

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

AUDITED FINANCIAL STATEMENTS

FOR THE YEAR ENDED DECEMBER 31, 2024

## TABLE OF CONTENTS

	<u>Page</u>
<b>LIST OF ELECTED AND APPOINTED OFFICIALS</b>	1
<b>INDEPENDENT AUDITOR'S REPORT</b>	2
<b>BASIC FINANCIAL STATEMENTS</b>	
Statement of Net Position	6
Statement of Activities	8
Balance Sheet - Governmental Funds	9
Reconciliation of the Balance Sheet of Governmental Funds to the Statement of Net Position	10
Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Funds	11
Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balance of Governmental Funds to the Statement of Activities	12
Statement of Net Position – Proprietary Funds	13
Statement of Revenues, Expenses and Changes in Fund Net Position - Proprietary Funds	14
Statement of Cash Flows - Proprietary Funds	15
Statement of Fiduciary Net Position	17
Statement of Changes in Fiduciary Net Position	18
Notes to the Financial Statements	19
<b>REQUIRED SUPPLEMENTARY INFORMATION</b>	
Budgetary Comparison Schedule - General Fund	62
Budgetary Comparison Schedule - Cemetery Fund	63
Budgetary Comparison Schedule - Morton Mandan Public Library Fund	64
Schedule of Employer's Proportionate Share of Net Pension Liability (Asset)	65
Schedule of Employer's Proportionate Share of Net OPEB Liability	65
Schedule of Employer Contributions - Pension	66
Schedule of Employer Contributions - OPEB	66
Notes to the Required Supplementary Information	67
<b>SUPPLEMENTARY INFORMATION</b>	
Combining Balance Sheet - Nonmajor Governmental Funds	70
Combining Balance Sheet - Nonmajor Special Revenue Funds	71
Combining Balance Sheet - Nonmajor Debt Service Fund	72
Combining Balance Sheet - Nonmajor Capital Project Funds	73
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Governmental Funds	74
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds	75
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Debt Service Fund	76
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Capital Project Funds	77
Statement of Fund Activity	78
Note to the Supplementary Information	79

**CITY OF MANDAN**  
LIST OF ELECTED AND APPOINTED OFFICIALS  
DECEMBER 31, 2024

**Elected Officials**

James Froelich	Mayor/President
Joseph Camisa, Jr	Vice President
Mike Braun	Commissioner
Ryan Heinsohn	Commissioner
Craig Sjoberg	Commissioner
Dennis Rohr	Commissioner
Thomas Jackson	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
Shane O'Keefe	Public Works
Amy Berger	Human Resources

## 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, 2024, 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, 2024, 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 Matter – Change in Accounting Principles***

As described in Note 1 to the financial statements, the City has adopted new accounting guidance, GASB Statement No. 101 *Compensated Absences* and GASB Statement No. 100 *Accounting Changes and Error Correction – An Amendment to GASB Statement No. 62*. Our opinions are not modified with respect to these matters.

### ***Emphasis of Matter – Error Correction***

As described in Note 17 to the financial statements, the City has recorded a restatement of the beginning net position on the Mandan Airport Authority. Our opinion is not modified with respect to this matter.

### ***Responsibilities of Management for the Financial Statements***

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the City 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 is the responsibility of management and, 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 and the statement of fund activity 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 June 26, 2025 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**

June 26, 2025

**CITY OF MANDAN**  
**STATEMENT OF NET POSITION**  
**DECEMBER 31, 2024**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>ASSETS</b>			
Current assets:			
Cash and Cash Equivalents	\$ 21,082,665	\$ 15,386,758	\$ 36,469,423
Taxes Receivable	465,292	30,650	495,942
Accounts Receivable (net of allowance)	2,682,092	2,377,936	5,060,028
Special Assessments Receivable	50,385,844	28,245	50,414,089
Loans Receivable - current (net of allowance)	23,428	-	23,428
Lease Receivable - current	37,158	24,969	62,127
Lease Interest Receivable	1,082	8,319	9,401
Internal Balances	(1,803,936)	1,803,936	-
Inventories	20,661	342,758	363,419
Prepaid Items	162,926	63,871	226,797
Noncurrent assets:			
Restricted Assets:			
Cash and Cash Equivalents	2,150,703	2,820,736	4,971,439
Loans Receivable - net of current	208,237	-	208,237
Lease Receivable - net of current	118,471	215,700	334,171
Capital Assets, not being depreciated:			
Land	2,823,343	1,144,900	3,968,243
Construction Work in Progress	10,449,832	3,362,116	13,811,948
Capital Assets (net of depreciation or amortization):			
Buildings and Improvements	14,252,867	-	14,252,867
Buildings and Infrastructure	124,266,012	105,463,901	229,729,913
Machinery and Equipment	1,975,413	564,549	2,539,962
SBITA Assets (net of amortization)	17,168	-	17,168
Right of Use Asset (net of amortization)	-	38,836	38,836
Total Assets	<u>229,319,258</u>	<u>133,678,180</u>	<u>362,997,438</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>			
Deferred Outflows - Pension	1,060,133	-	1,060,133
Deferred Outflows - OPEB	99,332	-	99,332
Total deferred outflows of resources	<u>1,159,465</u>	<u>-</u>	<u>1,159,465</u>

See Notes to the Financial Statements



**CITY OF MANDAN**  
**STATEMENT OF NET POSITION - CONTINUED**  
**DECEMBER 31, 2024**

	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>
<b>LIABILITIES</b>			
Salaries and Benefits Payable	\$ 482,780	\$ 97,115	\$ 579,895
Accounts Payable	2,812,370	824,443	3,636,813
Retainage Payable	252,456	565,439	817,895
Unearned Revenues	199,279	3,108,445	3,307,724
Interest Payable	328,533	123,881	452,414
Noncurrent Liabilities:			
Due Within One Year:			
Compensated Absences	387,145	118,549	505,694
Lease Liability	-	191,400	191,400
SBITA Liability	14,242	-	14,242
General Obligation Bonds Payable	65,000	-	65,000
Special Assessments Bonds Payable, net of premium	2,636,865	-	2,636,865
Revenue Bonds Payable, net of premium	620,607	2,120,315	2,740,922
Loans Payable	1,710,636	315,000	2,025,636
Due After One Year:			
Compensated Absences	547,605	90,394	637,999
SBITA Liability	2,148	-	2,148
General Obligation Bonds Payable	65,000	-	65,000
Special Assessments Bonds Payable, net of premium	26,481,078	-	26,481,078
Revenue Bonds Payable, net of premium	8,794,711	13,643,425	22,438,136
Loans Payable	19,069,932	5,880,097	24,950,029
Net Pension Liability	245,694	-	245,694
Net OPEB Liability	270,581	-	270,581
Total Liabilities	<u>64,986,662</u>	<u>27,078,503</u>	<u>92,065,165</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>			
Deferred Inflows - Pension	1,229,141	-	1,229,141
Deferred Inflows - OPEB	37,609	-	37,609
Deferred Inflows - Leases	155,495	235,943	391,438
Total Deferred Inflows of Resources	<u>1,422,245</u>	<u>235,943</u>	<u>1,658,188</u>
<b>NET POSITION</b>			
Net Investment in Capital Assets	94,054,792	87,858,626	181,913,418
Restricted for:			
1% City Sales Tax	2,558,203	-	2,558,203
General Government	71,900	-	71,900
Public Safety	708,063	-	708,063
Public Works	224,966	-	224,966
Health	23,364	-	23,364
Culture and Recreation	94,558	-	94,558
Urban Redevelopment and Housing	351,309	-	351,309
Debt Service	53,823,585	2,698,020	56,521,605
Capital Projects	11,255,580	-	11,255,580
Library	37,474	-	37,474
Unrestricted	<u>866,022</u>	<u>15,807,088</u>	<u>16,673,110</u>
Total Net Position	<u>\$ 164,069,816</u>	<u>\$ 106,363,734</u>	<u>\$ 270,433,550</u>

See Notes to the Financial Statements

**CITY OF MANDAN**  
**STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

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	\$ 5,873,812	\$ 1,832,713	\$ 300,449	\$ -	\$ (3,740,650)		\$ (3,740,650)
Public Safety	9,386,224	91,622	23,931	509,455	(8,761,216)		(8,761,216)
Public Works	9,717,605	42,848	38,774	22,827,780	13,191,797		13,191,797
Cemetery	181,321	125,895	-	-	(55,426)		(55,426)
Culture and Recreation	2,296,682	85,982	334,621	-	(1,876,079)		(1,876,079)
Urban Redevelopment and Housing	5,185	-	-	-	(5,185)		(5,185)
Economic Development and Assistance	795,926	1,148	2,000	-	(792,778)		(792,778)
Interest on Long-term Debt	1,195,479	-	-	-	(1,195,479)		(1,195,479)
Debt Service Charges and Costs	11,081	-	-	-	(11,081)		(11,081)
Total Governmental Activities	29,463,315	2,180,208	699,775	23,337,235	(3,246,097)		(3,246,097)
Business-type Activities:							
Water and Sewer Utility	8,350,992	9,647,573	-	3,374,195		\$ 4,670,776	4,670,776
Solid Waste Utility	2,945,252	3,218,023	-	-		272,771	272,771
Street Light Utility	920,306	483,668	-	-		(436,638)	(436,638)
Mandan Airport Authority	1,184,966	457,739	-	824,149		96,922	96,922
Total Business-type Activities	13,401,516	13,807,003	-	4,198,344		4,603,831	4,603,831
Total Primary Government	\$ 42,864,831	\$ 15,987,211	\$ 699,775	\$ 27,535,579			
General Revenues							
Property, Delinquent, Mobile Home Taxes					7,420,950	500,113	7,921,063
Cable TV Franchise Fees					237,180	-	237,180
State Aid Distribution					2,485,763	-	2,485,763
Cigarette Taxes					38,731	-	38,731
Gaming Taxes					22,015	-	22,015
Morton County E911 Fees					346,663	-	346,663
Telecommunications Taxes					82,220	-	82,220
Highway Tax Distribution					1,195,226	-	1,195,226
Occupancy Taxes					83,661	-	83,661
Oil and Gas Production Taxes					2,500,000	-	2,500,000
City 1% Sales Taxes					3,617,144	-	3,617,144
City 0.75% Sales Tax					2,712,858	-	2,712,858
Fire Insurance Taxes					327,768	-	327,768
Restaurant and Lodging Taxes					683,089	-	683,089
Interest					1,057,922	11,087	1,069,009
Other					330,368	102,695	433,063
Gain on Sale of Capital Assets					107,920	20,000	127,920
Transfers					1,248,518	(1,248,518)	-
Total General Revenues, Gain (Loss) on Sale of Capital Assets, and Transfers					24,497,996	(614,623)	23,883,373
Change in Net Position					21,251,899	3,989,208	25,241,107
Net Position - January 1, previously stated					142,874,487	102,407,551	245,282,038
Error Correction - see Note 17					-	(33,025)	(33,025)
Change in Accounting Principle - see Note 1					(56,570)	-	(56,570)
Net Position - January 1, restated					142,817,917	102,374,526	245,192,443
Net Position - December 31					\$ 164,069,816	\$ 106,363,734	\$ 270,433,550

See Notes to the Financial Statements

**CITY OF MANDAN**  
**BALANCE SHEET – GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	General	Cemetery	0.75% City Sales Tax	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>ASSETS</b>								
Cash and Cash Equivalents	\$ 10,601,887	\$ 30,027	\$ -	\$ -	\$ 338,067	\$ 3,720,926	\$ 6,383,447	\$ 21,074,354
Taxes Receivable	390,512	1,041	-	-	42,214	758	30,767	465,292
Accounts Receivable (net of allowance)	1,428,115	4,500	539,742	56,075	24,843	-	626,826	2,680,101
Special Assessments Receivable	133,693	-	-	-	-	48,206,945	2,045,206	50,385,844
Loans Receivable (net of allowance)	231,665	-	-	-	-	-	-	231,665
Lease Receivable	50,221	-	-	-	-	-	105,408	155,629
Interest Receivable	954	-	-	-	-	-	128	1,082
Interfund Receivable	370,977	-	-	-	-	-	4,108,791	4,479,768
Prepaid Items	65,316	656	-	-	14,917	-	82,037	162,926
Cash and Cash Equivalents-Restricted	10,826	-	2,139,877	-	-	-	-	2,150,703
<b>Total Assets</b>	<b>\$ 13,284,166</b>	<b>\$ 36,224</b>	<b>\$ 2,679,619</b>	<b>\$ 56,075</b>	<b>\$ 420,041</b>	<b>\$ 51,928,629</b>	<b>\$ 13,382,610</b>	<b>\$ 81,787,364</b>
<b>LIABILITIES</b>								
Salaries and Benefits Payable	\$ 450,948	\$ 3,312	\$ -	\$ -	\$ 28,520	\$ -	\$ -	\$ 482,780
Accounts Payable	1,432,723	2,559	534,015	673,763	5,144	1,000	132,203	2,781,407
Retainage Payable	-	-	-	244,594	-	-	7,862	252,456
Interfund Payable	-	-	-	3,648,105	-	-	2,635,599	6,283,704
Unearned Revenue	84,599	7,767	-	-	-	-	106,913	199,279
<b>Total Liabilities</b>	<b>1,968,270</b>	<b>13,638</b>	<b>534,015</b>	<b>4,566,462</b>	<b>33,664</b>	<b>1,000</b>	<b>2,882,577</b>	<b>9,999,626</b>
<b>DEFERRED INFLOWS OF RESOURCES</b>								
Unavailable Revenue-Property Taxes	117,999	362	-	-	13,097	364	9,083	140,905
Unavailable Revenue-Special Assessments	118,472	-	-	-	-	46,717,976	1,993,408	48,829,856
Unavailable Revenue-Leases	52,437	-	-	-	-	-	103,058	155,495
<b>Total Deferred Inflows of Resources</b>	<b>288,908</b>	<b>362</b>	<b>-</b>	<b>-</b>	<b>13,097</b>	<b>46,718,340</b>	<b>2,105,549</b>	<b>49,126,256</b>
<b>FUND BALANCES</b>								
Nonspendable:								
Loans Receivable	208,237	-	-	-	-	-	-	208,237
Prepaid Items	65,316	656	-	-	14,917	-	82,037	162,926
Restricted for:								
1% City Sales Tax	2,558,203	-	-	-	-	-	-	2,558,203
General Government	28,186	-	-	-	-	-	43,714	71,900
Public Safety	4,285	-	-	-	-	-	703,778	708,063
Public Works	-	-	-	-	-	-	224,966	224,966
Health	23,364	-	-	-	-	-	-	23,364
Culture and Recreation	-	-	-	-	-	-	94,558	94,558
Urban Redevelopment and Housing	351,309	-	-	-	-	-	-	351,309
Debt Service	-	-	2,145,604	-	-	5,209,289	77,462	7,432,355
Capital Projects	-	-	-	-	-	-	9,549,866	9,549,866
Library	-	-	-	-	24,377	-	-	24,377
Committed for:								
Operating Reserve	3,041,257	27,400	-	-	186,365	-	113,583	3,368,605
Public Safety	140,253	-	-	-	-	-	-	140,253
Public Works	195,000	-	-	-	-	-	-	195,000
Culture and Recreation	-	-	-	-	147,621	-	-	147,621
Economic Development and Assistance	338,650	-	-	-	-	-	-	338,650
Assigned for:								
Subsequent Year's Budget:								
Appropriation of Fund Balance	457,331	-	-	-	-	-	-	457,331
Unassigned	3,615,597	(5,832)	-	(4,510,387)	-	-	(2,495,480)	(3,396,102)
<b>Total Fund Balances</b>	<b>11,026,988</b>	<b>22,224</b>	<b>2,145,604</b>	<b>(4,510,387)</b>	<b>373,280</b>	<b>5,209,289</b>	<b>8,394,484</b>	<b>22,661,482</b>
<b>Total Liabilities, Deferred Inflows of Resources and Fund Balances</b>	<b>\$ 13,284,166</b>	<b>\$ 36,224</b>	<b>\$ 2,679,619</b>	<b>\$ 56,075</b>	<b>\$ 420,041</b>	<b>\$ 51,928,629</b>	<b>\$ 13,382,610</b>	<b>\$ 81,787,364</b>

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, 2024**

Total Fund Balances for Governmental Funds	\$ 22,661,482
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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)	14,252,867	
Buildings and Infrastructure (net of depreciation)	124,266,012	
Machinery and Equipment (net of depreciation)	1,975,413	
Construction Work in Progress	10,449,832	
SBITA Assets (net of amortization)	17,168	
Total Capital Assets		153,784,635

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	1,060,133	
Deferred inflows of resources	(1,229,141)	
Net pension liability	(245,694)	(414,702)

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	99,332	
Deferred inflows of resources	(37,609)	
Net OPEB liability	(270,581)	(208,858)

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

Unavailable Revenue-Property Taxes	140,905	
Unavailable Revenue-Special Assessments	48,829,856	
Total Long-term Assets		48,970,761

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

Interest Payable	(328,533)	
Compensated Absences	(934,750)	
SBITA Liability	(16,390)	
General Obligation Bonds Payable	(130,000)	
Special Assessments Bonds Payable, Net of Premium	(29,117,943)	
Loans Payable	(20,780,568)	
Revenue Bonds Payable, net of premium	(9,415,318)	
Total Long-term Liabilities		(60,723,502)

Total Net Position of Governmental Activities	\$ 164,069,816
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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, 2024**

	General	Cemetery	Municipal Infrastructure (Formerly Major)	0.75% City Sales Tax	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Total Nonmajor Governmental Funds	Total Governmental Funds
<b>REVENUES</b>									
Taxes	\$ 10,042,631	\$ 15,144	\$ -	\$ 2,712,858	\$ -	\$ 680,548	\$ 7,890	\$ 1,277,836	\$ 14,736,907
Licenses and Permits	531,131	-	-	-	-	-	-	-	531,131
Intergovernmental	3,148,639	-	-	-	570,505	334,621	-	4,677,007	8,730,772
Charges for Services	981,776	125,895	-	-	4,950	58,360	-	40,973	1,211,954
Fines and Forfeits	214,266	-	-	-	-	-	-	28,627	242,893
Special Assessments	105,715	-	-	-	-	-	5,279,184	396,046	5,780,945
Interest	1,030,359	-	-	9,875	-	14,412	-	1,714	1,056,360
Lease	9,944	-	-	-	-	-	-	27,994	37,938
Rent	8,803	-	-	-	-	-	-	1,148	9,951
Donations	-	-	-	-	-	12,548	-	-	12,548
Miscellaneous	270,901	-	-	45,400	-	6,809	-	-	323,110
<b>Total Revenues</b>	<b>16,344,165</b>	<b>141,039</b>	<b>-</b>	<b>2,768,133</b>	<b>575,455</b>	<b>1,107,298</b>	<b>5,287,074</b>	<b>6,451,345</b>	<b>32,674,509</b>
<b>EXPENDITURES</b>									
Current:									
General Government	4,710,185	-	-	-	-	-	-	581,396	5,291,581
Public Safety	8,427,647	-	-	-	-	-	-	555,957	8,983,604
Public Works	2,074,733	-	-	-	-	-	-	167,425	2,242,158
Cemetery	-	158,457	-	-	-	-	-	-	158,457
Culture and Recreation	-	-	-	-	-	1,012,478	-	1,035,094	2,047,572
Urban Redevelopment and Housing	969	-	-	-	-	-	-	-	969
Economic Development and Assistance	795,926	-	-	-	-	-	-	-	795,926
Debt Service:									
Principal	16,149	-	-	4,120,000	-	-	3,941,943	60,000	8,138,092
Interest	-	-	-	474,104	-	-	818,689	7,040	1,299,833
Service Charges	-	-	-	1,600	-	-	7,385	1,096	10,081
Issuance Costs	-	-	-	-	-	-	1,000	-	1,000
Capital Outlay	1,519,512	-	-	-	11,249,297	146,126	-	269,329	13,184,264
<b>Total Expenditures</b>	<b>17,545,121</b>	<b>158,457</b>	<b>-</b>	<b>4,595,704</b>	<b>11,249,297</b>	<b>1,158,604</b>	<b>4,769,017</b>	<b>2,677,337</b>	<b>42,153,537</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(1,200,956)	(17,418)	-	(1,827,571)	(10,673,842)	(51,306)	518,057	3,774,008	(9,479,028)
<b>OTHER FINANCING SOURCES (USES)</b>									
Proceeds from Sale of Capital Assets	115,300	-	-	-	-	-	-	-	115,300
Proceeds from Long Term Debt	-	-	-	-	6,920,360	-	-	583,299	7,503,659
Proceeds from Sale of Bonds	-	-	-	-	11,735,000	-	-	-	11,735,000
Issuance of Bond Premiums	-	-	-	-	213,350	-	-	-	213,350
Transfers In	4,912,997	8,203	-	-	551,160	-	53	109,764	5,582,177
Transfers Out	(2,491,477)	-	-	-	(64,531)	-	(285,663)	(1,497,923)	(4,339,594)
<b>Total Other Financing Sources and Uses</b>	<b>2,536,820</b>	<b>8,203</b>	<b>-</b>	<b>-</b>	<b>19,355,339</b>	<b>-</b>	<b>(285,610)</b>	<b>(804,860)</b>	<b>20,809,892</b>
<b>Net Change in Fund Balances</b>	<b>1,335,864</b>	<b>(9,215)</b>	<b>-</b>	<b>(1,827,571)</b>	<b>8,681,497</b>	<b>(51,306)</b>	<b>232,447</b>	<b>2,969,148</b>	<b>11,330,864</b>
Fund Balances - January 1, as originally stated	9,691,124	31,439	6,023,182	-	(13,191,884)	424,586	4,976,842	3,375,329	11,330,618
Changes within the financial reporting entity - see note 1	-	-	(6,023,182)	3,973,175	-	-	-	2,050,007	-
Fund Balances - January 1, restated	9,691,124	31,439	-	3,973,175	(13,191,884)	424,586	4,976,842	5,425,336	11,330,618
Fund Balances - December 31	\$ 11,026,988	\$ 22,224	\$ -	\$ 2,145,604	\$ (4,510,387)	\$ 373,280	\$ 5,209,289	\$ 8,394,484	\$ 22,661,482

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, 2024**

Net Change in Fund Balances-Total Governmental Funds \$ 11,330,864

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	13,184,264	
Amortization	(16,268)	
Depreciation	(8,303,409)	
Total	4,864,587	4,864,587

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. 1,400,110

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. (7,380)

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 14,147

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

Taxes Receivable (net)	12,075	
Special Assessments Receivable (net)	15,076,222	
Total	15,088,297	15,088,297

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:

Proceeds from Long Term Debt	(7,503,659)	
Proceeds from Sale of Bonds	(11,735,000)	
Issuance of Bond Premiums	(213,350)	
Amortization of Bond Premiums	135,791	
Debt Service-Principal	8,138,092	
Total	(11,178,126)	(11,178,126)

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)	(31,978)	
Compensated Absences (net)	(228,622)	
Total	(260,600)	(260,600)

Change in Net Position of Governmental Activities \$ 21,251,899

See Notes to the Financial Statements

**CITY OF MANDAN**  
**STATEMENT OF NET POSITION – PROPRIETARY FUNDS**  
**DECEMBER 31, 2024**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Water and Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Street Light Utility</b>	<b>Mandan Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>ASSETS</b>						
Current Assets:						
Cash and Cash Equivalents	\$ 10,000,045	\$ 2,999,856	\$ 665,774	\$ 1,721,083	\$ 15,386,758	\$ 8,311
Taxes Receivable	-	-	-	30,650	30,650	-
Accounts Receivable (Net of Allowance)	1,829,600	279,561	52,030	216,745	2,377,936	1,991
Special Assessments Receivable	28,245	-	-	-	28,245	-
Interfund Receivable	1,803,936	-	-	-	1,803,936	-
Lease Receivable - Current Portion	8,554	-	-	16,415	24,969	-
Lease Interest Receivable	101	-	-	8,218	8,319	-
Inventories	141,414	146,517	-	54,827	342,758	20,661
Prepaid Items	45,298	1,943	3,162	13,468	63,871	-
Total Current Assets	<u>13,857,193</u>	<u>3,427,877</u>	<u>720,966</u>	<u>2,061,406</u>	<u>20,067,442</u>	<u>30,963</u>
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	2,734,836	-	-	85,900	2,820,736	-
Lease Receivable - Noncurrent Portion	19,833	-	-	195,867	215,700	-
Capital Assets not being Depreciated:						
Land	199,769	88,360	-	856,771	1,144,900	-
Construction Work in Progress	2,326,434	-	-	1,035,682	3,362,116	-
Capital Assets (net of depreciation):						
Buildings and Infrastructure	91,837,712	338,592	-	13,287,597	105,463,901	-
Machinery and Equipment	379,667	153,302	-	31,580	564,549	-
Right of Use Asset (Net of Amortization)	-	38,836	-	-	38,836	-
Total Capital Assets	<u>94,743,582</u>	<u>619,090</u>	<u>-</u>	<u>15,211,630</u>	<u>110,574,302</u>	<u>-</u>
Total Noncurrent Assets	<u>97,498,251</u>	<u>619,090</u>	<u>-</u>	<u>15,493,397</u>	<u>113,610,738</u>	<u>-</u>
Total Assets	<u>111,355,444</u>	<u>4,046,967</u>	<u>720,966</u>	<u>17,554,803</u>	<u>133,678,180</u>	<u>30,963</u>
<b>LIABILITIES</b>						
Current Liabilities:						
Salaries and Benefits Payable	77,009	15,540	-	4,566	97,115	-
Accounts Payable	330,842	394,909	81,054	17,638	824,443	30,963
Compensated Absences	89,580	26,017	-	2,952	118,549	-
Retainage Payable	144,968	-	-	420,471	565,439	-
Interest Payable	115,671	1,165	-	7,045	123,881	-
Unearned Revenue	3,000,000	-	-	108,445	3,108,445	-
Revenue Bonds Payable	2,020,000	-	-	100,315	2,120,315	-
Lease Liability	-	191,400	-	-	191,400	-
Loans Payable	315,000	-	-	-	315,000	-
Total Current Liabilities	<u>6,093,070</u>	<u>629,031</u>	<u>81,054</u>	<u>661,432</u>	<u>7,464,587</u>	<u>30,963</u>
Noncurrent Liabilities:						
Compensated Absences	68,047	13,556	-	8,791	90,394	-
Revenue Bonds Payable	12,340,000	-	-	1,303,425	13,643,425	-
Loans Payable	5,880,097	-	-	-	5,880,097	-
Total Noncurrent Liabilities	<u>18,288,144</u>	<u>13,556</u>	<u>-</u>	<u>1,312,216</u>	<u>19,613,916</u>	<u>-</u>
Total Liabilities	<u>24,381,214</u>	<u>642,587</u>	<u>81,054</u>	<u>1,973,648</u>	<u>27,078,503</u>	<u>30,963</u>
<b>DEFERRED INFLOWS</b>						
Leases	26,992	-	-	208,951	235,943	-
<b>NET POSITION</b>						
Net Investment in Capital Assets	74,043,517	427,690	-	13,387,419	87,858,626	-
Restricted for:						
Debt Service	2,619,165	-	-	78,855	2,698,020	-
Unrestricted	10,284,556	2,976,690	639,912	1,905,930	15,807,088	-
Total Net Position	<u>\$ 86,947,238</u>	<u>\$ 3,404,380</u>	<u>\$ 639,912</u>	<u>\$ 15,372,204</u>	<u>\$ 106,363,734</u>	<u>\$ -</u>

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, 2024**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Water and Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Street Light Utility</b>	<b>Mandan Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
Operating Revenues:						
Charges for Services	\$ 9,638,912	\$ 3,218,023	\$ 483,668	\$ 437,989	\$ 13,778,592	\$ 195,855
Lease Revenue	8,661	-	-	19,750	28,411	-
Lease Interest Revenue	1,374	-	-	8,162	9,536	-
Total Operating Revenues	9,648,947	3,218,023	483,668	465,901	13,816,539	195,855
Operating Expenses:						
Salaries and Benefits	2,073,730	398,695	11	115,699	2,588,135	-
Professional Fees and Services	324,995	2,189,578	4,927	33,311	2,552,811	-
Insurance	142,350	10,538	2,744	15,395	171,027	-
Rentals	39	8,780	-	-	8,819	-
Travel and Training	6,042	200	-	2,806	9,048	-
Utilities	664,596	11,184	162,344	38,735	876,859	86,242
Publishing and Printing	549	1,060	-	5,922	7,531	-
Dues and Memberships	2,241	-	-	3,834	6,075	-
Supplies and Maintenance	529,032	81,949	12,920	249,927	873,828	109,612
Repairs and Maintenance	400,452	68,506	142,030	30,062	641,050	5,936
Depreciation	3,416,587	61,775	-	644,117	4,122,479	-
Amortization	-	93,208	-	-	93,208	-
Miscellaneous	23,570	3,336	-	19,396	46,302	-
Total Operating Expenses	7,584,183	2,928,809	324,976	1,159,204	11,997,172	201,790
Operating Income (Loss)	2,064,764	289,214	158,692	(693,303)	1,819,367	(5,935)
Nonoperating Revenues (Expenses):						
Taxes	5,095	-	-	495,018	500,113	-
Intergovernmental	3,349,392	-	-	824,149	4,173,541	-
Special Assessments	24,803	-	-	-	24,803	-
Interest	-	-	-	1,551	1,551	-
Miscellaneous	36,548	6,375	40,021	19,751	102,695	-
Gain (Loss) on Sale of Capital Assets	-	-	-	20,000	20,000	-
Capital Outlay (Non-Capitalized)	(274,322)	(14,258)	(595,330)	-	(883,910)	-
Debt Service:						
Interest	(374,026)	(2,185)	-	(24,567)	(400,778)	-
Service Charges	(111,948)	-	-	(1,195)	(113,143)	-
Issuance Costs	(6,513)	-	-	-	(6,513)	-
Total Nonoperating Revenues (Expenses)	2,649,029	(10,068)	(555,309)	1,334,707	3,418,359	-
Income (Loss) Before Contributions and Transfers	4,713,793	279,146	(396,617)	641,404	5,237,726	(5,935)
Transfers In	-	-	-	-	-	5,935
Transfers Out	(1,032,344)	(148,239)	(67,935)	-	(1,248,518)	-
Change in Net Position	3,681,449	130,907	(464,552)	641,404	3,989,208	-
Net Position - Beginning of Year, as originally stated	83,265,789	3,273,473	1,104,464	14,763,825	102,407,551	-
Error Correction - See Note 17	-	-	-	(33,025)	(33,025)	-
Net Position - Beginning of Year, restated	83,265,789	3,273,473	1,104,464	14,730,800	102,374,526	-
Net Position - End of Year	\$ 86,947,238	\$ 3,404,380	\$ 639,912	\$ 15,372,204	\$ 106,363,734	\$ -

See Notes to the Financial Statements



**CITY OF MANDAN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Water and Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Street Light Utility</b>	<b>Mandan Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>						
Receipts from Customers	\$ 8,878,690	\$ 3,205,607	\$ 513,930	\$ 452,734	\$ 13,050,961	\$ -
Receipts from Interfund Services Provided	-	-	-	-	-	195,931
Payments to Employees	(2,057,584)	(384,325)	(11)	(114,777)	(2,556,697)	-
Payments to Suppliers	(2,067,729)	(2,215,908)	(282,348)	(412,383)	(4,978,368)	(187,265)
Net Cash Provided (Used) by Operating Activities	<u>4,753,377</u>	<u>605,374</u>	<u>231,571</u>	<u>(74,426)</u>	<u>5,515,896</u>	<u>8,666</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>						
Taxes	5,095	-	-	465,585	470,680	-
Intergovernmental	-	-	-	619,071	619,071	-
Miscellaneous Receipts	36,548	6,375	40,021	39,751	122,695	-
Transfers In	-	-	-	-	-	5,935
Purchases of Noncapital Assets	(274,322)	(14,258)	(595,330)	-	(883,910)	-
Interfund Receivable	1,610,749	-	-	-	1,610,749	-
Interfund Payable	-	-	-	-	-	(6,290)
Net Cash Provided (Used) by Noncapital Financing Activities	<u>1,378,070</u>	<u>(7,883)</u>	<u>(555,309)</u>	<u>1,124,407</u>	<u>1,939,285</u>	<u>(355)</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>						
Federal and state grants	-	-	-	50,980	50,980	-
Intergovernmental	3,349,392	-	-	-	3,349,392	-
Special Assessments	17,057	-	-	-	17,057	-
Proceeds from Issuance of Debt	379,841	-	-	1,080,000	1,459,841	-
Proceeds from Sale of Capital Assets	-	-	-	20,000	20,000	-
Purchases of Capital Assets	(4,136,944)	(182,050)	-	(1,466,405)	(5,785,399)	-
Principal Paid on Capital Debt	(2,255,000)	-	-	(101,049)	(2,356,049)	-
Principal Paid on Leases	-	(42,145)	-	-	(42,145)	-
Interest Paid on Capital Debt	(386,740)	(2,441)	-	(18,558)	(407,739)	-
Service Charges Paid on Capital Debt	(111,948)	-	-	(1,195)	(113,143)	-
Issuance Costs Paid on Capital Debt	(6,513)	-	-	-	(6,513)	-
Transfers Out	(1,032,344)	(148,239)	(67,935)	-	(1,248,518)	-
Net Cash Provided (Used) by Capital and Related Financing Activities	<u>(4,183,199)</u>	<u>(374,875)</u>	<u>(67,935)</u>	<u>(436,227)</u>	<u>(5,062,236)</u>	<u>-</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>						
Interest Received	-	-	-	1,551	1,551	-
Net Cash Provided (Used) by Investing Activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>1,551</u>	<u>1,551</u>	<u>-</u>
Net Increase (Decrease) in Cash and Cash Equivalents	<u>1,948,248</u>	<u>222,616</u>	<u>(391,673)</u>	<u>615,305</u>	<u>2,394,496</u>	<u>8,311</u>
Cash and Cash Equivalents - January 1	<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>
Cash and Cash Equivalents - December 31	<u>\$ 12,734,881</u>	<u>\$ 2,999,856</u>	<u>\$ 665,774</u>	<u>\$ 1,806,983</u>	<u>\$ 18,207,494</u>	<u>\$ 8,311</u>
<b>RECONCILIATION OF CASH AND CASH EQUIVALENTS</b>						
Cash and Cash Equivalents	\$ 10,000,045	\$ 2,999,856	\$ 665,774	\$ 1,721,083	\$ 15,386,758	\$ 8,311
Restricted Cash and Cash Equivalents	<u>2,734,836</u>	<u>-</u>	<u>-</u>	<u>85,900</u>	<u>2,820,736</u>	<u>-</u>
Total Cash and Cash Equivalents	<u>\$ 12,734,881</u>	<u>\$ 2,999,856</u>	<u>\$ 665,774</u>	<u>\$ 1,806,983</u>	<u>\$ 18,207,494</u>	<u>\$ 8,311</u>

**CITY OF MANDAN**  
**STATEMENT OF CASH FLOWS – PROPRIETARY FUNDS – CONTINUED**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Business-type Activities - Enterprise Funds</b>					<b>Governmental Activities</b>
	<b>Water and Sewer Utility</b>	<b>Solid Waste Utility</b>	<b>Street Light Utility</b>	<b>Mandan Airport Authority</b>	<b>Total</b>	<b>Internal Service Fund</b>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:</b>						
Operating Income (Loss)	\$ 2,064,764	\$ 289,214	\$ 158,692	\$ (693,303)	\$ 1,819,367	\$ (5,935)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	3,416,587	61,775	-	644,117	4,122,479	-
Amortization Expense	-	93,208	-	-	93,208	-
(Gain) Loss on Disposal of Assets	-	-	-	(20,000)	(20,000)	-
Effect on Cash Flows Due to Changes In:						
Accounts Receivable (net)	(172,095)	(12,416)	30,262	(25,283)	(179,532)	76
Lease Receivables	8,197	-	-	-	8,197	-
Interest Receivable	29	-	-	-	29	-
Inventories	45,232	14,257	-	1,449	60,938	8,423
Prepaid Items	(5,311)	(1,610)	(2,562)	(2,685)	(12,168)	-
Salaries and Benefits Payable	12,893	5,018	-	980	18,891	-
Compensated Absences	3,253	9,352	-	(58)	12,547	-
Accounts Payable	(13,784)	146,576	45,179	8,241	186,212	6,102
Unearned Revenues	(597,291)	-	-	12,116	(585,175)	-
Deferred Inflows of Special Assessments	(9,097)	-	-	-	(9,097)	-
Total Adjustments	2,688,613	316,160	72,879	618,877	3,696,529	14,601
Net Cash Provided (Used) by Operating Activities	\$ 4,753,377	\$ 605,374	\$ 231,571	\$ (74,426)	\$ 5,515,896	\$ 8,666

See Notes to the Financial Statements

**CITY OF MANDAN**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**DECEMBER 31, 2024**

	<b>Employee Retirement Plan and Trust Fund</b>	<b>Private- Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>ASSETS</b>			
Cash and Cash Equivalents	\$ -	\$ 3,753	\$ 32,043
Investments, at fair value:			
Mutual Funds	9,334,687	-	-
Accounts Receivable (net of allowance)	-	-	4,500
	<hr/>	<hr/>	<hr/>
Total Assets	9,334,687	3,753	36,543
	<hr/>	<hr/>	<hr/>
<b>LIABILITIES</b>			
Accounts Payable	-	-	5,551
	<hr/>	<hr/>	<hr/>
Total Liabilities	-	-	5,551
	<hr/>	<hr/>	<hr/>
<b>NET POSITION</b>			
Held in Trust for Pension Benefits	9,334,687	-	-
Held in Trust for Police Department	-	3,753	-
Held for Other Governments	-	-	30,992
	<hr/>	<hr/>	<hr/>
Total Net Position	\$ 9,334,687	\$ 3,753	\$ 30,992
	<hr/>	<hr/>	<hr/>

See Notes to the Financial Statements

**CITY OF MANDAN**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Employee Retirement Plan and Trust Fund</b>	<b>Private- Purpose Trust Fund</b>	<b>Custodial Funds</b>
<b>ADDITIONS</b>			
Contributions:			
Employer Contributions	\$ 597,794	\$ -	\$ -
Collections	-	-	202,912
Investment Earnings:			
Net Increase (Decrease) in Fair Value of Investments	973,390	-	-
 Total Additions	 1,571,184	 -	 202,912
<b>DEDUCTIONS</b>			
Benefits	446,981	500	-
General Government	-	-	206,800
 Total Deductions	 446,981	 500	 206,800
 Change in Net Position	 1,124,203	 (500)	 (3,888)
 Net Position - January 1	 8,210,484	 4,253	 34,880
 Net Position - December 31	 \$ 9,334,687	 \$ 3,753	 \$ 30,992

See Notes to the Financial Statements

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2024**

**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, 2024**

**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, 2024**

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.

0.75% City Sales Tax Fund – This fund accounts for the voter approved sales tax used for the repayment of the bond issuance related to the Starion Sports Complex.

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, 2024**

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, 2024**

**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.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**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 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, 2024**

**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, 2024, 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, 2024**

The amount of taxes abated for the year ended December 31, 2024 was as follows:

Property tax exemption program	Property tax exemption in 2024
New and expanding business	\$ 29,167
Remodeling exemption - commercial	11,752
Residential new construction	3,028
Renaissance zone	62,529
Wheelchair Exemption	7,404
Blind Exemption	2,578
	<hr/>
Total	\$ 116,457
	<hr/>

### **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, 2024**

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, 2024**

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, 2024**

**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.

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.

The City accounts for compensated absences using a days-used approach. This approach consists of gathering the historical usage of compensated absences used to determine both a liability related to leave to be used as time off and leave to be settled in cash upon termination of employment. Salary-related employer payments are included in the calculation of the compensated absence liability.

**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, 2024**

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, 2024**

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 assets, leased assets, and SBITA's net of accumulated depreciation and amortization, and reduced by outstanding balances for bonds, notes, lease and SBITA 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 the City removes or changes the specified use by taking the same type of action it employed to previously commit the amounts.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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, 2024 was \$3,041,257.

**Change in Accounting Principle**

The City implemented GASB Statement No. 101, *Compensated Absences* in the year ended December 31, 2024. GASB Statement No. 101 enhances the accounting and financial reporting requirements for accounting for compensated absences. The adoption of GASB 101 resulted in adjustment to beginning net position of \$56,570.

The City implemented GASB Statement No. 100, *Accounting Change and Error Correction - An Amendment to GASB Statement No. 62*, during the year ended December 31, 2024. GASB Statement No. 100 enhances the accounting and financial reporting requirement for accounting changes and error corrections.

**Change in Financial Reporting Entity**

During the year ended December 31, 2024, there was a change in the major and nonmajor funds whereas the 0.75% City Sales Tax fund was deemed to be a major fund and the Municipal Infrastructure Fund was deemed to be a nonmajor fund.

**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

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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, 2024.

**Deficit Fund Equity**

The following funds had a deficit fund balance as of December 31, 2024:

<u>Fund</u>	<u>Amount</u>
Health and Safety	\$ (286,076)
Sidewalk, Curb and Gutter Construction	(212,580)
Street Construction	(4,510,387)
Transportation Alternatives Program Construction	(438,224)
Water and Sewer Construction	(1,499,527)

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, 2024, the carrying amount of the City's deposits was \$41,476,658 and the bank balance was \$42,171,402. 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 \$2,139,877. The City and the Library also maintain separate petty cash balances of \$1,100 and \$200, respectively.

The deposits presented in the financial statements at December 31, 2024, are as follows:

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

Primary Government

Cash and Cash Equivalents	\$ 36,469,423
Restricted Cash and Cash Equivalents	4,971,439
Less: Cash held with fiscal agent	(2,139,877)
Less: Petty cash	(1,300)
Total Primary	<u>39,299,685</u>

Fiduciary Funds

Cash and Cash Equivalents	<u>35,796</u>
Total Deposits	<u><u>\$ 39,335,481</u></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, 2024, 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	\$ 8,341,424	\$ 8,341,424	\$ -	\$ -	\$ -
Money Market	993,263	993,263	-	-	-
Total	<u>\$ 9,334,687</u>	<u>\$ 9,334,687</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, 2024**

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, 2024.

		Quoted Prices in Active Markets Level 1	Significant Other Observable Inputs Level 2	Significant Unobservable Inputs Level 3
	Total			
Mutual Funds	\$ 8,341,424	\$ 8,341,424	\$ -	\$ -
Money Market	993,263	993,263	-	-
Total	<u>\$ 9,334,687</u>	<u>\$ 9,334,687</u>	<u>\$ -</u>	<u>\$ -</u>

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**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, 2024, consist of the following:

Coffees and Kitchens

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

Developers, LLC Phase II

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

Fore 5 Sweet Boyz

\$40,950 loan due in monthly installments of \$486 until paid 35,450

NISC

\$71,264 loan due in monthly installments of \$1,188 starting November 2021 through October 2026; interest at 0% 24,942

Cloverdale Foods

\$133,764 loan due in monthly installments of \$2,229 starting 2/1/2026 until paid. 133,764

Satnan Daycare

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

Total Loans Receivable 295,147

Less: Allowance for uncollectible accounts (63,482)

Net Loans Receivable \$    231,665

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**NOTE 6 INTERFUND ACCOUNTS AND TRANSFERS**

Interfund balances at December 31, 2024, consist of the following:

**Interfund Receivable / Interfund Payable**

<u>Due to General Fund</u>	
Due from Non-Major Governmental Funds	<u>\$ 370,977</u>
Total due to General Fund	<u><u>\$ 370,977</u></u>
<u>Due to Non-Major Governmental Funds</u>	
Due from Non-Major Governmental Funds	\$ 460,686
Due from Street Construction	<u>3,648,105</u>
Total due to Non-Major Governmental Funds	<u><u>\$4,108,791</u></u>
<u>Due to Water and Sewer Utility</u>	
Due from Non-Major Governmental Funds	<u>\$ 1,803,936</u>
Total due to Water and Sewer Utility Fund	<u><u>\$ 1,803,936</u></u>

These balances result when a fund has a cash deficit. The interfund balances will be repaid in 2025.

**Interfund Transfers**

A summary of interfund transfers for the fiscal year ended December 31, 2024, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 4,912,997	\$ 2,491,477
Cemetery	8,203	-
Street Construction	551,160	64,531
Refunding Improvement Bonds	53	285,663
Non-major governmental	109,764	1,497,923
Water and Sewer Utility	-	1,032,344
Solid Waste Utility	-	148,239
Street Light Utility	-	67,935
Internal Service	5,935	-
	<u><u>\$ 5,588,112</u></u>	<u><u>\$ 5,588,112</u></u>

Transfers are used for various budgetary and financial management purposes.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**NOTE 7 CAPITAL ASSETS**

The following is a summary of capital assets during the fiscal year ended December 31, 2024:

	Balance 1/1/2024	Additions	Deletions	Transfers	Balance 12/31/2024
<b>Governmental Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 2,823,343	\$ -	\$ -	\$ -	\$ 2,823,343
Construction work in progress	15,064,305	13,058,940	-	(17,673,413)	10,449,832
Total capital assets not being depreciated:	<u>17,887,648</u>	<u>13,058,940</u>	<u>-</u>	<u>(17,673,413)</u>	<u>13,273,175</u>
Capital assets being depreciated:					
Buildings and improvements	18,009,693	391,793	-	-	18,401,486
Buildings and infrastructure	235,609,448	-	-	17,673,413	253,282,861
Machinery and equipment	11,249,812	1,133,641	(547,464)	(28,133)	11,807,856
Subscription-based IT arrangements	76,496	-	(31,662)	-	44,834
Total capital assets being depreciated/amortized:	<u>264,945,449</u>	<u>1,525,434</u>	<u>(579,126)</u>	<u>17,645,280</u>	<u>283,537,037</u>
Less accumulated depreciation and amortization for:					
Buildings and improvements	3,784,807	363,812	-	-	4,148,619
Buildings and infrastructure	121,942,020	7,074,829	-	-	129,016,849
Machinery and equipment	9,535,891	864,768	(540,083)	(28,133)	9,832,443
Subscription-based IT arrangements	43,060	16,268	(31,662)	-	27,666
Total accumulated depreciation and amortization	<u>135,305,778</u>	<u>8,319,677</u>	<u>(571,745)</u>	<u>(28,133)</u>	<u>143,025,577</u>
Total capital assets being depreciated/amortized, net	<u>129,639,671</u>	<u>(6,794,243)</u>	<u>(7,381)</u>	<u>17,673,413</u>	<u>140,511,460</u>
Total capital assets, net	<u>\$ 147,527,319</u>	<u>\$ 6,264,697</u>	<u>\$ (7,381)</u>	<u>\$ -</u>	<u>\$ 153,784,635</u>
	Balance 1/1/2024	Additions	Deletions	Transfers	Balance 12/31/2024
<b>Business Type Activities:</b>					
Capital assets not being depreciated:					
Land	\$ 1,144,900	\$ -	\$ -	\$ -	\$ 1,144,900
Construction work in progress	34,035,635	2,636,137	-	(33,309,656)	3,362,116
Total capital assets not being depreciated:	<u>35,180,535</u>	<u>2,636,137</u>	<u>-</u>	<u>(33,309,656)</u>	<u>4,507,016</u>
Capital assets being depreciated or amortized:					
Buildings and infrastructure	120,258,904	3,325,760	-	33,309,656	156,894,320
Machinery and equipment	5,107,943	195,112	(86,255)	28,133	5,244,933
Right-of-use building	318,458	-	-	-	318,458
Total capital assets being depreciated or amortized:	<u>125,685,305</u>	<u>3,520,872</u>	<u>(86,255)</u>	<u>33,337,789</u>	<u>162,457,711</u>
Less accumulated depreciation and amortization for:					
Buildings and infrastructure	47,530,294	3,900,125	-	-	51,430,419
Machinery and equipment	4,516,152	222,354	(86,255)	28,133	4,680,384
Right-of-use building	186,414	93,208	-	-	279,622
Total accumulated depreciation and amortization	<u>52,232,860</u>	<u>4,215,687</u>	<u>(86,255)</u>	<u>28,133</u>	<u>56,390,425</u>
Total capital assets being depreciated/amortized, net	<u>73,452,445</u>	<u>(694,815)</u>	<u>-</u>	<u>33,309,656</u>	<u>106,067,286</u>
Total capital assets, net	<u>\$ 108,632,980</u>	<u>\$ 1,941,322</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 110,574,302</u>



**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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

**Governmental Activities:**

General Government	\$ 119,065
Public Safety	402,620
Public Works	7,475,447
Cemetery	22,864
Culture and Recreation	295,466
Urban Redevelopment and Housing	4,215
Total Governmental Activities Depreciation and Amortization Expense	<u>\$ 8,319,677</u>

**Business-type Activities**

Water and Sewer Utility	\$ 3,416,587
Solid Waste Utility	154,983
Mandan Airport Authority	644,117
Total Business-type Activities Depreciation and Amortization Expense	<u>\$ 4,215,687</u>

**NOTE 8 LEASES**

**Lessor**

As a lessor, the City leases building space and equipment to unrelated parties. The terms of the leases range from 3-14 years, commencing between January 1, 2022 and June 1, 2023 and terminating at various dates within 2025-2037, with annual rent payments ranging from \$2,400 - \$5,000 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, 2024.

**Governmental Activities:**

Lease Revenue by class of underlying asset	
Building	\$ 22,314
Equipment	10,969
Land	4,655
Total lease revenue	<u>37,938</u>
Interest revenue	2,974
Total	<u>\$ 40,912</u>

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**Business-Type Activities:**

Lease Revenue by class of underlying asset	
Equipment	\$ 8,661
Land	19,750
Total lease revenue	28,411
Interest revenue	9,536
Total	<u>\$ 37,947</u>

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
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	8,189	591	8,780
2030 - 2034	26,783	1,277	28,060
2035 - 2037	3,443	57	3,500
Total	<u>\$155,629</u>	<u>\$ 8,731</u>	<u>\$ 164,360</u>

**Business-Type Activities:**

For the Year Ending December 31,	Principal	Interest	Total Receipts
2025	\$ 24,969	\$ 9,264	\$ 34,233
2026	26,029	8,204	34,233
2027	27,074	7,159	34,233
2028	20,031	6,201	26,232
2029	19,147	5,485	24,632
2030 - 2034	84,754	16,240	100,994
2035 - 2039	29,176	4,874	34,050
2040 - 2042	9,489	580	10,069
Total	<u>\$240,669</u>	<u>\$ 58,007</u>	<u>\$ 298,676</u>

**NOTE 9 LONG-TERM DEBT**

Debt authorized is generally limited by the state constitution. Bonds and loans payable at December 31, 2024, 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, 2024**

**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:

\$870,000 General Obligation Bridge Bonds of 2006, due in annual principal installments of \$65,000 through May 1, 2026; semi-annual interest payments 4.40%	<u>\$ 130,000</u>
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Debt service requirements to maturity on general obligation bond issue are summarized below:

Year Ending December 31	Governmental Activities	
	Principal	Interest
2025	\$ 65,000	\$ 4,290
2026	65,000	1,430
	<u>\$ 130,000</u>	<u>\$ 5,720</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 2016, Series B	\$ 420,000	1/12/2017	5/1/2031	2.65 - 3.50%	\$ 215,000
Refunding 2017, Series B	9,295,000	12/13/2017	5/1/2037	3.00 - 5.00%	5,910,000
Refunding 2020, Series A	9,320,000	12/30/2020	5/1/2035	1.00 - 4.00%	5,405,000
Refunding 2021, Series A	5,120,000	4/20/2021	5/1/2030	2.00 - 3.00%	3,560,000
Refunding 2021, Series B	1,175,000	12/21/2021	5/1/2041	1.35 - 4.00%	1,010,000
Refunding 2024, Series A	11,735,000	11/4/2024	5/1/2039	3.13 - 4.00%	11,735,000
Total special assessments bond payable at December 31, 2024					<u>\$27,835,000</u>

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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

Year Ending December 31	Governmental Activities	
	Principal	Interest
2025	\$ 2,515,000	\$ 808,831
2026	2,900,000	710,069
2027	3,005,000	620,389
2028	3,070,000	548,228
2029	2,510,000	480,785
2030-2034	7,750,000	1,558,451
2035-2039	5,950,000	504,146
2040-2041	135,000	2,956
	<u>\$ 27,835,000</u>	<u>\$ 5,233,855</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. Principal and interest paid for the current year and total net revenues were \$4,594,104 and \$2,712,858, 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. Principal and interest paid for the current year and total net revenues were \$2,641,740 and \$9,638,912, 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 April 2053. 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 \$1,756,529. Principal and interest paid for the current year and total net revenues were \$119,608 and \$469,826, respectively.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

Revenue bonds outstanding:

Governmental Activities

\$15,275,000 Park Facilities Sales Tax Revenue Bonds of 2016A due in annual principal installments of \$450,000 to \$1,855,000 through September 1, 2041; semi-annual interest payments at 3% to 4%	<u>\$ 9,065,000</u>
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Total Governmental Activities	<u><u>\$ 9,065,000</u></u>
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Business-type Activities

\$1,000,000 Water and Sewer Revenue Bonds, Series 2005, due in annual installments of \$75,000 through May 1, 2025; interest at 4.8%	\$ 75,000
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\$1,545,663 Sewer Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$105,000 to \$110,000 through September 1, 2028; interest at 2.5%	420,000
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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%	245,000
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\$3,782,000 Water Improvement Revenue Bonds of 2008, Series A, due in annual installments of \$270,000 to \$285,000 through September 1, 2028; interest at 2.5%	1,110,000
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\$6,667,283 Water Improvement Revenue Bonds of 2008, Series B, due in annual installments of \$485,000 to \$545,000 through September 1, 2028; interest at 3.27%	2,055,000
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\$6,383,867 Water Improvement Revenue Bonds of 2010, Series A, due in annual installments of \$390,000 to \$460,000 through September 1, 2030; interest at 2.84%	2,555,000
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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%	1,045,000
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\$591,683 Water Improvement Revenue Bonds of 2013, Series A, due in annual installments of \$35,000 to \$40,000 through September 1, 2033; interest at 2%	330,000
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**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

\$1,586,280 Water Improvement Revenue Bonds of 2014, Series A, due in annual installments of \$90,000 to \$105,000 through September 1, 2033; interest at 2%	\$ 880,000
\$4,276,824 Sewer Improvement Revenue Bonds of 2015, Series A, due in annual installments of \$220,000 to \$270,000 through, September 1, 2035; interest at 2%	2,715,000
\$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%	570,000
\$1,269,453 Water Improvement Revenue Bonds of 2017, Series B, due in annual installments of \$65,000 to \$80,000 through September 1, 2037; interest at 1.5%	920,000
\$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%	1,440,000
\$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%	360,000
\$1,080,000 Airport Improvement Revenue Bonds of 2024, due in annual installments of \$31,358 to \$41,434 through October 1, 2053, interest at 2%	<u>1,048,952</u>
Total Business-type Activities	<u>15,768,952</u>
Total Revenue Bonds	<u><u>\$ 24,833,952</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
2025	\$ 600,000	\$ 294,812	\$ 2,121,358	\$ 286,154	\$ 2,721,358	\$ 580,966
2026	-	284,812	2,101,672	246,602	2,101,672	531,414
2027	-	284,812	2,161,989	207,868	2,161,989	492,680
2028	-	284,813	2,212,309	167,979	2,212,309	452,792
2029	-	284,813	1,242,632	1,154,182	1,242,632	1,438,995
2030-2034	1,795,000	1,343,863	4,048,119	363,291	5,843,119	1,707,154
2035-2039	3,950,000	829,575	1,336,695	105,290	5,286,695	934,865
2040-2044	2,720,000	148,688	185,708	94,126	2,905,708	242,814
2045-2049	-	-	195,181	28,117	195,181	28,117
2050-2054	-	-	163,289	8,206	163,289	8,206
	<u>\$ 9,065,000</u>	<u>\$ 3,756,188</u>	<u>\$ 15,768,952</u>	<u>\$ 2,661,815</u>	<u>\$ 24,833,952</u>	<u>\$ 6,418,003</u>

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**Loans Payable**

The following is a schedule of loans payable outstanding at December 31, 2024:

<u>Governmental Activities</u>	<u>Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Street #160	\$ 109,611	12/23/2010	5/1/2025	4.00%	\$ 9,779
Street #207	352,967	12/16/2019	5/1/2033	3.29%	226,907
Street #211	225,623	12/16/2019	5/1/2034	3.34%	150,415
Street #213	4,017,817	10/1/2020	5/1/2040	2.00%	2,327,911
Street #215	4,048,101	10/19/2021	5/1/2038	2.00%	3,640,086
Street #218	841,735	10/19/2021	5/1/2039	2.00%	679,159
Street #214	3,874,343	9/15/2023	5/1/2038	2.00%	3,226,442
Street #219	427,170	1/17/2023	5/1/2042	2.00%	343,447
Street #220	1,686,411	1/17/2023	5/1/2037	2.00%	1,259,175
Street #221	280,274	1/17/2023	5/1/2037	2.00%	229,482
Street #222	583,300	10/15/2024	5/1/2029	4.95%	583,300
Street #223	676,763	9/1/2023	5/1/2038	2.00%	488,444
Street #225	1,609,398	9/1/2023	5/1/2030	2.00%	1,280,459
Street #227	3,829,131	9/1/2023	5/1/2039	2.00%	3,829,131
Street #232	2,506,431	10/15/2024	5/1/2031	5.13%	2,506,431
Total Governmental Activities					<u>20,780,568</u>
<u>Business-Type Activities</u>	<u>Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rate</u>	<u>Amount Outstanding</u>
Water, Series 2021A	2,604,300	5/10/2021	9/1/2041	1.50%	\$ 5,962,906
Water, Series 2025	237,338	3/1/2025	9/1/2027	1.50%	232,191
Total Business-Type Activities					<u>6,195,097</u>
Total loan payable					<u>\$ 26,975,665</u>

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

Year Ending December 31	<u>Governmental Activities</u>		<u>Business-Type Activities</u>		<u>Total</u>	
	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>	<u>Principal</u>	<u>Interest</u>
2025	\$ 1,710,636	\$ 498,650	\$ 315,000	\$ 90,078	\$ 2,025,636	\$ 588,728
2026	1,664,986	443,519	552,000	87,765	2,216,986	531,284
2027	1,698,523	395,955	335,041	79,485	2,033,564	475,440
2028	1,733,273	347,027	335,000	74,460	2,068,273	421,487
2029	1,769,295	296,677	345,000	69,435	2,114,295	366,112
2030-2034	6,443,655	897,306	1,820,000	267,822	8,263,655	1,165,128
2035-2039	4,995,126	309,626	2,010,000	125,774	7,005,126	435,400
2040-2044	764,924	14,387	483,056	7,247	1,247,980	21,634
	<u>\$ 20,780,418</u>	<u>\$ 3,203,147</u>	<u>\$ 6,195,097</u>	<u>\$ 802,066</u>	<u>\$ 26,975,515</u>	<u>\$ 4,005,213</u>

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**Changes in Long-term Liabilities**

Changes in Long-term Liabilities for the year ended December 31, 2024, are summarized as follows:

	Balance 1/1/24 (Restated)	Additions	Reductions	Balance 12/31/2024	Due Within One Year
<b>Governmental Activities</b>					
Compensated absences *	\$ 706,128	\$ 228,622	\$ -	\$ 934,750	\$ 387,145
SBITA liability	32,539	-	(16,149)	16,390	14,242
General obligation bonds	190,000	-	(60,000)	130,000	65,000
Special assessment bonds	18,575,000	11,735,000	(2,475,000)	27,835,000	2,515,000
Plus unamortized premium	1,184,776	213,350	(115,183)	1,282,943	121,865
Revenue bonds	13,185,000	-	(4,120,000)	9,065,000	600,000
Plus unamortized premium	370,925	-	(20,607)	350,318	20,607
Loans payable	14,743,854	7,503,659	(1,466,945)	20,780,568	1,710,636
<b>Total</b>	<b>\$ 48,988,222</b>	<b>\$19,680,631</b>	<b>\$ (8,273,884)</b>	<b>\$ 60,394,969</b>	<b>\$ 5,434,495</b>
<b>Business-Type Activities</b>					
Compensated absences *	\$ 196,396	\$ 12,547	\$ -	\$ 208,943	\$ 118,549
Lease liability	233,545	-	(42,145)	191,400	191,400
Revenue bonds	16,735,000	1,080,000	(2,046,048)	15,768,952	2,121,358
Less unamortized discount	(6,255)	-	1,043	(5,212)	(1,043)
Loans payable	6,125,256	379,841	(310,000)	6,195,097	315,000
<b>Total</b>	<b>\$ 23,283,942</b>	<b>\$ 1,472,388</b>	<b>\$ (2,397,150)</b>	<b>\$ 22,359,180</b>	<b>\$ 2,745,264</b>

\* The change in compensated absences is shown as the net change.

**Leases - Lessee**

The City leases maintenance equipment. The term of the lease is 6 years with annual rent payments of \$44,586 through May 19, 2024 and a final annual payment of \$193,400.

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

<b>Business-Type Activities:</b>			
Fiscal Year			
Ending	Principal	Interest	Total
December 31,			Payments
2025	\$ 191,400	\$ 2,000	\$193,400
<b>Total</b>	<b>\$ 191,400</b>	<b>\$ 2,000</b>	<b>\$193,400</b>



**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**Subscription-Based Information Technology Arrangements**

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 February 7, 2026 to February 2027, with annual payments from \$2,240 - \$12,700.

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
2025	\$ 14,242	\$ 698	\$ 14,940
2026	2,148	92	2,240
Total	<u>\$ 16,390</u>	<u>\$ 790</u>	<u>\$ 17,180</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, 2024.

**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, 2024, there were six CDBG loans outstanding, with an aggregate principal amount payable of \$460,897.

**NOTE 10 EMPLOYEE PENSION PLANS**

**Defined Contribution Plan**

The City of Mandan Employee Retirement Plan and Trust is a Defined Contribution Plan that covers eligible City employees. The Defined Contribution Plan had 133 participants as of December 31, 2024.

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

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

by the City is eligible to receive a distribution of the vested account balance. To qualify under this section, the employee must meet the criteria established by the Plan for being totally disabled.

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

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

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

Contributions are set by City ordinance and are a percentage of salaries and wages. Employee contributions are established at 2%, and employer contributions are established at 8% of regular compensation. On December 16, 2014 the City ordinance was amended effective January 1, 2015. This amendment allowed Sworn Police Officers and Career Firefighters to be eligible for a 10% employer contribution if the employee contributes 4% or greater. The employer's required contributions for the year ended December 31, 2024 were \$597,794.

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.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

Pension Benefits

Benefits are set by statute. The Law Enforcement System has no provision or policies with respect to automatic and ad hoc post-retirement benefit increases. Members of the Law Enforcement System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (55) with three or more years of service. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. 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.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

Member and Employer Contributions

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

<u>Plan</u>	<u>Member contribution rate</u>	<u>Employer contribution rate</u>
Law Enforcement with previous service		
Political Subdivisions	5.50%	11.40%
State	6.00%	11.40%
National Guard	5.50%	11.40%
Law Enforcement without previous service	5.50%	9.16%

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, 2024, the City reported a liability of \$245,694 for its proportionate share of the net pension liability. The net pension liability was measured as of June 30, 2024, 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, 2024, the City's proportion was 20.459214%, which is an increase of 0.904654% from its proportion measured at June 30, 2023.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

For the year ended December 31, 2024, the City recognized pension expense of \$268,784. At December 31, 2024, 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	\$ 114,318	\$ (72,531)
Changes of assumptions	767,702	(1,108,932)
Net difference between projected and actual earnings on pension plan investments	-	(7,384)
Changes in proportion and differences between employer contributions and proportionate share of contributions	18,298	(40,294)
Employer contributions subsequent to the measurement date	<u>159,815</u>	<u>-</u>
Total	<u>\$ 1,060,133</u>	<u>\$ (1,229,141)</u>

\$159,815 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, 2025.

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

<b>Year ended December 31:</b>	
2025	\$ (127,597)
2026	(63,850)
2027	(88,357)
2028	(49,019)

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

Actuarial Assumptions

The total pension liability(asset) in the July 1, 2024 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	31.90%	4.10%
International Equity	19.10%	7.00%
Private Equity	7.00%	8.50%
Global Fixed Income	23.00%	2.88%
Global Real Assets	19.00%	6.10%

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, 2024**

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 3.97%; 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:

	<b>1% Decrease 5.50%</b>	<b>Current Discount Rate 6.50%</b>	<b>1% Increase 7.50%</b>
Employer's proportionate share of the net pension liability	<u>\$ 1,157,008</u>	<u>\$ 245,694</u>	<u>\$ (480,610)</u>

**NOTE 11 OTHER POST-EMPLOYMENT BENEFITS**

**North Dakota Public Employees Retirement System**

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

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

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



**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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, 2024, the City reported a liability of \$270,581 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of June 30, 2024 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, 2024, the City's proportion was 0.313152%, which was an increase of 0.023374% from its proportion measured as of June 30, 2023.



**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

For the year ended December 31, 2024 the City recognized OPEB expense of \$64,406. At December 31, 2024, 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	\$ 3,339	\$ (2,080)
Changes of assumptions	41,163	(18,525)
Net difference between projected and actual earnings on OPEB plan investments	-	(10,121)
Changes in proportion and differences between employer contributions and proportionate share of contributions	34,940	(6,883)
Employer contributions subsequent to the measurement date	19,890	-
Total	<u>\$ 99,332</u>	<u>\$ (37,609)</u>

\$19,890 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, 2025.

**Year ending December 31:**

2025	\$ 29,099
2026	31,734
2027	(12,722)
2028	(6,278)

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

Actuarial Assumptions

The total OPEB liability in the July 1, 2024 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

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

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, 2024 are summarized in the following table:

<b>Asset Class</b>	<b>Target Allocation</b>	<b>Long-term Expected Real Rate of Return</b>
Large Cap Domestic Equities	33.00%	4.00%
Small Cap Domestic Equities	6.00%	6.00%
Domestic Fixed Income	35.00%	3.29%
International Equities	26.00%	7.00%

**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, 2024**

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, 2024, 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:

	<b>1% Decrease 4.75%</b>	<b>Current Discount Rate 5.75%</b>	<b>1% Increase 6.75%</b>
Employer's proportionate share of the net OPEB liability	<u>\$ 369,817</u>	<u>\$ 270,581</u>	<u>\$ 187,000</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 12 RESTRICTED ASSETS**

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

<u>Governmental Funds</u>	
General Fund - Civil Asset Forfeiture Funds	\$ 10,826
0.75% City Sales Tax - BND - Cash with Fiscal Agent	<u>2,139,877</u>
Total	<u>\$ 2,150,703</u>
 <u>Proprietary Funds</u>	
Water and Sewer Utility Fund - Revenue Bond/Debt Service	\$ 2,734,836
Mandan Airport Authority Fund - Revenue Bond/Debt Service	<u>85,900</u>
Total	<u>\$ 2,820,736</u>

**NOTE 13 RISK MANAGEMENT**

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

**General Liability**

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

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**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 up to \$6,951,932 for public assets (mobile equipment and portable property) coverage.

**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 \$1,000,000 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.

**NOTE 14 REMEDIATION TRUST**

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

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**NOTE 15 COMMITMENTS AND CONTINGENCIES**

**Commitments**

The City has active contract project commitments of \$22,439,719, purchase agreement commitments of \$1,042,404, financial subsidy commitments of \$670,000 and professional service agreement commitments of \$3,296,868 as of December 31, 2024.

**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, 2024. Although the outcome of such suits and claims cannot be predicted with certainty, the City believes the final outcome of these matters will not material affect the financial statements of the City and that adequate insurance coverage exists in most cases to cover any potential settlement.

**NOTE 16 COST SHARING AGREEMENTS**

**Central Dakota Communications Center**

The City of Mandan entered into a charter agreement for the Combined Communications Center merger with the City of Bismarck and Burleigh County effective January 1, 2016. Central Dakota Communications Center (CenCom) replaces the Combined Communications Center. CenCom will dispatch all emergency calls for law enforcement, fire and emergency medical services in Bismarck, Mandan and Burleigh County, including Wilton. After revenue and that portion of 911 fees allocated for the annual operating budget of CenCom, the remainder of the budget responsibility is split between the parties who entered into the agreement, with the City of Mandan's share at 20%. The City incurred operating expenditures of \$439,174 related to costs of CenCom during the year ended December 31, 2024. The City also receives 911 fees from Morton County to help cover this payment. Total 911 fees from Morton County totaled \$346,663 for the year ended December 31, 2024.

**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 \$142,961 for their share of all costs of the law enforcement center for the year ended December 31, 2024.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

**NOTE 17 ERROR CORRECTION**

The Airport Authority recorded a prior period adjustment to the December 31, 2023 financial statements to correct accounts receivable and lease revenue balances. This resulted because lease revenues are billed in advance and simultaneously booked as revenue and receivables before the lease period begins. This error correction resulted in a decrease in accounts receivable of \$33,025 and net position as of December 31, 2023.

**NOTE 18 RECENT PRONOUNCEMENTS**

The City will implement the following recent pronouncements for fiscal years ending after 2024:

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 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.

GASB Statement No 104, *Disclosure of Certain Capital Assets*, establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note. These items include disclosing separately lease assets, intangible right-to-use assets, subscription assets and intangible assets. In addition, additional disclosures will be required for capital assets held for sale. This statement is effective for fiscal years beginning after June 15, 2025. Earlier application is encouraged.

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

**NOTE 19 SUBSEQUENT EVENTS**

On January 7, 2025, the City approved a bid award for road construction on Memorial Highway. – East Half project. This project is worth approximated \$37,999,840 and the City's share of the project is estimated to be \$10,901,509.

On April 1, 2025, construction bids for the Mandan 2025 Street and Water reconstruction program were approved for an estimated total cost of \$10,270,312.

On April 1, 2025, construction bids for the City WTP Phase III Optimization Project were approved for an estimated total cost of \$8,409,900.

**CITY OF MANDAN**  
**NOTES TO THE FINANCIAL STATEMENTS – CONTINUED**  
**DECEMBER 31, 2024**

In April 2025, the City signed a bond resolution for \$4,507,000 with a maturity date of September 1, 2047 and a 1.50% per annum rate.

On May 20, 2025, the City signed a financial resolution to issue Refunding improvement bond 2025A (DWSRF) for \$6,909,000 and refunding improvement bond 2025B (CWSRF) for \$12,478,000. These have a 1.50% per annum rate and maturity date of September 1, 2048.

On June 3, 2025, the City approved a financing resolution for water and sewer improvement district No. 65 for the 2025 Reconstruction Project of Monte Drive. The loan is for \$1,930,000 and has a maturity date of September 1, 2041 with an interest rate of 1.50% per annum and an annual 0.5% administrative fee.

Subsequent events have been evaluated through June 26, 2025, 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, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 6,435,708	\$ 6,435,708	\$ 6,425,487	\$ (10,221)
Licenses and Permits	577,000	577,000	531,131	(45,869)
Intergovernmental	2,840,887	3,167,652	3,148,639	(19,013)
Charges for Services	452,450	452,450	968,981	516,531
Fines and Forfeits	153,000	153,000	180,831	27,831
Special Assessments	-	-	102,420	102,420
Interest	510,800	510,800	1,015,465	504,665
Leases	-	-	9,944	9,944
Rent	18,400	18,400	8,803	(9,597)
Miscellaneous	8,168	8,168	120,633	112,465
Total Revenues	<u>10,996,413</u>	<u>11,323,178</u>	<u>12,512,334</u>	<u>1,189,156</u>
<b>EXPENDITURES</b>				
Current:				
General Government	4,600,747	4,600,747	4,710,185	(109,438)
Public Safety	8,611,420	8,611,420	8,405,646	205,774
Public Works	2,514,835	2,514,835	2,074,733	440,102
Debt Service				
Principal	-	-	16,149	(16,149)
Capital Outlay	<u>983,674</u>	<u>983,674</u>	<u>1,369,645</u>	<u>(385,971)</u>
Total Expenditures	<u>16,710,676</u>	<u>16,710,676</u>	<u>16,576,358</u>	<u>134,318</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(5,714,263)</u>	<u>(5,387,498)</u>	<u>(4,064,024)</u>	<u>1,323,474</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Sale of Capital Assets	-	-	115,300	115,300
Transfers In	-	4,206,460	4,612,997	406,537
Transfers Out	<u>(2,900)</u>	<u>(2,450)</u>	<u>(59,424)</u>	<u>(56,974)</u>
Total Other Financing Sources (Uses)	<u>(2,900)</u>	<u>4,204,010</u>	<u>4,668,873</u>	<u>464,863</u>
Net Change in Fund Balances	<u>\$ (5,717,163)</u>	<u>\$ (1,183,488)</u>	<u>604,849</u>	<u>\$ 1,788,337</u>
Fund Balances - January 1			<u>6,560,615</u>	
Fund Balances - December 31			<u>\$ 7,165,464</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			\$ 604,849	
Change in fund balance attributable to activities not included in General Fund budget:				
Alarm - Equipment Reserve Fund			12,195	
1% City Sales Tax Fund			741,155	
Mandan Growth Fund			(64,060)	
Civil Asset Forfeiture Fund			33,435	
BSA Police Explorer Program Fund			765	
Narcotics Task Force			(6,400)	
Mandan SEP Trust Fund			13,925	
Change in General Fund per Statement of Revenues, Expenses, and Change in Fund Balances			<u>\$ 1,335,864</u>	

See Notes to the Required Supplementary Information



**CITY OF MANDAN**  
**BUDGETARY COMPARISON SCHEDULE – CEMETERY FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<u>Original Budget</u>	<u>Final Budget</u>	<u>Actual</u>	<u>Variance with Final Budget</u>
<b>REVENUES</b>				
Taxes	\$ 14,882	\$ 14,882	\$ 15,144	\$ 262
Charges for Services	134,550	134,550	125,895	(8,655)
Total Revenues	<u>149,432</u>	<u>149,432</u>	<u>141,039</u>	<u>(8,393)</u>
<b>EXPENDITURES</b>				
Current:				
Cemetery	144,730	153,028	158,457	(5,429)
Capital Outlay	<u>-</u>	<u>5,429</u>	<u>-</u>	<u>5,429</u>
Total Expenditures	<u>144,730</u>	<u>158,457</u>	<u>158,457</u>	<u>-</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>4,702</u>	<u>(9,025)</u>	<u>(17,418)</u>	<u>(8,393)</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers In	<u>-</u>	<u>-</u>	<u>8,203</u>	<u>8,203</u>
Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>8,203</u>	<u>8,203</u>
Net Change in Fund Balances	<u>\$ 4,702</u>	<u>\$ (9,025)</u>	<u>(9,215)</u>	<u>\$ (190)</u>
Fund Balances - January 1			<u>31,439</u>	
Fund Balances - December 31			<u>\$ 22,224</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, 2024**

	<b>Original Budget</b>	<b>Final Budget</b>	<b>Actual</b>	<b>Variance with Final Budget</b>
<b>REVENUES</b>				
Taxes	\$ 678,478	\$ 678,478	\$ 680,548	\$ 2,070
Intergovernmental	292,216	330,816	334,621	3,805
Charges for Services	46,348	46,348	58,360	12,012
Interest	1,400	1,400	14,412	13,012
Rent	21,600	21,600	-	(21,600)
Donations	-	-	12,548	12,548
Miscellaneous	8,500	8,500	6,809	(1,691)
<b>Total Revenues</b>	<b>1,048,542</b>	<b>1,087,142</b>	<b>1,107,298</b>	<b>20,156</b>
<b>EXPENDITURES</b>				
Current:				
Culture and Recreation	1,024,087	1,083,616	1,012,478	71,138
Capital Outlay	90,000	90,000	146,126	(56,126)
<b>Total Expenditures</b>	<b>1,114,087</b>	<b>1,173,616</b>	<b>1,158,604</b>	<b>15,012</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(65,545)	(86,474)	(51,306)	35,168
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers Out	(105,000)	(105,000)	-	105,000
<b>Total Other Financing Sources (Uses)</b>	<b>(105,000)</b>	<b>(105,000)</b>	<b>-</b>	<b>105,000</b>
<b>Net Change in Fund Balances</b>	<b>\$ (170,545)</b>	<b>\$ (191,474)</b>	<b>(51,306)</b>	<b>\$ 140,168</b>
Fund Balances - January 1			424,586	
Fund Balances - December 31			<u>\$ 373,280</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, 2024**

	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
2024	20.45921%	\$ 245,694	\$ 3,246,471	7.57%	65.31%
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 years for which information is available.

**CITY OF MANDAN**  
**SCHEDULE OF EMPLOYER'S PROPORTIONATE SHARE OF NET OPEB LIABILITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	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
2024	0.313152%	\$ 270,581	\$ 3,246,471	8.33%	68.35%
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 years 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, 2024**

	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
2024	\$ 308,578	\$ (308,578)	\$ -	\$ 3,368,760	9.16%
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, 2024**

	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
2024	\$ 38,404	\$ (38,404)	\$ -	\$ 3,368,760	1.14%
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, 2024**

**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, 2024**

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, 2024**

**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, 2023.

**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, 2024 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, 2023.

**NOTE 5 CHANGES IN ASSUMPTIONS – OPEB**

All actuarial assumptions used in the actuarial valuation as of July 1, 2024 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, 2023.

**CITY OF MANDAN**  
**COMBINING BALANCE SHEET – NONMAJOR GOVERNMENTAL FUNDS**  
**DECEMBER 31, 2024**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>ASSETS</b>				
Cash and Cash Equivalents	\$ 856,944	\$ 74,424	\$ 5,452,079	\$ 6,383,447
Taxes Receivable	26,306	4,461	-	30,767
Accounts Receivable (net of allowance)	504,050	-	122,776	626,826
Interest Receivable	-	-	128	128
Interfund Receivable	22,675	-	4,086,116	4,108,791
Special Assessments Receivable	304,297	-	1,740,909	2,045,206
Lease Receivable	-	-	105,408	105,408
Prepaid Items	80,913	-	1,124	82,037
Cash and Cash Equivalents-Restricted	-	-	-	-
Total Assets	<u>\$ 1,795,185</u>	<u>\$ 78,885</u>	<u>\$ 11,508,540</u>	<u>\$ 13,382,610</u>
<b>LIABILITIES</b>				
Accounts Payable	\$ 131,990	\$ -	\$ 213	\$ 132,203
Interfund Payable	458,148	-	2,177,451	2,635,599
Unearned Revenues	106,913	-	-	106,913
Total Liabilities	<u>697,051</u>	<u>-</u>	<u>2,185,526</u>	<u>2,882,577</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
Unavailable Revenue-Property Taxes	7,660	1,423	-	9,083
Unavailable Revenue-Special Assessments	287,694	-	1,705,714	1,993,408
Unavailable Revenue-Leases	-	-	103,058	103,058
Total Deferred Inflows of Resources	<u>295,354</u>	<u>1,423</u>	<u>1,808,772</u>	<u>2,105,549</u>
<b>FUND BALANCES</b>				
Nonspendable:				
Prepaid Items	80,913	-	1,124	82,037
Restricted for:				
General Government	43,714	-	-	43,714
Public Safety	703,778	-	-	703,778
Public Works	224,966	-	-	224,966
Culture and Recreation	94,558	-	-	94,558
Debt Service	-	77,462	-	77,462
Capital Projects	-	-	9,549,866	9,549,866
Committed for:				
Operating Reserve	-	-	113,583	113,583
Unassigned	(345,149)	-	(2,150,331)	(2,495,480)
Total Fund Balances	<u>802,780</u>	<u>77,462</u>	<u>7,514,242</u>	<u>8,394,484</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 1,795,185</u>	<u>\$ 78,885</u>	<u>\$ 11,508,540</u>	<u>\$ 13,382,610</u>



**CITY OF MANDAN**  
**COMBINING BALANCE SHEET – NONMAJOR SPECIAL REVENUE FUNDS**  
**DECEMBER 31, 2024**

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Public Trans- portation System	Fire Equipment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
<b>ASSETS</b>												
Cash and Cash Equivalents	\$ -	\$ 33,742	\$ 93,200	\$ 1,091	\$ 728,911	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 856,944
Taxes Receivable	-	10,977	-	15,329	-	-	-	-	-	-	-	26,306
Accounts Receivable (net of allowance)	224,966	-	13,578	-	-	147,030	41,530	11,460	14,544	50,942	-	504,050
Special Assessments Receivable	-	56,622	-	-	-	-	-	-	-	-	247,675	304,297
Interfund Receivable	-	-	-	-	-	22,675	-	-	-	-	-	22,675
Prepaid Items	-	-	-	-	-	80,913	-	-	-	-	-	80,913
Total Assets	<u>\$ 224,966</u>	<u>\$ 101,341</u>	<u>\$ 106,778</u>	<u>\$ 16,420</u>	<u>\$ 728,911</u>	<u>\$ 250,618</u>	<u>\$ 41,530</u>	<u>\$ 11,460</u>	<u>\$ 14,544</u>	<u>\$ 50,942</u>	<u>\$ 247,675</u>	<u>\$ 1,795,185</u>
<b>LIABILITIES</b>												
Accounts Payable	\$ -	\$ -	\$ 12,220	\$ 11,661	\$ -	\$ 14,415	\$ 16,748	\$ 11,460	\$ 14,544	\$ 50,942	\$ -	\$ 131,990
Interfund Payable	-	-	-	-	-	133,450	23,915	-	-	-	300,783	458,148
Unearned Revenues	-	-	-	-	26,000	80,913	-	-	-	-	-	106,913
Total Liabilities	<u>-</u>	<u>-</u>	<u>12,220</u>	<u>11,661</u>	<u>26,000</u>	<u>228,778</u>	<u>40,663</u>	<u>11,460</u>	<u>14,544</u>	<u>50,942</u>	<u>300,783</u>	<u>697,051</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>												
Unavailable Revenue-Property Taxes	-	2,901	-	4,759	-	-	-	-	-	-	-	7,660
Unavailable Revenue-Special Assessments	-	54,726	-	-	-	-	-	-	-	-	232,968	287,694
Total Deferred Inflows of Resources	<u>-</u>	<u>57,627</u>	<u>-</u>	<u>4,759</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>232,968</u>	<u>295,354</u>
<b>FUND BALANCES</b>												
Nonspendable:												
Prepaid Expenses	-	-	-	-	-	80,913	-	-	-	-	-	80,913
Restricted for:												
General Government	-	43,714	-	-	-	-	-	-	-	-	-	43,714
Public Safety	-	-	-	-	702,911	-	867	-	-	-	-	703,778
Public Works	224,966	-	-	-	-	-	-	-	-	-	-	224,966
Culture and Recreation	-	-	94,558	-	-	-	-	-	-	-	-	94,558
Committed for:												
Unassigned	-	-	-	-	-	(59,073)	-	-	-	-	(286,076)	(345,149)
Total Fund Balances	<u>224,966</u>	<u>43,714</u>	<u>94,558</u>	<u>-</u>	<u>702,911</u>	<u>21,840</u>	<u>867</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>(286,076)</u>	<u>802,780</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 224,966</u>	<u>\$ 101,341</u>	<u>\$ 106,778</u>	<u>\$ 16,420</u>	<u>\$ 728,911</u>	<u>\$ 250,618</u>	<u>\$ 41,530</u>	<u>\$ 11,460</u>	<u>\$ 14,544</u>	<u>\$ 50,942</u>	<u>\$ 247,675</u>	<u>\$ 1,795,185</u>

**CITY OF MANDAN**  
**COMBINING BALANCE SHEET – NONMAJOR DEBT SERVICE FUND**  
**DECEMBER 31, 2024**

	<b>Liberty Memorial Bridge General Obligation Bonds</b>
<b>ASSETS</b>	
Cash and Cash Equivalents	\$ 74,424
Taxes Receivable	<u>4,461</u>
Total Assets	<u><u>\$ 78,885</u></u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
Unavailable Revenue - Property Taxes	<u>\$ 1,423</u>
Total Deferred Inflows of Resources	<u>1,423</u>
<b>FUND BALANCES</b>	
Restricted for:	
Debt Service	<u>77,462</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u><u>\$ 78,885</u></u>

**CITY OF MANDAN**  
**COMBINING BALANCE SHEET – NONMAJOR CAPITAL PROJECT FUNDS**  
**DECEMBER 31, 2024**

	<b>Municipal Infrastructure</b>	<b>Transportation Alternatives Program Construction</b>	<b>City Visitors' Promotion Capital Construction</b>	<b>Sidewalk, Curb and Gutter Construction</b>	<b>Water and Sewer Construction</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>ASSETS</b>						
Cash and Cash Equivalents	\$ 4,745,379	\$ -	\$ 706,700	\$ -	\$ -	\$ 5,452,079
Accounts Receivable (net)	-	-	122,776	-	-	122,776
Interest Receivable	-	-	128	-	-	128
Interfund Receivable	3,648,105	-	438,011	-	-	4,086,116
Special Assessment Receivable	-	132,712	-	169,734	1,438,463	1,740,909
Lease Receivable	-	-	105,408	-	-	105,408
Prepaid Items	-	-	1,124	-	-	1,124
Total Assets	<u>\$ 8,393,484</u>	<u>\$ 132,712</u>	<u>\$ 1,374,147</u>	<u>\$ 169,734</u>	<u>\$ 1,438,463</u>	<u>\$ 11,508,540</u>
<b>LIABILITIES</b>						
Accounts Payable	\$ -	\$ 213	\$ -	\$ -	\$ -	\$ 213
Interfund Payable	-	438,011	-	236,287	1,503,153	2,177,451
Total Liabilities	<u>-</u>	<u>438,224</u>	<u>-</u>	<u>236,287</u>	<u>1,511,015</u>	<u>2,185,526</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>						
Unavailable Revenue-						
Special Assessments	-	132,712	-	146,027	1,426,975	1,705,714
Leases	-	-	103,058	-	-	103,058
Total Deferred Inflows of Resources	<u>-</u>	<u>132,712</u>	<u>103,058</u>	<u>146,027</u>	<u>1,426,975</u>	<u>1,808,772</u>
<b>FUND BALANCES</b>						
Nonspendable:						
Prepaid Items	-	-	1,124	-	-	1,124
Restricted for:						
Capital Projects	8,393,484	-	1,156,382	-	-	9,549,866
Committed:						
Operating Reserve	-	-	113,583	-	-	113,583
Unassigned	-	(438,224)	-	(212,580)	(1,499,527)	(2,150,331)
Total Fund Balances	<u>8,393,484</u>	<u>(438,224)</u>	<u>1,271,089</u>	<u>(212,580)</u>	<u>(1,499,527)</u>	<u>7,514,242</u>
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 8,393,484</u>	<u>\$ 132,712</u>	<u>\$ 1,374,147</u>	<u>\$ 169,734</u>	<u>\$ 1,438,463</u>	<u>\$ 11,508,540</u>

**CITY OF MANDAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
<b>REVENUES</b>				
Taxes	\$ 524,177	\$ 70,570	\$ 683,089	\$ 1,277,836
Intergovernmental	2,177,007	-	2,500,000	4,677,007
Charges for Services	10,790	-	30,183	40,973
Fines and Forfeits	28,627	-	-	28,627
Special Assessments	113,558	-	282,488	396,046
Interest	-	-	1,714	1,714
Lease	-	-	27,994	27,994
Rent	-	-	1,148	1,148
	<hr/>	<hr/>	<hr/>	<hr/>
Total Revenues	2,854,159	70,570	3,526,616	6,451,345
	<hr/>	<hr/>	<hr/>	<hr/>
<b>EXPENDITURES</b>				
Current:				
General Government	581,396	-	-	581,396
Public Safety	555,957	-	-	555,957
Public Works	167,425	-	-	167,425
Culture and Recreation	75,295	-	959,799	1,035,094
Debt Service:				
Principal	-	60,000	-	60,000
Interest	-	7,040	-	7,040
Service Charges	-	1,096	-	1,096
Capital Outlay	9,663	-	259,666	269,329
	<hr/>	<hr/>	<hr/>	<hr/>
Total Expenditures	1,389,736	68,136	1,219,465	2,677,337
	<hr/>	<hr/>	<hr/>	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,464,423	2,434	2,307,151	3,774,008
	<hr/>	<hr/>	<hr/>	<hr/>
<b>OTHER FINANCING SOURCES (USES)</b>				
Proceeds from Long-Term Debt	-	-	583,299	583,299
Transfers In	-	-	109,764	109,764
Transfers Out	(1,303,747)	-	(194,176)	(1,497,923)
	<hr/>	<hr/>	<hr/>	<hr/>
Total Other Financing Sources and Uses	(1,303,747)	-	498,887	(804,860)
	<hr/>	<hr/>	<hr/>	<hr/>
Net Change in Fund Balances	160,676	2,434	2,806,038	2,969,148
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - January 1, as previously stated	4,615,279	75,028	(1,314,978)	3,375,329
Changes within the financial reporting entity - see note 1	(3,973,175)	-	6,023,182	2,050,007
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - January 1, restated	642,104	75,028	4,708,204	5,425,336
	<hr/>	<hr/>	<hr/>	<hr/>
Fund Balances - December 31	\$ 802,780	\$ 77,462	\$ 7,514,242	\$ 8,394,484
	<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, 2024**

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Public Trans- portation System	0.75% City Sales Tax (Formerly Nonmajor)	Fire Equipment Reserve	Narcotics Task Force Grants	AARC Grant	SANE Grant	DCAC Grant	Brownfield	Health and Safety	Total Nonmajor Special Revenue Funds
<b>REVENUES</b>													
Taxes	\$ -	\$ 193,488	\$ 83,661	\$ 247,028	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 524,177
Intergovernmental	1,195,225	-	-	-	-	327,767	284,377	147,658	11,460	77,420	133,100	-	2,177,007
Charges for Services	-	-	-	-	-	-	-	-	-	-	-	10,790	10,790
Fines and Forfeits	-	-	-	-	-	-	28,627	-	-	-	-	-	28,627
Special Assessments	-	50,261	-	-	-	-	-	-	-	-	-	63,297	113,558
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Miscellaneous	-	-	-	-	-	-	-	-	-	-	-	-	-
Total Revenues	1,195,225	243,749	83,661	247,028	-	327,767	313,004	147,658	11,460	77,420	133,100	74,087	2,854,159
<b>EXPENDITURES</b>													
Current:													
General Government	-	201,268	-	247,028	-	-	-	-	-	-	133,100	-	581,396
Public Safety	-	-	-	-	-	(9,663)	329,949	146,791	11,460	77,420	-	-	555,957
Public Works	-	-	-	-	-	-	-	-	-	-	-	167,425	167,425
Culture and Recreation	-	-	75,295	-	-	-	-	-	-	-	-	-	75,295
Debt Service:													
Principal	-	-	-	-	-	-	-	-	-	-	-	-	-
Interest	-	-	-	-	-	-	-	-	-	-	-	-	-
Service Charges	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Outlay	-	-	-	-	-	9,663	-	-	-	-	-	-	9,663
Total Expenditures	-	201,268	75,295	247,028	-	-	329,949	146,791	11,460	77,420	133,100	167,425	1,389,736
Excess (Deficiency) of Revenues Over (Under) Expenditures	1,195,225	42,481	8,366	-	-	327,767	(16,945)	867	-	-	-	(93,338)	1,464,423
<b>OTHER FINANCING SOURCES (USES)</b>													
Transfers In	-	-	-	-	-	-	-	-	-	-	-	-	-
Transfers Out	(1,186,550)	-	-	-	-	(115,308)	-	-	-	-	-	(1,889)	(1,303,747)
Net Change in Fund Balances	8,675	42,481	8,366	-	-	212,459	(16,945)	867	-	-	-	(95,227)	160,676
Fund Balances - January 1	216,291	1,233	86,192	-	3,973,175	490,452	38,785	-	-	-	-	(190,849)	4,615,279
Changes within the financial reporting entity - see note 1	-	-	-	-	(3,973,175)	-	-	-	-	-	-	-	(3,973,175)
Fund Balances - January 1, restated	216,291	1,233	86,192	-	-	490,452	38,785	-	-	-	-	(190,849)	642,104
Fund Balances - December 31	\$ 224,966	\$ 43,714	\$ 94,558	\$ -	\$ -	\$ 702,911	\$ 21,840	\$ 867	\$ -	\$ -	\$ -	\$ (286,076)	\$ 802,780

**CITY OF MANDAN**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCE – NONMAJOR DEBT SERVICE FUND**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

	<b>Liberty Memorial Bridge General Obligation Bonds</b>
<b>REVENUES</b>	
Taxes	\$ 70,570
<b>EXPENDITURES</b>	
Debt Service:	
Principal	60,000
Interest	7,040
Service Charges	1,096
	<hr/>
Total Expenditures	68,136
	<hr/>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,434
	<hr/>
Net Change in Fund Balances	2,434
Fund Balances - January 1	75,028
	<hr/>
Fund Balances - December 31	<u><u>\$ 77,462</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, 2024**

	<b>Municipal Infrastructure</b>	<b>Transportation Alternatives Program Construction</b>	<b>City Visitors' Promotion Capital Construction</b>	<b>Sidewalk, Curb and Gutter Construction</b>	<b>Water and Sewer Construction</b>	<b>Total Nonmajor Capital Projects Funds</b>
<b>REVENUES</b>						
Taxes	\$ -	\$ -	\$ 683,089	\$ -	\$ -	\$ 683,089
Intergovernmental	2,500,000	-	-	-	-	2,500,000
Charges for Services	-	3,074	-	27,109	-	30,183
Special Assessments	-	14,746	-	38,927	228,815	282,488
Interest	-	-	1,714	-	-	1,714
Lease	-	-	27,994	-	-	27,994
Rent	-	-	1,148	-	-	1,148
<b>Total Revenues</b>	<b>2,500,000</b>	<b>17,820</b>	<b>713,945</b>	<b>66,036</b>	<b>228,815</b>	<b>3,526,616</b>
<b>EXPENDITURES</b>						
Current:						
Culture and Recreation	-	277,473	682,326	-	-	959,799
Capital Outlay	-	-	-	91,386	168,280	259,666
<b>Total Expenditures</b>	<b>-</b>	<b>277,473</b>	<b>682,326</b>	<b>91,386</b>	<b>168,280</b>	<b>1,219,465</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	2,500,000	(259,653)	31,619	(25,350)	60,535	2,307,151
<b>OTHER FINANCING SOURCES (USES)</b>						
Proceeds from Long-Term Debt	-	583,299	-	-	-	583,299
Transfers In	64,478	-	-	45,286	-	109,764
Transfers Out	(194,176)	-	-	-	-	(194,176)
<b>Total Other Financing Sources and Uses</b>	<b>(129,698)</b>	<b>583,299</b>	<b>-</b>	<b>45,286</b>	<b>-</b>	<b>498,887</b>
<b>Net Change in Fund Balances</b>	<b>2,370,302</b>	<b>323,646</b>	<b>31,619</b>	<b>19,936</b>	<b>60,535</b>	<b>2,806,038</b>
Fund Balances - January 1, as originally stated	-	(761,870)	1,239,470	(232,516)	(1,560,062)	(1,314,978)
Change in Financial Reporting Entity - see note 1	6,023,182	-	-	-	-	6,023,182
Fund Balances - January 1, restated	6,023,182	(761,870)	1,239,470	(232,516)	(1,560,062)	4,708,204
<b>Fund Balances - December 31</b>	<b>\$ 8,393,484</b>	<b>\$ (438,224)</b>	<b>\$ 1,271,089</b>	<b>\$ (212,580)</b>	<b>\$ (1,499,527)</b>	<b>\$ 7,514,242</b>

**CITY OF MANDAN**  
**STATEMENT OF FUND ACTIVITY**  
**FOR THE YEAR ENDED DECEMBER 31, 2024**

Fund	Balance 1/1/2024	Revenues	Transfers In	Transfers Out	Expenditures	Balance 12/31/2024
Governmental Funds:						
General	\$ 9,391,692	\$ 16,459,456	\$ 4,912,997	\$ 2,491,477	\$ 17,289,151	\$ 10,983,517
Cemetery	31,720	147,888	8,203	-	157,783	30,028
0.75% City Sales Tax	3,512,226	3,223,355	-	-	4,595,704	2,139,877
Street Construction	(12,148,587)	19,388,090	551,160	64,531	11,374,237	(3,648,105)
Morton Mandan Public Library	382,010	2,716,676	105,000	105,000	2,793,645	305,041
Refunding Improvement Bonds	3,951,634	4,833,128	53	285,663	4,778,227	3,720,925
Nonmajor Governmental Funds	4,796,583	7,159,914	109,764	1,497,924	2,711,697	7,856,640
Total Governmental Funds	9,917,278	53,928,507	5,687,177	4,444,595	43,700,444	21,387,923
Proprietary Funds:						
Water and Sewer Utility	14,201,317	10,559,454	-	1,032,344	9,189,460	14,538,967
Solid Waste Utility	2,777,240	3,212,001	-	148,239	2,841,126	2,999,876
Street Light Utility	1,057,447	555,108	-	67,935	878,843	665,777
Mandan Airport Authority	1,183,345	3,319,265	-	-	2,702,044	1,800,566
Total Enterprise Funds	19,219,349	17,645,828	-	1,248,518	15,611,473	20,005,186
Internal Service Fund	(6,290)	204,353	5,935	-	195,687	8,311
Fiduciary Funds:						
Private - Purpose Trust	4,253	-	-	-	500	3,753
Custodial	36,633	204,763	-	-	209,355	32,041
Total Fiduciary Funds	40,886	204,763	-	-	209,855	35,794
Total	\$ 29,171,223	\$ 71,983,451	\$ 5,693,112	\$ 5,693,113	\$ 59,717,459	\$ 41,437,214

See Note to the Supplementary Information



**CITY OF MANDAN**  
**NOTE TO THE SUPPLEMENTARY INFORMATION**  
**DECEMBER 31, 2024**

**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	0.75% City Sales Tax	Street Construction	Morton Mandan Public Library	Refunding Improvement Bonds	Nonmajor Governmental Funds	Total
Actual revenues (cash basis) presented on the Statement of Fund Activity	\$ 16,459,456	\$ 147,888	\$ 3,223,355	\$ 19,388,090	\$ 2,716,676	\$ 4,833,128	\$ 7,159,914	\$ 53,928,507
Difference - budget 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.	(101,331)	(7,500)	-	-	(1,341)	(15,220,568)	(2,694,997)	(18,025,737)
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.	101,340	651	(455,222)	(11,892,275)	(1,608,037)	15,674,514	2,569,727	4,390,698
Total revenue as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds	<u>\$ 16,459,465</u>	<u>\$ 141,039</u>	<u>\$ 2,768,133</u>	<u>\$ 7,495,815</u>	<u>\$ 1,107,298</u>	<u>\$ 5,287,074</u>	<u>\$ 7,034,644</u>	<u>\$ 40,293,468</u>

**CITY OF MANDAN**  
**NOTE TO THE SUPPLEMENTARY INFORMATION - CONTINUED**  
**DECEMBER 31, 2024**

	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	\$ 10,559,454	\$ 3,212,001	\$ 555,108	\$ 3,319,265	\$ 204,353	\$ -	\$ -	\$ 204,763
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.	(2,990,903)	-	-	(85,133)	-	-	-	-
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.	5,459,686	12,397	(31,419)	(1,427,762)	(8,498)	1,571,184	-	(1,851)
Total revenues as reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position	<u>\$ 13,028,237</u>	<u>\$ 3,224,398</u>	<u>\$ 523,689</u>	<u>\$ 1,806,370</u>	<u>\$ 195,855</u>	<u>\$ 1,571,184</u>	<u>\$ -</u>	<u>\$ 202,912</u>

**CITY OF MANDAN**  
**NOTES TO THE SUPPLEMENTARY INFORMATION - CONTINUED**  
**DECEMBER 31, 2024**

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	0.75% City Sales Tax	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	\$ 14,867,631	\$ 149,580	\$ 4,595,704	\$ 10,887,608	\$ 2,793,645	\$ 5,063,837	\$ 4,099,857	\$ 42,457,862
<u>Difference - cash to GAAP</u>								
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.	255,970	674	-	(124,940)	(1,635,041)	(9,210)	(34,361)	(1,546,908)
Total expenditures as reported on the Statement of Revenues, Expenditures, and Changes in Fund Balances - Government Funds	<u>\$ 15,123,601</u>	<u>\$ 150,254</u>	<u>\$ 4,595,704</u>	<u>\$ 10,762,668</u>	<u>\$ 1,158,604</u>	<u>\$ 5,054,627</u>	<u>\$ 4,065,496</u>	<u>\$ 40,910,954</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	\$ 10,221,804	\$ 2,989,365	\$ 946,778	\$ 2,702,044	\$ 189,752	\$ -	\$ 500	\$ 209,355
<u>Difference - cash to GAAP</u>								
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.	(881,529)	104,126	(26,472)	(1,537,078)	6,103	446,981	-	(2,555)
Total expenditures and transfers as reported on the Statement of Revenues, Expenses, and Changes in Fund Net Position	<u>\$ 9,340,275</u>	<u>\$ 3,093,491</u>	<u>\$ 920,306</u>	<u>\$ 1,164,966</u>	<u>\$ 195,855</u>	<u>\$ 446,981</u>	<u>\$ 500</u>	<u>\$ 206,800</u>