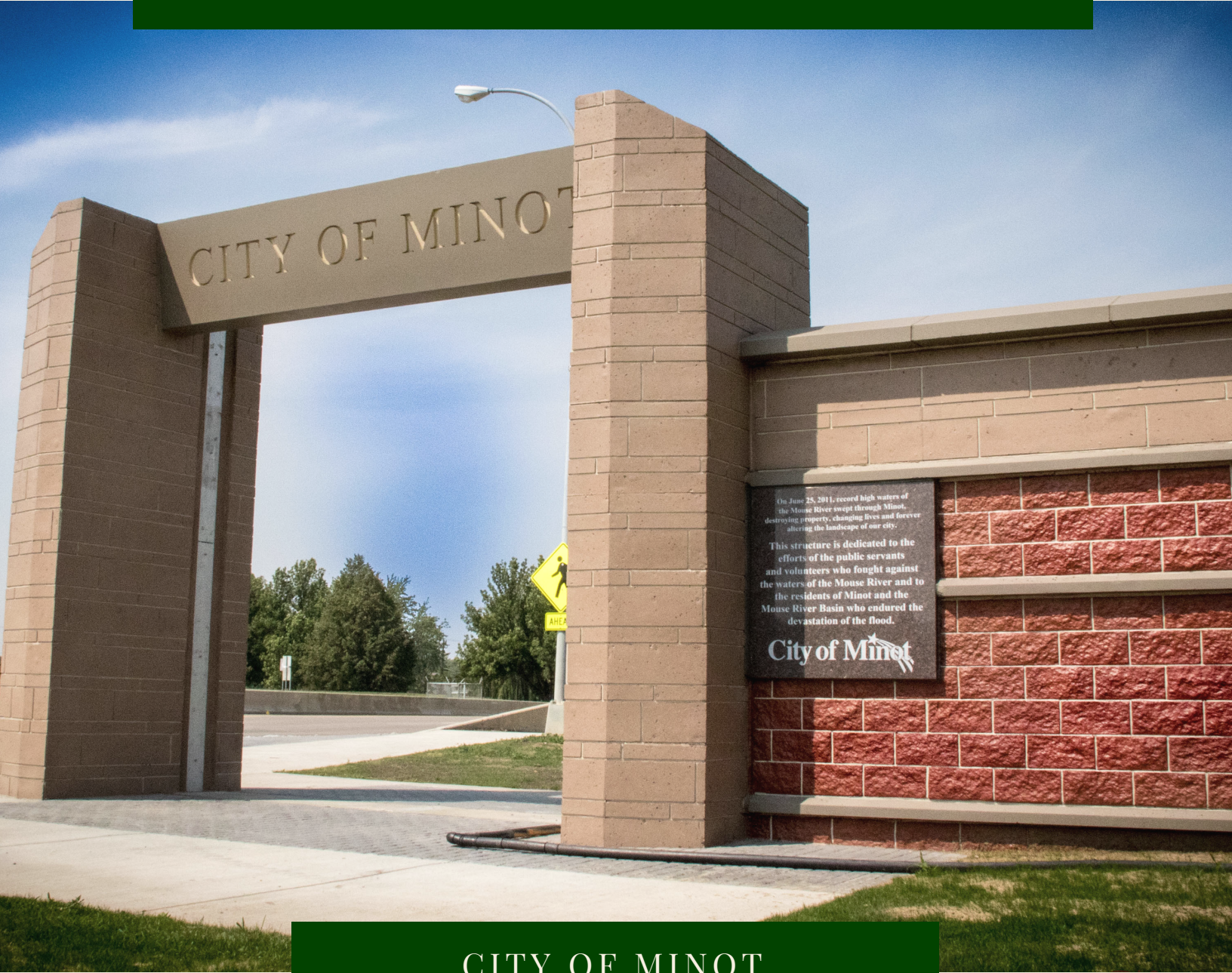


COMPREHENSIVE ANNUAL FINANCIAL REPORT

# CAFR

FISCAL YEAR ENDING DECEMBER 31, 2017



CITY OF MINOT

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**Comprehensive  
Annual  
Financial  
Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2017

**Prepared By**  
The Finance Department



City of Minot, North Dakota  
 Comprehensive Annual Financial Report  
 For the Fiscal Year Ended December 31, 2017

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# City of Minot

Finance Department

April 23, 2018

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, the City hereby issues the Comprehensive Annual Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2017. 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, 2017 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 of Minot, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 27.23 square miles and serves a population of approximately 48,743. 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 2017 was over \$580.4



million. During 2017, the Minot Air Force Base had over \$96.9 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,195 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 2017, the property valuations for building permits decreased by almost \$27.7 million compared to 2016 due in part to a reduction in market values and apartment vacancies being up while rents are down. New residential buildings increased by \$2.6 million primarily due to an increase in townhouses of over \$3.3 million and a decrease in single family dwellings and two family dwellings of almost \$0.7 million. New nonresidential buildings increased by \$2.9 million primarily due to an increase in industrial and manufacturing buildings of \$10.8 million. Remodels and additions decreased over \$33.6 million primarily due to a decrease of \$32.9 million in commercial remodels and additions and a decrease of \$0.7 million in residential remodels and additions.

The City has seen a reduction 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.

The City of Minot is a home rule city and adopted its home rule charter on November 7, 1972. Minot operates under a “modern council” form of government and a council-manager plan. The City Council is comprised of the mayor and six council members. The mayor is elected, at large, to serve a four-year term; council members serve four-year staggered terms, with three council members elected, at large, every two years. Among other things, the City Council is responsible for passing ordinances, adopting the budget, appointing committees, confirming the appointments of department heads, and hiring the City Manager. The City Manager is responsible for carrying out the City Council’s policies and ordinances, and for overseeing the day-

to-day operations of the City government.

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 30 through 32 as part of the basic financial statements for the governmental funds. The major debt service fund comparison can be found on page 81. 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 94.

#### *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.

<u>Sales Tax Collections</u>		<u>Property Tax Levied</u>	
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
2017	20,035,165	2017	17,871,719

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			
Population	Deferred	& Deferred	Net	
Estimate*	Outflow	Inflow	Position	
2013	46,398	\$ 10,442	\$ 1,983	\$ 8,459
2014	47,997	12,768	2,178	10,591
2015	49,450	16,235	3,788	12,447
2016	47,338	17,837	3,959	13,879
2017	48,743	18,037	3,464	14,572

\*Estimates obtained from the U.S. Census Bureau

Expenses and Program Revenues Per Capita						
Population	Charges	Operating	Capital	Change		
Estimate*	for	Grants	Grants	In Net		
Estimate*	Expenses	and	and	Position		
	Services	Contributions	Contributions			
2013	46,398	\$ 1,871	\$ 891	\$ 349	\$ 1,231	\$ 1,603
2014	47,997	2,105	872	332	2,303	2,413
2015	49,450	2,183	757	343	3,206	3,237
2016	47,338	2,318	805	124	1,246	877
2017	48,743	2,369	792	158	1,539	1,096

\*Estimates obtained from the U.S. Census Bureau

Ratio of Net Position to Expenses		
	Governmental	Business-Type
	Activities	Activities
2013	5.27	6.43
2014	5.20	8.12
2015	4.39	8.50
2016	5.35	6.92
2017	5.24	7.69

**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 \$29 million saved for this purpose. The project will extend to Northwest North Dakota. In June 2011, 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. 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 2019 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: \$60,201,518, \$34,087,761, and \$7,710,645 as of December 31, 2017. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. The balance of these funds will be spent on a revolving loan fund, blighted homes, northern sewer project and close out. 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 and must be spent by September 30, 2022.

The City has completed several major highway projects in recent years with additional projects planned for 2018. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with CDBG-DR, storm sewer development funds, State Water Commission funds, State Oil & Gas Tax, sales tax, 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, 2016. This was the 38<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. The City believes the current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and plans to submit it to the Government Finance Officers Association to determine its eligibility for another certificate.

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

Respectfully submitted,



David Lakefield  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Minot  
North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

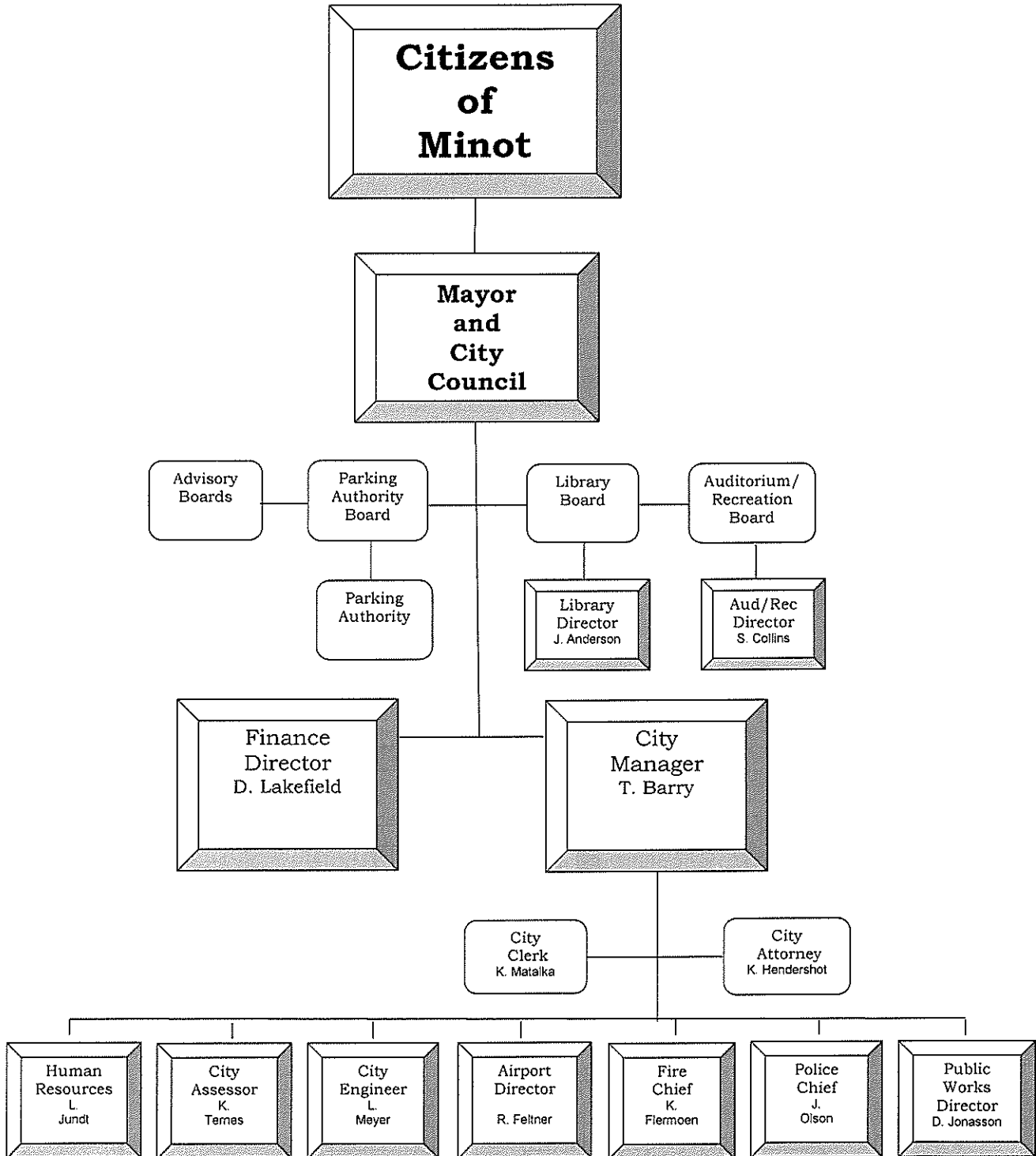
**December 31, 2016**

*Christopher P. Morill*

Executive Director/CEO



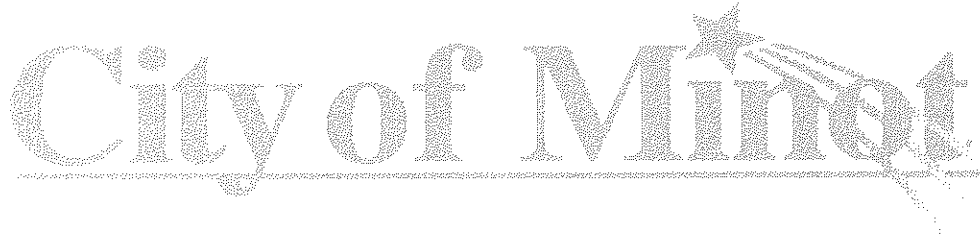
City of Minot  
Organizational Chart



## Elected and Appointed Officials

### City of Minot, North Dakota

	<u>Term Ends</u>
Mayor - Chuck Barney	2018
Members of the Council:	
Mark Jantzer - President	2018
Shaun Sipma - Vice President	2020
Shannon Straight	2020
Stephan Podrygula	2018
Lisa Olson	2018
Josh Wolsky	2020



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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, 2017, 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, 2017, 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.

**Emphasis of Matters***Implementation of GASB No. 74 and No. 75*

As discussed in Notes 1 and 5 to the financial statements, the City has adopted the provisions of GASB Statement No. 74 *Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans* and GASB Statement No. 75, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* resulted in a restatement of the net position as of January 1, 2017. Our opinions are not modified with respect to these matters.

**Report on Summarized Comparative Information**

We have previously audited the City of Minot's 2016 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 21, 2017. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2016 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 19, 2018 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 solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City’s internal control over financial reporting or on compliance. Those reports are an integral part of an audit performed in accordance with Government Auditing Standards in considering the District’s internal control over financial reporting and compliance.

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

Fargo, North Dakota  
April 19, 2018



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Management's  
Discussion  
and  
Analysis

## Management's Discussion and Analysis

The City of Minot management 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, 2017, with comparative data for the fiscal year ended December 31, 2016. The City encourages 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 \$53.3 million or 8.1%. The increase was due to an over \$18.3 million increase in program revenues with over \$16.0 million increase in capital grants and contributions. This increase was primarily due to home acquisitions, Downtown Infrastructure and Broadway Viaduct Replacement. Operating grants and contributions increased over \$1.8 million. Program expenses increased by nearly \$5.8 million with business type activities decreasing in expenses by nearly \$1.4 million and governmental expenses increasing by over \$7.1 million. Overall governmental and business-type activities netted to a positive change in net position prior to general revenues of over \$5.8 million with the governmental activities reporting a negative change in net position of nearly \$9.1 million and the business type activities reporting a positive change in net position of over \$14.9 million.
- During 2017 capital assets, net of depreciation, increased by over \$56.1 million compared to 2016. Construction in progress decreased by over \$15.6 million compared to 2016 largely in part to water and sewer projects, such as Puppy Dog Sewer Phase VI and Hazard Mitigation Grant Program Water Treatment Plant, which went into service in 2017. Land increased nearly \$29.8 million due to flood control acquisitions. Infrastructure increased over \$44.4 million. Governmental activities accounted for over \$10.3 million of the increase primarily due to the Broadway Viaduct Replacement project.
- Business-type activities accounted for over \$34.1 million due to the Water Treatment Plant Flood Control project and Puppy Dog Sewer Phase VI.
- Highway and street program expenses increased by over \$1.8 million primarily due to an increase in street improvements projects of over \$1.1 million. General government program expenses increased over \$7.1 million due to various increases in fund expenditures. Sales Tax Flood Control expenditures increased by over \$4.0 million due to the Mouse River Enhanced Flood Protection Plan. National Disaster Resilience expenditures increased over \$1.3 million due to the relocation assistance program. Emergency Fund expenditures increased nearly \$0.4 million due to unforeseen snow events at the beginning of 2017. Airport program expenses decreased over \$2.3 million due to a decrease in department expenditures of \$0.6 million and in 2016 the old terminal disposal created a loss of \$1.7 million. Sanitation program expenses increased nearly \$1.1 million due to pension expense and MSWLF closure and postclosure care expenses.
- The unassigned fund balance for the General Fund was nearly \$26.6 million or 84.4% of the total general fund expenditures. This is an increase from 2016 of nearly \$2.1 million.
- As of December 2017, the price per barrel for oil was \$56.44, which was nearly \$10.60 higher per barrel than January 2017. As of December 2017, North Dakota was producing 1,163,000 barrels of crude oil per day, compared to 975,000 barrels per day as of January 2017. 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.

### OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis serves as an introduction to the City's basic financial

**City of Minot  
Comprehensive Annual Financial Report  
December 31, 2017**

**Management’s Discussion and Analysis**

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 \$710.3 million. This is an increase of \$464.8 million or 189.3%. 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:

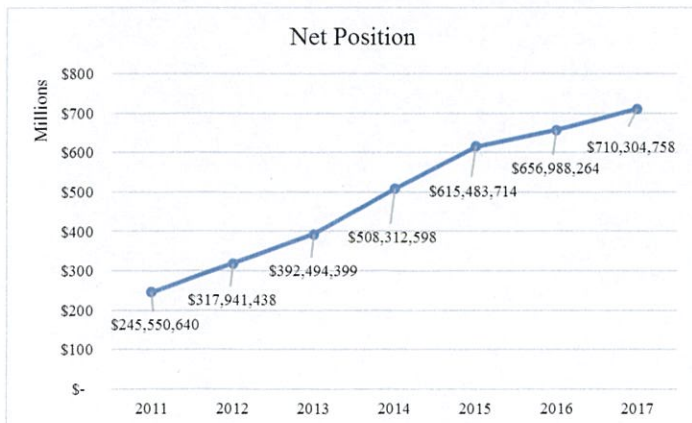
- Governmental activities – This includes most of the City’s basic services, with property and sales taxes, interest income, user fees and intergovernmental revenues supporting it.
- Business-type activities – This includes those services which are intended to recover all or a significant part of their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





## Management's Discussion and Analysis

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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 28 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, and capital purchases. 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 82.

The City adopts an annual budget for its governmental funds. Budgetary comparison statements demonstrate compliance. The governmental fund financial statements begin on page 22.

**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 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 124. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 128. The basic proprietary fund statements begin on page 34.

**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 proprietary funds. The basic fiduciary fund statements begin on page 44.

**City of Minot  
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**Management's Discussion and Analysis**

**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 46-71 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 82-136 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, 2017, with comparative data for the fiscal year ended December 31, 2016. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$710,304,758 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (83.7%) 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 (11.5%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for customer facility charges \$620,699, sales tax property tax relief \$620,510, for economic development projects \$9,956,038, for sales tax flood control \$11,298,564, for the NAWS project \$29,139,579, for sales tax infrastructure \$7,694,952, for sales tax community facilities \$5,780,863, for highway projects \$2,530,196, other purposes \$400,303 and \$9,004,515 for debt service. The unrestricted net position of \$34,402,249 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 2017, 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 \$53.3 million during 2017. The increase was a combination of items, program expenses increased by nearly \$5.8 million, of that nearly \$7.2 million was an increase in governmental activities and over \$1.3 million was savings in business-type activities.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Current and other assets	\$ 143,144,816	\$ 157,829,481	\$ 45,357,922	\$ 47,424,243	\$ 188,502,738	\$ 205,253,724
Capital assets	326,896,227	291,525,906	358,216,273	337,447,296	685,112,500	628,973,202
Total assets	470,041,043	449,355,387	403,574,195	384,871,539	873,615,238	834,226,926
Deferred outflows of resources	3,893,576	7,731,345	1,649,667	2,426,972	5,543,243	10,158,317
Long-term debt outstanding	80,732,635	89,424,531	64,231,378	71,588,842	144,964,013	161,013,373
Other liabilities	9,552,700	14,500,849	9,188,305	8,116,816	18,741,005	22,617,665
Total liabilities	90,285,335	103,925,380	73,419,683	79,705,658	163,705,018	183,631,038
Deferred inflows of resources	3,907,003	3,187,753	1,241,702	578,188	5,148,705	3,765,941
Net position						
Net investment in capital assets	289,558,273	247,459,435	304,758,387	277,102,647	594,316,660	524,562,082
Restricted net position	74,961,010	80,252,754	6,624,839	7,950,392	81,585,849	88,203,146
Unrestricted net position	15,222,998	22,261,410	19,179,251	21,961,626	34,402,249	44,223,036
Total net position	\$ 379,742,281	\$ 349,973,599	\$ 330,562,477	\$ 307,014,665	\$ 710,304,758	\$ 656,988,264

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Program revenues increased from 2016 due largely to capital grants and contributions increasing nearly \$16.0 million between governmental and business-type activities. Charges for services increased over \$0.5 million, a decrease of governmental of over \$1.6 primarily due to a decrease licenses and permits and business-type increased by over \$2.1 million primarily due to an increase in sewer rates.

**Governmental Activities.** Governmental program revenues increased over \$21.8 million largely due to capital grants and contributions increasing over \$20.6 million. This increase was primarily due to home acquisitions, Downtown Infrastructure and Broadway Viaduct Replacement. Governmental program expenses increased by over \$7.1 million. Overall the general government program expenses increased over \$7.1 million, due largely to an increase in flood control expenditures, public safety decreased \$1.0 million, highways and street increased over \$1.8 million, culture and

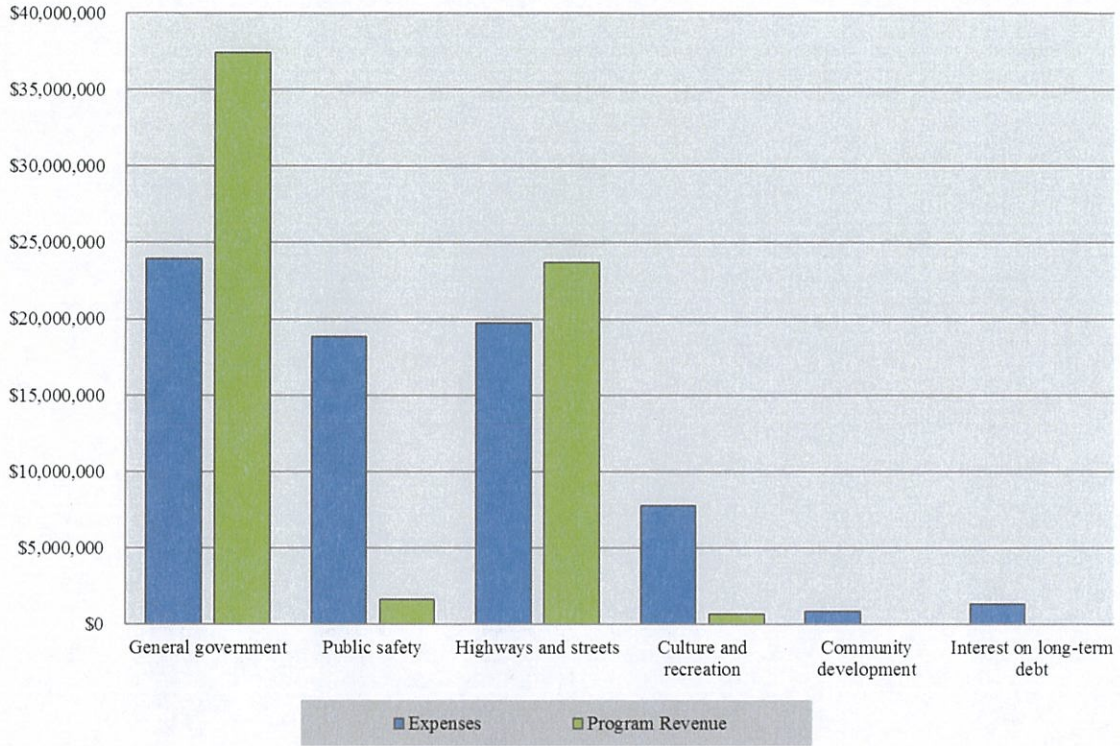
recreation decreased over \$0.4 million and economic development decreased over \$0.3 million.

**Business-Type Activities.** Business-type program revenues decreased by nearly \$3.5 million during 2017 due to decreases in capital grants and contributions of over \$4.6 million primarily due to the HMGP Water Treatment Plant grant ending. Business-type program expenses decreased by nearly \$1.4 million in 2017 due to an increase in expenses in Sanitation of nearly \$1.1 million, decrease in Airport of over \$2.3 million due to \$0.6 million decrease in department expenses and in 2016 the old terminal disposal created a loss of \$1.7 million and a decrease in Water and Sewer of \$32,485. The charts on pages 11 and 12 summarize the City's revenues and expenses for both governmental and business-type activities.

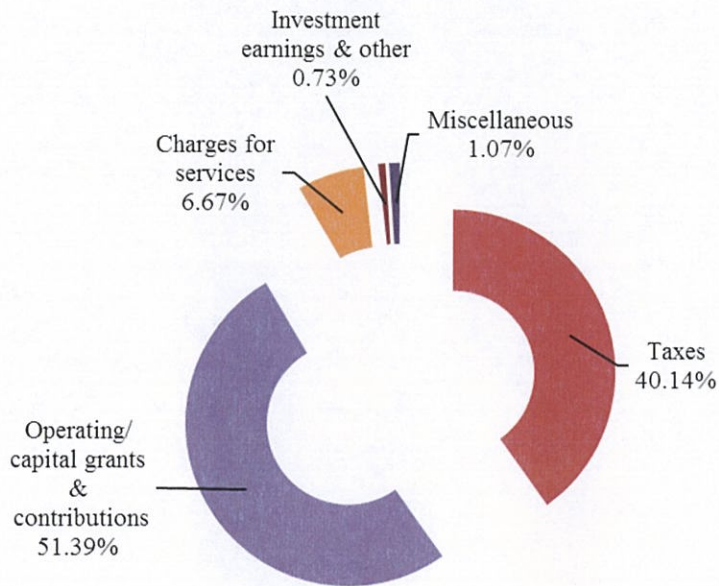
	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
<b>Program Revenues</b>						
Charges for services	\$ 7,290,811	\$ 8,892,909	\$ 31,330,270	\$ 29,226,259	\$ 38,621,081	\$ 38,119,168
Operating grants and contributions	7,119,021	4,355,509	580,465	1,535,901	7,699,486	5,891,410
Capital grants and contributions	49,027,092	28,346,960	25,980,253	30,623,098	75,007,345	58,970,058
<b>General revenues</b>						
Taxes	43,860,607	45,134,375	758,690	385,491	44,619,297	45,519,866
Investment earnings	801,119	645,118	249,010	98,063	1,050,129	743,181
Miscellaneous	1,165,742	1,337,662	756,238	660,328	1,921,980	1,997,990
<b>Total revenues</b>	<b>109,264,392</b>	<b>88,712,533</b>	<b>59,654,926</b>	<b>62,529,140</b>	<b>168,919,318</b>	<b>151,241,673</b>
<b>Program Expenses</b>						
General government	23,950,938	16,890,339	-	-	23,950,938	16,890,339
Public safety	18,904,678	19,908,914	-	-	18,904,678	19,908,914
Highways and streets	19,749,436	17,899,534	-	-	19,749,436	17,899,534
Culture and recreation	7,759,929	8,166,051	-	-	7,759,929	8,166,051
Economic development	826,120	1,145,992	-	-	826,120	1,145,992
Interest on long-term debt	1,324,441	1,359,381	-	-	1,324,441	1,359,381
Airport	-	-	10,979,519	13,340,229	10,979,519	13,340,229
Cemetery	-	-	497,669	533,872	497,669	533,872
Parking authority	-	-	32,703	79,994	32,703	79,994
Sanitation	-	-	6,156,209	5,068,307	6,156,209	5,068,307
Water and sewer	-	-	25,312,026	25,344,511	25,312,026	25,344,511
<b>Total expenses</b>	<b>72,515,542</b>	<b>65,370,211</b>	<b>42,978,126</b>	<b>44,366,913</b>	<b>115,493,668</b>	<b>109,737,124</b>
Excess (deficiency) before transfers	36,748,850	23,342,322	16,676,800	18,162,228	53,425,650	41,504,550
Transfers	(6,886,141)	4,495,291	6,886,141	(4,495,291)	-	-
Change in net position	29,862,709	27,837,613	23,562,941	13,666,937	53,425,650	41,504,550
Net position, January 1	349,973,599	322,135,986	307,014,665	293,347,728	656,988,264	615,483,714
Change in accounting principle - Note 5D	(94,027)	-	(15,129)	-	(109,156)	-
Net position, January 1, as restated	349,879,572	322,135,986	306,999,536	293,347,728	656,879,108	615,483,714
<b>Net position, December 31</b>	<b>\$ 379,742,281</b>	<b>\$ 349,973,599</b>	<b>\$ 330,562,477</b>	<b>\$ 307,014,665</b>	<b>\$ 710,304,758</b>	<b>\$ 656,988,264</b>

Management's Discussion and Analysis

**Expenses & Program Revenues  
 Governmental Activities**



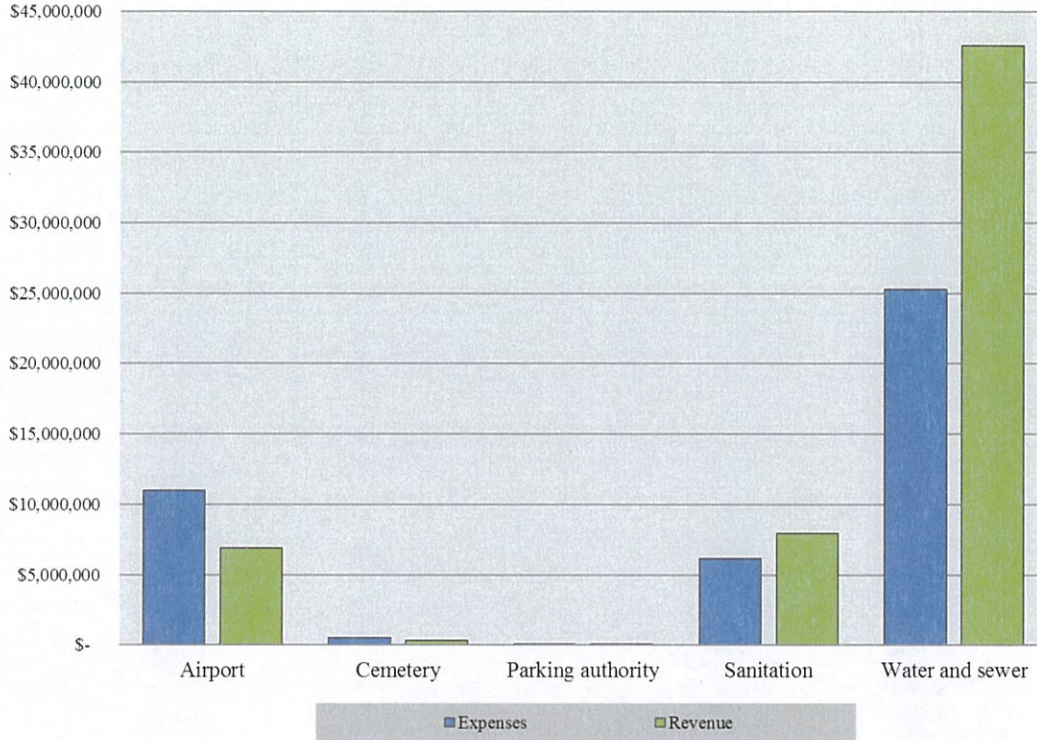
**Revenues by Source  
 Governmental Activities**



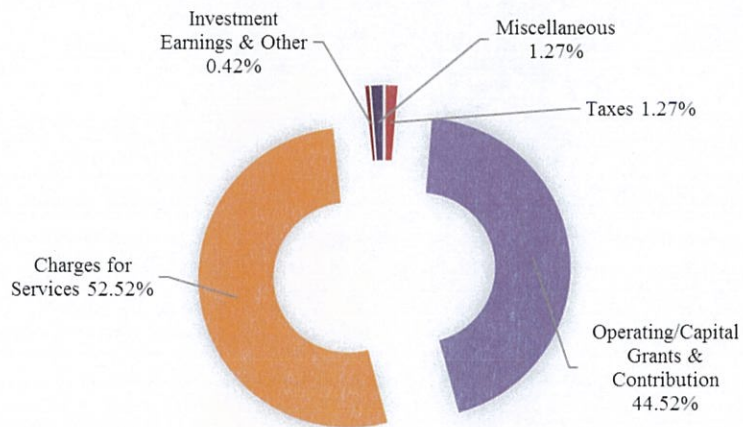


Management's Discussion and Analysis

**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 2017, the City's governmental funds reported combined ending fund balances of nearly \$121.9 million, a decrease of over \$10.0 million in comparison with 2016. Revenues for the period increased nearly \$10.9 million due to an increase of over \$15.4 million intergovernmental revenues due to home acquisitions, Downtown Infrastructure and Broadway Viaduct Replacement, a decrease in special assessment collections of nearly \$1.8 million primarily due to a decrease in special assessment debt, and a decrease in sales tax collections of over \$1.3 million while expenditures decreased nearly \$2.9 million due to increases in general government of over \$5.9 million, public safety expenditures increased by nearly \$0.3 million, an increase in highway and streets expenditures over \$1.4 million, a decrease culture and recreation expenditures of nearly \$0.3 million and a decrease in economic development expenditures of over \$0.3 million, a decrease in capital outlay contracted work of \$14.5 million, and an increase of over \$9.0 million for capital outlay acquisitions. The governmental funds nonspendable fund balance is \$1,540,323, restricted fund balance \$74,961,010, committed fund balance \$291,096, assigned fund balance \$18,565,463, and unassigned fund balance \$26,533,785.

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 \$26,556,632. 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 over 84.4% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$1,754,754 during the current fiscal year. This increase resulted from expenditures being at or lower than what was budgeted for all departments for 2017. In total, all expenditures were over \$3.4 million below budget and revenues for the general fund were also down \$5,048 compared to the budget.

The **Sales Tax NAWS Fund** had a decrease in fund balance of \$3,924,124 due to the increase in expenditures for various NAWS projects.

The **Special Assessment Debt Fund** had a decrease in fund balance by \$1,271,545 due to debt retirement expenditures being more than revenues during 2017.

The **Highway Reserve Fund** decreased in fund balance by \$517,966 million due to capital outlay expenditures being more than revenues during 2017. The first phase of the Broadway Bridge Reconstruction started in 2017, with the second phase to begin in 2018.

The **Capital Purchases Fund** decreased by \$86,552 due to capital purchases expenditures exceeding revenues. Capital outlay expenditures increased overall by over \$6.7 million compared to 2016 primarily due to flood control home acquisitions.

**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. Unrestricted net position at the end of the year for the Enterprise Funds was \$19,040,911, of which Airport accounted for \$3,972,996, Sanitation (\$3,048,781), Water and Sewer \$17,932,317 and the nonmajor funds accounted for \$184,379. Sanitation has an unrestricted negative net position due to the net pension liability of \$4,214,865. Restricted net position was \$6,004,140 for bond covenants and \$620,699 for customer facility charges. The



**Management's Discussion and Analysis**

restrictions do not significantly affect the availability of fund resources for future use. The change in net position for these funds was over \$23.5 million, due to an increase in charges for services of nearly \$3.1 million, a decrease in capital contributions of over \$4.6 million and increase in expenses of nearly \$0.9 million.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget was an increase in revenues of \$50,399 and an increase in expenditure appropriations of over \$0.7 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$5,048 less than budgeted and the expenditures being \$3.5 million less than budgeted. There is a total deficiency of actual revenues over expenditures of over \$6.7 million primarily due to budgeted transfers from sales tax funds to reduce property tax levy. After transfers the net change in fund balance was \$1,754,754.

**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, 2017, is \$685,112,500 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books. The City's investment in capital assets increased over \$56.1 million in 2017 due to an increase of nearly \$29.8 million in land, an increase of \$44.4 million in infrastructure, and a decrease of \$15.6 million in construction in progress.

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

- Home Acquisitions
- Water Treatment Plant Flood Control
- Puppy Dog Sewer Phase VI
- Downtown Infrastructure
- Broadway Viaduct Reconstruction
- Burdick Expressway Reconstruction
- Donations of infrastructure
- Landfill Land Purchase

Additional information on the City of Minot's capital assets can be found in Note 4. E on pages 56-57 of this report.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2017	2016	2017	2016	2017	2016
Land	\$ 82,025,785	\$ 56,425,346	\$ 9,644,467	\$ 5,455,540	\$ 91,670,252	\$ 61,880,886
Construction in progress	8,917,562	7,988,494	14,685,477	31,216,689	23,603,039	39,205,183
Buildings	12,402,523	12,881,594	49,808,911	51,572,210	62,211,434	64,453,804
Equipment	9,234,030	10,320,262	13,540,542	12,775,614	22,774,572	23,095,876
Infrastructure	212,981,566	202,631,129	270,462,225	236,339,516	483,443,791	438,970,645
Intangible assets	224,506	271,484	74,651	87,727	299,157	359,211
Books	1,110,255	1,007,597	-	-	1,110,255	1,007,597
Total capital assets	\$ 326,896,227	\$ 291,525,906	\$ 358,216,273	\$ 337,447,296	\$ 685,112,500	\$ 628,973,202

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**Management's Discussion and Analysis**

**Long-Term Debt.** At year-end, the City had total debt of \$97,157,610, a decrease of \$13,829,133 compared to the prior year.

Note 4. I on pages 59-61 of this report describes the City's long-term debt in detail.

	<b>Outstanding Debt</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>	<b>2017</b>	<b>2016</b>
General obligation bonds	\$ 18,050,000	\$ 21,180,000	\$ -	\$ -	\$ 18,050,000	\$ 21,180,000
Special assessment bonds	18,225,000	21,090,000	-	-	18,225,000	21,090,000
Capital Financing Program Bonds	1,685,000	1,800,000	-	-	1,685,000	1,800,000
Revenue bonds	-	-	49,925,000	59,315,000	49,925,000	59,315,000
Unamortized premium	1,898,601	2,064,556	907,017	1,005,084	2,805,618	3,069,640
Unamortized discount	(10,011)	(12,355)	(256,021)	(297,774)	(266,032)	(310,129)
Notes payable	-	-	965,878	1,049,862	965,878	1,049,862
Capital leases	22,945	23,949	2,189,092	1,135,917	2,212,037	1,159,866
Compensated absences	1,195,177	1,134,682	321,163	310,027	1,516,340	1,444,709
MSWLF closure & postclosure costs	-	-	2,038,769	1,187,795	2,038,769	1,187,795
Total outstanding debt	<u>\$ 41,066,712</u>	<u>\$ 47,280,832</u>	<u>\$ 56,090,898</u>	<u>\$ 63,705,911</u>	<u>\$ 97,157,610</u>	<u>\$ 110,986,743</u>

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$179,510,320. The City's legal debt margin is \$161,439,171. The net bonded debt per capita is \$369.67.

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

Projects in 2017, which boosted the economy in Minot included, West Central Distribution, LLC for \$10.9 million for chemical warehouse and office, Park South Holdings, LLC for \$1.6 million for building remodels, United Pulse Trading additional processing facilities for \$1.9 million, and several other condos, apartment buildings, restaurants and business remodels.

The 2018 City of Minot budget value of a mill decreased from \$229,680 to \$212,053 per mill.

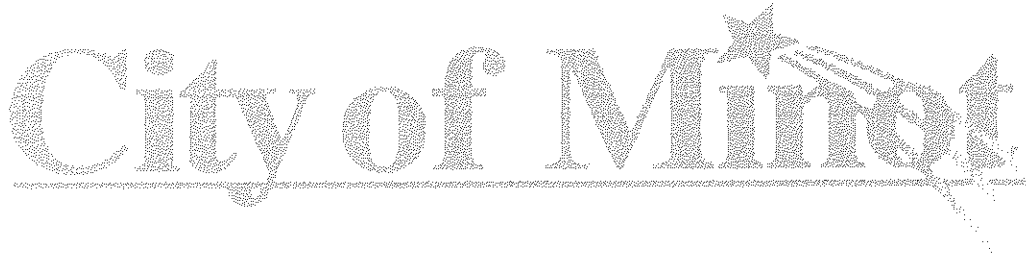
The mill levy for the City of Minot's 2018 budget is 106.46 mills – compared to 79.26 mills in 2017, an increase of 27.20 mills. The increase in the mills is due to a decrease in sales tax collections.

Total appropriations for operations for 2018 decreased over \$50.4 million from 2017. This 26.1% decrease is due to the CDBG-DR National Disaster Resilience Competition dollars

for over \$43.8 million, the sanitation fund decreasing \$7.5 million due to landfill land purchase, water and sewer fund increasing \$9.5 million due to Wastewater Treatment Facility Hydraulic Improvements and Northern Sanitary Sewer, and sales tax funds decreasing by \$8.0 million due to reduced collections and reserves used to mitigate the effect on property taxes.

**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



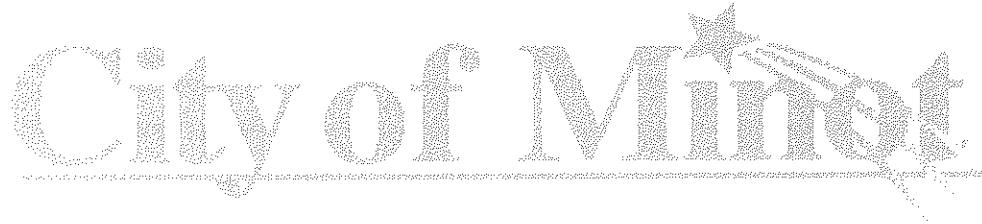
**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total 2017</b>	<b>Total 2016</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 20,129,868	\$ 13,148,480	\$ 33,278,348	\$ 43,391,147
Investments	42,277,887	10,145,591	52,423,478	60,355,022
Receivables				
Taxes receivable delinquent	836,388	33,220	869,608	1,404,863
Special assessments delinquent	310,283	-	310,283	192,099
Accounts receivable, net of allowance	509,991	3,221,481	3,731,472	4,981,049
Loans receivable, net of allowance	1,470,560	-	1,470,560	1,480,640
Intergovernmental receivable	13,713,049	11,693,095	25,406,144	25,426,911
Accrued interest receivable	125,071	41,323	166,394	132,529
Inventory	365,920	-	365,920	369,736
Prepaid	176,947	97,936	274,883	263,133
Other assets - capital credits	385,949	348,714	734,663	689,959
Restricted cash and cash equivalents	49,771,527	6,624,839	56,396,366	52,632,823
Net OPEB asset	11,585	3,243	14,828	39,993
Capital assets not being depreciated				
Land	82,025,785	9,644,467	91,670,252	61,880,886
Construction in progress	8,917,562	14,685,477	23,603,039	39,205,183
Capital assets net of accumulated depreciation				
Buildings	12,402,523	49,808,911	62,211,434	64,453,804
Equipment	9,234,030	13,540,542	22,774,572	23,095,876
Infrastructure	212,981,566	270,462,225	483,443,791	438,970,645
Intangible assets	224,506	74,651	299,157	359,211
Books	1,110,255	-	1,110,255	1,007,597
Special assessments deferred	13,059,791	-	13,059,791	13,893,820
Total assets	<u>470,041,043</u>	<u>403,574,195</u>	<u>873,615,238</u>	<u>834,226,926</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	3,893,576	1,649,667	5,543,243	10,158,317
Total deferred outflows of resources	<u>3,893,576</u>	<u>1,649,667</u>	<u>5,543,243</u>	<u>10,158,317</u>

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Governmental Activities	Business-Type Activities	Total 2017	Total 2016
<b>LIABILITIES</b>				
Accounts payable	\$ 3,573,042	\$ 2,844,881	\$ 6,417,923	\$ 6,205,997
Retainage payable	950,317	1,121,219	2,071,536	4,726,528
Internal balances	(314,796)	314,796	-	-
Accrued salaries payable	381,302	111,621	492,923	468,967
Insurance claims payable	147,613	-	147,613	136,303
Accrued interest payable	283,095	403,828	686,923	786,715
Customer deposits	46,233	209,289	255,522	247,884
Unearned revenue - other	137,468	-	137,468	94,463
Current debt - due within one year				
Special assessment debt with governmental commitment	35,001	-	35,001	36,878
Compensated absences	418,312	112,407	530,719	505,648
Capital leases payable	7,483	628,608	636,091	382,852
Capital financing program debt	120,000	-	120,000	115,000
All other debt	3,765,487	3,441,656	7,207,143	8,910,430
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	145,438	-	145,438	166,319
Compensated absences	776,865	208,756	985,621	939,061
Capital leases payable	15,462	1,560,484	1,575,946	777,014
Capital financing program debt	1,565,000	-	1,565,000	1,685,000
All other debt	34,217,664	48,100,218	82,317,882	96,280,746
Accrued MSWLF postclosure care costs	-	2,038,769	2,038,769	1,187,795
Net pension liability	44,014,349	12,323,151	56,337,500	59,977,438
Total liabilities	<u>90,285,335</u>	<u>73,419,683</u>	<u>163,705,018</u>	<u>183,631,038</u>
<b>DEFERRED INFLOW OF RESOURCES</b>				
Deferred inflow of resources related to pension	3,847,456	1,225,031	5,072,487	3,765,941
Deferred inflow of resources related to OPEB	59,547	16,671	76,218	-
Total deferred inflow of resources	<u>3,907,003</u>	<u>1,241,702</u>	<u>5,148,705</u>	<u>3,765,941</u>
<b>NET POSITION</b>				
Net investment in capital assets	289,558,273	304,758,387	594,316,660	524,562,082
Restricted for:				
Customer facility charges	-	620,699	620,699	415,794
Sales tax property tax relief	620,510	-	620,510	466,078
Sales tax economic development	9,956,038	-	9,956,038	7,642,551
Sales tax improvements	4,539,630	-	4,539,630	5,618,656
Sales tax flood control	11,298,564	-	11,298,564	12,983,515
NAWS	29,139,579	-	29,139,579	33,063,703
Sales tax infrastructure	7,694,952	-	7,694,952	9,361,205
Sales tax community facilities	5,780,863	-	5,780,863	5,640,828
Debt service	3,000,375	6,004,140	9,004,515	12,356,379
Highway projects	2,530,196	-	2,530,196	-
Other purposes	400,303	-	400,303	654,437
Unrestricted net position	15,222,998	19,179,251	34,402,249	44,223,036
Total net position	<u>\$ 379,742,281</u>	<u>\$ 330,562,477</u>	<u>\$ 710,304,758</u>	<u>\$ 656,988,264</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 Activities**  
**For the Year Ended December 31, 2017**  
**With Comparative Totals for December 31, 2016**

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 2017	Total 2016
<b>Governmental Activities</b>								
General government	\$ 23,950,938	\$ 5,545,362	\$ 4,785,366	\$ 27,108,995	\$ 13,488,786	\$ -	\$ 13,488,786	\$ 14,866,097
Public safety	18,904,678	1,130,201	463,544	27,204	(17,283,729)	-	(17,283,729)	(17,332,247)
Highways and streets	19,749,436	22,715	1,832,659	21,863,378	3,969,316	-	3,969,316	(11,359,680)
Culture and recreation	7,759,929	592,532	37,452	27,515	(7,102,430)	-	(7,102,430)	(7,443,630)
Community development	826,120	-	-	-	(826,120)	-	(826,120)	(1,145,992)
Interest on long-term debt	1,324,441	-	-	-	(1,324,441)	-	(1,324,441)	(1,359,381)
<b>Total governmental activities</b>	<b>72,515,542</b>	<b>7,290,811</b>	<b>7,119,021</b>	<b>49,027,092</b>	<b>(9,078,618)</b>	<b>-</b>	<b>(9,078,618)</b>	<b>(23,774,833)</b>
<b>Business-Type Activities</b>								
Airport	10,979,519	4,136,045	580,465	2,203,852	-	(4,059,157)	(4,059,157)	(3,768,221)
Cemetery	497,669	297,359	-	-	-	(200,310)	(200,310)	(235,755)
Parking authority	32,703	47,310	-	-	-	14,607	14,607	(31,467)
Sanitation	6,156,209	5,465,072	-	2,606,770	-	1,915,633	1,915,633	(107,988)
Water and sewer	25,312,026	21,384,485	-	21,169,631	-	17,242,090	17,242,090	21,161,776
<b>Total business-type activities</b>	<b>42,978,126</b>	<b>31,330,270</b>	<b>580,465</b>	<b>25,980,253</b>	<b>-</b>	<b>14,912,862</b>	<b>14,912,862</b>	<b>17,018,345</b>
<b>Total government</b>	<b>\$ 115,493,668</b>	<b>\$ 38,621,081</b>	<b>\$ 7,699,486</b>	<b>\$ 75,007,345</b>	<b>(9,078,618)</b>	<b>14,912,862</b>	<b>5,834,244</b>	<b>(6,756,487)</b>
<b>General Revenues</b>								
Taxes								
Property taxes, levied for general purposes					13,897,560	758,690	14,656,250	14,941,140
Property taxes, levied for debt service					3,056,361	-	3,056,361	2,333,770
Sales tax					20,035,165	-	20,035,165	21,375,144
Municipal highway tax					2,560,200	-	2,560,200	2,400,195
State aid distribution-unrestricted					3,378,357	-	3,378,357	3,477,932
Franchise taxes					629,927	-	629,927	676,847
Other taxes					303,037	-	303,037	314,838
Investment earnings					801,119	249,010	1,050,129	743,181
Miscellaneous					1,165,742	756,238	1,921,980	1,997,990
Transfers					(6,886,141)	6,886,141	-	-
<b>Total general revenues and transfers</b>					<b>38,941,327</b>	<b>8,650,079</b>	<b>47,591,406</b>	<b>48,261,037</b>
Change in net position					29,862,709	23,562,941	53,425,650	41,504,550
Net position, January 1					349,973,599	307,014,665	656,988,264	615,483,714
Change in accounting principle - Note 5D					(94,027)	(15,129)	(109,156)	-
Net position, January 1, as restated					349,879,572	306,999,536	656,879,108	615,483,714
<b>Net position, December 31</b>					<b>\$ 379,742,281</b>	<b>\$ 330,562,477</b>	<b>\$ 710,304,758</b>	<b>\$ 656,988,264</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, 2017**  
**With Comparative Totals for December 31, 2016**

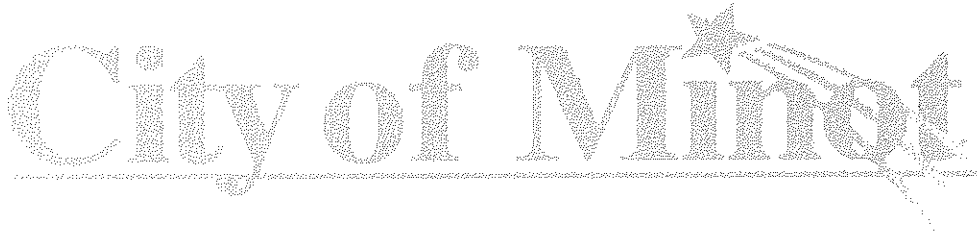
	General Fund	Special Revenue Fund Sales Tax NAWS	Debt Service Fund Special Assessment Debt	Capital Project Fund Highway Reserve
<b>ASSETS</b>				
Cash and investments	\$ 5,879,883	\$ -	\$ 608,975	\$ 1,521,455
Restricted cash and investments	372,804	6,681,850	2,592,406	2,530,196
Investments - certificates of deposit	19,755,721	2,570,609	-	-
Taxes receivable delinquent	459,107	-	4,241	-
Special assessments receivable delinquent	1,225	-	285,717	-
Accounts receivable	758,767	-	-	37,948
Allowance for accounts receivable	(334,417)	-	-	(37,948)
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	-	-	3,151,216
Intergovernmental receivable	1,305,810	-	1,113	4,291,532
Accrued interest receivable	113,582	11,489	-	-
Inventory	-	-	-	-
Prepaid	128,146	-	-	-
Other assets - capital credits	343,629	-	-	-
Investments	-	19,951,557	-	-
Advance from other funds	-	-	879,596	-
Special assessments receivable uncertified	14,993	-	12,874,852	-
Total assets	<u>\$ 28,799,250</u>	<u>\$ 29,215,505</u>	<u>\$ 17,246,900</u>	<u>\$ 11,494,399</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 437,571	\$ 75,926	\$ 1,938	\$ 1,579,515
Retainage payable	-	-	-	37,411
Due to other funds	-	-	-	-
Accrued salaries payable	327,783	-	-	-
Customer deposits	46,233	-	-	-
Advance to other funds	-	-	-	7,945
Unearned revenue - other	80,263	-	-	-
Total liabilities	<u>891,850</u>	<u>75,926</u>	<u>1,938</u>	<u>1,624,871</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessments	14,993	-	12,874,852	-
Unavailable revenue - property taxes	404,271	-	4,241	-
Unavailable revenue - special assessments	1,225	-	277,645	-
Deferred inflows of resources	<u>420,489</u>	<u>-</u>	<u>13,156,738</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	471,775	-	879,596	-
Restricted	372,804	29,139,579	2,592,406	2,530,196
Committed	-	-	-	-
Assigned	85,700	-	616,222	7,339,332
Unassigned	26,556,632	-	-	-
Total fund balance	<u>27,486,911</u>	<u>29,139,579</u>	<u>4,088,224</u>	<u>9,869,528</u>
Total liabilities, inflows and fund balance	<u>\$ 28,799,250</u>	<u>\$ 29,215,505</u>	<u>\$ 17,246,900</u>	<u>\$ 11,494,399</u>

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	<u>Capital Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>	<u>Total Governmental</u>
	<u>Capital Purchases</u>	<u>Funds</u>	<u>Funds 2017</u>	<u>Funds 2016</u>
<b>ASSETS</b>				
Cash and investments	\$ -	\$ 9,337,047	\$ 17,347,360	\$ 29,723,306
Restricted cash and investments	-	37,594,271	49,771,527	45,098,225
Investments - certificates of deposit	-	-	22,326,330	23,647,617
Taxes receivable delinquent	-	373,040	836,388	1,376,195
Special assessments receivable delinquent	-	23,341	310,283	192,099
Accounts receivable	779,276	208,676	1,784,667	1,807,726
Allowance for accounts receivable	(767,776)	(135,150)	(1,275,291)	(972,825)
Loans receivable	-	1,838,200	1,838,200	1,850,800
Allowance for loans receivable	-	(367,640)	(367,640)	(370,160)
Due from other funds	-	479,420	3,630,636	826,594
Intergovernmental receivable	4,087,701	4,026,893	13,713,049	14,319,722
Accrued interest receivable	-	-	125,071	115,729
Inventory	-	6,536	6,536	8,479
Prepaid	-	48,801	176,947	234,148
Other assets - capital credits	-	40,088	383,717	365,089
Investments	-	-	19,951,557	23,663,418
Advance from other funds	-	93,527	973,123	1,241,195
Special assessments receivable uncertified	-	169,946	13,059,791	13,893,820
Total assets	<u>\$ 4,099,201</u>	<u>\$ 53,736,996</u>	<u>\$ 144,592,251</u>	<u>\$ 157,021,177</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 203,419	\$ 1,088,024	\$ 3,386,393	\$ 2,804,772
Retainage payable	709,015	203,891	950,317	1,123,123
Due to other funds	3,151,216	479,420	3,630,636	826,594
Accrued salaries payable	-	53,519	381,302	362,997
Customer deposits	-	-	46,233	43,948
Advance to other funds	-	-	7,945	5,110,789
Unearned revenue - other	27	57,178	137,468	100,817
Total liabilities	<u>4,063,677</u>	<u>1,882,032</u>	<u>8,540,294</u>	<u>10,373,040</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessments	-	169,946	13,059,791	13,893,820
Unavailable revenue - property taxes	58,371	332,895	799,778	671,548
Unavailable revenue - special assessments	-	21,841	300,711	168,968
Deferred inflows of resources	<u>58,371</u>	<u>524,682</u>	<u>14,160,280</u>	<u>14,734,336</u>
<b>FUND BALANCE</b>				
Nonspendable	-	188,952	1,540,323	2,937,111
Restricted	-	40,326,025	74,961,010	80,252,754
Committed	-	291,096	291,096	227,096
Assigned	-	10,524,209	18,565,463	24,275,474
Unassigned	(22,847)	-	26,533,785	24,221,366
Total fund balance	<u>(22,847)</u>	<u>51,330,282</u>	<u>121,891,677</u>	<u>131,913,801</u>
Total liabilities, inflows and fund balance	<u>\$ 4,099,201</u>	<u>\$ 53,736,996</u>	<u>\$ 144,592,251</u>	<u>\$ 157,021,177</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, 2017**

Total fund balances for governmental funds		\$121,891,677
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	\$ 82,025,785	
Construction work in process	8,917,562	
Buildings, net of accumulated depreciation (\$8,769,967)	12,402,523	
Equipment, net of accumulated depreciation (\$14,513,597)	9,234,030	
Infrastructure, net of accumulated depreciation (\$78,735,623)	212,981,566	
Intangible assets, net of accumulated depreciation (\$373,823)	224,506	
Books, net of accumulated depreciation (\$2,282,306)	<u>1,110,255</u>	
Total capital assets (Note 4. E)		326,896,227
Net OPEB asset and OPEB related deferred inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:		
Net OPEB asset	11,585	
Deferred inflows of resources	<u>(59,547)</u>	
Total net OPEB liability and related deferred inflows		(47,962)
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	(44,014,349)	
Deferred outflows of resources	3,893,576	
Deferred inflows of resources	<u>(3,847,456)</u>	
Total net pension liability and related deferred outflows and inflows		(43,968,229)
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.		
		2,160,095
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>14,160,280</u>	
Total taxes and specials not available		14,160,280
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. (Note 2. A)		
		<u>(\$41,349,807)</u>
Total net position of governmental activities		<u>\$379,742,281</u>

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	General Fund	Special Revenue Fund Sales Tax NAWS	Debt Service Fund Special Assessment Debt	Capital Project Fund Highway Reserve
<b>REVENUES</b>				
Property tax collections	\$ 9,700,289	\$ -	\$ 83,319	\$ -
Special assessment collections	22,573	-	2,157,952	-
Sales tax collections	-	-	-	-
Licenses and permits	685,449	-	-	-
Intergovernmental	8,451,273	-	-	7,053,704
Charges for services	3,436,158	-	-	-
Cable TV franchise fees	629,927	-	-	-
Fines and forfeits	646,728	-	-	-
Interest income	234,716	271,062	86,281	17,268
Miscellaneous	871,912	-	190,191	9,791
Total revenues	<u>24,679,025</u>	<u>271,062</u>	<u>2,517,743</u>	<u>7,080,763</u>
<b>EXPENDITURES</b>				
Current				
General government	10,720,742	657,237	402	-
Public safety	16,591,562	-	-	-
Highways and streets	4,155,041	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	6,524,988
Equipment	-	-	-	-
Legal	-	-	-	-
Other	-	-	-	9,799
Acquisitions	-	-	-	-
Engineering	-	-	-	426,867
Debt service				
Principal retirement	-	-	2,980,000	-
Interest and fiscal charges	-	-	711,742	3,166
Total expenditures	<u>31,467,345</u>	<u>657,237</u>	<u>3,692,144</u>	<u>6,964,820</u>
Excess (deficiency) of revenues over (under) expenditures	(6,788,320)	(386,175)	(1,174,401)	115,943
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	-	-
Premium on bonds	-	-	-	-
Capital leases	6,405	-	-	-
Sale of City property	37,826	-	-	-
Transfers in	8,593,123	-	987	8,184
Transfers out	(94,280)	(3,537,949)	(98,131)	(642,093)
Total other financing sources (uses)	<u>8,543,074</u>	<u>(3,537,949)</u>	<u>(97,144)</u>	<u>(633,909)</u>
Net change in fund balance	1,754,754	(3,924,124)	(1,271,545)	(517,966)
Fund balance (deficit), January 1	25,732,157	33,063,703	5,359,769	10,387,494
Fund balance (deficit), December 31	<u>\$ 27,486,911</u>	<u>\$ 29,139,579</u>	<u>\$ 4,088,224</u>	<u>\$ 9,869,528</u>

**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, 2017**  
**With Comparative Totals for December 31, 2016**

	<u>Capital Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental</u>	<u>Total Governmental</u>
	<u>Capital Purchases</u>	<u>Funds</u>	<u>Funds 2017</u>	<u>Funds 2016</u>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ 6,902,376	\$ 16,685,984	\$ 16,620,590
Special assessment collections	-	25,284	2,205,809	4,002,683
Sales tax collections	-	20,035,165	20,035,165	21,375,144
Licenses and permits	-	-	685,449	977,803
Intergovernmental	25,265,891	7,189,060	47,959,928	32,513,738
Charges for services	-	550,710	3,986,868	5,223,295
Cable TV franchise fees	-	-	629,927	676,847
Fines and forfeits	-	-	646,728	669,284
Interest income	1,500	190,292	801,119	645,118
Miscellaneous	92,667	340,919	1,505,480	1,506,669
Total revenues	<u>25,360,058</u>	<u>35,233,806</u>	<u>95,142,457</u>	<u>84,211,171</u>
<b>EXPENDITURES</b>				
Current				
General government	-	10,267,712	21,646,093	15,721,274
Public safety	-	-	16,591,562	16,320,099
Highways and streets	-	3,727,692	7,882,733	6,472,349
Culture and recreation	-	7,396,239	7,396,239	7,658,965
Economic development	-	826,120	826,120	1,145,992
Capital outlay				
Contracted work	1,800,199	2,760,853	11,086,040	25,617,466
Equipment	-	777,489	777,489	3,247,724
Legal	115,073	-	115,073	17,682
Other	3,439,417	84,765	3,533,981	3,042,626
Acquisitions	20,219,942	238,595	20,458,537	11,455,243
Engineering	-	164,722	591,589	4,267,589
Debt service				
Principal retirement	-	3,130,000	6,110,000	4,920,000
Interest and fiscal charges	9,488	617,217	1,341,613	1,326,733
Total expenditures	<u>25,584,119</u>	<u>29,991,404</u>	<u>98,357,069</u>	<u>101,213,742</u>
Excess (deficiency) of revenues over (under) expenditures	(224,061)	5,242,402	(3,214,612)	(17,002,571)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	10,110,000
Special assessment bonds issued	-	-	-	780,000
Premium on bonds	-	-	-	949,616
Capital leases	-	-	6,405	-
Sale of City property	-	34,398	72,224	186,486
Transfers in	170,312	7,576,872	16,349,478	21,977,660
Transfers out	(32,803)	(18,830,363)	(23,235,619)	(17,482,369)
Total other financing sources (uses)	<u>137,509</u>	<u>(11,219,093)</u>	<u>(6,807,512)</u>	<u>16,521,393</u>
Net change in fund balance	(86,552)	(5,976,691)	(10,022,124)	(481,178)
Fund balance (deficit), January 1	63,705	57,306,973	131,913,801	132,394,979
Fund balance (deficit), December 31	<u>\$ (22,847)</u>	<u>\$ 51,330,282</u>	<u>\$ 121,891,677</u>	<u>\$ 131,913,801</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 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, 2017**

Net change in fund balances-total governmental funds \$ (10,022,124)

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) 35,446,487

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) (76,166)

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)

Repayments of bond principal	6,110,000	
Capital lease	(6,405)	
Payment on capital lease	7,409	
Annual amortization of leases, premiums, and discounts	163,611	
Net adjustment		6,274,615

Net OPEB asset and OPEB related deferred inflows of resources are not due in the current period and therefore are not reported in the funds. The government-wide statement of net activities reports the change in net position related to OPEB. 6,072

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. The government-wide statement of net activities reports the change in net position related to pension. (1,243,261)

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due.

Accrued interest payable	17,172
Compensated absences	(60,495)

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	1,001,389	
Special assessment write-offs, foreclosures, and interest	590,022	
Amount shown as revenue in governmental funds	(2,205,809)	
Net change		(614,398)

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. 134,807

Change in net position of governmental activities \$ 29,862,709

*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, 2017**  
**With Comparative Totals for December 31, 2016**

	<u>Budgeted Amounts</u>		2017 Actual Amounts	Variance With Final Budget	2016 Actual Amounts
	Original	Final Amended			
<b>REVENUES</b>					
Property tax collections	\$ 9,938,403	\$ 9,947,156	\$ 9,700,289	\$ (246,867)	\$ 8,857,271
Special assessment collections	4,647	4,647	22,573	17,926	10,093
Licenses & permits	1,093,257	1,093,257	685,449	(407,808)	977,803
Cable TV franchise fees	534,571	534,571	629,927	95,356	676,847
Intergovernmental federal					
Operating Grants	72,159	66,360	183,630	117,270	292,718
Intergovernmental state					
Highway fund	2,220,006	2,220,006	2,560,200	340,194	2,400,195
State aid distribution	3,553,907	3,553,907	3,378,357	(175,550)	3,477,932
Cigarette tax	106,168	106,168	117,634	11,466	123,753
Telecommunications tax	115,873	115,873	144,842	28,969	144,842
Homestead and disabled veterans tax credits	-	-	229,044	229,044	218,089
Fire insurance refund	347,616	347,616	308,555	(39,061)	349,241
Gambling tax revenue	22,764	22,764	18,636	(4,128)	21,506
State operating grants	39,900	53,638	314,930	261,292	288,979
Intergovernmental county					
Operating grants	11,172	11,172	11,152	(20)	11,469
Road and bridge	4,218	4,218	-	(4,218)	-
Joint communications	1,117,593	1,117,593	1,043,668	(73,925)	1,135,147
Computer maintenance	136,753	136,753	79,807	(56,946)	158,668
Assessed utility	21,485	21,485	21,925	440	24,737
Intergovernmental other					
Housing authority	49,957	49,957	38,329	(11,628)	49,957
Parking authority	783	783	564	(219)	783
Total intergovernmental	<u>7,820,354</u>	<u>7,828,293</u>	<u>8,451,273</u>	<u>622,980</u>	<u>8,698,016</u>
Charges for services					
Engineering & administrative	548,439	548,439	241,123	(307,316)	84,789
Utility & special funds	2,984,768	2,984,768	2,984,768	-	2,853,078
Agency funds	50,000	50,000	50,000	-	86,037
Fleet labor	201,014	201,014	160,267	(40,747)	105,206
Total charges for services	<u>3,784,221</u>	<u>3,784,221</u>	<u>3,436,158</u>	<u>(348,063)</u>	<u>3,129,110</u>
Fines and forfeitures					
Parking tickets	97,860	97,860	91,185	(6,675)	87,322
Police court	501,513	501,513	555,543	54,030	581,962
Total fines and forfeitures	<u>599,373</u>	<u>599,373</u>	<u>646,728</u>	<u>47,355</u>	<u>669,284</u>
Interest income	431,273	431,273	234,716	(196,557)	107,890
Miscellaneous income					
Work for others	39,578	39,578	63,667	24,089	62,299
Policing-Schools	95,945	95,945	111,275	15,330	86,705
Miscellaneous	264,106	282,480	441,994	159,514	372,456
Damage claims	-	15,333	228,463	213,130	82,301
Towing fees	27,946	27,946	26,513	(1,433)	21,585
Total miscellaneous income	<u>427,575</u>	<u>461,282</u>	<u>871,912</u>	<u>410,630</u>	<u>625,346</u>
Total revenues	<u>24,633,674</u>	<u>24,684,073</u>	<u>24,679,025</u>	<u>(5,048)</u>	<u>23,751,660</u>

**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, 2017**  
**With Comparative Totals for December 31, 2016**

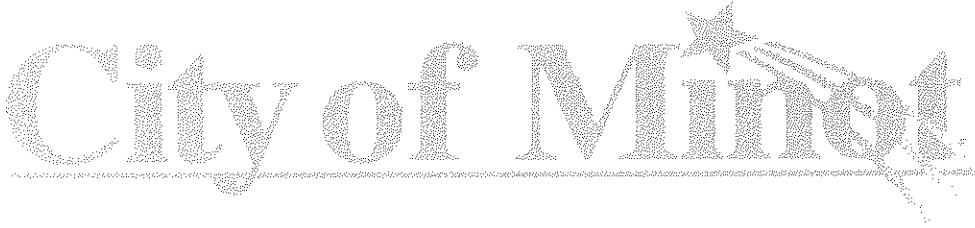
	<u>Budgeted Amounts</u>		2017 Actual Amounts	Variance With Final Budget	2016 Actual Amounts
	Original	Final Amended			
<b>EXPENDITURES</b>					
General government					
Mayor and city council	\$ 169,895	\$ 169,895	\$ 117,438	\$ (52,457)	\$ 176,897
City manager	584,025	606,752	541,498	(65,254)	514,629
Human resources	308,341	308,341	288,892	(19,449)	283,259
City attorney	453,246	453,246	400,557	(52,689)	363,300
Administrative and general	1,899,283	1,901,948	1,837,091	(64,857)	1,789,267
Finance	1,101,141	1,131,966	976,022	(155,944)	1,042,188
Information technology	807,823	810,567	703,376	(107,191)	696,717
Property assessment	653,730	653,730	625,898	(27,832)	598,998
Planning	601,245	704,060	419,072	(284,988)	388,544
Building inspection	1,184,857	1,185,716	1,093,751	(91,965)	1,091,637
Traffic	1,497,023	1,496,269	1,446,093	(50,176)	1,306,636
Engineering	1,163,732	1,156,732	917,184	(239,548)	1,066,417
Vehicle maintenance	793,612	799,985	735,412	(64,573)	704,916
Property maintenance	729,100	739,818	618,458	(121,360)	681,245
Total general government	<u>11,947,053</u>	<u>12,119,025</u>	<u>10,720,742</u>	<u>(1,398,283)</u>	<u>10,704,650</u>
Public safety					
Police administration	1,453,305	1,512,475	1,385,599	(126,876)	1,339,217
Police patrol	5,670,974	5,928,301	5,539,031	(389,270)	5,616,168
Criminal investigation	1,689,269	1,700,342	1,635,270	(65,072)	1,572,490
Narcotics task force	63,842	66,310	65,081	(1,229)	66,772
Telecommunications division	1,267,160	1,267,160	1,179,439	(87,721)	1,135,147
Municipal judge	681,577	681,577	594,147	(87,430)	565,998
Fire administration	1,024,041	1,014,286	795,480	(218,806)	813,769
Fire control	5,256,273	5,499,319	5,397,515	(101,804)	5,210,538
Total public safety	<u>17,106,441</u>	<u>17,669,770</u>	<u>16,591,562</u>	<u>(1,078,208)</u>	<u>16,320,099</u>
Street & storm sewer maintenance	5,158,216	5,165,403	4,155,041	(1,010,362)	3,896,003
Total expenditures	<u>34,211,710</u>	<u>34,954,198</u>	<u>31,467,345</u>	<u>(3,486,853)</u>	<u>30,920,752</u>
Excess (deficiency) of revenues over (under) expenditures	(9,578,036)	(10,270,125)	(6,788,320)	3,481,805	(7,169,092)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	-	-	6,405	(6,405)	-
Sale of property	-	-	37,826	37,826	-
Transfers in	9,578,036	9,507,114	8,593,123	(913,991)	7,695,342
Transfers out	-	(93,971)	(94,280)	(309)	(1,506)
Total other financing sources (uses)	<u>9,578,036</u>	<u>9,413,143</u>	<u>8,543,074</u>	<u>(882,879)</u>	<u>7,693,836</u>
Net change in fund balance	\$ -	\$ (856,982)	1,754,754	\$ 2,598,926	524,744
Fund balance (deficit), January 1			25,732,157		25,207,413
Fund balance (deficit), December 31			<u>\$ 27,486,911</u>		<u>\$ 25,732,157</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Sales Tax NAWS</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>				
Interest income	\$ 52,495	\$ 271,062	\$ 218,567	\$ 315,402
Total revenues	<u>52,495</u>	<u>271,062</u>	<u>218,567</u>	<u>315,402</u>
<b>EXPENDITURES</b>				
General government	10,300,000	657,237	(9,642,763)	593,377
Total expenditures	<u>10,300,000</u>	<u>657,237</u>	<u>(9,642,763)</u>	<u>593,377</u>
Excess (deficiency) of revenues over (under) expenditures	(10,247,505)	(386,175)	9,861,330	(277,975)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(3,537,949)	(3,487,949)	(758,745)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(3,537,949)</u>	<u>(3,487,949)</u>	<u>(758,745)</u>
Net change in fund balance	<u><u>\$(10,297,505)</u></u>	(3,924,124)	<u><u>\$ 6,373,381</u></u>	(1,036,720)
Fund balance (deficit), January 1		33,063,703		34,100,423
Fund balance (deficit), December 31		<u><u>\$ 29,139,579</u></u>		<u><u>\$ 33,063,703</u></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, 2017**  
**With Comparative Totals for December 31, 2016**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	
			Nonmajor	
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 3,856,500	\$ 1,235,004	\$ 7,542,520	\$ 514,456
Restricted cash and cash equivalents	1,443,152	-	2,322,624	-
Investments - certificate of deposits	-	1,011,506	9,134,085	-
Taxes receivable delinquent	20,829	-	-	12,391
Accounts receivable	354,050	561,233	3,201,467	24,881
Allowance for doubtful accounts	-	-	(920,150)	-
Intergovernmental receivable	876,416	1,283	10,815,255	141
Accrued interest receivable	-	5,165	36,158	-
Inventory	-	-	-	-
Prepaid	4,832	84,567	8,537	-
Total current assets	<u>6,555,779</u>	<u>2,898,758</u>	<u>32,140,496</u>	<u>551,869</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,935,556	-	923,507	-
Advance from other funds	-	-	7,945	-
Other assets - capital credits	29,503	53,724	258,486	7,001
Net OPEB asset	202	1,109	1,895	37
Capital assets				
Land	2,924,004	4,378,295	2,026,267	315,901
Buildings	52,242,143	2,327,920	6,848,485	150,885
Equipment	11,279,644	7,576,434	8,393,215	582,380
Infrastructure	73,596,607	4,126,280	287,690,941	507,213
Intangible assets	46,816	-	109,705	-
Construction in progress	419,055	962,237	13,304,185	-
Total capital assets	<u>140,508,269</u>	<u>19,371,166</u>	<u>318,372,798</u>	<u>1,556,379</u>
Less-accumulated depreciation	<u>(35,153,533)</u>	<u>(5,696,547)</u>	<u>(80,013,476)</u>	<u>(728,783)</u>
Net capital assets	<u>105,354,736</u>	<u>13,674,619</u>	<u>238,359,322</u>	<u>827,596</u>
Total noncurrent assets	<u>107,319,997</u>	<u>13,729,452</u>	<u>239,551,155</u>	<u>834,634</u>
Total assets	<u>113,875,776</u>	<u>16,628,210</u>	<u>271,691,651</u>	<u>1,386,503</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	53,660	732,145	859,151	4,711
Total deferred outflows of resources	<u>53,660</u>	<u>732,145</u>	<u>859,151</u>	<u>4,711</u>

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Total Enterprise Funds	Governmental Activities		Total 2017	Total 2016
		Internal Service Funds			
<b>ASSETS</b>					
Current assets					
Cash and cash equivalents	\$ 13,148,480	\$ 2,782,508	\$ 15,930,988	\$ 13,667,841	
Restricted cash and cash equivalents	3,765,776	-	3,765,776	4,750,431	
Investments - certificate of deposits	10,145,591	-	10,145,591	13,043,987	
Taxes receivable delinquent	33,220	-	33,220	28,668	
Accounts receivable	4,141,631	615	4,142,246	4,621,745	
Allowance for doubtful accounts	(920,150)	-	(920,150)	(475,597)	
Intergovernmental receivable	11,693,095	-	11,693,095	11,107,189	
Accrued interest receivable	41,323	-	41,323	16,800	
Inventory	-	359,384	359,384	361,257	
Prepaid	97,936	-	97,936	28,985	
Total current assets	42,146,902	3,142,507	45,289,409	47,151,306	
Noncurrent assets					
Restricted cash and cash equivalents	2,859,063	-	2,859,063	2,784,167	
Advance from other funds	7,945	-	7,945	72,010	
Other assets - capital credits	348,714	2,232	350,946	324,870	
Net OPEB asset	3,243	-	3,243	-	
Capital assets					
Land	9,644,467	-	9,644,467	5,455,540	
Buildings	61,569,433	-	61,569,433	61,569,433	
Equipment	27,831,673	-	27,831,673	25,829,426	
Infrastructure	365,921,041	-	365,921,041	316,401,503	
Intangible assets	156,521	-	156,521	501,665	
Construction in progress	14,685,477	-	14,685,477	31,216,689	
Total capital assets	479,808,612	-	479,808,612	440,974,256	
Less-accumulated depreciation	(121,592,339)	-	(121,592,339)	(103,526,960)	
Net capital assets	358,216,273	-	358,216,273	337,447,296	
Total noncurrent assets	361,435,238	2,232	361,437,470	340,628,343	
Total assets	403,582,140	3,144,739	406,726,879	387,779,649	
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pension	1,649,667	-	1,649,667	2,426,972	
Total deferred outflows of resources	1,649,667	-	1,649,667	2,426,972	



**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	
			Nonmajor	
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 213,312	\$ 60,909	\$ 2,563,046	\$ 7,614
Retainage payable	-	71,232	1,049,987	-
Accrued salaries payable	25,896	26,436	54,729	4,560
Compensated absences	19,916	34,308	52,235	5,948
Insurance claims payable	-	-	-	-
Bonds payable	1,195,000	-	2,080,000	-
Notes payable	-	-	86,948	-
Capital leases payable	1,138	623,699	3,771	-
Accrued interest payable	248,152	-	155,676	-
Unearned revenue - other	-	-	-	-
Total current liabilities	<u>1,703,414</u>	<u>816,584</u>	<u>6,046,392</u>	<u>18,122</u>
Long-term liabilities				
Customer deposits	5,810	-	202,879	600
Compensated absences	36,986	63,716	97,009	11,045
Bonds payable	27,415,000	-	19,235,000	-
Notes payable	-	-	878,930	-
Unamortized bond discounts	(256,021)	-	-	-
Unamortized bond premiums	-	-	907,017	-
Capital leases payable	190	1,559,296	998	-
Advance to other funds	-	-	973,123	-
Accrued MSWLF closure and postclosure care costs	-	2,038,769	-	-
Net pension liability	766,590	4,214,865	7,201,023	140,673
Total long-term liabilities	<u>27,968,555</u>	<u>7,876,646</u>	<u>29,495,979</u>	<u>152,318</u>
Total liabilities	<u>29,671,969</u>	<u>8,693,230</u>	<u>35,542,371</u>	<u>170,440</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	417,339	218,580	380,503	208,609
Deferred inflows of resources related to OPEB	1,037	5,702	9,742	190
Total deferred inflow of resources	<u>418,376</u>	<u>224,282</u>	<u>390,245</u>	<u>208,799</u>
<b>NET POSITION</b>				
Invested in capital assets	76,487,387	11,491,624	215,439,738	827,596
Restricted for bond covenants	2,758,009	-	3,246,131	-
Restricted for customer facility charges	620,699	-	-	-
Unrestricted net position	3,972,996	(3,048,781)	17,932,317	184,379
Total net position	<u>\$ 83,839,091</u>	<u>\$ 8,442,843</u>	<u>\$ 236,618,186</u>	<u>\$ 1,011,975</u>

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Total Enterprise Funds	Governmental Activities		Total 2017	Total 2016
		Internal Service Funds			
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	\$ 2,844,881	\$ 186,649	\$ 3,031,530	\$ 3,401,225	
Retainage payable	1,121,219	-	1,121,219	3,603,405	
Accrued salaries payable	111,621	-	111,621	105,970	
Compensated absences	112,407	-	112,407	108,509	
Insurance claims payable	-	147,613	147,613	136,303	
Bonds payable	3,275,000	-	3,275,000	4,180,000	
Notes payable	86,948	-	86,948	83,983	
Capital leases payable	628,608	-	628,608	373,747	
Accrued interest payable	403,828	-	403,828	486,448	
Unearned revenue - other	-	-	-	33,988	
Total current liabilities	8,584,512	334,262	8,918,774	12,513,578	
Long-term liabilities					
Customer deposits	209,289	-	209,289	203,936	
Compensated absences	208,756	-	208,756	201,518	
Bonds payable	46,650,000	-	46,650,000	55,135,000	
Notes payable	878,930	-	878,930	965,879	
Unamortized bond discounts	(256,021)	-	(256,021)	(297,774)	
Unamortized bond premiums	907,017	-	907,017	1,005,084	
Capital leases payable	1,560,484	-	1,560,484	762,170	
Advance to other funds	973,123	-	973,123	157,400	
Accrued MSWLF closure and postclosure care costs	2,038,769	-	2,038,769	1,187,795	
Net pension liability	12,323,151	-	12,323,151	12,708,878	
Total long-term liabilities	65,493,498	-	65,493,498	72,029,886	
Total liabilities	74,078,010	334,262	74,412,272	84,543,464	
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pension	1,225,031	-	1,225,031	578,188	
Deferred inflows of resources related to OPEB	16,671	-	16,671	-	
Total deferred inflow of resources	1,241,702	-	1,241,702	578,188	
<b>NET POSITION</b>					
Invested in capital assets	304,246,345	-	304,246,345	276,507,099	
Restricted for bond covenants	6,004,140	-	6,004,140	7,534,598	
Restricted for customer facility charges	620,699	-	620,699	415,794	
Unrestricted net position	19,040,911	2,810,477	21,851,388	20,627,478	
Total net position	329,912,095	\$ 2,810,477	332,722,572	305,084,969	
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.	650,382		650,382	606,161	
	<u>\$ 330,562,477</u>		<u>\$ 333,372,954</u>	<u>\$ 305,691,130</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
	\$	\$	\$	\$
<b>OPERATING REVENUES</b>				
Sales	-	-	-	-
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	4,121,079	5,476,802	21,330,135	345,802
Employer	-	-	-	-
Employee	-	-	-	-
Customer facility charge income	236,604	-	-	-
Miscellaneous	-	-	12,231	-
Total operating revenues	4,357,683	5,476,802	21,342,366	345,802
<b>OPERATING EXPENSES</b>				
Salaries	1,252,514	1,425,918	2,792,392	263,295
Employee benefits	952,119	1,236,950	1,141,911	109,466
Professional services	831,477	81,979	241,937	279
Property services	285,626	429,242	2,507,485	33,516
Purchased services	79,992	38,980	683,234	8,545
Supplies	474,530	310,911	2,864,891	21,542
Sundry	294,730	617,345	1,741,780	43,420
Insurance claims	-	-	-	-
Amortization	14,290	-	27,464	-
MSWLF closure & postclosure care	-	850,974	-	-
Depreciation	5,791,078	1,039,492	12,305,027	49,803
Total operating expenses	9,976,356	6,031,791	24,306,121	529,866
Operating income (loss)	(5,618,673)	(554,989)	(2,963,755)	(184,064)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	531,242	-	-	227,448
Intergovernmental revenues (expenses)	343,861	(102,041)	(7,612)	(339)
Interest income (expense)	25,684	16,912	204,718	1,696
Miscellaneous income (expense)	40,374	92,909	471,421	151,534
Gain (loss) on sale of City property	10,370	(22,377)	28,506	(167)
Interest and fiscal charges	(1,013,533)	-	(1,026,799)	-
Total non-operating revenues (expenses)	(62,002)	(14,597)	(329,766)	380,172
Income (loss) before contributions and transfers	(5,680,675)	(569,586)	(3,293,521)	196,108
Capital contributions	2,203,852	2,606,770	21,169,631	-
Transfers in	36,471	199,557	8,447,550	43,013
Transfers out	(25,161)	(397,870)	(1,415,723)	(1,696)
Total contributions and transfers	2,215,162	2,408,457	28,201,458	41,317
Change in net position	(3,465,513)	1,838,871	24,907,937	237,425
Net position, January 1	87,305,545	6,609,147	211,719,089	774,723
Change in accounting principle - Note 5D	(941)	(5,175)	(8,840)	(173)
Net position, January 1, as restated	87,304,604	6,603,972	211,710,249	774,550
Net position, December 31	\$ 83,839,091	\$ 8,442,843	\$ 236,618,186	\$ 1,011,975

**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, 2017**  
**With Comparative Totals for December 31, 2016**

	Total Enterprise Funds	Governmental Activities		Total 2017	Total 2016
		Internal Service Funds			
<b>OPERATING REVENUES</b>					
Sales	\$ -	\$ 1,017,361	\$ -	\$ 1,017,361	\$ 779,008
Cost of goods sold	-	(1,015,183)	-	(1,015,183)	(778,311)
Gross margin	-	2,178	-	2,178	697
Charges for services	31,273,818	-	-	31,273,818	28,186,593
Employer	-	2,800,843	-	2,800,843	2,556,624
Employee	-	848,419	-	848,419	748,008
Customer facility charge income	236,604	-	-	236,604	256,726
Miscellaneous	12,231	-	-	12,231	887,066
Total operating revenues	31,522,653	3,651,440	-	35,174,093	32,635,714
<b>OPERATING EXPENSES</b>					
Salaries	5,734,119	-	-	5,734,119	5,650,855
Employee benefits	3,440,446	-	-	3,440,446	3,156,732
Professional services	1,155,672	-	-	1,155,672	2,967,568
Property services	3,255,869	-	-	3,255,869	4,432,804
Purchased services	810,751	-	-	810,751	903,532
Supplies	3,671,874	-	-	3,671,874	3,549,764
Sundry	2,697,275	-	-	2,697,275	2,592,349
Insurance claims	-	3,428,334	-	3,428,334	3,123,359
Amortization	41,754	-	-	41,754	20,804
MSWLF closure & postclosure care	850,974	-	-	850,974	108,946
Depreciation	19,185,400	-	-	19,185,400	16,876,996
Total operating expenses	40,844,134	3,428,334	-	44,272,468	43,383,709
Operating income (loss)	(9,321,481)	223,106	-	(9,098,375)	(10,747,995)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Property tax collections	758,690	-	-	758,690	385,491
Intergovernmental revenues (expenses)	233,869	-	-	233,869	1,279,175
Interest income (expense)	249,010	8,932	-	257,942	103,256
Miscellaneous income (expense)	756,238	(53,010)	-	703,228	643,273
Gain (loss) on sale of City property	16,332	-	-	16,332	(2,167,033)
Interest and fiscal charges	(2,040,332)	-	-	(2,040,332)	(1,944,923)
Total non-operating revenues (expenses)	(26,193)	(44,078)	-	(70,271)	(1,700,761)
Income (loss) before contributions and transfers	(9,347,674)	179,028	-	(9,168,646)	(12,448,756)
Capital contributions	25,980,253	-	-	25,980,253	30,623,098
Transfers in	8,726,591	-	-	8,726,591	3,849,192
Transfers out	(1,840,450)	-	-	(1,840,450)	(8,344,483)
Total contributions and transfers	32,866,394	-	-	32,866,394	26,127,807
Change in net position	23,518,720	179,028	-	23,518,720	13,514,336
Net position, January 1	306,408,504	2,631,449	-	306,408,504	306,408,504
Change in accounting principle - Note 5D	(15,129)	-	-	(15,129)	-
Net position, January 1, as restated	306,393,375	2,631,449	-	306,393,375	306,393,375
Net position, December 31	\$ 329,912,095	\$ 2,810,477	-	\$ 329,912,095	\$ 329,912,095
Change in net position enterprise funds only				23,518,720	13,514,336
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds				44,221	152,601
Change in net position of business-type activities				\$ 23,562,941	\$ 13,666,937

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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 5,048,421	\$ 5,192,846	\$21,723,444	\$ 357,736
Payments to suppliers	(2,750,656)	(1,357,614)	(10,397,101)	(133,519)
Payments to employees	(1,627,423)	(1,981,226)	(3,988,604)	(523,805)
Due from other agencies	509,009	100,758	-	5,459
Due to other agencies	-	-	(1,204,681)	(35)
Net cash provided (used) by operating activities	<u>1,179,351</u>	<u>1,954,764</u>	<u>6,133,058</u>	<u>(294,164)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	915,477	(9,132)	463,809	378,643
Transfers in	36,471	199,557	8,447,550	43,013
Transfers out	(25,161)	(397,870)	(1,415,723)	(1,696)
Internal activity - payments from other funds	-	-	4,019,049	-
Internal activity - payments to other funds	-	-	(4,223,056)	-
Net cash provided (used) by noncapital financing activities	<u>926,787</u>	<u>(207,445)</u>	<u>7,291,629</u>	<u>419,960</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	2,203,852	2,606,770	20,461,565	-
Acquisition and construction of capital assets	(1,735,604)	(5,294,968)	(30,735,748)	(42,839)
Proceeds from bonds	-	-	-	-
Disposal of capital assets	12,718	76,499	279,207	5,500
Capital lease payment	(1,138)	(778,746)	(3,439)	-
Principal paid on capital debt	(1,170,000)	-	(8,303,984)	-
Interest paid on capital debt	(1,013,533)	-	(1,026,799)	-
Net cash provided (used) by capital and related financing activities	<u>(1,703,705)</u>	<u>(3,390,445)</u>	<u>(19,329,198)</u>	<u>(37,339)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	25,684	16,912	204,718	1,696
Net cash provided by investing activities	<u>25,684</u>	<u>16,912</u>	<u>204,718</u>	<u>1,696</u>
Net increase (decrease) in cash and cash equivalents	428,117	(1,626,214)	(5,699,793)	90,153
Cash and cash equivalents, January 1	6,807,091	3,872,724	25,622,529	424,303
Cash and cash equivalents, December 31	<u>\$ 7,235,208</u>	<u>\$ 2,246,510</u>	<u>\$19,922,736</u>	<u>\$ 514,456</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 3,856,500	\$ 1,235,004	\$ 7,542,520	\$ 514,456
Investments - certificate of deposits	-	1,011,506	9,134,085	-
Restricted cash and cash equivalents - current	1,443,152	-	2,322,624	-
Restricted cash and cash equivalents - noncurrent	1,935,556	-	923,507	-
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 7,235,208</u>	<u>\$ 2,246,510</u>	<u>\$19,922,736</u>	<u>\$ 514,456</u>

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Total Enterprise Funds	Governmental Activities		Total 2017	Total 2016
		Internal Service Funds			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 32,322,447	\$ 4,667,952		\$36,990,399	\$ 33,401,490
Payments to suppliers	(14,638,890)	(4,313,906)		(18,952,796)	(27,424,232)
Payments to employees	(8,121,058)	-		(8,121,058)	(8,502,790)
Due from other agencies	615,226	-		615,226	1,623,494
Due to other agencies	(1,204,716)	-		(1,204,716)	(3,138,040)
Net cash provided (used) by operating activities	8,973,009	354,046		9,327,055	(4,040,078)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Taxes received	1,748,797	-		1,748,797	2,324,994
Transfers in	8,726,591	-		8,726,591	3,849,192
Transfers out	(1,840,450)	-		(1,840,450)	(8,344,483)
Internal activity - payments from other funds	4,019,049	33,450		4,052,499	(305,509)
Internal activity - payments to other funds	(4,223,056)	(86,460)		(4,309,516)	(108,056)
Net cash provided (used) by noncapital financing activities	8,430,931	(53,010)		8,377,921	(2,583,862)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	25,272,187	-		25,272,187	28,243,308
Acquisition and construction of capital assets	(37,809,159)	-		(37,809,159)	(48,229,849)
Proceeds from bonds	-	-		-	4,785,000
Disposal of capital assets	373,924	-		373,924	(2,554,153)
Capital lease payment	(783,323)	-		(783,323)	(600,864)
Principal paid on capital debt	(9,473,984)	-		(9,473,984)	(4,281,119)
Interest paid on capital debt	(2,040,332)	-		(2,040,332)	(1,944,923)
Net cash provided (used) by capital and related financing activities	(24,460,687)	-		(24,460,687)	(24,582,600)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	249,010	8,932		257,942	103,256
Net cash provided by investing activities	249,010	8,932		257,942	103,256
Net increase (decrease) in cash and cash equivalents	(6,807,737)	309,968		(6,497,769)	(31,103,284)
Cash and cash equivalents, January 1	36,726,647	2,472,540		39,199,187	65,349,710
Cash and cash equivalents, December 31	\$29,918,910	\$ 2,782,508		\$32,701,418	\$ 34,246,426
Cash and cash equivalents are comprised of the following:					
Cash and cash equivalents	\$ 13,148,480	\$ 2,782,508		\$15,930,988	\$ 13,667,841
Investments - certificate of deposits	10,145,591	-		10,145,591	13,043,987
Restricted cash and cash equivalents - current	3,765,776	-		3,765,776	4,750,431
Restricted cash and cash equivalents - noncurrent	2,859,063	-		2,859,063	2,784,167
Total cash and cash equivalents on the Statement of Net Position	\$29,918,910	\$ 2,782,508		\$32,701,418	\$ 34,246,426

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Business-Type Activities Enterprise Funds				
	Airport	Sanitation	Water & Sewer		Nonmajor
			Sewer	Nonmajor	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (5,618,673)	\$ (554,989)	\$ (2,963,755)	\$ (184,064)	
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	5,791,078	1,039,492	12,305,027	49,803	
Amortization expense	14,290	-	27,464	-	
MSWLF closure and post closure care cost adjustment	-	850,974	-	-	
Change in assets and liabilities					
Taxes receivable	(13,890)	-	-	9,338	
Receivables, net	693,837	(195,885)	510,148	2,514	
Accrued interest receivable	-	(3,065)	(21,458)	-	
Inventory	-	-	-	-	
Prepaid	(2,376)	(84,400)	17,743	82	
Accounts payable	(744,646)	49,611	233,256	(26,217)	
Retainage payable	(33,126)	71,232	(2,520,292)	-	
Intergovernmental receivables	509,009	100,758	(1,204,681)	9,008	
Accrued salaries payable	7,710	3,238	11,675	(122)	
Insurance claims payable	-	-	-	-	
Accrued interest payable	(6,975)	-	(75,645)	(5,714)	
Customer deposits	446	-	4,907	-	
Other assets/liabilities	13,167	(606)	(91,367)	(3,584)	
Net OPEB asset	(202)	(1,109)	(1,895)	(37)	
Net pension liability	(45,660)	592,049	(573,586)	(358,530)	
Net OPEB liability	(941)	(5,175)	(8,840)	(173)	
Unearned revenue - other	-	-	(33,988)	-	
Deferred outflows of resources related to pension	228,267	32,652	461,754	54,632	
Deferred inflows of resources related to pension	386,999	54,285	46,849	158,710	
Deferred inflows of resources related to OPEB	1,037	5,702	9,742	190	
Net cash provided (used) by operating activities	<u>\$ 1,179,351</u>	<u>\$ 1,954,764</u>	<u>\$ 6,133,058</u>	<u>\$ (294,164)</u>	
<b>NONCASH CAPITAL ACTIVITY</b>					
Borrowing under capital lease	\$ -	\$ 1,836,498	\$ -	\$ -	
Construction of capital assets from developers	-	-	708,066	-	
Transfer fully depreciated capital assets to general fund	21,990	317,569	16,154	-	

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Total Enterprise Funds	Governmental Activities		Total 2017	Total 2016
		Internal Service Funds			
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (9,321,481)	\$ 223,106		\$ (9,098,375)	\$ (10,747,995)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	19,185,400	-		19,185,400	16,876,996
Amortization expense	41,754	-		41,754	20,804
MSWLF closure and post closure care cost adjustment	850,974	-		850,974	108,946
Change in assets and liabilities					
Taxes receivable	(4,552)	-		(4,552)	(17,927)
Receivables, net	1,010,614	(544)		1,010,070	(291,873)
Accrued interest receivable	(24,523)	-		(24,523)	(7,939)
Inventory	-	1,873		1,873	(48,748)
Prepaid	(68,951)	-		(68,951)	1,199
Accounts payable	(487,996)	118,301		(369,695)	(4,607,391)
Retainage payable	(2,482,186)	-		(2,482,186)	(4,504,002)
Intergovernmental receivables	(585,906)	-		(585,906)	(1,514,470)
Accrued salaries payable	22,501	-		22,501	25,126
Insurance claims payable	-	11,310		11,310	(6,624)
Accrued interest payable	(88,334)	-		(88,334)	40,880
Customer deposits	5,353	-		5,353	2,478
Other assets/liabilities	(82,390)	-		(82,390)	324,364
Net OPEB asset	(3,243)	-		(3,243)	-
Net pension liability	(385,727)	-		(385,727)	(215,256)
Net OPEB liability	(15,129)	-		(15,129)	-
Unearned revenue - other	(33,988)	-		(33,988)	28,313
Deferred outflows of resources related to pension	777,305	-		777,305	146,972
Deferred inflows of resources related to pension	646,843	-		646,843	346,069
Deferred inflows of resources related to OPEB	16,671	-		16,671	-
Net cash provided (used) by operating activities	<u>\$ 8,973,009</u>	<u>\$ 354,046</u>		<u>\$ 9,327,055</u>	<u>\$ (4,040,078)</u>
<b>NONCASH CAPITAL ACTIVITY</b>					
Borrowing under capital lease	\$ 1,836,498	\$ -		\$ 1,836,498	\$ 707,392
Construction of capital assets from developers	708,066	-		708,066	2,379,790
Transfer fully depreciated capital assets to general fund	355,713	-		355,713	-

*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, 2017**

	<b>Pension &amp; OPEB Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 56,047	\$ 393,079
Investments		
Money market	1,350,182	-
Equity/stocks	43,647,441	-
Fixed income	24,335,169	-
Alternative	3,983,253	-
Total investments	73,316,045	-
Accounts receivable	-	125,231
Due from other funds	162,202	47
Intergovernmental receivable	-	4,994
Total assets	73,534,294	\$ 523,351
<b>LIABILITIES</b>		
Accounts payable	-	\$ 523,304
Due to other funds	162,202	47
Total liabilities	162,202	\$ 523,351
<b>NET POSITION</b>		
Restricted for pension benefits	72,336,210	
Restricted for OPEB benefits	1,035,882	
Total net position	\$73,372,092	

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Pension &amp; OPEB Trust Funds</b>	
	<b>2017</b>	<b>2016</b>
	<b>Total</b>	<b>Total</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 4,803,268	\$ 4,983,925
Employee	2,804,678	2,942,435
Total contributions	<u>7,607,946</u>	<u>7,926,360</u>
Investment income		
Interest and dividends	1,749,216	1,458,794
Net increase (decrease) in the fair value of investments	8,423,256	2,485,661
Total investment income	<u>10,172,472</u>	<u>3,944,455</u>
Less investment expense	123,918	154,448
Net investment income	<u>10,048,554</u>	<u>3,790,007</u>
Total additions	<u>17,656,500</u>	<u>11,716,367</u>
<b>DEDUCTIONS</b>		
Benefits paid to plan member and beneficiaries	8,006,121	7,770,365
Refunds paid to plan member and beneficiaries	409,181	379,829
Retiree claims	404,346	456,344
Third party premiums	184,805	196,471
Administrative expenses	209,202	214,660
Total deductions	<u>9,213,655</u>	<u>9,017,669</u>
Change in net position	8,442,845	2,698,698
Net position, January 1	64,929,247	62,230,549
Net position, December 31	<u>\$ 73,372,092</u>	<u>\$ 64,929,247</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 six 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 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 expenses 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 central garage 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, 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) and CDBG/EDA for pass-through grants.

**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.

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

Notes to Financial Statements

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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 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

## Notes to Financial Statements

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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 one year. 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 acquisition 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. Other costs for repairs and maintenance are expensed as incurred.

**Notes to Financial Statements**

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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 mills. 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.

Notes to Financial Statements

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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 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 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/OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

For purposes of measuring the net pension liability, deferred inflows/outflows 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.

For purposes of measuring the net OPEB liability (asset), deferred inflows/outflows of resources related to OPEB, and OPEB 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 (\$41,349,807) difference are as follows:



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Bonds payable	\$ 37,960,000
Unamortized discounts/premiums	1,888,590
Accrued interest payable	283,095
Capital lease payable	22,945
Compensated absences	<u>1,195,177</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 41,349,807</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 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	\$ 14,472,137
Capital outlay	36,562,709
Depreciation	<u>(15,588,359)</u>
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 35,446,487</u>
Proceeds from capital asset sales	\$ 72,224
Gain/(loss) on capital asset sales	(148,390)
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (76,166)</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 three violations of excess of expenditures over appropriations. Emergency Fund incurred over a \$0.6 million violation due to overtime wages, benefits, and street maintenance from unexpected snow events. Highway Debt incurred a nearly \$0.7 million violation due to prepayment of general obligation bonds not budgeted to be redeemed. Special Assessment Debt incurred a nearly \$0.6 million violation due to prepayment of special assessment bonds from unanticipated collections.

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

The Capital Purchases fund had a deficit fund balance of \$22,847 as of December 31, 2017, which will be funded by the collection of federal and state funds.

**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

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**Notes to Financial Statements**

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

**Allowable deposits and investments:**

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

*Custodial credit risk:* This is the risk in the event of bank failure, the government's deposits may not be returned to it. Per the City's investment policy, custodial credit risk will be minimized by using the following techniques; limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business; and diversifying the investment portfolio so that potential losses on individual securities will be minimized. As of December 31, 2017, the City is fully insured by FDIC and has pledged collateral in the amount of 110% of its investments.

*Credit risk:* Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. As outlined above, city policy limits the type of investments allowed to reduce the amount of credit risk to the portfolio.

*Interest rate risk:* Interest rate risk is the risk that changes in interest rates will adversely affect the fair value of an investment. Per the City's investment policy, interest rate risk will be minimized 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, 2017, the City has invested in cash and money markets \$89,674,714, \$15,797,762 of U.S. bonds, and certificates of deposit \$14,103,550, which have no credit ratings. The City also has NAWS investments valued at \$22,522,166. 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	\$ 544,611	\$ -	\$ -	\$ 544,611
Fixed income				
US treasuries	499,530	499,530	-	-
Government agencies	21,478,025	17,571,084	3,311,860	595,081
<b>Total fair value</b>	<b>\$ 22,522,166</b>	<b>\$ 18,070,614</b>	<b>\$ 3,311,860</b>	<b>\$ 1,139,692</b>

Maturity (Years)	Fixed Income
0-1	\$ 14,315,741
1-3	5,168,570
3-5	1,974,820
5-10	62,310
10-15	12,100
15+	444,014
	<b>\$ 21,977,555</b>

**City of Minot:**

Investment Type	Fair Value	Rated AA+
Fixed income		
Government agencies	\$ 15,553,977	\$ 15,553,977
<b>Total fair value</b>	<b>\$ 15,553,977</b>	<b>\$ 15,553,977</b>

Maturity (Years)	Fixed Income
1-3	\$ 7,514,564
3-5	8,039,413
	<b>\$ 15,553,977</b>

The City has the following recurring fair value measurements as of December 31, 2017:

NAWS U.S. Treasury securities of \$499,530 and government agencies of \$21,478,025 are valued using quoted market prices (Level 1 inputs)

City government agencies of \$15,553,977 are valued using quoted market prices (Level 1 inputs)

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**B. INTERGOVERNMENTAL RECEIVABLES**

A total of \$25,406,144 is due from intergovernmental receivables. This includes \$11,584,170 due from the Federal Government, \$6,277,412 from an EDA grants; \$2,626,458 from Department of Emergency Services; \$1,521,855 from Community Development Block Grant – Disaster Recovery grant; \$819,335 from the FAA; \$158,628 from Community Development Block Grants; \$147,997 from Department of Transportation grants; \$24,737 from Department of Homeland Security; \$6,684 from EPA grants; and \$1,064 from National Highway Traffic Safety Administration. It also includes \$13,594,034 from the State of North Dakota, \$10,323,423 from the State Water Commission for home acquisitions and flood control; \$1,371,663 for city sales taxes; \$340,643 for ND Department of Emergency Services; \$56,862 for State Aeronautics; \$860,342 for State Aid Distribution; \$22,830 for ND Trust Land Grants; \$266,006 for Municipal Highway tax; \$8,759 from ND Bureau of Criminal Investigation; \$15,931 for NDDOT projects; \$4,203 from ND gambling taxes; \$323,372 of oil & gas taxes; and \$227,940 due from Ward County.

current period. At the end of the current fiscal year, the deferred inflows reported in the governmental funds were as follows:

Uncertified special assessments	\$ 13,059,791
Unavailable revenue - property taxes	799,778
Unavailable revenue - special assessments	300,711
Total deferred inflows of resources	<u>\$ 14,160,280</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:

**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	\$ 838,200
Due after one year	1,000,000
Less: allowance for uncollectible	<u>(367,640)</u>
Total loans receivable	<u>\$ 1,470,560</u>

The only receivables not expected to be collected within one year are \$12,297,158 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

	Taxes	Specials	Specials	Accounts	Loans	Intergov't	Accrued	Gross	Less: Allow	Total Net
	Delinquent	Deferred	Delinquent	Receivable	Receivable	Receivable	Interest	Receivables	for	Receivables
							Receivable		Uncollectible	
General	\$ 459,107	\$ 14,993	\$ 1,225	\$ 758,767	\$ -	\$ 1,305,810	\$ 113,582	\$ 2,653,484	\$ (334,417)	\$ 2,319,067
Sales tax NAWs	-	-	-	-	-	-	11,489	11,489	-	11,489
Assessment debt	4,241	12,874,852	285,717	-	-	1,113	-	13,165,923	-	13,165,923
Highway reserve	-	-	-	37,948	-	4,291,532	-	4,329,480	(37,948)	4,291,532
Capital purchases	-	-	-	779,276	-	4,087,701	-	4,866,977	(767,776)	4,099,201
Nonmajor governmental	373,040	169,946	23,341	208,676	1,838,200	4,026,893	-	6,640,096	(502,790)	6,137,306
Airport	20,829	-	-	354,050	-	876,416	-	1,251,295	-	1,251,295
Sanitation	-	-	-	561,233	-	1,283	5,165	567,681	-	567,681
Water and sewer	-	-	-	3,201,467	-	10,815,255	36,158	14,052,880	(920,150)	13,132,730
Nonmajor enterprise	12,391	-	-	24,881	-	141	-	37,413	-	37,413
Internal service	-	-	-	615	-	-	-	615	-	615
Total net receivables	\$ 869,608	\$ 13,059,791	\$ 310,283	\$ 5,926,913	\$ 1,838,200	\$ 25,406,144	\$ 166,394	\$ 47,577,333	\$ (2,563,081)	\$ 45,014,252

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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.

As of December 31, 2017, 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, 2017:

Tax Abatement Programs	Amount of taxes abated during the 2017 fiscal year
Property Tax Incentives for New/Expanding Businesses	\$ 12,131
Renaissance Zone Exemption - Commercial Buildings	61,580
Renaissance Zone Exemption - Residential Buildings	1,972
Exemption of Certain New Single Family, Condo, Townhomes	1,272
	<u>\$ 76,955</u>

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E. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2017 was as follows:

	1/1/2017	Additions	Deletions	Transfers	Balance 12/31/17
<b>Governmental Activities</b>					
Land	\$ 56,425,346	\$ 25,722,309	\$ 121,870	\$ -	\$ 82,025,785
Construction in progress	7,988,494	51,346,366	50,417,298	-	8,917,562
Depreciable assets					
Buildings	21,177,264	701	5,475	-	21,172,490
Equipment	23,164,165	1,083,924	844,575	344,113	23,747,627
Infrastructure	268,530,908	23,189,540	3,259	-	291,717,189
Intangible assets	598,329	-	-	-	598,329
Books	3,386,909	181,528	175,876	-	3,392,561
Totals at historical cost	381,271,415	101,524,368	51,568,353	344,113	431,571,543
Accumulated depreciation					
Buildings	(8,295,670)	(479,772)	5,475	-	(8,769,967)
Equipment	(12,843,903)	(2,146,515)	801,050	(324,229)	(14,513,597)
Infrastructure	(65,899,779)	(12,836,224)	380	-	(78,735,623)
Intangible assets	(326,845)	(46,978)	-	-	(373,823)
Books	(2,379,312)	(78,870)	175,876	-	(2,282,306)
Total accumulated depreciation	(89,745,509)	(15,588,359)	982,781	(324,229)	(104,675,316)
Governmental activities capital assets, net	\$ 291,525,906	\$ 85,936,009	\$ 50,585,572	\$ 19,884	\$ 326,896,227

	1/1/2017	Additions	Deletions	Transfers	Balance 12/31/17
<b>Business-Type Activities</b>					
Land	\$ 5,455,540	\$ 4,188,927	\$ -	\$ -	\$ 9,644,467
Construction in progress	31,216,689	40,007,386	56,538,598	-	14,685,477
Depreciable assets					
Buildings	61,569,433	-	-	-	61,569,433
Equipment	25,829,426	2,830,132	483,772	(344,113)	27,831,673
Infrastructure	316,401,503	49,519,538	-	-	365,921,041
Intangible assets	501,665	-	345,144	-	156,521
Totals at historical cost	440,974,256	96,545,983	57,367,514	(344,113)	479,808,612
Accumulated depreciation					
Buildings	(9,997,223)	(1,763,299)	-	-	(11,760,522)
Equipment	(13,053,812)	(2,012,196)	450,648	324,229	(14,291,131)
Infrastructure	(80,061,987)	(15,396,829)	-	-	(95,458,816)
Intangible assets	(413,938)	(13,076)	345,144	-	(81,870)
Total accumulated depreciation	(103,526,960)	(19,185,400)	795,792	324,229	(121,592,339)
Business-type activities capital assets, net	337,447,296	77,360,583	56,571,722	(19,884)	358,216,273
Total capital assets, net	\$ 628,973,202	\$ 163,296,592	\$ 107,157,294	\$ -	\$ 685,112,500

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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	\$	2,000,000
Public safety		1,388,262
Highways and streets		11,850,472
Culture and recreation		349,625
Total depreciation expenditure - governmental activities	\$	<u>15,588,359</u>
Business -Type Activities		
Airport	\$	5,791,078
Cemetery		45,229
Parking authority		4,574
Sanitation		1,039,492
Water and sewer		12,305,027
Total depreciation expense - business-type activities	\$	<u>19,185,400</u>

**F. COMMITMENTS**

Construction and other significant commitments as of December 31, 2017 were \$40,216,621.

	<u>Spent to Date</u>	<u>Remaining</u>
General fund	\$ 318,858	\$ 77,142
Highway reserve	12,682,649	3,463,330
Capital purchases	21,267,743	7,777,249
Nonmajor governmental funds	22,548,517	17,351,868
Airport	1,415,852	224,982
Sanitation	1,030,838	700,708
Water and sewer	32,554,303	10,621,342
	<u>\$ 91,818,760</u>	<u>\$ 40,216,621</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 \$40.4 million. This project will be funded with sales tax monies approved by the voters in March 1999. The City has encumbrance commitments of \$503,030 in the general fund, and \$82,410,500 in nonmajor governmental funds, CDBG-DR funds make up \$55,577,864 of this amount. The City has encumbrance commitments of \$74,734 in Airport, \$273,367 in Sanitation, \$51,834 in Water and Sewer, and \$5,125 in nonmajor business-type funds.

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, 2017 is to fund outstanding special assessments and highway debt paid in annual installments for storm sewer development.

	<u>Highway Reserve</u>	<u>Water &amp; Sewer</u>	<u>Total Advance From</u>
Governmental funds			
Special assessment debt	\$ -	\$ 879,596	\$ 879,596
Nonmajor government	-	93,527	93,527
Business-type funds			
Water & sewer	7,945	-	7,945
Total advance to	<u>\$ 7,945</u>	<u>\$ 973,123</u>	<u>\$ 981,068</u>

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

	<u>Capital Purchases</u>	<u>Nonmajor Governmental</u>	<u>Total Due From</u>
Governmental funds			
Highway reserves	\$ 3,151,216	\$ -	\$3,151,216
Nonmajor governmental	-	479,420	479,420
Total Due To	<u>\$ 3,151,216</u>	<u>\$ 479,420</u>	<u>\$3,630,636</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		Special		Highway Reserve	Capital Purchases	Nonmajor Governmental		Water & Sewer	Nonmajor Enterprise Funds	Total Transfers In	
	Fund	Sales Tax NAWS	Assessment Debt				Funds	Airport				Sanitation
General fund	\$ -	\$ 50,000	\$ 18,131	\$ -	\$ 67,268	\$ -	\$ 7,948,869	\$ 25,161	\$ 293,062	\$ 188,936	\$ 1,696	\$ 8,593,123
Assessment debt	-	-	-	-	-	-	-	-	-	987	-	987
Highway reserve	-	-	-	-	-	-	8,184	-	-	-	-	8,184
Capital purchases	10,565	-	80,000	-	-	-	79,747	-	-	-	-	170,312
Nonmajor governmental funds	83,715	-	-	200,000	32,803	6,128,662	-	104,808	1,026,884	-	-	7,576,872
Airport	-	-	-	-	-	36,471	-	-	-	-	-	36,471
Sanitation	-	-	-	-	-	641	-	-	198,916	-	-	199,557
Water and sewer	-	3,487,949	-	374,825	-	4,584,776	-	-	-	-	-	8,447,550
Nonmajor enterprise funds	-	-	-	-	-	43,013	-	-	-	-	-	43,013
<b>Total transfers out</b>	<b>\$ 94,280</b>	<b>\$ 3,537,949</b>	<b>\$ 98,131</b>	<b>\$ 642,093</b>	<b>\$ 32,803</b>	<b>\$ 18,830,363</b>	<b>\$ 25,161</b>	<b>\$ 397,870</b>	<b>\$ 1,415,723</b>	<b>\$ 1,696</b>	<b>\$ 25,076,069</b>	

**Transfers in/out consisted of the following:**

\$ 269,744	Interest Distribution transfers to General Fund
988	Water/Sewer transfers to Special Assessment Debt for debt payments
34,837	CDBG-DR \$67.5M transfers to Capital Purchases
4,095	Water/Sewer transfers to Highway Debt for debt payments
44,910	Demolition transfers to Capital Purchases
43,013	Sales Tax Improvement transfers to Cemetery
51,986	CDBG-DR \$67.5M transfers to Water/Sewer
25,147	Equipment Purchase transfers to Library for noncapital purchases
68,271	General Fund transfers to Library
605,061	Sales Tax Improvements transfers to General Fund
1,077	General Fund transfers to Capital Purchases
641	CDBG-DR \$67.5M transfers to Sanitation
374,825	Highway Reserve transfers to Water/Sewer
50,000	Highway Reserve transfers to General Fund for highway repairs
50,000	Sales Tax NAWS administration transfers to General Fund
50,000	Sales Tax Economic Development administration transfers to General Fund
568,476	Water/Sewer transfers to Sales Tax Economic Development
500,000	Sales Tax Infrastructure transfers to Water/Sewer
8,184	Highway Debt transfers to Highway Reserve
9,822	Water/Sewer transfers to Flood Control Capital
315,000	Sales Tax Flood Control transfers to General Fund
1,957,409	Sales Tax Flood Control transfers to Flood Control Capital
104,808	Sanitation transfers to Equipment Purchase Fund
87,806	Water/Sewer transfers to Special Assessment Capital
200,000	Highway Reserve transfers to Special Assessment Capital
4,894	Special Assessment Capital transfers to Street Improvements
16,000	Capital Purchases transfers to Sales Tax Improvements
320,720	Sales Tax Improvements transfers to Street Improvements
16,803	Capital Purchases transfers to Sales Tax Infrastructure
198,916	Water/Sewer transfers to Sanitation
356,684	Water/Sewer equipment transfers to Equipment Purchase Fund
13,109	General Fund transfers to Equipment Purchase Fund
80,000	Special Assessment Debt transfers to Capital Purchases
1,400,000	Sales Tax Improvements transfers to Recreation/Auditorium
210,988	Sales Tax Improvements transfers to Library
105,703	Sales Tax Improvements transfers to Sidewalk Improvements
2,966,012	Sales Tax Infrastructure administration transfers to General Fund
36,471	Sales Tax Improvement transfers to Airport
550,000	Sales Tax Improvements transfers to Water/Sewer
111,207	Water/Sewer transfers to General Fund
285,337	Sanitation transfers to General Fund
215,023	Street Improvements transfers to Water/Sewer
50,000	Sales Tax Community Facilities administration transfers to General Fund
2,103,802	Sales Tax Infrastructure transfers to Street Improvements Fund
940,700	Sales Tax Property Tax Relief transfers to General Fund
2,911,884	Sales Tax Property Tax Relief - Second Penny transfers to General Fund
3,267,767	Storm Sewer Development transfer to Water/Sewer
3,487,949	Sales Tax NAWS transfers to Water/Sewer
<b>\$ 25,076,069</b>	<b>Total transfers in/out</b>

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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. The City leases the sanitation trash cans for the automated collections as a noncancellable operating lease. Total costs for the lease was \$41,843 for the year ended December 31, 2017. The future minimum lease payments for these leases are as follows:

	Business-Type Activities	
For the year ending December 31, 2017		
2018	\$ 125,528	
2019	125,528	
2020	125,528	
2021	125,528	
2022	83,685	
Total minimum lease payments	<u>\$ 585,798</u>	

*Capital Leases.* The City has entered into two capital lease agreements as lessee for financing the acquisition for six garbage compactor trucks for sanitation and a Sharp color copier for the fire department. 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:

Asset:	Governmental Activities	Business-Type Activities
Equipment	\$ 38,905	\$ 4,324,546
Less: Accumulated depreciation	<u>(13,640)</u>	<u>(998,298)</u>
Total	<u>\$ 25,265</u>	<u>\$ 3,326,248</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2017, were as follows:

	Governmental Activities	Business-Type Activities
For the year ending December 31, 2017		
2018	\$ 9,626	\$ 721,439
2019	9,626	716,744
2020	5,640	567,442
2021	1,655	390,594
2022	965	-
Total minimum lease payments	27,511	2,396,219
Less: Amount representing interest	<u>(4,566)</u>	<u>(207,127)</u>
Present value of minimum lease payments	<u>\$ 22,945</u>	<u>\$ 2,189,092</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 did not issue any general obligation bonds in 2017. These bonds are generally issued as 10-15-year bonds and the outstanding bonds have interest rates ranging from 2.00% to 4.00%.

General obligation bonds currently outstanding are as follows:

Year	Balance			Interest Rate	Matures
	Original Amount	Outstanding 12/31/2017			
2010	\$ 1,375,000	\$ 445,000		2.25-2.70%	10/01/2020
2012	2,900,000	960,000		2.00%	10/01/2023
2013	6,815,000	3,935,000		2.00-3.00%	10/01/2023
2014	3,950,000	2,845,000		2.00-4.00%	10/01/2024
2015	390,000	320,000		2.00-3.00%	10/01/2025
2016	10,110,000	9,545,000		3.00-4.00%	10/01/2031
	<u>\$ 25,540,000</u>	<u>\$ 18,050,000</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 did not issue any special assessment bonds for storm sewer districts and paving districts. The City has \$18,225,000 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 0.90% to 4.00%.

Special assessment bonds currently outstanding are as follows:

Year	Balance			Interest Rate	Matures
	Original Amount	Outstanding 12/31/2017			
2011	\$ 4,285,000	\$ 1,885,000		2.00-3.00%	10/01/2021
2012	1,885,000	1,150,000		0.90-1.60%	10/01/2023
2013	11,595,000	9,520,000		2.00-4.00%	10/01/2033
2014	4,135,000	3,235,000		2.00-3.375%	10/01/2034
2015	1,835,000	1,690,000		2.00-3.25%	10/01/2035
2016	780,000	745,000		3.00-3.25%	10/01/2036
	<u>\$ 24,515,000</u>	<u>\$ 18,225,000</u>			

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

*Notes* outstanding as of December 31, 2017 include the Bureau of Reclamation note on the Garrison Diversion



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Project for \$965,878 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.

*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 did not issue any revenue bonds for airport, or water and sewer projects. The following are outstanding revenue bonds:

**Airport**

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2017		
2013	\$ 12,505,000	\$ 11,605,000		3.00-4.50%	10/01/2035
2014	6,710,000	6,205,000		3.00-4.00%	10/01/2035
2015	11,770,000	10,800,000		2.00-3.625%	10/01/2035
	<u>\$ 30,985,000</u>	<u>\$ 28,610,000</u>			

**Water & Sewer**

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2017		
1972	\$ -	\$ 965,878		3.50%	07/01/2027
2011	2,005,000	870,000		2.00%	10/01/2021
2012	3,650,000	1,545,000		2.00%	10/01/2023
2012	1,955,000	1,265,000		2.00%	10/01/2024
2013	5,220,000	4,050,000		3.00-4.00%	10/01/2028
2014	4,200,000	3,480,000		2.25-3.10%	10/01/2029
2015	6,860,000	5,585,000		2.00-3.00%	10/01/2025
2016	4,785,000	4,520,000		3.00-4.00%	10/01/2031
	<u>\$ 28,675,000</u>	<u>\$ 22,280,878</u>			

Capital financial program bonds currently outstanding for the All Seasons Arena to update their facilities are as follows:

**Capital Financing Program Bonds**

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2017		
2015	\$ 1,945,000	\$ 1,685,000		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
2018	\$ 1,850,000	\$ 575,463
2019	1,895,000	527,600
2020	1,955,000	471,500
2021	1,855,000	413,500
2022	1,920,000	353,550
2023-2027	5,345,000	959,500
2028-2031	3,230,000	246,000
Total governmental activities	<u>\$ 18,050,000</u>	<u>\$ 3,547,113</u>

Governmental Activities	Special Assessment Bonds	
	Principal	Interest
2018	\$ 1,790,000	\$ 552,823
2019	1,825,000	506,058
2020	1,865,000	465,663
2021	1,925,000	410,133
2022	1,480,000	352,463
2023-2027	4,690,000	1,171,806
2028-2032	3,400,000	601,030
2033-2036	1,250,000	69,390
Total governmental activities	<u>\$ 18,225,000</u>	<u>\$ 4,129,364</u>

Business-Type Activities	Revenue Bonds	
	Principal	Interest
2018	\$ 3,275,000	\$ 1,615,313
2019	3,355,000	1,531,963
2020	3,450,000	1,443,313
2021	3,530,000	1,347,013
2022	3,410,000	1,241,563
2023-2027	15,410,000	4,677,433
2028-2032	11,385,000	2,412,398
2033-2035	6,110,000	497,006
Total business-type activities	<u>\$ 49,925,000</u>	<u>\$ 14,765,999</u>

Business-Type Activities	Notes Payable	
	Principal	Interest
2018	\$ 86,948	\$ 33,052
2019	90,018	29,982
2020	93,196	26,804
2021	96,487	23,513
2022	100,354	20,107
2023-2027	498,875	44,617
Total business-type activities	<u>\$ 965,878</u>	<u>\$ 178,073</u>

Governmental Activities	Capital Financing Program Bonds	
	Principal	Interest
2018	\$ 120,000	\$ 56,600
2019	120,000	53,000
2020	125,000	49,325
2021	130,000	45,500
2022	130,000	41,600
2023-2027	725,000	138,725
2028-2029	335,000	13,500
Total governmental activities	<u>\$ 1,685,000</u>	<u>\$ 398,250</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, 2017.

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
General obligation	\$ 21,180,000	\$ -	\$ (3,130,000)	\$ 18,050,000	\$ 1,850,000
Special assessment	21,090,000	-	(2,865,000)	18,225,000	1,790,000
Capital financing program bonds	1,800,000	-	(115,000)	1,685,000	120,000
Total bonds payable	44,070,000	-	(6,110,000)	37,960,000	3,760,000
Unamortized premium	2,064,556	-	(165,955)	1,898,601	162,569
Unamortized discount	(12,355)	-	2,344	(10,011)	(2,081)
Capital leases	23,949	6,405	(7,409)	22,945	7,483
Compensated absences	1,134,682	968,376	(907,881)	1,195,177	418,312
<b>Governmental activity long-term liabilities</b>	<b>\$ 47,280,832</b>	<b>\$ 974,781</b>	<b>\$ (7,188,901)</b>	<b>\$ 41,066,712</b>	<b>\$ 4,346,283</b>

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
Revenue bonds	\$ 59,315,000	\$ -	\$ (9,390,000)	\$ 49,925,000	\$ 3,275,000
Unamortized premium	1,005,084	-	(98,067)	907,017	98,066
Unamortized discount	(297,774)	41,753	-	(256,021)	(18,358)
Notes payable	1,049,862	-	(83,984)	965,878	86,948
Capital leases	1,135,917	1,836,498	(783,323)	2,189,092	628,608
MSWLF closure & postclosure costs	1,187,795	850,974	-	2,038,769	-
Compensated absences	310,027	269,338	(258,202)	321,163	112,407
<b>Business-type activity long-term liabilities</b>	<b>\$ 63,705,911</b>	<b>\$ 2,998,563</b>	<b>\$ (10,613,576)</b>	<b>\$ 56,090,898</b>	<b>\$ 4,182,672</b>

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 \$179,510,320 and the legal debt margin is \$161,439,171.

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J. FUND BALANCE

	General Fund	Major Special Revenue Fund Sales Tax NAWS	Major Debt Service Special Assessment Debt	Major Capital Project Funds Highway Reserve	Capital Purchases	Nonmajor Other Governmental Funds	Total
<b>Fund balances</b>							
<b>Nonspendable</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,536	\$ 6,536
Prepaid	128,146	-	-	-	-	48,801	176,947
Other assets - capital credits	343,629	-	-	-	-	40,088	383,717
Advances to other funds	-	-	879,596	-	-	93,527	973,123
<b>Total nonspendable</b>	<b>471,775</b>	<b>-</b>	<b>879,596</b>	<b>-</b>	<b>-</b>	<b>188,952</b>	<b>1,540,323</b>
<b>Restricted</b>							
Public safety	372,804	-	-	-	-	-	372,804
Highways and streets	-	-	-	2,530,196	-	-	2,530,196
Community development	-	-	-	-	-	9,956,038	9,956,038
Sales tax improvements	-	-	-	-	-	4,539,630	4,539,630
Sales tax flood control	-	-	-	-	-	11,298,564	11,298,564
Sales tax property tax relief	-	-	-	-	-	620,510	620,510
Sales tax infrastructure	-	-	-	-	-	7,694,952	7,694,952
Sales tax community facilities	-	-	-	-	-	5,780,863	5,780,863
NAWS	-	29,139,579	-	-	-	-	29,139,579
Debt service reserve	-	-	2,592,406	-	-	407,969	3,000,375
Capital purchases	-	-	-	-	-	27,499	27,499
<b>Total restricted</b>	<b>372,804</b>	<b>29,139,579</b>	<b>2,592,406</b>	<b>2,530,196</b>	<b>-</b>	<b>40,326,025</b>	<b>74,961,010</b>
<b>Committed</b>							
Culture and recreation	-	-	-	-	-	291,096	291,096
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>291,096</b>	<b>291,096</b>
<b>Assigned</b>							
General government	-	-	-	-	-	1,046,407	1,046,407
Public transportation	-	-	-	-	-	630,028	630,028
Culture and recreation	-	-	-	-	-	1,836,900	1,836,900
Emergency fund	-	-	-	-	-	739,939	739,939
Highways and streets	-	-	-	7,339,332	-	4,664,797	12,004,129
Debt service	-	-	616,222	-	-	-	616,222
Equipment purchases	-	-	-	-	-	1,412,983	1,412,983
Special assessment districts	-	-	-	-	-	163,801	163,801
Other purposes	85,700	-	-	-	-	29,354	115,054
<b>Total assigned</b>	<b>85,700</b>	<b>-</b>	<b>616,222</b>	<b>7,339,332</b>	<b>-</b>	<b>10,524,209</b>	<b>18,565,463</b>
<b>Unassigned</b>	<b>26,556,632</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>(22,847)</b>	<b>-</b>	<b>26,533,785</b>
<b>Total fund balance</b>	<b>\$ 27,486,911</b>	<b>\$ 29,139,579</b>	<b>\$ 4,088,224</b>	<b>\$ 9,869,528</b>	<b>\$ (22,847)</b>	<b>\$ 51,330,282</b>	<b>\$ 121,891,677</b>

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**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 (NDRF), 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 NDRF. During the past five years, the NDRF returned approximately 5.47% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRF is limited to losses of \$10,000,000 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.

**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 \$2,779,601 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$2,315,884.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$147,613. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end. A summary of the claim liabilities and related claim payments are shown below:

	Beginning Claim Liability	Current Year Claims Incurred and Changes in Estimates	Payments on Claims	Ending Claim Liability
2015	\$ 109,069	\$ 1,824,945	\$ 1,791,087	\$ 142,927
2016	142,927	2,090,011	2,096,635	136,303
2017	136,303	2,282,328	2,271,018	147,613

**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, 2017, the City had two 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 75 *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions* in 2016, which addresses the accounting and financial reporting requirements for OPEB. The City restated the beginning net position to record the beginning net OPEB liability as follows:

	Governmental Activities	Business-Type Activities	Total
Net position, January 1 - beginning as previously reported	\$ 349,973,599	\$ 307,014,665	\$ 656,988,264
Change in accounting principle	(94,027)	(15,129)	(109,156)
Net position, January 1, beginning as restated	\$ 349,879,572	\$ 306,999,536	\$ 656,879,108

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**City of Minot, North Dakota**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2017	Total Fiduciary Funds 2016
<b>ASSETS</b>				
Cash and cash equivalents	\$ 56,047	\$ -	\$ 56,047	\$ 128,553
Investments				
Money market	1,302,443	47,739	1,350,182	1,204,908
Equity/stocks	42,946,749	700,692	43,647,441	36,562,026
Fixed income	23,953,731	381,438	24,335,169	22,877,887
Alternative	3,915,038	68,215	3,983,253	4,155,873
Total investments	72,117,961	1,198,084	73,316,045	64,800,694
Due from other funds	162,202	-	162,202	174,175
Total assets	72,336,210	1,198,084	73,534,294	65,103,422
<b>LIABILITIES</b>				
Due to other funds	-	162,202	162,202	174,175
Total liabilities	-	162,202	162,202	174,175
<b>NET POSITION</b>				
Restricted for pension benefits	72,336,210	-	72,336,210	63,937,753
Restricted for OPEB benefits	-	1,035,882	1,035,882	991,494
Total net position	\$ 72,336,210	\$ 1,035,882	\$ 73,372,092	\$ 64,929,247

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**City of Minot, North Dakota**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2017	Total Fiduciary Funds 2016
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 4,761,786	\$ 41,482	\$ 4,803,268	\$ 4,983,925
Employee	2,364,529	440,149	2,804,678	2,942,435
Total contributions	<u>7,126,315</u>	<u>481,631</u>	<u>7,607,946</u>	<u>7,926,360</u>
Investment income				
Interest and dividends	1,724,734	24,482	1,749,216	1,458,794
Net increase (decrease) in the fair value of investments	8,280,495	142,761	8,423,256	2,485,661
Total investment income	<u>10,005,229</u>	<u>167,243</u>	<u>10,172,472</u>	<u>3,944,455</u>
Less investment expense	121,783	2,135	123,918	154,448
Net investment income	<u>9,883,446</u>	<u>165,108</u>	<u>10,048,554</u>	<u>3,790,007</u>
Total additions	<u>17,009,761</u>	<u>646,739</u>	<u>17,656,500</u>	<u>11,716,367</u>
<b>DEDUCTIONS</b>				
Benefits paid to plan member and beneficiaries	8,006,121	-	8,006,121	7,770,365
Refunds paid to plan member and beneficiaries	409,181	-	409,181	379,829
Retiree claims	-	404,346	404,346	456,344
Third party premiums	-	184,805	184,805	196,471
Administrative expenses	196,002	13,200	209,202	214,660
Total deductions	<u>8,611,304</u>	<u>602,351</u>	<u>9,213,655</u>	<u>9,017,669</u>
Change in net position	8,398,457	44,388	8,442,845	2,698,698
Net position, January 1	63,937,753	991,494	64,929,247	62,230,549
Net position, December 31	<u>\$ 72,336,210</u>	<u>\$ 1,035,882</u>	<u>\$ 73,372,092</u>	<u>\$ 64,929,247</u>

Notes to Financial Statements

**F. 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**

*Pension Plan Description.* The City Employee Pension Plan (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 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 and the OPEB 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:

	Pension	OPEB
Retirees and beneficiaries receiving benefits	267	50
Terminated employees		
Vested	32	28
Non-vested	20	8
Total terminated employees	52	36
Active employees		
Vested	148	191
Non-vested	86	42
Total active employees	234	233
Date of annual valuation	1/1/2018	1/1/2017

*Pension & OPEB 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 is satisfied when the member's age plus the member's total period of service equals 85 years. The Rule of 90 is satisfied when the member's age plus the member's total period of services equals 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,

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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 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 or the OPEB contribution rates; rather it is done by employer recommendations within the limits established by state statute. For the pension plan, the employees contributed 14.74% and the employer 31.40% of covered payroll. The employer contributed \$41,482 to the OPEB plan. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on actuarial valuations, contributions are providing for a closed amortization period of 30 years (26 years remaining as of January 1, 2018) respectively on the pension unfunded liability at January 1, 2018.

*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 and OPEB plan policies 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 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, 2017:

<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 \$72,117,961 and \$1,198,084, 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	\$ 260,840	\$ -
3-5	1,344,890	-
10-15	9,375,697	-
15+	11,017,708	16,916
Not Defined	1,954,596	364,522
	<u>\$ 23,953,731</u>	<u>\$ 381,438</u>

<u>Credit Rating</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
AAA	\$ 9,220,726	\$ -
AA+	1,813,778	-
AA	2,101,401	-
AA-	1,459,827	-
A+	1,566,437	-
A	484,455	-
A-	1,356,853	-
BBB+	1,744,793	-
BBB-	495,850	-
Not rated	1,755,014	16,916
Not defined	1,954,596	364,522
	<u>\$ 23,953,731</u>	<u>\$ 381,438</u>



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<u>Fixed Income Subclass</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
US treasuries	\$ 511,119	\$ -
Government agencies	6,630,687	16,916
Corporate bonds	4,531,860	-
Foreign corporate bonds	1,218,268	-
International fixed income	922,129	17,537
Taxable fixed income	9,107,201	346,985
Taxable municipal debt	1,032,467	-
	<u>\$ 23,953,731</u>	<u>\$ 381,438</u>

The City has the following recurring fair value measurements as of December 31, 2017:

U.S. Treasury securities and government agencies of \$16,265,923 valued using quoted market prices (Level 1 inputs)

Corporate bonds of \$8,069,246 are valued using a matrix pricing model (Level 2 inputs)

Equity securities of \$47,630,694 are valued using quoted market prices (Level 1 inputs)

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

The long-term expected rate of return of 7.5 percent on CEPP and OPEB 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 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 and the OPEB 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 and the OPEB plan's fiduciary net position were 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, 2017, the annual money-weighted rate of return on pension plan investments, net of investment expense, was 15.9 percent. The annual money-weighted rate of return on OPEB plan investments, net of investment expense, was 17.7 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.

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

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<u>Assumption</u>	<u>Pension</u>	<u>OPEB</u>
Valuation date	January 1, 2018	January 1, 2017
Measurement date	January 1, 2018	December 31, 2017
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level dollar amount
Remaining amortization period	30 year closed period (26 years remain as of 1/1/18)	26 year closed period
Asset valuation method-smoothing	5 years gains and losses	5 years gains and losses
Investment rate of return	7.5%	7.5%
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Cost of living adjustments	1% after age 65	N/A
Marriage rate	85%	85%
Spouse age differential	males 3 years older than female spouses	males 3 years older than female spouses
Mortality rate	RP-2000 mortality table with projected future improvements to the valuation date	RP-2000 mortality table with projected future improvements to the valuation date
Health insurance elections	N/A	80% City employees elect medical coverage 60% City employees elect spousal coverage

The healthcare trend rates are used to project health insurance claims, 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>1/1/15</u>	<u>1/1/17</u>
<u>Beginning</u>	<u>Valuation</u>	<u>Valuation</u>
2015	8.5%	N/A
2016	8.0%	N/A
2017	7.5%	8.5%
2018	7.0%	8.0%
2019	6.5%	7.5%
2020	6.0%	7.0%
2021	5.5%	6.5%
2022	5.0%	6.0%
2023	5.0%	5.5%
2024+	5.0%	5.0%

*Pension Costs.* At December 31, 2017, the CEPP reported a net pension liability of \$61,352,756. The City of Minot reported a liability of \$56,337,500 for its proportionate share of the CEPP's net pension liability. The net pension liability was measured as of December 31, 2017, 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, 2017, the City of Minot's proportionate share was 91.83 percent which was a decrease of .03 percent from its proportion measured as of December 31, 2016.

The components of the net pension liability of all participants at December 31, 2017 were as follows:

Total pension liability	\$ 133,688,967
Plan fiduciary net position	72,336,211
Net pension liability (asset)	<u>\$ 61,352,756</u>

For the year ended December 31, 2017, The CEPP recognized pension expense of \$7,297,672. The City of Minot recognized pension expense of \$6,701,127 for its proportionate share of the CEPP's pension expense.

At December 31, 2017, the CEPP reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

<u>Source</u>	<u>City of Minot's Proportionate Share</u>			
	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 2,054,765	\$ (74,314)	\$ 1,886,799	\$ (68,239)
Net difference between projected and actual earnings on investments	-	(1,415,094)	-	\$(1,299,418)
Changes in proportion	3,714,402	(3,714,402)	3,656,444	(3,704,830)
Total	<u>\$ 5,769,167</u>	<u>\$ (5,203,810)</u>	<u>\$ 5,543,243</u>	<u>\$ (5,072,487)</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:

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**Notes to Financial Statements**

Year	City of Minot Proportionate	
	Pension Plan	Share
2018	\$ 1,362,087	\$ 1,227,526
2019	844,119	751,899
2020	(688,265)	(632,485)
2021	(952,584)	(876,184)
2022	-	-
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:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 76,820,448	\$ 61,352,756	\$ 48,373,411
City of Minot's proportionate	70,540,791	56,337,500	44,419,146

*OPEB Costs.* At December 31, 2017, the OPEB reported a net OPEB asset of \$14,828. The net OPEB asset was measured as of December 31, 2017, and the total OPEB liability used to calculate the net OPEB asset was determined by an actuarial valuation as of January 1, 2017. Update procedures were used to roll forward the total OPEB liability to the measurement date. The schedule of changes in the net OPEB liability for the year ended December 31, 2017 were as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
<b>Balances at 12/31/2016</b>	\$ 1,060,657	\$ 991,494	\$ 69,163
<b>Changes for the year:</b>			
Service cost	32,965		32,965
Interest	76,434		76,434
Contributions - employer		41,482	(41,482)
Net investment income		165,108	(165,108)
Benefit payments	(149,002)	(149,002)	-
Administrative expense		(13,200)	13,200
Net changes	(39,603)	44,388	(83,991)
<b>Balance at 12/31/17</b>	<b>\$ 1,021,054</b>	<b>\$ 1,035,882</b>	<b>\$ (14,828)</b>

For the year ended December 31, 2017, the OPEB plan recognized OPEB expense of \$33,708. The plan reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

Source	Balances at December 31, 2017	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ -	\$ (76,218)
Total	\$ -	\$ (76,218)

Deferred outflows of resources and deferred inflows of resources will be recognized in OPEB expense as follows:

Year	OPEB
2018	\$ (19,055)
2019	(19,055)
2020	(19,055)
2021	(19,053)
2022	-
Thereafter	-

The following presents the net OPEB asset calculated using the discount rate of 7.5 percent, as well as what the net OPEB asset would be if it were calculated using a discount rate that 1 percentage point lower (6.5 percent) or 1 percentage point higher (8.5 percent) than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net OPEB (asset) liability	\$ 74,989	\$ (14,828)	\$ (95,048)

The following presents the net OPEB asset of the City, as well as what the City's net OPEB asset would be if it were calculated using healthcare cost trend rates that are 1 percentage point lower (7.5 percent decreasing to 4 percent) or 1 percentage point higher (9.5 percent decreasing to 6 percent) than the current healthcare cost trend rates:

	1% Decrease (7.5%) decreasing to 4%	Healthcare Cost Trend Rates (8.5%) decreasing to 5%	1% Increase (9.5%) decreasing to 6%
Net OPEB (asset) liability	\$ (106,898)	\$ (14,828)	\$ 92,378

**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

**Notes to Financial Statements**

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, 2017, City of Minot employee contributions totaled \$884,702 and the City recognized employer contributions of \$638,428.

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:

<u>Years of Creditable Service</u>	<u>Vested Portion</u>
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, 2017, forfeitures reduced the City’s plan expense by \$0.

**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 \$2,038,769 reported

as MSWLF closure and post-closure care liability at December 31, 2017, represents the cumulative amount reported to date based on the use of 71.7% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of over \$0.6 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 2017. The City expects the landfill will be operated for another 8 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.



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Required  
Supplementary  
Information



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Required Supplementary Information

Schedule of Changes in Net Pension Liability				
	2017	2016	2015	2014
<b>Total Pension Liability</b>				
Service cost	\$ 2,383,628	\$ 2,629,375	\$ 2,772,781	\$ 2,926,936
Interest	9,549,088	9,316,516	8,987,447	8,647,284
Differences between expected and actual experience	1,115,928	(129,360)	912,914	930,846
Benefit payments, including refunds of member contributions	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Net change in total pension liability	4,454,212	3,471,303	4,734,062	4,813,338
Total pension liability--beginning	129,234,755	125,763,452	121,029,390	116,216,052
Total pension liability--ending (a)	<u>\$ 133,688,967</u>	<u>\$ 129,234,755</u>	<u>\$ 125,763,452</u>	<u>\$ 121,029,390</u>
<b>Plan fiduciary net position</b>				
Contributions--employer	\$ 4,761,786	\$ 4,943,357	\$ 4,250,241	\$ 4,520,993
Contributions--member	2,364,529	2,461,395	2,635,549	2,705,235
Net investment income	10,005,230	3,888,252	(1,168,638)	4,222,235
Benefit payments, including refunds of member contributions	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Administrative expense	(138,656)	(168,872)	(176,725)	(252,270)
Net change in plan fiduciary net position	8,398,457	2,778,904	(2,398,653)	3,504,465
Plan fiduciary net position--beginning	63,937,754	61,158,850	63,557,503	60,053,038
Plan fiduciary net position--ending (b)	<u>\$ 72,336,211</u>	<u>\$ 63,937,753</u>	<u>\$ 61,158,850</u>	<u>\$ 63,557,503</u>
Net pension liability (asset)--ending (a) - (b)	\$ 61,352,756	\$ 65,297,001	\$ 64,604,602	\$ 57,471,887

Schedule of Pension Contributions				
	2017	2016	2015	2014
Actuarially determined contribution	\$ 5,188,965	\$ 5,084,364	\$ 4,721,976	\$ 4,772,530
Contributions in relation to the actuarially determined contribution	4,761,786	4,943,357	4,250,241	4,520,993
Contribution deficiency (excess)	<u>\$ 427,179</u>	<u>\$ 141,007</u>	<u>\$ 471,735</u>	<u>\$ 251,537</u>
Covered payroll	\$ 15,526,328	\$ 16,111,568	\$ 16,945,005	\$ 16,984,001
Contributions as a percentage of covered payroll	30.67%	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

Schedule of Pension Investment Returns

	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	15.9%	6.4%	-1.9%	7.1%

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

Fiscal Year Ending	Proportion of the Net Pension Liability	Proportionate Share of the Net Pension Liability	Covered Payroll	Plan	
				Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Fiduciary Net Position as a Percentage of the Total Pension Liability
2014	92.0500%	\$ 52,902,872	\$ 15,719,104	337%	52.51%
2015	91.8260%	59,323,830	15,620,939	380%	48.63%
2016	91.8533%	59,977,437	14,900,307	403%	49.47%
2017	91.8255%	56,337,499	14,369,546	392%	54.11%

Schedule of Contributions - City of Minot's Proportionate Share

Fiscal Year Ending	Actuarially Determined Contributions	Actual Contributions in Relation to the		Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
		Actuarially Determined Contributions	Contribution Deficiency (Excess)			
2014	\$ 4,393,114	\$ 4,278,573	\$ 114,541	\$ 15,719,104	27.22%	
2015	4,336,002	3,993,088	342,914	15,620,939	25.56%	
2016	4,670,155	4,678,695	(8,540)	14,900,307	31.40%	
2017	4,764,795	4,520,825	243,970	14,369,546	31.46%	

Note: The actuarially determined contributions have been restated, retroactively, to reflect the City's proportionate share based on the actual dollar amount, rather than as a percentage of payroll. Because the plan has been closed to new participants and the amortization period is closed, the dollar amount of actuarially determined contributions more accurately depicts what should be contributed to the plan.

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

Measurement Date: January 1, 2018

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, 2018 actuarial valuation from those used for the January 1, 2017 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, 2018 there are 26 years remaining in the amortization period.

**Schedule of Changes in Net OPEB Liability (Asset)**

	<u>2017</u>
<b>Total OPEB Liability</b>	
Service Cost	\$ 32,965
Interest	76,434
Benefit payments (net)	<u>(149,002)</u>
<b>Net change in total Opebl liability</b>	(39,603)
<b>Total OPEB Liability--Beginning</b>	<u>1,060,657</u>
<b>Total OPEB Liability--Ending (a)</b>	<u>\$ 1,021,054</u>
 <b>Plan fiduciary net position</b>	
Contributions--employer	\$ 41,482
Net investment income	165,108
Benefit payments (net)	(149,002)
Administrative expense	(13,200)
Other	-
<b>Net change in plan fiduciary net position</b>	<u>44,388</u>
 <b>Plan fiduciary net position--beginning</b>	<u>991,494</u>
<b>Plan fiduciary net position--ending (b)</b>	<u>\$ 1,035,882</u>
 <b>Net OPEB Liability (asset)--ending (a) - (b)</b>	<u>\$ (14,828)</u>
 Plan fiduciary net position as a percentage of the total OPEB liability (asset)	101.5%
 Covered payroll	\$ 14,900,000
 Net OPEB liability (asset) as a percentage of covered payroll	-0.1%

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**Required Supplementary Information**

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**Schedule of OPEB Contributions**

	<u>2017</u>
Actuarially Determined Contributions	\$ 41,482
Contributions in Relation to the Actuarially Determined Contributions	<u>41,482</u>
Contribution Deficiency (Excess)	<u>\$ -</u>
Covered Payroll	\$ 14,900,000
Contributions as a Percentage of Covered Payroll	0.3%

**Schedule of OPEB Investment Returns**

	<u>2017</u>
Annual money-weighted rate of return, net of investment expenses	17.73%

**Notes to OPEB Schedules**

Methods and assumptions used to determine contribution rates:

Valuation date	January 1, 2017
Measurement date	December 31, 2017
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount
Remaining amortization period	26 year closed period
Asset valuation method-smoothing	5 years gains and losses
Investment rate of return	7.5%
Healthcare cost trend rates	8.5% initial, decreasing 0.5% per year to an ultimate rate of 5.0%
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Cost of living adjustments	N/A
Marriage rate	85%
Spouse age differential	males 3 years older than female spouses
Mortality rate	RP-2000 mortality table with projected future
Health insurance elections	80% City employees elect medical coverage 60% City employees elect spousal coverage

OPEB plan schedules are intended to show information for 10 years commencing with the fiscal year ended December 31, 2017. Additional years will be displayed as they occur.

Update procedures were used to roll forward the total OPEB liability to the measurement date.

Assumption changes: In 2012 an experience study was conducted for the City of Minot Employee's Pension and OPEB Plans. 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 December 31, 2017 measurement from those used for the January 1, 2017 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, 2018 there are 26 years remaining in the amortization period.

# 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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Special Assessment Debt</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 91,520	\$ 91,520	\$ 83,319	\$ (8,201)	\$ 80,341
Special assessment collections	4,073,466	4,073,466	2,157,952	(1,915,514)	3,980,736
Interest income	-	-	86,281	86,281	81,444
Miscellaneous	-	-	190,191	190,191	188,443
Total revenues	<u>4,164,986</u>	<u>4,164,986</u>	<u>2,517,743</u>	<u>(1,647,243)</u>	<u>4,330,964</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	402	402	-
Debt service					
Principal retirement	2,290,417	2,294,167	2,980,000	685,833	2,730,000
Interest and fiscal charges	716,287	810,276	711,742	(98,534)	769,981
Total expenditures	<u>3,006,704</u>	<u>3,104,443</u>	<u>3,692,144</u>	<u>587,701</u>	<u>3,499,981</u>
Excess (deficiency) of revenues over (under) expenditures	1,158,282	1,060,543	(1,174,401)	(2,234,944)	830,983
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	264,454	264,454	987	(263,467)	40,611
Transfers out	-	-	(98,131)	(98,131)	(13,029)
Total other financing sources (uses)	<u>264,454</u>	<u>264,454</u>	<u>(97,144)</u>	<u>(361,598)</u>	<u>27,582</u>
Net change in fund balance	<u>\$ 1,422,736</u>	<u>\$ 1,324,997</u>	<u>(1,271,545)</u>	<u>\$ (2,596,542)</u>	<u>858,565</u>
Fund balance (deficit), January 1			<u>5,359,769</u>		<u>4,501,204</u>
Fund balance (deficit), December 31			<u>\$ 4,088,224</u>		<u>\$ 5,359,769</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2017	Total Nonmajor Governmental Funds 2016
<b>ASSETS</b>					
Cash and investments	\$ 7,965,909	\$ -	\$ 1,371,138	\$ 9,337,047	\$ 17,092,760
Restricted cash and investments	37,176,893	389,879	27,499	37,594,271	40,516,433
Taxes receivable delinquent	172,830	138,938	61,272	373,040	642,888
Special assessments receivable delinquent	23,341	-	-	23,341	3,839
Accounts receivable	208,676	-	-	208,676	412,505
Allowance for accounts receivable	(135,150)	-	-	(135,150)	-
Loans receivable	1,838,200	-	-	1,838,200	1,850,800
Allowance for loans receivable	(367,640)	-	-	(367,640)	(370,160)
Due from other funds	393,075	-	86,345	479,420	172,434
Intergovernmental receivable	3,581,665	1,566	443,662	4,026,893	3,678,267
Inventory	6,536	-	-	6,536	8,479
Prepaid	48,801	-	-	48,801	53,670
Other assets - capital credits	40,088	-	-	40,088	37,303
Advance to other funds	-	93,527	-	93,527	133,527
Special assessments receivable deferred	169,946	-	-	169,946	89,165
Total assets	<u>\$ 51,123,170</u>	<u>\$ 623,910</u>	<u>\$ 1,989,916</u>	<u>\$ 53,736,996</u>	<u>\$ 64,321,910</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 903,323	\$ -	\$ 184,701	\$ 1,088,024	\$ 1,191,076
Retainage payable	145,791	-	58,100	203,891	146,030
Due to other funds	393,075	-	86,345	479,420	172,434
Accrued salaries payable	53,519	-	-	53,519	51,554
Advance from other funds	-	-	-	-	5,038,779
Unearned revenue - other	57,178	-	-	57,178	-
Total liabilities	<u>1,552,886</u>	<u>-</u>	<u>329,146</u>	<u>1,882,032</u>	<u>6,599,873</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	169,946	-	-	169,946	89,165
Unavailable revenue - property taxes	153,994	122,414	56,487	332,895	322,060
Unavailable revenue - special assessments	21,841	-	-	21,841	3,839
Total deferred inflows of resources	<u>345,781</u>	<u>122,414</u>	<u>56,487</u>	<u>524,682</u>	<u>415,064</u>
<b>FUND BALANCE</b>					
Nonspendable	95,425	93,527	-	188,952	1,321,179
Restricted	39,890,557	407,969	27,499	40,326,025	42,607,259
Committed	291,096	-	-	291,096	227,096
Assigned	8,947,425	-	1,576,784	10,524,209	13,417,261
Unassigned	-	-	-	-	(265,822)
Total fund balance	<u>49,224,503</u>	<u>501,496</u>	<u>1,604,283</u>	<u>51,330,282</u>	<u>57,306,973</u>
Total liabilities, inflows, and fund balance	<u>\$ 51,123,170</u>	<u>\$ 623,910</u>	<u>\$ 1,989,916</u>	<u>\$ 53,736,996</u>	<u>\$ 64,321,910</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2017	Total Nonmajor Governmental Funds 2016
<b>REVENUES</b>					
Property tax collections	\$ 3,175,907	\$ 2,973,042	\$ 753,427	\$ 6,902,376	\$ 7,682,978
Special assessment collections	25,284	-	-	25,284	11,854
Sales tax collections	20,035,165	-	-	20,035,165	21,375,144
Intergovernmental	6,609,307	-	579,753	7,189,060	4,927,912
Charges for services	550,710	-	-	550,710	2,094,185
Interest income	174,958	9,894	5,440	190,292	135,163
Miscellaneous	279,719	-	61,200	340,919	318,762
Total revenues	<u>30,851,050</u>	<u>2,982,936</u>	<u>1,399,820</u>	<u>35,233,806</u>	<u>36,545,998</u>
<b>EXPENDITURES</b>					
Current					
General government	10,267,712	-	-	10,267,712	4,423,247
Highways and streets	3,727,692	-	-	3,727,692	2,576,346
Culture and recreation	7,396,239	-	-	7,396,239	7,658,965
Economic Development	826,120	-	-	826,120	1,145,992
Capital outlay					
Contracted work	-	-	2,760,853	2,760,853	3,078,449
Equipment	-	-	777,489	777,489	2,929,344
Legal	-	-	-	-	2,105
Other	-	-	84,765	84,765	207,506
Acquisitions	-	-	238,595	238,595	114,000
Engineering	-	-	164,722	164,722	2,240,686
Debt service					
Principal retirement	-	3,130,000	-	3,130,000	2,190,000
Interest and fiscal charges	411	614,965	1,841	617,217	549,412
Total expenditures	<u>22,218,174</u>	<u>3,744,965</u>	<u>4,028,265</u>	<u>29,991,404</u>	<u>27,116,052</u>
Excess (deficiency) of revenues over (under) expenditures	8,632,876	(762,029)	(2,628,445)	5,242,402	9,429,946
<b>OTHER FINANCING SOURCES (USES)</b>					
Special assessment bonds issued	-	-	-	-	780,000
Premium on bonds	-	-	-	-	1,662
Sale of City property	5,000	-	29,398	34,398	186,486
Transfers in	4,841,198	4,095	2,731,579	7,576,872	5,136,901
Transfers out	(15,512,536)	(18,078)	(3,299,749)	(18,830,363)	(15,915,905)
Total other financing sources (uses)	<u>(10,666,338)</u>	<u>(13,983)</u>	<u>(538,772)</u>	<u>(11,219,093)</u>	<u>(9,810,856)</u>
Net change in fund balance	(2,033,462)	(776,012)	(3,167,217)	(5,976,691)	(380,910)
Fund balance (deficit), January 1	51,257,965	1,277,508	4,771,500	57,306,973	57,687,883
Fund balance (deficit), December 31	<u>\$ 49,224,503</u>	<u>\$ 501,496</u>	<u>\$ 1,604,283</u>	<u>\$ 51,330,282</u>	<u>\$ 57,306,973</u>





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## **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, 2017**  
**With Comparative Totals for December 31, 2016**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief 1st Penny
<b>ASSETS</b>					
Cash and investments	\$ 475,109	\$ 457,415	\$ 1,439,166	\$ -	\$ -
Restricted cash and investments	-	-	-	-	105,149
Taxes receivable delinquent	21,173	57,919	73,263	8,782	-
Special assessments delinquent	-	-	-	-	-
Accounts receivable	1,293	51,816	17,203	-	-
Allowance for accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Due from other funds	-	-	100,559	-	-
Intergovernmental receivable	164,176	637	797	839,595	68,583
Inventory	-	-	6,536	-	-
Prepaid	19,094	25,852	3,855	-	-
Other assets - capital credits	16,159	11,079	12,377	473	-
Special assessments receivable deferred	-	-	-	-	-
Total assets	<u>\$ 697,004</u>	<u>\$ 604,718</u>	<u>\$ 1,653,756</u>	<u>\$ 848,850</u>	<u>\$ 173,732</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 4,035	\$ 87,123	\$ 106,060	\$ -	\$ -
Retainage payable	-	15,988	-	-	-
Due to other funds	-	-	-	100,559	-
Accrued salaries payable	8,929	15,056	21,384	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>12,964</u>	<u>118,167</u>	<u>127,444</u>	<u>100,559</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	-	-	-	-	-
Unavailable revenue - property taxes	18,759	51,148	65,116	7,879	-
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>18,759</u>	<u>51,148</u>	<u>65,116</u>	<u>7,879</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	35,253	36,931	22,768	473	-
Restricted	-	-	-	-	173,732
Committed	-	-	-	-	-
Assigned	630,028	398,472	1,438,428	739,939	-
Total fund balance	<u>665,281</u>	<u>435,403</u>	<u>1,461,196</u>	<u>740,412</u>	<u>173,732</u>
Total liabilities, inflows and fund balance	<u>\$ 697,004</u>	<u>\$ 604,718</u>	<u>\$ 1,653,756</u>	<u>\$ 848,850</u>	<u>\$ 173,732</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Economic Development	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 29,221	\$ 4,520,856
Restricted cash and investments	8,382,603	4,659,268	11,062,557	-	-
Taxes receivable delinquent	-	-	-	1,657	3,227
Special assessments delinquent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Allowance for accounts receivable	-	-	-	-	-
Loans receivable	1,838,200	-	-	-	-
Allowance for loans receivable	(367,640)	-	-	-	-
Due from other funds	-	-	-	-	-
Intergovernmental receivable	102,875	171,458	736,985	23	230,905
Inventory	-	-	-	-	-
Prepaid	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-
Special assessments receivable deferred	-	-	-	22,593	-
Total assets	<u>\$ 9,956,038</u>	<u>\$ 4,830,726</u>	<u>\$ 11,799,542</u>	<u>\$ 53,494</u>	<u>\$ 4,754,988</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 421,911	\$ -	\$ 1,505
Retainage payable	-	-	79,067	-	28,284
Due to other funds	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-
Unearned revenue - other	-	-	-	-	57,178
Total liabilities	<u>-</u>	<u>-</u>	<u>500,978</u>	<u>-</u>	<u>86,967</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	-	-	-	22,593	-
Unavailable revenue - property taxes	-	-	-	1,547	3,224
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>24,140</u>	<u>3,224</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	9,956,038	4,539,630	11,298,564	-	-
Committed	-	291,096	-	-	-
Assigned	-	-	-	29,354	4,664,797
Total fund balance	<u>9,956,038</u>	<u>4,830,726</u>	<u>11,298,564</u>	<u>29,354</u>	<u>4,664,797</u>
Total liabilities, inflows and fund balance	<u>\$ 9,956,038</u>	<u>\$ 4,830,726</u>	<u>\$ 11,799,542</u>	<u>\$ 53,494</u>	<u>\$ 4,754,988</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Demolitions	Sales Tax Property Tax Relief 2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$67.5M
<b>ASSETS</b>					
Cash and investments	\$ 1,044,142	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	241,029	7,420,619	5,305,668	-
Taxes receivable delinquent	6,809	-	-	-	-
Special assessments delinquent	23,341	-	-	-	-
Accounts receivable	-	-	135,150	3,214	-
Allowance for accounts receivable	-	-	(135,150)	-	-
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Due from other funds	-	-	-	292,516	-
Intergovernmental receivable	277	205,749	274,333	205,749	55,775
Inventory	-	-	-	-	-
Prepaid	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-
Special assessments receivable deferred	147,353	-	-	-	-
Total assets	<u>\$ 1,221,922</u>	<u>\$ 446,778</u>	<u>\$ 7,694,952</u>	<u>\$ 5,807,147</u>	<u>\$ 55,775</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 3,832	\$ 44,563
Retainage payable	-	-	-	22,452	-
Due to other funds	-	-	-	-	8,098
Accrued salaries payable	-	-	-	-	3,114
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,284</u>	<u>55,775</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	147,353	-	-	-	-
Unavailable revenue - property taxes	6,321	-	-	-	-
Unavailable revenue - special assessments	21,841	-	-	-	-
Total deferred inflows of resources	<u>175,515</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	-	446,778	7,694,952	5,780,863	-
Committed	-	-	-	-	-
Assigned	1,046,407	-	-	-	-
Total fund balance	<u>1,046,407</u>	<u>446,778</u>	<u>7,694,952</u>	<u>5,780,863</u>	<u>-</u>
Total liabilities, inflows and fund balance	<u>\$ 1,221,922</u>	<u>\$ 446,778</u>	<u>\$ 7,694,952</u>	<u>\$ 5,807,147</u>	<u>\$ 55,775</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	CDBG-DR \$35 M	National Disaster Resilience \$74.3M	Total 2017	Total 2016
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 7,965,909	\$ 7,453,863
Restricted cash and investments	-	-	37,176,893	39,622,007
Taxes receivable delinquent	-	-	172,830	330,836
Special assessments delinquent	-	-	23,341	3,839
Accounts receivable	-	-	208,676	326,487
Allowance for accounts receivable	-	-	(135,150)	-
Loans receivable	-	-	1,838,200	1,850,800
Allowance for loans receivable	-	-	(367,640)	(370,160)
Due from other funds	-	-	393,075	56,950
Intergovernmental receivable	39,944	483,804	3,581,665	2,888,151
Inventory	-	-	6,536	8,479
Prepaid	-	-	48,801	53,670
Other assets - capital credits	-	-	40,088	37,303
Special assessments receivable deferred	-	-	169,946	89,165
Total assets	<u>\$ 39,944</u>	<u>\$ 483,804</u>	<u>\$ 51,123,170</u>	<u>\$ 52,351,390</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,320	\$ 231,974	\$ 903,323	\$ 689,917
Retainage payable	-	-	145,791	37,781
Due to other funds	36,956	247,462	393,075	56,950
Accrued salaries payable	668	4,368	53,519	51,554
Unearned revenue - other	-	-	57,178	-
Total liabilities	<u>39,944</u>	<u>483,804</u>	<u>1,552,886</u>	<u>836,202</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessment revenue	-	-	169,946	89,165
Unavailable revenue - property taxes	-	-	153,994	164,219
Unavailable revenue - special assessments	-	-	21,841	3,839
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>345,781</u>	<u>257,223</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	95,425	1,187,652
Restricted	-	-	39,890,557	41,712,833
Committed	-	-	291,096	227,096
Assigned	-	-	8,947,425	8,130,384
Total fund balance	<u>-</u>	<u>-</u>	<u>49,224,503</u>	<u>51,257,965</u>
Total liabilities, inflows and fund balance	<u>\$ 39,944</u>	<u>\$ 483,804</u>	<u>\$ 51,123,170</u>	<u>\$ 52,351,390</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief 1st Penny
<b>REVENUES</b>					
Property tax collections	\$ 409,488	\$ 1,203,849	\$ 1,436,697	\$ 95,662	\$ -
Special assessment collections	-	-	-	-	-
Sales tax collections	-	-	-	-	1,001,758
Intergovernmental	581,477	37,452	-	466,946	-
Charges for services	71,501	15,563	463,646	-	-
Interest income	2,274	2,777	7,834	-	117
Miscellaneous	15,625	37,680	23,788	-	-
Total revenues	<u>1,080,365</u>	<u>1,297,321</u>	<u>1,931,965</u>	<u>562,608</u>	<u>1,001,875</u>
<b>EXPENDITURES</b>					
Current					
General government	1,017,051	-	-	711,838	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	1,485,307	3,070,922	-	-
Economic development	-	-	-	-	-
Interest and fiscal charges	-	-	-	394	-
Total expenditures	<u>1,017,051</u>	<u>1,485,307</u>	<u>3,070,922</u>	<u>712,232</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	63,314	(187,986)	(1,138,957)	(149,624)	1,001,875
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	5,000	-	-	-	-
Transfers in	-	304,406	1,400,000	394	-
Transfers out	(2,274)	-	(7,399)	-	(940,817)
Total other financing sources (uses)	<u>2,726</u>	<u>304,406</u>	<u>1,392,601</u>	<u>394</u>	<u>(940,817)</u>
Net change in fund balance	66,040	116,420	253,644	(149,230)	61,058
Fund balance (deficit), January 1	599,241	318,983	1,207,552	889,642	112,674
Fund balance (deficit), December 31	<u>\$ 665,281</u>	<u>\$ 435,403</u>	<u>\$ 1,461,196</u>	<u>\$ 740,412</u>	<u>\$ 173,732</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Economic Development	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ -	\$ 4,076	\$ 3,389
Special assessment collections	-	-	-	14,963	-
Sales tax collections	1,502,637	2,504,396	5,008,791	-	-
Intergovernmental	-	-	485,616	-	1,832,659
Charges for services	-	-	-	-	-
Interest income	27,774	17,278	44,393	437	17,172
Miscellaneous	2,520	11,000	-	-	8,800
Total revenues	<u>1,532,931</u>	<u>2,532,674</u>	<u>5,538,800</u>	<u>19,476</u>	<u>1,862,020</u>
<b>EXPENDITURES</b>					
Current					
General government	-	26,000	4,951,342	140,542	-
Highways and streets	-	4,600	-	-	3,723,092
Culture and recreation	-	24,770	-	-	-
Economic development	826,120	-	-	-	-
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>826,120</u>	<u>55,370</u>	<u>4,951,342</u>	<u>140,542</u>	<u>3,723,092</u>
Excess (deficiency) of revenues over (under) expenditures	706,811	2,477,304	587,458	(121,066)	(1,861,072)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	-	-	-
Transfers in	568,476	16,000	-	105,703	2,429,416
Transfers out	(50,000)	(3,289,234)	(2,272,409)	(295)	(232,195)
Total other financing sources (uses)	<u>518,476</u>	<u>(3,273,234)</u>	<u>(2,272,409)</u>	<u>105,408</u>	<u>2,197,221</u>
Net change in fund balance	1,225,287	(795,930)	(1,684,951)	(15,658)	336,149
Fund balance (deficit), January 1	8,730,751	5,626,656	12,983,515	45,012	4,328,648
Fund balance (deficit), December 31	<u>\$ 9,956,038</u>	<u>\$ 4,830,726</u>	<u>\$ 11,298,564</u>	<u>\$ 29,354</u>	<u>\$ 4,664,797</u>



**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Demolitions	Sales Tax Property Tax Relief 2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	CDBG-DR \$67.5M
<b>REVENUES</b>					
Property tax collections	\$ 22,746	\$ -	\$ -	\$ -	\$ -
Special assessment collections	10,321	-	-	-	-
Sales tax collections	-	3,005,275	4,007,033	3,005,275	-
Intergovernmental	-	-	-	-	247,207
Charges for services	-	-	-	-	-
Interest income	3,949	-	27,685	23,187	81
Miscellaneous	121	-	14,124	-	166,061
Total revenues	<u>37,137</u>	<u>3,005,275</u>	<u>4,048,842</u>	<u>3,028,462</u>	<u>413,349</u>
<b>EXPENDITURES</b>					
Current					
General government	1,954	-	135,150	-	325,885
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	2,815,240	-
Economic development	-	-	-	-	-
Interest and fiscal charges	-	17	-	-	-
Total expenditures	<u>1,954</u>	<u>17</u>	<u>135,150</u>	<u>2,815,240</u>	<u>325,885</u>
Excess (deficiency) of revenues over (under) expenditures	35,183	3,005,258	3,913,692	213,222	87,464
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	-	-	-
Transfers in	-	-	16,803	-	-
Transfers out	(48,630)	(2,911,884)	(5,596,748)	(73,187)	(87,464)
Total other financing sources (uses)	<u>(48,630)</u>	<u>(2,911,884)</u>	<u>(5,579,945)</u>	<u>(73,187)</u>	<u>(87,464)</u>
Net change in fund balance	(13,447)	93,374	(1,666,253)	140,035	-
Fund balance (deficit), January 1	1,059,854	353,404	9,361,205	5,640,828	-
Fund balance (deficit), December 31	<u>\$ 1,046,407</u>	<u>\$ 446,778</u>	<u>\$ 7,694,952</u>	<u>\$ 5,780,863</u>	<u>\$ -</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	CDBG-DR \$35M	National Disaster Resilience \$74.3M	Total 2017	Total 2016
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 3,175,907	\$ 3,864,194
Special assessment collections	-	-	25,284	11,854
Sales tax collections	-	-	20,035,165	18,700,144
Intergovernmental	685,736	2,272,214	6,609,307	3,845,517
Charges for services	-	-	550,710	865,536
Interest income	-	-	174,958	104,028
Miscellaneous	-	-	279,719	256,063
Total revenues	<u>685,736</u>	<u>2,272,214</u>	<u>30,851,050</u>	<u>27,647,336</u>
<b>EXPENDITURES</b>				
Current				
General government	685,736	2,272,214	10,267,712	4,423,247
Highways and streets	-	-	3,727,692	2,576,346
Culture and recreation	-	-	7,396,239	7,658,965
Economic development	-	-	826,120	1,145,992
Interest and fiscal charges	-	-	411	-
Total expenditures	<u>685,736</u>	<u>2,272,214</u>	<u>22,218,174</u>	<u>15,804,550</u>
Excess (deficiency) of revenues over (under) expenditures	-	-	8,632,876	11,842,786
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of City property	-	-	5,000	10,046
Transfers in	-	-	4,841,198	3,371,349
Transfers out	-	-	(15,512,536)	(13,888,068)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(10,666,338)</u>	<u>(10,506,673)</u>
Net change in fund balance	-	-	(2,033,462)	1,336,113
Fund balance (deficit), January 1	-	-	51,257,965	49,921,852
Fund balance (deficit), December 31	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 49,224,503</u>	<u>\$ 51,257,965</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Public Transportation</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 417,088	\$ 417,088	\$ 409,488	\$ (7,600)	\$ 492,907
Intergovernmental	638,040	638,040	581,477	(56,563)	504,298
Charges for services	95,700	95,700	71,501	(24,199)	78,617
Interest income	-	-	2,274	2,274	1,160
Miscellaneous	15,600	15,600	15,625	25	12,734
<b>Total revenues</b>	<b>1,166,428</b>	<b>1,166,428</b>	<b>1,080,365</b>	<b>(86,063)</b>	<b>1,089,716</b>
<b>EXPENDITURES</b>					
Current					
General government	1,166,428	1,182,880	1,017,051	(165,829)	858,543
<b>Total expenditures</b>	<b>1,166,428</b>	<b>1,182,880</b>	<b>1,017,051</b>	<b>(165,829)</b>	<b>858,543</b>
Excess (deficiency) of revenues over (under) expenditures	-	(16,452)	63,314	79,766	231,173
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	5,000	5,000	10,046
Transfers out	-	-	(2,274)	(2,274)	(1,160)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>2,726</b>	<b>2,726</b>	<b>8,886</b>
Net change in fund balance	<u>\$ -</u>	<u>\$ (16,452)</u>	66,040	<u>\$ 82,492</u>	240,059
Fund balance (deficit), January 1			599,241		359,182
Fund balance (deficit), December 31			<u>\$ 665,281</u>		<u>\$ 599,241</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Library				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 1,271,092	\$ 1,246,092	\$ 1,203,849	\$ (42,243)	\$ 884,686
Intergovernmental	45,000	45,000	37,452	(7,548)	57,028
Charges for services	17,889	17,889	15,563	(2,326)	24,887
Interest income	-	-	2,777	2,777	942
Miscellaneous	30,560	34,860	37,680	2,820	28,023
Total revenues	<u>1,364,541</u>	<u>1,343,841</u>	<u>1,297,321</u>	<u>(46,520)</u>	<u>995,566</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	1,575,529	1,656,398	1,485,307	(171,091)	1,205,449
Total expenditures	<u>1,575,529</u>	<u>1,656,398</u>	<u>1,485,307</u>	<u>(171,091)</u>	<u>1,205,449</u>
Excess (deficiency) of revenues over (under) expenditures	(210,988)	(312,557)	(187,986)	124,571	(209,883)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	210,988	281,913	304,406	22,493	315,519
Transfers out	-	-	-	-	(919)
Total other financing sources (uses)	<u>210,988</u>	<u>281,913</u>	<u>304,406</u>	<u>22,493</u>	<u>314,600</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (30,644)</u>	116,420	<u>\$ 147,064</u>	104,717
Fund balance (deficit), January 1			318,983		214,266
Fund balance (deficit), December 31			<u>\$ 435,403</u>		<u>\$ 318,983</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Recreation/Auditorium</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 1,476,997	\$ 1,476,997	\$ 1,436,697	\$ (40,300)	\$ 1,314,872
Charges for services	440,581	440,581	463,646	23,065	504,532
Interest income	-	-	7,834	7,834	5,261
Miscellaneous	33,886	33,886	23,788	(10,098)	33,304
Total revenues	<u>1,951,464</u>	<u>1,951,464</u>	<u>1,931,965</u>	<u>(19,499)</u>	<u>1,857,969</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	3,248,964	3,330,126	3,070,922	(259,204)	2,448,852
Total expenditures	<u>3,248,964</u>	<u>3,330,126</u>	<u>3,070,922</u>	<u>(259,204)</u>	<u>2,448,852</u>
Excess (deficiency) of revenues over (under) expenditures	(1,297,500)	(1,378,662)	(1,138,957)	239,705	(590,883)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	1,300,000	1,300,000	1,400,000	100,000	1,101,175
Transfers out	(2,500)	(2,500)	(7,399)	(4,899)	(308,678)
Total other financing sources (uses)	<u>1,297,500</u>	<u>1,297,500</u>	<u>1,392,601</u>	<u>95,101</u>	<u>792,497</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (81,162)</u>	253,644	<u>\$ 334,806</u>	201,614
Fund balance (deficit), January 1			<u>1,207,552</u>		<u>1,005,938</u>
Fund balance (deficit), December 31			<u>\$ 1,461,196</u>		<u>\$ 1,207,552</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Emergency Fund			
	Original & Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>				
Property tax collections	\$ 82,431	\$ 95,662	\$ 13,231	\$ 556,788
Intergovernmental	-	466,946	466,946	5,691
Interest income	-	-	-	1,694
Total revenues	<u>82,431</u>	<u>562,608</u>	<u>480,177</u>	<u>564,173</u>
<b>EXPENDITURES</b>				
Current				
General government	82,431	711,838	629,407	330,378
Debt retirement				
Interest and fiscal charges	-	394	394	-
Total expenditures	<u>82,431</u>	<u>712,232</u>	<u>629,801</u>	<u>330,378</u>
Excess (deficiency) of revenues over (under) expenditures	-	(149,624)	(149,624)	233,795
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	394	394	-
Transfers out	-	-	-	(10,376)
Total other financing sources (uses)	<u>-</u>	<u>394</u>	<u>394</u>	<u>(10,376)</u>
Net change in fund balance	<u>\$ -</u>	<u>(149,230)</u>	<u>\$ (149,230)</u>	223,419
Fund balance (deficit), January 1		889,642		666,223
Fund balance (deficit), December 31		<u>\$ 740,412</u>		<u>\$ 889,642</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<u>Sales Tax Property Relief-1st Penny</u>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 911,244	\$ 1,001,758	\$ 90,514	\$ 1,068,757
Interest income	-	117	117	526
Total revenues	<u>911,244</u>	<u>1,001,875</u>	<u>90,631</u>	<u>1,069,283</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,134,201)	(940,817)	193,384	(1,494,989)
Total other financing sources (uses)	<u>(1,134,201)</u>	<u>(940,817)</u>	<u>193,384</u>	<u>(1,494,989)</u>
Net change in fund balance	<u>\$ (222,957)</u>	61,058	<u>\$ 284,015</u>	(425,706)
Fund balance (deficit), January 1		112,674		538,380
Fund balance (deficit), December 31		<u>\$ 173,732</u>		<u>\$ 112,674</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Economic Development				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 1,366,866	\$ 1,366,866	\$ 1,502,637	\$ 135,771	\$ 1,603,136
Interest income	15,084	15,084	27,774	12,690	13,892
Miscellaneous	-	-	2,520	2,520	119,444
Total revenues	<u>1,381,950</u>	<u>1,381,950</u>	<u>1,532,931</u>	<u>150,981</u>	<u>1,736,472</u>
<b>EXPENDITURES</b>					
Current					
Economic development	1,331,950	1,333,255	826,120	(507,135)	1,145,992
Total expenditures	<u>1,331,950</u>	<u>1,333,255</u>	<u>826,120</u>	<u>(507,135)</u>	<u>1,145,992</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	48,695	706,811	658,116	590,480
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	568,476	568,476	148,879
Transfers out	(50,000)	(50,000)	(50,000)	-	(50,000)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>518,476</u>	<u>568,476</u>	<u>98,879</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,305)</u>	1,225,287	<u>\$ 1,226,592</u>	689,359
Fund balance (deficit), January 1			<u>8,730,751</u>		<u>8,041,392</u>
Fund balance (deficit), December 31			<u>\$ 9,956,038</u>		<u>\$ 8,730,751</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Sales Tax Improvements</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 2,278,111	\$ 2,278,111	\$ 2,504,396	\$ 226,285	\$ 2,671,893
Intergovernmental	-	-	-	-	721
Interest income	-	-	17,278	17,278	11,052
Miscellaneous income	-	-	11,000	11,000	-
Total revenues	<u>2,278,111</u>	<u>2,278,111</u>	<u>2,532,674</u>	<u>254,563</u>	<u>2,683,666</u>
<b>EXPENDITURES</b>					
General government	20,000	20,000	26,000	6,000	-
Highway and streets	-	-	4,600	4,600	-
Culture and recreation	-	227,096	24,770	(202,326)	28,634
Total expenditures	<u>20,000</u>	<u>247,096</u>	<u>55,370</u>	<u>(191,726)</u>	<u>28,634</u>
Excess (deficiency) of revenues over (under) expenditures	2,258,111	2,031,015	2,477,304	446,289	2,655,032
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	16,000	16,000	175,525
Transfers out	(3,349,433)	(3,279,108)	(3,289,234)	(10,126)	(3,066,817)
Total other financing sources (uses)	<u>(3,349,433)</u>	<u>(3,279,108)</u>	<u>(3,273,234)</u>	<u>5,874</u>	<u>(2,891,292)</u>
Net change in fund balance	<u>\$ (1,091,322)</u>	<u>\$ (1,248,093)</u>	<u>(795,930)</u>	<u>\$ 452,163</u>	<u>(236,260)</u>
Fund balance (deficit), January 1			<u>5,626,656</u>		<u>5,862,916</u>
Fund balance (deficit), December 31			<u>\$ 4,830,726</u>		<u>\$ 5,626,656</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Flood Control				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collection	\$ -	\$ -	\$ -	\$ -	\$ 13
Sales tax collections	4,556,222	4,556,222	5,008,791	452,569	2,668,786
Intergovernmental	-	972,383	485,616	(486,767)	-
Interest income	30,533	30,533	44,393	13,860	25,866
Total revenues	<u>4,586,755</u>	<u>5,559,138</u>	<u>5,538,800</u>	<u>(20,338)</u>	<u>2,694,665</u>
<b>EXPENDITURES</b>					
General government	9,535,000	16,030,974	4,951,342	(11,079,632)	913,996
Total expenditures	<u>9,535,000</u>	<u>16,030,974</u>	<u>4,951,342</u>	<u>(11,079,632)</u>	<u>913,996</u>
Excess (deficiency) of revenues over (under) expenditures	(4,948,245)	(10,471,836)	587,458	11,059,294	1,780,669
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	73,139
Transfers out	(315,000)	(315,000)	(2,272,409)	(1,957,409)	(109,102)
Total other financing sources (uses)	<u>(315,000)</u>	<u>(315,000)</u>	<u>(2,272,409)</u>	<u>(1,957,409)</u>	<u>(35,963)</u>
Net change in fund balance	<u>\$ (5,263,245)</u>	<u>\$ (10,786,836)</u>	<u>(1,684,951)</u>	<u>\$ 9,101,885</u>	1,744,706
Fund balance (deficit), January 1			<u>12,983,515</u>		<u>11,238,809</u>
Fund balance (deficit), December 31			<u>\$ 11,298,564</u>		<u>\$ 12,983,515</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Sidewalk				
	Original Budgeted Amounts	Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 4,076	\$ 4,076	\$ 116,258
Special assessment collections	-	34,799	14,963	(19,836)	3,017
Interest income	-	-	437	437	436
Total revenues	-	34,799	19,476	(15,323)	119,711
<b>EXPENDITURES</b>					
General government	120,000	154,799	140,542	(14,257)	113,129
Total expenditures	120,000	154,799	140,542	(14,257)	113,129
Excess (deficiency) of revenues over (under) expenditures	(120,000)	(120,000)	(121,066)	(1,066)	6,582
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	120,000	120,000	105,703	(14,297)	-
Transfers out	-	-	(295)	(295)	(286)
Total other financing sources (uses)	120,000	120,000	105,408	(14,592)	(286)
Net change in fund balance	\$ -	\$ -	(15,658)	\$ (15,658)	6,296
Fund balance (deficit), January 1			45,012		38,716
Fund balance (deficit), December 31			<u>\$ 29,354</u>		<u>\$ 45,012</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Street Improvements</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 3,389	\$ 3,389	\$ 13,019
Intergovernmental	-	1,830,000	1,832,659	2,659	1,246,378
Interest income	-	-	17,172	17,172	10,901
Miscellaneous income	-	-	8,800	8,800	121
Total revenues	-	1,830,000	1,862,020	32,020	1,270,419
<b>EXPENDITURES</b>					
Highways and streets	2,900,000	5,200,847	3,723,092	(1,477,755)	2,576,346
Total expenditures	2,900,000	5,200,847	3,723,092	(1,477,755)	2,576,346
Excess (deficiency) of revenues over (under) expenditures	(2,900,000)	(3,370,847)	(1,861,072)	1,509,775	(1,305,927)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	2,900,000	2,900,000	2,429,416	(470,584)	1,382,093
Transfers out	-	-	(232,195)	(232,195)	(76,920)
Total other financing sources (uses)	2,900,000	2,900,000	2,197,221	(702,779)	1,305,173
Net change in fund balance	<u>\$ -</u>	<u>\$ (470,847)</u>	336,149	<u>\$ 806,996</u>	(754)
Fund balance (deficit), January 1			4,328,648		4,329,402
Fund balance (deficit), December 31			<u>\$ 4,664,797</u>		<u>\$ 4,328,648</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Demolitions</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ 22,746	\$ 22,746	\$ 485,651
Special assessment collections	-	10,321	10,321	8,837
Interest income	-	3,949	3,949	3,218
Miscellaneous income	-	121	121	-
Total revenues	-	37,137	37,137	497,706
<b>EXPENDITURES</b>				
General government	500,000	1,954	(498,046)	121,134
Total expenditures	500,000	1,954	(498,046)	121,134
Excess (deficiency) of revenues over (under) expenditures	(500,000)	35,183	535,183	376,572
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(48,630)	(48,630)	(8,117)
Total other financing sources (uses)	-	(48,630)	(48,630)	(8,117)
Net change in fund balance	<u>\$ (500,000)</u>	(13,447)	<u>\$ 486,553</u>	368,455
Fund balance (deficit), January 1		1,059,854		691,399
Fund balance (deficit), December 31		<u>\$ 1,046,407</u>		<u>\$ 1,059,854</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<u>Sales Tax Property Tax Relief - 2nd Penny</u>			
	<u>Original &amp; Final Budgeted Amounts</u>	<u>2017 Actual Amounts</u>	<u>Variance with Final Budget</u>	<u>2016 Actual Amounts</u>
<b>REVENUES</b>				
Sales tax collections	\$ 2,733,733	\$ 3,005,275	\$ 271,542	\$ 3,206,271
Interest income	-	-	-	2,979
Total revenues	<u>2,733,733</u>	<u>3,005,275</u>	<u>271,542</u>	<u>3,209,250</u>
<b>EXPENDITURES</b>				
Debt retirement				
Interest and fiscal charges	17	17	-	-
Total expenditures	<u>17</u>	<u>17</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	2,733,716	3,005,258	271,542	3,209,250
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>(3,985,943)</u>	<u>(2,911,884)</u>	1,074,059	<u>(5,637,698)</u>
Total other financing sources (uses)	<u>(3,985,943)</u>	<u>(2,911,884)</u>	1,074,059	<u>(5,637,698)</u>
Net change in fund balance	<u>\$ (1,252,227)</u>	93,374	<u>\$ 1,345,601</u>	(2,428,448)
Fund balance (deficit), January 1		353,404		2,781,852
Fund balance (deficit), December 31		<u>\$ 446,778</u>		<u>\$ 353,404</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Infrastructure				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 3,644,977	\$ 3,644,977	\$ 4,007,033	\$ 362,056	\$ 4,275,029
Charges for Services	-	-	-	-	257,500
Interest income	-	-	27,685	27,685	15,955
Miscellaneous income	-	-	14,124	14,124	-
Total revenues	<u>3,644,977</u>	<u>3,644,977</u>	<u>4,048,842</u>	<u>403,865</u>	<u>4,548,484</u>
<b>EXPENDITURES</b>					
General government	135,150	135,150	135,150	-	-
Total expenditures	<u>135,150</u>	<u>135,150</u>	<u>135,150</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	3,509,827	3,509,827	3,913,692	403,865	4,548,484
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	16,803	16,803	-
Transfers out	(5,830,862)	(5,957,102)	(5,596,748)	360,354	(2,671,113)
Total other financing sources (uses)	<u>(5,830,862)</u>	<u>(5,957,102)</u>	<u>(5,579,945)</u>	<u>377,157</u>	<u>(2,671,113)</u>
Net change in fund balance	<u>\$ (2,321,035)</u>	<u>\$ (2,447,275)</u>	(1,666,253)	<u>\$ 781,022</u>	1,877,371
Fund balance (deficit), January 1			<u>9,361,205</u>		<u>7,483,834</u>
Fund balance (deficit), December 31			<u>\$ 7,694,952</u>		<u>\$ 9,361,205</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Sales Tax Community Facilities				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 2,733,733	\$ 2,733,733	\$ 3,005,275	\$ 271,542	\$ 3,206,272
Interest income	-	-	23,187	23,187	10,050
Total revenues	<u>2,733,733</u>	<u>2,733,733</u>	<u>3,028,462</u>	<u>294,729</u>	<u>3,216,322</u>
<b>EXPENDITURES</b>					
Culture and recreation	2,235,000	3,492,776	2,815,240	(677,536)	3,976,030
Total expenditures	<u>2,235,000</u>	<u>3,492,776</u>	<u>2,815,240</u>	<u>(677,536)</u>	<u>3,976,030</u>
Excess (deficiency) of revenues over (under) expenditures	498,733	(759,043)	213,222	972,265	(759,708)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	-	-	160,917
Transfers out	(50,000)	(50,000)	(73,187)	(23,187)	(429,924)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(50,000)</u>	<u>(73,187)</u>	<u>(23,187)</u>	<u>(269,007)</u>
Net change in fund balance	<u>\$ 448,733</u>	<u>\$ (809,043)</u>	140,035	<u>\$ 949,078</u>	(1,028,715)
Fund balance (deficit), January 1			5,640,828		6,669,543
Fund balance (deficit), December 31			<u>\$ 5,780,863</u>		<u>\$ 5,640,828</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, 2017**  
**With Comparative Totals for December 31, 2016**

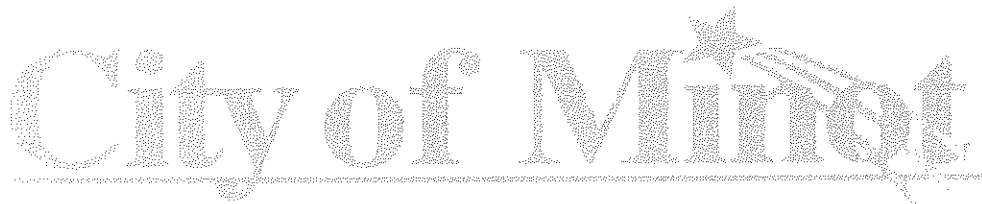
	<b>CDBG - Disaster Recovery \$67.5M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 247,207	\$ 247,207	\$ 333,442
Interest income	-	-	81	81	96
Miscellaneous	-	-	166,061	166,061	36,435
Total revenues	-	-	413,349	413,349	369,973
<b>EXPENDITURES</b>					
General government	-	1,419,283	325,885	(1,093,398)	362,106
Total expenditures	-	1,419,283	325,885	(1,093,398)	362,106
Excess (deficiency) of revenues over (under) expenditures	-	(1,419,283)	87,464	1,506,747	7,867
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	14,102
Transfers out	-	-	(87,464)	(87,464)	(21,969)
Total other financing sources (uses)	-	-	(87,464)	(87,464)	(7,867)
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,419,283)</u>	<u>-</u>	<u>\$ 1,419,283</u>	<u>-</u>
Fund balance (deficit), January 1			<u>-</u>		<u>-</u>
Fund balance (deficit), December 31			<u><u>\$ -</u></u>		<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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>CDBG - Disaster Recovery \$35M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 685,736	\$ 685,736	\$ 732,143
Miscellaneous	-	-	-	-	25,002
Total revenues	-	-	685,736	685,736	757,145
<b>EXPENDITURES</b>					
General government	-	1,221,548	685,736	(535,812)	757,145
Total expenditures	-	1,221,548	685,736	(535,812)	757,145
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,221,548)</u>	-	<u>\$ 1,221,548</u>	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), 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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>National Disaster Resilience \$74.3M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$43,874,372	\$ 43,874,372	\$ 2,272,214	\$ (41,602,158)	\$ 965,816
Miscellaneous	-	-	-	-	1,000
Total revenues	<u>43,874,372</u>	<u>43,874,372</u>	<u>2,272,214</u>	<u>(41,602,158)</u>	<u>966,816</u>
<b>EXPENDITURES</b>					
General government	43,874,372	56,242,524	2,272,214	(53,970,310)	966,816
Total expenditures	<u>43,874,372</u>	<u>56,242,524</u>	<u>2,272,214</u>	<u>(53,970,310)</u>	<u>966,816</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (12,368,152)</u>	-	<u>\$ 12,368,152</u>	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			<u>\$ -</u>		<u>\$ -</u>



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**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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Highway Debt 2017</b>	<b>Highway Debt 2016</b>
<b>ASSETS</b>		
Cash and investments	\$ -	\$ 153,933
Restricted cash and investments	389,879	894,426
Taxes receivable delinquent	138,938	178,432
Intergovernmental receivable	1,566	2,780
Advance to other funds	93,527	133,527
Total assets	<u>\$ 623,910</u>	<u>\$ 1,363,098</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	\$ 122,414	\$ 85,590
Total deferred inflows of resources	<u>122,414</u>	<u>85,590</u>
<b>FUND BALANCE</b>		
Nonspendable	93,527	133,527
Restricted	407,969	894,426
Assigned	-	249,555
Total fund balance	<u>501,496</u>	<u>1,277,508</u>
Total deferred inflows and fund balance	<u>\$ 623,910</u>	<u>\$ 1,363,098</u>

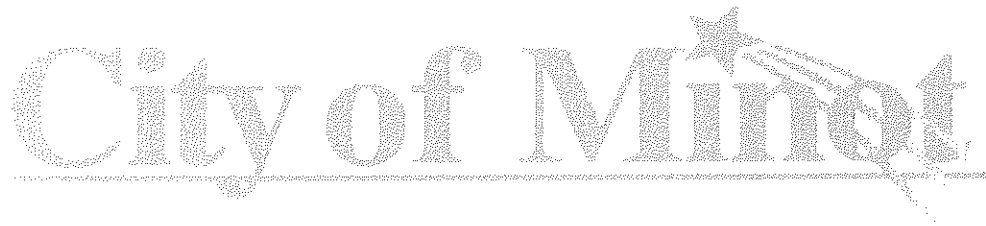
**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Highway Debt 2017	Highway Debt 2016
<b>REVENUES</b>		
Property tax collections	\$ 2,973,042	\$ 2,253,429
Interest income	9,894	5,291
Total revenues	<u>2,982,936</u>	<u>2,258,720</u>
<b>EXPENDITURES</b>		
Debt service		
Principal retirement	3,130,000	2,190,000
Interest and fiscal charges	614,965	355,185
Total expenditures	<u>3,744,965</u>	<u>2,545,185</u>
Excess (deficiency) of revenues over (under) expenditures	(762,029)	(286,465)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	4,095	219,896
Transfers out	(18,078)	(79,462)
Total other financing sources (uses)	<u>(13,983)</u>	<u>140,434</u>
Net change in fund balance	(776,012)	(146,031)
Fund balance (deficit), January 1	1,277,508	1,423,539
Fund balance (deficit), December 31	<u>\$ 501,496</u>	<u>\$ 1,277,508</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Highway Debt				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 3,080,647	\$ 3,080,647	\$ 2,973,042	\$ (107,605)	\$ 2,253,429
Interest income	-	-	9,894	9,894	5,291
Total revenues	<u>3,080,647</u>	<u>3,080,647</u>	<u>2,982,936</u>	<u>(97,711)</u>	<u>2,258,720</u>
<b>EXPENDITURES</b>					
Debt service					
Principal retirement	2,490,000	2,427,500	3,130,000	702,500	2,190,000
Interest and fiscal charges	626,558	624,859	614,965	(9,894)	355,185
Total expenditures	<u>3,116,558</u>	<u>3,052,359</u>	<u>3,744,965</u>	<u>692,606</u>	<u>2,545,185</u>
Excess (deficiency) of revenues over (under) expenditures	(35,911)	28,288	(762,029)	(790,317)	(286,465)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	44,095	44,095	4,095	(40,000)	219,896
Transfers out	(8,184)	(8,184)	(18,078)	(9,894)	(79,462)
Total other financing sources (uses)	<u>35,911</u>	<u>35,911</u>	<u>(13,983)</u>	<u>(49,894)</u>	<u>140,434</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 64,199</u>	<u>(776,012)</u>	<u>\$ (840,211)</u>	<u>(146,031)</u>
Fund balance (deficit), January 1			1,277,508		1,423,539
Fund balance (deficit), December 31			<u>\$ 501,496</u>		<u>\$ 1,277,508</u>





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**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)

*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.

*Storm Sewer Development* - To account for the resources used towards the construction of new storm sewer districts within the City of Minot. Funding is provided by a monthly charge on user water bills.

*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.

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Special Assessment Capital	Fire Equipment	Storm Sewer Development	Equipment Purchase	Flood Control Capital	Total 2017	Total 2016
<b>ASSETS</b>							
Cash and investments	\$ -	\$ 445,908	\$ -	\$ 911,432	\$ 13,798	\$ 1,371,138	\$ 9,484,964
Restricted cash and investments	-	-	-	-	27,499	27,499	-
Taxes receivable delinquent	-	17,392	-	43,880	-	61,272	133,620
Accounts receivable	-	-	-	-	-	-	86,018
Due from other funds	-	86,345	-	-	-	86,345	115,484
Intergovernmental receivable	299,722	198	-	361	143,381	443,662	787,336
Total assets	<u>\$ 299,722</u>	<u>\$ 549,843</u>	<u>\$ -</u>	<u>\$ 955,673</u>	<u>\$ 184,678</u>	<u>\$ 1,989,916</u>	<u>\$ 10,607,422</u>
<b>LIABILITIES</b>							
Accounts payable	\$ 21,508	\$ 1,029	\$ -	\$ 35,017	\$ 127,147	\$ 184,701	\$ 501,159
Retainage payable	28,068	-	-	-	30,032	58,100	108,249
Due to other funds	86,345	-	-	-	-	86,345	115,484
Advance from other funds	-	-	-	-	-	-	5,038,779
Total liabilities	<u>135,921</u>	<u>1,029</u>	<u>-</u>	<u>35,017</u>	<u>157,179</u>	<u>329,146</u>	<u>5,763,671</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>							
Unavailable revenue - property taxes	-	15,121	-	41,366	-	56,487	72,251
Total deferred inflows of resources	<u>-</u>	<u>15,121</u>	<u>-</u>	<u>41,366</u>	<u>-</u>	<u>56,487</u>	<u>72,251</u>
<b>FUND BALANCE</b>							
Restricted	-	-	-	-	27,499	27,499	-
Assigned	163,801	533,693	-	879,290	-	1,576,784	5,037,322
Unassigned	-	-	-	-	-	-	(265,822)
Total fund balance	<u>163,801</u>	<u>533,693</u>	<u>-</u>	<u>879,290</u>	<u>27,499</u>	<u>1,604,283</u>	<u>4,771,500</u>
Total liabilities, inflows and fund balance	<u>\$ 299,722</u>	<u>\$ 549,843</u>	<u>\$ -</u>	<u>\$ 955,673</u>	<u>\$ 184,678</u>	<u>\$ 1,989,916</u>	<u>\$ 10,607,422</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Special Assessment Capital	Fire Equipment	Storm Sewer Development	Equipment Purchase	Flood Control Capital	Total 2017	Total 2016
<b>REVENUES</b>							
Property tax collections	\$ -	\$ 430,340	\$ -	\$ 323,087	\$ -	\$ 753,427	\$ 1,565,355
Sales tax collections	-	-	-	-	-	-	2,675,000
Intergovernmental	326,568	5,799	-	31,356	216,030	579,753	1,082,395
Charges for services	-	-	-	-	-	-	1,228,649
Interest income	-	2,151	-	3,289	-	5,440	25,844
Miscellaneous	-	13,000	-	33,885	14,315	61,200	62,699
Total revenues	326,568	451,290	-	391,617	230,345	1,399,820	6,639,942
<b>EXPENDITURES</b>							
Capital outlay							
Contracted work	848,161	-	-	26,381	1,886,311	2,760,853	3,078,449
Equipment	-	18,796	-	758,693	-	777,489	2,929,344
Legal	-	-	-	-	-	-	2,105
Other	77,228	1,203	-	340	5,994	84,765	207,506
Acquisitions	-	226,545	-	-	12,050	238,595	114,000
Engineering	122,251	42,471	-	-	-	164,722	2,240,686
Debt retirement							
Interest and fiscal charges	220	-	-	-	1,621	1,841	194,227
Total expenditures	1,047,860	289,015	-	785,414	1,905,976	4,028,265	8,766,317
Excess (deficiency) of revenues over (under) expenditures	(721,292)	162,275		(393,797)	(1,675,631)	(2,628,445)	(2,126,375)
<b>OTHER FINANCING SOURCES (USES)</b>							
Special assessment bonds issued	-	-	-	-	-	-	780,000
Premium on special assessments bonds	-	-	-	-	-	-	1,662
Sale of City property	-	-	-	29,398	-	29,398	176,440
Transfers in	288,026	-	-	474,601	1,968,952	2,731,579	1,545,656
Transfers out	(4,894)	(1,941)	(3,267,767)	(25,147)	-	(3,299,749)	(1,948,375)
Total other financing sources (uses)	283,132	(1,941)	(3,267,767)	478,852	1,968,952	(538,772)	555,383
Net change in fund balance	(438,160)	160,334	(3,267,767)	85,055	293,321	(3,167,217)	(1,570,992)
Fund balance (deficit), January 1	601,961	373,359	3,267,767	794,235	(265,822)	4,771,500	6,342,492
Fund balance (deficit), December 31	\$ 163,801	\$ 533,693	\$ -	\$ 879,290	\$ 27,499	\$ 1,604,283	\$ 4,771,500

**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, 2017**  
**With Comparative Totals for December 31, 2016**

	Fire Equipment				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 461,500	\$ 451,500	\$ 430,340	\$ (21,160)	\$ 187,820
Intergovernmental	123,500	38,288	5,799	(32,489)	-
Interest income	-	-	2,151	2,151	426
Miscellaneous	-	13,000	13,000	-	-
Total revenues	<u>585,000</u>	<u>502,788</u>	<u>451,290</u>	<u>(51,498)</u>	<u>188,246</u>
<b>EXPENDITURES</b>					
Capital outlay					
Equipment	585,000	311,569	18,796	(292,773)	1,270,293
Other	-	-	1,203	1,203	505
Acquisitions	-	-	226,545	226,545	-
Engineering	-	-	42,471	42,471	-
Total expenditures	<u>585,000</u>	<u>311,569</u>	<u>289,015</u>	<u>(22,554)</u>	<u>1,270,798</u>
Excess (deficiency) of revenues over (under) expenditures	-	191,219	162,275	(28,944)	(1,082,552)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	-	-	100,000
Transfers in	-	-	-	-	890,250
Transfers out	-	-	(1,941)	(1,941)	(15,676)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(1,941)</u>	<u>(1,941)</u>	<u>974,574</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ 191,219</u>	<u>160,334</u>	<u>\$ (30,885)</u>	<u>(107,978)</u>
Fund balance (deficit), January 1			<u>373,359</u>		<u>481,337</u>
Fund balance (deficit), December 31			<u>\$ 533,693</u>		<u>\$ 373,359</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Equipment Purchase				
	Original Budgeted Amounts	Final Budgeted Amounts	2017 Actual Amounts	Variance with Final Budget	2016 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 262,235	\$ 288,482	\$ 323,087	\$ 34,605	\$ 1,377,535
Intergovernmental	85,600	211,600	31,356	(180,244)	146,229
Interest income	-	-	3,289	3,289	2,655
Miscellaneous	-	23,646	33,885	10,239	30,888
Total revenues	<u>347,835</u>	<u>523,728</u>	<u>391,617</u>	<u>(132,111)</u>	<u>1,557,307</u>
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work	-	-	26,381	26,381	190,612
Equipment	988,335	1,494,871	758,693	(736,178)	1,659,051
Other	-	-	340	340	7,386
Engineering	-	-	-	-	4,593
Total expenditures	<u>988,335</u>	<u>1,494,871</u>	<u>785,414</u>	<u>(709,457)</u>	<u>1,861,642</u>
Excess (deficiency) of revenues over (under) expenditures	(640,500)	(971,143)	(393,797)	577,346	(304,335)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	70,000	71,400	29,398	(42,002)	76,440
Transfers in	540,000	563,046	474,601	(88,445)	423,508
Transfers out	-	-	(25,147)	(25,147)	(27,141)
Total other financing sources (uses)	<u>610,000</u>	<u>634,446</u>	<u>478,852</u>	<u>(155,594)</u>	<u>472,807</u>
Net change in fund balance	<u>\$ (30,500)</u>	<u>\$ (336,697)</u>	85,055	<u>\$ 421,752</u>	168,472
Fund balance (deficit), January 1			794,235		625,763
Fund balance (deficit), December 31			<u>\$ 879,290</u>		<u>\$ 794,235</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, 2017**  
**With Comparative Totals for December 31, 2016**

	<b>Flood Control Capital</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2017 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2016 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ -	\$ -	\$ -	\$ 2,675,000
Intergovernmental	-	216,030	216,030	-
Interest income	-	-	-	1,969
Miscellaneous	-	14,315	14,315	-
Total revenues	-	230,345	230,345	2,676,969
<b>EXPENDITURES</b>				
Capital outlay				
Contracted work	16,000,000	1,886,311	(14,113,689)	1,017,717
Legal	-	-	-	2,105
Other	-	5,994	5,994	8,727
Acquisitions	-	12,050	12,050	114,000
Engineering	-	-	-	2,109,716
Debt Retirement				
Interest and fiscal charges	-	1,621	1,621	-
Total expenditures	16,000,000	1,905,976	(14,094,024)	3,252,265
Excess (deficiency) of revenues over (under) expenditures	(16,000,000)	(1,675,631)	14,324,369	(575,296)
<b>OTHER FINANCING SOURCES (USES)</b>				
Sales tax bonds issued	16,000,000	-	(16,000,000)	-
Transfers in	-	1,968,952	1,968,952	103,918
Transfers out	-	-	-	(692,601)
Total other financing sources (uses)	16,000,000	1,968,952	(14,031,048)	(588,683)
Net change in fund balance	<u>\$ -</u>	<u>293,321</u>	<u>\$ 293,321</u>	<u>(1,163,979)</u>
Fund balance (deficit), January 1		(265,822)		898,157
Fund balance (deficit), December 31		<u>\$ 27,499</u>		<u>\$ (265,822)</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2017	Total Nonmajor Proprietary Funds 2016
	Cemetery	Parking Authority		
<b>ASSETS</b>				
Current				
Cash and cash equivalents	\$ 315,331	\$ 199,125	\$ 514,456	\$ 424,303
Taxes receivable delinquent	12,391	-	12,391	21,729
Accounts receivable	17,928	6,953	24,881	27,395
Intergovernmental receivable	141	-	141	9,149
Prepaid	-	-	-	82
Total current assets	<u>345,791</u>	<u>206,078</u>	<u>551,869</u>	<u>482,658</u>
Noncurrent assets				
Other assets - capital credits	5,592	1,409	7,001	3,417
Net OPEB asset	37	-	37	-
Capital assets				
Land	179,504	136,397	315,901	315,901
Buildings	150,885	-	150,885	150,885
Equipment	259,513	322,867	582,380	640,465
Infrastructure	489,985	17,228	507,213	482,387
Total capital assets	<u>1,079,887</u>	<u>476,492</u>	<u>1,556,379</u>	<u>1,589,638</u>
Less-accumulated depreciation	<u>(395,101)</u>	<u>(333,682)</u>	<u>(728,783)</u>	<u>(749,411)</u>
Net capital assets	<u>684,786</u>	<u>142,810</u>	<u>827,596</u>	<u>840,227</u>
Total assets	<u>1,036,206</u>	<u>350,297</u>	<u>1,386,503</u>	<u>1,326,302</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	4,711	-	4,711	59,343
Total deferred outflows of resources	<u>4,711</u>	<u>-</u>	<u>4,711</u>	<u>59,343</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	7,183	431	7,614	33,831
Accrued salaries payable	4,560	-	4,560	4,682
Compensated absences	5,948	-	5,948	7,947
Total current liabilities	<u>17,691</u>	<u>431</u>	<u>18,122</u>	<u>46,460</u>
Long-term liabilities				
Compensated absences	11,045	-	11,045	14,760
Customer deposits	-	600	600	600
Net pension liability	140,673	-	140,673	499,203
Total long-term liabilities	<u>151,718</u>	<u>600</u>	<u>152,318</u>	<u>514,563</u>
Total liabilities	<u>169,409</u>	<u>1,031</u>	<u>170,440</u>	<u>561,023</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	208,609	-	208,609	49,899
Deferred inflows of resources related to OPEB	190	-	190	-
Total deferred inflows of resources	<u>208,799</u>	<u>-</u>	<u>208,799</u>	<u>49,899</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	684,786	142,810	827,596	840,227
Unrestricted net position	(22,077)	206,456	184,379	(65,504)
Total net position	<u>\$ 662,709</u>	<u>\$ 349,266</u>	<u>\$ 1,011,975</u>	<u>\$ 774,723</u>

**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, 2017**  
**With Comparative Totals for December 31, 2016**

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2017	Total Nonmajor Proprietary Funds 2016
	Cemetery	Parking Authority		
<b>OPERATING REVENUES</b>				
Charges for services	\$ 298,492	\$ 47,310	\$ 345,802	\$ 342,860
Total operating revenues	298,492	47,310	345,802	342,860
<b>OPERATING EXPENSES</b>				
Salaries	263,295	-	263,295	295,742
Employee benefits	108,286	1,180	109,466	134,305
Professional services	279	-	279	110
Property services	20,131	13,385	33,516	24,601
Purchased services	6,974	1,571	8,545	42,516
Supplies	20,295	1,247	21,542	18,051
Sundry	38,341	5,079	43,420	43,639
Depreciation	45,229	4,574	49,803	51,491
Total operating expenses	502,830	27,036	529,866	610,455
Operating income (loss)	(204,338)	20,274	(184,064)	(267,595)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	227,448	-	227,448	285,332
Intergovernmental revenues (expenses)	(339)	-	(339)	-
Interest income	1,114	582	1,696	979
Miscellaneous income (expense)	150,698	836	151,534	4,217
Gain (loss) on sale of capital assets	5,500	(5,667)	(167)	7,420
Total non-operating revenues (expenses)	384,421	(4,249)	380,172	297,948
Income (loss) before contributions and transfers	180,083	16,025	196,108	30,353
Transfers in	43,013	-	43,013	(979)
Transfers out	(1,114)	(582)	(1,696)	-
Total contributions and transfers	41,899	(582)	41,317	(979)
Change in net position	221,982	15,443	237,425	29,374
Net position, January 1	440,900	333,823	774,723	745,349
Change in accounting principle - Note 5D	(173)	-	(173)	-
Net position, January 1, as restated	440,727	333,823	774,550	745,349
Net position, December 31	\$ 662,709	\$ 349,266	\$ 1,011,975	\$ 774,723

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds 2017	Total Nonmajor Proprietary Funds 2016
	Cemetery	Parking Authority		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 313,939	\$ 43,797	\$ 357,736	\$ 321,857
Payments to suppliers	(80,311)	(53,208)	(133,519)	(99,442)
Payments to employees	(522,625)	(1,180)	(523,805)	(414,551)
Due from other agencies	5,459	-	5,459	-
Due to other agencies	-	(35)	(35)	(8,800)
Net cash provided (used) by operating activities	<u>(283,538)</u>	<u>(10,626)</u>	<u>(294,164)</u>	<u>(200,936)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	377,807	836	378,643	289,549
Transfers in	43,013	-	43,013	10,831
Transfers out	(1,114)	(582)	(1,696)	(979)
Net cash provided (used) by noncapital financing activities	<u>419,706</u>	<u>254</u>	<u>419,960</u>	<u>299,401</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	(42,839)	-	(42,839)	(146,195)
Disposal of capital asset	5,500	-	5,500	(10,233)
Net cash provided (used) by capital and related financing activities	<u>(37,339)</u>	<u>-</u>	<u>(37,339)</u>	<u>(156,428)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	1,114	582	1,696	979
Net cash provided by investing activities	<u>1,114</u>	<u>582</u>	<u>1,696</u>	<u>979</u>
Net increase (decrease) in cash and cash equivalents	99,943	(9,790)	90,153	(56,984)
Cash and investments, January 1	215,388	208,915	424,303	481,287
Cash and investments, December 31	<u>\$ 315,331</u>	<u>\$ 199,125</u>	<u>\$ 514,456</u>	<u>\$ 424,303</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 315,331	\$ 199,125	\$ 514,456	\$ 424,303
Total cash and equivalents on the Statement of Net Position	<u>\$ 315,331</u>	<u>\$ 199,125</u>	<u>\$ 514,456</u>	<u>\$ 424,303</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (204,338)	\$ 20,274	\$ (184,064)	\$ (267,595)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	45,229	4,574	49,803	51,491
Change in assets and liabilities:				
Taxes receivable	9,338	-	9,338	(10,988)
Receivables, net	6,102	(3,588)	2,514	(10,097)
Intergovernmental receivable	9,008	-	9,008	(8,724)
Prepaid	7	75	82	82
Accounts payable	5,709	(31,926)	(26,217)	29,475
Accrued salaries payable	(122)	-	(122)	201
Accrued interest payable	(5,714)	-	(5,714)	1,886
Other assets	(3,549)	(35)	(3,584)	(76)
Net OPEB asset	(37)	-	(37)	-
Net pension liability	(358,530)	-	(358,530)	(2,718)
Net OPEB liability	(173)	-	(173)	-
Deferred outflows of resources related to pension	54,632	-	54,632	4,807
Deferred inflows of resources related to pension	158,710	-	158,710	11,320
Deferred inflows of resources related to OPEB	190	-	190	-
Net cash provided (used) by operating activities	<u>\$ (283,538)</u>	<u>\$ (10,626)</u>	<u>\$ (294,164)</u>	<u>\$ (200,936)</u>

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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Central Garage	Self Insurance	Total Internal Service Funds 2017	Total Internal Service Funds 2016
<b>ASSETS</b>				
Cash and investments	\$ 143,635	\$ 2,638,873	\$ 2,782,508	\$ 2,472,540
Accounts receivable	-	615	615	71
Inventory	359,384	-	359,384	361,257
Other assets - capital credits	2,232	-	2,232	2,232
Total assets	<u>505,251</u>	<u>2,639,488</u>	<u>3,144,739</u>	<u>2,836,100</u>
<b>LIABILITIES</b>				
Accounts payable	60,016	126,633	186,649	68,348
Insurance claims payable	-	147,613	147,613	136,303
Total liabilities	<u>60,016</u>	<u>274,246</u>	<u>334,262</u>	<u>204,651</u>
<b>NET POSITION</b>				
Unrestricted	445,235	2,365,242	2,810,477	2,631,449
Total net position	<u>\$ 445,235</u>	<u>\$ 2,365,242</u>	<u>\$ 2,810,477</u>	<u>\$ 2,631,449</u>

**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, 2017**  
**With Comparative Totals for December 31, 2016**

	Central Garage	Self Insurance	Total Internal Service Funds 2017	Total Internal Service Funds 2016
<b>OPERATING REVENUES</b>				
Sales	\$ 1,017,361	\$ -	\$ 1,017,361	\$ 779,008
Cost of goods sold	(1,015,183)	-	(1,015,183)	(778,311)
Gross margin	2,178	-	2,178	697
Charges for services				
Employer	-	2,800,843	2,800,843	2,556,624
Employee	-	848,419	848,419	748,008
Total operating revenues	2,178	3,649,262	3,651,440	3,305,329
<b>OPERATING EXPENSES</b>				
Supplies	-	-	-	5,393
Insurance claims	-	3,428,334	3,428,334	3,123,359
Total operating expenses	-	3,428,334	3,428,334	3,128,752
Operating income (loss)	2,178	220,928	223,106	176,577
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	343	8,589	8,932	5,193
Miscellaneous income (expense)	(86,460)	33,450	(53,010)	(17,055)
Total non-operating revenues (expenses)	(86,117)	42,039	(44,078)	(11,862)
Income (loss) before transfers	(83,939)	262,967	179,028	164,715
Change in net position	(83,939)	262,967	179,028	164,715
Net position, January 1	529,174	2,102,275	2,631,449	2,466,734
Net position, December 31	\$ 445,235	\$ 2,365,242	\$ 2,810,477	\$ 2,631,449

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Central Garage	Self Insurance	Total Internal Service Funds 2017	Total Internal Service Funds 2016
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,019,234	\$ 3,648,718	\$ 4,667,952	\$ 4,042,160
Payments to suppliers	(1,023,361)	(3,290,545)	(4,313,906)	(3,865,826)
Net cash provided (used) by operating activities	(4,127)	358,173	354,046	176,334
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Internal activity - payments from other funds	-	33,450	33,450	20,029
Internal activity - payments to other funds	(86,460)	-	(86,460)	(37,084)
Net cash provided (used) by noncapital financing activities	(86,460)	33,450	(53,010)	(17,055)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	343	8,589	8,932	5,193
Net increase in cash and cash equivalents	(90,244)	400,212	309,968	164,472
Cash and investments, January 1	233,879	2,238,661	2,472,540	2,308,068
Cash and investments, December 31	\$ 143,635	\$ 2,638,873	\$ 2,782,508	\$ 2,472,540
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 2,178	\$ 220,928	\$ 223,106	\$ 176,577
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	-	(544)	(544)	7,268
Inventory	1,873	-	1,873	(48,748)
Accounts payable	(8,178)	126,479	118,301	47,861
Insurance claims payable	-	11,310	11,310	(6,624)
Net cash provided (used) by operating activities	\$ (4,127)	\$ 358,173	\$ 354,046	\$ 176,334

**City of Minot, North Dakota**  
**Agency Funds**

**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 Net Position**  
**Agency Funds**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	CDBG/ EDA	Total Agency Funds 2017	Total Agency Funds 2016
<b>ASSETS</b>						
Cash and investments	\$ 328,825	\$ -	\$ 64,254	\$ -	\$ 393,079	\$ 280,133
Taxes receivable delinquent	-	-	-	-	-	6
Accounts receivable	7,061	-	118,123	47	125,231	78,689
Intergovernmental receivable	-	828	1,932	2,234	4,994	9,459
Due from other funds	-	-	47	-	47	39
Total assets	<u>\$ 335,886</u>	<u>\$ 828</u>	<u>\$ 184,356</u>	<u>\$ 2,281</u>	<u>\$ 523,351</u>	<u>\$ 368,326</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 335,886	\$ 828	\$ 184,356	\$ 2,234	\$ 523,304	\$ 368,287
Due to other funds	-	-	-	47	47	39
Total liabilities	<u>\$ 335,886</u>	<u>\$ 828</u>	<u>\$ 184,356</u>	<u>\$ 2,281</u>	<u>\$ 523,351</u>	<u>\$ 368,326</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, 2017**  
**With Comparative Totals for December 31, 2016**

	Beginning	Additions	Deletions	Ending
<b>PAYROLL DEDUCTIONS</b>				
Assets				
Cash and investments	\$ 277,914	\$ 7,508,861	\$ 7,457,950	\$ 328,825
Accounts receivable	3,191	9,289	5,419	7,061
Total assets	<u>\$ 281,105</u>	<u>\$ 7,518,150</u>	<u>\$ 7,463,369</u>	<u>\$ 335,886</u>
Liabilities				
Accounts payable	\$ 281,105	\$ 923,382	\$ 978,163	\$ 335,886
Total liabilities	<u>\$ 281,105</u>	<u>\$ 923,382</u>	<u>\$ 978,163</u>	<u>\$ 335,886</u>
<b>EMPLOYER SOCIAL SECURITY</b>				
Assets				
Taxes receivable delinquent	\$ 6	\$ -	\$ 6	\$ -
Intergovernmental receivable	828	1,656	1,656	828
Total assets	<u>\$ 834</u>	<u>\$ 1,656</u>	<u>\$ 1,662</u>	<u>\$ 828</u>
Liabilities				
Accounts payable	\$ 834	\$ 6	\$ -	\$ 828
Total liabilities	<u>\$ 834</u>	<u>\$ 6</u>	<u>\$ -</u>	<u>\$ 828</u>
<b>HOTEL/MOTEL TAX</b>				
Assets				
Cash and investments	\$ 2,219	\$ 871,720	\$ 809,685	\$ 64,254
Accounts receivable	75,498	942,552	899,927	118,123
Intergovernmental receivable	1,832	1,932	1,832	1,932
Due from other funds	39	8	-	47
Total assets	<u>\$ 79,588</u>	<u>\$ 1,816,212</u>	<u>\$ 1,711,444</u>	<u>\$ 184,356</u>
Liabilities				
Accounts payable	\$ 79,588	\$ 1,088,896	\$ 1,193,664	\$ 184,356
Total liabilities	<u>\$ 79,588</u>	<u>\$ 1,088,896</u>	<u>\$ 1,193,664</u>	<u>\$ 184,356</u>
<b>CDBG/EDA</b>				
Assets				
Cash and investments	\$ -	\$ 52,441	\$ 52,441	\$ -
Accounts receivable	-	47	-	47
Intergovernmental receivable	6,799	51,094	55,659	2,234
Total assets	<u>\$ 6,799</u>	<u>\$ 103,582</u>	<u>\$ 108,100</u>	<u>\$ 2,281</u>
Liabilities				
Accounts payable	\$ 6,760	\$ 49,479	\$ 44,953	\$ 2,234
Due to other funds	39	-	8	47
Total liabilities	<u>\$ 6,799</u>	<u>\$ 49,479</u>	<u>\$ 44,961</u>	<u>\$ 2,281</u>
<b>TOTAL DECEMBER 31, 2017</b>				
Assets				
Cash and investments	\$ 280,133	\$ 8,433,022	\$ 8,320,076	\$ 393,079
Taxes receivable delinquent	6	-	6	-
Accounts receivable	78,689	951,888	905,346	125,231
Intergovernmental receivable	9,459	54,682	59,147	4,994
Due from other funds	39	8	-	47
Total assets	<u>\$ 368,326</u>	<u>\$ 9,439,600</u>	<u>\$ 9,284,575</u>	<u>\$ 523,351</u>
Liabilities				
Accounts payable	\$ 368,287	\$ 2,061,763	\$ 2,216,780	\$ 523,304
Due to other funds	39	-	8	47
Total liabilities	<u>\$ 368,326</u>	<u>\$ 2,061,763</u>	<u>\$ 2,216,788</u>	<u>\$ 523,351</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 to 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>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2017 and 2016**

<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>2017</b>	<b>2016</b>
Land	\$ 82,025,785	\$ 56,425,346
Buildings	21,172,490	7,988,494
Equipment	23,747,627	21,177,264
Infrastructure	291,717,189	23,164,165
Intangible assets	598,329	268,530,908
Books	3,392,561	598,329
Construction in progress	8,917,562	3,386,909
Total governmental funds capital assets	<u>\$ 431,571,543</u>	<u>\$ 381,271,415</u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
Capital project funds		
General obligation bonds	\$ 33,359,604	\$ 32,659,443
Revenue bonds	3,554,141	3,554,141
Sales tax	34,265,583	33,159,957
Federal grants	147,450,082	121,789,857
State grants	70,527,355	49,823,030
County grants	1,216,423	1,216,423
Contributions from others	94,973,148	93,351,869
General fund	24,621,890	24,621,890
Special revenue	17,969,006	17,755,519
Urban renewal	465,739	465,739
Enterprise fund	3,168,572	2,873,547
Total governmental funds capital assets	<u>\$ 431,571,543</u>	<u>\$ 381,271,415</u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2017**  
**With Comparative Totals for December 31, 2016**

FUNCTION AND ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets	Books	Construction in Process	2017	2016
General Government									
Civic center/property maintenance	\$ 49,374	\$ 3,429,528	\$ 292,254	\$ 305,527	\$ -	\$ -	\$ -	\$ 4,076,683	\$ 4,095,632
City Manager/Clerk	-	-	59,740	-	-	-	-	59,740	39,613
Finance	-	-	-	-	-	-	-	-	26,888
Information technology	-	-	299,486	-	220,899	-	144	520,529	456,897
Assessor	-	-	86,772	-	32,500	-	-	119,272	128,218
Engineering	-	-	384,076	-	-	-	-	384,076	416,023
Planning	-	-	17,604	-	-	-	-	17,604	-
Inspection	-	-	190,857	-	33,000	-	-	223,857	378,427
Traffic control	-	-	958,556	5,386,777	-	-	-	6,345,333	6,137,343
Public works	-	4,411,778	101,621	-	-	-	-	4,513,399	4,583,821
General	79,490,853	119,423	1,457,210	20,842,682	-	-	8,848,638	110,758,806	83,365,905
<b>Total general government</b>	<b>79,540,227</b>	<b>7,960,729</b>	<b>3,848,176</b>	<b>26,534,986</b>	<b>286,399</b>	<b>-</b>	<b>8,848,782</b>	<b>127,019,299</b>	<b>99,628,767</b>
Public Safety									
Police	-	161,537	4,945,291	2,254,756	-	-	-	7,361,584	7,264,511
Fire	474,636	7,447,560	4,925,534	1,388,084	-	-	39,887	14,275,701	14,360,330
<b>Total public safety</b>	<b>474,636</b>	<b>7,609,097</b>	<b>9,870,825</b>	<b>3,642,840</b>	<b>-</b>	<b>-</b>	<b>39,887</b>	<b>21,637,285</b>	<b>21,624,841</b>
Street	1,580,920	385,576	5,011,484	260,051,025	311,930	-	103	267,341,038	244,555,537
Shop	-	-	342,912	-	-	-	-	342,912	312,233
Library	7,624	3,128,994	102,009	315,781	-	3,392,561	-	6,946,969	6,909,291
Public transportation	-	853,027	3,309,632	-	-	-	-	4,162,659	4,160,873
Recreation	422,378	1,235,067	1,262,589	1,172,557	-	-	28,790	4,121,381	4,079,873
<b>Total governmental funds</b>	<b>\$ 82,025,785</b>	<b>\$ 21,172,490</b>	<b>\$ 23,747,627</b>	<b>\$ 291,717,189</b>	<b>\$ 598,329</b>	<b>\$ 3,392,561</b>	<b>\$ 8,917,562</b>	<b>\$ 431,571,543</b>	<b>\$ 381,271,415</b>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2017**

FUNCTION AND ACTIVITY	Governmental Fund					Governmental Fund
	Capital Assets January 1, 2017	Additions	Deletions	Transfers	Construction in Process	Capital Assets December 31, 2017
<b>GENERAL GOVERNMENT</b>						
Civic center/property maintenance	\$ 4,095,632	\$ -	\$ 18,949	\$ -	\$ -	\$ 4,076,683
City Manager/Clerk	39,613	13,136	7,999	14,990	-	59,740
Finance	26,888	-	-	(26,888)	-	-
Information technology	456,897	36,600	-	26,888	144	520,529
Assessor	128,218	-	34,546	25,600	-	119,272
Engineering	416,023	7,000	21,343	(17,604)	-	384,076
Planning	-	-	-	17,604	-	17,604
Inspection	378,427	6,888	186,451	24,993	-	223,857
Traffic control	6,137,343	236,258	28,268	-	-	6,345,333
Public works	4,583,821	600	36,437	(34,585)	-	4,513,399
General	83,365,905	25,882,025	7,322,772	(14,990)	8,848,638	110,758,806
Total general government	99,628,767	26,182,507	7,656,765	16,008	8,848,782	127,019,299
<b>PUBLIC SAFETY</b>						
Police	7,264,511	143,681	25,000	(21,608)	-	7,361,584
Fire	14,360,330	684,885	809,401	-	39,887	14,275,701
Total public safety	21,624,841	828,566	834,401	(21,608)	39,887	21,637,285
Street	244,555,537	22,862,713	405,573	328,258	103	267,341,038
Shop	312,233	38,750	29,526	21,455	-	342,912
Library	6,909,291	213,554	175,876	-	-	6,946,969
Public transportation	4,160,873	39,195	37,409	-	-	4,162,659
Recreation	4,079,873	12,718	-	-	28,790	4,121,381
Total governmental funds	\$ 381,271,415	\$ 50,178,003	\$ 9,139,550	\$ 344,113	\$ 8,917,562	\$ 431,571,543

## 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

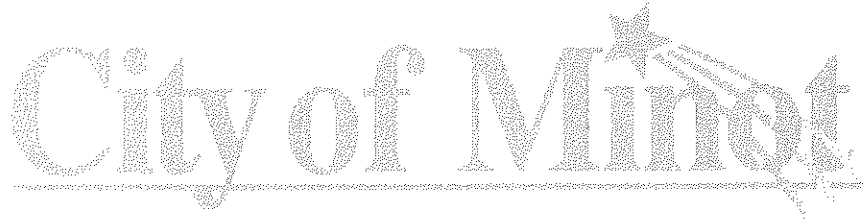
***Demographic and Economic*** - schedules are intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and with other governments.

- 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 #67 and #68 in 2015, and GASB #74 and #75 in 2017.



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

	2008	2009	2010	2011	Restated 2012	Restated 2013	2014	Restated 2015	2016	2017
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 289,558,273
Restricted for:										
Sales tax property tax relief	469,690	539,915	663,930	1,627,741	2,951,612	3,226,156	4,009,260	3,320,232	466,078	620,510
Sales tax economic development	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	9,956,038
Sales tax improvements	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	4,539,630
Sales tax flood control	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	11,298,564
NAWS	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	29,139,579
Sales tax infrastructure	-	-	-	1,265,347	5,025,790	6,083,970	7,677,734	7,483,834	9,361,205	7,694,952
Sales tax community facilities	-	-	-	949,011	4,654,813	6,567,548	7,655,275	6,669,543	5,640,828	5,780,863
Debt service	2,025,734	2,643,771	812,051	1,230,207	960,352	517,259	1,946,942	4,362,686	4,821,781	3,000,375
Highway projects	3,640,114	2,833,320	1,448,511	1,269,078	2,777	-	-	-	-	2,530,196
Other purposes	14,186,277	466,931	157,398	739	16,989	51,407	631,104	14,491	-	400,303
Unrestricted	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	15,222,998
<b>Total governmental activities net position</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>\$ 379,742,281</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 304,758,387
Restricted for:										
Debt service	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	6,004,140
Passenger facility charges not spent	-	-	-	-	1,041,086	925,887	651,251	-	-	-
Customer facility charges	-	-	-	-	-	-	-	-	-	620,699
Other purposes	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	19,179,251
<b>Total business-type activities net position</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>\$ 330,562,477</b>
<b>Government-wide activities</b>										
Net investment in capital assets	\$ 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	\$ 594,316,660
Restricted	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	81,585,849
Unrestricted	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	34,402,249
<b>Total government net position</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>	<b>\$ 710,304,758</b>



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

	2008	2009	2010	2011	Restated 2012	Restated 2013	2014	2015	2016	2017
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 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	\$ 23,950,938
Public safety	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	18,904,678
Highways and streets	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	19,749,436
Culture and recreation	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	7,759,929
Community development	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475	3,266,376	1,145,992	826,120
Interest on long-term debt	939,131	952,970	684,342	599,608	670,777	377,420	1,084,587	1,323,446	1,359,381	1,324,441
Total governmental activities expenses	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	72,515,542
Business-type activities										
Airport	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	10,979,519
Cemetery	226,999	245,719	305,368	304,502	325,301	378,717	488,825	469,091	533,872	497,669
Parking authority	113,232	121,475	123,727	118,367	231,938	123,598	72,806	98,705	79,994	32,703
Sanitation	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	6,156,209
Water and sewer	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	25,312,026
Total business-type activities expenses	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	42,978,126
Total government expenses	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	115,493,668
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	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	5,545,362
Public safety	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	1,130,201
Highways and streets	467,716	63,523	-	84,164	15,554	112,496	793	-	123,754	22,715
Culture and recreation	442,346	-	534,353	1,150,392	2,010,063	2,021,129	558,414	568,694	655,084	592,532
Operating grants and contributions										
General government	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	4,785,366
Public safety	78,953	99,507	676,006	364,666	338,479	576,299	534,176	311,835	1,136,656	463,544
Highways and streets	-	547,985	630,630	4,604	9,511,871	4,366,489	593,703	8,606,392	-	1,832,659
Culture and Recreation	-	-	-	-	-	152,993	90,498	98,447	3,937	37,452
Capital grants and contributions										
General government	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	27,108,995
Public safety	1,136,547	-	604,476	181,340	268,620	815,504	468,119	2,663,668	10,564	27,204
Highways and streets	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	21,863,378
Culture and recreation	4,737	-	-	6,673	-	12,011	24,806	190,839	63,400	27,515
Community development	555,519	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	63,436,924
Business-type activities										
Charges for services										
Airport	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	4,136,045
Cemetery	235,546	251,298	291,230	261,460	268,427	303,061	330,264	313,701	298,117	297,359
Parking authority	145,125	136,618	126,065	143,438	149,343	107,647	39,259	45,655	48,527	47,310
Sanitation	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	5,465,072
Water and sewer	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	21,384,485
Operating grants and contributions										
Airport	262,539	241,680	328,837	604,989	977,359	1,418,223	1,248,307	2,401,140	1,421,390	580,465
Cemetery	-	-	-	-	-	-	-	-	-	-
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

	2008	2009	2010	2011	Restated 2012	Restated 2013	2014	2015	2016	2017
Capital grants and contributions										
Airport	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789	\$ 8,103,553	\$ 13,489,126	\$ 20,519,210	\$ 21,362,081	\$ 3,564,669	\$ 2,203,852
Cemetery	-	(5,080)	61,853	10,964	26,508	-	-	-	-	-
Parking authority	-	52,921	-	-	89,053	-	(1,513)	-	-	-
Sanitation	248,926	1,400	2,197	407,443	298,497	1,540,548	190,550	-	577,716	2,606,770
Water and sewer	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	21,169,631
Total business-type activities program revenues	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	57,890,988
Total government program revenues	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	121,327,912
Net revenue (expense)										
Governmental activities	(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)	(9,078,618)
Business-type activities	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	14,912,862
Total government net expense	(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)	5,834,244
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	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	13,897,560
Property taxes, levied for debt service	1,152,519	1,064,857	749,233	800,683	735,488	499,901	1,126,237	2,875,336	2,333,770	3,056,361
Sales taxes	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	20,035,165
State aid distribution-unrestricted	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	3,378,357
Municipal highway tax	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	2,560,200
Franchise taxes	442,420	483,377	517,894	525,180	588,414	668,203	699,277	702,627	676,847	629,927
Other taxes	298,025	292,845	425,536	450,630	1,729,453	564,120	700,272	311,720	314,838	303,037
Grants and contributions not restricted to specific programs										
Investment earnings	1,468,090	961,136	474,228	950,457	480,932	251,460	471,073	694,916	645,118	801,119
Miscellaneous	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	1,165,742
Transfers	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	(6,886,141)
Total governmental activities	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	38,941,327
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	73,047	281,001	305,389	480,909	687	186,344	82,208	166,746	385,491	758,690
Other taxes	78,526	65,609	88,318	108,670	-	-	-	-	-	-
Investment earnings	139,967	215,446	98,049	105,260	91,147	88,706	114,540	119,072	98,063	249,010
Miscellaneous	(15,535)	72,223	307,387	442,812	247,280	403,908	44,404	1,244,180	660,328	756,238
Transfers	(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)	6,886,141
Total business-type activities	(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)	8,650,079
Total government	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	47,591,406
Change in net position										
Governmental activities	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	29,862,709
Business-type activities	(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	23,562,941
Total government	\$ 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	\$ 53,425,650

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

	2008	2009*	2010	2011	2012	2013	2014	2015	2016	2017
<b>General fund</b>										
Nonspendable	\$ 39,225	\$ 4,746	\$ 26,691	\$ 114,184	\$ 39,167	\$ 225,635	\$ 265,407	\$ 517,859	\$ 508,264	\$ 471,775
Restricted	-	41,532	50,077	739	6,039	-	3,171	-	654,437	372,804
Committed	-	4,667	-	-	-	-	-	-	-	-
Assigned	21,453	259,042	1,916	-	-	-	-	-	82,268	85,700
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	26,556,632
<b>Total general fund</b>	<b>\$ 6,434,590</b>	<b>\$ 7,266,798</b>	<b>\$ 7,348,259</b>	<b>\$ 10,617,859</b>	<b>\$ 16,229,708</b>	<b>\$ 19,499,905</b>	<b>\$ 22,975,555</b>	<b>\$ 25,207,413</b>	<b>\$ 25,732,157</b>	<b>\$ 27,486,911</b>
<b>All other governmental funds</b>										
Nonspendable	\$ 3,322,160	\$ 1,748,428	\$ 419,517	\$ 109,535	\$ 67,299	\$ 622,897	\$ 1,811,788	\$ 1,802,560	\$ 2,428,847	\$ 1,068,548
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	74,588,206
Committed	8,318,890	2,531,471	1,703,715	3,972,645	6,011,986	12,497,167	38,123,755	-	-	291,096
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	18,479,763
Unassigned	(111,496)	(622,965)	(353,393)	(726,084)	(1,637,152)	(1,852,004)	(265,877)	-	(265,822)	(22,847)
<b>Total all other governmental funds</b>	<b>\$ 47,578,969</b>	<b>\$ 49,168,576</b>	<b>\$ 56,657,792</b>	<b>\$ 71,437,595</b>	<b>\$ 78,502,611</b>	<b>\$ 94,329,735</b>	<b>\$ 102,888,011</b>	<b>\$ 107,187,566</b>	<b>\$ 106,181,644</b>	<b>\$ 94,404,766</b>

\*Implemented GASB #54 with 2009 CAFR

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>REVENUES</b>										
Property taxes	\$ 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	\$ 16,685,984
Special assessment collections	779,292	1,216,553	845,259	805,084	753,755	775,793	2,030,276	4,884,263	4,002,683	2,205,809
Sales tax collections	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	20,035,165
Licenses and permits	744,303	701,740	836,065	1,486,521	2,311,025	2,153,400	1,862,029	1,331,860	977,803	685,449
Intergovernmental	6,274,278	7,640,620	9,021,144	14,315,003	23,120,131	33,762,275	39,740,800	60,177,461	32,513,738	47,959,928
Charges for services	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	3,986,868
Cable TV franchise fees	442,420	483,377	517,894	525,180	588,414	668,203	668,203	699,277	676,847	629,927
Fines and forfeits	471,653	490,864	659,823	852,821	1,117,060	1,198,946	1,229,088	679,969	669,284	646,728
Interest income	1,468,090	961,136	454,200	958,300	546,393	251,460	471,073	694,916	645,118	801,119
Contract revenue	-	-	-	1,698,584	1,200,000	1,187,136	-	-	-	-
Miscellaneous	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	1,505,480
<b>Total revenues</b>	<b>40,227,940</b>	<b>41,765,054</b>	<b>44,833,751</b>	<b>60,185,141</b>	<b>72,653,029</b>	<b>84,333,048</b>	<b>93,148,737</b>	<b>118,246,705</b>	<b>84,211,171</b>	<b>95,142,457</b>
<b>EXPENDITURES</b>										
General government	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	21,646,093
Public safety	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	16,591,562
Highways and streets	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	7,882,733
Culture and recreation	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	7,396,239
Economic development	3,882,862	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475	3,266,376	1,145,992	826,120
Capital outlay	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	36,562,709
Debt retirement										
Principal	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	6,110,000
Interest and fiscal charges	773,958	787,850	700,606	600,808	696,720	551,892	1,022,919	1,319,488	1,326,733	1,341,613
<b>Total expenditures</b>	<b>38,224,184</b>	<b>37,948,848</b>	<b>38,306,756</b>	<b>42,433,848</b>	<b>59,064,156</b>	<b>80,930,858</b>	<b>89,280,107</b>	<b>117,400,674</b>	<b>101,213,742</b>	<b>98,357,069</b>
Excess (deficiency) of revenues over (under) expenditures	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)	(3,214,612)
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation bonds issued	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	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	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)	-	6,405
Sale of City Property	33,617	20,053	312,939	89,751	79,600	84,844	93,325	88,865	186,486	72,224
Transfers In	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	16,349,478
Transfers Out	(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)	(23,235,619)
<b>Total other financing sources (uses)</b>	<b>6,064,882</b>	<b>(1,394,391)</b>	<b>1,043,682</b>	<b>298,110</b>	<b>(912,008)</b>	<b>15,695,131</b>	<b>8,165,296</b>	<b>5,685,382</b>	<b>16,521,393</b>	<b>(6,807,512)</b>
Net change in fund balances	\$ 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)	\$ (10,022,124)
Debt service as a percentage of noncapital expenditures	10.48%	9.60%	10.83%	7.53%	13.88%	6.63%	6.65%	8.55%	11.66%	12.06%

**City of Minot, North Dakota**  
**Governmental Activities Tax Revenue by Source**  
**Last Ten Fiscal Years**  
(accrual basis of accounting)  
unaudited

Year	Property Tax Levied for General Purposes	Property Tax Levied for Debt Service	Sales Tax	Municipal Highway Tax	State Aid Distribution	Franchise Tax	Other Tax	Total	(1) Population Estimated
2008	\$ 7,787,046	\$ 1,152,519	\$ 14,574,340	\$ 1,862,605	\$ 1,985,198	\$ 442,420	\$ 298,025	\$ 28,102,153	36,694
2009	8,147,645	1,064,857	14,845,915	1,802,746	1,894,613	483,377	292,845	28,531,998	35,730
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	42,485
2012	6,819,579	735,488	26,705,354	2,570,954	4,166,709	588,414	1,729,453	43,315,951	43,746
2013	9,666,190	499,901	24,850,061	2,794,431	4,231,254	668,203	564,120	43,274,160	46,398
2014	9,750,742	1,126,237	27,245,883	2,952,874	4,792,103	699,277	700,272	47,267,388	47,997
2015	13,261,691	2,875,336	26,035,551	2,740,748	4,411,924	702,627	311,720	50,339,597	49,450
2016	14,941,140	2,333,770	21,375,144	2,400,195	3,477,932	676,847	314,838	45,519,866	47,338
2017	14,656,250	3,056,361	20,035,165	2,560,200	3,378,357	629,927	303,037	44,619,297	48,743

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(1) 2017 Source: Ward County Area Profile as of 2/7/18  
2008-2016 Source: U.S. Census Bureau

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

Year	(1) Population Estimated	City Direct Sales Tax Rate	(2) Taxable Sales & Purchases	Sales Tax remitted by State of ND to the City											Total Sales Tax Collections	Percentage of Taxable Sales & Purchases top ten permit holders
				First Penny				June 1998 to October 2011 Northwest Area Water Supply 100%	Second Penny			Total Sales Tax Collections				
				Property Tax Relief 10%	Economic Development 40%/15%	Improvements 50%/25%	Flood Control 50%		Capital Purchases	Flood Control Capital	Property Tax 30%		Infrastructure 40%	Community Facilities 30%		
2008	36,694	2%	\$ 839,876,644	\$ 728,717	\$ 2,914,868	\$ 3,643,585	\$ -	\$ -	\$ -	\$ 7,287,170	\$ -	\$ -	\$ -	\$ -	\$14,574,340	32.92%
2009	35,730	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	42,485	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	43,746	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	46,398	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	47,997	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	49,450	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	47,338	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%
2017	48,743	2%	1,007,678,634	1,001,758	1,502,637	2,504,396	5,008,791	-	-	-	3,005,275	4,007,033	3,005,275	-	20,035,165	28.20%

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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) 2017 Source: Ward County Area Profile as of 2/7/18  
 2008-2016 Source: U.S. Census Bureau

(2) 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	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Construction	\$ 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	\$ 25,724,984
Manufacturing	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	24,098,344
Wholesale trade	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	121,122,546
Retail trade	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	561,632,634
Transportation & warehousing	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	3,840,060
Information industries	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	4,366,103
Fin, insurance, real estate, rental & leasing	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	22,824,929
Professional, scientific, tech., & mgmt serv.	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	5,303,173
Educational, health care, & social services	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	3,373,433
Arts, entertainment & recreation	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	7,613,172
Accommodation & food services	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	164,225,049
Mining and Oil Extraction	-	-	-	112,311,540	111,271,321	88,648,677	61,488,901	147,323,049	26,921,532	22,506,295
Other services	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	39,418,208
Miscellaneous	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	1,629,704
Total taxable sales and purchases	\$ 839,876,644	\$ 907,331,139	\$ 1,070,664,687	\$ 1,390,182,220	\$ 1,644,090,990	\$ 1,559,389,207	\$ 1,566,093,772	\$ 1,419,398,286	\$ 1,046,054,220	\$ 1,007,678,634

\* 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) Commercial Land and Buildings</b>	<b>(1) Residential Land and Buildings</b>	<b>Public Utilities</b>	<b>(2) Total Assessed Value</b>	<b>Total True and Full Value</b>	<b>Assessed Value as a Percentage of True and Full Value</b>	<b>Total Direct Tax Rate</b>
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%	84.29
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
2017	991,146,600	1,233,454,067	19,278,330	2,243,878,997	4,487,757,994	50.00%	106.65

(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**  
 unaudited

<u>Year</u>	<u>City of Minot</u>					<u>Total</u>	<u>Minot Park District</u>	<u>Minot School District</u>	<u>State and County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Special Revenue Funds</u>	<u>Capital Funds</u>	<u>Debt Service Funds</u>					
2008	66.33	3.01	29.68	2.88	11.35	113.25	32.80	204.65	74.45	425.15
2009	65.34	2.95	29.83	2.39	7.61	108.12	30.68	133.40	77.43	349.63
2010	67.06	4.04	25.59	3.63	7.01	107.33	29.83	129.75	72.66	339.57
2011	46.11	-	23.65	0.39	6.52	76.67	30.87	135.19	69.58	312.31
2012	46.84	1.33	24.13	8.44	3.55	84.29	31.65	141.02	71.12	328.08
2013	44.74	0.44	20.04	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
2017	61.81	3.86	20.52	6.09	14.37	106.65	34.40	111.05	72.42	324.52

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**  
 unaudited

<u>Levy Year</u>	<u>(1) Total Current Tax Levy</u>	<u>(2) Current Collections</u>	<u>Percent of Levy Collected</u>	<u>(2) Delinquent Collections</u>	<u>(2) Total Collections</u>	<u>Total Collection as Percent of Current Levy</u>	<u>(3) Adjustments</u>	<u>(4) Accumulated Outstanding Taxes</u>	<u>Outstanding Delinquent as Percent of Current Levy</u>
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	1,404,868	7.97%
2016	17,871,719	16,700,619	93.45%	1,217,215	17,917,810	100.26%	489,170	869,607	4.87%
2017	22,616,328	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, 2017**  
 unaudited

TAXPAYER	2017			2008		
	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value
Dakota Square Mall CMBS LLC	\$ 4,287,250	1	2.02%	\$ 3,692,710	1	4.10%
IRET Properties	1,700,950	2	0.80%			0.00%
IRET - Minot Apartments, LLC	1,357,050	3	0.64%			0.00%
ARHC MMMINND01, LLC (Medical Arts/Wellington)	1,142,400	4	0.54%			0.00%
SUSO 3 Southgate LP	1,052,250	5	0.50%			0.00%
Farmers Union Oil Co of Minot	996,050	6	0.47%	279,620	18	0.31%
North Highland-Minot, LLC	954,150	7	0.45%			0.00%
Schatz Properties, LLC	899,700	8	0.42%			0.00%
Wal-Mart Real Estate Business Trst-Property Tax Dept #8013	875,700	9	0.41%	775,130	3	0.86%
Westcorp Minot, LLC	865,100	10	0.41%			0.00%
Doc-2111 Landmark Circle Mob, LLC	788,200	11	0.37%			0.00%
IRET Corporate Plaza	775,300	12	0.37%			0.00%
United Pulse Trading Inc	750,400	13	0.35%			0.00%
Cognizant Technology Solutions US Corp.	718,050	14	0.34%			0.00%
Westlie Motor Company	708,600	15	0.33%			0.00%
Home Depot USA, Inc	696,350	16	0.33%			0.00%
North Central Capital, LLC	677,100	17	0.32%			0.00%
Cenex Harvest States Co-Op	672,900	18	0.32%	296,260	17	0.33%
Dakota Upreit Limited Partnership	671,550	19	0.32%			0.00%
Menard's Inc.	635,850	20	0.30%	564,420	5	0.63%
Investor's Real Estate Trust (IRET)				1,653,590	2	1.84%
Kadima Medical Properties (Former Unimed Clinic)				640,980	4	0.71%
International Inn				513,115	6	0.57%
Reliastar (ING)				508,620	7	0.57%
Philadelphia Macaroni				417,200	8	0.46%
Cambridge Capital Management				409,520	9	0.46%
Minot Vista (Edgewood Vista)				376,540	10	0.42%
Riverside Inc. (Holiday Inn Riverside)				354,740	11	0.39%
Woodridge Mobile Home Park				344,890	12	0.38%
Glacial Holdings				324,060	13	0.36%
Minot Senior Living (Brentmoor)				310,280	14	0.34%
Dayton-Hudson Corporation (Target)				309,850	15	0.34%
Map Dakota (Wellington)				298,710	16	0.33%
MLT				274,640	19	0.31%
Johanneson's Property (Marketplace)				265,250	20	0.29%
All Others	190,828,459		89.99%	77,389,875		85.99%
Total Taxable Assessed Value	<u>\$212,053,359</u>		<u>100.00%</u>	<u>\$90,000,000</u>		<u>100.00%</u>

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

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

Year	Governmental Activities					Business-Type Activities				Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Loans Payable	Capital Financing Program Bonds	Capital Lease	Revenue Bonds	Notes Payable	Loans Payable	Capital Leases			
2008	\$ 10,630,017	\$ 7,754,748	\$ -	\$ -	\$ -	\$ 25,593,808	\$ 1,626,420	\$ 144,146	\$ -	\$ 45,749,139	21.74%	\$ 1,246.77
2009	11,400,604	6,582,285	-	-	-	23,649,469	1,562,795	74,567	-	43,269,720	18.24%	1,211.02
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%	983.86
2012	8,474,812	9,791,156	-	-	3,383	20,829,857	1,358,115	-	491,120	40,948,443	13.07%	936.05
2013	13,628,909	20,665,181	-	-	265	36,292,434	1,285,015	-	683,680	72,555,484	19.60%	1,563.76
2014	15,789,576	23,796,115	-	-	6,495	42,639,711	1,209,334	-	473,392	83,914,623	21.91%	1,748.33
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%	2,034.21
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%	2,288.95
2017	18,408,804	19,622,342	-	1,817,444	22,945	50,575,996	965,878	-	2,189,092	93,602,501	24.90%	1,920.33

(1) \$3,759,383 (ND Job Service Q3 2016)

(2) 2017 Source: Ward County Area Profile as of 2/7/18, 2008-2016 Source: U.S. Census Bureau

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

<b>Year</b>	<b>(1) Population Estimated</b>	<b>(2) Assessed Value</b>	<b>(3) Gross Bonded Debt</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2008	36,694	\$ 1,030,389,785	\$ 10,630,017	\$ 1,043,314	\$ 9,586,703	0.93%	\$ 261.26
2009	35,730	1,136,312,577	11,400,604	1,350,573	10,050,031	0.88%	281.28
2010	40,888	1,281,748,311	11,438,774	297,431	11,141,343	0.87%	272.48
2011	42,485	1,323,275,395	9,934,280	348,339	9,585,941	0.72%	225.63
2012	43,746	1,570,649,639	8,474,812	510,105	7,964,707	0.51%	182.07
2013	46,398	2,046,977,260	13,628,909	352,896	13,276,013	0.65%	286.13
2014	47,997	2,244,034,874	15,789,576	1,273,150	14,516,426	0.65%	302.44
2015	49,450	2,441,879,128	13,732,954	1,195,984	12,536,970	0.51%	253.53
2016	47,338	2,426,319,934	21,596,698	1,048,359	20,548,339	0.85%	434.08
2017	48,743	2,243,878,997	18,408,804	389,879	18,018,925	0.80%	369.67

(1) 2017 Source: Ward County Area Profile as of 2/7/18  
 2008-2016 Source: U.S. Census Bureau

(2) 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.

(3) 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, 2017**  
unaudited

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Sinking Funds</b>	<b>Net Debt</b>	<b>Ratio</b>	<b>City's Share of Debt</b>
Minot School District (1)	\$ 60,990,483	\$ 2,283,246	\$ 58,707,237	94.95%	\$55,740,882
Minot Park District (2)	16,979,691	-	16,979,691	92.48%	15,702,946
Ward County (3)	52,155,702	7,967,828	44,187,874	70.06%	<u>30,959,954</u>
<b>Overlapping Debt</b>					102,403,782
City of Minot (General Obligation Direct Debt)			18,408,804	100.00%	18,408,804
City of Minot (Special Assessment)			19,622,342	100.00%	180,439
City of Minot (Capital Financing Program Bonds)(4)			1,817,444	100.00%	-
City of Minot (Capital Lease)			22,945	100.00%	<u>22,945</u>
<b>Total Direct and Overlapping Debt</b>					<u><u>\$ 121,015,970</u></u>

<b>Ratios Used</b>	<b>2016 Assessed Value</b>	<b>2016 City's Assessed Value</b>	<b>Percentage</b>
Minot School District (3)	\$ 2,303,722,998	\$ 2,426,319,934	94.95%
Minot Park District (3)	2,243,878,997	2,426,319,934	92.48%
Ward County (3)	3,462,987,081	2,426,319,934	70.06%

(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

(4) The capital financing program bonds are paid for by a hotel/motel tax independent of the tax levy.

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, 2017**  
unaudited

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True and full value of taxable property - 2017	\$ 4,487,757,994
Debt limit - 8% of 50% of true and full value	179,510,320
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 18,408,804
Special Assessment bonds with Government Commitment	52,224
Less: cash in debt service sinking funds	<u>(389,879)</u>
Total net debt applicable to limit	<u>18,071,149</u>
Legal debt margin	<u><u>\$ 161,439,171</u></u>

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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
Debt limit	\$ 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	\$ 179,510,320
Less total net debt applicable to limit	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	18,071,149
Legal debt margin	\$ 72,799,497	\$ 80,815,579	\$ 91,357,296	\$ 96,240,371	\$ 118,803,074	\$ 150,786,823	\$ 165,487,604	\$ 191,071,246	\$ 173,465,736	\$ 161,439,171
Total net debt applicable to the limit as a percentage of debt limit	11.68%	11.10%	10.91%	9.09%	6.22%	7.92%	7.82%	5.98%	10.63%	10.07%



**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			Coverage
							(2) Principal	Interest & Fiscal Charges	Total	
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
2017	4,357,683	2,547,713	531,242	4,170,988	-	3,265,650	1,170,000	1,013,533	2,183,533	1.50

(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) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					(2) Principal	Interest & Fiscal Charges	Total	
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
2017	21,342,366	11,973,630	1,050,000	10,418,736	8,303,984	1,026,799	9,330,783	1.12

(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) Population Estimated</b>	<b>(2) Annual Personal Income</b>	<b>(2) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>(2) Education Levels in Years of Formal Schooling</b>	<b>School Enrollment</b>	<b>(2) Unemployment Rate</b>
2008	36,694	\$ 2,104,568	\$ 29,407	35.0	13.47	7,100	2.9%
2009	35,730	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	42,485	2,711,387	34,319	33.2	13.47	7,424	1.7%
2012	43,746	3,132,692	44,252	33.2	13.47	7,758	3.1%
2013	46,398	3,701,003	47,320	33.8	13.44	7,737	2.3%
2014	47,997	3,830,707	49,296	30.4	13.50	7,783	2.8%
2015	49,450	4,060,875	56,024	31.0	13.52	8,192	3.5%
2016	47,338	3,927,142	55,852	31.1	13.41	8,027	3.7%
2017	48,743	3,759,383	53,545	31.1	13.46	8,006	2.9%

(1) 2017 Source: Ward County Area Profile as of 2/7/18  
 2008-2016 Source: 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	2017			2008		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	6,611	1	27.63%	5,414	1	17.64%
Trinity Health	2,059	2	8.61%	2,691	2	8.77%
Minot Public Schools	1,064	3	4.45%	1,419	3	4.62%
City of Minot	440	5	1.84%	311	12	1.01%
Minot State University	412	4	1.72%	509	6	1.66%
BNSF Railways	360	6	1.50%			
Cognizant (ING Minot Service Center)	326	7	1.36%	900	4	2.93%
Kalix (MVAW)	324	8	1.35%	545	5	1.78%
MLT Inc.	296	9	1.24%	296	13	0.96%
Ward County	290	10	1.21%	216	16	0.70%
Marketplace Foods	287	11	1.20%			
Wal-Mart	250	12	1.04%	350	10	1.14%
SRT Communications	197	13	0.82%	220	15	0.72%
Ryan Family Dealerships-Minot	172	14	0.72%			
Baker Hughes	160	15	0.67%			
Hess	152	16	0.64%			
Westlie Motors	128	17	0.53%	121	20	0.39%
First Western Bank	124	18	0.52%			
Minot Automotive Center	112	19	0.47%			
Menards	107	20	0.45%			
Dakota Boys & Girls Ranch				452	7	1.47%
Miracle Mart				394	8	1.28%
Choice Hotels International, Inc.				380	9	1.24%
E Telecare Global Solutions				315	11	1.03%
Sykes, Inc.				250	14	0.81%
Grand Hotel/International Inn				165	17	0.54%
ManorCare Health Services				140	18	0.46%
US Post Office				130	19	0.42%
North Central Human Service Center				119	21	0.39%
<b>Total</b>	<b>13,871</b>		<b>57.97%</b>	<b>15,337</b>		<b>49.97%</b>

Source: Employers

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

<b>Function</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
General government	31	33	33	33	38	44.84	48.34	55.84	68.34	69.26
Public safety										
Police										
Officers	64	63	67	69	70	75.00	79.00	83.00	85.00	84.00
Civilians	20	20	20	20	22	25.00	25.00	26.00	27.00	27.00
Fire										
Firefighters and officers	49	49.00	49.00	50.00	47.00	50.00	50.00	56.00	62.00	62.00
Civilians	1	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00
Highways and streets										
Engineering	9	9	9	10	11	12.00	12.00	14.00	13.00	13.00
Maintenance	36	36	36	38	35	36.68	36.68	39.68	42.68	42.57
Culture and recreation	25	25.63	25.63	25.63	25.63	26.63	26.63	26.63	26.63	26.63
Airport	13	13	11	12	16	18.00	18.00	18.50	25.00	27.00
Cemetery	3	3	3	3	3	4.21	4.21	4.21	4.21	4.21
Parking authority	1	1	1	1	1	1.00	1.00	-	-	-
Sanitation	20	22	22	22	23	27.15	30.15	31.47	31.48	31.66
Water and sewer	39	39	39	38	41	42.62	48.62	49.30	50.29	50.30
<b>Total</b>	<b>311</b>	<b>314.63</b>	<b>316.63</b>	<b>322.63</b>	<b>333.63</b>	<b>365.13</b>	<b>381.63</b>	<b>406.63</b>	<b>437.63</b>	<b>439.63</b>

(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

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
<b>FUNCTION</b>										
General government										
Assessors										
Properties reviewed	775	1,600	1,500	950	150	922	4,148	3,158	3,062	3,555
Properties photographed	2,800	3,500	2,200	900	2,790	1,944	4,557	4,437	3,731	4,024
Building inspections										
Permits issued	540	486	447	873	1,227	996	654	719	512	568
City bus										
Bus ridership	151,169	131,062	123,139	123,744	136,951	128,184	130,866	114,472	89,602	88,803
Public safety										
Police										
Parking tickets issued	6,804	6,914	6,072	6,957	9,619	9,032	7,368	8,029	4,198	5,473
Criminal citations issued	5,605	5,697	6,035	6,206	6,781	7,492	6,057	4,223	3,379	3,235
Traffic citations issued	3,895	3,551	4,251	4,194	4,901	4,239	4,990	5,340	5,729	6,414
Alarms-patrol & parking division	693	716	839	939	1,348	1,172	1,410	1,501	1,588	1,319
Fire										
# of fire incidents	405	381	432	498	594	660	751	737	751	758
# of rescue incidents	1,924	1,867	1,957	1,920	2,052	2,175	2,043	2,036	2,044	2,162
Inspections made	1,593	1,393	1,514	1,137	1,514	2,370	2,812	1,465	2,029	1,623
Highways and streets										
Traffic										
Signs installed	1,503	1,430	1,419	1,207	1,497	1,314	1,331	1,484	1,390	2,101
Signs/posts repaired	2,118	2,138	2,005	1,776	1,543	1,582	1,401	1,351	1,124	1,078
Traffic light repairs	568	273	241	441	569	861	276	293	529	380
Street light repairs	301	253	186	373	396	892	274	297	644	1,005
Culture and recreation										
Auditorium										
Event days	1,996	1,539	1,362	1,137	714	746	590	697	762	794
Attendance	256,041	256,439	194,067	211,608	199,435	186,914	78,531	94,843	117,649	125,832
Library										
Registered borrowers	23,384	22,933	24,079	24,039	23,105	21,994	21,874	22,196	23,081	24,078
Circulation and activity	294,441	273,182	274,665	232,471	268,444	302,028	292,676	205,338	645,648	384,705
Airport										
Gallons airline fuel dispensed	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	1,885,773
Airline boarding's	75,972	72,219	96,599	306,403	444,921	222,083	222,144	182,872	151,700	143,172
Sanitation										
# of customers	10,497	10,769	10,884	10,825	15,453	11,044	11,504	11,512	11,530	11,508
Landfill tonnage	113,936	114,685	115,812	215,860	191,326	161,131	151,913	142,030	178,181	121,184
Water and Sewer										
# of consumers	12,142	12,472	13,640	13,671	13,708	14,320	14,649	14,700	14,755	14,734
Gallons pumped/treated	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	2,539,061,201

Source: Various city departments

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

FUNCTION	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017
General government										
Public works building	1	1	1	1	2	2	2	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	31	31	33	35	36	40	41	42	42
Fire										
Stations	3	3	3	3	3	3	3	3	4	4
Highways and streets										
Streets (square miles)	16.73	17.31	18.78	19.72	25.14	27.32	27.36	27.48	27.76	27.23
Street lights	2,375	2,504	2,672	2,604	2,897	3,229	3,400	3,603	3,690	3,751
Traffic signals	50	50	51	51	52	53	53	53	50	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	10	10	10	10	10	2	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	9	9	9	12
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	210	210	245	269	292	302	315	322.9	324.15	324.49
Sewer mains (miles-estimated)	-	-	208.5	212.3	229.9	232.8	249.2	255.9	259.22	264.66
Maximum daily capacity (millions of gallons)	11.96	10.56	9.93	8.2	11.5	10.95	11.3	11.3	11.3	12.4

Sources: Various city departments



**Independent Auditor's Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control over Compliance; and Report on Schedule of Passenger Facility Charges**

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

**Report on Compliance for the Passenger Facility Charge Program**

We have audited the Municipal Airport Authority of the City of Minot's compliance with the types of compliance requirements described in the Passenger Facility Charge Audit Guide for Public Agencies, issued by the Federal Aviation Administration that could have a direct and material effect on the Airport's Passenger Facility Charge (PFC) Program for the year ended December 31, 2017. The Airport's PFC Program is identified in the summary of auditor's results section of the accompanying schedule of findings.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts, and grants applicable to its PFC Program.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for the Airport's PFC Program 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 *Passenger Facility Charge Audit Guide for Public Agencies*. Those standards 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 material effect on the PFC Program occurred. An audit includes examining, on a test basis, evidence about the 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 on compliance for the PFC Program. However, our audit does not provide a legal determination of the Airport's compliance.

**Opinion on the Passenger Facility Charge Program**

In our opinion, the Airport complied, in all material respects, with the compliance requirements referred above that could have a direct and material effect on the PFC Program for the year ended December 31, 2017.



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

Management of the Airport 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 Airport's internal control over compliance with the types of requirements that could have a direct and material effect on the PFC Program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the PFC Program and to test and report on internal control over compliance in accordance with the Passenger Facility Charge Audit Guide for Public Agencies, 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 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 PFC 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 the PFC 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 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 Sully LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
April 19, 2018



**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, 2017, and the related notes to the financial statements, and have issued our report thereon dated April 19, 2018.

**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 19, 2018





## **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, 2017. 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 types of 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, 2017.

### **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 "Eide Bailly LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
April 19, 2018

City of Minot, North Dakota  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<u>Department of Commerce</u>				
Economic Adjustment Assistance	11.307		\$ 6,772,300	
<u>Department of Defense</u>				
North Dakota Environmental Infrastructure	12.118		335,258	
<u>Department of Housing and Urban Development</u>				
North Dakota Environmental Infrastructure	14.218		\$ 2,289,971	
<i>Passed through ND Department of Commerce,     Division of Community Services</i>				
Community Block Development Grants	14.228	B-14-DC-38-0001	666,602	30,000
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269		<u>12,044,529</u>	
Total Department of Housing and Urban Development				15,001,102
<u>Department of Justice</u>				
<i>Passed through ND Department of Health</i>				
Violence Against Women Formula Grants	16.588	G15.336	-	
Bulletproof Vest Partnership Program	16.607		2,806	
Edward Byrne Memorial Justice Assistance Grant Program	16.738		\$ 9,490	9,490
<i>Passed through ND Department of Health</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	1/1/2017 - 12/31/2017	<u>3,291</u>	
Total CFDA #16.738			<u>12,781</u>	
Total Department of Justice				15,587

City of Minot, North Dakota  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<u>Department of Transportation</u>				
Airport Improvement Program	20.106		1,828,549	
<i>Passed through ND Department of Transportation</i>				
Formula Grants for Rural Areas	20.509	38151508 & 38161117	805,280	
Formula Grants for Rural Areas	20.526	38160128 & 38161117	31,356	
National Priority Safety Programs	20.616	PHSPID1710-02-14	13,860	
National Priority Safety Programs	20.616	PSHSPOP1705-05-15	5,406	
National Priority Safety Programs	20.616	PHSPID1710-12-09	2,294	
National Priority Safety Programs	20.616	PHSPDD1711-02-08	4,000	
National Priority Safety Programs	20.616	PHSPID1810-02-11	3,376	
National Priority Safety Programs	20.616	PHSPOP1805-05-12	1,950	
National Priority Safety Programs	20.616	PHSPID1810-12-07	1,322	
Total CFDA #20.616			32,208	
Total Department of Transportation				2,697,393
<u>Environmental Protection Agency</u>				
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		42,009	
Total Environmental Protection Agency				42,009

City of Minot, North Dakota  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2017

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal CFDA Number	Pass-through Entity Identifying Number	Expenditures	Passed- Through to Subrecipients
<u>Department of Homeland Security (continued)</u>				
Hazard Mitigation Grant	97.039	ND-DR-1981-26R	<u>5,224,794</u>	
Total CFDA #97.039				5,224,794
Homeland Security Grant Program	97.067	A0771-001-2015-RT	30,281	
Homeland Security Grant Program	97.067	A0771-003-2015-RQ	10,878	
Homeland Security Grant Program	97.067	A0771-001-2016-RQ	4,820	
Homeland Security Grant Program	97.067	A0771-003-2016-RT	23,022	
Homeland Security Grant Program	97.067	A0751-001-2015-RQ	20,905	
Total CFDA #97.067				<u>89,906</u>
Total Department of Homeland Security				<u>5,314,700</u>
Total Federal Financial Assistance				<u>\$ 30,178,349</u> <u>\$ 39,490</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.

City of Minot, North Dakota  
Schedule of Passenger Facility Charges  
Year Ended December 31, 2017

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<u>Program Title</u>	<u>Revenue</u>
Passenger Facility Charge Program	<u>\$ 562,000</u>

**Notes to Schedule of Passenger Facility Charges**

**Note A – Basis of Presentation**

The accompanying schedule of Passenger Facility Charges is presented on the accrual basis of accounting.

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

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>CFDA Number</u>
Downtown Minot Smart Growth Development	11.307
Community Development Block Grants	14.218
Dollar threshold used to distinguish between type A and type B programs:	\$ 905,350
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**

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**Section IV – Passenger Facilities Charges**

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**None reported**