

| Year | Original<br>Amount   | Balance<br>Outstanding<br>12/31/2016 | Interest<br>Rate | Matures    |
|------|----------------------|--------------------------------------|------------------|------------|
| 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 |
|      | <u>\$ 27,230,000</u> | <u>\$ 21,090,000</u>                 |                  |            |

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 | Original Amount      | Balance              |            | Interest Rate | Matures    |
|------|----------------------|----------------------|------------|---------------|------------|
|      |                      | Outstanding          | 12/31/2016 |               |            |
| 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 | Original Amount      | Balance              |            | Interest Rate | Matures    |
|------|----------------------|----------------------|------------|---------------|------------|
|      |                      | Outstanding          | 12/31/2016 |               |            |
| 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 | Original Amount | Balance      |            | Interest Rate | Matures    |
|------|-----------------|--------------|------------|---------------|------------|
|      |                 | Outstanding  | 12/31/2016 |               |            |
| 2015 | \$ 1,945,000    | \$ 1,800,000 |            | 3.00-4.00%    | 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<br/>Balance</b> | <b>Additions</b>     | <b>Deletions</b>      | <b>Ending<br/>Balance</b> | <b>Due Within<br/>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<br/>Balance</b> | <b>Additions</b>    | <b>Deletions</b>      | <b>Ending<br/>Balance</b> | <b>Due Within<br/>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         | Special Revenue Fund<br>Sales Tax<br>NAWS | Major Debt Service<br>Special Assessment<br>Debt | Highway Reserve      | Capital Purchases | Major Capital Project Funds<br>Storm Sewer Development | Nonmajor Other Governmental Funds | Total                 |
|--------------------------------|----------------------|---|--|----------------------|-------------------|--|-----------------------------------|-----------------------|
| <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>-</b>                                  | <b>1,107,668</b>                                 | <b>-</b>             | <b>-</b>          | <b>-</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>-</b>             | <b>-</b>          | <b>-</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>-</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>-</b>                                  | <b>-</b>   | <b>-</b>             | <b>-</b>          | <b>-</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:

|      |                                 | Current<br>Year Claims                  |                       |                              |
|------|---------------------------------|---|-----------------------|------------------------------|
|      | Beginning<br>Claim<br>Liability | Incurred and<br>Changes in<br>Estimates | Payments<br>on Claims | Ending<br>Claim<br>Liability |
| 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<br>Activities | Business-Type<br>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:

|   | 2016           |             |
|---|----------------|-------------|
|   | <u>Pension</u> | <u>OPEB</u> |
| 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:

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

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:

| <u>Maturity (Years)</u> | <u>Pension Fixed Income</u> | <u>OPEB Fixed Income</u> |
|-------------------------|-----------------------------|--------------------------|
| 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                  |
|                         | <u>\$ 22,477,186</u>        | <u>\$ 400,701</u>        |

| <u>Credit Rating</u> | <u>Pension Fixed Income</u> | <u>OPEB Fixed Income</u> |
|----------------------|-----------------------------|--------------------------|
| 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                  |
|                      | <u>\$ 22,477,186</u>        | <u>\$ 400,701</u>        |

| <u>Fixed Income Subclass</u> | <u>Pension</u>       | <u>OPEB</u>       |
|------------------------------|----------------------|-------------------|
| 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            | -                 |
|                              | <u>\$ 22,477,186</u> | <u>\$ 400,701</u> |

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    | \$(39,993) | \$(40,455) | \$(40,885) |
| 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:

| <u>Asset Class</u>         | <u>Target Allocation</u> | <u>Long-Term Expected Rate of Return</u> |
|----------------------------|--------------------------|--|
| 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.

| <u>Assumption</u>             | <u>Pension</u>   | <u>OPEB</u>  |
|-------------------------------|--|--|
| 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%<br>5-12 years of service 4.5%<br>13+ years of service 4% | Same<br>Same<br>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<br>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.

| <u>Fiscal Year</u> | <u>1/1/2017</u>  |
|--------------------|------------------|
| <u>Beginning</u>   | <u>Valuation</u> |
| 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 payroll | 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.

**City of Minot**  
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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   | 69,937,753           |
| Net pension liability (asset) | <u>\$ 65,297,001</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 experience                  | \$ 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 Proportionate Share |              |
|------------|-----------------------------------|--------------|
|            | Pension                           | 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 Discount Rate |               |                    |
|-------------------------------------|-----------------------|---------------|--------------------|
|                                     | 1% Decrease (6.5%)    | 7.5%          | 1% Increase (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.

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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Required Supplementary Information

Schedule of Changes in Net Pension Liability

|   | 2016                  | 2015                  | 2014                  |
|---|-----------------------|-----------------------|-----------------------|
| 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                         | 125,763,452           | 121,029,390           | 116,216,052           |
| 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                     | 61,158,850            | 63,557,503            | 60,053,038            |
| 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

|  | 2016              | 2015              | 2014              |
|--|-------------------|-------------------|-------------------|
| 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.

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<br>Ending | Proportion of<br>the Net<br>Pension<br>Liability | Proportionate<br>Share of the<br>Net Pension<br>Liability | Covered<br>Payroll | Proportionate<br>Share of the<br>Net Pension<br>Liability as a<br>Percentage of<br>Covered<br>Payroll | Plan<br>Fiduciary Net<br>Position as a<br>Percentage of<br>the Total<br>Pension<br>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<br>Ended | Actuarially<br>Determined<br>Contributions | Contributions<br>in Relation to<br>the Actuarially<br>Determined<br>Contributions | Contribution<br>Deficiency<br>(Excess) | Covered<br>Payroll | Contributions<br>as a<br>Percentage of<br>Covered<br>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.



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Required Supplementary Information

Notes to City of Minot Employee's Pension Plan:

Measurement Date: January 1, 2017

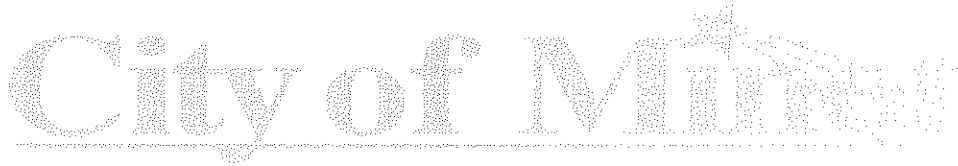
Assumption changes: In 2012 an experience study was conducted for the City of Minot Employee's Pension Plan. Many assumptions were changed effective with the January 1, 2013 actuarial valuation. The disability assumption was removed and the marriage, salary increase, mortality, withdrawal and retirement 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

| Actuarial<br>Valuation Date | Actuarial<br>Value of Plan<br>Assets | Actuarial<br>Accrued<br>Liability<br>(AAL) | Unfunded<br>Actuarial<br>Accrued<br>Liability<br>(UAAL) | Funded Ratio | Annual<br>Covered<br>Payroll | UAAL as a<br>Percentage of<br>Annual<br>Covered<br>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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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                             |
| Total revenues   | 2,300,429                                | 2,300,429                             | 4,330,964                          | (2,030,535)                               | 5,100,691                          |
| <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   | 3,040,368                                | 3,032,993                             | 3,499,981                          | (466,988)                                 | 4,937,869                          |
| Excess (deficiency) of revenues<br>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)                            |
| Total other financing sources (uses)                         | 277,777                                  | 277,777                               | 27,582                             | 250,195                                   | 2,098,990                          |
| Net change in fund balance                                   | <u>\$ (462,162)</u>                      | <u>\$ (454,787)</u>                   | 858,565                            | <u>\$ (1,313,352)</u>                     | 2,261,812                          |
| Fund balance, January 1                                      |  |                                       | 4,501,204                          |   | 2,239,392                          |
| Fund balance, December 31                                    |  |                                       | <u>\$ 5,359,769</u>                |   | <u>\$ 4,501,204</u>                |

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

|  | Special<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Capital<br>Project<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds<br>2016 | Total<br>Nonmajor<br>Governmental<br>Funds<br>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>-</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<br>Revenue<br>Funds | Debt<br>Service<br>Fund | Capital<br>Project<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds<br>2016 | Total<br>Nonmajor<br>Governmental<br>Funds<br>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   | 27,647,336                  | 2,258,720               | 5,392,416                   | 35,298,472   | 48,502,869   |
| <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   | 15,804,550                  | 2,545,185               | 8,572,090                   | 26,921,825   | 43,387,976   |
| Excess (deficiency) of revenues<br>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)                         | (10,506,673)                | 140,434                 | 1,307,660                   | (9,058,579)  | (3,419,298)  |
| 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                                    | \$ 51,257,965               | \$ 1,277,508            | \$ 1,503,733                | \$ 54,039,206                                      | \$ 54,721,138                                      |

## **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**

|   | Public<br>Transportation | Library           | Recreation<br>Auditorium | Emergency<br>Fund   | Sales Tax<br>Property Tax<br>Relief-1st Penny | Sales Tax<br>Economic<br>Development |
|---|--------------------------|-------------------|--------------------------|---------------------|---|--------------------------------------|
| <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                                | <u>\$ 632,957</u>        | <u>\$ 380,909</u> | <u>\$ 1,298,472</u>      | <u>\$ 1,243,383</u> | <u>\$ 112,674</u>                             | <u>\$ 8,730,751</u>                  |
| <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                           | <u>14,386</u>            | <u>24,200</u>     | <u>34,415</u>            | <u>334,054</u>      | <u>-</u>                                      | <u>-</u>                             |
| <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         | <u>19,330</u>            | <u>37,726</u>     | <u>56,505</u>            | <u>19,687</u>       | <u>-</u>                                      | <u>-</u>                             |
| <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                          | <u>599,241</u>           | <u>318,983</u>    | <u>1,207,552</u>         | <u>889,642</u>      | <u>112,674</u>                                | <u>8,730,751</u>                     |
| Total liabilities, inflows and fund balance | <u>\$ 632,957</u>        | <u>\$ 380,909</u> | <u>\$ 1,298,472</u>      | <u>\$ 1,243,383</u> | <u>\$ 112,674</u>                             | <u>\$ 8,730,751</u>                  |

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

|   | Sales Tax<br>Improvements | Sales Tax<br>Flood Control | Sidewalk<br>Improvements | Street<br>Improvements | Demolitions         | Sales Tax<br>Property Tax<br>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                                | <u>\$ 5,626,656</u>       | <u>\$ 13,068,787</u>       | <u>\$ 56,639</u>         | <u>\$ 4,363,371</u>    | <u>\$ 1,166,732</u> | <u>\$ 353,404</u>                             |
| <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                           | <u>-</u>                  | <u>84,831</u>              | <u>-</u>                 | <u>28,761</u>          | <u>933</u>          | <u>-</u>                                      |
| <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         | <u>-</u>                  | <u>441</u>                 | <u>11,627</u>            | <u>5,962</u>           | <u>105,945</u>      | <u>-</u>                                      |
| <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                          | <u>5,626,656</u>          | <u>12,983,515</u>          | <u>45,012</u>            | <u>4,328,648</u>       | <u>1,059,854</u>    | <u>353,404</u>                                |
| Total liabilities, inflows and fund balance | <u>\$ 5,626,656</u>       | <u>\$ 13,068,787</u>       | <u>\$ 56,639</u>         | <u>\$ 4,363,371</u>    | <u>\$ 1,166,732</u> | <u>\$ 353,404</u>                             |

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

|   | Sales<br>Tax<br>Infrastructure | Sales Tax<br>Community<br>Facilities | CDBG-DR<br>\$67.5M | CDBG-DR<br>\$35 M | National<br>Disaster<br>Resilience<br>\$74.3M | Total<br>2016 | Total<br>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                                | \$ 9,361,205                   | \$ 5,640,828                         | \$ 8,459           | \$ 54,375         | \$ 251,788                                    | \$ 52,351,390 | \$ 51,869,527 |
| <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                           | -                              | -                                    | 8,459              | 54,375            | 251,788                                       | 836,202       | 1,737,022     |
| <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         | -                              | -                                    | -                  | -                 | -   | 257,223       | 210,653       |
| <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                          | 9,361,205                      | 5,640,828                            | -                  | -                 | -   | 51,257,965    | 49,921,852    |
| Total liabilities, inflows and fund balance | \$ 9,361,205                   | \$ 5,640,828                         | \$ 8,459           | \$ 54,375         | \$ 251,788                                    | \$ 52,351,390 | \$ 51,869,527 |

**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<br>Transportation | Library    | Recreation<br>Auditorium | Emergency<br>Fund | Sales Tax<br>Property Tax<br>Relief-1st Penny | Sales Tax<br>Economic<br>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<br>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<br>Improvements | Sales Tax<br>Flood Control | Sidewalk<br>Improvements | Street<br>Improvements | Demolitions  | Sales Tax<br>Property Tax<br>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   | 2,683,666                 | 2,694,665                  | 119,711                  | 1,270,419              | 497,706      | 3,209,250                                     |
| <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   | 28,634                    | 913,996                    | 113,129                  | 2,576,346              | 121,134      | -   |
| Excess (deficiency) of revenues<br>over (under) expenditures | 2,655,032                 | 1,780,669                  | 6,582                    | (1,305,927)            | 376,572      | 3,209,250                                     |
| <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)                         | (2,891,292)               | (35,963)                   | (286)                    | 1,305,173              | (8,117)      | (5,637,698)                                   |
| Net change in fund balance                                   | (236,260)                 | 1,744,706                  | 6,296                    | (754)                  | 368,455      | (2,428,448)                                   |
| Fund balance, January 1                                      | 5,862,916                 | 11,238,809                 | 38,716                   | 4,329,402              | 691,399      | 2,781,852                                     |
| Fund balance, December 31                                    | \$ 5,626,656              | \$ 12,983,515              | \$ 45,012                | \$ 4,328,648           | \$ 1,059,854 | \$ 353,404                                    |

**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<br>Tax<br>Infrastructure | Sales Tax<br>Community<br>Facilities | CDBG-DR<br>\$67.5M | CDBG-DR<br>\$35M | National<br>Disaster<br>Resilience<br>\$74.3M | Total<br>2016 | Total<br>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<br>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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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<br>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                                      |  |                                       | <u>359,182</u>                     |   | <u>159,559</u>                     |
| 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**

|  | Library                         |                              |                           |                                  |                           |
|--|---------------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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<br>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>            | 104,717                   | <u>\$ (110,154)</u>              | (24,508)                  |
| 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**

|  | Recreation/Auditorium           |                              |                           |                                  |                           |
|--|---------------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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   | 1,898,340                       | 1,831,801                    | 1,857,969                 | (26,168)                         | 1,903,863                 |
| <b>EXPENDITURES</b>  |                                 |                              |                           |                                  |                           |
| Current  |                                 |                              |                           |                                  |                           |
| Culture and recreation                                       | 3,414,140                       | 3,592,283                    | 2,448,852                 | 1,143,431                        | 1,903,537                 |
| Total expenditures   | 3,414,140                       | 3,592,283                    | 2,448,852                 | 1,143,431                        | 1,903,537                 |
| Excess (deficiency) of revenues<br>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)                         | 1,515,800                       | 1,688,988                    | 792,497                   | 896,491                          | 388,392                   |
| Net change in fund balance                                   | \$ -                            | \$ (71,494)                  | 201,614                   | \$ (273,108)                     | 388,718                   |
| 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**

|  | Emergency Fund                             |                           |                                  |                           |
|--|--|---------------------------|----------------------------------|---------------------------|
|  | Original<br>& Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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<br>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                                   | <u>\$ -</u>                                | 223,419                   | <u>\$ (223,419)</u>              | 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**

| Sales Tax Property Relief-1st Penny  |  |                           |                                  |                           |
|--------------------------------------|--|---------------------------|----------------------------------|---------------------------|
|                                      | Original<br>& Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| REVENUES                             |  |                           |                                  |                           |
| Sales tax collections                | \$ 1,260,873                               | \$ 1,068,757              | \$ 192,116                       | \$ 1,301,777              |
| Interest income                      | -  | 526                       | (526)                            | 930                       |
| Total revenues                       | 1,260,873                                  | 1,069,283                 | 191,590                          | 1,302,707                 |
| OTHER FINANCING SOURCES (USES)       |  |                           |                                  |                           |
| Transfers out                        | (1,494,463)                                | (1,494,989)               | 526                              | (1,369,920)               |
| Total other financing sources (uses) | (1,494,463)                                | (1,494,989)               | 526                              | (1,369,920)               |
| 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            |  | \$ 112,674                |                                  | \$ 538,380                |

**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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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<br>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                                   | <u>\$ -</u>                              | <u>\$ (3,224,535)</u>                 | <u>689,359</u>                     | <u>\$ (3,913,894)</u>                     | <u>(2,627,112)</u>                 |
| Fund balance, January 1                                      |  |                                       | <u>8,041,392</u>                   |   | <u>10,668,504</u>                  |
| 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**

|  | Sales Tax Improvements          |                              |                           |                                  |                           |
|--|---------------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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   | 3,152,182                       | 3,152,182                    | 2,683,666                 | 468,516                          | 3,296,067                 |
| <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   | 20,000                          | 183,096                      | 28,634                    | 154,462                          | 1,629,217                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | 3,132,182                       | 2,969,086                    | 2,655,032                 | 314,054                          | 1,666,850                 |
| <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)                         | (3,166,382)                     | (3,682,182)                  | (2,891,292)               | (790,890)                        | (1,644,287)               |
| Net change in fund balance                                   | \$ (34,200)                     | \$ (713,096)                 | (236,260)                 | \$ (476,836)                     | 22,563                    |
| Fund balance, January 1                                      |                                 |                              | 5,862,916                 |                                  | 5,840,353                 |
| 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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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   | 6,341,194                                | 3,666,194                             | 2,694,665                          | 971,529                                   | 6,531,783                          |
| <b>EXPENDITURES</b>  |  |                                       |                                    |   |                                    |
| General government   | 2,500,000                                | 3,949,506                             | 913,996                            | 3,035,510                                 | 34,334                             |
| Total expenditures   | 2,500,000                                | 3,949,506                             | 913,996                            | 3,035,510                                 | 34,334                             |
| Excess (deficiency) of revenues<br>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  | (2,675,000)                              | -                                     | (109,102)                          | 109,102                                   | (2,600,000)                        |
| Total other financing sources (uses)                         | (2,675,000)                              | -                                     | (35,963)                           | 35,963                                    | (2,400,000)                        |
| Net change in fund balance                                   | <u>\$ 1,166,194</u>                      | <u>\$ (283,312)</u>                   | 1,744,706                          | <u>\$ (2,028,018)</u>                     | 4,097,449                          |
| 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**

|  | Sidewalk                                   |                           |                                  |                           |
|--|--|---------------------------|----------------------------------|---------------------------|
|  | Original<br>& Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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   | 120,000                                    | 119,711                   | 289                              | 119,900                   |
| <b>EXPENDITURES</b>  |  |                           |                                  |                           |
| General government   | 120,000                                    | 113,129                   | 6,871                            | 92,018                    |
| Total expenditures   | 120,000                                    | 113,129                   | 6,871                            | 92,018                    |
| Excess (deficiency) of revenues<br>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)                         | -  | (286)                     | 286                              | (198)                     |
| Net change in fund balance                                   | <u>\$ -</u>                                | <u>6,296</u>              | <u>\$ (6,296)</u>                | 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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |                                    |   |                                    |
| Property tax collections                                     | \$ -                                     | \$ -                                  | \$ 13,019                          | \$ (13,019)                               | \$ 481,303                         |
| Intergovernmental  | -  | -                                     | 1,246,378                          | (1,246,378)                               | 888,121                            |
| Interest income  | -  | -                                     | 10,901                             | (10,901)                                  | 10,072                             |
| Miscellaneous income   | -  | -                                     | 121                                | (121)                                     | 670                                |
| Total revenues   | -  | -                                     | 1,270,419                          | (1,270,419)                               | 1,380,166                          |
| <b>EXPENDITURES</b>  |  |                                       |                                    |   |                                    |
| Highways and streets   | 2,900,000                                | 3,771,143                             | 2,576,346                          | 1,194,797                                 | 3,543,697                          |
| Total expenditures   | 2,900,000                                | 3,771,143                             | 2,576,346                          | 1,194,797                                 | 3,543,697                          |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,900,000)                              | (3,771,143)                           | (1,305,927)                        | (2,465,216)                               | (2,163,531)                        |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |                                    |   |                                    |
| Transfer in  | 2,900,000                                | 2,900,000                             | 1,382,093                          | 1,517,907                                 | 2,640,163                          |
| Transfers out  | -  | -                                     | (76,920)                           | 76,920                                    | (1,128,366)                        |
| Total other financing sources (uses)                         | 2,900,000                                | 2,900,000                             | 1,305,173                          | 1,594,827                                 | 1,511,797                          |
| Net change in fund balance                                   | \$ -                                     | \$ (871,143)                          | (754)                              | \$ (870,389)                              | (651,734)                          |
| 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<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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   | 500,000  | 497,706                            | 2,294                                     | 537,829                            |
| <b>EXPENDITURES</b>  |  |                                    |   |                                    |
| General government   | 500,000  | 121,134                            | 378,866                                   | 26,559                             |
| Total expenditures   | 500,000  | 121,134                            | 378,866                                   | 26,559                             |
| Excess (deficiency) of revenues<br>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)                         | -  | (8,117)                            | 8,117                                     | (1,158)                            |
| 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**

|                                       | Sales Tax Property Tax Relief - 2nd Penny |                              |                           |                                  |                           |
|---------------------------------------|---|------------------------------|---------------------------|----------------------------------|---------------------------|
|                                       | Original<br>Budgeted<br>Amounts           | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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                        | 3,782,618                                 | 3,782,618                    | 3,209,250                 | 573,368                          | 3,910,777                 |
| <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)  | (5,276,832)                               | (5,634,719)                  | (5,637,698)               | 2,979                            | (4,532,592)               |
| Net change in fund balance            | <u>\$ (1,494,214)</u>                     | <u>\$ (1,852,101)</u>        | (2,428,448)               | <u>\$ 576,347</u>                | (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**

|                                       | Sales Tax Infrastructure                   |                           |                                  |                           |
|---------------------------------------|--|---------------------------|----------------------------------|---------------------------|
|                                       | Original<br>& Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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                        | 5,043,491                                  | 4,548,484                 | 495,007                          | 2,772,360                 |
| <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)  | (4,050,000)                                | (2,671,113)               | (1,378,887)                      | (2,966,260)               |
| Net change in fund balance            | <u>\$ 993,491</u>                          | 1,877,371                 | <u>\$ (883,880)</u>              | (193,900)                 |
| 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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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<br>over (under) expenditures | 782,618                                  | (1,475,158)                           | (759,708)                          | (715,450)                                 | (915,126)                          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |                                    |   |                                    |
| Transfer in  | -  | -                                     | 160,917                            | (160,917)                                 | 45                                 |
| Transfers out  | (1,050,000)                              | (1,050,000)                           | (429,924)                          | (620,076)                                 | (70,651)                           |
| 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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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<br>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                                   | <u>\$ -</u>                              | <u>\$ (1,726,224)</u>                 | <u>-</u>                           | <u>\$ (1,726,224)</u>                     | <u>-</u>                           |
| Fund balance, January 1                                      |  |                                       | <u>-</u>                           |   | <u>-</u>                           |
| Fund balance, December 31                                    |  |                                       | <u>\$ -</u>                        |   | <u>\$ -</u>                        |

**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>CDBG - Disaster Recovery \$35M</b> |  |                                       |                                    |   |                                    |
|---------------------------------------|--|---------------------------------------|------------------------------------|---|------------------------------------|
|                                       | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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            | <u>\$ -</u>                              | <u>\$ (2,057,643)</u>                 | -                                  | <u>\$ (2,057,643)</u>                     | -                                  |
| Fund balance, January 1               |  |                                       | -                                  |   | -                                  |
| Fund balance, December 31             |  |                                       | <u>\$ -</u>                        |   | <u>\$ -</u>                        |

**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**

| National Disaster Resilience \$74.3M |                                 |                              |                           |                                  |                           |
|--------------------------------------|---------------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
|                                      | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <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            |                                 |                              | \$ -                      |                                  | \$ -                      |

**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<br>Debt<br>2016 | Highway<br>Debt<br>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                  | 133,527                 | 173,527                 |
| Total assets                            | <u>\$ 1,363,098</u>     | <u>\$ 1,463,137</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                                | 249,555                 | 281,496                 |
| Total fund balance                      | <u>1,277,508</u>        | <u>1,423,539</u>        |
| Total deferred inflows and fund balance | <u>\$ 1,363,098</u>     | <u>\$ 1,463,137</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<br>Debt<br>2016 | Highway<br>Debt<br>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                                  | 355,185                 | 386,231                 |
| Total expenditures   | <u>2,545,185</u>        | <u>2,772,231</u>        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (286,465)               | 243,630                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                         |                         |
| Transfers in   | 219,896                 | 5,375                   |
| Transfers out  | (79,462)                | (318,865)               |
| 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**

|  | <b>Highway Debt</b>                      |                                       |                                    |   |                                    |
|--|--|---------------------------------------|------------------------------------|---|------------------------------------|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>Amounts</b> |
| <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   | 859,422                                  | 2,353,885                             | 2,258,720                          | 95,165                                    | 3,015,861                          |
| <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                                  | 343,772                                  | 343,772                               | 355,185                            | (11,413)                                  | 386,231                            |
| Total expenditures   | 2,613,144                                | 2,613,144                             | 2,545,185                          | 67,959                                    | 2,772,236                          |
| Excess (deficiency) of revenues<br>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)                         | 1,753,722                                | 259,259                               | 140,434                            | 118,825                                   | (313,490)                          |
| Net change in fund balance                                   | \$ -                                     | \$ -                                  | (146,031)                          | \$ 146,031                                | (69,865)                           |
| 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**

|   | Sertoma<br>Sports<br>Complex | Special<br>Assessment<br>Capital | Fire<br>Equipment | CDBG<br>and<br>EDA |
|---|------------------------------|----------------------------------|-------------------|--------------------|
| <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                                | <u>\$ -</u>                  | <u>\$ 785,832</u>                | <u>\$ 379,227</u> | <u>\$ -</u>        |
| <b>LIABILITIES</b>                          |                              |                                  |                   |                    |
| Accounts payable                            | \$ -                         | \$ 4,990                         | \$ 445            | \$ -               |
| Retainage payable                           | -                            | 63,397                           | -                 | -                  |
| Due to other funds                          | -                            | 115,484                          | -                 | -                  |
| Total liabilities                           | <u>-</u>                     | <u>183,871</u>                   | <u>445</u>        | <u>-</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                              |                                  |                   |                    |
| Unavailable revenue - property taxes        | -                            | -                                | 5,423             | -                  |
| Total deferred inflows of resources         | <u>-</u>                     | <u>-</u>                         | <u>5,423</u>      | <u>-</u>           |
| <b>FUND BALANCE</b>                         |                              |                                  |                   |                    |
| Restricted                                  | -                            | -                                | -                 | -                  |
| Assigned                                    | -                            | 601,961                          | 373,359           | -                  |
| Unassigned                                  | -                            | -                                | -                 | -                  |
| Total fund balance                          | <u>-</u>                     | <u>601,961</u>                   | <u>373,359</u>    | <u>-</u>           |
| Total liabilities, inflows and fund balance | <u>\$ -</u>                  | <u>\$ 785,832</u>                | <u>\$ 379,227</u> | <u>\$ -</u>        |

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

|   | <b>Equipment<br/>Purchase</b> | <b>Flood<br/>Control<br/>Capital</b> | <b>Total<br/>2016</b> | <b>Total<br/>2015</b> |
|---|-------------------------------|--------------------------------------|-----------------------|-----------------------|
| <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                                | <u>\$ 1,049,829</u>           | <u>\$ 85,988</u>                     | <u>\$ 2,300,876</u>   | <u>\$ 4,059,364</u>   |
| <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                           | <u>188,766</u>                | <u>351,810</u>                       | <u>724,892</u>        | <u>649,490</u>        |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                               |                                      |                       |                       |
| Unavailable revenue - property taxes        | 66,828                        | -                                    | 72,251                | 34,127                |
| Total deferred inflows of resources         | <u>66,828</u>                 | <u>-</u>                             | <u>72,251</u>         | <u>34,127</u>         |
| <b>FUND BALANCE</b>                         |                               |                                      |                       |                       |
| Restricted                                  | -                             | -                                    | -                     | 148,879               |
| Assigned                                    | 794,235                       | -                                    | 1,769,555             | 3,226,868             |
| Unassigned                                  | -                             | (265,822)                            | (265,822)             | -                     |
| Total fund balance                          | <u>794,235</u>                | <u>(265,822)</u>                     | <u>1,503,733</u>      | <u>3,375,747</u>      |
| Total liabilities, inflows and fund balance | <u>\$ 1,049,829</u>           | <u>\$ 85,988</u>                     | <u>\$ 2,300,876</u>   | <u>\$ 4,059,364</u>   |

**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<br>Sports<br>Complex | Special<br>Assessment<br>Capital | Fire<br>Equipment | CDBG<br>and<br>EDA |
|--|------------------------------|----------------------------------|-------------------|--------------------|
| <b>REVENUES</b>  |                              |                                  |                   |                    |
| Property tax collections                                     | \$ -                         | \$ -                             | \$ 187,820        | \$ -               |
| Sales tax collections  | -                            | -                                | -                 | -                  |
| Intergovernmental  | -                            | 936,166                          | -                 | -                  |
| Interest income  | 5                            | 1,912                            | 426               | -                  |
| Miscellaneous  | -                            | 31,811                           | -                 | -                  |
| Total revenues   | 5                            | 969,889                          | 188,246           | -                  |
| <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                                  | -                            | -                                | -                 | -                  |
| Total expenditures   | -                            | 2,187,385                        | 1,270,798         | -                  |
| Excess (deficiency) of revenues<br>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)                      | (305,154)                        | (15,676)          | (148,879)          |
| Total other financing sources (uses)                         | (6,647)                      | 604,488                          | 974,574           | (148,879)          |
| 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            |
| Fund balance (deficit), December 31                          | \$ -                         | \$ 601,961                       | \$ 373,359        | \$ -               |



**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**

|  | Equipment<br>Purchase | Flood<br>Control<br>Capital | Total<br>2016 | Total<br>2015 |
|--|-----------------------|-----------------------------|---------------|---------------|
| <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   | 1,557,307             | 2,676,969                   | 5,392,416     | 4,666,528     |
| <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   | 1,861,642             | 3,252,265                   | 8,572,090     | 10,230,022    |
| Excess (deficiency) of revenues<br>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)                         | 472,807               | (588,683)                   | 1,307,660     | 7,185,898     |
| 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                          | \$ 794,235            | \$ (265,822)                | \$ 1,503,733  | \$ 3,375,747  |

**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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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   | 179,000                                  | 179,000                               | 188,246                            | (9,246)                                   | 414,086                            |
| <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   | 1,084,500                                | 1,558,650                             | 1,270,798                          | 287,852                                   | 672,121                            |
| Excess (deficiency) of revenues<br>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)                         | 905,500                                  | 875,000                               | 974,574                            | (99,574)                                  | (54,367)                           |
| Net change in fund balance                                   | \$ -                                     | \$ (504,650)                          | (107,978)                          | \$ (396,672)                              | (312,402)                          |
| 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<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>2016<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>2015<br/>Actual<br/>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<br>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>                   | 168,472                            | <u>\$ (1,015,266)</u>                     | (375,427)                          |
| 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**

|  | Flood Control Capital           |                              |                           |                                  |                           |
|--|---------------------------------|------------------------------|---------------------------|----------------------------------|---------------------------|
|  | Original<br>Budgeted<br>Amounts | Final<br>Budgeted<br>Amounts | 2016<br>Actual<br>Amounts | Variance<br>with Final<br>Budget | 2015<br>Actual<br>Amounts |
| <b>REVENUES</b>  |                                 |                              |                           |                                  |                           |
| Sales tax collections  | \$ -                            | \$ 2,675,000                 | \$ 2,675,000              | \$ -                             | \$ -                      |
| Interest income  | -                               | -                            | 1,969                     | (1,969)                          | -                         |
| Miscellaneous  | -                               | -                            | -                         | -                                | 32,692                    |
| Total revenues   | -                               | 2,675,000                    | 2,676,969                 | (1,969)                          | 32,692                    |
| <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                 |
| Total expenditures   | -                               | 3,258,874                    | 3,252,265                 | 6,609                            | 2,792,627                 |
| Excess (deficiency) of revenues<br>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                            | -                         |
| Total other financing sources (uses)                         | -                               | (690,632)                    | (588,683)                 | (101,949)                        | 3,658,092                 |
| Net change in fund balance                                   | \$ -                            | \$ (1,274,506)               | (1,163,979)               | \$ (110,527)                     | 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, be 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**

|   | <b>Nonmajor<br/>Business-Type Activities</b> |                              | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds</b> | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds</b> |
|---|--|------------------------------|---|---|
|   | <b>Cemetery</b>                              | <b>Parking<br/>Authority</b> | <b>2016</b>   | <b>2015</b>   |
| <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**

|  | <b>Nonmajor<br/>Business-Type Activities</b> |                              | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds<br/>2016</b> | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds<br/>2015</b> |
|--|--|------------------------------|--|--|
|  | <b>Cemetery</b>                              | <b>Parking<br/>Authority</b> |  |  |
| <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**

|  | <b>Nonmajor<br/>Business-Type Activities</b> |                              | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds<br/>2016</b> | <b>Total<br/>Nonmajor<br/>Proprietary<br/>Funds<br/>2015</b> |
|--|--|------------------------------|--|--|
|  | <b>Cemetery</b>                              | <b>Parking<br/>Authority</b> |  |  |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |  |                              |  |  |
| Receipts from customers and users  | \$ 273,844                                   | \$ 48,013                    | \$ 321,857   | \$ 343,908   |
| Payments to suppliers  | (80,409)                                     | (19,033)                     | (99,442)   | (109,780)  |
| Payments to employees  | (392,727)                                    | (21,824)                     | (414,551)  | (432,220)  |
| Due from other agencies  | -  | -                            | -  | 109  |
| Due to other agencies  | (8,780)                                      | (20)                         | (8,800)  | (1,266)  |
| Net cash provided (used) by operating activities   | (208,072)                                    | 7,136                        | (200,936)  | (199,249)  |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |  |                              |  |  |
| Taxes received   | 288,727                                      | 822                          | 289,549  | 170,357  |
| Transfers in   | 10,831                                       | -                            | 10,831   | -  |
| Transfers out  | (593)  | (386)                        | (979)  | (64,327)   |
| Net cash provided (used) by noncapital financing activities  | 298,965                                      | 436                          | 299,401  | 106,030  |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                      |  |                              |  |  |
| Acquisition and construction of capital assets   | (146,195)                                    | -                            | (146,195)  | (34,339)   |
| Disposal of capital asset  | (10,233)                                     | -                            | (10,233)   | -  |
| Net cash provided (used) by capital and related financing activities                                 | (156,428)                                    | -                            | (156,428)  | (34,339)   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |  |                              |  |  |
| Interest and dividends   | 593  | 386                          | 979  | 1,051  |
| Net cash provided by investing activities  | 593  | 386                          | 979  | 1,051  |
| Net increase (decrease) in cash and cash equivalents   | (64,942)                                     | 7,958                        | (56,984)   | (126,507)  |
| Cash and investments, January 1  | 280,330                                      | 200,957                      | 481,287  | 607,794  |
| Cash and investments, December 31  | \$ 215,388                                   | \$ 208,915                   | \$ 424,303   | \$ 481,287   |
| Cash and cash equivalents are comprised of the following:  |  |                              |  |  |
| Cash and cash equivalents  | \$ 215,388                                   | \$ 208,915                   | \$ 424,303   | \$ 481,287   |
| Total cash and equivalents on the Statement of Net Position  | \$ 215,388                                   | \$ 208,915                   | \$ 424,303   | \$ 481,287   |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |  |                              |  |  |
| Operating income (loss)  | \$ (236,128)                                 | \$ (31,467)                  | \$ (267,595)   | \$ (208,462)   |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |  |                              |  |  |
| Depreciation expense   | 42,344                                       | 9,147                        | 51,491   | 61,335   |
| Change in assets and liabilities:  |  |                              |  |  |
| Taxes receivable   | (10,988)                                     | -                            | (10,988)   | (7,335)  |
| Receivables, net   | (9,588)                                      | (509)                        | (10,097)   | (8,047)  |
| Intergovernmental receivable   | (8,724)                                      | -                            | (8,724)  | 562  |
| Prepaid  | 87   | (5)                          | 82   | (44)   |
| Accounts payable   | (1,377)                                      | 30,852                       | 29,475   | (4,470)  |
| Accrued salaries payable   | 1,063  | (862)                        | 201  | (11,370)   |
| Accrued interest payable   | 1,886  | -                            | 1,886  | (3,496)  |
| Other assets   | (56)   | (20)                         | (76)   | (1,719)  |
| Net pension liability  | (2,718)                                      | -                            | (2,718)  | (64,150)   |
| Deferred outflows of resources related to pension  | 4,807  | -                            | 4,807  | 38,579   |
| Deferred inflows of resources related to pension   | 11,320                                       | -                            | 11,320   | 9,368  |
| Net cash provided (used) by operating activities   | \$ (208,072)                                 | \$ 7,136                     | \$ (200,936)   | \$ (199,249)   |



**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**

|                                | <b>Central<br/>Garage</b> | <b>Self<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2016</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2015</b> |
|--------------------------------|---------------------------|---------------------------|--|--|
| <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  |
| Total assets                   | 597,368                   | 2,238,732                 | 2,836,100  | 2,630,148  |
| <b>LIABILITIES</b>             |                           |                           |  |  |
| Accounts payable               | 68,194                    | 154                       | 68,348   | 20,487   |
| Insurance claims payable       | -                         | 136,303                   | 136,303  | 142,927  |
| Total liabilities              | 68,194                    | 136,457                   | 204,651  | 163,414  |
| <b>NET POSITION</b>            |                           |                           |  |  |
| Unrestricted                   | 529,174                   | 2,102,275                 | 2,631,449  | 2,466,734  |
| Total net position             | \$ 529,174                | \$ 2,102,275              | \$ 2,631,449   | \$ 2,466,734   |

**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**

|  | <b>Central<br/>Garage</b> | <b>Self<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2016</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2015</b> |
|--|---------------------------|---------------------------|--|--|
| <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**

|  | <b>Central<br/>Garage</b> | <b>Self<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2016</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>2015</b> |
|--|---------------------------|---------------------------|--|--|
| <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   | 15,861                    | 160,473                   | 176,334  | 484,758  |
| <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  | (37,084)                  | 20,029                    | (17,055)   | 44,649   |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                           |                           |  |  |
| Interest and dividends   | 510                       | 4,683                     | 5,193  | 3,943  |
| Net cash provided by investing activities  | 510                       | 4,683                     | 5,193  | 3,943  |
| 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<br/>PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                           |                           |  |  |
| Operating income (loss)  | \$ (4,696)                | \$ 181,273                | \$ 176,577   | \$ 394,863   |
| Adjustments to reconcile operating income (loss) to<br>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<br>Trust | OPEB<br>Trust | Total<br>Fiduciary<br>Funds<br>2016 | Total<br>Fiduciary<br>Funds<br>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                         | 63,937,753       | 1,165,669     | 65,103,422                          | 62,344,614                          |
| <b>LIABILITIES</b>                   |                  |               |                                     |                                     |
| Due to other funds                   | -                | 174,175       | 174,175                             | 88,934                              |
| Total liabilities                    | -                | 174,175       | 174,175                             | 88,934                              |
| <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                   | \$ 63,937,753    | \$ 991,494    | \$ 64,929,247                       | \$ 62,230,549                       |

**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**

|  | <b>Pension<br/>Trust</b> | <b>OPEB<br/>Trust</b> | <b>Total<br/>Fiduciary<br/>Funds<br/>2016</b> | <b>Total<br/>Fiduciary<br/>Funds<br/>2015</b> |
|--|--------------------------|-----------------------|---|---|
| <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**

|                              | <b>Payroll<br/>Deductions</b> | <b>Employer<br/>Social<br/>Security</b> | <b>Hotel/<br/>Motel<br/>Tax</b> | <b>CDBG/<br/>EDA</b> | <b>Total<br/>Agency<br/>Funds<br/>2016</b> | <b>Total<br/>Agency<br/>Funds<br/>2015</b> |
|------------------------------|-------------------------------|---|---------------------------------|----------------------|--|--|
| <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                 | <u>\$ 281,105</u>             | <u>\$ 834</u>                           | <u>\$ 79,588</u>                | <u>\$ 6,799</u>      | <u>\$ 368,326</u>                          | <u>\$ 510,954</u>                          |
| <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            | <u>\$ 281,105</u>             | <u>\$ 834</u>                           | <u>\$ 79,588</u>                | <u>\$ 6,799</u>      | <u>\$ 368,326</u>                          | <u>\$ 510,954</u>                          |



**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> |
| <b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b> |                       |                       |
| 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**

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| FUNCTION AND ACTIVITY             | Land          | Construction<br>in Process | Buildings     | Equipment     | Infrastructure | Intangible<br>Assets | Books        | 2016           | 2015           |
|-----------------------------------|---------------|----------------------------|---------------|---------------|----------------|----------------------|--------------|----------------|----------------|
| 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<br>Fund<br>Capital Assets<br>January 1,<br>2016 | Additions      | Deletions     | Transfers  | Construction<br>in Process | Governmental<br>Fund<br>Capital Assets<br>December 31,<br>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<br>2012      | Restated<br>2013      | 2014                  | Restated<br>2015      | 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

|  | 2007          | 2008          | 2009          | 2010          | 2011          | Restated<br>2012 | Restated<br>2013 | 2014          | 2015          | 2016          |
|--|---------------|---------------|---------------|---------------|---------------|------------------|------------------|---------------|---------------|---------------|
| <b>EXPENSES</b>                                |               |               |               |               |               |                  |                  |               |               |               |
| Governmental activities                        |               |               |               |               |               |                  |                  |               |               |               |
| General government                             | \$ 10,581,242 | \$ 12,610,950 | \$ 15,791,433 | \$ 10,877,394 | \$ 16,286,125 | \$ 18,663,226    | \$ 22,855,601    | \$ 27,476,332 | \$ 27,783,373 | \$ 28,066,358 |
| Public safety                                  | 8,585,950     | 8,784,220     | 9,621,297     | 10,983,251    | 11,737,486    | 11,894,017       | 14,276,698       | 15,297,259    | 14,843,622    | 18,800,391    |
| Highways and streets                           | 4,525,555     | 5,943,486     | 6,884,847     | 8,197,388     | 8,673,395     | 10,786,782       | 17,921,085       | 16,199,177    | 16,772,838    | 8,141,336     |
| Culture and recreation                         | 3,709,916     | 3,603,029     | 2,927,935     | 3,122,273     | 3,605,205     | 3,682,272        | 4,902,342        | 7,673,973     | 9,991,456     | 7,856,753     |
| Community 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     |
| Interest on long-term debt                     | 806,265       | 939,131       | 952,970       | 684,342       | 599,608       | 670,777          | 377,420          | 1,084,587     | 1,323,446     | 1,359,381     |
| Total governmental activities expenses         | 30,926,082    | 35,763,678    | 37,110,482    | 34,987,456    | 41,805,797    | 46,548,495       | 61,639,316       | 71,023,803    | 73,981,111    | 65,370,211    |
| Business-type activities                       |               |               |               |               |               |                  |                  |               |               |               |
| Airport  | 2,765,722     | 4,213,797     | 3,747,615     | 3,046,398     | 2,886,779     | 4,072,715        | 5,127,918        | 6,406,365     | 8,758,360     | 13,340,229    |
| Cemetery                                       | 213,392       | 226,999       | 245,719       | 305,368       | 304,502       | 325,301          | 378,717          | 488,825       | 469,091       | 533,872       |
| Parking authority                              | 115,667       | 113,232       | 121,475       | 123,727       | 118,367       | 231,938          | 123,598          | 72,806        | 98,705        | 79,994        |
| Sanitation                                     | 1,841,238     | 2,021,582     | 2,327,461     | 2,529,736     | 4,269,081     | 3,813,767        | 4,123,633        | 4,461,806     | 4,464,495     | 5,068,307     |
| Water and sewer                                | 9,179,295     | 9,760,782     | 11,249,918    | 11,113,562    | 14,102,005    | 14,405,238       | 15,399,199       | 18,558,478    | 20,167,628    | 25,344,511    |
| Total business-type activities expenses        | 14,115,314    | 16,336,392    | 17,692,188    | 17,118,791    | 21,680,734    | 22,848,959       | 25,153,065       | 29,988,280    | 33,958,279    | 44,366,913    |
| Total government expenses                      | 45,041,397    | 52,100,070    | 54,802,670    | 52,106,247    | 63,486,531    | 69,397,454       | 86,792,381       | 101,012,083   | 107,939,390   | 109,737,124   |
| <b>PROGRAM REVENUES</b>                        |               |               |               |               |               |                  |                  |               |               |               |
| Governmental activities                        |               |               |               |               |               |                  |                  |               |               |               |
| Charges for services                           |               |               |               |               |               |                  |                  |               |               |               |
| General government                             | 4,182,085     | 5,599,611     | 6,053,336     | 6,440,278     | 8,635,786     | 11,131,748       | 10,136,446       | 11,273,075    | 7,592,971     | 6,684,624     |
| Public safety                                  | 907,811       | 1,166,387     | 1,147,007     | 1,382,128     | 1,637,161     | 1,344,251        | 2,068,420        | 1,721,664     | 1,074,256     | 1,429,447     |
| Highways and streets                           | -             | 467,716       | 63,523        | -             | 84,164        | 15,554           | 112,496          | 793           | -             | 123,754       |
| Culture and recreation                         | 474,985       | 442,346       | -             | 534,353       | 1,150,392     | 2,010,063        | 2,021,129        | 558,414       | 568,694       | 655,084       |
| Operating grants and contributions             |               |               |               |               |               |                  |                  |               |               |               |
| General government                             | 675,890       | 1,051,271     | 2,313,214     | 1,066,608     | 6,686,784     | 1,782,240        | 9,665,447        | 13,467,696    | 5,524,812     | 3,214,916     |
| Public safety                                  | 70,435        | 78,953        | 99,507        | 676,006       | 364,666       | 338,479          | 576,299          | 534,176       | 311,835       | 1,136,656     |
| Highways and streets                           | -             | -             | 547,985       | 630,630       | 4,604         | 9,511,871        | 4,366,489        | 593,703       | 8,606,392     | -             |
| Culture and Recreation                         | -             | -             | -             | -             | -             | -                | 152,993          | 90,498        | 98,447        | 3,937         |
| Capital grants and contributions               |               |               |               |               |               |                  |                  |               |               |               |
| General government                             | 726,303       | 2,635,216     | 1,182,924     | 120,720       | 5,354         | 2,397,534        | 11,582,417       | 14,555,981    | 31,748,416    | 21,856,896    |
| Public safety                                  | -             | 1,136,547     | -             | 604,476       | 181,340       | 268,620          | 815,504          | 468,119       | 2,663,668     | 10,564        |
| Highways and streets                           | 11,784,624    | 8,600,269     | 1,809,135     | 4,713,115     | 1,165,700     | 14,271,317       | 12,152,326       | 28,049,555    | 39,835,660    | 6,416,100     |
| Culture and recreation                         | -             | 4,737         | -             | -             | 6,673         | -                | 12,011           | 24,806        | 190,839       | 63,400        |
| Community development                          | -             | 555,519       | -             | -             | -             | -                | -                | -             | -             | -             |
| Total governmental activities program revenues | 18,822,133    | 21,738,572    | 13,216,631    | 16,168,314    | 19,922,624    | 43,071,677       | 53,661,977       | 71,338,480    | 98,215,990    | 41,595,378    |
| Business-type activities                       |               |               |               |               |               |                  |                  |               |               |               |
| Charges for services                           |               |               |               |               |               |                  |                  |               |               |               |
| Airport  | 1,142,638     | 2,447,799     | 2,083,123     | 1,114,890     | 1,815,968     | 2,518,466        | 4,010,834        | 4,047,237     | 3,327,592     | 4,585,949     |
| Cemetery                                       | 200,333       | 235,546       | 251,298       | 291,230       | 261,460       | 268,427          | 303,061          | 330,264       | 313,701       | 298,117       |
| Parking authority                              | 136,713       | 145,125       | 136,618       | 126,065       | 143,438       | 149,343          | 107,647          | 39,259        | 45,655        | 48,527        |
| Sanitation                                     | 2,148,607     | 2,706,534     | 3,179,491     | 3,229,834     | 5,555,689     | 4,668,460        | 5,051,929        | 4,679,968     | 4,536,174     | 4,292,700     |
| Water and sewer                                | 7,686,895     | 8,448,601     | 9,276,724     | 10,392,992    | 11,098,007    | 14,563,524       | 17,545,492       | 19,216,996    | 19,953,794    | 20,000,966    |
| Operating grants and contributions             |               |               |               |               |               |                  |                  |               |               |               |
| Airport  | 263,381       | 262,539       | 241,680       | 328,837       | 604,989       | 977,359          | 1,418,223        | 1,248,307     | 2,401,140     | 1,421,390     |
| Sanitation                                     | -             | -             | -             | -             | -             | -                | -                | -             | 5,200         | 89,903        |
| Water and sewer                                | -             | -             | -             | -             | -             | -                | -                | -             | -             | 24,608        |



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

|  | 2007          | 2008          | 2009          | 2010          | 2011          | Restated<br>2012 | Restated<br>2013 | 2014           | 2015           | 2016          |
|--|---------------|---------------|---------------|---------------|---------------|------------------|------------------|----------------|----------------|---------------|
| 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                 | <u>\$ 5,044,867</u>  | <u>\$ 6,434,590</u>  | <u>\$ 7,266,798</u>  | <u>\$ 7,348,259</u>  | <u>\$ 10,617,859</u> | <u>\$ 16,229,708</u> | <u>\$ 19,499,905</u> | <u>\$ 22,975,555</u>  | <u>\$ 25,207,413</u>  | <u>\$ 25,732,157</u>  |
| 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 | <u>\$ 40,900,054</u> | <u>\$ 47,578,969</u> | <u>\$ 49,168,576</u> | <u>\$ 56,657,792</u> | <u>\$ 71,437,595</u> | <u>\$ 78,502,611</u> | <u>\$ 94,329,735</u> | <u>\$ 102,888,011</u> | <u>\$ 107,187,566</u> | <u>\$ 106,181,644</u> |

\*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

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| Year | Property Tax<br>Levied for<br>General<br>Purposes | Property Tax<br>Levied for<br>Debt<br>Service | Sales<br>Tax  | Municipal<br>Highway<br>Tax | State Aid<br>Distribution | Franchise<br>Tax | Other<br>Tax | Total         | *<br>Population |
|------|---|---|---------------|-----------------------------|---------------------------|------------------|--------------|---------------|-----------------|
| 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<br>Direct<br>Sales<br>Tax Rate | (1)<br>Taxable<br>Sales<br>&<br>Purchases | Sales Tax remitted by State of ND to the City |                                    |                         |                         |                      |  |                          |                        |                       |                                |                      | Total<br>Sales Tax<br>Collections | Percentage<br>of Taxable<br>Sales &<br>Purchases<br>top ten<br>permit holders |
|------|------------|-------------------------------------|---|---|------------------------------------|-------------------------|-------------------------|----------------------|--|--------------------------|------------------------|-----------------------|--------------------------------|----------------------|-----------------------------------|---|
|      |            |                                     |   | First Penny                                   |                                    |                         |                         |                      | June 1998 to<br>October 2011<br>Northwest Area<br>Water Supply<br>100% | Second Penny             |                        |                       |                                |                      |                                   |   |
|      |            |                                     |   | Property Tax<br>Relief<br>10%                 | Economic<br>Development<br>40%/15% | Improvements<br>50%/25% | Flood<br>Control<br>50% | Capital<br>Purchases |  | Flood Control<br>Capital | Property<br>Tax<br>30% | Infrastructure<br>40% | Community<br>Facilities<br>30% | Capital<br>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%  |
| 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             | <u>\$ 741,745,928</u> | <u>\$ 839,876,644</u> | <u>\$ 907,331,139</u> | <u>\$ 1,070,664,687</u> | <u>\$ 1,390,182,220</u> | <u>\$ 1,644,090,990</u> | <u>\$ 1,559,389,207</u> | <u>\$ 1,566,093,772</u> | <u>\$ 1,419,398,286</u> | <u>\$ 1,046,054,220</u> |

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

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

| <b>Year</b> | <b>(1)<br/>Commercial<br/>Land and<br/>Buildings</b> | <b>(1)<br/>Residential<br/>Land and<br/>Buildings</b> | <b>Public<br/>Utilities</b> | <b>(2)<br/>Total<br/>Assessed<br/>Value</b> | <b>Total<br/>True and Full<br/>Value</b> | <b>Assessed<br/>Value as a<br/>Percentage of<br/>True and Full<br/>Value</b> | <b>Total<br/>Direct<br/>Tax Rate</b> |
|-------------|--|---|-----------------------------|---|--|--|--------------------------------------|
| 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**

| <u>Year</u> | <u>City of Minot</u>    |                              |                                      |                          |                                   | <u>Total</u> | <u>Minot<br/>Park<br/>District</u> | <u>Minot<br/>School<br/>District</u> | <u>State<br/>and<br/>County</u> | <u>Total</u> |
|-------------|-------------------------|------------------------------|--------------------------------------|--------------------------|-----------------------------------|--------------|------------------------------------|--------------------------------------|---------------------------------|--------------|
|             | <u>General<br/>Fund</u> | <u>Proprietary<br/>Funds</u> | <u>Special<br/>Revenue<br/>Funds</u> | <u>Capital<br/>Funds</u> | <u>Debt<br/>Service<br/>Funds</u> |              |                                    |                                      |                                 |              |
| 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)<br/>Total<br/>Current<br/>Tax Levy</u> | <u>(2)<br/>Current<br/>Collections</u> | <u>Percent<br/>of Levy<br/>Collected</u> | <u>(2)<br/>Delinquent<br/>Collections</u> | <u>(2)<br/>Total<br/>Collections</u> | <u>Total<br/>Collection<br/>as Percent<br/>of Current<br/>Levy</u> | <u>(3)<br/>Adjustments</u> | <u>(4)<br/>Accumulated<br/>Outstanding<br/>Taxes</u> | <u>Outstanding<br/>Delinquent<br/>as Percent<br/>of Current<br/>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)<br>Taxable<br>Assessed<br>Value | Rank | % of total<br>Taxable<br>Assessed<br>Value | (1)<br>Taxable<br>Assessed<br>Value | Rank | % of total<br>Taxable<br>Assessed<br>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                             | <u>\$242,631,993</u>                |      | <u>100.00%</u>                             | <u>\$82,650,000</u>                 |      | <u>100.00%</u>                             |

(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)<br>Percentage of Personal Income | (2)<br>Per Capita |
|------|--------------------------|--------------------------|---------------|---------------------------------|---------------|--------------------------|---------------|---------------|----------------|------------------|--------------------------------------|-------------------|
|      | General Obligation Bonds | Special Assessment Bonds | Loans Payable | Capital Financing 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**

| <b>Year</b> | <b>Population</b> | <b>(1)<br/>Assessed<br/>Value</b> | <b>(2)<br/>Gross<br/>Bonded<br/>Debt</b> | <b>Less<br/>Debt<br/>Service<br/>Funds</b> | <b>Net<br/>Bonded<br/>Debt</b> | <b>Ratio of<br/>Net Bonded<br/>Debt to<br/>Assessed Value</b> | <b>Net<br/>Bonded<br/>Debt<br/>per Capita</b> |
|-------------|-------------------|-----------------------------------|--|--|--------------------------------|---|---|
| 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<br/>Debt</b> | <b>Sinking<br/>Funds</b> | <b>Net<br/>Debt</b> | <b>Ratio</b> | <b>City's<br/>Share of<br/>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><u>\$ 127,542,226</u></u>        |

| <b>Ratios Used</b>        | <b>2016<br/>Assessed Value</b> | <b>2016 City's<br/>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

|   | 2007                 | 2008                 | 2009                 | 2010                 | 2011                 | 2012                  | 2013                  | 2014                  | 2015                  | 2016                  |
|---|----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| 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   | <u>\$ 68,476,344</u> | <u>\$ 72,799,497</u> | <u>\$ 80,815,579</u> | <u>\$ 91,357,296</u> | <u>\$ 96,240,371</u> | <u>\$ 118,803,074</u> | <u>\$ 150,786,823</u> | <u>\$ 165,487,604</u> | <u>\$ 191,071,246</u> | <u>\$ 173,465,736</u> |
| Total net debt applicable to the limit<br>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 | (1) Direct Operating Expenses | Budget Appropriated Transfers In for Debt Service | Net Revenue Available for Debt Service | Debt Service Requirements |                           |            |          |
|------|-------------------|------------------------------------|----------|-------------------------------|---|--|---------------------------|---------------------------|------------|----------|
|      |                   |                                    |          |                               |   |  | (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 | (1)<br>Direct<br>Operating<br>Expenses | Budget<br>Appropriated<br>Transfers<br>In for<br>Operations | Net<br>Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements |                                 |              | Coverage |
|------|-------------------|--|---|--|---------------------------|---------------------------------|--------------|----------|
|      |                   |  |   |  | (2)<br>Principal          | Interest &<br>Fiscal<br>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

| <b>Year</b> | <b>(1)<br/>Population</b> | <b>(2)<br/>Annual<br/>Personal<br/>Income</b> | <b>(2)<br/>Per<br/>Capita<br/>Personal<br/>Income</b> | <b>(3)<br/>Median<br/>Age</b> | <b>(2)<br/>Education<br/>Levels in Years<br/>of Formal<br/>Schooling</b> | <b>School<br/>Enrollment</b> | <b>(2)<br/>Unemployment<br/>Rate</b> |
|-------------|---------------------------|---|---|-------------------------------|--|------------------------------|--------------------------------------|
| 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    |      |                 | % of Total    |      |                 |
|                                      | Employees     | Rank | City Employment | Employees     | Rank | City 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                                | <u>19,628</u> |      | <u>79.41%</u>   | <u>15,537</u> |      | <u>49.72%</u>   |

Source: Employers

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

|                           | 2007 | 2008 | 2009 | 2010 | 2011 | 2012 | 2013   | 2014   | 2015   | 2016   |
|---------------------------|------|------|------|------|------|------|--------|--------|--------|--------|
| <b>Function</b>           |      |      |      |      |      |      |        |        |        |        |
| 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

|                                  | 2007          | 2008          | 2009          | 2010          | 2011          | 2012          | 2013          | 2014          | 2015          | 2016          |
|----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| <b>FUNCTION</b>                  |               |               |               |               |               |               |               |               |               |               |
| 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

|  | 2007   | 2008  | 2009  | 2010  | 2011  | 2012  | 2013  | 2014  | 2015  | 2016   |
|--|--------|-------|-------|-------|-------|-------|-------|-------|-------|--------|
| <b>FUNCTION</b>                              |        |       |       |       |       |       |       |       |       |        |
| 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.

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is written in a cursive, flowing style.

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 written in a cursive, flowing style.

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.

A handwritten signature in black ink that reads "Eric Bailly LLP". The signature is written in a cursive, flowing style.

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<br>Grantor/Program or Cluster Title   | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures     | Passed-<br>Through to<br>Subrecipients |
|--|---------------------------|---|------------------|--|
| <u>Department of Commerce</u><br>Economic Adjustment Assistance  | 11.307                    |   | \$ 5,206,010     |  |
| <u>Department of Defense</u><br>North Dakota Environmental Infrastructure  | 12.118                    |   | 1,575,092        |  |
| <u>Department of Housing and Urban Development</u><br>North Dakota Environmental Infrastructure<br><i>Passed through ND Department of Commerce,<br/>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<br>Block Grant Disaster Recovery Grants  | 14.269                    |   | <u>6,306,984</u> |  |
| Total Department of Housing and Urban Development  |                           |   |                  | 7,893,251                              |
| <u>Department of Justice</u><br><i>Passed through ND Department of Health</i><br>Violence Against Women Formula Grants   | 16.588                    | G15.336                                   | 34,772           |  |
| Bulletproof Vest Partnership Program   | 16.607                    |   | 10,257           |  |
| Edward Byrne Memorial Justice<br>Assistance Grant Program  | 16.738                    |   | \$ 22,836        | 14,950                                 |
| <i>Passed through ND Department of Health</i><br>Edward Byrne Memorial Justice<br>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  |                           |   |                  | 77,615                                 |

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

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title                              | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures   | Passed-<br>Through to<br>Subrecipients |
|---|---------------------------|---|----------------|--|
| <u>Department of Transportation</u>   |                           |   |                |  |
| 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                    | PHSPOP1705-05-15                          | 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                              |
| <u>Environmental Protection Agency</u>  |                           |   |                |  |
| Brownfields Training, Research, and Technical<br>Assistance Grants and Cooperative Agreements | 66.814                    |   | 32,722         |  |
| Brownfields Assessment and<br>Cleanup Cooperative Agreements                                  | 66.818                    |   | <u>144,693</u> |  |
| Total Environmental Protection Agency   |                           |   |                | 177,415                                |
| <u>Department of Homeland Security</u>  |                           |   |                |  |
| <i>Passed through ND Department of Emergency Services</i>                                     |                           |   |                |  |
| Disaster Grants - Public Assistance<br>(Presidentially Declared Disasters)                    | 97.036                    | FEMA-1981-DR-ND BR3C                      | 5,880          |  |
| Disaster Grants - Public Assistance<br>(Presidentially Declared Disasters)                    | 97.036                    | FEMA-1981-DR-ND 12C                       | 8,055          |  |
| Disaster Grants - Public Assistance<br>(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<br>Grantor/Program or Cluster Title | Federal<br>CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures         | Passed-<br>Through to<br>Subrecipients |
|--|---------------------------|---|----------------------|--|
| <u>Department of Homeland Security (continued)</u>               |                           |   |                      |  |
| 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                            |                           |   | 13,705,825           |  |
| Total Federal Financial Assistance                               |                           |   | <u>\$ 31,177,617</u> | <u>\$ 25,979</u>                       |

**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.



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

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**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

|   |               |
|---|---------------|
| Internal control over major program:  |               |
| Material weaknesses identified  | No            |
| Significant deficiencies identified not<br>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<br>accordance with Uniform Guidance 2 CFR 200.516: | No            |

**Identification of major programs:**

| <u>Name of Federal Program</u>            | <u>CFDA Number</u> |
|---|--------------------|
| North Dakota Environmental Infrastructure | 12.118             |
| Airport Improvement Program               | 20.106             |
| Hazard Mitigation Grant                   | 97.039             |

|   |            |
|---|------------|
| Dollar threshold used to distinguish between type A<br>and type B programs: | \$ 935,329 |
| Auditee qualified as low-risk auditee?                                      | Yes        |

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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