



Financial Statements
December 31, 2014
City of Mandan

**CITY OF MANDAN, NORTH DAKOTA
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FOR THE YEAR ENDED DECEMBER 31, 2014**

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**CITY OF MANDAN, NORTH DAKOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2014**

Elected Officials

Mayor/President	Arlyn Van Beek
Vice President	Sandy Tibke
Commissioner	Dennis Rohr
Commissioner	Mike Braun
Commissioner	Shauna Laber
Municipal Judge	DeNae Kautzman

Appointed Officials

City Attorney	Malcolm Brown
City Administrator	Jim Neubauer
Business Development and Communications Director	Ellen Huber
Finance	Greg Welch
Assessing	Shirley Shaw
Planning and Zoning	Bob Decker
Engineering	Justin Froseth
Police	Dennis Bullinger
Fire	Steve Nardello
Building Inspection	Doug Lalim
Public Works	Jeff Wright
Water Treatment	Duane Friesz
Wastewater Treatment	Steve Himmelspach



Independent Auditor's Report

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

Report on the Financial Statements

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mandan, North Dakota as of and for the year ended December 31, 2014, and the related notes to the financial statements, which collectively comprise the City's basic financial statements as listed in the table of contents.

Management's Responsibility 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.

Auditor's Responsibility

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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1730 Burnt Boat Loop, Ste. 100 | P.O. Box 1914 | Bismarck, ND 58502-1914 | T 701.255.1091 | F 701.224.1582 | EOE

Opinions

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the City of Mandan, North Dakota, as of December 31, 2014, and the respective changes in financial position and, where, applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Other Matters**Required Supplementary Information**

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis and budgetary comparison information on pages 5 through 14 and 52 through 56 be presented to supplement the basic financial statements. Such information, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board, who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Other Information

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

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

The list of elected and appointed officials has not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated June 30, 2015 on our consideration of the City of Mandan's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is 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 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 of Mandan's internal control over financial reporting and compliance.

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

Bismarck, North Dakota
June 30, 2015

CITY OF MANDAN
Mandan, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2014

As management of the City of Mandan, we offer readers of the City of Mandan's financial statements this narrative overview and analysis of the financial activities of the City of Mandan for the fiscal year ended December 31, 2014. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which can be found on pages 15 - 51 of this report.

FINANCIAL HIGHLIGHTS

- The assets of the City of Mandan exceeded its liabilities at the close of the most recent fiscal year by \$157,645,967 (net position). Of this amount, \$9,207,080 (unrestricted net position) may be used to meet the government's ongoing obligations to citizens and creditors.
- The government's total net position increased by \$14,022,821 (10%) during the current fiscal year due to \$8,691,237 from governmental activities and \$5,331,584 from business-type activities.
- As of the close of the current fiscal year, the City of Mandan's governmental funds reported combined ending fund balances of \$9,423,656, a decrease of \$3,072,757 (25%) in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$5,094,454 which is 71% of total General Fund revenues and 49% of total General Fund expenditures.
- Revenue from all sources totaled \$40,300,267 which was a decrease of \$3,822,105 (9%) during the current fiscal year due to an increase of \$1,834,938 from governmental activities and a decrease of \$5,657,043 from business-type activities. Expenses from all activities totaled \$26,277,446 which was an increase of \$158,761 (1%) during the current fiscal year due to a decrease of \$207,723 from governmental activities and an increase of \$366,484 from business-type activities.
- The City of Mandan's total capital assets increased by \$11,377,076 (7%) during the current fiscal year due to an increase of \$6,096,821 from governmental activities and an increase of \$5,280,255 from business-type activities.
- The City of Mandan's total debt increased by \$1,905,844 (3%) during the current fiscal year due to an increase of \$1,313,521 from governmental activities and an increase of \$592,323 from business-type activities.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to serve as an introduction to the City of Mandan's basic financial statements. The City of Mandan's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide Financial Statements

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

The statement of net position presents information on all of the City of Mandan's assets and liabilities, with the difference between the two 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 of Mandan is improving or deteriorating.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

The statement of activities presents information showing how the City's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused annual leave).

Both of the government-wide financial statements distinguish functions of the City of Mandan that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). The governmental activities of the City of Mandan include general government, public safety, public works, cemetery, culture and recreation, urban redevelopment and housing, and economic development and assistance. The business-type activities of the City of Mandan include the Water and Sewer Utility, Solid Waste Utility, Street Light Utility, and Mandan Airport Authority.

The government-wide financial statements can be found on pages 15 - 16 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of Mandan, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All of the funds of the City of Mandan can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds - Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of 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 this comparison between governmental funds and governmental activities.

The City of Mandan maintains many individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the General Fund and other major funds. Data from the other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in this report.

The City of Mandan adopts an annual appropriated budget for its governmental funds, except for capital projects funds. A budgetary comparison statement has been provided for all of these funds to demonstrate compliance with the approved budget.

The basic governmental fund financial statements can be found on pages 17 - 20 of this report.

Proprietary Funds - The City of Mandan maintains two different types of proprietary funds. Enterprise funds are used to report activities that charge for services it provides to outside customers. The enterprise funds are presented as business-type activities in the government-wide financial statements. An internal service fund is an accounting device used to accumulate and allocate costs internally among the City of Mandan's various functions. The internal service fund is reported with the governmental activities in the government-wide financial statements.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. The proprietary fund financial statements provide separate information for the Water and Sewer Utility, Solid Waste Utility, Street Light Utility, and Mandan Airport Authority which are considered major funds. The internal service fund is also presented in the proprietary fund financial statements.

The basic proprietary fund financial statements can be found on pages 21 - 23 of this report.

Fiduciary Funds - Fiduciary funds are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are not reflected in the government-wide financial statements because the resources of those funds are not available to support the City of Mandan's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund financial statements can be found on pages 24 - 25 of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements.

The notes to the financial statements can be found on pages 26 - 51 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 57 - 64 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the City of Mandan, assets exceeded liabilities by \$157,645,967 at the close of the most recent fiscal year.

The following table presents condensed financial information on the City's Net Position as of December 31, 2014 and December 31, 2013.

**TABLE I
NET POSITION
DECEMBER 31, 2014**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current and Other Assets	\$ 41,161,692	\$ 14,606,334	\$ 55,768,026
Capital Assets	88,175,950	85,550,547	173,726,497
Total Assets	<u>\$ 129,337,642</u>	<u>\$ 100,156,881</u>	<u>\$ 229,494,523</u>
LIABILITIES			
Long-term Liabilities Outstanding	\$ 35,064,088	\$ 33,083,960	\$ 68,148,048
Other Liabilities	2,144,616	1,555,892	3,700,508
Total Liabilities	<u>\$ 37,208,704</u>	<u>\$ 34,639,852</u>	<u>\$ 71,848,556</u>
NET POSITION			
Net investment in Capital Assets	\$ 55,076,467	\$ 52,584,675	\$ 107,661,142
Restricted	38,328,912	2,448,833	40,777,745
Unrestricted	(1,276,441)	10,483,521	9,207,080
Total Net Position	<u><u>\$ 92,128,938</u></u>	<u><u>\$ 65,517,029</u></u>	<u><u>\$ 157,645,967</u></u>

CITY OF MANDAN

Management's Discussion and Analysis - Continued

**TABLE I
NET POSITION
DECEMBER 31, 2013**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current and Other Assets	\$ 37,447,170	\$ 14,351,480	\$ 51,798,650
Capital Assets	82,079,129	80,270,292	162,349,421
Total Assets	<u>\$ 119,526,299</u>	<u>\$ 94,621,772</u>	<u>\$ 214,148,071</u>
LIABILITIES			
Long-term Liabilities Outstanding	\$ 33,750,567	\$ 32,491,637	\$ 66,242,204
Other Liabilities	2,338,031	1,944,690	4,282,721
Total Liabilities	<u>\$ 36,088,598</u>	<u>\$ 34,436,327</u>	<u>\$ 70,524,925</u>
NET POSITION			
Net investment in Capital Assets	\$ 50,111,685	\$ 47,894,201	\$ 98,005,886
Restricted	32,179,563	3,142,325	35,321,888
Unrestricted	1,146,453	9,148,919	10,295,372
Total Net Position	<u>\$ 83,437,701</u>	<u>\$ 60,185,445</u>	<u>\$ 143,623,146</u>

A large portion of the City of Mandan's net position (68%) reflects its investment in capital assets (e.g., land, construction work in progress, buildings and improvements, buildings and infrastructure, and machinery and equipment); less any related outstanding debt used to acquire those assets. The City of Mandan uses these capital assets to provide services to citizens; consequently, these assets are not available for future spending. Although the City of Mandan's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. The City of Mandan's ratio of long-term liabilities to capital assets is 39%. The ratio reflects the City of Mandan's strategy of using current resources and cash balance to finance capital assets with the exception of special assessment districts.

An additional portion of the City of Mandan's net position (26%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$9,207,080 (6%) may be used to meet the City's ongoing services to the citizens.

As capital projects are finalized and closed, the majority of infrastructure improvements are financed through the issuance of bonds, which are then repaid through special assessments from the benefiting property owners. As the bonds are issued and special assessments are approved, then special assessments are recorded as receivables. However, many infrastructure projects remain open at year-end, resulting in a deficit net position amount.

The City of Mandan's ratio of total assets/total liabilities for the governmental activities is 3.48 and for the business-type activities is 2.89 which represents a strong capacity to meet current obligations.

The following table presents condensed financial information on the City's Changes in Net Position for the fiscal year ending December 31, 2014 and December 31, 2013.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

**TABLE II
CHANGES IN NET POSITION
DECEMBER 31, 2014**

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,716,638	\$ 9,232,286	\$ 10,948,924
Operating Grants and Contributions	466,895		466,895
Capital Grants and Contributions	12,178,980	4,828,997	17,007,977
General Revenues:			
Property, Delinquent, Mobile Home Taxes	3,878,188	197,003	4,075,191
Financial Institutions Taxes	93,293		93,293
Cable TV Franchise Fees	337,899		337,899
State Aid Distribution	2,165,442		2,165,442
Cigarette Taxes	60,430		60,430
Gaming Taxes	10,150		10,150
Disabled Veterans Credit	32,547	1,647	34,194
Homestead Credit	79,781	4,014	83,795
Morton County-LEC Taxes	35,000		35,000
Telecommunications Taxes	82,220		82,220
Highway Tax Distribution	1,320,694		1,320,694
Occupancy Taxes	70,293		70,293
City Sales Taxes	2,673,946	7,192	2,681,138
Fire Insurance Taxes	141,569		141,569
Restaurant and Lodging Taxes	407,418		407,418
Special Assessments		19,473	19,473
Interest	15,392	724	16,116
Sale of Capital Assets		23,935	23,935
Sale of Meters and Parts		110,267	110,267
Other	50,174	57,780	107,954
Total Revenues	\$ 25,816,949	\$ 14,483,318	\$ 40,300,267
Expenses:			
General Government	\$ 3,172,438	\$	\$ 3,172,438
Public Safety	5,309,755		5,309,755
Public Works	5,118,459		5,118,459
Cemetery	168,240		168,240
Culture and Recreation	927,040		927,040
Urban Redevelopment and Housing	91,294		91,294
Economic Development and Assistance	417,185		417,185
Interest on Long-term Debt	993,306		993,306
Debt Service Charges and Costs	61,054		61,054
Loss on Sale of Capital Assets	35,424		35,424
Water and Sewer Utility		6,905,340	6,905,340
Solid Waste Utility		1,613,622	1,613,622
Street Light Utility		427,098	427,098
Mandan Airport Authority		1,037,191	1,037,191
Total Expenses	\$ 16,294,195	\$ 9,983,251	\$ 26,277,446
Increase in Net Position before Transfers	\$ 9,522,754	\$ 4,500,067	\$ 14,022,821
Transfers	(831,516)	831,516	
Increase in Net Position	\$ 8,691,238	\$ 5,331,583	\$ 14,022,821
Net Position - 1/1/2014	\$ 83,437,700	\$ 60,185,446	\$ 143,623,146
Net Position - 12/31/2014	\$ 92,128,938	\$ 65,517,029	\$ 157,645,967

CITY OF MANDAN

Management's Discussion and Analysis - Continued

**TABLE II
CHANGES IN NET POSITION
DECEMBER 31, 2013**

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program Revenues:			
Charges for Services	\$ 2,000,632	\$ 8,742,717	\$ 10,743,349
Operating Grants and Contributions	498,542		498,542
Capital Grants and Contributions	9,736,724	10,994,710	20,731,434
General Revenues:			
Property, Delinquent, Mobile Home Taxes	4,063,318	181,326	4,244,644
Financial Institutions Taxes	64,021		64,021
Cable TV Franchise Fees	320,894		320,894
State Aid Distribution	1,914,001		1,914,001
Cigarette Taxes	57,038		57,038
Gaming Taxes	6,652		6,652
Disabled Veterans Credit	28,017	1,248	29,265
Homestead Credit	47,496	2,147	49,643
Morton County-LEC Taxes	35,000		35,000
Telecommunications Taxes	82,220		82,220
Highway Tax Distribution	2,093,522		2,093,522
Occupancy Taxes	68,196		68,196
City Sales Taxes	2,366,136	8,371	2,374,507
Fire Insurance Taxes	126,262		126,262
Restaurant and Lodging Taxes	396,233		396,233
Interest	30,684	1,061	31,745
Sale of Meters and Parts		139,434	139,434
Other	46,423	69,347	115,770
Total Revenues	\$ 23,982,011	\$ 20,140,361	\$ 44,122,372
Expenses:			
General Government	\$ 2,915,795	\$	\$ 2,915,795
Public Safety	4,789,215		4,789,215
Public Works	4,919,669		4,919,669
Cemetery	153,629		153,629
Culture and Recreation	1,775,758		1,775,758
Urban Redevelopment and Housing	67,581		67,581
Economic Development and Assistance	279,495		279,495
Interest on Long-term Debt	1,031,207		1,031,207
Debt Service Charges and Costs	64,047		64,047
Loss on Sale of Land Held for Resale	505,522		505,522
Water and Sewer Utility		6,874,271	6,874,271
Solid Waste Utility		1,538,523	1,538,523
Street Light Utility		480,856	480,856
Mandan Airport Authority		723,117	723,117
Total Expenses	\$ 16,501,918	\$ 9,616,767	\$ 26,118,685
Increase in Net Position before Transfers	\$ 7,480,093	\$ 10,523,594	\$ 18,003,687
Transfers	(565,250)	565,250	
Increase in Net Position	\$ 6,914,843	\$ 11,088,844	\$ 18,003,687
Net Position - 1/1/2013	\$ 76,522,858	\$ 49,096,601	\$ 125,619,459
Net Position - 12/31/2013	\$ 83,437,701	\$ 60,185,445	\$ 143,623,146

CITY OF MANDAN

Management's Discussion and Analysis - Continued

Governmental Activities

Governmental activities increased the City of Mandan's net position by \$8,691,238 (10%), accounting for 62% of the total increase in the net position of the City of Mandan. During the year, revenues increased by \$1,834,938 (8%) primarily due to capital grants and contributions, and expenses decreased by \$207,723 (1%) primarily due to culture and recreation.

Business-type Activities

Business-type activities increased the City of Mandan's net position by \$5,331,583 (9%), accounting for 38% of the total growth in the City of Mandan's net position. During the year, revenues decreased by \$5,657,043 (28%) primarily due to capital grants and contributions, and expenses increased by \$366,484 (4%) primarily due to the Mandan Airport Authority.

FINANCIAL ANALYSIS OF THE GOVERNMENT'S FUNDS

As noted earlier, the City of Mandan uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements.

Governmental Funds

The focus of the City of Mandan'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 of Mandan's financing requirements. In particular, 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 the current fiscal year, the City of Mandan's governmental funds reported combined ending fund balances of \$9,423,656, a decrease of \$3,072,757 in comparison with the prior year. Fund balances have been classified as follows: nonspendable \$212,791, restricted \$10,343,160, committed \$2,078,266, assigned \$603,903, and unassigned \$(3,814,464).

The General Fund is the chief operating fund of the City of Mandan. At the end of the current fiscal year, unassigned fund balance of the General Fund was \$5,094,454, while total fund balance reached \$5,542,212. The fund balance of the City of Mandan's General Fund decreased by \$364,777 (6%) during the current fiscal year primarily due to expenditures for capital outlay.

Proprietary Funds

The City of Mandan's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

Unrestricted net position of the proprietary funds at the end of the year amounted to \$10,483,521. The net position of the proprietary funds increased by \$5,331,584 (9%) during the current fiscal year primarily due to capital grants and contributions.

GENERAL FUND BUDGETARY HIGHLIGHTS

During the year there were variances between the original and final amended budget as follows:

- \$16,333 decrease in revenues or 0.2% of the original budget primarily due to intergovernmental revenues.
- \$684,642 increase in expenditures or 7% of the original budget primarily due to capital outlay.
- \$94,671 increase in transfers in and \$281,103 increase in transfers out.
- The original budget anticipated a decrease in fund balance by \$973,350.
- The net effect of the budget amendments was estimated to decrease fund balance by \$592,107.

During the year, revenues were more than budgetary estimates by \$309,553, expenditures were less than budgetary estimates by \$349,041 other financing sources and uses were more than budgetary estimates by \$542,086, and ending fund balance exceeded budgetary estimates by \$1,200,680.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

Additional information on the City of Mandan's budget amendments can be found on pages 52 - 56 of this report.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets - The City of Mandan's net investment in capital assets for its governmental and business-type activities as of December 31, 2014, amounts to \$107,661,142 (net of accumulated depreciation). This investment in capital assets includes land, construction work in progress, buildings and improvements, buildings and infrastructure, and machinery and equipment. The total increase in capital assets during the current fiscal year was \$11,377,076 (7%) primarily due to construction work in progress and buildings and infrastructure.

**TABLE III
CAPITAL ASSETS (NET OF DEPRECIATION)
DECEMBER 31, 2014**

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,823,343	\$ 693,105	\$ 3,516,448
Construction Work in Progress	22,798,105	6,728,954	29,527,059
Buildings and Improvements	4,073,321		4,073,321
Buildings and Infrastructure	56,551,456	77,802,795	134,354,251
Machinery and Equipment	1,929,725	325,693	2,255,418
Total	<u>\$ 88,175,950</u>	<u>\$ 85,550,547</u>	<u>\$ 173,726,497</u>

**TABLE III
CAPITAL ASSETS (NET OF DEPRECIATION)
DECEMBER 31, 2013**

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,624,103	\$ 693,105	\$ 3,317,208
Construction Work in Progress	14,501,290	8,400,965	22,902,255
Buildings and Improvements	4,098,066		4,098,066
Buildings and Infrastructure	59,542,624	70,838,627	130,381,251
Machinery and Equipment	1,313,046	337,595	1,650,641
Total	<u>\$ 82,079,129</u>	<u>\$ 80,270,292</u>	<u>\$ 162,349,421</u>

Additional information on the City of Mandan's capital assets can be found in Note 3F on pages 39 - 40 of this report.

Long-term Debt - At the end of the current fiscal year, the City of Mandan had total long-term debt outstanding of \$68,148,048. Of this amount, \$41,717,951 is special assessment debt for which the government is liable in the event of default by the property owners subject to the assessment. The City of Mandan's revenue bonds are secured by city sales taxes, water and sewer revenue, and airport revenue. The total increase in long-term debt during the current fiscal year was \$1,905,844 (3%) primarily due to an increase in special assessment bonds and loans payable.

The City of Mandan has received an A1 bond rating from Moody's Investors Service. These ratings are consistent with previous ratings received from this agency. State statutes limit the amount of general obligation debt a governmental entity may issue to 5% of its total assessed valuation, however, the City of Mandan is allowed to issue to 8% of its total assessed valuation. The City of Mandan has \$625,000 of outstanding general obligation debt.

**TABLE IV
OUTSTANDING DEBT
DECEMBER 31, 2014**

	Governmental Activities	Business-type Activities	Total
Compensated Absences	\$ 314,521	\$ 118,088	\$ 432,609
Capital Lease	270,195		270,195
General Obligation Bonds	625,000		625,000
Special Assessments Bonds	33,229,372	8,488,579	41,717,951
Revenue Bonds	625,000	21,962,501	22,587,501
Loans		2,514,792	2,514,792
Total	\$ 35,064,088	\$ 33,083,960	\$ 68,148,048

**TABLE IV
OUTSTANDING DEBT
DECEMBER 31, 2013**

	Governmental Activities	Business-type Activities	Total
Compensated Absences	\$ 258,234	\$ 115,546	\$ 373,780
General Obligation Bonds	660,000		660,000
Special Assessments Bonds	32,097,333	8,317,925	40,415,258
Revenue Bonds	735,000	23,502,109	24,237,109
Loans		556,057	556,057
Total	\$ 33,750,567	\$ 32,491,637	\$ 66,242,204

Additional information on the City of Mandan's long-term debt can be found in Note 3G on pages 40 - 45 of this report.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

- For budgetary purposes, the City of Mandan requires a 17 percent fund balance reserve of operations and maintenance expenditures for the General Fund and Cemetery Fund, and a 25 percent fund balance reserve of operations and maintenance expenditures for the Water and Sewer Utility Fund, Solid Waste Utility Fund, and Street Light Utility Fund. The City also requires a \$500,000 fund balance reserve for the City Sales Tax Fund and a 17 percent fund balance reserve of restaurant and lodging tax revenues for the City Visitors' Promotion Capital Construction Fund.
- The City of Mandan's 2% city occupancy tax revenues increased by \$2,097 or 3% in comparison with the prior year.
- The City of Mandan's 1% city restaurant and lodging tax revenues increased by \$11,185 or 3% in comparison with the prior year.
- The City of Mandan's taxable sales increased by \$17,619,454 or 7% in comparison with the prior year, taxable sales and purchases increased by \$11,183,797 or 4% in comparison with the prior year, and the 1% city sales tax revenues increased by \$307,810 or 13% in comparison with the prior year.
- The City of Mandan's Water and Sewer Utility Fund indicated an increase in the total gallons of water sold by 37,381,002 gallons or 4% in comparison with the prior year. The total gallons of sewer treated decreased by 6,693,173 gallons or 1% in comparison with the prior year.
- The City of Mandan's Solid Waste Utility Fund indicated a decrease in the tons of garbage hauled from the transfer station by 13 tons or 0.2% in comparison with the prior year. Inert material received at the landfill decreased by 5,127 tons or 26% in comparison with the prior year.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

- The City of Mandan's taxable valuation increased by \$5,971,687 or 12% in comparison with the prior year. The City of Mandan's share of 1 mill is 24% percent. For the 2015 Budget, the annual increase in property taxes for an existing \$225,000 residential home with an average valuation increase of 9% (Board of Equalization), excluding special assessments, is projected to be zero.
- For the 2015 Budget, the City of Mandan increased the monthly water and sewer base rates by the following: \$3.65 per month for residential accounts, \$7.30 per month for commercial and industrial accounts, and \$10.95 per month for apartment (3+ units) accounts. The City also did not increase monthly water and sewer service rates. The City did not increase the solid waste and street light base rates.

REQUEST FOR INFORMATION

This financial report is designed to provide a general overview of the City of Mandan's finances for all those with an interest in the City's finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Finance Director, 205 2nd Avenue NW, City of Mandan, ND 58554 or visit the City's web site at www.cityofmandan.com.

CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 8,938,487	\$ 3,090,656	\$ 12,029,143
Taxes Receivable	110,057	5,347	115,404
Accounts Receivable (net of allowance)	64,858	580,196	645,054
Special Assessments Receivable	30,491,980	7,767,535	38,259,515
Intergovernmental Receivable	1,150,682	268,682	1,419,364
Notes Receivable	25,000		25,000
Loans Receivable (net of allowance)	144,414		144,414
Internal Balances	(119,649)	119,649	-
Inventories	6,937	312,596	319,533
Prepaid Expenses	77,537	12,840	90,377
Restricted Assets:			
Cash and Cash Equivalents	141,500	2,448,833	2,590,333
Land Held for Resale	129,889		129,889
Capital Assets, not being depreciated:			
Land	2,823,343	693,105	3,516,448
Construction Work in Progress	22,798,105	6,728,954	29,527,059
Capital Assets (net of depreciation):			
Buildings and Improvements	4,073,321		4,073,321
Buildings and Infrastructure	56,551,456	77,802,795	134,354,251
Machinery and Equipment	1,929,725	325,693	2,255,418
Total Assets	<u>\$ 129,337,642</u>	<u>\$ 100,156,881</u>	<u>\$ 229,494,523</u>
LIABILITIES			
Salaries and Benefits Payable	\$ 304,612	\$ 101,406	\$ 406,018
Accounts Payable	1,243,551	922,641	2,166,192
Retainage Payable	369,712	222,459	592,171
Interest Payable	163,472	266,904	430,376
Prepaid Revenues	63,269	42,482	105,751
Noncurrent Liabilities:			
Due Within One Year:			
Compensated Absences	185,514	67,456	252,970
Capital Lease Payable	17,442		17,442
General Obligation Bonds Payable	35,000		35,000
Special Assessments Bonds Payable with Governmental Commitment	3,808,261	1,093,888	4,902,149
Revenue Bonds Payable	115,000	1,599,348	1,714,348
Loans Payable		230,000	230,000
Due After One Year:			
Compensated Absences	129,007	50,632	179,639
Capital Lease Payable	252,753		252,753
General Obligation Bonds Payable	590,000		590,000
Special Assessments Bonds Payable with Governmental Commitment	29,421,111	7,394,691	36,815,802
Revenue Bonds Payable	510,000	20,363,153	20,873,153
Loans Payable		2,284,792	2,284,792
Total Liabilities	<u>\$ 37,208,704</u>	<u>\$ 34,639,852</u>	<u>\$ 71,848,556</u>
NET POSITION			
Net investment in Capital Assets	\$ 55,076,467	\$ 52,584,675	\$ 107,661,142
Restricted for:			
Public Safety	206,827		206,827
Public Works	418,297		418,297
Culture and Recreation	30,359		30,359
Urban Redevelopment and Housing	1,578,781		1,578,781
Economic Development and Assistance	2,600,150		2,600,150
Debt Service	32,675,087	2,448,833	35,123,920
Capital Projects	819,411		819,411
Unrestricted	(1,276,441)	10,483,521	9,207,080
Total Net Position	<u>\$ 92,128,938</u>	<u>\$ 65,517,029</u>	<u>\$ 157,645,967</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	General	Cemetery	City Sales Tax/ Mandan Growth	Morton Mandan Public Library	Refunding Improvement Bonds	Street Construction	Total Nonmajor Governmental Funds	Total Governmental Funds
ASSETS								
Cash and Cash Equivalents	\$ 5,833,821	\$ 107,438	\$	\$ 418,069	\$	\$	\$ 2,579,159	\$ 8,938,487
Taxes Receivable	88,882	2,673		9,357	1,234		7,911	110,057
Accounts Receivable (net of allowance)	56,458	6,250	500				1,650	64,858
Special Assessments Receivable	18,333				30,353,356		120,291	30,491,980
Intergovernmental Receivable	679,396	650	215,585				244,934	1,140,565
Notes Receivable			25,000					25,000
Loans Receivable (net of allowance)			144,414					144,414
Interfund Receivable	48,385		3,210,500		3,550,319		1,396,335	8,205,539
Prepaid Expenses	24,378		2,030	10,042			41,087	77,537
Cash and Cash Equivalents-Restricted							141,500	141,500
Total Assets	\$ 6,749,653	\$ 117,011	\$ 3,598,029	\$ 437,468	\$ 33,904,909	\$ -	\$ 4,532,867	\$ 49,339,937
LIABILITIES								
Salaries and Benefits Payable	\$ 273,720	\$ 5,711	\$ 5,513	\$ 16,179	\$	\$	\$	\$ 301,123
Accounts Payable	785,005	74,214	9,003	11,782		255,359	93,054	1,228,417
Retainage Payable			2,500			367,212		369,712
Interfund Payable				26,374		8,136,909	161,905	8,325,188
Prepaid Revenue	59,369						3,900	63,269
Total Liabilities	\$ 1,118,094	\$ 79,925	\$ 17,016	\$ 54,335	\$ -	\$ 8,759,480	\$ 258,859	\$ 10,287,709
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue-Property Taxes	\$ 74,722	\$ 2,248	\$	\$ 7,869	\$ 1,038	\$	\$ 6,648	\$ 92,525
Unavailable Revenue-Special Assessments	14,625				29,390,230		110,267	29,515,122
Unavailable Revenue-Revenue not Collected within 60 days							20,925	20,925
Total Deferred Inflows of Resources	\$ 89,347	\$ 2,248	\$ -	\$ 7,869	\$ 29,391,268	\$ -	\$ 137,840	\$ 29,628,572
FUND BALANCES								
Nonspendable:								
Loans Receivable	\$	\$	\$ 135,254	\$	\$	\$	\$	\$ 135,254
Prepaid Items	24,378		2,030	10,042			41,087	77,537
Restricted for:								
Public Safety							206,827	206,827
Public Works							418,297	418,297
Culture and Recreation							30,359	30,359
Urban Redevelopment and Housing							1,578,781	1,578,781
Economic Development and Assistance			2,600,150					2,600,150
Debt Service					4,513,641		175,694	4,689,335
Capital Projects							819,411	819,411
Committed for:								
General Government							192,474	192,474
Public Safety	52,180						335,755	387,935
Cemetery		34,838						34,838
Culture and Recreation				132,519				132,519
Urban Redevelopment and Housing							486,921	486,921
Economic Development and Assistance			843,579					843,579
Assigned for:								
Culture and Recreation				220,468				220,468
Subsequent Year's Budget: Appropriation of Fund Balance	371,200			12,235				383,435
Unassigned	5,094,454					(8,759,480)	(149,438)	(3,814,464)
Total Fund Balances	\$ 5,542,212	\$ 34,838	\$ 3,581,013	\$ 375,264	\$ 4,513,641	\$ (8,759,480)	\$ 4,136,168	\$ 9,423,656
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 6,749,653	\$ 117,011	\$ 3,598,029	\$ 437,468	\$ 33,904,909	\$ -	\$ 4,532,867	\$ 49,339,937

**CITY OF MANDAN, NORTH DAKOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2014**

Total Fund Balances for Governmental Funds \$ 9,423,656

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:

Land	\$	2,823,343	
Buildings and Improvements (net of depreciation)		4,073,321	
Buildings and Infrastructure (net of depreciation)		56,551,456	
Machinery and Equipment (net of depreciation)		1,929,725	
Construction Work in Progress		22,798,105	
Total Capital Assets		88,175,950	88,175,950

Land held for resale is not available to pay for current-period expenditures and therefore is not reported in the funds:

Land Held for Resale			129,889
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Other long-term assets are not available to pay for current-period expenditures and therefore are deferred in the funds:

Unavailable Revenue-Property Taxes	\$	92,525	
Unavailable Revenue-Special Assessments		29,515,122	
Unavailable Revenue-Revenue not Collected within 60 Days		20,925	
Total Long-term Assets		29,628,572	29,628,572

Internal service fund is used by management to charge the costs of certain activities, such as fuel, and equipment repairs and maintenance services, to individual funds. The assets and liabilities of the internal service fund are included in the governmental activities in the statement of net position.

(5,195)

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

Interest Payable	\$	(163,472)	
Compensated Absences		(310,895)	
Capital Lease Obligation		(270,195)	
General Obligation Bonds Payable		(625,000)	
Special Assessments Bonds Payable with Governmental Commitment		(33,229,372)	
Revenue Bonds Payable		(625,000)	
Total Long-term Liabilities		(35,223,934)	(35,223,934)

Total Net Position of Governmental Activities \$ 92,128,938

The notes to the financial statements are an integral part of this statement.

CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	General	Cemetery	City Sales Tax/ Mandan Growth	Morton Mandan Public Library	Refunding Improvement Bonds	Street Construction	Total Nonmajor Governmental Funds	Total Governmental Funds
REVENUES								
Taxes	\$ 3,228,536	\$ 98,411	\$ 2,673,946	\$ 344,756	\$ 43,902	\$	\$ 742,033	\$ 7,131,584
Licenses and Permits	994,000							994,000
Intergovernmental	2,468,895	2,829	13,824	193,466	1,268		1,903,739	4,584,021
Charges for Services	159,927	55,324	602	3,915		8,000	19,810	247,578
Fines and Forfeits	205,587			6,312			119,254	331,153
Special Assessments	17,665				3,865,028		132,340	4,015,033
Interest	7,841		801	190	3,408		3,150	15,390
Cemetery Lots		28,526						28,526
Loan Repayments			4,697					4,697
Rent	15,500	50	6,000	35,400			14,880	71,830
Miscellaneous	51,419	89	19,881	9,300			68,824	149,513
Total Revenues	\$ 7,149,370	\$ 185,229	\$ 2,719,751	\$ 593,339	\$ 3,913,606	\$ 8,000	\$ 3,004,030	\$ 17,573,325
EXPENDITURES								
Current:								
General Government	\$ 2,811,147	\$	\$	\$	\$	\$	206,439	\$ 3,017,586
Public Safety	4,719,564						213,419	4,932,983
Public Works	1,386,266		13,631			6,976	50,068	1,456,941
Cemetery		162,645						162,645
Culture and Recreation			45,000	574,041			230,985	850,026
Urban Redevelopment and Housing							85,875	85,875
Economic Development and Assistance			418,409					418,409
Debt Service:								
Principal	25,105				5,795,588		145,000	5,965,693
Interest					935,274		56,255	991,529
Service Charges					21,671		2,289	23,960
Issuance Costs					37,094			37,094
Capital Outlay	1,449,519	85,590		18,673		7,545,413	410,802	9,509,997
Total Expenditures	\$ 10,391,601	\$ 248,235	\$ 477,040	\$ 592,714	\$ 6,789,627	\$ 7,552,389	\$ 1,401,132	\$ 27,452,738
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,242,231)	\$ (63,006)	\$ 2,242,711	\$ 625	\$ (2,876,021)	\$ (7,544,389)	\$ 1,602,898	\$ (9,879,413)
OTHER FINANCING SOURCES (USES)								
Sale of Capital Assets	\$	\$	\$	\$	\$	\$	6,000	\$ 6,000
Capital Lease	295,300							295,300
Sale of Bonds					2,141,717	4,785,910		6,927,627
Bond Premiums					58,545			58,545
Transfers In	2,944,016	12,693		21,150	48,584	764,234	245,214	4,035,891
Transfers Out	(361,862)	(14,618)	(2,360,487)		(325,834)	(43,592)	(1,410,314)	(4,516,707)
Total Other Financing Sources and Uses	\$ 2,877,454	\$ (1,925)	\$ (2,360,487)	\$ 21,150	\$ 1,923,012	\$ 5,506,552	\$ (1,159,100)	\$ 6,806,656
Net Change in Fund Balances	\$ (364,777)	\$ (64,931)	\$ (117,776)	\$ 21,775	\$ (953,009)	\$ (2,037,837)	\$ 443,798	\$ (3,072,757)
Fund Balances - January 1	\$ 5,906,989	\$ 99,769	\$ 3,698,789	\$ 353,489	\$ 5,466,650	\$ (6,721,643)	\$ 3,692,370	\$ 12,496,413
Fund Balances - December 31	\$ 5,542,212	\$ 34,838	\$ 3,581,013	\$ 375,264	\$ 4,513,641	\$ (8,759,480)	\$ 4,136,168	\$ 9,423,656

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2014**

Net Change in Fund Balances-Total Governmental Funds \$ (3,072,757)

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

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

Capital Outlay	\$ 9,509,997	
Depreciation	(3,871,273)	
Total		5,638,724

Various capital asset transactions effecting net position:

Contributions of Capital Assets	\$ 956,435	
Transfers Out	(456,914)	
Total		499,521

Various capital asset transactions effecting net position:

Sale of Capital Assets	\$ (6,000)	
Loss on Sale of Capital Assets	(35,424)	
Total		(41,424)

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

Taxes Receivable (net)	\$ (8,442)	
Intergovernmental	(269,212)	
Special Assessments Receivable (net)	7,286,113	
Total		7,008,459

The issuance of long-term debt provides current financial resources to governmental funds, while the repayment of the principal of long-term debt consumes the current financial resources of governmental funds. Neither transaction, however, has any effect on net position:

Capital Lease	(295,300)	
Sale of Bonds	\$ (6,927,627)	
Debt Service-Principal	5,965,693	
Total		(1,257,234)

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

Interest Payable (net)	\$ (1,777)	
Compensated Absences (net)	(56,027)	
Total		(57,804)

Internal service fund is used by management to charge the costs of certain activities such as fuel, and equipment repairs and maintenance services, to individual funds. The net revenue (expense) of the internal service fund is reported with governmental activities.

(26,247)

Change in Net Position of Governmental Activities \$ 8,691,238

The notes to the financial statements are an integral part of this statement.

CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Fund
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	
ASSETS						
Current Assets:						
Cash and Cash Equivalents	\$ 749,483	\$ 1,909,583	\$ 208,454	\$ 223,136	\$ 3,090,656	\$
Taxes Receivable				5,347	5,347	
Accounts Receivable (net of allowance)	430,026	102,369	37,781	10,020	580,196	
Special Assessments Receivable	1,171,358				1,171,358	
Intergovernmental Receivable	245,837			22,845	268,682	10,117
Interfund Receivable	126,153				126,153	
Inventories	258,863	14,160		39,573	312,596	6,937
Prepaid Expenses	10,091	1,411		1,338	12,840	
Total Current Assets	\$ 2,991,811	\$ 2,027,523	\$ 246,235	\$ 302,259	\$ 5,567,828	\$ 17,054
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	\$ 2,448,833				\$ 2,448,833	\$
Special Assessments Receivable	6,596,177				6,596,177	
Capital Assets not being Depreciated:						
Land	162,974	88,360		441,771	693,105	
Construction Work in Progress	6,566,132			162,822	6,728,954	
Capital Assets (net of depreciation):						
Buildings and Infrastructure	66,861,412	595,688		10,345,695	77,802,795	
Machinery and Equipment	234,713	74,176		16,804	325,693	
Total Capital Assets	\$ 73,825,231	\$ 758,224	\$ -	\$ 10,967,092	\$ 85,550,547	\$ -
Total Noncurrent Assets	\$ 82,870,241	\$ 758,224	\$ -	\$ 10,967,092	\$ 94,595,557	\$ -
Total Assets	\$ 85,862,052	\$ 2,785,747	\$ 246,235	\$ 11,269,351	\$ 100,163,385	\$ 17,054
LIABILITIES						
Current Liabilities:						
Salaries and Benefits Payable	\$ 75,075	\$ 19,068	\$ 2,878	\$ 4,385	\$ 101,406	\$ 3,489
Accounts Payable	688,445	159,500	43,148	31,548	922,641	15,134
Compensated Absences	53,371	10,542	1,572	1,971	67,456	2,067
Retainage Payable	222,459				222,459	
Interfund Payable				6,504	6,504	
Interest Payable	256,984			9,920	266,904	
Prepaid Revenue				42,482	42,482	
Special Assessments Bonds Payable with Governmental Commitment	1,093,888				1,093,888	
Revenue Bonds Payable	1,522,000			77,348	1,599,348	
Loans Payable	230,000				230,000	
Total Current Liabilities	\$ 4,142,222	\$ 189,110	\$ 47,598	\$ 174,158	\$ 4,553,088	\$ 20,690
Noncurrent Liabilities:						
Compensated Absences	\$ 41,118	\$ 6,172	\$ 1,111	\$ 2,231	\$ 50,632	\$ 1,559
Special Assessments Bonds Payable with Governmental Commitment	7,394,691				7,394,691	
Revenue Bonds Payable	19,779,000			584,153	20,363,153	
Loans Payable	2,284,792				2,284,792	
Total Noncurrent Liabilities	\$ 29,499,601	\$ 6,172	\$ 1,111	\$ 586,384	\$ 30,093,268	\$ 1,559
Total Liabilities	\$ 33,641,823	\$ 195,282	\$ 48,709	\$ 760,542	\$ 34,646,356	\$ 22,249
NET POSITION						
Net investment in Capital Assets	\$ 41,520,860	\$ 758,224		\$ 10,305,591	\$ 52,584,675	\$
Restricted for Debt Service	2,448,833				2,448,833	
Unrestricted	8,250,536	1,832,241	197,526	203,218	10,483,521	(5,195)
Total Net Position	\$ 52,220,229	\$ 2,590,465	\$ 197,526	\$ 10,508,809	\$ 65,517,029	\$ (5,195)

The notes to the financial statements are an integral part of this statement.

CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Fund
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	
Operating Revenues:						
Charges for Services:	\$ 6,664,437	\$ 1,607,211	\$ 413,055	\$ 547,583	\$ 9,232,286	\$ 220,185
Total Operating Revenues	<u>\$ 6,664,437</u>	<u>\$ 1,607,211</u>	<u>\$ 413,055</u>	<u>\$ 547,583</u>	<u>\$ 9,232,286</u>	<u>\$ 220,185</u>
Operating Expenses:						
Salaries and Benefits	\$ 1,730,744	\$ 452,110	\$ 63,267	\$ 92,997	\$ 2,339,118	\$ 79,214
Professional Fees and Services	110,254	892,618		9,047	1,011,919	
Insurance	29,958	4,539	1,010	4,541	40,048	
Travel and Training	5,673	35		7,717	13,425	
Utilities	447,919	14,454	224,674	25,283	712,330	742
Publishing and Printing	13,149	613		753	14,515	
Dues and Memberships	1,931	240		1,297	3,468	
Supplies and Maintenance	428,464	61,102	2,360	418,123	910,049	269,632
Repairs and Maintenance	261,450	34,426	76,776	26,518	399,170	3,058
Depreciation	2,694,386	112,878		398,471	3,205,735	
Miscellaneous	8,288			17,080	25,368	
Total Operating Expenses	<u>\$ 5,732,216</u>	<u>\$ 1,573,015</u>	<u>\$ 368,087</u>	<u>\$ 1,001,827</u>	<u>\$ 8,675,145</u>	<u>\$ 352,646</u>
Operating Income (Loss)	<u>\$ 932,221</u>	<u>\$ 34,196</u>	<u>\$ 44,968</u>	<u>\$ (454,244)</u>	<u>\$ 557,141</u>	<u>\$ (132,461)</u>
Nonoperating Revenues (Expenses):						
Taxes	\$ 7,192			\$ 197,063	\$ 204,255	\$
Intergovernmental	321,408			788,472	1,109,880	
Special Assessments	1,410,426				1,410,426	
Interest	692			32	724	
Sale of Capital Assets	23,935				23,935	
Sale of Meters and Parts	110,267				110,267	
Bond Premiums	9,521				9,521	
Miscellaneous	11,517	2,124	40,294	3,845	57,780	
Capital Outlay (non-capitalized)	(121,279)	(40,607)	(59,011)		(220,897)	
Debt Service:						
Interest	(928,744)			(35,364)	(964,108)	
Service Charges	(116,709)				(116,709)	
Issuance Costs	(6,392)				(6,392)	
Total Nonoperating Revenues (Expenses)	<u>\$ 721,834</u>	<u>\$ (38,483)</u>	<u>\$ (18,717)</u>	<u>\$ 954,048</u>	<u>\$ 1,618,682</u>	<u>\$ -</u>
Income (Loss) Before Contributions and Transfers	<u>\$ 1,654,055</u>	<u>\$ (4,287)</u>	<u>\$ 26,251</u>	<u>\$ 499,804</u>	<u>\$ 2,175,823</u>	<u>\$ (132,461)</u>
Capital Contributions	2,781,158				2,781,158	
Transfers In	297,624	1,794	43,647	35,950	379,015	106,214
Transfers Out	(4,413)				(4,413)	
Change in Net Position	<u>\$ 4,728,424</u>	<u>\$ (2,493)</u>	<u>\$ 69,898</u>	<u>\$ 535,754</u>	<u>\$ 5,331,583</u>	<u>\$ (26,247)</u>
Net Position - January 1	<u>\$ 47,491,805</u>	<u>\$ 2,592,958</u>	<u>\$ 127,628</u>	<u>\$ 9,973,055</u>	<u>\$ 60,185,446</u>	<u>\$ 21,052</u>
Net Position - December 31	<u>\$ 52,220,229</u>	<u>\$ 2,590,465</u>	<u>\$ 197,526</u>	<u>\$ 10,508,809</u>	<u>\$ 65,517,029</u>	<u>\$ (5,195)</u>

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Business-type Activities - Enterprise Funds					Governmental Activities- Internal Service Fund
	Water and Sewer Utility	Solid Waste Utility	Street Light Utility	Mandan Airport Authority	Total	
CASH FLOWS FROM OPERATING ACTIVITIES						
Receipts from Customers	\$ 6,731,316	\$ 1,612,859	\$ 415,574	\$ 557,961	\$ 9,317,710	\$
Receipts from Interfund Services Provided						230,633
Payments to Employees	(1,718,198)	(447,238)	(62,532)	(92,536)	(2,320,504)	(78,496)
Payments to Suppliers	(1,317,365)	(939,663)	(297,634)	(491,051)	(3,045,713)	(243,403)
Net Cash Provided (Used) by Operating Activities	\$ 3,695,753	\$ 225,958	\$ 55,408	\$ (25,626)	\$ 3,951,493	\$ (91,266)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes	\$ 7,192	\$	\$	196,628	203,820	\$
Intergovernmental				5,661	5,661	
Special Assessments	9,774				9,774	
Sale of Meters and Parts	110,267				110,267	
Miscellaneous Receipts	11,516	2,124	40,294	3,845	57,779	
Transfers In	287,606	1,794	43,647	10,950	343,997	106,214
Purchases of Noncapital Assets	(121,279)	(40,607)	(59,011)	-	(220,897)	
Interfund Receivable	(6,450)				(6,450)	
Interfund Payable				(578)	(578)	(14,948)
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 298,626	\$ (36,689)	\$ 24,930	\$ 216,506	\$ 503,373	\$ 91,266
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental	\$ 343,805	\$	\$	1,025,486	1,369,291	\$
Special Assessments	1,124,568				1,124,568	
Sale of Capital Assets	23,935				23,935	
Proceeds from Capital Debt	3,701,108				3,701,108	
Bond Premiums	9,521				9,521	
Purchases of Capital Assets	(4,790,172)	(72,121)		(1,321,579)	(6,183,872)	
Principal Paid on Capital Debt	(3,037,719)			(73,608)	(3,111,327)	
Interest Paid on Capital Debt	(929,513)			(36,519)	(966,032)	
Service Charges Paid on Capital Debt	(116,709)				(116,709)	
Miscellaneous Paid on Capital Debt	(6,392)				(6,392)	
Transfers In	10,018			25,000	35,018	
Transfers Out	(4,413)				(4,413)	
Interfund Receivable	65,487	172,501			237,988	
Interfund Payable	(332,605)				(332,605)	
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (3,939,081)	\$ 100,380	\$ -	\$ (381,220)	\$ (4,219,921)	\$ -
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	692			32	724	
Net Cash Provided (Used) by Investing Activities	\$ 692	\$ -	\$ -	\$ 32	\$ 724	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 55,991	\$ 289,649	\$ 80,338	\$ (190,308)	\$ 235,670	\$ -
Cash and Cash Equivalents - January 1	\$ 3,142,325	\$ 1,619,934	\$ 128,116	\$ 413,444	\$ 5,303,819	\$ -
Cash and Cash Equivalents - December 31	\$ 3,198,316	\$ 1,909,583	\$ 208,454	\$ 223,136	\$ 5,539,489	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 932,221	\$ 34,196	\$ 44,968	\$ (454,244)	\$ 557,141	\$ (132,461)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	\$ 2,694,386	\$ 112,878	\$	\$ 398,471	\$ 3,205,735	\$
(Increase) Decrease in Accounts Receivable (net of allowance)	(20,176)	5,648	2,519	(3,299)	(15,308)	
(Increase) Decrease in Intergovernmental Receivable	87,055				87,055	10,448
(Increase) Decrease in Inventories	(1,780)	(9,392)		21,320	10,148	15,580
(Increase) Decrease in Prepaid Items	10,932	89		993	12,014	
Increase (Decrease) in Salaries and Benefits Payable	9,982	3,872	522	469	14,845	433
Increase (Decrease) in Accounts Payable	(18,578)	78,004	7,231	(3,013)	63,644	14,473
Increase (Decrease) in Compensated Absences	1,711	663	168		2,542	261
Increase (Decrease) in Prepaid Revenues				13,677	13,677	
Total Adjustments	\$ 2,763,532	\$ 191,762	\$ 10,440	\$ 428,618	\$ 3,394,352	\$ 41,195
Net Cash Provided (Used) by Operating Activities	\$ 3,695,753	\$ 225,958	\$ 55,408	\$ (25,626)	\$ 3,951,493	\$ (91,266)
Schedule of non-cash capital and related financing activities:						
Contributions of Capital Assets from Developers	\$ 2,324,244	\$	\$	\$	2,324,244	\$
Contributions of Capital Assets from Capital Project Funds	456,914				456,914	
Capital Assets included in Accounts Payable	560,155			17,903	578,058	
Capital Assets included in Retainage Payable	222,459			-	222,459	
Total non-cash capital and related financing activities	\$ 3,563,772	\$ -	\$ -	\$ 17,903	\$ 3,581,675	\$ -

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
DECEMBER 31, 2014**

	Employee Retirement Plan and Trust	Private- Purpose Trust	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$	\$ 11,253	\$ 35,536
Investments, at fair value:			
Mutual Funds	9,197,023		
Accounts Receivable (net of allowance)			7,744
Intergovernmental Receivable			3,657
Interfund Receivable			3,901
Total Assets	\$ 9,197,023	\$ 11,253	\$ 50,838
LIABILITIES			
Accounts Payable	\$	\$	\$ 6,034
Claims and Judgments Payable			39,437
Interfund Payable			3,901
Due to Other Governments			1,466
Total Liabilities	\$ -	\$ -	\$ 50,838
NET POSITION			
Held in Trust for Pension Benefits	\$ 9,197,023	\$	
Held in Trust for Police Department		11,253	
Total Net Position	\$ 9,197,023	\$ 11,253	

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Employee Retirement Plan and Trust	Private- Purpose Trust
ADDITIONS		
Contributions:		
Employer	\$ 595,948	\$ -
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	497,082	
Total Additions	\$ 1,093,030	\$ -
DEDUCTIONS		
Benefits	\$ 294,106	\$ -
Total Deductions	\$ 294,106	\$ -
Change in Net Position	\$ 798,924	\$ -
Net Position - January 1	\$ 8,398,099	\$ 11,253
Net Position - December 31	\$ 9,197,023	\$ 11,253

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2014**

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

A. REPORTING ENTITY

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

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

BLENDED COMPONENT UNITS

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

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

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

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

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

GOVERNMENT-WIDE FINANCIAL STATEMENTS

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

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

The statement of net position presents the reporting entity's non-fiduciary assets and liabilities, with the difference reported as net position. Net position is reported in three categories:

Net investment in capital assets consists of capital assets, net of accumulated depreciation and reduced by outstanding balances for bonds, notes, and other debt that are attributed to the acquisition, construction, or improvement of those assets.

Restricted net position result when constraints placed on net position use are either externally imposed by creditors, grantors, contributors, and the like, or imposed by law through constitutional provisions or enabling legislation.

Unrestricted net position consists of net position that does not meet the definition of the two preceding categories. Unrestricted net position often is designated, to indicate that management does not consider them to be available for general operations. Unrestricted net position often has constraints on resources which are imposed by management, but can be removed or modified.

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

FUND FINANCIAL STATEMENTS

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds and major individual proprietary funds are reported as separate columns in the fund financial statements, with non-major funds being combined into a single column.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PREPARATION

MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

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

FINANCIAL STATEMENT PRESENTATION

The City reports the following major governmental funds:

General Fund - This fund is the principal operating fund of the City. It is used to account for all financial resources that are not accounted for in other funds. Included are transactions for services such as general government, public safety, and public works.

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

City Sales Tax/Mandan Growth Fund – This fund accounts for a 1% city sales tax for the purpose of reducing property taxes and municipal debt, street, water and sewer system improvements, and for job and economic development. This fund also accounts for the activities of the City’s business development, communications, and economic development and assistance provided to various businesses.

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

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

Street Construction Fund - This fund accounts for the construction of street improvements. Financing is provided by the proceeds from special assessment bonds.

The City reports the following major enterprise funds:

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

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

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

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

Additionally, the City reports the following fund types:

GOVERNMENTAL FUND TYPES

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

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

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

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

PROPRIETARY FUND TYPES

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

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

FIDUCIARY FUND TYPES

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

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

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

D. CASH AND CASH EQUIVALENTS

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

E. INVESTMENTS

State statutes authorize the City to invest in bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress, securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of the type listed above, certificates of deposit fully insured by the federal deposit insurance corporation or the state, obligations of the state.

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

Investments for the City are reported at fair value.

F. TAXES RECEIVABLE

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

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

G. ACCOUNTS RECEIVABLE

Accounts receivable consists of amounts owed on open accounts from private individuals or organizations for goods and services furnished by the City and are shown net of an allowance. Accounts receivable in excess of 90 days comprise the accounts receivable allowance.

H. SPECIAL ASSESSMENTS RECEIVABLE

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

I. INTERGOVERNMENTAL RECEIVABLE

Intergovernmental receivable consists of amounts due to the City from other governments.

J. INTERFUND ACTIVITY AND BALANCES

INTERFUND ACTIVITY

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

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

INTERFUND BALANCES

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

K. INVENTORIES AND PREPAID EXPENSES

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

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

L. RESTRICTED ASSETS

Certain resources set aside for debt service in the Mandan Community Center debt service fund and the Water and Sewer Utility enterprise fund, are classified as restricted assets on the balance sheet because their use is limited by applicable bond and loan covenants.

M. LAND HELD FOR RESALE

The City acquired land for remediation and development. The City is actively marketing the properties for renovation and construction of new commercial, retail and residential facilities. The land held for resale is stated at the lower of cost or market.

N. CAPITAL ASSETS

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

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

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

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

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

<u>Assets</u>	<u>Years</u>
Buildings and Improvements	50
Infrastructure	30
Machinery and Equipment	5

O. PREPAID REVENUES

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

P. DEFERRED INFLOWS OF RESOURCES

In addition to liabilities, the statement of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The government has only one type of item, which arises only under a modified accrual basis of accounting, that qualifies for reporting in this category. Accordingly, The item, unavailable revenue, is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from three sources: property taxes, special assessments and revenue not collected within 60 days. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.

Q. COMPENSATED ABSENCES

ANNUAL LEAVE

Eligible City employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 120 hours at each year end. The amount of annual leave earned ranges between eight and eighteen hours per month.

Eligible Library employees accrue vested annual leave at a variable rate based on years of service. In general, accrued annual leave cannot exceed 240 hours at each year end. The amount of annual leave earned ranges between eight and sixteen hours per month.

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

SICK LEAVE

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

Eligible Morton Mandan Public Library employees accrue sick leave at the rate of 8 hours per month without limitation on the amount that can be accumulated. There is no liability for accumulated unused sick leave since the Library's policy is not to pay employees for accumulated unused sick leave upon termination of employment. The governmental fund financial statements recognize sick leave as it is incurred.

R. LONG-TERM OBLIGATIONS

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

S. REVENUES AND EXPENDITURES/EXPENSES

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

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

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

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

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

T. NET POSITION/FUND BALANCE

NET POSITION

The difference between fund assets and liabilities is "Net Position" on the government-wide, proprietary, and fiduciary fund financial statements, and "Fund Balance" on governmental fund financial statements.

FUND BALANCE CLASSIFICATIONS

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

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

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

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

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

MINIMUM FUND BALANCE

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

The minimum fund balance in the General Fund at December 31, 2014 was \$1,675,342.

U. CHANGE IN ACCOUNTING PRINCIPLES

The following GASB Statements became effective and were implemented for the fiscal year ended December 31, 2014:

GASB Statement No. 67, "*Financial Reporting for Pension Plans*", was issued in June 2012. The objective of this Statement is to improve financial reporting by state and local governmental pension plans. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statements No. 25, *Financial Reporting for Defined Benefit Pension Plans and Note Disclosures for Defined Contribution Plans*, and No. 50, *Pension Disclosures*, as they relate to pension plans that are administered through trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 25 and 50 remain applicable to pension plans that are not administered through trusts covered by the scope of this Statement and to defined contribution plans that provide postemployment benefits other than pensions. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2013.

GASB Statement No. 69, “*Government Combinations and Disposals of Government Operations*” was issued in January 2013. This Statement establishes accounting and financial reporting standards related to *government combinations* and disposals of government operations. As used in this Statement, the term *government combinations* includes a variety of transactions referred to as mergers, acquisitions, and transfers of operations. The distinction between a government merger and a government acquisition is based upon whether an exchange of significant consideration is present within the combination transaction. Government mergers include combinations of legally separate entities without exchange of significant consideration. This Statement requires the use of carrying values to measure the assets and liabilities in a government merger. This statement requires measurements of assets acquired and liabilities assumed generally to be based upon their acquisition values. This Statement also provides guidance for transfers of operations that do not constitute entire legally separate entities and which no significant consideration is exchanged. This Statement defines the term operations for purposes of determining the applicability of this Statement and requires the use of carrying values to measure the assets and liabilities in a transfer of operations. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2013.

GASB Statement No. 70, “*Accounting and Financial Reporting for Nonexchange Financial Guarantees*” was issued April 2013. Some governments extend financial guarantees for the obligations of another government, a not-for-profit entity, or a private entity without directly receiving equal or approximately equal value in exchange (a nonexchange transaction). As a part of this nonexchange financial guarantee, a government commits to indemnify the holder of the obligation if the entity that issued the obligation does not fulfill its payment requirements. Also some governments issue obligations that are guaranteed by other entities in a nonexchange transaction. The objective of this Statement is to improve accounting and financial reporting by state and local governments that extend and receive nonexchange financial guarantees. The provisions of this statement are required to be applied simultaneously with the provisions of Statement 68. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2013.

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

DEFICIT FUND EQUITY

The following funds had a deficit fund balance as of December 31, 2014:

<u>Fund</u>		<u>Funding</u>
Downtown Redevelopment	(142)	Mandan Remediation Trust
Flood Control	(15,507)	General Fund
Health and Safety	(123,652)	Special assessments
Street Construction	(8,759,480)	Sale of bonds
Sidewalk, Curb and Gutter Construction	(8,751)	Special assessments
Internal Service Fund	(5,195)	General Fund

NOTE 3 – DETAILED NOTES ON ACCOUNT BALANCES

A. DEPOSITS

CUSTODIAL CREDIT RISK

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

At December 31, 2014, the carrying amount of the City's deposits was \$14,664,965 and the bank balance was \$14,855,283, all of which was insured and collateralized. The City and the Library also maintain separate petty cash balances of \$1,100 and \$200, respectively.

The deposits presented in the financial statements at December 31, 2014, are as follows:

<u>Primary Government</u>	
Cash and Cash Equivalents	\$ 12,029,143
Restricted Cash and Cash Equivalents	2,590,333
Less: Petty cash	<u>(1,300)</u>
Total Primary Government	<u>14,618,176</u>
<u>Fiduciary Funds</u>	
Cash and Cash Equivalents	<u>46,789</u>
Total Deposits	<u><u>\$ 14,664,965</u></u>

B. INVESTMENTS

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

INTEREST RATE RISK

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

At December 31, 2014, the City held mutual funds for the City's Employee Retirement Plan and Trust in the amount of \$9,197,023. The investments are due within one year.

CREDIT RISK

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

CONCENTRATION OF CREDIT RISK

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

FOREIGN CURRENCY RISK

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

C. NOTES RECEIVABLE

Notes receivable are made from the Mandan Growth Fund to promote economic and job development within the City. Notes receivable at December 31, 2014, consist of the following:

North Dakota Small Business Investment Company	<u>\$ 25,000</u>
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D. LOANS RECEIVABLE

Loans receivable are made from the Mandan Growth Fund to promote economic and job development within the City. Loans receivable at December 31, 2014, consist of the following:

<u>Carter Chiropractic Clinic</u> \$75,000 Loan due in monthly installments of \$497 through January 1, 2017 and \$46,172 due on January 1, 2017; interest at 5%	\$ 53,182
<u>Coffees and Kitchens</u> \$50,000 Loan due in monthly installments of \$189 until paid in full; interest at 0%	32,844
<u>Huff Hills Ski Area</u> \$117,431 Loan due in monthly installments of \$5,520 through March 15, 2025 and \$3,340 due on March 15, 2026; interest at 1.5%	58,388
<u>Lindy Sue's Candies & Soda Fountain</u> \$42,500 Loan due in monthly installments of \$486 through August 1, 2017 and \$27,967 due on August 1, 2017; interest at 6%	42,500
<u>Thermo-Cool Products</u> \$252,874 Loan due in full at maturity, November 30, 2012; interest at 6%	<u>252,874</u>
Total Loans Receivable	\$ 439,788
Less: Allowance for uncollectible accounts	<u>(295,374)</u>
Net Loans Receivable	<u>\$ 144,414</u>

E. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at December 31, 2014, consist of the following:

<u>Due To General Fund</u>	
Due From Morton Mandan Public Library Fund	\$ 26,374
Due From Flood Control Fund	15,507
Due From Mandan Airport Authority Fund	<u>6,504</u>
Total Due To General Fund	<u>\$ 48,385</u>
 <u>Due To City Sales Tax/Mandan Growth Fund</u>	
Due From Street Construction Fund	<u>\$ 3,210,500</u>
 <u>Due To Refunding Improvement Bonds Fund</u>	
Due from Sidewalk, Curb and Gutter Construction	\$ 8,751
Due from Street Construction Fund	<u>3,541,568</u>
Total Due to Refunding Improvement Bonds Fund	<u>\$ 3,550,319</u>
 <u>Due To Nonmajor Governmental Funds</u>	
Due from Street Construction Fund	\$ 1,384,841
Due from Downtown Redevelopment Fund	<u>11,494</u>
Total Due To Nonmajor Governmental Funds	<u>\$ 1,396,335</u>
 <u>Due To Water and Sewer Utility Fund</u>	
Due From Health and Safety Fund	<u>\$ 126,153</u>

These balances are a result when a fund has a cash deficit. The interfund balances will be repaid in 2015.

INTERFUND TRANSFERS

A summary of interfund transfers for the fiscal year ended December 31, 2014, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 2,944,016	\$ 361,862
Cemetery	12,693	14,618
City Sales Tax/Mandan Growth		2,360,487
Morton Mandan Public Library	21,150	
Refunding Improvement Bonds	48,584	325,834
Street Construction	764,234	43,592
Nonmajor Governmental	245,214	1,410,314
Water and Sewer Utility	297,624	4,413
Solid Waste Utility	1,794	
Street Light Utility	43,647	
Mandan Airport Authority	35,950	
Internal Service	<u>106,214</u>	
Total	<u>\$ 4,521,120</u>	<u>\$ 4,521,120</u>

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

Transfers are used for various budgetary and financial management purposes.

F. CAPITAL ASSETS

The following is a summary of capital assets during the fiscal year:

	Balance 1-1-14	Increases	Decreases	Transfers	Balance 12-31-14
Governmental Activities					
Capital Assets, not being depreciated:					
Land	\$ 2,624,103	\$ 218,835	\$ (19,595)	\$	\$ 2,823,343
Construction Work in Progress	14,501,290	8,753,729		(456,914)	22,798,105
Total Capital Assets, not being depreciated	17,125,393	8,972,564	(19,595)	(456,914)	25,621,448
Capital Assets, being depreciated:					
Buildings and Improvements	5,977,718	95,711			6,073,429
Buildings and Infrastructure	104,812,213	3,274			104,815,487
Machinery and Equipment	7,288,410	1,394,882	(303,381)	(56,638)	8,323,273
Total Capital Assets, being depreciated	118,078,341	1,493,867	(303,381)	(56,638)	119,212,189
Less Accumulated Depreciation for:					
Buildings and Improvements	1,879,653	120,455			2,000,108
Buildings and Infrastructure	45,269,588	2,994,443			48,264,031
Machinery and Equipment	5,975,363	756,375	(281,552)	(56,638)	6,393,548
Total Accumulated Depreciation	53,124,604	3,871,273	(281,552)	(56,638)	56,657,687
Total Capital Assets, being depreciated, net	64,953,737	(2,377,406)	(21,829)	-	62,554,502
Governmental Activities Capital Assets, net	\$ 82,079,130	\$ 6,595,158	\$ (41,424)	\$ (456,914)	\$ 88,175,950
Business-type Activities					
Capital Assets, not being depreciated:					
Land	\$ 693,105	\$	\$	\$	\$ 693,105
Construction Work in Progress	8,400,965	4,078,247		(5,750,258)	6,728,954
Total Capital Assets, not being depreciated	9,094,070	4,078,247	-	(5,750,258)	7,422,059
Capital Assets, being depreciated:					
Buildings and Infrastructure	115,521,599	3,740,214		6,207,173	125,468,986
Machinery and Equipment	3,304,587	210,614	(123,609)	56,638	3,448,230
Total Capital Assets, being depreciated	118,826,186	3,950,828	(123,609)	6,263,811	128,917,216
Less Accumulated Depreciation for:					
Buildings and Infrastructure	44,682,972	2,983,219			47,666,191
Machinery and Equipment	2,966,992	222,516	(123,609)	56,638	3,122,537
Total Accumulated Depreciation	47,649,964	3,205,735	(123,609)	56,638	50,788,728
Total Capital Assets, being depreciated, net	71,176,222	745,093	-	6,207,173	78,128,488
Business-type Activities Capital Assets, net	\$ 80,270,292	\$ 4,823,340	\$ -	\$ 456,915	\$ 85,550,547

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

<u>Governmental Activities</u>	
General Government	\$ 141,192
Public Safety	330,650
Public Works	3,307,764
Cemetery	5,239
Culture and Recreation	81,008
Urban Redevelopment and Housing	5,420
Total Governmental Activities Depreciation Expense	<u>\$ 3,871,273</u>
<u>Business-type Activities</u>	
Water and Sewer Utility	\$ 2,694,386
Solid Waste Utility	112,878
Mandan Airport Authority	398,471
Total Business-type Activities Depreciation Expense	<u>\$ 3,205,735</u>

CONTRACT COMMITMENTS

The City has active contract project commitments of \$836,536 as of December 31, 2014. The Mandan Airport Authority has active contract project commitments of \$165,579 as of December 31, 2014.

G. LEASES

CAPITAL LEASES

The City has financed the acquisition of certain equipment for its General Fund. This lease agreement qualifies as a capital lease for accounting purposes and, therefore, it has been recorded at the present value of the future minimum lease payments as of the inception date.

The City is obligated to follow capital lease agreements:

	<u>Remaining Balance</u>
Asset:	
(2) CAT 924K Wheel Loaders	<u>\$ 270,195</u>

The assets acquired through the capital leases are as follows:

Asset:	
Machinery and equipment	\$ 295,300
Less: Accumulated Depreciation	<u>(59,060)</u>
Total	<u>\$ 236,240</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2014 were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>
2015	\$ 25,105
2016	25,105
2017	25,105
2018	25,105
2019	<u>203,000</u>
Total minimum lease payments	303,420
Less: Amount representing interest	<u>(33,225)</u>
Present value of	<u>\$ 270,195</u>

H. LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. Bonds and loans payable at December 31, 2014, consisted of bonds and loans issued by the City and are accounted for by the respective City funds in the government-wide financial statements that issued the bonds and loans.

GENERAL OBLIGATION BONDS PAYABLE

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

\$870,000 General Obligation Bridge Bonds of 2006,
due in annual installments of \$20,000 to \$65,000,
through May 1, 2026; interest at 3.7% - 4.4% \$ 625,000

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

<u>December 31,</u>	<u>Principal</u>	<u>Interest</u>
2015	\$ 35,000	\$ 25,755
2016	40,000	24,255
2017	45,000	22,532
2018	45,000	20,688
2019	50,000	18,740
2020-2024	280,000	59,938
2025-2026	130,000	5,720
Total	<u>\$ 625,000</u>	<u>\$ 177,628</u>

SPECIAL ASSESSMENTS BONDS PAYABLE WITH GOVERNMENTAL COMMITMENT

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

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

Special assessment bonds currently outstanding are as follows:

Issue	Amount of Issue	Date of Issue	Date of Maturity	Interest Rates	Total Outstanding
Refunding 2004, Series A	360,000	1/1/2004	5/1/2018	2.55% - 4.2%	\$ 100,000
Refunding 2005, Series SCG-2005	245,000	12/15/2005	5/1/2015	3.5% - 4%	30,000
Refunding 2006, Series SCG-2006	245,000	1/1/2007	5/1/2016	3.55% - 4%	55,000
Refunding 2007, Series B	9,460,000	3/15/2007	5/1/2022	4% - 4.5%	5,085,000
Refunding 2007, Series C	2,645,000	11/1/2007	5/1/2022	3.45% - 4.5%	1,380,000
Refunding 2007, Series D	6,860,000	12/1/2007	5/1/2023	4% - 4.375%	3,860,000
Refunding 2007, Series SCG-2007	285,000	12/1/2007	5/1/2017	3.75% - 4.1%	90,000
Refunding 2008, Series B	2,405,000	7/1/2008	5/1/2023	3% - 4.2%	1,440,000
Refunding 2008, Series C	5,000,000	12/1/2008	5/1/2024	3.5% - 4.3%	3,000,000
Refunding 2008, Series SCG-2008	335,000	12/1/2008	5/1/2018	3.2% - 4.15%	140,000
Refunding 2009, Series A	4,420,000	12/15/2009	5/1/2024	2% - 4%	3,070,000
Refunding 2009, Series SCG-2009	225,000	12/15/2009	5/1/2019	2.5% - 3.5%	115,000
Refunding 2010, Series A	4,020,000	2/15/2010	5/1/2019	1% - 3.2%	1,205,000
Street#160	109,611	12/23/2010	5/1/2025	4%	89,093
Sidewalk, Curb and Gutter 2010	159,187	12/23/2010	5/1/2020	3.25%	107,228
Refunding 2011, Series A	960,000	3/1/2011	5/1/2020	1.15% - 3.25%	615,000
Refunding 2012, Series A	1,490,000	4/1/2012	5/1/2020	.35% - 1.55%	910,000
Refunding 2012, Series B	5,155,000	11/15/2012	5/1/2028	2% - 2.15%	4,930,000
Refunding 2012, Series SCG-2012	480,000	12/15/2012	5/1/2022	.5% - 1.35%	375,000
Refunding 2013, Series A	1,675,000	4/10/2013	5/1/2021	.35% - 1.75%	1,440,000
Refunding 2013, Series B	1,400,000	4/10/2013	5/1/2018	.5% - 2%	1,105,000
Refunding 2013, Series C	4,015,000	12/15/2013	5/1/2028	2% - 3.5%	3,865,000
Sidewalk, Curb and Gutter 2013	136,630	12/17/2013	5/1/2023	2.75%	126,630
Refunding 2014, Series A	2,490,000	8/15/2014	5/1/2021	2% - 4%	2,490,000
Refunding 2014, Series B	6,095,000	12/15/2014	5/1/2029	1% - 4%	6,095,000
Total					<u>\$ 41,717,951</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 3,808,261	\$ 942,551	\$ 1,093,888	\$ 267,479	\$ 4,902,149	\$ 1,210,030
2016	3,887,545	850,866	1,115,405	240,034	5,002,950	1,090,900
2017	3,730,500	734,125	1,028,277	205,556	4,758,777	939,681
2018	3,535,792	618,584	963,841	171,266	4,499,633	789,850
2019	3,234,793	510,610	875,727	138,408	4,110,520	649,018
2020-2024	11,193,507	1,193,824	2,855,637	275,983	14,049,144	1,469,807
2025-2029	3,838,974	184,210	555,804	26,809	4,394,778	211,019
Total	<u>\$ 33,229,372</u>	<u>\$ 5,034,770</u>	<u>\$ 8,488,579</u>	<u>\$ 1,325,535</u>	<u>\$ 41,717,951</u>	<u>\$ 6,360,305</u>

REVENUE BONDS PAYABLE

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

The Limited Tax Refunding Revenue Bonds of 2005, Series B were issued to finance improvements for the Mandan Community Center. The Bonds are payable only from and secured by a pledge of the City's 1% City sales tax receipts and are payable through December 2019, and recorded in the Mandan Community Center Debt Service Fund. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$702,862. Principal and interest paid for the current year and total net revenues were \$139,100 and \$140,194, respectively.

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

The Water and Sewer Revenue Bonds were issued to finance improvements for the City's Water and Sewer Utility Fund. The Bonds are payable solely from charges for services received from the Water and Sewer Utility Fund and are payable through September 2030. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$26,799,661. Principal and interest paid for the current year and total net revenues were \$1,429,481 and \$3,995,074, respectively.

The Airport Improvement Revenue Bonds were issued to finance improvements for the Mandan Airport Facility. The Bonds are payable solely from charges for services received from the Mandan Airport Authority and are payable through October 2023. Annual principal and interest payments on the bonds are expected to require less than the net revenues. The total principal and interest remaining to be paid on the bonds is \$808,042. Principal and interest paid for the current year and total net revenues were \$110,127 and \$190,912, respectively.

Revenue bonds outstanding:

Governmental Funds

\$1,415,000 Limited Tax Refunding Bonds of 2005, Series B,
due in annual installments of \$90,000 to \$135,000 through,
December 1, 2019; interest at 3.1% to 4.15% \$ 625,000

Proprietary Funds

\$1,000,000 Water and Sewer Revenue Bonds, Series 2005,
due in annual installments of \$15,000 to \$75,000 through,
May 1, 2025; interest at 3.6% to 4.8% \$ 665,000

\$3,504,565 Water Improvement Revenue Bonds of 2002,
due in annual installments of \$198,565 to \$278,000,
through September 1, 2021; interest at 2.5% 1,796,000

\$5,090,000 Sewer Improvement Revenue Bonds of 1997,
due in annual installments of \$100,000 to \$325,000
through September 1, 2019; interest at 2.5% 1,545,000

\$1,545,663 Sewer Improvement Revenue Bonds of 2008, Series A,
due in annual installments of \$65,663 to \$110,000
through September 1, 2028; interest at 2.5% 1,270,000

\$840,000 Sewer Improvement Revenue Bonds of 2008, Series B,
due in annual installments of \$40,000 to \$60,000
through September 1, 2028; interest at 2.5% 755,000

\$3,782,000 Water Improvement Revenue Bonds of 2008, Series A,
due in annual installments of \$192,000 to \$280,000
through September 1, 2028; interest at 2.5% 3,395,000

\$6,667,283 Water Improvement Revenue Bonds of 2008, Series B,
due in annual installments of \$312,283 to \$545,000
through September 1, 2028; interest at 3.27% 6,035,000

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

Revenue bonds outstanding (continued):

\$6,383,867 Water Improvement Revenue Bonds of 2010, Series A, due in annual installments of \$268,867 to \$460,000 through September 1, 2030; interest at 2.84%	5,840,000
\$649,071 Airport Improvement Revenue Bonds of 2005, due in annual installments of \$24,547 through, August 15, 2020; interest at 4.76%	315,323
\$500,000 Airport Improvement Revenue Bonds of 2008, due in annual installments of \$24,547 through, October 8, 2023; interest at 5.41%	<u>346,178</u>
Total Proprietary Funds	<u>21,962,501</u>
Total	<u>\$ 22,587,501</u>

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

Year Ending December 31	Governmental Activities		Business-type Activities		Total	
	Principal	Interest	Principal	Interest	Principal	Interest
2015	\$ 115,000	\$ 24,975	\$ 1,599,348	\$ 644,585	\$ 1,714,348	\$ 669,560
2016	120,000	20,548	1,635,279	598,156	1,755,279	618,704
2017	125,000	15,868	1,690,410	550,607	1,815,410	566,475
2018	130,000	10,868	1,749,752	501,288	1,879,752	512,156
2019	135,000	5,603	1,806,316	450,210	1,941,316	455,813
2020-2024			7,021,396	1,546,600	7,021,396	1,546,600
2025-2029			6,000,000	532,650	6,000,000	532,650
2030			460,000	13,064	460,000	13,064
Total	<u>\$ 625,000</u>	<u>\$ 77,862</u>	<u>\$ 21,962,501</u>	<u>\$ 4,837,160</u>	<u>\$ 22,587,501</u>	<u>\$ 4,915,022</u>

LOANS PAYABLE

The following is a schedule of loans payable outstanding at December 31, 2014:

Proprietary Funds

\$1,187,529 Sewer Improvement Interim Certificate 2013, Series A, due in annual installments of \$90,000 to \$115,000 through, September 1, 2026; interest at 2%	\$ 1,187,529
\$180,776 Water Improvement Interim Certificate 2013, Series A, due in annual installments of \$45,000 to \$50,000 through, September 1, 2018; interest at 2%	180,776
\$1,146,487 Water Improvement Interim Certificate 2014, Series A, due in annual installments of \$95,000 to \$115,000 through, September 1, 2025; interest at 2%	<u>1,146,487</u>
	<u>\$ 2,514,792</u>

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

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

Year Ending December 31	Business-type Activities	
	Principal	Interest
2015	\$ 230,000	\$ 50,296
2016	235,000	45,696
2017	245,000	40,996
2018	230,776	36,096
2019	205,000	31,480
2020-2024	1,085,000	94,500
2025-2029	284,016	7,131
Total	<u>\$ 2,514,792</u>	<u>\$ 306,195</u>

Current Refunding

The City issued \$2,490,000 of Refunding Improvement Bonds of 2014, Series A for a current refunding of Refunding Improvement Bonds of 2007, Series A. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in a net present value benefit of \$162,161 and a reduction of \$172,537 in future debt service payments.

Changes in Long-term Liabilities

Changes in Long-term Liabilities for the year ended December 31, 2014, are summarized as follows:

	Balance 1-1-14	Additions	Reductions	Balance 12-31-14	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 258,234	\$ 511,421	\$ (455,134)	\$ 314,521	\$ 185,514
Capital Lease		295,300	(25,105)	270,195	17,442
General Obligation Bonds	660,000		(35,000)	625,000	35,000
Special Assessment Bonds	32,097,333	6,927,627	(5,795,588)	33,229,372	3,808,261
Revenue Bonds	735,000		(110,000)	625,000	115,000
Total	<u>\$ 33,750,567</u>	<u>\$ 7,734,348</u>	<u>\$ (6,420,827)</u>	<u>\$ 35,064,088</u>	<u>\$ 4,161,217</u>
Business-type Activities					
Compensated Absences	\$ 115,547	\$ 161,250	\$ (158,708)	\$ 118,089	\$ 67,456
Special Assessment Bonds	8,317,925	1,657,373	(1,486,719)	8,488,579	1,093,888
Revenue Bonds	23,502,109		(1,539,608)	21,962,501	1,599,348
Loans Payable	556,057	2,043,735	(85,000)	2,514,792	230,000
Total	<u>\$ 32,491,638</u>	<u>\$ 3,862,358</u>	<u>\$ (3,270,035)</u>	<u>\$ 33,083,961</u>	<u>\$ 2,990,692</u>

DEBT COMMITMENT

The City's bond documents include covenants that, in part, impose maintenance of certain reserve requirements and net operating revenues to debt service ratios. The City was in compliance with all financial covenants as of December 31, 2014.

I. CONDUIT DEBT

MUNICIPAL INDUSTRIAL DEVELOPMENT BONDS

From time to time, the City has approved issuance of Municipal Industrial Development (MIDA) Bonds to provide financial assistance to private-sector entities for the acquisition and construction of industrial and commercial facilities deemed to be in the public interest. The bonds are secured by the financed property and are payable solely from payments received on the underlying mortgage loans. Ownership of the acquired facilities will transfer to the private-sector entity upon repayment of the bonds. Neither the City, State, nor any political subdivision thereof is obligated in any manner for repayment of the bonds. Accordingly, the bonds are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, there was one series of MIDA Bonds outstanding; the aggregate principal amount payable was \$1,760,000. Neither the State nor the City has a central repository. The only requirement for this type of issue is to request the amount needed for City approval. The amount is most often in excess of the actual amount issued. When completely paid or called, they must notify the City of this event.

COMMUNITY DEVELOPMENT BLOCK GRANTS

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

Accordingly, the grants are not reported as liabilities in the accompanying financial statements. As of December 31, 2014, there were six CDBG loans outstanding, with an aggregate principal amount payable of \$583,903.

NOTE 4 – EMPLOYEE PENSION PLAN

DEFINED CONTRIBUTION PLAN

The City of Mandan Employee Retirement Plan and Trust is a Defined Contribution Plan that covers eligible City employees. The Defined Contribution Plan had 146 participants as of December 31, 2014.

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

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

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

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

CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

Contributions are set by City ordinance and are a percentage of salaries and wages. Employee contributions are established at 2%, and employer contributions are established at 8% of regular compensation. The employer's required contributions for the years ended December 31, 2014, 2013, and 2012, were \$595,948, \$483,241, and \$405,520, respectively. On December 16, 2014 the City ordinance was amended effective January 1, 2015. This amendment allows Sworn Police Officers and Career Firefighters to be eligible for a 10% employer contribution if the employee contributes 4% or greater.

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

NOTE 5 – RESTRICTED ASSETS

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

<u>Governmental Funds</u>	
Revenue Bond Debt Service Account	<u>\$ 141,500</u>
 <u>Proprietary Funds</u>	
Special Assessment Bond Debt Service Accounts	\$ 1,010,864
Revenue Bond Debt Service Accounts	<u>1,437,969</u>
 Total	 <u>\$ 2,448,833</u>

NOTE 6 – RISK MANAGEMENT

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

GENERAL LIABILITY

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

NORTH DAKOTA INSURANCE RESERVE FUND

In 1986, state agencies and political subdivisions of the State of North Dakota joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,500 political subdivisions. The City pays an annual premium to NDIRF for its general liability, auto, and public asset insurance coverage. The coverage by NDIRF is limited to losses of \$2,000,000 per occurrence for general liability, \$2,000,000 per accident for automobile coverage and to \$4,411,182 for public assets (mobile equipment and portable property) coverage.

MACHINERY AND EQUIPMENT

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

STATE FIRE AND TORNADO FUND

The City participates in the State Fire and Tornado Fund. The City pays an annual premium for the Fund to cover damage to buildings and contents. Replacement cost is estimated in consultation with the Fund to provide replacement cost coverage. The Fund currently provides the City with an aggregate coverage limit of \$225,000,000 with specific special limits varying from \$500 to \$500,000.

STATE BONDING FUND

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

WORKFORCE SAFETY & INSURANCE

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

PERS UNIFORM GROUP INSURANCE PROGRAM

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

NOTE 7 – REMEDIATION TRUST

The City is one of the beneficiaries of the Mandan Remediation Trust. As a beneficiary of the Trust, the City has no legal title, claim or right to the Trust Estate and does not have any authority to transact business on behalf of the Trust. The Trust is irrevocable and will terminate when the North Dakota Department of Health determines that no further remediation is required of the contamination and the purposes of the Trust have been fully executed and fulfilled. Upon termination of the Trust, any residue of the Trust money shall be paid to the Mandan Special Environmental Projects Trust, a governmental fund of the City. The Trust had a net position of \$7,215,812 at December 31, 2013, the most recent year audited.

NOTE 8 – COMMITMENTS

FINANCIAL SUBSIDY COMMITMENTS

The City has financial subsidy commitments of \$708,033 as of December 31, 2014.

NOTE 9 – SUBSEQUENT EVENTS

Subsequent to December 31, 2014 the City issued Refunding Improvement Bonds of 2015, Series A for the purpose of refunding \$4,405,000 of Refunding Improvement Bonds of 2007, Series B. Refunding was undertaken to reduce total future debt service payments. The transaction resulted in a net present value benefit of \$361,738 and a reduction of \$386,285 in future debt service payments.

Subsequent to December 31, 2014 the City was approved by the Industrial Commission of North Dakota for a Loan in the amount of \$5,300,000 from the North Dakota Public Finance Authority's Drinking Water State Revolving Fund Program to finance the Interim Optimization Improvements Project scheduled for fiscal years 2015 and 2016 at the Wastewater Treatment Plant. The interest rate on the Loan is 2% and the maturity date is September 1, 2035.

Subsequent to December 31, 2014, the City issued \$722,659 of Sewer Improvement Interim Certificate of 2013, Series A (No. R-3) to finance the Mandan Wastewater Treatment Facility Outfall Rehabilitation, the Roughrider Estates Collection System Extension Improvements, and the Central Lift Station Alarm System Projects. The interest rate on the Loan is 2% and the maturity date is September 1, 2033.

Subsequent to December 31, 2014, the City issued \$155,466 and \$305,411 of Water Improvement Interim Certificate of 2013, Series A (No. R-2 and R-3, respectively) to finance the Phase II Optimization Improvements at the Mandan Water Treatment Facility. The interest rate on the Loan is 2% and the maturity date is September 1, 2033.

Subsequent to December 31, 2014, the City issued \$754,115 of Sewer Improvement Interim Certificate of 2015, Series A (No. R-1) to finance the Wastewater Treatment Facility Interim Optimization Project. The interest rate on the Loan is 2% and the maturity date is September 1, 2035.

Subsequent to December 31, 2014 the City entered into a Lease for a Landfill Front End Loader. The City will pay five annual payments of \$11,767 with a balloon payment of \$170,583 due May 5, 2020.

Subsequent to December 31, 2014 citizens voted and approved on June 9, 2015 to amend the Mandan Code of Ordinances to adopt an additional three fourths a percent (0.75%) tax on gross receipts of retailers from all sales at retail and use tax as permitted by NDCC Ch. 57-39.2, to be dedicated to the financing and construction by the Mandan Park District of a new two-rink hockey arena, including gymnastics facilities, a new football and track field, and conversion of Lefty Faris football and track field into ball fields. The estimated cost of the project is \$22,000,000. Such sales and use tax revenues shall be pledged to the payment of bonds issued for such construction in anticipation of the collection and receipt of such sales and use tax. The sales and use tax shall expire at the time all project costs are paid and the bonds issued finance construction of the project are paid.

Subsequent to December 31, 2014 the Mandan Municipal Airport was awarded a \$1,118,003 grant from the Federal Aviation Administration to construct a taxiway to provide access to aircraft hangers. Construction is expected to begin in 2015.

Subsequent to December 31, 2014, HB 1176 was passed by the North Dakota Legislature. As a result, the City of Mandan will receive approximately \$4,300,000 in funds over a 24 month period starting September 2015.

NOTE 10 – NEW PRONOUNCEMENTS

The City will implement the following new pronouncements for fiscal years ending after 2014:

GASB Statement No. 68, “*Accounting and Financial Reporting for Pensions-An Amendment of GASB Statement No. 27*” was issued in June 2012. The primary objective of this Statement is to improve accounting and financial reporting by state and local governments for pensions. It also improves information provided by state and local governmental employers about financial support for pensions that is provided by other entities. This Statement results from a comprehensive review of the effectiveness of existing standards of accounting and financial reporting for pensions with regard to providing decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This Statement replaces the requirements of Statement No. 27, *Accounting for Pensions by State and Local Governmental Employers*, as well as the requirements of Statement No. 50, *Pension Disclosures*, as they relate to pensions that are provided through pension plans administered as trusts or equivalent arrangements (hereafter jointly referred to as trusts) that meet certain criteria. The requirements of Statements 27 and 50 remain applicable for pensions that are not covered by the scope of this statement. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 71, “*Pension Transition for Contributions Made Subsequent to the Measurement Date-an amendment of GASB Statement No. 68*” was issued November 2013. The objective of this Statement is to address an issue regarding application of the transition provisions of Statement No. 68, *Accounting and Financial Reporting for Pensions*. The issue relates to amounts associated with contributions, if any, made by a state or local government employer or nonemployer contributing entity to a defined benefit pension plan after the measurement date of the government’s beginning net pension liability. Statement 68 requires a state or local government employer (or nonemployer contributing entity in a special funding situation) to recognize a net position liability measured as of a date (the measurement date) no earlier than the end of its prior fiscal year. If a state or local government employer or nonemployer contributing entity makes a contribution to a defined benefit pension plan between the measurement date of the reported net pension liability and the end of the government’s reporting period, Statement 68 requires that the government recognize its contribution as a deferred outflow of resources. In addition, Statement 68 requires recognition of deferred outflows of resources and deferred inflows of resources for changes in the net pension liability of a state or local government employer or nonemployer contributing entity that arise from other types of events. At transition Statement 68, if it is not practical for an employer or nonemployer contributing entity to determine the amounts of all deferred outflows of resources and deferred inflows of resources related to pensions, paragraph 137 of Statement 68 required that beginning balances for deferred outflows of resources and deferred inflows of resources not be reported. This Statement amends paragraph 137 of Statement 68 to require that, at transition, a government recognize a beginning deferred outflow of resources for its pension contributions, if any, made subsequent to the measurement date of the beginning net pension liability. Statement 68, as amended, continues to require that beginning balances for other deferred outflows of resources and deferred inflows of resources related to pensions be reported at transition only if it is practical to determine all such amounts. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2014.

GASB Statement No. 72, "*Fair Value Measurement and Application*" was issued February 2015. This statement provides guidance on the fair value measurements reported on the financial statements. Fair value is the exit prices based on the unit of account which is the assets or liability in aggregate or disaggregate for measurement, recognition or disclosure purposes. This statement requires a government to use valuation techniques where there is significant data available to measure its fair value. One or more of these valuation techniques should be consistently used: the market approach, the cost approach, or the unobservable inputs. A hierarchy of inputs to valuation techniques is used to measure fair value which has three levels: Level 1 input are quoted prices (unadjusted) in markets with identical assets or liabilities, Level 2 exclude quoted prices that are included in Level 1 that are directly or indirectly observable and Level 3 are unobservable inputs. Investments must be valued at fair value with a few exceptions such as money market investments and 2a7-like external investment pools. This statement also requires donated assets to be measured at acquisition value. Disclosures are required to report fair value measurements, the level of fair value hierarch and valuation techniques. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015.

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 3,251,550	\$ 3,251,372	\$ 3,228,536	\$ (22,836)
Licenses and Permits	769,900	817,550	994,000	176,450
Intergovernmental	2,360,850	2,282,550	2,468,895	186,345
Charges for Services	142,300	148,300	159,927	11,627
Fines and Forfeits	190,750	190,750	205,587	14,837
Special Assessments	32,500	15,410	17,665	2,255
Interest	59,800	59,800	7,841	(51,959)
Rent	8,000	8,000	15,500	7,500
Miscellaneous	40,500	66,085	51,419	(14,666)
Total Revenues	\$ 6,856,150	\$ 6,839,817	\$ 7,149,370	\$ 309,553
EXPENDITURES				
Current:				
General Government	\$ 2,735,800	\$ 2,843,807	\$ 2,811,147	\$ 32,660
Public Safety	4,933,550	5,035,446	4,719,564	315,882
Public Works	1,339,850	1,342,093	1,386,266	(44,173)
Debt Service		25,600	25,105	495
Capital Outlay	1,046,800	1,493,696	1,449,519	44,177
Total Expenditures	\$ 10,056,000	\$ 10,740,642	\$ 10,391,601	\$ 349,041
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (3,199,850)	\$ (3,900,825)	\$ (3,242,231)	\$ 658,594
OTHER FINANCING SOURCES (USES)				
Capital Lease	\$	\$ 295,300	\$ 295,300	\$
Transfers In	2,582,450	2,677,121	2,944,016	266,895
Transfers Out	(355,950)	(637,053)	(361,862)	275,191
Total Other Financing Sources (Uses)	\$ 2,226,500	\$ 2,335,368	\$ 2,877,454	\$ 542,086
Net Change in Fund Balances	\$ (973,350)	\$ (1,565,457)	\$ (364,777)	\$ 1,200,680
Fund Balances - January 1	\$ 5,906,989	\$ 5,906,989	\$ 5,906,989	\$
Fund Balances - December 31	\$ 4,933,639	\$ 4,341,532	\$ 5,542,212	\$ 1,200,680

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
CEMETERY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 100,750	\$ 100,767	\$ 98,411	\$ (2,356)
Intergovernmental	1,650	1,650	2,829	1,179
Charges for Services	64,000	64,000	55,324	(8,676)
Cemetery Lots	34,900	34,900	28,526	(6,374)
Rent	50	50	50	
Miscellaneous	250	250	89	(161)
Total Revenues	\$ 201,600	\$ 201,617	\$ 185,229	\$ (16,388)
EXPENDITURES				
Current:				
Cemetery	\$ 151,800	\$ 153,450	\$ 162,645	\$ (9,195)
Capital Outlay	400,000	890,000	85,590	804,410
Total Expenditures	\$ 551,800	\$ 1,043,450	\$ 248,235	\$ 795,215
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (350,200)	\$ (841,833)	\$ (63,006)	\$ 778,827
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 400,000	\$ 890,000	\$ 12,693	\$ (877,307)
Transfers Out	(47,000)	(47,000)	(14,618)	32,382
Total Other Financing Sources (uses)	\$ 353,000	\$ 843,000	\$ (1,925)	\$ (844,925)
Net Change in Fund Balances	\$ 2,800	\$ 1,167	\$ (64,931)	\$ (66,098)
Fund Balances - January 1	\$ 99,769	\$ 99,769	\$ 99,769	
Fund Balances - December 31	\$ 102,569	\$ 100,936	\$ 34,838	(66,098)

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
CITY SALES TAX/MANDAN GROWTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 2,535,200	\$ 2,535,200	\$ 2,673,946	\$ 138,746
Intergovernmental	15,750	15,750	13,824	(1,926)
Charges for Services			602	602
Interest			801	801
Loan Repayments	18,750	18,750	4,697	(14,053)
Rent	6,000	6,000	6,000	
Miscellaneous	1,050	1,050	19,881	18,831
Total Revenues	\$ 2,576,750	\$ 2,576,750	\$ 2,719,751	\$ 143,001
EXPENDITURES				
Current:				
Public Works	\$	\$ 11,243	\$ 13,631	\$ (2,388)
Culture and Recreation	45,000	45,000	45,000	
Economic Development and Assistance	286,800	432,833	418,409	14,424
Capital Outlay	152,600	152,600		152,600
Total Expenditures	\$ 484,400	\$ 641,676	\$ 477,040	\$ 164,636
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,092,350	\$ 1,935,074	\$ 2,242,711	\$ 307,637
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	\$	
Transfers Out	(1,676,650)	(2,518,206)	(2,360,487)	157,719
Total Other Financing Sources (Uses)	\$ (1,676,650)	\$ (2,518,206)	\$ (2,360,487)	\$ 157,719
Net Change in Fund Balances	\$ 415,700	\$ (583,132)	\$ (117,776)	\$ 465,356
Fund Balances - January 1	\$ 3,698,789	\$ 3,698,789	\$ 3,698,789	
Fund Balances - December 31	\$ 4,114,489	\$ 3,115,657	\$ 3,581,013	\$ 465,356

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
MORTON MANDAN PUBLIC LIBRARY FUND
FOR THE YEAR ENDED DECEMBER 31, 2014**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 360,600	\$ 360,600	\$ 344,756	\$ (15,844)
Intergovernmental	203,000	203,000	193,466	(9,534)
Charges for Services	2,850	2,850	3,915	1,065
Fines and Forfeits	5,000	5,000	6,312	1,312
Interest	450	450	190	(260)
Rent	36,000	36,000	35,400	(600)
Miscellaneous	8,000	8,000	9,300	1,300
Total Revenues	\$ 615,900	\$ 615,900	\$ 593,339	\$ (22,561)
EXPENDITURES				
Current:				
Culture and Recreation	\$ 630,610	\$ 630,610	\$ 574,041	\$ 56,569
Capital outlay		25,000	18,673	6,327
Total Expenditures	\$ 630,610	\$ 655,610	\$ 592,714	\$ 62,896
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (14,710)	\$ (39,710)	\$ 625	\$ 40,335
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 21,150	\$ 21,150	\$ 21,150	
Total Other Financing Sources (Uses)	\$ 21,150	\$ 21,150	\$ 21,150	
Net Change in Fund Balances	\$ 6,440	\$ (18,560)	\$ 21,775	\$ 40,335
Fund Balances - January 1	\$ 353,489	\$ 353,489	\$ 353,489	
Fund Balances - December 31	\$ 359,929	\$ 334,929	\$ 375,264	\$ 40,335

The notes to the financial statements are an integral part of this statement.

**CITY OF MANDAN, NORTH DAKOTA
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
DECEMBER 31, 2014**

NOTE 1 – GENERAL BUDGETARY POLICIES AND PROCEDURES

The City of Mandan, North Dakota, is required to prepare the annual Budget in accordance with the state's Municipal Budget Law and also with existing City Ordinances, Resolutions, contracts and agreements. In addition to these legal requirements, the City's Significant Budget Policies provide further direction and guidance to the budgeting process.

The annual budget is adopted on a basis consistent with generally accepted accounting principles for the governmental fund. All annual appropriations lapse at fiscal year end.

The appropriated budget is prepared by fund and function. The City's department heads may make transfers of appropriations for operations and maintenance expenditures within a fund. Transfers of appropriations for salaries and benefits, capital outlay, or between funds require the approval of the City's commission. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the fund level. The City's commission made several supplemental budgetary appropriations throughout the year.

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2014**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 2,545,262	\$ 33,897	\$	\$ 2,579,159
Taxes Receivable	6,044	1,867		7,911
Accounts Receivable (net of allowance)	1,650			1,650
Special Assessments Receivable	120,291			120,291
Intergovernmental Receivable	205,846		39,088	244,934
Interfund Receivable	613,291		783,044	1,396,335
Prepaid Expenses	38,676		2,411	41,087
Cash and Cash Equivalents-Restricted		141,500		141,500
Total Assets	\$ 3,531,060	\$ 177,264	\$ 824,543	\$ 4,532,867
LIABILITIES				
Accounts Payable				
Interfund Payable	\$ 90,333	\$	\$ 2,721	\$ 93,054
Prepaid Revenues	153,154		8,751	161,905
	3,900			3,900
Total Liabilities	\$ 247,387	\$ -	\$ 11,472	\$ 258,859
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	\$ 5,078	\$ 1,570	\$	\$ 6,648
Unavailable Revenue-Special Assessments	110,267			110,267
Unavailable Revenue-Revenue not Collected within 60 days	20,925			20,925
Total Deferred Inflows of Resources	\$ 136,270	\$ 1,570	\$ -	\$ 137,840
FUND BALANCES				
Nonspendable:				
Prepaid Items	\$ 38,676	\$	\$ 2,411	\$ 41,087
Restricted for:				
Public Safety	206,827			206,827
Public Works	418,297			418,297
Culture and Recreation	30,359			30,359
Urban Redevelopment and Housing	1,578,781			1,578,781
Debt Service		175,694		175,694
Capital Projects			819,411	819,411
Committed for:				
General Government	192,474			192,474
Public Safety	335,755			335,755
Urban Redevelopment and Housing	486,921			486,921
Unassigned	(140,687)		(8,751)	(149,438)
Total Fund Balances	\$ 3,147,403	\$ 175,694	\$ 813,071	\$ 4,136,168
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 3,531,060	\$ 177,264	\$ 824,543	\$ 4,532,867

CITY OF MANDAN, NORTH DAKOTA
 COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 DECEMBER 31, 2014

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Alarm- Equipment Reserve	Public Transportation System	Fire Equipment Reserve	Narcotics Task Force Grants	BNSF Settlement	Mandan SEP Trust	Downtown Redevelopment	Flood Control	Health and Safety	Total Nonmajor Special Revenue Funds
ASSETS													
Cash and Cash Equivalents	\$	\$	\$	\$ 69,710	\$	\$ 264,515	\$ 219,042	\$ 424,708	\$ 1,567,287	\$	\$	\$	\$ 2,545,262
Taxes Receivable		3,371			2,673								6,044
Accounts Receivable (net of allowance)				1,650									1,650
Special Assessments Receivable		3,283										117,008	120,291
Intergovernmental Receivable	157,871		9,924				8,569			17,127	12,355		205,846
Interfund Receivable	321,567	188,650	29,367					62,213	11,494				613,291
Prepaid Expenses							37,290			1,386			38,676
Total Assets	\$ 479,438	\$ 195,304	\$ 39,291	\$ 71,360	\$ 2,673	\$ 264,515	\$ 264,901	\$ 486,921	\$ 1,578,781	\$ 18,513	\$ 12,355	\$ 117,008	\$ 3,531,060
LIABILITIES													
Accounts Payable	\$ 61,141	\$	\$ 8,932	\$	\$ 425	\$	\$ 8,434	\$	\$	\$ 7,161	\$	\$ 4,240	\$ 90,333
Interfund Payable							-			11,494	15,507	126,153	153,154
Prepaid Revenues				120			3,780						3,900
Total Liabilities	\$ 61,141	\$ -	\$ 8,932	\$ 120	\$ 425	\$ -	\$ 12,214	\$ -	\$ -	\$ 18,655	\$ 15,507	\$ 130,393	\$ 247,387
DEFERRED INFLOWS OF RESOURCES													
Unavailable Revenue-Property Taxes	\$	\$ 2,830	\$	\$	\$ 2,248	\$	\$	\$	\$	\$	\$	\$	\$ 5,078
Unavailable Revenue-Special Assessments												110,267	110,267
Unavailable Revenue-Revenue not Collected within 60 days							8,570				12,355		20,925
Total Deferred Inflows of Resources	\$ -	\$ 2,830	\$ -	\$ -	\$ 2,248	\$ -	\$ 8,570	\$ -	\$ -	\$ -	\$ 12,355	\$ 110,267	\$ 136,270
FUND BALANCES													
Nonspendable:													
Prepaid Expenses	\$	\$	\$	\$	\$	\$	\$ 37,290	\$	\$	\$ 1,386	\$	\$	\$ 38,676
Restricted for:													
Public Safety							206,827						206,827
Public Works	418,297												418,297
Culture and Recreation			30,359										30,359
Urban Redevelopment and Housing									1,578,781				1,578,781
Committed for:													
General Government		192,474											192,474
Public Safety				71,240		264,515							335,755
Urban Redevelopment and Housing								486,921					486,921
Unassigned										(1,528)	(15,507)	(123,652)	(140,687)
Total Fund Balances	\$ 418,297	\$ 192,474	\$ 30,359	\$ 71,240	\$ -	\$ 264,515	\$ 244,117	\$ 486,921	\$ 1,578,781	\$ (142)	\$ (15,507)	\$ (123,652)	\$ 3,147,403
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 479,438	\$ 195,304	\$ 39,291	\$ 71,360	\$ 2,673	\$ 264,515	\$ 264,901	\$ 486,921	\$ 1,578,781	\$ 18,513	\$ 12,355	\$ 117,008	\$ 3,531,060

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2014**

	Mandan Community Center Revenue Bonds of 2005	Liberty Memorial Bridge General Obligation Bonds	Total Nonmajor Debt Service Funds
ASSETS			
Cash and Cash Equivalents	\$	\$ 33,897	\$ 33,897
Taxes Receivable		1,867	1,867
Cash and Cash Equivalents-Restricted	141,500		141,500
Total Assets	<u>\$ 141,500</u>	<u>\$ 35,764</u>	<u>\$ 177,264</u>
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$	\$ 1,570	\$ 1,570
Total Liabilities	<u>\$ -</u>	<u>\$ 1,570</u>	<u>\$ 1,570</u>
FUND BALANCES			
Restricted for:			
Debt Service	\$ 141,500	\$ 34,194	\$ 175,694
Total Liabilities, Deferred Inflows of Resources and Fund Balances	<u>\$ 141,500</u>	<u>\$ 35,764</u>	<u>\$ 177,264</u>

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2014**

	City Visitor's Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Total Nonmajor Capital Projects Funds
ASSETS			
Cash and Cash Equivalents	\$	\$	\$
Intergovernmental Receivable	39,088		39,088
Interfund Receivable	783,044		783,044
Prepaid Expenses	2,411		2,411
	<hr/>		
Total Assets	\$ 824,543	\$ -	\$ 824,543
	<hr/>		
LIABILITIES			
Accounts Payable	\$ 2,721	\$	\$ 2,721
Interfund Payable		8,751	8,751
	<hr/>		
Total Liabilities	\$ 2,721	\$ 8,751	\$ 11,472
	<hr/>		
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue-Revenue not Collected within 60 Days	\$	\$	\$
	<hr/>		
Total Deferred Inflows of Resources	\$ -	\$ -	\$ -
	<hr/>		
FUND BALANCES			
Nonspendable:			
Prepaid Items	\$ 2,411	\$	\$ 2,411
Restricted for:			
Capital Projects	819,411		819,411
Unassigned		(8,751)	(8,751)
	<hr/>		
Total Fund Balances	\$ 821,822	\$ (8,751)	\$ 813,071
	<hr/>		
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 824,543	\$ -	\$ 824,543
	<hr/>		
NET POSITION			
Fund Balances	\$ 821,822	\$ (8,751)	\$ 813,071
+ Deferred Revenue: Special Assessments Receivable			
	<hr/>		
Net Position	\$ 821,822	\$ (8,751)	\$ 813,071
	<hr/>		

CITY OF MANDAN, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 268,248	\$ 66,367	\$ 407,418	\$ 742,033
Intergovernmental	1,754,306	1,917	147,516	1,903,739
Charges for Services	19,810			19,810
Fines and Forfeits	119,254			119,254
Special Assessments	131,968		372	132,340
Interest	3,150			3,150
Rent	2,400		12,480	14,880
Miscellaneous	68,824			68,824
Total Revenues	\$ 2,367,960	\$ 68,284	\$ 567,786	\$ 3,004,030
EXPENDITURES				
Current:				
General Government	\$ 206,439	\$	\$	\$ 206,439
Public Safety	213,419			213,419
Public Works	40,738		9,330	50,068
Culture and Recreation	63,264		167,721	230,985
Urban Redevelopment and Housing	85,875			85,875
Debt Service:				
Principal		145,000		145,000
Interest		56,255		56,255
Service Charges		2,289		2,289
Capital Outlay	387,155		23,647	410,802
Total Expenditures	\$ 996,890	\$ 203,544	\$ 200,698	\$ 1,401,132
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,371,070	\$ (135,260)	\$ 367,088	\$ 1,602,898
OTHER FINANCING SOURCES (USES)				
Sale of Capital Assets	\$ 6,000	\$	\$	\$ 6,000
Transfers In	104,813	140,194	207	245,214
Transfers Out	(1,410,314)			(1,410,314)
Total Other Financing Sources and Uses	\$ (1,299,501)	\$ 140,194	\$ 207	\$ (1,159,100)
Net Change in Fund Balances	\$ 71,569	\$ 4,934	\$ 367,295	\$ 443,798
Fund Balances - January 1	\$ 3,075,834	\$ 170,760	\$ 445,776	\$ 3,692,370
Fund Balances - December 31	\$ 3,147,403	\$ 175,694	\$ 813,071	\$ 4,136,168

CITY OF MANDAN, NORTH DAKOTA
 COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
 NONMAJOR SPECIAL REVENUE FUNDS
 FOR THE YEAR ENDED DECEMBER 31, 2014

	Highway Distribution	City's Share of Special Assessments	City Visitors' Promotion	Alarm- Equipment Reserve	Public Transportation System	Fire Equipment Reserve	Narcotics Task Force Grants	BNSF Settlement	Mandan SEP Trust	Downtown Redevelopment	Flood Control	Health and Safety	Total Nonmajor Special Revenue Funds
REVENUES													
Taxes	\$	\$ 99,455	\$ 70,293	\$	\$ 98,500	\$	\$	\$	\$	\$	\$	\$	\$ 268,248
Intergovernmental	1,320,694	2,968			2,830	146,835	151,646				129,333		1,754,306
Charges for Services				19,360			450						19,810
Fines and Forfeits							119,254						119,254
Special Assessments		102,707										29,261	131,968
Interest									3,150				3,150
Rent								2,400					2,400
Miscellaneous							1,439			67,385			68,824
Total Revenues	\$ 1,320,694	\$ 205,130	\$ 70,293	\$ 19,360	\$ 101,330	\$ 146,835	\$ 272,789	\$ 2,400	\$ 3,150	\$ 67,385	\$ 129,333	\$ 29,261	\$ 2,367,960
EXPENDITURES													
Current:													
General Government	\$	\$ 105,109	\$	\$	\$ 101,330	\$	\$	\$	\$	\$	\$	\$	\$ 206,439
Public Safety				8,595		15	204,809						213,419
Public Works											3,058	37,680	40,738
Culture and Recreation			63,264										63,264
Urban Redevelopment and Housing								12,441	1,920	71,514			85,875
Capital Outlay	329,674					22,401					35,080		387,155
Total Expenditures	\$ 329,674	\$ 105,109	\$ 63,264	\$ 8,595	\$ 101,330	\$ 22,416	\$ 204,809	\$ 12,441	\$ 1,920	\$ 71,514	\$ 38,138	\$ 37,680	\$ 996,890
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 991,020	\$ 100,021	\$ 7,029	\$ 10,765	\$ -	\$ 124,419	\$ 67,980	\$ (10,041)	\$ 1,230	\$ (4,129)	\$ 91,195	\$ (8,419)	\$ 1,371,070
OTHER FINANCING SOURCES (USES)													
Sale of Capital Assets	\$	\$	\$	\$	\$	\$	\$	\$	\$	\$ 6,000	\$	\$	\$ 6,000
Transfers In						50,000	7,026				42,221	5,566	104,813
Transfers Out	(1,391,879)	(17,772)					(663)						(1,410,314)
Total Other Financing Sources and Uses	\$ (1,391,879)	\$ (17,772)	\$ -	\$ -	\$ -	\$ 50,000	\$ 6,363	\$ -	\$ -	\$ 6,000	\$ 42,221	\$ 5,566	\$ (1,299,501)
Net Change in Fund Balances	\$ (400,859)	\$ 82,249	\$ 7,029	\$ 10,765	\$ -	\$ 174,419	\$ 74,343	\$ (10,041)	\$ 1,230	\$ 1,871	\$ 133,416	\$ (2,853)	\$ 71,569
Fund Balances - January 1	\$ 819,156	\$ 110,225	\$ 23,330	\$ 60,475	\$ -	\$ 90,096	\$ 169,774	\$ 496,962	\$ 1,577,551	\$ (2,013)	\$ (148,923)	\$ (120,799)	\$ 3,075,834
Fund Balances - December 31	\$ 418,297	\$ 192,474	\$ 30,359	\$ 71,240	\$ -	\$ 264,515	\$ 244,117	\$ 486,921	\$ 1,578,781	\$ (142)	\$ (15,507)	\$ (123,652)	\$ 3,147,403

CITY OF MANDAN, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR DEBT SERVICE FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Mandan Community Center Revenue Bonds of 2005	Liberty Memorial Bridge General Obligation Bonds	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$	\$ 66,367	\$ 66,367
Intergovernmental		1,917	1,917
Total Revenues	\$ -	\$ 68,284	\$ 68,284
EXPENDITURES			
Debt Service:			
Principal	\$ 110,000	\$ 35,000	\$ 145,000
Interest	29,100	27,155	56,255
Service Charges	1,094	1,195	2,289
Total Expenditures	\$ 140,194	\$ 63,350	\$ 203,544
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (140,194)	\$ 4,934	\$ (135,260)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 140,194	\$	\$ 140,194
Total Other Financing Sources (Uses)	\$ 140,194	\$ -	\$ 140,194
Net Change in Fund Balances	\$ -	\$ 4,934	\$ 4,934
Fund Balances - January 1	\$ 141,500	\$ 29,260	\$ 170,760
Fund Balances - December 31	\$ 141,500	\$ 34,194	\$ 175,694

CITY OF MANDAN, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECTS FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2014

	Bike Path Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Total Nonmajor Capital Projects Funds
REVENUES				
Taxes	\$	\$ 407,418	\$	\$ 407,418
Intergovernmental	147,516			147,516
Special Assessments			372	372
Rent		12,480		12,480
Total Revenues	\$ 147,516	\$ 419,898	\$ 372	\$ 567,786
EXPENDITURES				
Current:				
Public Works	\$	\$	\$ 9,330	\$ 9,330
Culture and Recreation	4,515	163,206		167,721
Capital Outlay		23,647		23,647
Total Expenditures	\$ 4,515	\$ 186,853	\$ 9,330	\$ 200,698
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 143,001	\$ 233,045	\$ (8,958)	\$ 367,088
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	\$ 207	\$ 207
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 207	\$ 207
Net Change in Fund Balances	\$ 143,001	\$ 233,045	\$ (8,751)	\$ 367,295
Fund Balances - January 1	\$ (143,001)	\$ 588,777	\$ -	\$ 445,776
Fund Balances - December 31	\$ -	\$ 821,822	\$ (8,751)	\$ 813,071