

ANNUAL COMPREHENSIVE  
FINANCIAL REPORT

ACFR

FISCAL YEAR ENDING DEC. 31 2021

CITY OF MINOT | NORTH DAKOTA

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**Annual  
Comprehensive  
Financial  
Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2021

**Prepared By**  
The Finance Department

**City of Minot, North Dakota**  
**Annual Comprehensive Financial Report**  
**For the Fiscal Year Ended December 31, 2021**

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# City of Minot

Finance Department

May 25, 2022

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

Ladies and Gentlemen,

The City Council requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. Pursuant to that requirement, the City hereby issues the Annual Comprehensive Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2021. The City Finance Department prepares this set of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

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

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report has been included as the first component of the financial section of this report.

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

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

## *Profile of the City of Minot*

The City of Minot, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 27.65 square miles and serves a population of approximately 48,377. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2021 was nearly \$606.8 million. The Minot Air Force Base had over \$85.0 million in construction, services and other expenditures. Minot Air Force Base serves as the

home for over 12,346 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2021, the property valuations for commercial building permits increased by over \$179.2 million compared to 2020 largely due to the construction of a new hospital site for over \$171.9 million, \$5.3 million for the construction of a children's museum and science center, and \$1.7 million for the construction of new convenience store and car wash. New residential buildings increased by nearly \$5.5 million due to an increase in single family dwellings of nearly \$1.3 million, two-family dwellings of nearly \$0.9 million and five or more family dwellings of over \$9.0 million and a decrease in townhouses of over \$5.8 million. Remodels and additions increased nearly \$13.3 million primarily due to an increase of over \$11.9 million in commercial additions, an increase of over \$2.0 million for commercial remodels, and a decrease in residential remodels and additions of nearly \$0.7 million.

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

The City provides a full range of services contemplated by statute or charter. This includes police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation, planning and community development, water, sewer, and storm sewer,

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

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies submit requests for appropriations to the City Manager in May of each year for the ensuing year's budget, which begins January 1. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue fund this comparison is presented on page 30 as part of the basic financial statements for the governmental funds. The major debt service fund and major capital project funds comparison can be found beginning on page 86. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 101.

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

Two phases of the Mouse River enhanced flood protection plan (MREFPP) received the 2021 American Public Works Association Project of the Year for the category of disaster and emergency. Napa valley, (phase II) and Forest road (phase III) of the MREFPP are vital parts of the overall \$1.028 billion dollar project; construction began in May of 2018 with final completion in October 2020. Some of the features included in these phases were multiple levee ramps, interior drainage pump stations, river crossings of municipal utilities, removable road closure, over 8,900 feet of earthen levee, and 1,600 feet of bio-engineered stream bank restoration.

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

The information presented in the financial statements is best understood when it is considered from the

broader perspective of the specific environment within which the City operates.

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

| <b>Sales Tax Collections</b> |               | <b>Property Tax Levied</b> |               |
|------------------------------|---------------|----------------------------|---------------|
| 2017                         | \$ 20,035,165 | 2018                       | \$ 22,616,328 |
| 2018                         | 21,182,065    | 2019                       | 26,611,273    |
| 2019                         | 22,160,231    | 2020                       | 25,301,186    |
| 2020                         | 20,655,109    | 2021                       | 25,781,496    |
| 2021                         | 23,141,014    | 2022                       | 26,137,235    |

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

| <b>Assets, Liabilities and Net Position Per Capita</b> |                            |                   |                    |              |  |
|--|----------------------------|-------------------|--------------------|--------------|--|
| Population Estimate*                                   | Total Assets & Liabilities |                   | Total              |              |  |
|  | Population Estimate*       | Deferred Outflows | & Deferred Inflows | Net Position |  |
| 2017   | 48,743                     | \$ 18,037         | \$ 3,464           | \$ 14,573    |  |
| 2018   | 47,822                     | 19,096            | 3,706              | 15,390       |  |
| 2019   | 47,370                     | 19,187            | 3,715              | 15,472       |  |
| 2020   | 47,382                     | 20,357            | 4,189              | 16,168       |  |
| 2021   | 48,377                     | 21,347            | 4,927              | 16,420       |  |

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

| <b>Expenses and Program Revenues Per Capita</b> |          |             |                          |                          |                        |
|---|----------|-------------|--------------------------|--------------------------|------------------------|
| Expenses  | Services | Operating   |                          | Capital                  | Change in Net Position |
|   |          | Charges for | Grants and Contributions | Grants and Contributions |                        |
| 2017  | 2,369    | 792         | 158                      | 1,539                    | 1,096                  |
| 2018  | 2,508    | 857         | 242                      | 794                      | 537                    |
| 2019  | 2,683    | 854         | 163                      | 324                      | (64)                   |
| 2020  | 3,293    | 845         | 360                      | 1,627                    | 699                    |
| 2021  | 2,970    | 838         | 376                      | 1,144                    | 584                    |

| <b>Ratio of Net Position to Expenses</b> |                                 |      |
|--|---------------------------------|------|
| <b>Governmental Activities</b>           | <b>Business-Type Activities</b> |      |
| 2017                                     | 5.24                            | 7.69 |
| 2018                                     | 5.22                            | 7.66 |
| 2019                                     | 4.80                            | 7.49 |
| 2020                                     | 3.77                            | 7.32 |
| 2021                                     | 4.49                            | 7.42 |

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

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

The NAWS project will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future, and has an estimated \$124.0 million in expenditures remaining, of this \$44.0 million is for a biota treatment facility at the continental divide which will prevent biota transfer from the Missouri River Basin to the Great Lake Basin. The cost for this facility will be funded completely by the Federal government. The remaining \$80.0 million will be to complete pipelines, storage tanks, and pumping facilities along the pipeline. The City of Minot has a 35% cost share or approximately \$18.0 million which will be paid with sales tax funds. The City has approximately \$17.4 million in cash reserves remaining for this purpose. The project will extend to northwest North Dakota.

Based on the results of the City Council passing an ordinance, the first penny sales tax was reallocated to the following as of July 1, 2014: property tax relief

10%; economic development 15%; improvements fund 25%; and flood control 50%.

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

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

In June 2021, the City Council along with the management team facilitated a governance and goal setting retreat. During the retreat, the City Council laid out its vision for the future of Minot. Four aspirations, known as the “Magic City Aspirations,” will now drive every decision the Council makes to help reach that goal of a thriving, resilient, safe and connected community.

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

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

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

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

The City of Minot is also the recipient of three separate allocations of funding from the U.S. Department of Housing and Urban Development Community Development Block Grants, two of which are Disaster Recovery Funds and the third one is National Disaster Resilience Funds. The first allocation was in April 2012 for \$67,575,964. The second allocation was in April 2014 for \$35,056,000.

The third allocation was in January 2016 for \$74,340,770. Each allocation has spent the following funds, respectively: \$63,137,749, \$35,031,334, and \$44,460,258 as of December 31, 2021. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. The balance of these funds will be spent on blighted homes, multi-family housing and close out. The second allocation has obligated a portion of the gross funds to home acquisitions, demolitions, and street repairs. The obligated funds had to be spent by September 30, 2019. The third allocation will be obligated to reduce flood risk and increase resilience, build affordable, resilient neighborhoods, and foster economic resilience and diversification and must be spent by September 30, 2022. Due to COVID-19, the City along with other Community Development Block Grant recipients, requested grant extensions. The City requested extensions for the second and third allocations and received approval of extensions through September 30, 2023. In the spring of 2022, the City received an additional extension for the third allocation through September 30, 2025.

The last year has presented a number of challenges. COVID-19 has continued to impact the City of Minot as well as the entire nation. North Dakota reported their first case on March 11, 2020 and that case was in Minot. As a result, many governments issued or recommended “stay-at-home” orders, which led to rapid changes in how businesses were conducted in government, education and private industry. In the ever-changing environment many switched to remote operations or used social distancing guidelines.

The response to the pandemic included a number of costs not budgeted. The City was able to secure CARES funding for public safety, general government, and the airport which helped to offset the impact of the pandemic response.

The two dominant industry sectors in this region, agriculture and energy, have experienced weather, market, and COVID-19 challenges. At this time, indicators suggest the economy remains stable in the region. The City is anticipating a slight increase in valuations for the upcoming budget year, which is a positive indicator. The City will continue to monitor collections of sales tax and HUB City oil and gas funding and make any adjustments that may be prudent.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its' Annual Comprehensive Financial Report for the fiscal year ended December 31, 2020. This was the 42<sup>nd</sup> consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized annual comprehensive financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



David Lakefield  
Finance Director



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**City of Minot  
North Dakota**

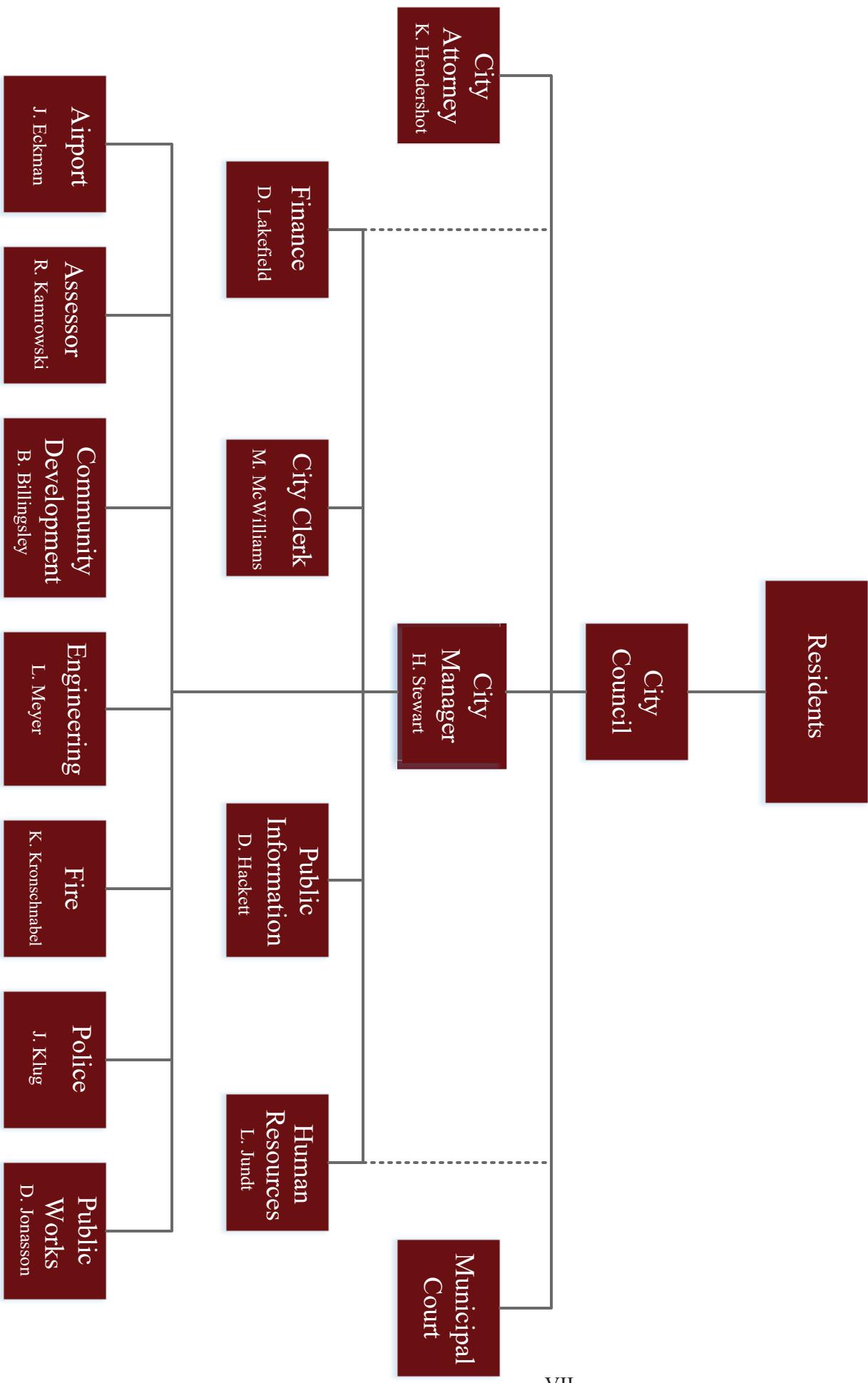
For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

December 31, 2020

*Christopher P. Monell*

Executive Director/CEO

# City of Minot Organizational Chart



\*Library Director reports directly to Library Board

## **Elected and Appointed Officials**

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

|                     | <u>Term Ends</u> |
|---------------------|------------------|
| Mayor - Shaun Sipma | 2022             |

#### **Members of the Council:**

|                               |      |
|-------------------------------|------|
| Carrie Evans - Vice President | 2024 |
| Mark Jantzer                  | 2022 |
| Lissa Olson - President       | 2022 |
| Stephan Podrygula             | 2024 |
| Paul Pitner                   | 2022 |



## **Independent Auditor's Report**

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

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota (the City) as of and for the year ended December 31, 2021, 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 Minot, North Dakota, as of December 31, 2021, and the respective changes in financial position and, where, applicable, cash flows thereof and the respective budgetary comparison for the General Fund and the Major Special Revenue Fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

#### ***Basis for Opinions***

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

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

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

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

### ***Auditor's Responsibilities for the Audit of the Financial Statements***

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the City of Minot'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 Minot's ability to continue as a going concern for a reasonable period of time.

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

### **Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, schedule of changes in net pension liability, schedule of pension contributions, schedule of pension investment returns, schedule of changes in net OPEB liability (asset), schedule of OPEB contributions, and schedule of OPEB investment returns be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Boards who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

## **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City of Minot's basic financial statements. The schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, schedule of revenues, expenditures, and changes in fund balance – budget and actual – major capital projects fund, combining and individual nonmajor fund statements and schedules, and capital assets used in the operation of governmental funds are presented for purposes of additional analysis and are not a required part of the financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*; and the schedule of passenger facility charges is presented for purposes of additional analysis as specified in the *Passenger Facility Charge Audit Guide for Public Agencies* issued by the Federal Aviation Administration; and are also not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion the schedule of revenues, expenditures, and changes in fund balance – budget and actual – major debt service fund, schedule of revenues, expenditures, and changes in fund balance – budget and actual – major capital projects fund, combining and individual nonmajor fund statements and schedules, capital assets used in the operation of governmental funds, the schedule of expenditures of federal awards, and the schedule of passenger facility charges are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

## **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and the statistical section 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.

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

We have previously audited the City of Minot's 2020 financial statements, and we expressed unmodified opinions on the respective financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information in our report dated June 2, 2021. In our opinion, the summarized comparative information presented herein as of and for the year ended December 31, 2020, is consistent, in all material respects, with the audited financial statements from which it has been derived.

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued a report dated May 24, 2022, on our consideration of the City's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the City's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the City's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Eddie Bailely CPA". The signature is fluid and cursive, with "Eddie" and "Bailely" connected and "CPA" in a smaller, separate block.

Fargo, North Dakota  
May 24, 2022

Management's

Discussion

and

Analysis

**City of Minot**  
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The City of Minot management are pleased to offer readers of the City of Minot's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2021, with comparative data for the fiscal year ended December 31, 2020. The City encourages readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- The *net position* of the City increased by nearly \$28.3 million or 3.7%.
- *Charges for services* increased over \$0.5 million due to an increase in licenses and permits, an increase in airport operations, and an increase in water-sewer-storm sewer operations.
- *Operating grants and contributions* increased over \$1.1 million due to increased activity in the National Disaster Resilience programs, such as single family and multi-family housing for nearly \$4.3 million and the Defense Community Infrastructure Program grant for the design and construction of the Magic City Discovery Center, a children's museum and science center, for nearly \$2.7 million. There was also a decrease in CARES relief funding operating expenditures for public safety of over \$6.1 million.
- *Capital grants and contributions* decreased over \$21.7 million due to a decrease in developer donated assets of over \$5.0 million, a decrease for the gain on the transfer of the parking ramps from general government of nearly \$17.3 million that occurred in fiscal year 2020, decreased activity in airport of nearly \$3.0 million with the completion of the general aviation and cargo aprons. State oil and gas taxes increased by nearly \$1.0 million for street infrastructure projects as well as increased activity in the National Disaster Resilience program for City Hall relocation of over \$3.1 million.
- *Program expenses* decreased by over \$12.3 million with business-type activities

increasing in expenses by nearly \$1.0 million primarily due to an increase in operating expenses of over \$3.2 million and a decrease in loss on sale of City property of over \$1.3 million and governmental activities decreasing by nearly \$13.3 million due to the loss on the transfer of the parking ramps to business-type of nearly \$17.3 million that occurred in fiscal year 2020, a decrease in pension and OPEB expenditures of over \$2.6 million, an increase in National Disaster Resilience and Defense Community Infrastructure program expenses of nearly \$7.0 million.

- Overall governmental and business-type activities netted to a negative change in net position prior to general revenues of over \$29.6 million with the governmental activities reporting a negative change in net position of over \$38.3 million and the business-type activities reporting a positive change in net position of nearly \$8.7 million.
- During 2021 *capital assets*, net of depreciation, increased by nearly \$19.9 million compared to 2020. Construction in progress decreased by over \$10.3 million compared to 2020 largely in part to flood control and water and sewer projects being placed in service, such as the Mouse River Enhanced Flood Protection Project (MREFPP). Land increased nearly \$5.8 million due to flood control acquisitions. Infrastructure increased over \$14.3 million. Governmental activities accounted for nearly \$8.8 million of the increase primarily due to depreciation expense of nearly \$13.3 million, infrastructure additions of over \$23.6 million, mainly due to the completion two phases of flood control projects, Paving & Utility District #2021-1, and a major rehab on Burdick Expressway from Valley Street to 1<sup>st</sup> St SW and fully depreciated infrastructure deletions of over \$1.5 million. Business-type activities accounted for over \$5.5 million of the increase due to depreciation expense of nearly \$2.9 million, infrastructure additions of over \$24.0 million primarily due to the completion of the Broadway Pump Station and deletions of fully depreciated infrastructure of over \$15.7 million.

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- General government program expenses decreased by nearly \$19.2 million due to the over \$21.2 million in loss on sale of City property recorded in 2020, a decrease in pension and OPEB expenses of nearly \$1.8 million, and an increase in National Disaster Resilience program expenditures of nearly \$4.3 million. Culture and recreation program expenses increased by over \$2.4 million primarily due to the Defense Community Infrastructure Program expenses for the Magic City Discovery Center. Water and sewer program expenses increased over \$1.5 million primarily due to an increase in operating expenses of over \$2.7 million and a recorded loss on sale of City property of over \$1.1 million recorded in 2020.
- The *unassigned fund balance* for the General Fund is over \$30.1 million or about 66.7% of the total general fund expenditures. In total, this is a decrease from 2020 of over \$4.9 million primarily due to the budgeted use and transfer of general fund cash reserves.
- As of December 2021, the price per barrel for oil was \$67.89, which was \$24.32 higher per barrel than December 2020. As of December 2021, North Dakota was producing 1,128,000 barrels of crude oil per day, up from 1,094,000 barrels per day as of January 2021.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**Government-Wide Financial Statements**

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

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

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

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

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

The government-wide financial statements begin on page 18.

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**Fund Financial Statements**

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

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

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

The City maintains 19 individual governmental funds. The City presents separate information in the governmental fund balance sheet and statement of revenues, expenditures, and changes

in fund balances for the general fund, and the following major funds: National Disaster Resilience \$74.3 million, debt service, capital infrastructure and capital flood control. Data from the other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these non-major governmental funds, which begin on page 90.

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

The governmental fund financial statements begin on page 22.

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

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The City combines both internal service funds in a single, aggregate presentation in the proprietary fund financial statements. The City provides individual fund data for the non-major proprietary funds in the form of combining statements, which begin on page 120. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 124. The basic proprietary fund statements begin on page 32.

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

**Notes to the Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 44-76 of this report.

The City presents combining statements referred to earlier in connection with non-major governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 86-132 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following two tables present condensed information on the City's Net Position and

Changes in Net Position for the fiscal year ended December 31, 2021, with comparative data for the fiscal year ended December 31, 2020. Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$794,328,460 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (82.8%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related liabilities used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports investment in capital assets net of related debt, the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities.

A portion of the City's net position (1.7%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for customer facility charges \$1,617,460, for culture and recreation \$1,000, for public safety \$45,218, for capital leases \$2,008,828, and \$9,866,445 for debt service. The unrestricted net position of \$122,692,237 is to meet the government's ongoing obligations to citizens and creditors.

There are no restrictions, commitments, or other limitations that significantly affect the availability of fund resources for future use.

|                                  | Net Position            |                |                          |                |                |                |
|----------------------------------|-------------------------|----------------|--------------------------|----------------|----------------|----------------|
|                                  | Governmental Activities |                | Business-Type Activities |                | Total          |                |
|                                  | 2021                    | 2020           | 2021                     | 2020           | 2021           | 2020           |
| Current and other assets         | \$ 190,854,799          | \$ 143,468,466 | \$ 70,119,423            | \$ 63,749,797  | \$ 260,974,222 | \$ 207,218,263 |
| Capital assets                   | 366,027,852             | 352,337,631    | 385,493,027              | 379,288,307    | 751,520,879    | 731,625,938    |
| Total assets                     | 556,882,651             | 495,806,097    | 455,612,450              | 443,038,104    | 1,012,495,101  | 938,844,201    |
| Deferred outflows of resources   | 14,762,393              | 19,013,735     | 5,435,461                | 6,681,822      | 20,197,854     | 25,695,557     |
| Long-term debt outstanding       | 122,832,903             | 92,054,918     | 64,722,540               | 70,351,339     | 187,555,443    | 162,406,257    |
| Other liabilities                | 13,832,938              | 11,927,651     | 12,106,344               | 9,532,252      | 25,939,282     | 21,459,903     |
| Total liabilities                | 136,665,841             | 103,982,569    | 76,828,884               | 79,883,591     | 213,494,725    | 183,866,160    |
| Deferred inflows of resources    | 19,311,359              | 11,159,583     | 5,558,411                | 3,453,342      | 24,869,770     | 14,612,925     |
| Net position                     |                         |                |                          |                |                |                |
| Net investment in capital assets | 328,538,231             | 314,163,170    | 329,559,041              | 320,279,420    | 658,097,272    | 634,442,590    |
| Restricted net position          | 3,824,153               | 3,925,050      | 9,714,798                | 10,987,717     | 13,538,951     | 14,912,767     |
| Unrestricted net position        | 83,305,460              | 81,589,460     | 39,386,777               | 35,115,856     | 122,692,237    | 116,705,316    |
| Total net position               | \$ 415,667,844          | \$ 399,677,680 | \$ 378,660,616           | \$ 366,382,993 | \$ 794,328,460 | \$ 766,060,673 |

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At the end of 2021, the City is able to report positive balances in all three categories of net position for the government as a whole, as well as for governmental and business-type activities.

**Changes in Net Position.** The City's net position increased nearly \$28.3 million during 2021. The increase was a combination of items, program expenses decreased by over \$12.3 million, of that nearly \$13.3 million was a decrease in governmental activities and nearly \$1.0 million was an increase in business-type activities. Program revenues decreased from 2020 due largely to operating and capital grants and contributions decreasing over \$20.6 million between governmental and business-type activities. Charges for services increased over \$0.5 million primarily in business-type due to an increase in airport and water-sewer-storm sewer operations.

**Governmental Activities.** Governmental program revenues decreased over \$9.2 million.

Overall, capital grants and contributions decreasing by over \$10.0 million, operating grants and contributions increased by over \$1.7 million and charges for services decreased by nearly \$1.0 million.

Governmental program expenses decreased by nearly \$13.3 million. Overall, the general government program expenses decreased nearly \$19.2 million, public safety increased over \$1.0 million, highways and street increased over \$1.0 million, culture and recreation increased over \$2.4 million, and economic development increased by over \$1.0 million.

**Business-Type Activities.** Business-type program revenues decreased by over \$10.8 million during 2021. Overall, capital grants and contributions decreased of over \$11.7 million, operating grants and contributions decreased over \$0.6 million, and charges for services increased by nearly \$1.5 million.

|                                      | Changes in Net Position |                      |                          |                       |                       |                       |
|--------------------------------------|-------------------------|----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
|                                      | Governmental Activities |                      | Business-Type Activities |                       | Total                 |                       |
|                                      | 2021                    | 2020                 | 2021                     | 2020                  | 2021                  | 2020                  |
| <b>Program Revenues</b>              |                         |                      |                          |                       |                       |                       |
| Charges for services                 | \$ 6,725,309            | \$ 7,712,492         | \$ 33,792,564            | \$ 32,302,190         | \$ 40,517,873         | \$ 40,014,682         |
| Operating grants and contributions   | 17,096,631              | 15,347,059           | 1,112,638                | 1,718,216             | 18,209,269            | 17,065,275            |
| Capital grants and contributions     | 30,520,584              | 40,528,450           | 24,807,260               | 36,543,707            | 55,327,844            | 77,072,157            |
| <b>General revenues</b>              |                         |                      |                          |                       |                       |                       |
| Taxes                                | 53,324,166              | 50,975,919           | 866,208                  | 960,564               | 54,190,374            | 51,936,483            |
| Investment earnings                  | 483,993                 | 1,606,922            | 13,719                   | 387,779               | 497,712               | 1,994,701             |
| Miscellaneous                        | 1,176,141               | 802,964              | 2,037,849                | 249,841               | 3,213,990             | 1,052,805             |
| <b>Total revenues</b>                | <b>109,326,824</b>      | <b>116,973,806</b>   | <b>62,630,238</b>        | <b>72,162,297</b>     | <b>171,957,062</b>    | <b>189,136,103</b>    |
| <b>Program Expenses</b>              |                         |                      |                          |                       |                       |                       |
| General government                   | 27,508,285              | 46,671,426           | -                        | -                     | 27,508,285            | 46,671,426            |
| Public safety                        | 29,806,546              | 28,806,347           | -                        | -                     | 29,806,546            | 28,806,347            |
| Highways and streets                 | 27,901,514              | 26,874,991           | -                        | -                     | 27,901,514            | 26,874,991            |
| Culture and recreation               | 4,289,502               | 1,886,115            | -                        | -                     | 4,289,502             | 1,886,115             |
| Economic development                 | 1,750,090               | 679,972              | -                        | -                     | 1,750,090             | 679,972               |
| Interest on long-term debt           | 1,398,143               | 1,020,861            | -                        | -                     | 1,398,143             | 1,020,861             |
| Airport                              | -                       | -                    | 9,911,353                | 10,409,737            | 9,911,353             | 10,409,737            |
| Cemetery                             | -                       | -                    | 480,888                  | 479,625               | 480,888               | 479,625               |
| Parking authority                    | -                       | -                    | 20,010                   | 17,548                | 20,010                | 17,548                |
| Sanitation                           | -                       | -                    | 5,621,689                | 5,721,502             | 5,621,689             | 5,721,502             |
| Water, sewer, & storm sewer          | -                       | -                    | 33,793,602               | 32,257,004            | 33,793,602            | 32,257,004            |
| Parking ramps                        | -                       | -                    | 1,207,653                | 1,185,316             | 1,207,653             | 1,185,316             |
| <b>Total expenses</b>                | <b>92,654,080</b>       | <b>105,939,712</b>   | <b>51,035,195</b>        | <b>50,070,732</b>     | <b>143,689,275</b>    | <b>156,010,444</b>    |
| Excess (deficiency) before transfers | 16,672,744              | 11,034,094           | 11,595,043               | 22,091,565            | 28,267,787            | 33,125,659            |
| Transfers                            | (682,580)               | (3,226,100)          | 682,580                  | 3,226,100             | -                     | -                     |
| Change in net position               | 15,990,164              | 7,807,994            | 12,277,623               | 25,317,665            | 28,267,787            | 33,125,659            |
| Net position - beginning             | 399,677,680             | 391,869,686          | 366,382,993              | 341,065,328           | 766,060,673           | 732,935,014           |
| Net position - ending                | <b>\$415,667,844</b>    | <b>\$399,677,680</b> | <b>\$ 378,660,616</b>    | <b>\$ 366,382,993</b> | <b>\$ 794,328,460</b> | <b>\$ 766,060,673</b> |

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**Management's Discussion and Analysis**

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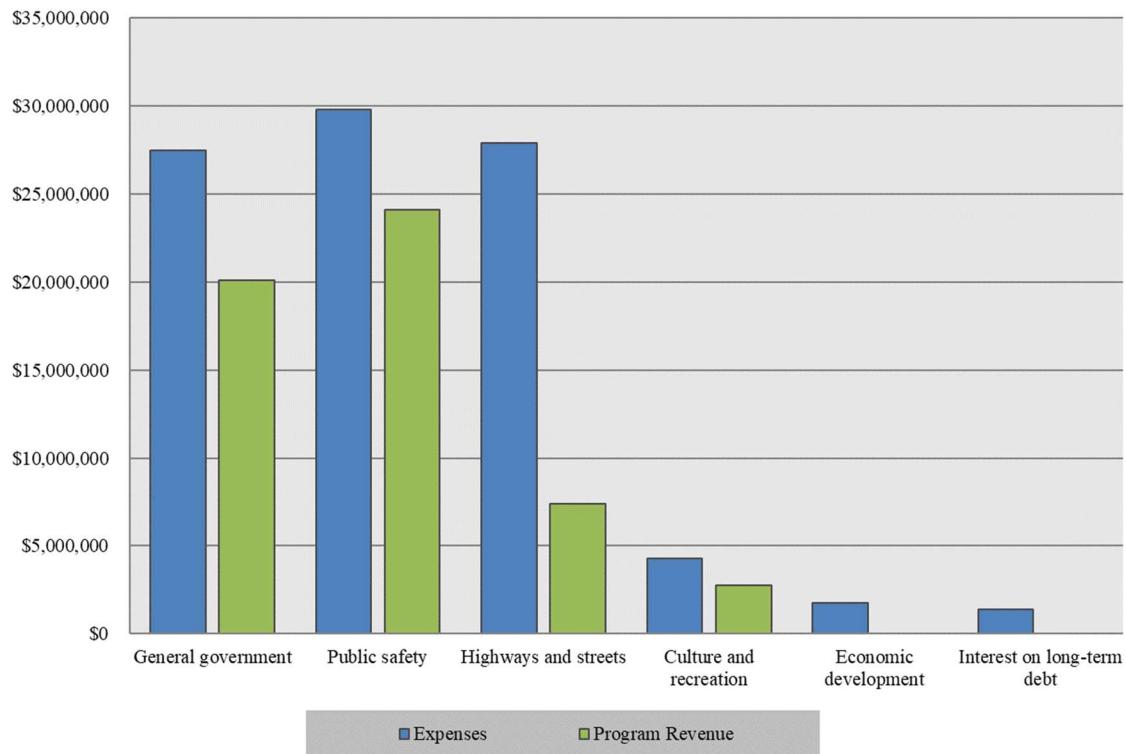
Business-type program expenses increased by nearly \$1.0 million in 2021. Overall, the airport program expenses decreased nearly \$0.5 million, sanitation program expenses decreased by nearly \$0.1 million, and water, sewer, and storm sewer program expenses increased by over \$1.5 million.

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

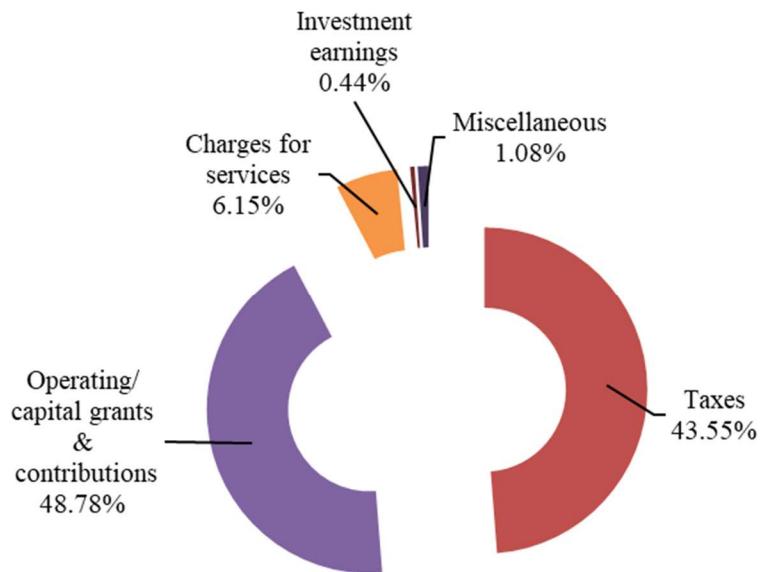
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**Expenses & Program Revenues  
 Governmental Activities**



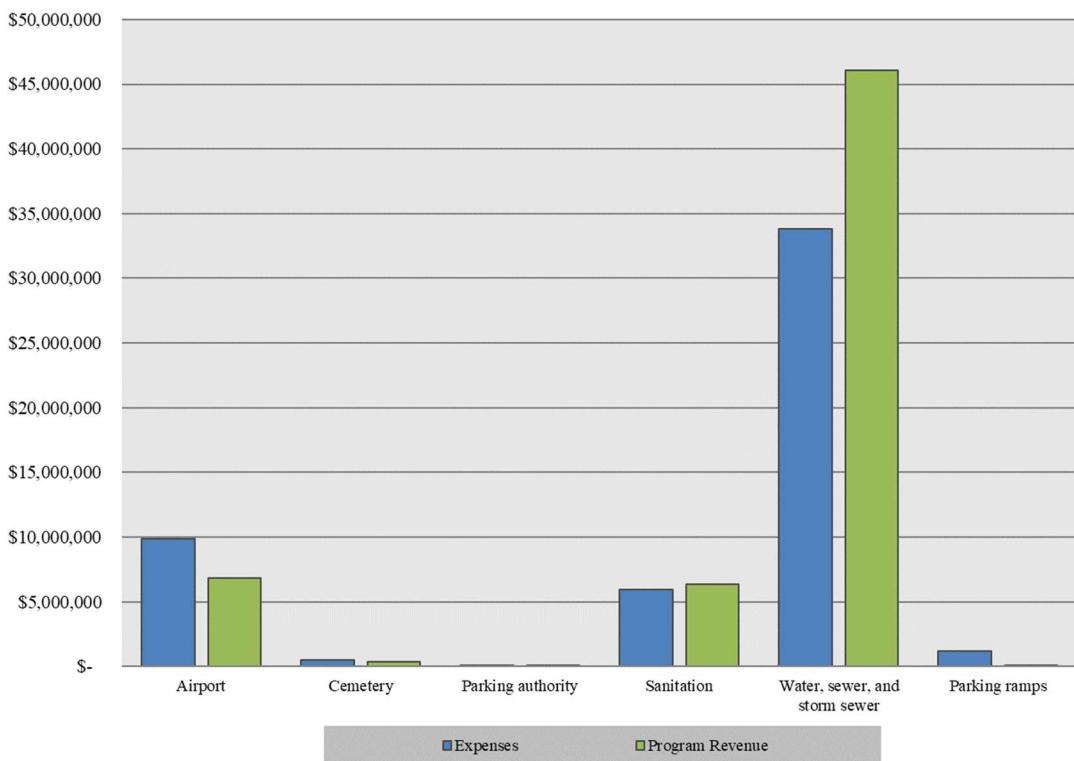
**Revenues by Source  
 Governmental Activities**



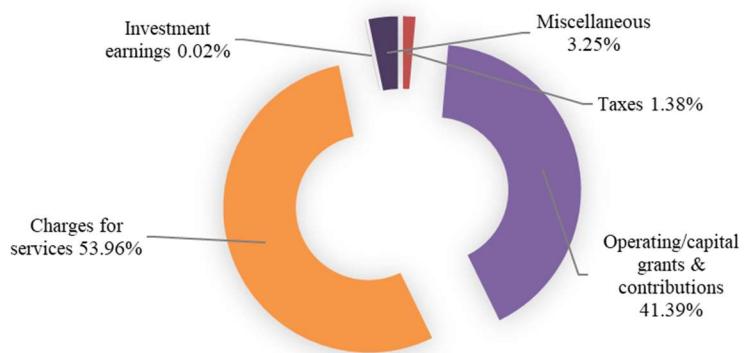
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**Expenses & Program Revenues  
 Business-Type Activities**



**Revenues by Source  
 Business-Type Activities**



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

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

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

As of the end of 2021, the City's governmental funds reported combined ending fund balances of over \$171.6 million, an increase of nearly \$48.8 million in comparison with 2020. Revenues for the period increased nearly \$7.3 million due to an increase of nearly \$4.9 million in intergovernmental revenues due primarily to an increase in NDR program activities, an increase in sales tax collections of nearly \$2.5 million, a decrease in interest income of over \$1.1 million, and an increase in licenses and permits of nearly \$0.8 million. Current expenditures increased nearly \$10.5 million primarily due to an increase in general government of over \$4.2 million for NDR program activities, an increase in culture and recreation of nearly \$2.3 million for construction of the Magic City Discover Center and an increase in economic development of nearly \$1.1 million for the downtown façade improvements program. The governmental funds nonspendable fund balance is \$957,113, restricted fund balance \$3,824,153, committed fund balance \$74,244,756, assigned fund balance \$62,399,241, and unassigned fund balance \$30,176,508.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$30,176,508. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund

expenditures. The unassigned fund balance represents nearly 66.7% of total general fund expenditures.

The City of Minot's general fund balance decreased by \$4,814,761 during the current fiscal year. This decrease was a result of the use of budgeted cash reserves for larger capital projects such as the new site for City Hall. In total, all department expenditures were over \$6.7 million below budget and revenues for the general fund were over \$0.9 million compared to the budget.

The **National Disaster Resilience \$74.3 million Fund** had a decrease in fund balance of \$17,884 primarily due to the utilizing of dedicated pledge revenues collected in previous fiscal years.

The **Debt Fund** had an increase in fund balance by \$2,087,126 primarily due to the reserve bond issuance for sales tax revenue bonds.

The **Capital Infrastructure Fund** increased in fund balance by \$8,976,143 due to expenditures being less than revenues during 2021. Many of these large capital projects must have funding up front but the construction may cover multiple seasons.

The **Capital Flood Control Fund** increased in fund balance by \$40,669,843 due to the series 2021B sales tax bond issuance. It is anticipated this bond issuance will continue to fund the local share of the flood control project through fiscal year 2024.

**Proprietary Funds.** The City of Minot's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position at the end of the year for the Enterprise Funds was \$38,163,234, of which airport accounted for \$6,533,857, sanitation \$649,912, water, sewer, and storm sewer \$29,664,201, and the non-major funds accounted for \$1,315,264. Restricted net position was \$6,602,150 for debt service, \$1,617,460 for customer facility charges and \$1,495,188 for capital leases. The restrictions do not significantly affect the availability of fund resources for future use.

**City of Minot**  
**Annual Comprehensive Financial Report**  
**December 31, 2021**

**Management's Discussion and Analysis**

The change in net position was an increase of nearly \$12.1 million, due to an increase in operating revenues of over \$1.6 million, a decrease in capital contributions of over \$12.8 million, an increase in expenses of over \$3.2 million, an increase in special assessment collections of nearly \$1.2 million, an increase in miscellaneous income of over \$1.9 million, and an increase in sale of City property of over \$1.3 million.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

The differences between the original budget and the final amended budget was an increase in revenues of nearly \$1.4 million and an increase in expenditure appropriations of over \$8.2 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being over \$0.9 million more than budgeted and the expenditures being over \$6.7 million less than budgeted. There is a total deficiency of actual revenues over expenditures of over \$9.7 million primarily due to budgeted transfers from sales tax funds to reduce property tax levy. After transfers in of over \$8.1 million, of which nearly \$2.5 million was for direct property tax relief, the overall net change in fund balance was (\$4,814,761).

**CAPITAL ASSET AND DEBT ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2021, is \$751,520,879 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books. The City's investment in capital

assets increased nearly \$19.9 million in 2021 due to an increase of nearly \$5.8 million in land, a decrease of over \$10.3 million in construction in progress, an increase of over \$14.3 million in infrastructure, an increase of over \$8.5 million in buildings, an increase of over \$1.4 million in equipment, and an increase of over \$0.1 million in intangible assets and books.

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

- Home acquisitions
- Mouse River Enhance Flood Protection Project (MREFPP) Phases 1 & 4A
- Paving & Utility District #2021-1
- Burdick Expressway Major Rehab
- Cargo Apron Phase II

Additional information on the City of Minot's capital assets can be found in Note 4. E on pages 54-55 of this report.

|                          | Capital Assets (net of depreciation) |                |                          |                |                |                |
|--------------------------|--------------------------------------|----------------|--------------------------|----------------|----------------|----------------|
|                          | Governmental Activities              |                | Business-Type Activities |                | Total          |                |
|                          | 2021                                 | 2020           | 2021                     | 2020           | 2021           | 2020           |
| Land                     | \$ 105,144,542                       | \$ 99,346,130  | \$ 9,647,205             | \$ 9,647,078   | \$ 114,791,747 | \$ 108,993,208 |
| Construction in progress | 11,419,466                           | 12,928,046     | 17,584,909               | 26,411,949     | 29,004,375     | 39,339,995     |
| Infrastructure           | 227,780,657                          | 218,997,622    | 285,895,348              | 280,337,620    | 513,676,005    | 499,335,242    |
| Buildings                | 11,221,813                           | 11,728,662     | 60,637,551               | 51,628,523     | 71,859,364     | 63,357,185     |
| Equipment                | 8,776,194                            | 7,795,619      | 11,652,314               | 11,188,967     | 20,428,508     | 18,984,586     |
| Intangible assets        | 187,945                              | 157,725        | 75,700                   | 74,170         | 263,645        | 231,895        |
| Books                    | 1,497,235                            | 1,383,827      | -                        | -              | 1,497,235      | 1,383,827      |
| Total capital assets     | \$ 366,027,852                       | \$ 352,337,631 | \$ 385,493,027           | \$ 379,288,307 | \$ 751,520,879 | \$ 731,625,938 |

**City of Minot**  
**Annual Comprehensive Financial Report**  
**December 31, 2021**

**Management's Discussion and Analysis**

**Long-Term Debt.** At year-end, the City had total debt of \$140,920,041, an increase of \$41,030,794 compared to the prior year. Note 4. I on pages 57-60 of this report describes the City's long-term debt in detail.

|                                   | Outstanding Debt        |                      |                          |                      |                       |                      |
|-----------------------------------|-------------------------|----------------------|--------------------------|----------------------|-----------------------|----------------------|
|                                   | Governmental Activities |                      | Business-Type Activities |                      | Total                 |                      |
|                                   | 2021                    | 2020                 | 2021                     | 2020                 | 2021                  | 2020                 |
| General obligation bonds          | \$ 10,620,463           | \$ 12,534,299        | \$ -                     | \$ -                 | \$ 10,620,463         | \$ 12,534,299        |
| Special assessment bonds          | 15,015,916              | 13,866,084           | 2,372,593                | 1,430,017            | 17,388,509            | 15,296,101           |
| Sales tax bonds                   | 53,279,240              | 8,215,187            | -                        | -                    | 53,279,240            | 8,215,187            |
| Capital financing program bonds   | 1,281,429               | 1,421,683            | -                        | -                    | 1,281,429             | 1,421,683            |
| Revenue bonds                     | -                       | -                    | 37,589,427               | 41,187,407           | 37,589,427            | 41,187,407           |
| State revolving fund              | 1,311,946               | 1,360,211            | 13,466,717               | 13,868,098           | 14,778,663            | 15,228,309           |
| Capital leases                    | 299,955                 | 439,432              | 1,331,803                | 830,823              | 1,631,758             | 1,270,255            |
| Direct borrowings, capital leases | 213,685                 | 276,153              | 163,385                  | 648,108              | 377,070               | 924,261              |
| Compensated absences              | 1,656,743               | 1,756,784            | 423,950                  | 439,950              | 2,080,693             | 2,196,734            |
| MSWLF closure & postclosure costs | -                       | -                    | 1,892,789                | 1,615,010            | 1,892,789             | 1,615,010            |
| Total outstanding debt            | <u>\$ 83,679,377</u>    | <u>\$ 39,869,833</u> | <u>\$ 57,240,664</u>     | <u>\$ 60,019,413</u> | <u>\$ 140,920,041</u> | <u>\$ 99,889,247</u> |

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$179,095,345. The City's legal debt margin is \$167,173,637. The net bonded debt per capita is \$208.88.

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

Projects in 2021, which boosted the economy in Minot included, Trinity Health for the new hospital site for \$171.9 million, Magic City Discovery Center for the children's museum and science center for \$5.3 million, Dakota Square Mall for the remodel of Scheels retail space for \$13.0 million, and several other condos, apartment buildings, and business remodels.

The 2022 City of Minot budget value of a mill increased from \$214,907 to \$215,168 per mill.

The mill levy for the City of Minot's 2022 budget is 121.69 mills, an increase of 0.40 mills from 2021 budget.

Total appropriations for operations for 2022 increased over \$31.7 million from 2021. This 22.13% increase is primarily due to an increase in capital projects in Airport, Sanitation, Water, Sewer, and Storm Sewer, as well as Capital Flood Control.

The last two years have presented a number of challenges. The two major industry sectors in the region, agriculture and energy, have experienced weather, market, and COVID-19 challenges. At this time, indicators suggest the economy remains stable in the region. The City will continue to monitor collections of sales tax and HUB City oil and gas funding and make any adjustments that may be prudent.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

This financial report is designed to provide a general overview of the City's finances and to demonstrate the City's accountability for the money it receives for the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 515 2<sup>nd</sup> Avenue SW or PO Box 5006, Minot, ND 58702 or visit us online at [www.minotnd.org](http://www.minotnd.org).

Basic  
Financial  
Statements

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | <b>Governmental Activities</b> | <b>Business-Type Activities</b> | <b>Total 2021</b>    | <b>Total 2020</b>  |
|---|--------------------------------|---------------------------------|----------------------|--------------------|
| <b>ASSETS</b>                                     |                                |                                 |                      |                    |
| Current assets:                                   |                                |                                 |                      |                    |
| Cash and cash equivalents                         | \$ 136,505,495                 | \$ 28,054,219                   | \$ 164,559,714       | \$ 105,381,083     |
| Investments                                       | 29,452,842                     | 13,709,097                      | 43,161,939           | 41,917,273         |
| Taxes receivable                                  | 1,003,074                      | 38,174                          | 1,041,248            | 1,384,429          |
| Special assessments receivable                    | 341,616                        | 9,001                           | 350,617              | 459,365            |
| Accounts receivable, net of allowance             | 343,487                        | 3,328,865                       | 3,672,352            | 3,387,420          |
| Loans receivable, net of allowance                | 1,430,240                      | -                               | 1,430,240            | 1,440,320          |
| Intergovernmental receivable                      | 8,671,745                      | 11,520,293                      | 20,192,038           | 23,511,842         |
| Accrued interest receivable                       | 69,969                         | 4,755                           | 74,724               | 280,906            |
| Inventory   | 496,775                        | 219,545                         | 716,320              | 485,319            |
| Prepaid   | 371,489                        | 219,633                         | 591,122              | 413,621            |
| Internal balances                                 | (1,223,543)                    | 1,223,543                       | -                    | -                  |
| Total current assets                              | <u>177,463,189</u>             | <u>58,327,125</u>               | <u>235,790,314</u>   | <u>178,661,578</u> |
| Noncurrent assets:                                |                                |                                 |                      |                    |
| Restricted cash and cash equivalents              | 3,824,153                      | 9,714,798                       | 13,538,951           | 14,912,767         |
| Investments, long-term                            | -                              | -                               | -                    | 1,463,076          |
| Other assets - capital credits                    | 468,117                        | 517,273                         | 985,390              | 914,041            |
| Net OPEB asset                                    | 80,113                         | 31,514                          | 111,627              | -                  |
| Special assessments deferred                      | 9,019,227                      | 1,528,713                       | 10,547,940           | 11,266,801         |
| Land  | 105,144,542                    | 9,647,205                       | 114,791,747          | 108,993,208        |
| Construction in progress                          | 11,419,466                     | 17,584,909                      | 29,004,375           | 39,339,995         |
| Infrastructure                                    | 227,780,657                    | 285,895,348                     | 513,676,005          | 499,335,242        |
| Buildings   | 11,221,813                     | 60,637,551                      | 71,859,364           | 63,357,185         |
| Equipment   | 8,776,194                      | 11,652,314                      | 20,428,508           | 18,984,586         |
| Intangible assets                                 | 187,945                        | 75,700                          | 263,645              | 231,895            |
| Books   | 1,497,235                      | -                               | 1,497,235            | 1,383,827          |
| Total noncurrent assets                           | <u>379,419,462</u>             | <u>397,285,325</u>              | <u>776,704,787</u>   | <u>760,182,623</u> |
| Total assets                                      | <u>556,882,651</u>             | <u>455,612,450</u>              | <u>1,012,495,101</u> | <u>938,844,201</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                                |                                 |                      |                    |
| Deferred charge on refunding                      | -                              | 1,131,149                       | 1,131,149            | 1,213,414          |
| Deferred outflows of resources related to pension | 14,405,109                     | 4,200,865                       | 18,605,974           | 24,165,406         |
| Deferred outflows of resources related to OPEB    | 357,284                        | 103,447                         | 460,731              | 316,737            |
| Total deferred outflows of resources              | <u>14,762,393</u>              | <u>5,435,461</u>                | <u>20,197,854</u>    | <u>25,695,557</u>  |

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>Governmental<br/>Activities</b> | <b>Business-Type<br/>Activities</b> | <b>Total<br/>2021</b> | <b>Total<br/>2020</b> |
|--|------------------------------------|-------------------------------------|-----------------------|-----------------------|
| <b>LIABILITIES</b>                                   |                                    |                                     |                       |                       |
| Current liabilities:                                 |                                    |                                     |                       |                       |
| Accounts payable                                     | \$ 5,029,308                       | \$ 1,694,120                        | \$ 6,723,428          | \$ 5,872,770          |
| Retainage payable                                    | 548,906                            | 577,429                             | 1,126,335             | 2,498,190             |
| Accrued salaries and benefits payable                | 1,217,801                          | 353,000                             | 1,570,801             | 1,357,137             |
| Insurance claims payable                             | 258,674                            | -                                   | 258,674               | 250,817               |
| Accrued interest payable                             | 588,487                            | 299,348                             | 887,835               | 674,667               |
| Unearned revenue - other                             | 393,125                            | 3,721,203                           | 4,114,328             | 186,362               |
| Special assessment debt with governmental commitment | 66,694                             | -                                   | 66,694                | 56,892                |
| Compensated absences current                         | 579,861                            | 148,383                             | 728,243               | 768,857               |
| Capital leases payable current                       | 209,086                            | 521,656                             | 730,742               | 914,403               |
| Capital financing program debt current               | 140,254                            | -                                   | 140,254               | 140,254               |
| All other debt current                               | 4,779,272                          | 4,564,259                           | 9,343,531             | 8,491,619             |
| Total current liabilities                            | <u>13,811,467</u>                  | <u>11,879,398</u>                   | <u>25,690,865</u>     | <u>21,211,968</u>     |
| Noncurrent liabilities:                              |                                    |                                     |                       |                       |
| Customer deposits                                    | 21,471                             | 226,946                             | 248,417               | 247,935               |
| Special assessment debt with governmental commitment | 326,085                            | -                                   | 326,085               | 343,728               |
| Compensated absences                                 | 1,076,882                          | 275,568                             | 1,352,449             | 1,427,877             |
| Capital leases payable                               | 304,555                            | 973,532                             | 1,278,087             | 1,280,113             |
| Capital financing program debt                       | 1,141,175                          | -                                   | 1,141,175             | 1,281,429             |
| All other debt                                       | 75,055,513                         | 48,864,478                          | 123,919,991           | 83,569,065            |
| Accrued MSWLF postclosure care costs                 | -                                  | 1,892,789                           | 1,892,789             | 1,615,010             |
| Net pension liability                                | 44,928,693                         | 12,707,798                          | 57,636,491            | 72,757,712            |
| Net OPEB liability                                   | -                                  | 8,376                               | 8,376                 | 131,323               |
| Total noncurrent liabilities                         | <u>122,854,374</u>                 | <u>64,949,486</u>                   | <u>187,803,860</u>    | <u>162,654,192</u>    |
| Total liabilities                                    | <u>136,665,841</u>                 | <u>76,828,884</u>                   | <u>213,494,725</u>    | <u>183,866,160</u>    |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                 |                                    |                                     |                       |                       |
| Deferred inflows of resources related to pension     | 18,925,066                         | 5,446,594                           | 24,371,660            | 14,429,576            |
| Deferred inflows of resources related to OPEB        | 386,293                            | 111,817                             | 498,110               | 183,349               |
| Total deferred inflows of resources                  | <u>19,311,359</u>                  | <u>5,558,411</u>                    | <u>24,869,770</u>     | <u>14,612,925</u>     |
| <b>NET POSITION</b>                                  |                                    |                                     |                       |                       |
| Net investment in capital assets                     | 328,538,231                        | 329,559,041                         | 658,097,272           | 634,442,590           |
| Restricted for:                                      |                                    |                                     |                       |                       |
| Capital leases                                       | 513,640                            | 1,495,188                           | 2,008,828             | 2,194,516             |
| Customer facility charges                            | -                                  | 1,617,460                           | 1,617,460             | 1,361,825             |
| Debt service   | 3,264,295                          | 6,602,150                           | 9,866,445             | 11,147,463            |
| Culture and recreation                               | 1,000                              | -                                   | 1,000                 | 195,712               |
| Public safety  | 45,218                             | -                                   | 45,218                | 13,251                |
| Unrestricted net position                            | 83,305,460                         | 39,386,777                          | 122,692,237           | 116,705,316           |
| Total net position                                   | <u>\$ 415,667,844</u>              | <u>\$ 378,660,616</u>               | <u>\$ 794,328,460</u> | <u>\$ 766,060,673</u> |

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



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**City of Minot, North Dakota**  
**Statement of Activities**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

| 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 2021  | Total 2020          |
|   |                       |                      |                                    |                                  |                         |                          |   |                     |
| <b>Governmental Activities</b>              |                       |                      |                                    |                                  |                         |                          |   |                     |
| General government                          | \$ 27,508,285         | \$ 5,747,074         | \$ 13,710,500                      | \$ 635,653                       | \$ (7,415,058)          | \$ -                     | \$ (7,415,058)                                    | \$ (34,131,846)     |
| Public safety                               | 29,806,546            | 828,812              | 640,329                            | 22,644,162                       | (5,693,243)             | -                        | (5,693,243)                                       | 13,271,759          |
| Highways and streets                        | 27,901,514            | 149,423              | -                                  | 7,235,067                        | (20,517,024)            | -                        | (20,517,024)                                      | (18,210,502)        |
| Culture and recreation                      | 4,289,502             | -                    | 2,745,802                          | 5,702                            | (1,537,998)             | -                        | (1,537,998)                                       | (1,580,289)         |
| Economic development                        | 1,750,090             | -                    | -                                  | -                                | (1,750,090)             | -                        | (1,750,090)                                       | (679,972)           |
| Interest on long-term debt                  | 1,398,143             | -                    | -                                  | -                                | (1,398,143)             | -                        | (1,398,143)                                       | (1,020,861)         |
| Total governmental activities               | 92,654,080            | 6,725,309            | 17,096,631                         | 30,520,584                       | (38,311,556)            | -                        | (38,311,556)                                      | (42,351,711)        |
| <b>Business-Type Activities</b>             |                       |                      |                                    |                                  |                         |                          |   |                     |
| Airport                                     | 9,911,353             | 3,912,852            | 1,108,584                          | 1,808,327                        | -                       | (3,081,590)              | (3,081,590)                                       | (667,522)           |
| Cemetery                                    | 480,888               | 352,482              | 80                                 | -                                | -                       | (128,326)                | (128,326)   | (150,787)           |
| Parking authority                           | 20,010                | 54,100               | -                                  | -                                | -                       | 34,090                   | 34,090  | 34,428              |
| Sanitation                                  | 5,621,689             | 6,334,884            | 2,360                              | -                                | -                       | 715,555                  | 715,555   | 581,707             |
| Water, sewer, & storm sewer                 | 33,793,602            | 23,042,969           | 1,614                              | 22,998,933                       | -                       | 12,249,914               | 12,249,914  | 4,506,629           |
| Parking ramps                               | 1,207,653             | 95,277               | -                                  | -                                | -                       | (1,112,376)              | (1,112,376)                                       | 16,188,926          |
| Total business-type activities              | 51,035,195            | 33,792,564           | 1,112,638                          | 24,807,260                       | -                       | 8,677,267                | 8,677,267   | 20,493,381          |
| <b>Total government</b>                     | <b>\$ 143,689,275</b> | <b>\$ 40,517,873</b> | <b>\$ 18,209,269</b>               | <b>\$ 55,327,844</b>             | <b>(38,311,556)</b>     | <b>8,677,267</b>         | <b>(29,634,289)</b>                               | <b>(21,858,330)</b> |
| <b>General Revenues</b>                     |                       |                      |                                    |                                  |                         |                          |   |                     |
| Taxes                                       |                       |                      |                                    |                                  |                         |                          |   |                     |
| Property taxes, levied for general purposes |                       |                      | 20,496,354                         |                                  | 859,533                 | 21,355,887               | 21,277,482  |                     |
| Property taxes, levied for debt service     |                       |                      | 2,833,567                          |                                  | 6,675                   | 2,840,242                | 3,373,306   |                     |
| Sales tax collections                       |                       |                      | 23,141,014                         |                                  | -                       | 23,141,014               | 20,655,109  |                     |
| Municipal highway tax                       |                       |                      | 2,312,339                          |                                  | -                       | 2,312,339                | 2,387,134   |                     |
| State aid distribution                      |                       |                      | 3,768,870                          |                                  | -                       | 3,768,870                | 3,460,199   |                     |
| Franchise taxes                             |                       |                      | 462,721                            |                                  | -                       | 462,721                  | 485,958   |                     |
| Other taxes                                 |                       |                      | 309,301                            |                                  | -                       | 309,301                  | 297,295   |                     |
| Investment earnings                         |                       |                      | 483,993                            |                                  | 13,719                  | 497,712                  | 1,994,701   |                     |
| Miscellaneous                               |                       |                      | 1,176,141                          |                                  | 2,037,849               | 3,213,990                | 1,052,805   |                     |
| Transfers                                   |                       |                      | (682,580)                          |                                  | 682,580                 | -                        | -   |                     |
| Total general revenues and transfers        |                       |                      | 54,301,720                         |                                  | 3,600,356               | 57,902,076               | 54,983,989  |                     |
| Change in net position                      |                       |                      | 15,990,164                         |                                  | 12,277,623              | 28,267,787               | 33,125,659  |                     |
| Net position - beginning                    |                       |                      | 399,677,680                        |                                  | 366,382,993             | 766,060,673              | 732,935,014                                       |                     |
| Net position - ending                       |                       |                      | \$415,667,844                      |                                  | \$378,660,616           | \$794,328,460            | \$766,060,673                                     |                     |

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

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | <b>Special<br/>Revenue Fund</b> |   |                              |                                 |                                   |
|---|---------------------------------|---|------------------------------|---------------------------------|-----------------------------------|
|   | <b>General<br/>Fund</b>         | <b>National<br/>Disaster<br/>Resilience<br/>\$74.3M</b> | <b>Debt<br/>Service Fund</b> | <b>Capital<br/>Project Fund</b> |                                   |
|   |                                 |   |                              | <b>Debt</b>                     | <b>Capital<br/>Infrastructure</b> |
| <b>ASSETS</b>   |                                 |   |                              |                                 |                                   |
| Cash and cash equivalents                               | \$ 16,783,418                   | \$ -  | \$ 4,329,807                 | \$ 20,284,072                   |                                   |
| Restricted cash and cash equivalents                    | 523,883                         | -   | 3,264,295                    | 34,975                          |                                   |
| Investments current                                     | 25,171,700                      | -   | -                            | -                               |                                   |
| Taxes receivable delinquent                             | 771,164                         | -   | 127,711                      | 6,650                           |                                   |
| Special assessments receivable delinquent               | 47,998                          | -   | 293,618                      | -                               |                                   |
| Due from other funds                                    | -                               | -   | -                            | 687,334                         |                                   |
| Accounts receivable                                     | 888,628                         | 1,927   | -                            | 1,284,309                       |                                   |
| Allowance for accounts receivable                       | (626,560)                       | -   | -                            | (1,284,309)                     |                                   |
| Intergovernmental receivable                            | 1,022,804                       | 1,297,563   | 4,025                        | 3,634,272                       |                                   |
| Loans receivable  | -                               | -   | -                            | -                               |                                   |
| Allowance for loans receivable                          | -                               | -   | -                            | -                               |                                   |
| Accrued interest receivable                             | 69,969                          | -   | -                            | -                               |                                   |
| Inventory   | 119,760                         | -   | -                            | -                               |                                   |
| Prepaid   | 286,329                         | 20,584  | -                            | -                               |                                   |
| Other assets - capital credits                          | 431,831                         | -   | -                            | -                               |                                   |
| Investments   | -                               | -   | -                            | -                               |                                   |
| Special assessments receivable uncertified              | 37,892                          | -   | 8,981,335                    | -                               |                                   |
| Total assets  | <u>\$ 45,528,816</u>            | <u>\$ 1,320,074</u>                                     | <u>\$ 17,000,791</u>         | <u>\$ 24,647,303</u>            |                                   |
| <b>LIABILITIES</b>                                      |                                 |   |                              |                                 |                                   |
| Accounts payable  | \$ 1,299,008                    | \$ 270,910  | \$ -                         | \$ 454,097                      |                                   |
| Retainage payable                                       | 110,692                         | -   | -                            | 112,164                         |                                   |
| Accrued salaries and benefits payable                   | 1,133,450                       | 11,626  | -                            | -                               |                                   |
| Due to other funds                                      | -                               | 687,334   | -                            | -                               |                                   |
| Customer deposits                                       | 21,471                          | -   | -                            | -                               |                                   |
| Unearned revenue - other                                | 77,874                          | 151,639   | -                            | 154,674                         |                                   |
| Total liabilities                                       | <u>2,642,495</u>                | <u>1,121,509</u>  | <u>-</u>                     | <u>720,935</u>                  |                                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                    |                                 |   |                              |                                 |                                   |
| Uncertified special assessments                         | 37,892                          | -   | 8,981,335                    | -                               |                                   |
| Unavailable revenue - property taxes                    | 641,742                         | -   | 106,119                      | 5,261                           |                                   |
| Unavailable revenue - special assessments               | 47,748                          | -   | 285,740                      | -                               |                                   |
| Deferred inflows of resources                           | <u>727,382</u>                  | <u>-</u>  | <u>9,373,194</u>             | <u>5,261</u>                    |                                   |
| <b>FUND BALANCES (DEFICITS)</b>                         |                                 |   |                              |                                 |                                   |
| Nonspendable  | 837,920                         | 20,584  | -                            | -                               |                                   |
| Restricted  | 523,883                         | -   | 3,264,295                    | 34,975                          |                                   |
| Committed   | 3,271,769                       | 177,981   | 3,456                        | 17,133,503                      |                                   |
| Assigned  | 7,348,859                       | -   | 4,359,846                    | 6,752,629                       |                                   |
| Unassigned  | 30,176,508                      | -   | -                            | -                               |                                   |
| Total fund balance                                      | <u>42,158,939</u>               | <u>198,565</u>  | <u>7,627,597</u>             | <u>23,921,107</u>               |                                   |
| Total liabilities, inflows and fund balances (deficits) | <u>\$ 45,528,816</u>            | <u>\$ 1,320,074</u>                                     | <u>\$ 17,000,791</u>         | <u>\$ 24,647,303</u>            |                                   |

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

---

|   | <u>Capital</u>       | <u>Total</u>         |                       | <u>Total</u>          |
|---|----------------------|----------------------|-----------------------|-----------------------|
|   | <u>Project Fund</u>  | <u>Other</u>         | <u>Governmental</u>   | <u>Governmental</u>   |
|   | <u>Capital</u>       | <u>Governmental</u>  | <u>Funds</u>          | <u>Funds</u>          |
|   | <u>Flood Control</u> | <u>Funds</u>         | <u>12/31/2021</u>     | <u>12/31/2020</u>     |
| <b>ASSETS</b>   |                      |                      |                       |                       |
| Cash and cash equivalents                               | \$ 43,148,668        | \$ 49,156,388        | \$ 133,702,353        | \$ 81,164,490         |
| Restricted cash and cash equivalents                    | -                    | 1,000                | 3,824,153             | 3,904,577             |
| Investments current                                     | -                    | 4,082,373            | 29,254,073            | 28,152,193            |
| Taxes receivable delinquent                             | 340                  | 97,209               | 1,003,074             | 1,302,197             |
| Special assessments receivable delinquent               | -                    | -                    | 341,616               | 452,057               |
| Due from other funds                                    | -                    | 144,017              | 831,351               | 585,578               |
| Accounts receivable                                     | -                    | 181,070              | 2,355,934             | 2,281,244             |
| Allowance for accounts receivable                       | -                    | (135,150)            | (2,046,019)           | (1,968,967)           |
| Intergovernmental receivable                            | 15,002               | 2,698,079            | 8,671,745             | 11,168,642            |
| Loans receivable  | -                    | 1,787,800            | 1,787,800             | 1,800,400             |
| Allowance for loans receivable                          | -                    | (357,560)            | (357,560)             | (360,080)             |
| Accrued interest receivable                             | -                    | -                    | 69,969                | 265,380               |
| Inventory   | -                    | -                    | 119,760               | 32,396                |
| Prepaid   | -                    | 64,576               | 371,489               | 294,440               |
| Other assets - capital credits                          | -                    | 34,054               | 465,885               | 440,323               |
| Investments   | -                    | 198,769              | 198,769               | 1,463,076             |
| Special assessments receivable uncertified              | -                    | -                    | 9,019,227             | 10,646,811            |
| Total assets  | <u>\$ 43,164,010</u> | <u>\$ 57,952,625</u> | <u>\$ 189,613,619</u> | <u>\$ 141,624,757</u> |
| <b>LIABILITIES</b>                                      |                      |                      |                       |                       |
| Accounts payable  | \$ 343,990           | \$ 2,442,690         | \$ 4,810,695          | \$ 3,962,429          |
| Retainage payable                                       | 157,973              | 168,077              | 548,906               | 824,778               |
| Accrued salaries and benefits payable                   | -                    | 72,725               | 1,217,801             | 1,033,057             |
| Due to other funds                                      | -                    | 144,017              | 831,351               | 585,578               |
| Customer deposits                                       | -                    | -                    | 21,471                | 26,955                |
| Unearned revenue - other                                | -                    | 8,938                | 393,125               | 184,846               |
| Total liabilities                                       | <u>501,963</u>       | <u>2,836,447</u>     | <u>7,823,349</u>      | <u>6,617,643</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                    |                      |                      |                       |                       |
| Uncertified special assessments                         | -                    | -                    | 9,019,227             | 10,646,811            |
| Unavailable revenue - property taxes                    | 333                  | 82,329               | 835,784               | 1,091,738             |
| Unavailable revenue - special assessments               | -                    | -                    | 333,488               | 451,914               |
| Deferred inflows of resources                           | <u>333</u>           | <u>82,329</u>        | <u>10,188,499</u>     | <u>12,190,463</u>     |
| <b>FUND BALANCES (DEFICITS)</b>                         |                      |                      |                       |                       |
| Nonspendable  | -                    | 98,609               | 957,113               | 767,135               |
| Restricted  | -                    | 1,000                | 3,824,153             | 3,925,051             |
| Committed   | 3,846,593            | 49,811,454           | 74,244,756            | 59,226,654            |
| Assigned  | 38,815,121           | 5,122,786            | 62,399,241            | 23,800,920            |
| Unassigned  | -                    | -                    | 30,176,508            | 35,096,891            |
| Total fund balance                                      | <u>42,661,714</u>    | <u>55,033,849</u>    | <u>171,601,771</u>    | <u>122,816,651</u>    |
| Total liabilities, inflows and fund balances (deficits) | <u>\$ 43,164,010</u> | <u>\$ 57,952,625</u> | <u>\$ 189,613,619</u> | <u>\$ 141,624,757</u> |

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



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**City of Minot, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Governmental Activities Statement of Net Position**  
**December 31, 2021**

---

|                                     |                |
|-------------------------------------|----------------|
| Fund balances of governmental funds | \$ 171,601,771 |
|-------------------------------------|----------------|

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

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

|   |                  |
|---|------------------|
| Land  | \$ 105,144,542   |
| Construction in process   | 11,419,466       |
| Infrastructure, net of accumulated depreciation (\$125,515,000) | 227,780,657      |
| Buildings, net of accumulated depreciation (\$10,655,486)       | 11,221,813       |
| Equipment, net of accumulated depreciation (\$18,642,208)       | 8,776,194        |
| Intangible assets, net of accumulated depreciation (\$0)        | 187,945          |
| Books, net of accumulated depreciation (\$1,724,597)            | <u>1,497,235</u> |
| Total capital assets (Note 4. E)                                | 366,027,852      |

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

|  |                |
|--|----------------|
| Net OPEB asset   | \$ 80,113      |
| Deferred inflows of resources                                  | (386,293)      |
| Deferred outflow of resources                                  | <u>357,284</u> |
| Total net OPEB liability and related deferred inflows/outflows | 51,104         |

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

|   |                     |
|---|---------------------|
| Net pension liability   | \$ (44,928,693)     |
| Deferred outflows of resources  | 14,405,109          |
| Deferred inflows of resources   | <u>(18,925,066)</u> |
| Total net pension liability and related deferred outflows and inflows | (49,448,650)        |

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

1,515,132

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

|   |            |
|---|------------|
| Deferred revenues taxes and special assessments | 10,188,499 |
| Total taxes and specials not available          |            |

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

(84,267,865)

|   |                       |
|---|-----------------------|
| Total net position of governmental activities | <u>\$ 415,667,844</u> |
|---|-----------------------|

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Special<br>Revenue Fund            |                   |                      |                         |                |
|--|------------------------------------|-------------------|----------------------|-------------------------|----------------|
|  | National<br>Disaster<br>Resilience |                   | Debt<br>Service Fund | Capital<br>Project Fund |                |
|  | General Fund                       | \$74.3M           | Debt                 | Capital                 | Infrastructure |
| <b>REVENUES</b>  |                                    |                   |                      |                         |                |
| Property tax collections                                     | \$ 18,517,939                      | \$ -              | \$ 2,833,567         | \$ 12,294               |                |
| Sales tax collections  | -                                  | -                 | -                    | -                       |                |
| Cable TV franchise fees                                      | 462,721                            | -                 | -                    | -                       |                |
| Licenses and permits   | 1,673,116                          | -                 | -                    | -                       |                |
| Intergovernmental  | 9,552,228                          | 10,123,293        | -                    | 14,850,634              |                |
| Charges for services   | 3,668,271                          | -                 | -                    | -                       |                |
| Fines and forfeitures  | 538,176                            | -                 | -                    | -                       |                |
| Special assessment collections                               | 59,359                             | -                 | 2,135,911            | -                       |                |
| Interest income  | 261,210                            | -                 | 105,057              | 26,831                  |                |
| Miscellaneous  | 718,092                            | 13,500            | 173,625              | 59,327                  |                |
| Total revenues   | <u>35,451,112</u>                  | <u>10,136,793</u> | <u>5,248,160</u>     | <u>14,949,086</u>       |                |
| <b>EXPENDITURES</b>  |                                    |                   |                      |                         |                |
| Current  |                                    |                   |                      |                         |                |
| General government   | 10,898,081                         | 10,154,677        | -                    | -                       |                |
| Public safety  | 20,433,564                         | -                 | -                    | -                       |                |
| Highways and streets   | 13,865,901                         | -                 | -                    | -                       |                |
| Culture and recreation                                       | -                                  | -                 | -                    | -                       |                |
| Economic development   | -                                  | -                 | -                    | -                       |                |
| Debt service   |                                    |                   |                      |                         |                |
| Principal retirement   | -                                  | -                 | 4,177,890            | -                       |                |
| Interest   | -                                  | -                 | 1,068,748            | -                       |                |
| Administrative charges                                       | -                                  | -                 | 6,740                | -                       |                |
| Capital outlay   |                                    |                   |                      |                         |                |
| General government   | -                                  | -                 | -                    | 3,186,274               |                |
| Public safety  | -                                  | -                 | -                    | 6,206,323               |                |
| Highways and streets   | -                                  | -                 | -                    | 1,764,479               |                |
| Culture and recreation                                       | -                                  | -                 | -                    | -                       |                |
| Total expenditures   | <u>45,197,546</u>                  | <u>10,154,677</u> | <u>5,253,378</u>     | <u>11,157,076</u>       |                |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>(9,746,434)</u>                 | <u>(17,884)</u>   | <u>(5,218)</u>       | <u>3,792,010</u>        |                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                                    |                   |                      |                         |                |
| Bonds issued   | 1,684,795                          | -                 | 2,107,403            | 956,342                 |                |
| Premium on bonds sold  | 343,998                            | -                 | -                    | 195,264                 |                |
| Capital leases issued  | -                                  | -                 | -                    | -                       |                |
| Sale of City property  | 17,177                             | -                 | -                    | -                       |                |
| Transfers in   | 8,122,491                          | -                 | -                    | 4,206,434               |                |
| Transfers out  | (5,236,788)                        | -                 | (15,059)             | (173,907)               |                |
| Total other financing sources (uses)                         | <u>4,931,673</u>                   | <u>-</u>          | <u>2,092,344</u>     | <u>5,184,133</u>        |                |
| Net change in fund balances                                  | <u>(4,814,761)</u>                 | <u>(17,884)</u>   | <u>2,087,126</u>     | <u>8,976,143</u>        |                |
| Fund balances (deficits) - beginning                         | <u>46,973,700</u>                  | <u>216,449</u>    | <u>5,540,471</u>     | <u>14,944,964</u>       |                |
| Fund balances (deficits) - ending                            | <u>\$ 42,158,939</u>               | <u>\$ 198,565</u> | <u>\$ 7,627,597</u>  | <u>\$ 23,921,107</u>    |                |

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Project Fund</b> | Capital              | Total          | Total             |
|--|---------------------|----------------------|----------------|-------------------|
|  |                     | Other                | Governmental   | Governmental      |
|  |                     | Capital              | Governmental   | Funds             |
|  |                     | <b>Flood Control</b> | <b>Funds</b>   | <b>12/31/2021</b> |
|  |                     |                      |                | <b>12/31/2020</b> |
| <b>REVENUES</b>  |                     |                      |                |                   |
| Property tax collections                                     | \$ 17,045           | \$ 1,949,076         | \$ 23,329,921  | \$ 23,136,677     |
| Sales tax collections  | -                   | 23,141,014           | 23,141,014     | 20,655,109        |
| Cable TV franchise fees                                      | -                   | -                    | 462,721        | 485,958           |
| Licenses and permits   | -                   | -                    | 1,673,116      | 901,383           |
| Intergovernmental  | 4,066               | 4,408,192            | 38,938,413     | 34,044,663        |
| Charges for services   | -                   | 36,415               | 3,704,686      | 4,165,353         |
| Fines and forfeitures  | -                   | -                    | 538,176        | 565,484           |
| Special assessment collections                               | -                   | -                    | 2,195,270      | 1,951,866         |
| Interest income  | 26,248              | 64,647               | 483,993        | 1,606,922         |
| Miscellaneous  | 20,135              | 191,462              | 1,176,141      | 836,109           |
| Total revenues   | 67,494              | 29,790,806           | 95,643,451     | 88,349,524        |
| <b>EXPENDITURES</b>  |                     |                      |                |                   |
| Current  |                     |                      |                |                   |
| General government   | -                   | 6,388,625            | 27,441,383     | 23,235,062        |
| Public safety  | -                   | 5,636,114            | 26,069,678     | 25,358,231        |
| Highways and streets   | -                   | -                    | 13,865,901     | 13,017,055        |
| Culture and recreation                                       | -                   | 4,278,713            | 4,278,713      | 2,012,406         |
| Economic development   | -                   | 1,750,090            | 1,750,090      | 679,973           |
| Debt service   |                     |                      |                |                   |
| Principal retirement   | -                   | -                    | 4,177,890      | 3,999,711         |
| Interest   | -                   | -                    | 1,068,748      | 998,971           |
| Administrative charges                                       | -                   | -                    | 6,740          | 408               |
| Capital outlay   |                     |                      |                |                   |
| General government   | -                   | 533,922              | 3,720,196      | 451,462           |
| Public safety  | 2,598,926           | 1,368,144            | 10,173,393     | 11,325,798        |
| Highways and streets   | -                   | 366,559              | 2,131,038      | 3,083,146         |
| Culture and recreation                                       | -                   | 181,547              | 181,547        | 178,407           |
| Total expenditures   | 2,598,926           | 20,503,714           | 94,865,317     | 84,340,630        |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,531,432)         | 9,287,092            | 778,134        | 4,008,894         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                      |                |                   |
| Bonds issued   | 40,482,223          | -                    | 45,230,763     | 8,946,680         |
| Premium on bonds sold  | 2,719,071           | -                    | 3,258,333      | 70,777            |
| Capital leases issued  | -                   | -                    | -              | 196,153           |
| Sale of City property  | -                   | 183,293              | 200,470        | 190,079           |
| Transfers in   | -                   | 3,175,752            | 15,504,677     | 18,663,791        |
| Transfers out  | (19)                | (10,761,484)         | (16,187,257)   | (21,889,891)      |
| Total other financing sources (uses)                         | 43,201,275          | (7,402,439)          | 48,006,986     | 6,177,589         |
| Net change in fund balances                                  | 40,669,843          | 1,884,653            | 48,785,120     | 10,186,483        |
| Fund balances (deficits) - beginning                         | 1,991,871           | 53,149,196           | 122,816,651    | 112,630,168       |
| Fund balances (deficits) - ending                            | \$ 42,661,714       | \$ 55,033,849        | \$ 171,601,771 | \$ 122,816,651    |

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



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**City of Minot, North Dakota**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Governmental Activities Statement of Activities**  
**For the Year Ended December 31, 2021**

---

|  |                      |
|--|----------------------|
| Net change in fund balances - total governmental funds   | \$ 48,785,120        |
| The change in net position reported for governmental activities in the statement of activities is different because:   |                      |
| Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B)  | 14,250,220           |
| Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund; however, in the statement of activities only the gain or loss on the transaction is reported. (Note 2. B)  | (559,999)            |
| Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position issuing debt increases long-term liabilities and does not affect the statement of activities; similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. (Note 4. I)  |                      |
| Debt issued  |                      |
| Bonds issued   | \$ (45,230,763)      |
| Premium on bonds sold  | (3,258,333)          |
| Repayments of bond principal   | 4,177,890            |
| Payment on capital lease   | 201,945              |
| Annual amortization of premiums and discounts  | 199,676              |
| Net adjustment   | <u>(43,909,585)</u>  |
| Net OPEB asset/liability and OPEB related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. The government-wide statement of net activities reports the change in net position related to OPEB.  | 48,906               |
| Net pension liability and pension related deferred outflows and inflows of resources are not due in the current period and therefore are not reported in the funds. The government-wide statement of net activities reports the change in net position related to pension.   | 22,181               |
| Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due.   |                      |
| Accrued interest payable   | (329,395)            |
| Compensated absences   | 100,041              |
| Change in revenue accruals. The purpose of this adjustment is to recognize the net change in unavailable revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed available to finance the expenditures of the current period. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts unavailable at the beginning of the year and increased by the amounts unavailable at the end of the year. This adjustment records a net decrease in revenues unavailable at the end of the year which were less than beginning revenues by this amount. |                      |
| New special assessment districts to be billed and collected annually   | \$ 48,066            |
| Special assessment write-offs, foreclosures, and interest  | 145,240              |
| Amount shown as revenue in governmental funds  | <u>(2,195,270)</u>   |
| Net change   | <u>(2,001,964)</u>   |
| Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The net revenue of internal service funds is reported with governmental activities.  | <u>(415,361)</u>     |
| Change in net position of governmental activities  | <u>\$ 15,990,164</u> |

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | <b>Budgeted Amounts</b> |                      | <b>12/31/2021</b>     | <b>Variance</b>          | <b>12/31/2020</b>     |
|---|-------------------------|----------------------|-----------------------|--------------------------|-----------------------|
|   | <b>Original</b>         | <b>Final Amended</b> | <b>Actual Amounts</b> | <b>With Final Budget</b> | <b>Actual Amounts</b> |
| <b>REVENUES</b>   |                         |                      |                       |                          |                       |
| Property tax collections                                  | \$ 19,793,770           | \$ 19,900,970        | \$ 18,517,939         | \$ (1,383,031)           | \$ 17,034,189         |
| Cable TV franchise fees                                   | 472,532                 | 472,532              | 462,721               | (9,811)                  | 485,958               |
| Licenses & permits  | 296,102                 | 707,826              | 1,673,116             | 965,290                  | 901,383               |
| Intergovernmental   | 6,767,799               | 7,965,364            | 9,552,228             | 1,586,864                | 16,204,061            |
| Charges for services                                      | 4,525,915               | 4,068,208            | 3,668,271             | (399,937)                | 4,088,450             |
| Fines and forfeitures                                     | 660,459                 | 660,459              | 538,176               | (122,283)                | 565,484               |
| Special assessment collections                            | 30,000                  | 128,550              | 59,359                | (69,191)                 | 54,372                |
| Interest income   | 422,474                 | 422,474              | 261,210               | (161,264)                | 1,013,242             |
| Miscellaneous income                                      | 175,463                 | 193,129              | 718,092               | 524,963                  | 496,382               |
| Total revenues  | 33,144,514              | 34,519,512           | 35,451,112            | 931,600                  | 40,843,521            |
| <b>EXPENDITURES</b>                                       |                         |                      |                       |                          |                       |
| General government  |                         |                      |                       |                          |                       |
| Mayor and city council                                    | \$ 1,087,675            | \$ 1,252,770         | \$ 1,231,846          | \$ 20,924                | \$ 155,402            |
| City manager  | 657,726                 | 657,726              | 593,665               | 64,061                   | 649,854               |
| Human resources   | 511,473                 | 511,789              | 485,007               | 26,782                   | 441,590               |
| City attorney   | 755,268                 | 943,620              | 869,988               | 73,632                   | 650,715               |
| Administrative and general                                | -                       | -                    | -                     | -                        | 2,686,261             |
| Finance   | 1,592,885               | 2,370,004            | 1,843,661             | 526,343                  | 1,917,284             |
| Information technology                                    | 1,188,278               | 1,281,818            | 1,094,134             | 187,684                  | 867,866               |
| Property assessment                                       | 731,865                 | 731,865              | 622,139               | 109,726                  | 704,887               |
| Municipal judge   | 574,847                 | 691,825              | 574,888               | 116,937                  | 598,458               |
| Community development                                     | 861,642                 | 951,042              | 653,444               | 297,598                  | 562,257               |
| Building inspection                                       | 1,091,299               | 1,107,172            | 962,189               | 144,983                  | 1,163,088             |
| Vehicle maintenance                                       | 981,889                 | 990,146              | 943,698               | 46,448                   | 827,767               |
| Property maintenance                                      | 986,700                 | 1,086,509            | 1,023,422             | 63,087                   | 910,084               |
| Total general government                                  | 11,021,547              | 12,576,286           | 10,898,081            | 1,678,205                | 12,135,513            |
| Public safety   |                         |                      |                       |                          |                       |
| Police grants   | -                       | 174,573              | 139,046               | 35,527                   | 80,953                |
| Police  | 10,183,876              | 10,259,264           | 9,719,875             | 539,389                  | 10,263,600            |
| Narcotics task force                                      | 125,476                 | 125,476              | 125,046               | 430                      | 85,024                |
| Telecommunications division                               | 1,335,941               | 1,329,374            | 1,257,946             | 71,428                   | 1,261,116             |
| Fire grants   | -                       | 267,683              | 129,672               | 138,011                  | 57,617                |
| Fire control  | 7,330,573               | 7,346,895            | 7,228,812             | 118,083                  | 7,381,918             |
| Traffic   | 1,709,432               | 1,873,324            | 1,833,167             | 40,157                   | 1,606,668             |
| Total public safety                                       | 20,685,298              | 21,376,589           | 20,433,564            | 943,025                  | 20,736,896            |
| Highways and streets                                      |                         |                      |                       |                          |                       |
| Engineering   | 1,451,799               | 5,580,717            | 2,561,128             | 3,019,589                | 1,784,328             |
| Street maintenance  | 10,507,688              | 12,370,137           | 11,304,773            | 1,065,364                | 11,232,727            |
| Total highways and streets                                | 11,959,487              | 17,950,854           | 13,865,901            | 4,084,953                | 13,017,055            |
| Total expenditures  | 43,666,332              | 51,903,729           | 45,197,546            | 6,706,183                | 45,889,464            |
| Excess (deficiency) of revenues over (under) expenditures | (10,521,818)            | (17,384,217)         | (9,746,434)           | 7,637,783                | (5,045,943)           |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                         |                      |                       |                          |                       |
| Bonds issued  | -                       | 2,128,361            | 1,684,795             | (443,566)                | -                     |
| Premium on bonds sold                                     | -                       | -                    | 343,998               | 343,998                  | -                     |
| Sale of City property                                     | -                       | -                    | 17,177                | 17,177                   | 24,442                |
| Transfers in  | 8,399,315               | 8,890,634            | 8,122,491             | (768,143)                | 12,233,693            |
| Transfers out   | (2,028,104)             | (6,003,515)          | (5,236,788)           | 766,727                  | (4,456,522)           |
| Total other financing sources (uses)                      | 6,371,212               | 5,015,480            | 4,931,673             | (83,807)                 | 7,801,613             |
| Net change in fund balance                                | \$ (4,150,606)          | \$ (12,368,737)      | (4,814,761)           | \$ 7,553,976             | 2,755,670             |
| Fund balances (deficits) - beginning                      |                         |                      | 46,973,700            |                          | 44,218,030            |
| Fund balances (deficits) - ending                         |                         |                      | \$ 42,158,939         |                          | \$ 46,973,700         |

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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**National Disaster Resilience \$74.3M**

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|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
|--|--|---------------------------------------|--|---|--|
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Intergovernmental  | \$ -                                     | \$ -                                  | \$ 10,123,293                            | \$ 10,123,293                             | \$ 5,854,922                             |
| Miscellaneous  | -  | -                                     | 13,500                                   | 13,500                                    | 12,000                                   |
| Total revenues   | -  | -                                     | 10,136,793                               | 10,136,793                                | 5,866,922                                |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| General government   | -  | 43,538,235                            | 10,154,677                               | 33,383,558                                | 5,861,744                                |
| Total expenditures   | -  | 43,538,235                            | 10,154,677                               | 33,383,558                                | 5,861,744                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | -  | (43,538,235)                          | (17,884)                                 | 43,520,351                                | 5,178                                    |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers in   | -  | -                                     | -  | -   | 2,600                                    |
| Total other financing sources (uses)                         | -  | -                                     | -  | -   | 2,600                                    |
| Net change in fund balance                                   | \$ -                                     | <u>\$(43,538,235)</u>                 | <u>(17,884)</u>                          | <u>\$ 43,520,351</u>                      | <u>7,778</u>                             |
| Fund balances (deficits) - beginning                         |  |                                       | 216,449                                  |   | 208,671                                  |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 198,565</u>                        |   | <u>\$ 216,449</u>                        |

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | <b>Business-Type Activities</b> |                   |  |                   |
|---|---------------------------------|-------------------|--|-------------------|
|   | <b>Enterprise Funds</b>         |                   |  |                   |
|   | <b>Airport</b>                  | <b>Sanitation</b> | <b>Water, Sewer, &amp; Storm Sewer</b> | <b>Nonmajor</b>   |
| <b>ASSETS</b>                                     |                                 |                   |  |                   |
| Current assets                                    |                                 |                   |  |                   |
| Cash and cash equivalents                         | \$ 4,765,983                    | \$ 5,758,339      | \$ 15,981,192                          | \$ 1,548,705      |
| Restricted cash and cash equivalents              | 1,652,496                       | 508,922           | 3,223,845                              | -                 |
| Investments current                               | -                               | -                 | 13,709,097                             | -                 |
| Taxes receivable delinquent                       | 30,493                          | -                 | 247                                    | 7,434             |
| Special assessment receivable delinquent          | -                               | -                 | 9,001                                  | -                 |
| Accounts receivable                               | 511,572                         | 556,654           | 3,161,934                              | 18,855            |
| Allowance for doubtful accounts                   | -                               | -                 | (920,150)                              | -                 |
| Intergovernmental receivable                      | 747,197                         | -                 | 10,772,953                             | 143               |
| Accrued interest receivable                       | -                               | -                 | 4,755                                  |                   |
| Inventory   | 3,534                           | -                 | 216,011                                | -                 |
| Prepaid   | 77,564                          | 74,292            | 67,639                                 | 138               |
| Total current assets                              | <u>7,788,839</u>                | <u>6,898,207</u>  | <u>46,226,524</u>                      | <u>1,575,275</u>  |
| Noncurrent assets                                 |                                 |                   |  |                   |
| Restricted cash and cash equivalents              | 2,529,194                       | 942,050           | 858,291                                | -                 |
| Other assets - capital credits                    | 39,645                          | 58,736            | 408,593                                | 10,299            |
| Net OPEB asset                                    | -                               | 1,098             | 30,416                                 | -                 |
| Special assessments receivable uncertified        | -                               | -                 | 1,528,713                              | -                 |
| Land  | 2,924,003                       | 4,380,906         | 2,026,395                              | 315,901           |
| Construction in progress                          | 531,300                         | 618,615           | 16,434,994                             | -                 |
| Infrastructure                                    | 72,145,098                      | 1,632,668         | 332,737,990                            | 22,478,549        |
| Buildings   | 52,931,831                      | 2,327,920         | 25,685,315                             | 158,502           |
| Equipment   | 11,723,517                      | 8,315,009         | 9,903,807                              | 990,462           |
| Intangible assets                                 | -                               | -                 | 75,700                                 | -                 |
| Less-accumulated depreciation                     | (50,006,436)                    | (6,544,625)       | (119,169,568)                          | (7,124,826)       |
| Total noncurrent assets                           | <u>92,818,152</u>               | <u>11,732,377</u> | <u>270,520,646</u>                     | <u>16,828,887</u> |
| Total assets                                      | <u>100,606,991</u>              | <u>18,630,584</u> | <u>316,747,170</u>                     | <u>18,404,162</u> |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                                 |                   |  |                   |
| Deferred charge on refunding                      | 1,131,149                       | -                 | -                                      | -                 |
| Deferred outflows of resources related to pension | 647,369                         | 1,160,174         | 2,225,058                              | 168,264           |
| Deferred outflows of resources related to OPEB    | 12,106                          | 27,206            | 60,725                                 | 3,410             |
| Total deferred outflows of resources              | <u>1,790,624</u>                | <u>1,187,380</u>  | <u>2,285,783</u>                       | <u>171,674</u>    |

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | <b>Governmental Activities</b>        |                                       |                             |                             |
|---|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
|   | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Internal<br/>Service<br/>Funds</b> | <b>Total<br/>12/31/2021</b> | <b>Total<br/>12/31/2020</b> |
| <b>ASSETS</b>                                     |                                       |                                       |                             |                             |
| Current assets                                    |                                       |                                       |                             |                             |
| Cash and cash equivalents                         | \$ 28,054,219                         | \$ 2,803,142                          | \$ 30,857,361               | \$ 24,237,067               |
| Restricted cash and cash equivalents              | 5,385,263                             | -                                     | 5,385,263                   | 6,285,917                   |
| Investments current                               | 13,709,097                            | -                                     | 13,709,097                  | 13,765,080                  |
| Taxes receivable delinquent                       | 38,174                                | -                                     | 38,174                      | 82,232                      |
| Special assessment receivable delinquent          | 9,001                                 | -                                     | 9,001                       | 7,308                       |
| Accounts receivable                               | 4,249,015                             | 33,572                                | 4,282,587                   | 3,995,293                   |
| Allowance for doubtful accounts                   | (920,150)                             | -                                     | (920,150)                   | (920,150)                   |
| Intergovernmental receivable                      | 11,520,293                            | -                                     | 11,520,293                  | 12,343,200                  |
| Accrued interest receivable                       | 4,755                                 | -                                     | 4,755                       | 15,526                      |
| Inventory   | 219,545                               | 377,015                               | 596,560                     | 452,924                     |
| Prepaid   | 219,633                               | -                                     | 219,633                     | 119,181                     |
| Total current assets                              | <u>62,488,845</u>                     | <u>3,213,729</u>                      | <u>65,702,574</u>           | <u>60,383,578</u>           |
| Noncurrent assets                                 |                                       |                                       |                             |                             |
| Restricted cash and cash equivalents              | 4,329,535                             | -                                     | 4,329,535                   | 4,701,800                   |
| Other assets - capital credits                    | 517,273                               | 2,232                                 | 519,505                     | 473,718                     |
| Net OPEB asset                                    | 31,514                                | -                                     | 31,514                      | -                           |
| Special assessments receivable uncertified        | 1,528,713                             | -                                     | 1,528,713                   | 619,990                     |
| Land  | 9,647,205                             | -                                     | 9,647,205                   | 9,647,078                   |
| Construction in progress                          | 17,584,909                            | -                                     | 17,584,909                  | 26,411,949                  |
| Infrastructure                                    | 428,994,305                           | -                                     | 428,994,305                 | 420,563,203                 |
| Buildings   | 81,103,568                            | -                                     | 81,103,568                  | 68,924,579                  |
| Equipment   | 30,932,795                            | -                                     | 30,932,795                  | 30,477,573                  |
| Intangible assets                                 | 75,700                                | -                                     | 75,700                      | 74,170                      |
| Less-accumulated depreciation                     | (182,845,455)                         | -                                     | (182,845,455)               | (176,810,245)               |
| Total noncurrent assets                           | <u>391,900,062</u>                    | <u>2,232</u>                          | <u>391,902,294</u>          | <u>385,083,815</u>          |
| Total assets                                      | <u>454,388,907</u>                    | <u>3,215,961</u>                      | <u>457,604,868</u>          | <u>445,467,393</u>          |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                                       |                                       |                             |                             |
| Deferred charge on refunding                      | 1,131,149                             | -                                     | 1,131,149                   | 1,213,414                   |
| Deferred outflows of resources related to pension | 4,200,865                             | -                                     | 4,200,865                   | 5,400,386                   |
| Deferred outflows of resources related to OPEB    | 103,447                               | -                                     | 103,447                     | 68,022                      |
| Total deferred outflows of resources              | <u>5,435,461</u>                      | <u>-</u>                              | <u>5,435,461</u>            | <u>6,681,822</u>            |

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>Business-Type Activities</b> |                      |  |                      |
|--|---------------------------------|----------------------|--|----------------------|
|  | <b>Enterprise Funds</b>         |                      |  |                      |
|  | <b>Airport</b>                  | <b>Sanitation</b>    | <b>Water, Sewer, &amp; Storm Sewer</b> | <b>Nonmajor</b>      |
| <b>LIABILITIES</b>                               |                                 |                      |  |                      |
| Current liabilities                              |                                 |                      |  |                      |
| Accounts payable                                 | \$ 307,558                      | \$ 161,480           | \$ 1,209,719                           | \$ 15,363            |
| Retainage payable                                | -                               | -                    | 577,429                                | -                    |
| Accrued salaries and benefits payable            | 69,944                          | 74,713               | 194,359                                | 13,984               |
| Accrued interest payable                         | 119,404                         | -                    | 179,944                                | -                    |
| Unearned revenue - other                         | 1,517                           | -                    | 3,719,686                              | -                    |
| Compensated absences                             | 22,303                          | 42,165               | 75,735                                 | 8,179                |
| Capital leases payable                           | -                               | 508,922              | 12,734                                 | -                    |
| Bonds payable (net of premium/discount)          | 1,533,092                       | -                    | 3,031,167                              | -                    |
| Total current liabilities                        | <u>2,053,818</u>                | <u>787,280</u>       | <u>9,000,773</u>                       | <u>37,526</u>        |
| Long-term liabilities                            |                                 |                      |  |                      |
| Customer deposits                                | 915                             | -                    | 226,031                                | -                    |
| Compensated absences                             | 41,420                          | 78,307               | 140,652                                | 15,189               |
| Capital leases payable                           | -                               | 942,050              | 31,482                                 | -                    |
| Accrued MSWLF closure and postclosure care costs | -                               | 1,892,789            | -                                      | -                    |
| Bonds payable (net of premium/discount)          | 22,851,316                      | -                    | 26,013,162                             | -                    |
| Net pension liability                            | 279,320                         | 3,298,787            | 8,931,472                              | 198,219              |
| Net OPEB liability                               | 6,156                           | -                    | -                                      | 2,220                |
| Total long-term liabilities                      | <u>23,179,127</u>               | <u>6,211,933</u>     | <u>35,342,799</u>                      | <u>215,628</u>       |
| Total liabilities                                | <u>25,232,945</u>               | <u>6,999,213</u>     | <u>44,343,572</u>                      | <u>253,154</u>       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>             |                                 |                      |  |                      |
| Deferred inflows of resources related to pension | 644,648                         | 1,510,035            | 3,105,190                              | 186,721              |
| Deferred inflows of resources related to OPEB    | 8,396                           | 26,767               | 74,545                                 | 2,109                |
| Total deferred inflows of resources              | <u>653,044</u>                  | <u>1,536,802</u>     | <u>3,179,735</u>                       | <u>188,830</u>       |
| <b>NET POSITION</b>                              |                                 |                      |  |                      |
| Net investment in capital assets                 | 65,796,079                      | 9,181,065            | 237,763,309                            | 16,818,588           |
| Restricted for:                                  |                                 |                      |  |                      |
| Capital leases                                   | -                               | 1,450,972            | 44,216                                 | -                    |
| Customer facility charges                        | 1,617,460                       | -                    | -                                      | -                    |
| Debt service                                     | 2,564,230                       | -                    | 4,037,920                              | -                    |
| Unrestricted net position                        | 6,533,857                       | 649,912              | 29,664,201                             | 1,315,264            |
| Total net position                               | <u>\$ 76,511,626</u>            | <u>\$ 11,281,949</u> | <u>\$ 271,509,646</u>                  | <u>\$ 18,133,852</u> |

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>Governmental Activities</b>        |                                       |                             |                             |
|--|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
|  | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Internal<br/>Service<br/>Funds</b> | <b>Total<br/>12/31/2021</b> | <b>Total<br/>12/31/2020</b> |
| <b>LIABILITIES</b>   |                                       |                                       |                             |                             |
| Current liabilities  |                                       |                                       |                             |                             |
| Accounts payable   | \$ 1,694,120                          | \$ 477,287                            | \$ 2,171,407                | \$ 2,161,159                |
| Retainage payable  | 577,429                               | -                                     | 577,429                     | 1,673,412                   |
| Accrued salaries and benefits payable  | 353,000                               | -                                     | 353,000                     | 324,079                     |
| Accrued interest payable   | 299,348                               | -                                     | 299,348                     | 415,575                     |
| Unearned revenue - other   | 3,721,203                             |                                       | 3,721,203                   | 1,517                       |
| Compensated absences   | 148,383                               | -                                     | 148,383                     | 153,982                     |
| Capital leases payable   | 521,656                               | -                                     | 521,656                     | 712,458                     |
| Bonds payable (net of premium/discount)  | 4,564,259                             | -                                     | 4,564,259                   | 4,367,885                   |
| Total current liabilities  | <u>11,879,398</u>                     | <u>477,287</u>                        | <u>12,356,685</u>           | <u>9,810,067</u>            |
| Long-term liabilities  |                                       |                                       |                             |                             |
| Customer deposits  | 226,946                               | -                                     | 226,946                     | 220,980                     |
| Compensated absences   | 275,568                               | -                                     | 275,568                     | 285,968                     |
| Capital leases payable   | 973,532                               | -                                     | 973,532                     | 766,473                     |
| Accrued MSWLF closure and postclosure care costs   | 1,892,789                             | -                                     | 1,892,789                   | 1,615,010                   |
| Bonds payable (net of premium/discount)  | 48,864,478                            | -                                     | 48,864,478                  | 52,117,638                  |
| Net pension liability  | 12,707,798                            | -                                     | 12,707,798                  | 15,536,205                  |
| Net OPEB liability   | 8,376                                 | -                                     | 8,376                       | 30,045                      |
| Total long-term liabilities  | <u>64,949,486</u>                     | <u>-</u>                              | <u>64,949,486</u>           | <u>70,572,319</u>           |
| Total liabilities  | <u>76,828,884</u>                     | <u>477,287</u>                        | <u>77,306,171</u>           | <u>80,382,386</u>           |
| <b>DEFERRED INFLOWS OF RESOURCES</b>   |                                       |                                       |                             |                             |
| Deferred inflows of resources related to pension   | 5,446,594                             | -                                     | 5,446,594                   | 3,415,232                   |
| Deferred inflows of resources related to OPEB  | 111,817                               | -                                     | 111,817                     | 38,110                      |
| Total deferred inflows of resources  | <u>5,558,411</u>                      | <u>-</u>                              | <u>5,558,411</u>            | <u>3,453,342</u>            |
| <b>NET POSITION</b>  |                                       |                                       |                             |                             |
| Net investment in capital assets   | 329,559,041                           | -                                     | 329,559,041                 | 320,279,420                 |
| Restricted for:  |                                       |                                       |                             |                             |
| Capital leases   | 1,495,188                             | -                                     | 1,495,188                   | 1,478,931                   |
| Customer facility charges  | 1,617,460                             | -                                     | 1,617,460                   | 1,361,825                   |
| Debt service   | 6,602,150                             | -                                     | 6,602,150                   | 8,146,961                   |
| Unrestricted net position  | <u>38,163,234</u>                     | <u>2,738,674</u>                      | <u>40,901,908</u>           | <u>37,046,350</u>           |
| Total net position   | <u>377,437,073</u>                    | <u>\$ 2,738,674</u>                   | <u>380,175,747</u>          | <u>368,313,487</u>          |
| Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included. | 1,223,543                             |                                       | 1,223,543                   | 1,038,509                   |
| Total net position   | <u>\$ 378,660,616</u>                 |                                       | <u>\$ 381,399,290</u>       | <u>\$ 369,351,996</u>       |

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Business-Type Activities</b><br><b>Enterprise Funds</b> |                            |                    |                 |
|--|--|----------------------------|--------------------|-----------------|
|  | <b>Airport</b>   | <b>Water, Sewer, &amp;</b> |                    |                 |
|  |  | <b>Sanitation</b>          | <b>Storm Sewer</b> | <b>Nonmajor</b> |
| <b>OPERATING REVENUES</b>                        |  |                            |                    |                 |
| Sales  | \$ -   | \$ -                       | \$ -               | \$ -            |
| Cost of goods sold                               | - -  | - -                        | - -                | - -             |
| Gross margin                                     | - -  | - -                        | - -                | - -             |
| Charges for services                             | 3,822,373  | \$ 6,371,229               | \$ 22,880,886      | 486,329         |
| Miscellaneous                                    | 7,955  | 8,500                      | 28,583             | 1,675           |
| Customer facility charge income                  | 252,698  | - -                        | - -                | - -             |
| Total operating revenues                         | 4,083,026  | 6,379,729                  | 22,909,469         | 488,004         |
| <b>OPERATING EXPENSES</b>                        |  |                            |                    |                 |
| Salaries   | 1,303,948  | 1,305,475                  | 3,246,020          | 258,858         |
| Employee benefits                                | 487,065  | 838,612                    | 3,429,904          | 96,522          |
| Insurance claims                                 | - -  | - -                        | - -                | - -             |
| Professional services                            | 533,585  | 49,123                     | 242,661            | 2,465           |
| Property services                                | 378,431  | 700,777                    | 4,815,972          | 20,036          |
| Purchased services                               | 101,140  | 109,854                    | 551,317            | 33,193          |
| Supplies   | 548,797  | 401,351                    | 3,555,009          | 69,049          |
| Sundry   | 324,986  | 617,345                    | 1,811,576          | 74,028          |
| MSWLF closure & postclosure care                 | - -  | 277,779                    | - -                | - -             |
| Depreciation                                     | 5,717,304  | 1,128,086                  | 15,507,128         | 1,152,969       |
| Total operating expenses                         | 9,395,256  | 5,428,402                  | 33,159,587         | 1,707,120       |
| Operating income (loss)                          | (5,312,230)  | 951,327                    | (10,250,118)       | (1,219,116)     |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>         |  |                            |                    |                 |
| Property tax collections                         | 727,041  | - -                        | 6,259              | 132,908         |
| Intergovernmental                                | 855,886  | 2,360                      | 1,614              | - -             |
| Special assessment collections                   | - -  | - -                        | 1,188,028          | - -             |
| Interest income                                  | 12,722   | 12,908                     | (14,938)           | 3,027           |
| Miscellaneous                                    | 606,268  | 506,457                    | 918,694            | 6,510           |
| Sale of City property                            | (8,085)  | (193,287)                  | 38,555             | - -             |
| Interest and fiscal charges                      | (516,097)  | - -                        | (672,570)          | (1,431)         |
| Total non-operating revenues (expenses)          | 1,677,735  | 328,438                    | 1,465,642          | 141,014         |
| Income (loss) before contributions and transfers | (3,634,495)  | 1,279,765                  | (8,784,476)        | (1,078,102)     |
| Capital contributions                            | 1,816,412  | - -                        | 21,810,905         | - -             |
| Transfers in                                     | 73,717   | 174,227                    | 1,137,307          | 34,476          |
| Transfers out                                    | - -  | (126,000)                  | (611,147)          | - -             |
| Total contributions and transfers                | 1,890,129  | 48,227                     | 22,337,065         | 34,476          |
| Change in net position                           | (1,744,366)  | 1,327,992                  | 13,552,589         | (1,043,626)     |
| Net position - beginning                         | 78,255,992   | 9,953,957                  | 257,957,057        | 19,177,478      |
| Net position - ending                            | \$ 76,511,626  | \$ 11,281,949              | \$ 271,509,646     | \$ 18,133,852   |

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | Total<br>Enterprise<br>Funds | Governmental<br>Activities   |              | Total<br>12/31/2021  | Total<br>12/31/2020  |
|--|------------------------------|------------------------------|--------------|----------------------|----------------------|
|  |                              | Internal<br>Service<br>Funds | Total        |                      |                      |
| <b>OPERATING REVENUES</b>  |                              |                              |              |                      |                      |
| Sales  | \$ -                         | \$ 1,117,573                 | \$ 1,117,573 | \$ 1,473,311         |                      |
| Cost of goods sold   | -                            | (1,116,240)                  | (1,116,240)  | (1,471,149)          |                      |
| Gross margin   | -                            | 1,333                        | 1,333        | 2,162                |                      |
| Charges for services   | 33,560,817                   | 5,100,799                    | 38,661,616   | 37,060,955           |                      |
| Miscellaneous  | 46,713                       | -                            | 46,713       | 46,346               |                      |
| Customer facility charge income  | 252,698                      | -                            | 252,698      | 203,719              |                      |
| Total operating revenues   | 33,860,228                   | 5,102,132                    | 38,962,360   | 37,313,182           |                      |
| <b>OPERATING EXPENSES</b>  |                              |                              |              |                      |                      |
| Salaries   | 6,114,301                    | -                            | 6,114,301    | 6,229,107            |                      |
| Employee benefits  | 4,852,103                    | -                            | 4,852,103    | 3,544,310            |                      |
| Insurance claims   | -                            | 5,487,181                    | 5,487,181    | 5,055,368            |                      |
| Professional services  | 827,834                      | -                            | 827,834      | 864,670              |                      |
| Property services  | 5,915,216                    | -                            | 5,915,216    | 5,597,556            |                      |
| Purchased services   | 795,504                      | -                            | 795,504      | 398,619              |                      |
| Supplies   | 4,574,206                    | -                            | 4,574,206    | 3,748,167            |                      |
| Sundry   | 2,827,935                    | -                            | 2,827,935    | 2,800,700            |                      |
| MSWLF closure & postclosure care   | 277,779                      | -                            | 277,779      | 100,630              |                      |
| Depreciation   | 23,505,487                   | -                            | 23,505,487   | 23,601,883           |                      |
| Total operating expenses   | 49,690,365                   | 5,487,181                    | 55,177,546   | 51,941,010           |                      |
| Operating income (loss)  | (15,830,137)                 | (385,049)                    | (16,215,186) | (14,627,828)         |                      |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>   |                              |                              |              |                      |                      |
| Property tax collections   | 866,208                      | -                            | 866,208      | 960,564              |                      |
| Intergovernmental  | 859,860                      | -                            | 859,860      | 1,513,897            |                      |
| Special assessment collections   | 1,188,028                    | -                            | 1,188,028    | 16,264               |                      |
| Interest income  | 13,719                       | 5,954                        | 19,673       | 409,028              |                      |
| Miscellaneous  | 2,037,929                    | 148,766                      | 2,186,695    | 260,842              |                      |
| Sale of City property  | (162,817)                    | -                            | (162,817)    | (1,527,079)          |                      |
| Interest and fiscal charges  | (1,190,098)                  | -                            | (1,190,098)  | (1,601,754)          |                      |
| Total non-operating revenues (expenses)  | 3,612,829                    | 154,720                      | 3,767,549    | 31,762               |                      |
| Income (loss) before contributions and transfers   | (12,217,308)                 | (230,329)                    | (12,447,637) | (14,596,066)         |                      |
| Capital contributions  | 23,627,317                   | -                            | 23,627,317   | 36,471,186           |                      |
| Transfers in   | 1,419,727                    | -                            | 1,419,727    | 4,084,946            |                      |
| Transfers out  | (737,147)                    | -                            | (737,147)    | (858,846)            |                      |
| Total contributions and transfers  | 24,309,897                   | -                            | 24,309,897   | 39,697,286           |                      |
| Change in net position   | 12,092,589                   | (230,329)                    |              |                      |                      |
| Net position - beginning   | 365,344,484                  | 2,969,003                    |              |                      |                      |
| Net position - ending  | <u>\$ 377,437,073</u>        | <u>\$ 2,738,674</u>          |              |                      |                      |
| Change in net position enterprise funds only   |                              |                              |              | 12,092,589           | 25,180,657           |
| Adjustment to reflect the consolidation of<br>internal service fund activities to enterprise funds |                              |                              |              | 185,034              | 137,008              |
| Change in net position of business-type activities   |                              |                              |              | <u>\$ 12,277,623</u> | <u>\$ 25,317,665</u> |

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

---

**CASH FLOWS FROM OPERATING ACTIVITIES**

Cash receipts from customers  
 Payments to suppliers  
 Payments to employees  
 Due from other agencies  
 Due to other agencies  
 Net cash provided (used) by operating activities

| <b>Business-Type Activities</b> |                   |  |                 |
|---------------------------------|-------------------|--|-----------------|
| <b>Enterprise Funds</b>         |                   |  |                 |
| <b>Airport</b>                  | <b>Sanitation</b> | <b>Water, Sewer, &amp; Storm Sewer</b> | <b>Nonmajor</b> |
| \$ 3,797,667                    | \$ 6,453,610      | \$ 25,425,053                          | \$ 485,195      |
| (2,043,151)                     | (1,796,498)       | (11,998,499)                           | (194,769)       |
| (2,410,164)                     | (2,311,132)       | (5,493,792)                            | (350,820)       |
| 845,854                         | -                 | -                                      | 735             |
| -                               | -                 | (23,682)                               | -               |
| <b>190,206</b>                  | <b>2,345,980</b>  | <b>7,909,080</b>                       | <b>(59,659)</b> |

**CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES**

Property taxes/intergovernmental  
 Transfers in  
 Transfers out  
 Internal activity - payments from other funds  
 Internal activity - payments to other funds  
 Net cash provided (used) by noncapital financing activities

|                  |                |                  |                |
|------------------|----------------|------------------|----------------|
| 2,204,457        | 508,817        | 926,542          | 168,239        |
| 73,717           | 174,227        | 1,137,307        | 34,476         |
| -                | (126,000)      | (611,147)        | -              |
| -                | -              | -                | -              |
| -                | -              | -                | -              |
| <b>2,278,174</b> | <b>557,044</b> | <b>1,452,702</b> | <b>202,715</b> |

**CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES**

Capital contributions  
 Special assessment collections  
 Acquisitions and construction of capital assets  
 Proceeds from the sale of capital assets  
 Principal paid on capital debt  
 Interest paid on capital debt  
 Proceeds from debt  
 Payments on capital leases  
 Net cash used by capital and related financing activities

|                    |                    |                    |                 |
|--------------------|--------------------|--------------------|-----------------|
| 1,816,412          | -                  | 780,411            | -               |
| -                  | -                  | 1,188,028          | -               |
| (1,698,242)        | (596,220)          | (5,797,935)        | (23,150)        |
| 27,480             | 22                 | 194,945            | -               |
| (1,493,092)        | -                  | (2,803,286)        | -               |
| (516,097)          | -                  | (672,570)          | -               |
| -                  | -                  | 1,239,592          | -               |
| -                  | (880,937)          | (52,237)           | -               |
| <b>(1,863,539)</b> | <b>(1,477,135)</b> | <b>(5,923,052)</b> | <b>(23,150)</b> |

**CASH FLOWS FROM INVESTING ACTIVITIES**

Interest and dividends  
 Net increase (decrease) in cash and cash equivalents  
 Cash and cash equivalent balances - beginning of year  
 Cash and cash equivalent balances - end of year

|                     |                     |                      |                     |
|---------------------|---------------------|----------------------|---------------------|
| 12,722              | 12,908              | (14,938)             | 1,596               |
| 617,563             | 1,438,797           | 3,423,792            | 121,502             |
| 8,330,110           | 5,770,514           | 30,348,633           | 1,427,203           |
| <b>\$ 8,947,673</b> | <b>\$ 7,209,311</b> | <b>\$ 33,772,425</b> | <b>\$ 1,548,705</b> |

Cash and cash equivalents are comprised of the following:

Cash and cash equivalents  
 Investments - certificate of deposits  
 Restricted cash and cash equivalents - current  
 Restricted cash and cash equivalents - noncurrent  
 Total cash and cash equivalents on the Statement of Net Position

|                     |                     |                      |                     |
|---------------------|---------------------|----------------------|---------------------|
| \$ 4,765,983        | \$ 5,758,339        | \$ 15,981,192        | \$ 1,548,705        |
| -                   | -                   | 13,709,097           | -                   |
| 1,652,496           | 508,922             | 3,223,845            | -                   |
| 2,529,194           | 942,050             | 858,291              | -                   |
| <b>\$ 8,947,673</b> | <b>\$ 7,209,311</b> | <b>\$ 33,772,425</b> | <b>\$ 1,548,705</b> |

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>Governmental Activities</b>        |                                       | <b>Total<br/>12/31/2021</b> | <b>Total<br/>12/31/2020</b> |
|--|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
|  | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Internal<br/>Service<br/>Funds</b> |                             |                             |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>                      |                                       |                                       |                             |                             |
| Cash receipts from customers                                     | \$ 36,161,525                         | \$ 6,159,947                          | \$ 42,321,472               | \$ 39,007,142               |
| Payments to suppliers  | (16,032,917)                          | (6,624,930)                           | (22,657,847)                | (20,090,318)                |
| Payments to employees  | (10,565,908)                          | -                                     | (10,565,908)                | (8,892,787)                 |
| Due from other agencies  | 846,589                               | -                                     | 846,589                     | 888                         |
| Due to other agencies  | (23,682)                              | -                                     | (23,682)                    | (1,018,898)                 |
| Net cash provided (used) by operating activities                 | <u>10,385,607</u>                     | <u>(464,983)</u>                      | <u>9,920,624</u>            | <u>9,006,027</u>            |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>           |                                       |                                       |                             |                             |
| Property taxes/intergovernmental                                 | 3,808,055                             | -                                     | 3,808,055                   | 2,757,433                   |
| Transfers in   | 1,419,727                             | -                                     | 1,419,727                   | 7,602,812                   |
| Transfers out  | (737,147)                             | -                                     | (737,147)                   | (4,376,711)                 |
| Internal activity - payments from other funds                    | -                                     | 148,766                               | 148,766                     | -                           |
| Internal activity - payments to other funds                      | -                                     | -                                     | -                           | (150,112)                   |
| Net cash provided (used) by noncapital financing activities      | <u>4,287,920</u>                      | <u>148,766</u>                        | <u>4,639,401</u>            | <u>5,833,422</u>            |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>  |                                       |                                       |                             |                             |
| Capital contributions  | 2,596,823                             | -                                     | 2,596,823                   | 25,190,184                  |
| Special assessment collections                                   | 1,188,028                             | -                                     | 1,188,028                   | 16,264                      |
| Acquisitions and construction of capital assets                  | (8,115,547)                           | -                                     | (8,115,547)                 | (41,351,000)                |
| Proceeds from the sale of capital assets                         | 222,447                               | -                                     | 222,447                     | 4,395,426                   |
| Principal paid on capital debt                                   | (4,296,378)                           | -                                     | (4,296,378)                 | (3,986,695)                 |
| Interest paid on capital debt                                    | (1,188,667)                           | -                                     | (1,188,667)                 | (1,635,096)                 |
| Proceeds from debt   | 1,239,592                             | -                                     | 1,239,592                   | 4,265,494                   |
| Payments on capital leases                                       | (933,174)                             | -                                     | (933,174)                   | (902,046)                   |
| Net cash used by capital and related financing activities        | <u>(9,263,726)</u>                    | <u>-</u>                              | <u>(9,286,876)</u>          | <u>(14,007,469)</u>         |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>                      |                                       |                                       |                             |                             |
| Interest and dividends   | 12,288                                | 5,954                                 | 18,242                      | 409,029                     |
| Net increase (decrease) in cash and cash equivalents             | 5,601,654                             | (310,263)                             | 5,291,391                   | 1,241,009                   |
| Cash and cash equivalent balances - beginning of year            | 45,876,460                            | 3,113,405                             | 48,989,865                  | 47,748,855                  |
| Cash and cash equivalent balances - end of year                  | <u>\$ 51,478,114</u>                  | <u>\$ 2,803,142</u>                   | <u>\$ 54,281,256</u>        | <u>\$ 48,989,864</u>        |
| Cash and cash equivalents are comprised of the following:        |                                       |                                       |                             |                             |
| Cash and cash equivalents  | \$ 28,054,219                         | \$ 2,803,142                          | \$ 30,857,361               | \$ 24,237,067               |
| Investments - certificate of deposits                            | 13,709,097                            | -                                     | 13,709,097                  | 13,765,080                  |
| Restricted cash and cash equivalents - current                   | 5,385,263                             | -                                     | 5,385,263                   | 6,285,917                   |
| Restricted cash and cash equivalents - noncurrent                | 4,329,535                             | -                                     | 4,329,535                   | 4,701,800                   |
| Total cash and cash equivalents on the Statement of Net Position | <u>\$ 51,478,114</u>                  | <u>\$ 2,803,142</u>                   | <u>\$ 54,281,256</u>        | <u>\$ 48,989,864</u>        |

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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**RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES**

|  | <b>Business-Type Activities<br/>Enterprise Funds</b> |   |                     |                    |
|--|--|---|---------------------|--------------------|
|  | <b>Airport</b>                                       | <b>Water, Sewer, &amp;<br/>Sanitation</b> | <b>Storm Sewer</b>  | <b>Nonmajor</b>    |
| Operating income (loss)  | \$ (5,312,230)                                       | \$ 951,327                                | \$ (10,250,118)     | \$ (1,219,116)     |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |  |   |                     |                    |
| Depreciation expense   | 5,717,304  | 1,128,086                                 | 15,507,128          | 1,152,969          |
| MSWLF closure and post closure care cost adjustment  | -  | 277,779                                   | -                   | -                  |
| Change in assets, deferred outflows, liabilities & deferred inflows:                                 |  |   |                     |                    |
| Customer receivables   | (224,184)  | 75,448                                    | (106,722)           | (1,187)            |
| Special assessment receivable  | -  | -   | (910,416)           | -                  |
| Intergovernmental receivables  | 845,854  | -   | (23,682)            | 735                |
| Interest receivable  | 6,733  | -   | 4,038               | -                  |
| Inventory  | (3,204)  | -   | (112,656)           | -                  |
| Prepays  | (60,644)   | 63  | (39,841)            | (30)               |
| Other assets   | (4,060)  | (1,630)                                   | (38,505)            | (1,592)            |
| Net OPEB asset   | -  | (1,098)                                   | (30,416)            | -                  |
| Deferred outflows of resources related to pension  | (188,099)  | 706,634                                   | 617,757             | 101,261            |
| Deferred outflows of resources related to OPEB   | (3,358)  | (1,250)                                   | (31,992)            | 1,564              |
| Accounts payable - supplier  | 168,355  | 81,952                                    | (222,552)           | 4,002              |
| Retainage payable  | (303,384)  | -   | (792,599)           | -                  |
| Salaries and benefits payable  | (10,045)   | 15,036                                    | 21,487              | 2,443              |
| Compensate absences  | (19,852)   | 6,529                                     | (3,225)             | 548                |
| Interest payable   | (103,448)  | -   | (12,779)            | -                  |
| Customer deposits  | -  | -   | 5,966               | -                  |
| Unearned revenue   | -  | -   | 3,719,686           | 63,229             |
| Net pension liability  | (836,074)  | (1,258,357)                               | (571,081)           | (162,895)          |
| Net OPEB liability   | (1,558)  | (16,269)                                  | (1,077)             | (2,765)            |
| Unavailable revenue - special assessments  | -  | -   | -                   | 1,175              |
| Deferred inflows of resources related to pension   | 433,703  | 366,235                                   | 1,130,163           | -                  |
| Deferred inflows of resources related to OPEB  | 6,132  | 15,495                                    | 50,516              | -                  |
| Net cash provided (used) by operating activities   | <b>\$ 190,206</b>                                    | <b>\$ 2,345,980</b>                       | <b>\$ 7,909,080</b> | <b>\$ (59,659)</b> |

**NONCASH CAPITAL ACTIVITY**

|  |          |            |            |      |
|--|----------|------------|------------|------|
| Borrowing under capital lease                                    | \$ -     | \$ 859,699 | \$ 89,732  | \$ - |
| Construction of capital assets from developers                   | -        | -          | 21,030,494 | -    |
| Transfer fully depreciated capital assets to (from) general fund | (27,480) | -          | (68,500)   | -    |

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>Governmental Activities</b>        |                                       |                             |                             |
|--|---------------------------------------|---------------------------------------|-----------------------------|-----------------------------|
|  | <b>Total<br/>Enterprise<br/>Funds</b> | <b>Internal<br/>Service<br/>Funds</b> | <b>Total<br/>12/31/2021</b> | <b>Total<br/>12/31/2020</b> |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                                       |                                       |                             |                             |
| Operating income (loss)  | \$ (15,830,137)                       | \$ (385,049)                          | \$ (16,215,186)             | \$ (14,512,315)             |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |                                       |                                       |                             |                             |
| Depreciation expense   | 23,505,487                            | -                                     | 23,505,487                  | 23,601,883                  |
| MSWLF closure and post closure care cost adjustment  | 277,779                               | -                                     | 277,779                     | 100,630                     |
| Change in assets, deferred outflows, liabilities & deferred inflows:                                 |                                       |                                       |                             |                             |
| Customer receivables   | (256,645)                             | (30,649)                              | (287,294)                   | 98,162                      |
| Special assessment receivable  | (910,416)                             | -                                     | (910,416)                   | 83,918                      |
| Intergovernmental receivables  | 822,907                               | -                                     | 822,907                     | (1,018,010)                 |
| Interest receivable  | 10,771                                | -                                     | 10,771                      | 70,859                      |
| Inventory  | (115,860)                             | (27,776)                              | (143,636)                   | (101,965)                   |
| Prepays  | (100,452)                             | -                                     | (100,452)                   | (18,697)                    |
| Other assets   | (45,787)                              | -                                     | (45,787)                    | (37,627)                    |
| Net OPEB asset   | (31,514)                              | -                                     | (31,514)                    | 2,911                       |
| Deferred outflows of resources related to pension  | 1,237,553                             | -                                     | 1,237,553                   | (2,091,570)                 |
| Deferred outflows of resources related to OPEB   | (35,036)                              | -                                     | (35,036)                    | (26,262)                    |
| Accounts payable - supplier  | 31,757                                | (21,509)                              | 10,248                      | (655,449)                   |
| Retainage payable  | (1,095,983)                           | -                                     | (1,095,983)                 | 512,268                     |
| Salaries and benefits payable  | 28,921                                | -                                     | 28,921                      | 83,768                      |
| Compensate absences  | (16,000)                              | -                                     | (16,000)                    | 60,249                      |
| Interest payable   | (116,227)                             | -                                     | (116,227)                   | 7,687                       |
| Customer deposits  | 5,966                                 | -                                     | 5,966                       | 7,510                       |
| Unearned revenue   | 3,782,915                             | -                                     | 3,782,915                   | 144                         |
| Net pension liability  | (2,828,407)                           | -                                     | (2,828,407)                 | 2,755,261                   |
| Net OPEB liability   | (21,669)                              | -                                     | (21,669)                    | 14,466                      |
| Unavailable revenue - special assessments  | 1,175                                 | -                                     | 1,175                       | -                           |
| Deferred inflows of resources related to pension   | 1,930,101                             | -                                     | 1,930,101                   | 66,563                      |
| Deferred inflows of resources related to OPEB  | 72,143                                | -                                     | 72,143                      | 1,643                       |
| Net cash provided (used) by operating activities   | <u>\$ 10,385,607</u>                  | <u>\$ (464,983)</u>                   | <u>\$ 9,920,624</u>         | <u>\$ 9,006,027</u>         |

**NONCASH CAPITAL ACTIVITY**

|  |            |      |            |              |
|--|------------|------|------------|--------------|
| Borrowing under capital lease                                    | \$ 949,431 | \$ - | \$ 949,431 | \$ 1,047,837 |
| Construction of capital assets from developers                   | 21,030,494 | -    | 21,030,494 | 11,281,002   |
| Transfer fully depreciated capital assets to (from) general fund | (95,980)   | -    | (95,980)   | 303,977      |

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

**City of Minot, North Dakota**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2021**

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|                              | <b>Pension &amp;<br/>OPEB</b> | <b>Trust<br/>Funds</b> | <b>Custodial<br/>Funds</b> |
|------------------------------|-------------------------------|------------------------|----------------------------|
| <b>ASSETS</b>                |                               |                        |                            |
| Cash and cash equivalents    | \$ 519,749                    | \$ 32,328              |                            |
| Investments                  | 97,939,619                    | -                      |                            |
| Accounts receivable          | 292                           | 10,179                 |                            |
| Intergovernmental receivable | -                             | 19,913                 |                            |
| Total assets                 | <u>98,459,660</u>             | <u>62,420</u>          |                            |
| <b>LIABILITIES</b>           |                               |                        |                            |
| Accounts payable             | 15,937                        | 62,420                 |                            |
| Total liabilities            | <u>15,937</u>                 | <u>62,420</u>          |                            |
| <b>NET POSITION</b>          |                               |                        |                            |
| Restricted for:              |                               |                        |                            |
| Pension benefits             | 97,327,530                    | -                      |                            |
| OPEB benefits                | 1,116,193                     | -                      |                            |
| Total net position           | <u>\$ 98,443,723</u>          | <u>\$ -</u>            |                            |

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

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Pension &amp;<br/>OPEB</b> | <b>Trust<br/>Funds</b> | <b>Custodial<br/>Funds</b> |
|--|-------------------------------|------------------------|----------------------------|
| <b>ADDITIONS</b>   |                               |                        |                            |
| Contributions:   |                               |                        |                            |
| Contributions employer                                   | \$ 5,844,388                  | \$ -                   | -                          |
| Contributions plan members                               | 2,082,611                     | -                      | -                          |
| Lodging taxes  | -                             | 730,209                | -                          |
| Car rental taxes   | -                             | 35,458                 | -                          |
| Intergovernmental  | -                             | 33,826                 | -                          |
| Total contributions                                      | <u>7,926,999</u>              | <u>799,493</u>         | -                          |
| Investment earnings:                                     |                               |                        |                            |
| Interest and dividends                                   | 3,275,578                     | -                      | -                          |
| Net increase (decrease) in the fair value of investments | <u>8,387,825</u>              | -                      | -                          |
| Total investment earnings                                | <u>11,663,403</u>             | -                      | -                          |
| Less investment expense                                  | 148,680                       | -                      | -                          |
| Net investment earnings                                  | <u>11,514,723</u>             | -                      | -                          |
| Total additions  | <u>19,441,722</u>             | <u>799,493</u>         | -                          |
| <b>DEDUCTIONS</b>  |                               |                        |                            |
| Benefits paid to plan member and beneficiaries           | 9,596,171                     | -                      | -                          |
| Refunds paid to plan member and beneficiaries            | 398,141                       | -                      | -                          |
| Retiree claims   | 129,279                       | -                      | -                          |
| Taxes distributed to Visit Minot/All Seasons Arena       | -                             | 710,637                | -                          |
| Third party premiums                                     | 123,028                       | -                      | -                          |
| Administrative expenses                                  | 159,619                       | 88,856                 | -                          |
| Total deductions   | <u>10,406,238</u>             | <u>799,493</u>         | -                          |
| Net increase (decrease) in fiduciary net position        | <u>9,035,484</u>              | -                      | -                          |
| Net position - beginning                                 | <u>89,408,239</u>             | -                      | -                          |
| Net position - ending                                    | <u>\$ 98,443,723</u>          | <u>\$ -</u>            | -                          |

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

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**NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

**A. BASIS OF PRESENTATION**

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard setting body for establishing GAAP for governmental accounting and financial reporting. With respect to both the government-wide and business-type fund financial statements, the City has adopted GASB statement No. 62 *"Codification of Accounting and Financial Reporting Guidance Contained in Pre-November 30, 1989 FASB and AICPA Pronouncements."*

Governments also have the option of following subsequent private-sector guidance for their business-type activities and business-type funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

**B. REPORTING ENTITY**

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

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

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

**Government-Wide Financial Statements**

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

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

significantly on fees and charges for support.

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

**Fund Financial Statements**

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

**D. FINANCIAL STATEMENT PRESENTATION**

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

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

The City reports the following major governmental funds:

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

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resources of the general government, except those required to be accounted for in another fund.

Revenue sources include property taxes, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include the functions of public safety and highways and streets.

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

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

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

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

The City reports the following major business-type funds:

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

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

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

are adequate.

Additionally, the government reports the following fund types:

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

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

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

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

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

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

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

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

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

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

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

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2020, from which the summarized information was derived.

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

**Cash**

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

Interest earnings are allocated to the funds based on an average balance in the cash account. Those funds with an average negative balance in the cash account are charged interest at the rate earned by the cash account.

**Investments**

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

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such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management.

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

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

### **Receivables and Payables**

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

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

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

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

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

### **Inventories and Prepaid Items**

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

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

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

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

### **Restricted Assets**

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

Certain proceeds of the City's airport and water, sewer and storm sewer business-type funds revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. A project is established within the fund into

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which the proceeds of the bonds are deposited. A debt service project is established within the fund to set aside the net revenues of the utility each month an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-twelfth of the principal to become due within the next twelve months.

### **Capital Assets**

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

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

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

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

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

### **Net Position/Fund Balance**

The difference between assets plus deferred outflows of resources and liabilities plus deferred inflows of resources is “net position” on the government-wide, business-type and fiduciary fund financial statements and “fund balance” on the governmental fund financial statements.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted,

committed, assigned or unassigned.

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

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

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

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

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

In the event the fund balance exceeds the minimum requirements equal to one month’s average expenditures for the budget year, the excess may be utilized for any lawful purpose approved by City Council. The first priority is to utilize the restricted before unrestricted fund balance when both are available. Committed funds will be considered spent first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used like assigned or unassigned. In order to minimize the long term effect

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of such use, the excess shall be appropriated to fund one time expenditures or expenses which do not result in recurring operating costs, or other onetime costs including the establishment of or increase in legitimate restriction or commitment of fund balance/retained earnings in other funds.

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

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

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

|  | Governmental Activities | Business-Type Activities |
|--|-------------------------|--------------------------|
| Capital assets net of accumulated depreciation                   | \$ 366,027,852          | \$ 385,493,027           |
| Outstanding principal of capital related debt                    |                         |                          |
| General obligation   | (10,495,000)            | -                        |
| Special assessment   | (13,461,137)            | (2,113,863)              |
| Excluding unspent proceeds                                       | 1,600,296               | 135,716                  |
| Sales tax  | (50,515,000)            | -                        |
| Excluding unspent proceeds                                       | 42,893,129              | (37,285,000)             |
| Revenue bonds  | -                       | (1,311,946)              |
| State revolving fund   | (1,311,946)             | (13,466,717)             |
| Capital leases   | (513,640)               | (1,495,188)              |
| Capital related liabilities (accounts payable)                   |                         |                          |
| Airport  | -                       | (68,826)                 |
| Sanitation   | -                       | (98,456)                 |
| Water, sewer & storm sewer                                       | -                       | (408,247)                |
| Capital infrastructure   | (454,097)               | -                        |
| Capital flood control  | (343,990)               | -                        |
| Nonmajor governmental funds                                      | (160,630)               | -                        |
| Capital related liabilities (retainage payable)                  |                         |                          |
| Water, sewer & storm sewer                                       | -                       | (570,249)                |
| Capital infrastructure   | (112,164)               | -                        |
| Capital flood control  | (157,973)               | -                        |
| Nonmajor governmental funds                                      | (12,986)                | -                        |
| Unamortized original issue premiums on outstanding capital debt  | (4,446,917)             | (773,746)                |
| Unamortized original issue discounts on outstanding capital debt | 2,434                   | 210,590                  |
| <b>Total net investment in capital assets</b>                    | <b>\$ 328,538,231</b>   | <b>\$ 329,559,041</b>    |

### Compensated Absences

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

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

### Self-Insurance

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

### Deferred Inflows of Resources

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

### Deferred Outflows of Resources

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

### Long-Term Obligations

In the government-wide financial statements, and business-type fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable

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

#### **Comparative Data/Reclassifications**

Comparative total data for the prior year have been presented in order to provide an understanding of the changes in financial position and operations of these funds. Also, certain amounts presented in the prior year date have been reclassified in order to be consistent with the current year's presentation.

#### **G. REVENUES**

##### **Grant Revenue**

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

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

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

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

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

**A.** The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$84,267,865) difference are as follows:

|  |                      |
|--|----------------------|
| Bonds payable  | \$ 80,197,049        |
| State revolving fund   | 1,311,946            |
| Accrued interest payable   | 588,487              |
| Capital leases payable   | 513,640              |
| Compensated absences   | <u>1,656,743</u>     |
| Net adjustment to reduce fund balance—total governmental funds to arrive at net position-governmental activities | <u>\$ 84,267,865</u> |

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

|   |                      |
|---|----------------------|
| Donated capital assets  | \$ 14,675,537        |
| Capital outlay  | 16,206,174           |
| Depreciation expenditure  | (16,631,491)         |
| Proceeds from sale of City property   | 200,470              |
| Gain/(loss) on sale of City property  | <u>(760,469)</u>     |
| Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds | <u>\$ 13,690,221</u> |

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

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

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

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The City incurred no material violations of finance-related legal and contractual provision.

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

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

The City incurred zero violations of excess of expenditures over appropriations.

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

The City had no net position or fund balance deficits as of December 31, 2021.

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

**A. DEPOSITS AND INVESTMENTS**

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

**Government and Business-Type Funds**

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

that, except under limited circumstances, all investments within the pooled cash portfolio will be held to maturity.

Allowable deposits and investments:

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

*Custodial credit risk:* This is the risk in the event of bank failure, the government's deposits may not be returned to it. Per the City's investment policy, custodial credit risk will be minimized by using the following techniques; limiting investments to the safest type of securities, pre-qualifying the financial institutions, broker/dealers, intermediaries and advisors with which the City will do business; and diversifying the investment portfolio so potential losses on individual securities will be minimized. As of December 31, 2021, the City's deposits were either fully insured or properly collateralized, were held in the City's name, and have no custodial credit risk.

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

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

As of December 31, 2021, the City has invested in cash and money markets \$178,098,665, \$22,056,660 of U.S. bonds, and certificates of deposit \$20,906,510, which

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have no credit ratings. The City also has NAWS investments valued at \$198,769. The fixed income securities are all government agency securities.

**NAWS Investments**

| Investment Type         | Fair Value          | Not-Rated         |
|-------------------------|---------------------|-------------------|
| Cash & money market     | \$ 5,749            | \$ 5,749          |
| Fixed income            |                     |                   |
| Government agencies     | 193,020             | 193,020           |
| Total fair value        | <u>\$ 198,769</u>   | <u>\$ 198,769</u> |
| <b>Maturity (Years)</b> | <b>Fixed Income</b> |                   |
| 5-10                    | \$ 31,880           |                   |
| >10                     | 161,140             |                   |
|                         | <u>\$ 193,020</u>   |                   |

**City of Minot Investments**

| Investment Type         | Fair Value           | Rated AA+            | Not-Rated           |
|-------------------------|----------------------|----------------------|---------------------|
| Cash & money market     | \$ 1,805,498         | \$ -                 | \$ 1,805,498        |
| Fixed income            |                      |                      |                     |
| Government agencies     | 20,251,162           | 19,752,549           | 498,613.00          |
| Total fair value        | <u>\$ 22,056,660</u> | <u>\$ 19,752,549</u> | <u>\$ 2,304,111</u> |
| <b>Maturity (Years)</b> | <b>Fixed Income</b>  |                      |                     |
| <1                      | \$ 241,390           |                      |                     |
| 1-3                     | 15,085,722           |                      |                     |
| >3-5                    | 4,924,050            |                      |                     |
|                         | <u>\$ 20,251,162</u> |                      |                     |

The City has the following recurring fair value measurements as of December 31, 2021:

NAWS government agencies of \$193,020 are valued using quoted market prices (Level 1 inputs)  
 City government agencies of \$20,251,162 are valued using quoted market prices (Level 1 inputs)

**B. INTERGOVERNMENTAL RECEIVABLES**

A total of \$20,192,038 is due from intergovernmental receivables. This includes \$2,420,729 due from the Federal government, \$863,193 from Housing and Urban Development; \$724,292 from the Federal Aviation Administration; \$550,379 from Department of Defense; \$184,106 from Federal Transit Administration grants; \$52,184 from Department of Homeland Security; \$42,255 from Federal Railroad Administration; \$3,663 from Department of Justice; \$474 from National Highway Traffic Safety Administration; and \$183 from Federal Communications Commission. It also includes \$17,365,102 from the State of North Dakota, \$14,487,173 from the State Water Commission for home acquisitions, NAWS, and flood control; \$1,788,104 for city sales tax; \$513,623 of oil & gas taxes; \$297,473 for State Aid Distribution; \$224,020 for Municipal Highway tax; \$22,215 from State Aeronautics; \$17,839 from Department of

Transportation; \$13,736 from Office of Attorney General; \$824 from Department of Emergency Services; and \$95 from Bureau of Criminal Investigation; and \$264,539 due from Ward County; and \$141,668 due from Minot Park District.

**C. RECEIVABLES**

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

|                                   |                     |
|-----------------------------------|---------------------|
| Due within one year               | \$ 787,800          |
| Due after one year                | 1,000,000           |
| Less: allowance for uncollectible | (357,560)           |
| Total loans receivable            | <u>\$ 1,430,240</u> |

The only receivables not expected to be collected within one year are \$9,850,056 of special assessments deferred and the loans receivables as noted above.

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

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

|   |                      |
|---|----------------------|
| Uncertified special assessments           | \$ 9,019,227         |
| Unavailable revenue - property taxes      | 835,784              |
| Unavailable revenue - special assessments | 333,488              |
| Total deferred inflows of resources       | <u>\$ 10,188,499</u> |

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

|                             | Specials         |                        |                     |                  | Accrued Interest Receivable | Specials             |                   |               | Less: Allow for Uncollectible |               | Total Net Receivables |
|-----------------------------|------------------|------------------------|---------------------|------------------|-----------------------------|----------------------|-------------------|---------------|-------------------------------|---------------|-----------------------|
|                             | Taxes Delinquent | Assessments Delinquent | Accounts Receivable | Loans Receivable |                             | Assessments Deferred | Gross Receivables | Uncollectible |                               |               |                       |
| General fund                | \$ 771,164       | \$ 47,998              | \$ 888,628          | \$ -             | \$ 1,022,804                | \$ 69,969            | \$ 37,892         | \$ 2,838,455  | \$ (626,560)                  | \$ 2,211,895  |                       |
| NDR \$74.3M                 | -                | -                      | 1,927               | -                | 1,297,563                   | -                    | -                 | 1,299,490     | -                             | 1,299,490     |                       |
| Debt                        | 127,711          | 293,618                | -                   | -                | 4,025                       | -                    | 8,981,335         | 9,406,689     | -                             | 9,406,689     |                       |
| Capital infrastructure      | 6,650            | -                      | 1,284,309           | -                | 3,634,272                   | -                    | -                 | 4,925,231     | (1,284,309)                   | 3,640,922     |                       |
| Capital flood control       | 340              | -                      | -                   | -                | 15,002                      | -                    | -                 | 15,342        | -                             | 15,342        |                       |
| Nonmajor governmental funds | 97,209           | -                      | 181,070             | 1,787,800        | 2,698,079                   | -                    | -                 | 4,764,158     | (492,710)                     | 4,271,448     |                       |
| Airport                     | 30,493           | -                      | 511,572             | -                | 747,197                     | -                    | -                 | 1,289,262     | -                             | 1,289,262     |                       |
| Sanitation                  | -                | -                      | 556,654             | -                | -                           | -                    | -                 | 556,654       | -                             | 556,654       |                       |
| Water, sewer & storm sewer  | 247              | 9,001                  | 3,161,934           | -                | 10,772,953                  | 4,755                | 1,528,713         | 15,477,603    | (920,150)                     | 14,557,453    |                       |
| Nonmajor enterprise funds   | 7,434            | -                      | 18,855              | -                | 143                         | -                    | -                 | 26,432        | -                             | 26,432        |                       |
| Internal service            | -                | -                      | 33,572              | -                | -                           | -                    | -                 | 33,572        | -                             | 33,572        |                       |
| Total net receivables       | \$ 1,041,248     | \$ 350,617             | \$ 6,638,521        | \$ 1,787,800     | \$ 20,192,038               | \$ 74,724            | \$ 10,547,940     | \$ 40,632,888 | \$ (3,323,729)                | \$ 37,309,159 |                       |

#### D. TAX ABATEMENTS

As of December 31, 2021, the County provides tax abatements/incentives through four programs, renaissance zone property tax exemptions for commercial buildings, renaissance zone property tax exemptions for residential buildings, exemption of improvements to commercial and residential buildings, and a new business exemption or payment in lieu of tax (PILOT) tax incentive.

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

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

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

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

The following is information relevant to the disclosure of these programs for the fiscal year ended December 31, 2021:

| Tax Abatement Programs                            | Amount of taxes abated during the 2021 fiscal year |
|---|--|
| Renaissance zone exemption - commercial buildings | \$ 18,358  |
|   | <u>\$ 18,358</u>                                   |

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**E. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2021 was as follows:

| <b>Governmental Activities</b>               | <b>Beginning</b> |                  |                  |                  | <b>Ending</b>   |
|--|------------------|------------------|------------------|------------------|-----------------|
|  | <b>Balance</b>   | <b>Additions</b> | <b>Deletions</b> | <b>Transfers</b> | <b>Balance</b>  |
|  | <b>1/1/2021</b>  |                  |                  |                  | <b>12/31/21</b> |
| Land   | \$ 99,346,130    | \$ 6,085,412     | \$ 287,000       | \$ -             | \$ 105,144,542  |
| Construction in progress                     | 12,928,046       | 16,206,174       | 17,714,754       | -                | 11,419,466      |
| Depreciable assets                           |                  |                  |                  |                  |                 |
| Infrastructure                               | 331,239,188      | 23,616,921       | 1,565,742        | 5,290            | 353,295,657     |
| Equipment                                    | 25,507,156       | 2,669,673        | 676,447          | (81,980)         | 27,418,402      |
| Intangible assets                            | 157,725          | 30,220           | -                | -                | 187,945         |
| Books  | 3,232,705        | 188,535          | 199,408          | -                | 3,221,832       |
| Totals at historical cost                    | 494,293,539      | 48,796,935       | 20,443,351       | (81,980)         | 522,565,143     |
| Accumulated depreciation                     |                  |                  |                  |                  |                 |
| Infrastructure                               | (112,241,566)    | (14,500,051)     | 1,231,907        | (5,290)          | (125,515,000)   |
| Buildings                                    | (10,153,927)     | (506,849)        | -                | 5,290            | (10,655,486)    |
| Equipment                                    | (17,711,537)     | (1,549,464)      | 536,813          | 81,980           | (18,642,208)    |
| Books  | (1,848,878)      | (75,127)         | 199,408          | -                | (1,724,597)     |
| Total accumulated depreciation               | (141,955,908)    | (16,631,491)     | 1,968,128        | 81,980           | (156,537,291)   |
| Governmental activities capital assets, net  | \$ 352,337,631   | \$ 32,165,444    | \$ 18,475,223    | \$ -             | \$ 366,027,852  |
| <b>Business-Type Activities</b>              | <b>Beginning</b> |                  |                  |                  | <b>Ending</b>   |
|  | <b>Balance</b>   | <b>Additions</b> | <b>Deletions</b> | <b>Transfers</b> | <b>Balance</b>  |
|  | <b>1/1/2021</b>  |                  |                  |                  | <b>12/31/21</b> |
| Land   | \$ 9,647,078     | \$ 127           | \$ -             | \$ -             | \$ 9,647,205    |
| Construction in progress                     | 26,411,949       | 29,965,551       | 38,792,591       | -                | 17,584,909      |
| Depreciable assets                           |                  |                  |                  |                  |                 |
| Infrastructure                               | 420,563,203      | 24,035,395       | 15,756,368       | 152,075          | 428,994,305     |
| Buildings                                    | 68,924,579       | 12,367,081       | 7,325            | (180,767)        | 81,103,568      |
| Equipment                                    | 30,477,573       | 2,422,398        | 2,077,848        | 110,672          | 30,932,795      |
| Intangible assets                            | 74,170           | 1,530            | -                | -                | 75,700          |
| Totals at historical cost                    | 556,098,552      | 68,792,082       | 56,634,132       | 81,980           | 568,338,482     |
| Accumulated depreciation                     |                  |                  |                  |                  |                 |
| Infrastructure                               | (140,225,583)    | (18,463,679)     | 15,742,380       | (152,075)        | (143,098,957)   |
| Buildings                                    | (17,296,056)     | (3,352,411)      | 1,683            | 180,767          | (20,466,017)    |
| Equipment                                    | (19,288,606)     | (1,689,397)      | 1,808,194        | (110,672)        | (19,280,481)    |
| Total accumulated depreciation               | (176,810,245)    | (23,505,487)     | 17,552,257       | (81,980)         | (182,845,455)   |
| Business-type activities capital assets, net | 379,288,307      | 45,286,595       | 39,081,875       | -                | 385,493,027     |
| Total capital assets, net                    | \$ 731,625,938   | \$ 77,452,039    | \$ 57,557,098    | \$ -             | \$ 751,520,879  |

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

**Governmental Activities**

|  |                      |
|--|----------------------|
| General government                                       | \$ 534,495           |
| Public safety  | 2,055,020            |
| Culture and recreation                                   | 258,851              |
| Highways and streets                                     | <u>13,783,125</u>    |
| Total depreciation expenditure - governmental activities | <u>\$ 16,631,491</u> |

**Business-Type Activities**

|   |                      |
|---|----------------------|
| Airport   | \$ 5,717,304         |
| Cemetery  | 38,710               |
| Parking authority                                     | 574                  |
| Sanitation  | 1,128,086            |
| Water, sewer & storm sewer                            | <u>15,507,128</u>    |
| Parking ramps   | <u>1,113,685</u>     |
| Total depreciation expense - business-type activities | <u>\$ 23,505,487</u> |

**F. COMMITMENTS**

Construction and other significant commitments as of December 31, 2021 were \$65,037,190.

**Commitments**

|                             | <b>Spent to Date</b> | <b>Remaining</b>     |
|-----------------------------|----------------------|----------------------|
| General fund                | \$ 6,882,115         | \$ 2,181,032         |
| NDR \$74.3M                 | 14,930,199           | 24,513,651           |
| Capital infrastructure      | 16,352,251           | 17,956,727           |
| Capital flood control       | 14,503,909           | 4,306,302            |
| Nonmajor governmental funds | 8,381,662            | 4,820,964            |
| Airport                     | 628,550              | 20,977               |
| Sanitation                  | 435,633              | 5,483,501            |
| Water, sewer & storm sewer  | <u>28,968,465</u>    | <u>5,754,035</u>     |
|                             | <u>\$ 91,082,785</u> | <u>\$ 65,037,190</u> |

The City is committed in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot, the estimated costs of the project remaining is \$124.0 million, with the City's cost share to be approximately \$18.0 million. The City's local share of expenditures to date is approximately \$67.2 million. This project will be funded with sales tax monies approved by the voters in March 1999.

Following is the breakdown of encumbrances by major fund as of December 31, 2021:

**Encumbrances**

|                             |                      |
|-----------------------------|----------------------|
| General fund                | \$ 3,404,036         |
| NDR \$74.3M                 | 33,517,291           |
| Debt                        | 3,456                |
| Capital infrastructure      | 17,141,004           |
| Capital flood control       | 3,846,593            |
| Nonmajor governmental funds | 10,684,203           |
| Airport                     | 79,070               |
| Sanitation                  | 5,525,919            |
| Water, sewer & storm sewer  | <u>3,266,304</u>     |
| Total encumbrances          | <u>\$ 77,467,876</u> |

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

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

The City had no interfund advance to and from balances as of December 31, 2021.

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

|                             | <b>National Disaster Resilience</b> | <b>Nonmajor Governmental Funds</b> | <b>Total Due From</b> |
|-----------------------------|-------------------------------------|------------------------------------|-----------------------|
| Capital infrastructure      | 687,334                             | -                                  | 687,334               |
| Nonmajor governmental funds | -                                   | 144,017                            | 144,017               |
| Total due to                | <u>687,334</u>                      | <u>144,017</u>                     | <u>831,351</u>        |

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

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

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*Transfers in and out.*

|                             | <b>Governmental Funds</b> |                               |  |                                   |                               |
|-----------------------------|---------------------------|-------------------------------|--|-----------------------------------|-------------------------------|
|                             | <b>General Fund</b>       | <b>Capital Infrastructure</b> | <b>Nonmajor Governmental Funds</b>     | <b>Governmental Transfers Out</b> | <b>Subtotal</b>               |
|                             |                           |                               |  |                                   |                               |
| General fund                | \$ -                      | \$ 4,206,434                  | \$ 1,012,848                           | \$ 5,219,282                      |                               |
| NDR \$74.3M                 | -                         | -                             | -                                      | -                                 |                               |
| Debt                        | 15,059                    | -                             | -                                      | 15,059                            |                               |
| Capital infrastructure      | -                         | -                             | 151,623                                | 151,623                           |                               |
| Capital flood control       | -                         | -                             | -                                      | -                                 |                               |
| Nonmajor governmental funds | 8,012,100                 | -                             | 1,543,693                              | 9,555,793                         |                               |
| Airport                     | -                         | -                             | -                                      | -                                 |                               |
| Sanitation                  | -                         | -                             | 126,000                                | 126,000                           |                               |
| Water, sewer, & storm sewer | 95,332                    | -                             | 341,588                                | 436,920                           |                               |
| Nonmajor enterprise funds   | -                         | -                             | -                                      | -                                 |                               |
| Total transfers in          | <u>\$ 8,122,491</u>       | <u>\$ 4,206,434</u>           | <u>\$ 3,175,752</u>                    | <u>\$ 15,504,677</u>              |                               |
| <b>Business-Type Funds</b>  |                           |                               |  |                                   |                               |
|                             | <b>Airport</b>            | <b>Sanitation</b>             | <b>Water, Sewer, &amp; Storm Sewer</b> | <b>Nonmajor Enterprise Funds</b>  | <b>Subtotal Business-Type</b> |
|                             |                           |                               |  |                                   | <b>Total Transfers Out</b>    |
| General fund                | \$ 15,280                 | \$ -                          | \$ -                                   | \$ 2,226                          | \$ 17,506                     |
| NDR \$74.3M                 | -                         | -                             | -                                      | -                                 | -                             |
| Debt                        | -                         | -                             | -                                      | -                                 | 15,059                        |
| Capital infrastructure      | -                         | -                             | 22,284                                 | -                                 | 22,284                        |
| Capital flood control       | -                         | -                             | 19                                     | -                                 | 19                            |
| Nonmajor governmental funds | 58,437                    | -                             | 1,115,004                              | 32,250                            | 1,205,691                     |
| Airport                     | -                         | -                             | -                                      | -                                 | -                             |
| Sanitation                  | -                         | -                             | -                                      | -                                 | 126,000                       |
| Water, sewer, & storm sewer | -                         | 174,227                       | -                                      | -                                 | 174,227                       |
| Nonmajor enterprise funds   | -                         | -                             | -                                      | -                                 | -                             |
| Total transfers in          | <u>\$ 73,717</u>          | <u>\$ 174,227</u>             | <u>\$ 1,137,307</u>                    | <u>\$ 34,476</u>                  | <u>\$ 1,419,727</u>           |
|                             |                           |                               |  |                                   | <u>\$ 16,924,404</u>          |

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**H. LEASES**

*Operating Leases.* The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. The City leases the sanitation trash cans for the automated collections as a noncancellable operating lease. Total costs for the lease was \$125,528 for the year ended December 31, 2021. The future minimum lease payments for these leases are as follows:

| <b>For the year ended December 31, 2021</b> | <b>Business-<br/>Type<br/>Activities</b> |
|---|--|
| 2022  | \$ 83,685                                |
| Total minimum lease payments                | <u>\$ 83,685</u>                         |

*Capital Leases.* The City has entered into three capital lease agreements as lessee for financing the acquisition of a scraper and crawler dozer for the landfill, as well as a backhoe for water distribution. The agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

|                                | <b>Business-<br/>Governmental<br/>Activities</b> |                     | <b>Business-<br/>Type<br/>Activities</b> |            |
|--------------------------------|--|---------------------|--|------------|
|                                | Activities                                       | Activities          | Activities                               | Activities |
| <b>Asset:</b>                  |  |                     |  |            |
| Equipment                      | \$ 1,211,030                                     | \$ 5,653,395        |  |            |
| Less: accumulated depreciation | <u>(232,288)</u>                                 | <u>(2,378,183)</u>  |  |            |
| Total                          | <u>\$ 978,742</u>                                | <u>\$ 3,275,212</u> |  |            |

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2021, were as follows:

| <b>For the year ending December 31, 2021</b> | <b>Business-<br/>Governmental<br/>Activities</b> |                     | <b>Business-<br/>Type<br/>Activities</b> |  |
|--|--|---------------------|--|--|
| 2022   | \$ 262,429                                       | \$ 582,054          |  |  |
| 2023   | 330,472  | 429,032             |  |  |
| 2024   | 34,152   | 427,864             |  |  |
| 2025   | 652  | 194,771             |  |  |
| Total minimum lease payments                 | 627,705  | 1,633,722           |  |  |
| Less: amount representing interest           | <u>(114,065)</u>                                 | <u>(138,534)</u>    |  |  |
| Present value of minimum lease payments      | <u>\$ 513,640</u>                                | <u>\$ 1,495,188</u> |  |  |

**I. LONG-TERM DEBT**

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

*General Obligation Bonds* are issued to provide funds for the acquisition and construction of major capital items. They are direct obligations and pledge the full

faith and credit of the City of Minot. These bonds are paid through the debt service fund by a tax levy and sales tax funds sufficient to meet the current year's principal and interest payments. The City did not issue any general obligation bonds in 2021. These bonds are generally issued as 10-15-year bonds and the outstanding bonds have interest rates ranging from 2.00% to 4.00%.

General obligation bonds currently outstanding are as follows:

| <b>Year</b> | <b>Original<br/>Amount<br/>Issued</b> | <b>Balance<br/>Outstanding<br/>12/31/2021</b> | <b>Interest<br/>Rate</b> |            | <b>Matures</b> |
|-------------|---------------------------------------|---|--------------------------|------------|----------------|
|             |                                       |   | Rate                     | Matures    |                |
| 2012        | \$ 2,900,000                          | \$ 335,000                                    | 2.00%                    | 10/01/2023 |                |
| 2013        | 6,815,000                             | 1,390,000                                     | 3.00%                    | 10/01/2023 |                |
| 2014        | 3,950,000                             | 1,285,000                                     | 3.00-4.00%               | 10/01/2024 |                |
| 2015        | 390,000                               | 170,000                                       | 3.00%                    | 10/01/2025 |                |
| 2016        | 10,110,000                            | 7,315,000                                     | 3.00-4.00%               | 10/01/2031 |                |
|             | <u>\$ 24,165,000</u>                  | <u>\$ 10,495,000</u>                          |                          |            |                |

*Special Assessment Bonds* are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. During the year, the City issued \$3,535,000 of refunding improvement bonds for improvements projects within paving and utility district #2021-1 and paving district #499 which are payable over 10 years. The City has \$15,575,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorum taxes. Interest rates on the outstanding bonds range from 1.45% to 5.00%.

Special assessment bonds currently outstanding are as follows:

| <b>Year</b> | <b>Original<br/>Amount<br/>Issued</b> | <b>Balance<br/>Outstanding<br/>12/31/2021</b> | <b>Interest<br/>Rate</b> |            | <b>Matures</b> |
|-------------|---------------------------------------|---|--------------------------|------------|----------------|
|             |                                       |   | Rate                     | Matures    |                |
| 2012        | \$ 1,885,000                          | \$ 395,000                                    | 1.45-1.60%               | 10/01/2023 |                |
| 2013        | 11,595,000                            | 6,445,000                                     | 3.00-4.00%               | 10/01/2033 |                |
| 2014        | 4,135,000                             | 1,975,000                                     | 3.00-3.375%              | 10/01/2034 |                |
| 2015        | 1,835,000                             | 1,380,000                                     | 2.00-3.25%               | 10/01/2035 |                |
| 2016        | 780,000                               | 625,000                                       | 3.00-3.25%               | 10/01/2036 |                |
| 2020        | 1,340,000                             | 1,220,000                                     | 2.00%                    | 10/01/2030 |                |
| 2021        | 3,535,000                             | 3,535,000                                     | 4.00-5.00%               | 10/01/2031 |                |
|             | <u>\$ 25,105,000</u>                  | <u>\$ 15,575,000</u>                          |                          |            |                |

*State Revolving Funds* are issued by the State of North Dakota's State Revolving Fund (SRF) to provide funds to finance political subdivisions authorized projects with below-market interest rates. The City used the \$380,354 issued in 2021 to finance the construction of the Broadway pump station. The debt will be paid using income from rates and/or sales tax revenues.

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The City has a line of credit of \$3,751,337 in SRF available as of December 31, 2021. At December 31, 2021, no amount had been drawn on the line of credit.

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

State revolving funds currently outstanding are as follows:

**Governmental Activities**

| Year | Original            | Balance             |            | Interest<br>Rate | Matures |
|------|---------------------|---------------------|------------|------------------|---------|
|      | Amount<br>Issued    | Outstanding         | 12/31/2021 |                  |         |
| 2018 | \$ 179,120          | \$ 41,519           | 1.50%      | 9/1/2040         |         |
| 2019 | 434,122             | 434,122             | 1.50%      | 9/1/2040         |         |
| 2020 | 801,680             | 801,680             | 1.50%      | 9/1/2040         |         |
| 2021 | 34,625              | 34,625              | 1.50%      | 9/1/2040         |         |
|      | <u>\$ 1,449,547</u> | <u>\$ 1,311,946</u> |            |                  |         |

**Business-Type Activities**

| Year | Original             | Balance              |            | Interest<br>Rate | Matures |
|------|----------------------|----------------------|------------|------------------|---------|
|      | Amount<br>Issued     | Outstanding          | 12/31/2021 |                  |         |
| 2018 | \$ 4,285,700         | \$ 2,995,184         | 1.50%      | 9/1/2038         |         |
| 2018 | 1,929,799            | 1,438,510            | 1.50%      | 9/1/2040         |         |
| 2019 | 1,300,461            | 1,300,461            | 1.50%      | 9/1/2038         |         |
| 2019 | 4,461,339            | 4,461,339            | 1.50%      | 9/1/2040         |         |
| 2020 | 847,245              | 847,245              | 1.50%      | 9/1/2038         |         |
| 2020 | 2,078,249            | 2,078,249            | 1.50%      | 9/1/2040         |         |
| 2021 | 345,729              | 345,729              | 1.50%      | 9/1/2040         |         |
|      | <u>\$ 15,248,522</u> | <u>\$ 13,466,717</u> |            |                  |         |

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

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

The City issued \$42,555,000 of sales tax revenue bonds for flood control projects being constructed within the Mouse River basin.

A bond reserve fund is required to be maintained and must be sustained at an amount equal to at least the lesser of the following; 1) the maximum annual debt service on the bond series; 2) 125% of the average

annual debt service on the bond; 3) or ten percent of the proceeds of the revenue bond. The City also accrues principal and interest quarterly and maintains the minimum reserve amount required for each bond series.

The following are outstanding revenue bonds:

**Airport**

| Year | Original             | Balance              |             | Interest<br>Rate | Matures |
|------|----------------------|----------------------|-------------|------------------|---------|
|      | Amount<br>Issued     | Outstanding          | 12/31/2021  |                  |         |
| 2015 | \$ 11,770,000        | \$ 8,855,000         | 2.25-3.625% | 10/01/2035       |         |
| 2020 | 16,750,000           | 15,740,000           | 1.00-1.70%  | 10/01/2035       |         |
|      | <u>\$ 28,520,000</u> | <u>\$ 24,595,000</u> |             |                  |         |

**Water and Sewer**

| Year | Original             | Balance              |            | Interest<br>Rate | Matures |
|------|----------------------|----------------------|------------|------------------|---------|
|      | Amount<br>Issued     | Outstanding          | 12/31/2021 |                  |         |
| 2012 | \$ 3,650,000         | \$ 535,000           | 2.00%      | 10/01/2023       |         |
| 2012 | 1,955,000            | 565,000              | 2.00%      | 10/01/2024       |         |
| 2013 | 5,220,000            | 2,755,000            | 3.00-4.00% | 10/01/2028       |         |
| 2014 | 4,200,000            | 2,440,000            | 2.25-3.10% | 10/01/2029       |         |
| 2015 | 6,860,000            | 2,935,000            | 3.00%      | 10/01/2025       |         |
| 2016 | 4,785,000            | 3,460,000            | 3.00-4.00% | 10/01/2031       |         |
|      | <u>\$ 26,670,000</u> | <u>\$ 12,690,000</u> |            |                  |         |

**Sales Tax**

| Year | Original             | Balance              |            | Interest<br>Rate | Matures |
|------|----------------------|----------------------|------------|------------------|---------|
|      | Amount<br>Issued     | Outstanding          | 12/31/2021 |                  |         |
| 2020 | \$ 8,145,000         | \$ 7,960,000         | 1.00-3.00% | 10/1/2050        |         |
| 2021 | 42,555,000           | 42,555,000           | 2.00-5.00% | 10/1/2051        |         |
|      | <u>\$ 50,700,000</u> | <u>\$ 50,515,000</u> |            |                  |         |

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

| Year | Original         | Balance      |            | Interest<br>Rate | Matures |
|------|------------------|--------------|------------|------------------|---------|
|      | Amount<br>Issued | Outstanding  | 12/31/2021 |                  |         |
| 2015 | \$ 1,945,000     | \$ 1,190,000 | 3.00-4.00% | 06/01/2029       |         |

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

| Governmental Activities       | General Obligation Bonds |                     |
|-------------------------------|--------------------------|---------------------|
|                               | Principal                | Interest            |
| 2022                          | \$ 1,920,000             | \$ 353,550          |
| 2023                          | 1,980,000                | 291,450             |
| 2024                          | 1,155,000                | 223,100             |
| 2025                          | 740,000                  | 177,350             |
| 2026                          | 720,000                  | 148,200             |
| 2027-2031                     | 3,980,000                | 365,400             |
| Total governmental activities | <u>\$ 10,495,000</u>     | <u>\$ 1,559,050</u> |

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| <b>Special Assessment Bonds</b>        |                      |                      | <b>Special Assessment Bonds</b> |                      |                     |
|--|----------------------|----------------------|---------------------------------|----------------------|---------------------|
| <b>Governmental Activities</b>         | <b>Principal</b>     | <b>Interest</b>      | <b>Business-Type Activities</b> | <b>Principal</b>     | <b>Interest</b>     |
| 2022                                   | \$ 1,689,199         | \$ 475,937           | 2022                            | \$ 195,801           | \$ 66,189           |
| 2023                                   | 1,750,406            | 415,067              | 2023                            | 199,594              | 59,918              |
| 2024                                   | 1,596,613            | 361,797              | 2024                            | 208,387              | 53,688              |
| 2025                                   | 822,820              | 309,904              | 2025                            | 217,180              | 47,169              |
| 2026                                   | 857,763              | 281,038              | 2026                            | 222,237              | 40,360              |
| 2027-2031                              | 4,764,336            | 905,597              | 2027-2031                       | 1,070,664            | 93,382              |
| 2032-2036                              | 1,980,000            | 140,908              |                                 |                      |                     |
| Total governmental activities          | <u>\$ 13,461,137</u> | <u>\$ 2,890,248</u>  |                                 | <u>\$ 2,113,863</u>  | <u>\$ 360,704</u>   |
| <b>Sales Tax Revenue Bonds</b>         |                      |                      | <b>State Revolving Fund</b>     |                      |                     |
| <b>Governmental Activities</b>         | <b>Principal</b>     | <b>Interest</b>      | <b>Business-Type Activities</b> | <b>Principal</b>     | <b>Interest</b>     |
| 2022                                   | \$ 985,000           | \$ 1,485,451         | 2022                            | \$ 639,878           | \$ 202,001          |
| 2023                                   | 1,035,000            | 1,432,904            | 2023                            | 650,313              | 192,403             |
| 2024                                   | 1,080,000            | 1,385,254            | 2024                            | 660,831              | 182,648             |
| 2025                                   | 1,135,000            | 1,335,454            | 2025                            | 676,432              | 172,735             |
| 2026                                   | 1,185,000            | 1,283,104            | 2026                            | 687,117              | 162,589             |
| 2027-2031                              | 6,780,000            | 5,572,669            | 2027-2031                       | 3,608,918            | 655,017             |
| 2032-2036                              | 7,960,000            | 4,384,539            | 2032-2036                       | 3,934,502            | 374,801             |
| 2037-2041                              | 9,085,000            | 3,260,846            | 2037-2039                       | 2,608,727            | 86,908              |
| 2042-2046                              | 10,130,000           | 2,219,788            | Total business-type activities  | <u>\$ 13,466,717</u> | <u>\$ 2,029,102</u> |
| 2047-2051                              | 9,085,000            | 851,763              |                                 |                      |                     |
| Total governmental activities          | <u>\$ 48,460,000</u> | <u>\$ 23,211,770</u> |                                 |                      |                     |
| <b>Capital Financing Program Bonds</b> |                      |                      |                                 |                      |                     |
| <b>Governmental Activities</b>         | <b>Principal</b>     | <b>Interest</b>      |                                 |                      |                     |
| 2022                                   | \$ 130,000           | \$ 41,600            |                                 |                      |                     |
| 2023                                   | 135,000              | 37,625               |                                 |                      |                     |
| 2024                                   | 140,000              | 33,500               |                                 |                      |                     |
| 2025                                   | 145,000              | 28,500               |                                 |                      |                     |
| 2026                                   | 150,000              | 22,600               |                                 |                      |                     |
| 2026-2029                              | 490,000              | 30,000               |                                 |                      |                     |
| Total governmental activities          | <u>\$ 1,190,000</u>  | <u>\$ 193,825</u>    |                                 |                      |                     |
| <b>State Revolving Fund</b>            |                      |                      |                                 |                      |                     |
| <b>Governmental Activities</b>         | <b>Principal</b>     | <b>Interest</b>      |                                 |                      |                     |
| 2022                                   | \$ 60,132            | \$ 19,679            |                                 |                      |                     |
| 2023                                   | 61,040               | 18,777               |                                 |                      |                     |
| 2024                                   | 61,962               | 17,862               |                                 |                      |                     |
| 2025                                   | 62,898               | 16,932               |                                 |                      |                     |
| 2026                                   | 63,848               | 15,989               |                                 |                      |                     |
| 2027-2031                              | 333,999              | 65,285               |                                 |                      |                     |
| 2032-2036                              | 359,996              | 39,467               |                                 |                      |                     |
| 2037-2040                              | 308,071              | 11,639               |                                 |                      |                     |
| Total governmental activities          | <u>\$ 1,311,946</u>  | <u>\$ 205,630</u>    |                                 |                      |                     |
| <b>Revenue Bonds</b>                   |                      |                      |                                 |                      |                     |
| <b>Business-Type Activities</b>        | <b>Principal</b>     | <b>Interest</b>      |                                 |                      |                     |
| 2022                                   | \$ 3,630,000         | \$ 866,619           |                                 |                      |                     |
| 2023                                   | 3,740,000            | 778,569              |                                 |                      |                     |
| 2024                                   | 3,545,000            | 694,699              |                                 |                      |                     |
| 2025                                   | 3,435,000            | 612,799              |                                 |                      |                     |
| 2026                                   | 2,725,000            | 528,149              |                                 |                      |                     |
| 2027-2031                              | 12,500,000           | 1,712,494            |                                 |                      |                     |
| 2032-2036                              | 7,710,000            | 466,470              |                                 |                      |                     |
| Total business-type activities         | <u>\$ 37,285,000</u> | <u>\$ 5,659,798</u>  |                                 |                      |                     |

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*Changes in Long Term Liabilities.*

OPEB and Net Pension Liability may be found in Note F. The following is a summary of the activity for long-term liabilities as of December 31, 2021:

| <b>Governmental Activities</b>                | <b>Beginning Balance</b> | <b>Additions</b>     | <b>Deletions</b>      | <b>Ending Balance</b> | <b>Due Within One Year</b> |
|---|--------------------------|----------------------|-----------------------|-----------------------|----------------------------|
| Bonds payable                                 |                          |                      |                       |                       |                            |
| General obligation                            | \$ 12,350,000            | \$ -                 | \$ (1,855,000)        | \$ 10,495,000         | \$ 1,920,000               |
| Bond premium, net                             | 184,299                  | -                    | (58,836)              | 125,463               | 58,837                     |
| Special assessment                            | 12,745,000               | 2,641,137            | (1,925,000)           | 13,461,137            | 1,689,199                  |
| Bond discount, net                            | (3,827)                  | -                    | (1,393)               | (2,434)               | (1,393)                    |
| Bond premium, net                             | 1,124,911                | 539,263              | (106,961)             | 1,557,213             | 106,961                    |
| Sales tax                                     | 8,145,000                | 42,555,000           | (185,000)             | 50,515,000            | 985,000                    |
| Bond premium, net                             | 70,187                   | 2,719,071            | (25,018)              | 2,764,240             | 25,018                     |
| Capital financing program bonds               | 1,320,000                | -                    | (130,000)             | 1,190,000             | 130,000                    |
| Bond premium, net                             | 101,683                  | -                    | (10,254)              | 91,429                | 10,254                     |
| Total bonds payable                           | 36,037,254               | 48,454,471           | (4,297,461)           | 80,197,049            | 4,923,876                  |
| State revolving fund                          | 1,360,211                | 34,625               | (82,890)              | 1,311,946             | 62,344                     |
| Capital leases                                | 439,432                  | -                    | (139,477)             | 299,955               | 144,353                    |
| Direct borrowings, capital leases             | 276,153                  | -                    | (62,468)              | 213,685               | 64,733                     |
| Compensated absences                          | 1,756,784                | 1,175,200            | (1,275,241)           | 1,656,743             | 579,861                    |
| Governmental activities long-term liabilities | <u>\$ 39,869,834</u>     | <u>\$ 49,664,296</u> | <u>\$ (5,857,538)</u> | <u>\$ 83,679,377</u>  | <u>\$ 5,775,167</u>        |

| <b>Business-Type Activities</b>                | <b>Beginning Balance</b> | <b>Additions</b>    | <b>Deletions</b>      | <b>Ending Balance</b> | <b>Due Within One Year</b> |
|--|--------------------------|---------------------|-----------------------|-----------------------|----------------------------|
| Revenue bonds                                  | \$ 40,810,000            | \$ -                | \$ (3,525,000)        | \$ 37,285,000         | \$ 3,630,000               |
| Bond discount, net                             | (232,499)                | -                   | (21,908)              | (210,590)             | (21,908)                   |
| Bond premium, net                              | 609,906                  | -                   | (94,890)              | 515,017               | 111,255                    |
| Special assessment                             | 1,340,000                | 893,863             | (120,000)             | 2,113,863             | 195,801                    |
| Bond premium, net                              | 90,017                   | 182,507             | (13,795)              | 258,730               | 9,233                      |
| State revolving fund                           | 13,868,098               | 345,729             | (747,110)             | 13,466,717            | 639,878                    |
| Capital leases                                 | 830,823                  | 909,367             | (408,387)             | 1,331,803             | 411,203                    |
| Direct borrowings, capital leases              | 648,108                  | -                   | (484,723)             | 163,385               | 110,453                    |
| Compensated absences                           | 439,950                  | 293,207             | (309,207)             | 423,950               | 148,383                    |
| MSWLF closure & postclosure costs              | 1,615,010                | 277,779             | -                     | 1,892,789             | -                          |
| Business-type activities long-term liabilities | <u>\$ 60,019,413</u>     | <u>\$ 2,902,453</u> | <u>\$ (5,725,020)</u> | <u>\$ 57,240,664</u>  | <u>\$ 5,234,298</u>        |

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

The City's debt limit is \$179,095,345 and the legal debt margin is \$167,173,637.

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**J. FUND BALANCE**

|                                | Major         |            | Major        |               | Major         |                | Major         |         | Other          | Governmental | Total      |  |  |  |
|--------------------------------|---------------|------------|--------------|---------------|---------------|----------------|---------------|---------|----------------|--------------|------------|--|--|--|
|                                | Special       |            | Debt         |               | Capital       |                | Capital       |         |                |              |            |  |  |  |
|                                | Revenue       | Fund       | National     | Service       | Project       | Project        | Fund          |         |                |              |            |  |  |  |
|                                | General       | Resilience |              |               | Capital       | Infrastructure | Capital       | Capital |                |              |            |  |  |  |
|                                | Fund          | \$74.3 M   |              | Debt          |               |                | Flood Control |         |                |              |            |  |  |  |
| Fund balances                  |               |            |              |               |               |                |               |         |                |              |            |  |  |  |
| Nonspendable                   |               |            |              |               |               |                |               |         |                |              |            |  |  |  |
| Inventory                      | \$ 119,760    | \$ -       | \$ -         | \$ -          | \$ -          | \$ -           | \$ -          | \$ -    | \$ -           | \$ 119,760   |            |  |  |  |
| Prepaid                        | 286,329       |            | 20,584       |               |               |                |               |         | 64,555         |              | 371,468    |  |  |  |
| Other assets - capital credits | 431,831       |            | -            |               |               |                |               |         | 34,054         |              | 465,885    |  |  |  |
|                                | 837,920       |            | 20,584       |               |               |                |               |         | 98,609         |              | 957,113    |  |  |  |
| Restricted                     |               |            |              |               |               |                |               |         |                |              |            |  |  |  |
| Capital leases                 | 513,640       |            | -            | -             | -             | -              | -             | -       | -              |              | 513,640    |  |  |  |
| Public safety                  | 10,243        |            | -            | -             | 34,975        |                | -             | -       | -              |              | 45,218     |  |  |  |
| Culture and recreation         | -             |            | -            | -             | -             |                | -             | -       | 1,000          |              | 1,000      |  |  |  |
| Debt service                   | -             |            | -            | 3,264,295     | -             |                | -             | -       | -              |              | 3,264,295  |  |  |  |
|                                | 523,883       |            | -            | 3,264,295     | 34,975        |                | -             | -       | 1,000          |              | 3,824,153  |  |  |  |
| Committed                      |               |            |              |               |               |                |               |         |                |              |            |  |  |  |
| General government             | 696,784       | 177,981    |              | -             | -             | -              | -             | -       | 3,630          |              | 878,395    |  |  |  |
| Public safety                  | 169,562       | -          | -            | 6,101,425     | 3,846,593     |                | 4,322,708     |         | 14,440,288     |              |            |  |  |  |
| Culture and recreation         | -             | -          | -            | -             | -             |                | 869,507       |         | 869,507        |              |            |  |  |  |
| Highways and streets           | 2,405,423     | -          | 3,456        | 11,032,078    | -             |                | 168,105       |         | 13,609,062     |              |            |  |  |  |
| Economic development           | -             | -          | -            | -             | -             |                | 10,041,177    |         | 10,041,177     |              |            |  |  |  |
| Emergency fund                 | -             | -          | -            | -             | -             |                | 1,707,669     |         | 1,707,669      |              |            |  |  |  |
| Sales tax property tax relief  | -             | -          | -            | -             | -             |                | 1,766,266     |         | 1,766,266      |              |            |  |  |  |
| Sales tax improvements         | -             | -          | -            | -             | -             |                | 6,143,696     |         | 6,143,696      |              |            |  |  |  |
| Sales tax NAWS                 | -             | -          | -            | -             | -             |                | 16,405,447    |         | 16,405,447     |              |            |  |  |  |
| Sales tax infrastructure       | -             | -          | -            | -             | -             |                | 8,383,249     |         | 8,383,249      |              |            |  |  |  |
|                                | 3,271,769     | 177,981    | 3,456        | 17,133,503    | 3,846,593     |                | 49,811,454    |         | 74,244,756     |              |            |  |  |  |
| Assigned                       |               |            |              |               |               |                |               |         |                |              |            |  |  |  |
| General government             | 1,892,000     | -          | -            | 6,752,629     | -             |                | 1,650,153     |         | 10,294,782     |              |            |  |  |  |
| Public safety                  | -             | -          | -            | -             | 38,815,121    |                | 3,275,070     |         | 42,090,191     |              |            |  |  |  |
| Culture and recreation         | -             | -          | -            | -             | -             |                | 197,563       |         | 197,563        |              |            |  |  |  |
| Debt service                   | -             | -          | 4,359,846    | -             | -             |                | -             | -       | 4,359,846      |              |            |  |  |  |
| Highways and streets           | 5,456,859     | -          | -            | -             | -             |                | -             | -       | 5,456,859      |              |            |  |  |  |
|                                | 7,348,859     | -          | 4,359,846    | 6,752,629     | 38,815,121    |                | 5,122,786     |         | 62,399,241     |              |            |  |  |  |
| Unassigned                     | 30,176,508    | -          | -            | -             | -             |                | -             | -       | -              |              | 30,176,508 |  |  |  |
| Total fund balance             | \$ 42,158,939 | \$ 198,565 | \$ 7,627,597 | \$ 23,921,107 | \$ 42,661,714 |                | \$ 55,033,849 |         | \$ 171,601,771 |              |            |  |  |  |

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**NOTE 5-OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDIRF. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability and errors and omissions, and \$1,000,000 for auto liability. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance, and airport liability insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

**Employee Health Benefits**

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$50,000 per year per employee with no lifetime maximum except for specific covered services as outlined in the summary plan description. The City's insurer pays all aggregate claims in excess of \$5,609,267.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$276,121. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end. A summary of the claim liabilities and related claim payments are shown below:

| Beginning<br>Claim<br>Liability | Current<br>Year Claims                  |   |                       | Ending<br>Claim<br>Liability |
|---------------------------------|---|---|-----------------------|------------------------------|
|                                 | Incurred and<br>Changes in<br>Estimates | Payments<br>on Claims                   | Payments<br>on Claims |                              |
|                                 | Beginning<br>Claim<br>Liability         | Incurred and<br>Changes in<br>Estimates | Payments<br>on Claims |                              |
| 2019 \$ 170,443                 | \$ 2,672,066                            | \$ 2,665,799                            | \$ 176,710            |                              |
| 2020 176,710                    | 3,226,227                               | 3,106,294                               | 296,643               |                              |
| 2021 296,643                    | 3,427,408                               | 3,447,930                               | 276,121               |                              |

**B. TERMINATION BENEFITS**

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

As of December 31, 2021, the City had six COBRA participants for health. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is immaterial. The City expects to have former employees on COBRA on an ongoing basis.

**C. CONTINGENT LIABILITIES**

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

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**City of Minot, North Dakota**  
**Combining Statement of Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|                           | <b>City<br/>Pension<br/>Trust</b> | <b>City<br/>OPEB<br/>Trust</b> | <b>Total<br/>Pension<br/>Funds</b> | <b>Total<br/>Trust<br/>Funds</b> |
|---------------------------|-----------------------------------|--------------------------------|------------------------------------|----------------------------------|
|                           |                                   |                                | <b>12/31/2021</b>                  | <b>12/31/2020</b>                |
| <b>ASSETS</b>             |                                   |                                |                                    |                                  |
| Cash and cash equivalents | \$ 518,316                        | \$ 1,433                       | \$ 519,749                         | \$ 535,403                       |
| Investments               | 96,809,214                        | 1,130,405                      | 97,939,619                         | 88,926,276                       |
| Accounts receivable       | -                                 | 292                            | 292                                | 1,962                            |
| Total assets              | <u>97,327,530</u>                 | <u>1,132,130</u>               | <u>98,459,660</u>                  | <u>89,463,641</u>                |
| <b>LIABILITIES</b>        |                                   |                                |                                    |                                  |
| Accounts payable          | -                                 | 15,937                         | 15,937                             | 55,402                           |
| Total liabilities         | <u>-</u>                          | <u>15,937</u>                  | <u>15,937</u>                      | <u>55,402</u>                    |
| <b>NET POSITION</b>       |                                   |                                |                                    |                                  |
| Restricted for:           |                                   |                                |                                    |                                  |
| Pension benefits          | 97,327,530                        | -                              | 97,327,530                         | 88,421,158                       |
| OPEB benefits             | -                                 | 1,116,193                      | 1,116,193                          | 987,081                          |
| Total net position        | <u>\$ 97,327,530</u>              | <u>\$ 1,116,193</u>            | <u>\$ 98,443,723</u>               | <u>\$ 89,408,239</u>             |

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**City of Minot, North Dakota**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Pension (and Other Employee Benefit) Trust Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | <b>City<br/>Pension<br/>Trust</b> | <b>City<br/>OPEB<br/>Trust</b> | <b>Total<br/>Pension<br/>Funds<br/>12/31/2021</b> | <b>Total<br/>Pension<br/>Funds<br/>12/31/2020</b> |
|--|-----------------------------------|--------------------------------|---|---|
| <b>ADDITIONS</b>   |                                   |                                |   |   |
| Contributions:   |                                   |                                |   |   |
| Contributions employer                                   | \$ 5,779,045                      | \$ 65,343                      | \$ 5,844,388                                      | \$ 5,942,049                                      |
| Contributions plan members                               | 1,850,074                         | 232,537                        | 2,082,611   | 2,256,107   |
| Total contributions                                      | <u>7,629,119</u>                  | <u>297,880</u>                 | <u>7,926,999</u>                                  | <u>8,198,156</u>                                  |
| Investment earnings:                                     |                                   |                                |   |   |
| Interest and dividends                                   | 3,241,265                         | 34,313                         | 3,275,578   | 1,862,445   |
| Net increase (decrease) in the fair value of investments | 8,323,682                         | 64,143                         | 8,387,825   | 9,585,246   |
| Total investment earnings                                | <u>11,564,947</u>                 | <u>98,456</u>                  | <u>11,663,403</u>                                 | <u>11,447,691</u>                                 |
| Less investment expense                                  | 146,963                           | 1,717                          | 148,680   | 137,998   |
| Net investment earnings                                  | <u>11,417,984</u>                 | <u>96,739</u>                  | <u>11,514,723</u>                                 | <u>11,309,693</u>                                 |
| Total additions  | <u>19,047,103</u>                 | <u>394,619</u>                 | <u>19,441,722</u>                                 | <u>19,507,849</u>                                 |
| <b>DEDUCTIONS</b>  |                                   |                                |   |   |
| Benefits paid to plan member and beneficiaries           | 9,596,171                         | -                              | 9,596,171   | 9,130,606   |
| Refunds paid to plan member and beneficiaries            | 398,141                           | -                              | 398,141   | 472,740   |
| Retiree claims   | -                                 | 129,279                        | 129,279   | 213,120   |
| Third party premiums                                     | -                                 | 123,028                        | 123,028   | 128,785   |
| Administrative expenses                                  | 146,419                           | 13,200                         | 159,619   | 159,256   |
| Total deductions   | <u>10,140,731</u>                 | <u>265,507</u>                 | <u>10,406,238</u>                                 | <u>10,104,507</u>                                 |
| Change in net position                                   | 8,906,372                         | 129,112                        | 9,035,484   | 9,403,342   |
| Net position - beginning                                 | 88,421,158                        | 987,081                        | 89,408,239  | 80,004,897  |
| Net position - ending                                    | <u>\$ 97,327,530</u>              | <u>\$ 1,116,193</u>            | <u>\$ 98,443,723</u>                              | <u>\$ 89,408,239</u>                              |

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**D. EMPLOYEE RETIREMENT PLANS**

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

The City of Minot administers a defined contribution plan and a deferred compensation plan for all full-time employees hired January 1, 2014 through December 31, 2018.

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

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

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

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

*OPEB Plan Description.* The OPEB Plan is a single-employer plan, which provides all employees of the City of Minot (excluding the Minot Park District and non-civil service City employees) participating in the City's group health insurance plan (medical and prescription drugs), who retire under the CEPP, may continue to participate in the City's group health

insurance plan after retirement. Employees are eligible to continue coverage in the group health insurance plan until they attain age 65, provided eligibility requirements are met and applicable premiums are paid. Retirees or spouses that elect not to continue health coverage, at any time, are not eligible to reenroll in the City's group health insurance plan.

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

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

|   | <b>2021</b>    |
|---|----------------|
|   | <b>Pension</b> |
| Retirees and beneficiaries receiving benefits | 295            |
| Terminated employees                          |                |
| Vested  | 28             |
| Non-vested                                    | 16             |
| Total terminated employees                    | 44             |
| Active employees                              |                |
| Vested  | 120            |
| Non-vested                                    | 40             |
| Total active employees                        | 160            |
| Date of annual valuation                      | 1/1/2022       |

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

|                        | <b>OPEB</b> |
|------------------------|-------------|
| Retirees with coverage | 15          |
| Active employees       |             |
| With coverage          | 142         |
| Waived coverage        | 20          |
| Total active employees | 162         |
| Valuation date         | 12/31/2020  |

*Pension & OPEB Benefits Provided.* For the CEPP, the benefit provisions, amendments, and all requirements are amended in the pension plan document. City civil service employees hired before July 6, 2010, who retire at or after the age of 60 with 60 months of service and civil service employees hired on or after July 6, 2010, who retire at or after the age of 60 with 120 months of service are eligible for a monthly pension benefit and OPEB benefits. The average monthly earnings are considered the average of

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the highest 36 months earnings prior to July 6, 2010 and 48 months after July 6, 2010, within the last 120 months (need not be consecutive).

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

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

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

*Contributions Required and Contributions Made.* The actuary does not determine the pension or OPEB contribution rates; rather it is done by employer recommendations within the limits established by state statute. For the pension plan, the employees

contributed \$1,850,074 and the employer contributed \$5,779,045. The employer contributed \$65,343 to the OPEB plan. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on actuarial valuations, contributions are providing for a closed amortization period of 30 years (22 years remaining as of January 1, 2022) on the pension unfunded liability at January 1, 2022.

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

*Basis of Accounting.* The City Employee Pension and OPEB Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period they are due. Employer contributions are recognized when due and the employer has made a formal commitment to provide the contribution. Benefits and refunds are recognized when due and payable in accordance with the terms of the plans.

*Investment Policy.* The pension plan and OPEB plan policies in regard to the allocation of invested assets is established and may be amended by the CEPP Board by a majority vote of its members. It is the policy of the CEPP Board to pursue an investment strategy that reduces risk through the prudent diversification of the portfolio across a broad selection of distinct asset classes. The investment policy discourages the use of cash equivalents, except for liquidity purposes, and aims to refrain from dramatically shifting asset class allocations over short time spans. The following was the Board's adopted asset allocation policy as of December 31, 2020:

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

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

The City also has pension & OPEB investments valued at \$96,809,214 and \$1,130,405, respectively. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

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| Maturity (Years) | OPEB                        |                          |
|------------------|-----------------------------|--------------------------|
|                  | Pension Fixed Income        | Fixed Income             |
| <1               | \$ 63,437                   | \$ -                     |
| 1-5              | 3,171,829                   | -                        |
| >5-10            | 9,515,488                   | -                        |
| >10              | 18,967,540                  | 545,382                  |
|                  | <b><u>\$ 31,718,294</u></b> | <b><u>\$ 545,382</u></b> |

| Credit Rating | OPEB                        |                          |
|---------------|-----------------------------|--------------------------|
|               | Pension Fixed Income        | Fixed Income             |
| AAA           | \$ 3,837,913                | \$ -                     |
| AA+           | 7,517,236                   | -                        |
| AA            | 3,584,167                   | -                        |
| A+            | 1,522,478                   | -                        |
| A             | 729,521                     | -                        |
| A-            | 3,425,576                   | -                        |
| BBB+          | 3,298,703                   | -                        |
| BBB           | 3,203,548                   | -                        |
| Not rated     | 3,901,350                   | 545,382                  |
| Other         | <b><u>697,802</u></b>       | <b><u>-</u></b>          |
|               | <b><u>\$ 31,718,294</u></b> | <b><u>\$ 545,382</u></b> |

| Fixed Income Subclass  | OPEB                        |                          |
|------------------------|-----------------------------|--------------------------|
|                        | Pension Fixed Income        | Fixed Income             |
| US treasuries          | \$ 1,004,473                | \$ -                     |
| Government agencies    | 4,710,652                   | -                        |
| Corporate bonds        | 13,831,294                  | 545,382                  |
| Taxable municipal debt | <b><u>12,171,875</u></b>    | <b><u>-</u></b>          |
|                        | <b><u>\$ 31,718,294</u></b> | <b><u>\$ 545,382</u></b> |

The City has the following recurring fair value measurements as of December 31, 2021:

U.S. Treasury securities, government agencies and taxable municipal debt of \$17,887,000 valued using quoted market prices (Level 1 inputs)

Corporate bonds of \$14,376,676 are valued using a matrix pricing model (Level 2 inputs)

Equity securities of \$63,499,270 are valued using quoted market prices (Level 1 inputs)

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

The long-term expected rate of return of 7.5 percent on CEPP and OPEB plan investments was determined using official rates of return under the Global Investment Performance Standards in which best-estimate ranges of expected future real rates of return

(expected returns, net of plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. The best estimates of geometric real rates of return for each major asset class are summarized in the following table:

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

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

*Rate of Return.* For the year ended December 31, 2021, the annual money-weighted rate of return on pension and OPEB plan investments, net of investment expense, was 13.1 and 7.54 percent, respectively. The money-weighted rate of return expresses investment performance, net of investment expense, adjusted for the changing amounts actually invested.

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

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

The costs of administering the City Pension and OPEB plans are part of the calculation to determine the employer and employee contributions.

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

| <b>Assumption</b>                | <b>Pension</b>   |
|----------------------------------|--|
| Valuation date                   | January 1, 2022  |
| Measurement date                 | January 1, 2022  |
| Actuarial cost method            | Entry age normal   |
| Amortization method              | Level dollar amount  |
| Remaining amortization period    | 30 year closed period (22 years remain as of 1/1/22)   |
| Asset valuation method-smoothing | 5 years gains and losses   |
| Investment rate of return        | 7.5%   |
| Projected salary increases       | 0-4 years of service 7%<br>5-12 years of service 4.5%<br>13+ years of service 4%                       |
| Cost of living adjustments       | 1% after age 65  |
| Marriage rate                    | 85%  |
| Spouse age differential          | males 3 years older than female spouses  |
| Mortality rate                   | Mortality rates are based on the Pub-2010 and PubS-2010 Mortality tables with Projection Scale MP-2021 |

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

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

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

| <b>Fiscal Year</b> |                             |
|--------------------|-----------------------------|
| <b>Beginning</b>   | <b>Trend</b>                |
| 2021               | 6.5%                        |
| 2022               | 6.2%                        |
| 2023               | 5.9%                        |
| 2024               | 5.5%                        |
| 2025               | 5.2%                        |
| 2026-2075          | Transition to ultimate rate |
| 2076+              | 4.0%                        |

**Pension Costs.** As of December 31, 2021, the CEPP reported a net pension liability of \$55,930,382 as determined by the actuarial valuation. The City of Minot reported a liability of \$50,813,956 for its proportionate share of the CEPP's net pension liability which was based on its present value of future payroll relative to the total present value of payroll for all participating employers. The City of Minot's proportionate share was 90.85 percent which was an increase of .25 percent from its proportion measured as of December 31, 2020.

The components of the net pension liability of all participants as of December 31, 2021 were as follows:

|                               |                      |
|-------------------------------|----------------------|
| Total pension liability       | \$ 153,257,912       |
| Plan fiduciary net position   | 97,327,530           |
| Net pension liability (asset) | <u>\$ 55,930,382</u> |

For the year ended December 31, 2021, The CEPP recognized pension expense of \$4,005,936. The City of Minot recognized pension expense of \$3,395,542 for its proportionate share of the CEPP's pension expense.

At December 31, 2021, the CEPP reported the following amounts and sources for deferred outflows of resources and deferred inflows of resources:

| <b>Source</b>   | <b>City of Minot's Proportionate Share</b> |                                      |                                       |                                      |
|---|--|--------------------------------------|---------------------------------------|--------------------------------------|
|   | <b>Deferred Outflows of Resources</b>      | <b>Deferred Inflows of Resources</b> | <b>Deferred Outflows of Resources</b> | <b>Deferred Inflows of Resources</b> |
| Differences between expected and actual experience                  | \$ 1,144,811                               | \$ -                                 | \$ 1,037,182                          | \$ -                                 |
| Changes of assumptions  | 2,157,991                                  | -                                    | 1,955,108                             | -                                    |
| Net difference between projected and actual earnings on investments | -  | (8,955,207)                          | -                                     | (8,113,285)                          |
| Changes in proportion   | 3,186,458                                  | (3,186,458)                          | 2,907,985                             | (3,186,458)                          |
| <b>Total</b>  | <b>\$ 6,489,260</b>                        | <b>\$(12,141,655)</b>                | <b>\$ 5,900,275</b>                   | <b>\$(11,299,743)</b>                |

Deferred outflows of resources and deferred inflows of resources will be recognized in pension expense for the

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CEPP and for the City of Minot's proportionate share as follows:

| Year       | City of Minot |             |
|------------|---------------|-------------|
|            | Pension Plan  | Share       |
| 2022       | 53,680        | (177,667)   |
| 2023       | (2,766,583)   | (2,555,390) |
| 2024       | (1,963,384)   | (1,782,063) |
| 2025       | (976,118)     | (884,349)   |
| 2026       | -             | -           |
| Thereafter | -             | -           |

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

|  | 1% Decrease<br>(6.5%) | Current<br>Discount<br>Rate (7.5%) | 1%<br>Increase<br>(8.5%) |
|--|-----------------------|------------------------------------|--------------------------|
| Net pension liability  | \$ 73,765,866         | \$ 55,930,382                      | \$ 41,004,053            |
| City of Minot's proportionate share of the Net Pension Liability | 67,017,877            | 50,813,956                         | 37,253,065               |

*OPEB Costs.* As of December 31, 2021, the OPEB reported a net OPEB asset of \$345,430. The net OPEB asset was measured as of December 31, 2021, and the total OPEB asset used to calculate the net OPEB asset was determined by an actuarial valuation as of December 31, 2021. The schedule of changes in the net OPEB asset for the year ended, December 31, 2021 were as follows:

|   | Increase/(Decrease)   |                        |                            |
|---|-----------------------|------------------------|----------------------------|
|   | Plan                  |                        |                            |
|   | Total OPEB Liabilitiy | Fiduciary Net Position | Net OPEB Liability (Asset) |
| Balance at 12/31/20                               | \$ 756,408            | \$ 1,006,661           | \$ (250,253)               |
| Changes for the year:                             |                       |                        |                            |
| Service cost                                      | 31,859                | -                      | 31,859                     |
| Interest  | 58,379                | -                      | 58,379                     |
| Difference between expected and actual experience | 254,625               | -                      | 254,625                    |
| Changes in Assumptions                            | (310,738)             |                        | (310,738)                  |
| Contributions - employer                          | -                     | 65,343                 | (65,343)                   |
| Net investment income                             | -                     | 77,159                 | (77,159)                   |
| Benefit payments                                  | (19,770)              | (19,770)               | -                          |
| Administrative expense                            | -                     | (13,200)               | 13,200                     |
| Net changes                                       | 14,355                | 109,532                | (95,177)                   |
| Balance at 12/31/21                               | \$ 770,763            | \$ 1,116,193           | \$ (345,430)               |

For the year ended December 31, 2021, the OPEB plan recognized OPEB expense (revenue) of \$(26,152).

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

| Source  | Balances at December 31, 2021  |                               |
|---|--------------------------------|-------------------------------|
|   | Deferred Outflows of Resources | Deferred Inflows of Resources |
| Differences between expected and actual experience                  | \$ 221,981                     | \$ (75,467)                   |
| Changes of assumptions  | 2,871                          | (270,900)                     |
| Net difference between projected and actual earnings on investments | -                              | (52,831)                      |
| Contributions made between Measurement Date and Reporting Date      | -                              | -                             |
| Total   | 224,852                        | (399,198)                     |

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

| Year Ending |
|-------------|
| 2022        |
| 2023        |
| 2024        |
| 2025        |
| 2026        |
| Thereafter  |

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

|                            | 1% Decrease<br>(6.5%) | Current<br>Discount<br>Rate (7.5%) | 1%<br>Increase<br>(8.5%) |
|----------------------------|-----------------------|------------------------------------|--------------------------|
| Net OPEB Liability (Asset) | \$ (283,460)          | \$ (345,430)                       | \$ (401,028)             |

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

|                            | 1% Decrease<br>Trend Rates | Current<br>Trend Rates | 1%<br>Increase<br>Trend Rates |
|----------------------------|----------------------------|------------------------|-------------------------------|
| Net OPEB Liability (Asset) | \$ (418,303)               | \$ (345,430)           | \$ (260,485)                  |

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

**Plan Description**

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

**Summary of Significant Accounting Policies**

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

**General Information about the Pension Plan**

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

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

NDPERS is a cost-sharing multiple-employer defined benefit pension plan that covers substantially all employees of the State of North Dakota, its agencies and various participating political subdivisions. NDPERS provides for pension, death and disability benefits. The cost to administer the plan is financed through the contributions and investment earnings of the plan.

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

public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

***Pension Benefits***

Benefits are set by statute. NDPERS has no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Member of the Main System are entitled to unreduced monthly pension benefits beginning when the sum of age and years of credited service equal or exceed 85 (Rule of 85), or at normal retirement age (65). For members hired on or after January 1, 2016 the Rule of 85 was be replaced with the Rule of 90 with a minimum age of 60. The monthly pension benefit is equal to 2.00% of their average monthly salary, using the highest 36 months out of the last 180 months of service, for each year of service. For members hired on or after January 1, 2020 the 2.00% multiplier was replaced with a 1.75% multiplier. The plan permits early retirement at ages 55-64 with three or more years of service.

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

***Death and Disability Benefits***

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

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

***Refunds of Member Account Balance***

Upon termination, if a member of the Main System is not vested (is not 65 or does not have three years of service), they will receive the accumulated member contributions and vested employer contributions, plus interest, or may elect to receive this amount at a later date. If the member has vested, they have the option of applying for a refund or can remain as a terminated vested participant. If a member terminated and withdrew their accumulated member contribution and is subsequently reemployed, they have the option of repurchasing their previous service.

***Member and Employer Contributions***

Member and employer contributions paid to NDPERS are set by statute and are established as a percent of salaries and wages. Member contribution rates are 7% and employer contribution rates are 7.12% of covered compensation. For members hired on or after January 1, 2020 member contribution rates are 7% and employer contribution rates are 8.26% of covered compensation

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

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

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

At December 31, 2021 the Employer reported a liability of \$6,822,535 for its proportionate share of the

net pension liability. The net pension liability was measured as of 06/30/2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net pension liability was based on the Employer's share of covered payroll in the Main System pension plan relative to the covered payroll of all participating Main System employers. At 06/30/2021, the Employer's proportion was .654565 percent, which was an increase of .107843 from its proportion measured as of 06/30/2020.

For the year ended December 31, 2021, the Employer recognized pension expense of \$2,801,415. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

|  | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ 117,789                                    | \$ 696,333                                   |
| Changes of assumptions   | 7,551,221                                     | 9,845,214                                    |
| Net difference between projected and actual earnings on pension plan investments                               | -   | 2,530,370                                    |
| Changes in proportions and differences between employer contributions and proportionate share of contributions | 4,976,664                                     | -  |
| Employer contributions subsequent to the measurement date (see below)  | 60,025  | -  |
| <b>Total</b>   | <b>\$ 12,705,699</b>                          | <b>\$ 13,071,917</b>                         |

\$60,025 reported as deferred outflows of resources related to pensions resulting from Employer contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended 12/31/2022.

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

***Year ended June 30, 2021:***

|              |                     |
|--------------|---------------------|
| 2022         | \$ 933,126          |
| 2023         | 504,033             |
| 2024         | 304,170             |
| 2025         | (2,167,573)         |
| <b>Total</b> | <b>\$ (426,244)</b> |

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***Actuarial assumptions***

The total pension liability in the July 1, 2021 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  | 7.00%, 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:

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

**Discount rate.** For PERS, GASB Statement No. 67 includes a specific requirement for the discount rate that is used for the purpose of the measurement of the Total Pension Liability. This rate considers the ability of the System to meet benefit obligations in the future. To make this determination, employer contributions, employee contributions, benefit payments, expenses and investment returns are projected into the future. The current employer and employee fixed rate contributions are assumed to be made in each future

year. The Plan Net Position (assets) in future years can then be determined and compared to its obligation to make benefit payments in those years. In years where assets are not projected to be sufficient to meet benefit payments, which is the case for the PERS plan, the use of a municipal bond rate is required.

The Single Discount Rate (SDR) is equivalent to applying these two rates to the benefits that are projected to be paid during the different time periods. The SDR reflects (1) the long-term expected rate of return on pension plan investments (during the period in which the fiduciary net position is projected to be sufficient to pay benefits) and (2) a tax-exempt municipal bond rate based on an index of 20-year general obligation bonds with an average AA credit rating as of the measurement date (to the extent that the contributions for use with the long-term expected rate of return are not met).

For the purpose of this valuation, the expected rate of return on pension plan investments is 7.00%; the municipal bond rate is 1.92%; and the resulting Single Discount Rate is 7.00%.

***Sensitivity of the Employer's proportionate share of the net pension liability to changes in the discount rate.*** The following presents the Employer's proportionate share of the net pension liability calculated using the discount rate of 7.00 percent, as well as what the Employer's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1-percentage-point lower (6.00 percent) or 1-percentage-point higher (8.00 percent) than the current rate:

|  | Current                |                       |                        |
|--|------------------------|-----------------------|------------------------|
|  | 1% Decrease<br>(6.00%) | Discount Rate (7.00%) | 1% Increase<br>(8.00%) |
|  | \$ 10,850,123          | \$ 6,822,535          | \$ 3,468,934           |

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

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

**Summary of Significant Accounting Policies**

***Other Post Employment Benefits (OPEB).*** For purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to OPEB, and OPEB expense, information about the

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

#### **General Information about the OPEB Plan**

##### ***North Dakota Public Employees Retirement System***

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

NDPERS OPEB plan is a cost-sharing multiple-employer defined benefit OPEB plan that covers members receiving retirement benefits from the PERS, the HPRS, and Judges retired under Chapter 27-17 of the North Dakota Century Code a credit toward their monthly health insurance premium under the state health plan based upon the member's years of credited service. Effective July 1, 2015, the credit is also available to apply towards monthly premiums under the state dental, vision and long-term care plan and any other health insurance plan. Effective August 1, 2019 the benefit may be used for any eligible health, prescription drug plan, dental, vision, or long-term care plan premium expense. The Retiree Health Insurance Credit Fund is advance-funded on an actuarially determined basis. Responsibility for administration of the NDPERS defined benefit OPEB plan is assigned to a Board comprised of nine members. The Board consists of a Chairman, who is appointed by the Governor; one member appointed by the Attorney General; one member appointed by the State Health Officer; three members elected by the active membership of the NDPERS system, one member elected by the retired public employees and two members of the legislative assembly appointed by the chairman of the legislative management.

#### **OPEB Benefits**

The employer contribution for the PERS, the HPRS and the Defined Contribution Plan is set by statute at 1.14% of covered compensation. The employer contribution for employees of the state board of career and technical education is 2.99% of covered compensation for a period of eight years ending October 1, 2015. Employees participating in the retirement plan as part-time/temporary members are

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

Retiree health insurance credit benefits and death and disability benefits are set by statute. There are no provisions or policies with respect to automatic and ad hoc post-retirement benefit increases. Employees who are receiving monthly retirement benefits from the PERS, the HPRS, the Defined Contribution Plan, the Chapter 27-17 judges or an employee receiving disability benefits, or the spouse of a deceased 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 12/31/2021, the City of Minot reported a liability of \$242,179 for its proportionate share of the net OPEB liability. The net OPEB liability was measured as of 06/30/2021 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The Employer's proportion of the net OPEB liability was based on the Employer's share of covered payroll in the OPEB plan relative to the covered payroll of all participating OPEB employers. At 06/30/2021, the Employer's proportion was .435439 percent, which was a decrease

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of .018172 from its proportion measured as of 06/30/2020.

For the year ended December 31, 2021, the Employer recognized OPEB expense of \$77,866. At December 31, 2021, the Employer reported deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

|  | <b>Deferred<br/>Outflows<br/>of Resources</b> | <b>Deferred<br/>Inflows<br/>of Resources</b> |
|--|---|--|
| Differences between expected and actual experience   | \$ 13,908                                     | \$ 6,638                                     |
| Changes of assumptions   | 37,504  | -  |
| Net difference between projected and actual earnings on OPEB plan investments                                  | -   | 82,977                                       |
| Changes in proportions and differences between employer contributions and proportionate share of contributions | 184,467                                       | 8,416  |
| Employer contributions subsequent to the measurement date (see below)  | -   | 881  |
| <b>Total</b>   | <b>\$ 235,879</b>                             | <b>\$ 98,912</b>                             |

\$881 reported as deferred inflows of resources related to OPEB resulting from Employer contributions subsequent to the measurement date will be recognized as an increase of the net OPEB liability in the year ended December 31, 2022.

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

|              |                   |
|--------------|-------------------|
| 2022         | \$ 39,760         |
| 2023         | 39,163            |
| 2024         | 35,495            |
| 2025         | 18,818            |
| 2026         | 4,612             |
| <b>Total</b> | <b>\$ 137,848</b> |

**Actuarial assumptions.** The total OPEB liability in the July 1, 2021 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  | 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 MortalityPub-2010 Healthy Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied

by 103% for males and 101% for females. Pub-2010 Disabled Retiree Mortality table (for General Employees), sex-distinct, with rates multiplied by 117% for males and 112% for females. Pub-2010 Employee Mortality table (for General Employees), sex-distinct, with rates multiplied by 92% for both males and females. Mortality rates are projected from 2010 using the MP-2019 scale.

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

| <b>Asset Class</b>          | <b>Target Allocation</b> | <b>Long-Term Expected Real Rate of Return</b> |
|-----------------------------|--------------------------|---|
| Large Cap Domestic Equities | 33%                      | 5.85%   |
| Small Cap Domestic Equities | 6%                       | 6.75%   |
| Domestic Fixed Income       | 40%                      | 0.50%   |
| International Equities      | 21%                      | 6.25%   |

**Discount rate.** The discount rate used to measure the total OPEB liability was 6.50%. The projection of cash flows used to determine the discount rate assumed plan member and statutory rates described in this report. For this purpose, only employer contributions that are intended to fund benefits of current RHIC members and their beneficiaries are included. Projected employer contributions that are intended to fund the service costs of future plan members and their beneficiaries are not included. Based on those assumptions, the RHIC fiduciary net position was projected to be sufficient to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on RHIC investments was applied to all periods of projected benefit payments to determine the total OPEB liability.

**Sensitivity of the Employer's proportionate share of the net OPEB liability to changes in the discount rate.** The following presents the net OPEB liability of the Plans as of June 30, 2021, calculated using the discount rate of 6.50%, 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 (5.50 percent) or

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1-percentage-point higher (7.50 percent) than the current rate:

|                    | <b>Current</b>       |                    |  |
|--------------------|----------------------|--------------------|--|
| <b>1% Decrease</b> | <b>Discount Rate</b> | <b>1% Increase</b> |  |
| <b>(5.50%)</b>     | <b>(6.50%)</b>       | <b>(7.50%)</b>     |  |
| \$ 359,183         | \$ 242,179           | \$ 143,177         |  |

#### **DEFINED CONTRIBUTION PLAN**

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

For each enrolled city employee, the City shall contribute an amount which will equal 400 percent of the amount of the employee's contribution to the 457(e) (1) (A) plan, not to exceed 8 percent of the employee's eligible compensation. Benefit terms, including contribution requirements are established and may be amended by the City Council. For the year ended December 31, 2021, City of Minot employee contributions totaled \$649,241 and the City recognized employer contributions of \$436,463.

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

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

Non-vested City contributions are forfeited following a five year period of severance. Such forfeitures are used to make restorations for rehired participants and to reduce employer contributions or to correct errors, omissions and exclusions. For the year ended December 31, 2021, forfeitures reduced the City's plan expense by \$49,820.

#### **E. MUNICIPAL SOLID WASTE LANDFILL**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$1,892,789 reported as MSWLF closure and post-closure care liability at December 31, 2021, represents the cumulative amount reported to date based on the use of 63.88% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.8 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2021.

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

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

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

The Governmental Accounting Standards Board (GASB) has issued several statements not yet implemented by the City. The first statement issued but not yet implemented that will affect the City is statement No. 87, *Leases*. The objective of this

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Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. This statement will be implemented at the City in the year ending December 31, 2022 and management has not yet determined the affect this pronouncement will have on the City's financial statements.

the general fund.

The second statement issued but not yet implemented that will affect the City is statement No. 96, *Subscription-Based Information Technology Arrangements*. The objective of this Statement is to provide guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset – an intangible asset – and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. This Statement will be implemented at the City in the year ending December 31, 2023 and management has not yet determined the affect this pronouncement will have on the City's financial statements.

## **I. TRANSFER OF OPERATIONS**

The City of Minot transferred the operations of the Recreation and Auditorium department as of April 1, 2019 to the Minot Park District. Minot Park District is a separate legal entity. The City is required to keep a reserve fund balance of \$500,000 to contribute to the costs of repairs and maintenance, in 2020 the City was responsible for 100% of repairs. In 2021 and 2022 the City's share will decrease yearly by 1/3, the City will never be required to exceed the \$500,000 reserve fund balance. The reserve fund balance is being tracked in

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**City of Minot Pension Plan**  
**Schedule of Changes in Net Pension Liability**

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

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

**City of Minot Pension Plan**  
**Schedule of Pension Contributions**

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

**City of Minot Pension Plan**  
**Schedule of Pension Investment Returns**

|  | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> | <b>2016</b> | <b>2015</b> | <b>2014</b> |
|--|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expenses | 13.1%       | 14.3%       | 21.6%       | -5.5%       | 15.9%       | 6.4%        | -1.9%       | 7.1%        |

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

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

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

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

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

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

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

Measurement Date: January 1, 2022

Assumption changes: As of 12/31/2021 the Plan updated the mortality improvement scale from Scale MP-2020 to mortality improvement table MP-2021, but the underlying mortality tables of Pub-2010 and PubS-2010 did not change. This change in mortality improvement scale increased the liability by \$411,505. There were no other changes in Plan provisions, cost allocation procedures, contribution allocation procedures, assumptions or methods

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from the January 1, 2021 Actuarial Valuation. There were no adjustments of prior measurements or use of approximations which would materially impact the results. Effective January 1, 2014 the Plan has been closed to new participants. As a result of the plan closing, the amortization method was changed from an open 30 year level percentage of payroll method to a 30-year close level dollar method. As of January 1, 2022 there are 22 years remaining in the amortization period.

**City of Minot Employees' OPEB Plan**  
**Schedule of Changes in Net OPEB Liability (Asset)**

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

**City of Minot Employees' OPEB Plan**  
**Schedule of OPEB Contributions**

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

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**City of Minot Employees' OPEB Plan**  
**Schedule of OPEB Investment Returns**

|  | <b>2021</b> | <b>2020</b> | <b>2019</b> | <b>2018</b> | <b>2017</b> |
|--|-------------|-------------|-------------|-------------|-------------|
| Annual money-weighted rate of return, net of investment expenses | 7.54%       | 13.23%      | 23.41%      | -6.61%      | 17.73%      |

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

Methods and assumptions used to determine contribution rates:

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

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

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

**City of Minot****Annual Comprehensive Financial Report****December 31, 2021****Required Supplementary Information**

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

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

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

| <b>Fiscal Year<br/>Ending</b> | <b>Contributions in<br/>Relation to the</b>        |  |   | <b>Contributions</b>                      |   |  |
|-------------------------------|--|--|---|---|---|--|
|                               | <b>Statutorily<br/>Determined<br/>Contribution</b> | <b>Statutorily<br/>Determined<br/>Contribution</b> | <b>Contribution<br/>Deficiency<br/>(Excess)</b> | <b>Employer's<br/>Covered<br/>Payroll</b> | <b>Contributions<br/>as a<br/>Percentage of<br/>Covered<br/>Payroll</b> |  |
| 2019                          | \$ 171,890   | \$ 55,027  | \$ 116,863                                      | \$ 2,360,950                              | 2.33%   |  |
| 2020                          | 427,048  | 328,371  | 98,677  | 6,031,001                                 | 5.44%   |  |
| 2021                          | 546,620  | 506,244  | 40,376  | 7,412,237                                 | 6.83%   |  |

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

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

Measurement Date: June 30, 2021

Changes of benefit terms.

The interest rate earned on member contributions decreased from 7.00 percent to 6.50 percent effective January 1, 2021 (based on the adopted decrease in the investment return assumption). New Main System members who are hired on or after January 1, 2020 will have a benefit multiplier of 1.75 percent (compared to the current benefit multiplier of 2.00 percent). The fixed employer contribution for new members of the Main System increased from 7.12 percent to 8.26 percent. For members who terminate after December 31, 2019, final average salary is the higher of the final average salary calculated on December 31, 2019 or the average salary earned in the three highest periods of twelve consecutive months employed during the last 180 months of employment. There have been no other changes in plan provisions since the previous actuarial valuation as of July 1, 2020.

Changes of assumptions.

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.

**City of Minot**  
**Annual Comprehensive Financial Report**  
**December 31, 2021**  
**Required Supplementary Information**

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

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

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

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

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

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

Measurement Date: June 30, 2021

Changes of benefit terms:

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

Changes of assumptions.

All actuarial assumptions and the actuarial cost method are unchanged from the last actuarial valuation as of July 1, 2020.



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# Supplementary Information

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Debt Service Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Debt</b>                              |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Property tax collections                                     | \$ 2,950,049                             | \$ 2,950,049                          | \$ 2,833,567                             | \$ (116,482)                              | \$ 3,367,226                             |
| Special assessment collections                               | 1,610,000                                | 1,610,000                             | 2,135,911                                | 525,911                                   | 1,897,494                                |
| Interest income  | 27,917                                   | 27,917                                | 105,057                                  | 77,140                                    | 117,175                                  |
| Miscellaneous  | 173,625                                  | 173,625                               | 173,625                                  | -   | 177,330                                  |
| Total revenues   | 4,761,591                                | 4,761,591                             | 5,248,160                                | 486,569                                   | 5,559,225                                |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Debt service:  |  |                                       |  |   |  |
| Principal retirement   | 4,253,923                                | 4,188,891                             | 4,177,890                                | 11,001                                    | 3,999,711                                |
| Interest   | 1,128,159                                | 1,116,112                             | 1,068,748                                | 47,364                                    | 997,841                                  |
| Administrative charges                                       | -  | 6,740                                 | 6,740                                    | -   | 408                                      |
| Total expenditures   | 5,382,082                                | 5,311,743                             | 5,253,378                                | 58,365                                    | 4,997,960                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | (620,491)                                | (550,152)                             | (5,218)                                  | 544,934                                   | 561,265                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Bonds issued   | -  | -                                     | 2,107,403                                | 2,107,403                                 | -  |
| Transfers in   | -  | 55,281                                | -  | (55,281)                                  | 1,215                                    |
| Transfers out  | -  | (70,340)                              | (15,059)                                 | 55,281                                    | (50,321.00)                              |
| Total other financing sources (uses)                         | -  | (15,059)                              | 2,092,344                                | 2,107,403                                 | (49,106)                                 |
| Net change in fund balance                                   | \$ (620,491)                             | \$ (565,211)                          | 2,087,126                                | <u>\$ 2,652,337</u>                       | 512,159                                  |
| Fund balances (deficits) - beginning                         |  |                                       | 5,540,471                                |   | 5,028,312                                |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 7,627,597</u>                      |   | <u>\$ 5,540,471</u>                      |

**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Capital Project Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Capital Infrastructure</b>                                |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Property tax collections                                     | \$ -                                     | \$ -                                  | \$ 12,294                                | \$ 12,294                                 | \$ 565,054                               |
| Intergovernmental  | 10,000,000                               | 10,000,000                            | 14,850,634                               | 4,850,634                                 | 8,842,833                                |
| Interest income  | 40,434                                   | 40,434                                | 26,831                                   | (13,603)                                  | 92,802                                   |
| Miscellaneous  | -  | -                                     | 59,327                                   | 59,327                                    | 51,708                                   |
| Total revenues   | <u>10,040,434</u>                        | <u>10,040,434</u>                     | <u>14,949,086</u>                        | <u>4,908,652</u>                          | <u>9,552,397</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Capital outlay:  |  |                                       |  |   |  |
| General government   | -  | 7,419,691                             | 3,186,274                                | 4,233,417                                 | -  |
| Public safety  | 11,851,328                               | 9,809,317                             | 6,206,323                                | 3,602,994                                 | 5,709,302                                |
| Highways and streets   | 875,000                                  | 14,210,882                            | 1,764,479                                | 12,446,403                                | 2,480,623                                |
| Total expenditures   | <u>12,726,328</u>                        | <u>31,439,890</u>                     | <u>11,157,076</u>                        | <u>20,282,814</u>                         | <u>8,189,925</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (2,685,894)                              | (21,399,456)                          | 3,792,010                                | 25,191,466                                | 1,362,472                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Bonds issued   | -  | 1,941,574                             | 956,342                                  | (985,232)                                 | -  |
| Premium on bonds sold  | -  | -                                     | 195,264                                  | 195,264                                   | -  |
| Transfers in   | 2,028,104                                | 2,228,104                             | 4,206,434                                | 1,978,330                                 | 3,769,350                                |
| Transfers out  | -  | (97,150)                              | (173,907)                                | (76,757)                                  | (1,465,644)                              |
| Total other financing sources (uses)                         | <u>2,028,104</u>                         | <u>4,072,528</u>                      | <u>5,184,133</u>                         | <u>1,111,605</u>                          | <u>2,303,706</u>                         |
| Net change in fund balance                                   | <u><u>\$ (657,790)</u></u>               | <u><u>\$ (17,326,928)</u></u>         | <u><u>8,976,143</u></u>                  | <u><u>\$26,303,071</u></u>                | <u><u>3,666,178</u></u>                  |
| Fund balances (deficits) - beginning                         |  |                                       | <u><u>14,944,964</u></u>                 |   | <u><u>11,278,786</u></u>                 |
| Fund balances (deficits) - ending                            |  |                                       | <u><u>\$23,921,107</u></u>               |   | <u><u>\$ 14,944,964</u></u>              |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Major Capital Project Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Capital Flood Control</b>                                 |  |                                       |  |   |  |       |
|--|--|---------------------------------------|--|---|--|-------|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |       |
| <b>REVENUES</b>  |  |                                       |  |   |  |       |
| Property tax collections                                     | \$ -                                     | \$ -                                  | \$ 17,045                                | \$ 17,045                                 | \$ 21,315                                |       |
| Intergovernmental  | -  | -                                     | 4,066                                    | 4,066                                     | 15,027                                   |       |
| Interest income  | -  | -                                     | 26,248                                   | 26,248                                    | -  |       |
| Miscellaneous  | -  | -                                     | 20,135                                   | 20,135                                    | -  |       |
| Total revenues   | -  | -                                     | 67,494                                   | 67,494                                    | 36,342                                   |       |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |       |
| Debt service:  |  |                                       |  |   |  |       |
| Interest   | -  | -                                     | -  | -   | -  | 1,130 |
| Capital outlay:  |  |                                       |  |   |  |       |
| Public safety  | 6,195,000                                | 8,163,308                             | 2,598,926                                | 5,564,382                                 | 4,696,526                                |       |
| Total expenditures   | 6,195,000                                | 8,163,308                             | 2,598,926                                | 5,564,382                                 | 4,697,656                                |       |
| Excess (deficiency) of revenues<br>over (under) expenditures | (6,195,000)                              | (8,163,308)                           | (2,531,432)                              | 5,631,876                                 | (4,661,314)                              |       |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |       |
| Bonds issued   | 6,195,000                                | 6,195,000                             | 40,482,223                               | 34,287,223                                | 7,555,452                                |       |
| Premium on bonds sold  | -  | -                                     | 2,719,071                                | 2,719,071                                 | 58,688                                   |       |
| Transfers in   | -  | -                                     | -  | -   | 167,237                                  |       |
| Transfers out  | -  | (19)                                  | (19)                                     | -   | (161,107)                                |       |
| Total other financing sources (uses)                         | 6,195,000                                | 6,194,981                             | 43,201,275                               | 37,006,294                                | 7,620,270                                |       |
| Net change in fund balance                                   | \$ -                                     | <u>\$ (1,968,327)</u>                 | 40,669,843                               | <u>\$42,638,170</u>                       | 2,958,956                                |       |
| Fund balances (deficits) - beginning                         |  |                                       | 1,991,871                                |   | (967,085)                                |       |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 42,661,714</u>                     |   | <u>\$ 1,991,871</u>                      |       |



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**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | Special<br>Revenue<br>Funds | Capital<br>Project<br>Funds | Total<br>Nonmajor<br>Governmental<br>Funds<br>12/31/2021 | Total<br>Nonmajor<br>Governmental<br>Funds<br>12/31/2020 |
|---|-----------------------------|-----------------------------|--|--|
| <b>ASSETS</b>                                       |                             |                             |  |  |
| Cash and cash equivalents                           | \$ 46,928,646               | \$ 2,227,742                | \$ 49,156,388  | \$ 45,634,531  |
| Restricted cash and cash equivalents                | 1,000                       | -                           | 1,000  | -  |
| Investments current                                 | 4,082,373                   | -                           | 4,082,373  | 4,123,316  |
| Taxes receivable delinquent                         | 67,930                      | 29,279                      | 97,209   | 137,048  |
| Due from other funds                                | 144,017                     | -                           | 144,017  | 585,578  |
| Accounts receivable                                 | 181,070                     | -                           | 181,070  | 196,992  |
| Allowance for accounts receivable                   | (135,150)                   | -                           | (135,150)  | (135,150)  |
| Intergovernmental receivable                        | 2,686,647                   | 11,432                      | 2,698,079  | 2,417,841  |
| Loans receivable                                    | 1,787,800                   | -                           | 1,787,800  | 1,800,400  |
| Allowance for loans receivable                      | (357,560)                   | -                           | (357,560)  | (360,080)  |
| Accrued interest receivable                         | -                           | -                           | -  | 2,352  |
| Prepaid   | 63,593                      | 983                         | 64,576   | 49,012   |
| Other assets - capital credits                      | 34,054                      | -                           | 34,054   | 31,241   |
| Investments   | 198,769                     | -                           | 198,769  | 1,463,076  |
| <b>Total assets</b>                                 | <b>\$ 55,683,189</b>        | <b>\$ 2,269,436</b>         | <b>\$ 57,952,625</b>                                     | <b>\$ 55,946,157</b>                                     |
| <b>LIABILITIES</b>                                  |                             |                             |  |  |
| Accounts payable                                    | \$ 2,282,060                | \$ 160,630                  | \$ 2,442,690   | \$ 2,323,127   |
| Retainage payable                                   | 155,091                     | 12,986                      | 168,077  | 185,041  |
| Accrued salaries and benefits payable               | 72,725                      | -                           | 72,725   | 66,779   |
| Due to other funds                                  | 144,017                     | -                           | 144,017  | 105,495  |
| Unearned revenue - other                            | 8,938                       | -                           | 8,938  | -  |
| <b>Total liabilities</b>                            | <b>2,662,831</b>            | <b>173,616</b>              | <b>2,836,447</b>   | <b>2,680,442</b>   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>                |                             |                             |  |  |
| Unavailable revenue - property taxes                | 56,937                      | 25,392                      | 82,329   | 116,519  |
| <b>Total deferred inflows of resources</b>          | <b>56,937</b>               | <b>25,392</b>               | <b>82,329</b>  | <b>116,519</b>   |
| <b>FUND BALANCES (DEFICITS)</b>                     |                             |                             |  |  |
| Nonspendable  | 97,626                      | 983                         | 98,609   | 80,229   |
| Restricted  | 1,000                       | -                           | 1,000  | -  |
| Committed   | 48,317,749                  | 1,493,705                   | 49,811,454   | 50,785,519   |
| Assigned  | 4,547,046                   | 575,740                     | 5,122,786  | 2,283,448  |
| <b>Total fund balance</b>                           | <b>52,963,421</b>           | <b>2,070,428</b>            | <b>55,033,849</b>  | <b>53,149,196</b>  |
| <b>Total liabilities, inflows, and fund balance</b> | <b>\$ 55,683,189</b>        | <b>\$ 2,269,436</b>         | <b>\$ 57,952,625</b>                                     | <b>\$ 55,946,157</b>                                     |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | Special Revenue Funds | Capital Project Funds | Total Nonmajor Governmental Funds<br>12/31/2021 | Total Nonmajor Governmental Funds<br>12/31/2020 |
|---|-----------------------|-----------------------|---|---|
| <b>REVENUES</b>   |                       |                       |   |   |
| Property tax collections                                  | \$ 1,501,722          | \$ 447,354            | \$ 1,949,076                                    | \$ 2,148,893                                    |
| Sales tax collections                                     | 23,141,014            | -                     | 23,141,014                                      | 20,655,109                                      |
| Intergovernmental   | 3,811,621             | 596,571               | 4,408,192                                       | 3,127,820                                       |
| Charges for services                                      | 36,415                | -                     | 36,415  | 76,903  |
| Interest income   | 60,271                | 4,376                 | 64,647  | 383,703   |
| Miscellaneous   | 158,549               | 32,913                | 191,462   | 98,689  |
| Total revenues  | 28,709,592            | 1,081,214             | 29,790,806                                      | 26,491,117                                      |
| <b>EXPENDITURES</b>                                       |                       |                       |   |   |
| Current   |                       |                       |   |   |
| General government  | 6,388,625             | -                     | 6,388,625                                       | 5,237,805                                       |
| Public safety   | 5,636,114             | -                     | 5,636,114                                       | 4,621,335                                       |
| Culture and recreation                                    | 4,278,713             | -                     | 4,278,713                                       | 2,012,406                                       |
| Economic development                                      | 1,750,090             | -                     | 1,750,090                                       | 679,973   |
| Capital outlay  |                       |                       |   |   |
| General government  | -                     | 533,922               | 533,922   | 451,462   |
| Public safety   | -                     | 1,368,144             | 1,368,144                                       | 919,970   |
| Highways and streets                                      | -                     | 366,559               | 366,559   | 602,523   |
| Culture and recreation                                    | -                     | 181,547               | 181,547   | 178,407   |
| Total expenditures  | 18,053,542            | 2,450,172             | 20,503,714                                      | 14,703,881                                      |
| Excess (deficiency) of revenues over (under) expenditures | 10,656,050            | (1,368,958)           | 9,287,092                                       | 11,787,236                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                       |                       |   |   |
| Bonds issued  | -                     | -                     | -   | 1,391,228                                       |
| Premium on bonds sold                                     | -                     | -                     | -   | 12,089  |
| Capital leases issued                                     | -                     | -                     | -   | 196,153   |
| Sale of City property                                     | 16,700                | 166,593               | 183,293   | 165,637   |
| Transfers in  | 1,723,760             | 1,451,992             | 3,175,752                                       | 2,489,696                                       |
| Transfers out   | (10,761,484)          | -                     | (10,761,484)                                    | (15,756,297)                                    |
| Total other financing sources (uses)                      | (9,021,024)           | 1,618,585             | (7,402,439)                                     | (11,501,494)                                    |
| Net change in fund balances                               | 1,635,026             | 249,627               | 1,884,653                                       | 285,742   |
| Fund balances (deficits) - beginning                      | 51,328,395            | 1,820,801             | 53,149,196                                      | 52,863,454                                      |
| Fund balances (deficits) - ending                         | \$ 52,963,421         | \$ 2,070,428          | \$ 55,033,849                                   | \$ 53,149,196                                   |



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

### **Nonmajor Special Revenue Funds**

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

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

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

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

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

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

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



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**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | Public<br>Transportation | Library           | Emergency<br>Fund   | Property Tax<br>1st Penny | Sales Tax<br>Relief  | Sales Tax<br>Economic<br>Development |
|---|--------------------------|-------------------|---------------------|---------------------------|----------------------|--------------------------------------|
| <b>ASSETS</b>                               |                          |                   |                     |                           |                      |                                      |
| Cash and cash equivalents                   | \$ 919,054               | \$ 297,303        | \$ 1,707,669        | \$ 511,643                | \$ 8,533,351         |                                      |
| Restricted cash and cash equivalents        | -                        | 1,000             | -                   | -                         | -                    | -                                    |
| Investments current                         | -                        | -                 | -                   | -                         | -                    | -                                    |
| Taxes receivable delinquent                 | 10,973                   | 56,129            | 828                 | -                         | -                    | -                                    |
| Due from other funds                        | -                        | -                 | -                   | -                         | -                    | -                                    |
| Accounts receivable                         | 1,257                    | 44,663            | -                   | -                         | -                    | -                                    |
| Allowance for accounts receivable           | -                        | -                 | -                   | -                         | -                    | -                                    |
| Intergovernmental receivable                | 202,186                  | 1,351             | -                   | 89,405                    | 134,108              |                                      |
| Loans receivable                            | -                        | -                 | -                   | -                         | 1,787,800            |                                      |
| Allowance for loans receivable              | -                        | -                 | -                   | -                         | (357,560)            |                                      |
| Accrued interest receivable                 | -                        | -                 | -                   | -                         | -                    | -                                    |
| Prepaid                                     | 35,541                   | 27,031            | -                   | -                         | -                    | -                                    |
| Other assets - capital credits              | 16,159                   | 17,895            | -                   | -                         | -                    | -                                    |
| Investments                                 | -                        | -                 | -                   | -                         | -                    | -                                    |
| Total assets                                | <b>\$ 1,185,170</b>      | <b>\$ 445,372</b> | <b>\$ 1,708,497</b> | <b>\$ 601,048</b>         | <b>\$ 10,097,699</b> |                                      |
| <b>LIABILITIES</b>                          |                          |                   |                     |                           |                      |                                      |
| Accounts payable                            | \$ 6,899                 | \$ 23,249         | \$ -                | \$ -                      | \$ 56,522            |                                      |
| Retainage payable                           | -                        | -                 | -                   | -                         | -                    | -                                    |
| Accrued salaries and benefits payable       | 30,325                   | 41,808            | -                   | -                         | -                    | -                                    |
| Due to other funds                          | -                        | -                 | -                   | -                         | -                    | -                                    |
| Unearned revenue - other                    | 8,938                    | -                 | -                   | -                         | -                    | -                                    |
| Total liabilities                           | <b>46,162</b>            | <b>65,057</b>     | <b>-</b>            | <b>-</b>                  | <b>56,522</b>        |                                      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                          |                   |                     |                           |                      |                                      |
| Unavailable revenue - property taxes        | 9,265                    | 46,844            | 828                 | -                         | -                    | -                                    |
| Total deferred inflows of resources         | <b>9,265</b>             | <b>46,844</b>     | <b>828</b>          | <b>-</b>                  | <b>-</b>             |                                      |
| <b>FUND BALANCES (DEFICITS)</b>             |                          |                   |                     |                           |                      |                                      |
| Nonspendable                                | 51,700                   | 44,926            | -                   | -                         | -                    | -                                    |
| Restricted                                  | -                        | 1,000             | -                   | -                         | -                    | -                                    |
| Committed                                   | 3,630                    | 89,982            | 1,707,669           | 601,048                   | 10,041,177           |                                      |
| Assigned                                    | 1,074,413                | 197,563           | -                   | -                         | -                    | -                                    |
| Total fund balance                          | <b>1,129,743</b>         | <b>333,471</b>    | <b>1,707,669</b>    | <b>601,048</b>            | <b>10,041,177</b>    |                                      |
| Total liabilities, inflows and fund balance | <b>\$ 1,185,170</b>      | <b>\$ 445,372</b> | <b>\$ 1,708,497</b> | <b>\$ 601,048</b>         | <b>\$ 10,097,699</b> |                                      |

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | Sales Tax<br>Improvements | Sales Tax<br>Flood Control | Sales Tax<br>NAWS    | Sales Tax                           |                                |
|---|---------------------------|----------------------------|----------------------|-------------------------------------|--------------------------------|
|   |                           |                            |                      | Property Tax<br>Relief<br>2nd Penny | Sales<br>Tax<br>Infrastructure |
| <b>ASSETS</b>                               |                           |                            |                      |                                     |                                |
| Cash and cash equivalents                   | \$ 5,920,183              | \$ 4,595,276               | \$ 17,152,640        | \$ 1,004,289                        | \$ 4,086,304                   |
| Restricted cash and cash equivalents        | -                         | -                          | -                    | -                                   | -                              |
| Investments current                         | -                         | -                          | -                    | -                                   | 4,082,373                      |
| Taxes receivable delinquent                 | -                         | -                          | -                    | -                                   | -                              |
| Due from other funds                        | -                         | -                          | -                    | -                                   | -                              |
| Accounts receivable                         | -                         | -                          | -                    | -                                   | 135,150                        |
| Allowance for accounts receivable           | -                         | -                          | -                    | -                                   | (135,150)                      |
| Intergovernmental receivable                | 223,513                   | 447,026                    | 357,621              | 160,929                             | 214,572                        |
| Loans receivable                            | -                         | -                          | -                    | -                                   | -                              |
| Allowance for loans receivable              | -                         | -                          | -                    | -                                   | -                              |
| Accrued interest receivable                 | -                         | -                          | -                    | -                                   | -                              |
| Prepaid                                     | -                         | -                          | 1,000                | -                                   | -                              |
| Other assets - capital credits              | -                         | -                          | -                    | -                                   | -                              |
| Investments                                 | -                         | -                          | 198,769              | -                                   | -                              |
| Total assets                                | <b>\$ 6,143,696</b>       | <b>\$ 5,042,302</b>        | <b>\$ 17,710,030</b> | <b>\$ 1,165,218</b>                 | <b>\$ 8,383,249</b>            |
| <b>LIABILITIES</b>                          |                           |                            |                      |                                     |                                |
| Accounts payable                            | \$ -                      | \$ 340,138                 | \$ 1,303,583         | \$ -                                | \$ -                           |
| Retainage payable                           | -                         | 155,091                    | -                    | -                                   | -                              |
| Accrued salaries and benefits payable       | -                         | -                          | -                    | -                                   | -                              |
| Due to other funds                          | -                         | -                          | -                    | -                                   | -                              |
| Unearned revenue - other                    | -                         | -                          | -                    | -                                   | -                              |
| Total liabilities                           | <b>-</b>                  | <b>495,229</b>             | <b>1,303,583</b>     | <b>-</b>                            | <b>-</b>                       |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                           |                            |                      |                                     |                                |
| Unavailable revenue - property taxes        | -                         | -                          | -                    | -                                   | -                              |
| Total deferred inflows of resources         | <b>-</b>                  | <b>-</b>                   | <b>-</b>             | <b>-</b>                            | <b>-</b>                       |
| <b>FUND BALANCES (DEFICITS)</b>             |                           |                            |                      |                                     |                                |
| Nonspendable                                | -                         | -                          | 1,000                | -                                   | -                              |
| Restricted                                  | -                         | -                          | -                    | -                                   | -                              |
| Committed                                   | 6,143,696                 | 2,997,108                  | 16,405,447           | 1,165,218                           | 8,383,249                      |
| Assigned                                    | -                         | 1,549,965                  | -                    | -                                   | -                              |
| Total fund balance                          | <b>6,143,696</b>          | <b>4,547,073</b>           | <b>16,406,447</b>    | <b>1,165,218</b>                    | <b>8,383,249</b>               |
| Total liabilities, inflows and fund balance | <b>\$ 6,143,696</b>       | <b>\$ 5,042,302</b>        | <b>\$ 17,710,030</b> | <b>\$ 1,165,218</b>                 | <b>\$ 8,383,249</b>            |

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | <b>Sales Tax</b>    | <b>Community</b>  | <b>Facilities/</b>   | <b>CDBG-DR</b>       | <b>CDBG-DR</b>       | <b>Total</b>      | <b>Total</b>      |
|---|---------------------|-------------------|----------------------|----------------------|----------------------|-------------------|-------------------|
|   |                     |                   | <b>Flood Control</b> | <b>\$67.5M</b>       | <b>\$35 M</b>        | <b>12/31/2021</b> | <b>12/31/2020</b> |
| <b>ASSETS</b>                               |                     |                   |                      |                      |                      |                   |                   |
| Cash and cash equivalents                   | \$ 2,200,934        | \$ -              | \$ -                 | \$ 46,928,646        | \$ 43,565,108        |                   |                   |
| Restricted cash and cash equivalents        | -                   | -                 | -                    | 1,000                | -                    |                   |                   |
| Investments current                         | -                   | -                 | -                    | 4,082,373            | 4,123,316            |                   |                   |
| Taxes receivable delinquent                 | -                   | -                 | -                    | 67,930               | 93,796               |                   |                   |
| Due from other funds                        | 144,017             | -                 | -                    | 144,017              | 585,578              |                   |                   |
| Accounts receivable                         | -                   | -                 | -                    | 181,070              | 196,992              |                   |                   |
| Allowance for accounts receivable           | -                   | -                 | -                    | (135,150)            | (135,150)            |                   |                   |
| Intergovernmental receivable                | 711,308             | 128,996           | 15,632               | 2,686,647            | 2,323,349            |                   |                   |
| Loans receivable                            | -                   | -                 | -                    | 1,787,800            | 1,800,400            |                   |                   |
| Allowance for loans receivable              | -                   | -                 | -                    | (357,560)            | (360,080)            |                   |                   |
| Accrued interest receivable                 | -                   | -                 | -                    | -                    | 2,352                |                   |                   |
| Prepaid                                     | -                   | 21                | -                    | 63,593               | 49,012               |                   |                   |
| Other assets - capital credits              | -                   | -                 | -                    | 34,054               | 31,241               |                   |                   |
| Investments                                 | -                   | -                 | -                    | 198,769              | 1,463,076            |                   |                   |
| Total assets                                | <u>\$ 3,056,259</u> | <u>\$ 129,017</u> | <u>\$ 15,632</u>     | <u>\$ 55,683,189</u> | <u>\$ 53,738,990</u> |                   |                   |
| <b>LIABILITIES</b>                          |                     |                   |                      |                      |                      |                   |                   |
| Accounts payable                            | \$ 551,629          | \$ 40             | \$ -                 | \$ 2,282,060         | \$ 1,991,976         |                   |                   |
| Retainage payable                           | -                   | -                 | -                    | 155,091              | 167,305              |                   |                   |
| Accrued salaries and benefits payable       | -                   | 592               | -                    | 72,725               | 66,779               |                   |                   |
| Due to other funds                          | -                   | 128,385           | 15,632               | 144,017              | 105,495              |                   |                   |
| Unearned revenue - other                    | -                   | -                 | -                    | 8,938                | -                    |                   |                   |
| Total liabilities                           | <u>551,629</u>      | <u>129,017</u>    | <u>15,632</u>        | <u>2,662,831</u>     | <u>2,331,555</u>     |                   |                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                     |                   |                      |                      |                      |                   |                   |
| Unavailable revenue - property taxes        | -                   | -                 | -                    | 56,937               | 79,040               |                   |                   |
| Total deferred inflows of resources         | <u>-</u>            | <u>-</u>          | <u>-</u>             | <u>56,937</u>        | <u>79,040</u>        |                   |                   |
| <b>FUND BALANCES (DEFICITS)</b>             |                     |                   |                      |                      |                      |                   |                   |
| Nonspendable                                | -                   | -                 | -                    | 97,626               | 80,229               |                   |                   |
| Restricted                                  | -                   | -                 | -                    | 1,000                | -                    |                   |                   |
| Committed                                   | 779,525             | -                 | -                    | 48,317,749           | 50,000,874           |                   |                   |
| Assigned                                    | 1,725,105           | -                 | -                    | 4,547,046            | 1,247,292            |                   |                   |
| Total fund balance                          | <u>2,504,630</u>    | <u>-</u>          | <u>-</u>             | <u>52,963,421</u>    | <u>51,328,395</u>    |                   |                   |
| Total liabilities, inflows and fund balance | <u>\$ 3,056,259</u> | <u>\$ 129,017</u> | <u>\$ 15,632</u>     | <u>\$ 55,683,189</u> | <u>\$ 53,738,990</u> |                   |                   |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Public<br>Transportation | Library      | Emergency<br>Fund | Property Tax<br>1st Penny | Sales Tax<br>Relief | Sales Tax<br>Economic<br>Development |
|--|--------------------------|--------------|-------------------|---------------------------|---------------------|--------------------------------------|
| <b>REVENUES</b>  |                          |              |                   |                           |                     |                                      |
| Property tax collections                                     | \$ 202,429               | \$ 1,298,957 | \$ 336            | \$ -                      | \$ -                | \$ -                                 |
| Sales tax collections  | -                        | -            | -                 | 1,157,051                 | 1,735,576           |                                      |
| Intergovernmental  | 937,625                  | 54,081       | -                 | -                         | -                   | -                                    |
| Charges for services   | 36,415                   | -            | -                 | -                         | -                   | -                                    |
| Interest income  | 2,126                    | 1,586        | 3,439             | 660                       | 17,772              |                                      |
| Miscellaneous  | 25,029                   | 28,322       | -                 | -                         | 13,916              |                                      |
| Total revenues   | 1,203,624                | 1,382,946    | 3,775             | 1,157,711                 | 1,767,264           |                                      |
| <b>EXPENDITURES</b>  |                          |              |                   |                           |                     |                                      |
| Current:   |                          |              |                   |                           |                     |                                      |
| General government   | 1,187,105                | -            | -                 | -                         | -                   | -                                    |
| Public safety  | -                        | -            | -                 | -                         | -                   | -                                    |
| Culture and recreation                                       | -                        | 1,437,658    | -                 | -                         | -                   | -                                    |
| Economic development   | -                        | -            | -                 | -                         | 1,750,090           |                                      |
| Total expenditures   | 1,187,105                | 1,437,658    | -                 | -                         | 1,750,090           |                                      |
| Excess (deficiency) of revenues<br>over (under) expenditures | 16,519                   | (54,712)     | 3,775             | 1,157,711                 | 17,174              |                                      |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                          |              |                   |                           |                     |                                      |
| Bonds issued   | -                        | -            | -                 | -                         | -                   | -                                    |
| Premium on bonds sold  | -                        | -            | -                 | -                         | -                   | -                                    |
| Sale of City property  | 16,700                   | -            | -                 | -                         | -                   | -                                    |
| Transfers in   | 3,574                    | 74,870       | -                 | -                         | -                   | -                                    |
| Transfers out  | -                        | -            | -                 | (850,999)                 | (97,374)            |                                      |
| Total other financing sources (uses)                         | 20,274                   | 74,870       | -                 | (850,999)                 | (97,374)            |                                      |
| Net change in fund balances                                  | 36,793                   | 20,158       | 3,775             | 306,712                   | (80,200)            |                                      |
| Fund balances (deficits) - beginning                         | 1,092,950                | 313,313      | 1,703,894         | 294,336                   | 10,121,377          |                                      |
| Fund balances (deficits) - ending                            | \$ 1,129,743             | \$ 333,471   | \$ 1,707,669      | \$ 601,048                | \$ 10,041,177       |                                      |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | <b>Sales Tax</b>    |                      |                      |                     |                     |
|---|---------------------|----------------------|----------------------|---------------------|---------------------|
|   | <b>Sales Tax</b>    | <b>Sales Tax</b>     | <b>Sales Tax</b>     | <b>Property Tax</b> | <b>Sales</b>        |
|   | <b>Improvements</b> | <b>Flood Control</b> | <b>NAWS</b>          | <b>Relief</b>       | <b>Tax</b>          |
| <b>REVENUES</b>   |                     |                      |                      |                     |                     |
| Property tax collections                                  | \$ -                | \$ -                 | \$ -                 | \$ -                | \$ -                |
| Sales tax collections                                     | 2,892,627           | 5,785,253            | 4,628,203            | 2,082,691           | 2,776,922           |
| Intergovernmental   | -                   | 21,926               | -                    | -                   | -                   |
| Charges for services                                      | -                   | -                    | -                    | -                   | -                   |
| Interest income   | 11,326              | 10,773               | 7,024                | 1,458               | -                   |
| Miscellaneous   | -                   | 91,282               | -                    | -                   | -                   |
| <b>Total revenues</b>                                     | <b>2,903,953</b>    | <b>5,909,234</b>     | <b>4,635,227</b>     | <b>2,084,149</b>    | <b>2,776,922</b>    |
| <b>EXPENDITURES</b>                                       |                     |                      |                      |                     |                     |
| Current:  |                     |                      |                      |                     |                     |
| General government  | -                   | -                    | 5,056,662            | -                   | 35,367              |
| Public safety   | -                   | 5,636,114            | -                    | -                   | -                   |
| Culture and recreation                                    | -                   | -                    | -                    | -                   | -                   |
| Economic development                                      | -                   | -                    | -                    | -                   | -                   |
| <b>Total expenditures</b>                                 | <b>-</b>            | <b>5,636,114</b>     | <b>5,056,662</b>     | <b>-</b>            | <b>35,367</b>       |
| Excess (deficiency) of revenues over (under) expenditures | 2,903,953           | 273,120              | (421,435)            | 2,084,149           | 2,741,555           |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |                     |                      |                      |                     |                     |
| Bonds issued  | -                   | -                    | -                    | -                   | -                   |
| Premium on bonds sold                                     | -                   | -                    | -                    | -                   | -                   |
| Sale of City property                                     | -                   | -                    | -                    | -                   | -                   |
| Transfers in  | -                   | 1,543,693            | -                    | -                   | 98,425              |
| Transfers out   | (2,435,300)         | (1,308,809)          | (50,000)             | (1,633,021)         | (2,842,288)         |
| <b>Total other financing sources (uses)</b>               | <b>(2,435,300)</b>  | <b>234,884</b>       | <b>(50,000)</b>      | <b>(1,633,021)</b>  | <b>(2,743,863)</b>  |
| Net change in fund balances                               | 468,653             | 508,004              | (471,435)            | 451,128             | (2,308)             |
| Fund balances (deficits) - beginning                      | 5,675,043           | 4,039,069            | 16,877,882           | 714,090             | 8,385,557           |
| <b>Fund balances (deficits) - ending</b>                  | <b>\$ 6,143,696</b> | <b>\$ 4,547,073</b>  | <b>\$ 16,406,447</b> | <b>\$ 1,165,218</b> | <b>\$ 8,383,249</b> |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Sales Tax                    |                    |                  |                     |                     |
|--|------------------------------|--------------------|------------------|---------------------|---------------------|
|  | Community                    |                    |                  |                     |                     |
|  | Facilities/<br>Flood Control | CDBG-DR<br>\$67.5M | CDBG-DR<br>\$35M | Total<br>12/31/2021 | Total<br>12/31/2020 |
| <b>REVENUES</b>  |                              |                    |                  |                     |                     |
| Property tax collections                                     | \$ -                         | \$ -               | \$ -             | \$ 1,501,722        | \$ 1,608,754        |
| Sales tax collections  | 2,082,691                    | -                  | -                | 23,141,014          | 20,655,109          |
| Intergovernmental  | 2,691,722                    | 99,579             | 6,688            | 3,811,621           | 1,579,973           |
| Charges for services   | -                            | -                  | -                | 36,415              | 76,903              |
| Interest income  | 4,081                        | 26                 | -                | 60,271              | 370,494             |
| Miscellaneous  | -                            | -                  | -                | 158,549             | 75,792              |
| Total revenues   | 4,778,494                    | 99,605             | 6,688            | 28,709,592          | 24,367,025          |
| <b>EXPENDITURES</b>  |                              |                    |                  |                     |                     |
| Current  |                              |                    |                  |                     |                     |
| General government   | -                            | 102,803            | 6,688            | 6,388,625           | 5,237,805           |
| Public safety  | -                            | -                  | -                | 5,636,114           | 4,621,335           |
| Culture and recreation                                       | 2,841,055                    | -                  | -                | 4,278,713           | 2,012,406           |
| Economic development   | -                            | -                  | -                | 1,750,090           | 679,973             |
| Total expenditures   | 2,841,055                    | 102,803            | 6,688            | 18,053,542          | 12,551,519          |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,937,439                    | (3,198)            | -                | 10,656,050          | 11,815,506          |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                              |                    |                  |                     |                     |
| Bonds issued   | -                            | -                  | -                | -                   | 1,391,228           |
| Premium on bonds sold  | -                            | -                  | -                | -                   | 12,089              |
| Sale of City property  | -                            | -                  | -                | 16,700              | -                   |
| Transfers in   | -                            | 3,198              | -                | 1,723,760           | 2,121,950           |
| Transfers out  | (1,543,693)                  | -                  | -                | (10,761,484)        | (15,243,207)        |
| Total other financing sources (uses)                         | (1,543,693)                  | 3,198              | -                | (9,021,024)         | (11,717,940)        |
| Net change in fund balances                                  | 393,746                      | -                  | -                | 1,635,026           | 97,566              |
| Fund balances (deficits) - beginning                         | 2,110,884                    | -                  | -                | 51,328,395          | 51,230,829          |
| Fund balances (deficits) - ending                            | \$ 2,504,630                 | \$ -               | \$ -             | \$ 52,963,421       | \$ 51,328,395       |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Public Transportation</b>                                 |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Property tax collections                                     | \$ 204,579                               | \$ 204,579                            | \$ 202,429                               | \$ (2,150)                                | \$ 322,971                               |
| Intergovernmental  | 960,790                                  | 959,068                               | 937,625                                  | (21,443)                                  | 979,397                                  |
| Charges for services   | 75,000                                   | 75,000                                | 36,415                                   | (38,585)                                  | 39,437                                   |
| Interest income  | 2,910                                    | 2,910                                 | 2,126                                    | (784)                                     | 5,416                                    |
| Miscellaneous  | 17,160                                   | 17,160                                | 25,029                                   | 7,869                                     | 27,146                                   |
| Total revenues   | 1,260,439                                | 1,258,717                             | 1,203,624                                | (55,093)                                  | 1,374,367                                |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| General government   | 1,260,439                                | 1,283,962                             | 1,187,105                                | 96,857                                    | 1,014,414                                |
| Total expenditures   | 1,260,439                                | 1,283,962                             | 1,187,105                                | 96,857                                    | 1,014,414                                |
| Excess (deficiency) of revenues<br>over (under) expenditures | -  | (25,245)                              | 16,519                                   | 41,764                                    | 359,953                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Sale of City property  | -  | -                                     | 16,700                                   | 16,700                                    | -  |
| Transfers in   | -  | 4,140                                 | 3,574                                    | (566)                                     | -  |
| Transfers out  | -  | -                                     | -  | -   | (3,436)                                  |
| Total other financing sources (uses)                         | -  | 4,140                                 | 20,274                                   | 16,134                                    | (3,436)                                  |
| Net change in fund balances                                  | \$ -                                     | \$ (21,105)                           | 36,793                                   | \$ 57,898                                 | 356,517                                  |
| Fund balances (deficits) - beginning                         |  |                                       | 1,092,950                                |   | 736,433                                  |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 1,129,743</u>                      |   | <u>\$ 1,092,950</u>                      |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Library</b>                           |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Property tax collections                                     | \$ 1,354,111                             | \$ 1,354,111                          | \$ 1,298,957                             | \$ (55,154)                               | \$ 1,269,843                             |
| Intergovernmental  | 49,700                                   | 54,511                                | 54,081                                   | (430)                                     | 63,493                                   |
| Charges for services   | 22,073                                   | 22,073                                | -  | (22,073)                                  | 37,466                                   |
| Interest income  | 3,417                                    | 3,417                                 | 1,586                                    | (1,831)                                   | 5,273                                    |
| Miscellaneous  | 15,675                                   | 22,343                                | 28,322                                   | 5,979                                     | 27,302                                   |
| Total revenues   | <u>1,444,976</u>                         | <u>1,456,455</u>                      | <u>1,382,946</u>                         | <u>(73,509)</u>                           | <u>1,403,377</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| Culture and recreation                                       | 1,444,976                                | 1,560,177                             | 1,437,658                                | 122,519                                   | 1,742,406                                |
| Total expenditures   | <u>1,444,976</u>                         | <u>1,560,177</u>                      | <u>1,437,658</u>                         | <u>122,519</u>                            | <u>1,742,406</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | -  | (103,722)                             | (54,712)                                 | 49,010                                    | (339,029)                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers in   | -  | 74,870                                | 74,870                                   | -   | 321,950                                  |
| Transfers out  | -  | -                                     | -  | -   | (4,597)                                  |
| Total other financing sources (uses)                         | <u>-</u>                                 | <u>74,870</u>                         | <u>74,870</u>                            | <u>-</u>                                  | <u>317,353</u>                           |
| Net change in fund balances                                  | \$ -                                     | <u>\$ (28,852)</u>                    | 20,158                                   | <u>\$ 49,010</u>                          | (21,676)                                 |
| Fund balances (deficits) - beginning                         |  |                                       | 313,313                                  |   | 334,989                                  |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 333,471</u>                        |   | <u>\$ 313,313</u>                        |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Emergency Fund</b>  |  |  |   |  |  |
|--|--|--|---|--|--|
|  | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |  |
| <b>REVENUES</b>  |  |  |   |  |  |
| Property tax collections                                     | \$ -   | \$ 336                                   | \$ 336                                    | \$ 15,940                                |  |
| Intergovernmental  | -  | -  | -   | 226,160                                  |  |
| Interest income  | 7,185  | 3,439                                    | (3,746)                                   | 11,225                                   |  |
| Total revenues   | <u>7,185</u>   | <u>3,775</u>                             | <u>(3,410)</u>                            | <u>253,325</u>                           |  |
| <b>EXPENDITURES</b>  |  |  |   |  |  |
| Current:   |  |  |   |  |  |
| Public safety  | -  | -  | -   | 289,800                                  |  |
| Total expenditures   | -  | -  | -   | 289,800                                  |  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 7,185  | 3,775                                    | (3,410)                                   | (36,475)                                 |  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |  |   |  |  |
| Transfers out  | -  | -  | -   | (31,619)                                 |  |
| Total other financing sources (uses)                         | -  | -  | -   | (31,619)                                 |  |
| Net change in fund balance                                   | <u>\$ 7,185</u>  | <u>3,775</u>                             | <u>\$ (3,410)</u>                         | <u>(68,094)</u>                          |  |
| Fund balances (deficits) - beginning                         |  | <u>1,703,894</u>                         |   | <u>1,771,988</u>                         |  |
| Fund balances (deficits) - ending                            |  | <u><u>\$ 1,707,669</u></u>               |   | <u><u>\$ 1,703,894</u></u>               |  |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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**Sales Tax Property Relief-1st Penny**

|                                       | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
|---------------------------------------|--|--|---|--|
| <b>REVENUES</b>                       |  |  |   |  |
| Sales tax collections                 | \$ 850,000   | \$ 1,157,051                             | \$ 307,051                                | \$ 1,032,755                             |
| Interest income                       | 999  | 660                                      | (339)                                     | 1,659                                    |
| Total revenues                        | <u>850,999</u>   | <u>1,157,711</u>                         | <u>306,712</u>                            | <u>1,034,414</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b> |  |  |   |  |
| Transfers out                         | (850,999)  | (850,999)                                | -   | (1,117,105)                              |
| Total other financing sources (uses)  | <u>(850,999)</u>   | <u>(850,999)</u>                         | <u>-</u>                                  | <u>(1,117,105)</u>                       |
| Net change in fund balance            | \$ <u>-</u>  | <u>306,712</u>                           | <u>\$ 306,712</u>                         | <u>(82,691)</u>                          |
| Fund balances (deficits) - beginning  |  | 294,336                                  |   | 377,027                                  |
| Fund balances (deficits) - ending     |  | <u>\$ 601,048</u>                        |   | <u>\$ 294,336</u>                        |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Economic Development</b>                        |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Sales tax collections  | \$ 1,275,000   | \$ 1,275,000                          | \$ 1,735,576                             | \$ 460,576                                | \$ 1,549,133                             |
| Interest income  | 35,150   | 35,150                                | 17,772                                   | (17,378)                                  | 58,470                                   |
| Miscellaneous  | -  | -                                     | 13,916                                   | 13,916                                    | 21,344                                   |
| Total revenues   | <u>1,310,150</u>   | <u>1,310,150</u>                      | <u>1,767,264</u>                         | <u>457,114</u>                            | <u>1,628,947</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| Economic development   | 522,541  | 3,624,196                             | 1,750,090                                | 1,874,106                                 | 679,973                                  |
| Total expenditures   | <u>522,541</u>   | <u>3,624,196</u>                      | <u>1,750,090</u>                         | <u>1,874,106</u>                          | <u>679,973</u>                           |
| Excess (deficiency) of revenues<br>over (under) expenditures | 787,609  | (2,314,046)                           | 17,174                                   | 2,331,220                                 | 948,974                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers in   | -  | 85,571                                | -  | (85,571)                                  | -  |
| Transfers out  | (191,959)  | (191,959)                             | (97,374)                                 | 94,585                                    | (1,004,636)                              |
| Total other financing sources (uses)                         | <u>(191,959)</u>   | <u>(106,388)</u>                      | <u>(97,374)</u>                          | <u>9,014</u>                              | <u>(1,004,636)</u>                       |
| Net change in fund balance                                   | <u>\$ 595,650</u>  | <u>\$ (2,420,434)</u>                 | <u>(80,200)</u>                          | <u>\$ 2,340,234</u>                       | <u>(55,662)</u>                          |
| Fund balances (deficits) - beginning                         |  |                                       | 10,121,377                               |   | 10,177,039                               |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 10,041,177</u>                     |   | <u>\$10,121,377</u>                      |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Improvements</b>                                |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Sales tax collections  | \$ 2,125,000   | \$ 2,125,000                          | \$ 2,892,627                             | \$ 767,627                                | \$ 2,581,889                             |
| Interest income  | 20,205   | 20,205                                | 11,326                                   | (8,879)                                   | 36,727                                   |
| Total revenues   | <u>2,145,205</u>   | <u>2,145,205</u>                      | <u>2,903,953</u>                         | <u>758,748</u>                            | <u>2,618,616</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| Culture and recreation                                       | -  | -                                     | -  | -   | 270,000                                  |
| Total expenditures   | -  | -                                     | -  | -   | 270,000                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>2,145,205</u>   | <u>2,145,205</u>                      | <u>2,903,953</u>                         | <u>758,748</u>                            | <u>2,348,616</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers out  | (2,332,357)  | (2,402,357)                           | (2,435,300)                              | (32,943)                                  | (2,292,158)                              |
| Total other financing sources (uses)                         | <u>(2,332,357)</u>                                       | <u>(2,402,357)</u>                    | <u>(2,435,300)</u>                       | <u>(32,943)</u>                           | <u>(2,292,158)</u>                       |
| Net change in fund balance                                   | <u>\$ (187,152)</u>                                      | <u>\$ (257,152)</u>                   | <u>468,653</u>                           | <u>\$ 725,805</u>                         | <u>56,458</u>                            |
| Fund balances (deficits) - beginning                         |  |                                       | 5,675,043                                |   | 5,618,585                                |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 6,143,696</u>                      |   | <u>\$ 5,675,043</u>                      |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Flood Control</b>                               |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Sales tax collections  | \$ 4,250,000                             | \$ 4,250,000                          | \$ 5,785,253                             | \$ 1,535,253                              | \$ 5,163,777                             |
| Intergovernmental  | -  | -                                     | 21,926                                   | 21,926                                    | 111,778                                  |
| Interest income  | 27,782                                   | 27,782                                | 10,773                                   | (17,009)                                  | 24,024                                   |
| Miscellaneous  | -  | -                                     | 91,282                                   | 91,282                                    | -  |
| <b>Total revenues</b>  | <b>4,277,782</b>                         | <b>4,277,782</b>                      | <b>5,909,234</b>                         | <b>1,631,452</b>                          | <b>5,299,579</b>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| Public safety  | 9,807,500                                | 13,120,104                            | 5,636,114                                | 7,483,990                                 | 4,331,535                                |
| <b>Total expenditures</b>                                    | <b>9,807,500</b>                         | <b>13,120,104</b>                     | <b>5,636,114</b>                         | <b>7,483,990</b>                          | <b>4,331,535</b>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (5,529,718)                              | (8,842,322)                           | 273,120                                  | 9,115,442                                 | 968,044                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Bonds issued   | 5,609,922                                | 5,609,922                             | -  | (5,609,922)                               | 1,391,228                                |
| Premium on bonds sold  | -  | -                                     | -  | -   | 12,089                                   |
| Transfers in   | 1,543,693                                | 1,543,693                             | 1,543,693                                | -   | 1,800,000                                |
| Transfers out  | (1,623,897)                              | (1,824,278)                           | (1,308,809)                              | 515,469                                   | (2,166,490)                              |
| <b>Total other financing sources (uses)</b>                  | <b>5,529,718</b>                         | <b>5,329,337</b>                      | <b>234,884</b>                           | <b>(5,094,453)</b>                        | <b>1,036,827</b>                         |
| Net change in fund balance                                   | \$ -                                     | \$ (3,512,985)                        | 508,004                                  | \$ 4,020,989                              | 2,004,871                                |
| Fund balances (deficits) - beginning                         |  |                                       | 4,039,069                                |   | 2,034,198                                |
| Fund balances (deficits) - ending                            |  |                                       | <b>\$ 4,547,073</b>                      |   | <b>\$ 4,039,069</b>                      |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax NAWS</b>  |  |  |   |  |
|--|--|--|---|--|
|  | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |  |   |  |
| Sales tax collections  | \$ 3,400,000   | \$ 4,628,203                             | \$ 1,228,203                              | \$ 4,131,022                             |
| Interest income  | 72,411   | 7,024                                    | (65,387)                                  | 136,232                                  |
| Total revenues   | <u>3,472,411</u>   | <u>4,635,227</u>                         | <u>1,162,816</u>                          | <u>4,267,254</u>                         |
| <b>EXPENDITURES</b>  |  |  |   |  |
| General government   | 9,870,000  | 5,056,662                                | 4,813,338                                 | 4,015,760                                |
| Total expenditures   | <u>9,870,000</u>   | <u>5,056,662</u>                         | <u>4,813,338</u>                          | <u>4,015,760</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (6,397,589)  | (421,435)                                | 5,976,154                                 | 251,494                                  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |  |   |  |
| Transfers out  | (50,000)   | (50,000)                                 | -   | (1,236,581)                              |
| Total other financing sources (uses)                         | <u>(50,000)</u>  | <u>(50,000)</u>                          | <u>-</u>                                  | <u>(1,236,581)</u>                       |
| Net change in fund balance                                   | <u><u>\$ (6,447,589)</u></u>                             | <u><u>(471,435)</u></u>                  | <u><u>\$ 5,976,154</u></u>                | <u><u>(985,087)</u></u>                  |
| Fund balances (deficits) - beginning                         |  | 16,877,882                               |   | 17,862,969                               |
| Fund balances (deficits) - ending                            |  | <u><u>\$ 16,406,447</u></u>              |   | <u><u>\$ 16,877,882</u></u>              |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Property Tax Relief - 2nd Penny</b> |  |  |   |  |
|--|--|--|---|--|
|  | <b>Original<br/>&amp; Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>                                  |  |  |   |  |
| Sales tax collections                            | \$ 1,530,000   | \$ 2,082,691                             | \$ 552,691                                | \$ 1,858,960                             |
| Interest income                                  | 3,021  | 1,458                                    | (1,563)                                   | 4,008                                    |
| Total revenues                                   | <u>1,533,021</u>   | <u>2,084,149</u>                         | <u>551,128</u>                            | <u>1,862,968</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>            |  |  |   |  |
| Transfers out                                    | (1,633,021)  | (1,633,021)                              | -   | (2,113,139)                              |
| Total other financing sources (uses)             | <u>(1,633,021)</u>                                       | <u>(1,633,021)</u>                       | <u>-</u>                                  | <u>(2,113,139)</u>                       |
| Net change in fund balance                       | <u>\$ (100,000)</u>                                      | <u>451,128</u>                           | <u>\$ 551,128</u>                         | <u>(250,171)</u>                         |
| Fund balances (deficits) - beginning             |  | 714,090                                  |   | 964,261                                  |
| Fund balances (deficits) - ending                |  | <u>\$ 1,165,218</u>                      |   | <u>\$ 714,090</u>                        |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Infrastructure</b>                              |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Sales tax collections  | \$2,040,000                              | \$2,040,000                           | \$2,776,922                              | \$ 736,922                                | \$2,478,613                              |
| Interest income  | 18,892                                   | 18,892                                | -  | (18,892)                                  | 70,600                                   |
| Total revenues   | <u>2,058,892</u>                         | <u>2,058,892</u>                      | <u>2,776,922</u>                         | <u>718,030</u>                            | <u>2,549,213</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| General government   | -  | 35,367                                | 35,367                                   | -   | -  |
| Total expenditures   | <u>-</u>                                 | <u>35,367</u>                         | <u>35,367</u>                            | <u>-</u>                                  | <u>-</u>                                 |
| Excess (deficiency) of revenues<br>over (under) expenditures | <u>2,058,892</u>                         | <u>2,023,525</u>                      | <u>2,741,555</u>                         | <u>718,030</u>                            | <u>2,549,213</u>                         |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfer in  | -  | -                                     | 98,425                                   | 98,425                                    | -  |
| Transfers out  | <u>(2,755,211)</u>                       | <u>(2,919,844)</u>                    | <u>(2,842,288)</u>                       | <u>77,556</u>                             | <u>(1,987,017)</u>                       |
| Total other financing sources (uses)                         | <u><u>(2,755,211)</u></u>                | <u><u>(2,919,844)</u></u>             | <u><u>(2,743,863)</u></u>                | <u><u>175,981</u></u>                     | <u><u>(1,987,017)</u></u>                |
| Net change in fund balance                                   | <u><u>\$ (696,319)</u></u>               | <u><u>\$ (896,319)</u></u>            | <u><u>(2,308)</u></u>                    | <u><u>\$ 894,011</u></u>                  | <u><u>562,196</u></u>                    |
| Fund balances (deficits) - beginning                         |  |                                       | 8,385,557                                |   | 7,823,361                                |
| Fund balances (deficits) - ending                            |  |                                       | <u><u>\$ 8,383,249</u></u>               |   | <u><u>\$ 8,385,557</u></u>               |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Sales Tax Community Facilities/Flood Control</b>          |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Sales tax collections  | \$ 1,530,000                             | \$ 1,530,000                          | \$ 2,082,691                             | \$ 552,691                                | \$ 1,858,960                             |
| Intergovernmental  | -  | -                                     | 2,691,722                                | 2,691,722                                 | -  |
| Interest income  | 13,693                                   | 13,693                                | 4,081                                    | (9,612)                                   | 13,394                                   |
| Total revenues   | 1,543,693                                | 1,543,693                             | 4,778,494                                | 3,234,801                                 | 1,872,354                                |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| Culture and recreation                                       | -  | 3,620,580                             | 2,841,055                                | 779,525                                   | -  |
| Total expenditures   | -  | 3,620,580                             | 2,841,055                                | 779,525                                   | -  |
| Excess (deficiency) of revenues<br>over (under) expenditures | 1,543,693                                | (2,076,887)                           | 1,937,439                                | 4,014,326                                 | 1,872,354                                |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers out  | (1,543,693)                              | (1,543,693)                           | (1,543,693)                              | -   | (1,813,393)                              |
| Total other financing sources (uses)                         | (1,543,693)                              | (1,543,693)                           | (1,543,693)                              | -   | (1,813,393)                              |
| Net change in fund balance                                   | \$ -                                     | \$ (3,620,580)                        | 393,746                                  | <u>\$ 4,014,326</u>                       | 58,961                                   |
| Fund balances (deficits) - beginning                         |  |                                       | 2,110,884                                |   | 2,051,923                                |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ 2,504,630</u>                      |   | <u>\$ 2,110,884</u>                      |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>CDBG - Disaster Recovery \$67.5M</b>                      |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Intergovernmental  | \$ -                                     | \$ -                                  | \$ 99,579                                | \$ 99,579                                 | \$ 190,057                               |
| Interest income  | -  | -                                     | 26                                       | 26  | 43                                       |
| Total revenues   | -  | -                                     | 99,605                                   | 99,605                                    | 190,100                                  |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Current:   |  |                                       |  |   |  |
| General government   | -  | 998,659                               | 102,803                                  | 895,856                                   | 190,100                                  |
| Total expenditures   | -  | 998,659                               | 102,803                                  | 895,856                                   | 190,100                                  |
| Excess (deficiency) of revenues<br>over (under) expenditures | -  | (998,659)                             | (3,198)                                  | 995,461                                   | -  |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Transfers in   | -  | -                                     | 3,198                                    | 3,198                                     | -  |
| Total other financing sources (uses)                         | -  | -                                     | 3,198                                    | 3,198                                     | -  |
| Net change in fund balance                                   | <u>\$ -</u>                              | <u>\$ (998,659)</u>                   | <u>-</u>                                 | <u>\$ 998,659</u>                         | <u>-</u>                                 |
| Fund balances (deficits) - beginning                         |  |                                       | -  |   | -  |
| Fund balances (deficits) - ending                            |  |                                       | <u>\$ -</u>                              |   | <u>\$ -</u>                              |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>CDBG - Disaster Recovery \$35M</b>                        |                              |                           |                              |   |                              |  |
|--|------------------------------|---------------------------|------------------------------|---|------------------------------|--|
|  | <b>Original<br/>Budgeted</b> | <b>Final<br/>Budgeted</b> | <b>12/31/2021<br/>Actual</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual</b> |  |
| <b>REVENUES</b>  |                              |                           |                              |   |                              |  |
| Intergovernmental  | \$ -                         | \$ -                      | \$ 6,688                     | \$ 6,688                                  | \$ 9,088                     |  |
| Total revenues   | -                            | -                         | 6,688                        | 6,688                                     | 9,088                        |  |
| <b>EXPENDITURES</b>  |                              |                           |                              |   |                              |  |
| Current:   |                              |                           |                              |   |                              |  |
| General government   | - -                          | 11,559                    | 6,688                        | 4,871                                     | 17,531                       |  |
| Total expenditures   | - -                          | 11,559                    | 6,688                        | 4,871                                     | 17,531                       |  |
| Excess (deficiency) of revenues<br>over (under) expenditures | - -                          | (11,559)                  | - -                          | 11,559                                    | (8,443)                      |  |
| Net change in fund balance                                   | <u>\$ - -</u>                | <u>\$ (11,559)</u>        | <u>- -</u>                   | <u>\$ 11,559</u>                          | <u>(8,443)</u>               |  |
| Fund balances (deficits) - beginning                         |                              |                           | - -                          |   | 8,443                        |  |
| Fund balances (deficits) - ending                            |                              |                           | <u>\$ - -</u>                |   | <u>\$ - -</u>                |  |



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

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

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

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Fund**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|   | Total               | Total               |
|---|---------------------|---------------------|
|   | Nonmajor            | Nonmajor            |
|   | Capital             | Capital Fund        |
|   | Equipment           | 12/31/2021          |
|   | Capital             | Capital Fund        |
|   | Equipment           | 12/31/2020          |
| <b>ASSETS</b>                               |                     |                     |
| Cash and cash equivalents                   | \$ 2,227,742        | \$ 2,227,742        |
| Taxes receivable delinquent                 | 29,279              | 29,279              |
| Intergovernmental receivable                | 11,432              | 11,432              |
| Prepaid                                     | 983                 | 983                 |
| Total assets                                | <u>\$ 2,269,436</u> | <u>\$ 2,269,436</u> |
|   |                     | <u>\$ 2,207,167</u> |
| <b>LIABILITIES</b>                          |                     |                     |
| Accounts payable                            | \$ 160,630          | \$ 160,630          |
| Retainage payable                           | 12,986              | 12,986              |
| Total liabilities                           | <u>173,616</u>      | <u>173,616</u>      |
|   |                     | <u>348,887</u>      |
| <b>DEFERRED INFLOWS OF RESOURCES</b>        |                     |                     |
| Unavailable revenue - property taxes        | 25,392              | 25,392              |
| Total deferred inflows of resources         | <u>25,392</u>       | <u>37,479</u>       |
|   |                     | <u>37,479</u>       |
| <b>FUND BALANCES (DEFICITS)</b>             |                     |                     |
| Nonspendable                                | 983                 | 983                 |
| Committed                                   | 1,493,705           | 1,493,705           |
| Assigned                                    | 575,740             | 575,740             |
| Total fund balance                          | <u>2,070,428</u>    | <u>1,820,801</u>    |
| Total liabilities, inflows and fund balance | <u>\$ 2,269,436</u> | <u>\$ 2,269,436</u> |
|   |                     | <u>\$ 2,207,167</u> |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Total               | Total               |
|--|---------------------|---------------------|
|  | Nonmajor            | Nonmajor            |
|  | Capital             | Capital Fund        |
|  | Equipment           | 12/31/2021          |
|  | 12/31/2020          |                     |
| <b>REVENUES</b>  |                     |                     |
| Property tax collections                                     | \$ 447,354          | \$ 447,354          |
| Intergovernmental  | 596,571             | 596,571             |
| Interest income  | 4,376               | 4,376               |
| Miscellaneous  | 32,913              | 32,913              |
| Total revenues   | <u>1,081,214</u>    | <u>1,081,214</u>    |
|  | <u>2,124,092</u>    |                     |
| <b>EXPENDITURES</b>  |                     |                     |
| Capital outlay:  |                     |                     |
| General government   | 533,922             | 533,922             |
| Public safety  | 1,368,144           | 1,368,144           |
| Highways and streets   | 366,559             | 366,559             |
| Culture and recreation                                       | 181,547             | 181,547             |
| Total expenditures   | <u>2,450,172</u>    | <u>2,450,172</u>    |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,368,958)         | (1,368,958)         |
|  | (28,270)            |                     |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |                     |                     |
| Capital leases issued  | -                   | -                   |
| Sale of City property  | 166,593             | 166,593             |
| Transfers in   | 1,451,992           | 1,451,992           |
| Transfers out  | -                   | -                   |
| Total other financing sources (uses)                         | <u>1,618,585</u>    | <u>1,618,585</u>    |
|  | <u>216,446</u>      |                     |
| Net change in fund balances                                  | 249,627             | 249,627             |
| Fund balances (deficits) - beginning                         | 1,820,801           | 1,820,801           |
| Fund balances (deficits) - ending                            | <u>\$ 2,070,428</u> | <u>\$ 2,070,428</u> |
|  | <u>\$ 1,820,801</u> |                     |

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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| <b>Capital Equipment</b>                                     |  |                                       |  |   |  |
|--|--|---------------------------------------|--|---|--|
|  | <b>Original<br/>Budgeted<br/>Amounts</b> | <b>Final<br/>Budgeted<br/>Amounts</b> | <b>12/31/2021<br/>Actual<br/>Amounts</b> | <b>Variance<br/>with Final<br/>Budget</b> | <b>12/31/2020<br/>Actual<br/>Amounts</b> |
| <b>REVENUES</b>  |  |                                       |  |   |  |
| Property tax collections                                     | \$ 578,441                               | \$ 470,008                            | \$ 447,354                               | \$ (22,654)                               | \$ 540,139                               |
| Intergovernmental  | 222,017                                  | 565,732                               | 596,571                                  | 30,839                                    | 1,547,847                                |
| Interest income  | 10,479                                   | 10,479                                | 4,376                                    | (6,103)                                   | 13,209                                   |
| Miscellaneous  | -  | 32,737                                | 32,913                                   | 176                                       | 22,897                                   |
| Total revenues   | <u>810,937</u>                           | <u>1,078,956</u>                      | <u>1,081,214</u>                         | <u>2,258</u>                              | <u>2,124,092</u>                         |
| <b>EXPENDITURES</b>  |  |                                       |  |   |  |
| Capital outlay:  |  |                                       |  |   |  |
| General government   | 90,000                                   | 597,822                               | 533,922                                  | 63,900                                    | 451,462                                  |
| Public safety  | 1,227,216                                | 2,780,696                             | 1,368,144                                | 1,412,552                                 | 919,970                                  |
| Highways and streets   | 563,225                                  | 581,039                               | 366,559                                  | 214,480                                   | 602,523                                  |
| Culture and recreation                                       | 148,496                                  | 182,018                               | 181,547                                  | 471                                       | 178,407                                  |
| Total expenditures   | <u>2,028,937</u>                         | <u>4,141,575</u>                      | <u>2,450,172</u>                         | <u>1,691,403</u>                          | <u>2,152,362</u>                         |
| Excess (deficiency) of revenues<br>over (under) expenditures | (1,218,000)                              | (3,062,619)                           | (1,368,958)                              | 1,693,661                                 | (28,270)                                 |
| <b>OTHER FINANCING SOURCES (USES)</b>                        |  |                                       |  |   |  |
| Capital leases issued  | -  | -                                     | -  | -   | 196,153                                  |
| Sale of City property  | 182,000                                  | 182,000                               | 166,593                                  | (15,407)                                  | 165,637                                  |
| Transfers in   | 540,000                                  | 930,532                               | 1,451,992                                | 521,460                                   | 367,746                                  |
| Transfers out  | -  | (18,336)                              | -  | 18,336                                    | (513,090)                                |
| Total other financing sources (uses)                         | <u>722,000</u>                           | <u>1,094,196</u>                      | <u>1,618,585</u>                         | <u>524,389</u>                            | <u>216,446</u>                           |
| Net change in fund balance                                   | <u><u>\$ (496,000)</u></u>               | <u><u>\$(1,968,423)</u></u>           | <u><u>249,627</u></u>                    | <u><u>\$ 2,218,050</u></u>                | <u><u>188,176</u></u>                    |
| Fund balances (deficits) - beginning                         |  |                                       | 1,820,801                                |   | 1,632,625                                |
| Fund balances (deficits) - ending                            |  |                                       | <u><u>\$ 2,070,428</u></u>               |   | <u><u>\$ 1,820,801</u></u>               |

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

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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|   | Nonmajor<br>Business-Type Activities |                      |                  | Total<br>Nonmajor<br>Proprietary<br>Funds | Total<br>Nonmajor<br>Proprietary<br>Funds |
|---|--------------------------------------|----------------------|------------------|---|---|
|   | Cemetery                             | Parking<br>Authority | Parking<br>Ramps | 12/31/2021                                | 12/31/2020                                |
|   |                                      |                      |                  |   |   |
| <b>ASSETS</b>                                     |                                      |                      |                  |   |   |
| Current assets:                                   |                                      |                      |                  |   |   |
| Cash and cash equivalents                         | \$ 562,351                           | \$ 353,298           | \$ 633,056       | \$ 1,548,705                              | \$ 1,427,203                              |
| Taxes receivable delinquent                       | 6,544                                | -                    | 890              | 7,434                                     | 36,255                                    |
| Accounts receivable                               | 13,778                               | 1,675                | 3,402            | 18,855                                    | 17,668                                    |
| Intergovernmental receivable                      | 122                                  | -                    | 21               | 143                                       | 878                                       |
| Prepaid   | -                                    | 138                  | -                | 138                                       | 108                                       |
| Total current assets                              | 582,795                              | 355,111              | 637,369          | 1,575,275                                 | 1,482,112                                 |
| Noncurrent assets:                                |                                      |                      |                  |   |   |
| Other assets - capital credits                    | 6,500                                | 1,518                | 2,281            | 10,299                                    | 8,707                                     |
| Land  | 179,504                              | 136,397              | -                | 315,901                                   | 315,901                                   |
| Construction in progress                          | -                                    | -                    | -                | -   | 8,775                                     |
| Infrastructure                                    | 465,159                              | 17,228               | 21,996,162       | 22,478,549                                | 22,478,549                                |
| Buildings   | 158,502                              | -                    | -                | 158,502                                   | 158,502                                   |
| Equipment   | 262,606                              | 322,867              | 404,989          | 990,462                                   | 972,537                                   |
| Less-accumulated depreciation                     | (525,004)                            | (335,979)            | (6,263,843)      | (7,124,826)                               | (5,985,857)                               |
| Total noncurrent assets                           | 547,267                              | 142,031              | 16,139,589       | 16,828,887                                | 17,957,114                                |
| Total assets                                      | 1,130,062                            | 497,142              | 16,776,958       | 18,404,162                                | 19,439,226                                |
| <b>DEFERRED OUTFLOWS OF RESOURCES</b>             |                                      |                      |                  |   |   |
| Deferred outflows of resources related to pension | 168,264                              | -                    | -                | 168,264                                   | 231,493                                   |
| Deferred outflows of resources related to OPEB    | 3,410                                | -                    | -                | 3,410                                     | 4,585                                     |
| Total deferred outflows of resources              | 171,674                              | -                    | -                | 171,674                                   | 236,078                                   |
| <b>LIABILITIES</b>                                |                                      |                      |                  |   |   |
| Current liabilities:                              |                                      |                      |                  |   |   |
| Accounts payable                                  | 4,112                                | 2,573                | 8,678            | 15,363                                    | 11,361                                    |
| Accrued salaries and benefits payable             | 13,984                               | -                    | -                | 13,984                                    | 11,541                                    |
| Compensated absences                              | 8,179                                | -                    | -                | 8,179                                     | 7,987                                     |
| Total current liabilities                         | 26,275                               | 2,573                | 8,678            | 37,526                                    | 30,889                                    |
| Noncurrent liabilities:                           |                                      |                      |                  |   |   |
| Compensated absences                              | 15,189                               | -                    | -                | 15,189                                    | 14,833                                    |
| Net pension liability                             | 198,219                              | -                    | -                | 198,219                                   | 361,114                                   |
| Net OPEB liability                                | 2,220                                | -                    | -                | 2,220                                     | 4,985                                     |
| Total noncurrent liabilities                      | 215,628                              | -                    | -                | 215,628                                   | 380,932                                   |
| Total liabilities                                 | 241,903                              | 2,573                | 8,678            | 253,154                                   | 411,821                                   |
| <b>DEFERRED INFLOWS OF RESOURCES</b>              |                                      |                      |                  |   |   |
| Deferred inflows of resources related to pension  | 186,721                              | -                    | -                | 186,721                                   | 85,460                                    |
| Deferred inflows of resources related to OPEB     | 2,109                                | -                    | -                | 2,109                                     | 545                                       |
| Total deferred inflows of resources               | 188,830                              | -                    | -                | 188,830                                   | 86,005                                    |
| <b>NET POSITION</b>                               |                                      |                      |                  |   |   |
| Net investment in capital assets                  | 540,767                              | 140,513              | 16,137,308       | 16,818,588                                | 17,948,407                                |
| Unrestricted net position                         | 330,236                              | 354,056              | 630,972          | 1,315,264                                 | 1,229,071                                 |
| Total net position                                | \$ 871,003                           | \$ 494,569           | \$ 16,768,280    | \$ 18,133,852                             | \$ 19,177,478                             |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | Nonmajor<br>Business-Type Activities |            |               | Total<br>Nonmajor<br>Proprietary<br>Funds | Total<br>Nonmajor<br>Proprietary<br>Funds |
|--|--------------------------------------|------------|---------------|---|---|
|  | Cemetery                             | Parking    | Parking       | 12/31/2021                                | 12/31/2020                                |
|  |                                      | Authority  | Ramps         |   |   |
| <b>OPERATING REVENUES</b>                        |                                      |            |               |   |   |
| Charges for services                             | \$ 338,641                           | \$ 52,425  | \$ 95,263     | \$ 486,329                                | \$ 472,398                                |
| Miscellaneous                                    | -                                    | 1,675      | -             | 1,675                                     | -   |
| Total operating revenues                         | 338,641                              | 54,100     | 95,263        | 488,004                                   | 472,398                                   |
| <b>OPERATING EXPENSES</b>                        |                                      |            |               |   |   |
| Salaries   | 255,000                              | -          | 3,858         | 258,858                                   | 264,732                                   |
| Employee benefits                                | 95,438                               | -          | 1,084         | 96,522                                    | 97,963                                    |
| Professional services                            | 65                                   | 2,400      | -             | 2,465                                     | 15,519                                    |
| Property services                                | 6,838                                | 6,666      | 6,532         | 20,036                                    | 38,289                                    |
| Purchased services                               | 9,498                                | 2,449      | 21,246        | 33,193                                    | 12,218                                    |
| Supplies   | 16,952                               | 1,433      | 50,664        | 69,049                                    | 52,184                                    |
| Sundry   | 58,387                               | 6,488      | 9,153         | 74,028                                    | 58,203                                    |
| Depreciation                                     | 38,710                               | 574        | 1,113,685     | 1,152,969                                 | 1,143,381                                 |
| Total operating expenses                         | 480,888                              | 20,010     | 1,206,222     | 1,707,120                                 | 1,682,489                                 |
| Operating income (loss)                          | (142,247)                            | 34,090     | (1,110,959)   | (1,219,116)                               | (1,210,091)                               |
| <b>NON-OPERATING REVENUES (EXPENSES)</b>         |                                      |            |               |   |   |
| Property tax collections                         | 128,603                              | -          | 4,305         | 132,908                                   | 174,223                                   |
| Interest income                                  | 1,119                                | 673        | 1,235         | 3,027                                     | 10,884                                    |
| Miscellaneous                                    | 3,096                                | 1,966      | 1,448         | 6,510                                     | 29,907                                    |
| Interest and fiscal charges                      | -                                    | -          | (1,431)       | (1,431)                                   | -   |
| Total non-operating revenues (expenses)          | 132,818                              | 2,639      | 5,557         | 141,014                                   | 215,014                                   |
| Income (loss) before contributions and transfers | (9,429)                              | 36,729     | (1,105,402)   | (1,078,102)                               | (995,077)                                 |
| Capital contributions                            | -                                    | -          | -             | -   | 17,279,821                                |
| Transfers in                                     | 34,476                               | -          | -             | 34,476                                    | 10,000                                    |
| Transfers out                                    | -                                    | -          | -             | -   | (8,989)                                   |
| Total contributions and transfers                | 34,476                               | -          | -             | 34,476                                    | 17,280,832                                |
| Change in net position                           | 25,047                               | 36,729     | (1,105,402)   | (1,043,626)                               | 16,285,755                                |
| Net position - beginning                         | 845,956                              | 457,840    | 17,873,682    | 19,177,478                                | 2,891,723                                 |
| Net position - ending                            | \$ 871,003                           | \$ 494,569 | \$ 16,768,280 | \$ 18,133,852                             | \$ 19,177,478                             |

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

|  | Nonmajor<br>Business-Type Activities |                      |                  | Total<br>Nonmajor<br>Proprietary<br>Funds | Total<br>Nonmajor<br>Proprietary<br>Funds |
|--|--------------------------------------|----------------------|------------------|---|---|
|  | Cemetery                             | Parking<br>Authority | Parking<br>Ramps | 12/31/2021                                | 12/31/2020                                |
|  |                                      |                      |                  |   |   |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                                      |                      |                  |   |   |
| Cash receipts from customers   | \$ 342,132                           | \$ 52,358            | \$ 90,705        | \$ 485,195                                | \$ 473,767                                |
| Payments to suppliers  | (92,418)                             | (18,319)             | (84,032)         | (194,769)                                 | (218,714)                                 |
| Payments to employees  | (345,719)                            | -                    | (5,101)          | (350,820)                                 | (375,040)                                 |
| Due from other agencies  | 73                                   | -                    | 662              | 735                                       | (59)                                      |
| Due to other agencies  | -                                    | -                    | -                | -   | (683)                                     |
| Net cash provided (used) by operating activities   | (95,932)                             | 34,039               | 2,234            | (59,659)                                  | (120,729)                                 |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                                      |                      |                  |   |   |
| Property taxes/intergovernmental   | 135,627                              | 1,966                | 30,646           | 168,239                                   | 237,382                                   |
| Transfers in   | 34,476                               | -                    | -                | 34,476                                    | 10,000                                    |
| Transfers out  | -                                    | -                    | -                | -   | (8,989)                                   |
| Net cash provided (used) by noncapital financing activities  | 170,103                              | 1,966                | 30,646           | 202,715                                   | 238,393                                   |
| <b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>                                      |                                      |                      |                  |   |   |
| Capital contributions  | -                                    | -                    | -                | -   | 17,279,821                                |
| Acquisitions and construction of capital assets  | (14,376)                             | -                    | (8,774)          | (23,150)                                  | (21,950,376)                              |
| Disposal of capital assets   | -                                    | -                    | -                | -   | 4,046,164                                 |
| Net cash used by capital and related financing activities  | (14,376)                             | -                    | (8,774)          | (23,150)                                  | (624,391)                                 |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                                      |                      |                  |   |   |
| Interest and dividends   | 1,119                                | 673                  | (196)            | 1,596                                     | 10,884                                    |
| Net cash provided by investing activities  | 1,119                                | 673                  | (196)            | 1,596                                     | 10,884                                    |
| Net increase in cash and cash equivalents  | 60,914                               | 36,678               | 23,910           | 121,502                                   | (495,843)                                 |
| Cash and cash equivalent balances - beginning of year  | 501,437                              | 316,620              | 609,146          | 1,427,203                                 | 1,923,046                                 |
| Cash and cash equivalent balances - end of year  | \$ 562,351                           | \$ 353,298           | \$ 633,056       | \$ 1,548,705                              | \$ 1,427,203                              |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                                      |                      |                  |   |   |
| Operating income (loss)  | \$ (142,247)                         | \$ 34,090            | \$ (1,110,959)   | \$ (1,219,116)                            | \$ (1,210,091)                            |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |                                      |                      |                  |   |   |
| Depreciation expense   | 38,710                               | 574                  | 1,113,685        | 1,152,969                                 | 1,143,381                                 |
| Change in assets, deferred outflows, liabilities & deferred inflows:                                 |                                      |                      |                  |   |   |
| Customer receivables   | 3,890                                | (1,675)              | (3,402)          | (1,187)                                   | 3,207                                     |
| Intergovernmental receivable   | 73                                   | -                    | 662              | 735                                       | (742)                                     |
| Prepays  | -                                    | (30)                 | -                | (30)                                      | (14)                                      |
| Other assets   | (399)                                | (37)                 | (1,156)          | (1,592)                                   | (1,054)                                   |
| Deferred outflows of resources related to pension  | 63,229                               | -                    | -                | 63,229                                    | (130,820)                                 |
| Deferred outflows of resources related to OPEB   | 1,175                                | -                    | -                | 1,175                                     | 244                                       |
| Accounts payable - supplier  | (678)                                | 1,117                | 3,563            | 4,002                                     | (1,461)                                   |
| Retainage payable  | -                                    | -                    | -                | -   | (40,442)                                  |
| Salaries and benefits payable  | 2,602                                | -                    | (159)            | 2,443                                     | 2,908                                     |
| Compensated absences   | 548                                  | -                    | -                | 548                                       | 7,086                                     |
| Customer deposits  | -                                    | -                    | -                | -   | (600)                                     |
| Unearned revenue - other   | -                                    | -                    | -                | -   | (173)                                     |
| Net pension liability  | (162,895)                            | -                    | -                | (162,895)                                 | 170,141                                   |
| Net OPEB liability   | (2,765)                              | -                    | -                | (2,765)                                   | 300                                       |
| Deferred inflows of resources related to pension   | 101,261                              | -                    | -                | 101,261                                   | (12)                                      |
| Deferred inflows of resources related to OPEB  | 1,564                                | -                    | -                | 1,564                                     | (62,587)                                  |
| Net cash provided (used) by operating activities   | \$ (95,932)                          | \$ 34,039            | \$ 2,234         | \$ (59,659)                               | \$ (120,729)                              |

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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|                                | <b>Central<br/>Garage</b> | <b>Self<br/>Insurance</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>12/31/2021</b> | <b>Total<br/>Internal<br/>Service<br/>Funds<br/>12/31/2020</b> |
|--------------------------------|---------------------------|---------------------------|--|--|
| <b>ASSETS</b>                  |                           |                           |  |  |
| Current assets:                |                           |                           |  |  |
| Cash and cash equivalents      | \$ 50,843                 | \$2,752,299               | \$ 2,803,142   | \$ 3,113,405   |
| Accounts receivable            | -                         | 33,572                    | 33,572   | 2,923  |
| Inventory                      | 377,015                   | -                         | 377,015  | 349,239  |
| Total current assets           | <u>427,858</u>            | <u>2,785,871</u>          | <u>3,213,729</u>   | <u>3,465,567</u>   |
| Noncurrent assets:             |                           |                           |  |  |
| Other assets - capital credits | 2,232                     | -                         | 2,232  | 2,232  |
| Total noncurrent assets        | <u>2,232</u>              | <u>-</u>                  | <u>2,232</u>   | <u>2,232</u>   |
| Total assets                   | <u>430,090</u>            | <u>2,785,871</u>          | <u>3,215,961</u>   | <u>3,467,799</u>   |
| <b>LIABILITIES</b>             |                           |                           |  |  |
| Current liabilities:           |                           |                           |  |  |
| Accounts payable               | 27,020                    | 450,267                   | 477,287  | 498,796  |
| Total liabilities              | <u>27,020</u>             | <u>450,267</u>            | <u>477,287</u>   | <u>498,796</u>   |
| <b>NET POSITION</b>            |                           |                           |  |  |
| Unrestricted                   | 403,070                   | 2,335,604                 | 2,738,674  | 2,969,003  |
| Total net position             | <u>\$403,070</u>          | <u>\$2,335,604</u>        | <u>\$ 2,738,674</u>  | <u>\$ 2,969,003</u>  |

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Central<br>Garage | Self<br>Insurance | Total<br>Internal<br>Service<br>Funds<br>12/31/2021 | Total<br>Internal<br>Service<br>Funds<br>12/31/2020 |
|--|-------------------|-------------------|---|---|
| <b>OPERATING REVENUES</b>                |                   |                   |   |   |
| Sales                                    | \$ 1,117,573      | \$ -              | \$ 1,117,573  | \$ 1,473,311  |
| Cost of goods sold                       | (1,116,240)       | -                 | (1,116,240)   | (1,471,149)   |
| Gross margin                             | 1,333             | -                 | 1,333   | 2,162   |
| Charges for services                     | -                 | 5,100,799         | 5,100,799   | 4,942,121   |
| Total operating revenues                 | 1,333             | 5,100,799         | 5,102,132   | 4,944,283   |
| <b>OPERATING EXPENSES</b>                |                   |                   |   |   |
| Insurance claims                         | -                 | 5,487,181         | 5,487,181   | 5,055,368   |
| Property services                        | -                 | -                 | -   | 2   |
| Total operating expenses                 | -                 | 5,487,181         | 5,487,181   | 5,055,370   |
| Operating income (loss)                  | 1,333             | (386,382)         | (385,049)   | (111,087)   |
| <b>NON-OPERATING REVENUES (EXPENSES)</b> |                   |                   |   |   |
| Interest income                          | 58                | 5,896             | 5,954   | 21,249  |
| Miscellaneous                            | 28,325            | 120,441           | 148,766   | 10,401  |
| Total non-operating revenues (expenses)  | 28,383            | 126,337           | 154,720   | 31,650  |
| Change in net position                   | 29,716            | (260,045)         | (230,329)   | (79,437)  |
| Net position - beginning                 | 373,354           | 2,595,649         | 2,969,003   | 3,048,440   |
| Net position - ending                    | \$ 403,070        | \$ 2,335,604      | \$ 2,738,674  | \$ 2,969,003  |

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | Central<br>Garage  | Self<br>Insurance   | Total<br>Internal<br>Service<br>Funds<br>12/31/2021 | Total<br>Internal<br>Service<br>Funds<br>12/31/2020 |
|--|--------------------|---------------------|---|---|
| <b>CASH FLOWS FROM OPERATING ACTIVITIES</b>  |                    |                     |   |   |
| Cash receipts from customers   | \$ 1,091,182       | \$ 5,068,765        | \$ 6,159,947  | \$ 6,537,504  |
| Payments to suppliers  | (1,123,240)        | (5,501,690)         | (6,624,930)   | (6,516,432)   |
| Net cash provided (used) by operating activities   | <u>(32,058)</u>    | <u>(432,925)</u>    | <u>(464,983)</u>                                    | <u>21,072</u>                                       |
| <b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>   |                    |                     |   |   |
| Internal activity - payments from other funds  | 28,325             | 120,441             | 148,766   | -   |
| Internal activity - payments to other funds  | -                  | -                   | -   | (105,112)   |
| Net cash provided (used) by noncapital financing activities  | <u>28,325</u>      | <u>120,441</u>      | <u>148,766</u>                                      | <u>(105,112)</u>                                    |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES</b>  |                    |                     |   |   |
| Interest and dividends   | 58                 | 5,896               | 5,954   | 21,249  |
| Net cash provided by investing activities  | 58                 | 5,896               | 5,954   | 21,249  |
| Net increase (decrease) in cash and cash equivalents   | (3,675)            | (306,588)           | (310,263)   | (62,791)  |
| Cash and cash equivalent balances - beginning of year  | 54,518             | 3,058,887           | 3,113,405   | 3,176,196   |
| Cash and cash equivalent balances - end of year  | <u>\$ 50,843</u>   | <u>\$ 2,752,299</u> | <u>\$ 2,803,142</u>                                 | <u>\$ 3,113,405</u>                                 |
| <b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b> |                    |                     |   |   |
| Operating income (loss)  | \$ 1,333           | \$ (386,382)        | \$ (385,049)  | \$ 4,426  |
| Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities |                    |                     |   |   |
| Change in assets and liabilities   |                    |                     |   |   |
| Customer receivables   | 1,385              | (32,034)            | (30,649)  | (148)   |
| Inventory  | (27,776)           | -                   | (27,776)  | 1,720   |
| Accounts payable - supplier  | (7,000)            | (14,509)            | (21,509)  | 15,074  |
| Net cash provided (used) by operating activities   | <u>\$ (32,058)</u> | <u>\$ (432,925)</u> | <u>\$ (464,983)</u>                                 | <u>\$ 21,072</u>                                    |

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

### **Custodial Funds**

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Custodial Funds**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|                              | <b>Hotel/<br/>Motel</b> | <b>Tax</b> | <b>Passthrough</b> | <b>Total<br/>Custodial<br/>Funds</b> | <b>Total<br/>Custodial<br/>Funds</b> |
|------------------------------|-------------------------|------------|--------------------|--------------------------------------|--------------------------------------|
|                              |                         |            |                    | <b>12/31/2021</b>                    | <b>12/31/2020</b>                    |
| <b>ASSETS</b>                |                         |            |                    |                                      |                                      |
| Cash and cash equivalents    |                         | \$ 32,328  | \$ -               | \$ 32,328                            | \$ 22,933                            |
| Accounts receivable          |                         | 10,179     | -                  | 10,179                               | 32,260                               |
| Intergovernmental receivable |                         | 2,358      | 17,555             | 19,913                               | 4,304                                |
| Total assets                 |                         | 44,865     | 17,555             | 62,420                               | 59,497                               |
| <b>LIABILITIES</b>           |                         |            |                    |                                      |                                      |
| Accounts payable             |                         | \$ 44,865  | \$ 17,555          | \$ 62,420                            | \$ 59,497                            |
| Total liabilities            |                         | \$ 44,865  | \$ 17,555          | \$ 62,420                            | \$ 59,497                            |

**City of Minot, North Dakota**  
**Combining Statement of Changes in Net Position**  
**Custodial Funds**  
**For the Year Ended December 31, 2021**  
**With Comparative Totals for December 31, 2020**

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|  | <b>Hotel/<br/>Motel<br/>Tax</b> | <b>Passthrough</b> | <b>Total<br/>Custodial<br/>Funds<br/>12/31/2021</b> | <b>Total<br/>Custodial<br/>Funds<br/>12/31/2020</b> |
|--|---------------------------------|--------------------|---|---|
| <b>ADDITIONS</b>                                   |                                 |                    |   |   |
| Contributions:                                     |                                 |                    |   |   |
| Lodging taxes                                      | \$ 730,209                      | \$ -               | \$ 730,209  | \$ 479,033  |
| Car rental taxes                                   | 35,458                          | -                  | 35,458  | 20,947  |
| Intergovernmental                                  | -                               | 33,826             | 33,826  | 7,800   |
| Total additions                                    | <u>765,667</u>                  | <u>33,826</u>      | <u>799,493</u>                                      | <u>507,780</u>                                      |
| <b>DEDUCTIONS</b>                                  |                                 |                    |   |   |
| Administrative expenses                            | 55,030                          | 33,826             | 88,856  | 57,940  |
| Taxes distributed to Visit Minot/All Seasons Arena | 710,637                         | -                  | 710,637   | 565,954   |
| Total deductions                                   | <u>765,667</u>                  | <u>33,826</u>      | <u>799,493</u>                                      | <u>623,894</u>                                      |
| Change in net position                             | -                               | -                  | -   | (116,114)   |
| Net position - beginning                           | -                               | -                  | -   | 116,114   |
| Net position - ending                              | <u>\$ -</u>                     | <u>\$ -</u>        | <u>\$ -</u>   | <u>\$ -</u>   |

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2021 and 2020**

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| <b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b> | <b>12/31/2021</b>     | <b>12/31/2020</b>     |
|--|-----------------------|-----------------------|
| Land                                     | \$ 105,144,542        | \$ 99,346,130         |
| Construction in progress                 | 11,419,466            | 12,928,046            |
| Infrastructure                           | 353,295,657           | 331,239,188           |
| Buildings                                | 21,877,299            | 21,882,589            |
| Equipment                                | 27,418,402            | 25,507,156            |
| Intangible assets                        | 187,945               | 157,725               |
| Books                                    | 3,221,832             | 3,232,705             |
| Total governmental funds capital assets  | <u>\$ 522,565,143</u> | <u>\$ 494,293,539</u> |

**INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE**

|   |                       |                       |
|---|-----------------------|-----------------------|
| Capital project funds                   |                       |                       |
| General obligation bonds                | \$ 48,398,042         | \$ 48,489,184         |
| Revenue bonds                           | 22,292,385            | 9,726,683             |
| Sales tax                               | 23,700,316            | 23,652,756            |
| Federal grants                          | 158,480,987           | 151,886,825           |
| State grants                            | 125,496,856           | 104,293,080           |
| County grants                           | 1,099,021             | 1,099,021             |
| Contributions from others               | 50,646,650            | 63,427,480            |
| General fund                            | 57,000,836            | 56,523,968            |
| Special revenue                         | 12,285,144            | 12,723,740            |
| Special assessments                     | 20,131,087            | 20,075,813            |
| Enterprise fund                         | 3,033,819             | 2,394,989             |
| Total governmental funds capital assets | <u>\$ 522,565,143</u> | <u>\$ 494,293,539</u> |

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2021**  
**With Comparative Totals for December 31, 2020**

| FUNCTION AND ACTIVITY         | Land           | Construction in Process |               |                |                |            | Intangible Assets | Books          | 12/31/2021     | 12/31/2020 |
|-------------------------------|----------------|-------------------------|---------------|----------------|----------------|------------|-------------------|----------------|----------------|------------|
|                               |                | Buildings               | Equipment     | Infrastructure |                |            |                   |                | 12/31/2021     | 12/31/2020 |
| <b>GENERAL GOVERNMENT</b>     |                |                         |               |                |                |            |                   |                |                |            |
| Property maintenance          | \$ -           | \$ 3,505,178            | \$ 3,534,429  | \$ 487,796     | \$ 305,527     | \$ -       | \$ -              | \$ 7,832,930   | \$ 4,495,746   |            |
| City attorney                 | -              | -                       | -             | -              | -              | -          | -                 | -              | -              | -          |
| Finance                       | -              | -                       | 20,000        | -              | 1,113,934      | -          | -                 | 1,133,934      | 1,140,071      |            |
| Information technology        | -              | -                       | -             | 490,683        | -              | -          | -                 | 490,683        | 506,961        |            |
| Assessor                      | -              | -                       | -             | 90,619         | -              | -          | -                 | 90,619         | 63,139         |            |
| Planning                      | -              | -                       | -             | 17,604         | -              | -          | -                 | 17,604         | 27,184         |            |
| Inspection                    | -              | -                       | -             | 259,828        | -              | -          | -                 | 259,828        | 249,226        |            |
| Shop                          | -              | -                       | -             | 385,613        | -              | -          | -                 | 385,613        | 342,912        |            |
| Public works                  | -              | -                       | 4,411,777     | 28,719         | -              | -          | -                 | 4,440,496      | 4,480,360      |            |
| Public transportation         | -              | -                       | 853,027       | 3,944,449      | -              | -          | -                 | 4,797,476      | 4,482,382      |            |
| Total general government      | -              | 3,505,178               | 8,819,233     | 5,758,430      | 1,419,461      | -          | -                 | 19,502,302     | 15,898,534     |            |
| <b>PUBLIC SAFETY</b>          |                |                         |               |                |                |            |                   |                |                |            |
| Police                        | -              | -                       | 156,246       | 5,440,198      | 1,956,911      | -          | -                 | 7,553,355      | 7,683,761      |            |
| Fire                          | 331,371        | 426,572                 | 8,052,338     | 5,322,276      | 1,388,084      | -          | -                 | 15,520,641     | 15,157,967     |            |
| Traffic control               | -              | 18,265                  | -             | 2,901,069      | 4,398,085      | -          | -                 | 7,317,419      | 6,628,955      |            |
| Flood control                 | 102,959,974    | 7,052,698               | -             | 503,626        | 62,511,558     | 791        | -                 | 173,028,647    | 151,389,341    |            |
| Total public safety           | 103,291,345    | 7,497,535               | 8,208,584     | 14,167,169     | 70,254,638     | 791        | -                 | 203,420,062    | 180,860,024    |            |
| <b>HIGHWAYS AND STREETS</b>   |                |                         |               |                |                |            |                   |                |                |            |
| Engineering                   | -              | -                       | -             | 436,733        | -              | 29,429     | -                 | 466,162        | 400,920        |            |
| Street                        | 1,423,196      | 416,753                 | 485,422       | 6,567,426      | 280,709,674    | 157,725    | -                 | 289,760,196    | 287,700,244    |            |
| Total highways and streets    | 1,423,196      | 416,753                 | 485,422       | 7,004,159      | 280,709,674    | 187,154    | -                 | 290,226,358    | 288,101,164    |            |
| <b>CULTURE AND RECREATION</b> |                |                         |               |                |                |            |                   |                |                |            |
| Library                       | 7,624          | -                       | 3,128,994     | 144,101        | 315,781        | -          | 3,221,832         | 6,818,332      | 6,835,728      |            |
| Recreation                    | 422,377        | -                       | 1,235,066     | 344,543        | 596,103        | -          | -                 | 2,598,089      | 2,598,089      |            |
| Total culture and recreation  | 430,001        | -                       | 4,364,060     | 488,644        | 911,884        | -          | 3,221,832         | 9,416,421      | 9,433,817      |            |
| Total governmental funds      | \$ 105,144,542 | \$ 11,419,466           | \$ 21,877,299 | \$ 27,418,402  | \$ 353,295,657 | \$ 187,945 | \$ 3,221,832      | \$ 522,565,143 | \$ 494,293,539 |            |

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2021**

| FUNCTION AND ACTIVITY             | Governmental Fund Capital Assets |               |               |             | Governmental Fund Capital Assets |                   |
|-----------------------------------|----------------------------------|---------------|---------------|-------------|----------------------------------|-------------------|
|                                   | January 1, 2021                  | Additions     | Deletions     | Transfers   | Construction in Process          | December 31, 2021 |
| <b>GENERAL GOVERNMENT</b>         |                                  |               |               |             |                                  |                   |
| Civic center/property maintenance | \$ 4,495,746                     | \$ -          | \$ 258,771    | \$ 90,777   | \$ 3,505,178                     | \$ 7,832,930      |
| City manager/clerk                | 110,553                          | -             | -             | (57,434)    | -                                | 53,119            |
| Finance                           | 1,140,071                        | -             | -             | (6,137)     | -                                | 1,133,934         |
| Information technology            | 506,961                          | 10,610        | -             | (26,888)    | -                                | 490,683           |
| Assessor                          | 63,139                           | -             | -             | 27,480      | -                                | 90,619            |
| Planning                          | 27,184                           | -             | -             | (9,580)     | -                                | 17,604            |
| Inspection                        | 249,226                          | -             | 25,866        | 36,468      | -                                | 259,828           |
| Shop                              | 342,912                          | 42,701        | -             | -           | -                                | 385,613           |
| Public works                      | 4,480,360                        | -             | 39,864        | -           | -                                | 4,440,496         |
| Public transportation             | 4,482,382                        | 536,821       | 194,521       | (27,206)    | -                                | 4,797,476         |
| Total general government          | 15,898,534                       | 590,132       | 519,022       | 27,480      | 3,505,178                        | 19,502,302        |
| <b>PUBLIC SAFETY</b>              |                                  |               |               |             |                                  |                   |
| Police                            | 7,683,761                        | 306,328       | 353,799       | (82,935)    | -                                | 7,553,355         |
| Fire                              | 15,157,967                       | 178,440       | 270,313       | 27,975      | 426,572                          | 15,520,641        |
| Traffic control                   | 6,628,955                        | 1,228,248     | 558,049       | -           | 18,265                           | 7,317,419         |
| Flood control                     | 151,389,341                      | 26,714,750    | 12,128,140    | -           | 7,052,698                        | 173,028,647       |
| Total public safety               | 180,860,024                      | 28,427,766    | 13,310,301    | (54,960)    | 7,497,535                        | 203,420,062       |
| <b>HIGHWAYS AND STREETS</b>       |                                  |               |               |             |                                  |                   |
| Engineering                       | 400,920                          | 65,242        | -             | -           | -                                | 466,162           |
| Street                            | 287,700,244                      | 3,319,087     | 1,621,388     | (54,500)    | 416,753                          | 289,760,196       |
| Total highways and streets        | 288,101,164                      | 3,384,329     | 1,621,388     | (54,500)    | 416,753                          | 290,226,358       |
| <b>CULTURE AND RECREATION</b>     |                                  |               |               |             |                                  |                   |
| Library                           | 6,835,728                        | 188,534       | 205,930       | -           | -                                | 6,818,332         |
| Recreation                        | 2,598,089                        | -             | -             | -           | -                                | 2,598,089         |
| Total culture and recreation      | 9,433,817                        | 188,534       | 205,930       | -           | -                                | 9,416,421         |
| Total governmental funds          | \$ 494,293,539                   | \$ 32,590,761 | \$ 15,656,641 | \$ (81,980) | \$ 11,419,466                    | \$ 522,565,143    |

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

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

The Statistical Section is presented in five categories:

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

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

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

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

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

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

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

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

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

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

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



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**City of Minot, North Dakota**

**Net Position**

**Last Ten Fiscal Years**

(accrual basis of accounting)

unaudited

|   | <b>Restated</b> |                | <b>Restated</b> |                | <b>Restated</b> |                | <b>Restated</b> |                | <b>Restated</b> |                | <b>Restated</b> |   |
|---|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|----------------|-----------------|---|
|   | <b>2012</b>     | <b>2013</b>    | <b>2014</b>     | <b>2015</b>    | <b>2016</b>     | <b>2017</b>    | <b>2018</b>     | <b>2019</b>    | <b>2020</b>     | <b>2021</b>    |                 |   |
| <b>Governmental activities</b>              |                 |                |                 |                |                 |                |                 |                |                 |                |                 |   |
| Net investment in capital assets            | \$ 101,542,579  | \$ 119,345,975 | \$ 153,468,851  | \$ 213,781,240 | \$ 245,659,435  | \$ 289,558,273 | \$ 307,599,271  | \$ 311,589,385 | \$ 314,163,170  | \$ 328,538,231 |                 |   |
| Restricted for:                             |                 |                |                 |                |                 |                |                 |                |                 |                |                 |   |
| General government                          | -               | -              | -               | -              | -               | -              | -               | 173,189        | 194,506         | 195,712        | -               | - |
| Public safety                               | -               | -              | -               | -              | -               | -              | -               | -              | 147,762         | 13,251         | 45,218          |   |
| Capital leases                              | -               | -              | 7,921           | -              | -               | 6,405          | 214,717         | 759,881        | 715,585         | 513,640        |                 |   |
| Culture and recreation                      | -               | -              | -               | -              | -               | -              | -               | -              | -               | 1,000          |                 |   |
| Sales tax property tax relief               | 2,951,612       | 3,226,156      | 4,009,260       | 3,320,232      | 466,078         | 620,510        | 1,211,947       | 1,341,288      | -               | -              | -               | - |
| Sales tax economic development              | 6,634,410       | 10,441,606     | 10,668,504      | 6,440,271      | 7,642,551       | 9,956,038      | 10,281,687      | 10,177,039     | -               | -              | -               | - |
| Sales tax improvements                      | 4,573,624       | 5,419,924      | 5,840,353       | 5,862,916      | 5,618,656       | 4,539,630      | 4,534,254       | 5,618,585      | -               | -              | -               | - |
| Sales tax flood control                     | 1,962,268       | 4,634,140      | 7,141,360       | 11,238,809     | 12,983,515      | 11,298,564     | 4,750,786       | 2,034,198      | -               | -              | -               | - |
| Sales tax NAWS                              | 35,085,324      | 34,464,866     | 34,130,645      | 34,099,423     | 33,063,703      | 29,139,579     | 16,566,834      | 17,861,969     | -               | -              | -               | - |
| Sales tax infrastructure                    | 5,025,790       | 6,083,970      | 7,677,734       | 7,483,834      | 9,361,205       | 7,694,952      | 7,805,000       | 7,823,361      | -               | -              | -               | - |
| Sales tax community facilities              | 4,654,813       | 6,567,548      | 7,655,275       | 6,669,543      | 5,640,828       | 5,780,863      | 4,519,089       | 2,051,923      | -               | -              | -               | - |
| Debt service                                | 960,352         | 517,259        | 1,946,942       | 4,362,686      | 4,821,781       | 3,000,375      | 2,478,763       | 2,546,076      | 3,000,502       | 3,264,295      |                 |   |
| Highway projects                            | 2,777           | -              | -               | -              | -               | 2,530,196      | -               | -              | -               | -              | -               | - |
| Other purposes                              | 16,989          | 51,407         | 631,104         | 14,491         | -               | 400,303        | -               | -              | -               | -              | -               | - |
| Unrestricted                                | 38,869,534      | 45,912,502     | 51,710,024      | 28,862,541     | 24,715,847      | 15,216,593     | 30,493,443      | 29,723,713     | 81,589,460      | 83,305,460     |                 |   |
| Total governmental activities net position  | \$ 202,280,072  | \$ 236,665,353 | \$ 284,887,973  | \$ 322,135,986 | \$ 349,973,599  | \$ 379,742,281 | \$ 390,628,980  | \$ 391,869,686 | \$ 399,677,680  | \$ 415,667,844 |                 |   |
| <b>Business-type activities</b>             |                 |                |                 |                |                 |                |                 |                |                 |                |                 |   |
| Net investment in capital assets            | \$ 93,309,610   | \$ 117,348,148 | \$ 187,576,187  | \$ 246,874,877 | \$ 277,102,647  | \$ 304,758,387 | \$ 301,986,780  | \$ 295,935,018 | \$ 320,279,420  | \$ 329,559,041 |                 |   |
| Restricted for:                             |                 |                |                 |                |                 |                |                 |                |                 |                |                 |   |
| Customer facility charges                   | -               | -              | -               | -              | -               | 620,699        | 815,226         | 1,127,735      | 1,361,825       | 1,617,460      |                 |   |
| Capital leases                              | -               | 440,000        | 5,383           | 884,900        | 1,157,675       | 1,836,498      | 2,110,850       | 1,333,141      | 1,478,931       | 1,495,188      |                 |   |
| Debt service                                | 3,736,319       | 4,843,540      | 5,115,955       | 7,176,604      | 7,534,598       | 6,004,140      | 6,218,930       | 6,401,795      | 8,146,961       | 6,602,150      |                 |   |
| Passenger facility charges not spent        | 1,041,086       | 925,887        | 651,251         | -              | -               | -              | -               | -              | -               | -              | -               | - |
| Other purposes                              | 61,593          | 45,027         | 14,402          | -              | -               | -              | -               | -              | -               | -              | -               | - |
| Unrestricted                                | 17,512,758      | 32,226,444     | 30,061,447      | 38,411,347     | 21,219,745      | 17,342,753     | 34,221,779      | 36,267,639     | 35,115,856      | 39,386,777     |                 |   |
| Total business-type activities net position | \$ 115,661,366  | \$ 155,829,046 | \$ 223,424,625  | \$ 293,347,728 | \$ 307,014,665  | \$ 330,562,477 | \$ 345,353,565  | \$ 341,065,328 | \$ 366,382,993  | \$ 378,660,616 |                 |   |
| <b>Government-wide activities</b>           |                 |                |                 |                |                 |                |                 |                |                 |                |                 |   |
| Net investment in capital assets            | \$ 194,852,189  | \$ 236,694,123 | \$ 341,045,038  | \$ 460,656,117 | \$ 522,762,082  | \$ 594,316,660 | \$ 609,586,051  | \$ 607,524,403 | \$ 634,442,590  | \$ 658,097,272 |                 |   |
| Restricted                                  | 66,706,957      | 77,661,330     | 85,496,089      | 87,553,709     | 88,290,590      | 83,428,752     | 61,681,272      | 59,419,259     | 14,912,767      | 13,538,951     |                 |   |
| Unrestricted                                | 56,382,292      | 78,138,946     | 81,771,471      | 67,273,888     | 45,935,592      | 32,559,346     | 64,715,222      | 65,991,352     | 116,705,316     | 122,692,237    |                 |   |
| Total government net position               | \$ 317,941,438  | \$ 392,494,399 | \$ 508,312,598  | \$ 615,483,714 | \$ 656,988,264  | \$ 710,304,758 | \$ 735,982,545  | \$ 732,935,014 | \$ 766,060,673  | \$ 794,328,460 |                 |   |

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

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

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

|  | Restated      |               | Restated      |               |               |               |               |               |               |               |       |  |  |  |
|--|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|-------|--|--|--|
|  | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |       |  |  |  |
| <b>EXPENSES</b>                                |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Governmental activities                        |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| General government                             | \$ 18,663,226 | \$ 22,855,601 | \$ 27,476,332 | \$ 27,783,373 | \$ 28,066,358 | \$ 23,950,938 | \$ 27,658,285 | \$ 21,270,277 | \$ 46,671,426 | \$ 27,508,285 |       |  |  |  |
| Public safety                                  | 11,894,017    | 14,276,698    | 15,297,259    | 14,843,622    | 18,800,391    | 18,904,678    | 19,357,138    | 28,133,572    | 28,806,347    | 29,806,546    |       |  |  |  |
| Highways and streets                           | 10,786,782    | 17,921,085    | 16,199,177    | 16,772,838    | 8,141,336     | 19,749,436    | 22,087,149    | 23,956,775    | 26,874,991    | 27,901,514    |       |  |  |  |
| Culture and recreation                         | 3,682,272     | 4,902,342     | 7,673,973     | 9,991,456     | 7,856,753     | 7,759,929     | 4,115,743     | 6,494,132     | 1,886,115     | 4,289,502     |       |  |  |  |
| Economic development                           | 851,421       | 1,306,170     | 3,292,475     | 3,266,376     | 1,145,992     | 826,120       | 420,838       | 646,685       | 679,972       | 1,750,090     |       |  |  |  |
| Interest on long-term debt                     | 670,777       | 377,420       | 1,084,587     | 1,323,446     | 1,359,381     | 1,324,441     | 1,187,992     | 1,089,828     | 1,020,861     | 1,398,143     |       |  |  |  |
| Total governmental activities expenses         | 46,548,495    | 61,639,316    | 71,023,803    | 73,981,111    | 65,370,211    | 72,515,542    | 74,827,145    | 81,591,269    | 105,939,712   | 92,654,080    |       |  |  |  |
| Business-type activities                       |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Airport  | 4,072,715     | 5,127,918     | 6,406,365     | 8,758,360     | 13,340,229    | 10,979,519    | 10,498,354    | 10,294,345    | 10,409,737    | 9,911,353     |       |  |  |  |
| Cemetery                                       | 325,301       | 378,717       | 488,825       | 469,091       | 533,872       | 497,669       | 514,137       | 565,414       | 479,625       | 480,888       |       |  |  |  |
| Parking authority                              | 231,938       | 123,598       | 72,806        | 98,705        | 79,994        | 32,703        | 15,337        | 19,842        | 17,548        | 20,010        |       |  |  |  |
| Sanitation                                     | 3,813,767     | 4,123,633     | 4,461,806     | 4,464,495     | 5,068,307     | 6,156,209     | 5,342,969     | 5,411,164     | 5,721,502     | 5,621,689     |       |  |  |  |
| Water, sewer, & storm sewer                    | 14,405,238    | 15,399,199    | 18,558,478    | 20,167,628    | 25,344,511    | 25,312,026    | 27,894,194    | 29,150,934    | 32,257,004    | 33,793,602    |       |  |  |  |
| Parking ramps                                  | -             | -             | -             | -             | -             | -             | 100,600       | 78,319        | 1,185,316     | 1,207,653     |       |  |  |  |
| Total business-type activities expenses        | 22,848,959    | 25,153,065    | 29,988,280    | 33,958,279    | 44,366,913    | 42,978,126    | 44,365,591    | 45,520,018    | 50,070,732    | 51,035,195    |       |  |  |  |
| Total government expenses                      | 69,397,454    | 86,792,381    | 101,012,083   | 107,939,390   | 109,737,124   | 115,493,668   | 119,192,736   | 127,111,287   | 156,010,444   | 143,689,275   |       |  |  |  |
| <b>PROGRAM REVENUES</b>                        |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Governmental activities                        |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Charges for services                           |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| General government                             | 11,131,748    | 10,136,446    | 11,273,075    | 7,592,971     | 6,684,624     | 5,545,362     | 6,516,083     | 4,986,281     | 4,637,569     | 5,747,074     |       |  |  |  |
| Public safety                                  | 1,344,251     | 2,068,420     | 1,721,664     | 1,074,256     | 1,429,447     | 1,130,201     | 1,287,801     | 3,129,361     | 2,828,616     | 828,812       |       |  |  |  |
| Highways and streets                           | 15,554        | 112,496       | 793           | -             | 123,754       | 22,715        | -             | 51,308        | 149,390       | 149,423       |       |  |  |  |
| Culture and recreation                         | 2,010,063     | 2,021,129     | 558,414       | 568,694       | 655,084       | 592,532       | 476,712       | 93,676        | 96,917        | -             |       |  |  |  |
| Operating grants and contributions             |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| General government                             | 1,782,240     | 9,665,447     | 13,467,696    | 5,524,812     | 3,214,916     | 4,785,366     | 7,897,958     | 4,740,699     | 7,046,635     | 13,710,500    |       |  |  |  |
| Public safety                                  | 338,479       | 576,299       | 534,176       | 311,835       | 1,136,656     | 463,544       | 661,683       | 268,901       | 8,236,931     | 640,329       |       |  |  |  |
| Highways and streets                           | 9,511,871     | 4,366,489     | 593,703       | 8,606,392     | -             | 1,832,659     | 1,882,272     | 2,150,000     | -             | -             |       |  |  |  |
| Culture and Recreation                         | -             | 152,993       | 90,498        | 98,447        | 3,937         | 37,452        | 46,372        | 49,686        | 63,493        | 2,745,802     |       |  |  |  |
| Capital grants and contributions               |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| General government                             | 2,397,534     | 11,582,417    | 14,555,981    | 31,748,416    | 21,856,896    | 27,108,995    | 14,896,495    | 11,526,690    | 855,376       | 635,653       |       |  |  |  |
| Public safety                                  | 268,620       | 815,504       | 468,119       | 2,663,668     | 10,564        | 27,204        | 67,539        | 207,500       | 31,012,559    | 22,644,162    |       |  |  |  |
| Highways and streets                           | 14,271,317    | 12,152,326    | 28,049,555    | 39,835,660    | 6,416,100     | 21,863,378    | 14,809,130    | 791,210       | 8,515,099     | 7,235,067     |       |  |  |  |
| Culture and recreation                         | -             | 12,011        | 24,806        | 190,839       | 63,400        | 27,515        | 137,892       | 2,061         | 145,416       | 5,702         |       |  |  |  |
| Total governmental activities program revenues | 43,071,677    | 53,661,977    | 71,338,480    | 98,215,990    | 41,595,378    | 63,436,924    | 48,679,937    | 27,997,373    | 63,588,001    | 54,342,524    |       |  |  |  |
| Business-type activities                       |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Charges for services                           |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Airport  | 2,518,466     | 4,010,834     | 4,047,237     | 3,327,592     | 4,585,949     | 4,136,045     | 4,218,415     | 4,454,804     | 3,225,837     | 3,912,852     |       |  |  |  |
| Cemetery                                       | 268,427       | 303,061       | 330,264       | 313,701       | 298,117       | 297,359       | 280,341       | 275,218       | 328,238       | 352,482       |       |  |  |  |
| Parking authority                              | 149,343       | 107,647       | 39,259        | 45,655        | 48,527        | 47,310        | 51,710        | 52,788        | 51,976        | 54,100        |       |  |  |  |
| Sanitation                                     | 4,668,460     | 5,051,929     | 4,679,968     | 4,536,174     | 4,292,700     | 5,465,072     | 5,733,297     | 5,502,394     | 6,302,618     | 6,334,884     |       |  |  |  |
| Water, sewer, & storm sewer                    | 14,563,524    | 17,545,492    | 19,216,996    | 19,953,794    | 20,000,966    | 21,384,485    | 22,375,882    | 21,899,422    | 22,299,100    | 23,042,969    |       |  |  |  |
| Parking ramps                                  | -             | -             | -             | -             | -             | -             | 42,194        | 82,233        | 94,421        | 95,277        |       |  |  |  |
| Operating grants and contributions             |               |               |               |               |               |               |               |               |               |               |       |  |  |  |
| Airport  | 977,359       | 1,418,223     | 1,248,307     | 2,401,140     | 1,421,390     | 580,465       | 626,823       | 500,621       | 1,717,616     | 1,108,584     |       |  |  |  |
| Cemetery                                       | -             | -             | -             | -             | -             | -             | -             | -             | 600           | 80            |       |  |  |  |
| Sanitation                                     | -             | -             | -             | -             | 5,200         | 89,903        | -             | -             | -             | 2,360         |       |  |  |  |
| Water, sewer, & storm sewer                    | -             | -             | -             | -             | -             | 24,608        | -             | 445,000       | -             | -             | 1,614 |  |  |  |

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

|  | Restated<br>2012 |               | Restated<br>2013 |               | Restated<br>2014 |                | Restated<br>2015 |                | Restated<br>2016 |               | Restated<br>2017 |               | Restated<br>2018 |               | Restated<br>2019 |                | Restated<br>2020 |               | Restated<br>2021 |               |
|--|------------------|---------------|------------------|---------------|------------------|----------------|------------------|----------------|------------------|---------------|------------------|---------------|------------------|---------------|------------------|----------------|------------------|---------------|------------------|---------------|
|  |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Capital grants and contributions                             |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Airport  | \$ 8,103,553     |               | \$ 13,489,126    |               | \$ 20,519,210    |                | \$ 21,362,081    |                | \$ 3,564,669     |               | \$ 2,203,852     |               | \$ 1,102,373     |               | \$ 1,893,578     |                | \$ 4,798,762     |               | \$ 1,808,327     |               |
| Cemetery   | 26,508           |               | -                |               | -                |                | -                |                | -                |               | -                |               | -                |               | -                |                | -                |               | -                |               |
| Parking authority  | 89,053           |               | -                |               | (1,513)          |                | -                |                | -                |               | -                |               | -                |               | -                |                | -                |               | -                |               |
| Sanitation   | 298,497          |               | 1,540,548        |               | 190,550          |                | -                |                | 577,716          |               | 2,606,770        |               | 36,329           |               | 31               |                | 591              |               | -                |               |
| Water, sewer, & storm sewer                                  | 21,310,811       |               | 17,532,389       |               | 46,719,119       |                | 62,750,889       |                | 26,480,713       |               | 21,169,631       |               | 6,938,315        |               | 906,260          |                | 14,464,533       |               | 22,998,933       |               |
| Parking ramps  | -                |               | -                |               | -                |                | -                |                | -                |               | -                |               | -                |               | -                |                | 17,279,821       |               | -                |               |
| Total business-type activities program revenues              | 52,974,001       |               | 60,999,249       |               | 96,989,397       |                | 114,696,225      |                | 61,385,258       |               | 57,890,988       |               | 41,850,679       |               | 35,567,349       |                | 70,564,113       |               | 59,712,462       |               |
| Total government program revenues                            | 96,045,678       |               | 114,661,226      |               | 168,327,877      |                | 212,912,215      |                | 102,980,636      |               | 121,327,912      |               | 90,530,616       |               | 63,564,722       |                | 134,152,114      |               | 114,054,986      |               |
| Net revenue (expense)  |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Governmental activities                                      | (3,476,818)      |               | (7,977,339)      |               | 314,678          |                | 24,234,879       |                | (23,774,833)     |               | (9,078,618)      |               | (26,147,208)     |               | (53,593,896)     |                | (42,351,711)     |               | (38,311,556)     |               |
| Business-type activities                                     | 30,125,042       |               | 35,846,184       |               | 67,001,117       |                | 80,737,946       |                | 17,018,346       |               | 14,912,862       |               | (2,514,912)      |               | (9,952,669)      |                | 20,493,381       |               | 8,677,267        |               |
| Total government net expense                                 | 26,648,224       |               | 27,868,845       |               | 67,315,795       |                | 104,972,825      |                | (6,756,487)      |               | 5,834,244        |               | (28,662,120)     |               | (63,546,565)     |                | (21,858,330)     |               | (29,634,289)     |               |
| <b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>    |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Governmental activities                                      |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Taxes  |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Property taxes, levied for general purposes                  | 6,818,892        |               | 9,479,846        |               | 9,668,534        |                | 13,094,945       |                | 14,555,649       |               | 13,897,560       |               | 18,361,227       |               | 20,530,118       |                | 20,322,998       |               | 20,496,354       |               |
| Property taxes, levied for debt service                      | 735,488          |               | 499,901          |               | 1,126,237        |                | 2,875,336        |                | 2,333,770        |               | 3,056,361        |               | 2,936,172        |               | 2,971,720        |                | 3,367,226        |               | 2,833,567        |               |
| Sales tax collections  | 26,705,354       |               | 24,850,061       |               | 27,245,883       |                | 26,035,551       |                | 21,375,144       |               | 20,035,165       |               | 21,182,065       |               | 22,160,231       |                | 20,655,109       |               | 23,141,014       |               |
| Municipal highway tax  | 2,570,954        |               | 4,231,254        |               | 4,792,103        |                | 2,740,748        |                | 2,400,195        |               | 2,560,200        |               | 2,618,870        |               | 2,647,322        |                | 2,387,134        |               | 2,312,339        |               |
| State aid distribution                                       | 4,166,709        |               | 2,816,975        |               | 2,952,874        |                | 4,411,924        |                | 3,477,932        |               | 3,378,357        |               | 3,818,739        |               | 3,987,699        |                | 3,460,199        |               | 3,768,870        |               |
| Franchise taxes  | 588,414          |               | 668,203          |               | 699,277          |                | 702,627          |                | 676,847          |               | 629,927          |               | 571,431          |               | 525,036          |                | 485,958          |               | 462,721          |               |
| Other taxes  | 1,729,453        |               | 564,120          |               | 700,272          |                | 311,720          |                | 314,838          |               | 303,037          |               | 303,918          |               | 296,676          |                | 297,295          |               | 309,301          |               |
| Grants and contributions not restricted to specific programs |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Investment earnings  | 480,932          |               | 251,460          |               | 471,073          |                | 694,916          |                | 645,118          |               | 801,119          |               | 1,576,164        |               | 2,144,612        |                | 1,606,922        |               | 483,993          |               |
| Miscellaneous  | 1,807,263        |               | 2,443,339        |               | 604,999          |                | 2,702,358        |                | 1,337,662        |               | 1,165,742        |               | 1,360,796        |               | 989,287          |                | 802,964          |               | 1,176,141        |               |
| Transfers  | (5,872,446)      |               | (3,442,538)      |               | (353,310)        |                | 1,262,055        |                | 4,495,291        |               | (6,886,141)      |               | (15,695,476)     |               | (1,418,099)      |                | (3,226,100)      |               | (682,580)        |               |
| Total governmental activities                                | 39,731,013       |               | 42,362,621       |               | 47,907,942       |                | 54,832,180       |                | 51,612,446       |               | 38,941,327       |               | 37,033,906       |               | 54,834,602       |                | 50,159,705       |               | 54,301,720       |               |
| Business-type activities:                                    |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Taxes  |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Property taxes, levied for general purposes                  | 687              |               | 186,344          |               | 82,208           |                | 166,746          |                | 385,491          |               | 758,690          |               | 797,082          |               | 2,802,605        |                | 954,484          |               | 859,533          |               |
| Property taxes, levied for debt service                      | -                |               | -                |               | -                |                | -                |                | -                |               | -                |               | -                |               | -                | 6,080          |                  | 6,675         |                  |               |
| Investment earnings  | 91,147           |               | 88,706           |               | 114,540          |                | 119,072          |                | 98,063           |               | 249,010          |               | 423,177          |               | 748,124          |                | 387,779          |               | 13,719           |               |
| Miscellaneous  | 247,280          |               | 403,908          |               | 44,404           |                | 1,244,180        |                | 660,328          |               | 756,238          |               | 390,265          |               | 695,604          |                | 249,841          |               | 2,037,849        |               |
| Transfers  | 5,872,446        |               | 3,442,538        |               | 353,310          |                | (1,262,055)      |                | (4,495,291)      |               | 6,886,141        |               | 15,695,476       |               | 1,418,099        |                | 3,226,100        |               | 682,580          |               |
| Total business-type activities                               | 6,211,560        |               | 4,121,496        |               | 594,462          |                | 267,943          |                | (3,351,409)      |               | 8,650,079        |               | 17,306,000       |               | 5,664,432        |                | 4,824,284        |               | 3,600,356        |               |
| Total government   | 45,942,573       |               | 46,484,117       |               | 48,502,404       |                | 55,100,123       |                | 48,261,037       |               | 47,591,406       |               | 54,339,906       |               | 60,499,034       |                | 54,983,989       |               | 57,902,076       |               |
| Change in net position                                       |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| Governmental activities                                      |                  |               |                  |               |                  |                |                  |                |                  |               |                  |               |                  |               |                  |                |                  |               |                  |               |
| 36,254,196   |                  | 34,385,282    |                  | 48,222,620    |                  | 79,067,059     |                  | 27,837,613     |                  | 29,862,709    |                  | 10,886,699    |                  | 1,240,706     |                  | 7,807,994      |                  | 15,990,164    |                  |               |
| Business-type activities                                     |                  | 36,336,602    |                  | 39,967,680    |                  | 67,595,579     |                  | 81,005,889     |                  | 13,666,937    |                  | 23,562,941    |                  | 14,791,088    |                  | (4,288,237)    |                  | 25,317,665    |                  | 12,277,623    |
| Total government   |                  | \$ 72,590,798 |                  | \$ 74,352,962 |                  | \$ 115,818,199 |                  | \$ 160,072,948 |                  | \$ 41,504,550 |                  | \$ 53,425,650 |                  | \$ 25,677,787 |                  | \$ (3,047,531) |                  | \$ 33,125,659 |                  | \$ 28,267,787 |

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

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

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

|                                    | <b>2012</b>          | <b>2013</b>          | <b>2014</b>           | <b>2015</b>           | <b>2016</b>           | <b>2017</b>          | <b>2018</b>          | <b>2019</b>          | <b>2020</b>          | <b>2021</b>           |
|------------------------------------|----------------------|----------------------|-----------------------|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|-----------------------|
| General fund                       |                      |                      |                       |                       |                       |                      |                      |                      |                      |                       |
| Nonspendable                       | \$ 39,167            | \$ 225,635           | \$ 265,407            | \$ 517,859            | \$ 508,264            | \$ 471,775           | \$ 473,597           | \$ 668,118           | \$ 666,170           | \$ 837,920            |
| Restricted                         | 6,039                | -                    | 3,171                 | -                     | 654,437               | 372,804              | 214,717              | 907,643              | 728,836              | 523,883               |
| Committed                          | -                    | -                    | -                     | -                     | -                     | -                    | 480,742              | 2,318,748            | 3,037,974            | 3,271,769             |
| Assigned                           | -                    | -                    | -                     | -                     | 82,268                | 85,700               | 234,849              | 6,719,520            | 7,443,829            | 7,348,859             |
| Unassigned                         | 16,184,502           | 19,274,270           | 22,706,977            | 24,689,554            | 24,487,188            | 26,556,632           | 30,949,573           | 33,604,001           | 35,096,891           | 30,176,508            |
| Total general fund                 | <u>\$ 16,229,708</u> | <u>\$ 19,499,905</u> | <u>\$ 22,975,555</u>  | <u>\$ 25,207,413</u>  | <u>\$ 25,732,157</u>  | <u>\$ 27,486,911</u> | <u>\$ 32,353,478</u> | <u>\$ 44,218,030</u> | <u>\$ 46,973,700</u> | <u>\$ 42,158,939</u>  |
| All other governmental funds       |                      |                      |                       |                       |                       |                      |                      |                      |                      |                       |
| Nonspendable                       | \$ 67,299            | \$ 622,897           | \$ 1,811,788          | \$ 1,802,560          | \$ 2,428,847          | \$ 1,068,548         | \$ 115,614           | \$ 94,462            | \$ 100,965           | \$ 119,193            |
| Restricted                         | 36,048,453           | 34,982,125           | 36,569,675            | 79,520,645            | 79,598,317            | 74,588,206           | 52,321,549           | 49,648,945           | 3,196,215            | 3,300,270             |
| Committed                          | 6,011,986            | 12,497,167           | 38,123,755            | -                     | -                     | 291,096              | 5,750,502            | 7,837,207            | 56,188,680           | 70,972,987            |
| Assigned                           | 38,012,025           | 48,079,550           | 26,648,670            | 25,864,361            | 24,420,302            | 18,479,763           | 22,413,885           | 11,798,609           | 16,357,091           | 55,050,382            |
| Unassigned                         | (1,637,152)          | (1,852,004)          | (265,877)             | -                     | (265,822)             | (22,847)             | (642,814)            | (967,083)            | -                    | -                     |
| Total all other governmental funds | <u>\$ 78,502,611</u> | <u>\$ 94,329,735</u> | <u>\$ 102,888,011</u> | <u>\$ 107,187,566</u> | <u>\$ 106,181,644</u> | <u>\$ 94,404,766</u> | <u>\$ 79,958,736</u> | <u>\$ 68,412,140</u> | <u>\$ 75,842,951</u> | <u>\$ 129,442,832</u> |

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

|   | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>     | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   |
|---|---------------|---------------|---------------|---------------|---------------|-----------------|---------------|---------------|---------------|---------------|
| <b>REVENUES</b>   |               |               |               |               |               |                 |               |               |               |               |
| Property taxes  | \$ 7,391,659  | \$ 9,816,255  | \$ 10,550,013 | \$ 15,719,398 | \$ 16,620,590 | \$ 16,685,984   | \$ 20,885,157 | \$ 22,895,662 | \$ 23,136,677 | \$ 23,329,921 |
| Sales tax collections                                     | 26,705,354    | 24,850,061    | 27,245,883    | 26,035,551    | 21,375,144    | 20,035,165      | 21,182,065    | 22,160,231    | 20,655,109    | 23,141,014    |
| Cable TV franchise fees                                   | 588,414       | 668,203       | 668,203       | 699,277       | 676,847       | 629,927         | 571,431       | 525,036       | 485,958       | 462,721       |
| Licenses and permits                                      | 2,311,025     | 2,153,400     | 1,862,029     | 1,331,860     | 977,803       | 685,449         | 1,398,108     | 777,618       | 901,383       | 1,673,116     |
| Intergovernmental   | 23,120,131    | 33,762,275    | 39,740,800    | 60,177,461    | 32,513,738    | 47,959,928      | 30,411,854    | 27,756,631    | 34,044,663    | 38,938,413    |
| Charges for services                                      | 8,311,975     | 8,413,316     | 8,746,373     | 5,089,099     | 5,223,295     | 3,986,868       | 4,535,173     | 4,471,421     | 4,165,353     | 3,704,686     |
| Fines and forfeits  | 1,117,060     | 1,198,946     | 1,229,088     | 679,969       | 669,284       | 646,728         | 739,543       | 741,953       | 565,484       | 538,176       |
| Special assessment collections                            | 753,755       | 775,793       | 2,030,276     | 4,884,263     | 4,002,683     | 2,205,809       | 1,945,189     | 1,963,557     | 1,951,866     | 2,195,270     |
| Interest income   | 546,393       | 251,460       | 471,073       | 694,916       | 645,118       | 801,119         | 1,576,164     | 2,144,611     | 1,606,922     | 483,993       |
| Contract revenue  | 1,200,000     | 1,187,136     | -             | -             | -             | -               | -             | -             | -             | -             |
| Miscellaneous   | 607,263       | 1,256,203     | 604,999       | 2,934,911     | 1,506,669     | 1,505,480       | 1,677,642     | 1,126,269     | 836,107       | 1,176,141     |
| Total revenues  | 72,653,029    | 84,333,048    | 93,148,737    | 118,246,705   | 84,211,171    | 95,142,457      | 84,922,326    | 84,562,989    | 88,349,522    | 95,643,451    |
| <b>EXPENDITURES</b>                                       |               |               |               |               |               |                 |               |               |               |               |
| General government  | 17,366,238    | 19,335,762    | 23,680,730    | 26,239,852    | 15,721,274    | 21,646,093      | 23,146,741    | 18,743,031    | 23,235,062    | 27,441,383    |
| Public safety   | 10,790,276    | 12,707,694    | 14,376,257    | 14,869,964    | 16,320,099    | 16,591,562      | 17,379,470    | 24,997,553    | 25,358,231    | 26,069,678    |
| Highways and streets                                      | 6,145,446     | 12,090,496    | 8,557,587     | 7,966,728     | 6,472,349     | 7,882,733       | 8,625,795     | 9,950,063     | 13,017,055    | 13,865,901    |
| Culture and recreation                                    | 3,356,958     | 4,501,165     | 7,364,051     | 9,762,841     | 7,658,965     | 7,396,239       | 3,693,931     | 5,932,137     | 2,012,406     | 4,278,713     |
| Economic development                                      | 851,421       | 1,306,170     | 3,292,475     | 3,266,376     | 1,145,992     | 826,120         | 420,838       | 646,685       | 679,973       | 1,750,090     |
| Capital outlay  | 14,347,097    | 27,442,679    | 27,926,088    | 49,490,425    | 47,648,330    | 36,562,709      | 21,055,738    | 18,990,565    | 15,038,813    | 16,206,174    |
| Debt retirement   | -             | -             | -             | -             | -             | -               | -             | -             | -             | -             |
| Principal   | 5,510,000     | 2,995,000     | 3,060,000     | 4,485,000     | 4,920,000     | 6,110,000       | 3,760,000     | 3,840,000     | 3,999,711     | 4,177,890     |
| Interest and fiscal charges                               | 696,720       | 551,892       | 1,022,919     | 1,319,488     | 1,326,733     | 1,341,613       | 1,211,259     | 1,112,458     | 998,971       | 1,068,748     |
| Administrative Charges                                    | -             | -             | -             | -             | -             | -               | -             | 1,201         | 408           | 6,740         |
| Total expenditures  | 59,064,156    | 80,930,858    | 89,280,107    | 117,400,674   | 101,213,742   | 98,357,069      | 79,293,772    | 84,213,693    | 84,340,630    | 94,865,317    |
| Excess (deficiency) of revenues over (under) expenditures | 13,588,873    | 3,402,190     | 3,868,630     | 846,031       | (17,002,571)  | (3,214,612)     | 5,628,554     | 349,296       | 4,008,892     | 778,134       |
| <b>OTHER FINANCING SOURCES (USES)</b>                     |               |               |               |               |               |                 |               |               |               |               |
| General obligation bonds issued                           | 2,900,000     | 6,815,000     | 3,950,000     | 390,000       | 780,000       | -               | -             | -             | -             | -             |
| Special assessment bonds issued                           | 1,885,000     | 11,595,000    | 4,135,000     | 3,780,000     | 10,110,000    | -               | -             | -             | -             | 2,641,138     |
| Sales tax bonds issued                                    | -             | -             | -             | -             | -             | -               | -             | -             | 8,145,000     | 42,589,626    |
| Premium (discount) on debt issued                         | 95,838        | 642,825       | 332,360       | 166,241       | 949,616       | -               | -             | -             | 70,777        | 3,258,334     |
| State revolving fund                                      | -             | -             | -             | -             | -             | -               | 179,120       | 434,122       | 801,680       | -             |
| Capital leases  | -             | -             | 7,921         | (1,779)       | -             | 6,405           | 203,000       | 805,472       | 196,153       | -             |
| Sale of City Property                                     | 79,600        | 84,844        | 93,325        | 88,865        | 186,486       | 72,224          | 105,339       | 147,162       | 190,079       | 200,468       |
| Transfers in  | 16,158,598    | 16,523,322    | 21,264,126    | 19,905,935    | 21,977,660    | 16,349,478      | 13,303,536    | 22,771,414    | 18,663,791    | 15,504,677    |
| Transfers out   | (22,031,044)  | (19,965,860)  | (21,617,436)  | (18,643,880)  | (17,482,369)  | (23,235,619)    | -             | (24,189,512)  | (21,889,891)  | (16,187,257)  |
| Total other financing sources (uses)                      | (912,008)     | 15,695,131    | 8,165,296     | 5,685,382     | 16,521,393    | (6,807,512)     | 13,790,995    | (31,342)      | 6,177,589     | 48,006,986    |
| Net change in fund balances                               | \$ 12,676,865 | \$ 19,097,321 | \$ 12,033,926 | \$ 6,531,413  | \$ (481,178)  | \$ (10,022,124) | \$ 19,419,549 | \$ 317,954    | \$ 10,186,481 | \$ 48,785,120 |
| Debt service expenditures to noncapital expenditures      | 13.88%        | 6.63%         | 6.65%         | 8.55%         | 11.66%        | 12.06%          | 8.54%         | 7.59%         | 7.21%         | 6.67%         |

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

| Year | Property Tax<br>Levied for<br>General<br>Purposes | Property Tax<br>Levied for<br>Debt<br>Service | Sales<br>Tax  | Municipal<br>Highway<br>Tax | State Aid<br>Distribution | Franchise<br>Tax | Other<br>Tax | Total         | (1)<br>Population<br>Estimated |
|------|---|---|---------------|-----------------------------|---------------------------|------------------|--------------|---------------|--------------------------------|
| 2012 | \$ 6,819,579                                      | \$ 735,488                                    | \$ 26,705,354 | \$ 2,570,954                | \$ 4,166,709              | \$ 588,414       | \$ 1,729,453 | \$ 43,315,951 | 43,746                         |
| 2013 | 9,666,190   | 499,901                                       | 24,850,061    | 2,794,431                   | 4,231,254                 | 668,203          | 564,120      | 43,274,160    | 46,398                         |
| 2014 | 9,750,742   | 1,126,237                                     | 27,245,883    | 2,952,874                   | 4,792,103                 | 699,277          | 700,272      | 47,267,388    | 47,997                         |
| 2015 | 13,261,691  | 2,875,336                                     | 26,035,551    | 2,740,748                   | 4,411,924                 | 702,627          | 311,720      | 50,339,597    | 49,450                         |
| 2016 | 14,555,649  | 2,333,770                                     | 21,375,144    | 2,400,195                   | 3,477,932                 | 676,847          | 314,838      | 45,134,375    | 47,338                         |
| 2017 | 14,656,250  | 3,056,361                                     | 20,035,165    | 2,560,200                   | 3,378,357                 | 629,927          | 303,037      | 44,619,297    | 48,743                         |
| 2018 | 18,361,227  | 2,936,172                                     | 21,182,065    | 2,618,870                   | 3,818,739                 | 571,431          | 303,918      | 49,792,422    | 47,822                         |
| 2019 | 20,530,118  | 2,971,720                                     | 22,160,231    | 2,647,322                   | 3,987,699                 | 525,036          | 296,676      | 53,118,802    | 47,370                         |
| 2020 | 20,322,998  | 3,367,226                                     | 20,655,109    | 2,387,134                   | 3,460,199                 | 485,958          | 297,295      | 50,975,919    | 47,382                         |
| 2021 | 20,496,354  | 2,833,567                                     | 23,141,014    | 2,312,339                   | 3,768,870                 | 462,721          | 309,301      | 53,324,166    | 48,377                         |

(1) 2017-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

2009-2016 Source: U.S. Census Bureau

**City of Minot, North Dakota**  
**Sales Tax - Taxable Sales and Purchases**  
**Last Ten Fiscal Years**  
 (accrual basis of accounting)  
 unaudited

| Year | Population<br>Estimated | City<br>Direct<br>Sales<br>Tax Rate | (2)<br>Taxable<br>Sales<br>&<br>Purchases | Sales Tax remitted by State of ND to the City |                                    |                         |                         |                      |                          |                                   |                           |                                    |                      |                                       |                                   | Percentage<br>of Taxable<br>Sales &<br>Purchases<br>top ten<br>permit holders |  |
|------|-------------------------|-------------------------------------|---|---|------------------------------------|-------------------------|-------------------------|----------------------|--------------------------|-----------------------------------|---------------------------|------------------------------------|----------------------|---------------------------------------|-----------------------------------|---|--|
|      |                         |                                     |   | First Penny                                   |                                    |                         |                         |                      |                          | Second Penny                      |                           |                                    |                      |                                       |                                   |   |  |
|      |                         |                                     |   | Property Tax<br>Relief<br>10%                 | Economic<br>Development<br>40%/15% | Improvements<br>50%/25% | Flood<br>Control<br>50% | Capital<br>Purchases | Flood Control<br>Capital | Property Tax<br>Relief<br>30%/18% | Infrastructure<br>40%/24% | Community<br>Facilities<br>30%/18% | Capital<br>Purchases | Northwest Area<br>Water Supply<br>40% | Total<br>Sales Tax<br>Collections |   |  |
| 2012 | 43,746                  | 2%                                  | \$ 1,644,090,990                          | \$ 1,335,268                                  | \$ 5,341,071                       | \$ 6,676,338            | \$ -                    | \$ -                 | \$ -                     | \$ 4,005,803                      | \$ 5,341,071              | \$ 4,005,803                       | \$ -                 | \$ -                                  | 26,705,354                        | 30.89%  |  |
| 2013 | 46,398                  | 2%                                  | 1,559,389,207                             | 1,242,503                                     | 4,970,012                          | 6,212,516               | -                       | -                    | -                        | 3,727,509                         | 4,970,012                 | 3,727,509                          | -                    | -                                     | 24,850,062                        | 30.07%  |  |
| 2014 | 47,997                  | 2%                                  | 1,566,093,772                             | 1,362,295                                     | 3,541,644                          | 4,903,938               | 3,815,065               | -                    | -                        | 4,086,883                         | 5,449,176                 | 4,086,882                          | -                    | -                                     | 27,245,884                        | 27.20%  |  |
| 2015 | 49,450                  | 2%                                  | 1,419,398,286                             | 1,301,778                                     | -                                  | 3,254,215               | 6,508,886               | 1,952,898            | -                        | 3,905,333                         | 2,759,100                 | 3,755,333                          | 2,598,009            | -                                     | 26,035,551                        | 32.00%  |  |
| 2016 | 47,338                  | 2%                                  | 1,046,054,220                             | 1,068,757                                     | 1,603,136                          | 2,671,893               | 2,668,786               | -                    | 2,675,000                | 3,206,271                         | 4,275,029                 | 3,206,272                          | -                    | -                                     | 21,375,144                        | 27.70%  |  |
| 2017 | 48,743                  | 2%                                  | 1,007,678,634                             | 1,001,758                                     | 1,502,637                          | 2,504,396               | 5,008,791               | -                    | -                        | 3,005,275                         | 4,007,033                 | 3,005,275                          | -                    | -                                     | 20,035,165                        | 28.20%  |  |
| 2018 | 47,822                  | 2%                                  | 1,049,220,541                             | 1,059,103                                     | 1,588,655                          | 2,647,758               | 1,842,280               | -                    | 6,630,546                | 3,177,310                         | 4,236,413                 | -                                  | -                    | -                                     | 21,182,065                        | 28.50%  |  |
| 2019 | 47,370                  | 2%                                  | 1,096,014,823                             | 1,108,012                                     | 1,662,017                          | 2,770,029               | 382,217                 | -                    | 5,157,840                | 1,994,421                         | 2,659,228                 | 1,994,421                          | -                    | 4,432,046                             | 22,160,231                        | 30.40%  |  |
| 2020 | 47,382                  | 2%                                  | 1,007,032,777                             | 1,032,755                                     | 1,549,133                          | 2,581,889               | 5,163,777               | -                    | -                        | 1,858,960                         | 2,478,613                 | 1,858,960                          | -                    | 4,131,022                             | 20,655,109                        | 31.92%  |  |
| 2021 | 48,377                  | 2%                                  | 1,099,675,642                             | 1,157,051                                     | 1,735,576                          | 2,892,627               | 5,785,253               | -                    | -                        | 2,082,691                         | 2,776,922                 | 2,082,691                          | -                    | 4,628,203                             | 23,141,014                        | 29.29%  |  |

In 1998, Sales Tax increased from 1% to 2%, with the additional 1% dedicated to the Northwest Area Water Supply project.

The sales tax is a citizen voted tax. The original 1% is for capital improvements at 50%, economic development at 40%, and property tax relief at 10%.

In June 2011, the voters opted to continue collecting the additional 1% sales tax, formerly for the Northwest Area Water Supply project and dedicate 30% to property tax relief, 40% to infrastructure projects, and 30% to community facilities.

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

Effective January 1, 2019, 40% of the second penny sales tax was reallocated to the Northwest Area Water Supply project.

(1) 2017-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

2012-2016 Source: U.S. Census Bureau

(2) Taxable sales and purchases figure are from the State of ND Sales Tax Department Sales and Use Tax Statistical Annual Report.

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

| Industry                                      | 2012             | 2013             | 2014             | 2015             | 2016             | 2017             | 2018             | 2019             | 2020             | 2021             |
|---|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|------------------|
| Construction                                  | \$ 58,247,973    | \$ 48,910,592    | \$ 49,746,274    | \$ 50,617,167    | \$ 33,914,871    | \$ 25,724,984    | \$ 30,518,657    | \$ 26,691,993    | \$ 24,376,007    | \$ 29,724,090    |
| Manufacturing                                 | 46,344,370       | 41,189,329       | 44,013,916       | 35,172,479       | 26,147,004       | 24,098,344       | 25,157,356       | 25,863,286       | 24,454,978       | 28,913,652       |
| Wholesale trade                               | 263,822,015      | 251,299,458      | 290,327,737      | 188,430,808      | 119,459,817      | 121,122,546      | 131,858,479      | 142,197,859      | 125,853,922      | 129,892,240      |
| Retail trade                                  | 844,491,363      | 797,159,510      | 787,593,298      | 701,907,245      | 588,795,861      | 561,632,634      | 571,195,731      | 578,080,327      | 563,257,457      | 602,536,431      |
| Transportation & warehousing                  | 4,249,433        | 4,366,386        | 4,857,706        | 4,544,458        | 3,843,794        | 3,840,060        | 3,918,938        | 3,282,504        | 596,969          | 475,366          |
| Information industries                        | 5,397,964        | 5,614,714        | 5,370,170        | 5,361,095        | 4,658,360        | 4,366,103        | 4,184,241        | 4,206,383        | 1,447,307        | 2,215,935        |
| Fin, insurance, real estate, rental & leasing | 49,996,975       | 66,228,844       | 56,572,911       | 37,360,861       | 22,283,586       | 22,824,929       | 25,620,582       | 31,460,558       | 24,017,979       | 19,566,187       |
| Professional, scientific, tech., & mgmt serv. | 12,529,022       | 13,341,555       | 6,201,548        | 4,968,086        | 4,993,857        | 5,303,173        | 4,913,830        | 5,431,346        | 3,588,617        | 3,997,205        |
| Educational, health care, & social services   | 3,872,616        | 3,358,110        | 4,526,544        | 4,359,408        | 4,086,361        | 3,373,433        | 4,035,600        | 4,488,726        | 3,829,500        | 5,098,034        |
| Arts, entertainment & recreation              | 3,849,395        | 5,251,128        | 5,852,922        | 6,143,852        | 6,546,703        | 7,613,172        | 7,384,957        | 7,479,974        | 7,166,799        | 9,218,539        |
| Accommodation & food services                 | 191,892,960      | 191,616,550      | 202,405,713      | 190,000,047      | 166,075,079      | 164,225,049      | 166,260,319      | 171,919,322      | 141,680,796      | 169,721,189      |
| Mining and Oil Extraction                     | 111,271,321      | 88,648,677       | 61,488,901       | 147,323,049      | 26,921,532       | 22,506,295       | 30,371,368       | 47,156,652       | 41,595,112       | 46,173,872       |
| Other services                                | 39,632,295       | 40,431,146       | 45,168,580       | 42,127,833       | 37,167,275       | 39,418,208       | 41,659,096       | 45,972,434       | 41,480,855       | 48,677,536       |
| Miscellaneous                                 | 8,493,288        | 1,973,208        | 1,967,552        | 1,081,898        | 1,160,120        | 1,629,704        | 2,141,387        | 1,783,459        | 3,686,479        | 3,465,366        |
| Total taxable sales and purchases             | \$ 1,644,090,990 | \$ 1,559,389,207 | \$ 1,566,093,772 | \$ 1,419,398,286 | \$ 1,046,054,220 | \$ 1,007,678,634 | \$ 1,049,220,541 | \$ 1,096,014,823 | \$ 1,007,032,777 | \$ 1,099,675,642 |

Industry taxable sales and purchases figures are from the State of ND Sales Tax Department - 2021 numbers are preliminary

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

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

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

| Levy Year | (1)<br>Commercial<br>Land and<br>Buildings | (1)<br>Residential<br>Land and<br>Buildings | Public<br>Utilities | (2)<br>Total<br>Assessed<br>Value | Total<br>True and Full<br>Value | Assessed<br>Value as a<br>Percentage of<br>True and Full<br>Value | Total<br>Direct<br>Tax Rate |
|-----------|--|---|---------------------|-----------------------------------|---------------------------------|---|-----------------------------|
| 2012      | \$ 620,200,100                             | \$ 936,981,878                              | \$ 13,467,661       | \$ 1,570,649,639                  | \$ 3,141,299,278                | 50.00%  | 84.29                       |
| 2013      | 843,373,150                                | 1,188,428,700                               | 15,175,410          | 2,046,977,260                     | 4,093,954,520                   | 50.00%  | 76.05                       |
| 2014      | 1,000,617,300                              | 1,227,636,250                               | 15,781,324          | 2,244,034,874                     | 4,488,069,748                   | 50.00%  | 77.90                       |
| 2015      | 1,126,074,880                              | 1,300,547,378                               | 15,256,870          | 2,441,879,128                     | 4,883,758,256                   | 50.00%  | 77.05                       |
| 2016      | 1,111,099,350                              | 1,295,175,344                               | 20,045,240          | 2,426,319,934                     | 4,852,639,869                   | 50.00%  | 77.81                       |
| 2017      | 991,146,600                                | 1,233,454,067                               | 19,278,330          | 2,243,878,997                     | 4,487,757,994                   | 50.00%  | 106.65                      |
| 2018      | 929,727,850                                | 1,223,475,000                               | 21,038,600          | 2,174,241,450                     | 4,348,482,900                   | 50.00%  | 129.70                      |
| 2019      | 949,876,220                                | 1,222,460,256                               | 25,981,810          | 2,198,318,286                     | 4,396,636,572                   | 50.00%  | 121.87                      |
| 2020      | 965,751,000                                | 1,242,758,122                               | 25,340,590          | 2,233,849,712                     | 4,467,699,424                   | 50.00%  | 119.95                      |
| 2021      | 931,325,490                                | 1,283,030,667                               | 24,335,650          | 2,238,691,807                     | 4,477,383,614                   | 50.00%  | 121.47                      |

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

(2) Assessed values are finalized by the State Assessment Board on the second Tuesday in August of each year.

The assessed value is calculated at 50% of the true and full value.

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

| Levy<br>Year | City of Minot   |                      |                             |                  |                          |        | Minot<br>Park<br>District | Minot<br>School<br>District | State<br>and<br>County | Total  |
|--------------|-----------------|----------------------|-----------------------------|------------------|--------------------------|--------|---------------------------|-----------------------------|------------------------|--------|
|              | General<br>Fund | Proprietary<br>Funds | Special<br>Revenue<br>Funds | Capital<br>Funds | Debt<br>Service<br>Funds | Total  |                           |                             |                        |        |
| 2012         | 55.32           | 1.33                 | 15.65                       | 8.44             | 3.55                     | 84.29  | 31.65                     | 141.02                      | 71.12                  | 328.08 |
| 2013         | 42.88           | 0.44                 | 21.90                       | 4.63             | 6.20                     | 76.05  | 28.11                     | 81.98                       | 63.03                  | 249.17 |
| 2014         | 46.01           | 0.82                 | 20.64                       | 2.94             | 7.49                     | 77.90  | 27.09                     | 92.41                       | 71.22                  | 268.62 |
| 2015         | 47.41           | 1.70                 | 16.62                       | 7.11             | 4.21                     | 77.05  | 29.35                     | 98.25                       | 64.79                  | 269.44 |
| 2016         | 44.07           | 3.50                 | 12.96                       | 3.21             | 14.07                    | 77.81  | 31.36                     | 108.22                      | 65.47                  | 282.86 |
| 2017         | 61.69           | 3.86                 | 20.64                       | 6.09             | 14.37                    | 106.65 | 34.40                     | 111.05                      | 72.42                  | 324.52 |
| 2018         | 69.39           | 14.07                | 19.54                       | 11.90            | 14.80                    | 129.70 | 35.55                     | 113.50                      | 73.08                  | 351.83 |
| 2019         | 86.56           | 4.69                 | 8.46                        | 5.41             | 16.75                    | 121.87 | 43.22                     | 111.34                      | 61.27                  | 337.70 |
| 2020         | 93.13           | 4.24                 | 5.99                        | 2.72             | 13.87                    | 119.95 | 42.66                     | 109.33                      | 60.38                  | 332.32 |
| 2021         | 92.35           | 4.19                 | 7.90                        | -                | 17.03                    | 121.47 | 45.58                     | 109.34                      | 58.91                  | 335.30 |

Data obtained from the Ward County Auditor's Office

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

| Levy Year | (1)<br>Total Current Tax Levy | (2)<br>Current Collections | Percent of Levy Collected | (2)<br>Delinquent Collections | (2)<br>Total Collections | Total Collection as Percent of Current Levy | (3)<br>Adjustments | (4)<br>Accumulated Outstanding Taxes | Outstanding Delinquent as Percent of Current Levy |
|-----------|-------------------------------|----------------------------|---------------------------|-------------------------------|--------------------------|---|--------------------|--------------------------------------|---|
| 2012      | \$12,449,978                  | \$ 11,789,696              | 94.70%                    | \$ 170,747                    | \$ 11,960,443            | 96.07%                                      | \$ 354,891         | \$ 362,546                           | 2.91%   |
| 2013      | 14,505,927                    | 13,803,849                 | 95.16%                    | 264,952                       | 14,068,802               | 96.99%                                      | 351,294            | 448,378                              | 3.09%   |
| 2014      | 16,451,633                    | 15,063,278                 | 91.56%                    | 309,745                       | 15,373,023               | 93.44%                                      | 459,639            | 1,067,348                            | 6.49%   |
| 2015      | 17,616,035                    | 15,905,973                 | 90.29%                    | 885,793                       | 16,791,766               | 95.32%                                      | 486,750            | 1,404,868                            | 7.97%   |
| 2016      | 17,871,719                    | 16,700,619                 | 93.45%                    | 1,217,215                     | 17,917,834               | 100.26%                                     | 489,146            | 869,607                              | 4.87%   |
| 2017      | 22,616,328                    | 20,925,767                 | 92.53%                    | 625,918                       | 21,551,685               | 95.29%                                      | 761,757            | 1,172,493                            | 5.18%   |
| 2018      | 26,611,273                    | 24,637,660                 | 92.58%                    | 769,619                       | 25,407,279               | 95.48%                                      | 969,740            | 1,406,747                            | 5.29%   |
| 2019      | 25,301,186                    | 23,054,460                 | 91.12%                    | 786,710                       | 23,841,170               | 94.23%                                      | 914,692            | 1,952,071                            | 7.72%   |
| 2020      | 25,781,496                    | 23,142,701                 | 89.76%                    | 945,533                       | 24,088,234               | 93.43%                                      | 1,480,507          | 2,164,826                            | 8.40%   |
| 2021      | 26,137,235                    | N/A                        | N/A                       | N/A                           | N/A                      | N/A   | N/A                | N/A                                  | N/A   |

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

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

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

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

**City of Minot, North Dakota**  
**Principal Property Taxpayers**  
**12/31/2021**  
 unaudited

| TAXPAYER   | 2021                                |      |  | 2012                                |      |  |
|--|-------------------------------------|------|--|-------------------------------------|------|--|
|  | (1)<br>Taxable<br>Assessed<br>Value | Rank | % of total<br>Taxable<br>Assessed<br>Value | (1)<br>Taxable<br>Assessed<br>Value | Rank | % of total<br>Taxable<br>Assessed<br>Value |
| Dakota Square Mall CMBS LLC                      | \$ 3,398,300                        | 1    | 0.15%                                      | \$ 3,161,313                        | 2    | 0.20%                                      |
| Centerspace/IRET Properties                      | 3,393,050                           | 2    | 0.15%                                      | 3,794,066                           | 1    | 0.24%                                      |
| North Highland-Minot, LLC                        | 2,570,950                           | 3    | 0.11%                                      |                                     |      |  |
| Trinity Health                                   | 2,076,900                           | 4    | 0.09%                                      |                                     |      |  |
| Northern States Power Co                         | 1,381,152                           | 5    | 0.06%                                      |                                     |      |  |
| SUSO 3 Southgate LP                              | 1,065,850                           | 6    | 0.05%                                      |                                     |      |  |
| ARHC MMMINND01, LLC (Medical Arts/Wellington)    | 1,051,900                           | 7    | 0.05%                                      |                                     |      |  |
| Farmers Union Oil Company                        | 1,047,350                           | 8    | 0.05%                                      |                                     |      |  |
| St. Alexius Medical Center                       | 998,800                             | 9    | 0.04%                                      |                                     |      |  |
| United Pulse Trading Inc.                        | 952,100                             | 10   | 0.04%                                      |                                     |      |  |
| Hill Wyatt, LLC                                  | 891,450                             | 11   | 0.04%                                      |                                     |      |  |
| Westlie Motor Company                            | 709,050                             | 12   | 0.03%                                      |                                     |      |  |
| Wal-Mart Real Estate Business Trst               | 684,000                             | 13   | 0.03%                                      | 802,737                             | 3    | 0.05%                                      |
| Montana Dakota Utilities Co.                     | 683,216                             | 14   | 0.03%                                      |                                     |      |  |
| Menards Inc.                                     | 659,600                             | 15   | 0.03%                                      | 648,733                             | 7    | 0.04%                                      |
| Double K Holdings LLC                            | 642,450                             | 16   | 0.03%                                      |                                     |      |  |
| Dakota Upreat (Metro Mall)                       | 640,100                             | 17   | 0.03%                                      | 481,689                             | 15   | 0.03%                                      |
| Woodridge Fund 7 MPH, LLC                        | 638,950                             | 18   | 0.03%                                      |                                     |      |  |
| Cenex Harvest States Co-Op                       | 636,000                             | 19   | 0.03%                                      | 515,205                             | 12   | 0.03%                                      |
| Prairie Heights Apartments LLLP                  | 622,450                             | 20   | 0.03%                                      |                                     |      |  |
| Southwood Apartments                             |                                     |      |  | 750,232                             | 4    | 0.05%                                      |
| Kadima Medical Properties (Former Unimed Clinic) |                                     |      |  | 671,582                             | 6    | 0.04%                                      |
| Sleep Inn  |                                     |      |  | 648,724                             | 8    | 0.04%                                      |
| The Pines on 37th LLC                            |                                     |      |  | 634,294                             | 9    | 0.04%                                      |
| International Inn (Grand Hotel)                  |                                     |      |  | 628,084                             | 10   | 0.04%                                      |
| Cambridge Capital Management                     |                                     |      |  | 559,645                             | 11   | 0.04%                                      |
| Cognizant Technology Solutions US Corp.          |                                     |      |  | 504,500                             | 13   | 0.03%                                      |
| Hartland Hospitality Fund LLC                    |                                     |      |  | 493,704                             | 14   | 0.03%                                      |
| Woodridge Mobile Home Park LLC                   |                                     |      |  | 447,051                             | 16   | 0.03%                                      |
| Philadelphia Macaroni                            |                                     |      |  | 429,663                             | 17   | 0.03%                                      |
| MDV2 LLC   |                                     |      |  | 427,147                             | 18   | 0.03%                                      |
| Premier Holdings LLP                             |                                     |      |  | 424,497                             | 19   | 0.03%                                      |
| Glacial Holdings                                 |                                     |      |  | 403,567                             | 20   | 0.03%                                      |
| All Others                                       | 2,213,948,189                       |      | 98.89%                                     | 1,554,223,206                       |      | 98.95%                                     |
| Total Taxable Assessed Value                     | \$2,238,691,807                     |      | 100.00%                                    | \$1,570,649,639                     |      | 100.00%                                    |

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

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

| Year | Governmental Activities        |                                |              |  |                             |                  | Business-Type Activities |                                |                             |                  |                   | Total Government | (1)<br>Percentage<br>of Personal<br>Income | (2)<br>Per<br>Capita |
|------|--------------------------------|--------------------------------|--------------|--|-----------------------------|------------------|--------------------------|--------------------------------|-----------------------------|------------------|-------------------|------------------|--|----------------------|
|      | General<br>Obligation<br>Bonds | Special<br>Assessment<br>Bonds | Sales<br>Tax | Capital<br>Financing<br>Program<br>Bonds | State<br>Revolving<br>Funds | Capital<br>Lease | Revenue<br>Bonds         | Special<br>Assessment<br>Bonds | State<br>Revolving<br>Funds | Notes<br>Payable | Capital<br>Leases |                  |  |                      |
| 2012 | \$ 8,474,812                   | \$ 9,791,156                   | \$ -         | \$ -                                     | \$ -                        | \$ 3,383         | \$20,829,857             | \$ -                           | \$ -                        | \$ 1,358,115     | \$ 491,120        | \$ 40,948,443    | 12.94%                                     | 936.05               |
| 2013 | 13,628,909                     | 20,665,181                     | -            | -  | -                           | 265              | 36,292,434               | -                              | -                           | 1,285,015        | 683,680           | 72,555,484       | 19.25%                                     | 1,563.76             |
| 2014 | 15,789,576                     | 23,796,115                     | -            | -  | -                           | 6,495            | 42,639,711               | -                              | -                           | 1,209,334        | 473,392           | 83,914,623       | 21.43%                                     | 1,748.33             |
| 2015 | 13,732,954                     | 23,529,579                     | -            | 2,062,952                                | -                           | 4,026            | 59,101,796               | -                              | -                           | 1,130,981        | 1,029,389         | 100,591,677      | 24.21%                                     | 2,034.21             |
| 2016 | 21,596,698                     | 22,582,805                     | -            | 1,942,698                                | -                           | 23,949           | 60,022,310               | -                              | -                           | 1,049,862        | 1,135,917         | 108,354,239      | 27.70%                                     | 2,288.95             |
| 2017 | 18,408,804                     | 19,622,342                     | -            | 1,817,444                                | -                           | 22,945           | 50,575,996               | -                              | -                           | 965,878          | 2,189,092         | 93,602,501       | 25.90%                                     | 1,920.33             |
| 2018 | 16,500,655                     | 17,740,256                     | -            | 1,687,190                                | 179,120                     | 214,717          | 47,217,220               | -                              | 6,215,499                   | 878,930          | 2,110,850         | 92,744,437       | 26.07%                                     | 1,939.37             |
| 2019 | 14,547,505                     | 15,823,171                     | -            | 1,556,937                                | 613,242                     | 759,881          | 43,327,354               | -                              | 11,699,299                  | -                | 1,333,141         | 89,660,530       | 24.11%                                     | 1,892.77             |
| 2020 | 12,534,299                     | 13,866,084                     | 8,215,187    | 1,421,683                                | 1,360,211                   | 715,585          | 56,747,408               | 1,430,017                      | 13,868,098                  | -                | 1,478,931         | 111,637,503      | 29.04%                                     | 1,997.54             |
| 2021 | 10,620,463                     | 15,015,916                     | 53,279,240   | 1,281,429                                | 1,311,946                   | 513,640          | 37,589,427               | 2,372,593                      | 13,466,717                  | -                | 1,495,188         | 136,946,559      | 34.79%                                     | 2,830.82             |

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

(2) 2017-2021 Source: Ward County Area Profile. 2020 as of 3/2/2022

2012-2016 Source: U.S. Census Bureau

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

| Year | (1)<br>Population<br>Estimated | (2)<br>Assessed<br>Value | (3)<br>Gross<br>Bonded<br>Debt | Less<br>Debt<br>Service<br>Funds | Net<br>Bonded<br>Debt | Ratio of<br>Net Bonded<br>Debt to<br>Assessed Value | Net<br>Bonded<br>Debt<br>per Capita |
|------|--------------------------------|--------------------------|--------------------------------|----------------------------------|-----------------------|---|-------------------------------------|
| 2012 | 43,746                         | \$ 1,570,649,639         | \$ 8,503,327                   | \$ 510,105                       | \$ 7,993,222          | 0.51%   | 182.72                              |
| 2013 | 46,398                         | 2,046,977,260            | 13,879,232                     | 352,896                          | 13,526,336            | 0.66%   | 291.53                              |
| 2014 | 47,997                         | 2,244,034,874            | 16,506,462                     | 1,273,150                        | 15,233,312            | 0.68%   | 317.38                              |
| 2015 | 49,450                         | 2,441,879,128            | 14,449,840                     | 1,195,984                        | 13,253,856            | 0.54%   | 268.03                              |
| 2016 | 47,338                         | 2,426,319,934            | 21,799,895                     | 1,048,359                        | 20,751,536            | 0.86%   | 438.37                              |
| 2017 | 48,743                         | 2,243,878,997            | 18,589,243                     | 389,879                          | 18,199,364            | 0.81%   | 373.37                              |
| 2018 | 47,822                         | 2,174,241,450            | 17,020,770                     | 871,643                          | 16,149,127            | 0.74%   | 337.69                              |
| 2019 | 47,370                         | 2,198,318,286            | 15,007,840                     | 949,798                          | 14,058,042            | 0.64%   | 296.77                              |
| 2020 | 47,382                         | 2,233,849,712            | 12,934,920                     | 942,835                          | 11,992,085            | 0.54%   | 253.09                              |
| 2021 | 48,377                         | 2,238,691,807            | 11,013,242                     | 908,466                          | 10,104,776            | 0.45%   | 208.88                              |

(1) 2017-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

2012-2016 Source: U.S. Census Bureau

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

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

**City of Minot, North Dakota**  
**Computation of Direct and Overlapping Debt**  
**For the Year Ended December 31, 2021**  
 unaudited

| <u>Governmental Unit</u>                        | <u>Outstanding<br/>Debt</u> | <u>Ratio</u> | <u>City's<br/>Share of<br/>Debt</u> |
|---|-----------------------------|--------------|-------------------------------------|
| Minot School District (1)                       | \$ 48,343,480               | 93.45%       | 45,177,215                          |
| Minot Park District (2)                         | 19,430,580                  | 100.00%      | 19,430,580                          |
| Ward County (3)                                 | 21,596,475                  | 63.29%       | 13,668,270                          |
| Ward Co. Water Resource District                | 2,425,500                   | 63.29%       | 1,535,083                           |
| <b>Overlapping Debt</b>                         |                             |              | <b>79,811,148</b>                   |
| City of Minot (General Obligation Direct Debt)  | 10,620,463                  | 100.00%      | 10,620,463                          |
| City of Minot (Special Assessment)              | 15,015,916                  | 100.00%      | 15,015,916                          |
| City of Minot (Sales Tax)                       | 53,279,240                  | 100.00%      | 53,279,240                          |
| City of Minot (Capital Financing Program Bonds) | 1,281,429                   | 100.00%      | 1,281,429                           |
| City of Minot (State Revolving Fund)            | 1,311,946                   | 100.00%      | 1,311,946                           |
| City of Minot (Capital Lease)                   | 513,640                     | 100.00%      | <u>513,640</u>                      |
| <b>Direct Debt</b>                              |                             |              | <b>82,022,634</b>                   |
| Total Direct and Overlapping Debt               |                             |              | <u><b>\$ 161,833,782</b></u>        |

| <u>Ratios Used</u>               | <u>2021<br/>Assessed Value</u> | <u>2021 City's<br/>Assessed Value</u> | <u>Percentage</u> |
|----------------------------------|--------------------------------|---------------------------------------|-------------------|
| Minot School District (3)        | \$ 2,092,068,293               | \$ 2,238,691,807                      | 93.45%            |
| Minot Park District (3)          | 2,238,691,807                  | 2,238,691,807                         | 100.00%           |
| Ward County (3)                  | 3,537,232,820                  | 2,238,691,807                         | 63.29%            |
| Ward Co. Water Resource District | 3,537,232,820                  | 2,238,691,807                         | 63.29%            |

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

(2) Data obtained from Minot Park District

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

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

**City of Minot, North Dakota**  
**Computation of Legal Debt Margin**  
**December 31, 2021**  
unaudited

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|   |                              |
|---|------------------------------|
| True and full value of taxable property - 2021      | \$ 4,477,383,614             |
| Debt limit - 8% of 50% of true and full value       | 179,095,345                  |
| Amount of debt applicable to debt limit:            |                              |
| General obligation bonds                            | 10,620,463                   |
| Special Assessment bonds with Government Commitment | 392,779                      |
| Less: cash in debt service sinking funds            | <u>908,466</u>               |
| Total net debt applicable to limit                  | <u>11,921,708</u>            |
| Legal debt margin                                   | <u><u>\$ 167,173,637</u></u> |

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

|   | <b>2012</b>    | <b>2013</b>    | <b>2014</b>    | <b>2015</b>    | <b>2016</b>    | <b>2017</b>    | <b>2018</b>    | <b>2019</b>    | <b>2020</b>    | <b>2021</b>    |
|---|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| Debt limit  | \$ 126,682,969 | \$ 163,758,181 | \$ 179,522,790 | \$ 203,226,781 | \$ 194,105,595 | \$ 179,510,320 | \$ 173,939,316 | \$ 175,865,463 | \$ 178,707,977 | \$ 179,095,345 |
| Less total net debt applicable to limit                                 | 8,503,327      | 13,879,232     | 16,506,462     | 14,449,840     | 21,799,895     | 18,589,243     | 16,089,347     | 14,058,042     | 11,992,085     | 11,921,708     |
| Legal debt margin   | \$ 118,179,642 | \$ 149,878,949 | \$ 163,016,328 | \$ 188,776,941 | \$ 172,305,700 | \$ 160,921,077 | \$ 157,849,969 | \$ 161,807,421 | \$ 166,715,892 | \$ 167,173,637 |
| Total net debt applicable to the limit<br>as a percentage of debt limit | 6.71%          | 8.48%          | 9.19%          | 7.11%          | 11.23%         | 10.36%         | 9.25%          | 7.99%          | 6.71%          | 6.66%          |

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

| Year | Operating Revenue | State & Federal Collected Revenues | Tax Levy  | Budget Appropriated           |                                   | Net Revenue Available for Debt Service | Debt Service Requirements |                           |            |          |
|------|-------------------|------------------------------------|-----------|-------------------------------|-----------------------------------|--|---------------------------|---------------------------|------------|----------|
|      |                   |                                    |           | (1) Direct Operating Expenses | (1) Transfers In for Debt Service |  | (2) Principal             | Interest & Fiscal Charges | Total      | Coverage |
| 2012 | \$ 2,555,744      | \$ 8,103,553                       | \$ 679    | \$ 2,419,903                  | \$ 150,000                        | \$ 8,390,073                           | \$ 340,000                | \$ 12,128                 | \$ 352,128 | 23.83    |
| 2013 | 3,946,497         | 13,510,812                         | 397       | 2,679,069                     | -                                 | 14,778,637                             | -                         | 83,485                    | 83,485     | 177.02   |
| 2014 | 4,054,181         | 20,518,010                         | 7         | 2,758,673                     | -                                 | 21,813,525                             | -                         | 444,141                   | 444,141    | 49.11    |
| 2015 | 3,339,385         | 22,735,030                         | -         | 4,434,790                     | -                                 | 21,639,625                             | -                         | 597,076                   | 597,076    | 36.24    |
| 2016 | 4,521,765         | 4,107,953                          | 100,159   | 4,829,320                     | -                                 | 3,900,557                              | 1,205,000                 | 1,016,100                 | 2,221,100  | 1.76     |
| 2017 | 4,357,683         | 2,547,713                          | 531,242   | 4,170,988                     | -                                 | 3,265,650                              | 1,170,000                 | 1,013,533                 | 2,183,533  | 1.50     |
| 2018 | 4,530,290         | 1,406,385                          | 585,952   | 3,704,460                     | -                                 | 2,818,167                              | 1,180,711                 | 984,820                   | 2,165,531  | 1.30     |
| 2019 | 4,745,972         | 2,041,322                          | 1,011,955 | 3,510,319                     | -                                 | 4,288,930                              | 1,215,711                 | 953,433                   | 2,169,144  | 1.98     |
| 2020 | 3,452,270         | 6,303,359                          | 780,219   | 3,693,435                     | -                                 | 6,842,413                              | 1,265,000                 | 964,534                   | 2,229,534  | 3.07     |
| 2021 | 4,083,026         | 2,672,298                          | 727,041   | 3,677,952                     | -                                 | 3,804,413                              | 1,493,092                 | 433,832                   | 1,926,924  | 1.97     |

(1) Excludes depreciation

(2) Permanent financing only

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

| Year | Operating Revenue | (1)<br>Direct<br>Operating<br>Expenses | Budget<br>Appropriated<br>Transfers<br>In for<br>Operations | Net<br>Revenue<br>Available<br>for Debt<br>Service | Debt Service Requirements |                                 |              | Coverage |
|------|-------------------|--|---|--|---------------------------|---------------------------------|--------------|----------|
|      |                   |  |   |  | (2)<br>Principal          | Interest &<br>Fiscal<br>Charges | Total        |          |
| 2012 | \$ 14,730,248     | \$ 9,582,090                           | \$ 1,454,790  | \$ 6,602,948                                       | \$ 5,500,000              | \$ 882,602                      | \$ 6,382,602 | 1.03     |
| 2013 | 17,375,336        | 9,403,818                              | 550,000   | 8,521,518  | 2,315,000                 | 726,360                         | 3,041,360    | 2.80     |
| 2014 | 19,191,243        | 11,520,824                             | 1,050,000   | 8,720,419  | 4,520,000                 | 717,507                         | 5,237,507    | 1.66     |
| 2015 | 19,956,729        | 10,646,170                             | 1,050,000   | 10,360,559   | 2,295,000                 | 838,360                         | 3,133,360    | 3.31     |
| 2016 | 19,958,715        | 13,804,239                             | 1,050,000   | 7,204,476  | 2,995,000                 | 928,823                         | 3,923,823    | 1.84     |
| 2017 | 21,342,366        | 11,973,630                             | 1,050,000   | 10,418,736   | *8,303,984                | 1,026,799                       | 9,330,783    | 1.12     |
| 2018 | 22,328,966        | 12,897,110                             | 1,050,000   | 10,481,856   | 2,265,013                 | 796,183                         | 3,061,196    | 3.42     |
| 2019 | 21,797,189        | 13,354,113                             | 648,867   | 9,091,943  | 3,831,084                 | 704,277                         | 4,535,361    | 2.00     |
| 2020 | 22,192,914        | 15,331,365                             | 2,154,174   | 9,015,723  | 2,721,695                 | 670,562                         | 3,392,257    | 2.66     |
| 2021 | 22,909,469        | 17,652,459                             | 1,025,545   | 6,282,555  | 2,803,286                 | 672,570                         | 3,475,856    | 1.81     |

(1) Excludes depreciation

(2) Permanent financing only

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

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

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| Year | (1)<br>Population<br>Estimated | (2)<br>Annual<br>Personal<br>Income | (3)<br>Per<br>Capita<br>Personal<br>Income | (3)<br>Median<br>Age | (4)<br>Education<br>Levels in Years<br>of Formal<br>Schooling | (5)<br>School<br>Enrollment | (2)<br>Unemployment<br>Rate |
|------|--------------------------------|-------------------------------------|--|----------------------|---|-----------------------------|-----------------------------|
|      |                                |                                     |  |                      |   |                             |                             |
| 2012 | 43,746                         | \$ 3,165,603                        | \$ 49,166                                  | 33.2                 | 13.47   | 7,758                       | 3.1%                        |
| 2013 | 46,398                         | 3,769,923                           | 57,473                                     | 33.8                 | 13.44   | 7,737                       | 2.3%                        |
| 2014 | 47,997                         | 3,916,658                           | 57,574                                     | 30.4                 | 13.50   | 7,758                       | 2.8%                        |
| 2015 | 49,450                         | 4,155,594                           | 59,718                                     | 31.0                 | 13.52   | 8,192                       | 3.5%                        |
| 2016 | 47,338                         | 3,911,343                           | 54,774                                     | 31.1                 | 13.41   | 8,027                       | 3.7%                        |
| 2017 | 48,743                         | 3,613,809                           | 51,505                                     | 31.1                 | 13.46   | 8,006                       | 2.9%                        |
| 2018 | 47,822                         | 3,557,196                           | 51,385                                     | 31.6                 | 13.51   | 7,985                       | 2.7%                        |
| 2019 | 47,370                         | 3,718,654                           | 54,284                                     | 32.1                 | 13.54   | 8,281                       | 2.3%                        |
| 2020 | 47,382                         | 3,844,136                           | 56,161                                     | 32.3                 | 13.61   | 8,116                       | 5.7%                        |
| 2021 | 48,377                         | 3,936,273                           | 57,492                                     | 32.0                 | 13.61   | 8,126                       | 3.0%                        |

(1) 2017-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

2012-2016 Source: U.S. Census Bureau

(2) 2012-2021 Source: Bureau of Economic Analysis

2009-2015 Source: Ward County Area Profile

Annual Personal Income (thousands of dollars)

(3) 2012-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

2009-2015 Source: Minot Area Development Corp Community Profile

(4) 2012-2021 Source: Ward County Area Profile. 2021 as of 3/2/2022

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

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

| Employer                              | 2021                             |      |                      | 2012                             |           |                      |
|---------------------------------------|----------------------------------|------|----------------------|----------------------------------|-----------|----------------------|
|                                       | % of Total<br>City<br>Employment |      |                      | % of Total<br>City<br>Employment |           |                      |
|                                       | Employees                        | Rank | Employees            | Rank                             | Employees | Rank                 |
| Minot Air Force Base                  | 6,623                            | 1    | 28.92%               | 6,700                            | 1         | 19.20%               |
| Trinity Health                        | 2,801                            | 2    | 12.23%               | 2,593                            | 2         | 7.43%                |
| Minot Public Schools                  | 1,059                            | 3    | 4.62%                | 1,545                            | 3         | 4.43%                |
| City of Minot                         | 408                              | 4    | 1.78%                | 323                              | 8         | 0.93%                |
| Minot State University                | 407                              | 5    | 1.78%                | 619                              | 5         | 1.77%                |
| BNSF Railway                          | 360                              | 6    | 1.57%                |                                  |           |                      |
| Delta Vacations                       | 335                              | 7    | 1.46%                |                                  |           |                      |
| Ward County                           | 284                              | 8    | 1.24%                |                                  |           |                      |
| Kalix                                 | 277                              | 9    | 1.21%                | 400                              | 7         | 1.15%                |
| Marketplace Foods                     | 238                              | 10   | 1.04%                | 556                              | 6         | 1.59%                |
| Cognizant (ING Minot Service Center)* |                                  |      |                      | 780                              | 4         | 2.23%                |
| Menards                               |                                  |      |                      | 315                              | 9         | 0.90%                |
| Walmart*                              |                                  |      |                      | 300                              | 10        | 0.86%                |
| Total                                 | <u><u>12,792</u></u>             |      | <u><u>55.85%</u></u> | <u><u>14,131</u></u>             |           | <u><u>40.49%</u></u> |

Source: Employers

\*Employer no longer willing to disclose this information

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

| <b>Function</b>             | <b>2012</b>   | <b>2013</b>   | <b>2014</b>   | <b>2015</b>   | <b>2016</b>   | <b>2017</b>   | <b>2018</b>   | <b>2019</b>   | <b>2020</b>   | <b>2021</b>   |
|-----------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government          | 49.00         | 55.77         | 59.27         | 66.77         | 81.27         | 81.11         | 78.62         | 82.62         | 86.62         | 86.62         |
| Public safety               |               |               |               |               |               |               |               |               |               |               |
| Police                      |               |               |               |               |               |               |               |               |               |               |
| Officers                    | 70.00         | 75.00         | 79.00         | 83.00         | 85.00         | 84.00         | 84.00         | 86.00         | 86.00         | 86.00         |
| Civilians                   | 19.00         | 22.00         | 22.00         | 23.00         | 22.00         | 23.00         | 23.00         | 23.00         | 23.00         | 24.00         |
| Fire                        |               |               |               |               |               |               |               |               |               |               |
| Firefighters and officers   | 47.00         | 50.00         | 50.00         | 56.00         | 62.00         | 62.00         | 62.00         | 62.00         | 62.00         | 62.00         |
| Civilians                   | 1.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          | 2.00          |
| Traffic                     |               |               |               |               |               |               |               |               |               |               |
| Civilians                   | 4.00          | 5.00          | 5.00          | 5.00          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          | 6.00          |
| Highways and streets        |               |               |               |               |               |               |               |               |               |               |
| Engineering                 | 11.00         | 12.00         | 12.00         | 14.00         | 13.00         | 13.00         | 10.00         | 10.00         | 11.00         | 11.00         |
| Street maintenance          | 23.00         | 23.75         | 23.75         | 26.75         | 28.75         | 28.72         | 28.65         | 28.65         | 28.65         | 28.65         |
| Culture and recreation      | 25.63         | 26.63         | 26.63         | 26.63         | 26.63         | 26.63         | 26.63         | 15.63         | 15.44         | 15.44         |
| Airport                     | 16.00         | 18.00         | 18.00         | 18.50         | 25.00         | 27.00         | 25.00         | 25.00         | 25.00         | 25.00         |
| Cemetery                    | 3.00          | 4.21          | 4.21          | 4.21          | 4.21          | 4.21          | 4.23          | 4.23          | 4.23          | 4.23          |
| Parking authority           | 1.00          | 1.00          | 1.00          | -             | -             | -             | -             | -             | -             | -             |
| Sanitation                  | 23.00         | 27.15         | 30.15         | 31.47         | 31.48         | 31.66         | 22.43         | 22.43         | 22.43         | 22.68         |
| Water, sewer, & storm sewer | 41.00         | 42.62         | 48.62         | 49.30         | 50.29         | 50.30         | 51.07         | 52.07         | 52.07         | 52.82         |
| <b>Total</b>                | <b>333.63</b> | <b>365.13</b> | <b>381.63</b> | <b>406.63</b> | <b>437.63</b> | <b>439.63</b> | <b>423.63</b> | <b>419.63</b> | <b>424.44</b> | <b>426.44</b> |

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - Annual Budget

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

| FUNCTION                          | 2012          | 2013          | 2014          | 2015          | 2016          | 2017          | 2018          | 2019          | 2020          | 2021          |
|-----------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| General government                |               |               |               |               |               |               |               |               |               |               |
| Assessors                         |               |               |               |               |               |               |               |               |               |               |
| Properties reviewed               | 150           | 922           | 4,148         | 3,158         | 3,062         | 3,555         | 3,039         | 2,689         | 2,543         | 2,700         |
| Properties photographed           | 2,790         | 1,944         | 4,557         | 4,437         | 3,731         | 4,024         | 3,109         | 2,788         | 3,880         | 3,205         |
| Building inspections              |               |               |               |               |               |               |               |               |               |               |
| Permits issued                    | 1,872         | 1,064         | 777           | 719           | 512           | 568           | 511           | 416           | 474           | 452           |
| Public transportation             |               |               |               |               |               |               |               |               |               |               |
| Bus ridership                     | 136,951       | 128,184       | 130,866       | 114,472       | 89,602        | 88,803        | 91,666        | 91,960        | 50,760        | 51,124        |
| Public safety                     |               |               |               |               |               |               |               |               |               |               |
| Police                            |               |               |               |               |               |               |               |               |               |               |
| Parking tickets issued            | 9,619         | 9,032         | 7,368         | 8,029         | 4,198         | 5,473         | 4,705         | 3,758         | 1,935         | 1,469         |
| Criminal citations issued         | 6,781         | 7,492         | 6,057         | 4,223         | 3,379         | 3,235         | 3,197         | 2,996         | 2,535         | 2,344         |
| Traffic citations issued          | 4,901         | 4,239         | 4,990         | 5,340         | 5,729         | 6,414         | 5,740         | 5,071         | 3,636         | 2,692         |
| Alarms-patrol & parking division  | 1,348         | 1,172         | 1,410         | 1,501         | 1,588         | 1,319         | 1,126         | 1,063         | 894           | 905           |
| Fire                              |               |               |               |               |               |               |               |               |               |               |
| # of fire incidents               | 594           | 660           | 751           | 737           | 751           | 758           | 762           | 1,023         | 970           | 1,063         |
| # of rescue incidents             | 2,052         | 2,175         | 2,043         | 2,036         | 2,044         | 2,162         | 2,611         | 2,604         | 2,331         | 3,425         |
| Inspections made                  | 1,514         | 2,370         | 2,812         | 1,465         | 2,029         | 1,623         | 780           | 434           | 314           | 583           |
| Traffic                           |               |               |               |               |               |               |               |               |               |               |
| Signs installed                   | 1,497         | 1,314         | 1,331         | 1,484         | 1,390         | 2,101         | 2,009         | 2,630         | 1,612         | 1,717         |
| Signs/posts repaired              | 1,543         | 1,582         | 1,401         | 1,351         | 1,124         | 1,078         | 2,362         | 2,987         | 2,232         | 2,719         |
| Traffic lights repaired           | 569           | 861           | 276           | 293           | 529           | 380           | 945           | 1,071         | 837           | 1,096         |
| Street lights repaired            | 396           | 892           | 274           | 297           | 644           | 1,005         | 915           | 1,118         | 1,350         | 1,158         |
| Culture and recreation            |               |               |               |               |               |               |               |               |               |               |
| Auditorium                        |               |               |               |               |               |               |               | *             | *             | *             |
| Event days                        | 714           | 746           | 590           | 697           | 762           | 794           | 846           | *             | *             | *             |
| Attendance                        | 199,435       | 186,914       | 78,531        | 94,843        | 117,649       | 125,832       | 138,353       | *             | *             | *             |
| Library                           |               |               |               |               |               |               |               |               |               |               |
| Registered borrowers              | 23,105        | 21,994        | 21,874        | 22,196        | 23,081        | 24,078        | 25,176        | 26,204        | 26,868        | 22,428        |
| Physical circulation and activity | 193,143       | 195,147       | 202,092       | 205,338       | 241,688       | 189,330       | 117,475       | 136,257       | 174,607       | 196,231       |
| Digital circulation and activity  | 75,301        | 106,881       | 90,584        | 268,917       | 403,960       | 195,375       | 329,222       | 275,074       | 119,641       | 173,091       |
| Airport                           |               |               |               |               |               |               |               |               |               |               |
| Gallons airline fuel dispensed    | 3,829,885     | 3,129,913     | 3,999,072     | 3,734,641     | 2,171,640     | 1,885,773     | 1,907,901     | 2,061,115     | 1,325,741     | 1,633,701     |
| Airline boarding's                | 444,921       | 222,083       | 222,144       | 182,872       | 151,700       | 143,172       | 151,658       | 165,998       | 85,255        | 126,181       |
| Sanitation                        |               |               |               |               |               |               |               |               |               |               |
| # of customers                    | 15,453        | 11,044        | 11,504        | 11,512        | 11,530        | 11,508        | 11,486        | 11,541        | 11,603        | 11,689        |
| Landfill tonnage                  | 191,326       | 161,131       | 151,913       | 142,030       | 178,196       | 120,973       | 180,811       | 212,869       | 164,027       | 141,238       |
| Water, sewer, & storm sewer       |               |               |               |               |               |               |               |               |               |               |
| # of consumers                    | 13,708        | 14,320        | 14,649        | 14,700        | 14,755        | 14,734        | 14,680        | 14,717        | 14,770        | 14,856        |
| Gallons pumped/treated            | 2,434,000,000 | 2,334,900,000 | 2,422,130,000 | 2,455,390,000 | 2,368,960,000 | 2,539,061,201 | 2,455,902,936 | 2,327,997,548 | 2,381,857,895 | 2,456,223,090 |
| Parking ramps                     |               |               |               |               |               |               |               |               |               |               |
| Active parking passes             | **            | **            | **            | **            | **            | **            | 227           | 238           | 243           | 273           |

Source: Various city departments

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

\*\*Operations of parking ramps began in 2018

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

| FUNCTION                                     | 2012  | 2013  | 2014  | 2015   | 2016   | 2017   | 2018   | 2019   | 2020  | 2021  |
|--|-------|-------|-------|--------|--------|--------|--------|--------|-------|-------|
| General government                           |       |       |       |        |        |        |        |        |       |       |
| City hall building                           | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Public works building                        | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Auditorium                                   | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Public safety                                |       |       |       |        |        |        |        |        |       |       |
| Police                                       |       |       |       |        |        |        |        |        |       |       |
| Stations                                     | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Patrol units                                 | 35    | 36    | 40    | 41     | 42     | 42     | 44     | 43     | 45    | 46    |
| Fire   |       |       |       |        |        |        |        |        |       |       |
| Stations                                     | 3     | 3     | 3     | 3      | 4      | 4      | 4      | 4      | 4     | 4     |
| Traffic                                      |       |       |       |        |        |        |        |        |       |       |
| Street lights                                | 2,897 | 3,229 | 3,400 | 3,603  | 3,690  | 3,751  | 3,795  | 3,800  | 3,790 | 3,682 |
| Traffic signals                              | 52    | 53    | 53    | 53     | 50     | 50     | 50     | 50     | 49    | 49    |
| Highways and streets                         |       |       |       |        |        |        |        |        |       |       |
| Streets (square miles)                       | 25.14 | 27.32 | 27.36 | 27.48  | 27.76  | 27.23  | 27.24  | 27.24  | 27.63 | 27.65 |
| Culture and recreation                       |       |       |       |        |        |        |        |        |       |       |
| Libraries                                    | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Ball diamonds                                | 16    | 16    | 16    | 16     | 16     | 16     | 16     | *      | *     | *     |
| Tennis courts                                | 10    | 2     | 2     | 2      | 2      | 2      | 2      | *      | *     | *     |
| Indoor tennis center                         | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Airport                                      |       |       |       |        |        |        |        |        |       |       |
| Terminal                                     | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Sanitation                                   |       |       |       |        |        |        |        |        |       |       |
| Landfill building                            | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Collection trucks                            | 8     | 8     | 9     | 9      | 9      | 12     | 14     | 14     | 14    | 14    |
| Water, sewer, & storm sewer                  |       |       |       |        |        |        |        |        |       |       |
| Water treatment plant                        | 1     | 1     | 1     | 1      | 1      | 1      | 1      | 1      | 1     | 1     |
| Water mains (miles-estimated)                | 292   | 302   | 315   | 322.9  | 324.15 | 324.49 | 315.08 | 319.75 | 322   | 322   |
| Sewer mains (miles-estimated)                | 229.9 | 232.8 | 249.2 | 255.9  | 259.22 | 264.66 | 266.28 | 269.54 | 271   | 273   |
| Storm Sewer mains (miles-estimated)          | 85.59 | 88.45 | 98.12 | 105.61 | 112.81 | 111.57 | 118.54 | 118.54 | 121   | 122   |
| Maximum daily capacity (millions of gallons) | 11.5  | 10.95 | 11.3  | 11.3   | 11.3   | 12.4   | 12.3   | 11.3   | 11.2  | 18    |
| Parking ramps                                |       |       |       |        |        |        |        |        |       |       |
| Parking ramps                                | **    | **    | **    | **     | **     | **     | 2      | 2      | 2     | 2     |

Sources: Various city departments

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

\*\*Operations of parking ramps began in 2018



CPAs & BUSINESS ADVISORS

## **Independent Auditor's Report on Compliance for the Passenger Facility Charge Program and on Internal Control over Compliance**

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

### **Report on Compliance**

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

We have audited the compliance of the Municipal Airport Authority of the City of Minot (the Airport) compliance with the types of requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (the Guide), issued by the Federal Aviation Administration, that could have a direct and material effect on its passenger facility charge program for the year ended December 31, 2021.

In our opinion, the Airport complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on the passenger facility charge program for the year ended December 31, 2021.

#### ***Basis for our Opinion***

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

We are required to be independent of the Airport and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance. Our audit does not provide a legal determination of the Airport's compliance requirements referred to above.

#### **Responsibilities of Management for Compliance**

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

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the Airport's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the Airport's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the guide, but not for the purpose of expressing an opinion on the effectiveness of the Airport's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

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

A handwritten signature in black ink that reads "Eide Bailly LLP". The signature is fluid and cursive, with "Eide" and "Bailly" connected by a single stroke, and "LLP" in a smaller, separate area.

Fargo, North Dakota  
May 24, 2022

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

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

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, business-type activities, each major fund, and the aggregate remaining fund information of the City of Minot, North Dakota as of and for the year ended December 31, 2021, and the related notes to the financial statements, which collectively comprise the City of Minot's basic financial statements and have issued our report thereon dated May 24, 2022.

**Report on Internal Control over Financial Reporting**

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

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

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

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

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

### **Purpose of this Report**

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



Fargo, North Dakota

May 24, 2022



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

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

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

***Opinion on Each Major Federal Program***

We have audited the City of Minot, North Dakota's compliance with the types of compliance identified as subject to audit in the *OMB Compliance Supplement* that could have a direct and material effect on each of the City's major federal programs for the year ended December 31, 2021. The City's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the City complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended December 31, 2021.

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

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (*Uniform Guidance*). Our responsibilities under those standards and the *Uniform Guidance* are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the City and to meet our other ethical responsibilities, in accordance with relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion on compliance for each major federal program. Our audit does not provide a legal determination of the City's compliance with the compliance requirements referred to above.

### ***Responsibilities of Management for Compliance***

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the City's federal programs.

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

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the City's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the City's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over compliance. Accordingly, no such opinion is expressed.

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

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

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

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

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

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



Fargo, North Dakota

May 24, 2022

City of Minot, North Dakota  
 Schedule of Expenditures of Federal Awards  
 Year Ended December 31, 2021

| Federal Grantor/Pass-Through<br>Grantor/Program or Cluster Title   | Federal Financial<br>Assistance Listing/<br>Federal CFDA<br>Number | Pass-through Entity<br>Identifying Number | Expenditures      | Passed-<br>Through to<br>Subrecipients |
|--|--|---|-------------------|--|
| <u>Department of Housing and Urban Development</u>   |  |   |                   |  |
| Community Development Block Grants Cluster   | 14.218   |   | \$ 117,333        |  |
| Hurricane Sandy Community Development<br>Block Grant Disaster Recovery Grants Cluster                        | 14.269   |   | <u>13,528,965</u> | \$ 3,007,024                           |
| Total Department of Housing and Urban Development  |  |   | \$ 13,646,298     |  |
| <u>Department of Justice</u>   |  |   |                   |  |
| COVID-19 - Emergency Supplemental Funding<br><i>Passed through ND Attorney General's Office</i>              | 16.034   |   | 4,176             |  |
| Edward Byrne Memorial Justice Assistance Grant Program<br>Domestic Violence Center                           | 16.034   | 2020-VD-BX-0276                           | <u>24,726</u>     | 24,726                                 |
| Total Federal Financial Assistance Listing/CFDA #16.034  |  |   | 28,902            |  |
| Bulletproof Vest Partnership Program   | 16.607   |   | 4,552             |  |
| Edward Byrne Memorial Justice Assistance Grant Program<br><i>Passed through ND Attorney General's Office</i> | 16.738   |   | 15,846            |  |
| Edward Byrne Memorial Justice Assistance Grant Program<br>Domestic Violence Center                           | 16.738   | 2020-DJ-BX-0027                           | <u>9,100</u>      | 9,100                                  |
| Total Federal Financial Assistance Listing/CFDA #16.738  |  |   | 24,946            |  |
| <i>Passed through ND Attorney General's Office</i>   |  |   |                   |  |
| Project Safe Neighborhoods   | 16.609   | 2019-GP-BX-0051                           | <u>9,945</u>      |  |
| Total Department of Justice  |  |   | 68,345            |  |
| <u>Department of Defense</u>   |  |   |                   |  |
| <i>Pass through Office of Economic Adjustment</i>  |  |   |                   |  |
| Community Investment   | 12.600   | HQ00052010086                             | <u>2,691,722</u>  | 2,141,343                              |
| Total Department of Defense  |  |   | 2,691,722         |  |
| <u>Federal Communication Commission</u>  |  |   |                   |  |
| Emergency Connectivity Fund  | 32.009   |   | <u>183</u>        |  |
| Total Federal Communication Commission   |  |   | 183               |  |

City of Minot, North Dakota  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

| <u>Federal Grantor/Pass-Through<br/>Grantor/Program or Cluster Title</u>    | <u>Federal Financial<br/>Assistance Listing/<br/>Federal CFDA<br/>Number</u> | <u>Pass-through Entity<br/>Identifying Number</u> | <u>Expenditures</u> | <u>Passed-<br/>Through to<br/>Subrecipients</u> |
|---|--|---|---------------------|---|
| <b><u>Department of Transportation</u></b>                                  |  |   |                     |   |
| Airport Improvement Program   | 20.106   |   | \$ 11,261           |   |
| COVID-19 - Coronavirus Aid, Relief, and Economic Security Act Airport Grant | 20.106   |   | 20                  |   |
| Reconstruct Air Cargo Apron   | 20.106   |   | 1,252,793           |   |
| COVID-19 - ACRGP Concessions Relief Grant                                   | 20.106   |   | 735,645             |   |
| Total Federal Financial Assistance Listing/CFDA #20.106                     |  |   |                     | 1,999,719                                       |
| <b><u>Passed through ND Department of Transportation</u></b>                |  |   |                     |   |
| Speed Enforcement   | 20.600   | PHSPSC2107-04-11                                  | \$ 4,855            |   |
| Distracted Driving  | 20.600   | PHSPDD2011-02-09                                  | 5,609               |   |
| Total Federal Financial Assistance Listing/CFDA #20.600                     |  |   |                     | 10,464  |
| National Priority Safety Programs   | 20.616   | PHSPOP2105-05-12                                  | 4,831               |   |
| National Priority Safety Programs   | 20.616   | PHSPID2110-02-10                                  | 8,846               |   |
| National Priority Safety Programs   | 20.616   | PHSPOP2205-05-14                                  | 473                 |   |
| Total Federal Financial Assistance Listing/CFDA #20.616                     |  |   |                     | 14,150  |
| Total Highway Safety Cluster  |  |   |                     | 24,614  |
| Total Department of Transportation  |  |   |                     | 2,024,333                                       |
| <b><u>Federal Railroad Administration</u></b>                               |  |   |                     |   |
| <b><u>Passed through ND Department of Transportation</u></b>                |  |   |                     |   |
| Consolidated Rail Infrastructure and Safety Improvement                     | 20.325   | 17200360  |                     | 73,357  |
| Total Federal Railroad Administration                                       |  |   |                     | 73,357  |
| <b><u>Federal Transit Administration</u></b>                                |  |   |                     |   |
| <b><u>Passed through ND Department of Transportation</u></b>                |  |   |                     |   |
| Formal Grants for Non-Urban Areas   |  |   |                     |   |
| Section 5311  | 20.509   | 38201032 & 38210558                               | 319,618             |   |
| COVID-19 - Section 5311   | 20.509   | 38201032 & 38210558                               | 577,836             |   |
| Total Federal Financial Assistance Listing/CFDA #20.509                     |  |   |                     | 897,454   |
| Section 5339  | 20.526   | 38190949, 38171125, 38181781                      |                     | 374,180   |
| Total Federal Transit Administration  |  |   |                     | 1,271,634                                       |
| <b><u>Environmental Protection Agency</u></b>                               |  |   |                     |   |
| Drinking Water State Revolving Fund Cluster                                 | 66.468   |   |                     | 20,280  |
| Total Environmental Protection Agency                                       |  |   |                     | 20,280  |
| <b><u>Department of Homeland Security</u></b>                               |  |   |                     |   |
| <b><u>Passed through ND Department of Emergency Services</u></b>            |  |   |                     |   |
| Homeland Security Grant Program   | 97.067   | EMW-2020-SS-00073/27                              | 85,004              |   |
| Homeland Security Grant Program   | 97.067   | EMW-2019-SS-000033-S01                            | 164,067             |   |
| Total Federal Financial Assistance Listing/CFDA #97.067                     |  |   |                     | 249,071   |
| Total Department of Homeland Security                                       |  |   |                     | 249,071   |
| Total Federal Financial Assistance  |  |   | \$ 20,045,223       | \$ 5,182,193                                    |

City of Minot, North Dakota  
Notes to Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2021

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**Note A – Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the schedule) includes the federal grant activity of the City under programs of the federal government for the year ended December 31, 2021. The information is presented in accordance with the requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the City, it is not intended to and does not present the financial position, changes in net position or fund balance, or cash flows of the City.

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

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

**Note C – Indirect Cost Rate**

The City does not draw for indirect administrative expenses and has not elected to use the 10% de minimis cost rate.

City of Minot, North Dakota  
Schedule of Passenger Facility Charges  
Year Ended December 31, 2021

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| Program Title                     | Revenue           |
|-----------------------------------|-------------------|
| Passenger Facility Charge Program | <u>\$ 524,597</u> |

**Notes to Schedule of Passenger Facility Charges**

**Note A – Basis of Presentation**

The accompanying schedule of Passenger Facility Charges is presented on the accrual basis of accounting.

City of Minot, North Dakota  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2021

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

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**FINANCIAL STATEMENTS**

|   |               |
|---|---------------|
| Type of auditor's report issued   | Unmodified    |
| Internal control over financial reporting:                                      |               |
| Material weaknesses identified  | No            |
| Significant deficiencies identified not<br>considered to be material weaknesses | None Reported |
| Noncompliance material to financial statements noted?                           | No            |

**FEDERAL AWARDS**

|   |               |
|---|---------------|
| Internal control over major program:  |               |
| Material weaknesses identified  | No            |
| Significant deficiencies identified not<br>considered to be material weaknesses                                     | None Reported |
| Type of auditor's report issued on compliance for major programs:   | Unmodified    |
| Any audit findings disclosed that are required to be reported in<br>accordance with Uniform Guidance 2 CFR 200.516: | No            |

**Identification of major programs:**

| <u>Name of Federal Program</u>  | <u>Federal Financial Assistance Listing/<br/>CFDA Number</u> |
|---|--|
| Community Investment  | 12.600   |
| Community Development Block Grants Cluster                                  | 14.269   |
| Airport Improvement Program   | 20.106   |
| Dollar threshold used to distinguish between type A<br>and type B programs: | \$ 750,000   |
| Auditee qualified as low-risk auditee?                                      | Yes  |

City of Minot, North Dakota  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2021

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**Section II – Financial Statement Findings**

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**None reported.**

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**Section III – Federal Award Findings and Questioned Costs**

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**None reported.**

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**Section IV – Passenger Facilities Charges**

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**None reported.**