

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2023

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CITY OF MANDAN
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2023

Elected Officials

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

Appointed Officials

Crowley Fleck PLLP	City Attorney
Jim Neubauer	City Administrator
Madison Cermak	Business Development and Communications
Greg Welch	Finance
Kimberly Markley	Assessing
Jarek Wigness	Engineering, Water and Wastewater Treatment
Jason Ziegler	Police
Mitchell Bitz	Fire
Jordan Singer	Building Inspection
Mitch Bitz	Fire and Public Works
Amy Berger	Human Resources
Andrew Stromme	Planning

INDEPENDENT AUDITOR'S REPORT

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

Report on the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mandan, North Dakota, as of and for the year ended December 31, 2023, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mandan, North Dakota, as of December 31, 2023, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matters

As discussed in Note 1 to the financial statements, the City adopted new accounting guidance GASB Statement No. 96 *Subscription-Based Information Technology Arrangements*. In addition, as discussed in Note 18, the City recorded a prior period adjustment to correct the fund balance and net position as of December 31, 2022. Our opinions are not modified with respect to these matters.

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 of Mandan, North Dakota's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the budgetary comparison schedules and schedules of required pension and OPEB information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information 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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Mandan, North Dakota's financial statements. The combining and individual nonmajor fund financial statements, and the statement of fund activity are presented for purposes of additional analysis and are not a required part of the financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual nonmajor fund financial statements 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 list of elected and appointed officials but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated July 17, 2024 on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal controls over financial reporting and compliance.



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

July 17, 2024

CITY OF MANDAN
STATEMENT OF NET POSITION
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current assets:			
Cash and Cash Equivalents	\$ 9,763,921	\$ 13,217,987	\$ 22,981,908
Taxes Receivable	149,369	9,550	158,919
Accounts Receivable (net of allowance)	2,348,511	2,096,429	4,444,940
Special Assessments Receivable	34,839,277	20,499	34,859,776
Loans Receivable (net of allowance)	101,113	-	101,113
Lease Receivable - current	36,477	36,909	73,386
Lease Interest Receivable	1,312	8,399	9,711
Internal Balances	(3,406,351)	3,406,351	-
Inventories	29,084	403,696	432,780
Prepaid Items	187,050	51,703	238,753
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	3,604,544	2,595,011	6,199,555
Lease Receivable - net of current	155,629	216,120	371,749
Capital Assets, not being depreciated:			
Land	2,823,343	1,144,900	3,968,243
Construction Work in Progress	15,064,305	34,035,635	49,099,940
Capital Assets (net of depreciation or amortization):			
Buildings and Improvements	14,224,886	-	14,224,886
Buildings and Infrastructure	113,667,428	72,728,611	186,396,039
Machinery and Equipment	1,713,921	591,791	2,305,712
SBITA Assets (net of amortization)	33,436	-	33,436
Right of Use Asset (net of amortization)	-	132,044	132,044
Total Assets	<u>195,337,255</u>	<u>130,695,635</u>	<u>326,032,890</u>
DEFERRED OUTFLOWS OF RESOURCES			
Deferred Outflows - Pension	1,562,024	-	1,562,024
Deferred Outflows - OPEB	143,804	-	143,804
Total deferred outflows of resources	<u>1,705,828</u>	<u>-</u>	<u>1,705,828</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF NET POSITION - CONTINUED
DECEMBER 31, 2023

	Governmental Activities	Business-type Activities	Total
LIABILITIES			
Salaries and Benefits Payable	\$ 353,929	\$ 78,224	\$ 432,153
Accounts Payable	1,096,545	638,231	1,734,776
Retainage Payable	749,329	193,829	943,158
Unearned Revenues	204,053	3,693,620	3,897,673
Interest Payable	296,555	131,886	428,441
Noncurrent Liabilities:			
Due Within One Year:			
Compensated Absences	272,917	108,598	381,515
Lease Liability	-	42,145	42,145
SBITA Liability	16,149	-	16,149
General Obligation Bonds Payable	60,000	-	60,000
Special Assessments Bonds Payable, net of premium	2,475,000	-	2,475,000
Revenue Bonds Payable, net of premium	490,000	2,015,000	2,505,000
Loans Payable	986,796	310,000	1,296,796
Due After One Year:			
Compensated Absences	376,641	87,798	464,439
Lease Liability	-	191,400	191,400
SBITA Liability	16,390	-	16,390
General Obligation Bonds Payable	130,000	-	130,000
Special Assessments Bonds Payable, net of premium	17,284,776	-	17,284,776
Revenue Bonds Payable, net of premium	13,065,925	14,713,745	27,779,670
Loans Payable	13,757,058	5,815,256	19,572,314
Net Pension Liability	364,491	-	364,491
Net OPEB Liability	289,706	-	289,706
Total Liabilities	<u>52,286,260</u>	<u>28,019,732</u>	<u>80,305,992</u>
DEFERRED INFLOWS OF RESOURCES			
Deferred Inflows - Pension	1,652,339	-	1,652,339
Deferred Inflows - OPEB	36,999	-	36,999
Deferred Inflows - Leases	192,998	268,352	461,350
Total Deferred Inflows of Resources	<u>1,882,336</u>	<u>268,352</u>	<u>2,150,688</u>
NET POSITION			
Net Investment in Capital Assets	98,494,999	85,483,650	183,978,649
Restricted for:			
1% City Sales Tax	1,105,029	-	1,105,029
General Government	25,871	-	25,871
Public Safety	529,237	-	529,237
Public Works	216,291	-	216,291
Culture and Recreation	86,192	-	86,192
Urban Redevelopment and Housing	337,385	-	337,385
Debt Service	40,467,216	2,464,546	42,931,762
Capital Projects	9,231,752	-	9,231,752
Unrestricted	<u>(7,619,485)</u>	<u>14,459,355</u>	<u>6,839,870</u>
Total Net Position	<u>\$ 142,874,487</u>	<u>\$ 102,407,551</u>	<u>\$ 245,282,038</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Position		
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 5,086,811	\$ 1,281,625	\$ 851,234	\$ -	\$ (2,953,952)		\$ (2,953,952)
Public Safety	8,628,140	59,964	22,750	348,757	(8,196,669)		(8,196,669)
Public Works	9,000,847	249,702	123,731	9,277,246	649,832		649,832
Cemetery	232,093	123,450	120	-	(108,523)		(108,523)
Culture and Recreation	1,901,405	66,015	312,074	-	(1,523,316)		(1,523,316)
Urban Redevelopment and Housing	5,033	-	-	-	(5,033)		(5,033)
Economic Development and Assistance	630,223	-	5,500	-	(624,723)		(624,723)
Interest on Long-term Debt	1,139,336	-	-	-	(1,139,336)		(1,139,336)
Debt Service Charges and Costs	12,703	-	-	-	(12,703)		(12,703)
Loss on Sale of Capital Assets	917,843	-	-	-	(917,843)		(917,843)
Total Governmental Activities	27,554,434	1,780,756	1,315,409	9,626,003	(14,832,266)		(14,832,266)
Business-type Activities:							
Water and Sewer Utility	7,252,947	10,215,384	-	6,230,886		\$ 9,193,323	9,193,323
Solid Waste Utility	2,896,726	3,077,670	-	-		180,944	180,944
Street Light Utility	397,928	477,071	-	-		79,143	79,143
Mandan Airport Authority	1,091,289	435,524	-	496,991		(158,774)	(158,774)
Total Business-type Activities	11,638,890	14,205,649	-	6,727,877		9,294,636	9,294,636
Total Primary Government	\$ 39,193,324	\$ 15,986,405	\$ 1,315,409	\$ 16,353,880	(14,832,266)	9,294,636	(5,537,630)
<u>General Revenues</u>							
Property, Delinquent, Mobile Home Taxes					6,704,924	451,070	7,155,994
Cable TV Franchise Fees					255,599	-	255,599
State Aid Distribution					2,507,226	-	2,507,226
Cigarette Taxes					42,337	-	42,337
Gaming Taxes					20,407	-	20,407
Morton County E911 Fees					351,234	-	351,234
Telecommunications Taxes					82,220	-	82,220
Highway Tax Distribution					1,542,947	-	1,542,947
Occupancy Taxes					82,045	-	82,045
Oil and Gas Production Taxes					4,912,861	-	4,912,861
City 1% Sales Taxes					3,463,446	-	3,463,446
City 0.75% Sales Tax					2,597,585	-	2,597,585
Fire Insurance Taxes					264,044	-	264,044
Restaurant and Lodging Taxes					659,249	-	659,249
Interest					756,500	10,831	767,331
Sale of Meters and Parts					-	761	761
Other					316,467	64,643	381,110
Transfers					303,124	(303,124)	-
Total General Revenues, Gain (Loss) on Sale of Capital Assets, and Transfers					24,862,215	214,023	25,076,238
Change in Net Position					10,029,949	9,508,659	19,538,608
Net Position - January 1, as originally stated					132,646,837	92,898,892	225,545,729
Prior period adjustment - see Note 18					197,701	-	197,701
Net Position - January 1, restated					132,844,538	92,898,892	225,743,430
Net Position - December 31					\$ 142,874,487	\$ 102,407,551	\$ 245,282,038

See Notes to the Financial Statements

CITY OF MANDAN
BALANCE SHEET – GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	General	Cemetery	Municipal Infrastructure	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 8,235,408	\$ 31,720	\$ -	\$ -	\$ 433,137	\$ -	\$ 1,063,656	\$ 9,763,921
Taxes Receivable	127,201	690	-	-	13,145	894	7,439	149,369
Accounts Receivable (net of allowance)	1,213,430	4,200	-	-	-	-	1,128,814	2,346,444
Special Assessments Receivable	109,514	-	-	-	-	32,523,086	2,206,677	34,839,277
Loans Receivable (net of allowance)	101,113	-	-	-	-	-	-	101,113
Lease Receivable	59,164	-	-	-	-	-	132,942	192,106
Interest Receivable	1,152	-	-	-	-	-	160	1,312
Interfund Receivable	1,063,965	-	6,023,182	-	-	3,951,634	772,817	11,811,598
Prepaid Items	37,550	558	-	-	18,768	-	130,174	187,050
Cash and Cash Equivalents-Restricted	92,318	-	-	-	-	-	3,512,226	3,604,544
Total Assets	<u>\$ 11,040,815</u>	<u>\$ 37,168</u>	<u>\$ 6,023,182</u>	<u>\$ -</u>	<u>\$ 465,050</u>	<u>\$ 36,475,614</u>	<u>\$ 8,954,905</u>	<u>\$ 62,996,734</u>
LIABILITIES								
Salaries and Benefits Payable	\$ 329,661	\$ 2,744	\$ -	\$ -	\$ 21,524	\$ -	\$ -	\$ 353,929
Accounts Payable	673,056	2,356	-	293,968	7,184	1,000	94,120	1,071,684
Retainage Payable	-	-	-	749,329	-	-	-	749,329
Interfund Payable	-	-	-	12,148,587	-	-	3,063,072	15,211,659
Unearned Revenue	74,798	-	-	-	-	-	129,255	204,053
Total Liabilities	<u>1,077,515</u>	<u>5,100</u>	<u>-</u>	<u>13,191,884</u>	<u>28,708</u>	<u>1,000</u>	<u>3,286,447</u>	<u>17,590,654</u>
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue-Property Taxes	108,983	629	-	-	11,756	802	6,660	128,830
Unavailable Revenue-Special Assessments	101,676	-	-	-	-	31,496,970	2,154,988	33,753,634
Unavailable Revenue-Leases	61,517	-	-	-	-	-	131,481	192,998
Total Deferred Inflows of Resources	<u>272,176</u>	<u>629</u>	<u>-</u>	<u>-</u>	<u>11,756</u>	<u>31,497,772</u>	<u>2,293,129</u>	<u>34,075,462</u>
FUND BALANCES								
Nonspendable:								
Loans Receivable	86,860	-	-	-	-	-	-	86,860
Prepaid Items	37,550	558	-	-	18,768	-	130,174	187,050
Restricted for:								
1% City Sales Tax	1,105,029	-	-	-	-	-	-	1,105,029
General Government	24,638	-	-	-	-	-	1,233	25,871
Public Safety	-	-	-	-	-	-	529,237	529,237
Public Works	-	-	-	-	-	-	216,291	216,291
Culture and Recreation	-	-	-	-	-	-	86,192	86,192
Urban Redevelopment and Housing	337,385	-	-	-	-	-	-	337,385
Debt Service	-	-	-	-	-	4,976,842	4,048,203	9,025,045
Capital Projects	-	-	6,023,182	-	-	-	1,156,395	7,179,577
Library	-	-	-	-	112,598	-	-	112,598
Committed for:								
Operating Reserve	2,412,332	31,481	-	-	154,065	-	82,156	2,680,034
Public Safety	99,283	-	-	-	-	-	-	99,283
Public Works	195,000	-	-	-	-	-	-	195,000
Culture and Recreation	-	-	-	-	139,155	-	-	139,155
Economic Development and Assistance	525,667	-	-	-	-	-	-	525,667
Assigned for:								
Subsequent Year's Budget:								
Appropriation of Fund Balance	1,510,253	-	-	-	-	-	-	1,510,253
Unassigned	<u>3,357,127</u>	<u>(600)</u>	<u>-</u>	<u>(13,191,884)</u>	<u>-</u>	<u>-</u>	<u>(2,874,552)</u>	<u>(12,709,909)</u>
Total Fund Balances	<u>9,691,124</u>	<u>31,439</u>	<u>6,023,182</u>	<u>(13,191,884)</u>	<u>424,586</u>	<u>4,976,842</u>	<u>3,375,329</u>	<u>11,330,618</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 11,040,815</u>	<u>\$ 37,168</u>	<u>\$ 6,023,182</u>	<u>\$ -</u>	<u>\$ 465,050</u>	<u>\$ 36,475,614</u>	<u>\$ 8,954,905</u>	<u>\$ 62,996,734</u>

See Notes to the Financial Statements

CITY OF MANDAN
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2023

Total Fund Balances for Governmental Funds	\$ 11,330,618
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Amounts reported for governmental activities in the statement of net position are different because:

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

Land	2,823,343	
Buildings and Improvements (net of depreciation)	14,224,886	
Buildings and Infrastructure (net of depreciation)	113,667,428	
Machinery and Equipment (net of depreciation)	1,713,921	
Construction Work in Progress	15,064,305	
SBITA Assets (net of amortization)	<u>33,436</u>	
Total Capital Assets		147,527,319

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

Deferred outflows of resources	1,562,024	
Deferred inflows of resources	(1,652,339)	
Net pension liability	<u>(364,491)</u>	
		(454,806)

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

Deferred outflows of resources	143,804	
Deferred inflows of resources	(36,999)	
Net OPEB liability	<u>(289,706)</u>	
		(182,901)

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

Unavailable Revenue-Property Taxes	128,830	
Unavailable Revenue-Special Assessments	<u>33,753,634</u>	
Total Long-term Assets		33,882,464

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

Interest Payable	(296,555)	
Compensated Absences	(649,558)	
SBITA Liability	(32,539)	
General Obligation Bonds Payable	(190,000)	
Special Assessments Bonds Payable, Net of Premium	(19,759,776)	
Loans Payable	(14,743,854)	
Revenue Bonds Payable, net of premium	<u>(13,555,925)</u>	
Total Long-term Liabilities		(49,228,207)

Total Net Position of Governmental Activities	<u>\$ 142,874,487</u>
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See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE –
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	General	Cemetery	Municipal Infrastructure	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 9,372,507	\$ 25,030	\$ -	\$ -	\$ 611,924	\$ 40,206	\$ 3,681,040	\$ 13,730,707
Licenses and Permits	463,400	-	-	-	-	-	-	463,400
Intergovernmental	3,798,295	-	4,912,861	-	312,074	-	2,231,442	11,254,672
Charges for Services	442,101	123,450	-	182,188	49,101	-	67,481	864,321
Fines and Forfeits	151,301	-	-	-	849	-	38,245	190,395
Special Assessments	204,966	-	-	-	-	4,445,890	296,701	4,947,557
Interest	741,967	-	-	-	3,451	-	10,790	756,208
Lease	7,430	-	-	-	-	-	27,994	35,424
Rent	8,250	-	-	-	10,065	-	-	18,315
Miscellaneous	198,098	120	-	-	6,130	-	88,615	292,963
Total Revenues	15,388,315	148,600	4,912,861	182,188	993,594	4,486,096	6,442,308	32,553,962
EXPENDITURES								
Current:								
General Government	4,016,195	-	-	-	-	-	558,201	4,574,396
Public Safety	7,701,760	-	-	-	-	-	521,287	8,223,047
Public Works	2,094,109	-	-	-	-	-	85,980	2,180,089
Cemetery	-	195,647	-	-	-	-	-	195,647
Culture and Recreation	-	-	-	-	933,287	-	683,287	1,616,574
Urban Redevelopment and Housing	817	-	-	-	-	-	-	817
Economic Development and Assistance	630,223	-	-	-	-	-	-	630,223
Debt Service:								
Principal	43,957	-	-	-	-	3,733,879	840,000	4,617,836
Interest	-	-	-	-	-	799,511	492,423	1,291,934
Service Charges	-	-	-	-	-	8,870	2,833	11,703
Issuance Costs	-	-	-	-	-	1,000	-	1,000
Capital Outlay	574,311	-	-	10,412,911	129,273	-	314,328	11,430,823
Total Expenditures	15,061,372	195,647	-	10,412,911	1,062,560	4,543,260	3,498,339	34,774,089
Excess (Deficiency) of Revenues Over (Under) Expenditures	326,943	(47,047)	4,912,861	(10,230,723)	(68,966)	(57,164)	2,943,969	(2,220,127)
OTHER FINANCING SOURCES (USES)								
Proceeds from Sale of Capital Assets	754	-	-	-	-	-	-	754
Proceeds from Long Term Debt	-	-	-	7,330,094	-	-	-	7,330,094
Transfers In	3,901,394	32,010	-	1,373,081	-	69,081	341,808	5,717,374
Transfers Out	(2,643,474)	-	(1,035,722)	(69,081)	-	(2,453)	(1,671,958)	(5,422,688)
Total Other Financing Sources and Uses	1,258,674	32,010	(1,035,722)	8,634,094	-	66,628	(1,330,150)	7,625,534
Net Change in Fund Balances	1,585,617	(15,037)	3,877,139	(1,596,629)	(68,966)	9,464	1,613,819	5,405,407
Fund Balances - January 1, as previously stated	8,105,507	46,476	2,146,043	(11,595,255)	493,552	4,967,378	1,563,809	5,727,510
Prior period adjustment - see note 18	-	-	-	-	-	-	197,701	197,701
Fund Balances - January 1, restated	8,105,507	46,476	2,146,043	(11,595,255)	493,552	4,967,378	1,761,510	5,925,211
Fund Balances - December 31	\$ 9,691,124	\$ 31,439	\$ 6,023,182	\$ (13,191,884)	\$ 424,586	\$ 4,976,842	\$ 3,375,329	\$ 11,330,618

See Notes to the Financial Statements

CITY OF MANDAN
RECONCILIATION OF STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2023

Net Change in Fund Balances-Total Governmental Funds \$ 5,405,407

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

Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation and amortization in the current period:

Capital Outlay	11,430,823	
Amortization	(43,060)	
Depreciation	<u>(7,662,075)</u>	
Total		3,725,688

Contributions of capital assets increase net position in the statement of activities but do not appear in the governmental funds because they are not financial resources. 239,731

In the statement of activities, only the gain(loss) on the sale of assets is reported, whereas in governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balance by the book value of the assets sold. (918,597)

Changes to the net pension liability and OPEB liability and pension and OPEB related deferred outflows and inflows of resources do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds (185,715)

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

Taxes Receivable (net)	26,766	
Special Assessments Receivable (net)	<u>4,213,689</u>	
Total		4,240,455

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

Sale of Bonds	(7,330,094)	
Amortization of Bond Premiums	150,739	
Debt Service-Principal	<u>4,617,836</u>	
Total		(2,561,519)

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

Interest Payable (net)	677	
Compensated Absences (net)	<u>83,822</u>	
Total		<u>84,499</u>

Change in Net Position of Governmental Activities \$ 10,029,949

CITY OF MANDAN
STATEMENT OF NET POSITION – PROPRIETARY FUNDS
DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 8,269,382	\$ 2,777,240	\$ 1,057,447	\$ 1,113,918	\$ 13,217,987	\$ -
Taxes Receivable	-	-	-	9,550	9,550	-
Accounts Receivable (Net of Allowance)	1,657,505	267,145	82,292	89,487	2,096,429	2,067
Special Assessments Receivable	20,499	-	-	-	20,499	-
Interfund Receivable	3,414,684	-	-	-	3,414,684	-
Lease Receivable - Current Portion	8,197	-	-	28,712	36,909	-
Lease Interest Receivable	130	-	-	8,269	8,399	-
Inventories	186,646	160,774	-	56,276	403,696	29,084
Prepaid Items	39,987	333	600	10,783	51,703	-
Total Current Assets	13,597,030	3,205,492	1,140,339	1,316,995	19,259,856	31,151
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	2,517,251	-	-	77,760	2,595,011	-
Lease Receivable - Noncurrent Portion	28,387	-	-	187,733	216,120	-
Capital Assets not being Depreciated:						
Land	199,769	88,360	-	856,771	1,144,900	-
Construction Work in Progress	33,669,673	-	-	365,962	34,035,635	-
Capital Assets (net of depreciation):						
Buildings and Infrastructure	59,678,753	357,824	-	12,692,034	72,728,611	-
Machinery and Equipment	523,892	13,795	-	54,104	591,791	-
Right of Use Asset (Net of Amortization)	-	132,044	-	-	132,044	-
Total Capital Assets	94,072,087	592,023	-	13,968,871	108,632,981	-
Total Noncurrent Assets	96,617,725	592,023	-	14,234,364	111,444,112	-
Total Assets	110,214,755	3,797,515	1,140,339	15,551,359	130,703,968	31,151
LIABILITIES						
Current Liabilities:						
Salaries and Benefits Payable	64,116	10,522	-	3,586	78,224	-
Accounts Payable	344,626	248,333	35,875	9,397	638,231	24,861
Compensated Absences	85,771	19,199	-	3,628	108,598	-
Retainage Payable	193,829	-	-	-	193,829	-
Interfund Payable	-	-	-	8,333	8,333	6,290
Interest Payable	128,385	1,421	-	2,080	131,886	-
Unearned Revenue	3,597,291	-	-	96,329	3,693,620	-
Revenue Bonds Payable	1,945,000	-	-	70,000	2,015,000	-
Lease Liability	-	42,145	-	-	42,145	-
Loans Payable	310,000	-	-	-	310,000	-
Total Current Liabilities	6,669,018	321,620	35,875	193,353	7,219,866	31,151
Noncurrent Liabilities:						
Compensated Absences	68,603	11,022	-	8,173	87,798	-
Lease Liability	-	191,400	-	-	191,400	-
Revenue Bonds Payable	14,360,000	-	-	353,745	14,713,745	-
Loans Payable	5,815,256	-	-	-	5,815,256	-
Total Noncurrent Liabilities	20,243,859	202,422	-	361,918	20,808,199	-
Total Liabilities	26,912,877	524,042	35,875	555,271	28,028,065	31,151
DEFERRED INFLOWS						
Leases	36,089	-	-	232,263	268,352	-
NET POSITION						
Net Investment in Capital Assets	71,448,002	490,522	-	13,545,126	85,483,650	-
Restricted for:						
Debt Service	2,388,866	-	-	75,680	2,464,546	-
Unrestricted	9,428,921	2,782,951	1,104,464	1,143,019	14,459,355	-
Total Net Position	\$ 83,265,789	\$ 3,273,473	\$ 1,104,464	\$ 14,763,825	\$ 102,407,551	\$ -

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION –
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
Operating Revenues:						
Charges for Services	\$ 10,208,166	\$ 3,077,670	\$ 477,071	\$ 415,314	\$ 14,178,221	\$ 247,111
Lease Revenue	7,218	-	-	20,210	27,428	-
Lease Interest Revenue	1,408	-	-	8,492	9,900	-
Total Operating Revenues	10,216,792	3,077,670	477,071	444,016	14,215,549	247,111
Operating Expenses:						
Salaries and Benefits	2,045,523	512,710	69,620	113,520	2,741,373	-
Professional Fees and Services	259,082	2,063,861	140	15,104	2,338,187	-
Insurance	116,341	8,965	1,886	11,462	138,654	-
Rentals	250	-	-	-	250	-
Travel and Training	4,521	300	89	4,869	9,779	-
Utilities	620,635	10,075	178,711	28,135	837,556	150,106
Publishing and Printing	1,104	-	-	11,742	12,846	-
Dues and Memberships	3,367	-	-	1,532	4,899	-
Supplies and Maintenance	498,480	86,034	2,850	223,738	811,102	101,676
Repairs and Maintenance	276,588	50,747	144,002	31,037	502,374	3,767
Depreciation	2,801,245	48,991	-	619,187	3,469,423	-
Amortization	-	93,207	-	-	93,207	-
Miscellaneous	21,090	5,876	-	18,908	45,874	-
Total Operating Expenses	6,648,226	2,880,766	397,298	1,079,234	11,005,524	255,549
Operating Income (Loss)	3,568,566	196,904	79,773	(635,218)	3,210,025	(8,438)
Nonoperating Revenues (Expenses):						
Taxes	4,516	-	-	446,554	451,070	-
Intergovernmental	6,214,098	-	-	496,991	6,711,089	-
Special Assessments	16,788	-	-	-	16,788	-
Interest	-	-	-	931	931	-
Sale of Meters and Parts	761	-	-	-	761	-
Miscellaneous	(4,001)	7,550	52,861	8,233	64,643	-
Gain (Loss) on Sale of Capital Assets	-	-	-	(10,158)	(10,158)	-
Capital Outlay (Non-Capitalized)	(83,795)	(13,337)	(630)	-	(97,762)	-
Debt Service:						
Interest	(404,565)	(2,623)	-	(10,960)	(418,148)	-
Service Charges	(116,361)	-	-	(1,095)	(117,456)	-
Total Nonoperating Revenues (Expenses)	5,627,441	(8,410)	52,231	930,496	6,601,758	-
Income (Loss) Before Contributions and Transfers	9,196,007	188,494	132,004	295,278	9,811,783	(8,438)
Transfers In	-	-	-	-	-	8,438
Transfers Out	(303,124)	-	-	-	(303,124)	-
Change in Net Position	8,892,883	188,494	132,004	295,278	9,508,659	-
Net Position - Beginning of Year	74,372,906	3,084,979	972,460	14,468,547	92,898,892	-
Net Position - End of Year	\$ 83,265,789	\$ 3,273,473	\$ 1,104,464	\$ 14,763,825	\$ 102,407,551	\$ -

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 12,305,178	\$ 3,047,056	\$ 440,874	\$ 444,742	\$ 16,237,850	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	247,624
Payments to Employees	(2,047,572)	(532,429)	(80,758)	(106,948)	(2,767,707)	-
Payments to Suppliers	(2,413,495)	(2,198,070)	(324,929)	(349,273)	(5,285,767)	(256,009)
Net Cash Provided (Used) by Operating Activities	7,844,111	316,557	35,187	(11,479)	8,184,376	(8,385)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes	4,516	-	-	444,558	449,074	-
Intergovernmental	-	-	-	184,352	184,352	-
Sale of Meters and Parts	761	-	-	-	761	-
Miscellaneous Receipts	(4,001)	7,550	52,861	(1,925)	54,485	-
Transfers In	-	-	-	-	-	8,438
Purchases of Noncapital Assets	(83,795)	(13,337)	(630)	-	(97,762)	-
Interfund Receivable	2,029,075	-	-	-	2,029,075	-
Interfund Payable	-	-	-	-	-	(53)
Net Cash Provided (Used) by Noncapital Financing Activities	1,946,556	(5,787)	52,231	626,985	2,619,985	8,385
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Federal and state grants	-	-	-	277,273	277,273	-
Intergovernmental	6,214,098	1,243,325	-	-	7,457,423	-
Special Assessments	16,857	-	-	-	16,857	-
Proceeds from Issuance of Debt	1,632,121	-	-	-	1,632,121	-
Sale of Capital Assets	37,896	-	-	-	37,896	-
Purchases of Capital Assets	(9,452,169)	(7,175)	-	(544,475)	(10,003,819)	-
Additions to Retainage	(1,339,955)	-	-	-	(1,339,955)	-
Principal Paid on Capital Debt	(2,185,000)	-	-	(112,170)	(2,297,170)	-
Principal Paid on Leases	-	(41,709)	-	-	(41,709)	-
Interest Paid on Capital Debt	(409,440)	(2,877)	-	(10,764)	(423,081)	-
Service Charges Paid on Capital Debt	(116,361)	-	-	(1,095)	(117,456)	-
Miscellaneous Paid on Capital Debt	-	-	-	-	-	-
Transfers Out	(303,124)	-	-	-	(303,124)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	(5,905,077)	1,191,564	-	(391,231)	(5,104,744)	-
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	-	-	-	931	931	-
Net Cash Provided (Used) by Investing Activities	-	-	-	931	931	-
Net Increase (Decrease) in Cash and Cash Equivalents	3,885,590	1,502,334	87,418	225,206	5,700,548	-
Cash and Cash Equivalents - January 1	6,901,043	1,274,906	970,029	966,472	10,112,450	-
Cash and Cash Equivalents - December 31	<u>\$ 10,786,633</u>	<u>\$ 2,777,240</u>	<u>\$ 1,057,447</u>	<u>\$ 1,191,678</u>	<u>\$ 15,812,998</u>	<u>\$ -</u>
RECONCILIATION OF CASH AND CASH EQUIVALENTS						
Cash and Cash Equivalents	\$ 8,269,382	\$ 2,777,240	\$ 1,057,447	\$ 1,113,918	\$ 13,217,987	\$ -
Restricted Cash and Cash Equivalents	2,517,251	-	-	77,760	2,595,011	-
Total Cash and Cash Equivalents	<u>\$ 10,786,633</u>	<u>\$ 2,777,240</u>	<u>\$ 1,057,447</u>	<u>\$ 1,191,678</u>	<u>\$ 15,812,998</u>	<u>\$ -</u>

CITY OF MANDAN
STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED
FOR THE YEAR ENDED DECEMBER 31, 2023

	Business-type Activities - Enterprise Funds					Governmental Activities
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	Internal Service Fund
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	<u>\$ 3,568,566</u>	<u>\$ 196,904</u>	<u>\$ 79,773</u>	<u>\$ (635,218)</u>	<u>\$ 3,210,025</u>	<u>\$ (8,438)</u>
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	2,801,245	142,198	-	619,187	3,562,630	-
(Gain) Loss on Disposal of Assets	-	-	-	10,158	10,158	-
Effect on Cash Flows Due to Changes In:						
Accounts Receivable (net)	2,089,011	(30,614)	(36,197)	(20,242)	2,001,958	513
Lease Receivables	(36,584)	-	-	-	(36,584)	-
Interest Receivable	(130)	-	-	-	(130)	-
Inventories	(4,752)	12,916	-	1,993	10,157	(4,407)
Prepaid Items	(4,720)	323	(70)	(1,577)	(6,044)	-
Salaries and Benefits Payable	3,004	(2,825)	(2,683)	3,586	1,082	-
Compensated Absences	(5,053)	(16,894)	(8,455)	2,986	(27,416)	-
Accounts Payable	(602,565)	14,549	2,819	(13,320)	(598,517)	3,947
Unearned Revenues	-	-	-	20,968	20,968	-
Deferred Inflows of Special Assessments	36,089	-	-	-	36,089	-
Total Adjustments	<u>4,275,545</u>	<u>119,653</u>	<u>(44,586)</u>	<u>623,739</u>	<u>4,974,351</u>	<u>53</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 7,844,111</u>	<u>\$ 316,557</u>	<u>\$ 35,187</u>	<u>\$ (11,479)</u>	<u>\$ 8,184,376</u>	<u>\$ (8,385)</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF FIDUCIARY NET POSITION
DECEMBER 31, 2023

	Employee Retirement Plan and Trust Fund	Private- Purpose Trust Fund	Custodial Funds
ASSETS			
Cash and Cash Equivalents	\$ -	\$ 4,253	\$ 36,633
Investments, at fair value:			
Mutual Funds	8,210,484	-	-
Accounts Receivable (net of allowance)	-	-	6,351
	<u>8,210,484</u>	<u>4,253</u>	<u>42,984</u>
Total Assets			
	<u>8,210,484</u>	<u>4,253</u>	<u>42,984</u>
LIABILITIES			
Accounts Payable	-	-	8,104
	<u>-</u>	<u>-</u>	<u>8,104</u>
Total Liabilities			
	<u>-</u>	<u>-</u>	<u>8,104</u>
NET POSITION			
Held in Trust for Pension Benefits	8,210,484	-	-
Held in Trust for Police Department	-	4,253	-
Held for Other Governments	-	-	34,880
	<u>-</u>	<u>-</u>	<u>34,880</u>
Total Net Position			
	<u>\$ 8,210,484</u>	<u>\$ 4,253</u>	<u>\$ 34,880</u>

See Notes to the Financial Statements

CITY OF MANDAN
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Employee Retirement Plan and Trust Fund	Private- Purpose Trust Fund	Custodial Funds
ADDITIONS			
Contributions:			
Employer Contributions	\$ 565,021	\$ -	\$ -
Collections	-	-	195,330
Investment Earnings:			
Net Increase (Decrease) in Fair Value of Investments	<u>1,090,136</u>	<u>-</u>	<u>-</u>
Total Additions	<u>1,655,157</u>	<u>-</u>	<u>195,330</u>
DEDUCTIONS			
Benefits	821,028	-	-
General Government	<u>-</u>	<u>-</u>	<u>177,717</u>
Total Deductions	<u>821,028</u>	<u>-</u>	<u>177,717</u>
Change in Net Position	<u>834,129</u>	<u>-</u>	<u>17,613</u>
Net Position - January 1	<u>7,376,355</u>	<u>4,253</u>	<u>17,267</u>
Net Position - December 31	<u><u>\$ 8,210,484</u></u>	<u><u>\$ 4,253</u></u>	<u><u>\$ 34,880</u></u>

See Notes to the Financial Statements

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2023

NOTE 1 SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

Financial Reporting Entity

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

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

Blended Component Units

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

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

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Government-Wide Financial Statements

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

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

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

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

Fund Financial Statements

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

Measurement Focus and Basis of Accounting

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

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

Financial Statement Presentation

The City reports the following major governmental funds:

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

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

Municipal Infrastructure Fund – This fund accounts for oil and gas production taxes set aside for the purpose of improving the city’s infrastructure.

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

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

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

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

Governmental Fund Types

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

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

Proprietary Fund Types

Enterprise Funds account for those business-like City activities that provide goods/services to the public, financed primarily through user charges. They are also used to account for operations where the governing body has decided that periodic determination of revenues earned, expenses incurred, and/or net income is appropriate for capital maintenance, public policy, management control, accountability and other purposes. The City's various utility operations and the Mandan Airport Authority are reported in this type.

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

Fiduciary Fund Types

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

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

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

Cash and Cash Equivalents

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Investments

State statutes authorize the City to invest in bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress, securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above, certificates of deposit fully insured by the federal deposit insurance corporation or by the state, certificates of deposit, savings deposits, or other deposits fully insured or guaranteed by the federal deposit insurance corporation and placed for the benefit of the public depositor by a public depository through an appropriate deposit placement service as determined by the commissioner of financial institutions, state and local securities: (1) Any security that is a general obligation of any state or local government with taxing powers and is rated in the highest three categories by a nationally recognized rating agency, (2) An obligation of the state housing finance agency that is rated in the highest two categories by a nationally recognized rating agency, (3) Any security that is a general obligation of a school district and is rated in the highest two categories by a nationally recognized rating agency, (4) Obligations of this state and general obligations of its political subdivisions, commercial paper issued by a United States corporation rated in the highest quality category by at least two nationally recognized rating agencies and matures in two hundred seventy days or less.

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

Investments for the City are reported at fair value.

Taxes Receivable

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

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

Accounts Receivable

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

Special Assessments Receivable

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

Interfund Balances

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

Interfund Activity

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

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

Inventories and Prepaid Items

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

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

Restricted Assets

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Abatements

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

As of December 31, 2023, the City of Mandan provided tax abatements in the form of property tax exemptions for certain new residential properties, improvements made to existing commercial and residential buildings, new and expanding businesses, tax increment financing, and properties in the Renaissance Zone.

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

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

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

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

The amount of taxes abated for the year ended December 31, 2023 was as follows:

Property tax exemption program	Property tax exemption in 2023
New and expanding business	\$ 27,815
Remodeling exemption - commercial	14,554
Residential new construction	7,542
Renaissance zone	57,293
	<hr/>
Total	\$ 107,204
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Capital Assets

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

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

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

Leases

Lessor

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

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

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

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

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

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

Lessee

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

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

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

Subscription-Based Information Technology Arrangements (SBITA)

Subscription-Based Information Technology Arrangements (SBITA) are contracts that conveys control of the right to use another party's IT software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The determination of whether a SBITA asset and liability are to be recorded in the financial statements is made at inception by evaluating the maximum possible term of the SBITA.

A SBITA contract with an initial term of more than 12 months, or that contain an option to extend the contract more than 12 months that is reasonably expected to be exercised by the City, are recognized based on the present value of subscription payments over the contract term discounted using the interest rate implicit in the lease. In cases where the implicit rate is not readily determinable, the City uses its incremental borrowing rate based on the information available at the SBITA contract commencement date. The City has made an accounting policy election to use a risk free rate based on US Treasury T-bill rate as of the SBITA contract commencement.

The City continues to recognize short-term SBITA subscription payments as outflows of resources (expenditure) based on the payment provision of the SBITA contract. Short-term SBITA contracts have a maximum possible term under the SBITA contract of 12 months (or less), including any options to extend, regardless of their probability of being exercised.

The amortizable life of SBITA assets are limited to the shorter of the expected agreement term or the useful life of the underlying asset.

Unearned Revenues

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Deferred Outflows and Deferred Inflows of Resources

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

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

Compensated Absences

Annual Leave

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

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

Sick Leave

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

Long-Term Obligations

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

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions

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

Other Post-Employment Benefits (OPEB)

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

Revenues and Expenditures/Expenses

In the government-wide statement of activities, revenues and expenses are segregated by activity (governmental or business-type), then further by function for governmental activities. Additionally, revenues are classified between program and general revenues. Program revenues include 1) charges to customers or applicants for goods or services, 2) operating grants and contributions, and 3) capital grants and contributions. Internally dedicated resources are reported as general revenues, rather than as program revenue. General revenues include all taxes.

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

Net Position / Fund Balance

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

Net position is reported in three categories:

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

Fund Balance Classifications

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

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

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

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

Committed consists of amounts that can only be used for specific purposes pursuant to constraints imposed by formal action (simple majority vote) of the City’s highest level of decision-making authority (City commission) and cannot be used for any other purpose unless

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

the City removes or changes the specified use by taking the same type of action it employed to previously commit the amounts.

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

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

Minimum Fund Balance

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

The minimum fund balance in the General Fund at December 31, 2023 was \$2,412,332.

NOTE 2 STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

Excess of Expenditures over Appropriations at the Legal Level of Control

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

There were no funds that had expenditures over appropriations as of December 31, 2023.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Deficit Fund Equity

The following funds had a deficit fund balance as of December 31, 2023:

<u>Fund</u>	<u>Amount</u>
Health and Safety	\$ (190,849)
Sidewalk, Curb and Gutter Construction	(232,516)
Street Construction	(13,191,884)
Transportation Alternatives Program Construction	(761,870)
Water and Sewer Construction	(1,560,062)

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

NOTE 3 DEPOSITS

Custodial Credit Risk

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

At December 31, 2023, the carrying amount of the City's deposits was \$29,222,349 and the bank balance was \$31,489,087. The bank balances were covered by Federal Depository insurance and securities held by the pledging financial institutions' agents in the government's names. The carrying amount of restricted cash and cash equivalents deposited with the Bank of North Dakota was \$3,512,226. The City and the Library also maintain separate petty cash balances of \$1,100 and \$200, respectively.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

The deposits presented in the financial statements at December 31, 2023, are as follows:

<u>Primary Government</u>	
Cash and Cash Equivalents	\$ 22,981,908
Restricted Cash and Cash Equivalents	6,199,555
Less: Cash held with fiscal agent	(3,512,226)
Less: Petty cash	(1,300)
Total Primary	<u>25,667,937</u>
<u>Fiduciary Funds</u>	
Cash and Cash Equivalents	<u>40,886</u>
Total Deposits	<u>\$ 25,708,823</u>

NOTE 4 INVESTMENTS

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

Interest Rate Risk

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

At December 31, 2023, the City's investments were as follows:

Investment Type	Total Fair Value	Less Than 1 Year	1-6 Years	6-10 Years	More Than 10 Years
Mutual Funds	<u>\$ 8,210,484</u>	<u>\$ 8,210,484</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

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

Credit Risk

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

Concentration of Credit Risk

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Foreign Currency Risk

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

Fair Value Measurement

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

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

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

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

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

The table below presents the balances of investments measured at fair value on a recurring basis as of December 31, 2023.

		Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total			
Mutual Funds	<u>\$ 8,210,484</u>	<u>\$ 8,210,484</u>	<u>\$ -</u>	<u>\$ -</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

NOTE 5 LOANS RECEIVABLE

Loans receivable are made from the Mandan Growth Fund to promote economic and job development within the City. Loans receivable at December 31, 2023, consist of the following:

Coffees and Kitchens

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

\$66,327 loan with \$14,307 advanced as of December 31, 2020, due in monthly installments of \$3,048 starting August 2025 through July 2027; interest at 2.5%	55,286
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Fore 5 Sweet Boyz

\$40,950 loan due in monthly installments of \$486 until paid	36,700
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NISC

\$71,264 loan due in monthly installments of \$1,188 starting November 2021 through October 2026; interest at 0%	39,195
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Satnan Daycare

\$6,632 loan due in monthly installments of \$111 starting September 2027 through May 1, 2032 and \$332 due on June 1, 2032; interest at 0%	<u>6,632</u>
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Total Loans Receivable	165,845
Less: Allowance for uncollectible accounts	<u>(64,732)</u>

Net Loans Receivable	<u><u>\$ 101,113</u></u>
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CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

NOTE 6 INTERFUND ACCOUNTS AND TRANSFERS

Interfund balances at December 31, 2023, consist of the following:

Due from Other Funds / Due to Other Funds

<u>Due to General Fund</u>	
Due from Street Construction	\$ 543,715
Due from City Shop	6,290
Due from Airport	8,333
Due from Non-Major Governmental Funds	<u>505,627</u>
Total due to General Fund	<u><u>\$1,063,965</u></u>
<u>Due to Municipal Infrastructure Fund</u>	
Due from Street Construction	<u><u>\$6,023,182</u></u>
<u>Due to Refunding Improvements Bond Fund</u>	
Due from Street Construction	<u><u>\$3,951,634</u></u>
<u>Due to Non-Major Governmental Funds</u>	
Due from Non-Major Governmental Funds	<u><u>\$ 772,817</u></u>
<u>Due to Water and Sewer Utility</u>	
Due from Street Construction	\$1,630,056
Due from Non-Major Governmental Funds	<u>1,784,628</u>
Total due to Water and Sewer Utility Fund	<u><u>\$3,414,684</u></u>

These balances are a result when a fund has a cash deficit. The interfund balances will be repaid in 2024.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Interfund Transfers

A summary of interfund transfers for the fiscal year ended December 31, 2023, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 3,900,027	\$ 2,642,104
Cemetery	32,010	-
Street Construction	1,373,081	69,081
Municipal Infrastructure	-	1,035,722
Refunding Improvement Bonds	69,081	2,453
Non-major governmental	341,808	1,671,961
Water and Sewer Utility	-	303,124
Internal Service	8,438	-
	<u>\$ 5,724,445</u>	<u>\$ 5,724,445</u>

Transfers are used for various budgetary and financial management purposes.

NOTE 7 CAPITAL ASSETS

The following is a summary of capital assets during the fiscal year ended December 31, 2023:

	<u>Balance 1/1/2023</u>	<u>Additions</u>	<u>Modifications & Remeasurements</u>	<u>Deletions</u>	<u>Transfers</u>	<u>Balance 12/31/2023</u>
Governmental Activities:						
Capital assets not being depreciated:						
Land	\$ 2,823,343	\$ -	\$ -	\$ -	\$ -	\$ 2,823,343
Construction work in progress	26,654,870	10,975,451	-	(354,094)	(22,211,922)	15,064,305
Total capital assets not being depreciated:	<u>29,478,213</u>	<u>10,975,451</u>	<u>-</u>	<u>(354,094)</u>	<u>(22,211,922)</u>	<u>17,887,648</u>
Capital assets being depreciated:						
Buildings and improvements	17,871,380	138,313	-	-	-	18,009,693
Buildings and infrastructure	214,038,844	-	-	(585,354)	22,155,958	235,609,448
Machinery and equipment	10,637,058	556,790	-	-	55,964	11,249,812
Right-of-use building	338,135	-	(338,135)	-	-	-
Subscription-based IT arrangements	76,496	-	-	-	-	76,496
Total capital assets being depreciated:	<u>242,961,913</u>	<u>695,103</u>	<u>(338,135)</u>	<u>(585,354)</u>	<u>22,211,922</u>	<u>264,945,449</u>
Less accumulated depreciation for:						
Buildings and improvements	3,428,831	355,976	-	-	-	3,784,807
Buildings and infrastructure	115,410,499	6,551,032	-	(19,511)	-	121,942,020
Machinery and equipment	8,780,824	755,067	-	-	-	9,535,891
Right-of-use building	104,181	-	-	(104,181)	-	-
Subscription-based IT arrangements	-	43,060	-	-	-	43,060
Total accumulated depreciation	<u>127,724,335</u>	<u>7,705,135</u>	<u>-</u>	<u>(123,692)</u>	<u>-</u>	<u>135,305,778</u>
Total capital assets being depreciated, net	<u>107,603,071</u>	<u>(7,010,032)</u>	<u>(338,135)</u>	<u>(461,662)</u>	<u>22,211,922</u>	<u>129,639,671</u>
Total capital assets, net	<u>\$ 137,081,284</u>	<u>\$ 3,965,419</u>	<u>\$ (338,135)</u>	<u>\$ (815,756)</u>	<u>\$ -</u>	<u>\$ 147,527,319</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

	Balance 1/1/2023	Additions	Deletions	Transfers	Balance 12/31/2023
Business Type Activities:					
Capital assets not being depreciated:					
Land	\$ 1,144,900	\$ -	\$ -	\$ -	\$ 1,144,900
Construction work in progress	28,915,040	6,075,273	(48,054)	(906,624)	34,035,635
Total capital assets not being depreciated:	30,059,940	6,075,273	(48,054)	(906,624)	35,180,535
Capital assets being depreciated:					
Buildings and infrastructure	116,021,058	3,331,222	-	906,624	120,258,904
Machinery and equipment	4,525,614	597,324	(14,995)	-	5,107,943
Right-of-use building	318,458	-	-	-	318,458
Total capital assets being depreciated:	120,865,130	3,928,546	(14,995)	906,624	125,685,305
Less accumulated depreciation for:					
Buildings and infrastructure	44,342,351	3,187,943	-	-	47,530,294
Machinery and equipment	4,249,667	281,480	(14,995)	-	4,516,152
Right-of-use building	93,207	93,207	-	-	186,414
Total accumulated depreciation	48,685,225	3,562,630	(14,995)	-	52,232,860
Total capital assets being depreciated, net	72,179,905	365,916	-	906,624	73,452,445
Total capital assets, net	\$ 102,239,845	\$ 6,441,189	\$ (48,054)	\$ -	\$ 108,632,980

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

Governmental Activities:

General Government	\$ 150,995
Public Safety	405,093
Public Works	6,820,758
Cemetery	36,446
Culture and Recreation	287,627
Urban Redevelopment and Housing	4,216
Total Governmental Activities Depreciation Expense	<u>\$ 7,705,135</u>

Business-type Activities

Water and Sewer Utility	\$ 2,801,247
Solid Waste Utility	142,196
Mandan Airport Authority	619,187
Total Business-type Activities Depreciation Expense	<u>\$ 3,562,630</u>

Contract Commitments

The City has active contract project commitments of \$13,212,825, purchase agreement commitments of \$1,379,129, financial subsidy commitments of \$1,183,621 and professional service agreement commitments of \$2,264,965 as of December 31, 2023.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

NOTE 8 LEASES

Lessee

The City leases maintenance equipment and buildings. The term of the leases range from 2 to 20 years through December 2041 with annual rent payments ranging from \$1,816 to \$193,400.

Lessor

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

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

Following is the total lease-related revenue for the year ended December 31, 2023.

Government-Wide Activities:

Lease Revenue by class of underlying asset

Building	\$	23,757
Equipment		8,564
Land		3,103
Total lease revenue		<u>35,424</u>
Interest revenue		<u>3,253</u>
Total	\$	<u><u>38,677</u></u>

Business-Type Activities:

Lease Revenue by class of underlying asset

Equipment	\$	27,428
Total lease revenue		<u>27,428</u>
Interest revenue		<u>9,900</u>
Total	\$	<u><u>37,328</u></u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

Government-Wide Activities:

For the Year Ending December 31,	Principal	Interest	Total Receipts
2024	\$ 36,477	\$ 3,203	\$ 39,680
2025	37,158	2,522	39,680
2026	35,429	2,351	37,780
2027	36,571	1,209	37,780
2028	8,056	724	8,780
2029 - 2033	31,584	1,756	33,340
2034 - 2038	6,831	169	7,000
Total	<u>\$ 192,106</u>	<u>\$ 11,934</u>	<u>\$ 204,040</u>

Business-Type Activities:

For the Year Ending December 31,	Principal	Interest	Total Receipts
2024	\$ 36,909	\$ 9,433	\$ 46,342
2025	23,905	8,345	32,250
2026	24,965	7,285	32,250
2027	26,131	6,119	32,250
2028	19,032	5,219	24,251
2029 - 2033	85,156	15,913	101,069
2034 - 2038	28,512	4,221	32,733
2039 - 2043	8,419	638	9,057
Total	<u>\$ 253,029</u>	<u>\$ 57,173</u>	<u>\$ 310,202</u>

NOTE 9 SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

The City entered into three subscription-based information technology arrangements (SBITAs) with Avenu Insights & Analytics and Vanguard for the usage of their software. The SBITA contracts commenced in January 2023 and terminate at various dates ranging from January 2024 to February 2027, with monthly payments ranging from \$2,427 - \$2,499 and annual payments from \$2,240 - \$12,700.

NOTE 10 LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. Bonds and loans payable at December 31, 2023, consisted of bonds and loans issued by the City and are accounted for by the respective City funds in the government-wide financial statements that issued the bonds and loans.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

General Obligation Bonds Payable

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

General Obligation Bonds Payable	
\$870,000 General Obligation Bridge Bonds of 2006,	
due in annual principal installments of \$60,000 to \$65,000 through	
May 1, 2026; semi-annual interest payments 4.40%	<u>\$ 190,000</u>

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 60,000	\$ 7,040
2025	65,000	4,290
2026	65,000	1,430
	<u>\$ 190,000</u>	<u>\$ 12,760</u>

Special Assessments Bonds Payable with Governmental Commitment

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

Special assessment bonds currently outstanding are as follows:

Issue	Amount of Issue	Issue	Date of Maturity	Interest Rate	Amount Outstanding
Refunding 2009, Series A	\$ 4,420,000	12/15/2009	5/1/2024	4.00%	\$ 295,000
Refunding 2016, Series B	420,000	1/12/2017	5/1/2031	2.65 - 3.50%	245,000
Refunding 2017, Series A	1,950,000	5/18/2017	5/1/2024	2.25%	45,000
Refunding 2017, Series B	9,295,000	12/13/2017	5/1/2037	3.00 - 5.00%	6,435,000
Refunding 2020, Series A	9,320,000	12/30/2020	5/1/2035	1.00 - 4.00%	6,400,000
Refunding 2021, Series A	5,120,000	4/20/2021	5/1/2030	2.00 - 3.00%	4,095,000
Refunding 2021, Series B	1,175,000	12/21/2021	5/1/2041	1.35 - 4.00%	1,060,000
Total special assessments bond payable at December 31, 2023					<u>\$ 18,575,000</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2024	\$ 2,475,000	\$ 474,230
2025	2,210,000	381,386
2026	2,270,000	297,681
2027	2,355,000	233,601
2028	2,390,000	188,040
2029-2033	5,165,000	460,273
2034-2038	1,510,000	104,227
2039-2041	200,000	6,558
	<u>\$ 18,575,000</u>	<u>\$ 2,145,995</u>

Revenue Bonds Payable

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

The Park Facilities Sales Tax Revenue Bonds were issued to finance the construction of a new sporting facility for the Mandan Park District. The Bonds are payable from revenue generated through a special 0.75% Sales Tax and are payable through September 2041 and are recorded in the 0.75% City Sales Tax Fund. The total principal and interest remaining to be paid on the bonds is \$18,151,575. Principal and interest paid for the current year and total net revenues were \$1,262,775 and \$2,597,585, respectively.

The Water and Sewer Revenue Bonds were issued to finance improvements for the City's Water and Sewer Utility Fund. The Bonds are payable solely from charges for services received from the Water and Sewer Utility Fund and are payable through September 2039. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$17,841,930. Principal and interest paid for the current year and total net revenues were \$1,916,628 and \$11,710,926, respectively.

The Airport Improvement Revenue Bonds were issued to finance improvements for the Mandan Airport Facility. The Bonds are payable solely from charges for services received from the Mandan Airport Authority and are payable through October 2023. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$456,060. Principal and interest paid for the current year and total net revenues were \$123,973 and \$374,906, respectively.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Revenue bonds outstanding:

Governmental Activities

\$15,275,000 Park Facilities Sales Tax Revenue Bonds of 2016A due in annual principal installments of \$490,000 to \$1,855,000 through September 1, 2041; semi-annual interest payments at 3% to 4%	<u>\$ 13,185,000</u>
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Total Governmental Activities	<u><u>\$ 13,185,000</u></u>
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Business-type Activities

\$1,000,000 Water and Sewer Revenue Bonds, Series 2005, due in annual installments of \$70,000 to \$75,000 through, May 1, 2025; interest at 4.8%	\$ 145,000
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\$1,545,663 Sewer Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$95,000 to \$110,000 through September 1, 2028; interest at 2.5%	515,000
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\$840,000 Sewer Improvement Revenue Bonds of 2008, Series B, due in annual installments of \$60,000 to \$65,000 through September 1, 2028; interest at 2.5%	305,000
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\$3,782,000 Water Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$260,000 to \$285,000 through September 1, 2028; interest at 2.5%	1,370,000
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\$6,667,283 Water Improvement Revenue Bonds of 2008, Series B, due in annual installments of \$465,000 to \$545,000 through September 1, 2028; interest at 3.27%	2,520,000
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\$6,383,867 Water Improvement Revenue Bonds of 2010, Series A, due in annual installments of \$380,000 to \$460,000 through September 1, 2030; interest at 2.84%	2,935,000
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\$1,891,118 Sewer Improvement Revenue Bonds of 2013, Series A, due in annual installments of \$105,000 to \$125,000 through September 1, 2033; interest at 2%	1,150,000
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\$591,683 Water Improvement Revenue Bonds of 2013, Series A, due in annual installments of \$30,000 to \$40,000 through September 1, 2033; interest at 2%	360,000
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\$1,586,280 Water Improvement Revenue Bonds of 2014, Series A, due in annual installments of \$85,000 to \$105,000 through September 1, 2033; interest at 2%	965,000
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CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

\$4,276,824 Sewer Improvement Revenue Bonds of 2015, Series A, due in annual installments of \$210,000 to \$270,000 through, September 1, 2035; interest at 2%	\$ 2,925,000
\$886,000 Water Improvement Revenue Bonds of 2017, Series A, due in annual installments of \$40,000 to \$55,000 through September 1, 2036; interest at 1.5%	610,000
\$1,269,453 Water Improvement Revenue Bonds of 2017, Series B, due in annual installments of \$60,000 to \$80,000 through September 1, 2037; interest at 1.5%	980,000
\$1,848,463 Water Improvement Revenue Bonds of 2019, Series A, due in annual installments of \$85,000 to \$105,000 through September 1, 2039; interest at 1.5%	1,525,000
\$695,000 Airport Improvement Revenue Bonds of 2019, due in annual installments of \$70,000 to \$75,000 through April 1, 2029, interest at 1.6% to 2%	<u>430,000</u>
Total Business-type Activities	<u>16,735,000</u>
Total Revenue Bonds	<u><u>\$ 29,920,000</u></u>

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

Year Ending December 31	Governmental Activities		Business-Type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 490,000	\$ 463,563	\$ 2,015,000	\$ 304,340	\$ 2,505,000	\$ 767,903
2025	505,000	448,863	2,090,000	265,175	2,595,000	714,038
2026	525,000	431,188	2,070,000	226,250	2,595,000	657,438
2027	540,000	412,813	2,130,000	188,150	2,670,000	600,963
2028	565,000	391,213	2,180,000	148,900	2,745,000	540,113
2029-2033	3,175,000	1,599,063	4,600,000	362,525	7,775,000	1,961,588
2034-2038	3,825,000	955,488	1,545,000	66,075	5,370,000	1,021,563
2039-2043	3,560,000	264,388	105,000	1,575	3,665,000	265,963
	<u>\$ 13,185,000</u>	<u>\$ 4,966,575</u>	<u>\$ 16,735,000</u>	<u>\$ 1,562,990</u>	<u>\$ 29,920,000</u>	<u>\$ 6,529,565</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Loans Payable

The following is a schedule of loans payable outstanding at December 31, 2023:

Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rate	Amount Outstanding
Street #160	\$ 109,611	12/23/2010	5/1/2025	4.00%	\$ 19,181
Street #209	322,896	8/22/2018	5/1/2028	2.00%	5,555
Street #207	352,967	12/16/2019	5/1/2033	3.29%	252,119
Street #211	225,623	12/16/2019	5/1/2034	3.34%	165,457
Street #213	4,017,817	10/1/2020	5/1/2040	2.00%	2,557,625
Street #215	4,048,101	10/19/2021	5/1/2038	2.00%	3,958,877
Street #218	841,735	10/19/2021	5/1/2039	2.00%	730,523
Street #214	3,874,343	9/15/2023	5/1/2038	2.00%	3,080,232
Street #219	427,170	1/17/2023	5/1/2042	2.00%	375,785
Street #220	1,686,411	1/17/2023	5/1/2037	2.00%	1,422,787
Street #221	280,274	1/17/2023	5/1/2037	2.00%	245,935
Street #223	676,763	9/1/2023	5/1/2038	2.00%	324,195
Street #225	1,609,398	9/1/2023	5/1/2030	2.00%	1,605,583
Water, Series 2021A	2,604,300	5/10/2021	9/1/2041	1.50%	6,024,921
Total loan payable					<u>\$ 20,768,774</u>

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

Year Ending December 31	Governmental Activities		Business-Type Activities		Total Activities	
	Principal	Interest	Principal	Interest	Principal	Interest
2024	\$ 986,796	\$ 297,115	\$ 310,000	\$ 90,374	\$ 1,296,796	\$ 387,488
2025	1,002,976	270,047	315,000	85,724	1,317,976	355,771
2026	1,002,726	249,347	325,000	80,999	1,327,726	330,346
2027	1,012,351	228,651	330,000	76,124	1,342,351	304,775
2028	1,022,072	207,761	335,000	71,174	1,357,072	278,935
2029-2033	4,528,301	740,514	1,785,000	278,169	6,313,301	1,018,683
2034-2038	3,938,648	317,911	1,970,000	138,894	5,908,648	456,805
2039-2043	1,249,983	35,261	654,921	13,348	1,904,904	48,609
	<u>\$ 14,743,853</u>	<u>\$ 2,346,607</u>	<u>\$ 6,024,921</u>	<u>\$ 834,805</u>	<u>\$ 20,768,774</u>	<u>\$ 3,181,412</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Changes in Long-term Liabilities

Changes in Long-term Liabilities for the year ended December 31, 2023, are summarized as follows:

	Balance 1/1/23	Additions	Modifications & Remeasurements	Reductions	Transfers	Balance 12/31/23	Due Within One Year
Governmental Activities							
Compensated absences	\$ 733,380	\$ 776,753	\$ -	\$ (860,575)	\$ -	\$ 649,558	\$ 272,917
Lease liability	232,574	-	(232,574)	-	-	-	-
SBITA liability	76,496	-	-	(43,957)	-	32,539	16,149
General obligation bonds	250,000	-	-	(60,000)	-	190,000	60,000
Special assessment bonds	21,530,000	-	-	(2,955,000)	-	18,575,000	2,475,000
Plus unamortized premium	1,314,909	-	-	(130,133)	-	1,184,776	145,094
Revenue bonds	13,965,000	-	-	(780,000)	-	13,185,000	490,000
Plus unamortized premium	391,532	-	-	(20,607)	-	370,925	20,607
Loans payable	8,192,638	7,330,096	-	(778,880)	-	14,743,854	986,796
Total	<u>\$ 46,686,529</u>	<u>\$ 8,106,849</u>	<u>\$ (232,574)</u>	<u>\$ (5,629,152)</u>	<u>\$ -</u>	<u>\$ 48,931,652</u>	<u>\$ 4,466,563</u>
Business-Type Activities							
Compensated absences	\$ 223,811	\$ 230,431	\$ -	\$ (257,846)	\$ -	\$ 196,396	\$ 108,598
Lease liability	275,255	-	-	(41,710)	-	233,545	42,145
Revenue bonds	18,727,171	-	-	(1,992,171)	-	16,735,000	2,015,000
Less unamortized discount	(7,297)	-	-	1,042	-	(6,255)	(1,043)
Loans payable	4,798,135	1,632,121	-	(305,000)	-	6,125,256	310,000
Total	<u>\$ 24,017,075</u>	<u>\$ 1,862,552</u>	<u>\$ -</u>	<u>\$ (2,595,685)</u>	<u>\$ -</u>	<u>\$ 23,283,942</u>	<u>\$ 2,474,700</u>

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

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

Leases

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

Business-Type Activities:			
Fiscal Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 42,145	\$ 2,440	\$ 44,585
2025	191,400	2,000	193,400
Total	<u>\$ 233,545</u>	<u>\$ 4,440</u>	<u>\$ 237,985</u>

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

SBITAs

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

For the Year Ending December 31,	Principal	Interest	Total Payments
2024	\$ 16,149	\$ 1,290	\$ 17,439
2025	14,242	698	14,940
2026	2,148	92	2,240
Total	<u>\$ 32,539</u>	<u>\$ 2,080</u>	<u>\$ 34,619</u>

Debt Commitment

The City's bond documents include covenants that, in part, impose maintenance of certain reserve requirements and net operating revenues to debt service ratios. The City was in compliance with all financial covenants as of December 31, 2023.

Conduit Debt

Community Development Block Grants

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

Accordingly, the grants are not reported as liabilities in the accompanying financial statements. As of December 31, 2023, there were six CDBG loans outstanding, with an aggregate principal amount payable of \$460,897.

NOTE 11 EMPLOYEE PENSION PLANS

Defined Contribution Plan

The City of Mandan Employee Retirement Plan and Trust is a Defined Contribution Plan that covers eligible City employees. The Defined Contribution Plan had 117 participants as of December 31, 2023.

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

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

Contributions are set by City ordinance and are a percentage of salaries and wages. Employee contributions are established at 2%, and employer contributions are established at 8% of regular compensation. On December 16, 2014 the City ordinance was amended effective January 1, 2015. This amendment allowed Sworn Police Officers and Career Firefighters to be eligible for a 10% employer contribution if the employee contributes 4% or greater. The employer's required contributions for the years ended December 31, 2023, 2022, and 2021, were \$565,021, \$528,212 and \$518,253, respectively.

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

NDPERS Law Enforcement Retirement System (Law Enforcement System)

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

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

Responsibility for administration of the NDPERS defined benefit pension plan is assigned to a Board comprised of eleven members. The Governor is responsible for appointing three other members in addition to the Chairman of the Board. Four members are appointed by legislative management, and the remaining three Board members are elected from active employees currently contributing to PERS.

Pension Benefits

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

retirement age (55) with three or more years of service. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. The plan permits early retirement at ages 50-55 with three or more years of service.

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

Death and Disability Benefits

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

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

Refunds of Member Account Balance

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

Member and Employer Contributions

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

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

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

At December 31, 2023, the City reported a liability of \$364,491 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The City's proportion of the net pension liability was based on the City's share of covered payroll/contributions in the Law Enforcement System pension plan relative to the covered payroll/contributions of all participating Law Enforcement System employers. At June 30, 2023, the City's proportion was 19.554557%, which is a decrease of 3.168425% from its proportion measured at June 30, 2022.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

For the year ended December 31, 2023, the City recognized pension expense of \$404,012. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 152,925	\$ (52,285)
Changes of assumptions	1,188,244	(1,543,774)
Net difference between projected and actual earnings on pension plan investments	89,365	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	4,238	(56,280)
Employer contributions subsequent to the measurement date	<u>127,252</u>	<u>-</u>
Total	<u>\$ 1,562,024</u>	<u>\$ (1,652,339)</u>

\$127,252 reported as deferred outflows of resources related to pensions resulting from employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability(asset) in the year ending December 31, 2024.

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

Year ended December 31:

2024	\$ (6,916)
2025	(96,076)
2026	(35,051)
2027	(58,400)
2028	(21,124)

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Actuarial Assumptions

The total pension liability(asset) in the July 1, 2023 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	6.50%, net of investment expenses
Cost-of-living adjustments	None

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

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

<u>Asset Class</u>	<u>Target Allocation</u>	<u>Long-Term Expected Real Rate of Return</u>
Domestic Equity	30.90%	6.25%
International Equity	20.10%	6.95%
Private Equity	7.00%	9.45%
Domestic Fixed Income	23.00%	2.51%
Global Real Assets	19.00%	4.33%

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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 3.86%; and the resulting Single Discount Rate is 6.50%.

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

The following presents the City's proportionate share of the net pension liability(asset) calculated using the discount rate of 6.50%, as well as what the City's proportionate share of the net pension liability(asset) would be if it were calculated using a discount rate that is 1-percentage-point lower (5.50%) or 1-percentage-point higher (7.50%) than the current rate:

	1% Decrease 5.50%	Current Discount Rate 6.50%	1% Increase 7.50%
Employer's proportionate share of the net pension liability	\$ 1,137,014	\$ 364,491	\$ (247,568)

Pension Plan Fiduciary Net Position

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

NOTE 12 OTHER POST-EMPLOYMENT BENEFITS

North Dakota Public Employees Retirement System

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

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

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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

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

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

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

At December 31, 2023, the City reported a liability of \$289,706 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The City's proportion of the net OPEB liability was based on the City's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At June 30, 2023, the City's proportion was 0.289778%, which was a decrease of 0.018261% from its proportion measured as of June 30, 2022.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
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For the year ended December 31, 2023 the City recognized OPEB expense of \$79,571. At December 31, 2023, the City reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 5,450	\$ (3,315)
Changes of assumptions	61,788	(23,991)
Net difference between projected and actual earnings on OPEB plan investments	20,925	-
Changes in proportion and differences between employer contributions and proportionate share of contributions	37,348	(9,693)
Employer contributions subsequent to the measurement date	<u>18,293</u>	<u>-</u>
Total	<u>\$ 143,804</u>	<u>\$ (36,999)</u>

\$18,293 reported as deferred outflows of resources related to OPEB resulting from City contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending December 31, 2024.

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

Year ended December 31:

2024	\$ 34,889
2025	30,500
2026	32,347
2027	(9,224)

Actuarial Assumptions

The total OPEB liability in the July 1, 2023 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

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NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
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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, 2023 are summarized in the following table:

Asset Class	Target Allocation	Long-term Expected Real Rate of Return
S&P 500 Index	33.00%	5.50%
US Small Cap Equity	6.00%	7.65%
World Equity ex-US	26.00%	6.82%
US High Yield	3.00%	5.32%
Emerging Markets Debt	4.00%	6.25%
Core Fixed Income	28.00%	4.04%

Discount Rate

The discount rate used to measure the total OPEB liability was 5.75%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

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, 2023, calculated using the discount rate of 5.75%, 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 (4.75 percent) or 1-percentage-point higher (6.75 percent) than the current rate:

	1% Decrease 4.75%	Current Discount Rate 5.75%	1% Increase 6.75%
Employer's proportionate share of the net OPEB liability	<u>\$ 380,744</u>	<u>\$ 289,706</u>	<u>\$ 213,063</u>

Pension Plan Fiduciary Net Position

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

NOTE 13 RESTRICTED ASSETS

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

<u>Governmental Funds</u>	
General Fund - Civil Asset Forfeiture Funds	\$ 92,318
0.75% City Sales Tax - BND - Cash with Fiscal Agent	<u>3,512,226</u>
Total	<u>\$ 3,604,544</u>
 <u>Proprietary Funds</u>	
Water and Sewer Utility Fund - Revenue Bond/Debt Service	\$ 2,517,251
Mandan Airport Authority Fund - Revenue Bond/Debt Service	<u>77,760</u>
Total	<u>\$ 2,595,011</u>

NOTE 14 RISK MANAGEMENT

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

General Liability

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

North Dakota Insurance Reserve Fund

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

Machinery and Equipment

The City pays an annual premium to The Cincinnati Insurance Company for its machinery and equipment insurance coverage. The coverage by The Cincinnati Insurance Company is limited to losses of varying from \$25,000 to \$250,000.

State Fire and Tornado Fund

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

State Bonding Fund

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

Workforce Safety & Insurance

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

PERS Uniform Group Insurance Program

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

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

NOTE 15 REMEDIATION TRUST

The City is one of the beneficiaries of the Mandan Remediation Trust. As a beneficiary of the Trust, the City has no legal title, claim or right to the Trust Estate and does not have any authority to transact business on behalf of the Trust. The Trust is irrevocable and will terminate when the North Dakota Department of Health determines that no further remediation is required of the contamination and the purposes of the Trust have been fully executed and fulfilled. Upon termination of the Trust, any residue of the Trust money shall be paid to the Mandan Special Environmental Projects Trust, a governmental fund of the City. The Trust had a net position of \$5,885,957 at December 31, 2023, the most recent year audited.

NOTE 16 COMMITMENTS AND CONTINGENCIES

Financial Subsidy Commitments

The City has financial subsidy commitments of \$1,183,621 as of December 31, 2023.

Contingent Grant Liabilities

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

Litigation

Various suits and claims are pending against the City as of December 31, 2023. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes the final outcome of these matters will not material affect the financial statements of the City and that adequate insurance coverage exists in most cases to cover any potential settlement.

NOTE 17 COST SHARING AGREEMENTS

Central Dakota Communications Center

The City of Mandan entered into a charter agreement for the Combined Communications Center merger with the City of Bismarck and Burleigh County effective January 1, 2016. Central Dakota Communications Center (CenCom) replaces the Combined Communications Center. CenCom will dispatch all emergency calls for law enforcement, fire and emergency medical services in Bismarck, Mandan and Burleigh County, including Wilton. After revenue and that portion of 911 fees allocated for the annual operating budget of CenCom, the remainder of the budget responsibility is split between the parties who entered into the agreement, with the City of Mandan's share at 20%. The City incurred operating expenditures of \$407,160 related to costs of CenCom during the year ended December 31, 2023. The City also receives 911 fees from Morton County to help cover this payment. Total 911 fees from Morton County totaled \$351,234 for the year ended December 31, 2023.

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

Law Enforcement Center

The City has entered into an operating agreement with Morton County for the law enforcement center on May 10, 2010. As part of this agreement, all parties pay evenly for the costs of operation, maintenance, repair and replacement of the law enforcement center. In addition to the operating costs, each party must contribute a set amount annually towards a capital improvement fund, with the City's portion of such payment being \$15,000. The City paid \$152,088 for their share of all costs of the law enforcement center for the year ended December 31, 2023.

NOTE 18 PRIOR PERIOD ADJUSTMENT

The City recorded a prior period adjustment to the December 31, 2022 financial statements to increase fund balance and prepaid items for unremitted sales and use tax collections of \$197,701.

NOTE 19 RECENT PRONOUNCEMENTS

The City will implement the following recent pronouncements for fiscal years ending after 2023:

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

- The requirements related to extension of the use of LIBOR, accounting for SNAP distributions, disclosures of nonmonetary transactions, pledges of future revenues by pledging governments, clarification of certain provisions in Statement 34, as amended, and terminology updates related to Statement 53 and Statement 63 are effective upon issuance.
- The requirements related to financial guarantees and the classification and reporting of derivative instruments within the scope of Statement 53 are effective for fiscal years beginning after June 15, 2023, and all reporting periods thereafter.

GASB Statement No. 100, *Accounting Changes and Error Corrections – An Amendment of GASB Statement No. 62*, enhances the accounting and financial reporting requirements for accounting changes and error corrections. The standard is effective for fiscal years beginning after June 15, 2023.

GASB Statement No. 101, *Compensated Absences*, updates the recognition and measurement guidance for compensated absences through aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The standard is effective for fiscal years beginning after December 15, 2023.

GASB Statement No. 102, *Certain Risk Disclosures*, requires entities to disclose critical information about their exposure to risks due to certain concentrations or limitations that could lead to financial distress or operational challenges. This statement is effective for fiscal years beginning after June 15, 2024.

GASB Statement No. 103, *Financial Reporting Model Improvements*, revises the requirements for management's discussion and analysis with the goal of making it more readable and

CITY OF MANDAN
NOTES TO THE FINANCIAL STATEMENTS – CONTINUED
DECEMBER 31, 2023

understandable, requires unusual or infrequent items to be presented separately, defines operating and nonoperating revenues, includes a new section for noncapital subsidies for proprietary funds' statement of revenues, expenses and changes in net position, removes the option to disclose major component information in the notes and requires them to be shown individually or in combine financial statements following the fund financial statements and requires budgetary comparisons to be presented as RSI with new columns for variances between original-to-final budget and final budget-to-actual results. This statement is effective for fiscal years beginning after June 15, 2025.

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

NOTE 20 SUBSEQUENT EVENTS

As of March 20, 2024, the City's request was approved for construction cost-share with the state for their 2024 Infrastructure Improvements project. The project will replace 3,925 feet of aging water main, hydrants, valves, and curb stops and includes associated pavement reconstruction costs for a total estimated construction cost of \$1,764,759 with \$1,628,626 approved for cost-share with the state.

Subsequent events have been evaluated through July 17, 2024, which is the date these financial statements were available to be issued.

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 5,902,590	\$ 5,902,590	\$ 5,909,061	\$ 6,471
Licenses and Permits	474,350	533,850	463,400	(70,450)
Intergovernmental	2,465,479	2,678,144	3,795,795	1,117,651
Charges for Services	441,218	441,218	428,931	(12,287)
Fines and Forfeits	157,950	157,950	151,301	(6,649)
Special Assessments	-	-	203,167	203,167
Interest	72,100	72,100	731,272	659,172
Leases	-	-	7,430	7,430
Rent	2,000	12,400	8,250	(4,150)
Miscellaneous	-	157,450	152,572	(4,878)
Total Revenues	<u>9,515,687</u>	<u>9,955,702</u>	<u>11,851,179</u>	<u>1,895,477</u>
EXPENDITURES				
Current:				
General Government	4,078,486	3,980,234	4,016,195	(35,961)
Public Safety	7,915,481	8,203,654	7,683,499	520,155
Public Works	1,884,405	2,039,304	2,094,109	(54,805)
Debt Service				
Principal	-	-	43,957	(43,957)
Capital Outlay	<u>430,787</u>	<u>983,745</u>	<u>565,829</u>	<u>417,916</u>
Total Expenditures	<u>14,309,159</u>	<u>15,206,937</u>	<u>14,403,589</u>	<u>803,348</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(4,793,472)</u>	<u>(5,251,235)</u>	<u>(2,552,410)</u>	<u>2,698,825</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	3,245,872	3,345,872	3,583,376	237,504
Transfers Out	<u>(2,900)</u>	<u>(2,900)</u>	<u>(58,468)</u>	<u>(55,568)</u>
Total Other Financing Sources (Uses)	<u>3,242,972</u>	<u>3,342,972</u>	<u>3,524,908</u>	<u>181,936</u>
Net Change in Fund Balances	<u>\$ (1,550,500)</u>	<u>\$ (1,908,263)</u>	<u>972,498</u>	<u>\$ 2,880,761</u>
Fund Balances - January 1			<u>6,560,615</u>	
Fund Balances - December 31			<u>\$ 7,533,113</u>	
Reconciliation of General Fund change in fund balance to Statement of Revenues, Expenses, and Change in Fund Balances:				
Change in General Fund per Budget			\$ 972,498	
Change in fund balance attributable to activities not included in General Fund budget:				
Alarm - Equipment Reserve Fund			12,428	
1% City Sales Tax Fund			588,985	
Mandan Growth Fund			(11,148)	
BSA Police Explorer Program Fund			(4,428)	
BNSF Settlement Fund			17,404	
Mandan SEP Trust Fund			<u>9,878</u>	
Change in General Fund per Statement of Revenues, Expenses, and Change in Fund Balances			<u>\$ 1,585,617</u>	

See Notes to the Required Supplementary Information

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
REVENUES				
Taxes	\$ 24,952	\$ 24,952	\$ 25,030	\$ 78
Charges for Services	137,500	137,500	123,450	(14,050)
Miscellaneous	-	-	120	-
Total Revenues	<u>162,452</u>	<u>162,452</u>	<u>148,600</u>	<u>(13,972)</u>
EXPENDITURES				
Current:				
Cemetery	148,452	183,358	195,647	(12,289)
Capital Outlay	<u>14,000</u>	<u>14,000</u>	<u>-</u>	<u>14,000</u>
Total Expenditures	<u>162,452</u>	<u>197,358</u>	<u>195,647</u>	<u>1,711</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>-</u>	<u>(34,906)</u>	<u>(47,047)</u>	<u>(12,261)</u>
OTHER FINANCING SOURCES (USES)				
Transfers In	<u>-</u>	<u>-</u>	<u>32,010</u>	<u>32,010</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>32,010</u>	<u>32,010</u>
Net Change in Fund Balances	<u>\$ -</u>	<u>\$ (34,906)</u>	<u>(15,037)</u>	<u>\$ 19,749</u>
Fund Balances - January 1			<u>46,476</u>	
Fund Balances - December 31			<u>\$ 31,439</u>	

See Notes to the Required Supplementary Information

CITY OF MANDAN
BUDGETARY COMPARISON SCHEDULE – MORTON MANDAN PUBLIC LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Original / Final Budget	Actual	Variance with Final Budget
REVENUES			
Taxes	\$ 608,902	\$ 611,924	\$ 3,022
Intergovernmental	326,767	312,074	(14,693)
Charges for Services	28,075	49,101	21,026
Fines and Forfeits	150	849	699
Interest	1,400	3,451	2,051
Rent	14,880	10,065	(4,815)
Miscellaneous	6,100	6,130	30
	<u>986,274</u>	<u>993,594</u>	<u>7,320</u>
Total Revenues			
EXPENDITURES			
Current:			
Culture and Recreation	946,267	933,287	12,980
Capital Outlay	123,443	129,273	(5,830)
	<u>1,069,710</u>	<u>1,062,560</u>	<u>7,150</u>
Total Expenditures			
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(83,436)</u>	<u>(68,966)</u>	<u>14,470</u>
Net Change in Fund Balances	<u>\$ (83,436)</u>	<u>(68,966)</u>	<u>\$ 14,470</u>
Fund Balances - January 1		<u>493,552</u>	
Fund Balances - December 31		<u>\$ 424,586</u>	

See Notes to the Required Supplementary Information

CITY OF MANDAN
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF
NET PENSION LIABILITY (ASSET)
FOR THE YEAR ENDED DECEMBER 31, 2023

	Employer's proportion of the net pension liability (asset)	Employer's proportionate share of the net pension liability (asset)	Employer's covered- employee payroll	Employer's proportionate share of the net pension liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total pension liability
2023	19.55456%	\$ 364,491	\$ 2,912,802	12.51%	65.31%
2022	22.72298%	1,434,493	3,180,214	45.11%	73.17%
2021	25.79342%	(572,503)	2,809,034	-20.38%	115.21%
2020	25.26940%	1,613,345	2,735,341	58.98%	65.83%
2019	27.15869%	(124,964)	2,658,757	-4.70%	104.84%
2018	29.94984%	290,599	1,830,188	15.88%	89.76%
2017	30.48323%	298,382	1,797,528	16.60%	69.89%

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

CITY OF MANDAN
SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY
FOR THE YEAR ENDED DECEMBER 31, 2023

	Employer's proportion of the net OPEB liability (asset)	Employer's proportionate share of the net OPEB liability (asset)	Employer's covered- employee payroll	Employer's proportionate share of the net OPEB liability (asset) as a percentage of its covered- employee payroll	Plan fiduciary net position as a percentage of the total OPEB liability
2023	0.289778%	\$ 289,706	\$ 2,912,802	9.95%	62.74%
2022	0.308039%	369,742	3,180,214	11.63%	56.28%
2021	0.262535%	146,015	2,809,034	5.20%	76.63%
2020	0.239948%	201,844	2,735,341	7.38%	63.38%
2019	0.238270%	191,375	2,658,757	7.20%	63.13%
2018	0.167260%	131,729	1,830,188	7.20%	61.89%

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

See Notes to the Required Supplementary Information

CITY OF MANDAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS – PENSION
FOR THE YEAR ENDED DECEMBER 31, 2023

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered- employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 250,720	\$ (250,720)	\$ -	\$ 3,161,663	7.93%
2022	255,337	(255,337)	-	3,219,883	7.93%
2021	237,317	(237,317)	-	2,992,645	7.93%
2020	247,062	(218,565)	28,497	2,756,179	7.93%
2019	262,892	(243,062)	19,830	2,679,837	9.07%
2018	195,277	(267,337)	(72,060)	1,990,593	13.43%
2017	164,836	(164,836)	-	1,680,285	9.81%

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

CITY OF MANDAN
SCHEDULE OF EMPLOYER CONTRIBUTIONS – OPEB
FOR THE YEAR ENDED DECEMBER 31, 2023

	Statutorily required contribution	Contributions in relation to the statutorily required contribution	Contribution deficiency (excess)	Employer's covered- employee payroll	Contributions as a percentage of covered-employee payroll
2023	\$ 36,043	\$ (36,043)	\$ -	\$ 3,161,663	1.14%
2022	36,706	(36,706)	-	3,219,883	1.14%
2021	34,116	(34,116)	-	2,992,645	1.14%
2020	31,420	(31,420)	-	2,756,179	1.14%
2019	30,550	(30,550)	-	2,679,836	1.14%
2018	22,693	(22,693)	-	1,990,593	1.14%

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

See Notes to the Required Supplementary Information

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 GENERAL BUDGETARY INFORMATION

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

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

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

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION – CONTINUED
DECEMBER 31, 2023

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

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

CITY OF MANDAN
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - CONTINUED
DECEMBER 31, 2023

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

Legislation was passed relating to the Public Safety with Prior Service System. The Public Safety with Prior Service System was expanded to allow peace officers employed by the State to participate. The provisions are similar to the Public Safety with Prior Service System, but with a 6.00 percent employee contribution rate. The benefit multiplier and the vesting requirements for the Bureau of Criminal Investigation group were changed.

NOTE 3 CHANGES OF BENEFIT TERMS – OPEB

Beginning January 1, 2020, members first enrolled in the NDPERS Main System and the Defined Contribution Plan on or after that date will not be eligible to participate in RHIC. Therefore, RHIC will become for the most part a closed plan. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2022.

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

All 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. There have been no changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

NOTE 5 CHANGES IN ASSUMPTIONS – OPEB

All 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. There have been non changes in actuarial assumptions since the previous actuarial valuation as of July 1, 2022.

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 607,518	\$ 74,860	\$ 381,278	\$ 1,063,656
Taxes Receivable	5,829	1,610	-	7,439
Accounts Receivable (net of allowance)	1,031,486	-	97,328	1,128,814
Interest Receivable	-	-	160	160
Interfund Receivable	14,493	-	758,324	772,817
Special Assessments Receivable	252,367	-	1,954,310	2,206,677
Lease Receivable	-	-	132,942	132,942
Prepaid Items	129,255	-	919	130,174
Cash and Cash Equivalents-Restricted	3,512,226	-	-	3,512,226
Total Assets	<u>\$ 5,553,174</u>	<u>\$ 76,470</u>	<u>\$ 3,325,261</u>	<u>\$ 8,954,905</u>
LIABILITIES				
Accounts Payable	\$ 90,574	\$ -	\$ 3,546	\$ 94,120
Interfund Payable	478,554	-	2,584,518	3,063,072
Unearned Revenues	129,255	-	-	129,255
Total Liabilities	<u>698,383</u>	<u>-</u>	<u>2,588,064</u>	<u>3,286,447</u>
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	5,218	1,442	-	6,660
Unavailable Revenue-Special Assessments	234,294	-	1,920,694	2,154,988
Unavailable Revenue-Leases	-	-	131,481	131,481
Total Deferred Inflows of Resources	<u>239,512</u>	<u>1,442</u>	<u>2,052,175</u>	<u>2,293,129</u>
FUND BALANCES				
Nonspendable:				
Prepaid Items	129,255	-	919	130,174
Restricted for:				
General Government	1,233	-	-	1,233
Public Safety	529,237	-	-	529,237
Public Works	216,291	-	-	216,291
Culture and Recreation	86,192	-	-	86,192
Debt Service	3,973,175	75,028	-	4,048,203
Capital Projects	-	-	1,156,395	1,156,395
Committed for:				
Operating Reserve	-	-	82,156	82,156
Unassigned	(320,104)	-	(2,554,448)	(2,874,552)
Total Fund Balances	<u>4,615,279</u>	<u>75,028</u>	<u>(1,314,978)</u>	<u>3,375,329</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 5,553,174</u>	<u>\$ 76,470</u>	<u>\$ 3,325,261</u>	<u>\$ 8,954,905</u>

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2023

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Public Trans- portation System	0.75% City Sales Tax	Fire Equip- ment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
ASSETS													
Cash and Cash Equivalents	\$ -	\$ -	\$ 85,215	\$ -	\$ -	\$ 490,452	\$ -	\$ -	\$ -	\$ 31,851	\$ -	\$ -	\$ 607,518
Taxes Receivable	-	1,045	-	4,784	-	-	-	-	-	-	-	-	5,829
Accounts Receivable (net of allowance)	216,291	-	9,769	-	460,949	-	243,751	26,860	11,460	8,694	53,712	-	1,031,486
Special Assessments Receivable	-	51,164	-	-	-	-	-	-	-	-	-	201,203	252,367
Interfund Receivable	-	-	-	-	-	-	14,493	-	-	-	-	-	14,493
Prepaid Items	-	-	-	-	-	-	129,255	-	-	-	-	-	129,255
Cash and Cash Equivalents-Restricted	-	-	-	-	3,512,226	-	-	-	-	-	-	-	3,512,226
Total Assets	<u>\$ 216,291</u>	<u>\$ 52,209</u>	<u>\$ 94,984</u>	<u>\$ 4,784</u>	<u>\$ 3,973,175</u>	<u>\$ 490,452</u>	<u>\$ 387,499</u>	<u>\$ 26,860</u>	<u>\$ 11,460</u>	<u>\$ 40,545</u>	<u>\$ 53,712</u>	<u>\$ 201,203</u>	<u>\$ 5,553,174</u>
LIABILITIES													
Accounts Payable	\$ -	\$ -	\$ 8,792	\$ 505	\$ -	\$ -	\$ 16,410	\$ 11,986	\$ 11,460	\$ 40,545	\$ 876	\$ -	\$ 90,574
Interfund Payable	-	-	-	-	-	-	203,049	14,874	-	-	52,836	207,795	478,554
Unearned Revenues	-	-	-	-	-	-	129,255	-	-	-	-	-	129,255
Total Liabilities	<u>-</u>	<u>-</u>	<u>8,792</u>	<u>505</u>	<u>-</u>	<u>-</u>	<u>348,714</u>	<u>26,860</u>	<u>11,460</u>	<u>40,545</u>	<u>53,712</u>	<u>207,795</u>	<u>698,383</u>
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenue-Property Taxes	-	939	-	4,279	-	-	-	-	-	-	-	-	5,218
Unavailable Revenue-Special Assessments	-	50,037	-	-	-	-	-	-	-	-	-	184,257	234,294
Total Deferred Inflows of Resources	<u>-</u>	<u>50,976</u>	<u>-</u>	<u>4,279</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>184,257</u>	<u>239,512</u>
FUND BALANCES													
Nonspendable:													
Prepaid Items	-	-	-	-	-	-	129,255	-	-	-	-	-	129,255
Restricted for:													
General Government	-	1,233	-	-	-	-	-	-	-	-	-	-	1,233
Public Safety	-	-	-	-	-	490,452	38,785	-	-	-	-	-	529,237
Public Works	216,291	-	-	-	-	-	-	-	-	-	-	-	216,291
Culture and Recreation	-	-	86,192	-	-	-	-	-	-	-	-	-	86,192
Debt Service	-	-	-	-	3,973,175	-	-	-	-	-	-	-	3,973,175
Unassigned	-	-	-	-	-	-	(129,255)	-	-	-	-	(190,849)	(320,104)
Total Fund Balances	<u>216,291</u>	<u>1,233</u>	<u>86,192</u>	<u>-</u>	<u>3,973,175</u>	<u>490,452</u>	<u>38,785</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(190,849)</u>	<u>4,615,279</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 216,291</u>	<u>\$ 52,209</u>	<u>\$ 94,984</u>	<u>\$ 4,784</u>	<u>\$ 3,973,175</u>	<u>\$ 490,452</u>	<u>\$ 387,499</u>	<u>\$ 26,860</u>	<u>\$ 11,460</u>	<u>\$ 40,545</u>	<u>\$ 53,712</u>	<u>\$ 201,203</u>	<u>\$ 5,553,174</u>

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUND
DECEMBER 31, 2023

	Liberty Memorial Bridge General Obligation Bonds
ASSETS	
Cash and Cash Equivalents	\$ 74,860
Taxes Receivable	<u>1,610</u>
Total Assets	<u><u>\$ 76,470</u></u>
DEFERRED INFLOWS OF RESOURCES	
Unavailable Revenue - Property Taxes	<u>\$ 1,442</u>
Total Deferred Inflows of Resources	<u>1,442</u>
FUND BALANCES	
Restricted for:	
Debt Service	<u>75,028</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 76,470</u></u>

CITY OF MANDAN
COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2023

	Transportation Alternatives Program Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Water and Sewer Construction	Total Nonmajor Capital Projects Funds
ASSETS					
Cash and Cash Equivalents	\$ -	\$ 381,278	\$ -	\$ -	\$ 381,278
Accounts Receivable (net)	-	97,328	-	-	97,328
Interest Receivable	-	160	-	-	160
Interfund Receivable	-	758,324	-	-	758,324
Special Assessment Receivable	147,457	-	162,497	1,644,356	1,954,310
Lease Receivable	-	132,942	-	-	132,942
Prepaid Items	-	919	-	-	919
Total Assets	<u>\$ 147,457</u>	<u>\$ 1,370,951</u>	<u>\$ 162,497</u>	<u>\$ 1,644,356</u>	<u>\$ 3,325,261</u>
LIABILITIES					
Accounts Payable	\$ 3,546	\$ -	\$ -	\$ -	\$ 3,546
Interfund Payable	758,324	-	249,361	1,576,833	2,584,518
Total Liabilities	<u>761,870</u>	<u>-</u>	<u>249,361</u>	<u>1,576,833</u>	<u>2,588,064</u>
DEFERRED INFLOWS OF RESOURCES					
Unavailable Revenue-					
Special Assessments	147,457	-	145,652	1,627,585	1,920,694
Leases	-	131,481	-	-	131,481
Total Deferred Inflows of Resources	<u>147,457</u>	<u>131,481</u>	<u>145,652</u>	<u>1,627,585</u>	<u>2,052,175</u>
FUND BALANCES					
Nonspendable:					
Prepaid Items	-	919	-	-	919
Restricted for:					
Capital Projects	-	1,156,395	-	-	1,156,395
Committed:					
Operating Reserve	-	82,156	-	-	82,156
Unassigned	<u>(761,870)</u>	<u>-</u>	<u>(232,516)</u>	<u>(1,560,062)</u>	<u>(2,554,448)</u>
Total Fund Balances	<u>(761,870)</u>	<u>1,239,470</u>	<u>(232,516)</u>	<u>(1,560,062)</u>	<u>(1,314,978)</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 147,457</u>	<u>\$ 1,370,951</u>	<u>\$ 162,497</u>	<u>\$ 1,644,356</u>	<u>\$ 3,325,261</u>

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 2,948,136	\$ 73,655	\$ 659,249	\$ 3,681,040
Intergovernmental	2,231,442	-	-	2,231,442
Charges for Services	10,063	-	57,418	67,481
Fines and Forfeits	38,245	-	-	38,245
Special Assessments	113,370	-	183,331	296,701
Interest	8,689	-	2,101	10,790
Lease	-	-	27,994	27,994
Miscellaneous	88,582	-	33	88,615
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	5,438,527	73,655	930,126	6,442,308
	<hr/>	<hr/>	<hr/>	<hr/>
EXPENDITURES				
Current:				
General Government	558,201	-	-	558,201
Public Safety	521,287	-	-	521,287
Public Works	85,980	-	-	85,980
Culture and Recreation	73,840	-	609,447	683,287
Debt Service:				
Principal	780,000	60,000	-	840,000
Interest	482,774	9,649	-	492,423
Service Charges	1,638	1,195	-	2,833
Capital Outlay	-	-	314,328	314,328
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	2,503,720	70,844	923,775	3,498,339
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,934,807	2,811	6,351	2,943,969
	<hr/>	<hr/>	<hr/>	<hr/>
OTHER FINANCING SOURCES (USES)				
Transfers In	113,184	-	228,624	341,808
Transfers Out	(1,661,213)	-	(10,745)	(1,671,958)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and Uses	(1,548,029)	-	217,879	(1,330,150)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	1,386,778	2,811	224,230	1,613,819
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - January 1, as previously stated	3,030,800	72,217	(1,539,208)	1,563,809
Prior Period Adjustment - see note 18	197,701	-	-	197,701
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - January 1, restated	3,228,501	72,217	(1,539,208)	1,761,510
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - December 31	\$ 4,615,279	\$ 75,028	\$ (1,314,978)	\$ 3,375,329
	<hr/>	<hr/>	<hr/>	<hr/>

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Public Trans- portation System	0.75% City Sales Tax	Fire Equip- ment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	CDBG - Cloverdale	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
REVENUES														
Taxes	\$ -	\$ 45,591	\$ 82,045	\$ 222,915	\$ 2,597,585	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 2,948,136
Intergovernmental	1,542,947	-	-	-	-	264,044	178,539	111,760	11,460	58,457	-	64,235	-	2,231,442
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	-	10,063	10,063
Fines and Forfeits	-	-	-	-	-	-	38,245	-	-	-	-	-	-	38,245
Special Assessments	-	47,879	-	-	-	-	-	-	-	-	-	-	65,491	113,370
Interest	-	-	-	-	8,689	-	-	-	-	-	-	-	-	8,689
Miscellaneous	-	-	-	-	88,582	-	-	-	-	-	-	-	-	88,582
Total Revenues	1,542,947	93,470	82,045	222,915	2,694,856	264,044	216,784	111,760	11,460	58,457	-	64,235	75,554	5,438,527
EXPENDITURES														
Current:														
General Government	-	226,228	-	267,738	-	-	-	-	-	-	-	64,235	-	558,201
Public Safety	-	-	-	-	-	11,953	327,657	111,760	11,460	58,457	-	-	-	521,287
Public Works	-	-	-	-	-	-	-	-	-	-	-	-	85,980	85,980
Culture and Recreation	-	-	73,840	-	-	-	-	-	-	-	-	-	-	73,840
Debt Service:														
Principal	-	-	-	-	780,000	-	-	-	-	-	-	-	-	780,000
Interest	-	-	-	-	482,774	-	-	-	-	-	-	-	-	482,774
Service Charges	-	-	-	-	1,638	-	-	-	-	-	-	-	-	1,638
Total Expenditures	-	226,228	73,840	267,738	1,264,412	11,953	327,657	111,760	11,460	58,457	-	64,235	85,980	2,503,720
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,542,947	(132,758)	8,205	(44,823)	1,430,444	252,091	(110,873)	-	-	-	-	-	(10,426)	2,934,807
OTHER FINANCING SOURCES (USES)														
Transfers In	-	68,271	-	44,823	-	-	90	-	-	-	-	-	-	113,184
Transfers Out	(1,547,677)	-	-	-	-	(101,249)	(90)	-	-	-	-	-	(12,197)	(1,661,213)
Net Change in Fund Balances	(4,730)	(64,487)	8,205	-	1,430,444	150,842	(110,873)	-	-	-	-	-	(22,623)	1,386,778
Fund Balances - January 1, as previously stated	221,021	65,720	77,987	-	2,345,030	339,610	149,658	-	-	-	-	-	(168,226)	3,030,800
Prior Period Adjustment - see note 18	-	-	-	-	197,701	-	-	-	-	-	-	-	-	197,701
Fund Balances - January 1, restated	221,021	65,720	77,987	-	2,542,731	339,610	149,658	-	-	-	-	-	(168,226)	3,228,501
Fund Balances - December 31	\$ 216,291	\$ 1,233	\$ 86,192	\$ -	\$ 3,973,175	\$ 490,452	\$ 38,785	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (190,849)	\$ 4,615,279

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – NONMAJOR DEBT SERVICE FUND
FOR THE YEAR ENDED DECEMBER 31, 2023

	Liberty Memorial Bridge General Obligation Bonds
REVENUES	
Taxes	\$ 73,655
EXPENDITURES	
Debt Service:	
Principal	60,000
Interest	9,649
Service Charges	<u>1,195</u>
Total Expenditures	<u>70,844</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>2,811</u>
Net Change in Fund Balances	2,811
Fund Balances - January 1	<u>72,217</u>
Fund Balances - December 31	<u><u>\$ 75,028</u></u>

CITY OF MANDAN
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
BALANCES – NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2023

	Transportation Alternatives Program Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Water and Sewer Construction	Total Nonmajor Capital Projects Funds
REVENUES					
Taxes	\$ -	\$ 659,249	\$ -	\$ -	\$ 659,249
Charges for Services	-	-	18,729	38,689	57,418
Special Assessments	-	-	27,772	155,559	183,331
Interest	-	2,101	-	-	2,101
Lease	-	27,994	-	-	27,994
Miscellaneous	-	-	33	-	33
Total Revenues	-	689,344	46,534	194,248	930,126
EXPENDITURES					
Current:					
Culture and Recreation	456,965	152,482	-	-	609,447
Capital Outlay	-	-	171,345	142,983	314,328
Total Expenditures	456,965	152,482	171,345	142,983	923,775
Excess (Deficiency) of Revenues Over (Under) Expenditures	(456,965)	536,862	(124,811)	51,265	6,351
OTHER FINANCING SOURCES (USES)					
Transfers In	-	-	-	228,624	228,624
Total Other Financing Sources and Uses	-	-	(10,745)	228,624	217,879
Net Change in Fund Balances	(456,965)	536,862	(135,556)	279,889	224,230
Fund Balances - January 1	(304,905)	702,608	(96,960)	(1,839,951)	(1,539,208)
Fund Balances - December 31	<u><u>\$ (761,870)</u></u>	<u><u>\$ 1,239,470</u></u>	<u><u>\$ (232,516)</u></u>	<u><u>\$ (1,560,062)</u></u>	<u><u>\$ (1,314,978)</u></u>

CITY OF MANDAN
STATEMENT OF FUND ACTIVITY
FOR THE YEAR ENDED DECEMBER 31, 2023

<u>Fund</u>	<u>Balance 1/1/2023</u>	<u>Revenues</u>	<u>Transfers In</u>	<u>Transfers Out</u>	<u>Expenditures</u>	<u>Balance 12/31/2023</u>
Governmental Funds:						
General	\$ 7,990,313	\$ 17,382,624	\$ 3,900,027	\$ 2,642,104	\$ 17,298,628	\$ 9,332,232
Cemetery	45,001	151,438	32,010	-	196,728	31,721
Municipal Infrastructure	2,146,043	4,912,861	-	1,035,722	-	6,023,182
Street Construction	(10,942,987)	7,512,283	1,373,081	69,081	10,021,882	(12,148,586)
Morton Mandan Public Library	499,948	993,052	20,000	20,000	1,059,862	433,138
Refunding Improvement Bonds	3,754,590	4,673,677	69,081	2,453	4,543,261	3,951,634
Nonmajor Governmental Funds	841,185	6,286,639	341,808	1,671,958	3,512,048	2,285,626
Total Governmental Funds	4,334,093	41,912,574	5,736,007	5,441,318	36,632,409	9,908,947
Proprietary Funds:						
Water and Sewer Utility	12,344,802	15,372,506	-	303,124	13,212,866	14,201,318
Solid Waste Utility	2,518,231	3,054,605	-	-	2,795,597	2,777,239
Street Light Utility	970,029	495,077	-	-	407,658	1,057,448
Mandan Airport Authority	966,472	1,357,022	-	-	1,131,817	1,191,677
Total Enterprise Funds	16,799,534	20,279,210	-	303,124	17,547,938	19,227,682
Internal Service Fund	(6,343)	243,217	8,438	-	251,602	(6,290)
Fiduciary Funds:						
Employee Retirement Plan and Trust	-	-	-	-	-	-
Private - Purpose Trust	4,253	-	-	-	-	4,253
Custodial	31,147	191,891	-	-	186,404	36,634
Total Fiduciary Funds	35,400	191,891	-	-	186,404	40,887
Total	\$ 21,162,684	\$ 62,626,892	\$ 5,744,445	\$ 5,744,442	\$ 54,618,353	\$ 29,171,226

CITY OF MANDAN
NOTES TO THE SUPPLEMENTARY INFORMATION
DECEMBER 31, 2023

NOTE 1 STATEMENT OF FUND ACTIVITY BASIS OF ACCOUNTING

The statement of fund activity is prepared on the cash basis of accounting. Listed below is a reconciliation between the revenues and expenditures as presented in the City's Statement of Revenues, Expenditures, and Changes in Fund Balance and the inflows and outflows presented in the City's Statement of Fund Activity.

Listed below is a reconciliation between the revenues as presented in the City's Statement of Revenues, Expenditures, and Changes in Fund Balance and the inflows presented in the Statement of Fund Activity.

	Governmental Funds:							
	General	Cemetery	Municipal Infrastructure	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Nonmajor Governmental Funds	Total
Actual revenues (cash basis) presented on the Statement of Fund Activity	\$ 17,382,624	\$ 151,438	\$ 4,912,861	\$ 7,512,283	\$ 993,052	\$ 4,673,677	\$ 6,286,639	\$ 41,912,574
<u>Difference - budget to GAAP</u>								
Net effect of unearned revenue being recognized on the Statement of Fund Activity when collected but not recorded as revenue until earned on the Statement of Revenues, Expenditures and Changes in Fund Balance.	(35,402)	340	-	-	(2,507)	(2,357,735)	(3,669,153)	(6,064,457)
Net effect of revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the Statement of Fund Activity until collected.	(1,958,153)	(3,178)	-	(1)	3,049	2,170,154	3,824,822	4,036,693
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds	<u>\$ 15,389,069</u>	<u>\$ 148,600</u>	<u>\$ 4,912,861</u>	<u>\$ 7,512,282</u>	<u>\$ 993,594</u>	<u>\$ 4,486,096</u>	<u>\$ 6,442,308</u>	<u>\$ 39,884,810</u>

CITY OF MANDAN
NOTES TO THE SUPPLEMENTARY INFORMATION - CONTINUED
DECEMBER 31, 2023

	Proprietary Funds:					Fiduciary Funds:		
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Internal Service Fund	Employee Retirement Plan and Trust Fund	Private - Purpose Trust Fund	Custodial Funds
Actual revenues (cash basis) presented on the Statement of Fund Activity	\$ 15,372,506	\$ 3,054,605	\$ 495,077	\$ 1,357,022	\$ 243,217	\$ -	\$ -	\$ 191,891
Difference - cash to GAAP								
Net effect of unearned revenue being recognized on the Statement of Fund Activity when collected but not recorded as revenue until earned on the Statement of Revenues, Expenditures and Changes in Fund Balance.	(36,089)	-	-	(253,231)	-	-	-	-
Net effect of revenue recorded when measurable and available on the revenue statement but not recorded as revenue on the Statement of Fund Activity until collected.	1,116,538	30,615	34,855	292,934	3,894	1,655,157	-	3,439
Total revenues as reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position	<u>\$ 16,452,955</u>	<u>\$ 3,085,220</u>	<u>\$ 529,932</u>	<u>\$ 1,396,725</u>	<u>\$ 247,111</u>	<u>\$ 1,655,157</u>	<u>\$ -</u>	<u>\$ 195,330</u>

CITY OF MANDAN
NOTES TO THE SUPPLEMENTARY INFORMATION - CONTINUED
DECEMBER 31, 2023

Listed below is a reconciliation between the expenditures as presented in the City's Statement of Revenues, Expenditures, and Changes in Fund Balance and the outflows presented in the Statement of Fund Activity.

	Governmental Funds:							Total
	General	Cemetery	Municipal Infrastructure	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Nonmajor Governmental Funds	
Actual expenditures and transfers (cash basis) presented on the Statement of Fund Activity	\$ 16,040,705	\$ 164,718	\$ 1,035,722	\$ 8,717,882	\$ 1,059,862	\$ 4,476,633	\$ 4,842,198	\$ 36,337,720
Difference - cash to GAAP								
Net effect of liabilities that are paid from "available resources" and are recognized as an expenditure when the obligation is incurred on the revenue statement but not recorded on the Statement of Fund Activity until paid.	(2,237,253)	(1,081)	-	391,029	2,698	(1)	(13,709)	(1,858,317)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds	<u>\$ 13,803,452</u>	<u>\$ 163,637</u>	<u>\$ 1,035,722</u>	<u>\$ 9,108,911</u>	<u>\$ 1,062,560</u>	<u>\$ 4,476,632</u>	<u>\$ 4,828,489</u>	<u>\$ 34,479,403</u>
	Proprietary Funds:					Fiduciary Funds:		
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Internal Service Fund	Employee Retirement Plan and Trust Fund	Private - Purpose Trust Fund	Custodial Funds
Actual expenditures and transfers (cash basis) presented on the Statement of Fund Activity	\$ 13,515,990	\$ 2,795,597	\$ 407,658	\$ 1,131,817	\$ 243,164	\$ -	\$ -	\$ 186,404
Difference - cash to GAAP								
Net effect of liabilities that are paid from "available resources" and are recognized as an expenditure when the obligation is incurred on the revenue statement but not recorded on the Statement of Fund Activity until paid.	(5,955,918)	101,129	(9,730)	(30,370)	3,947	821,028	-	(8,687)
Total expenditures and transfers as reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position	<u>\$ 7,560,072</u>	<u>\$ 2,896,726</u>	<u>\$ 397,928</u>	<u>\$ 1,101,447</u>	<u>\$ 247,111</u>	<u>\$ 821,028</u>	<u>\$ -</u>	<u>\$ 177,717</u>