

**CITY OF MANDAN, NORTH DAKOTA
MANDAN, NORTH DAKOTA**

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2022

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CITY OF MANDAN
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2022

Elected Officials

Tim Helbling	Mayor/President
Joseph Camisa, Jr	Vice President
Mike Braun	Commissioner
Brad Olson	Commissioner
Dennis Rohr	Commissioner
DeNae Kautzman	Municipal Judge

Appointed Officials

Amy Oster	City Attorney
Jim Neubauer	City Administrator
Ellen Huber	Business Development and Communications
Greg Welch	Finance
Kimberly Markley	Assessing
Justin Froseth	Planning and Engineering
Jason Ziegler	Police
Steve Nardello	Fire
Jordan Singer	Building Inspection
Mitch Bitz	Public Works

INDEPENDENT AUDITOR'S REPORT

To the Honorable Mayor and
Board of City Commissioners
City of Mandan
Mandan, North Dakota

Report on the Financial Statements

Opinions

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 Mandan, North Dakota, as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the , North Dakota, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 1 to the financial statements, the City changed its method of accounting for leases in 2022 due to the adoption of GASB Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedules of required pension and OPEB information, as listed in the table of contents, 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 Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Management has omitted the Management's Discussion and Analysis that accounting principles generally accepted in the United States of America requires to be presented to supplement the basic financial statements. Such missing information, although not a part of the basic financial statements, is required by Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. Our opinion on the basic financial statements is not affected by the missing information.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mandan, North Dakota's financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the financial statements.

Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the list of elected and appointed officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated August 2, 2023 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, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of 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 controls over financial reporting and compliance.



**BRADY, MARTZ & ASSOCIATES, P.C.
BISMARCK, NORTH DAKOTA**

August 2, 2023

CITY OF MANDAN
STATEMENT OF NET POSITION
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 9,093,882	\$ 7,598,956	\$ 16,692,838
Taxes Receivable	112,257	7,065	119,322
Accounts Receivable (net of allowance)	2,049,551	4,050,826	6,100,377
Special Assessments Receivable	32,557,710	20,568	32,578,278
Loans Receivable (net of allowance)	97,704	-	97,704
Lease Receivable - current	31,174	25,955	57,129
Lease Interest Receivable	1,165	4,411	5,576
Internal Balances	(6,679,240)	6,679,240	-
Inventories	24,677	413,853	438,530
Prepaid Expenses	120,529	45,659	166,188
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	1,967,296	2,513,494	4,480,790
Lease Receivable - net of current	183,912	269,310	453,222
Right of Use Asset (net of amortization)	233,953	225,251	459,204
Capital Assets, not being depreciated:			
Land	2,823,343	1,144,900	3,968,243
Construction Work in Progress	26,654,870	28,915,039	55,569,909
Capital Assets (net of depreciation):			
Buildings and Improvements	14,442,550	-	14,442,550
Buildings and Infrastructure	98,628,345	71,678,706	170,307,051
Machinery and Equipment	1,856,234	275,948	2,132,182
Total Assets	<u>184,199,912</u>	<u>123,869,181</u>	<u>308,069,093</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	2,329,187	-	2,329,187
Deferred Outflows - OPEB	222,345	-	222,345
Total deferred outflows of resources	<u>2,551,532</u>	<u>-</u>	<u>2,551,532</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF NET POSITION - CONTINUED
DECEMBER 31, 2022

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Salaries and Benefits Payable	\$ 343,112	\$ 77,142	\$ 420,254
Accounts Payable	1,191,805	1,236,748	2,428,553
Retainage Payable	614,439	1,533,784	2,148,223
Prepaid Revenues	1,826,158	3,672,652	5,498,810
Interest Payable	299,951	137,858	437,809
Noncurrent Liabilities:			
Due Within One Year:			
Compensated Absences	198,233	115,310	313,543
Lease Liability	102,842	41,709	144,551
General Obligation Bonds Payable	60,000	-	60,000
Special Assessments Bonds Payable, net of premium	2,955,000	-	2,955,000
Revenue Bonds Payable, net of premium	480,000	1,992,171	2,472,171
Loans Payable	484,808	305,000	789,808
Due After One Year:			
Compensated Absences	535,147	108,502	643,649
Lease Liability	129,733	233,545	363,278
General Obligation Bonds Payable	190,000	-	190,000
Special Assessments Bonds Payable, net of premium	19,889,909	-	19,889,909
Revenue Bonds Payable, net of premium	13,876,532	16,727,703	30,604,235
Loans Payable	7,707,831	4,493,135	12,200,966
Net Pension Liability	1,434,493	-	1,434,493
Net OPEB Liability	369,742	-	369,742
Total Liabilities	<u>52,689,735</u>	<u>30,675,259</u>	<u>83,364,994</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	1,195,897	-	1,195,897
Deferred Inflows - OPEB	3,392	-	3,392
Deferred Inflows - Leases	215,583	295,030	510,613
Total Deferred Inflows of Resources	<u>1,414,872</u>	<u>295,030</u>	<u>1,709,902</u>
NET POSITION			
Net Investment in Capital and Leased Assets	97,914,248	76,912,797	174,827,045
Restricted for:			
1% City Sales Tax	516,044	-	516,044
General Government	87,845	-	87,845
Public Safety	422,959	-	422,959
Public Works	221,021	-	221,021
Cemetery	15,989	-	15,989
Culture and Recreation	77,987	-	77,987
Urban Redevelopment and Housing	327,507	-	327,507
Debt Service	36,436,738	2,377,310	38,814,048
Capital Projects	3,005,350	-	3,005,350
Unrestricted	<u>(6,378,851)</u>	<u>13,608,785</u>	<u>7,229,934</u>
Total Net Position	<u>\$ 132,646,837</u>	<u>\$ 92,898,892</u>	<u>\$ 225,545,729</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

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
Governmental Activities:							
General Government	\$ 5,010,802	\$ 1,593,421	\$ 252,031	\$ -	\$ (3,165,350)		\$ (3,165,350)
Public Safety	8,410,636	109,257	28,484	414,275	(7,858,620)		(7,858,620)
Public Works	7,986,628	12,902	20,303	6,808,048	(1,145,375)		(1,145,375)
Cemetery	221,426	132,895	160	-	(88,371)		(88,371)
Culture and Recreation	2,166,777	33,147	251,262	-	(1,882,368)		(1,882,368)
Urban Redevelopment and Housing	11,174	-	1,050	-	(10,124)		(10,124)
Economic Development and Assistance	662,564	7,768	20,800	-	(633,996)		(633,996)
Interest on Long-term Debt	1,221,615	-	-	-	(1,221,615)		(1,221,615)
Debt Service Charges and Costs	213,716	-	-	-	(213,716)		(213,716)
Loss on Sale of Capital Assets	39,299	-	-	-	(39,299)		(39,299)
Total Governmental Activities	25,944,637	1,889,390	574,090	7,222,323	(16,258,834)		(16,258,834)
Business-type Activities:							
Water and Sewer Utility	8,466,653	11,710,926	-	7,932,837		\$ 11,177,110	11,177,110
Solid Waste Utility	2,712,847	2,741,427	-	199		28,779	28,779
Street Light Utility	432,882	469,253	-	32		36,403	36,403
Mandan Airport Authority	1,038,054	375,534	-	278,986		(383,534)	(383,534)
Total Business-type Activities	12,650,436	15,297,140	-	8,212,054		10,858,758	10,858,758
Total Primary Government	\$ 38,595,073	\$ 17,186,530	\$ 574,090	\$ 15,434,377	(16,258,834)	10,858,758	(5,400,076)
General Revenues							
Property, Delinquent, Mobile Home Taxes					6,146,377	405,802	6,552,179
Cable TV Franchise Fees					270,985	-	270,985
State Aid Distribution					2,172,784	-	2,172,784
Cigarette Taxes					46,249	-	46,249
Gaming Taxes					15,318	-	15,318
Morton County E911 Fees					341,398	-	341,398
Telecommunications Taxes					82,220	-	82,220
Highway Tax Distribution					1,146,121	-	1,146,121
Occupancy Taxes					76,758	-	76,758
Oil and Gas Production Taxes					2,500,000	-	2,500,000
City 1% Sales Taxes					3,195,308	-	3,195,308
City 0.75% Sales Tax					2,396,481	-	2,396,481
Fire Insurance Taxes					205,565	-	205,565
Restaurant and Lodging Taxes					567,957	-	567,957
Lease Revenue					22,252	-	22,252
Interest					187,690	359	188,049
Sale of Meters and Parts					-	51	51
Other					222,712	87,083	309,795
Gain on Sale of Capital Assets					-	502	502
Transfers					1,948,451	(1,948,451)	-
Total General Revenues, Gain (Loss) on Sale of Capital Assets, and Transfers					21,544,626	(1,454,654)	20,089,972
Change in Net Position					5,285,792	9,404,104	14,689,896
Net Position - Beginning of Year, As Originally Stated					127,361,045	83,417,690	210,778,735
Prior period adjustment - see Note 1					-	77,098	77,098
Net Position - Beginning of Year, Restated					127,361,045	83,494,788	210,855,833
Net Position - End of Year					\$ 132,646,837	\$ 92,898,892	\$ 225,545,729

See Notes to the Financial Statements

CITY OF MANDAN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	General	Cemetery	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS							
Cash and Cash Equivalents	\$ 7,625,651	\$ 45,001	\$ -	\$ 499,948	\$ -	\$ 923,282	\$ 9,093,882
Taxes Receivable	95,265	1,018	-	9,727	741	5,506	112,257
Accounts Receivable (net of allowance)	1,183,228	7,050	-	369	-	856,324	2,046,971
Special Assessments Receivable	106,027	-	-	-	30,353,084	2,098,599	32,557,710
Loans Receivable (net of allowance)	97,704	-	-	-	-	-	97,704
Lease Receivable	54,997	-	-	-	-	160,089	215,086
Interest Receivable	973	-	-	-	-	192	1,165
Interfund Receivable	367,363	-	-	-	3,754,590	2,456,102	6,578,055
Prepaid Items	33,768	481	-	18,493	-	67,787	120,529
Cash and Cash Equivalents-Restricted	51,487	-	-	-	-	1,915,809	1,967,296
Total Assets	<u>\$ 9,616,463</u>	<u>\$ 53,550</u>	<u>\$ -</u>	<u>\$ 528,537</u>	<u>\$ 34,108,415</u>	<u>\$ 8,483,690</u>	<u>\$ 52,790,655</u>
LIABILITIES							
Salaries and Benefits Payable	\$ 319,629	\$ 3,654	\$ -	\$ 19,829	\$ -	\$ -	\$ 343,112
Accounts Payable	854,755	2,451	186,328	5,907	1,000	120,450	1,170,891
Retainage Payable	25,000	-	465,940	-	-	123,499	614,439
Interfund Payable	-	-	10,942,987	-	-	2,307,965	13,250,952
Prepaid Revenue	75,210	-	-	-	-	1,750,948	1,826,158
Total Liabilities	<u>1,274,594</u>	<u>6,105</u>	<u>11,595,255</u>	<u>25,736</u>	<u>1,000</u>	<u>4,302,862</u>	<u>17,205,552</u>
DEFERRED INFLOWS OF RESOURCES							
Unavailable Revenue-Property Taxes	85,909	969	-	9,249	705	5,232	102,064
Unavailable Revenue-Special Assessments	94,345	-	-	-	29,139,332	306,268	29,539,945
Unavailable Revenue-Leases	56,108	-	-	-	-	159,475	215,583
Total Deferred Inflows of Resources	<u>236,362</u>	<u>969</u>	<u>-</u>	<u>9,249</u>	<u>29,140,037</u>	<u>470,975</u>	<u>29,857,592</u>
FUND BALANCES							
Nonspendable:							
Loans Receivable	74,206	-	-	-	-	-	74,206
Prepaid Items	33,768	481	-	18,493	-	67,787	120,529
Restricted for:							
1% City Sales Tax	516,044	-	-	-	-	-	516,044
General Government	22,125	-	-	-	-	65,720	87,845
Public Safety	-	-	-	-	-	422,959	422,959
Public Works	-	-	-	-	-	221,021	221,021
Cemetery	-	15,989	-	-	-	-	15,989
Culture and Recreation	-	-	-	-	-	77,987	77,987
Urban Redevelopment and Housing	327,507	-	-	-	-	-	327,507
Debt Service	-	-	-	-	4,967,378	2,417,248	7,384,626
Capital Projects	-	-	-	-	-	2,746,401	2,746,401
Committed for:							
Operating Reserve	2,256,995	30,006	-	143,147	-	100,862	2,531,010
Public Safety	91,286	-	-	-	-	13,607	104,893
Public Works	233,958	-	-	-	-	-	233,958
Culture and Recreation	-	-	-	224,769	-	-	224,769
Economic Development and Assistance	550,300	-	-	-	-	-	550,300
Assigned for:							
Subsequent Year's Budget:							
Appropriation of Fund Balance	1,550,500	-	-	-	-	-	1,550,500
Unassigned	<u>2,448,818</u>	<u>-</u>	<u>(11,595,255)</u>	<u>107,143</u>	<u>-</u>	<u>(2,423,739)</u>	<u>(11,463,033)</u>
Total Fund Balances	<u>8,105,507</u>	<u>46,476</u>	<u>(11,595,255)</u>	<u>493,552</u>	<u>4,967,378</u>	<u>3,709,853</u>	<u>5,727,511</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 9,616,463</u>	<u>\$ 53,550</u>	<u>\$ -</u>	<u>\$ 528,537</u>	<u>\$ 34,108,415</u>	<u>\$ 8,483,690</u>	<u>\$ 52,790,655</u>

See Notes to the Financial Statements

CITY OF MANDAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2022

Total Fund Balances for Governmental Funds \$ 5,727,511

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

Capital and Right of Use assets used in governmental activities are not financial resources and therefore are not reported in the funds:

Land	2,823,343	
Buildings and Improvements (net of depreciation)	14,442,550	
Buildings and Infrastructure (net of depreciation)	98,628,345	
Machinery and Equipment (net of depreciation)	1,856,234	
Construction Work in Progress	<u>26,654,870</u>	
Total Capital Assets		144,405,342
Right of Use Assets (net of amortization)		233,953

The net pension liability is not due and payable in the current period and therefore is not reported in the funds. Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows of resources	2,329,187	
Deferred inflows of resources	(1,195,897)	
Net pension liability	<u>(1,434,493)</u>	
		(301,203)

The net OPEB liability is not due and payable in the current period and therefore is not reported in the funds. Deferred inflows of resources related to pensions are applicable to future periods and, therefore, are not reported in the funds:

Deferred outflows of resources	222,345	
Deferred inflows of resources	(3,392)	
Net OPEB liability	<u>(369,742)</u>	
		(150,789)

Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Unavailable Revenue-Property Taxes	102,064	
Unavailable Revenue-Special Assessments	<u>29,539,945</u>	
Total Long-term Assets		29,642,009

Long-term liabilities are not due and payable in the current period and therefore are not reported in the funds:

Interest Payable	(299,951)	
Compensated Absences	(733,380)	
Lease Liability	(232,575)	
General Obligation Bonds Payable	(250,000)	
Special Assessments Bonds Payable, Net of Premium	(22,844,909)	
Loans Payable	(8,192,639)	
Revenue Bonds Payable, net of premium	<u>(14,356,532)</u>	
Total Long-term Liabilities		<u>(46,909,986)</u>

Total Net Position of Governmental Activities		<u><u>\$ 132,646,837</u></u>
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See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	General	Cemetery	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES							
Taxes	\$ 8,631,495	\$ 50,329	\$ -	\$ 551,639	\$ 41,897	\$ 3,365,508	\$ 12,640,868
Licenses and Permits	855,215	-	-	-	-	-	855,215
Intergovernmental	2,879,192	4,245	-	251,262	-	4,320,665	7,455,364
Charges for Services	405,148	128,650	-	11,558	-	12,902	558,258
Fines and Forfeits	149,539	-	-	376	-	2,158	152,073
Special Assessments	103,247	-	-	-	4,981,661	134,556	5,219,464
Interest	182,022	-	-	353	-	4,773	187,148
Lease	3,891	-	-	-	-	18,362	22,253
Rent	6,950	-	-	300	-	7,768	15,018
Donations	-	-	-	-	-	6,000	6,000
Miscellaneous	161,861	160	-	31,818	-	51,094	244,933
Total Revenues	13,378,560	183,384	-	847,306	5,023,558	7,923,786	27,356,594
EXPENDITURES							
Current:							
General Government	3,934,534	-	-	-	-	424,066	4,358,600
Public Safety	7,623,035	-	-	-	-	439,107	8,062,142
Public Works	1,675,880	-	-	-	-	41,913	1,717,793
Cemetery	-	184,980	-	-	-	-	184,980
Culture and Recreation	-	-	-	801,340	-	1,080,926	1,882,266
Urban Redevelopment and Housing	6,958	-	-	-	-	-	6,958
Economic Development and Assistance	662,564	-	-	-	-	-	662,564
Debt Service:							
Principal	1,816	-	-	-	5,994,645	1,893,745	7,890,206
Interest	-	-	-	-	886,215	541,630	1,427,845
Service Charges	-	-	-	-	10,770	201,946	212,716
Issuance Costs	-	-	-	-	1,000	-	1,000
Capital Outlay	1,412,534	-	9,025,576	539,225	-	1,922,431	12,899,766
Total Expenditures	15,317,321	184,980	9,025,576	1,340,565	6,892,630	6,545,764	39,306,836
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,938,761)	(1,596)	(9,025,576)	(493,259)	(1,869,072)	1,378,022	(11,950,242)
OTHER FINANCING SOURCES (USES)							
Proceeds from Sale of Capital Assets	-	-	-	12,575	-	-	12,575
Proceeds from Long Term Debt	-	-	440,722	-	-	-	440,722
Transfers In	3,656,387	-	2,187,603	-	3,827	1,066,763	6,914,580
Transfers Out	(3,222,271)	(63,527)	(1,020)	-	(68,527)	(1,608,264)	(4,963,609)
Total Other Financing Sources and Uses	434,116	(63,527)	2,627,305	12,575	(64,700)	(541,501)	2,404,268
Net Change in Fund Balances	(1,504,645)	(65,123)	(6,398,271)	(480,684)	(1,933,772)	836,521	(9,545,974)
Fund Balances - Beginning of Year	9,610,152	111,599	(5,196,984)	974,236	6,901,150	2,873,332	15,273,485
Fund Balances - December 31	\$ 8,105,507	\$ 46,476	\$(11,595,255)	\$ 493,552	\$ 4,967,378	\$ 3,709,853	\$ 5,727,511

See Notes to the Financial Statements

CITY OF MANDAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2022

Net Change in Fund Balances-Total Governmental Funds \$ (9,545,974)

Amounts reported for governmental activities in the statement of activities
are 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 as depreciation expense. This is the amount
by which capital outlays exceeded depreciation and amortization in the
current period:

Capital Outlay	12,899,766	
Amortization	(104,182)	
Depreciation	(6,942,158)	
Total	5,853,426	5,853,426

Contributions of capital assets increase net position in the statement
of activities but do not appear in the governmental funds because they
are not financial resources. 3,396,155

In the statement of activities, only the gain(loss) on the sale of assets
is reported, whereas in governmental funds, the proceeds from the sale
increase financial resources. Thus, the change in net position differs from
the change in fund balance by the book value of the assets sold. (51,874)

Changes to the net pension liability and OPEB liability and pension
and OPEB related deferred outflows and inflows of resources do not
require the use of current financial resources and therefore are not
reported as expenditures in governmental funds (159,297)

Revenues in the statement of activities that do not provide current
financial resources are not reported as revenue in the funds:

Taxes Receivable (net)	8,091	
Special Assessments Receivable (net)	(1,787,269)	
Total	(1,779,178)	(1,779,178)

The issuance of long-term debt provides current financial resources to
governmental funds, while the repayment of the principal of long-term
debt consumes the current financial resources of governmental funds.
Neither transaction has any effect on net position. Also, governmental
funds report the effect of premiums when debt is first issued, whereas
these amounts are deferred and amortized in the statement of activities:

Sale of Bonds	(440,722)	
Amortization of Bond Premiums	165,700	
Debt Service-Principal	7,890,206	
Total	7,615,184	7,615,184

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

Interest Payable (net)	40,529	
Compensated Absences (net)	(83,179)	
Total	(42,650)	(42,650)

Change in Net Position of Governmental Activities \$ 5,285,792

CITY OF MANDAN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 4,510,482	\$ 1,274,906	\$ 970,029	\$ 843,539	\$ 7,598,956	\$ -
Taxes Receivable	-	-	-	7,065	7,065	-
Accounts Receivable (Net of Allowance)	3,746,516	236,531	46,095	21,684	4,050,826	2,580
Special Assessments Receivable	20,568	-	-	-	20,568	-
Interfund Receivable	5,443,759	1,243,325	-	-	6,687,084	-
Lease Receivable - Current Portion	-	-	-	25,955	25,955	-
Lease Interest Receivable	-	-	-	4,411	4,411	-
Inventories	181,894	173,690	-	58,269	413,853	24,677
Prepaid Expenses	35,267	656	530	9,206	45,659	-
Total Current Assets	13,938,486	2,929,108	1,016,654	970,129	18,854,377	27,257
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	2,390,561	-	-	122,933	2,513,494	-
Lease Receivable - Noncurrent Portion	-	-	-	269,310	269,310	-
Right of Use Asset (Net of Amortization)	-	225,251	-	-	225,251	-
Capital Assets not being Depreciated:						
Land	199,769	88,360	-	856,771	1,144,900	-
Construction Work in Progress	28,632,199	-	-	282,840	28,915,039	-
Capital Assets (net of depreciation):						
Buildings and Infrastructure	58,449,513	382,318	-	12,846,875	71,678,706	-
Machinery and Equipment	177,577	31,116	-	67,255	275,948	-
Total Capital Assets	87,459,058	501,794	-	14,053,741	102,014,593	-
Total Noncurrent Assets	89,849,619	727,045	-	14,445,984	105,022,648	-
Total Assets	103,788,105	3,656,153	1,016,654	15,416,113	123,877,025	27,257
LIABILITIES						
Current Liabilities:						
Salaries and Benefits Payable	61,112	13,347	2,683	-	77,142	-
Accounts Payable	947,191	233,784	33,056	22,717	1,236,748	20,914
Compensated Absences	85,608	22,568	3,556	3,578	115,310	-
Retainage Payable	1,533,784	-	-	-	1,533,784	-
Interfund Payable	-	-	-	7,844	7,844	6,343
Interest Payable	133,259	1,674	-	2,925	137,858	-
Prepaid Revenue	3,597,291	-	-	75,361	3,672,652	-
Revenue Bonds Payable	1,880,000	-	-	112,171	1,992,171	-
Lease Liability	-	41,709	-	-	41,709	-
Loans Payable	305,000	-	-	-	305,000	-
Total Current Liabilities	8,543,245	313,082	39,295	224,596	9,120,218	27,257
Noncurrent Liabilities:						
Compensated Absences	73,819	24,547	4,899	5,237	108,502	-
Lease Liability	-	233,545	-	-	233,545	-
Revenue Bonds Payable	16,305,000	-	-	422,703	16,727,703	-
Loans Payable	4,493,135	-	-	-	4,493,135	-
Total Noncurrent Liabilities	20,871,954	258,092	4,899	427,940	21,562,885	-
Total Liabilities	29,415,199	571,174	44,194	652,536	30,683,103	27,257
DEFERRED INFLOWS						
Leases	-	-	-	295,030	295,030	-
NET POSITION						
Net Investment in Capital and Leased Assets	62,942,139	451,791	-	13,518,867	76,912,797	-
Restricted for:						
Debt Service	2,257,302	-	-	120,008	2,377,310	-
Unrestricted	9,173,465	2,633,188	972,460	829,672	13,608,785	-
Total Net Position	\$ 74,372,906	\$ 3,084,979	\$ 972,460	\$ 14,468,547	\$ 92,898,892	\$ -

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
Operating Revenues:						
Charges for Services	\$ 11,710,926	\$ 2,741,427	\$ 469,253	\$ 346,961	\$ 15,268,567	\$ 308,407
Lease Revenue	-	-	-	23,020	23,020	-
Lease Interest Revenue	-	-	-	5,553	5,553	-
Total Operating Revenues	11,710,926	2,741,427	469,253	375,534	15,297,140	308,407
Operating Expenses:						
Salaries and Benefits	1,982,327	471,487	81,099	97,078	2,631,991	-
Professional Fees and Services	216,138	1,943,901	810	13,192	2,174,041	-
Insurance	99,865	9,174	1,743	9,895	120,677	-
Rentals	-	560	-	-	560	-
Travel and Training	5,765	400	150	1,948	8,263	-
Utilities	606,820	10,211	185,847	25,073	827,951	179,493
Publishing and Printing	787	1,236	-	4,485	6,508	-
Dues and Memberships	1,459	-	-	1,386	2,845	-
Supplies and Maintenance	494,688	87,138	7,568	235,357	824,751	124,831
Repairs and Maintenance	359,712	36,690	105,072	11,001	512,475	1,563
Depreciation	2,530,360	50,616	-	607,278	3,188,254	-
Amortization	-	93,207	-	-	93,207	-
Miscellaneous	17,243	3,589	-	16,878	37,710	-
Total Operating Expenses	6,315,164	2,708,209	382,289	1,023,571	10,429,233	305,887
Operating Income (Loss)	5,395,762	33,218	86,964	(648,037)	4,867,907	2,520
Nonoperating Revenues (Expenses):						
Taxes	4,942	-	-	400,860	405,802	-
Intergovernmental	7,913,933	199	32	278,986	8,193,150	-
Special Assessments	18,904	-	-	-	18,904	-
Interest	-	-	-	359	359	-
Sale of Meters and Parts	-	-	51	-	51	-
Miscellaneous	28,787	9,764	46,286	2,246	87,083	-
Gain (Loss) on Sale of Capital Assets	-	-	-	502	502	-
Capital Outlay (Non-Capitalized)	(1,596,691)	(1,581)	(50,593)	-	(1,648,865)	-
Lease Interest	-	(3,057)	-	-	(3,057)	-
Debt Service:						
Interest	(432,623)	-	-	(14,483)	(447,106)	-
Service Charges	(114,610)	-	-	-	(114,610)	-
Issuance Costs	(7,565)	-	-	-	(7,565)	-
Total Nonoperating Revenues (Expenses)	5,815,077	5,325	(4,224)	668,470	6,484,648	-
Income (Loss) Before Contributions and Transfers	11,210,839	38,543	82,740	20,433	11,352,555	2,520
Transfers In	-	-	-	-	-	1,562
Transfers Out	(1,948,451)	-	-	-	(1,948,451)	(4,082)
Change in Net Position	9,262,388	38,543	82,740	20,433	9,404,104	-
Net Position - Beginning of Year	65,110,518	2,969,338	889,720	14,448,114	83,417,690	-
Prior Period Adjustment - See Note 1	-	77,098	-	-	77,098	-
Net Position - Beginning of Year, restated	65,110,518	3,046,436	889,720	14,448,114	83,494,788	-
Net Position - End of Year	\$ 74,372,906	\$ 3,084,979	\$ 972,460	\$ 14,468,547	\$ 92,898,892	\$ -

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 12,856,615	\$ 2,738,664	\$ 486,296	\$ 366,798	\$ 16,448,373	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	306,809
Payments to Employees	(1,938,555)	(466,770)	(78,744)	(92,666)	(2,576,735)	-
Payments to Suppliers	(2,529,410)	(2,279,683)	(306,888)	(343,804)	(5,459,785)	(282,581)
Net Cash Provided (Used) by Operating Activities	8,388,650	(7,789)	100,664	(69,672)	8,411,853	24,228
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes	4,942	-	-	399,625	404,567	-
Intergovernmental	-	-	-	123,975	123,975	-
Sale of Meters and Parts	-	-	51	-	51	-
Miscellaneous Receipts	28,787	9,764	46,286	2,748	87,585	-
Transfers In	-	-	-	-	-	1,562
Purchases of Noncapital Assets	(1,596,691)	(1,581)	(50,593)	-	(1,648,865)	-
Additions to Retainage	182,476	-	-	-	182,476	-
Interfund Receivable	(4,382,047)	-	-	-	(4,382,047)	-
Interfund Payable	-	-	-	-	-	(21,708)
Net Cash Provided (Used) by Noncapital Financing Activities	(5,762,533)	8,183	(4,256)	526,348	(5,232,258)	(20,146)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Federal and state grants	-	-	-	254,684	254,684	-
Intergovernmental	7,913,933	(1,243,126)	32	-	6,670,839	-
Special Assessments	10,388	-	-	-	10,388	-
Proceeds from Capital Debt	2,493,835	-	-	-	2,493,835	-
Sale of Capital Assets	70,232	-	-	5,780	76,012	-
Purchases of Capital Assets	(12,298,942)	(8,391)	-	(199,419)	(12,506,752)	-
Payments on Retainage Payable	-	-	-	(94,012)	(94,012)	-
Principal Paid on Capital Debt	(2,134,463)	-	-	(109,719)	(2,244,182)	-
Principal Paid on Leases	-	(43,203)	-	-	(43,203)	-
Interest Paid on Capital Debt	(467,998)	(1,384)	-	(14,254)	(483,636)	-
Service Charges Paid on Capital Debt	(114,610)	-	-	-	(114,610)	-
Miscellaneous Paid on Capital Debt	(7,565)	-	-	-	(7,565)	-
Transfers Out	(1,948,451)	-	-	-	(1,948,451)	(4,082)
Net Cash Provided (Used) by Capital and Related Financing Activities	(6,483,641)	(1,296,104)	32	(156,940)	(7,936,653)	(4,082)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	-	-	-	359	359	-
Net Cash Provided (Used) by Investing Activities	-	-	-	359	359	-
Net Increase (Decrease) in Cash and Cash Equivalents	(3,857,524)	(1,295,710)	96,440	300,095	(4,756,699)	-
Cash and Cash Equivalents - January 1	10,758,567	2,570,616	873,589	666,377	14,869,149	-
Cash and Cash Equivalents - December 31	\$ 6,901,043	\$ 1,274,906	\$ 970,029	\$ 966,472	\$ 10,112,450	\$ -
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents	\$ 4,510,482	\$ 1,274,906	\$ 970,029	\$ 843,539	\$ 7,598,956	\$ -
Restricted Cash and Cash Equivalents	2,390,561	-	-	122,933	2,513,494	-
Total Cash and Cash Equivalents	\$ 6,901,043	\$ 1,274,906	\$ 970,029	\$ 966,472	\$ 10,112,450	\$ -

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2022

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 5,395,762	\$ 33,218	\$ 86,964	\$ (648,037)	\$ 4,867,907	\$ 2,520
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used)						
by Operating Activities:						
Depreciation Expense	2,530,360	50,616	-	607,278	3,188,254	-
Amortization Expense	-	93,207	-	-	93,207	-
(Gain) Loss on Disposal of Assets	-	-	-	(502)	(502)	-
Effect on Cash Flows Due to Changes In:						
Accounts Receivable (net)	(665,474)	(2,763)	17,043	(3,632)	(654,826)	(1,598)
Inventories	(31,442)	(173,690)	-	(19,156)	(224,288)	2,392
Prepaid Expenses	(1,847)	(442)	(50)	235	(2,104)	-
Salaries and Benefits Payable	5,199	157	418	-	5,774	-
Compensated Absences	38,573	4,560	1,937	4,412	49,482	-
Accounts Payable	(693,644)	(12,652)	(5,648)	(5,166)	(717,110)	20,914
Prepaid Revenues	1,811,163	-	-	(5,104)	1,806,059	-
Total Adjustments	2,992,888	(41,007)	13,700	578,365	3,543,946	21,708
Net Cash Provided (Used) by Operating Activities	\$ 8,388,650	\$ (7,789)	\$ 100,664	\$ (69,672)	\$ 8,411,853	\$ 24,228

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2022

	Employee Retirement Plan and Trust Fund	Private- Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 4,253	\$ 31,147
Investments, at fair value:			
Mutual Funds	7,376,355	-	-
Accounts Receivable (net of allowance)	-	-	2,912
	<hr/>	<hr/>	<hr/>
Total Assets	7,376,355	4,253	34,059
	<hr/>	<hr/>	<hr/>
LIABILITIES			
Accounts Payable	-	-	16,789
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	16,789
	<hr/>	<hr/>	<hr/>
NET POSITION			
Held in Trust for Pension Benefits	7,376,355	-	-
Held in Trust for Police Department	-	4,253	-
Held for Other Governments	-	-	17,270
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 7,376,355	\$ 4,253	\$ 17,270
	<hr/> <hr/>	<hr/> <hr/>	<hr/> <hr/>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Employee Retirement Plan and Trust Fund	Private- Purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Employer Contributions	\$ 528,212	\$ -	\$ -
Collections	-	-	179,859
Investment Earnings:			
Net Increase (Decrease) in Fair Value of Investments	(1,300,680)	-	-
Total Additions	(772,468)	-	179,859
DEDUCTIONS			
Benefits	1,183,821	-	-
General Government	-	-	201,201
Total Deductions	1,183,821	-	201,201
Change in Net Position	(1,956,289)	-	(21,342)
Net Position - January 1	9,332,644	4,253	38,612
Net Position - December 31	\$ 7,376,355	\$ 4,253	\$ 17,270

See Notes to the Financial Statements

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2022

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The City of Mandan, North Dakota, is a municipal corporation governed by an elected mayor and four-member commission, and operates under a Home Rule Charter. The City has adopted the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard-setting body for establishing governmental accounting and financial reporting principles. The more significant of the City's accounting policies are as follows:

Financial Reporting Entity

For financial reporting purposes, the City has included all funds and activities that make up its legal entity. The City has also included all potential component units for which it is financially accountable, and other organizations for which the nature and significance of their relationship with the City are such that exclusion would cause the City's financial statements to be misleading or incomplete. The Governmental Accounting Standards Board has set forth criteria to be considered in determining financial accountability. These criteria include appointing a voting majority of an organization's governing body and (1) the ability of the City to impose its will on that organization or (2) the potential for the organization to provide specific financial benefits to, or impose specific financial burdens on the City.

As required by accounting principles generally accepted in the United States of America, these financial statements present the City and its component units. The component units are included in the City's reporting entity because of the significance of their operational or financial relationships with the City.

Blended Component Units

These component units are entities that are legally separate from the City, but are so intertwined with the City that they are, in substance, the same as the City. They are reported as part of the City and blended into the appropriate fund types.

Morton Mandan Public Library (Governmental Fund Type) - The Morton Mandan Public Library serves all the citizens of the City and is governed by a board which is appointed by the City's commission. The City is financially accountable for the Library because the City's commission approves the Library's budget, levies taxes, and must approve any debt issuances.

Mandan Airport Authority (Proprietary Fund Type) - The Mandan Airport Authority manages the local airport facility. The Authority is governed by a board which is appointed by the City's commission. The City is financially accountable for the Airport because the City's commission levies taxes and must approve and guarantee any debt issuances.

Complete financial statements for each of these individual component units may be obtained by contacting the City's finance director.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Government-Wide Financial Statements

The statement of net position and statement of activities report information on all non-fiduciary activities of the City and its component units. The City's activities are distinguished between governmental and business-type activities.

Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange revenues. Business-type activities are financed in whole or in part by fees charged to external parties for goods or services.

The statement of net position presents the reporting entity's non-fiduciary assets, deferred outflows of resources, liabilities, and deferred inflows of resources with the difference reported as net position.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those that are clearly identifiable within a specific function. Program revenues include 1) charges to customers or applicants who purchase, use, or directly benefit from goods, services, or privileges provided by a given function and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not meeting the definition of program revenues are instead reported as general revenue.

Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column. The City has elected to present the two blended component units and the Cemetery fund as major funds.

Measurement Focus and Basis of Accounting

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary and fiduciary fund (agency funds are excluded as they have no measurement focus) financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of cash flows.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as they become susceptible to accrual; generally, when they are both measurable and available. Revenues are considered to be available when they are collected within the current period or soon enough thereafter to pay liabilities of the current period.

The City considers revenues to be available if they are collected within 60 days of the end of the current fiscal year. Major revenues that are determined to be susceptible to accrual include taxes, intergovernmental, and special assessments. Revenues earned under the terms of reimbursement agreements with other governments or private sources are recorded at the time the related expenditures are made if other eligibility requirements have been met.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, expenditures related to debt service, compensated absences, and claims and judgments, are recorded only when payment is due and payable.

Financial Statement Presentation

The City reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the City. It is used to account for all financial resources that are not accounted for in other funds. Included are transactions for services such as general government, public safety, public works, urban redevelopment and housing, and economic development and assistance. Also included are other internally tracked funds including the alarm – equipment reserve, 1% city sales tax, Mandan growth, civil asset forfeiture, BSA police explorer program, BNSF settlement, and Mandan SEP Trust funds.

Cemetery Fund - This fund accounts for a specific annual property tax levy, charges for services, and sale of lots for the purpose and to be used exclusively for the care, maintenance, and improvement of the cemetery.

Street Construction Fund – This fund accounts for various street construction capital project activities.

Morton Mandan Public Library Fund - This fund accounts for the operations of the Morton Mandan Public Library.

Refunding Improvement Bonds Fund - This fund accounts for the various specific annual property tax levies and special assessment levies for payment of special assessment bond principal and interest.

The City reports the following major enterprise funds:

Water and Sewer Utility Fund - This fund accounts for the activities of the City's water and sewer operations.

Solid Waste Utility Fund - This fund accounts for the activities of the City's solid waste operations.

Street Light Utility Fund - This fund accounts for the activities of the City's street light operations.

Mandan Airport Authority Fund - This fund accounts for the operations of the Mandan Airport Authority.

Additionally, the City reports the following fund types:

Governmental Fund Types

General Fund accounts for all governmental financial resources, except for those required to be accounted for in other funds.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Special Revenue Funds are used to account for and report the proceeds of specific revenue sources that are restricted or committed to expenditure for specified purposes other than debt service or capital projects.

Debt Service Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for principal and interest.

Capital Projects Funds are used to account for and report financial resources that are restricted, committed, or assigned to expenditure for capital outlays including the acquisition or construction of capital facilities and other capital assets. Capital project funds exclude those types of capital related outflows financed by proprietary funds or for assets that will be held in trust for individuals, private organizations, or other governments.

Proprietary Fund Types

Enterprise Funds account for those business-like City activities that provide goods/services to the public, financed primarily through user charges. They are also used to account for operations 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 and other purposes. The City's various utility operations and the Mandan Airport Authority are reported in this type.

Internal Service Fund accounts for the financing of goods and/or services provided by one department or agency to another department or agency of a government, or to other governments, on a cost-reimbursement basis. These goods and services include fuel, and equipment repairs and maintenance services. In the government-wide statements, the internal service fund is included with governmental activities.

Fiduciary Fund Types

Employee Retirement Plan and Trust Fund accounts for resources that are required to be held in trust for the members and beneficiaries of the City's defined contribution plan.

Private Purpose Trust Fund accounts for resources of all other trust arrangements in which principal and income benefit individuals, private organizations, or other governments. The Isabelle Krueger Trust is restricted for the City's police department.

Custodial Funds account for assets held by the City as an agent for other governmental units, or other organizations, and do not involve measurement of results of operations.

Cash and Cash Equivalents

Cash and cash equivalents for reporting purposes include cash on hand, demand deposits, and short-term, highly liquid investments that are readily convertible to known amounts of cash and so near their maturity that they present insignificant risk of changes in value because of changes in interest rates. This includes investments with original maturity of three months or less.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Investments

State statutes authorize the City to invest in 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, 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, certificates of deposit fully insured by the federal deposit insurance corporation or by the state, 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, 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, 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.

In addition to the above-mentioned investments, the Employee Retirement Plan and Trust Fund is authorized to invest its surplus funds in other investments by selecting a funding agent to hold and invest such funds for the City's pension committee and shall be placed for investment only with a firm whose primary endeavor is money management.

Investments for the City are reported at fair value.

Taxes Receivable

Taxes receivable represent the past three years of delinquent uncollected taxes. No allowance has been established for uncollectible taxes receivable.

The county treasurer acts as an agent to collect property taxes levied in the county for all taxing authorities. Any material collections are distributed after the end of the month. Property taxes are levied as of January 1. The property taxes attach as an enforceable lien on property on January 1. The tax levy may be paid in two installments: the first installment includes one-half of the real estate taxes and all the special assessments; the second installment is the balance of the real estate taxes. The first installment is due by March 1 and the second installment is due by October 15. A 5 percent discount is allowed if all taxes and special assessments are paid by February 15. After the due dates, the bill becomes delinquent and penalties are assessed. Most property owners choose to pay property taxes and special assessments in a single payment on or before February 15 and receive the 5 percent discount on the property taxes.

Accounts Receivable

Accounts receivable consists of amounts owed on open accounts from private individuals or organizations for goods and services furnished by the City and are shown net of an allowance. Accounts receivable also includes expenses to be reimbursed in accordance with federal and

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

state grant agreements. Accounts receivable in excess of 90 days comprise the accounts receivable allowance.

Special Assessments Receivable

Special assessments receivable consists of uncollected special assessments due to the City at December 31 and uncertified special assessments, which represents a long-term receivable in the financial statements. No allowance has been established for uncollectible special assessments.

Interfund Balances

Interfund receivables and payables have been eliminated from the statement of net position, except for the residual amounts due between governmental and business-type activities are reported in the government-wide financial statements as “internal balances”.

Interfund Activity

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this rule are: 1) activities between funds reported as governmental activities and funds reported as business-type activities and 2) activities between funds that are reported in different functional categories in either the governmental or business-type activities column. Elimination of these activities would distort the direct costs and program revenues for the functions concerned.

In the fund financial statements, transfers represent flows of assets (such as goods or cash) without equivalent flows of assets in return or a requirement for repayment.

Inventories and Prepaid Expenses

Inventories of Proprietary Funds consist of chemicals at the Water Treatment Plant, water meters at City Hall, crushed concrete at the Landfill, and fuel at the City Shop and Airport. All inventories are valued at cost using the first-in/first-out method.

Prepaid expenses reflect payments for costs applicable to future accounting periods. Prepaid expenses in the governmental fund financial statements are reflected as a reservation of fund balance on the balance sheet.

Restricted Assets

Resources required to be set aside for debt service are shown as restricted assets on the balance sheet because their use is limited by applicable bond and loan covenants. The General Fund also includes resources set aside for the Victim’s Witness program that is classified as restricted on the balance sheet because its use is limited by North Dakota Century Code.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Abatements

A tax abatement is defined as a reduction in tax revenues that results from an agreement between one or more governments and an individual or entity in which (a) one or more governments promise to forgo tax revenues to which they are otherwise entitled and (b) the individual or entity promises to tax a specific action after the agreement has been entered into that contributes to economic development or otherwise benefits the governments or the citizens of those governments.

As of December 31, 2022, the City of Mandan provided tax abatements in the form of property tax exemptions for certain new residential properties, improvements made to existing commercial and residential buildings, new and expanding businesses, tax increment financing, and properties in the Renaissance Zone.

New and expanding business, N.D.C.C. Ch. 40-57-1, allows for incentives in the form of property tax exemptions, payments in lieu of taxes, or a combination of both to qualifying business. The incentives may be granted at the discretion of the City. State legislation required certification that a project is primary sector business from the North Dakota Department of Commerce.

The property tax exemption for certain single family, condominium, & townhouse residential properties, N.D.C.C. Ch.57-02-08 (35) & (42), allows for newly constructed homes, excluding land, to be exempt for up to two years, up to a maximum of \$75,000 of the home's value. This is available to homes owned and occupied for the first time as well as unoccupied homes still owned by the builder.

The property tax exemption for improvements made to existing commercial and residential buildings, N.D.C.C. Ch.57-02.2, allows for value added resulting from the improvements made to the property to be exempt from assessment and taxation for up to five years from the date of commencement of making the improvements. This incentive is to encourage the investment of private capital in improvements to buildings, thereby encouraging the production of wealth, improving the volume of employment, enhancing living conditions, and preserving and increasing the property tax base.

Tax increment financing, N.D.C.C. § 40-58-20, allows for providing a property tax exemption to provide assistance in a development or urban renewal area for the development of commercial or industrial property or for the elimination and prevention of the development or spread of slums and blight.

The Renaissance Zone property tax exemption, N.D.C.C. Ch.40-63, is for commercial and residential properties located within a renaissance zone and allows for the buildings to be exempt for up to five years. A renaissance zone is a geographic area, proposed by a city, and designated by the State Department of Commerce. This incentive is to encourage the purchase, lease, rehabilitation, or historical preservation or renovation of properties within the zone.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

The amount of taxes abated for the year ended December 31, 2022 was as follows:

<u>Tax abatement program</u>	<u>Tax abatement In 2022</u>
New and expanding business	\$ 26,159
Remodeling exemption - commercial	4,489
Residential new construction	11,660
Renaissance zone	<u>46,500</u>
 Total	 <u><u>\$ 88,808</u></u>

Capital Assets

Capital assets, which include land, buildings and improvements, infrastructure, machinery and equipment, and construction work in progress, are valued at historical cost or at estimated historical cost if actual historical cost is not available. Donated capital assets are valued at their acquisition value on the date of donation. Where necessary, estimates of original cost are derived by factoring price levels from the current period to the time of acquisition. Library books are not capitalized as capital assets.

All other capital assets with an original cost of \$5,000 or more per unit and an estimated useful life in excess of two years are capitalized and reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Exceptions include: buildings and improvements, the threshold is \$25,000; and infrastructure assets, the threshold is \$50,000. Capital asset costs include the purchase price or construction cost, plus the costs necessary to place the asset in its intended location and condition for use. In governmental activities, interest costs on self-constructed assets are not capitalized. Normal maintenance and repair costs that do not materially add to the value or extend the life of the asset are not capitalized.

Infrastructure consists of major citywide public systems and items attached thereto such as streets, street lighting systems, street drainage systems, street signs, traffic signals, parking lots, sidewalks, water and sewer systems, inert landfill, airport runways, including those infrastructure assets acquired prior to June 30, 1980. Infrastructure is reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

Fixed assets in governmental funds are recorded as expenditures in the funds used to acquire or construct them in the governmental fund financial statements. Capital assets, along with accumulated depreciation and depreciation expense, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Land and construction work in progress are not depreciated. Capital assets are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Building and improvements	50
Building and infrastructure	30
Machinery and Equipment	5

Leases

Lessor

The City is a lessor for multiple noncancellable leases of buildings and equipment. The City recognizes a lease receivable and a deferred inflow of resources in the financial statements.

At the commencement of a lease, the City initially measures the lease receivable at the present value of payments expected to be received during the lease term.

Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments include how the City determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.

- The City uses its estimated incremental borrowing rate as the discount rate for leases. The City has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the lease commencement.
- The lease term includes the noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The City monitors changes in circumstances that would require a remeasurement of its lease, and will remeasure the lease receivable and deferred inflows of resources if certain changes occur that are expected to significantly affect the amount of the lease receivable.

Lessee

The determination of whether an arrangement contains a lease is made at inception by evaluating whether the arrangement conveys the right to use an identified asset and whether the City has control of the right to use asset. Control includes the right to obtain present service capacity and the right to determine the nature and manner of use of the underlying asset, as specified in the contract.

Leases with an initial lease term of more than 12 months, or that contain an option to purchase that the City is reasonably certain to exercise, are recognized based on the present value of lease payments over the lease term discounted using the interest rate implicit in the lease. In

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

cases where the implicit rate is not readily determinable, the City uses its incremental borrowing rate based on the information available at the lease commencement date. The City has made an accounting policy election to use a risk free rate based on US Treasury Tbill rate as of the lease commencement. The City accounts for lease agreements with lease and non-lease components together as a single lease component for all underlying classes of assets.

The City continues to record rent expense for short term leases on a straight-line basis over the lease term. Short-term leases have a term of 12 months or less at lease commencement and do not include an option to purchase the underlying asset that the City is reasonably certain to exercise.

The depreciable life of assets and leasehold improvements are limited by the expected lease term unless there is a transfer of title or purchase option reasonably certain of exercise.

The City's lease agreements do not include any material residual value guarantees or restrictive covenants.

Prepaid Revenues

Prepaid revenues are recognized when cash, receivables, or other assets are received prior to their being earned.

Deferred Outflows and Deferred Inflows of Resources

In additions to assets, the statement of financial position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources represents a consumption of net position that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then.

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time.

Compensated Absences

Annual Leave

Eligible City, Library and Airport employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 240 hours as of the date of the employee's anniversary. The amount of annual leave earned ranges between eight and eighteen hours per month.

The governmental fund financial statements recognize annual leave when the liability is incurred and payable from available expendable resources. This normally occurs only if an employee has unused reimbursable leave still outstanding at the time of their retirement or resignation. The government-wide financial statements present the cost of accumulated annual leave as a liability. Proprietary Funds recognize the expense and accrued liability when the annual leave is earned.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Sick Leave

Eligible City, Library and Airport employees accrue sick leave at the rate of 8 hours per month without limitation on the amount that can be accumulated. The City is liable for one-third of the employee's accumulated unused sick leave up to a maximum of 60 days for employees vesting between the ages of 62 to 64. The City is liable for all the employee's accumulated unused sick leave up to a maximum of 60 days for employees vesting at age 65 or older. The governmental fund financial statements recognize sick leave as it is incurred. The government-wide financial statements present the estimated cost of sick leave as a liability after an employee has reached age 62.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position. Bond premiums and discounts are deferred and amortized on a straight-line basis over the term of the related issue. Bonds payable are reported net of applicable bond premium or discount.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, 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. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

For purposes of measuring the net pension liability(asset), deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB)

For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the fiduciary net position of the North Dakota Public Employees Retirement System (NDPERS) and additions to/deductions from NDPERS' fiduciary net position have been determined on the same basis as they are reported by NDPERS. For this purpose, benefit payments are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Revenues and Expenditures/Expenses

In the government-wide statement of activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities. Additionally, revenues are classified between program and general revenues. Program

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes.

In the government-wide financial statements, revenues are reported by source and are further classified as either “general purpose” or “restricted”. General purpose revenues are available to fund any activity accounted for in the fund. Restricted revenues are, either by State law or by outside restriction, available only for specified purposes. Unused restricted revenues at year-end are recorded as restricted fund balance. When revenues are not restricted or do not have constraints placed on their use, the funds are considered by the City’s commission to be committed or set aside for a specific purpose. When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the City considers restricted funds to have been spent first. When an expenditure is incurred for which committed, assigned, or unassigned fund balances are available, the City considers amounts to have been spent first out of committed funds, then assigned funds, and finally unassigned funds, as needed, unless the City’s commission has provided otherwise in its commitment or assignment actions.

In the governmental fund financial statements, expenditures are reported by character: “Current”, “Capital Outlay,” or “Debt Service”. Current expenditures are subclassified by function.

Capital outlay includes expenditures for capital assets. Debt service includes both interest and principal outlays related to bonds and loans.

Revenues and expenses of proprietary funds are classified as operating or nonoperating and are subclassified by object. Operating revenues consist of sales of goods and services and quasi-external operating transactions with other funds. All other revenues that do not meet the above criteria should be classified as non-operating.

Net Position / Fund Balance

The difference between assets, deferred outflows of resources, liabilities, and deferred inflows of resources is “Net Position” on the government-wide, proprietary, and fiduciary fund financial statements and “Fund Balance” on governmental fund financial statements.

Net position is reported in three categories:

- 1) Net investment in capital assets consists of capital and leased assets, net of accumulated depreciation and amortization, and reduced by outstanding balances for bonds, notes, lease liabilities, and other debt that are attributed to the acquisition, construction, or improvement of those assets.
- 2) Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.
- 3) Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated, to indicate that management does not consider them to be available for general operations. Unrestricted

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

net position often has constraints on resources which are imposed by management, but can be removed or modified.

Fund Balance Classifications

In the fund financial statements, fund balance for governmental funds are reported in five classifications that comprise a hierarchy based primarily on the extent to which the City is bound to honor constraints on the specific purposes for which amount in those funds can be spent:

Non-spendable includes amounts that cannot be spent because they are either (a) not in spendable form – inventories; or (b) legally or contractually required to be maintained intact.

The spendable portion of the fund balance comprises the remaining four classifications: restricted, committed, assigned, and unassigned.

Restricted results when constraints placed on the use of resources are either (a) externally imposed by creditors, grantors, contributors, or laws or regulations of other governments or (b) imposed by law through constitutional provisions or enabling legislation.

Committed consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (simple majority vote) of the City's highest level of decision-making authority (City commission) and cannot be used for any other purpose unless the City removes or changes the specified use by taking the same type of action it employed to previously commit the amounts.

Assigned consists of amounts that are constrained by the City's intent to be used for specific purposes, but are neither restricted nor committed, as expressed by the finance director to which the City's commission has delegated the authority to assign amounts to be used for specific purposes. The budget and finance committee has the authority to remove or change the assignment of funds.

Unassigned is the residual classification for the general fund and represents the amount that has not been assigned to other funds and that has not been restricted, committed, or assigned to specific purposes within the general fund.

Minimum Fund Balance

The unrestricted fund balance is the amount in the fund balance less nonspendable and restricted fund balance. The City will strive to maintain a minimum unrestricted general fund balance equal to 17% of the general fund's subsequent year budgeted expenditures (less debt service and capital outlay). This will assist in maintaining an adequate level of fund balance to provide for economic and financial stability and assist in maintaining the City's bond rating. If spending unrestricted fund balance in designated circumstances has reduced unrestricted fund balance to a point below the minimum target, as noted above, the replenishment will be within five years.

The minimum fund balance in the General Fund at December 31, 2022 was \$2,256,995.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Change in Accounting Principles

The City implemented GASB Statement No. 87, *Leases* in the year ended December 31, 2022. GASB Statement No. 87 establishes a single model for lease accounting based on the principle that leases are financings of the right to use an underlying asset.

The adoption of GASB 87 resulted in the recognition of lease receivable and deferred inflow of resources of \$108,755 and a right of use leased asset and lease liability of \$656,593 as of January 1, 2022. Results for periods prior to December 31, 2021 were adjusted to be reported in accordance with GASB Statement No. 87, *Leases* which resulted in a decrease in the lease asset of \$97,588 and decrease to the lease liability of \$20,490. The net adjustment to lease assets and liabilities as of December 31, 2021 resulted in a prior period adjustment of \$77,098. See Note 8 for expanded disclosures regarding the City's leases.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

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 Mandan has the authority to exceed line items or department budgets as long as the fund appropriations are not exceeded. City Commission 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 following funds had expenditures over appropriations as of December 31, 2022:

<u>Fund</u>	<u>Amount</u>
Morton Mandan Public Library Fund	\$ (19,771)

The City had revenue collections, receivables, and/or existing cash balances available at year-end to offset any excess expenditures over appropriations. Therefore, no remedial action is anticipated by the City.

Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2022:

<u>Fund</u>	<u>Amount</u>
Health and Safety	\$ (168,225)
Sidewalk, Curb and Gutter Construction	(96,960)
Street Construction	(11,595,254)
Transportation Alternatives Program Construction	(304,905)
Water and Sewer Construction	(1,839,951)

The City plans to resolve the Street Construction deficit fund balance with proceeds from loans and bonds. All other deficit fund balances will be resolved through collections of special assessments.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

NOTE 3 DEPOSITS

Custodial Credit Risk

The City minimizes custodial credit risk by restrictions set forth in state statute. Custodial credit risk is the risk associated with the failure of a depository financial institution. In the event of a depository financial institution's failure the City would not be able to recover its deposits or collateralized securities that are in the possession of outside parties. The City does not have a formal policy that addresses custodial credit risk for deposits. However, in accordance with state statutes, the City's commission requires that all City funds be deposited at financial institutions that are covered by federal deposit insurance. State statutes also require that the deposits be protected by insurance, collateral or a surety bond. The fair value of the collateral pledged must be equal to or greater than 110% of the deposits not covered by insurance or bonds. The only exception is for funds that are deposited with the Bank of North Dakota, which is owned and backed by the full faith and credit of the State of North Dakota.

At December 31, 2022, the carrying amount of the City's deposits was \$19,291,919 and the bank balance was \$22,618,146. The bank balances were covered by Federal Depository insurance and securities held by the pledging financial institutions' agents in the government's names. The carrying amount of restricted cash and cash equivalents deposited with the Bank of North Dakota was \$1,915,809. The City and the Library also maintain separate petty cash balances of \$1,100 and \$200, respectively.

The deposits presented in the financial statements at December 31, 2022, are as follows:

<u>Primary Government</u>	
Cash and Cash Equivalents	\$ 16,692,838
Restricted Cash and Cash Equivalents	4,480,790
Less: Cash held with fiscal agent	(1,915,809)
Less: Petty cash	(1,300)
Total Primary	<u>19,256,519</u>
 <u>Fiduciary Funds</u>	
Cash and Cash Equivalents	<u>35,400</u>
Total Deposits	<u>\$ 19,291,919</u>

NOTE 4 INVESTMENTS

The investment policies of the City are governed by state statutes, indicating that all public funds must be deposited in the Bank of North Dakota unless there are other constitutional or statutory provisions.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates of debt securities will adversely affect the fair value of an investment. The price of debt security typically moves in the opposite direction of the change in interest rates. The City does not have a formal investment policy that limits investment maturities as a means of managing its exposure to potential fair value losses arising from future changes in interest rates.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

At December 31, 2022, the City's investments were as follows:

Investment Type	Total Fair Value	Less Than 1 Year	1-6 Years	6-10 Years	More Than 10 Years
Mutual Funds	\$ 7,376,355	\$ 7,376,355	\$ -	\$ -	\$ -

The City's mutual funds are held for the City's Employee Retirement Plan and Trust.

Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The City does not have an investment policy that specifically addresses credit risk.

Concentration of Credit Risk

Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. The City does not have an investment policy that specifically addresses concentrations of credit risk in a single issuer.

Foreign Currency Risk

Foreign currency risk is the risk that changes in exchange rates will adversely affect the fair value of an investment or a deposit. The City does not have a formal investment policy governing foreign currency risk.

Fair Value Measurement

The fair value measurements are categorized by the fair value hierarchy based on the generally accepted accounting principles. Valuation inputs are used to measure the fair value of the asset to determine the appropriate category. The categories range from Level 1 which is the highest priority to level 3 which is the lowest priority and are based on the following categories:

Level 1: Unadjusted quoted prices for identical instruments in active markets.

Level 2: Quoted prices for similar instruments in the active markets; quoted prices for identical or similar instruments in markets that are not active; and model-derived valuations in which all significant inputs are observable.

Level 3: Valuations derived from valuation techniques in which significant inputs are unobservable.

Investments that are measured at fair value using net asset value per share (or its equivalent), which includes the City's certificate of deposit, as a practical expedient are not classified in the fair value hierarchy.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

The table below presents the balances of investments measured at fair value on a recurring basis as of December 31, 2022.

		Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total			
Mutual Funds	<u>\$ 7,376,355</u>	<u>\$ 7,376,355</u>	<u>\$ -</u>	<u>\$ -</u>

NOTE 5 LOANS RECEIVABLE

Loans receivable are made from the Mandan Growth Fund to promote economic and job development within the City. Loans receivable at December 31, 2022, consist of the following:

Coffees and Kitchens

\$50,000 Loan due in monthly installments of \$94 until paid in full; interest at 0% \$ 28,032

Developers, LLC Phase II

\$66,327 loan with \$14,307 advanced as of December 31, 2020, due in monthly installments of \$3,048 starting August 2025 through July 2027; interest at 2.5% 28,378

Fore 5 Sweet Boyz

\$40,950 loan due in monthly installments of \$486 until paid 38,200

Huff Hills Ski Area

\$117,431 Loan due in monthly installments of \$5,520 through March 15, 2025 and \$3,340 due on March 15, 2026; interest at 1.5% 9,245

NISC

\$71,264 loan due in monthly installments of \$1,188 starting November 2021 through October 2026; interest at 0% 53,448

Satnan Daycare

\$6,632 loan due in monthly installments of \$111 starting September 2027 through May 1, 2032 and \$332 due on June 1, 2032; interest at 0% 6,632

Total Loans Receivable 163,935

Less: Allowance for uncollectible accounts (66,231)

Net Loans Receivable \$ 97,704

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

NOTE 6 INTERFUND ACCOUNTS AND TRANSFERS

Interfund balances at December 31, 2022, consist of the following:

Due from Other Funds / Due to Other Funds

<u>Due to General Fund</u>	
Due from Street Construction	\$ 204,745
Due from Mandan Airport Authority	7,844
Due from City Shop	6,343
Due from Non-Major Governmental Funds	<u>148,431</u>
Total due to General Fund	<u><u>\$ 367,363</u></u>
<u>Due to Refunding Improvements Bond Fund</u>	
Due from Street Construction	<u><u>\$ 3,754,590</u></u>
<u>Due to Non-Major Governmental Funds</u>	
Due from Street Construction	\$ 2,211,302
Due from Non-Major Governmental Funds	<u>244,800</u>
Total due to Non-Major Governmental Funds	<u><u>\$ 2,456,102</u></u>
<u>Due to Water and Sewer Utility</u>	
Due from Street Construction	\$ 3,529,025
Due from Non-Major Governmental Funds	<u>1,914,734</u>
Total due to Water and Sewer Utility Fund	<u><u>\$ 5,443,759</u></u>
<u>Due to Solid Waste Utility</u>	
Due from Street Construction	<u><u>\$ 1,243,325</u></u>

These balances are a result when a fund has a cash deficit. The interfund balances will be repaid in 2023.

Interfund Transfers

A summary of interfund transfers for the fiscal year ended December 31, 2022, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 3,656,387	\$ 3,222,271
Cemetery	-	63,527
Street Construction	2,187,603	1,020
Refunding Improvement Bonds	3,827	68,527
Non-major governmental	1,066,763	1,608,264
Water and Sewer Utility	-	1,948,451
Internal Service	1,562	4,082
	<u><u>\$ 6,916,142</u></u>	<u><u>\$ 6,916,142</u></u>

Transfers are used for various budgetary and financial management purposes.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

NOTE 7 CAPITAL ASSETS

The following is a summary of capital assets during the fiscal year ended December 31, 2022:

	Balance 1/1/2022	Additions	Deletions	Transfers	Balance 12/31/2022
Governmental Activities:					
Capital assets not being depreciated:					
Land	\$ 2,823,343	\$ -	\$ -	\$ -	\$ 2,823,343
Construction work in progress	31,035,696	15,235,126	-	(19,615,952)	26,654,870
Total capital assets not being depreciated:	33,859,039	15,235,126	-	(19,615,952)	29,478,213
Capital assets being depreciated:					
Buildings and improvements	11,831,925	45,070	(66,507)	6,060,892	17,871,380
Buildings and infrastructure	201,058,549	-	-	12,980,295	214,038,844
Machinery and equipment	9,603,559	1,015,725	(584,737)	602,511	10,637,058
Total capital assets being depreciated:	222,494,033	1,060,795	(651,244)	19,643,698	242,547,282
Less accumulated depreciation for:					
Buildings and improvements	3,089,097	354,366	(14,632)	-	3,428,831
Buildings and infrastructure	109,526,660	5,883,839	-	-	115,410,499
Machinery and equipment	8,633,863	703,953	(584,738)	27,746	8,780,824
Total accumulated depreciation	121,249,620	6,942,158	(599,370)	27,746	127,620,154
Total capital assets being depreciated, net	107,603,071	(5,881,363)	(51,874)	19,615,952	114,927,128
Total capital assets, net	\$ 141,462,110	\$ 9,353,763	\$ (51,874)	\$ -	\$ 144,405,341
	Balance 1/1/2022	Additions	Deletions	Transfers	Balance 12/31/2022
Business Type Activities:					
Capital assets not being depreciated:					
Land	\$ 1,144,900	\$ -	\$ -	\$ -	\$ 1,144,900
Construction work in progress	16,802,350	12,228,703	(70,234)	(45,780)	28,915,039
Total capital assets not being depreciated:	17,947,250	12,228,703	(70,234)	(45,780)	30,059,939
Capital assets being depreciated:					
Buildings and infrastructure	115,808,100	167,178	-	45,780	116,021,058
Machinery and equipment	4,898,785	110,873	(456,299)	(27,746)	4,525,613
Total capital assets being depreciated:	120,706,885	278,051	(456,299)	18,034	120,546,671
Less accumulated depreciation for:					
Buildings and infrastructure	41,262,674	3,079,677	-	-	44,342,351
Machinery and equipment	4,398,986	108,577	(230,151)	(27,746)	4,249,666
Total accumulated depreciation	45,661,660	3,188,254	(230,151)	(27,746)	48,592,017
Total capital assets being depreciated, net	75,045,225	(2,910,203)	(226,148)	45,780	71,954,654
Total capital assets, net	\$ 92,992,475	\$ 9,318,500	\$ (296,382)	\$ -	\$ 102,014,593

Depreciation expense was charged to functions/programs of the City as follows:

Governmental Activities:	
General Government	\$ 108,221
Public Safety	348,494
Public Works	6,164,653
Cemetery	36,446
Culture and Recreation	280,128
Urban Redevelopment and Housing	4,216
Total Governmental Activities Depreciation Expense	<u>\$ 6,942,158</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Business-type Activities	
Water and Sewer Utility	\$ 2,530,360
Solid Waste Utility	50,616
Mandan Airport Authority	<u>607,278</u>
Total Business-type Activities Depreciation Expense	<u><u>\$ 3,188,254</u></u>

Contract Commitments

The City has active contract project commitments of \$14,581,735, purchase agreement commitments of \$1,641,434, and professional service agreement commitments of \$2,054,031 as of December 31, 2022. The Airport Authority has active contract project commitments of \$165,261 as of December 31, 2022.

NOTE 8 LEASES

Lessee

The City leases maintenance equipment and buildings. The term of the leases range from 2 to 20 years through December 2041 with annual rent payments ranging from \$1,816 to \$73,745.

Following is the total lease expense for the year ended December 31, 2022

Government-Wide Activities:

Amortization expense by class of underlying asset	
Building	\$ 104,182
Total amortization expense	<u>104,182</u>
Interest on lease liabilities	<u>2,720</u>
Total	<u><u>\$ 106,902</u></u>

Business-Type Activities:

Amortization expense by class of underlying asset	
Equipment	\$ 93,207
Total amortization expense	<u>93,207</u>
Interest on lease liabilities	<u>3,057</u>
Total	<u><u>\$ 96,264</u></u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Following is a schedule of activity in leased assets and the lease liability for the year ended December 31, 2022.

	1/1/2022	Additions	Deductions	12/31/2022	Amounts Due Within One Year
Government-Wide Activities:					
Lease assets					
Building	\$ 338,135	\$ -	\$ -	\$ 338,135	
Total Lease assets	<u>338,135</u>	<u>-</u>	<u>-</u>	<u>338,135</u>	
Less: Accumulated Amortization					
Building	-	(104,182)	-	(104,182)	
Total accumulated amortization	<u>-</u>	<u>(104,182)</u>	<u>-</u>	<u>(104,182)</u>	
Total lease assets, net	<u>\$ 338,135</u>	<u>\$ (104,182)</u>	<u>\$ -</u>	<u>\$ 233,953</u>	
Lease Liabilities	<u>\$ 338,135</u>	<u>\$ -</u>	<u>\$ (105,560)</u>	<u>\$ 232,575</u>	<u>\$ 102,841</u>
Business-Type Activities:					
Lease assets					
Equipment	\$ 318,458	\$ -	\$ -	\$ 318,458	
Total Lease assets	<u>318,458</u>	<u>-</u>	<u>-</u>	<u>318,458</u>	
Less: Accumulated Amortization					
Equipment	-	(93,207)	-	(93,207)	
Total accumulated amortization	<u>-</u>	<u>(93,207)</u>	<u>-</u>	<u>(93,207)</u>	
Total lease assets, net	<u>\$ 318,458</u>	<u>\$ (93,207)</u>	<u>\$ -</u>	<u>\$ 225,251</u>	
Lease Liabilities	<u>\$ 318,458</u>	<u>\$ -</u>	<u>\$ (43,203)</u>	<u>\$ 275,255</u>	<u>\$ 41,709</u>

Following is a schedule by years of future minimum rental payments required under the lease:

Government-Wide Activities:			
Fiscal Year			
Ending			Total
December 31,	Principal	Interest	Payments
2023	\$ 102,841	\$ 2,720	\$ 105,561
2024	103,928	1,633	105,561
2025	1,282	534	1,816
2026	1,309	507	1,816
2027	1,336	480	1,816
2028 - 2032	7,104	1,976	9,080
2033 - 2037	7,870	1,210	9,080
2038 - 2042	6,905	361	7,266
Total	<u>\$ 232,575</u>	<u>\$ 9,421</u>	<u>\$ 241,996</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Business-Type Activities:

Fiscal Year Ending December 31,	Principal	Interest	Total Payments
2023	\$ 41,709	\$ 2,876	\$ 44,585
2024	42,145	2,440	44,585
2025	191,401	2,000	193,401
Total	<u>\$275,255</u>	<u>\$ 7,316</u>	<u>\$282,571</u>

Lessor

As a lessor, the City leases building space and equipment to unrelated parties. The terms of the leases range from 3-20 years, commencing on January 1, 2022 and terminating at various dates within 2024-2041, with annual rent payments ranging from \$2,000 - \$73,745 and monthly payments ranging from \$440 - \$2,000.

The Airport Authority leases tracts of land to 18 patrons who agree to use the premises solely for regular airport and aviation business purposes. These various lease agreements are typically for a period of 20 years, at which time there is an option to renew for an additional ten-year term. On each biennial review, the Airport shall not increase the rent in excess of 10% above the then existing rent. Rent is calculated based on square footage times a set fee.

Following is the total lease-related revenue for the year ended December 31, 2022.

Government-Wide Activities:

Lease Revenue by class of underlying asset	
Building	\$ 21,342
Land	910
Total lease revenue	<u>22,252</u>
Interest revenue	<u>2,698</u>
Total	<u>\$ 24,950</u>

Business-Type Activities:

Lease Revenue by class of underlying asset	
Land	\$ 23,020
Total lease revenue	<u>23,020</u>
Interest revenue	<u>5,553</u>
Total	<u>\$ 28,573</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Following is a schedule by years of the future minimum rental receipts required under the leases:

Government-Wide Activities:

For the Year Ending December 31,	Principal	Interest	Total Receipts
2023	\$ 31,175	\$ 3,105	\$ 34,280
2024	31,634	2,646	34,280
2025	32,101	2,179	34,280
2026	32,548	2,232	34,780
2027	33,554	1,226	34,780
2028 - 2032	43,910	2,710	46,620
2033 - 2037	10,165	336	10,501
Total	<u>\$215,087</u>	<u>\$ 14,434</u>	<u>\$229,521</u>

Business-Type Activities:

For the Year Ending December 31,	Principal	Interest	Total Receipts
2023	\$ 25,955	\$ 5,420	\$ 31,375
2024	24,734	6,641	31,375
2025	25,372	6,003	31,375
2026	26,028	5,347	31,375
2027	26,702	4,673	31,375
2028 - 2032	111,341	13,535	124,876
2033 - 2037	37,638	4,230	41,868
2038 - 2042	17,495	1,094	18,589
	<u>\$ 295,265</u>	<u>\$46,943</u>	<u>\$342,208</u>

NOTE 9 LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. Bonds and loans payable at December 31, 2022, consisted of bonds and loans issued by the City and are accounted for by the respective City funds in the government-wide financial statements that issued the bonds and loans.

General Obligation Bonds Payable

The City issues general obligation funds to provide funds for the acquisition and construction of major capital facilities. General obligation bonds are direct obligations and pledge the full faith and credit of the City. General obligation bonds currently outstanding are as follows:

General Obligation Bonds Payable

\$870,000 General Obligation Bridge Bonds of 2006,
 due in annual principal installments of \$60,000 to \$65,000 through
 May 1, 2026; semi-annual interest payments 4.30% to 4.40%

\$ 250,000

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Debt service requirements to maturity on general obligation bond issue are summarized below:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2023	\$ 60,000	\$ 9,650
2024	60,000	7,040
2025	65,000	4,290
2026	65,000	1,430
	<u>\$ 250,000</u>	<u>\$ 22,410</u>

Special Assessments Bonds Payable with Governmental Commitment

The City issues special assessment bonds to provide funds for the construction of infrastructure. These bonds are repaid from amounts levied against the property owners benefited by the construction. In the event that a deficiency exists because of unpaid or delinquent special assessments at the time a debt service payment is due, the City must provide resources (general taxes) to cover the deficiency until other resources are received.

Special assessment bonds currently outstanding are as follows:

Issue	Amount of Issue	Issue	Date of Maturity	Interest Rate	Amount Outstanding
Refunding 2009, Series A	\$4,420,000	12/15/2009	5/1/2024	4.00%	\$ 590,000
Refunding 2016, Series A	5,030,000	5/25/2016	5/1/2023	2.00%	295,000
Refunding 2016, Series B	420,000	1/12/2017	5/1/2031	2.15 - 3.50%	270,000
Refunding 2017, Series A	1,950,000	5/18/2017	5/1/2024	2.00 - 2.25%	345,000
Refunding 2017, Series B	9,295,000	12/13/2017	5/1/2037	3.00 - 5.00%	6,950,000
Refunding 2020, Series A	9,320,000	12/30/2020	5/1/2035	1.00 - 4.00%	7,355,000
Refunding 2021, Series A	5,120,000	4/20/2021	5/1/2030	2.00 - 3.00%	4,615,000
Refunding 2021, Series B	1,175,000	12/21/2021	5/1/2041	1.35 - 4.00%	1,110,000
Total special assessments bond payable at December 31, 2022					<u>\$21,530,000</u>

Debt service requirements to maturity on special assessment bond issues are summarized below:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2023	\$ 2,955,000	\$ 576,040
2024	2,475,000	474,230
2025	2,210,000	381,386
2026	2,270,000	297,681
2027	2,355,000	233,601
2028-2032	7,170,000	599,381
2033-2037	1,830,000	148,159
2038-2041	265,000	11,557
	<u>\$ 21,530,000</u>	<u>\$ 2,722,035</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Revenue Bonds Payable

Current state statutes empower the City to issue bonds as part of its activities and pledge income derived from operations to pay debt service. This debt is not backed by the full faith and credit of the City.

The Park Facilities Sales Tax Revenue Bonds were issued to finance the construction of a new sporting facility for the Mandan Park District. The Bonds are payable from revenue generated through a special 0.75% Sales Tax and are payable through September 2041 and are recorded in the 0.75% City Sales Tax Fund. The total principal and interest remaining to be paid on the bonds is \$19,566,288. Principal and interest paid for the current year and total net revenues were \$2,264,508 and \$2,396,481, respectively.

The Water and Sewer Revenue Bonds were issued to finance improvements for the City's Water and Sewer Utility Fund. The Bonds are payable solely from charges for services received from the Water and Sewer Utility Fund and are payable through September 2039. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$20,055,120. Principal and interest paid for the current year and total net revenues were \$2,267,086 and \$11,710,926, respectively.

The Airport Improvement Revenue Bonds were issued to finance improvements for the Mandan Airport Facility. The Bonds are payable solely from charges for services received from the Mandan Airport Authority and are payable through October 2023. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$542,171. Principal and interest paid for the current year and total net revenues were \$109,719 and \$375,534, respectively.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Revenue bonds outstanding:

Governmental Activities

\$15,275,000 Park Facilities Sales Tax Revenue Bonds of 2016A due in annual principal installments of \$465,000 to \$1,855,000 through September 1, 2041; semi-annual interest payments at 3% to 4%	\$ 13,665,000
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\$6,000,000 Park Facilities Sales Tax Revenue Bonds of 2016B, due in semi annual payments of interest of \$21,588 through September 1, 2041 with a balloon payment of \$3,675,000 due September 1, 2041; interest at 2.75%	300,000
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Total Governmental Activities	<div style="border-top: 1px solid black; border-bottom: 3px double black; display: inline-block; padding: 0 10px;">\$ 13,965,000</div>
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Business-type Activities

\$1,000,000 Water and Sewer Revenue Bonds, Series 2005, due in annual installments of \$65,000 to \$75,000 through, May 1, 2025; interest at 4.8%	\$ 215,000
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\$1,545,663 Sewer Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$90,000 to \$110,000 through September 1, 2028; interest at 2.5%	610,000
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\$840,000 Sewer Improvement Revenue Bonds of 2008, Series B, due in annual installments of \$55,000 to \$65,000 through September 1, 2028; interest at 2.5%	360,000
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\$3,782,000 Water Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$245,000 to \$285,000 through September 1, 2028; interest at 2.5%	1,620,000
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\$6,667,283 Water Improvement Revenue Bonds of 2008, Series B, due in annual installments of \$435,000 to \$545,000 through September 1, 2028; interest at 3.27%	2,970,000
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\$6,383,867 Water Improvement Revenue Bonds of 2010, Series A, due in annual installments of \$355,000 to \$460,000 through September 1, 2030; interest at 2.84%	3,300,000
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\$1,891,118 Sewer Improvement Revenue Bonds of 2013, Series A, due in annual installments of \$100,000 to \$125,000 through September 1, 2033; interest at 2%	1,250,000
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CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

\$591,683 Water Improvement Revenue Bonds of 2013, Series A, due in annual installments of \$30,000 to \$40,000 through September 1, 2033; interest at 2%	\$ 390,000
\$1,586,280 Water Improvement Revenue Bonds of 2014, Series A, due in annual installments of \$80,000 to \$105,000 through September 1, 2033; interest at 2%	1,050,000
\$4,276,824 Sewer Improvement Revenue Bonds of 2015, Series A, due in annual installments of \$200,000 to \$270,000 through, September 1, 2035; interest at 2%	3,130,000
\$886,000 Water Improvement Revenue Bonds of 2017, Series A, due in annual installments of \$35,000 to \$55,000 through September 1, 2036; interest at 1.5%	645,000
\$1,269,453 Water Improvement Revenue Bonds of 2017, Series B, due in annual installments of \$60,000 to \$80,000 through September 1, 2037; interest at 1.5%	1,040,000
\$1,848,463 Water Improvement Revenue Bonds of 2019, Series A, due in annual installments of \$80,000 to \$105,000 through September 1, 2039; interest at 1.5%	1,605,000
\$500,000 Airport Improvement Revenue Bonds of 2008, due in annual installments of \$24,547 through, October 8, 2023; interest at 5.41%	47,171
\$695,000 Airport Improvement Revenue Bonds of 2019, due in annual installments of \$65,000 to \$75,000 through April 1, 2029, interest at 1.6% to 2%	495,000
Total Business-type Activities	<u>18,727,171</u>
Total Revenue Bonds	<u><u>\$ 32,692,171</u></u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Debt service requirements to maturity on revenue bond issues are summarized below:

Year Ending December 31	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 480,000	\$ 486,213	\$ 1,992,171	\$ 343,952	\$ 2,472,171	\$ 830,165
2024	490,000	471,813	2,015,000	304,340	2,505,000	776,153
2025	505,000	457,113	2,090,000	265,175	2,595,000	722,288
2026	525,000	439,437	2,070,000	226,250	2,595,000	665,687
2027	540,000	421,062	2,130,000	188,150	2,670,000	609,212
2028-2032	3,055,000	1,762,513	6,035,000	470,174	9,090,000	2,232,687
2033-2037	3,695,000	1,123,562	2,185,000	104,176	5,880,000	1,227,738
2038-2041	4,675,000	439,575	210,000	4,725	4,885,000	444,300
	<u>\$ 13,965,000</u>	<u>\$ 5,601,288</u>	<u>\$ 18,727,171</u>	<u>\$ 1,906,942</u>	<u>\$ 32,692,171</u>	<u>\$ 7,508,230</u>

Loans Payable

The following is a schedule of loans payable outstanding at December 31, 2022:

Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Amount Outstanding
Street #160	\$ 109,611	12/23/2010	5/1/2025	4.00%	\$ 28,222
Sidewalk, Curb and Gutter 2013	136,630	12/17/2013	5/1/2023	2.75%	14,070
Street #209	322,896	8/22/2018	5/1/2028	2.00%	6,633
Street #207	352,967	12/16/2019	5/1/2033	3.29%	277,331
Street #208	181,045	12/16/2019	5/1/2033	3.05%	45,261
Street #211	225,623	12/16/2019	5/1/2034	3.34%	180,499
Street #213	4,017,817	10/1/2020	5/1/2040	2.00%	2,706,053
Street #215	4,048,101	10/19/2021	5/1/2038	2.00%	4,164,080
Street #218	841,735	10/19/2021	5/1/2039	2.00%	770,489
Water, Series 2021A	2,604,300	5/10/2021	9/1/2041	1.50%	4,798,135
Total loan payable					<u>\$ 12,990,773</u>

Debt service requirements to maturity on loans payable are summarized below:

Year Ending December 31	Governmental Activities		Business-Type Activities		Total Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2023	\$ 484,808	\$ 165,671	\$ 305,000	\$ 71,972	\$ 789,808	\$ 237,643
2024	429,569	155,534	310,000	67,397	739,569	222,931
2025	433,744	146,164	315,000	62,747	748,744	208,911
2026	427,803	136,905	325,000	58,022	752,803	194,927
2027	431,678	127,765	330,000	53,147	761,678	180,912
2028-2032	2,213,246	499,154	1,750,000	189,535	3,963,246	688,689
2033-2037	2,168,714	268,251	1,463,135	53,963	3,631,849	322,214
2038-2041	1,603,076	59,611	-	-	1,603,076	59,611
	<u>\$ 8,192,638</u>	<u>\$ 1,559,055</u>	<u>\$ 4,798,135</u>	<u>\$ 556,783</u>	<u>\$ 12,990,773</u>	<u>\$ 2,115,838</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Changes in Long-term Liabilities

Changes in Long-term Liabilities for the year ended December 31, 2022, are summarized as follows:

Governmental Activities	Balance 1/1/22	Additions	Reductions	Transfers	Balance 12/31/22	Due Within One Year
Compensated absences	\$ 650,207	\$ 986,797	\$ (903,624)	\$ -	\$ 733,380	\$ 198,233
General obligation bonds	305,000	-	(55,000)	-	250,000	60,000
Special assessment bonds	25,485,000	-	(3,955,000)	-	21,530,000	2,955,000
Plus unamortized premium	1,460,003	-	(145,094)	-	1,314,909	145,094
Revenue bonds	15,700,000	-	(1,735,000)	-	13,965,000	480,000
Plus unamortized premium	412,139	-	(20,607)	-	391,532	20,607
Loans payable	9,791,562	440,722	(2,039,646)	-	8,192,638	484,808
Total	\$53,803,911	\$ 1,427,519	\$ (8,853,971)	\$ -	\$ 46,377,459	\$ 4,343,742
Business-Type Activities						
Compensated absences	\$ 174,329	\$ 289,842	\$ (240,360)	\$ -	\$ 223,811	\$ 115,310
Revenue bonds	20,671,353	-	(1,944,182)	-	18,727,171	1,992,171
Less unamortized discount	(8,340)	-	1,043	-	(7,297)	(1,043)
Loans payable	2,604,300	2,493,835	(300,000)	-	4,798,135	305,000
Total	\$23,441,642	\$ 2,783,677	\$ (2,483,499)	\$ -	\$ 23,741,820	\$ 2,411,438

Compensated absences are liquidated in the fund in which the service is received, which would be the fund in which the employee's salary is charged. This includes the General Fund, Cemetery Fund, Morton Mandan Public Library Fund, Abused Adult Resource Center Grant Fund, Water and Sewer Utility Fund, Solid Waste Utility Fund, Street Light Utility Fund, and Mandan Airport Authority Fund.

The \$15,275,000 and \$6,000,000 Park Facilities Sales Tax Revenue bonds are being paid by the 0.75% Sales Tax Fund.

Debt Commitment

The City's bond documents include covenants that, in part, impose maintenance of certain reserve requirements and net operating revenues to debt service ratios. The City was in compliance with all financial covenants as of December 31, 2022.

Conduit Debt

Community Development Block Grants

From time to time, the City has obtained Community Development Block Grants (CBDG) to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The grants are secured by the financed property and are payable solely from payments received on the underlying mortgage grants. Ownership of the acquired facilities will transfer to the private-sector entity upon repayment of the grants. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the grants.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Accordingly, the grants are not reported as liabilities in the accompanying financial statements. As of December 31, 2022, there were six CDBG loans outstanding, with an aggregate principal amount payable of \$962,147.

NOTE 10 EMPLOYEE PENSION PLANS

Defined Contribution Plan

The City of Mandan Employee Retirement Plan and Trust is a Defined Contribution Plan that covers eligible City employees. The Defined Contribution Plan had 131 participants as of December 31, 2022.

Upon the death of a participating employee or former participating employee, the vested account balance of that deceased participant is available to the participant's designated beneficiary(ies). An employee who becomes totally and permanently disabled while employed by the City is eligible to receive a distribution of the vested account balance. To qualify under this section, the employee must meet the criteria established by the Plan for being totally disabled.

Employees are entitled to their vested account balance. A participating employee is immediately 100% vested in the employee's contributions. A participating employee vests in the employer contributions made on the employee's behalf as follows:

Upon completion of one year of service	25%
Upon completion of two years of service	50%
Upon completion of three years of service	75%
Upon completion of four years of service	100%

Employees may elect to receive their account balance in a lump sum, lump sum direct rollover, or periodic distribution.

Contributions are set by City ordinance and are a percentage of salaries and wages. Employee contributions are established at 2%, and employer contributions are established at 8% of regular compensation. On December 16, 2014 the City ordinance was amended effective January 1, 2015. This amendment allowed Sworn Police Officers and Career Firefighters to be eligible for a 10% employer contribution if the employee contributes 4% or greater. The employer's required contributions for the years ended December 31, 2022, 1899, and 1899, were \$528,212, \$518,253 and \$514,251, respectively.

The City, or vendors contracted by the City, has exclusive authority to invest and manage the assets of the Employee Retirement Plan and Trust. The Plan allows each participating employee to direct the investment of the individual's employer and employee contributions and earnings to one or more investment options within the available categories of investment as established by the City.

NDPERS Law Enforcement Retirement System (Law Enforcement System)

The following brief description of the Law Enforcement System is provided for general information purposes only. Participants should refer to NDCC Chapter 54-52 for more complete information.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

The Law Enforcement System is a cost-sharing multiple-employer defined benefit pension plan that covers peace officers and correctional officers employed by participating political subdivisions. Effective August 1, 2015, the plan will include National Guard Security Officers and Firefighters. The Law Enforcement System provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

Pension Benefits

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (55) with three or more years of service. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members first enrolled in the plan after December 31, 2019 the multiplier was reduced from 2.0% to 1.75%. The plan permits early retirement at ages 50-55 with three or more years of service.

Members may elect to receive the pension benefits in the form of a single life, joint and survivor, term-certain annuity, or partial lump sum with ongoing annuity. Members may elect to receive the value of their accumulated contributions, plus interest, as a lump sum distribution upon retirement or termination, or they may elect to receive their benefits in the form of an annuity. For each member electing an annuity, total payment will not be less than the members' accumulated contributions plus interest.

Death and Disability Benefits

Death and disability benefits are set by statute. If an active member dies with less than three years of service in the Law Enforcement System, a death benefit equal to the value of the member's accumulated contributions, plus interest, is paid to the member's beneficiary. If the member has earned more than three years of credited service for the Law Enforcement System, the surviving spouse will be entitled to a single payment refund, life-time monthly payments in an amount equal to 50% of the member's accrued normal retirement benefit, or monthly payments in an amount equal to the member's accrued 100% Joint and Survivor retirement benefit if the member had reached normal retirement age prior to date of death. If the surviving spouse dies before the member's accumulated pension benefits are paid, the balance will be payable to the surviving spouse's designated beneficiary.

Eligible members who become totally disabled after a minimum of 180 days of service, receive monthly disability benefits equal to 25% of their final average salary with a minimum benefit of \$100. To qualify under this section, the member has to become disabled during the period of eligible employment and apply for benefits within one year of termination. The definition of disabled is set by the NDPERS in the North Dakota Administrative Code.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Refunds of Member Account Balance

Upon termination, if a member of the Law Enforcement System is not vested (is not 55 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

Member and Employer Contributions

Member and employer contributions paid to NDPERS are established as a percent of covered compensation. Member contribution rates are set by statute and employer contribution rates are set by the Board. Contribution rates for the Law Enforcement System are established as follows:

<u>Plan</u>	<u>Member contribution rate</u>	<u>Employer contribution rate</u>
Law Enforcement with previous service		
Political Subdivisions	5.50%	9.81%
State	6.00%	9.81%
National Guard	5.50%	9.81%
Law Enforcement without previous service	5.50%	7.93%

The member's account balance includes the vested employer contributions equal to the member's contributions to an eligible deferred compensation plan. The minimum member contribution is \$25 and the maximum may not exceed the following:

- 1 to 12 months of service – Greater of one percent of monthly salary or \$25
- 13 to 24 months of service – Greater of two percent of monthly salary or \$25
- 25 to 36 months of service – Greater of three percent of monthly salary or \$25
- Longer than 36 months of service – Greater of four percent of monthly salary or \$25

Pension Liabilities (Assets), Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At December 31, 2022, the City reported a liability of \$1,434,493 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2022, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of covered payroll/contributions in the Law Enforcement System pension plan relative to the covered payroll/contributions of all participating Law Enforcement System employers. At June 30, 2022, the City's proportion was 22.722982%, which is a decrease of 3.070435% from its proportion measured at June 30, 1899.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

For the year ended December 31, 2022, the City recognized pension expense of \$374,781. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 93,119	\$ (105,199)
Changes of assumptions	1,908,903	(1,062,189)
Net difference between projected and actual earnings on pension plan investments	185,144	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	15,424	(28,509)
Employer contributions subsequent to the measurement date	<u>126,597</u>	<u>-</u>
Total	<u>\$ 2,329,187</u>	<u>\$ (1,195,897)</u>

\$126,597 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability(asset) in the year ending December 31, 2023.

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

Year ended December 31:	
2023	\$ 221,746
2024	245,099
2025	142,045
2026	212,605
2027	185,198

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Actuarial Assumptions

The total pension liability(asset) in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	3.5% to 17.75% including inflation
Investment rate of return	5.10%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the Sex-distinct Pub-2010 table for General Employees, with scaling based on actual experience. Respective corresponding tables were used for healthy retirees, disabled retirees, and active members. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of arithmetic real rates of return for each major asset class included in the Fund's target asset allocation are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30%	5.75%
International Equity	21%	6.45%
Private Equity	7%	9.20%
Domestic Fixed Income	23%	0.34%
Global Real Assets	19%	4.35%

Discount Rate

For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 6.50%; the municipal bond rate is 3.69%; and the resulting Single Discount Rate is 5.10%.

Sensitivity of the City's Proportionate Share of the Net Pension Liability(Asset) to Changes in the Discount Rate

The following presents the City's proportionate share of the net pension liability(asset) calculated using the discount rate of 5.10%, as well as what the City's proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (4.10%) or 1-percentage-point higher (6.10%) than the current rate:

	1% Decrease 4.10%	Current Discount Rate 5.10%	1% Increase 6.10%
Employer's proportionate share of the net pension liability	\$ 2,492,943	\$ 1,434,493	\$ 601,649

Pension Plan Fiduciary Net Position

Detailed information about the pension plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 11 OTHER POST-EMPLOYMENT BENEFITS

North Dakota Public Employees Retirement System

The following brief description of NDPERS is provided for general information purposes only. Participants should refer to NDAC Chapter 71-06 for more complete information.

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis.

Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

OPEB Benefits

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are required to contribute 1.14% of their covered compensation to the Retiree Health Insurance Credit Fund. Employees purchasing previous service credit are also required to make an employee contribution to the Fund. The benefit amount applied each year is shown as "*prefunded credit applied*" on the Statement of Changes in Plan Net Position for the OPEB trust funds. Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There were no other benefit changes during the year.

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased annuitant receiving a surviving spouse benefit or if the member selected a joint and survivor option are eligible to receive a credit toward their monthly health insurance premium under the state health plan.

Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The benefits are equal to \$5.00 for each of the employee's, or deceased employee's years of credited service not to exceed the premium in effect for selected coverage. The retiree health insurance credit is also available for early retirement with reduced benefits.

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB

At December 31, 2022, the City reported a liability of \$369,742 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2022 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the City's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2022, the City's proportion was 0.308039%, which was an increase of 0.0455% from its proportion measured as of June 30, 1899.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

For the year ended December 31, 2022 the City recognized OPEB expense of \$76,559. At December 31, 2022, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 8,765	\$ (3,180)
Changes of assumptions	93,134	-
Net difference between projected and actual earnings on OPEB plan investments	49,785	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	52,462	(212)
Employer contributions subsequent to the measurement date	<u>18,199</u>	<u>-</u>
Total	<u>\$ 222,345</u>	<u>\$ (3,392)</u>

\$18,199 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2023.

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

Year ended December 31:	
2023	\$ 53,783
2024	51,281
2025	46,614
2026	49,076

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Actuarial Assumptions

The total OPEB liability in the July 1, 2022 actuarial valuation was determined using the following actuarial assumptions, applied to all periods included in the measurement:

Inflation	2.25%
Salary increases	Not applicable
Investment rate of return	5.75%, net of investment expenses
Cost-of-living adjustments	None

For active members, inactive members and healthy retirees, mortality rates were based on the MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

The long-term expected investment rate of return assumption for the RHIC fund was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of RHIC investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Estimates of arithmetic real rates of return, for each major asset class included in the RHIC's target asset allocation as of July 1, 2021 are summarized in the following table:

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-term Expected Real Rate of Return</u>
Broad US Equity	39.00%	5.75%
International Equities	26.00%	6.00%
Core-Plus Fixed Income	35.00%	0.22%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.39%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Sensitivity of the Employer's Proportionate Share of the Net OPEB Liability to Changes in the Discount Rate

The following presents the net OPEB liability of the Plans as of June 30, 2022, calculated using the discount rate of 5.39%, as well as what the RHIC net OPEB liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.39 percent) or 1-percentage-point higher (6.39 percent) than the current rate:

	1% Decrease 4.39%	Current Discount Rate 5.39%	1% Increase 6.39%
Employer's proportionate share of the net OPEB liability	\$ 471,954	\$ 369,742	\$ 283,938

Pension Plan Fiduciary Net Position

Detailed information about the OPEB plan's fiduciary net position is available in the separately issued NDPERS financial report.

NOTE 12 RESTRICTED ASSETS

The balances of the restricted asset accounts for cash and cash equivalents are as follows:

<u>Governmental Funds</u>	
General Fund - Civil Asset Forfeiture Funds	\$ 51,487
0.75% City Sales Tax - BND - Cash with Fiscal Agent	1,915,809
Total	<u>\$ 1,967,296</u>
 <u>Proprietary Funds</u>	
Water and Sewer Utility Fund - Revenue Bond/Debt Service	\$ 2,390,561
Mandan Airport Authority Fund - Revenue Bond/Debt Service	122,933
Total	<u>\$ 2,513,494</u>

NOTE 13 RISK MANAGEMENT

The City is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; and natural disasters for which the City carries commercial insurance. Settlements, resulting from these risks, have not exceeded insurance coverage in any of the past three fiscal years.

General Liability

The Mandan Airport Authority pays an annual premium to Old Republic Insurance Company for its general liability insurance coverage. The coverage by Old Republic Insurance Company is limited to losses of \$1,000,000 per aggregate and occurrence.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

North Dakota Insurance Reserve Fund

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,500 political subdivisions. The City pays an annual premium to NDIRF for its general liability, auto, and public asset insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability, \$2,000,000 per accident for automobile coverage and to \$6,915,904 for public assets (mobile equipment and portable property) coverage.

Machinery and Equipment

The City pays an annual premium to The Cincinnati Insurance Company for its machinery and equipment insurance coverage. The coverage by The Cincinnati Insurance Company is limited to losses of \$3,000,000.

State Fire and Tornado Fund

The City participates in the State Fire and Tornado Fund. The City pays an annual premium for the Fund to cover damage to buildings and contents. Replacement cost is estimated in consultation with the Fund to provide replacement cost coverage. The Fund currently provides the City with an aggregate coverage limit of \$250,000,000 with specific special limits varying from \$500 to \$500,000.

State Bonding Fund

The City participates in the State Bonding Fund. The Fund currently provides the City with blanket fidelity bond coverage in the amount of \$2,000,000 for its public employees and public officials. The Fund does not currently charge any premium for this coverage.

Workforce Safety & Insurance

The City participates in the Workforce Safety & Insurance (WSI). WSI is a state insurance fund and a “no fault” insurance system, covering employers and employees. WSI is financed by premiums assessed to employers. The premiums are available primarily for the payment of claims to employees injured in the course of employment.

PERS Uniform Group Insurance Program

The City participates in the PERS Uniform Group Insurance Program who contracts with Sanford Health Plan to provide health care insurance to the employees of the State of North Dakota, or any of its political subdivisions, institutions, departments or agencies. The City contributes a percentage of the monthly premium based upon an employee's years of service.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

NOTE 14 REMEDIATION TRUST

The City is one of the beneficiaries of the Mandan Remediation Trust. As a beneficiary of the Trust, the City has no legal title, claim or right to the Trust Estate and does not have any authority to transact business on behalf of the Trust. The Trust is irrevocable and will terminate when the North Dakota Department of Health determines that no further remediation is required of the contamination and the purposes of the Trust have been fully executed and fulfilled. Upon termination of the Trust, any residue of the Trust money shall be paid to the Mandan Special Environmental Projects Trust, a governmental fund of the City. The Trust had a net position of \$5,582,044 at December 31, 2021, the most recent year audited.

NOTE 15 COMMITMENTS AND CONTINGENCIES

Financial Subsidy Commitments

The City has financial subsidy commitments of \$734,590 as of December 31, 2022.

Contingent Grant Liabilities

Amounts received or receivables from grantor agencies are subject to audit and adjustment by grantor agencies, principally the federal government. Any disallowed claims, including amount already collected, may constitute a liability of the applicable funds. The amount, if any, of the expenditures cannot be determined at this time.

Litigation

Various suits and claims are pending against the City as of December 31, 2022. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes the final outcome of these matters will not material affect the financial statements of the City and that adequate insurance coverage exists in most cases to cover any potential settlement.

NOTE 16 COST SHARING AGREEMENTS

Central Dakota Communications Center

The City of Mandan entered into a charter agreement for the Combined Communications Center merger with the City of Bismarck and Burleigh County effective January 1, 2016. Central Dakota Communications Center (CenCom) replaces the Combined Communications Center. CenCom will dispatch all emergency calls for law enforcement, fire and emergency medical services in Bismarck, Mandan and Burleigh County, including Wilton. After revenue and that portion of 911 fees allocated for the annual operating budget of CenCom, the remainder of the budget responsibility is split between the parties who entered into the agreement, with the City of Mandan's share at 20%. The City incurred operating expenditures of \$422,890 related to costs of CenCom during the year ended December 31, 2022. The City also receives 911 fees from Morton County to help cover this payment. Total 911 fees from Morton County totaled \$341,398 for the year ended December 31, 2022.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

Law Enforcement Center

The City has entered into an operating agreement with Morton County for the law enforcement center on May 10, 2010. As part of this agreement, all parties pay evenly for the costs of operation, maintenance, repair and replacement of the law enforcement center. In addition to the operating costs, each party must contribute a set amount annually towards a capital improvement fund, with the City's portion of such payment being \$15,000. The City paid \$148,987 for their share of all costs of the law enforcement center for the year ended December 31, 2022.

NOTE 17 RECENT PRONOUNCEMENTS

The City will implement the following recent pronouncements for fiscal years ending after 2022:

GASB Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, improves financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs) and also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). The statement provides definitions of PPPs and APAs and provides uniform guidance on accounting and financial reporting for transactions that meet those definitions. A PPP is an arrangement in which a government (the transferor) contracts with an operator (a governmental or nongovernmental entity) to provide public services by conveying control of the right to operate or use a nonfinancial asset, such as infrastructure or other capital asset (the underlying PPP asset), for a period of time in an exchange or exchange-like transaction. An APA is an arrangement in which a government compensates an operator for services that may include designing, constructing, financing, maintaining, or operating an underlying nonfinancial asset for a period of time in an exchange or exchange-like transaction. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 96, *Subscription-Based Information Arrangements* provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs). A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction. Under this Statement, a government generally should recognize a right-to use subscription asset—an intangible asset—and a corresponding subscription liability. The requirements of this Statement will improve financial reporting by establishing a definition for SBITAs and providing uniform guidance for accounting and financial reporting for transactions that meet that definition. The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 99, *Omnibus 2022*, provides guidance on the following accounting matters:

- Classification and reporting of derivative instruments within the scope of Statement No. 53, *Accounting and Financial Reporting for Derivative Instruments*, that do not meet the definition of either an investment derivative instrument or a hedging derivative instrument.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

- Clarification of provisions in Statement No. 87, *Leases*, as amended, related to the determination of the lease term, classification of a lease as a short-term lease, recognition and measurement of a lease liability and a lease asset, and identification of lease incentives.
- Clarification of provisions in Statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*, related to (a) the determination of the public-private and public-public partnership (PPP) term and (b) recognition and measurement of installment payments and the transfer of the underlying PPP asset.
- Clarification of provisions in Statement No. 96, *Subscription-Based Information Technology Arrangements*, related to the subscription-based information technology arrangement (SBITA) term, classification of a SBITA as a short-term SBITA, and recognition and measurement of a subscription liability.
- Extension of the period during which the London Interbank Offered Rate (LIBOR) is considered an appropriate benchmark interest rate for the qualitative evaluation of the effectiveness of an interest rate swap that hedges the interest rate risk of taxable debt.
- Accounting for the distribution of benefits as part of the Supplemental Nutrition Assistance Program (SNAP).
- Disclosures related to nonmonetary transactions.
- Pledges of future revenues when resources are not received by the pledging government.
- Clarification of provisions in Statement No. 34, *Basic Financial Statements— and Management's Discussion and Analysis—for State and Local Governments*, as amended, related to the focus of the government-wide financial statement.
- Terminology updates related to certain provisions of Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*.
- Terminology used in Statement 53 to refer to resource flows statements.

The requirements of this statement are effective as follows:

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to leases, PPPs, and SBITAs are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, provides guidance on accounting and financial reporting requirements for accounting changes and error corrections. Statement requires that (a) changes in accounting principles and error corrections be reported retroactively by restating prior periods, (b) changes to or within the financial reporting entity be reported by adjusting beginning balances of the current period, and (c) changes in accounting estimates be reported prospectively by recognizing the change in the current period. The requirements of this Statement for changes in accounting principles apply to the implementation of a new pronouncement in absence of specific transition provisions in the new pronouncement. This Statement also requires that the aggregate amount of adjustments to and restatements of beginning net position, fund balance, or fund net position, as applicable, be displayed by reporting unit in the financial statements.

This Statement requires disclosure in notes to financial statements of descriptive information about accounting changes and error corrections, such as their nature. In addition, information about the quantitative effects on beginning balances of each accounting change and error correction should be disclosed by reporting unit in a tabular format to reconcile beginning balances as previously reported to beginning balances as restated. The requirements of this Statement are effective for accounting changes and error corrections made in fiscal years beginning after June 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

GASB Statement No. 101, *Compensated Absences*, provides guidance on the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means. A liability should be recognized for leave that has not been used if (a) the leave is attributable to services already rendered, (b) the leave accumulates, and (c) the leave is more likely than not to be used for time off or otherwise paid in cash or settled through noncash means. This Statement also requires that a liability for specific types of compensated absences not be recognized until the leave is used. This Statement also establishes guidance for measuring a liability for leave that has not been used, generally using an employee's pay rate as of the date of the financial statements. A liability for leave that has been used but not yet paid or settled should be measured at the amount of the cash payment or noncash settlement to be made. Certain salary-related payments that are directly and incrementally associated with payments for leave also should be included in the measurement of the liabilities. This Statement amends the existing requirement to disclose the gross increases and decreases in a liability for compensated absences to allow governments to disclose only the net change in the liability (as long as they identify it as a net change). In addition, governments are no longer required to disclose which governmental funds typically have been used to liquidate the liability for compensated absences. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. Earlier application is encouraged.

Management has not yet determined the effects these statements will have on the City's financial statements.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2022

NOTE 18 SUBSEQUENT EVENTS

No significant events occurred subsequent to the City's year end. Subsequent events have been evaluated through August 2, 2023, which is the date these financial statements were available to be issued.

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 5,129,550	\$ 5,428,800	\$ 5,436,187	\$ 7,387
Licenses and Permits	544,200	607,200	855,215	248,015
Intergovernmental	2,273,050	2,430,922	2,871,692	440,770
Charges for Services	350,200	350,200	385,283	35,083
Fines and Forfeits	235,100	235,100	148,695	(86,405)
Special Assessments	88,550	88,550	102,912	14,362
Interest	71,700	71,700	174,689	102,989
Leases	-	-	910	910
Rent	2,000	2,950	6,950	4,000
Miscellaneous	-	7,900	94,213	86,313
	<u>8,694,350</u>	<u>9,223,322</u>	<u>10,076,746</u>	<u>853,424</u>
EXPENDITURES				
Current:				
General Government	3,783,150	4,050,174	3,934,538	115,636
Public Safety	7,594,550	7,643,399	7,592,069	51,330
Public Works	1,905,500	2,191,667	1,675,876	515,791
Debt Service				
Principal	-	-	1,816	(1,816)
Capital Outlay	752,100	1,269,899	841,717	428,182
	<u>14,035,300</u>	<u>15,155,139</u>	<u>14,046,016</u>	<u>1,109,123</u>
Excess (Deficiency) of Revenues				
Over (Under) Expenditures	<u>(5,340,950)</u>	<u>(5,931,817)</u>	<u>(3,969,270)</u>	<u>1,962,547</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	(4,032,150)	4,039,450	3,442,688	(596,762)
Transfers Out	2,811,200	(2,927,487)	(237,750)	2,689,737
	<u>(1,220,950)</u>	<u>1,111,963</u>	<u>3,204,938</u>	<u>2,092,975</u>
Net Change in Fund Balances	<u>\$ (6,561,900)</u>	<u>\$ (4,819,854)</u>	<u>(764,332)</u>	<u>\$ 4,055,522</u>
Fund Balances - January 1			<u>7,255,390</u>	
Fund Balances - December 31			<u>\$ 6,491,058</u>	
Reconciliation of General Fund change in fund balance to Statement of Revenues, Expenses, and Change in Fund Balances:				
Change in General Fund per Budget			\$ (764,332)	
Change in fund balance attributable to activities not included in General Fund budget:				
Alarm - Equipment Reserve Fund			9,224	
1% City Sales Tax Fund			(103,453)	
Mandan Growth Fund			(358,535)	
Civil Asset Forfeiture Fund			(11,882)	
BSA Police Explorer Program Fund			3,731	
BNSF Settlement Fund			(247,869)	
Mandan SEP Trust Fund			(31,529)	
Change in General Fund per Statement of Revenues, Expenses, and Change in Fund Balances			<u>\$ (1,504,645)</u>	

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 49,750	\$ 49,750	\$ 50,329	\$ 579
Intergovernmental	1,500	1,500	4,245	2,745
Charges for Services	70,000	120,000	128,650	8,650
Miscellaneous	-	-	160	-
Total Revenues	121,250	171,250	183,384	11,974
EXPENDITURES				
Current:				
Cemetery	173,300	185,316	184,980	336
Capital Outlay	-	-	-	-
Total Expenditures	173,300	185,316	184,980	336
Excess (Deficiency) of Revenues Over (Under) Expenditures	(52,050)	(14,066)	(1,596)	12,310
OTHER FINANCING SOURCES (USES)				
Transfers Out	(66,000)	(66,000)	(63,527)	2,473
Total Other Financing Sources (Uses)	(66,000)	(66,000)	(63,527)	2,473
Net Change in Fund Balances	<u>\$ (118,050)</u>	<u>\$ (80,066)</u>	<u>(65,123)</u>	<u>\$ 14,783</u>
Fund Balances - January 1			111,599	
Fund Balances - December 31			<u>\$ 46,476</u>	

See Notes to the Required Supplementary Information

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – MORTON MANDAN PUBLIC LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Original / Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 575,841	\$ 551,639	\$ (24,202)
Intergovernmental	277,164	251,262	(25,902)
Charges for Services	26,150	11,558	(14,592)
Fines and Forfeits	1,000	376	(624)
Interest	1,400	353	(1,047)
Rent	-	300	300
Miscellaneous	8,700	31,818	23,118
	<hr/>	<hr/>	<hr/>
Total Revenues	890,255	847,306	(42,949)
	<hr/>	<hr/>	<hr/>
EXPENDITURES			
Current:			
Culture and Recreation	880,794	801,340	79,454
Capital Outlay	440,000	539,225	(99,225)
	<hr/>	<hr/>	<hr/>
Total Expenditures	1,320,794	1,340,565	(19,771)
	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(430,539)	(493,259)	(62,720)
	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)			
Proceeds from the Sale of Capital Assets	-	12,575	12,575
	<hr/>	<hr/>	<hr/>
Total Other Financing Sources (Uses)	-	12,575	12,575
	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	\$ (430,539)	(480,684)	\$ (50,145)
	<hr/>	<hr/>	<hr/>
Fund Balances - January 1		974,236	
		<hr/>	
Fund Balances - December 31		\$ 493,552	
		<hr/>	

See Notes to the Required Supplementary Information

CITY OF MANDAN
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2022

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered- employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2022	22.72298%	\$ 1,434,493	\$ 3,180,214	45.11%	73.17%
2021	25.79342%	(572,503)	2,809,034	-20.38%	115.21%
2020	25.26940%	1,613,345	2,735,341	58.98%	65.83%
2019	27.15869%	(124,964)	2,658,757	-4.70%	104.84%
2018	29.94984%	290,599	1,830,188	15.88%	89.76%
2017	30.48323%	298,382	1,797,528	16.60%	69.89%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until full ten-year trend is compiled, the City will present information for those year for which information is available.

CITY OF MANDAN
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2022

	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered- employee payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2022	0.308039%	\$ 369,742	\$ 3,180,214	11.63%	56.28%
2021	0.262535%	146,015	2,809,034	5.20%	76.63%
2020	0.239948%	201,844	2,735,341	7.38%	63.38%
2019	0.238270%	191,375	2,658,757	7.20%	63.13%
2018	0.167260%	131,729	1,830,188	7.20%	61.89%

GASB Statement No. 75 requires ten years of information to be presented in this table. However, until full ten-year trend is compiled, the City will present information for those year for which information is available.

See Notes to the Required Supplementary Information

CITY OF MANDAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
FOR THE YEAR ENDED DECEMBER 31, 2022

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered- employee payroll	Contributions as a percentage of covered-employee payroll
2022	\$ 255,337	\$ (255,337)	\$ -	\$ 3,219,883	7.93%
2021	237,317	(237,317)	-	2,992,645	7.93%
2020	247,062	(218,565)	28,497	2,756,179	7.93%
2019	262,892	(243,062)	19,830	2,679,837	9.07%
2018	195,277	(267,337)	(72,060)	1,990,593	13.43%
2017	164,836	(164,836)	-	1,680,285	9.81%

GASB Statement No. 68 requires ten years of information to be presented in this table. However, until full ten-year trend is compiled, the City will present information for those year for which information is available.

CITY OF MANDAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED DECEMBER 31, 2022

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered- employee payroll	Contributions as a percentage of covered-employee payroll
2022	\$ 36,706	\$ (36,706)	-	\$ 3,219,883	1.14%
2021	34,116	(34,116)	-	2,992,645	1.14%
2020	31,420	(31,420)	-	2,756,179	1.14%
2019	30,550	(30,550)	-	2,679,836	1.14%
2018	22,693	(22,693)	-	1,990,593	1.14%

GASB Statement No. 75 requires ten years of information to be presented in this table. However, until full ten-year trend is compiled, the City will present information for those year for which information is available.

See Notes to the Required Supplementary Information

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2022

NOTE 1 GENERAL BUDGETARY INFORMATION

The City of Mandan is required to prepare the annual budget in accordance with the North Dakota Century Code (NDCC). The City's budget policies provide further guidance to the budget development process. The annual budget is adopted on a basis consistent with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

- The governing body of each municipality, annually on or before August 10th, shall make an itemized statement known as the preliminary budget statement showing the amounts of money which, in the opinion of the governing body, will be required for the proper maintenance, expansion, or improvement of the municipality during the year. (NDCC 40-40-04)
- The preliminary budget must include a detailed breakdown of the estimated revenues and appropriations requested for the ensuing year for the general fund, each special revenue fund, and each debt service fund of the municipality. The revenue and expenditure items for the preceding year and estimates of the revenue and expenditures for the current year must be included for each fund to assist in determining the estimated revenues and appropriation requested in the ensuing year. The budget must also include any transfers in or out and the beginning and ending fund balance for each of the funds. The budget must be prepared on the same basis of accounting used by the municipality for its annual financial reports. (NDCC 40-40-05)
- On or before August 10th of each year, after the governing body has prepared the preliminary budget statement, the auditor of the municipality shall: a) provide the county auditor with a copy of the preliminary budget statement; b) set a public budget hearing date no earlier than September 7th and no later than October 7th for the purpose of adopting the final budget and making the annual tax levy; c) provide notice of the public budget hearing date to the county auditor. (NDCC 40-40-06)
- The governing body shall meet at the time and place set pursuant to NDCC 40-40-06 and shall hear any and all protests or objections to the items or amounts set forth in the preliminary budget statement. At the hearing, the governing body shall make any changes in the items or amounts shown on the preliminary budget statement as it may deem advisable except as limited in this chapter, and shall prepare the final budget. The final appropriation of any fund total may not exceed the total amount requested in the preliminary budget. (NDCC 40-40-08)
- After completing the final budget on or before October 7th, the governing body shall proceed to make the annual tax levy in an amount sufficient to meet the expenses for the ensuing year as determined at the budget meeting. In determining the amount required to be levied, the governing body first shall ascertain its net current resources by adding the estimated revenue for the ensuing year other than property taxes, any

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – CONTINUED
DECEMBER 31, 2022

transfers in, and the estimated fund balance at the end of the current year. Then the governing body shall ascertain its appropriation and reserve by adding the final appropriation for the ensuing year, any transfers out, and the cash reserve. The net current resources must be deducted from the appropriation and reserve and the balance shall be considered the amount that is required to be raised by taxation during the ensuing year. The determination of the amount of the levy that can be collected within the ensuing year must be made by the governing body based upon the past experience of the district. The levy as finally adopted must be approved by a majority vote of the members of the governing body and noted in the proceedings of the governing body. The amount levied is subject to the limitations as prescribed by the laws of this state (NDCC 57-15) and is subject to the further limitation that the amount may not exceed the levy requested by the municipality. The levy adopted must appropriate in specific amounts the money necessary to meet the expenses and liabilities of the municipality. (NDCC 40-40-09)

- Immediately after the completion of the final budget and the adoption of the annual tax levy by the governing body of a municipality in accordance with the provisions of this chapter, and in no case later than October 10th, the auditor of the municipality shall send to the county auditor a certified copy of the levy as adopted and a certified copy of the final budget. (NDCC 40-40-10)
- No taxing district may certify any taxes or amend its current budget and no county auditor may accept a certification of taxes or amended budget after the 10th day of October of each year if such certification or amendment results in a change in the amount of tax levied. The current budget, except for property taxes, may be amended during the year for any revenues and appropriations not anticipated at the time the budget was prepared (NDCC 57-15-31.1). Budget amendments shall consist of the following procedures: a) department managers requesting an increase in appropriations requires a budget amendment to be approved by the Board of City Commissioners; b) department managers requesting a transfer of appropriations within the department requires a budget amendment to be approved by the finance department; c) department managers requesting funding from the contingency budget line item requires approval from the Budget and Finance Committee.
- At the end of the fiscal year, the balance to the credit of each annual appropriation becomes a part of the general unappropriated balance in the municipal treasury, but no special appropriation lapses until the work for which it was made has been completed, the bills paid, and the accounts closed. The governing body of a city may elect, at the end of the fiscal year, to carry over the unencumbered cash balance in the general fund or other budgeted funds and designate the balances for subsequent years (NDCC 40-40-21). The transfer of year-end expenditure budget balances from the current fiscal year to the following fiscal year may be allowed for specific department operations or commitments authorized but not completed for the current fiscal year and the transfer must be approved by the Board of City Commissioners no later than March of the following fiscal year.

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
DECEMBER 31, 2022

NOTE 2 CHANGES OF BENEFIT TERMS – NDPERS LAW ENFORCEMENT RETIREMENT SYSTEM (LAW ENFORCEMENT SYSTEM)

The interest rate earned on member contributions will decrease from 6.50 percent to 6.00 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Public Safety members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

NOTE 3 CHANGES OF BENEFIT TERMS – OPEB

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

NOTE 4 CHANGES IN ASSUMPTIONS – NDPERS LAW ENFORCEMENT RETIREMENT SYSTEM (LAW ENFORCEMENT SYSTEM)

The investment return assumption was updated from 7.00% to 6.50% beginning with the actuarial valuation as of July 1, 2022. All other actuarial assumptions used in the actuarial valuation as of July 1, 2022 were based on an experience review for the period from July 1, 2014 to July 1, 2019, and were adopted for the first use commencing with the actuarial valuation as of July 1, 2020.

NOTE 5 CHANGES IN ASSUMPTIONS – OPEB

The investment return assumption was updated from 6.50% to 5.75% beginning with the actuarial valuation as of July 1, 2022. All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2021.

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 483,372	\$ 72,155	\$ 367,755	\$ 923,282
Taxes Receivable	4,224	1,282	-	5,506
Accounts Receivable (net of allowance)	766,250	-	90,074	856,324
Interest Receivable	-	-	192	192
Interfund Receivable	2,211,302	-	244,800	2,456,102
Special Assessments Receivable	231,017	-	1,867,582	2,098,599
Lease Receivable	-	-	160,089	160,089
Prepaid Items	66,399	-	1,388	67,787
Cash and Cash Equivalents-Restricted	1,915,809	-	-	1,915,809
Total Assets	<u>\$ 5,678,373</u>	<u>\$ 73,437</u>	<u>\$ 2,731,880</u>	<u>\$ 8,483,690</u>
LIABILITIES				
Accounts Payable	\$ 58,130	\$ -	\$ 62,320	\$ 120,450
Retainage Payable	-	-	123,499	123,499
Interfund Payable	232,593	-	2,075,372	2,307,965
Prepaid Revenues	-	-	1,750,948	1,750,948
Total Liabilities	<u>290,723</u>	<u>-</u>	<u>4,012,139</u>	<u>4,302,862</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	4,013	1,219	-	5,232
Unavailable Revenue-Special Assessments	206,794	-	99,474	306,268
Unavailable Revenue-Leases	-	-	159,475	159,475
Total Deferred Inflows of Resources	<u>210,807</u>	<u>1,219</u>	<u>258,949</u>	<u>470,975</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	66,399	-	1,388	67,787
Restricted for:				
General Government	65,720	-	-	65,720
Public Safety	422,959	-	-	422,959
Public Works	221,021	-	-	221,021
Culture and Recreation	77,987	-	-	77,987
Debt Service	2,345,030	72,218	-	2,417,248
Capital Projects	2,146,043	-	600,358	2,746,401
Committed for:				
Operating Reserve	-	-	100,862	100,862
Public Safety	13,607	-	-	13,607
Unassigned	(181,923)	-	(2,241,816)	(2,423,739)
Total Fund Balances	<u>5,176,843</u>	<u>72,218</u>	<u>(1,539,208)</u>	<u>3,709,853</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,678,373</u>	<u>\$ 73,437</u>	<u>\$ 2,731,880</u>	<u>\$ 8,483,690</u>

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2022

	Highway Distribution	City's Share of Special Assessments	Municipal Infrastructure	City Visitors' Promotion	Public Trans- portation System	0.75% City Sales Tax	Fire Equip- ment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
ASSETS														
Cash and Cash Equivalents	\$ -	\$ -	\$ -	\$ 76,931	\$ -	\$ -	\$ 339,110	\$ 67,331	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 483,372
Taxes Receivable	-	691	-	-	3,533	-	-	-	-	-	-	-	-	4,224
Accounts Receivable (net of allowance)	221,021	-	-	10,562	-	429,221	500	19,364	28,234	985	13,149	43,214	-	766,250
Special Assessments Receivable	-	38,831	-	-	-	-	-	-	-	-	-	-	192,186	231,017
Interfund Receivable	-	65,259	2,146,043	-	-	-	-	-	-	-	-	-	-	2,211,302
Prepaid Items	-	-	-	-	-	-	-	66,399	-	-	-	-	-	66,399
Cash and Cash Equivalents-Restricted	-	-	-	-	-	1,915,809	-	-	-	-	-	-	-	1,915,809
Total Assets	\$ 221,021	\$ 104,781	\$ 2,146,043	\$ 87,493	\$ 3,533	\$ 2,345,030	\$ 339,610	\$ 153,094	\$ 28,234	\$ 985	\$ 13,149	\$ 43,214	\$ 192,186	\$ 5,678,373
LIABILITIES														
Accounts Payable	\$ -	\$ -	\$ -	\$ 9,506	\$ 174	\$ -	\$ -	\$ 3,436	\$ 13,698	\$ 985	\$ 13,149	\$ 15,142	\$ 2,040	\$ 58,130
Interfund Payable	-	-	-	-	-	-	-	-	14,536	-	-	28,072	189,985	232,593
Total Liabilities	-	-	-	9,506	174	-	-	3,436	28,234	985	13,149	43,214	192,025	290,723
DEFERRED INFLOWS OF RESOURCES														
Unavailable Revenue-Property Taxes	-	654	-	-	3,359	-	-	-	-	-	-	-	-	4,013
Unavailable Revenue-Special Assessments	-	38,407	-	-	-	-	-	-	-	-	-	-	168,387	206,794
Total Deferred Inflows of Resources	-	39,061	-	-	3,359	-	-	-	-	-	-	-	168,387	210,807
FUND BALANCES														
Nonspendable:														
Prepaid Expenses	-	-	-	-	-	-	-	66,399	-	-	-	-	-	66,399
Restricted for:														
General Government	-	65,720	-	-	-	-	-	-	-	-	-	-	-	65,720
Public Safety	-	-	-	-	-	-	339,610	83,349	-	-	-	-	-	422,959
Public Works	221,021	-	-	-	-	-	-	-	-	-	-	-	-	221,021
Culture and Recreation	-	-	-	77,987	-	-	-	-	-	-	-	-	-	77,987
Debt Service	-	-	-	-	-	2,345,030	-	-	-	-	-	-	-	2,345,030
Capital Projects	-	-	2,146,043	-	-	-	-	-	-	-	-	-	-	2,146,043
Committed for:														
Public Safety	-	-	-	-	-	-	-	-	13,607	-	-	-	-	13,607
Unassigned	-	-	-	-	-	-	-	(90)	(13,607)	-	-	-	(168,226)	(181,923)
Total Fund Balances	221,021	65,720	2,146,043	77,987	-	2,345,030	339,610	149,658	-	-	-	-	(168,226)	5,176,843
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 221,021	\$ 104,781	\$ 2,146,043	\$ 87,493	\$ 3,533	\$ 2,345,030	\$ 339,610	\$ 153,094	\$ 28,234	\$ 985	\$ 13,149	\$ 43,214	\$ 192,186	\$ 5,678,373

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUND
DECEMBER 31, 2022

	Liberty Memorial Bridge General Obligation Bonds
ASSETS	
Cash and Cash Equivalents	\$ 72,155
Taxes Receivable	<u>1,282</u>
Total Assets	<u><u>\$ 73,437</u></u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>\$ 1,219</u>
Total Deferred Inflows of Resources	<u>1,219</u>
FUND BALANCES	
Restricted for:	
Debt Service	<u>72,218</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 73,437</u></u>

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2022

	Transportation Alternatives Program Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Water and Sewer Construction	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 367,755	\$ -	\$ -	\$ 367,755
Accounts Receivable (net)	2,215	87,859	-	-	90,074
Interest Receivable	-	192	-	-	192
Interfund Receivable	-	244,800	-	-	244,800
Special Assessment Receivable	-	-	108,337	1,759,245	1,867,582
Lease Receivable	-	160,089	-	-	160,089
Prepaid Items	-	1,388	-	-	1,388
Total Assets	<u>\$ 2,215</u>	<u>\$ 862,083</u>	<u>\$ 108,337</u>	<u>\$ 1,759,245</u>	<u>\$ 2,731,880</u>
LIABILITIES					
Accounts Payable	\$ 62,320	\$ -	\$ -	\$ -	\$ 62,320
Retainage Payable	-	-	-	123,499	123,499
Interfund Payable	244,800	-	105,823	1,724,749	2,075,372
Prepaid Revenue	-	-	-	1,750,948	1,750,948
Total Liabilities	<u>307,120</u>	<u>-</u>	<u>105,823</u>	<u>3,599,196</u>	<u>4,012,139</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-					
Special Assessments	-	-	99,474	-	99,474
Leases	-	159,475	-	-	159,475
Total Deferred Inflows of Resources	<u>-</u>	<u>159,475</u>	<u>99,474</u>	<u>-</u>	<u>258,949</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	-	1,388	-	-	1,388
Restricted for:					
Capital Projects	-	600,358	-	-	600,358
Committed:					
Operating Reserve	-	100,862	-	-	100,862
Unassigned	(304,905)	-	(96,960)	(1,839,951)	(2,241,816)
Total Fund Balances	<u>(304,905)</u>	<u>702,608</u>	<u>(96,960)</u>	<u>(1,839,951)</u>	<u>(1,539,208)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 2,215</u>	<u>\$ 862,083</u>	<u>\$ 108,337</u>	<u>\$ 1,759,245</u>	<u>\$ 2,731,880</u>

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 2,725,994	\$ 71,557	\$ 567,957	\$ 3,365,508
Intergovernmental	4,320,665	-	-	4,320,665
Charges for Services	12,902	-	-	12,902
Fines and Forfeits	2,158	-	-	2,158
Special Assessments	108,105	-	26,451	134,556
Interest	3,048	-	1,725	4,773
Lease	-	-	18,362	18,362
Rent	-	-	7,768	7,768
Donations	6,000	-	-	6,000
Miscellaneous	51,094	-	-	51,094
Total Revenues	7,229,966	71,557	622,263	7,923,786
EXPENDITURES				
Current:				
General Government	424,066	-	-	424,066
Public Safety	439,107	-	-	439,107
Public Works	41,765	-	148	41,913
Culture and Recreation	69,081	-	1,011,845	1,080,926
Debt Service:				
Principal	1,838,745	55,000	-	1,893,745
Interest	529,508	12,122	-	541,630
Service Charges	200,851	1,095	-	201,946
Capital Outlay	6,405	-	1,916,026	1,922,431
Total Expenditures	3,549,528	68,217	2,928,019	6,545,764
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,680,438	3,340	(2,305,756)	1,378,022
OTHER FINANCING SOURCES (USES)				
Transfers In	12,735	-	1,054,028	1,066,763
Transfers Out	(1,608,264)	-	-	(1,608,264)
Total Other Financing Sources and Uses	(1,595,529)	-	1,054,028	(541,501)
Net Change in Fund Balances	2,084,909	3,340	(1,251,728)	836,521
Fund Balances - January 1	3,091,934	68,878	(287,480)	2,873,332
Fund Balances - December 31	\$ 5,176,843	\$ 72,218	\$ (1,539,208)	\$ 3,709,853

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Highway Distribution	City's Share of Special Assessments	Municipal Infrastructure	City Visitors' Promotion	Public Trans- portation System	0.75% City Sales Tax	Fire Equip- ment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	CDBG - Cloverdale	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
REVENUES															
Taxes	\$ -	\$ 52,525	\$ -	\$ 76,757	\$ 200,231	\$ 2,396,481	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,725,994
Intergovernmental	1,146,120	-	2,500,000	-	-	-	205,565	130,327	184,339	11,490	99,610	-	43,214	-	4,320,665
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	-	12,902	12,902
Fines and Forfeits	-	-	-	-	-	-	-	2,158	-	-	-	-	-	-	2,158
Special Assessments	-	41,655	-	-	-	-	-	-	-	-	-	-	-	66,450	108,105
Interest	-	-	-	-	-	3,048	-	-	-	-	-	-	-	-	3,048
Donations	-	-	-	-	-	-	6,000	-	-	-	-	-	-	-	6,000
Miscellaneous	-	-	-	-	-	21,029	-	30,065	-	-	-	-	-	-	51,094
Total Revenues	1,146,120	94,180	2,500,000	76,757	200,231	2,420,558	211,565	162,550	184,339	11,490	99,610	-	43,214	79,352	7,229,966
EXPENDITURES															
Current:															
General Government	-	180,621	-	-	200,231	-	-	-	-	-	-	-	43,214	-	424,066
Public Safety	-	-	-	-	-	-	1,081	143,521	183,405	11,490	99,610	-	-	-	439,107
Public Works	-	-	-	-	-	-	-	-	-	-	-	-	-	41,765	41,765
Culture and Recreation	-	-	-	69,081	-	-	-	-	-	-	-	-	-	-	69,081
Debt Service:															
Principal	-	-	-	-	-	1,735,000	-	103,745	-	-	-	-	-	-	1,838,745
Interest	-	-	-	-	-	529,508	-	-	-	-	-	-	-	-	529,508
Service Charges	-	-	-	-	-	200,851	-	-	-	-	-	-	-	-	200,851
Capital Outlay	-	-	-	-	-	-	6,405	-	-	-	-	-	-	-	6,405
Total Expenditures	-	180,621	-	69,081	200,231	2,465,359	7,486	247,266	183,405	11,490	99,610	-	43,214	41,765	3,549,528
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,146,120	(86,441)	2,500,000	7,676	-	(44,801)	204,079	(84,716)	934	-	-	-	-	37,587	3,680,438
OTHER FINANCING SOURCES (USES)															
Transfers In	-	-	-	-	-	-	-	-	12,673	-	-	-	-	62	12,735
Transfers Out	(1,131,229)	(22,048)	(353,957)	-	-	-	(98,006)	-	-	-	-	-	-	(3,024)	(1,608,264)
Net Change in Fund Balances	14,891	(108,489)	2,146,043	7,676	-	(44,801)	106,073	(84,716)	13,607	-	-	-	-	34,625	2,084,909
Fund Balances - January 1	206,130	174,209	-	70,311	-	2,389,831	233,537	234,374	(13,607)	-	-	-	-	(202,851)	3,091,934
Fund Balances - December 31	\$ 221,021	\$ 65,720	\$ 2,146,043	\$ 77,987	\$ -	\$ 2,345,030	\$ 339,610	\$ 149,658	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (168,226)	\$ 5,176,843

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2022

	Liberty Memorial Bridge General Obligation Bonds
REVENUES	
Taxes	\$ 71,557
EXPENDITURES	
Debt Service:	
Principal	55,000
Interest	12,122
Service Charges	1,095
	<hr/>
Total Expenditures	68,217
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	3,340
	<hr/>
Net Change in Fund Balances	3,340
Fund Balances - January 1	68,878
	<hr/>
Fund Balances - December 31	\$ 72,218
	<hr/> <hr/>

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR CAPITAL PROJECT FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2022

	Transportation Alternatives Program Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Water and Sewer Construction	Total Nonmajor Capital Projects Funds
REVENUES					
Taxes	\$ -	\$ 567,957	\$ -	\$ -	\$ 567,957
Special Assessments	-	-	18,154	8,297	26,451
Interest	-	1,725	-	-	1,725
Lease	-	18,362	-	-	18,362
Rent	-	7,768	-	-	7,768
Total Revenues	-	595,812	18,154	8,297	622,263
EXPENDITURES					
Current:					
Public Works	-	-	148	-	148
Culture and Recreation	-	1,011,845	-	-	1,011,845
Capital Outlay	122,136	-	-	1,793,890	1,916,026
Total Expenditures	122,136	1,011,845	148	1,793,890	2,928,019
Excess (Deficiency) of Revenues Over (Under) Expenditures	(122,136)	(416,033)	18,006	(1,785,593)	(2,305,756)
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	1,444	1,052,584	1,054,028
Total Other Financing Sources and Uses	-	-	1,444	1,052,584	1,054,028
Net Change in Fund Balances	(122,136)	(416,033)	19,450	(733,009)	(1,251,728)
Fund Balances - January 1	(182,769)	1,118,641	(116,410)	(1,106,942)	(287,480)
Fund Balances - December 31	<u>\$ (304,905)</u>	<u>\$ 702,608</u>	<u>\$ (96,960)</u>	<u>\$ (1,839,951)</u>	<u>\$ (1,539,208)</u>