

**CITY OF MINOT**  
**ACFR**  
**NORTH DAKOTA**

ANNUAL COMPREHENSIVE FINANCIAL REPORT

**FISCAL YEAR ENDING DECEMBER 31, 2022**

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**Annual  
Comprehensive  
Financial  
Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2022

**Prepared By**  
The Finance Department

**City of Minot, North Dakota  
Annual Comprehensive Financial Report  
For the Fiscal Year Ended December 31, 2022**

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Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Minot  
North Dakota**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2021

*Christopher P. Morill*

Executive Director/CEO



June 27, 2023

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

Ladies and Gentlemen,

The City Council requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. Pursuant to that requirement, the City hereby issues the Annual Comprehensive Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2022. The City Finance Department prepares this set of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

This report consists of management's representations concerning the finances of the City of Minot (the City). Consequently, management assumes full responsibility for the completeness and reliability for all the information presented in this report. To provide a reasonable basis for making these representations, management of the City has established a comprehensive internal control framework designed both to protect the government's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of these financial statements in conformity with GAAP. Because the cost of internal controls should not outweigh their benefits, the City's comprehensive framework of internal controls provides reasonable rather than absolute assurance the financial statements will be free from material misstatement.

As management, we assert, to the best of our knowledge and belief, these financial statements are complete and reliable in all material respects.

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report has been included as the first component of the financial section of this report.

The independent audit of the financial statements of the City was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grants and/or agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the Single Audit Section of this report.

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

#### ***Profile of the City of Minot***

The City of Minot, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 27.69 square miles and serves a population of approximately 47,789. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2022 was nearly \$595.0 million. The Minot Air Force Base had nearly \$70.7 million in construction, services and other expenditures. Minot Air Force Base serves as the

home for over 12,247 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2022, the property valuations for commercial building permits decreased by nearly \$68.2 million compared to 2021 largely due to the construction of a new hospital site permit issued in 2021. New residential buildings increased by over \$2.9 million due to an increase in five or more family dwellings of over \$10.3 million and a decrease in single family dwellings of over \$7.7 million. Non residential buildings decreased by nearly \$112.0 million primarily due to the new hospital site permit issued in 2021. Remodels and additions increased over \$37.3 million primarily due to an increase of over \$36.6 million in commercial addition for the remodel of Minot State University Harnett Hall, Dakota College at Bottineau's Center for Technical Education and Dakota Square Mall for the Target expansion.

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

The City provides a full range of services contemplated by statute or charter. This includes police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation, planning and community development, water, sewer, and storm sewer, cemetery, airport, two parking ramps located in downtown Minot and general administrative services

necessary to serve the citizens of the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies submit requests for appropriations to the City Manager in May of each year for the ensuing year's budget, which begins January 1. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue fund this comparison is presented on page 30 as part of the basic financial statements for the governmental funds. The major debt service fund and major capital project funds comparison can be found beginning on page 90. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 105.

Beginning in 2019, the City of Minot began working on an Enterprise Resource Planning (ERP) software upgrade. Phase I of the project was completed in November of 2020 and included going live with the City's financials. During this phase of the project the City was able to combine several funds together as well as align the chart of accounts to align more closely with Governmental Accounting Standards Board (GASB) standards. Phase II Human Capital Management/Payroll is still under implementation with an expected go-live of October 2023. Phase III Utility Billing was live in April 2022.

The southwest water tower project earned a Gold Star award from the North Dakota Ready Mix & Concrete Products Association. The \$1.5 million storage tank went online in the spring of 2022 and creates sustained water pressure and volume in the South Hill pressure zone for fire flow purposes. This facility is also critical to accommodate overall commercial and residential growth in southwest Minot.

### ***Factors Affecting Financial Condition***

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

**Local Economy.** Minot's centralized location in North America and its high-quality transportation make it an attractive site for both businesses and



manufacturers. The sales tax base, the oil industry, and construction are all factors that build a solid foundation for business and industry to enjoy greater productivity and profitability.

Sales Tax Collections		Property Tax Levied	
2018	21,182,065	2019	26,611,273
2019	22,160,231	2020	25,301,186
2020	20,655,109	2021	25,781,496
2021	23,141,014	2022	26,137,235
2022	25,588,350	2023	27,186,821

The financial position of the City remains sound with management continuing to administer the financial policies established by the City Council in a prudent and effective manner as shown in the table below. A continuation of that cooperative effort will assure the citizens a healthy future.

Assets, Liabilities and Net Position Per Capita				
	Population Estimate*	Total Assets & Deferred Outflows	Total Liabilities & Deferred Inflows	Net Position
2018	47,822	19,096	3,706	15,390
2019	47,370	19,187	3,715	15,472
2020	47,382	20,357	4,189	16,168
2021	48,377	21,347	4,927	16,420
2022	47,789	22,004	5,798	16,206

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

Expenses and Program Revenues Per Capita					
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Change in Net Position
2018	2,508	857	242	794	537
2019	2,683	854	163	324	(64)
2020	3,293	845	360	1,627	699
2021	2,970	838	376	1,144	584
2022	3,500	879	433	512	(416)

Ratio of Net Position to Expenses		
	Governmental Activities	Business-Type Activities
2018	5.22	7.66
2019	4.80	7.49
2020	3.77	7.32
2021	4.49	7.42
2022	3.63	6.65

**Long-Term Financial Planning.** The City has implemented five-year budget modeling in order to provide a longer-term view of anticipated revenues and expenditures. The challenges include funding and constructing the NAWS and flood control projects, identification and deployment of a new

enterprise-wide software upgrade, construction of the northwest fire station, correcting maintenance backlogs, adequately funding street improvements, siting and construction of a new City Hall, and adequate financing of City capital infrastructure and capital equipment needs.

The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves were capped by the Finance Director effective September 30, 2011 in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund that had been receiving a 1% dedicated sales tax. Effective January 1, 2019, the City reinstated the collection to allocate 40% of one cent of dedicated sales tax.

The NAWS project will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future, and has an estimated \$133.7 million in expenditures remaining. The project will be to complete pipelines, storage tanks, and pumping facilities along the pipeline. The City of Minot has a 35% cost share or approximately \$36.2 million which will be paid with sales tax funds. The City has approximately \$17.0 million in cash reserves remaining for this purpose. The project will extend to northwest North Dakota.

Based on the results of the City Council passing an ordinance, the first penny sales tax was reallocated to the following as of July 1, 2014: property tax relief 10%; economic development 15%; improvements fund 25%; and flood control 50%.

In June 2011, the voters opted to continue collecting the 1% sales tax, formerly for NAWS, and dedicated 30% to property tax relief, 40% to infrastructure projects, and 30% to community facilities. Effective January 1, 2019 it was determined to reallocate the sales tax collection, 40% was allocated to NAWS, 18% to property tax relief, 24% to infrastructure projects, and 18% to community facilities/flood control.

As of the 2020 budget, approximately 50% of the first penny and 18% of the second penny is allocated to flood control. Based on legislative house bill 1020, \$193 million will be dedicated to this project. The City of Minot will be required to match the funds by 35%, which may require more sales tax funds dedicated to flood control.

In June 2021, the City Council along with the management team facilitated a governance and goal

setting retreat. During the retreat, the City Council laid out its vision for the future of Minot. Four aspirations, known as the “Magic City Aspirations,” will now drive every decision the Council makes to help reach that goal of a thriving, resilient, safe and connected community.

**Dynamic & Prosperous:** Minot is a thriving and vibrant community, built on a spirit of sharing strengths, a commitment to sustainable strategic growth, and investments in targeted partnerships.

**Resilient & Prepared:** Minot rises up and is positioned to meet the challenges and opportunities of the future.

**Safe & Welcoming:** Minot is a caring community where people feel safe and engaged, with opportunities to celebrate our histories and diverse identities.

**Excellent & Connected:** Minot is an innovative, professional, fiscally stable City government that works collaboratively with residents and community stakeholders to deliver high quality services.

The City of Minot is also the recipient of three separate allocations of funding from the U.S. Department of Housing and Urban Development Community Development Block Grants, two of which are Disaster Recovery Funds and the third one is National Disaster Resilience Funds. The first allocation was in April 2012 for \$67,575,964. The second allocation was in April 2014 for \$35,056,000. The third allocation was in January 2016 for \$74,340,770. Each allocation has spent the following funds, respectively: \$63,137,749, \$35,031,334, and \$60,189,211 as of December 31, 2022. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. The balance of these funds will be spent on blighted homes, multi-family housing and close out. The second allocation has obligated a portion of the gross funds to home acquisitions, demolitions, and street repairs. The obligated funds had to be spent by September 30, 2019. The third allocation will be obligated to reduce flood risk and increase resilience, build affordable, resilient neighborhoods, and foster economic resilience and diversification and must be spent by September 30, 2022. Due to COVID-19, the City along with other Community Development Block Grant recipients, requested grant extensions. The City requested extensions for the second and third allocations and received approval of extensions through September 30, 2023. In the spring of 2022, the City received an additional

extension for the third allocation through September 30, 2025.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its Annual Comprehensive Financial Report for the fiscal year ended December 31, 2021. This was the 43<sup>rd</sup> consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. The City believes the current annual comprehensive financial report continues to meet the Certificate of Achievement Program’s requirements and plans to submit it to the Government Finance Officers Association to determine its eligibility for another certificate.

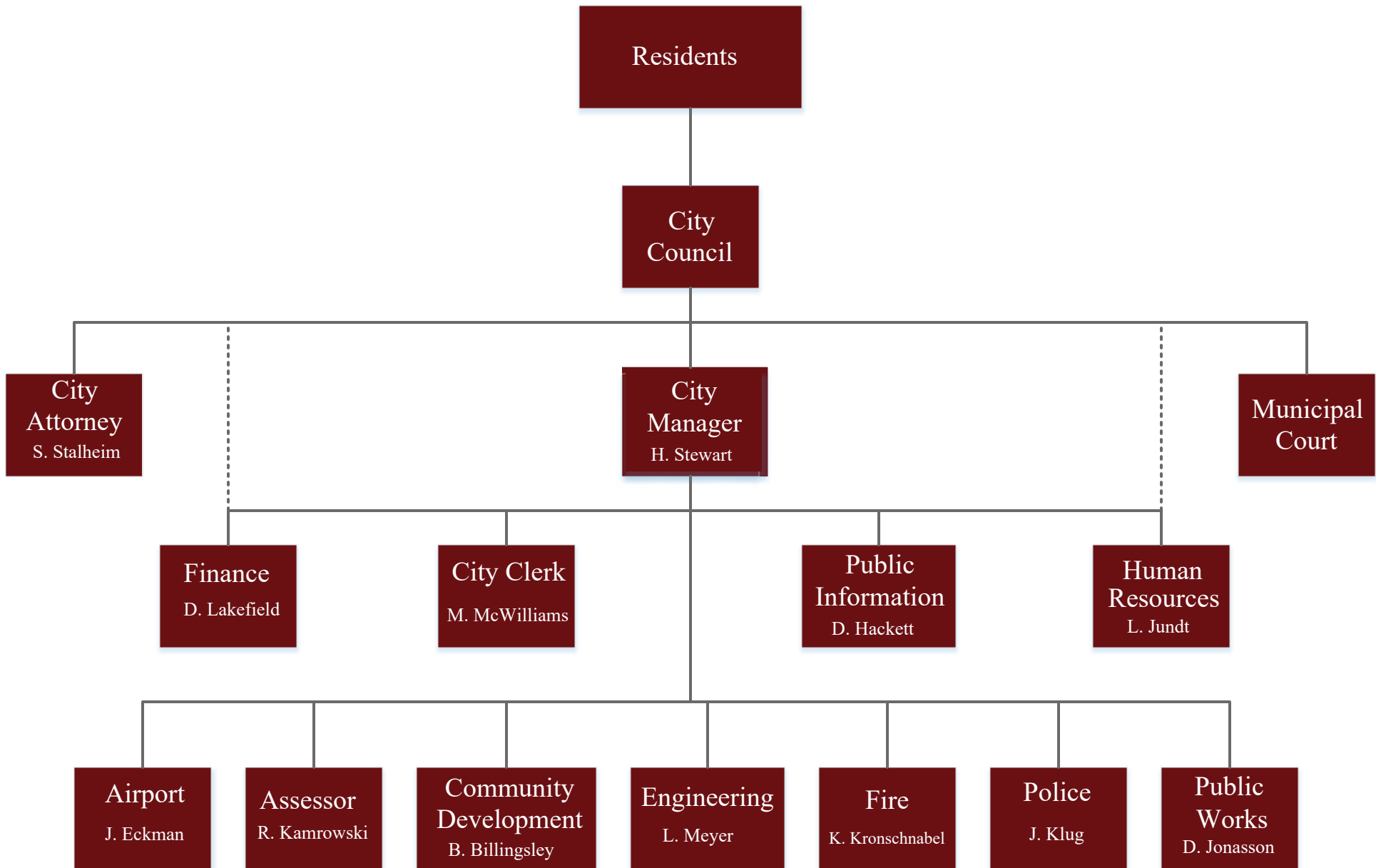
**Acknowledgements.** The preparation of this report on a timely basis could not be accomplished without the efficient and dedicated services of the entire staff of the Finance Department. I would like to express my appreciation to all members of the department who assisted and contributed to the preparation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

Respectfully submitted,



David Lakefield  
Finance Director

# City of Minot Organizational Chart



\*Library Director reports directly to Library Board

## Elected and Appointed Officials

### City of Minot, North Dakota

	<u>Term Ends</u>
Mayor - Thomas Ross	2026
Members of the Council:	
Carrie Evans	2024
Mark Jantzer	2026
Lisa Olson	2026
Stephan Podrygula - Vice President	2024
Paul Pitner - President	2026



## Independent Auditor's Report

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

### Report on the Audit of the Financial Statements

#### *Opinions*

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota ("the City"), as of and for the year ended December 31, 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 accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, as of December 31, 2022, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the general fund and the national disaster resilience fund 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 (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*). 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 City 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.

### ***Adoption of New Accounting Standard***

As discussed in Note 5 to the financial statements, the City has adopted the provisions of Government Accounting Standards Board (GASB) Statement No. 87, *Leases*, for the year ended December 31, 2022. Accordingly, restatements have been made to the governmental activities and business-type activities right-to-use assets, lease liabilities, leases receivable, and deferred inflows of resources related to leases; general fund leases receivable and deferred inflows of resources related to leases; airport fund leases receivable and deferred inflows of resources related to leases; sanitation fund right-to-use leased assets and leases payable; water, sewer, and storm sewer right-to-use leased assets, leases payable, leases receivable, and deferred inflows of resources related to leases; and parking authority leases receivable and deferred inflows of resources related to 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 City'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 GAAS 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 GAAS 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 City'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 City'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 management's discussion and analysis; City of Minot Pension Plan schedule of changes in net pension liability, schedule of pension contributions, schedule of pension investment returns, schedule of changes in net OPEB liability (asset), schedule of OPEB contributions, and schedule of OPEB investment returns; and ND Public Employees Retirement System schedule of net pension liability, schedule of pension contributions, schedule of net OPEB liability (asset), and schedule of OPEB contributions be presented to supplement the basic financial statements. Such information is the responsibility of management and, 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 GAAS, 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.

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund; schedule of revenues, expenditures, and changes in fund balance – budget and actual – major capital projects fund; combining and individual nonmajor fund statements and schedules; schedules of capital assets used in the operation of governmental funds; and schedule of expenditures of federal awards, as required by *Title 2 U.S. Code of Federal Regulations Part 200*, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards are presented for purposes of additional analysis and are not a required part of the basic 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 GAAS. In our opinion, the schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund; schedule of revenues, expenditures, and changes in fund balance – budget and actual – major capital projects fund; combining and individual nonmajor fund statements and schedules; schedules of capital assets used in the operation of governmental funds; and schedule of expenditures of federal awards are 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 introductory and statistical sections 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 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 June 26, 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 the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in cursive script that reads "Eide Sallie LLP".

Fargo, North Dakota  
June 26, 2023

Management's  
Discussion  
and  
Analysis

**City of Minot**  
**Annual Comprehensive Financial Report**  
**December 31, 2022**  
**Management's Discussion and Analysis**

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The City of Minot management are pleased to offer readers of the City of Minot's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2022. The City encourages readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- The *net position* of the City decreased by nearly \$19.9 million or 2.5%.
- *Charges for services* increased nearly \$1.5 million due to an increase in licenses and permits and an increase in airport operations.
- *Operating grants and contributions* increased nearly \$2.5 million due to increased activity in the National Disaster Resilience programs, such as single family and multi-family housing for nearly \$2.7 million and decreased activity for the Defense Community Infrastructure Program grant for the design and construction of the Magic City Discovery Center, a children's museum and science center, for over \$0.9 million.
- *Capital grants and contributions* decreased over \$30.9 million due to a decrease in developer donated assets of over \$32.0 million compared to 2021 as multiple phases of the Mouse River Enhanced Flood Protection Project (MREFPP) went into service and an increase in activity for the Defense Community Infrastructure Program grant for the construction of floodwalls and roadway reconstruction of over \$2.8 million.
- *Program expenses* increased by over \$23.5 million with business-type activities increasing in expenses by over \$4.2 million primarily due to an increase in Airport and Water-Sewer-Storm Sewer operating expenses of over \$3.5 million and governmental activities increasing by over \$19.3 million due to an increase in pension and OPEB expenditures of nearly \$7.0 million, an increase in National Disaster Resilience program expenses of over \$2.8 million, an increase in the regional MREFPP program expenses of over \$2.5 million, an increase in Library and Community Facilities program expenses of over \$2.1 million, an increase in street maintenance expenses of nearly \$1.7 million and an increase in City economic development activities of nearly \$1.4 million.
- Overall governmental and business-type activities netted to a negative change in net position prior to general revenues of over \$80.1 million with the governmental activities reporting a negative change in net position of over \$63.0 million and the business-type activities reporting a negative change in net position of nearly \$17.1 million.
- During 2022 *capital assets*, net of depreciation, decreased by nearly \$3.5 million compared to 2021. Construction in progress increased by over \$23.5 million compared to 2021 largely in part to MREFPP phases beginning construction, City Hall rehabilitation, and the construction of the northwest fire station. Land increased nearly \$2.7 million due to flood control acquisitions. Infrastructure decreased nearly \$23.8 million due to disposal of fully depreciated assets and depreciation expense. Governmental activities accounted for an increase of nearly \$13.3 million primarily due to an increase in construction in progress of nearly \$21.9 million, infrastructure deletions of over \$10.8 million. Business-type activities accounted for over \$16.7 million of the decrease due to infrastructure deletions of over \$12.9 million primarily due to disposal of fully depreciated assets and depreciation expense.
- General government program expenses increased by over \$3.5 million due to an increase in National Disaster Resilience program expenditures of over \$2.8 million. Public safety program expenses increased by over \$10.5 million due to an increase in pension and OPEB expenditures of over \$5.9 million and an increase in the regional MREFPP project of over \$2.5 million. Highways and streets program expenses increased over \$2.3 million due to an increase in street maintenance to address the backlog. Culture and recreation program expenses increased by over \$2.1 million primarily due to the Defense Community Infrastructure Program

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expenses for the Magic City Discovery Center. Airport program expenses increased over \$1.1 million due to the runway maintenance project. Water, sewer and storm sewer program expenses increased nearly \$2.5 million primarily due to an increase in sewer rehabilitation projects.

- The *unassigned fund balance* for the General Fund is over \$31.0 million or about 63.6% of the total general fund expenditures. In total, this is an increase from 2021 of over \$0.8 million due to revenues exceeding the estimated budget.
- As of December 2022, the price per barrel for oil was \$72.98, which was \$5.13 higher per barrel than December 2021. As of December 2022, North Dakota was producing 950,000 barrels of crude oil per day, down from 1,094,000 barrels per day as of January 2022.

## **OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

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

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

The Statement of Net Position presents information on all the City's assets, deferred outflows of resources, liabilities, and deferred

inflows of resources, with the difference between the assets plus deferred outflows of resources and liabilities plus deferred inflows of resources reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the City is improving or deteriorating.

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

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

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

The government-wide financial statements begin on page 18.

### **Fund Financial Statements**

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

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

**Governmental Funds.** Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the City's short-term financing requirements. Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements.

The City maintains 19 individual governmental funds. The City presents separate information in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: National Disaster Resilience \$74.3 million, debt service, capital infrastructure and capital flood control. Data from the other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these non-major governmental funds, which begin on page 94.

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

The governmental fund financial statements begin on page 22.

**Proprietary Funds.** The City maintains two types of proprietary funds, enterprise and internal service. Enterprise funds report activities that charge for services provided to outside customers. The enterprise funds are business-type activities in the government-wide statements. The City uses enterprise funds to account for its airport, sanitation, water, sewer and storm sewer, as major funds, and its cemetery, parking authority operation, and parking ramps operations, as non-major funds. Internal Service funds report activities that provide supplies and services to other City programs and activities. The City of Minot uses internal service funds to account for its central garage and the self-funded insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The City combines both internal service funds in a single, aggregate presentation in the proprietary fund financial statements. The City provides individual fund data for the non-major proprietary funds in the form of combining statements, which begin on page 124. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 128. The basic proprietary fund statements begin on page 32.

**Fiduciary Funds.** Fiduciary funds account for resources held for the benefit of parties outside the government. The City is a trustee for its employees' pension and other post-employment benefit plans. It is also responsible for other assets held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City reports fiduciary activities in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities have been excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to proprietary funds. The basic fiduciary fund statements begin on page 42.

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**Notes to the Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 44-79 of this report.

The City presents combining statements referred to earlier in connection with non-major governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 90-133 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following two tables present condensed information on the City's Net Position and Changes in Net Position for the fiscal year ended December 31, 2022, with comparative data for the fiscal year ended December 31, 2021. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$774,445,658 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (84.5%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports investment in capital assets net of related debt,

the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities.

A portion of the City's net position (2.1%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for customer facility charges \$1,905,966, for public safety \$54,874, and \$14,662,353 for debt service. The unrestricted net position of \$103,590,055 is to meet the government's ongoing obligations to citizens and creditors.

There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use. At the end of 2022, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for governmental and business-type activities.

**Changes in Net Position.** The City's net position decreased nearly \$19.9 million during 2022. The increase was a combination of items, program expenses increased by over \$23.5 million, of that over \$19.3 million was an increase in governmental activities and over \$4.2 million was an increase in business-type activities. Program revenues decreased from 2021 due largely to operating and capital grants and contributions decreasing nearly \$28.4 million between governmental and business-type activities. Charges for services increased nearly \$1.5 million primarily due to an increase in licenses and permits and airport operations.

	Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Current and other assets	\$ 184,795,641	\$ 190,854,799	\$ 83,175,855	\$ 70,119,423	\$ 267,971,496	\$ 260,974,222
Capital assets	379,312,271	366,027,852	368,737,553	385,493,027	748,049,824	751,520,879
Total assets	564,107,912	556,882,651	451,913,408	455,612,450	1,016,021,319	1,012,495,101
Deferred outflows of resources	26,689,473	14,762,394	8,830,561	5,435,461	35,520,034	20,197,855
Long-term debt outstanding	147,625,375	122,832,903	67,888,874	64,722,540	215,514,248	187,555,443
Other liabilities	27,481,842	13,832,939	16,845,396	12,106,344	44,327,239	25,939,283
Total liabilities	175,107,217	136,665,842	84,734,270	76,828,884	259,841,487	213,494,726
Deferred inflows of resources	8,681,401	19,311,359	8,572,808	5,558,411	17,254,209	24,869,770
Net position						
Net investment in capital assets	335,194,174	328,538,231	319,038,236	329,559,041	654,232,410	658,097,272
Restricted net position	7,905,382	3,824,153	8,717,811	9,714,798	16,623,193	13,538,951
Unrestricted net position	63,909,212	83,305,460	39,680,844	39,386,777	103,590,055	122,692,237
Total net position	\$ 407,008,767	\$ 415,667,844	\$ 367,436,891	\$ 378,660,616	\$ 774,445,658	\$ 794,328,460

\*Items may not be comparable due to the application of GASB 87, the City chose not to restate the 2021 financial statements for this standard.

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**Governmental Activities.** Governmental program revenues decreased over \$5.3 million. Overall, capital grants and contributions decreased by nearly \$8.7 million, operating grants and contributions increased by over \$2.7 million and charges for services increased by nearly \$0.6 million.

Governmental program expenses increased by over \$19.3 million. Overall, the general government program expenses increased over \$3.5 million, public safety increased over 10.5 million, highways and street increased over \$2.3 million and culture and recreation increased over \$2.1 million.

**Business-Type Activities.** Business-type program revenues decreased by over \$21.5 million during 2022. Overall, capital grants and contributions decreased of nearly \$22.2 million, operating grants and contributions decreased nearly \$0.3 million, and charges for services increased by over \$0.9 million.

Business-type program expenses increased by over \$4.2 million in 2022. Overall, the airport program expenses increased over \$1.1 million, sanitation program expenses increased by over \$0.5 million, and water, sewer, and storm sewer program expenses increased by nearly \$2.5 million.

	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2022	2021*	2022	2021*	2022	2021*
Program revenues						
Charges for services	\$ 7,295,195	\$ 6,725,309	\$ 34,709,882	\$ 33,792,564	\$ 42,005,077	\$ 40,517,873
Operating grants and contributions	19,841,636	17,096,631	830,734	1,112,638	20,672,370	18,209,269
Capital grants and contributions	21,850,826	30,520,584	2,619,807	24,807,260	24,470,633	55,327,844
General revenues						
Taxes	56,794,396	53,324,166	880,249	866,208	57,674,645	54,190,374
Investment earnings (loss)	(929,685)	483,993	138,022	13,719	(791,663)	497,712
Miscellaneous	2,056,057	1,176,141	1,283,913	2,037,849	3,339,970	3,213,990
Total revenues	106,908,425	109,326,824	40,462,607	62,630,238	147,371,032	171,957,062
Program expenses						
General government	31,039,765	27,508,285	-	-	31,039,765	27,508,285
Public safety	40,329,290	29,806,546	-	-	40,329,290	29,806,546
Highways and streets	30,244,333	27,901,514	-	-	30,244,333	27,901,514
Culture and recreation	6,432,604	4,289,502	-	-	6,432,604	4,289,502
Economic development	1,589,076	1,750,090	-	-	1,589,076	1,750,090
Interest on long-term debt	2,367,133	1,398,143	-	-	2,367,133	1,398,143
Airport	-	-	11,051,091	9,911,353	11,051,091	9,911,353
Cemetery	-	-	549,569	480,888	549,569	480,888
Parking authority	-	-	25,499	20,010	25,499	20,010
Sanitation	-	-	6,158,652	5,621,689	6,158,652	5,621,689
Water, sewer, & storm sewer	-	-	36,257,064	33,793,602	36,257,064	33,793,602
Parking ramps	-	-	1,209,758	1,207,653	1,209,758	1,207,653
Total expenses	112,002,201	92,654,080	55,251,633	51,035,195	167,253,834	143,689,275
Excess (deficiency) before transfers	(5,093,776)	16,672,744	(14,789,026)	11,595,043	(19,882,802)	28,267,787
Transfers	(3,565,301)	(682,580)	3,565,301	682,580	-	-
Change in net position	(8,659,077)	15,990,164	(11,223,725)	12,277,623	(19,882,802)	28,267,787
Net position - beginning	415,667,844	399,677,680	378,660,616	366,382,993	794,328,460	766,060,673
Net position - ending	\$ 407,008,767	\$ 415,667,844	\$ 367,436,891	\$ 378,660,616	\$ 774,445,658	\$ 794,328,460

\*Items may not be comparable due to the application of GASB 87, the City chose not to restate the 2021 financial statements for this standard.

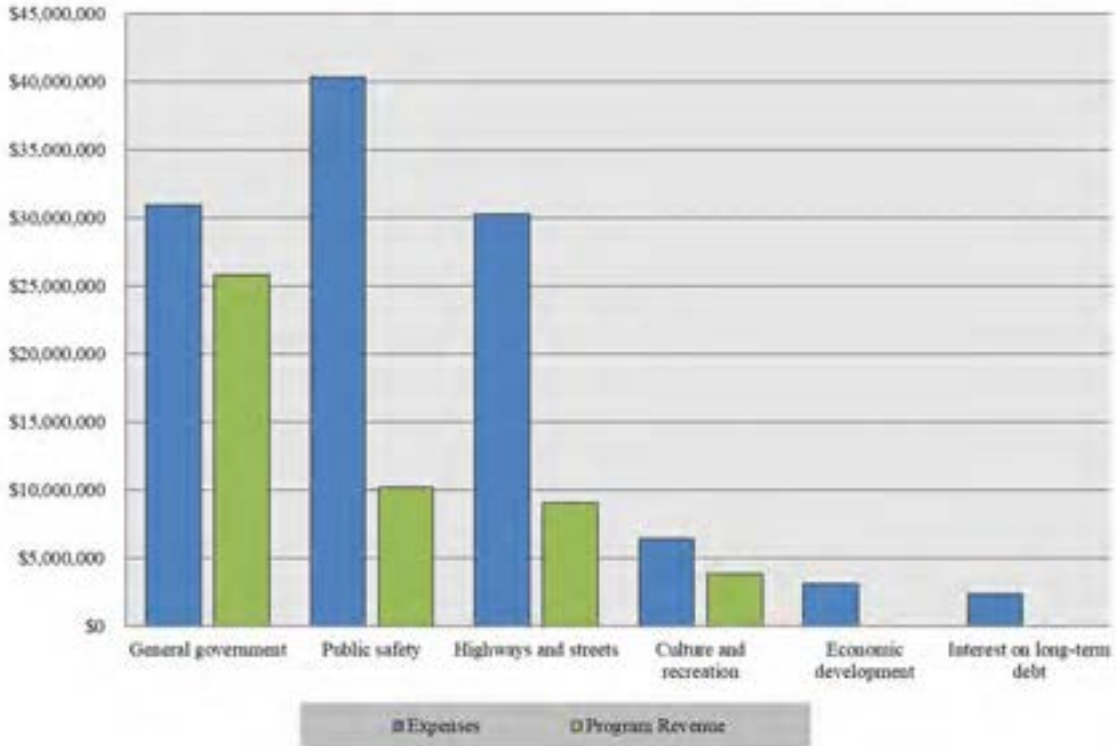
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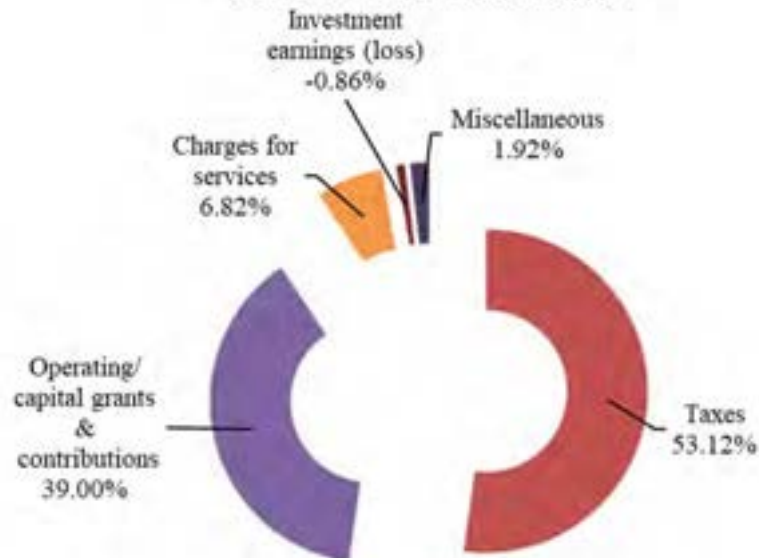
The charts on pages 12 and 13 summarize the City's revenues and expenses for both governmental and business-type activities.



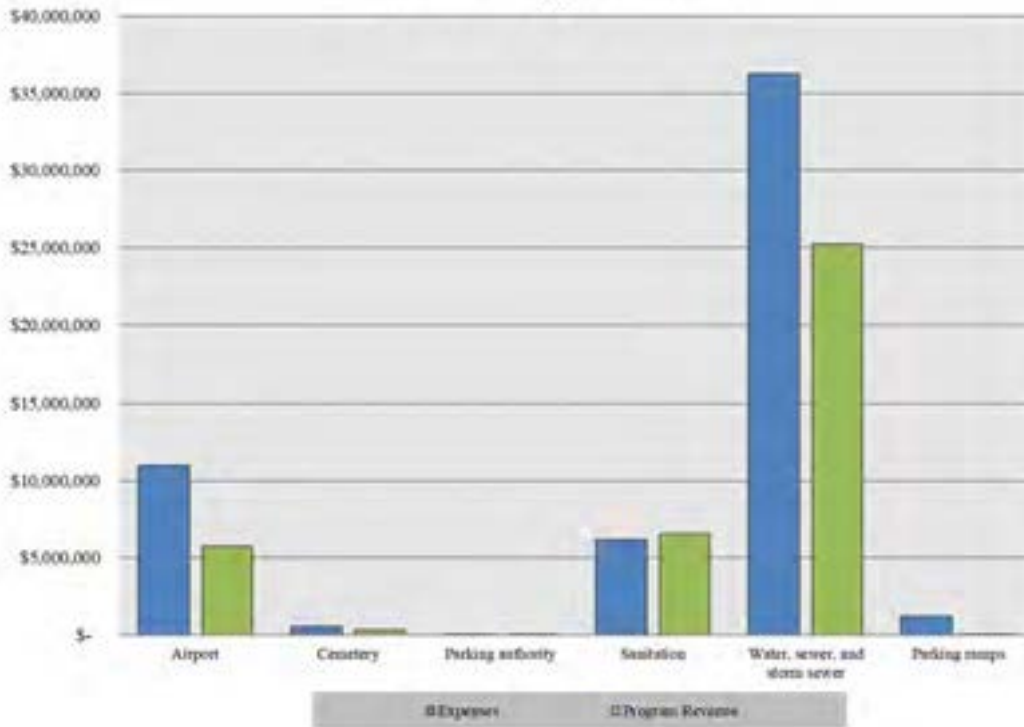
### Expenses & Program Revenues Governmental Activities



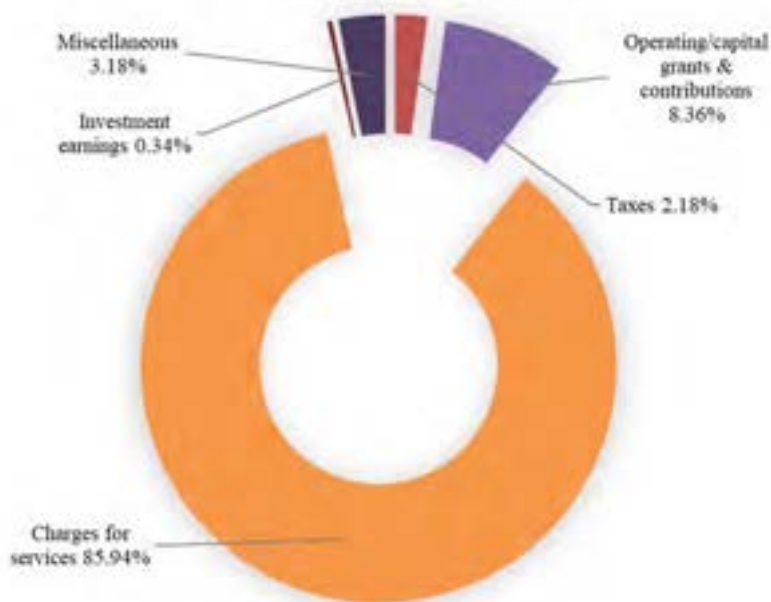
### Revenues by Source Governmental Activities



### Expenses & Program Revenues Business-Type Activities



### Revenues by Source Business-Type Activities



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

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

**Governmental Funds.** The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an unassigned fund balance may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year.

As of the end of 2022, the City's governmental funds reported combined ending fund balances of over \$160.7 million, a decrease of over \$10.8 million in comparison with 2021. Revenues for the period increased nearly \$8.9 million due to an increase of over \$4.9 million in intergovernmental revenues due primarily to an increase in NDR program activities, an increase in sales tax collections of over \$2.4 million, a decrease in interest income (loss) of over \$1.4 million, an increase in special assessment collections of nearly \$1.1 million, and an increase in miscellaneous revenue of over \$1.1 million. Current expenditures increased nearly \$26.2 million primarily due to an increase in capital outlay for the City Hall rehabilitation, northwest fire station and MREFPP. The governmental funds nonspendable fund balance is \$2,389,986, restricted fund balance \$8,775,780, committed fund balance \$83,424,340, assigned fund balance \$35,150,708, and unassigned fund balance \$31,010,185.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$31,010,185. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance represents nearly 63.6% of total general fund expenditures.

The City of Minot's general fund balance decreased by \$2,133,348 during the current fiscal year. This decrease was a result of the use of budgeted cash reserves for street maintenance. In total, all department expenditures were over \$4.2 million below budget and revenues for the general fund were nearly \$0.6 million higher compared to the budget.

The **National Disaster Resilience \$74.3 million Fund** had a decrease in fund balance of \$57,929 primarily due to the utilizing of dedicated pledge revenues collected in previous fiscal years.

The **Debt Service Fund** had an increase in fund balance by \$7,119,648 primarily due to the refunding of the 2013 special assessment bonds.

The **Capital Infrastructure Fund** decreased in fund balance by \$4,566,381 due to budgeted use of cash reserves to fund major projects. Many of these large capital projects must have funding up front but the construction may cover multiple seasons.

The **Capital Flood Control Fund** decreased in fund balance by \$7,609,876 due to the use of prior year bond proceeds. It is anticipated that bond issuance would continue to fund the local share of the flood control project through fiscal year 2024.

**Proprietary Funds.** The City of Minot's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year for the Enterprise Funds was \$37,904,901, of which airport accounted for \$5,051,933, sanitation \$2,901,132, water, sewer, and storm sewer \$28,639,761, and the non-major funds accounted for \$1,312,075. Restricted net position was \$6,811,845 for debt service and \$1,905,966 for customer facility charges. The restrictions do not significantly affect the availability of fund resources for future use.

The change in net position was a decrease of nearly \$11.8 million, due to an increase in operating revenues of nearly \$2.4 million, a decrease in capital contributions of over \$21.0 million, an increase in expenses of over \$5.0 million, a decrease in special assessment

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collections of nearly \$1.2 million, and a decrease in miscellaneous income of over \$0.8 million.

\$4.0 million in buildings, and a decrease of nearly \$2.0 million in equipment.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget was an increase in revenues of over \$0.3 million and an increase in expenditure appropriations of over \$5.8 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being nearly \$0.6 million more than budgeted and the expenditures being over \$4.2 million less than budgeted. There is a total deficiency of actual revenues over expenditures of nearly \$14.1 million primarily due to budgeted transfers from sales tax funds to reduce property tax levy. After transfers in of over \$12.0 million, of which nearly \$3.0 million was for direct property tax relief, the overall net change in fund balance was (\$2,133,348).

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

- Home acquisitions
- Mouse River Enhance Flood Protection Project (MREFPP)
- 16<sup>th</sup> St & 37<sup>th</sup> Ave SW Mill & Overlay
- Southwest Water Tower

Additional information on the City of Minot’s capital assets can be found in Note 4. F on pages 55-56 of this report.

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City’s investment in capital assets for its governmental and business-type activities as of December 31, 2022, is \$748,049,824 (net of accumulated depreciation/amortization). This investment in capital assets includes land, construction in progress, buildings, equipment, infrastructure, intangibles, and books. The City’s investment in capital assets decreased nearly \$3.5 million in 2022 due to an increase of nearly \$2.7 million in land, an increase of over \$23.5 million in construction in progress, a decrease of nearly \$23.8 million in infrastructure, a decrease of over

	<b>Capital Assets (net of depreciation)</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021*</b>	<b>2022</b>	<b>2021*</b>	<b>2022</b>	<b>2021*</b>
Land	\$ 107,817,715	\$ 105,144,542	\$ 9,647,205	\$ 9,647,205	\$ 117,464,920	\$ 114,791,747
Construction in progress	33,313,041	11,419,466	19,253,187	17,584,909	52,566,228	29,004,375
Infrastructure	216,933,157	227,780,657	272,958,815	285,895,348	489,891,972	513,676,005
Buildings	10,715,635	11,221,813	57,112,067	60,637,551	67,827,702	71,859,364
Equipment	8,770,863	8,776,194	9,671,079	11,652,314	18,441,942	20,428,508
Intangible assets	214,207	187,945	95,200	75,700	309,407	263,645
Books	1,547,653	1,497,235	-	-	1,547,653	1,497,235
<b>Total capital assets</b>	<b>\$ 379,312,271</b>	<b>\$ 366,027,852</b>	<b>\$ 368,737,553</b>	<b>\$ 385,493,027</b>	<b>\$ 748,049,824</b>	<b>\$ 751,520,879</b>

*\*Items may not be comparable due to the application of GASB 87, the City chose not to restate the 2021 financial statements for this standard.*

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**Long-Term Debt.** At year-end, the City had total debt of \$140,429,424, a decrease of \$707,713 compared to the prior year. Note 4. J on pages 59-62 of this report describes the City's long-term debt in detail.

	<b>Outstanding Debt</b>					
	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2022</b>	<b>2021*</b>	<b>2022</b>	<b>2021*</b>	<b>2022</b>	<b>2021*</b>
General obligation bonds	\$ 8,642,535	\$ 10,620,463	\$ -	\$ -	\$ 8,642,535	\$ 10,620,463
Tax increment bonds	2,361,321	-	-	-	2,361,321	-
Special assessment bonds	18,897,590	15,015,916	2,149,309	2,372,593	21,046,899	17,388,509
Sales tax bonds	52,201,245	53,279,240	-	-	52,201,245	53,279,240
Capital financing program bonds	1,141,175	1,281,429	-	-	1,141,175	1,281,429
Revenue bonds	-	-	33,888,330	37,589,427	33,888,330	37,589,427
State revolving fund	1,538,555	1,311,946	13,368,506	13,466,717	14,907,061	14,778,663
Notes payable	-	-	-	-	-	-
Loans payable	-	-	-	-	-	-
Direct financing leases	135,642	213,685	-	163,385	135,642	377,070
Leases	835,344	402,388	1,055,392	1,446,466	1,890,736	1,848,854
Compensated absences	1,787,335	1,656,743	439,105	423,950	2,226,440	2,080,693
MSWLF closure & postclosure costs	-	-	1,988,040	1,892,789	1,988,040	1,892,789
Total outstanding debt	<u>\$87,540,742</u>	<u>\$83,781,810</u>	<u>\$52,888,682</u>	<u>\$57,355,327</u>	<u>\$140,429,424</u>	<u>\$141,137,137</u>

\*Items may not be comparable due to the application of GASB 87, the City chose not to restate the 2021 financial statements for this standard.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$189,867,763. The City's legal debt margin is \$182,123,273. The net bonded debt per capita is \$162.06.

Total appropriations for operations for 2023 increased over \$6.7 million from 2022. This 4.83% increase is primarily due to an increase in general fund operations.

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

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

Projects in 2022, which boosted the economy in Minot included, Dakota Square Mall for the remodel of Target retail space for \$7.7 million, Minot Public Schools renovation for new high school for \$9.3 million, Souris River Joint Board for the construction of a storm pump station for \$54.0 million, Minot State University for the renovation of Harnett Hall for \$21.6 million and several other condos, apartment buildings, and business remodels.

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives for the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 10 3<sup>rd</sup> Ave SW or PO Box 5006, Minot, ND 58702 or visit us online at [www.minotnd.gov](http://www.minotnd.gov).

The 2023 City of Minot budget value of a mill increased from \$215,168 to \$228,190 per mill.

The mill levy for the City of Minot's 2023 budget is 120.08 mills, a decrease of 1.61 mills from 2022 budget.

Basic  
Financial  
Statements

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total 2022</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 99,171,953	\$ 32,834,581	\$ 132,006,534
Investments	53,705,410	13,792,664	67,498,074
Receivables			
Taxes receivable	894,919	32,655	927,574
Special assessments receivable	312,425	9,472	321,897
Accounts receivable, net of allowance	879,841	7,112,509	7,992,350
Loans receivable, net of allowance	1,426,215	-	1,426,215
Intergovernmental receivable	11,019,891	12,032,263	23,052,154
Accrued interest receivable	104,703	56,734	161,437
Leases receivable	25,252	139,880	165,132
Inventory	568,173	241,314	809,487
Prepaid	409,061	79,451	488,512
Internal balances	(1,775,943)	1,775,943	-
Total current assets	<u>166,741,900</u>	<u>68,107,466</u>	<u>234,849,366</u>
Noncurrent assets:			
Restricted cash and cash equivalents	8,775,780	8,717,811	17,493,591
Leases receivable	296,881	3,442,965	3,739,846
Other assets - capital credits	493,489	574,890	1,068,379
Special assessments deferred	7,621,602	1,213,202	8,834,804
Capital assets not being depreciated			
Land	107,817,715	9,647,205	117,464,920
Construction in progress	33,313,041	19,253,187	52,566,228
Capital assets, net of accumulated depreciation			
Infrastructure	216,933,157	272,958,815	489,891,972
Buildings	10,715,635	57,112,067	67,827,702
Equipment	8,770,863	9,671,079	18,441,942
Intangible assets	214,207	95,200	309,407
Books	1,547,653	-	1,547,653
Right to use leased assets, net of accumulated amortization			
Land	-	296	296
Equipment	865,989	1,119,225	1,985,214
Total noncurrent assets	<u>397,366,012</u>	<u>383,805,942</u>	<u>781,171,953</u>
Total assets	<u>564,107,912</u>	<u>451,913,408</u>	<u>1,016,021,319</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	1,048,883	1,048,883
Deferred outflows of resources related to pension	26,119,516	7,606,831	33,726,347
Deferred outflows of resources related to OPEB	569,957	174,847	744,804
Total deferred outflows of resources	<u>26,689,473</u>	<u>8,830,561</u>	<u>35,520,034</u>

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2022**

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>	<b>Total 2022</b>
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	\$ 7,741,310	\$ 2,562,005	\$ 10,303,315
Retainage payable	2,037,734	642,473	2,680,207
Accrued salaries and benefits payable	1,270,151	355,039	1,625,190
Insurance claims payable	272,242	-	272,242
Accrued interest payable	570,892	296,290	867,182
Unearned revenue - other	1,020,573	7,491,511	8,512,084
Special assessment debt with governmental commitment	45,349	-	45,349
Compensated absences current	625,567	153,687	779,254
Direct financing leases payable current	135,642	-	135,642
Leases payable current	331,548	412,184	743,732
Capital financing program debt current	145,254	-	145,254
Tax increment financing debt current	113,811	-	113,811
All other debt current	10,897,638	4,701,377	15,599,015
Total current liabilities	<u>25,207,711</u>	<u>16,614,566</u>	<u>41,822,277</u>
Noncurrent liabilities:			
Customer deposits	26,621	230,831	257,452
Special assessment debt with governmental commitment	280,736	-	280,736
Compensated absences	1,161,768	285,418	1,447,186
Leases payable	503,796	643,208	1,147,004
Capital financing program debt	995,921	-	995,921
Tax increment financing debt	2,247,510	-	2,247,510
All other debt	70,056,202	44,704,768	114,760,970
Accrued MSWLF postclosure care costs	-	1,988,040	1,988,040
Net pension liability	74,423,582	20,194,290	94,617,872
Net OPEB liability	203,370	73,149	276,519
Total noncurrent liabilities	<u>149,899,506</u>	<u>68,119,704</u>	<u>218,019,210</u>
Total liabilities	<u>175,107,217</u>	<u>84,734,270</u>	<u>259,841,487</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to service concession arrangements	-	2,548,562	2,548,562
Deferred inflows of resources related to leases	316,205	3,508,566	3,824,771
Deferred inflows of resources related to pension	8,032,445	2,419,093	10,451,538
Deferred inflows of resources related to OPEB	332,751	96,587	429,338
Total deferred inflows of resources	<u>8,681,401</u>	<u>8,572,808</u>	<u>17,254,209</u>
<b>NET POSITION</b>			
Net investment in capital assets	335,194,174	319,038,236	654,232,410
Restricted for:			
Customer facility charges	-	1,905,966	1,905,966
Debt service	7,850,508	6,811,845	14,662,353
Public safety	54,874	-	54,874
Unrestricted net position	63,909,212	39,680,844	103,590,055
Total net position	<u>\$ 407,008,767</u>	<u>\$ 367,436,891</u>	<u>\$ 774,445,658</u>

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





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**City of Minot, North Dakota**  
**Statement of Activities**  
**For the Year Ended December 31, 2022**

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		Total 2022
	Expenses	Charges For Services	Operating	Capital	Governmental Activities	Business-Type Activities	
			Grants and Contributions	Grants and Contributions			
<b>Governmental Activities</b>							
General government	\$ 31,039,765	\$ 5,710,537	\$ 14,210,915	\$ 5,879,871	\$ (5,238,442)	\$ -	\$ (5,238,442)
Public safety	40,329,290	1,247,374	1,723,018	7,247,940	(30,110,958)	-	(30,110,958)
Highways and streets	30,244,333	149,423	231,882	8,714,001	(21,149,027)	-	(21,149,027)
Culture and recreation	6,432,604	187,861	3,675,821	9,014	(2,559,908)	-	(2,559,908)
Economic development	1,589,076	-	-	-	(1,589,076)	-	(1,589,076)
Interest on long-term debt	2,367,133	-	-	-	(2,367,133)	-	(2,367,133)
<b>Total governmental activities</b>	<b>112,002,201</b>	<b>7,295,195</b>	<b>19,841,636</b>	<b>21,850,826</b>	<b>(63,014,544)</b>	<b>-</b>	<b>(63,014,544)</b>
<b>Business-Type Activities</b>							
Airport	11,051,091	4,367,567	830,734	631,108	-	(5,221,682)	(5,221,682)
Cemetery	549,569	341,711	-	-	-	(207,858)	(207,858)
Parking authority	25,499	65,022	-	-	-	39,523	39,523
Sanitation	6,158,652	6,593,259	-	-	-	434,607	434,607
Water, sewer, & storm sewer	36,257,064	23,256,683	-	1,988,699	-	(11,011,682)	(11,011,682)
Parking ramps	1,209,758	85,640	-	-	-	(1,124,118)	(1,124,118)
<b>Total business-type activities</b>	<b>55,251,633</b>	<b>34,709,882</b>	<b>830,734</b>	<b>2,619,807</b>	<b>-</b>	<b>(17,091,210)</b>	<b>(17,091,210)</b>
<b>Total government</b>	<b>\$ 167,253,834</b>	<b>\$ 42,005,077</b>	<b>\$ 20,672,370</b>	<b>\$ 24,470,633</b>	<b>(63,014,544)</b>	<b>(17,091,210)</b>	<b>(80,105,754)</b>
<b>General Revenues</b>							
Taxes							
Property taxes, levied for general purposes					20,348,057	873,670	21,221,727
Property taxes, levied for debt service					3,549,875	6,579	3,556,454
Sales tax collections					25,588,350	-	25,588,350
Municipal highway tax					2,268,840	-	2,268,840
State aid distribution					4,314,535	-	4,314,535
Franchise taxes					430,103	-	430,103
Other taxes					294,636	-	294,636
Interest income (loss)					(929,685)	138,022	(791,663)
Miscellaneous					2,056,057	1,283,913	3,339,970
Transfers					(3,565,301)	3,565,301	-
Total general revenues and transfers					54,355,467	5,867,485	60,222,952
Change in net position					(8,659,077)	(11,223,725)	(19,882,802)
Net position - beginning					415,667,844	378,660,616	794,328,460
Net position - ending					\$ 407,008,767	\$ 367,436,891	\$ 774,445,658

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

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	<b>Special</b>			
	<b>Revenue Fund</b>			
		<b>National</b>	<b>Debt</b>	<b>Capital</b>
	<b>General</b>	<b>Disaster</b>	<b>Service Fund</b>	<b>Project Fund</b>
<b>Fund</b>	<b>Resilience</b>	<b>Debt</b>	<b>Capital</b>	
	<b>\$74.3M</b>	<b>Debt</b>	<b>Infrastructure</b>	
<b>ASSETS</b>				
Cash and cash equivalents	\$ 13,665,123	\$ -	\$ 6,891,243	\$ 20,265,936
Restricted cash and cash equivalents	915,222	-	7,850,508	-
Investments current	24,424,003	-	-	-
Taxes receivable delinquent	694,590	-	124,256	46
Special assessments receivable delinquent	38,491	-	273,934	-
Due from other funds	1,755,187	-	-	-
Accounts receivable	1,184,502	56,594	-	1,240,059
Allowance for accounts receivable	(639,087)	-	-	(1,164,459)
Intergovernmental receivable	922,371	2,184,096	6,322	2,632,812
Loans receivable	-	11,957,840	-	-
Allowance for loans receivable	-	(11,957,840)	-	-
Accrued interest receivable	103,433	-	-	-
Leases receivable	322,133	-	-	-
Inventory	63,453	-	-	-
Prepaid	341,604	10,341	-	-
Other assets - capital credits	455,189	-	-	-
Investments	-	-	-	-
Special assessments receivable uncertified	96,563	-	7,525,039	-
Total assets	<u>\$ 44,342,777</u>	<u>\$ 2,251,031</u>	<u>\$ 22,671,302</u>	<u>\$ 22,974,394</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 1,790,408	\$ 180,490	\$ 55,718	\$ 1,896,855
Retainage payable	11,871	6,544	-	1,151,518
Accrued salaries and benefits payable	1,173,498	3,035	-	-
Due to other funds	-	1,755,187	-	-
Customer deposits	26,621	-	-	-
Unearned revenue - other	277,331	165,139	-	571,266
Total liabilities	<u>3,279,729</u>	<u>2,110,395</u>	<u>55,718</u>	<u>3,619,639</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resources related to leases	316,205	-	-	-
Uncertified special assessments	96,563	-	7,525,039	-
Unavailable revenue - property taxes	587,599	-	104,332	29
Unavailable revenue - special assessments	37,090	-	238,968	-
Deferred inflows of resources	<u>1,037,457</u>	<u>-</u>	<u>7,868,339</u>	<u>29</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	860,246	10,341	-	-
Restricted	915,222	-	7,850,508	-
Committed	1,330,277	130,295	-	9,370,956
Assigned	5,909,661	-	6,896,737	9,983,770
Unassigned	31,010,185	-	-	-
Total fund balance	<u>40,025,591</u>	<u>140,636</u>	<u>14,747,245</u>	<u>19,354,726</u>
Total liabilities, inflows and fund balances (deficits)	<u>\$ 44,342,777</u>	<u>\$ 2,251,031</u>	<u>\$ 22,671,302</u>	<u>\$ 22,974,394</u>

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2022**

	<u>Capital Project Fund</u>	<u>Other Governmental</u>	<u>Total Governmental Funds</u>
	<u>Flood Control</u>	<u>Funds</u>	<u>12/31/2022</u>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 9,005,493	\$ 45,871,741	\$ 95,699,536
Restricted cash and cash equivalents	-	10,050	8,775,780
Investments current	24,973,536	4,122,428	53,519,967
Taxes receivable delinquent	218	75,809	894,919
Special assessments receivable delinquent	-	-	312,425
Due from other funds	-	147,075	1,902,262
Accounts receivable	-	193,746	2,674,901
Allowance for accounts receivable	-	(135,150)	(1,938,696)
Intergovernmental receivable	2,807,899	2,466,391	11,019,891
Loans receivable	-	3,322,619	15,280,459
Allowance for loans receivable	-	(1,896,404)	(13,854,244)
Accrued interest receivable	-	1,270	104,703
Leases receivable	-	-	322,133
Inventory	-	-	63,453
Prepaid	-	57,116	409,061
Other assets - capital credits	-	36,068	491,257
Investments	-	185,443	185,443
Special assessments receivable uncertified	-	-	7,621,602
Total assets	<u>\$ 36,787,146</u>	<u>\$ 54,458,202</u>	<u>\$ 183,484,852</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,239,933	\$ 2,341,066	\$ 7,504,470
Retainage payable	495,157	372,644	2,037,734
Accrued salaries and benefits payable	-	93,618	1,270,151
Due to other funds	-	147,075	1,902,262
Customer deposits	-	-	26,621
Unearned revenue - other	-	6,792	1,020,528
Total liabilities	<u>1,735,090</u>	<u>2,961,195</u>	<u>13,761,766</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to leases	-	-	316,205
Uncertified special assessments	-	-	7,621,602
Unavailable revenue - property taxes	218	66,044	758,222
Unavailable revenue - special assessments	-	-	276,058
Deferred inflows of resources	<u>218</u>	<u>66,044</u>	<u>8,972,087</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	-	1,519,399	2,389,986
Restricted	-	10,050	8,775,780
Committed	24,017,047	48,575,765	83,424,340
Assigned	11,034,791	1,325,749	35,150,708
Unassigned	-	-	31,010,185
Total fund balance	<u>35,051,838</u>	<u>51,430,963</u>	<u>160,750,999</u>
Total liabilities, inflows and fund balances (deficits)	<u>\$ 36,787,146</u>	<u>\$ 54,458,202</u>	<u>\$ 183,484,852</u>

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



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**City of Minot, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Governmental Activities Statement of Net Position**  
**December 31, 2022**

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Fund balances of governmental funds		\$ 160,750,999
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Amounts reported for governmental activities in the statement of net position are different because:

Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Land	\$ 107,817,715	
Construction in process	33,313,041	
Infrastructure, net of accumulated depreciation (\$139,613,360)	216,933,157	
Buildings, net of accumulated depreciation (\$11,161,664)	10,715,635	
Equipment, net of accumulated depreciation (\$19,755,820)	8,770,863	
Intangible assets, net of accumulated amortization (\$0)	214,207	
Books, net of accumulated depreciation (\$1,549,127)	<u>1,547,653</u>	
Total capital assets (Note 4. F)		379,312,271

Right to use assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:

Equipment, net of accumulated amortization (\$291,167)	\$ 865,989	
Total right to use assets (Note 4. F)		<u>865,989</u>

Net OPEB asset/liability and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:

Net OPEB liability	\$ (203,370)	
Deferred inflows of resources	(332,751)	
Deferred outflow of resources	<u>569,957</u>	
Total net OPEB liability and related deferred inflows/outflows		33,836

Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. These amounts consist of:

Net pension liability	\$ (74,423,582)	
Deferred outflows of resources	26,119,516	
Deferred inflows of resources	<u>(8,032,445)</u>	
Total net pension liability and related deferred outflows and inflows		(56,336,511)

Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. They are not included in government-wide.

1,837,936

Some of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds.

Deferred revenues taxes and special assessments		8,655,882
Total taxes and specials not available		

Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. (Note 2. A)

(88,111,635)

Total net position of governmental activities		<u>\$ 407,008,767</u>
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*The accompanying notes to the financial statements are an integral part of these statements.*

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year-to-Date as of December 31, 2022**

	<u>General Fund</u>	<u>Special Revenue Fund National Disaster Resilience \$74.3M</u>	<u>Debt Service Fund Debt</u>	<u>Capital Project Fund Capital Infrastructure</u>
<b>REVENUES</b>				
Property tax collections	\$ 18,675,142	\$ -	\$ 3,549,875	\$ 6,590
Sales tax collections	-	-	-	-
Cable TV franchise fees	430,103	-	-	-
Licenses and permits	1,278,514	-	-	-
Intergovernmental	9,416,295	12,836,305	-	13,307,428
Charges for services	3,959,616	-	-	-
Fines and forfeitures	761,251	-	-	-
Special assessment collections	59,075	-	3,217,924	-
Interest income (loss)	(585,317)	-	138,239	194,531
Miscellaneous	676,925	106,001	172,598	405,039
Total revenues	<u>34,671,604</u>	<u>12,942,306</u>	<u>7,078,636</u>	<u>13,913,588</u>
<b>EXPENDITURES</b>				
Current				
General government	10,804,343	13,000,235	766,108	-
Public safety	22,429,668	-	-	-
Highways and streets	15,525,069	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Debt service				
Principal retirement	-	-	4,879,767	-
Interest	-	-	2,384,727	-
Administrative charges	-	-	7,532	-
Capital outlay				
General government	-	-	-	4,134,974
Public safety	-	-	-	5,001,610
Highways and streets	-	-	-	8,667,992
Culture and recreation	-	-	-	-
Total expenditures	<u>48,759,080</u>	<u>13,000,235</u>	<u>8,038,134</u>	<u>17,804,576</u>
Excess (deficiency) of revenues over (under) expenditures	(14,087,476)	(57,929)	(959,498)	(3,890,988)
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	-	7,545,000	-
Premium on bonds sold	-	-	557,924	-
Discount on bonds sold	-	-	(23,778)	-
Leases (lessee)	-	-	-	-
Sale of City property	15,000	-	-	-
Transfers in	12,013,068	-	-	80,429
Transfers out	(73,940)	-	-	(755,822)
Total other financing sources (uses)	<u>11,954,128</u>	<u>-</u>	<u>8,079,146</u>	<u>(675,393)</u>
Net change in fund balances	(2,133,348)	(57,929)	7,119,648	(4,566,381)
Fund balances (deficits) - beginning	42,158,939	198,565	7,627,597	23,921,107
Fund balances (deficits) - ending	<u>\$ 40,025,591</u>	<u>\$ 140,636</u>	<u>\$ 14,747,245</u>	<u>\$ 19,354,726</u>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Capital Project Fund Capital Flood Control</b>	<b>Other Governmental Funds</b>	<b>Total Governmental Funds 12/31/2022</b>
<b>REVENUES</b>			
Property tax collections	\$ 156	\$ 1,666,169	\$ 23,897,932
Sales tax collections	-	25,588,350	25,588,350
Cable TV franchise fees	-	-	430,103
Licenses and permits	-	-	1,278,514
Intergovernmental	2,807,899	5,505,982	43,873,909
Charges for services	-	73,234	4,032,850
Fines and forfeitures	-	-	761,251
Special assessment collections	-	-	3,276,999
Interest income (loss)	(750,811)	73,673	(929,685)
Miscellaneous	-	949,594	2,310,157
Total revenues	<u>2,057,244</u>	<u>33,857,002</u>	<u>104,520,380</u>
<b>EXPENDITURES</b>			
Current			
General government	-	5,777,159	30,347,845
Public safety	-	8,495,366	30,925,034
Highways and streets	-	-	15,525,069
Culture and recreation	-	6,415,112	6,415,112
Economic development	-	1,589,076	1,589,076
Debt service			
Principal retirement	-	-	4,879,767
Interest	-	-	2,384,727
Administrative charges	-	-	7,532
Capital outlay			
General government	-	43,652	4,178,626
Public safety	7,934,696	2,543,143	15,479,449
Highways and streets	-	482,834	9,150,826
Culture and recreation	-	166,669	166,669
Total expenditures	<u>7,934,696</u>	<u>25,513,011</u>	<u>121,049,732</u>
Excess (deficiency) of revenues over (under) expenditures	(5,877,452)	8,343,991	(16,529,352)
<b>OTHER FINANCING SOURCES (USES)</b>			
Bonds issued	317,444	-	7,862,444
Premium on bonds sold	-	-	557,924
Discount on bonds sold	-	-	(23,778)
Leases (lessee)	-	754,768	754,768
Sale of City property	-	77,523	92,523
Transfers in	-	4,468,456	16,561,953
Transfers out	(2,049,868)	(17,247,624)	(20,127,254)
Total other financing sources (uses)	<u>(1,732,424)</u>	<u>(11,946,877)</u>	<u>5,678,580</u>
Net change in fund balances	(7,609,876)	(3,602,886)	(10,850,772)
Fund balances (deficits) - beginning	42,661,714	55,033,849	171,601,771
Fund balances (deficits) - ending	<u>\$ 35,051,838</u>	<u>\$ 51,430,963</u>	<u>\$ 160,750,999</u>

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





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**City of Minot, North Dakota**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Governmental Activities Statement of Activities**  
**For the Year-to-Date as of December 31, 2022**

Net change in fund balances - total governmental funds	\$ (10,850,772)
The change in net position reported for governmental activities in the statement of activities is different because:	
Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B)	14,205,558
Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund; however, in the statement of activities only the gain or loss on the transaction is reported. (Note 2. B)	(55,150)
Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position issuing debt increases long-term liabilities and does not affect the statement of activities; similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. (Note 4. I)	
Debt issued	
Bonds issued	\$ (7,862,444)
Premium on bonds sold	(557,924)
Discounts on bonds sold	23,778
Repayments of bond principal	4,879,767
Leases	(754,768)
Payment on leases	232,690
Annual amortization of premiums and discounts	308,126
Net adjustment	(3,730,775)
Net OPEB asset/liability and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. The government-wide statement of net activities reports the change in net position related to OPEB.	(17,268)
Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. The government-wide statement of net activities reports the change in net position related to pension.	(6,887,861)
Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due.	
Accrued interest payable	17,595
Compensated absences	(130,592)
Change in revenue accruals. The purpose of this adjustment is to recognize the net change in unavailable revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed available to finance the expenditures of the current period. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts unavailable at the beginning of the year and increased by the amounts unavailable at the end of the year. This adjustment records a net decrease in revenues unavailable at the end of the year which were less than beginning revenues by this amount.	
New special assessment districts to be billed and collected annually	\$ 1,466,249
Special assessment write-offs, foreclosures, and interest	278,132
Amount shown as revenue in governmental funds	(3,276,999)
Net change	(1,532,618)
Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The net revenue of internal service funds is reported with governmental activities.	322,804
Change in net position of governmental activities	\$ (8,659,077)

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year-to-Date as of December 31, 2022**

	Budgeted Amounts		12/31/2022 Actual Amounts	Variance With Final Budget
	Original	Amended		
<b>REVENUES</b>				
Property tax collections	\$ 19,870,259	\$ 19,869,534	\$ 18,675,142	\$ (1,194,392)
Cable TV franchise fees	485,958	485,958	430,103	(55,855)
Licenses & permits	660,362	660,362	1,278,514	618,152
Intergovernmental	7,611,903	7,929,912	9,416,295	1,486,383
Charges for services	3,887,757	3,887,757	3,959,616	71,859
Fines and forfeitures	561,707	568,205	761,251	193,046
Special assessment collections	128,529	128,529	59,075	(69,454)
Interest income (loss)	381,098	381,098	(585,317)	(966,415)
Miscellaneous income	173,172	189,033	676,925	487,892
Total revenues	33,760,745	34,100,388	34,671,604	571,216
<b>EXPENDITURES</b>				
General government				
Mayor and city council	\$ 1,174,308	\$ 1,334,589	\$ 1,287,748	\$ 46,841
City manager	664,012	664,012	634,274	29,738
Human resources	631,156	596,656	503,386	93,270
City attorney	817,537	817,537	633,803	183,734
Finance	1,507,719	1,646,984	1,227,189	419,795
Information technology	1,276,932	1,366,564	1,230,947	135,617
Property assessment	765,322	765,322	717,291	48,031
Municipal judge	801,042	783,280	635,426	147,854
Community development	693,684	950,841	887,707	63,134
Building inspection	1,314,804	1,342,943	1,066,148	276,795
Vehicle maintenance	1,094,326	1,144,604	947,252	197,352
Property maintenance	972,128	1,096,110	1,033,172	62,938
Total general government	11,712,970	12,509,442	10,804,343	1,705,099
Public safety				
Police grants	-	196,869	151,924	44,945
Police	11,124,884	11,293,687	10,749,188	544,499
Narcotics task force	86,405	86,405	85,584	821
Telecommunications division	1,583,074	1,583,074	1,318,586	264,488
Fire grants	-	156,861	147,701	9,160
Fire control	7,990,097	8,108,532	8,064,051	44,481
Traffic	1,849,664	2,106,029	1,912,634	193,395
Total public safety	22,634,124	23,531,457	22,429,668	1,101,789
Highways and streets				
Engineering	7,910,042	11,664,550	10,540,605	1,123,945
Street maintenance	4,902,704	5,273,083	4,984,464	288,619
Total highways and streets	12,812,746	16,937,633	15,525,069	1,412,564
Total expenditures	47,159,840	52,978,532	48,759,080	4,219,452
Excess (deficiency) of revenues over (under) expenditures	(13,399,095)	(18,878,144)	(14,087,476)	4,790,668
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of City property	-	-	15,000	15,000
Transfers in	10,702,965	10,923,936	12,013,068	1,089,132
Transfers out	(277,039)	(297,378)	(73,940)	223,438
Total other financing sources (uses)	10,425,926	10,626,558	11,954,128	1,327,570
Net change in fund balance	\$ (2,973,169)	\$ (8,251,586)	(2,133,348)	\$ 6,118,238
Fund balances (deficits) - beginning			42,158,939	
Fund balances (deficits) - ending			\$ 40,025,591	

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

<b>National Disaster Resilience \$74.3M</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 12,836,305	\$ 12,836,305
Miscellaneous	-	-	106,001	106,001
Total revenues	-	-	12,942,306	12,942,306
<b>EXPENDITURES</b>				
Current:				
General government	-	20,769,634	13,000,235	7,769,399
Total expenditures	-	20,769,634	13,000,235	7,769,399
Net change in fund balance	\$ -	\$(20,769,634)	(57,929)	\$ 20,711,705
Fund balances (deficits) - beginning			198,565	
Fund balances (deficits) - ending			\$ 140,636	

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport</b>	<b>Sanitation</b>	<b>Water, Sewer, &amp; Storm Sewer</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 4,425,893	\$ 8,661,329	\$ 18,192,555
Restricted cash and cash equivalents	1,580,294	-	3,121,083
Investments current	-	-	13,792,664
Taxes receivable delinquent	26,304	-	225
Special assessment receivable delinquent	-	-	9,472
Accounts receivable	3,098,275	689,615	4,215,313
Allowance for doubtful accounts	-	-	(920,150)
Intergovernmental receivable	1,004,822	-	11,027,364
Accrued interest receivable	8,254	-	48,138
Leases receivable	87,070	-	26,469
Inventory	8,850	-	232,464
Prepaid	40,063	1,016	38,372
Total current assets	<u>10,279,825</u>	<u>9,351,960</u>	<u>49,783,969</u>
Noncurrent assets			
Restricted cash and cash equivalents	2,893,414	-	1,123,020
Leases receivable	3,183,920	-	150,017
Other assets - capital credits	43,193	60,085	460,110
Special assessments receivable uncertified	-	-	1,213,202
Land	2,924,003	4,380,906	2,026,395
Construction in progress	698,990	4,150,708	14,403,489
Infrastructure	67,166,286	1,632,668	337,351,024
Buildings	52,931,831	2,327,920	25,685,315
Equipment	11,292,274	6,330,291	10,591,220
Intangible assets	-	-	95,200
Less-accumulated depreciation	(50,294,826)	(6,675,623)	(133,952,599)
Right to use leased assets - land	-	591	-
Right to use leased assets - equipment	-	1,484,083	38,336
Less-accumulated amortization	-	(393,011)	(10,478)
Total noncurrent assets	<u>90,839,085</u>	<u>13,298,618</u>	<u>259,174,251</u>
Total assets	<u>101,118,910</u>	<u>22,650,578</u>	<u>308,958,220</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	1,048,883	-	-
Deferred outflows of resources related to pension	1,284,269	2,063,528	4,020,859
Deferred outflows of resources related to OPEB	28,244	42,984	98,674
Total deferred outflows of resources	<u>2,361,396</u>	<u>2,106,512</u>	<u>4,119,533</u>

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	<b>Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>ASSETS</b>			
Current assets			
Cash and cash equivalents	\$ 1,554,804	\$ 32,834,581	\$ 3,472,417
Restricted cash and cash equivalents	-	4,701,377	-
Investments current	-	13,792,664	-
Taxes receivable delinquent	6,126	32,655	-
Special assessment receivable delinquent	-	9,472	-
Accounts receivable	29,456	8,032,659	143,636
Allowance for doubtful accounts	-	(920,150)	-
Intergovernmental receivable	77	12,032,263	-
Accrued interest receivable	342	56,734	-
Leases receivable	26,341	139,880	-
Inventory	-	241,314	504,720
Prepaid	-	79,451	-
Total current assets	<u>1,617,146</u>	<u>71,032,900</u>	<u>4,120,773</u>
Noncurrent assets			
Restricted cash and cash equivalents	-	4,016,434	-
Leases receivable	109,028	3,442,965	-
Other assets - capital credits	11,502	574,890	2,232
Special assessments receivable uncertified	-	1,213,202	-
Land	315,901	9,647,205	-
Construction in progress	-	19,253,187	-
Infrastructure	22,478,549	428,628,527	-
Buildings	158,502	81,103,568	-
Equipment	995,844	29,209,629	-
Intangible assets	-	95,200	-
Less-accumulated depreciation	(8,276,715)	(199,199,763)	-
Right to use leased assets - land	-	591	-
Right to use leased assets - equipment	-	1,522,419	-
Less-accumulated amortization	-	(403,489)	-
Total noncurrent assets	<u>15,792,611</u>	<u>379,104,565</u>	<u>2,232</u>
Total assets	<u>17,409,757</u>	<u>450,137,465</u>	<u>4,123,005</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred charge on refunding	-	1,048,883	-
Deferred outflows of resources related to pension	238,175	7,606,831	-
Deferred outflows of resources related to OPEB	4,945	174,847	-
Total deferred outflows of resources	<u>243,120</u>	<u>8,830,561</u>	<u>-</u>

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport</b>	<b>Sanitation</b>	<b>Water, Sewer, &amp; Storm Sewer</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 176,148	\$ 763,861	\$ 1,610,032
Retainage payable	5,054	219,180	418,239
Accrued salaries and benefits payable	67,726	83,400	191,713
Accrued interest payable	112,916	18,491	164,883
Unearned revenue - other	-	-	7,491,511
Compensated absences	25,160	47,253	72,806
Leases payable	-	403,419	8,765
Bonds payable (net of premium/discount)	1,580,294	-	3,121,083
Total current liabilities	<u>1,967,298</u>	<u>1,535,604</u>	<u>13,079,032</u>
Long-term liabilities			
Customer deposits	915	-	229,916
Compensated absences	46,726	87,756	135,211
Leases payable	-	625,073	18,135
Accrued MSWLF closure and postclosure care costs	-	1,988,040	-
Bonds payable (net of premium/discount)	21,271,024	-	23,433,744
Net pension liability	1,410,068	5,629,795	12,768,969
Net OPEB liability	32,094	21,820	13,872
Total long-term liabilities	<u>22,760,827</u>	<u>8,352,484</u>	<u>36,599,847</u>
Total liabilities	<u>24,728,125</u>	<u>9,888,088</u>	<u>49,678,879</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to leases	3,203,482	-	172,138
Deferred inflows of resources related to service concession arrangements	2,548,562	-	-
Deferred inflows of resources related to pension	557,609	638,278	1,127,659
Deferred inflows of resources related to OPEB	5,256	21,787	68,494
Total deferred inflows of resources	<u>6,314,909</u>	<u>660,065</u>	<u>1,368,291</u>
<b>NET POSITION</b>			
Net investment in capital assets	62,911,631	11,307,805	229,146,719
Restricted for:			
Customer facility charges	1,905,966	-	-
Debt service	2,567,742	-	4,244,103
Unrestricted net position	5,051,933	2,901,132	28,639,761
Total net position	<u>\$ 72,437,272</u>	<u>\$ 14,208,937</u>	<u>\$ 262,030,583</u>

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2022**

	<b>Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>LIABILITIES</b>			
Current liabilities			
Accounts payable	\$ 11,964	\$ 2,562,005	\$ 509,082
Retainage payable	-	642,473	-
Accrued salaries and benefits payable	12,200	355,039	-
Accrued interest payable	-	296,290	-
Unearned revenue - other	-	7,491,511	45
Compensated absences	8,468	153,687	-
Leases payable	-	412,184	-
Bonds payable (net of premium/discount)	-	4,701,377	-
Total current liabilities	<u>32,632</u>	<u>16,614,566</u>	<u>509,127</u>
Long-term liabilities			
Customer deposits	-	230,831	-
Compensated absences	15,725	285,418	-
Leases payable	-	643,208	-
Accrued MSWLF closure and postclosure care costs	-	1,988,040	-
Bonds payable (net of premium/discount)	-	44,704,768	-
Net pension liability	385,458	20,194,290	-
Net OPEB liability	5,363	73,149	-
Total long-term liabilities	<u>406,546</u>	<u>68,119,704</u>	<u>-</u>
Total liabilities	<u>439,178</u>	<u>84,734,270</u>	<u>509,127</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred inflows of resources related to leases	132,946	3,508,566	-
Deferred inflows of resources related to service concession arrangements	-	2,548,562	-
Deferred inflows of resources related to pension	95,547	2,419,093	-
Deferred inflows of resources related to OPEB	1,050	96,587	-
Total deferred inflows of resources	<u>229,543</u>	<u>8,572,808</u>	<u>-</u>
<b>NET POSITION</b>			
Net investment in capital assets	15,672,081	319,038,236	-
Restricted for:			
Customer facility charges	-	1,905,966	-
Debt service	-	6,811,845	-
Unrestricted net position	1,312,075	37,904,901	3,613,878
Total net position	<u>\$ 16,984,156</u>	<u>365,660,948</u>	<u>\$ 3,613,878</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included.		<u>1,775,943</u>	
Total net position		<u>\$ 367,436,891</u>	

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



**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport</b>	<b>Sanitation</b>	<b>Water, Sewer, &amp; Storm Sewer</b>
<b>OPERATING REVENUES</b>			
Sales	\$ -	\$ -	\$ -
Cost of goods sold	-	-	-
Gross margin	-	-	-
Charges for services	4,354,771	6,492,438	22,812,607
Miscellaneous	-	8,100	29,040
Customer facility charge income	272,840	-	-
Total operating revenues	<u>4,627,611</u>	<u>6,500,538</u>	<u>22,841,647</u>
<b>OPERATING EXPENSES</b>			
Salaries	1,179,137	1,448,800	3,262,138
Employee benefits	826,147	1,216,290	2,602,574
Insurance claims	-	-	-
Professional services	396,367	54,301	94,762
Property services	1,261,493	761,695	6,974,713
Purchased services	129,549	116,827	582,073
Supplies	645,668	486,235	4,420,948
Sundry	324,986	617,345	1,813,770
MSWLF closure & postclosure care	-	95,251	-
Amortization	-	393,011	10,478
Depreciation	5,638,000	1,105,934	15,848,372
Total operating expenses	<u>10,401,347</u>	<u>6,295,689</u>	<u>35,609,828</u>
Operating income (loss)	(5,773,736)	204,849	(12,768,181)
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Property tax collections	742,342	-	6,617
Intergovernmental	557,894	-	-
Special assessment collections	-	-	16,260
Interest income (loss)	151,092	76,917	(107,043)
Miscellaneous	266,690	32,054	979,293
Gain (loss) on sale of City property	(74,444)	175,593	2,543
Interest and fiscal charges	(575,300)	(38,556)	(649,779)
Total non-operating revenues (expenses)	<u>1,068,274</u>	<u>246,008</u>	<u>247,891</u>
Income (loss) before contributions and transfers	(4,705,462)	450,857	(12,520,290)
Capital contributions	631,108	-	1,972,439
Transfers in	-	2,476,131	1,840,213
Transfers out	-	-	(771,425)
Total contributions and transfers	<u>631,108</u>	<u>2,476,131</u>	<u>3,041,227</u>
Change in net position	(4,074,354)	2,926,988	(9,479,063)
Net position - beginning	76,511,626	11,281,949	271,509,646
Net position - ending	<u>\$ 72,437,272</u>	<u>\$ 14,208,937</u>	<u>\$ 262,030,583</u>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	Nonmajor	Total Enterprise Funds	Governmental Activities Internal Service Funds
<b>OPERATING REVENUES</b>			
Sales	\$ -	\$ -	\$ 1,612,949
Cost of goods sold	-	-	(1,612,213)
Gross margin	-	-	736
Charges for services	459,926	34,119,742	6,911,699
Miscellaneous	600	37,740	-
Customer facility charge income	-	272,840	-
Total operating revenues	<u>460,526</u>	<u>34,430,322</u>	<u>6,912,435</u>
<b>OPERATING EXPENSES</b>			
Salaries	271,915	6,161,990	-
Employee benefits	142,334	4,787,345	-
Insurance claims	-	-	6,116,423
Professional services	2,465	547,895	-
Property services	41,116	9,039,017	-
Purchased services	32,951	861,400	-
Supplies	68,153	5,621,004	-
Sundry	74,003	2,830,104	-
MSWLF closure & postclosure care	-	95,251	-
Amortization	-	403,489	-
Depreciation	1,151,889	23,744,195	-
Total operating expenses	<u>1,784,826</u>	<u>54,091,690</u>	<u>6,116,423</u>
Operating income (loss)	(1,324,300)	(19,661,368)	796,012
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Property tax collections	131,290	880,249	-
Intergovernmental	-	557,894	-
Special assessment collections	-	16,260	-
Interest income (loss)	17,056	138,022	27,281
Miscellaneous	5,876	1,283,913	51,911
Gain (loss) on sale of City property	-	103,692	-
Interest and fiscal charges	-	(1,263,635)	-
Total non-operating revenues (expenses)	<u>154,222</u>	<u>1,716,395</u>	<u>79,192</u>
Income (loss) before contributions and transfers	(1,170,078)	(17,944,973)	875,204
Capital contributions	-	2,603,547	-
Transfers in	20,382	4,336,726	-
Transfers out	-	(771,425)	-
Total contributions and transfers	<u>20,382</u>	<u>6,168,848</u>	<u>-</u>
Change in net position	(1,149,696)	(11,776,125)	875,204
Net position - beginning	18,133,852	377,437,073	2,738,674
Net position - ending	<u>\$ 16,984,156</u>	<u>\$ 365,660,948</u>	<u>\$ 3,613,878</u>
Change in net position enterprise funds only			
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			
Change in net position of business-type activities			

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport</b>	<b>Sanitation</b>	<b>Water, Sewer, &amp; Storm Sewer</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 4,540,828	\$ 6,439,504	\$ 25,788,699
Payments to suppliers	(2,808,641)	(1,196,351)	(13,656,319)
Payments to employees	(1,585,870)	(2,083,809)	(5,811,275)
Due from other agencies	-	-	-
Due to other agencies	(257,625)	-	(254,411)
Net cash provided (used) by operating activities	<u>(111,308)</u>	<u>3,159,344</u>	<u>6,066,694</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Property taxes/intergovernmental	1,571,115	32,054	985,932
Transfers in	-	2,476,131	1,840,213
Transfers out	-	-	(771,425)
Internal activity - payments from other funds	-	-	-
Net cash provided by noncapital financing activities	<u>1,571,115</u>	<u>2,508,185</u>	<u>2,054,720</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions	631,108	-	962,465
Special assessment collections	-	-	16,260
Acquisitions and construction of capital assets	(215,812)	(5,259,114)	(3,517,699)
Proceeds from the sale of capital assets	34,123	1,504,266	138,097
Principal paid on capital debt	(1,533,090)	-	(3,145,456)
Interest paid on capital debt	(575,300)	(38,556)	(649,779)
Proceeds from debt	-	-	655,954
Payments on leases	-	(499,024)	(17,316)
Net cash used by capital and related financing activities	<u>(1,658,971)</u>	<u>(4,292,428)</u>	<u>(5,557,474)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	151,092	76,917	(107,043)
Net increase (decrease) in cash and cash equivalents	<u>(48,072)</u>	<u>1,452,018</u>	<u>2,456,897</u>
Cash and cash equivalent balances - beginning of year	8,947,673	7,209,311	33,772,425
Cash and cash equivalent balances - end of year	<u>\$ 8,899,601</u>	<u>\$ 8,661,329</u>	<u>\$ 36,229,322</u>
Cash and cash equivalents are comprised of the following:			
Cash and cash equivalents	\$ 4,425,893	\$ 8,661,329	\$ 18,192,555
Investments - certificate of deposits	-	-	13,792,664
Restricted cash and cash equivalents - current	1,580,294	-	3,121,083
Restricted cash and cash equivalents - noncurrent	2,893,414	-	1,123,020
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 8,899,601</u>	<u>\$ 8,661,329</u>	<u>\$ 36,229,322</u>

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$ 446,095	\$ 37,215,126	\$ 8,286,924
Payments to suppliers	(222,087)	(17,883,398)	(7,696,841)
Payments to employees	(388,505)	(9,869,459)	-
Due from other agencies	66	66	-
Due to other agencies	-	(512,036)	-
Net cash provided (used) by operating activities	<u>(164,431)</u>	<u>8,950,299</u>	<u>590,083</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Property taxes/intergovernmental	138,474	2,727,575	-
Transfers in	20,382	4,336,726	-
Transfers out	-	(771,425)	-
Internal activity - payments from other funds	-	-	51,911
Net cash provided by noncapital financing activities	<u>158,856</u>	<u>6,134,020</u>	<u>51,911</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>			
Capital contributions	-	1,593,573	-
Special assessment collections	-	16,260	-
Acquisitions and construction of capital assets	(5,382)	(8,998,007)	-
Proceeds from the sale of capital assets	-	1,676,486	-
Principal paid on capital debt	-	(4,678,546)	-
Interest paid on capital debt	-	(1,263,635)	-
Proceeds from debt	-	655,954	-
Payments on leases	-	(516,340)	-
Net cash used by capital and related financing activities	<u>(5,382)</u>	<u>(11,514,255)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	17,056	138,022	27,281
Net increase (decrease) in cash and cash equivalents	6,099	3,866,942	669,275
Cash and cash equivalent balances - beginning of year	1,548,705	51,478,114	2,803,142
Cash and cash equivalent balances - end of year	<u>\$ 1,554,804</u>	<u>\$ 55,345,056</u>	<u>\$ 3,472,417</u>
Cash and cash equivalents are comprised of the following:			
Cash and cash equivalents	\$ 1,554,804	\$ 32,834,581	\$ 3,472,417
Investments - certificate of deposits	-	13,792,664	-
Restricted cash and cash equivalents - current	-	4,701,377	-
Restricted cash and cash equivalents - noncurrent	-	4,016,434	-
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 1,554,804</u>	<u>\$ 55,345,056</u>	<u>\$ 3,472,417</u>

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Business-Type Activities</b>		
	<b>Enterprise Funds</b>		
	<b>Airport</b>	<b>Sanitation</b>	<b>Water, Sewer, &amp; Storm Sewer</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (5,773,736)	\$ 204,849	\$ (12,768,181)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	5,638,000	1,105,934	15,848,372
Amortization expense	-	393,011	10,478
MSWLF closure and post closure care cost adjustment	-	95,251	-
Change in assets, deferred outflows, liabilities & deferred inflows:			
Accounts receivable	(5,857,693)	(132,961)	(1,229,865)
Special assessment receivable	-	-	315,040
Intergovernmental receivables	(257,625)	-	(254,411)
Accrued interest receivable	(8,254)	-	(43,383)
Inventory	(5,316)	-	(16,453)
Prepays	37,501	73,276	29,267
Other assets	(3,548)	(1,349)	(51,517)
Deferred outflow on refunding	82,266	-	-
Deferred outflows of resources related to pension	(636,900)	(903,354)	(1,795,801)
Deferred outflows of resources related to OPEB	(16,138)	(15,778)	(37,949)
Accounts payable	(131,410)	602,381	400,313
Retainage payable	5,054	219,180	(159,190)
Accrued salaries and benefits payable	(2,218)	8,687	(2,646)
Compensated absences	8,163	14,537	(8,370)
Accrued interest payable	(6,488)	18,491	(15,061)
Customer deposits	-	-	3,885
Unearned revenue	(1,517)	-	3,771,825
Net pension liability	1,130,748	2,331,008	3,837,497
Net OPEB asset/liability	25,938	22,918	44,288
Unavailable revenue - special assessments	-	-	-
Deferred inflows of resources related to leases	3,203,482	-	172,138
Deferred inflows of resources related to service concession arrangements	2,548,562	-	-
Deferred inflows of resources related to pension	(87,039)	(871,757)	(1,977,531)
Deferred inflows of resources related to OPEB	(3,140)	(4,980)	(6,051)
Net cash provided (used) by operating activities	<u>\$ (111,308)</u>	<u>\$ 3,159,344</u>	<u>\$ 6,066,694</u>
<b>NONCASH CAPITAL ACTIVITY</b>			
Borrowing under lease	\$ -	\$ 76,544	\$ -
Construction of capital assets from developers	-	-	1,009,974

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Nonmajor</b>	<b>Total Enterprise Funds</b>	<b>Governmental Activities Internal Service Funds</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (1,324,300)	\$ (19,661,368)	\$ 796,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Depreciation expense	1,151,889	23,744,195	-
Amortization expense	-	403,489	-
MSWLF closure and post closure care cost adjustment	-	95,251	-
Change in assets, deferred outflows, liabilities & deferred inflows:			
Accounts receivable	(145,970)	(7,366,489)	(110,064)
Special assessment receivable	-	315,040	-
Intergovernmental receivables	66	(511,970)	-
Accrued interest receivable	(342)	(51,979)	-
Inventory	-	(21,769)	(127,705)
Prepays	138	140,182	-
Other assets	(1,203)	(57,617)	-
Deferred outflow on refunding	-	82,266	-
Deferred outflows of resources related to pension	(91,174)	(3,427,229)	-
Deferred outflows of resources related to OPEB	(1,059)	(70,924)	-
Accounts payable	(3,399)	867,885	31,795
Retainage payable	-	65,044	-
Accrued salaries and benefits payable	(1,784)	2,039	-
Compensated absences	825	15,155	-
Accrued interest payable	-	(3,058)	-
Customer deposits	-	3,885	-
Unearned revenue	(69,911)	3,700,397	45
Net pension liability	187,239	7,486,492	-
Net OPEB asset/liability	3,143	96,287	-
Unavailable revenue - special assessments	(1,535)	(1,535)	-
Deferred inflows of resources related to leases	132,946	3,508,566	-
Deferred inflows of resources related to service concession arrangements	-	2,548,562	-
Deferred inflows of resources related to pension	-	(2,936,327)	-
Deferred inflows of resources related to OPEB	-	(14,171)	-
Net cash provided (used) by operating activities	<u>\$ (164,431)</u>	<u>\$ 8,950,299</u>	<u>\$ 590,083</u>
<b>NONCASH CAPITAL ACTIVITY</b>			
Borrowing under lease	\$ -	\$ 76,544	\$ -
Construction of capital assets from developers	-	1,009,974	-

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

**City of Minot, North Dakota**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2022**

	<b>Pension &amp; OPEB Trust Funds</b>	<b>Custodial Funds</b>
<b>ASSETS</b>		
Cash and cash equivalents	\$ 249,337	\$ 32,572
Investments:		
U.S. government securities	6,906,439	
State and local obligations	9,121,237	
Corporate bonds	10,292,301	
Mutual funds	51,187,481	
Accounts receivable	22,802	15,196
Intergovernmental receivable	-	4,848
Total assets	77,779,597	52,616
<b>LIABILITIES</b>		
Accounts payable	13,775	52,616
Total liabilities	13,775	52,616
<b>NET POSITION</b>		
Restricted for:		
Pension benefits	76,726,586	-
OPEB benefits	1,039,236	-
Total net position	\$ 77,765,822	\$ -

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

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Pension &amp; OPEB Trust Funds</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>		
Contributions:		
Contributions employer	\$ 5,837,865	\$ -
Contributions plan members	2,035,671	-
Lodging taxes	-	939,242
Car rental taxes	-	40,128
Intergovernmental	-	11,487
Total contributions	<u>7,873,536</u>	<u>990,857</u>
Investment earnings:		
Interest and dividends	3,079,206	-
Net increase (decrease) in the fair value of investments	<u>(20,853,545)</u>	-
Total investment earnings	(17,774,339)	-
Less investment expense	<u>147,952</u>	-
Net investment earnings	<u>(17,922,291)</u>	-
Total additions	<u>(10,048,755)</u>	<u>990,857</u>
<b>DEDUCTIONS</b>		
Benefits paid to plan member and beneficiaries	9,973,916	-
Refunds paid to plan member and beneficiaries	269,635	-
Retiree claims	140,579	-
Taxes distributed to Visit Minot/All Seasons Arena	-	929,370
Third party premiums	83,855	-
Administrative expenses	<u>161,161</u>	<u>61,487</u>
Total deductions	<u>10,629,146</u>	<u>990,857</u>
Net increase (decrease) in fiduciary net position	(20,677,901)	-
Net position - beginning	<u>98,443,723</u>	-
Net position - ending	<u>\$ 77,765,822</u>	<u>\$ -</u>

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



## NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### A. BASIS OF PRESENTATION

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard setting body for establishing GAAP for governmental accounting and financial reporting. With respect to both the government-wide and business-type fund financial statements, the City has adopted GASB statement No. 62 “*Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements.*” Governments also have the option of following subsequent private-sector guidance for their business-type activities and business-type funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

### B. REPORTING ENTITY

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

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

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

#### Government-Wide Financial Statements

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

Governmental activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely

significantly on fees and charges for support.

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

#### Fund Financial Statements

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

### D. FINANCIAL STATEMENT PRESENTATION

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

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

The City reports the following major governmental funds:

The **General Fund** is the government’s primary operating fund. It accounts for all financial

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resources of the general government, except those required to be accounted for in another fund. Revenue sources include property taxes, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include the functions of public safety and highways and streets.

The **National Disaster Resilience \$74.3 million Fund** accounts for the \$74.3 million grant received from U.S. Department of Housing and Urban Development to assist the City of Minot in reducing flood risk and increase resilience, building affordable resilient neighborhoods, and fostering economic resilience and diversification.

The **Debt Service Fund** is a debt service fund established to accumulate the resources used to pay for the principal and interest for City debt. This includes resources from properties benefitting by special assessment districts, bonds for paving and street projects, and flood control projects which will mature in future years.

The **Capital Infrastructure Fund** is used to account for the cost of highway improvement projects and capital infrastructure purchases deemed beneficial to the citizens of Minot and funded by federal, state, and local funds.

The **Capital Flood Control Fund** is used to account for capital resources used towards flood control projects within the City of Minot. Funding is provided by sales tax collections or debt issuances.

The City reports the following major business-type funds:

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

The **Sanitation Fund** is used to account for residential garbage collection as well as landfill services for the City. The residential and landfill rates fund the expenses and keep the fund self-supporting.

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

Additionally, the government reports the following fund types:

The **Internal Service Funds** account for self-funded health insurance and central garage services provided to other departments of the government, or to other governments, on a cost reimbursement basis.

The **Fiduciary Trust Funds** account for the activities of the City employee pension plan, which accumulates resources for pension benefit payments to qualified employees and the City's other post-employment benefits, which accumulate resources for OPEB payments to qualified employees.

The **Custodial Funds** are used to report resources held by the City in a purely custodial capacity. These funds hotel/motel and motor vehicle taxes (collects lodging and motor vehicle taxes disbursed to Visit Minot and the All Season's Arena) and passthrough for pass-through grants.

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the business-type fund and fiduciary fund financial statements. This focus concentrates on the fund's assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the

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current period. For this purpose, the City considers revenues available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

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

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

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

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

**Cash**

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

Interest earnings are allocated to the funds based on an average balance in the cash account. Those funds with an average negative balance in the cash account are

charged interest at the rate earned by the cash account.

**Investments**

North Dakota state statute authorizes municipalities to invest their surplus funds in: a) bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress; b) securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above; c) certificates of deposit fully insured by the federal deposit insurance corporation or by the state; d) certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions; e) State and local securities: (1) any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency; (2) an obligation of the state housing finance agency that is rated in the highest two categories by a nationally recognized rating agency; (3) any security that is a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency; (4) obligations of this state and general obligations of its political subdivisions; f) commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less. The Pension Trust Funds are authorized to invest all or part of their surplus funds in other investments by selecting a funding agent or agents to hold and invest such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management.

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

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

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

### **Receivables and Payables**

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

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

Lease receivable are recorded at the present value of future lease payments expected to be received from the lessee during the lease term, reduced by any provision for estimated uncollectible amounts. Lease receivables are subsequently reduced over the life of the lease as cash is received in the applicable reporting period. The present value of future lease payments to be received are discounted based on the interest rate the City of Minot charges the lessee.

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

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

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

### **Inventories and Prepaid Items**

Inventories are valued at average cost for the central garage fund and first-in, first-out for the department inventories in the proprietary funds and the governmental funds. The costs of inventory are recognized as expenditures in the governmental funds and as expenses in the proprietary funds when consumed.

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

### **Other Assets – Capital Credits**

The City purchases electrical power, telephone services and fuel from local cooperatives which grants yearly patronage capital credit allocations to its customers. Capital credits represent the customer’s share of ownership in the cooperative. They are held by the cooperative until the board of directors chooses to retire a portion, the balance in the capital credit is not available as cash and is considered non-spendable, unless the board of directors elects this option. At which time the customer will receive a capital credit refund check for the applicable portion. Capital credit allocations are recognized in the year received.

### **Restricted Cash**

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

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

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**Capital and Right-To-Use Assets**

Capital assets, which include land, construction in progress, infrastructure assets (e.g., roads, bridges, and similar items), buildings, equipment, intangibles, and books, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of one year.

Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Capital assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at acquisition value on the date donated.

Additions or improvements that significantly add value to an asset such as extending the useful life of an asset or increasing capacity or efficiency are capitalized. Other costs for repairs and maintenance are expensed as incurred.

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

- Buildings 20-40 years
- Infrastructure 30-100 years
- Equipment 3-10 years
- Intangibles 10 years
- Books 20 years

Right-to-use leased assets are recognized at the lease commencement date and represent the City of Minot's right-to-use an underlying asset for the lease term. Right-to-use leased assets are measured at the initial value of the lease liability plus any payments made to the lessor before commencement of the lease term, less any lease incentives received from the lessor at or before the commencement of the lease term, plus any initial direct costs necessary to place the lease asset into service. Right-to-use leased assets are amortized over the shorter of the lease term or useful life of the underlying asset using the effective interest method. The amortization period varies from 3-5 years.

**Net Position/Fund Balance**

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

resources is "net position" on the government-wide, business-type and fiduciary fund financial statements and "fund balance" on the governmental fund financial statements.

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

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

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

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

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

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

In the event the fund balance exceeds the minimum requirements equal to one month's average expenditures for the budget year, the excess may be utilized for any lawful purpose approved by City

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

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

**Net investment in capital assets** consists of capital and right-to-use assets, net of accumulated depreciation/amortization, reduced by the outstanding principal of capital related borrowings (adjusted by any unamortized premiums, discounts and unspent proceeds related to debt) and any other (non-debt) capital related liabilities as of fiscal year end, including accounts payable and retainage payable. This doesn't include the capital financing program bonds or tax increment financing bonds since these aren't long-term debt related to the acquisition, construction, or improvement of the City's assets.

The City reports capital and operating related liabilities in business-type activities; therefore, these amounts will not directly tie to the financial statements. The calculation of the City's net investment in capital assets is as follows:

	<b>Governmental Activities</b>	<b>Business-Type Activities</b>
Capital assets net of accumulated depreciation/amortization	\$ 380,178,260	\$ 369,857,074
Outstanding principal of capital related debt		
General obligation	(8,575,000)	-
Special assessment	(16,931,938)	(1,918,062)
Excluding unspent proceeds	5,932,167	48,551
Sales tax	(49,530,000)	-
Excluding unspent proceeds	33,270,412	
Revenue bonds	-	(33,655,000)
State revolving fund	(1,538,555)	(13,368,506)
Direct financing leases	(135,642)	-
Leases	(835,344)	(1,055,392)
Capital related liabilities (accounts payable)		
Airport	-	(4,492)
Sanitation	-	(683,056)
Water, sewer & storm sewer	-	(145,553)
Capital infrastructure	(1,896,855)	-
Capital flood control	(1,239,933)	-
Nonmajor governmental funds	(507,264)	-
Capital related liabilities (retainage payable)		
Sanitation	-	(219,180)
Water, sewer & storm sewer	-	(402,454)
Capital infrastructure	1,151,518	-
Capital flood control	495,157	-
Nonmajor governmental funds	61,623	-
Unamortized original issue premiums on outstanding capital debt	(4,705,582)	(653,259)
Unamortized original issue discounts on outstanding capital debt	1,150	188,682
Capital related deferred outflows of resources		
Deferred charge on refunding	-	1,048,883
<b>Total net investment in capital assets</b>	<b>\$ 335,194,174</b>	<b>\$ 319,038,236</b>

**Compensated Absences**

Employees accrue vacation leave at a rate of fourteen days per year for the first five years of continuous service. The accrual rate is increased to seventeen days per year after five years, twenty days per year after ten years, and twenty-three days per year after fifteen years of service. A maximum of 300 vacation hours may be carried over from year to year. Accumulated unpaid vacation is accrued when earned in the government-wide and business-type fund statements.

The City is authorized to provide compensatory time off to employees in lieu of overtime. Compensatory time guidelines differ by department with maximum allowable accrual based on the type of work performed. The employee is entitled to cash out of any unused compensatory time upon termination of employment. Accumulated unpaid compensatory time is accrued when earned in the government-wide and business-type fund statements.

Sick leave is accrued at a rate of eight hours per month of continuous service. Accumulation of sick leave is unlimited; however, liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave. Governmental activities compensated absences are liquidated by the general fund, public transportation, and library fund.

### **Self-Insurance**

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

### **Deferred Inflows of Resources**

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

The deferred inflows of resources related to leases where the City is the lessor is reported in the governmental funds balance sheet and statement of net position. The deferred inflows of resources related to leases are recognized as an inflow of resources (revenue) using the straight line method over the term of the lease.

### **Deferred Outflows of Resources**

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

The City recognizes the following types of deferred outflows of resources:

*Unamortized refunding costs*, which are only recorded in the government-wide and proprietary fund statements of net position, represent the deferred charges on refundings which resulted from the difference in carrying value of refunded debt and its reacquisition price. The amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

*Deferred outflows related to pensions and OPEB* are collective deferred outflows of resources related to pensions and OPEB, which are described in more detail in Note 5D.

### **Long-Term Obligations**

In the government-wide financial statements, and business-type fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or business-type activities statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. In the fund financial statements, governmental fund types recognize bond premiums and discounts during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses.

Lease liabilities represent the City's obligation to make lease payments arising from the lease. Lease liabilities recognized at the lease commencement date based on the present value of future lease payments expected to be made during the lease term. The present value of lease payments are discounted based on a borrowing rate determined by the City.

## **G. REVENUES**

### **Grant Revenue**

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

## **H. PENSIONS/OTHER POST-EMPLOYMENT BENEFITS (OPEB)**

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

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

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

A. The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, “long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds.” The details of this (\$88,111,635) difference are as follows:

Bonds payable	\$ 83,243,866
State revolving fund	1,538,555
Accrued interest payable	570,892
Direct financing leases payable	135,642
Leases payable	835,344
Compensated absences	<u>1,787,335</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 88,111,635</u>

B. The governmental fund statement of revenues, expenditures, and changes in fund balances include reconciliation between net changes in fund balances, total governmental funds and changes in net position of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains “Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.” The details of these differences are as follows:

Donated capital assets	\$ 2,605,561
Capital outlay	28,975,570
Depreciation/amortization expenditure	(17,375,573)
Proceeds from sale of City property	92,523
Gain/(loss) on sale of City property	<u>(147,673)</u>
Net adjustment to decrease net changes in fund balances–total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 14,150,408</u>

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

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

Annual budgets are adopted on a basis consistent with GAAP for the general fund, special revenue funds, and capital project funds. All appropriations lapse at year-end unless encumbered.

The City incurred no material violations of finance-

related legal and contractual provision.

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

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

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

The City had no net position or fund balance deficits as of December 31, 2022.

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

**A. DEPOSITS AND INVESTMENTS**

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

**Government and Business-Type Funds**

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



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investments within the pooled cash portfolio will be held to maturity.

Allowable deposits and investments:

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

*Custodial credit risk:* This is the risk in the event of bank failure, the government's deposits may not be returned to it. Per the City's investment policy, custodial credit risk will be minimized by using the following techniques; limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business; and diversifying the investment portfolio so potential losses on individual securities will be minimized. As of December 31, 2022, the City's deposits were either fully insured or properly collateralized, were held in the City's name, and have no custodial credit risk.

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

*Interest rate risk:* Interest rate risk is the risk changes in interest rates will adversely affect the fair value of an investment. Per the City's investment policy, interest rate risk will be minimized by 1) structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity; and 2) investing operating funds primarily in shorter-term securities, money market funds, or similar investments and limiting the average maturity of the portfolio in accordance with this policy. The charts below summarize the City's investments using segmented time distribution.

As of December 31, 2022, the City has invested in cash and money markets \$149,500,125, \$47,225,440 of U.S. bonds, and certificates of deposit \$20,087,192, which have no credit ratings. The City also has NAWS

investments valued at \$185,443. The fixed income securities are all government agency securities.

**NAWS Investments**

<b>Investment Type</b>	<b>Fair Value</b>	<b>Not-Rated</b>
Cash & money market	\$ 12,838	\$ 12,838
Fixed income		
Government agencies	172,605	172,605
Total fair value	<u>\$ 185,443</u>	<u>\$ 185,443</u>

<b>Maturity (Years)</b>	<b>Fixed Income</b>
1-5	\$ 50,708
5-10	19,599
> 10	102,298
	<u>\$ 172,605</u>

**City of Minot Investments**

<b>Investment Type</b>	<b>Fair Value</b>
Cash & money market	\$ 469,902
Fixed income	
Government agencies	46,755,537
Total fair value	<u>\$ 47,225,440</u>

<b>Credit Rating</b>	<b>Fixed Income</b>
AAA	\$ 1,168,860
AA+	37,661,260
AA	174,086
AA-	99,477
Not rated	439,736
Other	7,212,118
	<u>\$ 46,755,537</u>

<b>Maturity (Years)</b>	<b>Fixed Income</b>
<1	\$ 7,610,028
1-5	36,459,618
5-10	2,685,891
	<u>\$ 46,755,537</u>

The City has the following recurring fair value measurements as of December 31, 2022:

NAWS government agencies of \$172,605 are valued using quoted market prices (Level 1 inputs)  
City government agencies of \$46,755,537 are valued using quoted market prices (Level 1 inputs)

**B. INTERGOVERNMENTAL RECEIVABLES**

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A total of \$23,052,154 is due from intergovernmental receivables. This includes \$6,944,452 due from the Federal government, \$2,835,161 from Housing and Urban Development; \$2,807,899 from Department of Defense, \$951,106 from the Federal Aviation Administration; \$186,046 from Federal Transit Administration; \$127,102 from Federal Railroad Administration; \$34,138 from Department of Homeland Security; \$2,182 from Department of Commerce; and \$818 from Department of Justice. It also includes \$15,958,515 from the State of North Dakota, \$12,644,561 from the State Water Commission for home acquisitions, NAWS, and flood control; \$2,071,824 for city sales tax; \$560,113 of oil & gas taxes; \$360,345 for State Aid Distribution; \$232,037 for Municipal Highway tax; \$53,277 from State Aeronautics; \$14,002 from Office of Attorney General; \$11,856 from Department of Transportation; and \$10,500 from North Dakota Information Technology department; and \$149,187 due from Minot Park District.

**C. RECEIVABLES**

The City has development agreements and business incentive agreements with private-sector businesses that include no-interest, forgivable loans. These agreements range from 5-30 year terms and various forgiveness terms.

are as follows:

Due within one year	\$ 2,533,318
Due after one year	12,747,141
Less: allowance for uncollectible	<u>(13,854,244)</u>
Total loans receivable	<u>\$ 1,426,215</u>

The only receivables not expected to be collected within one year are \$9,714,121 of special assessments deferred and the loans receivables as noted above.

Governmental funds report deferred inflows in connection with receivables for revenues not considered available to liquidate liabilities of the current period.

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

Uncertified special assessments	\$ 7,621,602
Unavailable revenue - property taxes	758,222
Unavailable revenue - special assessments	276,058
Deferred inflows of resources related to leases	<u>316,205</u>
Total deferred inflows of resources	<u>\$ 8,972,087</u>

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

	Taxes		Specials		Loans	Leases	Intergov't	Accrued Interest	Specials	Gross	Less: Allow for	Total Net
	Delinquent	Delinquent	Assessments	Accounts Receivable								
General fund	\$ 694,590	\$ 38,491	\$ 1,184,502	\$ -	\$ 322,133	\$ 922,371	\$ 103,433	\$ 96,563	\$ 3,362,083	\$ (639,087)	\$ 2,722,996	
NDR \$74.3M	-	-	56,594	11,957,840	-	2,184,096	-	-	14,198,530	(11,957,840)	2,240,690	
Debt service	124,256	273,934	-	-	-	6,322	-	7,525,039	7,929,551	-	7,929,551	
Capital infrastructure	46	-	1,240,059	-	-	2,632,812	-	-	3,872,917	(1,164,459)	2,708,458	
Capital flood control	218	-	-	-	-	2,807,899	-	-	2,808,117	-	2,808,117	
Nonmajor governmental funds	75,809	-	193,746	3,322,619	-	2,466,391	1,270	-	6,059,835	(2,031,554)	4,028,281	
Airport	26,304	-	3,098,275	-	3,270,990	1,004,822	8,254	-	7,408,645	-	7,408,645	
Sanitation	-	-	689,615	-	-	-	-	-	689,615	-	689,615	
Water, sewer & storm sewer	225	9,472	4,215,313	-	176,486	11,027,364	48,138	1,213,202	16,690,200	(920,150)	15,770,050	
Nonmajor enterprise funds	6,126	-	29,456	-	135,369	77	342	-	171,370	-	171,370	
Internal service	-	-	143,636	-	-	-	-	-	143,636	-	143,636	
Total net receivables	\$ 927,574	\$ 321,897	\$ 10,851,196	\$ 15,280,459	\$ 3,904,978	\$ 23,052,154	\$ 161,437	\$ 8,834,804	\$ 63,334,499	\$ (16,713,090)	\$ 46,621,409	

Loans receivable as of the end of the current fiscal year

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**D. TAX ABATEMENTS**

As of December 31, 2022, the County provides tax abatements/incentives through four programs, renaissance zone property tax exemptions for commercial buildings, renaissance zone property tax exemptions for residential buildings, exemption of improvements to commercial and residential buildings, and a new business exemption.

The renaissance zone property tax exemptions, NDCC § 40-63, is for commercial and residential buildings located within a renaissance zone that allow for the property to be excluded for up to five years, provided the City approves the exemption. A renaissance zone is a geographic area a City applies to the State Department of Commerce to designate a portion of the City into a renaissance zone. An exemption can be requested for up to 100 percent of the building excluding the land.

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

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

The City does not have a quantitative threshold for disclosing individual tax abatement agreements.

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2022:

Tax Abatement Programs	Amount of taxes abated during the 2022 fiscal year
Renaissance zone exemption - commercial buildings	\$ 33,635
	<u>\$ 33,635</u>

**E. SERVICE CONCESSION ARRANGEMENT**

GASB Statement No. 60 (GASB 60), Accounting and Financial Reporting for Service Concession Arrangements (SCA) defines an SCA as a type of public-private or public-public partnership. The City has determined the following arrangement meets the criteria set forth (where the City is the transferor) and therefore included these SCAs in the City’s financial statements.

On August 1, 2021, the City entered into a five-year agreement with LAZ Parking Midwest, LLC, to operate and manage the parking at the Minot International Airport. LAZ will be compensated by a percentage of annual gross revenues per the terms of the agreement. The City holds an asset and a deferred inflow of resources in the amount of \$2,548,562 that will be amortized over the remaining term of the agreement.

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**F. CAPITAL AND RIGHT-TO-USE ASSETS**

Capital asset activity for the year ended December 31, 2022 was as follows:

Governmental Activities	Beginning Balance			Ending Balance
	1/1/2022*	Additions	Deletions	
Land	\$ 105,144,542	\$ 2,753,919	\$ 80,746	\$ 107,817,715
Construction in progress	11,419,466	31,632,034	9,738,459	33,313,041
Depreciable assets				
Infrastructure	353,295,657	3,916,093	665,233	356,546,517
Buildings	21,877,299	-	-	21,877,299
Equipment	27,418,402	2,144,852	1,036,571	28,526,683
Intangible assets	187,945	789,531	763,269	214,207
Books	3,221,832	175,683	300,735	3,096,780
Totals at historical cost	522,565,143	41,412,112	12,585,013	551,392,242
Accumulated depreciation				
Infrastructure	(125,515,000)	(14,754,012)	655,652	(139,613,360)
Buildings	(10,655,486)	(506,178)	-	(11,161,664)
Equipment	(18,642,208)	(1,546,297)	432,685	(19,755,820)
Intangible assets	-	(152,654)	152,654	-
Books	(1,724,597)	(125,265)	300,735	(1,549,127)
Total accumulated depreciation	(156,537,291)	(17,084,406)	1,541,726	(172,079,971)
Governmental activities capital assets, net	\$ 366,027,852	\$ 24,327,706	\$ 11,043,287	\$ 379,312,271
Business-Type Activities	Beginning Balance			Ending Balance
	1/1/2022*	Additions	Deletions	
Land	\$ 9,647,205	\$ -	\$ -	\$ 9,647,205
Construction in progress	17,584,909	8,561,514	6,893,236	19,253,187
Depreciable assets				
Infrastructure	428,994,305	5,625,589	5,991,367	428,628,527
Buildings	81,103,568	-	-	81,103,568
Equipment	30,932,795	1,109,368	2,832,534	29,209,629
Intangible assets	75,700	158,279	138,779	95,200
Totals at historical cost	568,338,482	15,454,750	15,855,916	567,937,316
Accumulated depreciation				
Infrastructure	(143,098,957)	(18,562,122)	5,991,367	(155,669,712)
Buildings	(20,466,017)	(3,525,484)	-	(23,991,501)
Equipment	(19,280,481)	(1,645,024)	1,386,955	(19,538,550)
Intangible assets	-	(11,565)	11,565	-
Total accumulated depreciation	(182,845,455)	(23,744,195)	7,389,887	(199,199,763)
Business-type activities capital assets, net	385,493,027	(8,289,445)	8,466,029	368,737,553
Total capital assets, net	\$ 751,520,879	\$ 16,038,261	\$ 19,509,316	\$ 748,049,824

\*Items may not be comparable due to the application of GASB 87, the City chose not to restate 2021 financial statements for this standard.

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Right-to-use activity for the year ended December 31, 2022 was as follows:

<b>Governmental Activities</b>	<b>Beginning Balance</b>			<b>Ending Balance</b>
	<b>1/1/2022*</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/22</b>
Right-to-Use Assets:				
Equipment	\$ 402,388	\$ 754,768	\$ -	\$ 1,157,156
Total Right to Use Assets	<u>402,388</u>	<u>754,768</u>	<u>-</u>	<u>1,157,156</u>
Less Accumulated Amortization				
Equipment	-	(291,167)		(291,167)
Total Accumulated Amortization	<u>-</u>	<u>(291,167)</u>	<u>-</u>	<u>(291,167)</u>
Governmental activities right-to-use assets, net	<u>\$ 402,388</u>	<u>\$ 463,601</u>	<u>\$ -</u>	<u>\$ 865,989</u>
<b>Business-Type Activities</b>	<b>Beginning Balance</b>			<b>Ending Balance</b>
	<b>1/1/2022*</b>	<b>Additions</b>	<b>Deletions</b>	<b>12/31/22</b>
Right-to-Use Assets:				
Land	\$ 591	\$ -	\$ -	\$ 591
Equipment	1,445,875	76,544	-	1,522,419
Total Right to Use Assets	<u>1,446,466</u>	<u>76,544</u>	<u>-</u>	<u>1,523,010</u>
Less Accumulated Amortization				
Land	-	(295)		(295)
Equipment	-	(403,194)		(403,194)
Total Accumulated Amortization	<u>-</u>	<u>(403,489)</u>	<u>-</u>	<u>(403,489)</u>
Business-type activities right-to-use assets, net	<u>1,446,466</u>	<u>(326,945)</u>	<u>-</u>	<u>1,119,521</u>
Total right-to-use assets, net	<u>\$ 1,848,854</u>	<u>\$ 136,656</u>	<u>\$ -</u>	<u>\$ 1,985,510</u>

*\*Items may not be comparable due to the application of GASB 87, the City chose not to restate 2021 financial statements for this standard.*

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

<b>Governmental Activities</b>	
General government	\$ 535,030
Public safety	2,410,734
Culture and recreation	305,439
Highways and streets	<u>13,833,203</u>
Total depreciation expenditure - governmental activities	<u>\$ 17,084,406</u>
<b>Business-Type Activities</b>	
Airport	\$ 5,638,000
Cemetery	36,753
Parking authority	574
Sanitation	1,105,934
Water, sewer & storm sewer	15,848,372
Parking ramps	<u>1,114,562</u>
Total depreciation expense - business-type activities	<u>\$ 23,744,195</u>

<b>Governmental Activities</b>	
General government	\$ 2,122
Public safety	181,502
Highways and streets	<u>107,543</u>
Total amortization expenditure - governmental activities	<u>\$ 291,167</u>
<b>Business-Type Activities</b>	
Sanitation	\$ 393,011
Water, sewer & storm sewer	<u>10,478</u>
Total amortization expense - business-type activities	<u>\$ 403,489</u>

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The Souris River Joint Water Resource Board (SRJB), in cooperation with the City, is providing local sponsorship and coordination of the Mouse River Enhanced Flood Protection Project. The City has committed to funding the local cost share (35%) of the entire basin-wide project and to provide the matching funds required under the Department of Water Resources funding (65%). SRJB provides administrative support for the basin-wide project to set forth a phasing plan for flood recovery and flood protection efforts. SRJB also provides overall management and coordination of the project and is the contract holders for the design and construction of each phase. The City's cost share of 35% is recorded as construction in progress for phases within City limits until the phases are in-service. Once the phase is in service, the SRJB donates the Department of Water Resources 65% cost share to the City. At that time, the City is responsible for operation, maintenance and replacement of the project features. The City recorded \$778,330 of donated assets in the fiscal year ended December 31, 2022 related to this project.

**G. COMMITMENTS**

Construction and other significant commitments as of December 31, 2022 were \$55,089,086.

Commitments	Spent to Date	Remaining
General fund	\$ 4,468,670	\$ 747,716
NDR \$74.3M	14,184,740	11,494,834
Capital infrastructure	35,666,456	10,075,605
Capital flood control	21,921,622	24,668,125
Nonmajor governmental funds	15,219,559	3,048,902
Airport	406,682	1,299,875
Sanitation	3,738,546	2,195,111
Water, sewer & storm sewer	27,084,857	1,558,918
	<u>\$ 122,691,132</u>	<u>\$ 55,089,086</u>

The City is committed in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot, the estimated costs of the project remaining is \$133.7 million, with the City's cost share to be approximately \$36.2 million. The City's local share of expenditures to date is approximately \$71.7 million. This project will be funded with sales tax monies approved by the voters in March 1999.

Following is the breakdown of encumbrances by major fund as of December 31, 2022:

**Encumbrances**

General fund	\$ 787,494
NDR \$74.3M	12,285,012
Debt	1,637,441
Capital infrastructure	9,370,957
Capital flood control	24,017,047
Nonmajor governmental funds	4,538,106
Airport	2,803,825
Sanitation	2,339,478
Water, sewer & storm sewer	1,229,803
Total encumbrances	<u>\$ 59,009,163</u>

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

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

The City had no interfund advance to and from balances as of December 31, 2022.

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

	National Disaster Resilience \$74.3M	Nonmajor Governmental Funds	Total Due From
General fund	1,755,187	-	1,755,187
Nonmajor governmental funds	-	147,075	147,075
Total due to	<u>1,755,187</u>	<u>147,075</u>	<u>1,902,262</u>

The outstanding balances between funds result mainly from the time lag between the dates that goods and services are provided and expended and when reimbursement is received. These amounts made within several nonmajor governmental funds are expected to be collected in the subsequent year.

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

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*Transfers in and out.*

	Governmental Funds			
	General Fund	Capital	Nonmajor	Subtotal
		Infrastructure	Governmental	Governmental
		Funds	Transfers Out	
General fund	\$ -	\$ -	\$ 73,907	\$ 73,907
Capital infrastructure	635,972	-	119,850	755,822
Capital flood control	-	-	2,049,868	2,049,868
Nonmajor governmental	11,124,029	80,429	1,882,571	13,087,029
Water, sewer, & storm sewer	253,067	-	342,260	595,327
Total transfers in	<u>\$ 12,013,068</u>	<u>\$ 80,429</u>	<u>\$ 4,468,456</u>	<u>\$ 16,561,953</u>

	Business-Type Funds				
	Sanitation	Water, Sewer, & Storm	Nonmajor	Subtotal	
		Sewer	Enterprise	Business-Type	
		Funds	Business-Type	Total Transfers Out	
General fund	\$ 33	\$ -	\$ -	\$ 33	\$ 73,940
Capital infrastructure	-	-	-	-	755,822
Capital flood control	-	-	-	-	2,049,868
Nonmajor governmental funds	2,300,000	1,840,213	20,382	4,160,595	17,247,624
Water, sewer, & storm sewer	176,098	-	-	176,098	771,425
Total transfers in	<u>\$ 2,476,131</u>	<u>\$ 1,840,213</u>	<u>\$ 20,382</u>	<u>\$ 4,336,726</u>	<u>\$ 20,898,679</u>

**I. LEASES**

For fiscal year 2022, the City implemented the requirements of Governmental Accounting Standards Board Statement No. 87, *Leases*.

**City as Lessee**

The City leases land for a compost site and equipment for various departments. The equipment leases are for a copier machine, heavy machinery, and police in-car and body cameras. The total lease liability at December 31, 2022 is \$835,344 for governmental activities and \$1,055,392 for business-type activities. There are no significant residual payments excluded from the measurement of the lease liability. There are no significant outflows of resources recognized in the current year for other payments, including residual value guarantees or termination penalties, not previously included in the measurement of the lease liability. Interest expense on lease recognized in the current year are \$30,392 for governmental activities and \$37,474 for business-type activities. Interest rates on the leasing arrangements range from 2.22-10.55%.

The following table presents lease principal and interest requirements to maturity:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 331,548	\$ 19,923	\$ 412,184	\$ 25,651
2024	185,287	10,078	423,595	12,534
2025	157,268	5,039	203,938	2,771
2026	161,241	14	15,675	236
	<u>\$ 835,344</u>	<u>\$ 35,054</u>	<u>\$ 1,055,392</u>	<u>\$ 41,192</u>

**City as Lessor**

The City leases land and buildings for various departments. The leases are for hangars at the Minot International Airport, parking lots owned and operated by the Parking Authority, water tower rentals, and office space. There are no significant variable payments excluded from the measurement of the lease receivable and no significant inflows of resources from variable or other payments not previously included in the measurement of the lease receivable. The lease receivable at December 31, 2022 is \$322,133 for governmental activities and \$3,582,845 for business-type activities. The deferred inflows related to leases at December 31, 2022 is \$316,205 for governmental activities and \$3,508,566 for business-type activities.

The City recognized rental income of \$31,321 for governmental activities and \$201,423 for business-type activities and interest income on leases of \$10,208 for governmental activities and \$111,439 for business-type activities. There are no significant leases with options for the lessee to terminate the lease or abate payments if the City issues debt for which the principal and interest payments are secured by the lease payments.

There are no significant leases of assets that are held as investments; no significant regulated leases; and no leasing of assets to other entities considered to be a principal and ongoing operation of the City.

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The following table presents the lease receivables to maturity:

	Governmental Activities		Business-Type Activities	
	Principal	Interest	Principal	Interest
2023	\$ 25,252	\$ 9,473	\$ 139,880	\$ 107,751
2024	26,013	8,710	143,361	103,658
2025	26,848	7,872	136,893	99,119
2026	24,436	7,055	122,430	95,002
2027	18,599	6,434	97,628	91,743
2028-2032	105,431	23,046	350,156	424,190
2033-2037	95,554	5,360	381,104	368,874
2038-2042	-	-	451,359	305,536
2043-2047	-	-	482,546	230,638
2048-2052	-	-	485,227	159,891
2053-2057	-	-	612,734	75,594
2058-2062	-	-	179,527	6,702
	<u>\$ 322,133</u>	<u>\$ 67,950</u>	<u>\$ 3,582,845</u>	<u>\$ 2,068,695</u>

If no implicit interest rate was stated in the leasing arrangement, the City used 3.07% as the determined borrowing rate.

*Direct Financing Leases.* The City has two direct financing lease arrangements for financing the acquisition of two freightliners for the Street department. The agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through direct financing leases are as follows:

	Governmental Activities
Asset:	
Equipment	\$ 411,000
Less: accumulated depreciation	(73,153)
Total	<u>\$ 337,847</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2022, were as follows:

	Governmental Activities
<b>For the year ending December 31, 2022</b>	
2023	<u>\$ 139,346</u>
Total minimum lease payments	139,346
Less: amount representing interest	(3,704)
Present value of minimum lease payments	<u>\$ 135,642</u>

**J. LONG-TERM DEBT**

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

*General Obligation Bonds* are issued to provide funds for the acquisition and construction of major capital

items. They are direct obligations and pledge the full faith and credit of the City of Minot. These bonds are paid through the debt service fund by a tax levy and sales tax funds sufficient to meet the current year's principal and interest payments. The City did not issue any general obligation bonds in 2022. These bonds are generally issued as 10-15-year bonds and the outstanding bonds have interest rates ranging from 2.00% to 4.00%.

General obligation bonds currently outstanding are as follows:

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2012	\$ 2,900,000	\$ 170,000	2.00%	10/01/2023
2013	6,815,000	705,000	3.00%	10/01/2023
2014	3,950,000	870,000	4.00%	10/01/2024
2015	390,000	130,000	3.00%	10/01/2025
2016	10,110,000	6,700,000	3.00-4.00%	10/01/2031
	<u>\$ 24,165,000</u>	<u>\$ 8,575,000</u>		

*Special Assessment Bonds* are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. The City refunded the 2013 issuance in 2022; however the call date of the bonds occurred in 2023. The City has \$18,850,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorem taxes. Interest rates on the outstanding bonds range from 1.60% to 5.00%.

Special assessment bonds currently outstanding are as follows:

Governmental Activities				
Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2012	\$ 1,885,000	\$ 200,000	1.60%	10/01/2023
2013	11,595,000	5,610,000	3.00-4.00%	10/01/2033
2014	4,135,000	1,640,000	3.00-3.375%	10/01/2034
2015	1,835,000	1,300,000	2.00-3.25%	10/01/2035
2016	780,000	590,000	3.00-3.25%	10/01/2036
2021	2,641,137	2,431,938	4.00-5.00%	10/01/2031
2022	5,160,000	5,160,000	5.00%	10/01/2023
	<u>\$ 28,031,137</u>	<u>\$ 16,931,938</u>		

Business-Type Activities				
Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2020	\$ 1,340,000	\$ 1,095,000	2.00%	10/01/2030
2021	893,863	823,062	4.00-5.00%	10/01/2031
	<u>\$ 2,233,863</u>	<u>\$ 1,918,062</u>		



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State Revolving Funds are issued by the State of North Dakota's State Revolving Fund (SRF) to provide funds to finance political subdivisions authorized projects with below-market interest rates. The City used the \$973,398 issued in 2022 to finance the construction of the Broadway pump station. The debt will be paid using income from rates and/or sales tax revenues.

The City has a line of credit of \$2,777,939 in SRF available as of December 31, 2022. At December 31, 2022, no amount had been drawn on the line of credit.

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

State revolving funds currently outstanding are as follows:

**Governmental Activities**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2019	434,122	384,806	1.50%	9/1/2040
2020	801,680	801,680	1.50%	9/1/2040
2021	34,625	34,625	1.50%	9/1/2040
2022	317,444	317,444	1.50%	9/1/2040
	<u>\$ 1,587,871</u>	<u>\$ 1,538,555</u>		

**Business-Type Activities**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2018	\$ 4,285,700	\$ 1,749,730	1.50%	9/1/2038
2018	1,929,799	1,929,799	1.50%	9/1/2040
2019	1,300,461	1,300,461	1.50%	9/1/2038
2019	4,461,339	4,461,339	1.50%	9/1/2040
2020	847,245	847,245	1.50%	9/1/2038
2020	2,078,249	2,078,249	1.50%	9/1/2040
2021	345,729	345,729	1.50%	9/1/2040
2022	655,954	655,954	1.50%	9/1/2040
	<u>\$ 15,904,476</u>	<u>\$ 13,368,506</u>		

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

**Revenue Bonds.** The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Interest rates on the outstanding bonds range from 1.00% to 5.00%. During the year, the City did not issue any revenue bonds for airport, water and sewer projects, or sales tax revenue bonds.

A bond reserve fund is required to be maintained and must be sustained at an amount equal to at least the lesser of the following; 1) the maximum annual debt service on the bond series; 2) 125% of the average annual debt service on the bond; 3) or ten percent of the proceeds of the revenue bond. The City also accrues principal and interest quarterly and maintains the minimum reserve amount required for each bond series.

The following are outstanding revenue bonds:

**Airport**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2015	\$ 11,770,000	\$ 8,335,000	2.25-3.625%	10/01/2035
2020	16,750,000	14,705,000	1.00-1.70%	10/01/2035
	<u>\$ 28,520,000</u>	<u>\$ 23,040,000</u>		

**Water and Sewer**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2012	\$ 3,650,000	\$ 270,000	2.00%	10/01/2023
2012	1,955,000	380,000	2.00%	10/01/2024
2013	5,220,000	2,400,000	3.00-3.50%	10/01/2028
2014	4,200,000	2,160,000	2.45-3.10%	10/01/2029
2015	6,860,000	2,235,000	3.00%	10/01/2025
2016	4,785,000	3,170,000	3.00-4.00%	10/01/2031
	<u>\$ 26,670,000</u>	<u>\$ 10,615,000</u>		

**Sales Tax**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2020	\$ 8,145,000	\$ 7,760,000	1.00-3.00%	10/1/2050
2021	42,555,000	41,770,000	2.00-5.00%	10/1/2051
	<u>\$ 50,700,000</u>	<u>\$ 49,530,000</u>		

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

**Capital Financing Program Bonds**

Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2015	\$ 1,945,000	\$ 1,060,000	3.00-4.00%	06/01/2029

General Obligation Tax Increment Bonds issued for the finance development associated with TIF District #2022-1, the rehabilitation of the Big M building in downtown Minot. The bonds will be payable from ad valorem taxes levied on all taxable property in the City, not subject to limitation as to rate or amount, and from tax increment revenue derived from the TIF district. Interest rates on the outstanding bonds range from 4.54-5.40% with a term of 20 years.

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The following are outstanding tax increment bonds:

Tax Increment Bonds				
Year	Original Amount Issued	Balance Outstanding 12/31/2022	Interest Rate	Matures
2022	\$ 2,385,000	\$ 2,385,000	4.54-5.40%	10/1/2042

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

Governmental Activities	General Obligation Bonds	
	Principal	Interest
2023	\$ 1,980,000	\$ 291,450
2024	1,155,000	223,100
2025	740,000	177,350
2026	720,000	148,200
2027	750,000	119,400
2028-2031	3,230,000	246,000
Total governmental activities	\$ 8,575,000	\$ 1,205,500

Governmental Activities	Special Assessment Bonds	
	Principal	Interest
2023	\$ 7,340,395	\$ 415,067
2024	1,526,625	361,797
2025	767,820	309,904
2026	807,763	281,038
2027	838,970	249,669
2028-2032	4,425,365	727,446
2033-2036	1,225,000	69,390
Total governmental activities	\$ 16,931,938	\$ 2,414,311

Governmental Activities	Sales Tax Revenue Bonds	
	Principal	Interest
2023	\$ 1,035,000	\$ 1,432,904
2024	1,080,000	1,385,254
2025	1,135,000	1,335,454
2026	1,185,000	1,283,104
2027	1,240,000	1,228,354
2028-2032	7,045,000	5,305,559
2033-2037	8,180,000	4,166,139
2038-2042	9,300,000	3,047,977
2043-2047	10,370,000	1,983,587
2048-2051	8,960,000	557,987
Total governmental activities	\$ 49,530,000	\$ 21,726,319

Governmental Activities	Capital Financing Program Bonds	
	Principal	Interest
2023	\$ 135,000	\$ 41,600
2024	140,000	37,625
2025	145,000	33,500
2026	150,000	28,500
2027	155,000	22,600
2028-2029	335,000	30,000
Total governmental activities	\$ 1,060,000	\$ 193,825

Governmental Activities	Tax Increment Bonds	
	Principal	Interest
2023	\$ 115,000	\$ 96,094
2024	100,000	112,847
2025	100,000	108,307
2026	105,000	103,767
2027	110,000	99,000
2028-2032	555,000	415,730
2033-2037	570,000	283,900
2038-2042	730,000	121,490
	\$ 2,385,000	\$ 1,341,135

Governmental Activities	State Revolving Fund	
	Principal	Interest
2023	\$ 75,022	\$ 15,590
2024	76,155	21,953
2025	77,306	20,811
2026	78,473	19,651
2027	79,659	18,474
2028-2032	416,707	74,082
2033-2037	449,141	41,870
2038-2040	286,092	8,626
Total governmental activities	\$ 1,538,555	\$ 221,056

Business-Type Activities	Revenue Bonds	
	Principal	Interest
2023	\$ 3,740,000	\$ 778,569
2024	3,545,000	694,699
2025	3,435,000	612,799
2026	2,725,000	528,149
2027	2,780,000	463,786
2028-2032	11,585,000	1,430,311
2033-2036	5,845,000	284,866
Total business-type activities	\$ 33,655,000	\$ 4,793,179

Business-Type Activities	Special Assessment Bonds	
	Principal	Interest
2023	\$ 199,605	\$ 59,918
2024	208,375	53,688
2025	217,180	47,169
2026	222,237	40,360
2027	231,030	33,298
2028-2031	839,634	60,084
	\$ 1,918,062	\$ 294,516

Business-Type Activities	State Revolving Fund	
	Principal	Interest
2023	\$ 676,726	\$ 160,156
2024	687,642	190,377
2025	703,648	180,062
2026	714,744	169,507
2027	725,933	158,786
2028-2032	3,815,815	626,965
2033-2037	4,165,167	330,524
2038-2039	1,878,832	50,813
Total business-type activities	\$ 13,368,506	\$ 1,867,192

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*Changes in Long Term Liabilities.*

The following is a summary of the activity for long-term liabilities as of December 31, 2022:

	<b>Beginning Balance*</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Governmental Activities</b>					
Bonds payable					
General obligation	\$ 10,495,000	\$ -	\$ (1,920,000)	\$ 8,575,000	\$ 1,980,000
Bond premium, net	125,463	-	(57,928)	67,535	45,853
Tax increment		2,385,000	-	2,385,000	115,000
Bond discount, net		(23,778)	(99)	(23,679)	(1,189)
Special assessment	13,461,137	5,160,000	(1,689,199)	16,931,938	7,340,395
Bond discount, net	(2,434)	-	(1,284)	(1,150)	(89)
Bond premium, net	1,557,213	557,924	(148,334)	1,966,802	373,812
Sales tax	50,515,000	-	(985,000)	49,530,000	1,035,000
Bond premium, net	2,764,240	-	(92,995)	2,671,245	92,995
Capital financing program bonds	1,190,000	-	(130,000)	1,060,000	135,000
Bond premium, net	91,429	-	(10,254)	81,175	10,254
Total bonds payable	80,197,048	8,079,146	(5,035,094)	83,243,866	11,127,031
State revolving fund	1,311,946	317,444	(90,835)	1,538,555	75,022
Direct financing leases	213,685	-	(78,043)	135,642	135,642
Leases	402,388	754,768	(321,812)	835,344	331,548
Compensated absences	1,656,743	1,632,453	(1,501,861)	1,787,335	625,567
Governmental activities long-term liabilities	\$ 83,781,810	\$ 10,783,810	\$ (7,027,644)	\$ 87,540,742	\$ 12,294,811

	<b>Beginning Balance*</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
<b>Business-Type Activities</b>					
Revenue bonds	\$ 37,285,000	\$ -	\$ (3,630,000)	\$ 33,655,000	\$ 3,740,000
Bond discount, net	(210,590)	-	(21,908)	(188,682)	(14,706)
Bond premium, net	515,017	-	(93,005)	422,012	90,519
Special assessment	2,113,863	-	(195,801)	1,918,062	199,605
Bond premium, net	258,730	-	(27,483)	231,247	9,233
State revolving fund	13,466,717	655,954	(754,165)	13,368,506	676,726
Direct financing leases	163,385	-	(163,385)	-	-
Leases	1,446,466	76,544	(467,618)	1,055,392	412,184
Compensated absences	423,950	(327,505)	342,660	439,105	153,687
MSWLF closure & postclosure costs	1,892,789	95,251	-	1,988,040	-
Business-type activities long-term liabilities	\$ 57,355,327	\$ 500,244	\$ (5,010,706)	\$ 52,888,682	\$ 5,267,246

*\*Items may not be comparable due to the application of GASB 87, the City chose not to restate the 2021 financial statements for this standard.*

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

The City's debt limit is \$189,867,763 and the legal debt margin is \$182,123,273.

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**J. FUND BALANCE**

	General Fund	Major Special Revenue Fund National Disaster Resilience \$74.3 M	Major Debt Service Fund	Major Capital Project Fund Capital Infrastructure	Major Capital Project Fund Capital Flood Control	Other Governmental Funds	Total
<b>Fund balances</b>							
<b>Nonspendable</b>							
Inventory	\$ 63,453	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 63,453
Loans receivable	-	-	-	-	-	1,426,215	1,426,215
Prepaid	341,604	10,341	-	-	-	57,116	409,061
Other assets - capital credits	455,189	-	-	-	-	36,068	491,257
	860,246	10,341	-	-	-	1,519,399	2,389,986
<b>Restricted</b>							
Leases	870,398	-	-	-	-	-	870,398
Public safety	44,824	-	-	-	-	10,050	54,874
Debt service	-	-	7,850,508	-	-	-	7,850,508
	915,222	-	7,850,508	-	-	10,050	8,775,780
<b>Committed</b>							
General government	590,931	130,295	-	6,822,586	-	107,995	7,651,807
Public safety	205,536	-	-	1,715,469	24,017,047	7,370,369	33,308,421
Culture and recreation	-	-	-	-	-	17,736	17,736
Highways and streets	533,810	-	-	832,901	-	238,177	1,604,888
Economic development	-	-	-	-	-	9,515,688	9,515,688
Emergency fund	-	-	-	-	-	1,383,548	1,383,548
Sales tax property tax relief	-	-	-	-	-	2,314,203	2,314,203
Sales tax improvements	-	-	-	-	-	4,596,931	4,596,931
Sales tax NAWS	-	-	-	-	-	16,313,136	16,313,136
Sales tax infrastructure	-	-	-	-	-	6,717,982	6,717,982
	1,330,277	130,295	-	9,370,956	24,017,047	48,575,765	83,424,340
<b>Assigned</b>							
General government	2,046,633	-	-	3,705,218	-	931,474	6,683,325
Public safety	407,309	-	-	365,214	11,034,791	98,546	11,905,860
Culture and recreation	181,221	-	-	-	-	283,301	464,522
Debt service	-	-	6,896,737	-	-	-	6,896,737
Highways and streets	3,274,497	-	-	5,913,338	-	12,428	9,200,263
	5,909,661	-	6,896,737	9,983,770	11,034,791	1,325,749	35,150,708
<b>Unassigned</b>	31,010,185	-	-	-	-	-	31,010,185
<b>Total fund balance</b>	<b>\$ 40,025,591</b>	<b>\$ 140,636</b>	<b>\$ 14,747,245</b>	<b>\$ 19,354,726</b>	<b>\$ 35,051,838</b>	<b>\$ 51,430,963</b>	<b>\$ 160,750,999</b>

**NOTE 5-OTHER INFORMATION**

**A. RISK MANAGEMENT**

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

In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDIRF. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and errors and omissions, and \$1,000,000 for auto liability. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance, and airport liability insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

**Employee Health Benefits**

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$100,000 per year per employee with no lifetime maximum except for specific covered services as outlines in the summary plan description. The City's insurer pays all aggregate claims in excess of \$4,883,387.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$269,807. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end.

A summary of the claim liabilities and related claim payments are shown below:

	Beginning Claim Liability	Current Year Claims Incurred and Changes in Estimates	Payments on Claims	Ending Claim Liability
2020	\$ 176,710	\$ 3,226,227	\$ 3,106,294	\$ 296,643
2021	296,643	3,427,408	3,447,930	276,121
2022	276,121	4,675,994	4,682,308	269,807

**B. TERMINATION BENEFITS**

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

As of December 31, 2022, the City had one COBRA participant for health. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is immaterial. The City expects to have former employees on COBRA on an ongoing basis.

**C. CONTINGENT LIABILITIES**

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

**D. IMPLEMENTATION OF GASB 87**

As of December 31, 2022, the City adopted GASB Statement No. 87, *Leases*. The implementation of this standard establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. The standard requires recognition of certain right to use leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. As a result of implementing this standard, the City recognized a lease receivable and deferred inflow

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of resources in the amount of \$3,904,978 and \$3,824,771 as of December 31, 2022, respectively. The City also recognized a right of use asset (net of accumulated amortization) and lease liability of \$1,985,510 and \$1,890,736 as of December 31, 2022, respectively. Accordingly, the City has restated right-to-use assets and lease liability. The restated beginning balance of right of use asset (net of accumulated amortization) and lease liability is \$1,848,854. As a result of these adjustments there was no effect on beginning net position. The additional disclosures required by this standard are included in Notes 4I.

**City of Minot, North Dakota**  
**Combining Statement of Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**December 31, 2022**

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	<b>City Pension Trust</b>	<b>City OPEB Trust</b>	<b>Total Pension Trust Funds 12/31/2022</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 158,225	\$ 91,112	\$ 249,337
Investments:			
U.S. government securities	6,906,439	-	6,906,439
State and local obligations	9,121,237	-	9,121,237
Corporate bonds	9,814,856	477,445	10,292,301
Mutual funds	50,706,867	480,614	51,187,481
Accounts receivable	22,376	426	22,802
Total assets	76,730,000	1,049,597	77,779,597
<b>LIABILITIES</b>			
Accounts payable	3,414	10,361	13,775
Total liabilities	3,414	10,361	13,775
<b>NET POSITION</b>			
Restricted for:			
Pension benefits	76,726,586	-	76,726,586
OPEB benefits	-	1,039,236	1,039,236
Total net position	\$ 76,726,586	\$ 1,039,236	\$ 77,765,822

**City of Minot, North Dakota**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**For the Year-to-Date as of December 31, 2022**

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	<b>City Pension Trust</b>	<b>City OPEB Trust</b>	<b>Total Pension Trust Funds 12/31/2022</b>
<b>ADDITIONS</b>			
Contributions:			
Contributions employer	\$ 5,777,650	\$ 60,215	\$ 5,837,865
Contributions plan members	1,762,463	273,208	2,035,671
Total contributions	7,540,113	333,423	7,873,536
Investment earnings:			
Interest and dividends	3,042,565	36,641	3,079,206
Net increase (decrease) in the fair value of investments	(20,646,255)	(207,290)	(20,853,545)
Total investment earnings	(17,603,690)	(170,649)	(17,774,339)
Less investment expense	146,255	1,697	147,952
Net investment earnings	(17,749,945)	(172,346)	(17,922,291)
Total additions	(10,209,832)	161,077	(10,048,755)
<b>DEDUCTIONS</b>			
Benefits paid to plan member and beneficiaries	9,973,916	-	9,973,916
Refunds paid to plan member and beneficiaries	269,635	-	269,635
Retiree claims	-	140,579	140,579
Third party premiums	-	83,855	83,855
Administrative expenses	147,561	13,600	161,161
Total deductions	10,391,112	238,034	10,629,146
Change in net position	(20,600,944)	(76,957)	(20,677,901)
Net position - beginning	97,327,530	1,116,193	98,443,723
Net position - ending	\$ 76,726,586	\$ 1,039,236	\$ 77,765,822



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**D. EMPLOYEE RETIREMENT PLANS**

The City of Minot administers a defined benefit pension plan covering all civil service full-time employees hired before January 1, 2014 and an Other Post Employment Benefit (OPEB) plan. Each plan is included in the City’s financial reports as Pension and OPEB Trust Funds. The City of Minot Finance Department, PO Box 5006, Minot, North Dakota 58702 has separate actuarial reports for each plan. The City’s defined benefit pension plan and OPEB does not issue a separate report containing the financial statements; therefore, financial statements are included above.

All full-time employees hired after December 31, 2018 are enrolled in the North Dakota Public Employee Retirement System (NDPERS), which is a defined benefit pension system. The City also contributes to the North Dakota Public Employee Retirement System OPEB, which was available for all full-time employees hired after December 31, 2018 and before January 1, 2020. OPEB is closed to new participants.

NDPERS issues a publicly available financial report that includes financial statements and required supplementary information for PERS. That report may be obtained on the internet at [www.nd.gov/ndpers](http://www.nd.gov/ndpers), or by writing to NDPERS at PO Box 1657, Bismarck, ND 58502.

The City of Minot’s defined contribution plan and deferred compensation plan for all full-time employees hired January 1, 2014 through December 31, 2018, is independently administered by Empower Retirement, which acquired Mass Mutual.

As of and for the year ending December 31, 2022, the two defined benefit pension plans had the following balances reported in the government-wide financial statements:

	Net Pension Liability	Deferred Outflows of Resources	Deferred Inflows of Resources	Pension Expense
CEPP (proportionate share)	\$ 72,030,346	\$ 14,016,943	\$ 1,646,068	\$ 7,935,732
NDPERS (proportionate share)	22,587,526	19,709,404	8,805,470	5,218,206
Total Pension Plans	\$ 94,617,872	\$ 33,726,347	\$ 10,451,538	\$ 13,153,938

As of and for the year ending December 31, 2022, the two OPEB plans had the following balances reported in the government-wide financial statements:

	Net OPEB Liability / (Asset)	Deferred Outflows of Resources	Deferred Inflows of Resources	OPEB Expense
CEPP (proportionate share)	\$ (287,758)	\$ 354,110	\$ 418,031	\$ 7,462
NDPERS (proportionate share)	564,277	390,694	11,307	145,038
Total OPEB Plans	\$ 276,519	\$ 744,804	\$ 429,338	\$ 152,500

**CITY OF MINOT DEFINED BENEFIT AND OPEB PLANS**

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

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

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

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

	<b>2022</b>
	<b>Pension</b>
Retirees and beneficiaries receiving benefits	296
Terminated employees	
Vested	30
Non-vested	14
Total terminated employees	44
Active employees	
Vested	123
Non-vested	19
Total active employees	142
Date of annual valuation	1/1/2023

The following table summarizes membership information for the OPEB at the actuarial date:

	<b>OPEB</b>
Retirees with coverage	15
Active employees	
With coverage	142
Waived coverage	20
Total active employees	162
Valuation date	12/31/2021

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

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

55 years old.

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

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

*Contributions Required and Contributions Made.* The actuary does not determine the pension or OPEB contribution rates; rather it is done by employer recommendations within the limits established by state statute. For the pension plan, the employees contributed \$1,762,463 and the employer contributed \$5,777,650. The employer contributed \$60,215 to the OPEB plan. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on actuarial valuations, contributions are providing for a closed amortization period of 30 years (21 years remaining as of January 1, 2023) on the pension unfunded liability at January 1, 2023.

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

*Basis of Accounting.* The City Employee Pension and OPEB Plan financial statements are prepared using the accrual basis of accounting. Employee contributions

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are recognized as revenues in the period they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

*Investment Policy.* The pension plan and OPEB plan policies in regard to the allocation of invested assets is established and may be amended by the CEPP Board by a majority vote of its members. It is the policy of the CEPP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2022:

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

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

The City also has pension & OPEB investments valued at \$76,549,399 and \$958,059, respectively. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

<u>Maturity (Years)</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
<1	\$ 749,433	\$ -
1-5	3,256,159	-
>5-10	7,933,657	-
>10	13,903,283	477,445
	<u>\$ 25,842,532</u>	<u>\$ 477,445</u>

<u>Credit Rating</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
AAA	\$ 3,282,002	\$ -
AA+	8,528,036	-
AA	2,299,985	-
A+	1,033,701	-
A	723,591	-
A-	2,015,718	-
BBB+	2,687,623	-
BBB	2,119,087	-
Not rated	2,196,615	477,445
Other	956,174	-
	<u>\$ 25,842,532</u>	<u>\$ 477,445</u>

<u>Fixed Income Subclass</u>	<u>Pension Fixed Income</u>	<u>OPEB Fixed Income</u>
US treasuries	\$ 53,145	\$ -
Government agencies	6,853,294	-
Corporate bonds	9,814,856	477,445
Taxable municipal debt	9,121,237	-
	<u>\$ 25,842,532</u>	<u>\$ 477,445</u>

The City has the following recurring fair value measurements as of December 31, 2022:

U.S. Treasury securities, government agencies and taxable municipal debt of \$16,036,961 valued using quoted market prices (Level 1 inputs)

Corporate bonds of \$10,292,301 are valued using a matrix pricing model (Level 2 inputs)

Equity securities of \$48,755,415 are valued using quoted market prices (Level 1 inputs)

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

The long-term expected rate of return of 7.5 percent on CEPP and OPEB plan investments was determined using official rates of return under the Global Investment Performance Standards in which best-estimate ranges of expected future real rates of return (expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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<u>Asset Class</u>	<u>Long-Term</u>	
	<u>Target Allocation</u>	<u>Expected Rate of Return</u>
US Fixed Income	28%	3%
International Fixed Income	7%	4%
Domestic Equity	42%	8%
International Equity	15%	9%
Alternative Investments	8%	6%
	<u>100%</u>	

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

*Rate of Return.* For the year ended December 31, 2022, the annual money-weighted rate of return on pension and OPEB plan investments, net of investment expense, was -18.5 and -14.81 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

The costs of administering the City Pension and OPEB

plans are part of the calculation to determine the employer and employee contributions.

**Summary of Actuarial Assumptions and Methods – City of Minot Pension Plan:**

<u>Assumption</u>	<u>Pension</u>
Valuation date	January 1, 2023
Measurement date	January 1, 2023
Actuarial cost method	Entry age normal
Amortization method	Level dollar amount
Remaining amortization period	30 year closed period (21 years remain as of 1/1/23)
Asset valuation method-smoothing	5 years gains and losses
Investment rate of return	7.5%
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Cost of living adjustments	1% after age 65
Marriage rate	85%
Spouse age differential	Males 3 years older than female spouses
Mortality rate	Mortality rates are based on the Pub-2010 and Pub-2010 Mortality tables with Projection Scale MP-2020.

**Summary of Actuarial Assumptions and Methods – City of Minot OPEB Plan:**

<u>Assumptions</u>	<u>OPEB</u>
Valuation date	December 31, 2022
Measurement date	December 31, 2022
Actuarial cost method	Entry age normal level percent of pay. Investment gains/losses are amortized over 5 years, liability gains/losses are amortized over average working lifetime, and plan changes are recognized immediately.
Investment rate of return	7.5%
Healthcare cost trend rates	6.5% initial, trending downward to ultimate rate of 4.0%.
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Inflation Rate	2.50%
Spouse age differential	Males 3 years older than female spouses
Mortality rate	Mortality rates are based on the Pub-2010 and Pub-2010 Mortality tables with Projection Scale MP-2020.
Health insurance elections	50% City employees elect medical coverage 50% City employees elect spousal coverage
Medicare Eligibility	All retirees are assumed to be Medicare eligible at age 65.

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

<u>Fiscal Year</u>	<u>Trend</u>
<u>Beginning</u>	
2022	6.2%
2023	5.9%
2024	5.5%
2025	5.2%
2026-2075	Transition to ultimate rate
2076+	4.0%

*Pension Costs.* As of December 31, 2022, the CEPP reported a net pension liability of \$77,798,101 as determined by the actuarial valuation. The City of Minot reported a liability of \$72,030,346 for its proportionate share of the CEPP's net pension liability

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which was based on its present value of future payroll relative to the total present value of payroll for all participating employers. The City of Minot's proportionate share was 92.59 percent which was an increase of 1.74 percent from its proportion measured as of December 31, 2021.

The components of the net pension liability of all participants as of December 31, 2022 were as follows:

Total pension liability	\$ 154,524,688
Plan fiduciary net position	<u>76,726,587</u>
Net pension liability (asset)	<u>\$ 77,798,101</u>

For the year ended December 31, 2022, The CEPP recognized pension expense of \$8,571,177. The City of Minot recognized pension expense of \$7,935,732 for its proportionate share of the CEPP's pension expense.

At December 31, 2022, the CEPP reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

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

Source	Deferred Outflows of Resources	Deferred Inflows of Resources	City of Minot's Proportionate Share	
			Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 344,252	\$ -	\$ 318,730	\$ -
Changes of assumptions	863,803	-	799,763	-
Net difference between projected and actual earnings on investments	13,044,994	(831,262)	12,077,872	(769,634)
Changes in proportion	876,434	(876,434)	820,578	(876,434)
Total	<u>\$ 15,129,483</u>	<u>\$ (1,707,696)</u>	<u>\$ 14,016,943</u>	<u>\$ (1,646,068)</u>

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**Proportionate**

Year	Pension Plan	Share
2023	1,827,362	1,641,225
2024	2,630,561	2,430,518
2025	3,974,080	3,679,277
2026	4,989,784	4,619,855
2027	-	-
Thereafter	-	-
Total	<u>13,421,787</u>	<u>12,370,875</u>

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

than the current rate:

	1% Decrease (6.5%)	Current Discount Rate (7.5%)	1% Increase (8.5%)
Net pension liability	\$ 95,516,917	\$ 77,798,101	\$ 62,939,925
City of Minot's proportionate share of the Net Pension Liability	88,435,533	72,030,346	58,273,718
Minot Park District's proportionate share of the Net Pension Liability	7,081,384	5,767,755	4,666,207

*OPEB Costs.* As of December 31, 2022, the City OPEB reported a net OPEB asset of \$287,758. The net OPEB asset was measured as of December 31, 2022, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2022. The schedule of changes in the net OPEB asset for the year ended, December 31, 2022 were as follows:

	Increase/(Decrease)		
	Total OPEB Liability	Plan Fiduciary Net Position	Net OPEB Liability (Asset)
Balance at 12/31/21	\$ 770,763	\$ 1,116,193	\$ (345,430)
Changes for the year:			
Service cost	21,109	-	21,109
Interest	61,211	-	61,211
Difference between expected and actual experience	(150,379)	-	(150,379)
Changes in Assumptions	-	-	-
Contributions - employer	-	60,215	(60,215)
Net investment income	-	(172,346)	172,346
Benefit payments	48,573	48,573	-
Administrative expense	-	(13,600)	13,600
Net changes	<u>(19,486)</u>	<u>(77,158)</u>	<u>57,672</u>
Balance at 12/31/22	<u>\$ 751,277</u>	<u>\$ 1,039,035</u>	<u>\$ (287,758)</u>

For the year ended December 31, 2022, the OPEB plan recognized OPEB expense (revenue) of \$7,462.

The plan reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

Source	Balances at December 31, 2022	
	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 189,337	\$ (186,969)
Changes of assumptions	2,205	(231,062)
Net difference between projected and actual earnings on investments	162,568	-
Total	<u>\$ 354,110</u>	<u>\$ (418,031)</u>

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

<u>Year</u>	<u>OPEB Plan</u>
2023	(28,199)
2024	(3,805)
2025	9,296
2026	25,700
2027	(26,453)
Thereafter	<u>(40,460)</u>
Total	<u><u>(63,921)</u></u>

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

	<u>1% Decrease (6.5%)</u>	<u>Current Discount Rate (7.5%)</u>	<u>1% Increase (8.5%)</u>
Net OPEB Liability (Asset)	\$ (224,818)	\$ (287,758)	\$ (344,332)

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

	<u>1% Decrease</u>	<u>Current Trend Rates</u>	<u>1% Increase</u>
Net OPEB Liability (Asset)	\$ (368,627)	\$ (287,758)	\$ (193,431)

**NORTH DAKOTA PUBLIC EMPLOYEE RETIREMENT SYSTEM PENSION PLAN**

**Plan Description**

As of January 1, 2019, all newly hired full-time employees of the City of Minot are required to enroll in the defined benefit plan administered by the North Dakota Public Employee Retirement System (NDPERS). Voluntary enrollment in the NDPERS plan was offered to all members currently participating in the City Defined Contribution Plan.

**Summary of Significant Accounting Policies**

*Pensions.* For purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, and pension expense, information about the fiduciary net position of the 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.

**General Information about the Pension Plan**

***North Dakota Public Employees Retirement System (Main System)***

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

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS 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. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main 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 (65). For members hired on or after January 1, 2016 the Rule of 85 was replaced with the Rule of 90 with a minimum age of 60. 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 hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75%

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multiplier. The plan permits early retirement at ages 55-64 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 for the Main 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 Main 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 for disabled is set by the NDPERS in the North Dakota Administrative Code.

***Refunds of Member Account Balance***

Upon termination, if a member of the Main System is not vested (is not 65 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 set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation

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, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions***

At December 31, 2022, the Employer reported a liability of \$22,587,526 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 Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At June 30, 2022, the Employer's proportion was .784271 percent, which was an increase of .129706 from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Employer recognized pension expense of \$5,218,206. At December 31, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources: \$80,527 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 in the year ended December 31, 2023.

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	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 117,824	\$ 431,460
Changes of assumptions	13,507,673	8,374,010
Net difference between projected and actual earnings on pension plan investments	826,698	-
Changes in proportions and differences between employer contributions and proportionate share of contributions	5,176,682	-
Employer contributions subsequent to the measurement date (see above)	80,527	-
<b>Total</b>	<b>\$ 19,709,404</b>	<b>\$ 8,805,470</b>

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 June 30, 2022:**

2023	\$ 3,833,708
2024	3,680,552
2025	913,090
2026	<u>2,396,057</u>
Total	\$ 10,823,407

**Actuarial assumptions**

The total pension 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	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:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate of Return</b>
Domestic Equity	30%	6.00%
International Equity	21%	6.70%
Private Equity	7%	9.50%
Domestic Fixed Income	23%	0.73%
Global Real Assets	19%	4.77%

**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 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



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Discount Rate is 5.10%.

**Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.** The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 5.10 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (4.10 percent) or 1-percentage-point higher (6.10 percent) than the current rate:

1% Decrease (4.10%)	Current Discount Rate (5.10%)	1% Increase (6.10%)
\$ 29,813,982	\$ 22,587,526	\$ 16,654,858

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

**NORTH DAKOTA RETIREE HEALTH INSURANCE CREDIT FUND (OPEB)**

**Summary of Significant Accounting Policies**

*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.

**General Information about the OPEB Plan**

**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.

**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

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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 Employer reported a liability of \$564,277 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 Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2022, the Employer's proportion was .470111 percent, which was an increase of .034672 from its proportion measured as of June 30, 2021.

For the year ended December 31, 2022, the Employer recognized OPEB expense of \$145,038. At December 31, 2022, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<b>De ferred Outflows of Resources</b>	<b>De ferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 13,378	\$ 4,851
Changes of assumptions	142,134	-
Net difference between projected and actual earnings on OPEB plan investments	75,978	-
Changes in proportions and differences between employer contributions and proportionate share of contributions	157,917	6,456
Employer contributions subsequent to the measurement date (see below)	1,287	-
Total	<u>\$ 390,694</u>	<u>\$ 11,307</u>

\$1,287 reported as deferred outflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended December 31, 2023.

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

<b>Year ended June 30, 2022:</b>		
2023	\$	110,282
2024		106,322
2025		89,116
2026		<u>72,380</u>
Total	\$	378,100

***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, 2022 are summarized in the following table:

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<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-Term Expected Real Rate</b>
Large Cap Domestic Equities	33%	5.85%
Small Cap Domestic Equities	6%	6.75%
Domestic Fixed Income	35%	0.50%
International Equities	26%	6.25%

**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.

**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:

	<b>Current Discount Rate (5.39%)</b>	<b>1% Increase (6.39%)</b>
<b>1% Decrease (4.39%)</b>		
\$ 720,268	\$ 564,277	\$ 433,330

**DEFINED CONTRIBUTION PLAN**

Empower Retirement, previously Mass Mutual serves as the independent administrator of the City's 401(a) Retirement Plan and 457 Plan, a defined contribution plan and a 457(e)(1)(A) deferred compensation plan. This plan is for all full-time employees of the City of Minot and the Minot Park District hired January 1, 2014 through December 31, 2018. The 401(a) plan requires eligible employees to contribute 7.5 percent of their earnings to the Plan. The employee contributions meet the requirements of pick-up contributions under Internal Revenue Code 414(h) (2). The 457(b) plan is provided for those employees who elect to defer a

portion of their compensation.

For each enrolled city employee, the City shall contribute an amount which will equal 400 percent of the amount of the employee's contribution to the 457(e) (1) (A) plan, not to exceed 8 percent of the employee's eligible compensation. Benefit terms, including contribution requirements are established and may be amended by the City Council. For the year ended December 31, 2022, City of Minot employee contributions totaled \$604,661 and the City recognized employer contributions of \$403,159.

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

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

Non-vested City contributions are forfeited following a five year period of severance. Such forfeitures are used to make restorations for rehired participants and to reduce employer contributions or to correct errors, omissions and exclusions. For the year ended December 31, 2022, forfeitures reduced the City's plan expense by \$31,082.

**E. MUNICIPAL SOLID WASTE LANDFILL**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,988,040 reported as MSWLF closure and post-closure care liability at December 31, 2022, represents the cumulative amount reported to date based on the use of 67.09% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.8 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2022.

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The City acquired 320 acres of land in 2017 to expand the landfill, City Council approved the rezoning of the land to public use in March of 2019. The City is currently working towards permitting 100 acres of the land, which will result in an additional 5 cells. It is expected the new cells will expand the life of the landfill approximately 15-20 years putting the anticipated closure in 2045. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

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

#### **H. ISSUED BUT NON-EFFECTIVE ACCOUNTING PRONOUNCEMENTS**

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The first statement issued but not yet implemented that will affect the City is statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA.

The second statement issued but not yet implemented that will affect the City is statement No. 94, *Public-Private and Public-Public Partnerships and Availability Payment Arrangements*. The objective of this statement is to improve financial reporting by addressing issues related to public-private and public-public partnership arrangements (PPPs). As used in this Statement, 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. Some PPPs meet the definition of a service concession arrangement (SCA), which the Board defines in this Statement as a PPP in which (1) the operator collects and is compensated by fees from third parties; (2) the transferor determines or has the ability to modify or approve which services the operator is required to provide, to whom the operator is required to provide the services, and the prices or rates that can be charged for the services; and (3) the transferor is entitled to significant residual interest in the service utility of the underlying PPP asset at the end of the arrangement.

This Statement also provides guidance for accounting and financial reporting for availability payment arrangements (APAs). As defined in this Statement, 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.

Both of these Statements will be implemented at the City in the year ending December 31, 2023 and management has not yet determined the affect this pronouncement will have on the City's financial statements.

#### **I. REQUIRED RESERVE BALANCE**

In 2019, the City of Minot transferred operations of the Recreation and Auditorium department to the Minot Park District, a separate legal entity. The City is required to maintain a \$500,000 reserve fund balance for contributing to the costs of repairs and maintenance for the Minot Park District. The City is required to maintain that balance for 3 years with the City's overall responsibility decreasing by 1/3 in years 2021-2023, but will never exceed the \$500,000. After 2023, the City will no longer be responsible for repairs and maintenance for the Minot Park District. The reserve fund balance is being tracked in the general fund.



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<b>City of Minot Pension Plan</b>									
<b>Schedule of Changes in Net Pension Liability</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Total Pension Liability									
Service cost	\$ 1,631,646	\$ 1,922,055	\$ 1,922,055	\$ 2,082,244	\$ 2,249,894	\$ 2,383,628	\$ 2,629,375	\$ 2,772,781	\$ 2,926,936
Interest	11,228,000	10,981,108	10,400,514	10,075,851	9,842,601	9,549,088	9,316,516	8,987,447	8,647,284
Differences between expected and actual experience	(1,227,099)	447,685	1,007,342	1,829,136	585,846	1,115,928	(129,360)	912,914	930,846
Changes of assumptions	-	411,505	4,210,166	-	-	-	-	-	-
Benefit payments, including refunds of member contributions	(10,365,771)	(9,994,311)	(9,603,346)	(9,393,046)	(9,408,354)	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Net change in total pension liability	1,266,776	3,768,042	7,936,731	4,594,185	3,269,987	4,454,212	3,471,303	4,734,062	4,813,338
Total pension liability--beginning	153,257,912	149,489,870	141,553,139	136,958,954	133,688,967	129,234,755	125,763,452	121,029,390	116,216,052
Total pension liability--ending (a)	<u>\$ 154,524,688</u>	<u>\$ 153,257,912</u>	<u>\$ 149,489,870</u>	<u>\$ 141,553,139</u>	<u>\$ 136,958,954</u>	<u>\$ 133,688,967</u>	<u>\$ 129,234,755</u>	<u>\$ 125,763,452</u>	<u>\$ 121,029,390</u>
Plan fiduciary net position									
Contributions--employer	\$ 5,777,650	\$ 5,779,045	\$ 5,856,306	\$ 5,520,348	\$ 5,699,224	\$ 4,761,786	\$ 4,943,357	\$ 4,250,241	\$ 4,520,993
Contributions--member	1,762,463	1,850,074	2,015,332	2,101,187	2,239,449	2,364,529	2,461,395	2,635,549	2,705,235
Net investment income	(17,756,035)	11,417,983	11,189,672	14,214,347	(3,912,342)	10,005,230	3,888,252	(1,168,638)	4,222,235
Benefit payments, including refunds of member contributions	(10,365,771)	(9,994,311)	(9,603,346)	(9,393,046)	(9,408,354)	(8,594,432)	(8,345,228)	(7,939,080)	(7,691,728)
Administrative expense	(19,250)	(146,419)	(146,056)	(150,337)	(137,437)	(138,656)	(168,872)	(176,725)	(252,270)
Net change in plan fiduciary net position	(20,600,943)	8,906,372	9,311,908	12,292,499	(5,519,459)	8,398,457	2,778,904	(2,398,653)	3,504,465
Plan fiduciary net position--beginning	97,327,530	88,421,158	79,109,250	66,816,751	72,336,210	63,937,754	61,158,850	63,557,503	60,053,038
Plan fiduciary net position--ending (b)	<u>\$ 76,726,587</u>	<u>\$ 97,327,530</u>	<u>\$ 88,421,158</u>	<u>\$ 79,109,250</u>	<u>\$ 66,816,751</u>	<u>\$ 72,336,211</u>	<u>\$ 63,937,753</u>	<u>\$ 61,158,850</u>	<u>\$ 63,557,503</u>
Net pension liability (asset)--ending (a) - (b)	\$ 77,798,101	\$ 55,930,382	\$ 61,068,712	\$ 62,443,889	\$ 70,142,203	\$ 61,352,756	\$ 65,297,001	\$ 64,604,602	\$ 57,471,887

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

<b>City of Minot Pension Plan</b>									
<b>Schedule of Pension Contributions</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Actuarially determined contribution	\$ 5,877,115	\$ 5,660,404	\$ 5,506,052	\$ 5,329,140	\$ 5,253,403	\$ 5,188,965	\$ 5,084,364	\$ 4,721,976	\$ 4,772,530
Contributions in relation to the actuarially determined contribution	5,777,650	5,779,045	5,856,306	5,520,348	5,699,224	4,761,786	4,943,357	4,250,241	4,520,993
Contribution deficiency (excess)	<u>\$ 99,465</u>	<u>\$ (118,641)</u>	<u>\$ (350,254)</u>	<u>\$ (191,208)</u>	<u>\$ (445,821)</u>	<u>\$ 427,179</u>	<u>\$ 141,007</u>	<u>\$ 471,735</u>	<u>\$ 251,537</u>
Covered payroll	\$ 11,660,064	\$ 12,443,766	\$ 13,723,399	\$ 14,252,995	\$ 14,346,729	\$ 15,526,328	\$ 16,111,568	\$ 16,945,005	\$ 16,984,001
Contributions as a percentage of covered payroll	49.55%	46.44%	42.67%	38.73%	39.72%	30.67%	30.68%	25.08%	26.62%

<b>City of Minot Pension Plan</b>									
<b>Schedule of Pension Investment Returns</b>									
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>
Annual money-weighted rate of return, net of investment expenses	-18.5%	13.1%	14.3%	21.6%	-5.5%	15.9%	6.4%	-1.9%	7.1%

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

<b>Fiscal Year Ending</b>	<b>Proportion of the Net Pension Liability</b>	<b>Proportionate Share of the Net Pension Liability</b>	<b>Covered Payroll</b>	<b>Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
2014	92.0500%	\$ 52,902,872	\$ 15,719,104	337%	52.51%
2015	91.8260%	59,323,830	15,620,939	380%	48.63%
2016	91.8533%	59,977,437	14,900,307	403%	49.47%
2017	91.8255%	56,337,499	14,369,546	392%	54.11%
2018	92.0056%	64,534,755	13,213,393	488%	48.79%
2019	90.9758%	56,808,799	12,852,017	442%	55.89%
2020	90.5985%	55,557,719	12,289,971	452%	59.15%
2021	90.8522%	50,813,956	11,154,013	456%	63.51%
2022	92.5863%	72,030,346	10,669,664	675%	49.65%

**City of Minot Pension Plan**  
**Schedule of Contributions - Employer's Proportionate Share**

<b>Fiscal Year Ending</b>	<b>Actuarially Determined Contributions</b>	<b>Actual Contributions in Relation to the Actuarially Determined Contributions</b>	<b>Contribution Deficiency (Excess)</b>	<b>Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2014	\$ 4,393,114	\$ 4,278,573	\$ 114,541	\$ 15,719,104	27.22%
2015	4,336,002	3,993,088	342,914	15,620,939	25.56%
2016	4,670,155	4,678,695	(8,540)	14,900,307	31.40%
2017	4,764,795	4,520,825	243,970	14,369,546	31.46%
2018	4,833,425	5,328,970	(495,545)	13,213,393	40.33%
2019	5,184,912	5,041,069	143,843	12,852,017	39.22%
2020	4,988,402	5,332,496	(344,094)	12,289,971	43.39%
2021	5,142,599	5,211,925	(69,326)	11,154,013	46.73%
2022	5,441,400	5,280,786	160,615	10,669,664	49.49%

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

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

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

Measurement Date: January 1, 2023

Assumption changes: As of 12/31/2021 the Plan updated the mortality improvement scale from Scale MP-2020 to mortality improvement table MP-2021, but the underlying mortality tables of Pub-2010 and PubS-2010 did not change. There were no other changes in Plan provisions, cost allocation procedures, contribution allocation procedures, assumptions or methods from the January 1, 2022 Actuarial Valuation. There were no adjustments of prior measurements or use of approximations which would materially impact the results. Effective January 1, 2014 the Plan has been closed to new participants. As a result of the plan closing, the amortization method was changed



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from an open 30 year level percentage of payroll method to a 30-year close level dollar method. As of January 1, 2023 there are 21 years remaining in the amortization period.

<b>City of Minot Employees' OPEB Plan</b>						
<b>Schedule of Changes in Net OPEB Liability (Asset)</b>						
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Total OPEB Liability						
Service Cost	\$ 21,109	\$ 31,859	\$ 29,453	\$ 27,398	\$ 34,119	\$ 32,965
Interest	61,211	58,379	55,495	66,543	71,789	76,434
Differences between expected and actual experience	(150,379)	254,625	-	(134,261)	-	-
Changes of assumptions	-	(310,738)	1,756	2,865	-	-
Benefit payments (net)	48,573	(19,770)	(81,550)	(142,280)	(195,973)	(149,002)
Net change in total OPEB liability	\$ (19,486)	\$ 14,355	\$ 5,154	\$ (179,735)	\$ (90,065)	\$ (39,603)
Total OPEB Liability--Beginning	770,763	756,408	751,254	930,989	1,021,054	1,060,657
Total OPEB Liability--Ending (a)	<u>\$ 751,277</u>	<u>\$ 770,763</u>	<u>\$ 756,408</u>	<u>\$ 751,254</u>	<u>\$ 930,989</u>	<u>\$ 1,021,054</u>
Plan fiduciary net position						
Contributions--employer	\$ 60,215	\$ 65,343	\$ 85,743	\$ 47,023	\$ 41,482	\$ 41,482
Net investment income	(172,346)	77,159	118,160	179,487	(63,313)	165,108
Benefit payments (net)	48,573	(19,770)	(81,550)	(142,280)	(195,973)	(149,002)
Administrative expense	(13,600)	(13,200)	(13,200)	(2,400)	(2,400)	(13,200)
Other	-	-	-	-	-	-
Net change in plan fiduciary net position	\$ (77,158)	\$ 109,532	\$ 109,153	\$ 81,830	\$ (220,204)	\$ 44,388
Plan fiduciary net position--beginning	1,116,193	1,006,661	897,508	815,678	1,035,882	991,494
Plan fiduciary net position--ending (b)	<u>\$ 1,039,035</u>	<u>\$ 1,116,193</u>	<u>\$ 1,006,661</u>	<u>\$ 897,508</u>	<u>\$ 815,678</u>	<u>\$ 1,035,882</u>
Net OPEB Liability (asset)--ending (a) - (b)	<u>\$ (287,758)</u>	<u>\$ (345,430)</u>	<u>\$ (250,253)</u>	<u>\$ (146,254)</u>	<u>\$ 115,311</u>	<u>\$ (14,828)</u>
Plan fiduciary net position as a percentage of the total OPEB liability (asset)	138.3%	144.8%	133.1%	119.5%	87.6%	101.5%
Covered payroll	\$ 11,500,000	\$ 11,200,000	\$ 13,700,000	\$ 13,200,000	\$ 15,400,000	\$ 14,900,000
Net OPEB liability (asset) as a percentage of covered payroll	-2.5%	-3.1%	-1.8%	-1.1%	0.75%	-0.10%

<b>City of Minot Employees' OPEB Plan</b>						
<b>Schedule of OPEB Contributions</b>						
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Actuarially Determined Contributions	N/A	N/A	N/A	\$ 47,023	\$ 41,482	\$ 41,482
Contributions in Relation to the Actuarially Determined Contributions	N/A	N/A	N/A	47,023	41,482	41,482
Contribution Deficiency (Excess)	N/A	N/A	N/A	\$ -	\$ -	\$ -
Covered Payroll	\$ 11,500,000	\$ 11,200,000	\$ 13,700,000	\$ 13,200,000	\$ 15,400,000	\$ 14,900,000
Contributions as a Percentage of Covered Payroll	N/A	N/A	N/A	0.4%	0.3%	0.3%

<b>City of Minot Employees' OPEB Plan</b>						
<b>Schedule of OPEB Investment Returns</b>						
	<b>2022</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Annual money-weighted rate of return, net of investment expenses	-14.81%	7.54%	13.23%	23.41%	-6.61%	17.73%

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**Notes to City of Minot Employee’s OPEB Plan Schedules**

Methods and assumptions used to determine contribution rates:

<u>Assumption</u>	<u>OPEB</u>
Valuation date	December 31, 2020
Measurement date	December 31, 2022
Actuarial cost methods	Entry age normal level percent of pay. Investment gains/losses are amortized over 5 years, liability gains/losses are amortized over Average Working Lifetime, and Plan changes are recognized immediately.
Asset valuation method-smoothing	5 years gains and losses
Investment rate of return	7.5%
Healthcare cost trend rates	6.5% initial, trending downward to ultimate rate of 4.0%.
Projected salary increases	0-4 years of service 7% 5-12 years of service 4.5% 13+ years of service 4%
Inflation Rate	2.50%
Spouse age differential	males 3 years older than female spouses
Mortality rate	Mortality rates are based on the Pub-2010 and PubS-2010 Mortality tables with Projection Scale MP-2021
Health insurance elections	50% City employees elect medical coverage 50% City employees elect spousal coverage
Medicare Eligibility	All retirees are assumed to become Medicare eligible at age 65.

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

**Assumption changes:**

Medical trend was updated based on recently published trend model and trend surveys to better reflect future anticipated experience. Medical per capita claims tables were updated based on recent experience and demographics. The mortality improvement scale was updated to reflect a recently published table. Participant election rates were updated from 80% to 50% based on the City’s recent historical plan elections. Spouse participation rates were updated from 60% to 50% based on the City’s recent historical medical coverage elections. Approximately \$280,000 of the experience loss was due to claims and premiums experience higher than expected. This was partially offset by approximately \$(25,000) due to census experience since the prior valuation. Approximately \$(305,000) of the assumption liability changes were due to a reduction in the participation assumptions and approximately \$(6,000) was due to updated medical trend rates. There were no other changes in Plan provisions, cost allocation procedures, contribution allocation procedures, assumptions or methods from the previous measurement. Effective January 1, 2014 the Plan has been closed to new participants.

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**ND Public Employees Retirement System**  
**Schedule of City of Minot's Share of Net Pension Liability**

<b>As of measurement date of</b>	<b>Employer's Proportion of the Net Pension Liability</b>	<b>Employer's Proportionate Share of the Net Pension Liability</b>	<b>Employer's Covered Payroll</b>	<b>Employer's Proportionate Share of the Net Pension Liability as a Percentage of Covered Payroll</b>	<b>Plan Fiduciary Net Position as a Percentage of the Total Pension Liability</b>
6/30/2019	0.2270%	\$ 2,660,335	\$ 2,360,950	1.13%	71.66%
6/30/2020	0.5467%	17,199,991	6,031,001	2.85%	48.91%
6/30/2021	0.6546%	6,822,535	7,412,237	6.83%	78.26%
6/30/2022	0.7843%	22,587,526	9,104,099	7.72%	54.47%

**ND Public Employees Retirement System**  
**Schedule of City of Minot's Contributions**

<b>Fiscal Year Ending</b>	<b>Statutorily Determined Contribution</b>	<b>Contributions in Relation to the Statutorily Determined Contribution</b>	<b>Contribution Deficiency (Excess)</b>	<b>Employer's Covered Payroll</b>	<b>Contributions as a Percentage of Covered Payroll</b>
2019	\$ 171,890	\$ 55,027	\$ 116,863	\$ 2,834,998	1.94%
2020	427,048	328,371	98,677	6,244,277	5.26%
2021	546,620	506,244	40,376	7,668,094	6.60%
2022	685,694	702,864	(17,170)	9,675,878	7.26%

The amounts presented for the fiscal year was determined as of the measurement date of the City's net pension liability, which is June 30, of the previous year for NDPERS.

**Notes to North Dakota Employees Retirement System Schedules**

Measurement Date: June 30, 2022

**Changes of benefit terms:**

The interest rate earned on member contributions decreased from 6.50 percent to 6.00 percent effective January 1, 2023 (based on the adopted decrease in the investment return assumption). New Main System 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). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 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.

**Changes of assumptions:**

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 first use commencing with the actuarial valuation as of July 1, 2020.

City of Minot  
Annual Comprehensive Financial Report  
December 31, 2022  
Required Supplementary Information

ND Public Employees Retirement System OPEB Plan  
Schedule of City of Minot's Share of Net OPEB Liability

As of measurement date of	Employer's Proportion of the Net OPEB Liability	Employers's Proportionate Share of the Net OPEB Liability	Employer's Covered Payroll	Employer's	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
				Proportionate Share of the Net OPEB Liability as a Percentage of Covered Payroll	
6/30/2019	0.2119%	\$ 169,940	\$ 2,360,950	7.20%	63.13%
6/30/2020	0.4536%	381,576	5,171,035	7.38%	63.38%
6/30/2021	0.4354%	242,179	4,747,412	5.10%	76.63%
6/30/2022	0.4701%	564,277	4,853,448	11.63%	56.28%

ND Public Employees Retirement System OPEB Plan  
Schedule of City of Minot's Contributions

Fiscal Year Ending	Statutorily Determined Contribution	Contributions in Relation to the			Employer's Covered Payroll	Contributions as a Percentage of Covered Payroll
		Statutorily Required Contribution	Contribution Deficiency (Excess)	Employer's Covered Payroll		
2019	\$ 27,458	\$ 8,810	\$ 18,648	\$ 2,360,950	0.37%	
2020	60,749	50,628	10,121	5,171,035	0.98%	
2021	57,089	59,453	(2,364)	4,747,412	1.25%	
2022	59,072	63,188	(4,116)	5,270,658	1.20%	

The amounts presented for the fiscal year was determined as of the measurement date of the City's net pension liability, which is June 30, of the previous year for NDPERS.

Notes to North Dakota Employees Retirement System OPEB Plan Schedules

Measurement Date: June 30, 2022

Changes of benefit terms:

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.

Changes of assumptions:

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.



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# Supplementary Information

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Debt Service Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Debt</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property tax collections	\$ 3,666,658	\$ 3,666,658	\$ 3,549,875	\$ (116,783)
Special assessment collections	1,513,130	1,513,130	3,217,924	1,704,794
Interest income (loss)	-	-	138,239	138,239
Miscellaneous	172,598	172,598	172,598	-
Total revenues	<u>5,352,386</u>	<u>5,352,386</u>	<u>7,078,636</u>	<u>1,726,250</u>
<b>EXPENDITURES</b>				
Current:				
General government	-	2,361,463	766,108	1,595,355
Debt service:				
Principal retirement	4,861,647	4,865,103	4,879,767	(14,664)
Interest	1,253,250	2,344,103	2,384,727	(40,624)
Administrative charges	10,188	10,188	7,532	2,656
Total expenditures	<u>6,125,085</u>	<u>9,580,857</u>	<u>8,038,134</u>	<u>1,542,723</u>
Excess (deficiency) of revenues over (under) expenditures	(772,699)	(4,228,471)	(959,498)	3,268,973
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	-	2,385,000	7,545,000	5,160,000
Premium on bonds sold	-	-	557,924	557,924
Discount on bonds sold	-	(23,778)	(23,778)	-
Total other financing sources (uses)	<u>-</u>	<u>2,361,222</u>	<u>8,079,146</u>	<u>5,717,924</u>
Net change in fund balance	<u>\$ (772,699)</u>	<u>\$ (1,867,249)</u>	7,119,648	<u>\$ 8,986,897</u>
Fund balances (deficits) - beginning			7,627,597	
Fund balances (deficits) - ending			<u>\$14,747,245</u>	

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Capital Project Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Capital Infrastructure</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 6,590	\$ 6,590
Intergovernmental	6,212,712	6,212,712	13,307,428	7,094,716
Interest income (loss)	40,434	40,434	194,531	154,097
Miscellaneous	-	-	405,039	405,039
Total revenues	<u>6,253,146</u>	<u>6,253,146</u>	<u>13,913,588</u>	<u>7,660,442</u>
<b>EXPENDITURES</b>				
Capital outlay:				
General government	-	4,340,654	4,134,974	205,680
Public safety	4,691,664	11,242,556	5,001,610	6,240,946
Highways and streets	7,534,475	13,156,384	8,667,992	4,488,392
Total expenditures	<u>12,226,139</u>	<u>28,739,594</u>	<u>17,804,576</u>	<u>10,935,018</u>
Excess (deficiency) of revenues over (under) expenditures	(5,972,993)	(22,486,448)	(3,890,988)	18,595,460
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	35,000	35,000	-	(35,000)
Transfers in	-	-	80,429	80,429
Transfers out	-	(663,069)	(755,822)	(92,753)
Total other financing sources (uses)	<u>35,000</u>	<u>(628,069)</u>	<u>(675,393)</u>	<u>(47,324)</u>
Net change in fund balance	<u>\$ (5,937,993)</u>	<u>\$ (23,114,517)</u>	<u>(4,566,381)</u>	<u>\$18,548,136</u>
Fund balances (deficits) - beginning			<u>23,921,107</u>	
Fund balances (deficits) - ending			<u>\$19,354,726</u>	



**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Capital Project Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Capital Flood Control</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 156	\$ 156
Intergovernmental	-	-	2,807,899	2,807,899
Interest income (loss)	-	-	(750,811)	(750,811)
Total revenues	-	-	2,057,244	2,057,244
<b>EXPENDITURES</b>				
Capital outlay:				
Public safety	14,350,000	37,093,840	7,934,696	29,159,144
Total expenditures	14,350,000	37,093,840	7,934,696	29,159,144
Excess (deficiency) of revenues over (under) expenditures	(14,350,000)	(37,093,840)	(5,877,452)	31,216,388
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	14,350,000	14,350,000	317,444	(14,032,556)
Transfers out	-	(2,049,868)	(2,049,868)	-
Total other financing sources (uses)	14,350,000	12,300,132	(1,732,424)	(14,032,556)
Net change in fund balance	<u>\$ -</u>	<u>\$ (24,793,708)</u>	<u>(7,609,876)</u>	<u>\$17,183,832</u>
Fund balances (deficits) - beginning			42,661,714	
Fund balances (deficits) - ending			<u>\$ 35,051,838</u>	



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**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2022**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds 12/31/2022</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 44,060,205	\$ 1,811,536	\$ 45,871,741
Restricted cash and cash equivalents	-	10,050	10,050
Investments current	4,122,428	-	4,122,428
Taxes receivable delinquent	62,495	13,314	75,809
Due from other funds	147,075	-	147,075
Accounts receivable	178,746	15,000	193,746
Allowance for accounts receivable	(135,150)	-	(135,150)
Intergovernmental receivable	2,466,294	97	2,466,391
Loans receivable	3,322,619	-	3,322,619
Allowance for loans receivable	(1,896,404)	-	(1,896,404)
Accrued interest receivable	1,270	-	1,270
Prepaid	56,779	337	57,116
Other assets - capital credits	36,068	-	36,068
Investments	185,443	-	185,443
Total assets	<u>\$ 52,607,868</u>	<u>\$ 1,850,334</u>	<u>\$ 54,458,202</u>
<b>LIABILITIES</b>			
Accounts payable	\$ 1,833,802	\$ 507,264	\$ 2,341,066
Retainage payable	311,021	61,623	372,644
Accrued salaries and benefits payable	93,618	-	93,618
Due to other funds	147,075	-	147,075
Unearned revenue - other	6,792	-	6,792
Total liabilities	<u>2,392,308</u>	<u>568,887</u>	<u>2,961,195</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Unavailable revenue - property taxes	53,116	12,928	66,044
Total deferred inflows of resources	<u>53,116</u>	<u>12,928</u>	<u>66,044</u>
<b>FUND BALANCES (DEFICITS)</b>			
Nonspendable	1,519,062	337	1,519,399
Restricted	-	10,050	10,050
Committed	47,428,607	1,147,158	48,575,765
Assigned	1,214,775	110,974	1,325,749
Total fund balance	<u>50,162,444</u>	<u>1,268,519</u>	<u>51,430,963</u>
Total liabilities, inflows, and fund balance	<u>\$ 52,607,868</u>	<u>\$ 1,850,334</u>	<u>\$ 54,458,202</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Special Revenue Funds</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds 12/31/2022</b>
<b>REVENUES</b>			
Property tax collections	\$ 1,651,938	\$ 14,231	\$ 1,666,169
Sales tax collections	25,588,350	-	25,588,350
Intergovernmental	4,467,047	1,038,935	5,505,982
Charges for services	72,954	280	73,234
Interest income (loss)	45,031	28,642	73,673
Miscellaneous	845,751	103,843	949,594
Total revenues	<u>32,671,071</u>	<u>1,185,931</u>	<u>33,857,002</u>
<b>EXPENDITURES</b>			
Current			
General government	5,777,159	-	5,777,159
Public safety	8,495,366	-	8,495,366
Culture and recreation	6,415,112	-	6,415,112
Economic development	1,589,076	-	1,589,076
Capital outlay			
General government	-	43,652	43,652
Public safety	-	2,543,143	2,543,143
Highways and streets	-	482,834	482,834
Culture and recreation	-	166,669	166,669
Total expenditures	<u>22,276,713</u>	<u>3,236,298</u>	<u>25,513,011</u>
Excess (deficiency) of revenues over (under) expenditures	10,394,358	(2,050,367)	8,343,991
<b>OTHER FINANCING SOURCES (USES)</b>			
Leases (lessee)	-	754,768	754,768
Sale of City property	-	77,523	77,523
Transfers in	4,052,289	416,167	4,468,456
Transfers out	(17,247,624)	-	(17,247,624)
Total other financing sources (uses)	<u>(13,195,335)</u>	<u>1,248,458</u>	<u>(11,946,877)</u>
Net change in fund balances	(2,800,977)	(801,909)	(3,602,886)
Fund balances (deficits) - beginning	52,963,421	2,070,428	55,033,849
Fund balances (deficits) - ending	<u>\$ 50,162,444</u>	<u>\$ 1,268,519</u>	<u>\$ 51,430,963</u>



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

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

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

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

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

**Sales Tax Funds** – The first penny sales tax is dedicated 10% to property tax, 15% to economic development, and 25% to improvements, 50% to flood control. The second penny sales tax is dedicated 18% to property tax relief, 18% to community facilities or flood control, 24% to infrastructure, and 40% to Northwest Area Water Supply (NAWS).

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

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



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**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

	<b>Public</b>		<b>Emergency</b>	<b>Sales Tax</b>	<b>Sales Tax</b>
	<b>Transportation</b>	<b>Library</b>	<b>Fund</b>	<b>Property Tax</b>	<b>Economic</b>
				<b>1st Penny</b>	<b>Development</b>
<b>ASSETS</b>					
Cash and cash equivalents	\$ 798,540	\$ 341,420	\$ 1,383,548	\$ 782,602	\$ 9,471,731
Investments current	-	-	-	-	-
Taxes receivable delinquent	10,441	51,340	714	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	394	43,202	-	-	-
Allowance for accounts receivable	-	-	-	-	-
Intergovernmental receivable	198,053	800	-	103,591	155,387
Loans receivable	-	-	-	-	3,322,619
Allowance for loans receivable	-	-	-	-	(1,896,404)
Accrued interest receivable	-	-	-	-	-
Prepaid	13,679	32,759	-	-	-
Other assets - capital credits	16,159	19,909	-	-	-
Investments	-	-	-	-	-
Total assets	<u>\$ 1,037,266</u>	<u>\$ 489,430</u>	<u>\$ 1,384,262</u>	<u>\$ 886,193</u>	<u>\$ 11,053,333</u>
<b>LIABILITIES</b>					
Accounts payable	\$ 23,063	\$ 38,004	\$ -	\$ -	\$ 111,430
Retainage payable	-	-	-	-	-
Accrued salaries and benefits payable	37,196	54,279	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue - other	6,792	-	-	-	-
Total liabilities	<u>67,051</u>	<u>92,283</u>	<u>-</u>	<u>-</u>	<u>111,430</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	8,903	43,499	714	-	-
Total deferred inflows of resources	<u>8,903</u>	<u>43,499</u>	<u>714</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	29,838	52,668	-	-	1,426,215
Committed	-	17,679	1,383,548	886,193	9,515,688
Assigned	931,474	283,301	-	-	-
Total fund balance	<u>961,312</u>	<u>353,648</u>	<u>1,383,548</u>	<u>886,193</u>	<u>10,941,903</u>
Total liabilities, inflows and fund balance	<u>\$ 1,037,266</u>	<u>\$ 489,430</u>	<u>\$ 1,384,262</u>	<u>\$ 886,193</u>	<u>\$ 11,053,333</u>



**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

	Sales Tax Improvements	Sales Tax Flood Control	Sales Tax NAWS	Sales Tax Property Tax Relief 2nd Penny	Sales Tax Infrastructure
<b>ASSETS</b>					
Cash and cash equivalents	\$ 4,337,953	\$ 4,730,410	\$ 17,035,586	\$ 1,241,546	\$ 2,345,665
Investments current	-	-	-	-	4,122,428
Taxes receivable delinquent	-	-	-	-	-
Due from other funds	-	-	-	-	-
Accounts receivable	-	-	-	-	135,150
Allowance for accounts receivable	-	-	-	-	(135,150)
Intergovernmental receivable	258,978	517,956	414,365	186,464	248,619
Loans receivable	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-
Accrued interest receivable	-	-	-	-	1,270
Prepaid	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-
Investments	-	-	185,443	-	-
Total assets	<u>\$ 4,596,931</u>	<u>\$ 5,248,366</u>	<u>\$ 17,635,394</u>	<u>\$ 1,428,010</u>	<u>\$ 6,717,982</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 339,002	\$ 1,322,258	\$ -	\$ -
Retainage payable	-	311,021	-	-	-
Accrued salaries and benefits payable	-	-	-	-	-
Due to other funds	-	-	-	-	-
Unearned revenue - other	-	-	-	-	-
Total liabilities	<u>-</u>	<u>650,023</u>	<u>1,322,258</u>	<u>-</u>	<u>-</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>					
Unavailable revenue - property taxes	-	-	-	-	-
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>FUND BALANCES (DEFICITS)</b>					
Nonspendable	-	-	-	-	-
Committed	4,596,931	4,598,343	16,313,136	1,428,010	6,717,982
Assigned	-	-	-	-	-
Total fund balance	<u>4,596,931</u>	<u>4,598,343</u>	<u>16,313,136</u>	<u>1,428,010</u>	<u>6,717,982</u>
Total liabilities, inflows and fund balance	<u>\$ 4,596,931</u>	<u>\$ 5,248,366</u>	<u>\$ 17,635,394</u>	<u>\$ 1,428,010</u>	<u>\$ 6,717,982</u>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2022**

	<b>Sales Tax Community Facilities/ Flood Control</b>	<b>CDBG-DR \$67.5M</b>	<b>CDBG-DR \$35 M</b>	<b>Total 12/31/2022</b>
<b>ASSETS</b>				
Cash and cash equivalents	\$ 1,591,204	\$ -	\$ -	\$ 44,060,205
Investments current	-	-	-	4,122,428
Taxes receivable delinquent	-	-	-	62,495
Due from other funds	147,075	-	-	147,075
Accounts receivable	-	-	-	178,746
Allowance for accounts receivable	-	-	-	(135,150)
Intergovernmental receivable	186,464	179,842	15,775	2,466,294
Loans receivable	-	-	-	3,322,619
Allowance for loans receivable	-	-	-	(1,896,404)
Accrued interest receivable	-	-	-	1,270
Prepaid	-	10,341	-	56,779
Other assets - capital credits	-	-	-	36,068
Investments	-	-	-	185,443
Total assets	<u>\$ 1,924,743</u>	<u>\$ 190,183</u>	<u>\$ 15,775</u>	<u>\$ 52,607,868</u>
<b>LIABILITIES</b>				
Accounts payable	\$ -	\$ 45	\$ -	\$ 1,833,802
Retainage payable	-	-	-	311,021
Accrued salaries and benefits payable	-	2,143	-	93,618
Due to other funds	-	131,300	15,775	147,075
Unearned revenue - other	-	-	-	6,792
Total liabilities	<u>-</u>	<u>133,488</u>	<u>15,775</u>	<u>2,392,308</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable revenue - property taxes	-	-	-	53,116
Total deferred inflows of resources	<u>-</u>	<u>-</u>	<u>-</u>	<u>53,116</u>
<b>FUND BALANCES (DEFICITS)</b>				
Nonspendable	-	10,341	-	1,519,062
Committed	1,924,743	46,354	-	47,428,607
Assigned	-	-	-	1,214,775
Total fund balance	<u>1,924,743</u>	<u>56,695</u>	<u>-</u>	<u>50,162,444</u>
Total liabilities, inflows and fund balance	<u>\$ 1,924,743</u>	<u>\$ 190,183</u>	<u>\$ 15,775</u>	<u>\$ 52,607,868</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Public</b>		<b>Emergency</b>	<b>Sales Tax</b>	<b>Sales Tax</b>
	<b>Transportation</b>	<b>Library</b>	<b>Fund</b>	<b>Property Tax</b>	<b>Economic</b>
				<b>Relief</b>	<b>Development</b>
				<b>1st Penny</b>	
<b>REVENUES</b>					
Property tax collections	\$ 277,244	\$ 1,374,527	\$ 167	\$ -	\$ -
Sales tax collections	-	-	-	1,279,417	1,919,126
Intergovernmental	740,237	73,722	-	-	-
Charges for services	63,609	9,345	-	-	-
Interest income (loss)	9,017	6,982	13,157	5,728	78,671
Miscellaneous	21,758	102,511	-	-	720,545
Total revenues	<u>1,111,865</u>	<u>1,567,087</u>	<u>13,324</u>	<u>1,285,145</u>	<u>2,718,342</u>
<b>EXPENDITURES</b>					
Current:					
General government	1,280,296	-	-	-	-
Public safety	-	-	337,445	-	-
Culture and recreation	-	1,709,910	-	-	-
Economic development	-	-	-	-	1,589,076
Total expenditures	<u>1,280,296</u>	<u>1,709,910</u>	<u>337,445</u>	<u>-</u>	<u>1,589,076</u>
Excess (deficiency) of revenues over (under) expenditures	(168,431)	(142,823)	(324,121)	1,285,145	1,129,266
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	163,000	-	-	-
Transfers out	-	-	-	(1,000,000)	(228,540)
Total other financing sources (uses)	<u>-</u>	<u>163,000</u>	<u>-</u>	<u>(1,000,000)</u>	<u>(228,540)</u>
Net change in fund balances	(168,431)	20,177	(324,121)	285,145	900,726
Fund balances (deficits) - beginning	1,129,743	333,471	1,707,669	601,048	10,041,177
Fund balances (deficits) - ending	<u>\$ 961,312</u>	<u>\$ 353,648</u>	<u>\$ 1,383,548</u>	<u>\$ 886,193</u>	<u>\$ 10,941,903</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2022**

	Sales Tax Improvements	Sales Tax Flood Control	Sales Tax NAWS	Sales Tax Property Tax Relief 2nd Penny	Sales Tax Infrastructure
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ -	\$ -	\$ -
Sales tax collections	3,198,544	6,397,088	5,117,670	2,302,952	3,070,601
Intergovernmental	-	-	-	-	-
Charges for services	-	-	-	-	-
Interest income (loss)	43,150	45,771	50,722	9,840	(238,319)
Miscellaneous	-	937	-	-	-
Total revenues	<u>3,241,694</u>	<u>6,443,796</u>	<u>5,168,392</u>	<u>2,312,792</u>	<u>2,832,282</u>
<b>EXPENDITURES</b>					
Current:					
General government	-	-	4,463,100	-	-
Public safety	-	8,157,921	-	-	-
Culture and recreation	-	-	-	-	-
Economic development	-	-	-	-	-
Total expenditures	<u>-</u>	<u>8,157,921</u>	<u>4,463,100</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	3,241,694	(1,714,125)	705,292	2,312,792	2,832,282
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	3,849,868	-	-	-
Transfers out	(4,788,459)	(2,084,473)	(798,603)	(2,050,000)	(4,497,549)
Total other financing sources (uses)	<u>(4,788,459)</u>	<u>1,765,395</u>	<u>(798,603)</u>	<u>(2,050,000)</u>	<u>(4,497,549)</u>
Net change in fund balances	(1,546,765)	51,270	(93,311)	262,792	(1,665,267)
Fund balances (deficits) - beginning	6,143,696	4,547,073	16,406,447	1,165,218	8,383,249
Fund balances (deficits) - ending	<u>\$ 4,596,931</u>	<u>\$ 4,598,343</u>	<u>\$ 16,313,136</u>	<u>\$ 1,428,010</u>	<u>\$ 6,717,982</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year-to-Date as of December 31, 2022**

	Sales Tax Community Facilities/ Flood Control	CDBG-DR \$67.5M	CDBG-DR \$35M	Total 12/31/2022
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ -	\$ 1,651,938
Sales tax collections	2,302,952	-	-	25,588,350
Intergovernmental	3,602,099	50,989	-	4,467,047
Charges for services	-	-	-	72,954
Interest income (loss)	20,264	48	-	45,031
Miscellaneous	-	-	-	845,751
Total revenues	<u>5,925,315</u>	<u>51,037</u>	<u>-</u>	<u>32,671,071</u>
<b>EXPENDITURES</b>				
Current				
General government	-	33,763	-	5,777,159
Public safety	-	-	-	8,495,366
Culture and recreation	4,705,202	-	-	6,415,112
Economic development	-	-	-	1,589,076
Total expenditures	<u>4,705,202</u>	<u>33,763</u>	<u>-</u>	<u>22,276,713</u>
Excess (deficiency) of revenues over (under) expenditures	1,220,113	17,274	-	10,394,358
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	39,421	-	4,052,289
Transfers out	(1,800,000)	-	-	(17,247,624)
Total other financing sources (uses)	<u>(1,800,000)</u>	<u>39,421</u>	<u>-</u>	<u>(13,195,335)</u>
Net change in fund balances	(579,887)	56,695	-	(2,800,977)
Fund balances (deficits) - beginning	2,504,630	-	-	52,963,421
Fund balances (deficits) - ending	<u>\$ 1,924,743</u>	<u>\$ 56,695</u>	<u>\$ -</u>	<u>\$ 50,162,444</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Public Transportation</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property tax collections	\$ 285,109	\$ 285,109	\$ 277,244	\$ (7,865)
Intergovernmental	773,975	758,975	740,237	(18,738)
Charges for services	40,000	40,000	63,609	23,609
Interest income (loss)	-	-	9,017	9,017
Miscellaneous	17,160	17,160	21,758	4,598
Total revenues	<u>1,116,244</u>	<u>1,101,244</u>	<u>1,111,865</u>	<u>10,621</u>
<b>EXPENDITURES</b>				
Current:				
General government	<u>1,366,244</u>	<u>1,397,601</u>	<u>1,280,296</u>	<u>117,305</u>
Total expenditures	<u>1,366,244</u>	<u>1,397,601</u>	<u>1,280,296</u>	<u>117,305</u>
Net change in fund balances	<u>\$(250,000)</u>	<u>\$(296,357)</u>	(168,431)	<u>\$ 127,926</u>
Fund balances (deficits) - beginning			<u>1,129,743</u>	
Fund balances (deficits) - ending			<u>\$ 961,312</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Library</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>12/31/2022 Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property tax collections	\$ 1,414,664	\$ 1,414,664	\$ 1,374,527	\$ (40,137)
Intergovernmental	54,331	64,331	73,722	9,391
Charges for services	15,700	15,700	9,345	(6,355)
Interest income (loss)	78	78	6,982	6,904
Miscellaneous	20,000	64,931	102,511	37,580
Total revenues	<u>1,504,773</u>	<u>1,559,704</u>	<u>1,567,087</u>	<u>7,383</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	<u>1,687,773</u>	<u>1,830,897</u>	<u>1,709,910</u>	<u>120,987</u>
Total expenditures	<u>1,687,773</u>	<u>1,830,897</u>	<u>1,709,910</u>	<u>120,987</u>
Excess (deficiency) of revenues over (under) expenditures	(183,000)	(271,193)	(142,823)	128,370
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	<u>183,000</u>	<u>183,000</u>	<u>163,000</u>	<u>(20,000)</u>
Total other financing sources (uses)	<u>183,000</u>	<u>183,000</u>	<u>163,000</u>	<u>(20,000)</u>
Net change in fund balances	<u>\$ -</u>	<u>\$ (88,193)</u>	20,177	<u>\$ 108,370</u>
Fund balances (deficits) - beginning			<u>333,471</u>	
Fund balances (deficits) - ending			<u>\$ 353,648</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Emergency Fund</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>12/31/2022 Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ 167	\$ 167
Interest income (loss)	-	-	13,157	13,157
Total revenues	<u>-</u>	<u>-</u>	<u>13,324</u>	<u>13,324</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	-	337,445	337,445	-
Total expenditures	<u>-</u>	<u>337,445</u>	<u>337,445</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (337,445)</u>	<u>(324,121)</u>	<u>\$ 13,324</u>
Fund balances (deficits) - beginning			<u>1,707,669</u>	
Fund balances (deficits) - ending			<u>\$ 1,383,548</u>	



**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Sales Tax Property Relief-1st Penny</u>		
	<b>Original &amp; Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Sales tax collections	\$ 1,000,000	\$ 1,279,417	\$ 279,417
Interest income (loss)	-	5,728	5,728
Total revenues	<u>1,000,000</u>	<u>1,285,145</u>	<u>285,145</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-
Total other financing sources (uses)	<u>(1,000,000)</u>	<u>(1,000,000)</u>	-
Net change in fund balance	<u>\$ -</u>	285,145	<u>\$ 285,145</u>
Fund balances (deficits) - beginning		601,048	
Fund balances (deficits) - ending		<u>\$ 886,193</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Sales Tax Economic Development</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>12/31/2022 Actual Amounts</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Sales tax collections	\$ 1,500,000	\$ 1,500,000	\$ 1,919,126	\$ 419,126
Interest income (loss)	-	-	78,671	78,671
Miscellaneous	-	-	720,545	720,545
Total revenues	<u>1,500,000</u>	<u>1,500,000</u>	<u>2,718,342</u>	<u>1,218,342</u>
<b>EXPENDITURES</b>				
Current:				
Economic development	681,541	2,877,354	1,589,076	1,288,278
Total expenditures	<u>681,541</u>	<u>2,877,354</u>	<u>1,589,076</u>	<u>1,288,278</u>
Excess (deficiency) of revenues over (under) expenditures	818,459	(1,377,354)	1,129,266	2,506,620
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(206,528)	(228,540)	(228,540)	-
Total other financing sources (uses)	<u>(206,528)</u>	<u>(228,540)</u>	<u>(228,540)</u>	-
Net change in fund balance	<u>\$ 611,931</u>	<u>\$(1,605,894)</u>	900,726	<u>\$2,506,620</u>
Fund balances (deficits) - beginning			<u>10,041,177</u>	
Fund balances (deficits) - ending			<u>\$ 10,941,903</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Sales Tax Improvements</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Sales tax collections	\$ 2,500,000	\$ 2,500,000	\$ 3,198,544	\$ 698,544
Interest income (loss)	-	-	43,150	43,150
Total revenues	2,500,000	2,500,000	3,241,694	741,694
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(4,191,362)	(4,791,862)	(4,788,459)	3,403
Total other financing sources (uses)	(4,191,362)	(4,791,862)	(4,788,459)	3,403
Net change in fund balance	\$(1,691,362)	\$ (2,291,862)	(1,546,765)	\$ 745,097
Fund balances (deficits) - beginning			6,143,696	
Fund balances (deficits) - ending			\$ 4,596,931	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Sales Tax Flood Control</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Sales tax collections	\$ 5,000,000	\$ 5,000,000	\$ 6,397,088	\$ 1,397,088
Interest income (loss)	-	-	45,771	45,771
Miscellaneous	-	-	937	937
Total revenues	<u>5,000,000</u>	<u>5,000,000</u>	<u>6,443,796</u>	<u>1,443,796</u>
<b>EXPENDITURES</b>				
Current:				
Public safety	10,090,000	13,084,437	8,157,921	4,926,516
Total expenditures	<u>10,090,000</u>	<u>13,084,437</u>	<u>8,157,921</u>	<u>4,926,516</u>
Excess (deficiency) of revenues over (under) expenditures	(5,090,000)	(8,084,437)	(1,714,125)	6,370,312
<b>OTHER FINANCING SOURCES (USES)</b>				
Bonds issued	5,374,473	5,374,473	-	(5,374,473)
Transfers in	1,800,000	1,800,000	3,849,868	2,049,868
Transfers out	(2,084,473)	(2,084,473)	(2,084,473)	-
Total other financing sources (uses)	<u>5,090,000</u>	<u>5,090,000</u>	<u>1,765,395</u>	<u>(3,324,605)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (2,994,437)</u>	51,270	<u>\$ 3,045,707</u>
Fund balances (deficits) - beginning			4,547,073	
Fund balances (deficits) - ending			<u>\$ 4,598,343</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Sales Tax NAWS</u>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Sales tax collections	\$ 4,000,000	\$ 4,000,000	\$ 5,117,670	\$ 1,117,670
Interest income (loss)	55,647	55,647	50,722	(4,925)
Total revenues	<u>4,055,647</u>	<u>4,055,647</u>	<u>5,168,392</u>	<u>1,112,745</u>
<b>EXPENDITURES</b>				
General government	8,903,900	8,903,900	4,463,100	4,440,800
Total expenditures	<u>8,903,900</u>	<u>8,903,900</u>	<u>4,463,100</u>	<u>4,440,800</u>
Excess (deficiency) of revenues over (under) expenditures	(4,848,253)	(4,848,253)	705,292	5,553,545
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(923,603)	(798,603)	(748,603)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(923,603)</u>	<u>(798,603)</u>	<u>(748,603)</u>
Net change in fund balance	<u>\$ (4,898,253)</u>	<u>\$ (5,771,856)</u>	(93,311)	<u>\$ 4,804,942</u>
Fund balances (deficits) - beginning			<u>16,406,447</u>	
Fund balances (deficits) - ending			<u>\$ 16,313,136</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Sales Tax Property Tax Relief - 2nd Penny</u>		
	<b>Original &amp; Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Sales tax collections	\$ 1,800,000	\$ 2,302,952	\$ 502,952
Interest income (loss)	-	9,840	9,840
Total revenues	<u>1,800,000</u>	<u>2,312,792</u>	<u>512,792</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(2,050,000)	(2,050,000)	-
Total other financing sources (uses)	<u>(2,050,000)</u>	<u>(2,050,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ (250,000)</u>	262,792	<u>\$ 512,792</u>
Fund balances (deficits) - beginning		1,165,218	
Fund balances (deficits) - ending		<u>\$ 1,428,010</u>	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Sales Tax Infrastructure</b>		
	<b>Original &amp; Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>			
Sales tax collections	\$ 2,400,000	\$3,070,601	\$ 670,601
Interest income (loss)	3,797	(238,319)	(242,116)
Total revenues	2,403,797	2,832,282	428,485
<b>OTHER FINANCING SOURCES (USES)</b>			
Transfers out	(4,520,000)	(4,497,549)	22,451
Total other financing sources (uses)	(4,520,000)	(4,497,549)	22,451
Net change in fund balance	\$ (2,116,203)	(1,665,267)	\$ 450,936
Fund balances (deficits) - beginning		8,383,249	
Fund balances (deficits) - ending		\$ 6,717,982	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Sales Tax Community Facilities/Flood Control</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Sales tax collections	\$1,800,000	\$ 1,800,000	\$2,302,952	\$ 502,952
Intergovernmental	-	-	3,602,099	3,602,099
Interest income (loss)	-	-	20,264	20,264
Total revenues	<u>1,800,000</u>	<u>1,800,000</u>	<u>5,925,315</u>	<u>4,125,315</u>
<b>EXPENDITURES</b>				
Current:				
Culture and recreation	-	4,705,202	4,705,202	-
Total expenditures	<u>-</u>	<u>4,705,202</u>	<u>4,705,202</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	1,800,000	(2,905,202)	1,220,113	4,125,315
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,800,000)	(1,800,000)	(1,800,000)	-
Total other financing sources (uses)	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>(1,800,000)</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (4,705,202)</u>	(579,887)	<u>\$ 4,125,315</u>
Fund balances (deficits) - beginning			2,504,630	
Fund balances (deficits) - ending			<u>\$ 1,924,743</u>	



**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>CDBG - Disaster Recovery \$67.5M</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Intergovernmental	\$ -	\$ -	\$ 50,989	\$ 50,989
Interest income (loss)	-	-	48	48
Total revenues	-	-	51,037	51,037
<b>EXPENDITURES</b>				
Current:				
General government	-	1,001,397	33,763	967,634
Total expenditures	-	1,001,397	33,763	967,634
Excess (deficiency) of revenues over (under) expenditures	-	(1,001,397)	17,274	1,018,671
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in	-	-	39,421	39,421
Total other financing sources (uses)	-	-	39,421	39,421
Net change in fund balance	\$ -	\$(1,001,397)	56,695	\$1,058,092
Fund balances (deficits) - beginning			-	
Fund balances (deficits) - ending			\$ 56,695	

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>CDBG - Disaster Recovery \$35M</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>EXPENDITURES</b>				
Current:				
General government	-	11,559	-	11,559
Total expenditures	-	11,559	-	11,559
Net change in fund balance	<u>\$ -</u>	<u>\$(11,559)</u>	-	<u>\$ 11,559</u>
Fund balances (deficits) - beginning			-	
Fund balances (deficits) - ending			<u>\$ -</u>	



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

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

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

**City of Minot, North Dakota  
Combining Balance Sheet  
Nonmajor Capital Project Fund  
December 31, 2022**

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	<u><b>Capital Equipment</b></u>
<b>ASSETS</b>	
Cash and cash equivalents	\$ 1,811,536
Restricted cash and cash equivalents	10,050
Taxes receivable delinquent	13,314
Accounts receivable	15,000
Intergovernmental receivable	97
Prepaid	337
Total assets	<u><u>\$ 1,850,334</u></u>
<b>LIABILITIES</b>	
Accounts payable	\$ 507,264
Retainage payable	61,623
Total liabilities	<u>568,887</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable revenue - property taxes	12,928
Total deferred inflows of resources	<u>12,928</u>
<b>FUND BALANCES (DEFICITS)</b>	
Nonspendable	337
Restricted	10,050
Committed	1,147,158
Assigned	110,974
Total fund balance	<u>1,268,519</u>
Total liabilities, inflows and fund balance	<u><u>\$ 1,850,334</u></u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Fund**  
**For the Year-to-Date as of December 31, 2022**

	<u>Capital Equipment</u>
<b>REVENUES</b>	
Property tax collections	\$ 14,231
Intergovernmental	1,038,935
Charges for services	280
Interest income (loss)	28,642
Miscellaneous	103,843
Total revenues	<u>1,185,931</u>
<b>EXPENDITURES</b>	
Capital outlay:	
General government	43,652
Public safety	2,543,143
Highways and streets	482,834
Culture and recreation	166,669
Total expenditures	<u>3,236,298</u>
Excess (deficiency) of revenues over (under) expenditures	(2,050,367)
<b>OTHER FINANCING SOURCES (USES)</b>	
Leases (lessee)	754,768
Sale of City property	77,523
Transfers in	416,167
Total other financing sources (uses)	<u>1,248,458</u>
Net change in fund balances	(801,909)
Fund balances (deficits) - beginning	2,070,428
Fund balances (deficits) - ending	<u><u>\$ 1,268,519</u></u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year-to-Date as of December 31, 2022**

	<b>Capital Equipment</b>			
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>12/31/2022 Actual Amounts</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Property tax collections	\$ 725	\$ 725	\$ 14,231	\$ 13,506
Intergovernmental	745,126	811,126	1,038,935	227,809
Charges for services	-	-	280	280
Interest income (loss)	10,479	10,479	28,642	18,163
Miscellaneous	77,030	86,996	103,843	16,847
Total revenues	<u>833,360</u>	<u>909,326</u>	<u>1,185,931</u>	<u>276,605</u>
<b>EXPENDITURES</b>				
Capital outlay:				
General government	89,500	155,904	43,652	112,252
Public safety	1,719,377	4,022,916	2,543,143	1,479,773
Highways and streets	622,725	867,630	482,834	384,796
Culture and recreation	174,320	174,320	166,669	7,651
Total expenditures	<u>2,605,922</u>	<u>5,220,770</u>	<u>3,236,298</u>	<u>1,984,472</u>
Excess (deficiency) of revenues over (under) expenditures	(1,772,562)	(4,311,444)	(2,050,367)	2,261,077
<b>OTHER FINANCING SOURCES (USES)</b>				
Leases (lessee)	602,550	1,365,819	754,768	(611,051)
Sale of City property	185,000	185,000	77,523	(107,477)
Transfers in	819,762	819,762	416,167	(403,595)
Total other financing sources (uses)	<u>1,607,312</u>	<u>2,370,581</u>	<u>1,248,458</u>	<u>(1,122,123)</u>
Net change in fund balance	<u>\$ (165,250)</u>	<u>\$ (1,940,863)</u>	(801,909)	<u>\$ 1,138,954</u>
Fund balances (deficits) - beginning			<u>2,070,428</u>	
Fund balances (deficits) - ending			<u>\$ 1,268,519</u>	

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

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

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

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

***Parking Ramps*** - To account for the provisions of providing parking for the Central and Renaissance parking ramps located in the downtown business district for the City of Minot. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, and maintenance.



**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**December 31, 2022**

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds
	Cemetery	Parking Authority	Parking Ramps	12/31/2022
<b>ASSETS</b>				
Current assets:				
Cash and cash equivalents	\$ 536,234	\$ 386,926	\$ 631,644	\$ 1,554,804
Taxes receivable delinquent	5,797	-	329	6,126
Accounts receivable	17,958	11,498	-	29,456
Accrued interest receivable	-	342	-	342
Leases receivable	-	26,341	-	26,341
Intergovernmental receivable	77	-	-	77
Total current assets	<u>560,066</u>	<u>425,107</u>	<u>631,973</u>	<u>1,617,146</u>
Noncurrent assets:				
Other assets - capital credits	6,769	1,551	3,182	11,502
Leases receivable	-	109,028	-	109,028
Land	179,504	136,397	-	315,901
Infrastructure	465,159	17,228	21,996,162	22,478,549
Buildings	158,502	-	-	158,502
Equipment	267,988	322,867	404,989	995,844
Less-accumulated depreciation	(561,757)	(336,553)	(7,378,405)	(8,276,715)
Total noncurrent assets	<u>516,165</u>	<u>250,518</u>	<u>15,025,928</u>	<u>15,792,611</u>
Total assets	<u>1,076,231</u>	<u>675,625</u>	<u>15,657,901</u>	<u>17,409,757</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
Deferred outflows of resources related to pension	238,175	-	-	238,175
Deferred outflows of resources related to OPEB	4,945	-	-	4,945
Total deferred outflows of resources	<u>243,120</u>	<u>-</u>	<u>-</u>	<u>243,120</u>
<b>LIABILITIES</b>				
Current liabilities:				
Accounts payable	3,289	1,974	6,701	11,964
Accrued salaries and benefits payable	12,200	-	-	12,200
Compensated absences	8,468	-	-	8,468
Total current liabilities	<u>23,957</u>	<u>1,974</u>	<u>6,701</u>	<u>32,632</u>
Noncurrent liabilities:				
Compensated absences	15,725	-	-	15,725
Net pension liability	385,458	-	-	385,458
Net OPEB liability	5,363	-	-	5,363
Total noncurrent liabilities	<u>406,546</u>	<u>-</u>	<u>-</u>	<u>406,546</u>
Total liabilities	<u>430,503</u>	<u>1,974</u>	<u>6,701</u>	<u>439,178</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Deferred inflows of resourced related to leases	-	132,946	-	132,946
Deferred inflows of resources related to pension	95,547	-	-	95,547
Deferred inflows of resources related to OPEB	1,050	-	-	1,050
Total deferred inflows of resources	<u>96,597</u>	<u>132,946</u>	<u>-</u>	<u>229,543</u>
<b>NET POSITION</b>				
Net investment in capital assets	509,396	139,939	15,022,746	15,672,081
Unrestricted net position	282,855	400,766	628,454	1,312,075
Total net position	<u>\$ 792,251</u>	<u>\$ 540,705</u>	<u>\$ 15,651,200</u>	<u>\$ 16,984,156</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds
	Cemetery	Parking Authority	Parking Ramps	12/31/2022
<b>OPERATING REVENUES</b>				
Charges for services	\$ 309,265	\$ 65,022	\$ 85,639	\$ 459,926
Miscellaneous	600	-	-	600
Total operating revenues	<u>309,865</u>	<u>65,022</u>	<u>85,639</u>	<u>460,526</u>
<b>OPERATING EXPENSES</b>				
Salaries	271,915	-	-	271,915
Employee benefits	142,334	-	-	142,334
Professional services	65	2,400	-	2,465
Property services	11,433	12,382	17,301	41,116
Purchased services	8,300	2,337	22,314	32,951
Supplies	20,382	1,344	46,427	68,153
Sundry	58,387	6,462	9,154	74,003
Depreciation	36,753	574	1,114,562	1,151,889
Total operating expenses	<u>549,569</u>	<u>25,499</u>	<u>1,209,758</u>	<u>1,784,826</u>
Operating income (loss)	(239,704)	39,523	(1,124,119)	(1,324,300)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	131,083	-	207	131,290
Interest income	5,313	6,096	5,647	17,056
Miscellaneous	4,174	517	1,185	5,876
Total non-operating revenues (expenses)	<u>140,570</u>	<u>6,613</u>	<u>7,039</u>	<u>154,222</u>
Income (loss) before contributions and transfers	(99,134)	46,136	(1,117,080)	(1,170,078)
Transfers in	20,382	-	-	20,382
Total contributions and transfers	<u>20,382</u>	<u>-</u>	<u>-</u>	<u>20,382</u>
Change in net position	(78,752)	46,136	(1,117,080)	(1,149,696)
Net position - beginning	871,003	494,569	16,768,280	18,133,852
Net position - ending	<u>\$ 792,251</u>	<u>\$ 540,705</u>	<u>\$ 15,651,200</u>	<u>\$ 16,984,156</u>

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year-to-Date as of December 31, 2022**

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds
	Cemetery	Parking Authority	Parking Ramps	12/31/2022
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash receipts from customers	\$ 305,416	\$ 52,539	\$ 88,140	\$ 446,095
Payments to suppliers	(99,390)	(25,524)	(97,173)	(222,087)
Payments to employees	(388,505)	-	-	(388,505)
Due from other agencies	45	-	21	66
Net cash provided (used) by operating activities	<u>(182,434)</u>	<u>27,015</u>	<u>(9,012)</u>	<u>(164,431)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Property taxes/intergovernmental	136,004	517	1,953	138,474
Transfers in	20,382	-	-	20,382
Net cash provided by noncapital financing activities	<u>156,386</u>	<u>517</u>	<u>1,953</u>	<u>158,856</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisitions and construction of capital assets	(5,382)	-	-	(5,382)
Net cash used by capital and related financing activities	<u>(5,382)</u>	<u>-</u>	<u>-</u>	<u>(5,382)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	5,313	6,096	5,647	17,056
Net cash provided by investing activities	<u>5,313</u>	<u>6,096</u>	<u>5,647</u>	<u>17,056</u>
Net increase in cash and cash equivalents	(26,117)	33,628	(1,412)	6,099
Cash and cash equivalent balances - beginning of year	562,351	353,298	633,056	1,548,705
Cash and cash equivalent balances - end of year	<u>\$ 536,234</u>	<u>\$ 386,926</u>	<u>\$ 631,644</u>	<u>\$ 1,554,804</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 536,234	\$ 386,926	\$ 631,644	\$ 1,554,804
Total cash and equivalents on the Statement of Net Position	<u>\$ 536,234</u>	<u>\$ 386,926</u>	<u>\$ 631,644</u>	<u>\$ 1,554,804</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (239,704)	\$ 39,523	\$(1,124,119)	\$(1,324,300)
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Depreciation expense	36,753	574	1,114,562	1,151,889
Change in assets, deferred outflows, liabilities & deferred inflows:				
Customer receivables	(4,180)	(145,192)	3,402	(145,970)
Intergovernmental receivable	45	-	21	66
Interest receivable	-	(342)	-	(342)
Prepays	-	138	-	138
Other assets	(269)	(33)	(901)	(1,203)
Deferred outflows of resources related to pension	(69,911)	-	-	(69,911)
Deferred outflows of resources related to OPEB	(1,535)	-	-	(1,535)
Accounts payable - supplier	(823)	(599)	(1,977)	(3,399)
Salaries and benefits payable	(1,784)	-	-	(1,784)
Compensated absences	825	-	-	825
Net pension liability	187,239	-	-	187,239
Net OPEB liability	3,143	-	-	3,143
Deferred inflows of resources related to leases	-	132,946	-	132,946
Deferred inflows of resources related to pension	(91,174)	-	-	(91,174)
Deferred inflows of resources related to OPEB	(1,059)	-	-	(1,059)
Net cash provided (used) by operating activities	<u>\$ (182,434)</u>	<u>\$ 27,015</u>	<u>\$ (9,012)</u>	<u>\$ (164,431)</u>

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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2022**

	<b>Central Garage</b>	<b>Self Insurance</b>	<b>Total Internal Service Funds 12/31/2022</b>
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 59,862	\$3,412,555	\$ 3,472,417
Accounts receivable	-	143,636	143,636
Inventory	504,720	-	504,720
Total current assets	564,582	3,556,191	4,120,773
Noncurrent assets:			
Other assets - capital credits	2,232	-	2,232
Total noncurrent assets	2,232	-	2,232
Total assets	566,814	3,556,191	4,123,005
<b>LIABILITIES</b>			
Current liabilities:			
Accounts payable	111,079	398,003	509,082
Unearned revenue - other	-	45	45
Total liabilities	111,079	398,048	509,127
<b>NET POSITION</b>			
Unrestricted	455,735	3,158,143	3,613,878
Total net position	\$ 455,735	\$ 3,158,143	\$ 3,613,878

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Central Garage</b>	<b>Self Insurance</b>	<b>Total Internal Service Funds 12/31/2022</b>
<b>OPERATING REVENUES</b>			
Sales	\$ 1,612,949	\$ -	\$ 1,612,949
Cost of goods sold	(1,612,213)	-	(1,612,213)
Gross margin	736	-	736
Charges for services	-	6,911,699	6,911,699
Total operating revenues	736	6,911,699	6,912,435
<b>OPERATING EXPENSES</b>			
Insurance claims	-	6,116,423	6,116,423
Total operating expenses	-	6,116,423	6,116,423
Operating income (loss)	736	795,276	796,012
<b>NON-OPERATING REVENUES (EXPENSES)</b>			
Interest income	18	27,263	27,281
Miscellaneous	51,911	-	51,911
Total non-operating revenues (expenses)	51,929	27,263	79,192
Change in net position	52,665	822,539	875,204
Net position - beginning	403,070	2,335,604	2,738,674
Net position - ending	<u>\$ 455,735</u>	<u>\$ 3,158,143</u>	<u>\$ 3,613,878</u>

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Central Garage</b>	<b>Self Insurance</b>	<b>Total Internal Service Funds 12/31/2022</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash receipts from customers	\$1,485,244	\$6,801,680	\$8,286,924
Payments to suppliers	(1,528,154)	(6,168,687)	(7,696,841)
Net cash provided (used) by operating activities	<u>(42,910)</u>	<u>632,993</u>	<u>590,083</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>			
Internal activity - payments from other funds	51,911	-	51,911
Net cash provided by noncapital financing activities	<u>51,911</u>	<u>-</u>	<u>51,911</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Interest and dividends	18	27,263	27,281
Net cash provided by investing activities	<u>18</u>	<u>27,263</u>	<u>27,281</u>
Net increase (decrease) in cash and cash equivalents	9,019	660,256	669,275
Cash and cash equivalent balances - beginning of year	50,843	2,752,299	2,803,142
Cash and cash equivalent balances - end of year	<u>\$ 59,862</u>	<u>\$3,412,555</u>	<u>\$3,472,417</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>			
Operating income	\$ 736	\$ 795,276	\$ 796,012
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities			
Change in assets and liabilities			
Customer receivables	-	(110,064)	(110,064)
Inventory	(127,705)	-	(127,705)
Accounts payable - supplier	84,059	(52,264)	31,795
Unearned revenue - other	-	45	45
Net cash provided (used) by operating activities	<u>\$ (42,910)</u>	<u>\$ 632,993</u>	<u>\$ 590,083</u>

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

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

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

***Passthrough*** – To account for resources provided by the federal or state government and passed through to private organizations or other governments.



**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Custodial Funds**  
**December 31, 2022**

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	<b>Hotel/ Motel Tax</b>	<b>Passthrough</b>	<b>Total Custodial Funds 12/31/2022</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 32,572	\$ -	\$ 32,572
Accounts receivable	15,196	-	15,196
Intergovernmental receivable	-	4,848	4,848
Total assets	47,768	4,848	52,616
<b>LIABILITIES</b>			
Accounts payable	\$ 47,768	\$ 4,848	\$ 52,616
Total liabilities	\$ 47,768	\$ 4,848	\$ 52,616

**City of Minot, North Dakota**  
**Combining Statement of Changes in Net Position**  
**Custodial Funds**  
**For the Year-to-Date as of December 31, 2022**

	<b>Hotel/ Motel Tax</b>	<b>Passthrough</b>	<b>Total Custodial Funds 12/31/2022</b>
<b>ADDITIONS</b>			
Contributions:			
Lodging taxes	\$ 939,242	\$ -	\$ 939,242
Car rental taxes	40,128	-	40,128
Intergovernmental	-	11,487	11,487
Total additions	<u>979,370</u>	<u>11,487</u>	<u>990,857</u>
<b>DEDUCTIONS</b>			
Administrative expenses	50,000	11,487	61,487
Taxes distributed to Visit Minot/All Seasons Arena	929,370	-	929,370
Total deductions	<u>979,370</u>	<u>11,487</u>	<u>990,857</u>
Change in net position	-	-	-
Net position - beginning	-	-	-
Net position - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2022**

<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<u><b>12/31/2022</b></u>
Land	107,817,715
Construction in progress	33,313,041
Infrastructure	356,546,517
Buildings	21,877,299
Equipment	28,526,683
Intangible assets	214,207
Books	3,096,780
Total governmental funds capital assets	<u><u>551,392,242</u></u>
<b>INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE</b>	
Capital project funds	
General obligation bonds	48,398,042
Revenue bonds	27,419,182
Sales tax	24,793,079
Federal grants	168,053,136
State grants	134,487,003
County grants	1,099,021
Contributions from others	51,177,137
General fund	60,955,608
Special revenue	11,984,410
Special assessments	19,634,873
Enterprise fund	3,390,751
Total governmental funds capital assets	<u><u>551,392,242</u></u>

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2022**

FUNCTION AND ACTIVITY	Land	Construction in Process	Buildings	Equipment	Infrastructure	Intangible Assets	Books	12/31/2022
<b>GENERAL GOVERNMENT</b>								
Property maintenance	\$ -	\$ 15,519,731	\$ 3,534,429	\$ 487,443	\$ 305,527	\$ -	\$ -	\$ 19,847,130
City manager/clerk	-	-	-	45,594	-	-	-	45,594
Finance	-	-	20,000	-	1,113,934	-	-	1,133,934
Information technology	-	-	-	490,683	-	-	-	490,683
Assessor	-	-	-	90,619	-	-	-	90,619
Planning	-	-	-	42,597	-	-	-	42,597
Inspection	-	-	-	265,686	-	-	-	265,686
Shop	-	-	-	401,827	-	-	-	401,827
Public works	-	-	4,411,777	38,719	-	-	-	4,450,496
Public transportation	-	-	853,027	3,944,449	-	-	-	4,797,476
Total general government	-	15,519,731	8,819,233	5,807,617	1,419,461	-	-	31,566,042
<b>PUBLIC SAFETY</b>								
Police	-	370,219	156,246	5,495,503	1,956,911	-	-	7,978,879
Fire	331,371	2,352,572	8,052,338	5,878,170	1,388,084	-	-	18,002,535
Traffic control	-	10,625	-	3,596,154	4,381,439	-	-	7,988,218
Flood control	105,633,147	15,040,112	-	503,627	62,915,022	14,197	-	184,106,105
Total public safety	105,964,518	17,773,528	8,208,584	15,473,454	70,641,456	14,197	-	218,075,737
<b>HIGHWAYS AND STREETS</b>								
Engineering	-	427	-	443,545	-	29,569	-	473,541
Street	1,423,196	19,355	485,422	6,313,423	283,573,716	170,441	-	291,985,553
Total highways and streets	1,423,196	19,782	485,422	6,756,968	283,573,716	200,010	-	292,459,094
<b>CULTURE AND RECREATION</b>								
Library	7,624	-	3,128,994	144,101	315,781	-	3,096,780	6,693,280
Recreation	422,377	-	1,235,066	344,543	596,103	-	-	2,598,089
Total culture and recreation	430,001	-	4,364,060	488,644	911,884	-	3,096,780	9,291,369
Total governmental funds	\$ 107,817,715	\$ 33,313,041	\$ 21,877,299	\$ 28,526,683	\$ 356,546,517	\$ 214,207	\$ 3,096,780	\$ 551,392,242

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2022**

FUNCTION AND ACTIVITY	Governmental Fund Capital Assets January 1, 2022	Additions	Deletions	Transfers	Construction in Process	Governmental Fund Capital Assets December 31, 2022
<b>GENERAL GOVERNMENT</b>						
Civic center/property maintenance	\$ 7,832,930	\$ 9,647	\$ 3,505,178	\$ (10,000)	\$ 15,519,731	\$ 19,847,130
City manager/clerk	53,119	-	7,525	-	-	45,594
Finance	1,133,934	-	-	-	-	1,133,934
Information technology	490,683	-	-	-	-	490,683
Assessor	90,619	-	-	-	-	90,619
Planning	17,604	-	-	24,993	-	42,597
Inspection	259,828	15,438	14,950	5,370	-	265,686
Shop	385,613	16,214	-	-	-	401,827
Public works	4,440,496	-	-	10,000	-	4,450,496
Public transportation	4,797,476	-	-	-	-	4,797,476
Total general government	19,502,302	41,299	3,527,653	30,363	15,519,731	31,566,042
<b>PUBLIC SAFETY</b>						
Police	7,553,355	1,037,569	951,901	(30,363)	370,219	7,978,879
Fire	15,520,641	651,725	522,403	-	2,352,572	18,002,535
Traffic control	7,317,419	798,036	137,862	-	10,625	7,988,218
Flood control	173,028,647	3,170,790	7,133,444	-	15,040,112	184,106,105
Total public safety	203,420,062	5,658,120	8,745,610	(30,363)	17,773,528	218,075,737
<b>HIGHWAYS AND STREETS</b>						
Engineering	466,162	6,952	-	-	427	473,541
Street	289,760,196	3,898,023	1,692,021	-	19,355	291,985,553
Total highways and streets	290,226,358	3,904,975	1,692,021	-	19,782	292,459,094
<b>CULTURE AND RECREATION</b>						
Library	6,818,332	175,683	300,735	-	-	6,693,280
Recreation	2,598,089	-	-	-	-	2,598,089
Total culture and recreation	9,416,421	175,683	300,735	-	-	9,291,369
Total governmental funds	\$ 522,565,143	\$ 9,780,077	\$ 14,266,019	\$ -	\$ 33,313,041	\$ 551,392,242

## City of Minot, North Dakota Statistical Section

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

The Statistical Section is presented in five categories:

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

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

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

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

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

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

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

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

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

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

Sources: Unless otherwise noted, the information in the schedules is from the Annual Comprehensive Financial Reports of the City of Minot for the current year and prior years as presented. If less than 10 years of information is presented the schedule will provide an explanation. The City of Minot implemented GASB #54 in 2009, and GASB #67 and #68 in 2015, and GASB #74 and #75 in 2017.

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

	Restated 2013	2014	Restated 2015	2016	2017	2018	2019	2020	2021	2022
<b>Governmental activities</b>										
Net investment in capital assets	\$ 119,345,975	\$ 153,468,851	\$ 213,781,240	\$ 245,659,435	\$ 289,558,273	\$ 307,599,271	\$ 311,589,385	\$ 314,163,170	\$ 328,538,231	\$ 335,194,174
Restricted for:										
General government	-	-	-	-	-	173,189	194,506	195,712	-	-
Public safety	-	-	-	-	-	-	147,762	13,251	45,218	54,874
Leases	-	7,921	-	-	6,405	214,717	759,881	715,585	513,640	-
Culture and recreation	-	-	-	-	-	-	-	-	1,000	-
Sales tax property tax relief	3,226,156	4,009,260	3,320,232	466,078	620,510	1,211,947	1,341,288	-	-	-
Sales tax economic development	10,441,606	10,668,504	6,440,271	7,642,551	9,956,038	10,281,687	10,177,039	-	-	-
Sales tax improvements	5,419,924	5,840,353	5,862,916	5,618,656	4,539,630	4,534,254	5,618,585	-	-	-
Sales tax flood control	4,634,140	7,141,360	11,238,809	12,983,515	11,298,564	4,750,786	2,034,198	-	-	-
Sales tax NAWs	34,464,866	34,130,645	34,099,423	33,063,703	29,139,579	16,566,834	17,861,969	-	-	-
Sales tax infrastructure	6,083,970	7,677,734	7,483,834	9,361,205	7,694,952	7,805,000	7,823,361	-	-	-
Sales tax community facilities	6,567,548	7,655,275	6,669,543	5,640,828	5,780,863	4,519,089	2,051,923	-	-	-
Debt service	517,259	1,946,942	4,362,686	4,821,781	3,000,375	2,478,763	2,546,076	3,000,502	3,264,295	7,850,508
Highway projects	-	-	-	-	2,530,196	-	-	-	-	-
Other purposes	51,407	631,104	14,491	-	400,303	-	-	-	-	-
Unrestricted	45,912,502	51,710,024	28,862,541	24,715,847	15,216,593	30,493,443	29,723,713	81,589,460	83,305,460	63,909,212
<b>Total governmental activities net position</b>	<b>\$ 236,665,353</b>	<b>\$ 284,887,973</b>	<b>\$ 322,135,986</b>	<b>\$ 349,973,599</b>	<b>\$ 379,742,281</b>	<b>\$ 390,628,980</b>	<b>\$ 391,869,686</b>	<b>\$ 399,677,680</b>	<b>\$ 415,667,844</b>	<b>\$ 407,008,767</b>
<b>Business-type activities</b>										
Net investment in capital assets	\$ 117,348,148	\$ 187,576,187	\$ 246,874,877	\$ 277,102,647	\$ 304,758,387	\$ 301,986,780	\$ 295,935,018	\$ 320,279,420	\$ 329,559,041	\$ 319,038,236
Restricted for:										
Customer facility charges	-	-	-	-	620,699	815,226	1,127,735	1,361,825	1,617,460	1,905,966
Leases	440,000	5,383	884,900	1,157,675	1,836,498	2,110,850	1,333,141	1,478,931	1,495,188	-
Debt service	4,843,540	5,115,955	7,176,604	7,534,598	6,004,140	6,218,930	6,401,795	8,146,961	6,602,150	6,811,845
Passenger facility charges not spent	925,887	651,251	-	-	-	-	-	-	-	-
Other purposes	45,027	14,402	-	-	-	-	-	-	-	-
Unrestricted	32,226,444	30,061,447	38,411,347	21,219,745	17,342,753	34,221,779	36,267,639	35,115,856	39,386,777	39,680,844
<b>Total business-type activities net position</b>	<b>\$ 155,829,046</b>	<b>\$ 223,424,625</b>	<b>\$ 293,347,728</b>	<b>\$ 307,014,665</b>	<b>\$ 330,562,477</b>	<b>\$ 345,353,565</b>	<b>\$ 341,065,328</b>	<b>\$ 366,382,993</b>	<b>\$ 378,660,616</b>	<b>\$ 367,436,891</b>
<b>Government-wide activities</b>										
Net investment in capital assets	\$ 236,694,123	\$ 341,045,038	\$ 460,656,117	\$ 522,762,082	\$ 594,316,660	\$ 609,586,051	\$ 607,524,403	\$ 634,442,590	\$ 658,097,272	\$ 654,232,410
Restricted	77,661,330	85,496,089	87,553,709	88,290,590	83,428,752	61,681,272	59,419,259	14,912,767	13,538,951	16,623,193
Unrestricted	78,138,946	81,771,471	67,273,888	45,935,592	32,559,346	64,715,222	65,991,352	116,705,316	122,692,237	103,590,055
<b>Total government net position</b>	<b>\$ 392,494,399</b>	<b>\$ 508,312,598</b>	<b>\$ 615,483,714</b>	<b>\$ 656,988,264</b>	<b>\$ 710,304,758</b>	<b>\$ 735,982,545</b>	<b>\$ 732,935,014</b>	<b>\$ 766,060,673</b>	<b>\$ 794,328,460</b>	<b>\$ 774,445,658</b>

\*Restated 2013: The City recorded a prior period adjustment during 2013 for sanitation for an overstatements of an expense, which overstated the fund and the government-wide financial statements.

\*Restated 2015: The City implemented GASB 68 Accounting for Financial Reporting for Pension in 2015 which was a significant change in accounting principle and required a re-statement of net position.

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

	Restated 2013	2014	Restated 2015	2016	2017	2018	2019	2020	2021	2022
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 22,855,601	\$ 27,476,332	\$ 27,783,373	\$ 28,066,358	\$ 23,950,938	\$ 27,658,285	\$ 21,270,277	\$ 46,671,426	\$ 27,508,285	\$ 31,039,765
Public safety	14,276,698	15,297,259	14,843,622	18,800,391	18,904,678	19,357,138	28,133,572	28,806,347	29,806,546	40,329,290
Highways and streets	17,921,085	16,199,177	16,772,838	8,141,336	19,749,436	22,087,149	23,956,775	26,874,991	27,901,514	30,244,333
Culture and recreation	4,902,342	7,673,973	9,991,456	7,856,753	7,759,929	4,115,743	6,494,132	1,886,115	4,289,502	6,432,604
Economic development	1,306,170	3,292,475	3,266,376	1,145,992	826,120	420,838	646,685	679,972	1,750,090	1,589,076
Interest on long-term debt	377,420	1,084,587	1,323,446	1,359,381	1,324,441	1,187,992	1,089,828	1,020,861	1,398,143	2,367,133
Total governmental activities expenses	61,639,316	71,023,803	73,981,111	65,370,211	72,515,542	74,827,145	81,591,269	105,939,712	92,654,080	112,002,201
Business-type activities										
Airport	5,127,918	6,406,365	8,758,360	13,340,229	10,979,519	10,498,354	10,294,345	10,409,737	9,911,353	11,051,091
Cemetery	378,717	488,825	469,091	533,872	497,669	514,137	565,414	479,625	480,888	549,569
Parking authority	123,598	72,806	98,705	79,994	32,703	15,337	19,842	17,548	20,010	25,499
Sanitation	4,123,633	4,461,806	4,464,495	5,068,307	6,156,209	5,342,969	5,411,164	5,721,502	5,621,689	6,158,652
Water, sewer, & storm sewer	15,399,199	18,558,478	20,167,628	25,344,511	25,312,026	27,894,194	29,150,934	32,257,004	33,793,602	36,257,064
Parking ramps	-	-	-	-	-	100,600	78,319	1,185,316	1,207,653	1,209,758
Total business-type activities expenses	25,153,065	29,988,280	33,958,279	44,366,913	42,978,126	44,365,591	45,520,018	50,070,732	51,035,195	55,251,633
Total government expenses	86,792,381	101,012,083	107,939,390	109,737,124	115,493,668	119,192,736	127,111,287	156,010,444	143,689,275	167,253,834
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	10,136,446	11,273,075	7,592,971	6,684,624	5,545,362	6,516,083	4,986,281	4,637,569	5,747,074	5,710,537
Public safety	2,068,420	1,721,664	1,074,256	1,429,447	1,130,201	1,287,801	3,129,361	2,828,616	828,812	1,247,374
Highways and streets	112,496	793	-	123,754	22,715	-	51,308	149,390	149,423	149,423
Culture and recreation	2,021,129	558,414	568,694	655,084	592,532	476,712	93,676	96,917	-	187,861
Operating grants and contributions										
General government	9,665,447	13,467,696	5,524,812	3,214,916	4,785,366	7,897,958	4,740,699	7,046,635	13,710,500	14,210,915
Public safety	576,299	534,176	311,835	1,136,656	463,544	661,683	268,901	8,236,931	640,329	1,723,018
Highways and streets	4,366,489	593,703	8,606,392	-	1,832,659	1,882,272	2,150,000	-	-	231,882
Culture and Recreation	152,993	90,498	98,447	3,937	37,452	46,372	49,686	63,493	2,745,802	3,675,821
Capital grants and contributions										
General government	11,582,417	14,555,981	31,748,416	21,856,896	27,108,995	14,896,495	11,526,690	855,376	635,653	5,879,871
Public safety	815,504	468,119	2,663,668	10,564	27,204	67,539	207,500	31,012,559	22,644,162	7,247,940
Highways and streets	12,152,326	28,049,555	39,835,660	6,416,100	21,863,378	14,809,130	791,210	8,515,099	7,235,067	8,714,001
Culture and recreation	12,011	24,806	190,839	63,400	27,515	137,892	2,061	145,416	5,702	9,014
Total governmental activities program revenues	53,661,977	71,338,480	98,215,990	41,595,378	63,436,924	48,679,937	27,997,373	63,588,001	54,342,524	48,987,657
Business-type activities										
Charges for services										
Airport	4,010,834	4,047,237	3,327,592	4,585,949	4,136,045	4,218,415	4,454,804	3,225,837	3,912,852	4,367,567
Cemetery	303,061	330,264	313,701	298,117	297,359	280,341	275,218	328,238	352,482	341,711
Parking authority	107,647	39,259	45,655	48,527	47,310	51,710	52,788	51,976	54,100	65,022
Sanitation	5,051,929	4,679,968	4,536,174	4,292,700	5,465,072	5,733,297	5,502,394	6,302,618	6,334,884	6,593,259
Water, sewer, & storm sewer	17,545,492	19,216,996	19,953,794	20,000,966	21,384,485	22,375,882	21,899,422	22,299,100	23,042,969	23,256,683
Parking ramps	-	-	-	-	-	42,194	82,233	94,421	95,277	85,640
Operating grants and contributions										
Airport	1,418,223	1,248,307	2,401,140	1,421,390	580,465	626,823	500,621	1,717,616	1,108,584	830,734
Cemetery	-	-	-	-	-	-	-	600	80	-
Sanitation	-	-	5,200	89,903	-	-	-	-	2,360	-
Water, sewer, & storm sewer	-	-	-	24,608	-	445,000	-	-	1,614	-



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

	Restated 2013	2014	Restated 2015	2016	2017	2018	2019	2020	2021	2022
Capital grants and contributions										
Airport	\$ 13,489,126	\$ 20,519,210	\$ 21,362,081	\$ 3,564,669	\$ 2,203,852	\$ 1,102,373	\$ 1,893,578	\$ 4,798,762	\$ 1,808,327	\$ 631,108
Cemetery	-	-	-	-	-	-	-	-	-	-
Parking authority	-	(1,513)	-	-	-	-	-	-	-	-
Sanitation	1,540,548	190,550	-	577,716	2,606,770	36,329	31	591	-	-
Water, sewer, & storm sewer	17,532,389	46,719,119	62,750,889	26,480,713	21,169,631	6,938,315	906,260	14,464,533	22,998,933	1,988,699
Parking ramps	-	-	-	-	-	-	-	17,279,821	-	-
Total business-type activities program revenues	60,999,249	96,989,397	114,696,225	61,385,258	57,890,988	41,850,679	35,567,349	70,564,113	59,712,462	38,160,423
Total government program revenues	114,661,226	168,327,877	212,912,215	102,980,636	121,327,912	90,530,616	63,564,722	134,152,114	114,054,986	87,148,080
Net revenue (expense)										
Governmental activities	(7,977,339)	314,678	24,234,879	(23,774,833)	(9,078,618)	(26,147,208)	(53,593,896)	(42,351,711)	(38,311,556)	(63,014,544)
Business-type activities	35,846,184	67,001,117	80,737,946	17,018,346	14,912,862	(2,514,912)	(9,952,669)	20,493,381	8,677,267	(17,091,210)
Total government net expense	27,868,845	67,315,795	104,972,825	(6,756,487)	5,834,244	(28,662,120)	(63,546,565)	(21,858,330)	(29,634,289)	(80,105,754)
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	9,479,846	9,668,534	13,094,945	14,555,649	13,897,560	18,361,227	20,530,118	20,322,998	20,496,354	20,348,057
Property taxes, levied for debt service	499,901	1,126,237	2,875,336	2,333,770	3,056,361	2,936,172	2,971,720	3,367,226	2,833,567	3,549,875
Sales tax collections	24,850,061	27,245,883	26,035,551	21,375,144	20,035,165	21,182,065	22,160,231	20,655,109	23,141,014	25,588,350
Municipal highway tax	4,231,254	4,792,103	2,740,748	2,400,195	2,560,200	2,618,870	2,647,322	2,387,134	2,312,339	2,268,840
State aid distribution	2,816,975	2,952,874	4,411,924	3,477,932	3,378,357	3,818,739	3,987,699	3,460,199	3,768,870	4,314,535
Franchise taxes	668,203	699,277	702,627	676,847	629,927	571,431	525,036	485,958	462,721	430,103
Other taxes	564,120	700,272	311,720	314,838	303,037	303,918	296,676	297,295	309,301	294,636
Grants and contributions not restricted to specific programs										
Investment earnings	251,460	471,073	694,916	645,118	801,119	1,576,164	2,144,612	1,606,922	483,993	(929,685)
Miscellaneous	2,443,339	604,999	2,702,358	1,337,662	1,165,742	1,360,796	989,287	802,964	1,176,141	2,056,057
Transfers	(3,442,538)	(353,310)	1,262,055	4,495,291	(6,886,141)	(15,695,476)	(1,418,099)	(3,226,100)	(682,580)	(3,565,301)
Total governmental activities	42,362,621	47,907,942	54,832,180	51,612,446	38,941,327	37,033,906	54,834,602	50,159,705	54,301,720	54,355,467
Business-type activities:										
Taxes										
Property taxes, levied for general purposes	186,344	82,208	166,746	385,491	758,690	797,082	2,802,605	954,484	859,533	873,670
Property taxes, levied for debt service	-	-	-	-	-	-	-	6,080	6,675	6,579
Investment earnings	88,706	114,540	119,072	98,063	249,010	423,177	748,124	387,779	13,719	138,022
Miscellaneous	403,908	44,404	1,244,180	660,328	756,238	390,265	695,604	249,841	2,037,849	1,283,913
Transfers	3,442,538	353,310	(1,262,055)	(4,495,291)	6,886,141	15,695,476	1,418,099	3,226,100	682,580	3,565,301
Total business-type activities	4,121,496	594,462	267,943	(3,351,409)	8,650,079	17,306,000	5,664,432	4,824,284	3,600,356	5,867,485
Total government	46,484,117	48,502,404	55,100,123	48,261,037	47,591,406	54,339,906	60,499,034	54,983,989	57,902,076	60,222,952
Change in net position										
Governmental activities	34,385,282	48,222,620	79,067,059	27,837,613	29,862,709	10,886,699	1,240,706	7,807,994	15,990,164	(8,659,077)
Business-type activities	39,967,680	67,595,579	81,005,889	13,666,937	23,562,941	14,791,088	(4,288,237)	25,317,665	12,277,623	(11,223,725)
Total government	\$ 74,352,962	\$ 115,818,199	\$ 160,072,948	\$ 41,504,550	\$ 53,425,650	\$ 25,677,787	\$ (3,047,531)	\$ 33,125,659	\$ 28,267,787	\$ (19,882,802)

\*Restated 2013: The City recorded a prior period adjustment during 2013 for sanitation for an overstatements of an expense, which overstated the fund and the government-wide financial statements.

\*Restated 2015: The City implemented GASB 68 Accounting for Financial Reporting for Pension in 2015 which was a significant change in accounting principle and required a re-statement of net position.

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General fund										
Nonspendable	\$ 225,635	\$ 265,407	\$ 517,859	\$ 508,264	\$ 471,775	\$ 473,597	\$ 668,118	\$ 666,170	\$ 837,920	\$ 860,246
Restricted	-	3,171	-	654,437	372,804	214,717	907,643	728,836	523,883	915,222
Committed	-	-	-	-	-	480,742	2,318,748	3,037,974	3,271,769	1,330,277
Assigned	-	-	-	82,268	85,700	234,849	6,719,520	7,443,829	7,348,859	5,909,661
Unassigned	19,274,270	22,706,977	24,689,554	24,487,188	26,556,632	30,949,573	33,604,001	35,096,891	30,176,508	31,010,185
Total general fund	<u>\$ 19,499,905</u>	<u>\$ 22,975,555</u>	<u>\$ 25,207,413</u>	<u>\$ 25,732,157</u>	<u>\$ 27,486,911</u>	<u>\$ 32,353,478</u>	<u>\$ 44,218,030</u>	<u>\$ 46,973,700</u>	<u>\$ 42,158,939</u>	<u>\$ 40,025,591</u>
All other governmental funds										
Nonspendable	\$ 622,897	\$ 1,811,788	\$ 1,802,560	\$ 2,428,847	\$ 1,068,548	\$ 115,614	\$ 94,462	\$ 100,965	\$ 119,193	\$ 1,529,740
Restricted	34,982,125	36,569,675	79,520,645	79,598,317	74,588,206	52,321,549	49,648,945	3,196,215	3,300,270	7,860,558
Committed	12,497,167	38,123,755	-	-	291,096	5,750,502	7,837,207	56,188,680	70,972,987	82,094,063
Assigned	48,079,550	26,648,670	25,864,361	24,420,302	18,479,763	22,413,885	11,798,609	16,357,091	55,050,382	29,241,047
Unassigned	(1,852,004)	(265,877)	-	(265,822)	(22,847)	(642,814)	(967,083)	-	-	-
Total all other governmental funds	<u>\$ 94,329,735</u>	<u>\$ 102,888,011</u>	<u>\$ 107,187,566</u>	<u>\$ 106,181,644</u>	<u>\$ 94,404,766</u>	<u>\$ 79,958,736</u>	<u>\$ 68,412,140</u>	<u>\$ 75,842,951</u>	<u>\$ 129,442,832</u>	<u>\$ 120,725,408</u>

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

	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
<b>REVENUES</b>										
Property taxes	\$ 9,816,255	\$ 10,550,013	\$ 15,719,398	\$ 16,620,590	\$ 16,685,984	\$ 20,885,157	\$ 22,895,662	\$ 23,136,677	\$ 23,329,921	\$ 23,897,932
Sales tax collections	24,850,061	27,245,883	26,035,551	21,375,144	20,035,165	21,182,065	22,160,231	20,655,109	23,141,014	25,588,350
Cable TV franchise fees	668,203	668,203	699,277	676,847	629,927	571,431	525,036	485,958	462,721	430,103
Licenses and permits	2,153,400	1,862,029	1,331,860	977,803	685,449	1,398,108	777,618	901,383	1,673,116	1,278,514
Intergovernmental	33,762,275	39,740,800	60,177,461	32,513,738	47,959,928	30,411,854	27,756,631	34,044,663	38,938,413	43,873,909
Charges for services	8,413,316	8,746,373	5,089,099	5,223,295	3,986,868	4,535,173	4,471,421	4,165,353	3,704,686	4,032,850
Fines and forfeits	1,198,946	1,229,088	679,969	669,284	646,728	739,543	741,953	565,484	538,176	761,251
Special assessment collections	775,793	2,030,276	4,884,263	4,002,683	2,205,809	1,945,189	1,963,557	1,951,866	2,195,270	3,276,999
Interest income	251,460	471,073	694,916	645,118	801,119	1,576,164	2,144,611	1,606,922	483,993	(929,685)
Contract revenue	1,187,136	-	-	-	-	-	-	-	-	-
Miscellaneous	1,256,203	604,999	2,934,911	1,506,669	1,505,480	1,677,642	1,126,269	836,107	1,176,141	2,310,157
Total revenues	84,333,048	93,148,737	118,246,705	84,211,171	95,142,457	84,922,326	84,562,989	88,349,522	95,643,451	104,520,380
<b>EXPENDITURES</b>										
General government	19,335,762	23,680,730	26,239,852	15,721,274	21,646,093	23,146,741	18,743,031	23,235,062	27,441,383	30,347,845
Public safety	12,707,694	14,376,257	14,869,964	16,320,099	16,591,562	17,379,470	24,997,553	25,358,231	26,069,678	30,925,034
Highways and streets	12,090,496	8,557,587	7,966,728	6,472,349	7,882,733	8,625,795	9,950,063	13,017,055	13,865,901	15,525,069
Culture and recreation	4,501,165	7,364,051	9,762,841	7,658,965	7,396,239	3,693,931	5,932,137	2,012,406	4,278,713	6,415,112
Economic development	1,306,170	3,292,475	3,266,376	1,145,992	826,120	420,838	646,685	679,973	1,750,090	1,589,076
Capital outlay	27,442,679	27,926,088	49,490,425	47,648,330	36,562,709	21,055,738	18,990,565	15,038,813	16,206,174	28,975,570
Debt retirement										
Principal	2,995,000	3,060,000	4,485,000	4,920,000	6,110,000	3,760,000	3,840,000	3,999,711	4,177,890	4,879,767
Interest and fiscal charges	551,892	1,022,919	1,319,488	1,326,733	1,341,613	1,211,259	1,112,458	998,971	1,068,748	2,384,727
Administrative Charges	-	-	-	-	-	-	1,201	408	6,740	7,532
Total expenditures	80,930,858	89,280,107	117,400,674	101,213,742	98,357,069	79,293,772	84,213,693	84,340,630	94,865,317	121,049,732
Excess (deficiency) of revenues over (under) expenditures	3,402,190	3,868,630	846,031	(17,002,571)	(3,214,612)	5,628,554	349,296	4,008,892	778,134	(16,529,352)
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation bonds issued	6,815,000	3,950,000	390,000	780,000	-	-	-	-	-	-
Special assessment bonds issued	11,595,000	4,135,000	3,780,000	10,110,000	-	-	-	-	2,641,138	-
Sales tax bonds issued	-	-	-	-	-	-	-	8,145,000	42,589,626	7,862,444
Premium (discount) on debt issued	642,825	332,360	166,241	949,616	-	-	-	70,777	3,258,334	534,146
State revolving fund	-	-	-	-	-	179,120	434,122	801,680	-	-
Capital leases	-	7,921	(1,779)	-	6,405	203,000	805,472	196,153	-	754,768
Sale of City Property	84,844	93,325	88,865	186,486	72,224	105,339	147,162	190,079	200,468	92,523
Transfers in	16,523,322	21,264,126	19,905,935	21,977,660	16,349,478	13,303,536	22,771,414	18,663,791	15,504,677	16,561,953
Transfers out	(19,965,860)	(21,617,436)	(18,643,880)	(17,482,369)	(23,235,619)	-	(24,189,512)	(21,889,891)	(16,187,257)	(20,127,254)
Total other financing sources (uses)	15,695,131	8,165,296	5,685,382	16,521,393	(6,807,512)	13,790,995	(31,342)	6,177,589	48,006,986	5,678,580
Net change in fund balances	\$ 19,097,321	\$ 12,033,926	\$ 6,531,413	\$ (481,178)	\$ (10,022,124)	\$ 19,419,549	\$ 317,954	\$ 10,186,481	\$ 48,785,120	\$ (10,850,772)
Debt service expenditures to noncapital expenditures	6.63%	6.65%	8.55%	11.66%	12.06%	8.54%	7.59%	7.21%	6.67%	7.89%

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

<b>Year</b>	<b>Property Tax Levied for General Purposes</b>	<b>Property Tax Levied for Debt Service</b>	<b>Sales Tax</b>	<b>Municipal Highway Tax</b>	<b>State Aid Distribution</b>	<b>Franchise Tax</b>	<b>Other Tax</b>	<b>Total</b>	<b>(1) Population Estimated</b>
2013	9,666,190	499,901	24,850,061	2,794,431	4,231,254	668,203	564,120	43,274,160	46,398
2014	9,750,742	1,126,237	27,245,883	2,952,874	4,792,103	699,277	700,272	47,267,388	47,997
2015	13,261,691	2,875,336	26,035,551	2,740,748	4,411,924	702,627	311,720	50,339,597	49,450
2016	14,555,649	2,333,770	21,375,144	2,400,195	3,477,932	676,847	314,838	45,134,375	47,338
2017	14,656,250	3,056,361	20,035,165	2,560,200	3,378,357	629,927	303,037	44,619,297	48,743
2018	18,361,227	2,936,172	21,182,065	2,618,870	3,818,739	571,431	303,918	49,792,422	47,822
2019	20,530,118	2,971,720	22,160,231	2,647,322	3,987,699	525,036	296,676	53,118,802	47,370
2020	20,322,998	3,367,226	20,655,109	2,387,134	3,460,199	485,958	297,295	50,975,919	47,382
2021	20,496,354	2,833,567	23,141,014	2,312,339	3,768,870	462,721	309,301	53,324,166	48,377
2022	22,651,009	3,549,875	25,588,350	2,268,840	4,314,535	430,103	294,636	59,097,348	47,789

(1) 2017-2021 Source: Ward County Area Profile.  
 2009-2016 Source: U.S. Census Bureau

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

Year	Governmental Activities							Business-Type Activities					Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Sales Tax	Capital Financing Program Bonds	Tax Increment	State Revolving Funds	Leases	Revenue Bonds	Special Assessment Bonds	State Revolving Funds	Notes Payable	Leases			
2013	13,628,909	20,665,181	-	-	-	-	265	36,292,434	-	-	1,285,015	683,680	72,555,484	19.25%	1,563.76
2014	15,789,576	23,796,115	-	-	-	-	6,495	42,639,711	-	-	1,209,334	473,392	83,914,623	21.43%	1,748.33
2015	13,732,954	23,529,579	-	2,062,952	-	-	4,026	59,101,796	-	-	1,130,981	1,029,389	100,591,677	24.21%	2,034.21
2016	21,596,698	22,582,805	-	1,942,698	-	-	23,949	60,022,310	-	-	1,049,862	1,135,917	108,354,239	27.70%	2,288.95
2017	18,408,804	19,622,342	-	1,817,444	-	-	22,945	50,575,996	-	-	965,878	2,189,092	93,602,501	25.90%	1,920.33
2018	16,500,655	17,740,256	-	1,687,190	-	179,120	214,717	47,217,220	-	6,215,499	878,930	2,110,850	92,744,437	26.07%	1,939.37
2019	14,547,505	15,823,171	-	1,556,937	-	613,242	759,881	43,327,354	-	11,699,299	-	1,333,141	89,660,530	24.11%	1,892.77
2020	12,534,299	13,866,084	8,215,187	1,421,683	-	1,360,211	715,585	56,747,408	1,430,017	13,868,098	-	1,478,931	111,637,503	29.04%	1,997.54
2021	10,620,463	15,015,916	53,279,240	1,281,429	-	1,311,946	513,640	37,589,427	2,372,593	13,466,717	-	1,495,188	136,946,559	34.79%	2,830.82
2022	8,642,535	18,897,590	52,201,245	1,141,175	2,361,321	1,538,555	970,986	33,888,330	2,149,309	13,368,506	-	1,055,392	136,214,944	32.93%	2,850.34

(1) \$3,936,273 Source: Bureau of Economic Analysis; Last updated March 2021

(2) 2017-2021 Source: Ward County Area Profile. 2020 as of 3/2/2022  
 2012-2016 Source: U.S. Census Bureau

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

<b>Industry</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Construction	\$ 48,910,592	\$ 49,746,274	\$ 50,617,167	\$ 33,914,871	\$ 25,724,984	\$ 30,518,657	\$ 26,691,993	\$ 24,376,007	\$ 29,724,090	\$ 37,455,579
Manufacturing	41,189,329	44,013,916	35,172,479	26,147,004	24,098,344	25,157,356	25,863,286	24,454,978	28,913,652	32,901,177
Wholesale trade	251,299,458	290,327,737	188,430,808	119,459,817	121,122,546	131,858,479	142,197,859	125,853,922	129,892,240	172,886,518
Retail trade	797,159,510	787,593,298	701,907,245	588,795,861	561,632,634	571,195,731	578,080,327	563,257,457	602,536,431	606,645,606
Transportation & warehousing	4,366,386	4,857,706	4,544,458	3,843,794	3,840,060	3,918,938	3,282,504	596,969	475,366	1,226,306
Information industries	5,614,714	5,370,170	5,361,095	4,658,360	4,366,103	4,184,241	4,206,383	1,447,307	2,215,935	3,187,706
Fin, insurance, real estate, rental & leasing	66,228,844	56,572,911	37,360,861	22,283,586	22,824,929	25,620,582	31,460,558	24,017,979	19,566,187	28,188,560
Professional, scientific, tech., & mgmt serv.	13,341,555	6,201,548	4,968,086	4,993,857	5,303,173	4,913,830	5,431,346	3,588,617	3,997,205	4,180,013
Educational, health care, & social services	3,358,110	4,526,544	4,359,408	4,086,361	3,373,433	4,035,600	4,488,726	3,829,500	5,098,034	4,698,476
Arts, entertainment & recreation	5,251,128	5,852,922	6,143,852	6,546,703	7,613,172	7,384,957	7,479,974	7,166,799	9,218,539	9,732,190
Accommodation & food services	191,616,550	202,405,713	190,000,047	166,075,079	164,225,049	166,260,319	171,919,322	141,680,796	169,721,189	183,382,550
Mining and Oil Extraction	88,648,677	61,488,901	147,323,049	26,921,532	22,506,295	30,371,368	47,156,652	41,595,112	46,173,872	70,451,669
Other services	40,431,146	45,168,580	42,127,833	37,167,275	39,418,208	41,659,096	45,972,434	41,480,855	48,677,536	58,687,270
Miscellaneous	1,973,208	1,967,552	1,081,898	1,160,120	1,629,704	2,141,387	1,783,459	3,686,479	3,465,366	2,720,362
Total taxable sales and purchases	<u>\$ 1,559,389,207</u>	<u>\$ 1,566,093,772</u>	<u>\$ 1,419,398,286</u>	<u>\$ 1,046,054,220</u>	<u>\$ 1,007,678,634</u>	<u>\$ 1,049,220,541</u>	<u>\$ 1,096,014,823</u>	<u>\$ 1,007,032,777</u>	<u>\$ 1,099,675,642</u>	<u>\$ 1,216,343,982</u>

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

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

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

<b>Levy Year</b>	<b>(1) Commercial Land and Buildings</b>	<b>(1) Residential Land and Buildings</b>	<b>Public Utilities</b>	<b>(2) Total Assessed Value</b>	<b>Total True and Full Value</b>	<b>Assessed Value as a Percentage of True and Full Value</b>	<b>Total Direct Tax Rate</b>
2013	843,373,150	1,188,428,700	15,175,410	2,046,977,260	4,093,954,520	50.00%	76.05
2014	1,000,617,300	1,227,636,250	15,781,324	2,244,034,874	4,488,069,748	50.00%	77.90
2015	1,126,074,880	1,300,547,378	15,256,870	2,441,879,128	4,883,758,256	50.00%	77.05
2016	1,111,099,350	1,295,175,344	20,045,240	2,426,319,934	4,852,639,869	50.00%	77.81
2017	991,146,600	1,233,454,067	19,278,330	2,243,878,997	4,487,757,994	50.00%	106.65
2018	929,727,850	1,223,475,000	21,038,600	2,174,241,450	4,348,482,900	50.00%	129.70
2019	949,876,220	1,222,460,256	25,981,810	2,198,318,286	4,396,636,572	50.00%	121.87
2020	965,751,000	1,242,758,122	25,340,590	2,233,849,712	4,467,699,424	50.00%	119.95
2021	931,325,490	1,283,030,667	24,335,650	2,238,691,807	4,477,383,614	50.00%	121.47
2022	978,922,250	1,367,748,622	26,676,170	2,373,347,042	4,746,694,084	50.00%	119.15

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

(2) Assessed values are finalized by the State Assessment Board on the second Tuesday in August of each year.  
 The assessed value is calculated at 50% of the true and full value.

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

<u>Levy Year</u>	<u>City of Minot</u>					<u>Total</u>	<u>Minot Park District</u>	<u>Minot School District</u>	<u>State and County</u>	<u>Total</u>
	<u>General Fund</u>	<u>Proprietary Funds</u>	<u>Special Revenue Funds</u>	<u>Capital Funds</u>	<u>Debt Service Funds</u>					
2013	42.88	0.44	21.90	4.63	6.20	76.05	28.11	81.98	63.03	249.17
2014	46.01	0.82	20.64	2.94	7.49	77.90	27.09	92.41	71.22	268.62
2015	47.41	1.70	16.62	7.11	4.21	77.05	29.35	98.25	64.79	269.44
2016	44.07	3.50	12.96	3.21	14.07	77.81	31.36	108.22	65.47	282.86
2017	61.69	3.86	20.64	6.09	14.37	106.65	34.40	111.05	72.42	324.52
2018	69.39	14.07	19.54	11.90	14.80	129.70	35.55	113.50	73.08	351.83
2019	86.56	4.69	8.46	5.41	16.75	121.87	43.22	111.34	61.27	337.70
2020	93.13	4.24	5.99	2.72	13.87	119.95	42.66	109.33	60.38	332.32
2021	92.35	4.19	7.90	-	17.03	121.47	45.58	109.34	58.91	335.30
2022	84.92	2.95	9.10	-	22.18	119.15	48.57	142.34	56.95	367.01

Data obtained from the Ward County Auditor's Office



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

<b>Levy Year</b>	<b>(1) Total Current Tax Levy</b>	<b>(2) Current Collections</b>	<b>Percent of Levy Collected</b>	<b>(2) Delinquent Collections</b>	<b>(2) Total Collections</b>	<b>Total Collection as Percent of Current Levy</b>	<b>(3) Adjustments</b>	<b>(4) Accumulated Outstanding Taxes</b>	<b>Outstanding Delinquent as Percent of Current Levy</b>
2013	14,505,927	13,803,849	95.16%	264,952	14,068,802	96.99%	351,294	448,378	3.09%
2014	16,451,633	15,063,278	91.56%	309,745	15,373,023	93.44%	459,639	1,067,348	6.49%
2015	17,616,035	15,905,973	90.29%	885,793	16,791,766	95.32%	486,750	1,404,868	7.97%
2016	17,871,719	16,700,619	93.45%	1,217,215	17,917,834	100.26%	489,146	869,607	4.87%
2017	22,616,328	20,925,767	92.53%	625,918	21,551,685	95.29%	761,757	1,172,493	5.18%
2018	26,611,273	24,637,660	92.58%	769,619	25,407,279	95.48%	969,740	1,406,747	5.29%
2019	25,301,186	23,054,460	91.12%	786,710	23,841,170	94.23%	914,692	1,952,071	7.72%
2020	25,781,496	23,142,701	89.76%	945,533	24,088,234	93.43%	1,480,507	2,164,826	8.40%
2021	26,137,235	23,983,329	92%	689,443	24,672,772	94.40%	1,427,690	2,201,599	8.42%
2022	27,186,821	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

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

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

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

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

**City of Minot, North Dakota**  
**Principal Property Taxpayers**  
**December 31, 2022**  
unaudited

TAXPAYER	2022			2013		
	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value
Trinity Health	\$ 7,479,205	1	0.66%	\$ 330,190	0	0.02%
Dakota Square Mall CMBS LLC	2,768,450	2	0.25%	75,255,800	2	3.92%
IRET Properties	2,692,050	3	0.24%	100,333,700	1	5.23%
Northern States Power Co	1,467,735	4	0.13%	529,444	4	0.03%
Hill Wyatt, LLC	1,059,400	5	0.09%			
North Highland-Minot, LLC	1,033,250	6	0.09%			
SUSO 3 Southgate LP	1,028,550	7	0.09%			
Farmers Union Oil Company	944,350	8	0.08%	215,840		0.01%
Montana Dakota Utilities Co.	811,967	9	0.07%	204,122		0.01%
Sale Properties LLC	782,300	10	0.07%			
Centerspace LC	740,350	11	0.07%			
DOC-2111 Landmark Circle MOB	727,550	12	0.06%			
United Pulse Trading	708,850	13	0.06%			
Westlie Motor Company	680,950	14	0.06%			
Northdale Apartments LLC	668,100	15	0.06%	19,108,000	5	1.00%
Wal-Mart Real Estate Business Trst	654,500	16	0.06%	17,398,100	4	0.91%
ARHC MMMINND01 LLC	653,050	17	0.06%	481,689	15	0.03%
Prairie Heights Apartments LLLP	643,500	18	0.06%	24,287,500	3	1.27%
Menards Inc.	634,250	19	0.06%	15,298,200	13	0.80%
Dakota Upreit (Metro Mall)	633,300	20	0.06%			
Cenex Harvest States Co-Op	630,650			12,296,100	20	0.64%
Southwood Apartments	610,650			18,728,600	6	0.98%
Home Depot USA Inc	585,300					
EWR Minot Woodside Willow LLC	584,850					
Northern Plains Apartments LLC	583,850			16,344,200	10	0.85%
Somerset Court Partnership	582,050					
Pines on 37th, LLC The	560,600			17,169,100	8	0.89%
Meadow Ridge LLC	557,200			16,421,900	9	0.86%
Philadelphia Macaroni	517,900					
KCR Investments LLC	511,250			16,070,700	12	0.84%
Woodridge Fund 7 MHP LLC	503,350			14,313,200	17	0.75%
North Central Capital LLC	489,350					
All Others	1,095,167,139		97.03%	1,554,223,206		80.99%
Total Taxable Assessed Value	<u>\$1,128,695,796</u>		<u>99.40%</u>	<u>\$1,919,009,591</u>		<u>100.00%</u>

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

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

Year	Governmental Activities							Business-Type Activities					Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Sales Tax	Capital Financing Program Bonds	Tax Increment	State Revolving Funds	Leases	Revenue Bonds	Special Assessment Bonds	State Revolving Funds	Notes Payable	Leases			
2013	13,628,909	20,665,181	-	-	-	-	265	36,292,434	-	-	1,285,015	683,680	72,555,484	19.25%	1,563.76
2014	15,789,576	23,796,115	-	-	-	-	6,495	42,639,711	-	-	1,209,334	473,392	83,914,623	21.43%	1,748.33
2015	13,732,954	23,529,579	-	2,062,952	-	-	4,026	59,101,796	-	-	1,130,981	1,029,389	100,591,677	24.21%	2,034.21
2016	21,596,698	22,582,805	-	1,942,698	-	-	23,949	60,022,310	-	-	1,049,862	1,135,917	108,354,239	27.70%	2,288.95
2017	18,408,804	19,622,342	-	1,817,444	-	-	22,945	50,575,996	-	-	965,878	2,189,092	93,602,501	25.90%	1,920.33
2018	16,500,655	17,740,256	-	1,687,190	-	179,120	214,717	47,217,220	-	6,215,499	878,930	2,110,850	92,744,437	26.07%	1,939.37
2019	14,547,505	15,823,171	-	1,556,937	-	613,242	759,881	43,327,354	-	11,699,299	-	1,333,141	89,660,530	24.11%	1,892.77
2020	12,534,299	13,866,084	8,215,187	1,421,683	-	1,360,211	715,585	56,747,408	1,430,017	13,868,098	-	1,478,931	111,637,503	29.04%	1,997.54
2021	10,620,463	15,015,916	53,279,240	1,281,429	-	1,311,946	513,640	37,589,427	2,372,593	13,466,717	-	1,495,188	136,946,559	34.79%	2,830.82
2022	8,642,535	18,897,590	52,201,245	1,141,175	2,361,321	1,538,555	970,986	33,888,330	2,149,309	13,368,506	-	1,055,392	136,214,944	32.93%	2,850.34

(1) \$3,936,273 Source: Bureau of Economic Analysis; Last updated March 2021

(2) 2017-2021 Source: Ward County Area Profile. 2020 as of 3/2/2022  
 2012-2016 Source: U.S. Census Bureau

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

<b>Year</b>	<b>(1) Population Estimated</b>	<b>(2) Assessed Value</b>	<b>(3) Gross Bonded Debt</b>	<b>Less Debt Service Funds</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Assessed Value</b>	<b>Net Bonded Debt per Capita</b>
2013	46,398	2,046,977,260	13,879,232	352,896	13,526,336	0.66%	291.53
2014	47,997	2,244,034,874	16,506,462	1,273,150	15,233,312	0.68%	317.38
2015	49,450	2,441,879,128	14,449,840	1,195,984	13,253,856	0.54%	268.03
2016	47,338	2,426,319,934	21,799,895	1,048,359	20,751,536	0.86%	438.37
2017	48,743	2,243,878,997	18,589,243	389,879	18,199,364	0.81%	373.37
2018	47,822	2,174,241,450	17,020,770	871,643	16,149,127	0.74%	337.69
2019	47,370	2,198,318,286	15,007,840	949,798	14,058,042	0.64%	296.77
2020	47,382	2,233,849,712	12,934,920	942,835	11,992,085	0.54%	253.09
2021	48,377	2,238,691,807	11,013,242	908,466	10,104,776	0.45%	208.88
2022	47,789	2,373,347,042	8,968,620	1,224,130	7,744,490	0.33%	162.06

(1) 2017-2021 Source: Ward County Area Profile.  
 2012-2016 Source: U.S. Census Bureau

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

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

**City of Minot, North Dakota**  
**Computation of Direct and Overlapping Debt**  
**For the Year Ended December 31, 2022**  
 unaudited

<u>Governmental Unit</u>	<u>Outstanding Debt</u>	<u>Ratio</u>	<u>City's Share of Debt</u>
Minot School District (1)	\$ 152,712,942	100.98%	154,201,940
Minot Park District (2)	22,859,855	100.01%	22,862,609
Ward County (3)	15,762,825	64.05%	10,096,730
Ward Co. Water Resource District	1,925,000	64.05%	1,233,041
<b>Overlapping Debt</b>			<u>188,394,319</u>
City of Minot (General Obligation Direct Debt)	10,620,463	100.00%	10,620,463
City of Minot (Special Assessment)	15,015,916	100.00%	15,015,916
City of Minot (Sales Tax)	53,279,240	100.00%	53,279,240
City of Minot (Capital Financing Program Bonds)	1,281,429	100.00%	1,281,429
City of Minot (State Revolving Fund)	1,311,946	100.00%	1,311,946
City of Minot (Capital Lease)	513,640	100.00%	<u>513,640</u>
<b>Direct Debt</b>			<u>82,022,634</u>
Total Direct and Overlapping Debt			<u><u>\$ 270,416,953</u></u>

<u>Ratios Used</u>	<u>2022 Assessed Value</u>	<u>2022 City's Assessed Value</u>	<u>Percentage</u>
Minot School District (3)	\$ 2,447,016,944	\$ 2,423,388,170	100.98%
Minot Park District (3)	2,423,680,170	2,423,388,170	100.01%
Ward County (3)	3,783,348,216	2,423,388,170	64.05%
Ward Co. Water Resource District	3,783,348,216	2,423,388,170	64.05%

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

(2) Data obtained from Minot Park District

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

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

**City of Minot, North Dakota**  
**Computation of Legal Debt Margin**  
**December 31, 2022**  
unaudited

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True and full value of taxable property - 2022	\$ 4,746,694,084
Debt limit - 8% of 50% of true and full value	189,867,763
Amount of debt applicable to debt limit:	
General obligation bonds	8,642,535
Special Assessment bonds with Government Commitment	326,085
Less: cash in debt service sinking funds	<u>(1,224,130)</u>
Total net debt applicable to limit	<u>7,744,490</u>
Legal debt margin	<u><u>\$ 182,123,273</u></u>

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

	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
Debt limit	\$ 163,758,181	\$ 179,522,790	\$ 203,226,781	\$ 194,105,595	\$ 179,510,320	\$ 173,939,316	\$ 175,865,463	\$ 178,707,977	\$ 179,095,345	\$ 189,867,763
Less total net debt applicable to limit	13,879,232	16,506,462	14,449,840	21,799,895	18,589,243	16,089,347	14,058,042	11,992,085	11,921,708	7,744,490
Legal debt margin	<u>\$ 149,878,949</u>	<u>\$ 163,016,328</u>	<u>\$ 188,776,941</u>	<u>\$ 172,305,700</u>	<u>\$ 160,921,077</u>	<u>\$ 157,849,969</u>	<u>\$ 161,807,421</u>	<u>\$ 166,715,892</u>	<u>\$ 167,173,637</u>	<u>\$ 182,123,273</u>
Total net debt applicable to the limit as a percentage of debt limit	8.48%	9.19%	7.11%	11.23%	10.36%	9.25%	7.99%	6.71%	6.66%	4.08%

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

Year	Operating Revenue	State & Federal Collected Revenues	Tax Levy	(1) Direct Operating Expenses	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
						(2) Principal	Interest & Fiscal Charges	Total	
2013	3,946,497	13,510,812	397	2,679,069	14,778,637	-	83,485	83,485	177.02
2014	4,054,181	20,518,010	7	2,758,673	21,813,525	-	444,141	444,141	49.11
2015	3,339,385	22,735,030	-	4,434,790	21,639,625	-	597,076	597,076	36.24
2016	4,521,765	4,107,953	100,159	4,829,320	3,900,557	1,205,000	1,016,100	2,221,100	1.76
2017	4,357,683	2,547,713	531,242	4,170,988	3,265,650	1,170,000	1,013,533	2,183,533	1.50
2018	4,530,290	1,406,385	585,952	3,704,460	2,818,167	1,180,711	984,820	2,165,531	1.30
2019	4,745,972	2,041,322	1,011,955	3,510,319	4,288,930	1,215,711	953,433	2,169,144	1.98
2020	3,452,270	6,303,359	780,219	3,693,435	6,842,413	1,265,000	964,534	2,229,534	3.07
2021	4,083,026	2,672,298	727,041	3,677,952	3,804,413	1,493,092	433,832	1,926,924	1.97
2022	4,627,611	1,189,002	742,342	4,763,347	1,795,608	1,533,090	575,300	2,108,390	0.85

(1) Excludes depreciation

(2) Permanent financing only



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

Year	Operating Revenue	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements			Coverage
					(2) Principal	Interest & Fiscal Charges	Total	
2013	17,375,336	9,403,818	550,000	8,521,518	2,315,000	726,360	3,041,360	2.80
2014	19,191,243	11,520,824	1,050,000	8,720,419	4,520,000	717,507	5,237,507	1.66
2015	19,956,729	10,646,170	1,050,000	10,360,559	2,295,000	838,360	3,133,360	3.31
2016	19,958,715	13,804,239	1,050,000	7,204,476	2,995,000	928,823	3,923,823	1.84
2017	21,342,366	11,973,630	1,050,000	10,418,736	*8,303,984	1,026,799	9,330,783	1.12
2018	22,328,966	12,897,110	1,050,000	10,481,856	2,265,013	796,183	3,061,196	3.42
2019	21,797,189	13,354,113	648,867	9,091,943	3,831,084	704,277	4,535,361	2.00
2020	22,192,914	15,331,365	2,154,174	9,015,723	2,721,695	670,562	3,392,257	2.66
2021	22,909,469	17,652,459	1,025,545	6,282,555	2,803,286	672,570	3,475,856	1.81
2022	22,841,647	19,750,978	1,091,610	4,182,279	3,145,456	649,779	3,795,235	1.10

(1) Excludes depreciation

(2) Permanent financing only

\* Prepaid Debt: 2008 D Water & Sewer Revenue Bonds \$5,210,000

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

<b>Year</b>	<b>(1) Population Estimated</b>	<b>(2) Annual Personal Income</b>	<b>(3) Per Capita Personal Income</b>	<b>(3) Median Age</b>	<b>(4) Education Levels in Years of Formal Schooling</b>	<b>(5) School Enrollment</b>	<b>(2) Unemployment Rate</b>
2013	46,398	3,769,923	57,473	33.8	13.44	7,737	2.3%
2014	47,997	3,916,658	57,574	30.4	13.50	7,758	2.8%
2015	49,450	4,155,594	59,718	31.0	13.52	8,192	3.5%
2016	47,338	3,911,343	54,774	31.1	13.41	8,027	3.7%
2017	48,743	3,613,809	51,505	31.1	13.46	8,006	2.9%
2018	47,822	3,557,196	51,385	31.6	13.51	7,985	2.7%
2019	47,370	3,718,654	54,284	32.1	13.54	8,281	2.3%
2020	47,382	3,844,136	56,161	32.3	13.61	8,116	5.7%
2021	48,377	3,936,273	57,492	32.0	13.61	8,126	3.0%
2022	47,789	4,136,840	59,893	32.5	10.00	8,191	1.9%

(1) 2017-2021 Source: Ward County Area Profile.  
 2013-2016 Source: U.S. Census Bureau

(2) 2013-2021 Source: Bureau of Economic Analysis  
 2013-2015 Source: Ward County Area Profile  
 Annual Personal Income (thousands of dollars)

(3) 2013-2021 Source: Ward County Area Profile.  
 2013-2015 Source: Minot Area Development Corp Community Profile

(4) 2013-2021 Source: Ward County Area Profile.

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

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

Employer	2022			2013		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base	12,123	1	53.18%	6,754	1	20.29%
Trinity Health	2,850	2	12.50%	2,066	2	6.21%
Minot Public Schools	1,047	3	4.59%	1,020	3	3.06%
Minot State University	561	4	2.46%	444	5	1.30%
City of Minot	437	5	1.92%	343	9	1.03%
Hess	380	6	1.67%			
Delta Vacations	367	7	1.61%	255	11	0.77%
Kalix	279	8	1.22%	400	7	1.20%
Ward County	367	9	1.61%	218	13	0.65%
BNSF Railway	230	10	1.01%	350	8	1.05%
Cognizant (ING Minot Service Center)*				600	4	1.80%
Menards				250	12	0.75%
Walmart*				300	10	0.90%
<b>Total</b>	<b>18,641</b>		<b>81.77%</b>	<b>13,000</b>		<b>39.01%</b>

Source: Employers

\*Employer no longer willing to disclose this information

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

<b>Function</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>	<b>2018</b>	<b>2019</b>	<b>2020</b>	<b>2021</b>	<b>2022</b>
General government	55.77	59.27	66.77	81.27	81.11	78.62	82.62	86.62	86.62	93.32
Public safety										
Police										
Officers	75.00	79.00	83.00	85.00	84.00	84.00	86.00	86.00	86.00	86.00
Civilians	22.00	22.00	23.00	22.00	23.00	23.00	23.00	23.00	24.00	27.00
Fire										
Firefighters and officers	50.00	50.00	56.00	62.00	62.00	62.00	62.00	62.00	62.00	66.00
Civilians	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00	2.00
Traffic										
Civilians	5.00	5.00	5.00	6.00	6.00	6.00	6.00	6.00	6.00	6.00
Highways and streets										
Engineering	12.00	12.00	14.00	13.00	13.00	10.00	10.00	11.00	11.00	12.00
Street maintenance	23.75	23.75	26.75	28.75	28.72	28.65	28.65	28.65	28.65	28.65
Culture and recreation	26.63	26.63	26.63	26.63	26.63	26.63	15.63	15.44	15.44	14.56
Airport	18.00	18.00	18.50	25.00	27.00	25.00	25.00	25.00	25.00	22.00
Cemetery	4.21	4.21	4.21	4.21	4.21	4.23	4.23	4.23	4.23	4.23
Parking authority	1.00	1.00	-	-	-	-	-	-	-	-
Sanitation	27.15	30.15	31.47	31.48	31.66	22.43	22.43	22.43	22.68	24.68
Water, sewer, & storm sewer	42.62	48.62	49.30	50.29	50.30	51.07	52.07	52.07	52.82	54.79
<b>Total</b>	<b>365.13</b>	<b>381.63</b>	<b>406.63</b>	<b>437.63</b>	<b>439.63</b>	<b>423.63</b>	<b>419.63</b>	<b>424.44</b>	<b>426.44</b>	<b>441.23</b>

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - Annual Budget

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

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
Assessors										
Properties reviewed	922	4,148	3,158	3,062	3,555	3,039	2,689	2,543	2,700	4,044
Properties photographed	1,944	4,557	4,437	3,731	4,024	3,109	2,788	3,880	3,205	4,120
Building inspections										
Permits issued	1,064	777	719	512	568	511	416	474	452	373
Public transportation										
Bus ridership	128,184	130,866	114,472	89,602	88,803	91,666	91,960	50,760	51,124	69,045
Public safety										
Police										
Parking tickets issued	9,032	7,368	8,029	4,198	5,473	4,705	3,758	1,935	1,469	1,453
Criminal citations issued	7,492	6,057	4,223	3,379	3,235	3,197	2,996	2,535	2,344	2,627
Traffic citations issued	4,239	4,990	5,340	5,729	6,414	5,740	5,071	3,636	2,692	4,489
Alarms-patrol & parking division	1,172	1,410	1,501	1,588	1,319	1,126	1,063	894	905	904
Fire										
# of fire incidents	660	751	737	751	758	762	1,023	970	1,063	1,100
# of rescue incidents	2,175	2,043	2,036	2,044	2,162	2,611	2,604	2,331	3,425	3,518
Inspections made	2,370	2,812	1,465	2,029	1,623	780	434	314	583	969
Traffic										
Signs installed	1,314	1,331	1,484	1,390	2,101	2,009	2,630	1,612	1,717	1,823
Signs/posts repaired	1,582	1,401	1,351	1,124	1,078	2,362	2,987	2,232	2,719	1,075
Traffic lights repaired	861	276	293	529	380	945	1,071	837	1,096	1,149
Street lights repaired	892	274	297	644	1,005	915	1,118	1,350	1,158	861
Culture and recreation										
Auditorium										
Event days	746	590	697	762	794	846	*	*	*	*
Attendance	186,914	78,531	94,843	117,649	125,832	138,353	*	*	*	*
Library										
Registered borrowers	21,994	21,874	22,196	23,081	24,078	25,176	26,204	26,868	22,428	22,006
Physical circulation and activity	195,147	202,092	205,338	241,688	189,330	117,475	136,257	174,607	196,231	509,560
Digital circulation and activity	106,881	90,584	268,917	403,960	195,375	329,222	275,074	119,641	173,091	240,143
Airport										
Gallons airline fuel dispensed	3,129,913	3,999,072	3,734,641	2,171,640	1,885,773	1,907,901	2,061,115	1,325,741	1,633,701	1,737,948
Airline boarding's	222,083	222,144	182,872	151,700	143,172	151,658	165,998	85,255	126,181	137,312
Sanitation										
# of customers	11,044	11,504	11,512	11,530	11,508	11,486	11,541	11,603	11,689	11,891
Landfill tonnage	161,131	151,913	142,030	178,196	120,973	180,811	212,869	164,027	141,238	135,257
Water, sewer, & storm sewer										
# of consumers	14,320	14,649	14,700	14,755	14,734	14,680	14,717	14,770	14,856	14,145
Gallons pumped/treated	2,334,900,000	2,422,130,000	2,455,390,000	2,368,960,000	2,539,061,201	2,455,902,936	2,327,997,548	2,381,857,895	2,456,223,090	2,349,754,218
Parking ramps										
Active parking passes	**	**	**	**	**	227	238	243	273	137

Source: Various city departments

\*Auditorium merged with Minot Park District April 1, 2019

\*\*Operations of parking ramps began in 2018

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

FUNCTION	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
General government										
City hall building	1	1	1	1	1	1	1	1	1	1
Public works building	1	1	1	1	1	1	1	1	1	1
Auditorium	1	1	1	1	1	1	1	1	1	1
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	36	40	41	42	42	44	43	45	46	45
Fire										
Stations	3	3	3	4	4	4	4	4	4	
Traffic										
Street lights	3,229	3,400	3,603	3,690	3,751	3,795	3,800	3,790	3,682	3,907
Traffic signals	53	53	53	50	50	50	50	49	49	46
Highways and streets										
Streets (square miles)	27.32	27.36	27.48	27.76	27.23	27.24	27.24	27.63	27.65	27.69
Culture and recreation										
Libraries	1	1	1	1	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16	*	*	*	
Tennis courts	2	2	2	2	2	2	*	*	*	
Indoor tennis center	1	1	1	1	1	1	1	1	1	1
Airport										
Terminal	1	1	1	1	1	1	1	1	1	
Sanitation										
Landfill building	1	1	1	1	1	1	1	1	1	1
Collection trucks	8	9	9	9	12	14	14	14	14	14
Water, sewer, & storm sewer										
Water treatment plant	1	1	1	1	1	1	1	1	1	
Water mains (miles-estimated)	302	315	322.9	324.15	324.49	315.08	319.75	322	322	316
Sewer mains (miles-estimated)	232.8	249.2	255.9	259.22	264.66	266.28	269.54	271	273	288
Storm Sewer mains (miles-estimated)	88.45	98.12	105.61	112.81	111.57	118.54	118.54	121	122	142
Maximum daily capacity (millions of gallons)	10.95	11.3	11.3	11.3	12.4	12.3	11.3	11.2	18	11.7
Parking ramps										
Parking ramps	**	**	**	**	**	2	2	2	2	2

Sources: Various city departments

\*Auditorium merged with Minot Park District April 1, 2019

\*\*Operations of parking ramps began in 2018



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**Independent Auditor’s Report on Compliance for the Passenger Facility Charge Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Passenger Facility Charges Required by the Passenger Facility Charge Audit Guide for Public Agencies**

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

**Report on Compliance**

***Opinion on Compliance with the Passenger Facility Charge Program***

We have audited the Municipal Airport Authority of the City of Minot’s (the Airport) compliance with the types of compliance requirements identified as subject to audit in the *Passenger Facility Charge Audit Guide for Public Agencies*, issued by the Federal Aviation Administration (Guide), that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2022.

In our opinion, the Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2022.

***Basis for our Opinion on the Passenger Facility Charge Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the Guide. Our responsibilities under those standards and the Guide are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the passenger facility charge program. Our audit does not provide a legal determination of the Airport’s compliance requirements referred to above.

***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the Airport’s passenger facility charge program.



## ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the Airport's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Guide will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the Airport's compliance with the requirements of the passenger facility charge program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Guide, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 Airport's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airport's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Guide, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

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

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that have not been identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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

### **Report on Schedule of Expenditures of Passenger Facility Charges Required by the Guide**

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot as of and for the year ended December 31, 2022, and the related notes to the financial statements, which collectively comprise the City of Minot's basic financial statements. We have issued our report thereon dated June 26, 2023, which contained an unmodified opinions on those financial statements. Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the basic financial statements. The accompanying schedule of expenditures of passenger facility charges is presented for purposes of additional analysis as required by the Guide and is not a required part of the basic 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 schedule of expenditures of passenger facility charges is fairly stated in all material respects in relation to the basic financial statements as a whole.



Fargo, North Dakota  
June 26, 2023



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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot (“the City”), 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 and have issued our report thereon dated June 26, 2023.

**Report on Internal Control over Financial Reporting**

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

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

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

## **Report on Compliance and Other Matters**

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

### **Purpose of this Report**

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

A handwritten signature in cursive script that reads "Eide Bailly LLP".

Fargo, North Dakota  
June 26, 2023



**Independent Auditor’s Report on Compliance for the Major Federal Program and Report on Internal Control Over Compliance Required by the Uniform Guidance**

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

**Report on Compliance for the Major Federal Program**

***Opinion on the Major Federal Program***

We have audited the City of Minot (“the City”)’s compliance with the types of compliance requirements identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on the City’s major federal program for the year ended December 31, 2022. The City’s major federal program is identified in the summary of auditor’s results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on its major federal program for the year ended December 31, 2022.

***Basis for Opinion on the Major Federal Program***

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for the major federal program. Our audit does not provide a legal determination of the City’s compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

### ***Auditor's Responsibilities for the Audit of Compliance***

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the City's compliance based on our audit. 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 GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the City's compliance with the requirements of the major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

## Report on Internal Control over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

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



Fargo, North Dakota  
June 26, 2023

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed-Through to Subrecipients
<u>Department of Defense</u>				
Community Investment	12.600	N/A	\$ 6,409,998	\$ 6,409,998
<u>Department of Housing and Urban Development</u>				
CDBG - Disaster Recovery Grants - Pub. L. No. 113-2 Cluster				
Hurricane Sandy Community Development Block Grant Disaster Recovery Grants	14.269	N/A	17,721,316	4,508,516
<u>Department of Justice</u>				
COVID-19 Coronavirus Emergency Supplemental Funding Program	16.034	N/A	\$ 12,276	
Bulletproof Vest Partnership Program	16.607	N/A	14,274	
<i>Passed through North Dakota Bureau of Criminal Investigation</i>				
Project Safe Neighborhoods	16.609	2019-GP-BX-0051	1,401	
Edward Byrne Memorial Justice Assistance Grant Program	16.738	N/A	\$ 18,032	
<i>Passed through North Dakota Bureau of Criminal Investigation</i>				
Edward Byrne Memorial Justice Assistance Grant Program	16.738	15PBJA-21-GG-00279-JAGX	11,487	
Total Federal Financial Assistance Listing			29,519	
Total Department of Justice				57,470
<u>Department of Transportation</u>				
COVID-19 Airport Improvement Program	20.106	N/A	3,645	
Airport Improvement Program (Reconstruct Air Cargo Apron)	20.106	N/A	4,491	
COVID-19 Airport Improvement Program (Concessions Relief Grant)	20.106	N/A	50,135	
Airport Improvement Program (ARPA)	20.106	N/A	47	
Airport Improvement Program (Airport Development or Noise Program Implementation)	20.106	N/A	291,475	
Airport Improvement Program (Bipartisan Infrastructure Law Airport Infrastructure Grant)	20.106	N/A	86,625	
Total Federal Financial Assistance Listing				436,418



City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2022

Federal Grantor/Pass-Through Grantor/Program or Cluster Title	Federal Financial Assistance Listing	Pass-through Entity Identifying Number	Expenditures	Amounts Passed- Through to Subrecipients
<u>Department of Transportation (continued)</u>				
<i>Passed through North Dakota Department of Transportation</i>				
Consolidated Rail Infrastructure and Safety Improvement	20.325	17200360	231,882	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	38210558	324,954	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	38220973	346,996	
Formula Grants for Rural Areas and Tribal Transit Program	20.509	unknown	1,863	
Total Federal Financial Assistance Listing			<u>673,813</u>	
Federal Transit Cluster				
Buses and Bus Facilities Formula, Competitive, and Low or No Emissions Program	20.526	38181781		1,716
Highway Safety Cluster				
State and Community Highway Safety - Speed Enforcement	20.600	PHSPSC2207-04-15	\$ 2,663	
State and Community Highway Safety - Distracted Driving	20.600	PHSPDD22011-02-09	6,191	
State and Community Highway Safety - Occupant Protection	20.600	PHSPOP2205-05-14	3,755	
Total Federal Financial Assistance Listing			<u>12,609</u>	
National Priority Safety Programs	20.616	PHSPID2210-02-11	7,669	
Total Highway Safety Cluster				20,278
Interagency Hazardous Materials Public Sector Training and Planning Grants	20.703	693JK31940043HMEP		23,662
Total Department of Transportation				<u>1,387,769</u>
<u>Federal Communication Commission</u>				
Emergency Connectivity Fund Program	32.009	N/A		<u>3,251</u>
<u>Environmental Protection Agency</u>				
<i>Passed through North Dakota Department of Health</i>				
Drinking Water State Revolving Loan Fund (DWSRF) Cluster				
Drinking Water State Revolving Fund	66.468	5100660-01		<u>179,657</u>
<u>Department of Energy</u>				
<i>Passed through North Dakota Department of Energy</i>				
State Energy Program	81.041	DE-EE0010044		<u>2,182</u>
<u>Department of Homeland Security</u>				
<i>Passed through North Dakota Department of Emergency Services</i>				
Homeland Security Grant Program	97.067	EMW-2019-SS-000033	39,549	
Homeland Security Grant Program	97.067	EMW-2020-SS-00073	74,149	
Homeland Security Grant Program	97.067	EMW-2021-SS-00063	57,578	
Total Federal Financial Assistance Listing				<u>171,276</u>
Total Federal Financial Assistance				<u>\$ 25,932,919</u>
				<u>\$ 10,918,514</u>

**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2022. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

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

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

**Note C – Indirect Cost Rate**

The City does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

City of Minot, North Dakota  
Schedule of Passenger Facility Charges  
Year Ended December 31, 2022

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<u>Program Title</u>	<u>Revenue</u>
Passenger Facility Charge Program	<u>\$ 587,751</u>

**Note A – Basis of Presentation**

Passenger Facility Charges (“PFCs”), net of the air carriers’ handling charges, are recognized and reported when earned by the Municipal Airport Authority of the City of Minot (the “Airport”). Expenditures are recorded when incurred, up to the level of PFC revenue earned. The Airport maintains funds in a separate cash account. Interest income is recognized on the accrual basis. The basis of accounting described above is in accordance with the Federal Aviation Administration (“FAA”) guidelines.

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

**FINANCIAL STATEMENTS**

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

**FEDERAL AWARDS**

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

**Identification of major programs:**

<u>Name of Federal Program</u>	<u>Federal Financial Assistance Listing</u>
Community Development Block Grants Cluster	14.269
Dollar threshold used to distinguish between type A and type B programs:	\$ 777,988
Auditee qualified as low-risk auditee?	Yes

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**Section II – Financial Statement Findings**

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None reported.

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

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None reported.

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**Section IV – Passenger Facilities Charges**

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None reported.