



# COMPREHENSIVE ANNUAL FINANCIAL REPORT



**MINOT**  
NORTH DAKOTA

FISCAL YEAR ENDING DECEMBER 31, 2018  
[www.minotnd.org](http://www.minotnd.org)

# THE MAGIC CITY

## **Comprehensive Annual Financial Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2018

**Prepared By**  
The Finance Department

City of Minot, North Dakota  
Comprehensive Annual Financial Report  
For the Fiscal Year Ended December 31, 2018

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April 19, 2019

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, 2018. 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, 2018 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 27.24 square miles and serves a population of approximately 47,822. 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 2018 was over \$543.1 million. During 2018, the Minot Air Force Base had over \$87.4 million in construction, services and other expenditures. Minot Air Force Base serves as the

home for over 12,423 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 2018, the property valuations for commercial building permits increased by over \$170.5 million compared to 2017 largely due to the construction of a new hospital for over \$129.9 million, flood protection infrastructure for over \$44.5 million, stores, customer services, and warehouses for over \$4.9 million, and a decrease in industrial and manufacturing buildings of over \$9.3 million. New residential buildings decreased by nearly \$2.5 million primarily due to a decrease in townhouses of over \$3.3 million, an increase in single family dwellings, including moved or relocated, of over \$1.0 million. Remodels and additions increased about \$2.8 million primarily due to an increase of over \$1.5 million in commercial remodels, and an increase of over \$0.9 million for commercial additions.

The City has seen a reduction in property values in the past couple of years. The mill levy increased in the 2018 budget was due to a reduction in property values and a reduction in sales tax collections. The mill levy increase in the 2019 budget was due to another reduction in property values and the sales tax reallocation for NAWs.

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, two parking ramps located in downtown Minot and general administrative services necessary to serve the citizens of the City.

A comprehensive workforce improvement plan is in the 2019 budget. The City’s workforce turnover rate is five times the national average and well above the neighboring and benchmark cities. In the past five years, the City has hired 416 employees but has only been able to retain 203 of them. Turnover costs have been very expensive especially for the police and firefighters. The City has implemented a plan to improve workforce attraction, retainage rates, and better align the City’s benefit package with local and regional equivalents.

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 May 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.

Minot was the recipient of the North Dakota League of Cities (NDLC), City of the Year for 2018. This is the second year Minot has been awarded this accomplishment. This award was established in 1984 and recognizes North Dakota cities for the quality, number, and progressiveness of activities undertaken in the community. This was awarded to Minot for several critical accomplishments which included the completion of the three year downtown Minot infrastructure improvement project, ongoing work with the Northwest Area Water Supply project, the ongoing Mouse River Enhanced Flood Protection project (MREFPP), and the completions of flood walls to protect the Minot water treatment plant from

future flooding.

### Factors Affecting Financial Condition

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

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

Sales Tax Collections		Property Tax Levied	
2014	\$ 27,245,883	2015	\$ 16,451,633
2015	26,035,551	2016	17,616,035
2016	21,375,144	2017	17,871,719
2017	20,035,165	2018	22,616,328
2018	21,182,065	2019	26,508,631

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				
	Population Estimate*	Total Assets & Deferred Outflows	Total Liabilities & Deferred Inflows	Net Position
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
2018	47,822	19,096	3,706	15,390

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

Expenses and Program Revenues Per Capita						
Population Estimate*	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Change in Net Position	
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
2018	47,822	2,508	857	242	794	537

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

	Ratio of Net Position to Expenses	
	Governmental Activities	Business-Type Activities
2014	5.20	8.12
2015	4.39	8.50
2016	5.35	6.92
2017	5.24	7.69
2018	5.22	7.66

**Long-Term Financial Planning.** The City has implemented five-year budget modeling in order to provide a longer-term view of anticipated revenues and expenditures. The challenges include funding and constructing the NAW's and flood control projects, identification and deployment of a new enterprise-wide software upgrade, construction of the northwest fire station, correcting maintenance backlogs, adequately funding street improvements, siting and construction of a new City Hall, and adequate financing of City capital and capital equipment needs.

The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves were capped by the Finance Director effective September 30, 2011 in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund that had been receiving a 1% dedicated sales tax. Effective January 1, 2019, the City reinstated the collection to allocate 40% of one cent of 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 \$220.0 million in expenditures remaining, of this \$70.0 million is for a biota treatment facility at the continental divide which will prevent biota transfer from the Missouri River Basin to the Great Lake Basin. The cost for this facility will be funded completely by the Federal government. The remaining \$150.0 million will be to complete pipelines, storage tanks, and pumping facilities along the pipeline. The City of Minot has a 35% cost share or approximately \$52.5 million which will be paid with sales tax funds. The City has approximately \$16.6 million in reserves as well as current sales tax collections remaining for this purpose. The project will extend to northwest North Dakota.

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%.

In June 2011, the voters opted to continue collecting the 1% sales tax, formerly for NAWS, and dedicated 30% to property tax relief, 40% to infrastructure projects, and 30% to community facilities. Effective January 1, 2019 it was determined to reallocate the sales tax collection, 40% was allocated to NAWS, 18% to property tax relief, 24% to infrastructure projects, and 18% to community facilities/flood control. The reallocation of the sales tax to NAWS has produced an increase to the mill levy of \$4 million or 19.43 mills.

As of the 2019 budget, approximately 60% of the first penny and 18% of the second penny is allocated 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 may require more sales tax funds dedicated to flood control.

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 Development Block Grants, two of which are Disaster Recovery Funds and the third one is National Disaster Resilience 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: \$60,491,594, \$34,693,064, and \$17,446,832 as of December 31, 2018. 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 by September 30, 2019. 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 economy looks to be improving. Oil and agricultural prices are on the rise. Property valuations appear to be stabilizing. The HUB City formula adjustments look to benefit the City if approved by the legislature. The Federal government appears to be taking more interest in aspects of the

regional flood control effort. The Wayfair vs. SD Supreme Court outcome should generate more sales tax revenues for the City. Consolidation of services (a potential library merger and a park and recreation merger) may result in savings to tax payers.

**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, 2017. This was the 39<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**

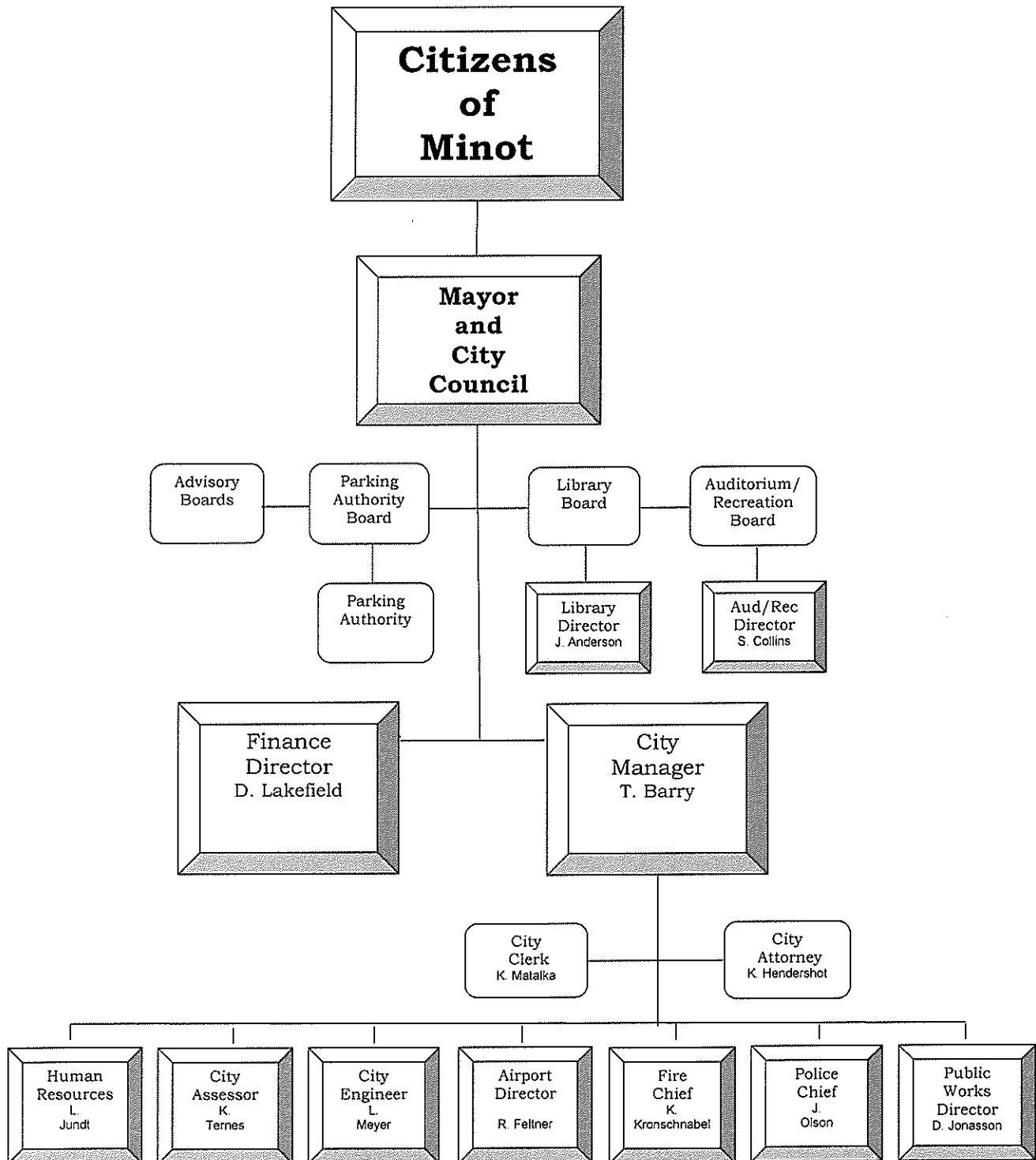
For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended

**December 31, 2017**

*Christopher P. Morrell*

Executive Director/CEO

City of Minot  
Organizational Chart



## **Elected and Appointed Officials**

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

	<u>Term Ends</u>
Mayor - Shaun Sipma	2022
Members of the Council:	
Shannon Straight	2020
Josh Wolsky	2020
Mark Jantzer - President	2022
Lisa Olson - Vice President	2022
Stephan Podrygula	2020
Paul Pitner	2022



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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, 2018, 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 audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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 opinions.



## **Opinions**

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, 2018, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## **Report on Summarized Prior Year Comparative Information**

We have previously audited the City of Minot's 2017 financial statements, and we expressed an unmodified audit opinion on those audited financial statements in our report dated April 18, 2019. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2017 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 changes in net pension liability, schedule of pension investment returns, schedule of changes in net OPEB liability, schedule of OPEB contributions, and schedule of OPEB investment returns 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 the schedule of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration; and are 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, the schedule of expenditures of federal awards, and schedule of passenger facility charges 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 18, 2019 on our consideration of the City'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. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City'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 18, 2019



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Management's  
Discussion  
and  
Analysis

**City of Minot  
Comprehensive Annual Financial Report  
December 31, 2018**

**Management's Discussion and Analysis**

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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, 2018, with comparative data for the fiscal year ended December 31, 2017. 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 nearly \$25.7 million or 3.6%. Charges for services increased over \$2.3 million due to an increase in licenses and permits of over \$0.7 million and sewer rates of nearly \$1.4 million. Operating grants and contributions increased over \$3.8 million due to increased activity for the National Disaster Resilience Grant Program of nearly \$2.3 million and an increase of nearly \$0.8 million for the System Wide Improvement Framework (SWIF) levy maintenance and outfall pipes project. Capital grants and contributions decreased over \$37.0 million due to flood control home acquisitions slowing down of nearly \$14.1 million and the HMGP water treatment plant and EDA downtown infrastructure grants being completed of nearly \$13.0 million. Program expenses increased by nearly \$3.5 million with business-type activities increasing in expenses by nearly \$1.3 million primarily due to an increase in water and sewer for depreciation expense and governmental activities increasing by over \$2.2 million due to an increase in highways and streets for depreciation expense. Overall governmental and business-type activities netted to a negative change in net position prior to general revenues of over \$28.6 million with the governmental activities reporting a negative change in net position of \$26.1 million and the business-type activities reporting a negative change in net position of over \$2.5 million.
- During 2018 capital assets, net of depreciation, increased by nearly \$21.6 million compared to 2017. Construction in progress increased by over \$11.5 million compared to 2017 largely in part to flood control and water and sewer projects, such as the Mouse River Enhanced Flood Protection Project (MREFPP), water plant expansion, and the waste water treatment plant hydraulic improvements. Land increased nearly \$7.3 million due to flood control acquisitions. Infrastructure increased nearly \$5.7 million. Governmental activities accounted for over \$4.1 million of the increase primarily due to the Broadway viaduct replacement project and MREFPP Phase 2A. Business-type activities accounted for over \$1.5 million due to the Sundre Raw Waterline and Booster Station project.
- Highway and street program expenses increased by over \$2.3 million primarily due to an increase in depreciation expense of \$1.6 million. General government program expenses increased nearly \$3.7 million primarily due to a loss on the sale of property of over \$2.2 million. The City sold properties in 2018 as part of a Neighbor Next Door Program. Culture and recreation program expenses decreased over \$3.6 million due to use of sales tax community facilities funds for flood control of nearly \$2.4 million and a decrease of \$1.1 million in recreation and auditorium maintenance projects. Airport program expenses decreased nearly \$0.5 million due to a decrease in department expenditures. Sanitation program expenses decreased over \$0.8 million due to a reduction in personnel costs due to the automated sanitation process. Water and sewer program expenses increased nearly \$2.6 million due to an increase in depreciation expense of nearly \$1.9 million and an increase in department expenditures of over \$0.9 million.
- The unassigned fund balance for the General Fund was over \$30.9 million or 93.3% of the total general fund expenditures. This is an increase from 2017 of over \$4.8 million.
- As of December 2018, the price per barrel for oil was \$37.68, which was \$24.07 lower per barrel than January 2018. As of December 2018, North Dakota was producing 1,373,000 barrels of crude oil per



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day, compared to 1,158,000 barrels per day as of January 2018.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**Government-Wide Financial Statements**

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

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred inflows of resources, with the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

Since the 2011 flood the City's net position has improved from \$245.5 million to nearly \$736.0 million. This is an increase of \$490.5 million or 199.7%. The majority of the funding for this increase came from grants and contributions as the City only bonded for \$108.0 million during this same time frame.



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

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

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

The government-wide financial statements begin on page 18.

**Fund Financial Statements**

A *fund* is a fiscal and accounting entity with a self-balancing set of accounts recording cash and other financial resources, together with all related liabilities and residual equities or balances, and changes therein, which are segregated for the purpose of carrying on

## Management's Discussion and Analysis

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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 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 27 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

non-major 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, Parking Authority, and Parking Ramps operations, as non-major 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 non-major 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.

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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.

**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 46-73 of this report.

The City presents combining statements referred to earlier in connection with non-major 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 tables present condensed information on the City's Net Position and Changes in Net Position for the fiscal year ended December 31, 2018, with comparative data for the fiscal year ended December 31, 2017. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by

\$735,982,545 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (82.8%) 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 (8.3%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for customer facility charges \$815,226, for general government \$173,189, for capital leases \$2,325,567, for sales tax property tax relief \$1,211,947, for sales tax economic development \$10,281,687, for sales tax improvements \$4,534,254, for sales tax flood control \$4,750,786, for sales tax NAWS \$16,566,834, for sales tax infrastructure \$7,805,000, for sales tax community facilities \$4,519,089, and \$8,697,693 for debt service. The unrestricted net position of \$64,715,222 is to meet the government's ongoing obligations to citizens and creditors.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Current and other assets	\$ 136,806,237	\$ 143,144,816	\$ 58,792,274	\$ 45,357,922	\$ 195,598,511	\$ 188,502,738
Capital assets	344,072,213	326,896,227	362,638,034	358,216,273	706,710,247	685,112,500
Total assets	480,878,450	470,041,043	421,430,308	403,574,195	902,308,758	873,615,238
Deferred outflows of resources	8,315,808	3,893,576	2,596,827	1,649,667	10,912,635	5,543,243
Long-term debt outstanding	84,081,532	80,732,635	67,631,896	64,231,378	151,713,428	144,964,013
Other liabilities	11,486,038	9,552,700	9,734,328	9,188,305	21,220,366	18,741,005
Total liabilities	95,567,570	90,285,335	77,366,224	73,419,683	172,933,794	163,705,018
Deferred inflows of resources	2,997,708	3,907,003	1,307,346	1,241,702	4,305,054	5,148,705
Net position						
Net investment in capital assets	307,599,271	289,558,273	301,986,780	304,758,387	609,586,051	594,316,660
Restricted net position	52,536,266	74,642,851	9,145,006	6,624,839	61,681,272	81,267,690
Unrestricted net position	30,493,443	15,541,157	34,221,779	19,179,251	64,715,222	34,720,408
Total net position	\$ 390,628,980	\$ 379,742,281	\$ 345,353,565	\$ 330,562,477	\$ 735,982,545	\$ 710,304,758

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There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use. At the end of 2018, 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 nearly \$25.7 million during 2018. The increase was a combination of items, program expenses increased by nearly \$3.5 million, of that over \$2.2 million was an increase in governmental activities and nearly \$1.3 million was an increase in business-type activities. Program revenues decreased from 2017 due largely to capital grants and contributions decreasing over \$37.0 million between governmental and business-type activities. Charges for services increased over

\$2.3 million, an increase of governmental of nearly \$1.0 primarily due to an increase licenses and permits and business-type increased by over \$1.3 million primarily due to an increase in sewer rates.

**Governmental Activities.** Governmental program revenues decreased nearly \$14.8 million largely due to capital grants and contributions decreasing over \$19.1 million. This decrease was primarily due to home acquisitions decreasing by \$14.1 million. Governmental program expenses increased by over \$2.2 million. Overall the general government program expenses increased nearly \$3.7 million, primarily due to a loss on the sale of property of over \$2.2 million, public safety increased nearly \$0.4 million, highways and street increased over \$2.3 million due to an increase of \$1.7 million in depreciation expense, culture and recreation decreased over \$3.6

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
Program Revenues						
Charges for services	\$ 8,280,596	\$ 7,290,810	\$ 32,701,839	\$ 31,330,271	\$ 40,982,435	\$ 38,621,081
Operating grants and contributions	10,488,285	7,119,021	1,071,823	580,465	11,560,108	7,699,486
Capital grants and contributions	29,911,056	49,027,092	8,077,017	25,980,253	37,988,073	75,007,345
General revenues						
Taxes	49,792,422	43,860,607	797,082	758,690	50,589,504	44,619,297
Investment earnings	1,576,164	801,119	423,177	249,010	1,999,341	1,050,129
Miscellaneous	1,360,796	1,165,742	390,265	756,238	1,751,061	1,921,980
Total revenues	101,409,320	109,264,391	43,461,203	59,654,927	144,870,523	168,919,318
Program Expenses						
General government	27,658,285	23,977,427	-	-	27,658,285	23,977,427
Public safety	19,357,138	18,957,397	-	-	19,357,138	18,957,397
Highways and streets	22,087,149	19,760,322	-	-	22,087,149	19,760,322
Culture and recreation	4,115,743	7,763,862	-	-	4,115,743	7,763,862
Economic development	420,838	826,120	-	-	420,838	826,120
Interest on long-term debt	1,187,992	1,324,441	-	-	1,187,992	1,324,441
Airport	-	-	10,498,354	10,980,460	10,498,354	10,980,460
Cemetery	-	-	514,137	497,842	514,137	497,842
Parking authority	-	-	15,337	32,703	15,337	32,703
Sanitation	-	-	5,342,969	6,161,384	5,342,969	6,161,384
Water and sewer	-	-	27,894,194	25,320,866	27,894,194	25,320,866
Parking ramps	-	-	100,600	-	100,600	-
Total expenses	74,827,145	72,609,569	44,365,591	42,993,255	119,192,736	115,602,824
Excess (deficiency) before transfers	26,582,175	36,654,823	(904,388)	16,661,671	25,677,787	53,316,494
Transfers	(15,695,476)	(6,886,141)	15,695,476	6,886,141	-	-
Change in net position	10,886,699	29,768,682	14,791,088	23,547,812	25,677,787	53,316,494
Net position, January 1	379,742,281	349,973,599	330,562,477	307,014,665	710,304,758	656,988,264
Net position, December 31	\$390,628,980	\$379,742,281	\$345,353,565	\$330,562,477	\$735,982,545	\$710,304,758

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million due to the use of sales tax community facility funds for flood control of nearly \$2.4 million and a decrease of \$1.1 million in recreation and auditorium maintenance projects, and economic development decreased over \$0.4 million.

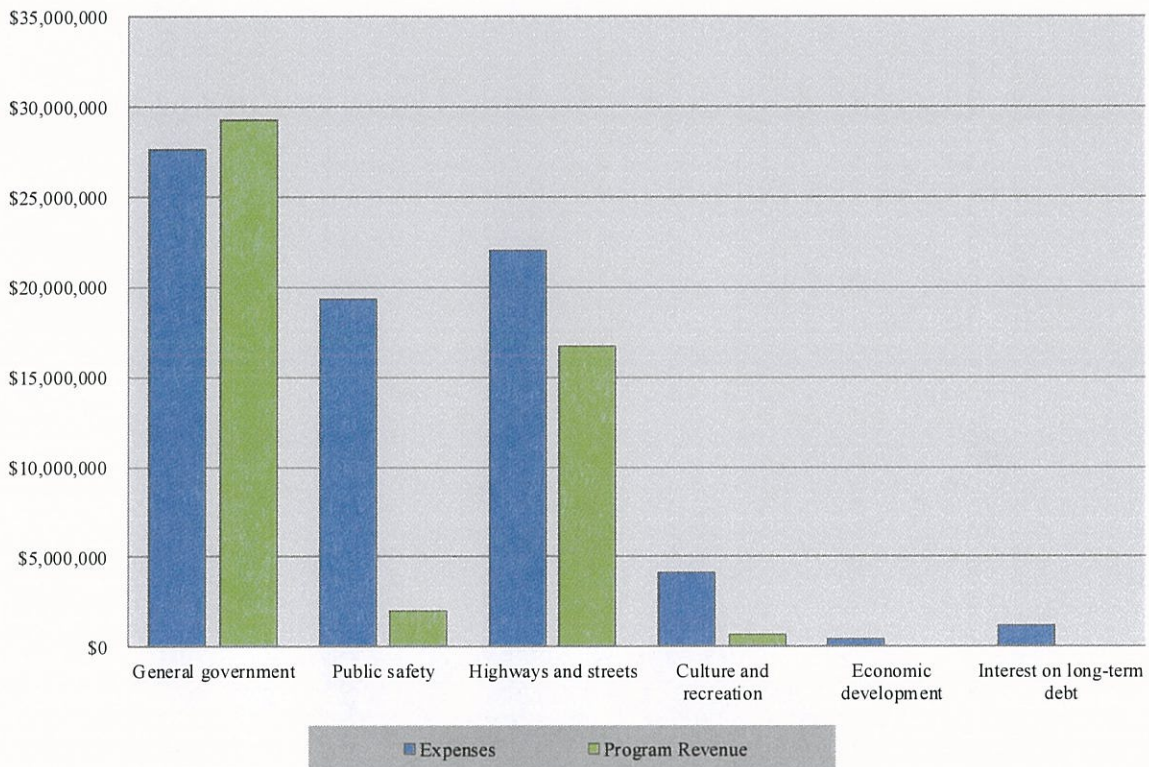
**Business-Type Activities.** Business-type program revenues decreased by nearly \$16.1 million during 2018 due to decreases in capital grants and contributions of over \$17.9 million primarily due to the HMGP water treatment plant and EDA downtown infrastructure grants ending and the use of North Dakota oil and gas taxes for street projects instead of water and sewer projects. Business-type program expenses increased by nearly \$1.3 million in 2018 due to an increase in expenses in Water and Sewer of nearly \$2.6 million due to an increase in depreciation expense of nearly \$1.9 million and an increase in department expenses of over \$0.9 million, decrease in Airport of nearly \$0.5 million due to decrease in department expenses and a decrease in Sanitation of over \$0.8 million due to a reduction in personnel costs due to the automated sanitation process.

The charts on pages 12 and 13 summarize the City's revenues and expenses for both governmental and business-type activities.

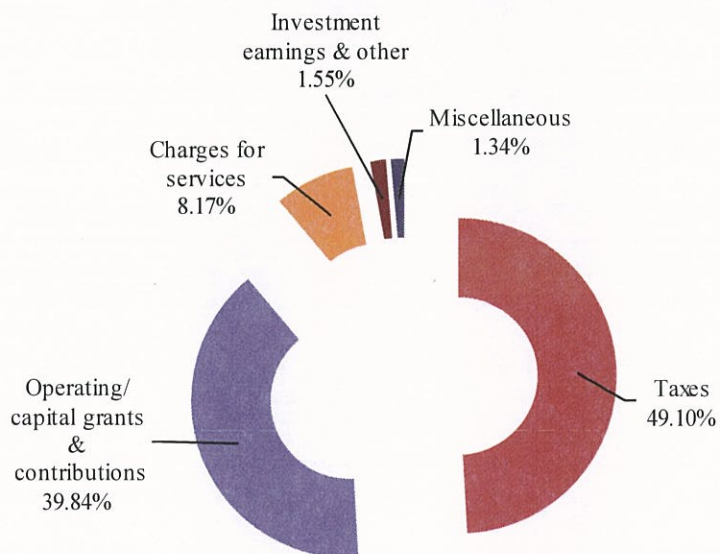


Management's Discussion and Analysis

### Expenses & Program Revenues Governmental Activities

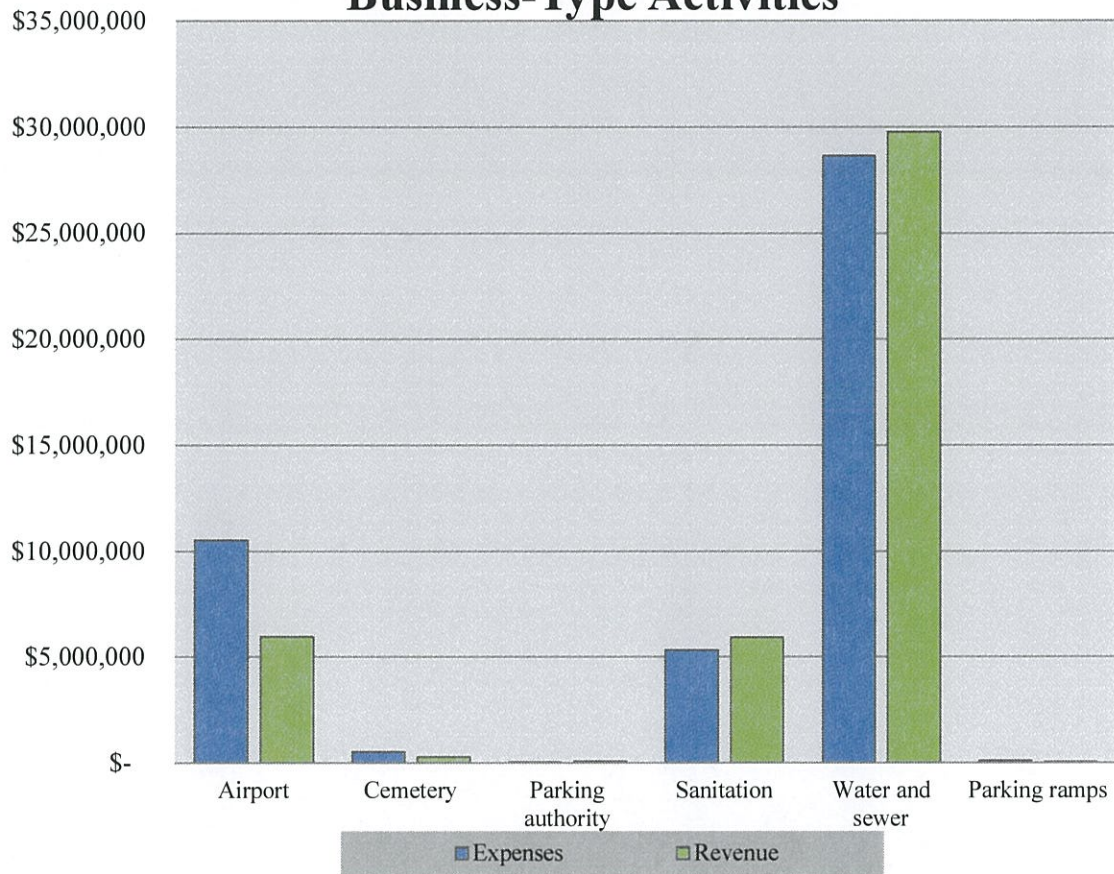


### Revenues by Source Governmental Activities

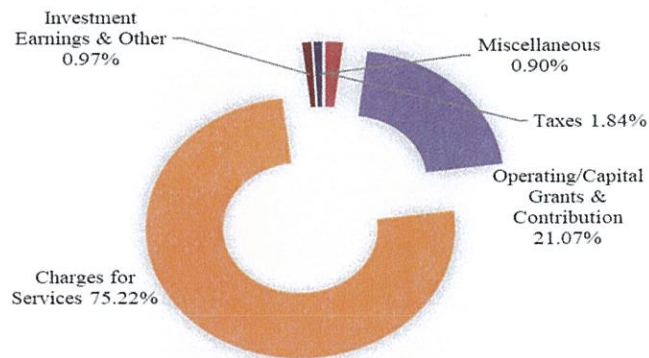


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## Expenses & Program Revenues Business-Type Activities



## 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 2018, the City's governmental funds reported combined ending fund balances of over \$112.3 million, a decrease of over \$9.5 million in comparison with 2017. Revenues for the period decreased over \$10.2 million due to a decrease of over \$17.5 million in intergovernmental revenues due to home acquisitions decreasing nearly \$14.1 million, an increase in property tax collections of nearly \$4.2 million and an increase in sales tax collections of over \$1.1 million while expenditures decreased nearly \$19.1 million due to increases in general government of over \$1.5 million, public safety expenditures increased by nearly \$0.8 million, an increase in highway and streets expenditures over \$0.7 million, a decrease in culture and recreation expenditures of over \$3.7 million and a decrease in economic development expenditures of over \$0.4 million, a decrease in capital outlay contracted work of nearly \$1.9 million, and a decrease of nearly \$14.1 million for capital outlay acquisitions. The governmental funds nonspendable fund balance is \$589,211, restricted fund balance \$52,536,266, committed fund balance \$6,231,244, assigned fund balance \$22,648,734, and unassigned fund balance \$30,306,759.

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 \$30,949,573. 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 93.3% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$4,866,567 during the current fiscal year. This increase resulted from expenditures being at or lower than what was budgeted for all departments for 2018. In total, all expenditures were over \$2.8 million below budget and revenues for the general fund were over nearly \$1.1 million compared to the budget.

The **Sales Tax NAWS Fund** had a decrease in fund balance of \$12,572,745 primarily due to the transfer to water and sewer for the NAWS water plant expansion project.

The **Special Assessment Debt Fund** had a decrease in fund balance by \$424,666 due to debt retirement expenditures being more than revenues during 2018.

The **Highway Reserve Fund** decreased in fund balance by \$400,385 due to capital outlay expenditures being more than revenues during 2018.

The **Capital Purchases Fund** increased by \$289,884 due to capital purchases revenues exceeding expenditures. Capital outlay expenditures decreased overall by over \$16.3 million compared to 2017 primarily due to flood control home acquisitions decreasing nearly \$14.1 million.

**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 \$33,520,052, of which Airport accounted for \$3,913,909, Sanitation (\$3,701,982), Water and Sewer \$32,864,594 and the non-major funds accounted for \$443,531. Sanitation has an unrestricted negative net position due to the net pension liability of \$3,955,656. Restricted net position was \$6,218,930 for bond covenants, \$815,226 for customer facility charges and \$2,110,850 for capital leases. The restrictions do not

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significantly affect the availability of fund resources for future use.

The change in net position for these funds was nearly \$14.8 million, due to an increase in charges for services of nearly \$1.3 million, a decrease in capital contributions of over \$17.9 million, an increase in transfers in of over \$8.7 million due primarily to the transfer from NAWS for the water treatment plant expansion and increase in expenses of nearly \$1.3 million.

**GENERAL FUND BUDGETARY  
HIGHLIGHTS**

The differences between the original budget and the final amended budget was an increase in revenues of over \$1.4 million and an increase in expenditure appropriations of over \$1.6 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being nearly \$1.1 million more than budgeted and the expenditures being over \$2.8 million less than budgeted. There is a total deficiency of actual revenues over expenditures of over \$3.2 million primarily due to budgeted transfers from sales tax funds to reduce property tax levy. After transfers in of over \$7.9 million, of which over \$3.6 million was for direct property tax relief, the overall net change in fund balance was \$4,866,567.

**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, 2018, is \$706,710,247 (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 nearly \$21.6 million in 2018 due to an increase of nearly \$7.3 million in land, an increase of nearly \$5.7 million in infrastructure, and an increase of \$11.5 million in construction in progress.

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

- Home acquisitions
- MREFPP Phase 2A
- U.S. 2/42<sup>nd</sup> St SE improvements
- Sundre raw water pipeline/booster station
- Broadway viaduct reconstruction
- Donations of infrastructure
- Landfill cell 6

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	
	2018	2017	2018	2017	2018	2017
Land	\$ 89,315,522	\$ 82,025,785	\$ 9,647,078	\$ 9,644,467	\$ 98,962,600	\$ 91,670,252
Construction in progress	15,172,549	8,917,562	19,931,493	14,685,477	35,104,042	23,603,039
Buildings	12,354,797	12,402,523	48,695,757	49,808,911	61,050,554	62,211,434
Equipment	8,692,240	9,234,030	12,308,432	13,540,542	21,000,672	22,774,572
Infrastructure	217,139,541	212,981,566	271,993,699	270,462,225	489,133,240	483,443,791
Intangible assets	183,259	224,506	61,575	74,651	244,834	299,157
Books	1,214,305	1,110,255	-	-	1,214,305	1,110,255
Total capital assets	\$344,072,213	\$326,896,227	\$ 362,638,034	\$358,216,273	\$706,710,247	\$685,112,500

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**Long-Term Debt.** At year-end, the City had total debt of \$96,016,825, a decrease of \$1,140,785 compared to the prior year. Note 4. I on pages 59-62 of this report describes the City's long-term debt in detail.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2018	2017	2018	2017	2018	2017
General obligation bonds	\$ 16,500,655	\$ 18,408,804	\$ -	\$ -	\$ 16,500,655	\$ 18,408,804
Special assessment bonds	17,740,256	19,622,342	-	-	17,740,256	19,622,342
Capital financing program bonds	1,687,190	1,817,444	-	-	1,687,190	1,817,444
Revenue bonds	-	-	47,217,220	50,575,996	47,217,220	50,575,996
State revolving fund	179,120	-	6,215,499	-	6,394,619	-
Notes payable	-	-	878,930	965,878	878,930	965,878
Capital leases	214,717	22,945	2,110,850	2,189,092	2,325,567	2,212,037
Compensated absences	1,149,950	1,195,177	295,103	321,163	1,445,053	1,516,340
MSWLF closure & postclosure costs	-	-	1,827,335	2,038,769	1,827,335	2,038,769
Total outstanding debt	\$37,471,888	\$41,066,712	\$58,544,937	\$56,090,898	\$ 96,016,825	\$ 97,157,610

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$173,939,316. The City's legal debt margin is \$157,849,969. The net bonded debt per capita is \$336.44.

Total appropriations for operations for 2019 increased over \$13.0 million from 2018. This 12.7% increase is primarily due to budgeting the City's capital and highway projects for the fiscal year 2019 for nearly \$12.8 million.

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

Projects in 2018, which boosted the economy in Minot included, Trinity Health for \$129.7 million for new hospital campus, Vallely Investments, LLP for \$2.2 million for a new building for sport and marine sales, "O"riginal LLP for \$1.4 million for a new building for the Original Bar, and several other condos, apartment buildings, restaurants and business remodels.

The 2019 City of Minot budget value of a mill decreased from \$212,053 to \$205,189 per mill.

The mill levy for the City of Minot's 2019 budget is 129.23 mills – compared to 106.46 mills in 2018, an increase of 22.70 mills. The increase in the mills is due to a decrease in sales tax collections and the reallocation of 40 percent of the second penny back to NAWS.

**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).

# Basic Financial Statements

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 39,452,365	\$ 24,869,663	\$ 64,322,028	\$ 33,278,348
Investments	31,590,968	9,284,698	40,875,666	52,423,478
Receivables				
Taxes receivable delinquent	1,129,254	43,238	1,172,492	869,608
Special assessments delinquent	481,172	-	481,172	310,283
Accounts receivable, net of allowance	379,864	3,388,772	3,768,636	3,731,472
Loans receivable, net of allowance	1,460,480	-	1,460,480	1,470,560
Intergovernmental receivable	6,206,651	10,739,432	16,946,083	25,406,144
Accrued interest receivable	129,313	38,616	167,929	166,394
Inventory	363,789	-	363,789	365,920
Prepaid	186,391	108,571	294,962	274,883
Other assets - capital credits	398,462	369,050	767,512	734,663
Restricted cash and cash equivalents	41,543,024	9,145,006	50,688,030	56,396,366
Net OPEB asset	-	-	-	14,828
Special assessments deferred	13,484,504	805,228	14,289,732	13,059,791
Capital assets not being depreciated				
Land	89,315,522	9,647,078	98,962,600	91,670,252
Construction in progress	15,172,549	19,931,493	35,104,042	23,603,039
Capital assets net of accumulated depreciation				
Buildings	12,354,797	48,695,757	61,050,554	62,211,434
Equipment	8,692,240	12,308,432	21,000,672	22,774,572
Infrastructure	217,139,541	271,993,699	489,133,240	483,443,791
Intangible assets	183,259	61,575	244,834	299,157
Books	1,214,305	-	1,214,305	1,110,255
Total assets	480,878,450	421,430,308	902,308,758	873,615,238
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	8,275,655	2,586,046	10,861,701	5,543,243
Deferred outflows of resources related to OPEB	40,153	10,781	50,934	-
Total deferred outflows of resources	8,315,808	2,596,827	10,912,635	5,543,243

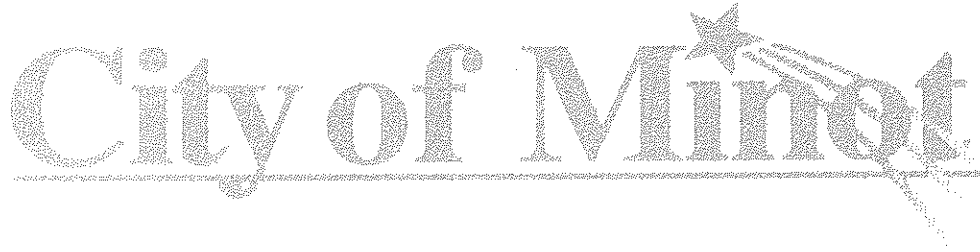


**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Governmental Activities	Business-Type Activities	Total 2018	Total 2017
<b>LIABILITIES</b>				
Accounts payable	\$ 2,925,727	\$ 3,051,175	\$ 5,976,902	\$ 6,417,923
Retainage payable	926,709	1,945,538	2,872,247	2,071,536
Internal balances	616,727	(616,727)	-	-
Accrued salaries payable	490,732	139,938	630,670	492,923
Insurance claims payable	170,443	-	170,443	147,613
Accrued interest payable	259,828	403,439	663,267	686,923
Customer deposits	46,233	214,892	261,125	255,522
Unearned revenue - other	1,691,049	1,200	1,692,249	137,468
Current debt - due within one year				
Special assessment debt with governmental commitment	59,780	-	59,780	35,001
Compensated absences	402,482	103,286	505,768	530,719
Capital leases payable	35,619	777,454	813,073	638,234
Capital financing program debt	130,254	-	130,254	120,000
All other debt	3,730,455	3,714,133	7,444,588	7,207,143
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	400,555	-	400,555	145,438
Compensated absences	747,468	191,817	939,285	985,621
Capital leases payable	179,098	1,333,396	1,512,494	1,573,803
Capital financing program debt	1,556,936	-	1,556,936	1,565,000
All other debt	30,229,241	50,597,516	80,826,757	82,317,882
Accrued MSWLF postclosure care costs	-	1,827,335	1,827,335	2,038,769
Net pension liability	50,877,326	13,657,429	64,534,755	56,337,500
Net OPEB liability	90,908	24,403	115,311	-
Total liabilities	95,567,570	77,366,224	172,933,794	163,705,018
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	2,997,708	1,307,346	4,305,054	5,072,487
Deferred inflows of resources related to OPEB	-	-	-	76,218
Total deferred inflows of resources	2,997,708	1,307,346	4,305,054	5,148,705
<b>NET POSITION</b>				
Net investment in capital assets	307,599,271	301,986,780	609,586,051	594,316,660
Restricted for:				
Customer facility charges	-	815,226	815,226	620,699
General government	173,189	-	173,189	-
Capital leases	214,717	2,110,850	2,325,567	2,212,037
Sales tax property tax relief	1,211,947	-	1,211,947	620,510
Sales tax economic development	10,281,687	-	10,281,687	9,956,038
Sales tax improvements	4,534,254	-	4,534,254	4,539,630
Sales tax flood control	4,750,786	-	4,750,786	11,298,564
Sales tax NAWS	16,566,834	-	16,566,834	29,139,579
Sales tax infrastructure	7,805,000	-	7,805,000	7,694,952
Sales tax community facilities	4,519,089	-	4,519,089	5,780,863
Debt service	2,478,763	6,218,930	8,697,693	9,004,515
Other purposes	-	-	-	400,303
Unrestricted net position	30,493,443	34,221,779	64,715,222	34,720,408
Total net position	\$390,628,980	\$345,353,565	\$735,982,545	\$710,304,758

*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, 2018  
With Comparative Totals for December 31, 2017

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 2018	Total 2017
<b>Governmental Activities</b>								
General government	\$ 27,658,285	\$ 6,516,083	\$ 7,897,958	\$ 14,896,495	\$ 1,652,251	\$ -	\$ 1,652,251	\$ 13,462,297
Public safety	19,357,138	1,287,801	661,683	67,539	(17,340,115)	-	(17,340,115)	(17,336,448)
Highways and streets	22,087,149	-	1,882,272	14,809,130	(5,395,747)	-	(5,395,747)	3,958,430
Culture and recreation	4,115,743	476,712	46,372	137,892	(3,454,767)	-	(3,454,767)	(7,106,363)
Economic development	420,838	-	-	-	(420,838)	-	(420,838)	(826,120)
Interest on long-term debt	1,187,992	-	-	-	(1,187,992)	-	(1,187,992)	(1,324,441)
Total governmental activities	74,827,145	8,280,596	10,488,285	29,911,056	(26,147,208)	-	(26,147,208)	(9,172,645)
<b>Business-Type Activities</b>								
Airport	10,498,354	4,218,415	626,823	1,102,373	-	(4,550,743)	(4,550,743)	(4,060,098)
Cemetery	514,137	280,341	-	-	-	(233,796)	(233,796)	(200,483)
Parking authority	15,337	51,710	-	-	-	36,373	36,373	14,607
Sanitation	5,342,969	5,733,297	-	36,329	-	426,657	426,657	1,910,458
Water and sewer	27,894,194	22,375,882	445,000	6,938,315	-	1,865,003	1,865,003	17,233,250
Parking ramps	100,600	42,194	-	-	-	(58,406)	(58,406)	-
Total business-type activities	44,365,591	32,701,839	1,071,823	8,077,017	-	(2,514,912)	(2,514,912)	14,897,733
<b>Total government</b>	<u>\$ 119,192,736</u>	<u>\$ 40,982,435</u>	<u>\$ 11,560,108</u>	<u>\$ 37,988,073</u>	<u>(26,147,208)</u>	<u>(2,514,912)</u>	<u>(28,662,120)</u>	<u>5,725,088</u>
<b>General Revenues</b>								
Taxes								
Property taxes, levied for general purposes					18,361,227	797,082	19,158,309	14,656,250
Property taxes, levied for debt service					2,936,172	-	2,936,172	3,056,361
Sales tax					21,182,065	-	21,182,065	20,035,165
Municipal highway tax					2,618,870	-	2,618,870	2,560,200
State aid distribution-unrestricted					3,818,739	-	3,818,739	3,378,357
Franchise taxes					571,431	-	571,431	629,927
Other taxes					303,918	-	303,918	303,037
Investment earnings					1,576,164	423,177	1,999,341	1,050,129
Miscellaneous					1,360,796	390,265	1,751,061	1,921,980
Transfers					(15,695,476)	15,695,476	-	-
Total general revenues and transfers					37,033,906	17,306,000	54,339,906	47,591,406
Change in net position					10,886,699	14,791,088	25,677,787	53,316,494
Net position, January 1					379,742,281	330,562,477	710,304,758	656,988,264
Net position, December 31					<u>\$ 390,628,980</u>	<u>\$ 345,353,565</u>	<u>\$ 735,982,545</u>	<u>\$ 710,304,758</u>

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

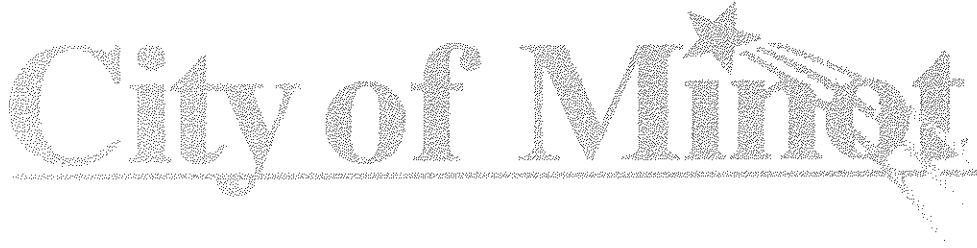
**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	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	\$ 10,027,647	\$ -	\$ 2,006,735	\$ 9,689,699
Restricted cash and investments	214,717	6,193,964	1,658,537	-
Investments - certificates of deposit	21,018,734	2,609,898	-	-
Taxes receivable delinquent	653,718	-	3,254	-
Special assessments receivable delinquent	4,575	-	445,849	-
Accounts receivable	773,021	-	-	-
Allowance for accounts receivable	(463,198)	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	-	-	-
Intergovernmental receivable	1,529,230	-	23	-
Accrued interest receivable	117,824	11,489	-	-
Inventory	-	-	-	-
Prepaid	118,624	-	-	-
Other assets - capital credits	354,973	-	-	-
Investments	-	7,962,336	-	-
Advance to other funds	-	-	-	-
Special assessments receivable uncertified	36,770	-	13,400,186	-
Total assets	<u>\$ 34,386,635</u>	<u>\$ 16,777,687</u>	<u>\$ 17,514,584</u>	<u>\$ 9,689,699</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 859,927	\$ 210,853	\$ 1,938	\$ 159,579
Retainage payable	-	-	-	60,977
Due to other funds	-	-	-	-
Accrued salaries payable	426,361	-	-	-
Customer deposits	46,233	-	-	-
Advance from other funds	-	-	-	-
Unearned revenue - other	53,940	-	-	-
Total liabilities	<u>1,386,461</u>	<u>210,853</u>	<u>1,938</u>	<u>220,556</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessments	36,770	-	13,400,186	-
Unavailable revenue - property taxes	605,351	-	3,254	-
Unavailable revenue - special assessments	4,575	-	445,648	-
Deferred inflows of resources	<u>646,696</u>	<u>-</u>	<u>13,849,088</u>	<u>-</u>
<b>FUND BALANCE</b>				
Nonspendable	473,597	-	-	-
Restricted	214,717	16,566,834	1,658,537	-
Committed	480,742	-	-	1,770,969
Assigned	234,849	-	2,005,021	7,698,174
Unassigned	30,949,573	-	-	-
Total fund balance	<u>32,353,478</u>	<u>16,566,834</u>	<u>3,663,558</u>	<u>9,469,143</u>
Total liabilities, inflows and fund balance	<u>\$ 34,386,635</u>	<u>\$ 16,777,687</u>	<u>\$ 17,514,584</u>	<u>\$ 9,689,699</u>

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Capital Project Fund Capital Purchases	Other Governmental Funds	Total Governmental Funds 2018	Total Governmental Funds 2017
<b>ASSETS</b>				
Cash and investments	\$ 1,549,882	\$ 13,023,342	\$ 36,297,305	\$ 17,347,360
Restricted cash and investments	-	33,475,806	41,543,024	49,771,527
Investments - certificates of deposit	-	-	23,628,632	22,326,330
Taxes receivable delinquent	-	472,282	1,129,254	836,388
Special assessments receivable delinquent	-	30,748	481,172	310,283
Accounts receivable	1,296,809	191,769	2,261,599	1,784,667
Allowance for accounts receivable	(1,284,309)	(135,150)	(1,882,657)	(1,275,291)
Loans receivable	-	1,825,600	1,825,600	1,838,200
Allowance for loans receivable	-	(365,120)	(365,120)	(367,640)
Due from other funds	-	297,737	297,737	3,630,636
Intergovernmental receivable	595,811	4,081,587	6,206,651	13,713,049
Accrued interest receivable	-	-	129,313	125,071
Inventory	-	6,590	6,590	6,536
Prepaid	-	67,767	186,391	176,947
Other assets - capital credits	-	41,257	396,230	383,717
Investments	-	-	7,962,336	19,951,557
Advance to other funds	-	85,000	85,000	973,123
Special assessments receivable uncertified	-	47,548	13,484,504	13,059,791
Total assets	<u>\$ 2,158,193</u>	<u>\$ 53,146,763</u>	<u>\$ 133,673,561</u>	<u>\$ 144,592,251</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 143,174	\$ 1,511,958	\$ 2,887,429	\$ 3,386,393
Retainage payable	103,649	762,083	926,709	950,317
Due to other funds	-	297,737	297,737	3,630,636
Accrued salaries payable	-	64,371	490,732	381,302
Customer deposits	-	-	46,233	46,233
Advance from other funds	-	-	-	7,945
Unearned revenue - other	1,637,109	-	1,691,049	137,468
Total liabilities	<u>1,883,932</u>	<u>2,636,149</u>	<u>6,339,889</u>	<u>8,540,294</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessments	-	47,548	13,484,504	13,059,791
Unavailable revenue - property taxes	7,224	440,154	1,055,983	799,778
Unavailable revenue - special assessments	-	30,748	480,971	300,711
Deferred inflows of resources	<u>7,224</u>	<u>518,450</u>	<u>15,021,458</u>	<u>14,160,280</u>
<b>FUND BALANCE</b>				
Nonspendable	-	115,614	589,211	567,200
Restricted	-	34,096,178	52,536,266	71,462,569
Committed	267,037	3,712,496	6,231,244	4,804,995
Assigned	-	12,710,690	22,648,734	18,523,128
Unassigned	-	(642,814)	30,306,759	26,533,785
Total fund balance	<u>267,037</u>	<u>49,992,164</u>	<u>112,312,214</u>	<u>121,891,677</u>
Total liabilities, inflows and fund balance	<u>\$ 2,158,193</u>	<u>\$ 53,146,763</u>	<u>\$ 133,673,561</u>	<u>\$ 144,592,251</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, 2018**

Total fund balances for governmental funds		\$112,312,214
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	\$ 89,315,522	
Construction work in process	15,172,549	
Buildings, net of accumulated depreciation (\$9,252,152)	12,354,797	
Equipment, net of accumulated depreciation (\$16,254,401)	8,692,240	
Infrastructure, net of accumulated depreciation (\$89,106,397)	217,139,541	
Intangible assets, net of accumulated depreciation (\$415,070)	183,259	
Books, net of accumulated depreciation (\$2,223,431)	1,214,305	
Total capital assets (Note 4. E)		344,072,213
Net OPEB asset/liability and OPEB 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 OPEB liability	(90,908)	
Deferred outflow of resources	40,153	
Total net OPEB liability and related deferred inflows/outflows		(50,755)
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	(50,877,326)	
Deferred outflows of resources	8,275,655	
Deferred inflows of resources	(2,997,708)	
Total net pension liability and related deferred outflows and inflows		(45,599,379)
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.		2,604,945
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		
Total taxes and specials not available		15,021,458
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)		(\$37,731,716)
Total net position of governmental activities		<u>\$390,628,980</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, 2018**  
**With Comparative Totals for December 31, 2017**

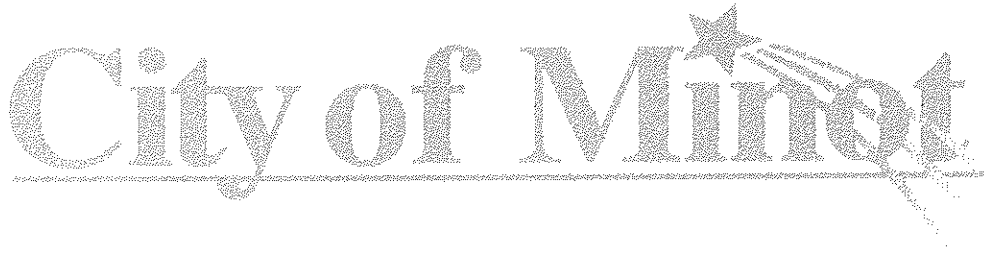
		Special Revenue Fund	Debt Service Fund Special	Capital Project Fund
	General Fund	Sales Tax NAWS	Assessment Debt	Highway Reserve
<b>REVENUES</b>				
Property tax collections	\$ 12,537,258	\$ -	\$ 46,029	\$ -
Special assessment collections	24,421	-	1,775,334	-
Sales tax collections	-	-	-	-
Licenses and permits	1,398,108	-	-	-
Intergovernmental	9,110,442	-	-	1,457,104
Charges for services	3,996,385	-	-	-
Cable TV franchise fees	571,431	-	-	-
Fines and forfeits	739,543	-	-	-
Interest income	476,006	402,021	139,705	85,925
Miscellaneous	1,052,001	-	191,167	6,405
Total revenues	29,905,595	402,021	2,152,235	1,549,434
<b>EXPENDITURES</b>				
Current				
General government	11,348,055	389,330	403	-
Public safety	17,379,470	-	-	-
Highways and streets	4,444,246	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	1,384,853
Equipment	-	-	-	-
Legal	-	-	-	133
Other	-	-	-	7,390
Acquisitions	-	-	-	93,826
Engineering	-	-	-	408,999
Debt service				
Principal retirement	-	-	1,910,000	-
Interest and fiscal charges	-	-	609,422	338
Total expenditures	33,171,771	389,330	2,519,825	1,895,539
Excess (deficiency) of revenues over (under) expenditures	(3,266,176)	12,691	(367,590)	(346,105)
<b>OTHER FINANCING SOURCES (USES)</b>				
State revolving fund proceeds	-	-	-	-
Capital leases	203,000	-	-	-
Sale of City property	23,650	-	-	-
Transfers in	7,921,696	-	352	111,645
Transfers out	(15,603)	(12,585,436)	(57,428)	(165,925)
Total other financing sources (uses)	8,132,743	(12,585,436)	(57,076)	(54,280)
Net change in fund balance	4,866,567	(12,572,745)	(424,666)	(400,385)
Fund balance (deficit), January 1	27,486,911	29,139,579	4,088,224	9,869,528
Fund balance (deficit), December 31	\$ 32,353,478	\$ 16,566,834	\$ 3,663,558	\$ 9,469,143

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Capital <u>Project Fund</u>	Other	Total Governmental	Total Governmental
	Capital Purchases	Governmental Funds	Funds 2018	Funds 2017
<b>REVENUES</b>				
Property tax collections	\$ -	\$ 8,301,870	\$ 20,885,157	\$ 16,685,984
Special assessment collections	-	145,434	1,945,189	2,205,809
Sales tax collections	-	21,182,065	21,182,065	20,035,165
Licenses and permits	-	-	1,398,108	685,449
Intergovernmental	9,362,545	10,481,763	30,411,854	47,959,928
Charges for services	-	538,788	4,535,173	3,986,868
Cable TV franchise fees	-	-	571,431	629,927
Fines and forfeits	-	-	739,543	646,728
Interest income	-	472,507	1,576,164	801,119
Miscellaneous	72,231	355,838	1,677,642	1,505,480
Total revenues	9,434,776	41,478,265	84,922,326	95,142,457
<b>EXPENDITURES</b>				
Current				
General government	-	11,408,953	23,146,741	21,646,093
Public safety	-	-	17,379,470	16,591,562
Highways and streets	-	4,181,549	8,625,795	7,882,733
Culture and recreation	-	3,693,931	3,693,931	7,396,239
Economic development	-	420,838	420,838	826,120
Capital outlay				
Contracted work	936,655	6,883,399	9,204,907	11,086,040
Equipment	22,927	1,615,804	1,638,731	777,489
Legal	113,480	-	113,613	115,073
Other	1,866,427	32,798	1,906,615	3,533,981
Acquisitions	6,295,883	9,605	6,399,314	20,458,537
Engineering	2,020	1,381,539	1,792,558	591,589
Debt service				
Principal retirement	-	1,850,000	3,760,000	6,110,000
Interest and fiscal charges	10,431	591,068	1,211,259	1,341,613
Total expenditures	9,247,823	32,069,484	79,293,772	98,357,069
Excess (deficiency) of revenues over (under) expenditures	186,953	9,408,781	5,628,554	(3,214,612)
<b>OTHER FINANCING SOURCES (USES)</b>				
State revolving fund proceeds	-	179,120	179,120	-
Capital leases	-	-	203,000	6,405
Sale of City property	-	81,689	105,339	72,224
Transfers in	177,216	5,092,627	13,303,536	16,349,478
Transfers out	(74,285)	(16,100,335)	(28,999,012)	(23,235,619)
Total other financing sources (uses)	102,931	(10,746,899)	(15,208,017)	(6,807,512)
Net change in fund balance	289,884	(1,338,118)	(9,579,463)	(10,022,124)
Fund balance (deficit), January 1	(22,847)	51,330,282	121,891,677	131,913,801
Fund balance (deficit), December 31	\$ 267,037	\$ 49,992,164	\$ 112,312,214	\$ 121,891,677

*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, 2018**

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Net change in fund balances-total governmental funds	\$ (9,579,463)
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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)	19,580,136
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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)	(2,404,150)
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Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position issuing debt increases long-term liabilities and does not affect the statement of activities; similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. (Note 4. I)

Debt issued		
State revolving funds issued	\$ (179,120)	
Repayments of bond principal	3,760,000	
Capital lease	(203,000)	
Payment on capital lease	11,228	
Annual amortization of premiums and discounts	160,489	
Net adjustment		3,549,597

Net OPEB asset/liability and OPEB 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 OPEB.	(2,793)
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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.	(1,631,150)
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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	23,267
Compensated absences	45,227

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	3,050,559	
Special assessment write-offs, foreclosures, and interest	(244,192)	
Amount shown as revenue in governmental funds	(1,945,189)	
Net change		861,178

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.	444,850
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Change in net position of governmental activities	\$ 10,886,699
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*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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Budgeted Amounts</b>		<b>2018</b>	<b>Variance</b>	<b>2017</b>
	<b>Original</b>	<b>Final Amended</b>	<b>Actual Amounts</b>	<b>With Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 13,106,903	\$ 13,128,702	\$ 12,537,258	\$ (591,444)	\$ 9,700,289
Special assessment collections	6,416	6,416	24,421	18,005	22,573
Licenses & permits	581,078	1,230,363	1,398,108	167,745	685,449
Cable TV franchise fees	643,005	643,005	571,431	(71,574)	629,927
Intergovernmental federal					
Operating grants	106,750	641,937	542,046	(99,891)	183,630
Intergovernmental state					
Highway fund	2,352,191	2,352,191	2,622,174	269,983	2,560,200
State aid distribution	3,521,682	3,521,682	3,818,739	297,057	3,378,357
Cigarette tax	120,040	120,040	113,680	(6,360)	117,634
Telecommunications tax	140,497	140,497	144,842	4,345	144,842
Homestead and disabled veterans tax credits	-	-	356,094	356,094	229,044
Fire insurance refund	311,000	311,000	307,196	(3,804)	308,555
Gambling tax revenue	23,755	23,755	19,657	(4,098)	18,636
Operating grants	48,714	48,714	182,579	133,865	314,930
Intergovernmental county					
Operating grants	11,182	11,182	11,333	151	11,152
Road and bridge	2,339	2,339	-	(2,339)	-
Joint communications	834,470	834,470	822,884	(11,586)	1,043,668
Computer maintenance	130,005	130,005	87,331	(42,674)	79,807
Assessed utility	23,074	23,074	25,739	2,665	21,925
Intergovernmental other					
Housing authority	49,957	49,957	55,584	5,627	38,329
Parking authority	564	564	564	-	564
Total intergovernmental	7,676,220	8,211,407	9,110,442	899,035	8,451,273
Charges for services					
Engineering and administrative	381,075	381,075	762,071	380,996	241,123
Utility and special funds	3,098,644	3,098,645	3,098,645	-	2,984,768
Agency funds	50,000	50,000	50,000	-	50,000
Fleet labor	116,213	116,213	85,669	(30,544)	160,267
Total charges for services	3,645,932	3,645,933	3,996,385	350,452	3,436,158
Fines and forfeitures					
Parking tickets	87,322	87,322	80,505	(6,817)	91,185
Police court	581,436	581,436	659,038	77,602	555,543
Total fines and forfeitures	668,758	668,758	739,543	70,785	646,728
Interest income	528,643	528,643	476,006	(52,637)	234,716
Miscellaneous income					
Work for others	60,417	60,417	71,140	10,723	63,667
Policing-Schools	116,907	116,907	178,487	61,580	111,275
Miscellaneous	313,585	544,364	637,705	93,341	441,994
Damage claims	-	-	138,359	138,359	228,463
Towing fees	21,585	21,585	26,310	4,725	26,513
Total miscellaneous income	512,494	743,273	1,052,001	308,728	871,912
Total revenues	27,369,449	28,806,500	29,905,595	1,099,095	24,679,025

**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, 2018**  
**With Comparative Totals for December 31, 2017**

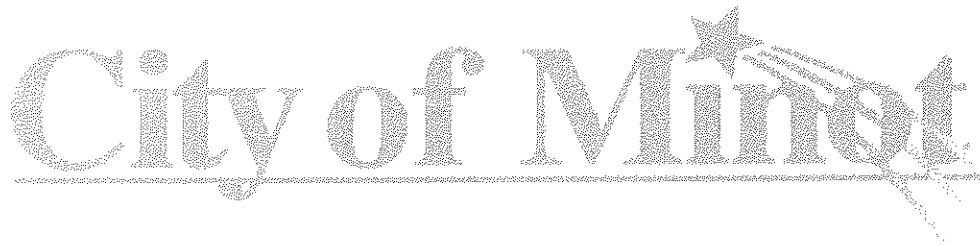
	<b>Budgeted Amounts</b>		<b>2018</b>	<b>Variance</b>	<b>2017</b>
	<b>Original</b>	<b>Final Amended</b>	<b>Actual Amounts</b>	<b>With Final Budget</b>	<b>Actual Amounts</b>
<b>EXPENDITURES</b>					
General government					
Mayor and city council	\$ 135,073	\$ 135,073	\$ 100,658	\$ 34,415	\$ 117,438
City manager	577,759	580,121	530,778	49,343	541,498
Human resources	317,143	317,143	307,646	9,497	288,892
City attorney	566,728	566,728	450,220	116,508	400,557
Administrative and general	2,117,599	2,359,951	2,160,156	199,795	1,837,091
Finance	1,048,246	1,052,296	1,017,193	35,103	976,022
Information technology	795,523	882,850	830,715	52,135	703,376
Property assessment	670,448	670,448	645,940	24,508	625,898
Planning	467,026	548,276	344,625	203,651	419,072
Building inspection	973,241	1,173,205	1,141,040	32,165	1,093,751
Traffic	1,546,122	1,553,110	1,343,477	209,633	1,446,093
Engineering	1,143,100	1,144,330	933,023	211,307	917,184
Vehicle maintenance	814,509	814,135	807,559	6,576	735,412
Property maintenance	756,159	820,709	735,025	85,684	618,458
Total general government	11,928,676	12,618,375	11,348,055	1,270,320	10,720,742
Public safety					
Police administration	1,441,583	1,529,238	1,360,326	168,912	1,385,599
Police patrol	5,750,736	5,949,049	5,750,126	198,923	5,539,031
Criminal investigation	1,720,220	1,720,220	1,563,494	156,726	1,635,270
Narcotics task force	64,727	64,727	59,308	5,419	65,081
Telecommunications division	1,225,469	1,232,042	1,195,590	36,452	1,179,439
Municipal judge	726,070	726,070	677,839	48,231	594,147
Fire grants	-	224,193	27,606	196,587	157,376
Fire control	6,408,576	6,807,642	6,745,181	62,461	6,035,619
Total public safety	17,337,381	18,253,181	17,379,470	873,711	16,591,562
Street maintenance	5,112,948	5,147,453	4,444,246	703,207	4,155,041
Total expenditures	34,379,005	36,019,009	33,171,771	2,847,238	31,467,345
Excess (deficiency) of revenues over (under) expenditures	(7,009,556)	(7,212,509)	(3,266,176)	3,946,333	(6,788,320)
<b>OTHER FINANCING SOURCES (USES)</b>					
Capital leases	-	-	203,000	203,000	6,405
Sale of City property	-	15,500	23,650	8,150	37,826
Transfers in	7,009,556	7,127,124	7,921,696	794,572	8,593,123
Transfers out	-	(34,126)	(15,603)	18,523	(94,280)
Total other financing sources (uses)	7,009,556	7,108,498	8,132,743	1,024,245	8,543,074
Net change in fund balance	\$ -	\$ (104,011)	4,866,567	\$ 4,970,578	1,754,754
Fund balance (deficit), January 1			27,486,911		25,732,157
Fund balance (deficit), December 31			<u>\$ 32,353,478</u>		<u>\$ 27,486,911</u>

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

Sales Tax NAWS					
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Interest income	\$ 30,000	\$ 30,000	\$ 402,021	\$ 372,021	\$ 271,062
Total revenues	30,000	30,000	402,021	372,021	271,062
<b>EXPENDITURES</b>					
General government	10,500,000	389,330	389,330	-	657,237
Total expenditures	10,500,000	389,330	389,330	-	657,237
Excess (deficiency) of revenues over (under) expenditures	(10,470,000)	(359,330)	12,691	372,021	(386,175)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(50,000)	(12,910,670)	(12,585,436)	325,234	(3,537,949)
Total other financing sources (uses)	(50,000)	(12,910,670)	(12,585,436)	325,234	(3,537,949)
Net change in fund balance	<u>\$(10,520,000)</u>	<u>\$(13,270,000)</u>	(12,572,745)	<u>\$ 697,255</u>	(3,924,124)
Fund balance (deficit), January 1			29,139,579		33,063,703
Fund balance (deficit), December 31			<u>\$ 16,566,834</u>		<u>\$ 29,139,579</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water and Sewer	Nonmajor
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 4,343,003	\$ 1,433,003	\$ 18,373,936	\$ 719,721
Restricted cash and cash equivalents	1,456,264	773,525	2,479,899	-
Investments - certificate of deposits	-	-	9,284,698	-
Taxes receivable delinquent	30,672	-	-	12,566
Accounts receivable	462,302	573,538	3,252,550	20,532
Allowance for doubtful accounts	-	-	(920,150)	-
Intergovernmental receivable	479,889	-	10,259,454	89
Accrued interest receivable	-	-	38,616	-
Inventory	-	-	-	-
Prepaid	18,312	75,132	9,674	5,453
Total current assets	6,790,442	2,855,198	42,778,677	758,361
Noncurrent assets				
Restricted cash and cash equivalents	2,118,124	1,323,589	993,605	-
Advance to other funds	-	-	-	-
Uncertified special assessment receivable deferred	-	-	805,228	-
Other assets - capital credits	31,046	54,541	276,307	7,156
Net OPEB asset	-	-	-	-
Capital assets				
Land	2,924,004	4,380,906	2,026,267	315,901
Construction in progress	419,952	-	19,511,541	-
Buildings	52,664,573	2,327,920	7,045,320	150,885
Equipment	11,199,689	8,886,489	8,430,499	596,240
Infrastructure	70,494,232	4,880,429	301,265,566	507,213
Intangible assets	46,816	-	109,705	-
Total capital assets	137,749,266	20,475,744	338,388,898	1,570,239
Less-accumulated depreciation	(37,713,501)	(7,283,629)	(89,749,516)	(799,467)
Net capital assets	100,035,765	13,192,115	248,639,382	770,772
Total noncurrent assets	102,184,935	14,570,245	250,714,522	777,928
Total assets	108,975,377	17,425,443	293,493,199	1,536,289
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	89,144	824,274	1,656,408	16,220
Deferred outflows of resources related to OPEB	585	3,124	6,946	126
Total deferred outflows of resources	89,729	827,398	1,663,354	16,346

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

		Governmental Activities		
	Total Enterprise Funds	Internal Service Funds	Total 2018	Total 2017
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 24,869,663	\$ 3,155,060	\$ 28,024,723	\$ 13,741,896
Restricted cash and cash equivalents	4,709,688	-	4,709,688	4,394,384
Investments - certificate of deposits	9,284,698	-	9,284,698	10,145,591
Taxes receivable delinquent	43,238	-	43,238	33,220
Accounts receivable	4,308,922	922	4,309,844	4,142,246
Allowance for doubtful accounts	(920,150)	-	(920,150)	(920,150)
Intergovernmental receivable	10,739,432	-	10,739,432	11,693,095
Accrued interest receivable	38,616	-	38,616	41,323
Inventory	-	357,199	357,199	359,384
Prepaid	108,571	-	108,571	97,936
Total current assets	53,182,678	3,513,181	56,695,859	43,728,925
Noncurrent assets				
Restricted cash and cash equivalents	4,435,318	-	4,435,318	4,419,547
Advance to other funds	-	-	-	7,945
Uncertified special assessment receivable deferred	805,228	-	805,228	-
Other assets - capital credits	369,050	2,232	371,282	350,946
Net OPEB asset	-	-	-	3,243
Capital assets				
Land	9,647,078	-	9,647,078	9,644,467
Construction in progress	19,931,493	-	19,931,493	14,685,477
Buildings	62,188,698	-	62,188,698	61,569,433
Equipment	29,112,917	-	29,112,917	27,831,673
Infrastructure	377,147,440	-	377,147,440	365,921,041
Intangible assets	156,521	-	156,521	156,521
Total capital assets	498,184,147	-	498,184,147	479,808,612
Less-accumulated depreciation	(135,546,113)	-	(135,546,113)	(121,592,339)
Net capital assets	362,638,034	-	362,638,034	358,216,273
Total noncurrent assets	368,247,630	2,232	368,249,862	362,997,954
Total assets	421,430,308	3,515,413	424,945,721	406,726,879
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	2,586,046	-	2,586,046	1,649,667
Deferred outflows of resources related to OPEB	10,781	-	10,781	-
Total deferred outflows of resources	2,596,827	-	2,596,827	1,649,667



**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water and Sewer	Nonmajor
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 297,817	\$ 95,927	\$ 2,643,626	\$ 13,805
Retainage payable	25,667	-	1,919,871	-
Accrued salaries payable	32,477	29,937	72,073	5,451
Compensated absences	13,732	27,340	56,398	5,817
Insurance claims payable	-	-	-	-
Bonds payable	1,215,710	-	2,223,067	-
State revolving fund	-	-	185,338	-
Notes payable	-	-	90,018	-
Capital leases payable	190	773,525	3,739	-
Accrued interest payable	240,364	-	163,075	-
Unearned revenue - other	1,200	-	-	-
Total current liabilities	1,827,157	926,729	7,357,205	25,073
Long-term liabilities				
Customer deposits	5,750	-	208,542	600
Compensated absences	25,502	50,774	104,738	10,802
Bonds payable (net of premium/discount)	25,957,558	-	17,820,885	-
State revolving fund	-	-	6,030,161	-
Notes payable	-	-	788,912	-
Capital leases payable	-	1,323,589	9,807	-
Advance from other funds	-	-	85,000	-
Accrued MSWLF closure and postclosure care costs	-	1,827,335	-	-
Net pension liability	741,250	3,955,656	8,800,536	159,987
Net OPEB liability	1,324	7,068	15,725	286
Total long-term liabilities	26,731,384	7,164,422	33,864,306	171,675
Total liabilities	28,558,541	8,091,151	41,221,511	196,748
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	354,706	671,557	139,499	141,584
Deferred inflows of resources related to OPEB	-	-	-	-
Total deferred inflows of resources	354,706	671,557	139,499	141,584
<b>NET POSITION</b>				
Net investment in capital assets	72,663,562	11,095,001	217,457,445	770,772
Restricted for bond covenants	2,758,972	-	3,459,958	-
Restricted for customer facility charges	815,226	-	-	-
Restricted for capital leases	190	2,097,114	13,546	-
Unrestricted net position	3,913,909	(3,701,982)	32,864,594	443,531
Total net position	\$ 80,151,859	\$ 9,490,133	\$ 253,795,543	\$ 1,214,303

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

		Governmental Activities		
	Total Enterprise Funds	Internal Service Funds	Total 2018	Total 2017
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 3,051,175	\$ 38,298	\$ 3,089,473	\$ 3,031,530
Retainage payable	1,945,538	-	1,945,538	1,121,219
Accrued salaries payable	139,938	-	139,938	111,621
Compensated absences	103,286	-	103,286	112,407
Insurance claims payable	-	170,443	170,443	147,613
Bonds payable	3,438,777	-	3,438,777	3,275,000
State revolving fund	185,338	-	185,338	-
Notes payable	90,018	-	90,018	86,948
Capital leases payable	777,454	-	777,454	628,608
Accrued interest payable	403,439	-	403,439	403,828
Unearned revenue - other	1,200	-	1,200	-
Total current liabilities	10,136,163	208,741	10,344,904	8,918,774
Long-term liabilities				
Customer deposits	214,892	-	214,892	209,289
Compensated absences	191,817	-	191,817	208,756
Bonds payable (net of premium/discount)	43,778,443	-	43,778,443	47,300,996
State revolving fund	6,030,161	-	6,030,161	-
Notes payable	788,912	-	788,912	878,930
Capital leases payable	1,333,396	-	1,333,396	1,560,484
Advance from other funds	85,000	-	85,000	973,123
Accrued MSWLF closure and postclosure care costs	1,827,335	-	1,827,335	2,038,769
Net pension liability	13,657,429	-	13,657,429	12,323,151
Net OPEB liability	24,403	-	24,403	-
Total long-term liabilities	67,931,788	-	67,931,788	65,493,498
Total liabilities	78,067,951	208,741	78,276,692	74,412,272
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to pension	1,307,346	-	1,307,346	1,225,031
Deferred inflows of resources related to OPEB	-	-	-	16,671
Total deferred inflows of resources	1,307,346	-	1,307,346	1,241,702
<b>NET POSITION</b>				
Net investment in capital assets	301,986,780	-	301,986,780	304,246,345
Restricted for bond covenants	6,218,930	-	6,218,930	6,004,140
Restricted for customer facility charges	815,226	-	815,226	638,114
Restricted for capital leases	2,110,850	-	2,110,850	2,189,092
Unrestricted net position	33,520,052	3,306,672	36,826,724	19,644,881
Total net position	344,651,838	\$ 3,306,672	347,958,510	332,722,572
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.	701,727		701,727	650,382
Total net position	<u>\$ 345,353,565</u>		<u>\$ 348,660,237</u>	<u>\$ 333,372,954</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Business-Type Activities			
	Enterprise Funds			
	Airport	Sanitation	Water and Sewer	Nonmajor
<b>OPERATING REVENUES</b>				
Sales	\$ -	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	4,207,479	5,729,531	22,248,194	369,518
Employer	-	-	-	-
Employee	-	-	-	-
Customer facility charge income	322,811	-	-	-
Miscellaneous	-	15,000	80,772	-
Total operating revenues	4,530,290	5,744,531	22,328,966	369,518
<b>OPERATING EXPENSES</b>				
Salaries	1,291,744	1,242,543	2,933,557	260,475
Employee benefits	421,689	594,820	1,783,985	114,861
Professional services	678,195	264,863	142,119	-
Property services	449,108	610,703	2,915,209	77,674
Purchased services	86,000	70,231	650,662	20,619
Supplies	464,147	333,473	2,660,003	38,204
Sundry	313,577	617,345	1,811,575	47,554
Insurance claims	-	-	-	-
Amortization	14,290	-	-	-
MSWLF closure & postclosure care	-	(211,434)	-	-
Depreciation	5,779,092	1,751,034	14,204,807	70,687
Total operating expenses	9,497,842	5,273,578	27,101,917	630,074
Operating income (loss)	(4,967,552)	470,953	(4,772,951)	(260,556)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	585,952	-	-	211,130
Special assessment collections	-	-	959,792	-
Intergovernmental revenues (expenses)	304,012	-	445,000	-
Interest income (expense)	63,720	19,599	334,288	5,570
Miscellaneous income (expense)	160,187	13,414	156,017	60,647
Gain (loss) on sale of City property	(15,692)	(69,391)	3,906	-
Interest and fiscal charges	(984,820)	-	(796,183)	-
Total non-operating revenues (expenses)	113,359	(36,378)	1,102,820	277,347
Income (loss) before contributions and transfers	(4,854,193)	434,575	(3,670,131)	16,791
Capital contributions	1,102,373	36,329	5,978,523	-
Transfers in	127,430	972,320	16,154,715	191,107
Transfers out	(62,842)	(395,934)	(1,285,750)	(5,570)
Total contributions and transfers	1,166,961	612,715	20,847,488	185,537
Change in net position	(3,687,232)	1,047,290	17,177,357	202,328
Net position, January 1	83,839,091	8,442,843	236,618,186	1,011,975
Net position, December 31	\$ 80,151,859	\$ 9,490,133	\$253,795,543	\$1,214,303

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Governmental Activities			
	Total Enterprise Funds	Internal Service Funds	Total 2018	Total 2017
<b>OPERATING REVENUES</b>				
Sales	\$ -	\$ 1,108,392	\$ 1,108,392	\$ 1,017,361
Cost of goods sold	-	(1,106,711)	(1,106,711)	(1,015,183)
Gross margin	-	1,681	1,681	2,178
Charges for services	32,554,722	-	32,554,722	31,273,818
Employer	-	2,922,400	2,922,400	2,800,843
Employee	-	805,152	805,152	848,419
Customer facility charge income	322,811	-	322,811	236,604
Miscellaneous	95,772	-	95,772	12,231
Total operating revenues	32,973,305	3,729,233	36,702,538	35,174,093
<b>OPERATING EXPENSES</b>				
Salaries	5,728,319	-	5,728,319	5,734,119
Employee benefits	2,915,355	-	2,915,355	3,440,446
Professional services	1,085,177	-	1,085,177	1,155,672
Property services	4,052,694	-	4,052,694	3,255,869
Purchased services	827,512	-	827,512	810,751
Supplies	3,495,827	-	3,495,827	3,671,874
Sundry	2,790,051	-	2,790,051	2,697,275
Insurance claims	-	3,251,733	3,251,733	3,428,334
Amortization	14,290	-	14,290	41,754
MSWLF closure & postclosure care	(211,434)	-	(211,434)	850,974
Depreciation	21,805,620	-	21,805,620	19,185,400
Total operating expenses	42,503,411	3,251,733	45,755,144	44,272,468
Operating income (loss)	(9,530,106)	477,500	(9,052,606)	(9,098,375)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	797,082	-	797,082	758,690
Special assessment collections	959,792	-	959,792	-
Intergovernmental revenues (expenses)	749,012	-	749,012	233,869
Interest income (expense)	423,177	24,730	447,907	257,942
Miscellaneous income (expense)	390,265	(6,035)	384,230	703,228
Gain (loss) on sale of City property	(81,177)	-	(81,177)	16,332
Interest and fiscal charges	(1,781,003)	-	(1,781,003)	(2,040,332)
Total non-operating revenues (expenses)	1,457,148	18,695	1,475,843	(70,271)
Income (loss) before contributions and transfers	(8,072,958)	496,195	(7,576,763)	(9,168,646)
Capital contributions	7,117,225	-	7,117,225	25,980,253
Transfers in	17,445,572	-	17,445,572	8,726,591
Transfers out	(1,750,096)	-	(1,750,096)	(1,840,450)
Total contributions and transfers	22,812,701	-	22,812,701	32,866,394
Change in net position	14,739,743	496,195		
Net position, January 1	329,912,095	2,810,477		
Net position, December 31	<u>\$ 344,651,838</u>	<u>\$ 3,306,672</u>		
Change in net position enterprise funds only			14,739,743	23,518,720
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			51,345	44,221
Change in net position of business-type activities			<u>\$ 14,791,088</u>	<u>\$ 23,562,941</u>

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 4,398,372	\$ 5,746,009	\$ 21,451,239	\$ 368,084
Payments to suppliers	(1,888,703)	(1,932,829)	(7,216,042)	(177,860)
Payments to employees	(1,848,073)	(1,752,782)	(4,126,122)	(434,032)
Due from other agencies	396,527	1,283	555,801	52
Due to other agencies	-	-	-	-
Net cash provided (used) by operating activities	1,058,123	2,061,681	10,664,876	(243,756)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received/intergovernmental	1,050,151	13,414	601,017	271,777
Transfers in	127,430	972,320	16,154,715	191,107
Transfers out	(62,842)	(395,934)	(1,285,750)	(4,940)
Internal activity - payments from other funds	-	-	7,945	-
Internal activity - payments to other funds	-	-	(888,123)	-
Net cash provided (used) by noncapital financing activities	1,114,739	589,800	14,589,804	457,944
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	1,102,373	36,329	4,895,743	-
Acquisitions and construction of capital assets	(505,865)	(1,365,980)	(23,423,493)	(13,860)
Special assessment collections	-	-	959,792	-
Proceeds from debt	-	-	6,215,499	-
Disposal of capital assets	15,762	717,062	37,866	(3)
Capital lease payment	(1,138)	(774,884)	(3,777)	-
Principal paid on capital debt	(1,180,711)	-	(2,265,013)	-
Interest paid on capital debt	(984,820)	-	(1,540,534)	-
Net cash used by capital and related financing activities	(1,554,399)	(1,387,473)	(15,123,917)	(13,863)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	63,720	19,599	1,078,639	4,940
Net increase (decrease) in cash and cash equivalents	682,183	1,283,607	11,209,402	205,265
Cash and cash equivalents, January 1	7,235,208	2,246,510	19,922,736	514,456
Cash and cash equivalents, December 31	\$ 7,917,391	\$ 3,530,117	\$ 31,132,138	\$ 719,721
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 4,343,003	\$ 1,433,003	\$ 18,373,936	\$ 719,721
Investments - certificate of deposits	-	-	9,284,698	-
Restricted cash and cash equivalents - current	1,456,264	773,525	2,479,899	-
Restricted cash and cash equivalents - noncurrent	2,118,124	1,323,589	993,605	-
Total cash and cash equivalents on the Statement of Net Position	\$ 7,917,391	\$ 3,530,117	\$ 31,132,138	\$ 719,721

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Total Enterprise Funds	Governmental Activities Internal Service Funds	Total 2018	Total 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 31,963,704	\$ 4,837,822	\$ 36,801,526	\$ 37,074,176
Payments to suppliers	(11,215,434)	(4,483,965)	(15,699,399)	(18,952,796)
Payments to employees	(8,161,009)	-	(8,161,009)	(8,121,058)
Due from other agencies	953,663	-	953,663	615,226
Due to other agencies	-	-	-	(1,204,716)
Net cash provided (used) by operating activities	13,540,924	353,857	13,894,781	9,410,832
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received/intergovernmental	1,936,359	-	1,936,359	1,748,797
Transfers in	17,445,572	-	17,445,572	8,726,591
Transfers out	(1,749,466)	-	(1,749,466)	(1,840,450)
Internal activity - payments from other funds	7,945	10,371	18,316	4,052,499
Internal activity - payments to other funds	(888,123)	(16,406)	(904,529)	(4,309,516)
Net cash provided (used) by noncapital financing activities	16,752,287	(6,035)	16,746,252	8,377,921
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	6,034,445	-	6,034,445	25,272,187
Acquisitions and construction of capital assets	(25,309,198)	-	(25,309,198)	(37,809,159)
Special assessment collections	959,792	-	959,792	-
Proceeds from debt	6,215,499	-	6,215,499	-
Disposal of capital assets	770,687	-	770,687	373,924
Capital lease payment	(779,799)	-	(779,799)	(783,323)
Principal paid on capital debt	(3,445,724)	-	(3,445,724)	(9,557,761)
Interest paid on capital debt	(2,525,354)	-	(2,525,354)	(2,040,332)
Net cash used by capital and related financing activities	(18,079,652)	-	(18,079,652)	(24,544,464)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	1,166,898	24,730	1,191,628	257,942
Net increase (decrease) in cash and cash equivalents	13,380,457	372,552	13,753,009	(6,497,769)
Cash and cash equivalents, January 1	29,918,910	2,782,508	32,701,418	39,199,187
Cash and cash equivalents, December 31	\$ 43,299,367	\$ 3,155,060	\$ 46,454,427	\$ 32,701,418
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 24,869,663	\$ 3,155,060	\$ 28,024,723	\$ 13,741,896
Investments - certificate of deposits	9,284,698	-	9,284,698	10,145,591
Restricted cash and cash equivalents - current	4,709,688	-	4,709,688	4,394,384
Restricted cash and cash equivalents - noncurrent	4,435,318	-	4,435,318	4,419,547
Total cash and cash equivalents on the Statement of Net Position	\$ 43,299,367	\$ 3,155,060	\$ 46,454,427	\$ 32,701,418

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Business-Type Activities Enterprise Funds			
	Airport	Sanitation	Water & Sewer	Nonmajor
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (4,967,552)	\$ 470,953	\$ (4,772,951)	\$ (260,556)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	5,779,092	1,751,034	14,204,807	70,687
Amortization expense	14,290	-	-	-
MSWLF closure and post closure care cost adjustment	-	(211,434)	-	-
Change in assets and liabilities				
Taxes receivable/intergovernmental	(9,843)	-	-	(175)
Receivables, net	(108,252)	(12,305)	(51,083)	4,349
Accrued interest receivable	-	5,165	(2,458)	-
Inventory	-	-	-	-
Prepaid	(13,480)	9,435	(1,137)	(5,453)
Accounts payable	84,505	35,018	80,580	6,191
Retainage payable	25,667	(71,232)	869,884	-
Intergovernmental receivables	396,527	1,283	555,801	52
Accrued salaries payable	(11,087)	(16,409)	29,236	891
Insurance claims payable	-	-	-	-
Accrued interest payable	(7,788)	-	7,399	(374)
Customer deposits	(60)	-	5,663	-
Special assessment receivable	-	-	(805,228)	-
Other assets/liabilities	(1,543)	(817)	(17,821)	(155)
Net OPEB asset	202	1,109	1,895	37
Net pension liability	(25,340)	(259,209)	1,599,513	19,314
Net OPEB liability	1,324	7,068	15,725	286
Unearned revenue - other	1,200	-	-	-
Deferred outflows of resources related to pension	(35,484)	(92,129)	(797,257)	(11,509)
Deferred outflows of resources related to OPEB	(585)	(3,124)	(6,946)	(126)
Deferred inflows of resources related to pension	(62,633)	452,977	(241,004)	(67,025)
Deferred inflows of resources related to OPEB	(1,037)	(5,702)	(9,742)	(190)
Net cash provided (used) by operating activities	<u>\$ 1,058,123</u>	<u>\$ 2,061,681</u>	<u>\$ 10,664,876</u>	<u>\$ (243,756)</u>
<b>NONCASH CAPITAL ACTIVITY</b>				
Borrowing under capital lease	\$ -	\$ 689,003	\$ 12,554	\$ -
Construction of capital assets from developers	-	-	1,082,780	-
Transfer fully depreciated capital assets to general fund	-	-	37,079	-

*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, 2018**  
**With Comparative Totals for December 31, 2017**

		<b>Governmental</b>		
		<b>Activities</b>		
	<b>Total</b>	<b>Internal</b>	<b>Total</b>	<b>Total</b>
	<b>Enterprise</b>	<b>Service</b>	<b>2018</b>	<b>2017</b>
	<b>Funds</b>	<b>Funds</b>		
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (9,530,106)	\$ 477,500	\$ (9,052,606)	\$ (9,098,375)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	21,805,620	-	21,805,620	19,185,400
Amortization expense	14,290	-	14,290	41,754
MSWLF closure and post closure care cost adjustment	(211,434)	-	(211,434)	850,974
Change in assets and liabilities				
Taxes receivable/intergovernmental	(10,018)	-	(10,018)	(4,552)
Receivables, net	(167,291)	(307)	(167,598)	1,010,070
Accrued interest receivable	2,707	-	2,707	(24,523)
Inventory	-	2,185	2,185	1,873
Prepaid	(10,635)	-	(10,635)	(68,951)
Accounts payable	206,294	(148,351)	57,943	(369,695)
Retainage payable	824,319	-	824,319	(2,482,186)
Intergovernmental receivables	953,663	-	953,663	(585,906)
Accrued salaries payable	2,631	-	2,631	22,501
Insurance claims payable	-	22,830	22,830	11,310
Accrued interest payable	(763)	-	(763)	(88,334)
Customer deposits	5,603	-	5,603	5,353
Special assessment receivable	(805,228)	-	(805,228)	-
Other assets/liabilities	(20,336)	-	(20,336)	1,387
Net OPEB asset	3,243	-	3,243	(3,243)
Net pension liability	1,334,278	-	1,334,278	(385,727)
Net OPEB liability	24,403	-	24,403	(15,129)
Unearned revenue - other	1,200	-	1,200	(33,988)
Deferred outflows of resources related to pension	(936,379)	-	(936,379)	777,305
Deferred outflows of resources related to OPEB	(10,781)	-	(10,781)	-
Deferred inflows of resources related to pension	82,315	-	82,315	646,843
Deferred inflows of resources related to OPEB	(16,671)	-	(16,671)	16,671
Net cash provided (used) by operating activities	<u>\$ 13,540,924</u>	<u>\$ 353,857</u>	<u>\$ 13,894,781</u>	<u>\$ 9,410,832</u>
<b>NONCASH CAPITAL ACTIVITY</b>				
Borrowing under capital lease	\$ 701,557	\$ -	\$ 701,557	\$ 1,836,498
Construction of capital assets from developers	1,082,780	-	1,082,780	708,066
Transfer fully depreciated capital assets to general fund	37,079	-	37,079	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, 2018**

	<b>Pension &amp; OPEB Trust Funds</b>	<b>Agency Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 19,762	\$ 329,306
Investments		
Money market	2,630,727	-
Equity/stocks	34,859,501	-
Fixed income	25,064,208	-
Alternative	5,089,273	-
Total investments	<u>67,643,709</u>	<u>-</u>
Accounts receivable	-	72,486
Intergovernmental receivable	-	7,302
Total assets	<u>67,831,320</u>	<u>\$ 409,094</u>
<b>LIABILITIES</b>		
Accounts payable	-	\$ 409,094
Deferred revenue	31,042	-
Due to other funds	167,849	-
Total liabilities	<u>198,891</u>	<u>\$ 409,094</u>
<b>NET POSITION</b>		
Restricted for pension benefits	66,816,751	
Restricted for OPEB benefits	815,678	
Total net position	<u>\$ 67,632,429</u>	

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Pension &amp; OPEB Trust Funds</b>	
	<b>2018</b>	<b>2017</b>
	<b>Total</b>	<b>Total</b>
<b>ADDITIONS</b>		
Contributions		
Employer	\$ 5,740,706	\$ 4,803,268
Employee	2,615,877	2,804,678
Total contributions	8,356,583	7,607,946
Investment income		
Interest and dividends	2,790,820	1,749,216
Net increase (decrease) in the fair value of investments	(6,764,604)	8,423,256
Total investment income	(3,973,784)	10,172,472
Less investment expense	121,667	123,918
Net investment income	(4,095,451)	10,048,554
Total additions	4,261,132	17,656,500
<b>DEDUCTIONS</b>		
Benefits paid to plan member and beneficiaries	8,452,013	8,006,121
Refunds paid to plan member and beneficiaries	793,833	409,181
Retiree claims	414,910	404,346
Third party premiums	157,491	184,805
Administrative expenses	182,548	209,202
Total deductions	10,000,795	9,213,655
Change in net position	(5,739,663)	8,442,845
Net position, January 1	73,372,092	64,929,247
Net position, December 31	<u>\$ 67,632,429</u>	<u>\$ 73,372,092</u>

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

## 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 business-type 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 business-type 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 report information on all of the non-fiduciary activities. Reporting of the internal activities has been eliminated to avoid duplication on the statements.

Governmental 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, business-type funds and fiduciary funds, even though the latter are excluded from the government-wide statements. Major individual governmental funds and major individual business-type 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 business-type 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.

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

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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. As of 2019, 40 percent of the second penny was reallocated back to NAWS.

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 business-type 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 business-type 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 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

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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.

Business-type 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 business-type fund's principal ongoing operations. The principal operating revenues of the City of Minot's business-type and internal service funds are charges to customers for sales and services. Operating expenses for business-type 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 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, 2017, 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 short-term, highly liquid investments readily convertible to known amounts of cash and near enough to maturity to present an 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 with 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; d) certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions; e) State and local securities: (1) any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency; (2) an obligation of the state housing finance agency that is rated in the highest two categories by a nationally recognized rating agency; (3) any security that is a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency; (4) obligations of this state and general obligations of its political subdivisions; f) commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less.

The Pension Trust Funds are authorized to invest all or part of their surplus funds in other investments by

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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 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 business-type funds and the governmental funds. The costs of inventory are recognized as expenditures in the governmental funds and as an expenses in the business-type 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 business-type 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 project is established within the fund into which the proceeds of the bonds are deposited. A debt service project 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

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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.

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.

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, business-type 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** is a component of fund balance that includes only 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 business-type 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.

### **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 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 business-type fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities 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 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 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



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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 (\$37,731,716) difference are as follows:

Bonds payable	\$ 35,928,101
State revolving fund notes	179,120
Accrued interest payable	259,828
Capital lease payable	214,717
Compensated absences	<u>1,149,950</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 37,731,716</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	\$ 15,832,385
Capital outlay	21,055,738
Depreciation expenditure	<u>(17,307,987)</u>
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 19,580,136</u>
Proceeds from sale of City property	\$ (105,339)
Gain/(loss) on sale of City property	(2,298,811)
Net adjustment to decrease net changes in fund balances-total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (2,404,150)</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 zero violations of excess of expenditures over appropriations.

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

The Flood Control Capital fund had a deficit fund balance of \$642,814 as of December 31, 2018, which will be funded with sales tax 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 as well as authorized and suitable deposits and

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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 potential losses on individual securities will be minimized. As of December 31, 2018, 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 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 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, 2018, the City has invested in cash and money markets \$115,010,058, \$16,047,482 of U.S. bonds, and certificates of deposit \$14,255,950, which have no credit ratings. The City also has NAWS investments valued at \$10,572,234. The fixed income securities are all United States treasuries and government agency securities.

**NAWS investments:**

Investment Type	Fair Value	Rated AA+	Not-Rated
Cash & money market	\$ 2,937,859	\$ -	\$2,937,859
Fixed income			
Government agencies	7,634,375	7,154,613	479,762
Total fair value	<u>\$ 10,572,234</u>	<u>\$ 7,154,613</u>	<u>\$3,417,621</u>

Maturity (Years)	Fixed Income
<1	\$ 5,163,243
1-5	1,975,761
>5-10	115,254
>10	380,117
	<u>\$ 7,634,375</u>

**City of Minot investments:**

Investment Type	Fair Value	Rated AA+	Not-Rated
Cash & money market	\$ 446,871		\$ 446,871
Fixed income			
Government agencies	15,600,611	\$15,600,611	
Total fair value	<u>\$16,047,482</u>	<u>\$15,600,611</u>	<u>\$ 446,871</u>

Maturity (Years)	Fixed Income
1-3	\$ 7,542,544
>3-5	8,058,067
	<u>\$15,600,611</u>

The City has the following recurring fair value measurements as of December 31, 2018:

NAWS government agencies of \$7,634,375 are valued using quoted market prices (Level 1 inputs)

City government agencies of \$15,600,611 are valued using quoted market prices (Level 1 inputs)

**B. INTERGOVERNMENTAL RECEIVABLES**

A total of \$16,946,083 is due from intergovernmental receivables. This includes \$1,778,764 due from the Federal Government, \$1,108,397 from Housing and Urban Development; \$458,757 from the FAA; \$144,143 from Federal Transit Administration grants; \$28,582 from Department of Homeland Security; \$26,646 from EPA grants; \$8,600 from Department of Justice; and \$3,639 from National Highway Traffic Safety Administration. It also includes \$15,001,413 from the State of North Dakota, \$11,490,039 from the State Water Commission for home acquisitions and

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flood control; \$1,813,946 for city sales taxes; \$1,059,694 for State Aid Distribution; \$300,174 of oil & gas taxes; \$284,911 for Municipal Highway tax; \$20,895 for State Aeronautics; \$13,856 for NDDOT projects; \$6,659 for ND Department of Emergency Services; \$5,694 from ND gambling taxes; \$5,545 from ND Bureau of Criminal Investigation; and \$165,906 due from Ward County.

### C. RECEIVABLES

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

Due within one year	\$ 825,600
Due after one year	1,000,000
Less: allowance for uncollectible	(365,120)
Total loans receivable	<u>\$ 1,460,480</u>

The only receivables not expected to be collected within one year are \$12,402,721 of special assessments deferred and the loans receivables as noted above.

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

Uncertified special assessments	\$ 13,484,504
Unavailable revenue - property taxes	1,055,983
Unavailable revenue - special assessments	480,971
Total deferred inflows of resources	<u>\$ 15,021,458</u>

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

	Taxes	Specials	Accounts	Loans	Intergov't	Accrued	Specials	Gross	Less: Allow	Total Net
	Delinquent	Assessments	Receivable	Receivable	Receivable	Interest	Assessments	Receivables	for	Receivables
		Delinquent				Receivable	Deferred		Uncollectible	
General fund	\$ 653,718	\$ 4,575	\$ 773,021	\$ -	\$ 1,529,230	\$ 117,824	\$ 36,770	\$ 3,115,138	\$ (463,198)	\$ 2,651,940
Sales tax NAWS	-	-	-	-	-	11,489	-	11,489	-	11,489
Special assessment debt	3,254	445,849	-	-	23	-	13,400,186	13,849,312	-	13,849,312
Capital purchases	-	-	1,296,809	-	595,811	-	-	1,892,620	(1,284,309)	608,311
Nonmajor governmental	472,282	30,748	191,769	1,825,600	4,081,587	-	47,548	6,649,534	(500,270)	6,149,264
Airport	30,672	-	462,302	-	479,889	-	-	972,863	-	972,863
Sanitation	-	-	573,538	-	-	-	-	573,538	-	573,538
Water and sewer	-	-	3,252,550	-	10,259,454	38,616	805,228	14,355,848	(920,150)	13,435,698
Nonmajor enterprise	12,566	-	20,532	-	89	-	-	33,187	-	33,187
Internal service	-	-	922	-	-	-	-	922	-	922
Total net receivables	<u>\$ 1,172,492</u>	<u>\$ 481,172</u>	<u>\$ 6,571,443</u>	<u>\$ 1,825,600</u>	<u>\$ 16,946,083</u>	<u>\$ 167,929</u>	<u>\$ 14,289,732</u>	<u>\$ 41,454,451</u>	<u>\$ (3,167,927)</u>	<u>\$ 38,286,524</u>

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**D. TAX ABATEMENTS**

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

As of December 31, 2018, the County provides tax abatements/incentives through four programs, renaissance zone property tax exemptions for commercial buildings, renaissance zone property tax exemptions for residential buildings, exemption of improvements to commercial and residential buildings, and a new business exemption or payment in lieu of tax (PILOT) tax incentive.

The renaissance zone property tax exemptions, NDCC § 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. An exemption can be requested for up to 100 percent of the building excluding the land.

The commercial and residential remodeling exemption under NDCC § 40-57.02.2, provides property tax exemptions by assisting in incentives for certain remodeled properties. The exemption is only for the portion of the house that was remodeled and follows the City's policies. This exemption will be for commercial and residential remodeling projects and will be for a maximum of three years. This exemption is valid for the prescribed period and shall not terminate upon the sale or exchange, allowing for the exemption to be transferred, providing the exemption is approved by the City. This remodeling exemption used by the City is more restrictive than what is allowed by the State, which is allowed by ND State statute.

New or expanding business exemption under NDCC § 40-57.1-03, provides property tax exemptions as well as payments in lieu of taxes to revenue-producing primary sector enterprises. This incentive allows a new or expanding business to be granted a property tax exemption or up to five years or a payment in lieu of tax option for up to twenty years. The City of Minot currently doesn't have any projects receiving this exemption.

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2018:

Tax Abatement Programs	Amount of taxes abated during the 2018 fiscal year
Renaissance zone exemption - commercial buildings	\$ 79,772
Renaissance zone exemption - residential buildings	2,498
Exemption of improvements to commercial and residential buildings	1,488
	<u>\$ 83,758</u>

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**E. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2018 was as follows:

	1/1/2018	Additions	Deletions	Transfers	Balance 12/31/18
<b>Governmental Activities</b>					
Land	\$ 82,025,785	\$ 9,399,879	\$ 2,110,142	\$ -	\$ 89,315,522
Construction in progress	8,917,562	36,773,570	30,518,583	-	15,172,549
Depreciable assets					
Buildings	21,172,490	434,459	-	-	21,606,949
Equipment	23,773,494	1,670,468	534,400	37,079	24,946,641
Infrastructure	291,717,189	18,829,985	4,301,236	-	306,245,938
Intangible assets	598,329	-	-	-	598,329
Books	3,392,561	193,005	147,830	-	3,437,736
Totals at historical cost	431,597,410	67,301,366	37,612,191	37,079	461,323,664
Accumulated depreciation					
Buildings	(8,769,967)	(482,185)	-	-	(9,252,152)
Equipment	(14,539,464)	(2,143,660)	465,802	(37,079)	(16,254,401)
Infrastructure	(78,735,623)	(14,551,940)	4,181,166	-	(89,106,397)
Intangible assets	(373,823)	(41,247)	-	-	(415,070)
Books	(2,282,306)	(88,955)	147,830	-	(2,223,431)
Total accumulated depreciation	(104,701,183)	(17,307,987)	4,794,798	(37,079)	(117,251,451)
Governmental activities capital assets, net	\$ 326,896,227	\$ 49,993,379	\$ 32,817,393	\$ -	\$ 344,072,213
<b>Business-Type Activities</b>					
Land	\$ 9,644,467	\$ 2,611	\$ -	\$ -	\$ 9,647,078
Construction in progress	14,685,477	27,495,972	22,249,956	-	19,931,493
Depreciable assets					
Buildings	61,569,433	627,603	8,338	-	62,188,698
Equipment	28,578,435	941,106	369,545	(37,079)	29,112,917
Infrastructure	365,921,041	19,529,438	8,303,039	-	377,147,440
Intangible assets	156,521	-	-	-	156,521
Totals at historical cost	480,555,374	48,596,730	30,930,878	(37,079)	498,184,147
Accumulated depreciation					
Buildings	(11,760,522)	(1,740,757)	8,338	-	(13,492,941)
Equipment	(15,037,893)	(2,072,664)	268,993	37,079	(16,804,485)
Infrastructure	(95,458,816)	(17,979,124)	8,284,199	-	(105,153,741)
Intangible assets	(81,870)	(13,076)	-	-	(94,946)
Total accumulated depreciation	(122,339,101)	(21,805,621)	8,561,530	37,079	(135,546,113)
Business-type activities capital assets, net	358,216,273	26,791,109	22,369,348	-	362,638,034
Total capital assets, net	\$ 685,112,500	\$ 76,784,488	\$ 55,186,741	\$ -	\$ 706,710,247

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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:

<b>Governmental Activities</b>		
General government	\$	2,117,301
Public safety		1,352,373
Highways and streets		13,474,516
Culture and recreation		363,797
Total depreciation expenditure - governmental activities	\$	<u>17,307,987</u>
<b>Business -Type Activities</b>		
Airport	\$	5,779,092
Cemetery		70,113
Parking authority		574
Sanitation		1,751,034
Water and sewer		14,204,808
Total depreciation expense - business-type activities	\$	<u>21,805,621</u>

**F. COMMITMENTS**

Construction and other significant commitments as of December 31, 2018 were \$53,116,437.

	<u>Spent to Date</u>	<u>Remaining</u>
General fund	\$ 668,886	\$ 39,369
Highway reserve	3,736,427	1,845,604
Capital purchases	6,736,742	5,490,455
Nonmajor governmental funds	24,179,820	24,159,914
Airport	1,599,665	1,304,676
Sanitation	181,206	92,161
Water and sewer	33,924,372	20,184,258
	<u>\$ 71,027,118</u>	<u>\$ 53,116,437</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 \$220.0 million, with the City's cost share to be approximately \$52.5 million. The City's local share of expenditures to date is approximately \$54.1 million. This project will be funded with sales tax monies approved by the voters in March 1999.

Following is the breakdown of encumbrances by major fund as of December 31, 2018, CDBG-DR and NDR funds make up \$52,364,221 of the \$70,607,772:

General fund	\$	715,592
Highway reserves		1,770,969
Capital purchases		7,555,741
Nonmajor governmental funds		70,607,772
Airport		23,283
Sanitation		104,200
Water and Sewer		138,567
Nonmajor business-type funds		49,422
Total encumbrances	\$	<u>80,965,546</u>

Although there may be 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, 2018 is to fund outstanding highway debt paid in annual installments for storm sewer development.

	<b>Total</b>	
	<b>Water and Advance</b>	
Governmental funds	<b>Sewer</b>	<b>From</b>
Nonmajor government	\$ 85,000	\$ 85,000
Total advance to	<u>\$ 85,000</u>	<u>\$ 85,000</u>

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

	<b>Nonmajor</b>	<b>Total</b>
Governmental funds	<b>Governmental</b>	<b>Due From</b>
Nonmajor governmental	\$ 297,737	\$ 297,737
Total due to	<u>\$ 297,737</u>	<u>\$ 297,737</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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*Transfers in and out.*

Governmental Funds						
	General Fund	Special Assessment Debt	Highway Reserve	Capital Purchases	Nonmajor Governmental Funds	Subtotal Governmental Funds Transfers Out
General fund	\$ -	\$ -	\$ -	\$ -	\$ 15,603	\$ 15,603
NA WS	50,000	-	-	-	-	50,000
Special assessment debt	37,384	-	-	20,044	-	57,428
Highway reserve	135,925	-	-	-	30,000	165,925
Capital purchases	4,781	-	-	-	69,504	74,285
Nonmajor governmental funds	7,117,196	-	6,951	62	4,271,354	11,395,563
Airport	62,842	-	-	-	-	62,842
Sanitation	270,421	-	-	-	125,513	395,934
Water and sewer	237,577	352	104,694	157,110	580,653	1,080,386
Nonmajor enterprise funds	5,570	-	-	-	-	5,570
Total transfers in	\$ 7,921,696	\$ 352	\$ 111,645	\$ 177,216	\$ 5,092,627	\$ 13,303,536

Business-Type Funds						
	Airport	Sanitation	Water and Sewer	Nonmajor Enterprise Funds	Subtotal Business-Type	Total Transfers Out
General fund	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 15,603
NA WS	-	-	12,535,436	-	12,535,436	12,585,436
Special assessment debt	-	-	-	-	-	57,428
Highway reserve	-	-	-	-	-	165,925
Capital purchases	-	-	-	-	-	74,285
Nonmajor governmental funds	127,430	766,956	3,619,279	191,107	4,704,772	16,100,335
Airport	-	-	-	-	-	62,842
Sanitation	-	-	-	-	-	395,934
Water and sewer	-	205,364	-	-	205,364	1,285,750
Nonmajor enterprise funds	-	-	-	-	-	5,570
Total transfers in	\$ 127,430	\$ 972,320	\$ 16,154,715	\$ 191,107	\$ 17,445,572	\$ 30,749,108

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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 \$125,528 for the year ended December 31, 2018. The future minimum lease payments for these leases are as follows:

	Business Type Activities
<b>For the year ended December 31, 2018</b>	
2019	\$ 125,528
2020	125,528
2021	125,528
2022	83,685
Total minimum lease payments	<u>\$460,270</u>

*Capital Leases.* The City has entered into five capital lease agreements as lessee for financing the acquisition for two garbage compactor trucks for sanitation, a crawler dozer for the landfill, a mailer machine for utility billing, and a wheel loader for the street 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:

	Governmental Activities	Business Type Activities
Asset:		
Equipment	\$ 241,905	\$ 4,586,103
Less: accumulated depreciation	(24,805)	(1,145,028)
Total	<u>\$ 217,100</u>	<u>\$ 3,441,075</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2018, were as follows:

	Governmental Activities	Business Type Activities
<b>For the year ending December 31, 2018</b>		
2019	\$ 35,619	\$ 870,774
2020	31,633	721,632
2021	27,648	544,784
2022	26,959	154,190
2023	95,000	1,168
Total minimum lease payments	216,860	2,292,548
Less: amount representing interest	(2,143)	(181,698)
Present value of minimum lease payments	<u>\$ 214,717</u>	<u>\$ 2,110,850</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 2018. 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	Original Amount Issued	Balance Outstanding 12/31/2018	Interest Rate	Matures
2010	\$ 1,375,000	\$ 300,000	2.70%	10/01/2020
2012	2,900,000	805,000	2.00%	10/01/2023
2013	6,815,000	3,325,000	3.00%	10/01/2023
2014	3,950,000	2,465,000	2.00-4.00%	10/01/2024
2015	390,000	285,000	2.00-3.00%	10/01/2025
2016	10,110,000	9,020,000	3.00-4.00%	10/01/2031
	<u>\$ 25,540,000</u>	<u>\$ 16,200,000</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 \$16,435,000 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 1.05% to 4.00%.

Special assessment bonds currently outstanding are as follows:

Year	Original Amount Issued	Balance Outstanding 12/31/2018	Interest Rate	Matures
2011	\$ 4,285,000	\$ 1,430,000	2.00-3.00%	10/01/2021
2012	1,885,000	965,000	1.05-1.60%	10/01/2023
2013	11,595,000	8,780,000	2.00-4.00%	10/01/2033
2014	4,135,000	2,930,000	2.00-3.375%	10/01/2034
2015	1,835,000	1,615,000	2.00-3.25%	10/01/2035
2016	780,000	715,000	3.00-3.25%	10/01/2036
	<u>\$ 24,515,000</u>	<u>\$ 16,435,000</u>		



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*State Revolving Funds* are issued by the State of North Dakota's State Revolving Fund (SRF) to provide funds to finance political subdivisions authorized projects with below-market interest rates. The City used the \$6,394,619 issued in 2018 to finance the waste water treatment facility hydraulic improvements, upsizing of pipes from the City's aeration ponds to the lagoon cells for adequate treatment of wastewater, and construction of the Broadway pump station. The debt will be paid using income derived from the rates and/or sales tax revenues.

The City has a line of credit of \$14,299,381 in SRF available.

A bond reserve fund must be maintained and must be established in the amount which qualifies as a reasonably required reserve under federal tax laws and regulations and must be fully funded no later than five years after the loan has been fully funded or as otherwise agreed. Per the City's agreement with the State the reserve funding must be nearly six percent of the principal funding amount.

State revolving funds currently outstanding are as follows:

Governmental Activities					
		Original Amount Issued	Balance Outs tanding 12/31/2018	Interest Rate	Matures
Year					
2018	\$	179,120	\$ 179,120	1.50%	9/1/2039
Business-Type Activities					
		Original Amount Issued	Balance Outs tanding 12/31/2018	Interest Rate	Matures
Year					
2018	\$	4,285,700	\$ 4,285,700	1.50%	9/1/2038
2018		1,929,799	1,929,799	1.50%	9/1/2039
	\$	6,215,499	\$ 6,215,499		

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

*Notes* outstanding as of December 31, 2018 include the Bureau of Reclamation note on the Garrison Diversion Project for \$878,930 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.

	<b>Original Amount Issued</b>	<b>Balance Outstanding 12/31/2018</b>	<b>Interest Rate</b>	<b>Matures</b>
<b>Year</b>				
1972	\$ 3,781,560	\$ 878,930	3.50%	07/01/2027

*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 4.50%. During the year, the City did not issue any revenue bonds for airport, or water and sewer projects. A bond reserve fund is required to be maintained and must be sustained at an amount equal to at least the lesser of the following; 1.) the maximum annual debt service on the bond series; 2.) 125% of the average annual debt service on the bond; 3.) or ten percent of the proceeds of the revenue bond. The City also accrues principal and interest quarterly and maintains the minimum reserve amount required for each bond series.

The following are outstanding revenue bonds:

**Airport**

	<b>Original Amount Issued</b>	<b>Balance Outstanding 12/31/2018</b>	<b>Interest Rate</b>	<b>Matures</b>
<b>Year</b>				
2013	\$ 12,505,000	\$ 11,140,000	3.00-4.50%	10/01/2035
2014	6,710,000	5,945,000	3.00-4.00%	10/01/2035
2015	11,770,000	10,330,000	2.00-3.625%	10/01/2035
	<u>\$ 30,985,000</u>	<u>\$ 27,415,000</u>		

**Water and Sewer**

	<b>Original Amount Issued</b>	<b>Balance Outstanding 12/31/2018</b>	<b>Interest Rate</b>	<b>Matures</b>
<b>Year</b>				
2011	2,005,000	660,000	2.00%	10/01/2021
2012	3,650,000	1,300,000	2.00%	10/01/2023
2012	1,955,000	1,095,000	2.00%	10/01/2024
2013	5,220,000	3,740,000	3.00-4.00%	10/01/2028
2014	4,200,000	3,230,000	2.25-3.10%	10/01/2029
2015	6,860,000	4,940,000	2.00-3.00%	10/01/2025
2016	4,785,000	4,270,000	3.00-4.00%	10/01/2031
	<u>\$ 28,675,000</u>	<u>\$ 19,235,000</u>		

*Capital Financial Program Bonds* currently outstanding for the All Seasons Arena to update their facilities are as follows:

	<b>Original Amount Issued</b>	<b>Balance Outstanding 12/31/2018</b>	<b>Interest Rate</b>	<b>Matures</b>
<b>Year</b>				
2015	\$ 1,945,000	\$ 1,565,000	3.00-4.00%	06/01/2029

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

	<b>General Obligation Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Governmental Activities		
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	1,980,000	291,450
2024-2028	4,135,000	764,950
2029-2031	2,460,000	149,100
Total governmental activities	<u>\$ 16,200,000</u>	<u>\$ 2,971,650</u>

	<b>Special Assessment Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Governmental Activities		
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	1,530,000	302,735
2024-2028	3,795,000	1,034,600
2029-2033	3,520,000	479,891
2034-2036	495,000	25,000
Total governmental activities	<u>\$ 16,435,000</u>	<u>\$ 3,576,541</u>

	<b>Capital Financing Program Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Governmental Activities		
2019	\$ 120,000	\$ 53,000
2020	125,000	49,325
2021	130,000	45,500
2022	130,000	41,600
2023	135,000	37,625
2024-2028	755,000	111,200
2029	170,000	3,400
Total governmental activities	<u>\$ 1,565,000</u>	<u>\$ 341,650</u>

	<b>State Revolving Fund</b>	
	<b>Principal</b>	<b>Interest</b>
Governmental Activities		
2019	\$ -	\$ 2,663
2020	7,746	2,687
2021	7,862	2,571
2022	7,980	2,453
2023	8,100	2,333
2024-2028	42,359	9,805
2029-2033	45,633	6,532
2034-2038	49,160	3,005
2039	10,279	154
Total governmental activities	<u>\$ 179,120</u>	<u>\$ 32,202</u>

	<b>Revenue Bonds</b>	
	<b>Principal</b>	<b>Interest</b>
Business-Type Activities		
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	3,540,000	1,134,213
2024-2028	14,625,000	4,198,688
2029-2033	10,585,000	2,001,924
2034-2035	4,155,000	252,013
Total business-type activities	<u>\$46,650,000</u>	<u>\$13,150,687</u>

	<b>State Revolving Fund</b>	
	<b>Principal</b>	<b>Interest</b>
Business-Type Activities		
2019	\$ 185,338	\$ 90,267
2020	271,574	89,201
2021	275,648	85,108
2022	279,782	80,954
2023	283,979	76,738
2024-2028	1,485,082	318,204
2029-2033	1,599,856	202,901
2034-2038	1,723,499	73,338
2039	110,742	5,350
Total business-type activities	<u>\$ 6,215,499</u>	<u>\$ 1,022,061</u>

	<b>Notes Payable</b>	
	<b>Principal</b>	<b>Interest</b>
Business-Type Activities		
2019	\$ 90,018	\$ 29,982
2020	93,196	26,804
2021	96,487	23,513
2022	100,354	20,107
2023	104,365	16,555
2024-2027	394,510	28,061
Total business-type activities	<u>\$ 878,930</u>	<u>\$ 145,022</u>

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*Changes in Long Term Liabilities.*

OPEB and Net Pension Liability may be found in Note F. The following is a summary of the activity for long-term liabilities as of December 31, 2018:

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Governmental Activities</b>					
Bonds payable					
General obligation	\$ 18,408,804	687	\$ (1,908,836)	\$ 16,500,655	\$ 1,908,149
Special assessment	19,622,342	1,393	(1,883,479)	17,740,256	1,882,086
Capital financing program bonds	1,817,444	-	(130,254)	1,687,190	130,254
Total bonds payable	39,848,590	2,080	(3,922,569)	35,928,101	3,920,489
State revolving fund	-	179,120	-	179,120	-
Capital leases	22,945	203,000	(11,228)	214,717	35,619
Compensated absences	1,195,177	892,440	(937,667)	1,149,950	402,482
Governmental activities long-term liabilities	\$ 41,066,712	\$ 1,276,640	\$ (4,871,464)	\$ 37,471,888	\$ 4,358,590

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
<b>Business-Type Activities</b>					
Revenue bonds	\$ 50,575,996	\$ 14,289	\$ (3,373,065)	\$ 47,217,220	\$ 3,438,777
State revolving fund	-	6,215,499	-	6,215,499	185,338
Notes payable	965,878	-	(86,948)	878,930	90,018
Capital leases	2,189,092	701,557	(779,799)	2,110,850	777,454
Compensated absences	321,163	226,231	(252,291)	295,103	103,286
MSWLF closure & postclosure costs	2,038,769	-	(211,434)	1,827,335	-
Business-type activities long-term liabilities	\$ 56,090,898	\$ 7,157,576	\$ (4,703,537)	\$ 58,544,937	\$ 4,594,873

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 \$173,939,316 and the legal debt margin is \$157,849,969.

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**J. FUND BALANCE**

	General Fund	Major Special Revenue Fund Sales Tax NAWS	Major Debt Service Fund Special Assessment Debt	Major Capital Project Funds Highway Reserve	Capital Purchases	Nonmajor Other Governmental Funds	Total
Fund balances							
Nonspendable							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 6,590	\$ 6,590
Prepaid	118,624	-	-	-	-	67,767	186,391
Other assets - capital credits	354,973	-	-	-	-	41,257	396,230
Total nonspendable	473,597	-	-	-	-	115,614	589,211
Restricted							
General government	-	-	-	-	-	173,189	173,189
Capital leases	214,717	-	-	-	-	-	214,717
Sales tax property tax relief	-	-	-	-	-	1,211,947	1,211,947
Sales tax economic development	-	-	-	-	-	10,281,687	10,281,687
Sales tax improvements	-	-	-	-	-	4,534,254	4,534,254
Sales tax flood control	-	-	-	-	-	4,750,786	4,750,786
Sales tax NAWS	-	16,566,834	-	-	-	-	16,566,834
Sales tax infrastructure	-	-	-	-	-	7,805,000	7,805,000
Sales tax community facilities	-	-	-	-	-	4,519,089	4,519,089
Debt service	-	-	1,658,537	-	-	820,226	2,478,763
Total restricted	214,717	16,566,834	1,658,537	-	-	34,096,178	52,536,266
Committed							
Public safety	480,742	-	-	-	-	-	480,742
Public transportation	-	-	-	-	-	9,452	9,452
Culture and recreation	-	-	-	-	-	291,096	291,096
Sidewalk improvements	-	-	-	-	-	5,684	5,684
Highways and streets	-	-	-	1,770,969	-	30,000	1,800,969
Capital purchases	-	-	-	-	267,037	2,919,801	3,186,838
Equipment purchases	-	-	-	-	-	456,463	456,463
Total committed	480,742	-	-	1,770,969	267,037	3,712,496	6,231,244
Assigned							
General government	-	-	-	-	-	1,180,324	1,180,324
Public transportation	-	-	-	-	-	618,750	618,750
Culture and recreation	-	-	-	-	-	1,853,388	1,853,388
Emergency fund	-	-	-	-	-	1,744,625	1,744,625
Sidewalk improvements	-	-	-	-	-	119,855	119,855
Debt service	-	-	2,005,021	-	-	149,081	2,154,102
Highways and streets	-	-	-	7,698,174	-	5,737,638	13,435,812
Equipment purchases	-	-	-	-	-	1,307,029	1,307,029
Other purposes	234,849	-	-	-	-	-	234,849
Total assigned	234,849	-	2,005,021	7,698,174	-	12,710,690	22,648,734
Unassigned	30,949,573	-	-	-	-	(642,814)	30,306,759
Total fund balance	\$ 32,353,478	\$ 16,566,834	\$ 3,663,558	\$ 9,469,143	\$ 267,037	\$ 49,992,164	\$ 112,312,214

**NOTE 5-OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable.

In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDIRF. During the past five years, the NDIRF returned approximately 2.85% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$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 \$2,189,839 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$2,627,807.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$170,443. 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	Current		Ending
	Claim	Year Claims		Claim
	Liability	Incurred and	Payments	Liability
		Changes in	on Claims	
		Estimates		
2016	\$ 142,927	\$ 2,090,011	\$ 2,096,635	\$ 136,303
2017	136,303	2,282,328	2,271,018	147,613
2018	147,613	2,239,556	2,216,726	170,443

**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 than individual health coverage.

As of December 31, 2018, the City had one COBRA participant 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 immaterial. 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.



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City of Minot, North Dakota  
Combining Statement of Fiduciary Net Position  
Fiduciary Funds  
December 31, 2018  
With Comparative Totals for December 31, 2017

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2018	Total Fiduciary Funds 2017
<b>ASSETS</b>				
Cash and cash equivalents	\$ 19,762	\$ -	\$ 19,762	\$ 56,047
Investments				
Money market	2,602,614	28,113	2,630,727	1,350,182
Equity/stocks	34,362,847	496,654	34,859,501	43,647,441
Fixed income	24,649,690	414,518	25,064,208	24,335,169
Alternative	5,013,989	75,284	5,089,273	3,983,253
Total investments	66,629,140	1,014,569	67,643,709	73,316,045
Due from other funds	167,849	-	167,849	162,202
Total assets	66,816,751	1,014,569	67,831,320	73,534,294
<b>LIABILITIES</b>				
Deferred revenue	-	31,042	31,042	-
Due to other funds	-	167,849	167,849	162,202
Total liabilities	-	198,891	198,891	162,202
<b>NET POSITION</b>				
Restricted for pension benefits	66,816,751	-	66,816,751	72,336,210
Restricted for OPEB benefits	-	815,678	815,678	1,035,882
Total net position	\$ 66,816,751	\$ 815,678	\$ 67,632,429	\$ 73,372,092

City of Minot, North Dakota  
Combining Statement of Changes in Fiduciary Net Position  
Fiduciary Funds  
For the Year-to-Date as of December 31, 2018  
With Comparative Totals for December 31, 2017

	Pension Trust	OPEB Trust	Total Fiduciary Funds 2018	Total Fiduciary Funds 2017
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 5,699,224	\$ 41,482	\$ 5,740,706	\$ 4,803,268
Employee	2,239,449	376,428	2,615,877	2,804,678
Total contributions	7,938,673	417,910	8,356,583	7,607,946
Investment income				
Interest and dividends	2,748,747	42,073	2,790,820	1,749,216
Net increase (decrease) in the fair value of investments	(6,661,089)	(103,515)	(6,764,604)	8,423,256
Total investment income	(3,912,342)	(61,442)	(3,973,784)	10,172,472
Less investment expense	119,796	1,871	121,667	123,918
Net investment income	(4,032,138)	(63,313)	(4,095,451)	10,048,554
Total additions	3,906,535	354,597	4,261,132	17,656,500
<b>DEDUCTIONS</b>				
Benefits paid to plan member and beneficiaries	8,452,013	-	8,452,013	8,006,121
Refunds paid to plan member and beneficiaries	793,833	-	793,833	409,181
Retiree claims	-	414,910	414,910	404,346
Third party premiums	-	157,491	157,491	184,805
Administrative expenses	180,148	2,400	182,548	209,202
Total deductions	9,425,994	574,801	10,000,795	9,213,655
Change in net position	(5,519,459)	(220,204)	(5,739,663)	8,442,845
Net position, January 1	72,336,210	1,035,882	73,372,092	64,929,247
Net position, December 31	\$ 66,816,751	\$ 815,678	\$ 67,632,429	\$ 73,372,092



#### D. EMPLOYEE RETIREMENT 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 AND OPEB PLANS

*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 City Council authority to establish and amend the benefit terms. 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	274	50
Terminated employees		
Vested	29	28
Non-vested	20	8
Total terminated employees	49	36
Active employees		
Vested	115	191
Non-vested	95	42
Total active employees	210	233
Date of annual valuation	1/1/2019	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 or 90 or 60 years of age after 5 or 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 or 10 years of service, then a refund of contributions is made. In all other cases, the plan pays survivor benefits allocated on a percentage dependent upon if there is a surviving spouse and/or children or other beneficiaries. For participants who die in the course of employment

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or are deferred vested or active participants with more than 5 or 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 or OPEB contribution rates; rather it is done by employer recommendations within the limits established by state statute. For the pension plan, the employees contributed \$2,239,449 and the employer contributed \$5,699,224. 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 (25 years remaining as of January 1, 2019) respectively on the pension unfunded liability at January 1, 2019.

*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, 2018:

<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 \$66,629,140 and \$1,014,569, 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	\$ 887,389	\$ -
1-5	1,602,230	-
>5-10	6,581,467	-
>10	15,578,604	414,518
	<u>\$ 24,649,690</u>	<u>\$ 414,518</u>

<u>Credit Rating</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
AAA	\$ 3,377,008	\$ -
AA+	8,997,137	-
AA	1,774,778	-
A+	1,626,880	-
A-	1,133,886	-
BBB+	1,651,529	-
BBB	862,739	-
BBB-	492,994	-
Not rated	3,697,454	414,518
Other	1,035,287	-
	<u>\$ 24,649,690</u>	<u>\$ 414,518</u>

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<b>Fixed Income Subclass</b>	<b>Pension Fixed Income</b>	<b>OPEB Fixed Income</b>
US treasuries	\$ 578,490	\$ -
Government agencies	7,603,956	13,348
Corporate bonds	5,976,563	339,919
International fixed income	1,434,445	20,856
Taxable fixed income	509,450	40,395
Taxable municipal debt	8,546,787	-
	<u>\$ 24,649,690</u>	<u>\$ 414,518</u>

The City has the following recurring fair value measurements as of December 31, 2018:

U.S. Treasury securities and government agencies of \$17,292,425 valued using quoted market prices (Level 1 inputs)

Corporate bonds of \$7,771,783 are valued using a matrix pricing model (Level 2 inputs)

Equity securities of \$39,948,774 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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Rate of Return</b>
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, 2018, the annual money-weighted rate of return on pension and OPEB plan investments, net of investment expense, was -5.5 and -6.61 percent, respectively. 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, 2019	January 1, 2017
Measurement date	January 1, 2019	December 31, 2018
Actuarial cost method	Entry age normal	Entry age normal
Amortization method	Level dollar amount	Level dollar amount
Remaining amortization period	30 year closed period (25 years remain as of 1/1/19)	25 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.** As of December 31, 2018, the CEPP reported a net pension liability of \$70,142,203 as determined by the actuarial valuation. The City of Minot reported a liability of \$64,534,755 for its proportionate share of the CEPP's net pension liability which was based on its present value of future payroll relative to the total present value of payroll for all participating employers. The City of Minot's proportionate share was 92.01 percent which was an increase of .18 percent from its proportion measured as of December 31, 2017.

The components of the net pension liability of all participants as of December 31, 2018 were as follows:

Total pension liability	\$ 136,958,954
Plan fiduciary net position	<u>66,816,751</u>
Net pension liability (asset)	<u>\$ 70,142,203</u>

For the year ended December 31, 2018, The CEPP recognized pension expense of \$7,714,667. The City of Minot recognized pension expense of \$7,097,926 for its proportionate share of the CEPP's pension expense.

At December 31, 2018, 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	\$ 1,410,848	\$ (46,791)	\$ 1,298,059	\$ (43,050)
Net difference between projected and actual earnings on investments	5,700,431	-	5,244,716	-
Changes in proportion	4,350,474	(4,350,474)	4,318,926	(4,262,002)
Total	<u>\$ 11,461,754</u>	<u>\$ (4,397,265)</u>	<u>\$ 10,861,701</u>	<u>\$ (4,305,052)</u>

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

Year	City of Minot Proportionate	
	Pension Plan	Share
2019	\$ 2,846,038	\$ 2,622,659
2020	1,313,654	1,235,516
2021	1,049,337	991,346
2022	1,855,460	1,707,128
2023	-	-
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	\$ 85,800,715	\$ 70,142,203	\$ 56,990,087
City of Minot's proportionate	78,941,461	64,534,755	52,434,071

**OPEB Costs.** As of December 31, 2018, the OPEB reported a net OPEB liability of \$115,311. The net OPEB liability was measured as of December 31, 2018, and the total OPEB liability used to calculate the net OPEB liability 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, 2018 were as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at 12/31/17	\$ 1,021,054	\$ 1,035,882	\$ (14,828)
Changes for the year:			
Service cost	34,119	-	34,119
Interest	71,789	-	71,789
Contributions - employer	-	41,482	(41,482)
Net investment income	-	(63,313)	63,313
Benefit payments	(195,973)	(195,973)	-
Administrative expense	-	(2,400)	2,400
Net changes	(90,065)	(220,204)	130,139
Balance at 12/31/18	\$ 930,989	\$ 815,678	\$ 115,311

For the year ended December 31, 2018, the OPEB plan recognized OPEB expense of \$17,445.

The plan reported the following amounts and sources for

deferred outflows of resources and deferred inflows of resources:

Source	Balances at December 31, 2018	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Net difference between projected and actual earnings on investments	\$ 50,934	\$ -
Total	\$ 50,934	\$ -

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

Year	OPEB
2019	\$ 7,969
2020	7,969
2021	7,971
2022	27,024
2023	1
Thereafter	-

The following presents the net OPEB liability calculated using the discount rate of 7.5 percent, as well as what the net OPEB 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 OPEB Liability	\$ 218,813	\$ 115,311	\$ 23,334

The following presents the net OPEB liability of the City, as well as what the City's net OPEB liability 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 Liability	\$ 11,569	\$ 115,311	\$ 236,388

## DEFINED CONTRIBUTION PLAN

The City administers the City of Minot North Dakota 401(a) Retirement Plan and the City of Minot North Dakota 457 Plan, a defined contribution plan and a 457(e)(1)(A) deferred compensation plan, respectively, for all full-time employees of the City of Minot and the Minot Park District hired after December 31, 2013.

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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, 2018, City of Minot employee contributions totaled \$1,055,686 and the City recognized employer contributions of \$703,746.

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

**Years of Creditable Service    Vested Portion**

Less than 1 year	0%
Less than 2 years	20%
Less than 3 years	40%
Less than 4 years	60%
Less than 5 years	80%
5 years or more	100%

Non-vested City contributions are forfeited following a five year period of severance. Such forfeitures are used to make restorations for rehired participants and to reduce employer contributions or to correct errors, omissions and exclusions. For the year ended December 31, 2018, forfeitures reduced the City's plan expense by \$0.

**E. MUNICIPAL SOLID WASTE LANDFILL**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,827,335 reported as MSWLF closure and post-closure care liability at December 31, 2018, represents the cumulative amount

reported to date based on the use of 79.3% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.3 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 2018. The City expects the current landfill cell will be operated for another 5-7 years with closure anticipated in 2025.

The City acquired 320 acres of land in 2017 to expand the landfill, City Council approved the rezoning of the land to public use in March of 2019. The City is currently working towards permitting 100 acres of the land, which will result in an additional 5 cells. The City expects the permitting to be completed within 18 months. It is expected the new cells will expand the life of the landfill approximately 15-20 years putting the anticipated closure in 2045. 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.

Required  
Supplementary  
Information

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Required Supplementary Information

	Schedule of Changes in Net Pension Liability				
	2018	2017	2016	2015	2014
Total Pension Liability					
Service cost	\$ 2,249,894	\$ 2,383,628	\$ 2,629,375	\$ 2,772,781	\$ 2,926,936
Interest	9,842,601	9,549,088	9,316,516	8,987,447	8,647,284
Differences between expected and actual experience	585,846	1,115,928	(129,360)	912,914	930,846
Benefit payments, including refunds of member contributions	(9,408,354)	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Net change in total pension liability	3,269,987	4,454,212	3,471,303	4,734,062	4,813,338
Total pension liability--beginning	133,688,967	129,234,755	125,763,452	121,029,390	116,216,052
Total pension liability--ending (a)	\$ 136,958,954	\$ 133,688,967	\$ 129,234,755	\$ 125,763,452	\$ 121,029,390
Plan fiduciary net position					
Contributions--employer	\$ 5,699,224	\$ 4,761,786	\$ 4,943,357	\$ 4,250,241	\$ 4,520,993
Contributions--member	2,239,449	2,364,529	2,461,395	2,635,549	2,705,235
Net investment income	(3,912,342)	10,005,230	3,888,252	(1,168,638)	4,222,235
Benefit payments, including refunds of member contributions	(9,408,354)	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Administrative expense	(137,437)	(138,656)	(168,872)	(176,725)	(252,270)
Net change in plan fiduciary net position	(5,519,459)	8,398,457	2,778,904	(2,398,653)	3,504,465
Plan fiduciary net position--beginning	72,336,210	63,937,754	61,158,850	63,557,503	60,053,038
Plan fiduciary net position--ending (b)	\$ 66,816,751	\$ 72,336,211	\$ 63,937,753	\$ 61,158,850	\$ 63,557,503
Net pension liability (asset)--ending (a) - (b)	\$ 70,142,203	\$ 61,352,756	\$ 65,297,001	\$ 64,604,602	\$ 57,471,887

	Schedule of Pension Contributions				
	2018	2017	2016	2015	2014
Actuarially determined contribution	\$ 5,253,403	\$ 5,188,965	\$ 5,084,364	\$ 4,721,976	\$ 4,772,530
Contributions in relation to the actuarially determined contribution	5,699,224	4,761,786	4,943,357	4,250,241	4,520,993
Contribution deficiency (excess)	\$ (445,821)	\$ 427,179	\$ 141,007	\$ 471,735	\$ 251,537
Covered payroll	\$ 14,346,729	\$ 15,526,328	\$ 16,111,568	\$ 16,945,005	\$ 16,984,001
Contributions as a percentage of covered payroll	39.72%	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

	2018	2017	2016	2015	2014
Annual money-weighted rate of return, net of investment expenses	-5.5%	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	Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll	Plan 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%
2018	92.0056%	64,534,755	13,213,393	488%	48.79%

Schedule of Contributions - City of Minot's Proportionate Share

Fiscal Year Ending	Actuarially Determined Contributions	Actual Contributions in Relation to the Actuarially Determined Contributions	Contribution Deficiency (Excess)	Covered Payroll	Contributions as a Percentage of Covered Payroll
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%
2018	4,833,425	5,328,970	(495,545)	13,213,393	40.33%

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.

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Required Supplementary Information

Notes to City of Minot Employee's Pension Plan:

Measurement Date: January 1, 2019

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, 2019 actuarial valuation from those used for the January 1, 2018 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, 2019 there are 25 years remaining in the amortization period.

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

	2018	2017
Total OPEB Liability		
Service Cost	\$ 34,119	\$ 32,965
Interest	71,789	76,434
Benefit payments (net)	(195,973)	(149,002)
Net change in total OPEB liability	\$ (90,065)	\$ (39,603)
Total OPEB Liability--Beginning	1,021,054	1,060,657
Total OPEB Liability--Ending (a)	\$ 930,989	\$ 1,021,054
Plan fiduciary net position		
Contributions--employer	\$ 41,482	\$ 41,482
Net investment income	(63,313)	165,108
Benefit payments (net)	(195,973)	(149,002)
Administrative expense	(2,400)	(13,200)
Other	-	-
Net change in plan fiduciary net position	\$ (220,204)	\$ 44,388
Plan fiduciary net position--beginning	1,035,882	991,494
Plan fiduciary net position--ending (b)	\$ 815,678	\$ 1,035,882
Net OPEB Liability (asset)--ending (a) - (b)	\$ 115,311	\$ (14,828)
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	87.6%	101.5%
Covered payroll	\$ 15,400,000	\$ 14,900,000
Net OPEB liability (asset) as a percentage of covered payroll	0.75%	-0.10%

City of Minot  
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Required Supplementary Information

Schedule of OPEB Contributions

	2018	2017
Actuarially Determined Contributions	\$ 41,482	\$ 41,482
Contributions in Relation to the Actuarially Determined Contributions	41,482	41,482
Contribution Deficiency (Excess)	\$ -	\$ -
Covered Payroll	\$ 15,400,000	\$ 14,900,000
Contributions as a Percentage of Covered Payroll	0.3%	0.3%

Schedule of OPEB Investment Returns

	2018	2017
Annual money-weighted rate of return, net of investment expenses	-6.61%	17.73%

Notes to OPEB Schedules

Methods and assumptions used to determine contribution rates:

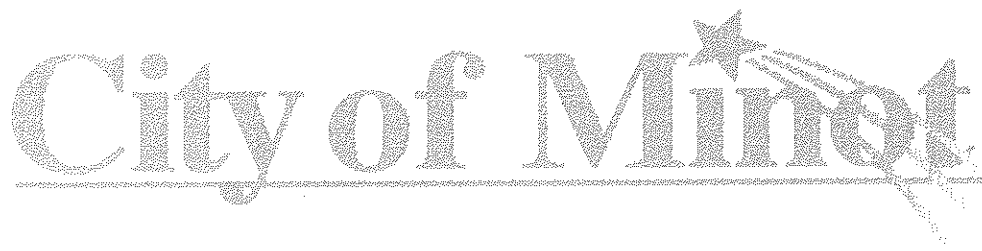
Valuation date	January 1, 2017
Measurement date	December 31, 2018
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount
Remaining amortization period	25 year closed period
Asset valuation method-smoothing	5 years gains and losses
Investment rate of return	7.5%
Healthcare cost 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, 2018 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, 2019 there are 25 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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Special Assessment Debt</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 52,224	\$ 52,224	\$ 46,029	\$ (6,195)	\$ 83,319
Special assessment collections	2,839,046	2,839,046	1,775,334	(1,063,712)	2,157,952
Interest income	-	-	139,705	139,705	86,281
Miscellaneous	-	-	191,167	191,167	190,191
Total revenues	<u>2,891,270</u>	<u>2,891,270</u>	<u>2,152,235</u>	<u>(739,035)</u>	<u>2,517,743</u>
<b>EXPENDITURES</b>					
Current					
General government	-	-	403	(403)	402
Debt service					
Principal retirement	2,086,250	2,086,250	1,910,000	176,250	2,980,000
Interest and fiscal charges	634,128	667,254	609,422	57,832	711,742
Total expenditures	<u>2,720,378</u>	<u>2,753,504</u>	<u>2,519,825</u>	<u>233,679</u>	<u>3,692,144</u>
Excess (deficiency) of revenues over (under) expenditures	170,892	137,766	(367,590)	(505,356)	(1,174,401)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	250,117	250,117	352	(249,765)	987
Transfers out	-	-	(57,428)	(57,428)	(98,131)
Total other financing sources (uses)	<u>250,117</u>	<u>250,117</u>	<u>(57,076)</u>	<u>(307,193)</u>	<u>(97,144)</u>
Net change in fund balance	<u>\$ 421,009</u>	<u>\$ 387,883</u>	<u>(424,666)</u>	<u>\$ (812,549)</u>	<u>(1,271,545)</u>
Fund balance (deficit), January 1			4,088,224		5,359,769
Fund balance (deficit), December 31			<u>\$3,663,558</u>		<u>\$4,088,224</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2018**

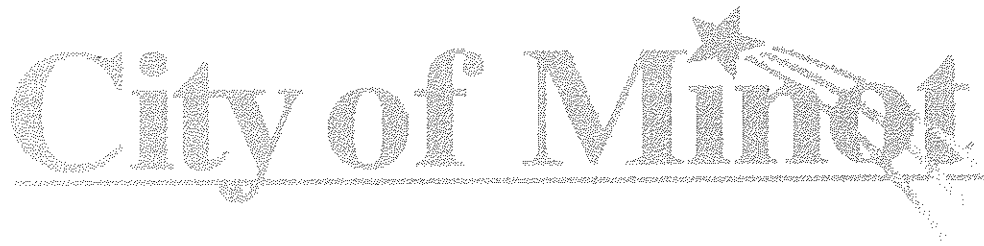
**With Comparative Totals for December 31, 2017**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2018	Total Nonmajor Governmental Funds 2017
<b>ASSETS</b>					
Cash and investments	\$ 10,577,497	\$ 51,417	\$ 2,394,428	\$ 13,023,342	\$ 9,337,047
Restricted cash and investments	32,655,580	820,226	-	33,475,806	37,594,271
Taxes receivable delinquent	229,704	162,089	80,489	472,282	373,040
Special assessments receivable delinquent	30,748	-	-	30,748	23,341
Accounts receivable	191,769	-	-	191,769	208,676
Allowance for accounts receivable	(135,150)	-	-	(135,150)	(135,150)
Loans receivable	1,825,600	-	-	1,825,600	1,838,200
Allowance for loans receivable	(365,120)	-	-	(365,120)	(367,640)
Due from other funds	297,737	-	-	297,737	479,420
Intergovernmental receivable	3,780,872	1,211	299,504	4,081,587	4,026,893
Inventory	6,590	-	-	6,590	6,536
Prepaid	67,767	-	-	67,767	48,801
Other assets - capital credits	41,257	-	-	41,257	40,088
Advance to other funds	-	85,000	-	85,000	93,527
Special assessments receivable deferred	47,548	-	-	47,548	169,946
Total assets	<u>\$ 49,252,399</u>	<u>\$ 1,119,943</u>	<u>\$ 2,774,421</u>	<u>\$ 53,146,763</u>	<u>\$ 53,736,996</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 599,865	\$ -	\$ 912,093	\$ 1,511,958	\$ 1,088,024
Retainage payable	96,274	-	665,809	762,083	203,891
Due to other funds	297,737	-	-	297,737	479,420
Accrued salaries payable	64,371	-	-	64,371	53,519
Unearned revenue - other	-	-	-	-	57,178
Total liabilities	<u>1,058,247</u>	<u>-</u>	<u>1,577,902</u>	<u>2,636,149</u>	<u>1,882,032</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	47,548	-	-	47,548	169,946
Unavailable revenue - property taxes	213,677	150,636	75,841	440,154	332,895
Unavailable revenue - special assessments	30,748	-	-	30,748	21,841
Total deferred inflows of resources	<u>291,973</u>	<u>150,636</u>	<u>75,841</u>	<u>518,450</u>	<u>524,682</u>
<b>FUND BALANCE</b>					
Nonspendable	115,614	-	-	115,614	95,425
Restricted	33,275,952	820,226	-	34,096,178	37,098,394
Committed	3,256,033	-	456,463	3,712,496	3,829,627
Assigned	11,254,580	149,081	1,307,029	12,710,690	10,306,836
Unassigned	-	-	(642,814)	(642,814)	-
Total fund balance	<u>47,902,179</u>	<u>969,307</u>	<u>1,120,678</u>	<u>49,992,164</u>	<u>51,330,282</u>
Total liabilities, inflows, and fund balance	<u>\$ 49,252,399</u>	<u>\$ 1,119,943</u>	<u>\$ 2,774,421</u>	<u>\$ 53,146,763</u>	<u>\$ 53,736,996</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total Nonmajor Governmental Funds 2018	Total Nonmajor Governmental Funds 2017
<b>REVENUES</b>					
Property tax collections	\$ 4,170,666	\$ 2,890,143	\$ 1,241,061	\$ 8,301,870	\$ 6,902,376
Special assessment collections	145,434	-	-	145,434	25,284
Sales tax collections	14,551,519	-	6,630,546	21,182,065	20,035,165
Intergovernmental	9,752,325	-	729,438	10,481,763	7,189,060
Charges for services	538,788	-	-	538,788	550,710
Interest income	431,886	19,289	21,332	472,507	190,292
Miscellaneous	296,337	-	59,501	355,838	340,919
Total revenues	29,886,955	2,909,432	8,681,878	41,478,265	35,233,806
<b>EXPENDITURES</b>					
Current					
General government	11,408,953	-	-	11,408,953	10,267,712
Highways and streets	4,181,549	-	-	4,181,549	3,727,692
Culture and recreation	3,693,931	-	-	3,693,931	7,396,239
Economic development	420,838	-	-	420,838	826,120
Capital outlay					
Contracted work	-	-	6,883,399	6,883,399	2,760,853
Equipment	-	-	1,615,804	1,615,804	777,489
Other	-	-	32,798	32,798	84,765
Acquisitions	-	-	9,605	9,605	238,595
Engineering	-	-	1,381,539	1,381,539	164,722
Debt service					
Principal retirement	-	1,850,000	-	1,850,000	3,130,000
Interest and fiscal charges	-	575,465	15,603	591,068	617,217
Total expenditures	19,705,271	2,425,465	9,938,748	32,069,484	29,991,404
Excess (deficiency) of revenues over (under) expenditures	10,181,684	483,967	(1,256,870)	9,408,781	5,242,402
<b>OTHER FINANCING SOURCES (USES)</b>					
State revolving fund issued	-	-	179,120	179,120	-
Sale of City property	2,300	-	79,389	81,689	34,398
Transfers in	3,891,947	3,195	1,197,485	5,092,627	7,576,872
Transfers out	(15,398,255)	(19,351)	(682,729)	(16,100,335)	(18,830,363)
Total other financing sources (uses)	(11,504,008)	(16,156)	773,265	(10,746,899)	(11,219,093)
Net change in fund balance	(1,322,324)	467,811	(483,605)	(1,338,118)	(5,976,691)
Fund balance (deficit), January 1	49,224,503	501,496	1,604,283	51,330,282	57,306,973
Fund balance (deficit), December 31	\$ 47,902,179	\$ 969,307	\$ 1,120,678	\$ 49,992,164	\$ 51,330,282





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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 five mills or five dollars per capita.

***Sales Tax Funds*** – 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 Improvements*** - To account for the maintenance of sidewalks within the City of Minot. City sidewalk maintenance is funded by sales tax improvements and special assessment collections..

***Street Improvements*** - To account for the annual street improvement and street seal programs. The City has a budgeted sales tax improvements and infrastructure funds to pay for these projects.

***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 Recovery \$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 Recovery \$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, 2018**  
**With Comparative Totals for December 31, 2017**

	Public		Recreation	Emergency	Sales Tax
	Transportation	Library	Auditorium	Fund	Property Tax
					Relief
					1st Penny
<b>ASSETS</b>					
Cash and investments	\$ 482,194	\$ 400,108	\$1,471,889	\$ 1,734,220	\$ -
Restricted cash and investments	-	-	-	-	230,895
Taxes receivable delinquent	19,975	70,603	87,067	46,143	-
Special assessments delinquent	-	-	-	-	-
Accounts receivable	1,508	49,385	5,708	-	-
Allowance for accounts receivable	-	-	-	-	-
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental receivable	158,144	520	618	6,601	90,697
Inventory	-	-	6,590	-	-
Prepaid	25,848	33,841	7,614	-	-
Other assets - capital credits	16,159	11,778	12,848	472	-
Special assessments receivable deferred	-	-	-	-	-
Total assets	<u>\$ 703,828</u>	<u>\$ 566,235</u>	<u>\$1,592,334</u>	<u>\$ 1,787,436</u>	<u>\$ 321,592</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 3,233	\$ 37,595	\$ 9,038	\$ -	\$ -
Retainage payable	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accrued salaries payable	11,749	18,784	20,285	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>14,982</u>	<u>56,379</u>	<u>29,323</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	-	-	-	-	-
Unavailable revenue - property taxes	18,637	65,654	81,154	42,339	-
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>18,637</u>	<u>65,654</u>	<u>81,154</u>	<u>42,339</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	42,007	45,619	27,052	472	-
Restricted	-	-	-	-	321,592
Committed	9,452	-	-	-	-
Assigned	618,750	398,583	1,454,805	1,744,625	-
Total fund balance	<u>670,209</u>	<u>444,202</u>	<u>1,481,857</u>	<u>1,745,097</u>	<u>321,592</u>
Total liabilities, inflows and fund balance	<u>\$ 703,828</u>	<u>\$ 566,235</u>	<u>\$1,592,334</u>	<u>\$ 1,787,436</u>	<u>\$ 321,592</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Economic Development	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements
<b>ASSETS</b>					
Cash and investments	\$ -	\$ -	\$ -	\$ 125,539	\$ 5,183,248
Restricted cash and investments	8,685,161	4,598,607	6,783,230	-	-
Taxes receivable delinquent	-	-	-	539	3,188
Special assessments delinquent	-	-	-	-	-
Accounts receivable	-	-	-	-	-
Allowance for accounts receivable	-	-	-	-	-
Loans receivable	1,825,600	-	-	-	-
Allowance for loans receivable	(365,120)	-	-	-	-
Due to other funds	-	-	-	-	-
Intergovernmental receivable	136,046	226,743	1,289,824	-	584,755
Inventory	-	-	-	-	-
Prepaid	-	-	464	-	-
Other assets - capital credits	-	-	-	-	-
Special assessments receivable deferred	-	-	-	26,291	-
Total assets	<u>\$ 10,281,687</u>	<u>\$ 4,825,350</u>	<u>\$ 8,073,518</u>	<u>\$ 152,369</u>	<u>\$ 5,771,191</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ 322,076	\$ -	\$ 365
Retainage payable	-	-	80,391	-	-
Due from other funds	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>402,467</u>	<u>-</u>	<u>365</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	-	-	-	26,291	-
Unavailable revenue - property taxes	-	-	-	539	3,188
Unavailable revenue - special assessments	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>26,830</u>	<u>3,188</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	464	-	-
Restricted	10,281,687	4,534,254	4,750,786	-	-
Committed	-	291,096	2,919,801	5,684	30,000
Assigned	-	-	-	119,855	5,737,638
Total fund balance	<u>10,281,687</u>	<u>4,825,350</u>	<u>7,671,051</u>	<u>125,539</u>	<u>5,767,638</u>
Total liabilities, inflows and fund balance	<u>\$ 10,281,687</u>	<u>\$ 4,825,350</u>	<u>\$ 8,073,518</u>	<u>\$ 152,369</u>	<u>\$ 5,771,191</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	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	\$ 1,180,299	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	618,263	7,442,211	4,297,213	-
Taxes receivable delinquent	2,189	-	-	-	-
Special assessments delinquent	30,748	-	-	-	-
Accounts receivable	-	-	135,150	-	-
Allowance for accounts receivable	-	-	(135,150)	-	-
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Due to other funds	-	-	-	297,737	-
Intergovernmental receivable	2	272,092	362,789	-	120,619
Inventory	-	-	-	-	-
Prepaid	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-
Special assessments receivable deferred	21,257	-	-	-	-
Total assets	<u>\$ 1,234,495</u>	<u>\$ 890,355</u>	<u>\$ 7,805,000</u>	<u>\$ 4,594,950</u>	<u>\$ 120,619</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 59,978	\$ 11,833
Retainage payable	-	-	-	15,883	-
Due from other funds	-	-	-	-	105,205
Accrued salaries payable	-	-	-	-	3,581
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>-</u>	<u>-</u>	<u>75,861</u>	<u>120,619</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Uncertified special assessment revenue	21,257	-	-	-	-
Unavailable revenue - property taxes	2,166	-	-	-	-
Unavailable revenue - special assessments	30,748	-	-	-	-
Total deferred inflows of resources	<u>54,171</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	-	-
Restricted	-	890,355	7,805,000	4,519,089	-
Committed	-	-	-	-	-
Assigned	1,180,324	-	-	-	-
Total fund balance	<u>1,180,324</u>	<u>890,355</u>	<u>7,805,000</u>	<u>4,519,089</u>	<u>-</u>
Total liabilities, inflows and fund balance	<u>\$ 1,234,495</u>	<u>\$ 890,355</u>	<u>\$ 7,805,000</u>	<u>\$ 4,594,950</u>	<u>\$ 120,619</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	CDBG-DR \$35 M	National Disaster Resilience \$74.3M	Total 2018	Total 2017
<b>ASSETS</b>				
Cash and investments	\$ -	\$ -	\$ 10,577,497	\$ 7,965,909
Restricted cash and investments	-	-	32,655,580	37,176,893
Taxes receivable delinquent	-	-	229,704	172,830
Special assessments delinquent	-	-	30,748	23,341
Accounts receivable	18	-	191,769	208,676
Allowance for accounts receivable	-	-	(135,150)	(135,150)
Loans receivable	-	-	1,825,600	1,838,200
Allowance for loans receivable	-	-	(365,120)	(367,640)
Due to other funds	-	-	297,737	393,075
Intergovernmental receivable	39,497	491,925	3,780,872	3,581,665
Inventory	-	-	6,590	6,536
Prepaid	-	-	67,767	48,801
Other assets - capital credits	-	-	41,257	40,088
Special assessments receivable deferred	-	-	47,548	169,946
Total assets	<u>\$ 39,515</u>	<u>\$ 491,925</u>	<u>\$ 49,252,399</u>	<u>\$51,123,170</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 4,224	\$ 151,523	\$ 599,865	\$ 903,323
Retainage payable	-	-	96,274	145,791
Due from other funds	32,130	160,402	297,737	393,075
Accrued salaries payable	3,161	6,811	64,371	53,519
Unearned revenue - other	-	-	-	57,178
Total liabilities	<u>39,515</u>	<u>318,736</u>	<u>1,058,247</u>	<u>1,552,886</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Uncertified special assessment revenue	-	-	47,548	169,946
Unavailable revenue - property taxes	-	-	213,677	153,994
Unavailable revenue - special assessments	-	-	30,748	21,841
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>291,973</u>	<u>345,781</u>
<b>FUND BALANCE</b>				
Nonspendable	-	-	115,614	95,425
Restricted	-	173,189	33,275,952	36,662,926
Committed	-	-	3,256,033	3,518,727
Assigned	-	-	11,254,580	8,947,425
Total fund balance	<u>-</u>	<u>173,189</u>	<u>47,902,179</u>	<u>49,224,503</u>
Total liabilities, inflows and fund balance	<u>\$ 39,515</u>	<u>\$ 491,925</u>	<u>\$ 49,252,399</u>	<u>\$51,123,170</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief 1st Penny
<b>REVENUES</b>					
Property tax collections	\$ 333,961	\$ 1,254,362	\$ 1,506,833	\$ 1,061,928	\$ -
Special assessment collections	-	-	-	-	-
Sales tax collections	-	-	-	-	1,059,103
Intergovernmental	578,415	46,372	-	-	-
Charges for services	74,557	11,083	453,148	-	-
Interest income	5,752	8,095	17,665	10,588	1,257
Miscellaneous	20,646	29,016	30,530	-	-
Total revenues	1,013,331	1,348,928	2,008,176	1,072,516	1,060,360
<b>EXPENDITURES</b>					
Current					
General government	1,004,951	-	-	57,243	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	1,332,264	1,880,764	-	-
Economic development	-	-	-	-	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	1,004,951	1,332,264	1,880,764	57,243	-
Excess (deficiency) of revenues over (under) expenditures	8,380	16,664	127,412	1,015,273	1,060,360
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	2,300	-	-	-	-
Transfers in	-	-	1,751	-	-
Transfers out	(5,752)	(7,865)	(108,502)	(10,588)	(912,500)
Total other financing sources (uses)	(3,452)	(7,865)	(106,751)	(10,588)	(912,500)
Net change in fund balance	4,928	8,799	20,661	1,004,685	147,860
Fund balance (deficit), January 1	665,281	435,403	1,461,196	740,412	173,732
Fund balance (deficit), December 31	\$ 670,209	\$ 444,202	\$ 1,481,857	\$ 1,745,097	\$ 321,592

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Economic Development	Sales Tax Improvements	Sales Tax Flood Control	Sidewalk Improvements	Street Improvements
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ -	\$ 1,504	\$ 41
Special assessment collections	-	-	-	32,261	-
Sales tax collections	1,588,655	2,647,758	1,842,280	-	-
Intergovernmental	-	-	1,275,252	90,000	2,723,751
Charges for services	-	-	-	-	-
Interest income	71,548	38,328	102,414	1,018	46,060
Miscellaneous	4,957	-	-	-	25,366
Total revenues	1,665,160	2,686,086	3,219,946	124,783	2,795,218
<b>EXPENDITURES</b>					
Current					
General government	-	-	4,985,126	130,944	-
Highways and streets	-	-	-	-	4,181,549
Culture and recreation	-	20,000	-	-	-
Economic development	420,838	-	-	-	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	420,838	20,000	4,985,126	130,944	4,181,549
Excess (deficiency) of revenues over (under) expenditures	1,244,322	2,666,086	(1,765,180)	(6,161)	(1,386,331)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	-	-	-
Transfers in	-	95,712	822,968	103,347	2,530,427
Transfers out	(918,673)	(2,767,174)	(2,685,301)	(1,001)	(41,255)
Total other financing sources (uses)	(918,673)	(2,671,462)	(1,862,333)	102,346	2,489,172
Net change in fund balance	325,649	(5,376)	(3,627,513)	96,185	1,102,841
Fund balance (deficit), January 1	9,956,038	4,830,726	11,298,564	29,354	4,664,797
Fund balance (deficit), December 31	\$ 10,281,687	\$ 4,825,350	\$ 7,671,051	\$ 125,539	\$ 5,767,638



**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, 2018**  
**With Comparative Totals for December 31, 2017**

	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	\$ 12,037	\$ -	\$ -	\$ -	\$ -
Special assessment collections	113,173	-	-	-	-
Sales tax collections	-	3,177,310	4,236,413	-	-
Intergovernmental	-	-	-	-	245,590
Charges for services	-	-	-	-	-
Interest income	10,130	3,140	60,194	55,670	27
Miscellaneous	60	-	-	-	10,762
Total revenues	135,400	3,180,450	4,296,607	55,670	256,379
<b>EXPENDITURES</b>					
Current					
General government	9,145	-	-	5,137	421,651
Highways and streets	-	-	-	-	-
Culture and recreation	-	-	-	460,903	-
Economic development	-	-	-	-	-
Debt service					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	9,145	-	-	466,040	421,651
Excess (deficiency) of revenues over (under) expenditures	126,255	3,180,450	4,296,607	(410,370)	(165,272)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	-	-	-
Transfers in	17,459	-	35,219	84,792	165,272
Transfers out	(9,797)	(2,736,873)	(4,221,778)	(936,196)	-
Total other financing sources (uses)	7,662	(2,736,873)	(4,186,559)	(851,404)	165,272
Net change in fund balance	133,917	443,577	110,048	(1,261,774)	-
Fund balance (deficit), January 1	1,046,407	446,778	7,694,952	5,780,863	-
Fund balance (deficit), December 31	\$ 1,180,324	\$ 890,355	\$ 7,805,000	\$ 4,519,089	\$ -

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>CDBG-DR \$35M</b>	<b>National Disaster Resilience \$74.3M</b>	<b>Total 2018</b>	<b>Total 2017</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 4,170,666	\$ 3,175,907
Special assessment collections	-	-	145,434	25,284
Sales tax collections	-	-	14,551,519	20,035,165
Intergovernmental	232,231	4,560,714	9,752,325	6,609,307
Charges for services	-	-	538,788	550,710
Interest income	-	-	431,886	174,958
Miscellaneous	-	175,000	296,337	279,719
Total revenues	232,231	4,735,714	29,886,955	30,851,050
<b>EXPENDITURES</b>				
Current				
General government	197,231	4,597,525	11,408,953	10,267,712
Highways and streets	-	-	4,181,549	3,727,692
Culture and recreation	-	-	3,693,931	7,396,239
Economic development	-	-	420,838	826,120
Debt retirement				
Interest and fiscal charges	-	-	-	411
Total expenditures	197,231	4,597,525	19,705,271	22,218,174
Excess (deficiency) of revenues over (under) expenditures	35,000	138,189	10,181,684	8,632,876
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of City property	-	-	2,300	5,000
Transfers in	-	35,000	3,891,947	4,841,198
Transfers out	(35,000)	-	(15,398,255)	(15,512,536)
Total other financing sources (uses)	(35,000)	35,000	(11,504,008)	(10,666,338)
Net change in fund balance	-	173,189	(1,322,324)	(2,033,462)
Fund balance (deficit), January 1	-	-	49,224,503	51,257,965
Fund balance (deficit), December 31	\$ -	\$ 173,189	\$ 47,902,179	\$ 49,224,503

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actuals**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Public Transportation				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 342,036	\$ 341,816	\$ 333,961	\$ (7,855)	\$ 409,488
Intergovernmental	676,232	651,732	578,415	(73,317)	581,477
Charges for services	75,000	75,000	74,557	(443)	71,501
Interest income	-	-	5,752	5,752	2,274
Miscellaneous	15,600	15,600	20,646	5,046	15,625
Total revenues	1,108,868	1,084,148	1,013,331	(70,817)	1,080,365
<b>EXPENDITURES</b>					
Current					
General government	1,108,868	1,093,169	1,004,951	88,218	1,017,051
Total expenditures	1,108,868	1,093,169	1,004,951	88,218	1,017,051
Excess (deficiency) of revenues over (under) expenditures	-	(9,021)	8,380	17,401	63,314
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	2,300	2,300	5,000
Transfers out	-	-	(5,752)	(5,752)	(2,274)
Total other financing sources (uses)	-	-	(3,452)	(3,452)	2,726
Net change in fund balance	\$ -	\$ (9,021)	4,928	\$ 13,949	66,040
Fund balance (deficit), January 1			665,281		599,241
Fund balance (deficit), December 31			<u>\$ 670,209</u>		<u>\$ 665,281</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Library</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 1,304,630	\$ 1,304,630	\$ 1,254,362	\$ (50,268)	\$ 1,203,849
Intergovernmental	31,460	31,460	46,372	14,912	37,452
Charges for services	16,645	16,645	11,083	(5,562)	15,563
Interest income	-	-	8,095	8,095	2,777
Miscellaneous	25,767	25,767	29,016	3,249	37,680
Total revenues	<u>1,378,502</u>	<u>1,378,502</u>	<u>1,348,928</u>	<u>(29,574)</u>	<u>1,297,321</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	1,378,502	1,533,465	1,332,264	201,201	1,485,307
Total expenditures	<u>1,378,502</u>	<u>1,533,465</u>	<u>1,332,264</u>	<u>201,201</u>	<u>1,485,307</u>
Excess (deficiency) of revenues over (under) expenditures	-	(154,963)	16,664	171,627	(187,986)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	304,406
Transfers out	-	-	(7,865)	(7,865)	-
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(7,865)</u>	<u>(7,865)</u>	<u>304,406</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (154,963)</u>	8,799	<u>\$ 163,762</u>	116,420
Fund balance (deficit), January 1			435,403		318,983
Fund balance (deficit), December 31			<u>\$ 444,202</u>		<u>\$ 435,403</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Recreation/Auditorium</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 1,564,791	\$ 1,564,791	\$ 1,506,833	\$ (57,958)	\$ 1,436,697
Charges for services	446,658	446,658	453,148	6,490	463,646
Interest income	-	-	17,665	17,665	7,834
Miscellaneous	37,188	37,188	30,530	(6,658)	23,788
Total revenues	<u>2,048,637</u>	<u>2,048,637</u>	<u>2,008,176</u>	<u>(40,461)</u>	<u>1,931,965</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	2,046,137	2,064,891	1,880,764	184,127	3,070,922
Total expenditures	<u>2,046,137</u>	<u>2,064,891</u>	<u>1,880,764</u>	<u>184,127</u>	<u>3,070,922</u>
Excess (deficiency) of revenues over (under) expenditures	2,500	(16,254)	127,412	143,666	(1,138,957)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	1,751	1,751	-	1,400,000
Transfers out	(2,500)	(2,500)	(108,502)	(106,002)	(7,399)
Total other financing sources (uses)	<u>(2,500)</u>	<u>(749)</u>	<u>(106,751)</u>	<u>(106,002)</u>	<u>1,392,601</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (17,003)</u>	<u>20,661</u>	<u>\$ 37,664</u>	<u>253,644</u>
Fund balance (deficit), January 1			1,461,196		1,207,552
Fund balance (deficit), December 31			<u>\$ 1,481,857</u>		<u>\$ 1,461,196</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Emergency Fund</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$ 1,131,688	\$ 1,061,928	\$ (69,760)	\$ 95,662
Intergovernmental	-	-	-	466,946
Interest income	-	10,588	10,588	-
Total revenues	<u>1,131,688</u>	<u>1,072,516</u>	<u>(59,172)</u>	<u>562,608</u>
<b>EXPENDITURES</b>				
Current				
General government	1,131,688	57,243	1,074,445	711,838
Debt service				
Interest and fiscal charges	-	-	-	394
Total expenditures	<u>1,131,688</u>	<u>57,243</u>	<u>1,074,445</u>	<u>712,232</u>
Excess (deficiency) of revenues over (under) expenditures	-	1,015,273	1,015,273	(149,624)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	-	394
Transfers out	-	(10,588)	(10,588)	-
Total other financing sources (uses)	<u>-</u>	<u>(10,588)</u>	<u>(10,588)</u>	<u>394</u>
Net change in fund balance	<u>\$ -</u>	<u>1,004,685</u>	<u>\$ 1,004,685</u>	<u>(149,230)</u>
Fund balance (deficit), January 1		740,412		889,642
Fund balance (deficit), December 31		<u>\$ 1,745,097</u>		<u>\$ 740,412</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, 2018**  
**With Comparative Totals for December 31, 2017**

<b>Sales Tax Property Relief-1st Penny</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 911,244	\$ 911,244	\$ 1,059,103	\$ 147,859	\$ 1,001,758
Interest income	-	-	1,257	1,257	117
Total revenues	911,244	911,244	1,060,360	149,116	1,001,875
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(911,244)	(912,500)	(912,500)	-	(940,817)
Total other financing sources (uses)	(911,244)	(912,500)	(912,500)	-	(940,817)
Net change in fund balance	\$ -	\$ (1,256)	147,860	\$ 149,116	61,058
Fund balance (deficit), January 1			173,732		112,674
Fund balance (deficit), December 31			<u>\$ 321,592</u>		<u>\$ 173,732</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Sales Tax Economic Development</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 1,366,866	\$ 1,366,866	\$ 1,588,655	\$ 221,789	\$ 1,502,637
Interest income	25,843	25,843	71,548	45,705	27,774
Miscellaneous	-	-	4,957	4,957	2,520
Total revenues	1,392,709	1,392,709	1,665,160	272,451	1,532,931
<b>EXPENDITURES</b>					
Current					
Economic development	519,741	528,634	420,838	107,796	826,120
Total expenditures	519,741	528,634	420,838	107,796	826,120
Excess (deficiency) of revenues over (under) expenditures	872,968	864,075	1,244,322	380,247	706,811
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	-	-	568,476
Transfers out	(872,968)	(872,968)	(918,673)	(45,705)	(50,000)
Total other financing sources (uses)	(872,968)	(872,968)	(918,673)	(45,705)	518,476
Net change in fund balance	\$ -	\$ (8,893)	325,649	\$ 334,542	1,225,287
Fund balance (deficit), January 1			9,956,038		8,730,751
Fund balance (deficit), December 31			<u>\$ 10,281,687</u>		<u>\$ 9,956,038</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Sales Tax Improvements</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$2,278,111	\$2,278,111	\$2,647,758	\$ 369,647	\$ 2,504,396
Interest income	-	-	38,328	38,328	17,278
Miscellaneous income	-	-	-	-	11,000
Total revenues	<u>2,278,111</u>	<u>2,278,111</u>	<u>2,686,086</u>	<u>407,975</u>	<u>2,532,674</u>
<b>EXPENDITURES</b>					
General government	-	-	-	-	26,000
Highway and streets	-	-	-	-	4,600
Culture and recreation	20,000	311,096	20,000	291,096	24,770
Total expenditures	<u>20,000</u>	<u>311,096</u>	<u>20,000</u>	<u>291,096</u>	<u>55,370</u>
Excess (deficiency) of revenues over (under) expenditures	2,258,111	1,967,015	2,666,086	699,071	2,477,304
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	95,712	95,712	16,000
Transfers out	(2,808,111)	(2,816,354)	(2,767,174)	49,180	(3,289,234)
Total other financing sources (uses)	<u>(2,808,111)</u>	<u>(2,816,354)</u>	<u>(2,671,462)</u>	<u>144,892</u>	<u>(3,273,234)</u>
Net change in fund balance	<u>\$ (550,000)</u>	<u>\$ (849,339)</u>	<u>(5,376)</u>	<u>\$ 843,963</u>	<u>(795,930)</u>
Fund balance (deficit), January 1			4,830,726		5,626,656
Fund balance (deficit), December 31			<u>\$4,825,350</u>		<u>\$ 4,830,726</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Flood Control				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 4,556,222	\$ 1,102,985	\$ 1,842,280	\$ 739,295	\$ 5,008,791
Intergovernmental	-	-	1,275,252	1,275,252	485,616
Interest income	20,954	20,954	102,414	81,460	44,393
Total revenues	4,577,176	1,123,939	3,219,946	2,096,007	5,538,800
<b>EXPENDITURES</b>					
General government	2,665,500	13,442,717	4,985,126	8,457,591	4,951,342
Total expenditures	2,665,500	13,442,717	4,985,126	8,457,591	4,951,342
Excess (deficiency) of revenues over (under) expenditures	1,911,676	(12,318,778)	(1,765,180)	10,553,598	587,458
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	822,968	822,968	822,968	-	-
Transfers out	(50,000)	(2,566,412)	(2,685,301)	(118,889)	(2,272,409)
Total other financing sources (uses)	772,968	(1,743,444)	(1,862,333)	(118,889)	(2,272,409)
Net change in fund balance	<u>\$ 2,684,644</u>	<u>\$(14,062,222)</u>	<u>(3,627,513)</u>	<u>\$10,434,709</u>	<u>(1,684,951)</u>
Fund balance (deficit), January 1			11,298,564		12,983,515
Fund balance (deficit), December 31			<u>\$ 7,671,051</u>		<u>\$ 11,298,564</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sidewalk Improvements				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 1,504	\$ 1,504	\$ 4,076
Special assessment collections	-	-	32,261	32,261	14,963
Intergovernmental	-	-	90,000	90,000	-
Interest income	-	-	1,018	1,018	437
Total revenues	-	-	124,783	124,783	19,476
<b>EXPENDITURES</b>					
General government	120,000	138,000	130,944	7,056	140,542
Total expenditures	120,000	138,000	130,944	7,056	140,542
Excess (deficiency) of revenues over (under) expenditures	(120,000)	(138,000)	(6,161)	131,839	(121,066)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	120,000	120,000	103,347	(16,653)	105,703
Transfers out	-	-	(1,001)	(1,001)	(295)
Total other financing sources (uses)	120,000	120,000	102,346	(17,654)	105,408
Net change in fund balance	\$ -	\$ (18,000)	96,185	\$ 114,185	(15,658)
Fund balance (deficit), January 1			29,354		45,012
Fund balance (deficit), December 31			<u>\$ 125,539</u>		<u>\$ 29,354</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Street Improvements				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 41	\$ 41	\$ 3,389
Intergovernmental	-	841,303	2,723,751	1,882,448	1,832,659
Interest income	-	-	46,060	46,060	17,172
Miscellaneous income	-	-	25,366	25,366	8,800
Total revenues	-	841,303	2,795,218	1,953,915	1,862,020
<b>EXPENDITURES</b>					
Highways and streets	2,900,000	4,487,252	4,181,549	305,703	3,723,092
Total expenditures	2,900,000	4,487,252	4,181,549	305,703	3,723,092
Excess (deficiency) of revenues over (under) expenditures	(2,900,000)	(3,645,949)	(1,386,331)	2,259,618	(1,861,072)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	2,900,000	2,900,000	2,530,427	(369,573)	2,429,416
Transfers out	-	-	(41,255)	(41,255)	(232,195)
Total other financing sources (uses)	2,900,000	2,900,000	2,489,172	(410,828)	2,197,221
Net change in fund balance	\$ -	\$ (745,949)	1,102,841	\$ 1,848,790	336,149
Fund balance (deficit), January 1			4,664,797		4,328,648
Fund balance (deficit), December 31			<u>\$5,767,638</u>		<u>\$4,664,797</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Demolitions</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 12,037	\$ 12,037	\$ 22,746
Special assessment collections	-	-	113,173	113,173	10,321
Interest income	-	-	10,130	10,130	3,949
Miscellaneous income	-	-	60	60	121
Total revenues	-	-	135,400	135,400	37,137
<b>EXPENDITURES</b>					
General government	-	24,975	9,145	15,830	1,954
Total expenditures	-	24,975	9,145	15,830	1,954
Excess (deficiency) of revenues over (under) expenditures	-	(24,975)	126,255	151,230	35,183
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	17,459	17,459	-
Transfers out	-	-	(9,797)	(9,797)	(48,630)
Total other financing sources (uses)	-	-	7,662	7,662	(48,630)
Net change in fund balance	\$ -	\$ (24,975)	133,917	\$ 158,892	(13,447)
Fund balance (deficit), January 1			1,046,407		1,059,854
Fund balance (deficit), December 31			<u>\$1,180,324</u>		<u>\$1,046,407</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Property Tax Relief - 2nd Penny				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 2,733,733	\$ 2,733,733	\$ 3,177,310	\$ 443,577	\$ 3,005,275
Interest income	-	-	3,140	3,140	-
Total revenues	2,733,733	2,733,733	3,180,450	446,717	3,005,275
<b>EXPENDITURES</b>					
Debt service					
Interest and fiscal charges	-	-	-	-	17
Total expenditures	-	-	-	-	17
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(2,733,733)	(2,736,874)	(2,736,873)	1	(2,911,884)
Total other financing sources (uses)	(2,733,733)	(2,736,874)	(2,736,873)	1	(2,911,884)
Net change in fund balance	\$ -	\$ (3,141)	443,577	\$ 446,718	93,374
Fund balance (deficit), January 1			446,778		353,404
Fund balance (deficit), December 31			\$ 890,355		\$ 446,778

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Infrastructure			
	Original & Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>				
Sales tax collections	\$ 3,644,977	\$ 4,236,413	\$ 591,436	\$ 4,007,033
Interest income	-	60,194	60,194	27,685
Miscellaneous income	-	-	-	14,124
Total revenues	<u>3,644,977</u>	<u>4,296,607</u>	<u>651,630</u>	<u>4,048,842</u>
<b>EXPENDITURES</b>				
General government	-	-	-	135,150
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>135,150</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	-	35,219	35,219	16,803
Transfers out	(4,550,000)	(4,221,778)	328,222	(5,596,748)
Total other financing sources (uses)	<u>(4,550,000)</u>	<u>(4,186,559)</u>	<u>363,441</u>	<u>(5,579,945)</u>
Net change in fund balance	<u>\$ (905,023)</u>	110,048	<u>\$ 1,015,071</u>	(1,666,253)
Fund balance (deficit), January 1		7,694,952		9,361,205
Fund balance (deficit), December 31		<u>\$ 7,805,000</u>		<u>\$ 7,694,952</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Sales Tax Community Facilities				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Sales tax collections	\$ 2,733,733	\$ -	\$ -	\$ -	\$3,005,275
Interest income	-	-	55,670	55,670	23,187
Total revenues	2,733,733	-	55,670	55,670	3,028,462
<b>EXPENDITURES</b>					
General government	-	-	5,137	(5,137)	-
Culture and recreation	4,779,456	4,534,756	460,903	4,073,853	2,815,240
Total expenditures	4,779,456	4,534,756	466,040	4,068,716	2,815,240
Excess (deficiency) of revenues over (under) expenditures	(2,045,723)	(4,534,756)	(410,370)	4,124,386	213,222
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfer in	-	-	84,792	84,792	-
Transfers out	(50,000)	(816,956)	(936,196)	(119,240)	(73,187)
Total other financing sources (uses)	(50,000)	(816,956)	(851,404)	(34,448)	(73,187)
Net change in fund balance	<u>\$ (2,095,723)</u>	<u>\$ (5,351,712)</u>	<u>(1,261,774)</u>	<u>\$ 4,089,938</u>	140,035
Fund balance (deficit), January 1			5,780,863		5,640,828
Fund balance (deficit), December 31			<u>\$ 4,519,089</u>		<u>\$ 5,780,863</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, 2018**  
**With Comparative Totals for December 31, 2017**

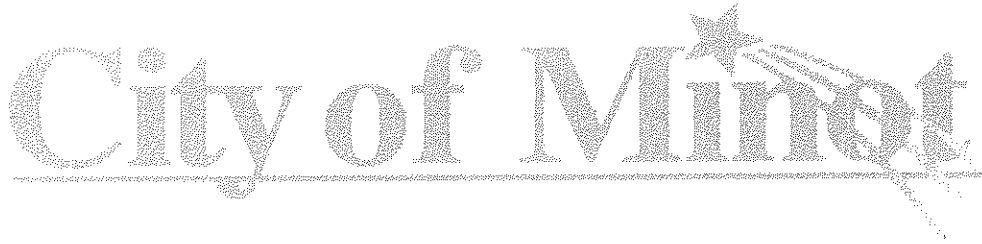
	<b>CDBG - Disaster Recovery \$67.5M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 245,590	\$ 245,590	\$ 247,207
Interest income	-	-	27	27	81
Miscellaneous	-	-	10,762	10,762	166,061
Total revenues	-	-	256,379	256,379	413,349
<b>EXPENDITURES</b>					
General government	-	1,071,743	421,651	650,092	325,885
Total expenditures	-	1,071,743	421,651	650,092	325,885
Excess (deficiency) of revenues over (under) expenditures	-	(1,071,743)	(165,272)	906,471	87,464
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	165,272	165,272	-
Transfers out	-	-	-	-	(87,464)
Total other financing sources (uses)	-	-	165,272	165,272	(87,464)
Net change in fund balance	<u>\$ -</u>	<u>\$ (1,071,743)</u>	<u>-</u>	<u>\$ 1,071,743</u>	<u>-</u>
Fund balance (deficit), January 1			<u>-</u>		<u>-</u>
Fund balance (deficit), December 31			<u>\$ -</u>		<u>\$ -</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>CDBG - Disaster Recovery \$35M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$ 232,231	\$ 232,231	\$ 685,736
Total revenues	-	-	232,231	232,231	685,736
<b>EXPENDITURES</b>					
General government	-	535,812	197,231	338,581	685,736
Total expenditures	-	535,812	197,231	338,581	685,736
Excess (deficiency) of revenues over (under) expenditures	-	(535,812)	35,000	570,812	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	-	-	(35,000)	(35,000)	-
Total other financing sources (use)	-	-	(35,000)	(35,000)	-
Net change in fund balance	\$ -	\$ (535,812)	-	\$ 535,812	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			<u>\$ -</u>		<u>\$ -</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, 2018**  
**With Comparative Totals for December 31, 2017**

	National Disaster Resilience \$74.3M				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Intergovernmental	\$ -	\$ -	\$4,560,714	\$ 4,560,714	\$ 2,272,214
Miscellaneous	-	-	175,000	175,000	-
Total revenues	-	-	4,735,714	4,735,714	2,272,214
<b>EXPENDITURES</b>					
General government	-	53,970,309	4,597,525	49,372,784	2,272,214
Total expenditures	-	53,970,309	4,597,525	49,372,784	2,272,214
Excess (deficiency) of revenues over (under) expenditures	-	(53,970,309)	138,189	54,108,498	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	35,000	35,000	-
Total other financing sources (uses)	-	-	35,000	35,000	-
Net change in fund balance	\$ -	\$ (53,970,309)	173,189	\$ 54,143,498	-
Fund balance (deficit), January 1			-		-
Fund balance (deficit), December 31			\$ 173,189		\$ -



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

*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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Highway Debt 2018</b>	<b>Highway Debt 2017</b>
<b>ASSETS</b>		
Cash and investments	\$ 51,417	\$ -
Restricted cash and investments	820,226	389,879
Taxes receivable delinquent	162,089	138,938
Intergovernmental receivable	1,211	1,566
Advance to other funds	85,000	93,527
Total assets	<u>\$ 1,119,943</u>	<u>\$ 623,910</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>		
Unavailable revenue - property taxes	\$ 150,636	\$ 122,414
Total deferred inflows of resources	<u>150,636</u>	<u>122,414</u>
<b>FUND BALANCE</b>		
Restricted	820,226	407,969
Assigned	149,081	93,527
Total fund balance	<u>969,307</u>	<u>501,496</u>
Total deferred inflows and fund balance	<u>\$ 1,119,943</u>	<u>\$ 623,910</u>

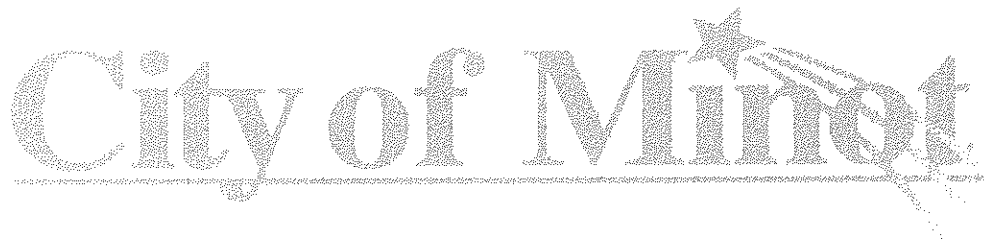
**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Highway Debt 2018</b>	<b>Highway Debt 2017</b>
<b>REVENUES</b>		
Property tax collections	\$ 2,890,143	\$ 2,973,042
Interest income	19,289	9,894
Total revenues	<u>2,909,432</u>	<u>2,982,936</u>
<b>EXPENDITURES</b>		
Debt service		
Principal retirement	1,850,000	3,130,000
Interest and fiscal charges	575,465	614,965
Total expenditures	<u>2,425,465</u>	<u>3,744,965</u>
Excess (deficiency) of revenues over (under) expenditures	483,967	(762,029)
<b>OTHER FINANCING SOURCES (USES)</b>		
Transfers in	3,195	4,095
Transfers out	(19,351)	(18,078)
Total other financing sources (uses)	<u>(16,156)</u>	<u>(13,983)</u>
Net change in fund balance	467,811	(776,012)
Fund balance (deficit), January 1	501,496	1,277,508
Fund balance (deficit), December 31	<u>\$ 969,307</u>	<u>\$ 501,496</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actuals**  
**Nonmajor Debt Service Fund**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Highway Debt			
	Original & Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>				
Property tax collections	\$2,999,029	\$2,890,143	\$ (108,886)	\$ 2,973,042
Interest income	-	19,289	19,289	9,894
Total revenues	2,999,029	2,909,432	(89,597)	2,982,936
<b>EXPENDITURES</b>				
Debt service				
Principal retirement	2,233,750	1,850,000	383,750	3,130,000
Interest and fiscal charges	808,474	575,465	233,009	614,965
Total expenditures	3,042,224	2,425,465	616,759	3,744,965
Excess (deficiency) of revenues over (under) expenditures	(43,195)	483,967	527,162	(762,029)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	43,195	3,195	(40,000)	4,095
Transfers out	-	(19,351)	(19,351)	(18,078)
Total other financing sources (uses)	43,195	(16,156)	(59,351)	(13,983)
Net change in fund balance	\$ -	467,811	\$ 467,811	(776,012)
Fund balance (deficit), January 1		501,496		1,277,508
Fund balance (deficit), December 31		\$ 969,307		\$ 501,496





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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.

***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, grants, 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, 2018**  
**With Comparative Totals for December 31, 2017**

	Special Assessment Capital	Fire Equipment	Equipment Purchase	Flood Control Capital	Total Nonmajor Capital Funds 2018	Total Nonmajor Capital Funds 2017
<b>ASSETS</b>						
Cash and investments	\$ -	\$ 63,107	\$ 1,820,919	\$ 510,402	\$ 2,394,428	\$ 1,371,138
Restricted cash and investments	-	-	-	-	-	27,499
Taxes receivable delinquent	-	-	80,489	-	80,489	61,272
Due to other funds	-	-	-	-	-	86,345
Intergovernmental receivable	-	-	459	299,045	299,504	443,662
Total assets	\$ -	\$ 63,107	\$ 1,901,867	\$ 809,447	\$ 2,774,421	\$ 1,989,916
<b>LIABILITIES</b>						
Accounts payable	\$ -	\$ 63,107	\$ 36,506	\$ 812,480	\$ 912,093	\$ 184,701
Retainage payable	-	-	26,028	639,781	665,809	58,100
Due from other funds	-	-	-	-	-	86,345
Total liabilities	-	63,107	62,534	1,452,261	1,577,902	329,146
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable revenue - property taxes	-	-	75,841	-	75,841	56,487
Total deferred inflows of resources	-	-	75,841	-	75,841	56,487
<b>FUND BALANCE</b>						
Restricted	-	-	-	-	-	27,499
Committed	-	-	456,463	-	456,463	310,900
Assigned	-	-	1,307,029	-	1,307,029	1,265,884
Unassigned	-	-	-	(642,814)	(642,814)	-
Total fund balance	-	-	1,763,492	(642,814)	1,120,678	1,604,283
Total liabilities, inflows and fund balance	\$ -	\$ 63,107	\$ 1,901,867	\$ 809,447	\$ 2,774,421	\$ 1,989,916

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Special Assessment Capital	Fire Equipment	Equipment Purchase	Flood Control Capital	Total Nonmajor Capital Funds 2018	Total Nonmajor Capital Funds 2017
<b>REVENUES</b>						
Property tax collections	\$ -	\$ 9,741	\$ 1,231,320	\$ -	\$ 1,241,061	\$ 753,427
Sales tax collections	-	-	-	6,630,546	6,630,546	-
Intergovernmental	79,982	7,995	567,478	73,983	729,438	579,753
Interest income	-	-	21,332	-	21,332	5,440
Miscellaneous	340	20,000	38,503	658	59,501	61,200
Total revenues	80,322	37,736	1,858,633	6,705,187	8,681,878	1,399,820
<b>EXPENDITURES</b>						
Capital outlay						
Contracted work	162,172	-	501,795	6,219,432	6,883,399	2,760,853
Equipment	-	43,126	1,572,678	-	1,615,804	777,489
Other	11,099	936	5,749	15,014	32,798	84,765
Acquisitions	-	-	-	9,605	9,605	238,595
Engineering	10,694	-	22,848	1,347,997	1,381,539	164,722
Debt service						
Interest and fiscal charges	-	-	-	15,603	15,603	1,841
Total expenditures	183,965	44,062	2,103,070	7,607,651	9,938,748	4,028,265
Excess (deficiency) of revenues over (under) expenditures	(103,643)	(6,326)	(244,437)	(902,464)	(1,256,870)	(2,628,445)
<b>OTHER FINANCING SOURCES (USES)</b>						
State revolving fund issued	-	-	-	179,120	179,120	-
Sale of City property	-	-	79,389	-	79,389	29,398
Transfers in	-	-	1,144,454	53,031	1,197,485	2,731,579
Transfers out	(60,158)	(527,367)	(95,204)	-	(682,729)	(3,299,749)
Total other financing sources (uses)	(60,158)	(527,367)	1,128,639	232,151	773,265	(538,772)
Net change in fund balance	(163,801)	(533,693)	884,202	(670,313)	(483,605)	(3,167,217)
Fund balance (deficit), January 1	163,801	533,693	879,290	27,499	1,604,283	4,771,500
Fund balance (deficit), December 31	\$ -	\$ -	\$ 1,763,492	\$ (642,814)	\$ 1,120,678	\$ 1,604,283

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Fire Equipment</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 590,550	\$ 21,695	\$ 9,741	\$ (11,954)	\$ 430,340
Intergovernmental	-	7,995	7,995	-	5,799
Interest income	-	-	-	-	2,151
Miscellaneous	-	20,000	20,000	-	13,000
Total revenues	590,550	49,690	37,736	(11,954)	451,290
<b>EXPENDITURES</b>					
Capital outlay					
Equipment	590,550	145,615	43,126	102,489	18,796
Other	-	-	936	(936)	1,203
Acquisitions	-	-	-	-	226,545
Engineering	-	-	-	-	42,471
Total expenditures	590,550	145,615	44,062	101,553	289,015
Excess (deficiency) of revenues over (under) expenditures	-	(95,925)	(6,326)	89,599	162,275
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	27,272	-	(27,272)	-
Transfers out	-	(522,080)	(527,367)	(5,287)	(1,941)
Total other financing sources (uses)	-	(494,808)	(527,367)	(32,559)	(1,941)
Net change in fund balance	\$ -	\$ (590,733)	(533,693)	\$ 57,040	160,334
Fund balance (deficit), January 1			533,693		373,359
Fund balance (deficit), December 31			\$ -		\$ 533,693

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Equipment Purchase				
	Original Budgeted Amounts	Final Budgeted Amounts	2018 Actual Amounts	Variance with Final Budget	2017 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ 704,080	\$ 1,251,356	\$ 1,231,320	\$ (20,036)	\$ 323,087
Intergovernmental	522,061	718,292	567,478	(150,814)	31,356
Interest income	-	-	21,332	21,332	3,289
Miscellaneous	-	41,070	38,503	(2,567)	33,885
Total revenues	1,226,141	2,010,718	1,858,633	(152,085)	391,617
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work	-	-	501,795	(501,795)	26,381
Equipment	1,811,141	2,924,460	1,572,678	1,351,782	758,693
Other	-	-	5,749	(5,749)	340
Engineering	-	-	22,848	(22,848)	-
Total expenditures	1,811,141	2,924,460	2,103,070	821,390	785,414
Excess (deficiency) of revenues over (under) expenditures	(585,000)	(913,742)	(244,437)	669,305	(393,797)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	77,900	79,389	1,489	29,398
Transfers in	540,000	1,041,921	1,144,454	102,533	474,601
Transfers out	-	1,751	(95,204)	(96,955)	(25,147)
Total other financing sources (uses)	540,000	1,121,572	1,128,639	7,067	478,852
Net change in fund balance	<u>\$ (45,000)</u>	<u>\$ 207,830</u>	884,202	<u>\$ 676,372</u>	85,055
Fund balance (deficit), January 1			879,290		794,235
Fund balance (deficit), December 31			<u>\$ 1,763,492</u>		<u>\$ 879,290</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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Flood Control Capital</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2018 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2017 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ -	\$ 6,186,970	\$ 6,630,546	\$ 443,576	\$ -
Intergovernmental	-	-	73,983	73,983	216,030
Miscellaneous	-	-	658	658	14,315
Total revenues	-	6,186,970	6,705,187	518,217	230,345
<b>EXPENDITURES</b>					
Capital outlay					
Contracted work	16,187,500	30,288,427	6,219,432	24,068,995	1,886,311
Other	-	-	15,014	(15,014)	5,994
Acquisitions	-	-	9,605	(9,605)	12,050
Engineering	-	-	1,347,997	(1,347,997)	-
Debt service					
Interest and fiscal charges	-	-	15,603	(15,603)	1,621
Total expenditures	16,187,500	30,288,427	7,607,651	22,680,776	1,905,976
Excess (deficiency) of revenues over (under) expenditures	(16,187,500)	(24,101,457)	(902,464)	23,198,993	(1,675,631)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sales tax bonds issued	16,187,500	16,187,500	-	(16,187,500)	-
State revolving fund issued	-	-	179,120	179,120	-
Transfers in	-	-	53,031	53,031	1,968,952
Total other financing sources (uses)	16,187,500	16,187,500	232,151	(15,955,349)	1,968,952
Net change in fund balance	\$ -	\$ (7,913,957)	(670,313)	\$ 7,243,644	293,321
Fund balance (deficit), January 1			27,499		(265,822)
Fund balance (deficit), December 31			<u>\$ (642,814)</u>		<u>\$ 27,499</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.

***Parking Ramps*** - To account for the provisions of providing parking for the Central and Renaissance parking ramps located in the downtown business district for 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, 2018**  
**With Comparative Totals for December 31, 2017**

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds 2018	Total Nonmajor Proprietary Funds 2017
	Cemetery	Parking Authority	Parking Ramps		
<b>ASSETS</b>					
Current					
Cash and cash equivalents	\$ 359,057	\$ 239,157	\$ 121,507	\$ 719,721	\$ 514,456
Taxes receivable delinquent	12,566	-	-	12,566	12,391
Accounts receivable	14,128	6,404	-	20,532	24,881
Intergovernmental receivable	89	-	-	89	141
Prepaid	-	-	5,453	5,453	-
Total current assets	385,840	245,561	126,960	758,361	551,869
Noncurrent assets					
Other assets - capital credits	5,719	1,437	-	7,156	7,001
Net OPEB asset	-	-	-	-	37
Capital assets					
Land	179,504	136,397	-	315,901	315,901
Buildings	150,885	-	-	150,885	150,885
Equipment	273,373	322,867	-	596,240	582,380
Infrastructure	489,985	17,228	-	507,213	507,213
Total capital assets	1,093,747	476,492	-	1,570,239	1,556,379
Less-accumulated depreciation	(465,211)	(334,256)	-	(799,467)	(728,783)
Net capital assets	628,536	142,236	-	770,772	827,596
Total assets	1,020,095	389,234	126,960	1,536,289	1,386,503
<b>DEFERRED OUTFLOWS OF RESOURCES</b>					
Deferred outflows of resources related to pension	16,220	-	-	16,220	4,711
Deferred outflows of resources related to OPEB	126	-	-	126	-
Total deferred outflows of resources	16,346	-	-	16,346	4,711
<b>LIABILITIES</b>					
Current liabilities					
Accounts payable	3,110	2,167	8,528	13,805	7,614
Accrued salaries payable	5,348	-	103	5,451	4,560
Compensated absences	5,817	-	-	5,817	5,948
Total current liabilities	14,275	2,167	8,631	25,073	18,122
Long-term liabilities					
Compensated absences	10,802	-	-	10,802	11,045
Customer deposits	-	600	-	600	600
Net pension liability	159,987	-	-	159,987	140,673
Net OPEB liability	286	-	-	286	-
Total long-term liabilities	171,075	600	-	171,675	152,318
Total liabilities	185,350	2,767	8,631	196,748	170,440
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Deferred inflows of resources related to pension	141,584	-	-	141,584	208,609
Deferred inflows of resources related to OPEB	-	-	-	-	190
Total deferred inflows of resources	141,584	-	-	141,584	208,799
<b>NET POSITION</b>					
Net investment in capital assets	628,536	142,236	-	770,772	827,596
Unrestricted net position	80,971	244,231	118,329	443,531	184,379
Total net position	\$ 709,507	\$ 386,467	\$ 118,329	\$ 1,214,303	\$ 1,011,975

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	<b>Nonmajor Business-Type Activities</b>			<b>Total Nonmajor Proprietary Funds 2018</b>	<b>Total Nonmajor Proprietary Funds 2017</b>
	<b>Cemetery</b>	<b>Parking Authority</b>	<b>Parking Ramps</b>		
<b>OPERATING REVENUES</b>					
Charges for services	\$ 276,125	\$ 51,710	\$ 41,683	\$ 369,518	\$ 345,802
Total operating revenues	276,125	51,710	41,683	369,518	345,802
<b>OPERATING EXPENSES</b>					
Salaries	248,906	-	11,569	260,475	263,295
Employee benefits	113,669	-	1,192	114,861	109,639
Professional services	-	-	-	-	279
Property services	16,657	7,206	53,811	77,674	33,516
Purchased services	6,987	1,091	12,541	20,619	8,545
Supplies	15,330	1,387	21,487	38,204	21,542
Sundry	42,475	5,079	-	47,554	43,420
Depreciation	70,113	574	-	70,687	49,803
Total operating expenses	514,137	15,337	100,600	630,074	530,039
Operating income (loss)	(238,012)	36,373	(58,917)	(260,556)	(184,237)
<b>NON-OPERATING REVENUES (EXPENSES)</b>					
Property tax collections	211,130	-	-	211,130	227,448
Intergovernmental revenues (expenses)	-	-	-	-	(339)
Interest income	3,251	1,689	630	5,570	1,696
Miscellaneous income (expense)	59,819	828	-	60,647	151,534
Gain (loss) on sale of capital assets	-	-	-	-	(167)
Total non-operating revenues (expenses)	274,200	2,517	630	277,347	380,172
Income (loss) before contributions and transfers	36,188	38,890	(58,287)	16,791	195,935
Transfers in	13,861	-	177,246	191,107	43,013
Transfers out	(3,251)	(1,689)	(630)	(5,570)	(1,696)
Total contributions and transfers	10,610	(1,689)	176,616	185,537	41,317
Change in net position	46,798	37,201	118,329	202,328	237,252
Net position, January 1	662,709	349,266	-	1,011,975	774,723
Net position, December 31	\$ 709,507	\$ 386,467	\$ 118,329	\$1,214,303	\$1,011,975

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds 2018	Total Nonmajor Proprietary Funds 2017
	Cemetery	Parking Authority	Parking Ramps		
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 279,623	\$ 52,231	\$ 36,230	\$ 368,084	\$ 357,736
Payments to suppliers	(85,522)	(13,027)	(79,311)	(177,860)	(133,519)
Payments to employees	(421,374)	-	(12,658)	(434,032)	(523,805)
Due from other agencies	52	-	-	52	5,459
Due to other agencies	-	-	-	-	(35)
Net cash provided (used) by operating activities	(227,221)	39,204	(55,739)	(243,756)	(294,164)
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Taxes received	270,949	828	-	271,777	378,643
Transfers in	13,861	-	177,246	191,107	43,013
Transfers out	(3,251)	(1,689)	(630)	(4,940)	(1,696)
Net cash provided (used) by noncapital financing activities	281,559	(861)	176,616	457,944	419,960
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Acquisition and construction of capital assets	(13,860)	-	-	(13,860)	(42,839)
Disposal of capital asset	(3)	-	-	(3)	5,500
Net cash used by capital and related financing activities	(13,863)	-	-	(13,863)	(37,339)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	3,251	1,689	630	4,940	1,696
Net increase (decrease) in cash and cash equivalents	43,726	40,032	121,507	205,265	90,153
Cash and investments, January 1	315,331	199,125	-	514,456	424,303
Cash and investments, December 31	\$ 359,057	\$ 239,157	\$ 121,507	\$ 719,721	\$ 514,456
Cash and cash equivalents are comprised of the following:					
Total cash and equivalents on the Statement of Net Position	\$ 359,057	\$ 239,157	\$ 121,507	\$ 719,721	\$ 514,456
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ (238,012)	\$ 36,373	\$ (58,917)	\$ (260,556)	\$ (184,064)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities					
Depreciation expense	70,113	574	-	70,687	49,803
Change in assets and liabilities:					
Taxes receivable	(175)	-	-	(175)	9,338
Receivables, net	3,800	549	-	4,349	2,514
Intergovernmental receivable	52	-	-	52	9,008
Prepaid	-	-	(5,453)	(5,453)	82
Accounts payable	(4,073)	1,736	8,528	6,191	(26,217)
Accrued salaries payable	788	-	103	891	(122)
Accrued interest payable	(374)	-	-	(374)	(5,714)
Other assets	(127)	(28)	-	(155)	(3,584)
Net OPEB asset	37	-	-	37	(37)
Net pension liability	19,314	-	-	19,314	(358,530)
Net OPEB liability	286	-	-	286	(173)
Deferred outflows of resources related to pension	(11,509)	-	-	(11,509)	54,632
Deferred outflows of resources related to OPEB	(126)	-	-	(126)	-
Deferred inflows of resources related to pension	(67,025)	-	-	(67,025)	158,710
Deferred inflows of resources related to OPEB	(190)	-	-	(190)	190
Net cash provided (used) by operating activities	\$ (227,221)	\$ 39,204	\$ (55,739)	\$ (243,756)	\$ (294,164)

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Central Garage	Self Insurance	Total Internal Service Funds 2018	Total Internal Service Funds 2017
<b>ASSETS</b>				
Cash and investments	\$ 110,252	\$3,044,808	\$3,155,060	\$2,782,508
Accounts receivable	-	922	922	615
Inventory	357,199	-	357,199	359,384
Other assets - capital credits	2,232	-	2,232	2,232
Total assets	469,683	3,045,730	3,515,413	3,144,739
<b>LIABILITIES</b>				
Accounts payable	38,100	198	38,298	186,649
Insurance claims payable	-	170,443	170,443	147,613
Total liabilities	38,100	170,641	208,741	334,262
<b>NET POSITION</b>				
Unrestricted	431,583	2,875,089	3,306,672	2,810,477
Total net position	\$ 431,583	\$2,875,089	\$3,306,672	\$2,810,477

**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, 2018**  
**With Comparative Totals for December 31, 2017**

	Central Garage	Self Insurance	Total Internal Service Funds 2018	Total Internal Service Funds 2017
<b>OPERATING REVENUES</b>				
Sales	\$ 1,108,392	\$ -	\$ 1,108,392	\$ 1,017,361
Cost of goods sold	(1,106,711)	-	(1,106,711)	(1,015,183)
Gross margin	1,681	-	1,681	2,178
Charges for services				
Employer	-	2,922,400	2,922,400	2,800,843
Employee	-	805,152	805,152	848,419
Total operating revenues	1,681	3,727,552	3,729,233	3,651,440
<b>OPERATING EXPENSES</b>				
Insurance claims	-	3,251,733	3,251,733	3,428,334
Total operating expenses	-	3,251,733	3,251,733	3,428,334
Operating income (loss)	1,681	475,819	477,500	223,106
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Interest income	1,073	23,657	24,730	8,932
Miscellaneous income (expense)	(16,406)	10,371	(6,035)	(53,010)
Total non-operating revenues (expenses)	(15,333)	34,028	18,695	(44,078)
Change in net position	(13,652)	509,847	496,195	179,028
Net position, January 1	445,235	2,365,242	2,810,477	2,631,449
Net position, December 31	\$ 431,583	\$ 2,875,089	\$ 3,306,672	\$ 2,810,477

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2018**  
**With Comparative Totals for December 31, 2017**

	Central Garage	Self Insurance	Total Internal Service Funds 2018	Total Internal Service Funds 2017
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 1,110,577	\$ 3,727,245	\$ 4,837,822	\$ 4,667,952
Payments to suppliers	(1,128,627)	(3,355,338)	(4,483,965)	(4,313,906)
Net cash provided (used) by operating activities	(18,050)	371,907	353,857	354,046
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Internal activity - payments from other funds	-	10,371	10,371	33,450
Internal activity - payments to other funds	(16,406)	-	(16,406)	(86,460)
Net cash provided (used) by noncapital financing activities	(16,406)	10,371	(6,035)	(53,010)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	1,073	23,657	24,730	8,932
Net cash provided by investing activities	1,073	23,657	24,730	8,932
Net increase in cash and cash equivalents	(33,383)	405,935	372,552	309,968
Cash and investments, January 1	143,635	2,638,873	2,782,508	2,472,540
Cash and investments, December 31	\$ 110,252	\$ 3,044,808	\$ 3,155,060	\$ 2,782,508
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,681	\$ 475,819	\$ 477,500	\$ 223,106
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	-	(307)	(307)	(544)
Inventory	2,185	-	2,185	1,873
Accounts payable	(21,916)	(126,435)	(148,351)	118,301
Insurance claims payable	-	22,830	22,830	11,310
Net cash provided (used) by operating activities	\$ (18,050)	\$ 371,907	\$ 353,857	\$ 354,046

## **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, 2018**  
**With Comparative Totals for December 31, 2017**

	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	CDBG/ EDA	Total Agency Funds 2018	Total Agency Funds 2017
<b>ASSETS</b>						
Cash and investments	\$ 190,769	\$ -	\$ 138,537	\$ -	\$ 329,306	\$ 393,079
Accounts receivable	31	-	72,455	-	72,486	125,231
Intergovernmental receivable	-	-	2,502	4,800	7,302	4,994
Due from other funds	-	-	-	-	-	47
Total assets	<u>\$ 190,800</u>	<u>\$ -</u>	<u>\$ 213,494</u>	<u>\$ 4,800</u>	<u>\$ 409,094</u>	<u>\$ 523,351</u>
<b>LIABILITIES</b>						
Accounts payable	\$ 190,800	\$ -	\$ 213,494	\$ 4,800	\$ 409,094	\$ 523,304
Due to other funds	-	-	-	-	-	47
Total liabilities	<u>\$ 190,800</u>	<u>\$ -</u>	<u>\$ 213,494</u>	<u>\$ 4,800</u>	<u>\$ 409,094</u>	<u>\$ 523,351</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, 2018**  
**With Comparative Totals for December 31, 2017**

	Beginning	Additions	Deletions	Ending
<b>PAYROLL DEDUCTIONS</b>				
Assets				
Cash and investments	\$ 328,825	\$ 6,974,893	\$ 7,112,949	\$ 190,769
Accounts receivable	7,061	1,693	8,723	31
Total assets	<u>\$ 335,886</u>	<u>\$ 6,976,586</u>	<u>\$ 7,121,672</u>	<u>\$ 190,800</u>
Liabilities				
Accounts payable	\$ 335,886	\$ 830,255	\$ 685,169	\$ 190,800
Total liabilities	<u>\$ 335,886</u>	<u>\$ 830,255</u>	<u>\$ 685,169</u>	<u>\$ 190,800</u>
<b>EMPLOYER SOCIAL SECURITY</b>				
Assets				
Cash and investments	\$ -	\$ 1,656	\$ 1,656	\$ -
Intergovernmental receivable	828	828	1,656	-
Total assets	<u>\$ 828</u>	<u>\$ 2,484</u>	<u>\$ 3,312</u>	<u>\$ -</u>
Liabilities				
Accounts payable	\$ 828	\$ 828	\$ -	\$ -
Total liabilities	<u>\$ 828</u>	<u>\$ 828</u>	<u>\$ -</u>	<u>\$ -</u>
<b>HOTEL/MOTEL TAX</b>				
Assets				
Cash and investments	\$ 64,254	\$ 901,443	\$ 827,160	\$ 138,537
Accounts receivable	118,123	935,913	981,581	72,455
Intergovernmental receivable	1,932	2,502	1,932	2,502
Due from other funds	47	-	47	-
Total assets	<u>\$ 184,356</u>	<u>\$ 1,839,858</u>	<u>\$ 1,810,720</u>	<u>\$ 213,494</u>
Liabilities				
Accounts payable	\$ 184,356	\$ 979,779	\$ 1,008,917	\$ 213,494
Total liabilities	<u>\$ 184,356</u>	<u>\$ 979,779</u>	<u>\$ 1,008,917</u>	<u>\$ 213,494</u>
<b>CDBG/EDA</b>				
Assets				
Cash and investments	\$ -	\$ 5,281	\$ 5,281	\$ -
Accounts receivable	47	-	47	-
Intergovernmental receivable	2,234	10,034	7,468	4,800
Total assets	<u>\$ 2,281</u>	<u>\$ 15,315</u>	<u>\$ 12,796</u>	<u>\$ 4,800</u>
Liabilities				
Accounts payable	\$ 2,234	\$ 5,234	\$ 7,800	\$ 4,800
Due to other funds	47	-	(47)	-
Total liabilities	<u>\$ 2,281</u>	<u>\$ 5,234</u>	<u>\$ 7,753</u>	<u>\$ 4,800</u>
<b>TOTAL DECEMBER 31, 2018</b>				
Assets				
Cash and investments	\$ 393,079	\$ 7,883,273	\$ 7,947,046	\$ 329,306
Accounts receivable	125,231	937,606	990,351	72,486
Intergovernmental receivable	4,994	13,364	11,056	7,302
Due from other funds	47	-	47	-
Total assets	<u>\$ 523,351</u>	<u>\$ 8,834,243</u>	<u>\$ 8,948,500</u>	<u>\$ 409,094</u>
Liabilities				
Accounts payable	\$ 523,304	\$ 1,816,096	\$ 1,701,886	\$ 409,094
Due to other funds	47	-	(47)	-
Total liabilities	<u>\$ 523,351</u>	<u>\$ 1,816,096</u>	<u>\$ 1,701,839</u>	<u>\$ 409,094</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>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2018 and 2017**

<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>2018</b>	<b>2017</b>
Land	\$ 89,315,522	\$ 82,025,785
Construction in progress	15,172,549	8,917,562
Buildings	21,606,949	21,172,490
Equipment	24,946,641	23,773,494
Infrastructure	306,245,938	291,717,189
Intangible assets	598,329	598,329
Books	3,437,736	3,392,561
Total governmental funds capital assets	<u>\$ 461,323,664</u>	<u>\$ 431,597,410</u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>		
Capital project funds		
General obligation bonds	\$ 33,572,820	\$ 33,359,604
Revenue bonds	3,554,141	3,554,141
Sales tax	35,378,067	34,265,583
Federal grants	163,586,541	147,450,082
State grants	78,804,610	70,527,355
County grants	1,305,015	1,216,423
Contributions from others	98,533,790	94,999,015
General fund	24,621,890	24,621,890
Special revenue	18,120,483	17,969,006
Urban renewal	465,739	465,739
Enterprise fund	3,380,568	3,168,572
Total governmental funds capital assets	<u>\$ 461,323,664</u>	<u>\$ 431,597,410</u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2018**  
**With Comparative Totals for December 31, 2017**

FUNCTION AND ACTIVITY	Land	Construction in Process	Buildings	Equipment	Infrastructure	Intangible Assets	Books	2018	2017
General Government									
Civic center/property maintenance	\$ 49,374	\$ -	\$ 3,429,528	\$ 328,807	\$ 305,527	\$ -	\$ -	\$ 4,113,236	\$ 4,076,683
City Manager/Clerk	-	-	-	108,320	-	-	-	108,320	59,740
Information technology	-	-	-	476,797	-	220,899	-	697,696	520,529
Assessor	-	-	-	63,139	-	32,500	-	95,639	119,272
Engineering	-	-	-	439,899	-	-	-	439,899	384,076
Planning	-	-	-	17,604	-	-	-	17,604	17,604
Inspection	-	-	-	199,592	-	33,000	-	232,592	249,724
Traffic control	-	-	-	975,553	4,440,972	-	-	5,416,525	6,345,333
Public works	-	-	4,411,778	102,500	3,522,311	-	-	8,036,589	4,513,399
General	86,779,904	14,779,719	119,423	1,457,210	20,844,663	-	-	123,980,919	110,758,806
Total general government	86,829,278	14,779,719	7,960,729	4,169,421	29,113,473	286,399	-	143,139,019	127,045,166
Public Safety									
Police	-	-	161,537	4,999,730	2,254,756	-	-	7,416,023	7,361,584
Fire	475,322	68,693	7,882,019	4,968,912	1,388,084	-	-	14,783,030	14,275,701
Total public safety	475,322	68,693	8,043,556	9,968,642	3,642,840	-	-	22,199,053	21,637,285
Street	1,580,920	253,914	385,576	5,428,428	272,001,287	311,930	-	279,962,055	267,341,038
Shop	-	-	-	342,912	-	-	-	342,912	342,912
Library	7,624	41,433	3,128,994	102,009	315,781	-	3,437,736	7,033,577	6,946,969
Public transportation	-	-	853,027	3,672,640	-	-	-	4,525,667	4,162,659
Recreation	422,378	28,790	1,235,067	1,262,589	1,172,557	-	-	4,121,381	4,121,381
Total governmental funds	\$ 89,315,522	\$ 15,172,549	\$ 21,606,949	\$ 24,946,641	\$ 306,245,938	\$ 598,329	\$ 3,437,736	\$ 461,323,664	\$ 431,597,410

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2018**

FUNCTION AND ACTIVITY	Governmental Fund					Governmental Fund	
	Capital Assets January 1, 2018	Additions	Deletions	Transfers	Construction in Process	Capital Assets December 31, 2018	
<b>GENERAL GOVERNMENT</b>							
Civic center/property maintenance	\$ 4,076,683	\$ -	\$ -	\$ 36,553	\$ -	\$ 4,113,236	
City Manager/Clerk	59,740	63,570	-	(14,990)	-	108,320	
Information technology	520,529	187,362	10,195	-	-	697,696	
Assessor	119,272	-	23,633	-	-	95,639	
Engineering	384,076	55,823	-	-	-	439,899	
Planning	17,604	-	-	-	-	17,604	
Inspection	249,724	-	73,143	56,011	-	232,592	
Traffic control	6,345,333	160,374	1,078,229	(10,953)	-	5,416,525	
Public works	4,513,399	3,522,311	-	879	-	8,036,589	
General	110,758,806	9,540,921	11,098,527	-	14,779,719	123,980,919	
Total general government	127,045,166	13,530,361	12,283,727	67,500	14,779,719	143,139,019	
<b>PUBLIC SAFETY</b>							
Police	7,361,584	177,942	67,492	(56,011)	-	7,416,023	
Fire	14,275,701	478,523	39,887	-	68,693	14,783,030	
Total public safety	21,637,285	656,465	107,379	(56,011)	68,693	22,199,053	
Street	267,341,038	15,623,788	3,267,285	10,600	253,914	279,962,055	
Shop	342,912	-	-	-	-	342,912	
Library	6,946,969	193,005	147,830	-	41,433	7,033,577	
Public transportation	4,162,659	524,178	176,160	14,990	-	4,525,667	
Recreation	4,121,381	-	28,790	-	28,790	4,121,381	
Total governmental funds	\$ 431,597,410	\$ 30,527,797	\$ 16,011,171	\$ 37,079	\$ 15,172,549	\$ 461,323,664	

## 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.

- Governmental Activities Tax Revenues by Source
- Sales Tax-Taxable Sales and Purchases
- Sales Tax-Taxable Sales and Purchases by Industry
- 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

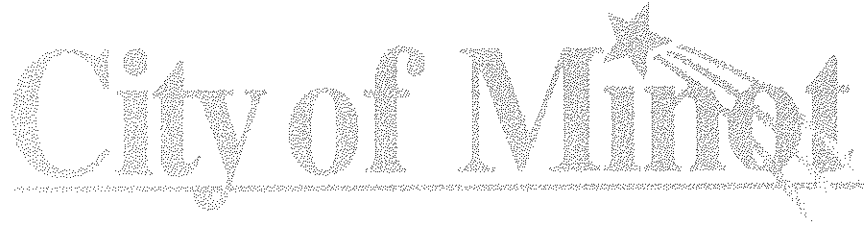
***Demographic and Economic*** - schedules are intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and with other governments.

- 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**

**Last Ten Fiscal Years**

(accrual basis of accounting)

unaudited

	2009	2010	2011	Restated 2012	Restated 2013	2014	Restated 2015	2016	2017	2018
<b>Governmental activities</b>										
Net investment in capital assets	\$ 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	\$ 307,599,271
Restricted for:										
General government	-	-	-	-	-	-	-	-	-	173,189
Capital leases	-	15,392	-	-	-	7,921	-	-	6,405	214,717
Sales tax property tax relief	539,915	663,930	1,627,741	2,951,612	3,226,156	4,009,260	3,320,232	466,078	620,510	1,211,947
Sales tax economic development	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	10,281,687
Sales tax improvements	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	4,534,254
Sales tax flood control	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	4,750,786
Sales tax NAWS	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	16,566,834
Sales tax infrastructure	-	-	1,265,347	5,025,790	6,083,970	7,677,734	7,483,834	9,361,205	7,694,952	7,805,000
Sales tax community facilities	-	-	949,011	4,654,813	6,567,548	7,655,275	6,669,543	5,640,828	5,780,863	4,519,089
Debt service	2,643,771	812,051	1,230,207	960,352	517,259	1,946,942	4,362,686	4,821,781	3,000,375	2,478,763
Highway projects	2,833,320	1,448,511	1,269,078	2,777	-	-	-	-	2,530,196	-
Other purposes	466,931	157,398	739	16,989	51,407	631,104	14,491	-	400,303	-
Unrestricted	13,648,707	17,426,333	21,843,214	38,869,534	45,912,502	51,710,024	28,862,541	24,715,847	15,216,593	30,493,443
<b>Total governmental activities net position</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>\$ 390,628,980</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 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	\$ 301,986,780
Restricted for:										
Customer facility charges	-	-	-	-	-	-	-	-	620,699	815,226
Capital leases	-	450,000	426,950	-	440,000	5,383	884,900	1,157,675	1,836,498	2,110,850
Debt service	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	6,218,930
Passenger facility charges not spent	-	-	-	1,041,086	925,887	651,251	-	-	-	-
Other purposes	40,664	48,349	54,277	61,593	45,027	14,402	-	-	-	-
Unrestricted	3,589,808	6,409,415	12,401,010	17,512,758	32,226,444	30,061,447	38,411,347	21,219,745	17,342,753	34,221,779
<b>Total business-type activities net position</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>\$ 345,353,565</b>
<b>Government-wide activities</b>										
Net investment in capital assets	\$ 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	\$ 609,586,051
Restricted	49,596,047	53,973,748	67,512,817	66,706,957	77,661,330	85,496,089	87,553,709	88,290,590	83,428,752	61,681,272
Unrestricted	17,238,515	23,835,748	34,244,224	56,382,292	78,138,946	81,771,471	67,273,888	45,935,592	32,559,346	64,715,222
<b>Total government net position</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>	<b>\$ 735,982,545</b>



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

	2009	2010	2011	Restated 2012	Restated 2013	2014	2015	2016	2017	2018
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 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	\$ 27,658,285
Public safety	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	19,357,138
Highways and streets	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	22,087,149
Culture and recreation	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	4,115,743
Economic development	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475	3,266,376	1,145,992	826,120	420,838
Interest on long-term debt	952,970	684,342	599,608	670,777	377,420	1,084,587	1,323,446	1,359,381	1,324,441	1,187,992
Total governmental activities expenses	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	74,827,145
Business-type activities										
Airport	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	10,498,354
Cemetery	245,719	305,368	304,502	325,301	378,717	488,825	469,091	533,872	497,669	514,137
Parking authority	121,475	123,727	118,367	231,938	123,598	72,806	98,705	79,994	32,703	15,337
Sanitation	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	5,342,969
Water and sewer	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	27,894,194
Parking ramps	-	-	-	-	-	-	-	-	-	100,600
Total business-type activities expenses	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	44,365,591
Total government expenses	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	119,192,736
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	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	6,516,083
Public safety	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	1,287,801
Highways and streets	63,523	-	84,164	15,554	112,496	793	-	123,754	22,715	-
Culture and recreation	-	534,353	1,150,392	2,010,063	2,021,129	558,414	568,694	655,084	592,532	476,712
Operating grants and contributions										
General government	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	7,897,958
Public safety	99,507	676,006	364,666	338,479	576,299	534,176	311,835	1,136,656	463,544	661,683
Highways and streets	547,985	630,630	4,604	9,511,871	4,366,489	593,703	8,606,392	-	1,832,659	1,882,272
Culture and Recreation	-	-	-	-	152,993	90,498	98,447	3,937	37,452	46,372
Capital grants and contributions										
General government	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	14,896,495
Public safety	-	604,476	181,340	268,620	815,504	468,119	2,663,668	10,564	27,204	67,539
Highways and streets	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	14,809,130
Culture and recreation	-	-	6,673	-	12,011	24,806	190,839	63,400	27,515	137,892
Economic development	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	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	48,679,937
Business-type activities										
Charges for services										
Airport	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	4,218,415
Cemetery	251,298	291,230	261,460	268,427	303,061	330,264	313,701	298,117	297,359	280,341
Parking authority	136,618	126,065	143,438	149,343	107,647	39,259	45,655	48,527	47,310	51,710
Sanitation	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	5,733,297
Water and sewer	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	22,375,882
Parking ramps	-	-	-	-	-	-	-	-	-	42,194
Operating grants and contributions										
Airport	241,680	328,837	604,989	977,359	1,418,223	1,248,307	2,401,140	1,421,390	580,465	626,823
Sanitation	-	-	-	-	-	-	5,200	89,903	-	-
Water and sewer	-	-	-	-	-	-	-	24,608	-	445,000

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

	2009	2010	2011	Restated 2012	Restated 2013	2014	2015	2016	2017	2018
Capital grants and contributions										
Airport	\$ 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	\$ 1,102,373
Cemetery	(5,080)	61,853	10,964	26,508	-	-	-	-	-	-
Parking authority	52,921	-	-	89,053	-	(1,513)	-	-	-	-
Sanitation	1,400	2,197	407,443	298,497	1,540,548	190,550	-	577,716	2,606,770	36,329
Water and sewer	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	6,938,315
Total business-type activities program revenues	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	41,850,679
Total government program revenues	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	90,530,616
Net revenue (expense)										
Governmental activities	(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)	(26,147,208)
Business-type activities	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	(2,514,912)
Total government net expense	(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	(28,662,120)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	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	18,361,227
Property taxes, levied for debt service	1,064,857	749,233	800,683	735,488	499,901	1,126,237	2,875,336	2,333,770	3,056,361	2,936,172
Sales taxes	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	21,182,065
Municipal highway tax	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	2,618,870
State aid distribution-unrestricted	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	3,818,739
Franchise taxes	483,377	517,894	525,180	588,414	668,203	699,277	702,627	676,847	629,927	571,431
Other taxes	292,845	425,536	450,630	1,729,453	564,120	700,272	311,720	314,838	303,037	303,918
Grants and contributions not restricted to specific programs										
Investment earnings	961,136	474,228	950,457	480,932	251,460	471,073	694,916	645,118	801,119	1,576,164
Miscellaneous	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	1,360,796
Transfers	(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)	(15,695,476)
Total governmental activities	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	37,033,906
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	281,001	305,389	480,909	687	186,344	82,208	166,746	385,491	758,690	797,082
Other taxes	65,609	88,318	108,670	-	-	-	-	-	-	-
Investment earnings	215,446	98,049	105,260	91,147	88,706	114,540	119,072	98,063	249,010	423,177
Miscellaneous	72,223	307,387	442,812	247,280	403,908	44,404	1,244,180	660,328	756,238	390,265
Transfers	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	15,695,476
Total business-type activities	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	17,306,000
Total government	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	54,339,906
Change in net position										
Governmental activities	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	10,886,699
Business-type activities	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	14,791,088
Total government	\$ 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	\$ 25,677,787

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

	2009*	2010	2011	2012	2013	2014	2015	2016	2017	2018
General fund										
Nonspendable	\$ 4,746	\$ 26,691	\$ 114,184	\$ 39,167	\$ 225,635	\$ 265,407	\$ 517,859	\$ 508,264	\$ 471,775	\$ 473,597
Restricted	41,532	50,077	739	6,039	-	3,171	-	654,437	372,804	214,717
Committed	4,667	-	-	-	-	-	-	-	-	480,742
Assigned	259,042	1,916	-	-	-	-	-	82,268	85,700	234,849
Unassigned	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	30,949,573
Total general fund	<u>\$ 7,266,798</u>	<u>\$ 7,348,259</u>	<u>\$ 10,617,859</u>	<u>\$ 16,229,708</u>	<u>\$ 19,499,905</u>	<u>\$ 22,975,555</u>	<u>\$ 25,207,413</u>	<u>\$ 25,732,157</u>	<u>\$ 27,486,911</u>	<u>\$ 32,353,478</u>
All other governmental funds										
Nonspendable	\$ 1,748,428	\$ 419,517	\$ 109,535	\$ 67,299	\$ 622,897	\$ 1,811,788	\$ 1,802,560	\$ 2,428,847	\$ 1,068,548	\$ 115,614
Restricted	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	52,321,549
Committed	2,531,471	1,703,715	3,972,645	6,011,986	12,497,167	38,123,755	-	-	291,096	5,750,502
Assigned	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	22,413,885
Unassigned	(622,965)	(353,393)	(726,084)	(1,637,152)	(1,852,004)	(265,877)	-	(265,822)	(22,847)	(642,814)
Total all other governmental funds	<u>\$ 49,168,576</u>	<u>\$ 56,657,792</u>	<u>\$ 71,437,595</u>	<u>\$ 78,502,611</u>	<u>\$ 94,329,735</u>	<u>\$ 102,888,011</u>	<u>\$ 107,187,566</u>	<u>\$ 106,181,644</u>	<u>\$ 94,404,766</u>	<u>\$ 79,958,736</u>

\*Implemented GASB #54 with 2009 CAFR

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>REVENUES</b>										
Property taxes	\$ 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	\$ 20,885,157
Special assessment collections	1,216,553	845,259	805,084	753,755	775,793	2,030,276	4,884,263	4,002,683	2,205,809	1,945,189
Sales tax collections	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	21,182,065
Licenses and permits	701,740	836,065	1,486,521	2,311,025	2,153,400	1,862,029	1,331,860	977,803	685,449	1,398,108
Intergovernmental	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	30,411,854
Charges for services	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	4,535,173
Cable TV franchise fees	483,377	517,894	525,180	588,414	668,203	668,203	699,277	676,847	629,927	571,431
Fines and forfeits	490,864	659,823	852,821	1,117,060	1,198,946	1,229,088	679,969	669,284	646,728	739,543
Interest income	961,136	454,200	958,300	546,393	251,460	471,073	694,916	645,118	801,119	1,576,164
Contract revenue	-	-	1,698,584	1,200,000	1,187,136	-	-	-	-	-
Miscellaneous	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	1,677,642
Total revenues	41,765,054	44,833,751	60,185,141	72,653,029	84,333,048	93,148,737	118,246,705	84,211,171	95,142,457	84,922,326
<b>EXPENDITURES</b>										
General government	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	23,146,741
Public safety	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	17,379,470
Highways and streets	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	8,625,795
Culture and recreation	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	3,693,931
Economic development	932,000	1,122,808	903,978	851,421	1,306,170	3,292,475	3,266,376	1,145,992	826,120	420,838
Capital outlay	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	21,055,738
Debt retirement										
Principal	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	3,760,000
Interest and fiscal charges	787,850	700,606	600,808	696,720	551,892	1,022,919	1,319,488	1,326,733	1,341,613	1,211,259
Total expenditures	37,948,848	38,306,756	42,433,848	59,064,156	80,930,858	89,280,107	117,400,674	101,213,742	98,357,069	79,293,772
Excess (deficiency) of revenues over (under) expenditures	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)	5,628,554
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation bonds issued	2,005,000	1,375,000	-	2,900,000	6,815,000	3,950,000	390,000	780,000	-	-
Special assessment bonds issued	-	-	4,285,000	1,885,000	11,595,000	4,135,000	3,780,000	10,110,000	-	-
Premium (discount) on debt issued	6,180	(6,875)	200,025	95,838	642,825	332,360	166,241	949,616	-	-
State revolving fund	-	-	-	-	-	-	-	-	-	179,120
Capital leases	-	15,392	-	-	-	7,921	(1,779)	-	6,405	203,000
Sale of City Property	20,053	312,939	89,751	79,600	84,844	93,325	88,865	186,486	72,224	105,339
Transfers in	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	13,303,536
Transfers out	(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)	(28,999,012)
Total other financing sources (uses)	(1,394,391)	1,043,682	298,110	(912,008)	15,695,131	8,165,296	5,685,382	16,521,393	(6,807,512)	(15,208,017)
Net change in fund balances	\$ 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)	\$ (9,579,463)
Debt service expenditures to noncapital expenditures	9.60%	10.83%	7.53%	13.88%	6.63%	6.65%	8.55%	11.66%	12.06%	8.54%

**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
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
2018	18,361,227	2,936,172	21,182,065	2,618,870	3,818,739	571,431	303,918	49,792,422	47,822

(1) 2017-2018 Source: Ward County Area Profile. 2018 as of 2/6/19  
 2009-2016 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					
				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%	Capital Purchases		
2009	35,730	2%	\$ 907,331,139	\$ 742,296	\$ 2,969,183	\$ 3,711,479	\$ -	\$ -	\$ -	\$ 7,422,957	\$ -	\$ -	\$ -	\$ -	\$14,845,915	31.10%
2010	40,888	2%	1,070,664,687	860,020	3,440,078	4,300,098	-	-	-	8,600,195	-	-	-	-	17,200,391	32.30%
2011	42,485	2%	1,390,182,220	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%	1,644,090,990	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%	1,559,389,207	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%
2018	47,822	2%	1,049,220,541	1,059,103	1,588,655	2,647,758	1,842,280	-	6,630,546	-	3,177,310	4,236,413	-	-	21,182,065	28.50%

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) 2017-2018 Source: Ward County Area Profile. 2018 as of 2/6/19  
2009-2016 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	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Construction	\$ 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	\$ 30,518,657
Manufacturing	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	25,157,356
Wholesale trade	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	131,858,479
Retail trade	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	571,195,731
Transportation & warehousing	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	3,918,938
Information industries	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	4,184,241
Fin, insurance, real estate, rental & leasing	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	25,620,582
Professional, scientific, tech., & mgmt serv.	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	4,913,830
Educational, health care, & social services	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	4,035,600
Arts, entertainment & recreation	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	7,384,957
Accommodation & food services	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	166,260,319
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	30,371,368
Other services	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	41,659,096
Miscellaneous	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	2,141,387
Total taxable sales and purchases	\$ 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	\$ 1,049,220,541

\* Industry taxable sales and purchases figures are from the State of ND Sales Tax Department - 2018 numbers are preliminary

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

Budget Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
2010	\$ 399,824,050	\$ 727,791,050	\$ 8,697,477	\$ 1,136,312,577	\$ 2,272,625,153	50.00%	108.12
2011	451,055,991	820,974,530	9,717,790	1,281,748,311	2,563,496,622	50.00%	107.33
2012	485,485,645	828,297,280	9,492,470	1,323,275,395	2,646,550,790	50.00%	76.67
2013	620,200,100	936,981,878	13,467,661	1,570,649,639	3,141,299,270	50.00%	84.29
2014	843,373,150	1,188,428,700	15,175,410	2,046,977,260	4,093,954,520	50.00%	76.05
2015	1,000,617,300	1,227,636,250	15,781,324	2,244,034,874	4,488,069,748	50.00%	77.90
2016	1,126,074,880	1,300,547,378	15,256,870	2,441,879,128	4,883,758,256	50.00%	77.05
2017	1,111,099,350	1,295,175,344	20,045,240	2,426,319,934	4,852,639,869	50.00%	77.81
2018	991,146,600	1,233,454,067	19,278,330	2,243,878,997	4,487,757,994	50.00%	106.65
2019	929,727,850	1,223,475,000	21,038,600	2,174,241,450	4,348,482,900	50.00%	129.70

(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

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<b>Budget Year</b>	<b>City of Minot</b>					<b>Total</b>	<b>Minot Park District</b>	<b>Minot School District</b>	<b>State and County</b>	<b>Total</b>
	<b>General Fund</b>	<b>Proprietary Funds</b>	<b>Special Revenue Funds</b>	<b>Capital Funds</b>	<b>Debt Service Funds</b>					
2010	65.34	2.95	29.83	2.39	7.61	108.12	30.68	133.40	77.43	349.63
2011	67.06	4.04	25.59	3.63	7.01	107.33	29.83	129.75	72.66	339.57
2012	46.11	-	23.65	0.39	6.52	76.67	30.87	135.19	69.58	312.31
2013	46.84	1.33	24.13	8.44	3.55	84.29	31.65	141.02	71.12	328.08
2014	44.74	0.44	20.04	4.63	6.20	76.05	28.11	81.98	63.03	249.17
2015	46.01	0.82	20.64	2.94	7.49	77.90	27.09	92.41	71.22	268.62
2016	47.41	1.70	16.62	7.11	4.21	77.05	29.35	98.25	64.79	269.44
2017	44.07	3.50	12.96	3.21	14.07	77.81	31.36	108.22	65.47	282.86
2018	61.81	3.86	20.52	6.09	14.37	106.65	34.40	111.05	72.42	324.52
2019	69.39	6.36	32.49	6.66	14.80	129.70	35.55	113.50	73.08	351.83

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>Budget 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>
2010	\$ 11,453,689	\$ 10,852,906	94.75%	\$ 257,025	\$ 11,109,931	97.00%	\$ 398,636	\$ 282,239	2.46%
2011	12,736,802	12,063,643	94.71%	205,011	12,268,654	96.32%	466,124	284,263	2.23%
2012	9,408,148	8,943,179	95.06%	206,031	9,149,210	97.25%	315,299	227,902	2.42%
2013	12,449,978	11,789,696	94.70%	170,747	11,960,443	96.07%	354,891	362,546	2.91%
2014	14,505,927	13,803,849	95.16%	264,952	14,068,802	96.99%	351,294	448,378	3.09%
2015	16,451,633	15,063,278	91.56%	309,745	15,373,023	93.44%	459,639	1,067,348	6.49%
2016	17,616,035	15,905,973	90.29%	885,793	16,791,766	95.32%	486,750	1,404,868	7.97%
2017	17,871,719	16,700,619	93.45%	1,217,215	17,917,834	100.26%	489,170	869,583	4.87%
2018	22,616,328	20,925,767	92.53%	625,918	21,551,685	95.29%	761,757	1,172,469	5.18%
2019	26,508,631	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, 2018**  
unaudited

TAXPAYER	2018				2009			
	(1)		% of total		(1)		% of total	
	Taxable	Rank	Taxable	Value	Taxable	Rank	Taxable	Value
	Assessed		Assessed		Assessed		Assessed	
	Value		Value		Value		Value	
Dakota Square Mall CMBS LLC	\$ 3,705,150	1	1.81%		\$ 3,855,045	1	3.99%	
IRET - Minot Apartments, LLC	1,297,100	2	0.63%				0.00%	
IRET Properties	1,216,150	3	0.59%				0.00%	
SUSO 3 Southgate LP	1,017,500	4	0.50%				0.00%	
North Highland-Minot, LLC	929,600	5	0.45%				0.00%	
Westcorp Minot, LLC	845,250	6	0.41%				0.00%	
Wal-Mart Real Estate Business Trst-Property Tax Dept #8013	807,050	7	0.39%		825,115	3	0.86%	
Schatz Properties, LLC	785,600	8	0.38%				0.00%	
Doc-2111 Landmark Circle Mob, LLC	759,850	9	0.37%				0.00%	
IRET Corporate Plaza	737,500	10	0.36%				0.00%	
United Pulse Trading Inc	724,900	11	0.35%				0.00%	
Cognizant Technology Solutions US Corp.	691,850	12	0.34%				0.00%	
Farmers Union Oil Co of Minot	691,450	13	0.34%		297,850	18	0.31%	
Westlie Motor Company	682,200	14	0.33%				0.00%	
Home Depot USA, Inc	680,400	15	0.33%				0.00%	
ARHC MMMINND01, LLC (Medical Arts/Wellington)	678,600	16	0.33%				0.00%	
Cenex Harvest States Co-Op	633,450	17	0.31%		313,605	16	0.32%	
Baker Hughes Oilfield Operations, Inc	620,850	18	0.30%				0.00%	
Hudye Group, LP	595,150	19	0.29%				0.00%	
Prairie Heights Apartments LLLP	588,550	20	0.29%				0.00%	
Investor's Real Estate Trust (IRET)					2,211,515	2	2.29%	
Kadima Medical Properties (Former Unimed Clinic)					657,885	4	0.68%	
Menard's Inc.					603,490	5	0.63%	
Reliastar (ING)					546,845	6	0.57%	
International Inn					513,145	7	0.53%	
Philadelphia Macaroni					487,550	8	0.51%	
Glacial Holdings					460,950	9	0.48%	
Cambridge Capital Management					436,195	10	0.45%	
Minot Vista (Edgewood Vista)					392,745	11	0.41%	
Riverside Inc. (Holiday Inn Riverside)					390,210	12	0.40%	
Woodridge Mobile Home Park					360,830	13	0.37%	
Minot Senior Living (Brentmoor)					329,800	14	0.34%	
Map Dakota (Wellington)					326,675	15	0.34%	
Dayton-Hudson Corporation (Target)					309,970	17	0.32%	
MLT					285,705	19	0.30%	
Somerset Court					276,155	20	0.29%	
All Others	186,501,245		90.89%		82,618,720		85.62%	
Total Taxable Assessed Value	<u>\$205,189,395</u>		<u>100.00%</u>		<u>\$96,500,000</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	Capital Financing Program Bonds	State Revolving Funds	Capital Lease	Revenue Bonds	State Revolving Funds	Notes Payable	Loans Payable	Capital Leases			
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
2018	16,500,655	17,740,256	1,687,190	179,120	214,717	47,217,220	6,215,499	878,930	-	2,110,850	92,744,437	26.14%	1,939.37

(1) \$3,548,100 Source: Bureau of Economic Analysis; Last updated November 15, 2018

(2) 2017-2018 Source: Ward County Area Profile. 2018 as of 2/6/19

**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>
2009	35,730	\$ 1,136,312,577	\$ 11,485,666	\$ 1,350,573	\$ 10,135,093	0.89%	\$ 283.66
2010	40,888	1,281,748,311	11,489,263	297,431	11,191,832	0.87%	273.72
2011	42,485	1,323,275,395	10,017,759	348,339	9,669,420	0.73%	227.60
2012	43,746	1,570,649,639	8,503,327	510,105	7,993,222	0.51%	182.72
2013	46,398	2,046,977,260	13,879,232	352,896	13,526,336	0.66%	291.53
2014	47,997	2,244,034,874	16,506,462	1,273,150	15,233,312	0.68%	317.38
2015	49,450	2,441,879,128	14,449,840	1,195,984	13,253,856	0.54%	268.03
2016	47,338	2,426,319,934	21,799,895	1,048,359	20,751,536	0.86%	438.37
2017	48,743	2,243,878,997	18,589,243	389,879	18,199,364	0.81%	373.37
2018	47,822	2,174,241,450	16,960,990	871,643	16,089,347	0.74%	336.44

(1) 2017-2018 Source: Ward County Area Profile. 2018 as of 2/6/19  
 2009-2016 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, 2018**  
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)	\$ 57,705,731	\$ 3,096,278	\$ 54,609,453	99.73%	\$54,463,693
Minot Park District (2)	19,644,948	-	19,644,948	96.90%	19,035,278
Ward County (3)	33,815,000	-	33,815,000	66.11%	<u>22,356,553</u>
<b>Overlapping Debt</b>					95,855,525
City of Minot (General Obligation Direct Debt)			16,500,655	100.00%	16,500,655
City of Minot (Special Assessment)			17,740,257	100.00%	17,740,257
City of Minot (Capital Financing Program Bonds)(4)			1,687,190	0.00%	-
City of Minot (State Revolving Fund)			179,120	0.00%	-
City of Minot (Capital Lease)			214,717	100.00%	<u>214,717</u>
<b>Direct Debt</b>					<u>34,455,629</u>
Total Direct and Overlapping Debt					<u><u>\$ 130,311,154</u></u>

<b>Ratios Used</b>	<b>2017 Assessed Value</b>	<b>2017 City's Assessed Value</b>	<b>Percentage</b>
Minot School District (3)	\$ 2,237,889,801	\$ 2,243,878,997	99.73%
Minot Park District (3)	2,174,241,450	\$ 2,243,878,997	96.90%
Ward County (3)	3,393,938,563	2,243,878,997	66.11%

(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 funded by the hotel/motel tax collection and distributed to Minot Convention and Visitors Bureau and All Season's Arena. This debt is for the All Season's Arena.

(5) State Revolving Fund will be paid for with user fees and/or sales tax collections.

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, 2018**  
unaudited

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True and full value of taxable property - 2018	\$ 4,348,482,900
Debt limit - 8% of 50% of true and full value	173,939,316
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 16,500,655
Special Assessment bonds with Government Commitment	460,335
Less: cash in debt service sinking funds	<u>(871,643)</u>
Total net debt applicable to limit	<u>16,089,347</u>
Legal debt margin	<u><u>\$ 157,849,969</u></u>

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Debt limit	\$ 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	\$ 173,939,316
Less total net debt applicable to limit	11,485,666	11,489,263	10,017,759	8,503,327	13,879,232	16,506,462	14,449,840	21,799,895	18,589,243	16,089,347
Legal debt margin	<u>\$ 79,419,340</u>	<u>\$ 91,050,602</u>	<u>\$ 95,844,273</u>	<u>\$ 118,179,642</u>	<u>\$ 149,878,949</u>	<u>\$ 163,016,328</u>	<u>\$ 188,776,941</u>	<u>\$ 172,305,700</u>	<u>\$ 160,921,077</u>	<u>\$ 157,849,969</u>
Total net debt applicable to the limit as a percentage of debt limit	12.63%	11.20%	9.46%	6.71%	8.48%	9.19%	7.11%	11.23%	10.36%	9.25%



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

Year	Operating Revenue	State & Federal Collected Revenues	Tax Levy	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Debt Service	Net Revenue Available for Debt Service	Debt Service Requirements			
							(2) Principal	Interest & Fiscal Charges	Total	Coverage
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
2018	4,530,290	1,406,385	585,952	3,704,460	-	2,818,167	1,180,711	984,820	2,165,531	1.30

(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	
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
2018	22,328,966	12,897,110	1,050,000	10,481,856	2,265,013	1,540,534	3,805,547	2.75

(1) Excludes depreciation

(2) Permanent financing only

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

Year	(1) Population Estimated	(2) Annual Personal Income	(2) Per Capita Personal Income	(3) Median Age	(2) Education Levels in Years of Formal Schooling	(4) School Enrollment	(2) Unemployment Rate
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%
2018	47,822	3,548,100	51,462	31.6	13.51	7,985	2.7%

(1) 2017-2018 Source: Ward County Area Profile. 2018 as of 2/6/19  
 2009-2016 Source: U.S. Census Bureau

(2) 2016-2018 Source: Bureau of Economic Analysis  
 2009-2015 Source: Ward County Area Profile

(3) 2016-2018 Source: Bureau of Economic Analysis  
 2009-2015 Source: Minot Area Development Corp Community Profile

(4) Minot Public Schools; Our Redeemer's Christian School; Bishop Ryan Catholic Schools

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

Employer	2018			2009		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	6,368	1	27.50%	4,435	1	14.08%
Trinity Health	2,053	2	8.86%	2,720	2	8.63%
Minot Public Schools	1,052	3	4.54%	1,419	3	4.50%
City of Minot	424	4	1.83%	311	12	0.99%
Minot State University	404	5	1.74%	510	6	1.62%
Cognizant (ING Minot Service Center)	372	6	1.61%	925	4	2.94%
BNSF Railways	360	7	1.55%			
MLT Inc.	358	8	1.55%	349	11	1.11%
Kalix (MVAW)	308	9	1.33%	553	5	1.76%
Ward County	297	10	1.28%	216	13	0.69%
Marketplace Foods	295	11	1.27%			
Ryan Family Dealerships-Minot	255	12	1.10%			
Regency Management Company (Grand Hotel/International Inn)	219	13	0.95%	165	15	0.52%
Wal-Mart	197	14	0.85%	350	10	1.11%
SRT Communications	187	15	0.81%	206	14	0.65%
Baker Hughes	170	16	0.73%			
Minot Automotive Center	128	17	0.55%			
Westlie Motors	124	18	0.54%	122	19	0.39%
First Western Bank	123	19	0.53%			
AGT Foods, Inc	120	20	0.52%			
Dakota Boys & Girls Ranch				452	7	1.43%
Miracle Mart				394	8	1.25%
Choice Hotels International, Inc.				380	9	1.21%
ManorCare Health Services				150	16	0.48%
US Post Office				130	17	0.41%
Burdick Job Corps Center				125	18	0.40%
Total	<u>13,814</u>		<u>59.65%</u>	<u>13,912</u>		<u>44.15%</u>

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>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>	<b>2018</b>
General government	33	33	33	38	44.84	48.34	55.84	68.34	69.26	66.80
Public safety										
Police										
Officers	63	67	69	70	75.00	79.00	83.00	85.00	84.00	84.00
Civilians	20	20	20	22	25.00	25.00	26.00	27.00	27.00	27.00
Fire										
Firefighters and officers	49.00	49.00	50.00	47.00	50.00	50.00	56.00	62.00	62.00	62.00
Civilians	1.00	1.00	1.00	1.00	2.00	2.00	2.00	2.00	2.00	2.00
Highways and streets										
Engineering	9	9	10	11	12.00	12.00	14.00	13.00	13.00	10.00
Maintenance	36	36	38	35	36.68	36.68	39.68	42.68	42.57	42.47
Culture and recreation	25.63	25.63	25.63	25.63	26.63	26.63	26.63	26.63	26.63	26.63
Airport	13	11	12	16	18.00	18.00	18.50	25.00	27.00	25.00
Cemetery	3	3	3	3	4.21	4.21	4.21	4.21	4.21	4.23
Parking authority	1	1	1	1	1.00	1.00	-	-	-	-
Sanitation	22	22	22	23	27.15	30.15	31.47	31.48	31.66	22.43
Water and sewer	39	39	38	41	42.62	48.62	49.30	50.29	50.30	51.07
Total	<u>314.63</u>	<u>316.63</u>	<u>322.63</u>	<u>333.63</u>	<u>365.13</u>	<u>381.63</u>	<u>406.63</u>	<u>437.63</u>	<u>439.63</u>	<u>423.63</u>

(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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>FUNCTION</b>										
General government										
Assessors										
Properties reviewed	1,600	1,500	950	150	922	4,148	3,158	3,062	3,555	3,039
Properties photographed	3,500	2,200	900	2,790	1,944	4,557	4,437	3,731	4,024	3,109
Building inspections										
Permits issued	486	528	873	1,872	1,064	777	719	512	568	511
City bus										
Bus ridership	131,062	123,139	123,744	136,951	128,184	130,866	114,472	89,602	88,803	91,666
Public safety										
Police										
Parking tickets issued	6,914	6,072	6,957	9,619	9,032	7,368	8,029	4,198	5,473	4,705
Criminal citations issued	5,697	6,035	6,206	6,781	7,492	6,057	4,223	3,379	3,235	3,197
Traffic citations issued	3,551	4,251	4,194	4,901	4,239	4,990	5,340	5,729	6,414	5,740
Alarms-patrol & parking division	716	839	939	1,348	1,172	1,410	1,501	1,588	1,319	1,126
Fire										
# of fire incidents	381	432	498	594	660	751	737	751	758	762
# of rescue incidents	1,867	1,957	1,920	2,052	2,175	2,043	2,036	2,044	2,162	2,611
Inspections made	1,393	1,514	1,137	1,514	2,370	2,812	1,465	2,029	1,623	780
Highways and streets										
Traffic										
Signs installed	1,430	1,419	1,207	1,497	1,314	1,331	1,484	1,390	2,101	2,009
Signs/posts repaired	2,138	2,005	1,776	1,543	1,582	1,401	1,351	1,124	1,078	2,362
Traffic light repairs	273	241	441	569	861	276	293	529	380	945
Street light repairs	253	186	373	396	892	274	297	644	1,005	915
Culture and recreation										
Auditorium										
Event days	1,539	1,362	1,137	714	746	590	697	762	794	846
Attendance	256,439	194,067	211,608	199,435	186,914	78,531	94,843	117,649	125,832	138,353
Library										
Registered borrowers	22,933	24,079	24,039	23,105	21,994	21,874	22,196	23,081	24,078	25,176
Circulation and activity	273,182	274,665	232,471	268,444	302,028	292,676	205,338	645,648	384,705	446,697
Airport										
Gallons airline fuel dispensed	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	1,907,901
Airline boarding's	72,219	96,599	306,403	444,921	222,083	222,144	182,872	151,700	143,172	151,658
Sanitation										
# of customers	10,769	10,884	10,825	15,453	11,044	11,504	11,512	11,530	11,508	11,486
Landfill tonnage	114,685	115,812	215,860	191,326	161,131	151,913	142,030	178,181	121,184	133,571
Water and Sewer										
# of consumers	12,472	13,640	13,671	13,708	14,320	14,649	14,700	14,755	14,734	14,680
Gallons pumped/treated	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	2,455,902,936

Source: Various city departments

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

	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
<b>FUNCTION</b>										
General government										
Public works building	1	1	1	2	2	2	2	2	2	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	31	31	33	35	36	40	41	42	42	44
Fire										
Stations	3	3	3	3	3	3	3	4	4	4
Highways and streets										
Streets (square miles)	17.31	18.78	19.72	25.14	27.32	27.36	27.48	27.76	27.23	27.24
Street lights	2,504	2,672	2,604	2,897	3,229	3,400	3,603	3,690	3,751	3,795
Traffic signals	50	51	51	52	53	53	53	50	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	2	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	9	9	9	12	14
Water and Sewer										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	210	245	269	292	302	315	322.9	324.15	324.49	315.08
Sewer mains (miles-estimated)	-	208.5	212.3	229.9	232.8	249.2	255.9	259.22	264.66	266.28
Storm Sewer mains (miles-estimated)	-	67.61	71.96	85.59	88.45	98.12	105.61	112.81	111.57	118.54
Maximum daily capacity (millions of gallons)	10.56	9.93	8.2	11.5	10.95	11.3	11.3	11.3	12.4	12.3

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 (The "Airport") 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, 2018. 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, 2018.



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

Fargo, North Dakota  
April 18, 2019



**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, 2018, and the related notes to the financial statements, and have issued our report thereon dated April 18, 2019.

**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 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 Sully LLP". The signature is written in a cursive, flowing style.

Fargo, North Dakota  
April 18, 2019



## **Independent Auditor's Report on Compliance for the 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 the 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 the City's major federal program for the year ended December 31, 2018. The City's major federal program is 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 the City's major federal 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 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 the major federal program. However, our audit does not provide a legal determination of the City's compliance.

#### **Opinion on the 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 on its major federal program for the year ended December 31, 2018.

### **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 the major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for the 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 18, 2019

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018

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 Housing and Urban Development</u>				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269		\$ 9,734,630	
Total Department of Housing and Urban Development			\$ 9,734,630	149,702
<u>Department of Justice</u>				
Bulletproof Vest Partnership Program	16.607		11,320	
<i>Passed through ND Department of Health</i> Edward Byrne Memorial Justice Assistance Grant Program	16.738	1/1/18-12/31/18	7,800	7,800
Total Department of Justice				19,120
<u>Department of Transportation</u>				
Airport Improvement Program	20.106		653,535	
<i>Passed through ND Department of Transportation</i>				
Formula Grants for Rural Areas	20.509	38171072 & 38181022	511,756	
Bus and Bus Facilities Formula Program	20.526	38171125 & 38160128	419,342	
State and Community Highway Safety	20.600	PHSPDD1811-02-08	\$ 4,000	
National Priority Safety Programs	20.616	PHSPID1810-02-11	\$ 11,673	
National Priority Safety Programs	20.616	PHSPOP1805-05-12	5,050	
National Priority Safety Programs	20.616	PHSPID1810-12-07	2,415	
National Priority Safety Programs	20.616	PHSPOP1905-05-12	3,639	
Total CFDA #20.616			22,777	
Total Highway Safety Cluster			26,777	
Total Department of Transportation				1,611,410

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2018

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 Treasury</u>				
Equitable Sharing Program				
Federal Asset Forfeiture Drug Share Program	21.016		8,695	
Total Department of Treasury				8,695
<u>Environmental Protection Agency</u>				
Drinking Water State Revolving Fund	66.468		191,024	
Brownsfields Assessment and Cleanup Cooperative Agreements	66.818		67,092	
Total Environmental Protection Agency				258,116
<u>Department of Homeland Security</u>				
<i>Passed through ND Department of Emergency Services</i>				
Hazard Mitigation Grant	97.039	ND-DR-1981-26R	21,872	
Assistance to Firefighters Grant Program	97.044	EMW-2016-FO-05729	272,728	
Homeland Security Grant Program	97.067	A0771-001-2016-RQ	25,423	
Homeland Security Grant Program	97.067	A0771-003-2016-RT	33,875	
Homeland Security Grant Program	97.067	A1216-002-2017-R	24,618	
Homeland Security Grant Program	97.067	A1215-001-2017-R	2,948	
Homeland Security Grant Program	97.067	A1171-001-2016-RQ	59,544	
Homeland Security Grant Program	97.067	A1171-002-2016-RT	7,000	
Total CFDA #97.067			153,408	
Total Department of Homeland Security				448,008
Total Federal Financial Assistance			\$ 12,079,979	\$ 157,502

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2018. The information is presented in accordance with the 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). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position, or cash flows of the City.

**Note B – Summary of Significant Accounting Policies**

Expenditures reported in the schedule are reported on the modified accrual basis of accounting, except for subrecipient expenditures, which are recorded on the cash basis. When applicable, such expenditures are recognized following the cost principles contained in the Uniform Guidance, wherein certain types of expenditures are not allowable or are limited as to reimbursement.

**Note C – Indirect Cost Rate**

The City does not draw for indirect administrative expenses and 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, 2018

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<u>Program Title</u>	<u>Revenue</u>
Passenger Facility Charge Program	<u>\$ 652,801</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.

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

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**FINANCIAL STATEMENTS**

Type of auditor's report issued	Unmodified
Internal control over financial reporting:	
Material weaknesses identified	No
Significant deficiencies identified not 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>
Community Development Block Grants	14.269
Dollar threshold used to distinguish between type A and type B programs:	\$ 750,000
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.