



Financial Statements
December 31, 2015
City of Mandan

**CITY OF MANDAN, NORTH DAKOTA
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FOR THE YEAR ENDED DECEMBER 31, 2015**

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**CITY OF MANDAN, NORTH DAKOTA
LIST OF ELECTED AND APPOINTED OFFICIALS
DECEMBER 31, 2015**

Elected Officials

Mayor/President
Vice President
Commissioner
Commissioner
Commissioner
Municipal Judge

Arlyn Van Beek
Sandy Tibke
Dennis Rohr
Mike Braun
Shauna Laber
DeNae Kautzman

Appointed Officials

City Attorney
City Administrator
Business Development and Communications Director
Finance
Assessing
Planning and Zoning
Engineering
Police
Fire
Building Inspection
Public Works
Water Treatment
Wastewater Treatment

Malcolm Brown
Jim Neubauer
Ellen Huber
Greg Welch
Shirley Shaw
Bob Decker
Justin Froseth
Dennis Bullinger
Steve Nardello
Doug Lalim
Jeff Wright
Duane Friesz
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, 2015, 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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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, 2015, 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 53 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 September 29, 2016 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 "Erik Sallie LLP".

Bismarck, North Dakota
September 29, 2016

CITY OF MANDAN
Mandan, North Dakota
MANAGEMENT'S DISCUSSION AND ANALYSIS
December 31, 2015

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, 2015. We encourage readers to consider the information presented here in conjunction with the basic financial statements, which can be found on pages 15-52 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 \$168,537,786 (net position). Of this amount, \$17,046,655 (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 \$10,891,818 (7%) during the current fiscal year due to \$7,071,769 from governmental activities and \$3,820,049 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 \$16,175,023, an increase of \$6,751,367 (72%) in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the General Fund was \$4,446,683 which is 65% of total General Fund revenues and 46% of total General Fund expenditures.
- Revenue from all sources totaled \$39,544,695 which was a decrease of \$755,572 (2%) during the current fiscal year due to a decrease of \$319,913 from governmental activities and a decrease of \$435,659 from business-type activities. Expenses from all activities totaled \$28,652,877 which was an increase of \$2,375,432 (9%) during the current fiscal year due to an increase of \$1,781,279 from governmental activities and an increase of \$594,153 from business-type activities.
- The City of Mandan's total capital assets increased by \$5,424,725 (3%) during the current fiscal year due to an increase of \$1,086,613 from governmental activities and an increase of \$4,338,112 from business-type activities.
- The City of Mandan's total debt increased by \$7,290,571 (11%) during the current fiscal year due to an increase of \$5,086,054 from governmental activities and an increase of \$2,204,517 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 12-23 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 26-52 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds can be found on pages 58-65 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 \$168,537,786 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, 2015 and December 31, 2014.

**TABLE I
NET POSITION
DECEMBER 31, 2015**

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current and Other Assets	\$ 51,446,576	\$ 16,007,304	\$ 67,453,880
Capital Assets	89,262,563	89,888,659	179,151,222
Total Assets	<u>\$ 140,709,139</u>	<u>\$ 105,895,963</u>	<u>\$ 246,605,102</u>
LIABILITIES			
Long-term Liabilities Outstanding	\$ 40,150,142	\$ 35,288,477	\$ 75,438,619
Other Liabilities	1,358,289	1,270,408	2,628,697
Total Liabilities	<u>\$ 41,508,431</u>	<u>\$ 36,558,885</u>	<u>\$ 78,067,316</u>
NET POSITION			
Net investment in Capital Assets	\$ 50,843,831	\$ 54,710,067	\$ 105,553,898
Restricted	43,349,239	2,587,994	45,937,233
Unrestricted	5,007,638	12,039,017	17,046,655
Total Net Position	<u><u>\$ 99,200,708</u></u>	<u><u>\$ 69,337,078</u></u>	<u><u>\$ 168,537,786</u></u>

CITY OF MANDAN

Management's Discussion and Analysis - Continued

TABLE I
NET POSITION
DECEMBER 31, 2014

	Governmental Activities	Business-type Activities	Total
ASSETS			
Current and Other Assets	\$ 41,161,693	\$ 14,606,334	\$ 55,768,027
Capital Assets	88,175,950	85,550,547	173,726,497
Total Assets	<u>\$ 129,337,643</u>	<u>\$ 100,156,881</u>	<u>\$ 229,494,524</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	\$ 55,076,468	\$ 52,584,675	\$ 107,661,143
Restricted	38,328,912	2,448,833	40,777,745
Unrestricted	(1,276,441)	10,483,521	9,207,080
Total Net Position	<u>\$ 92,128,939</u>	<u>\$ 65,517,029</u>	<u>\$ 157,645,968</u>

A large portion of the City of Mandan's net position (63%) 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 42%. 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 (27%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of unrestricted net position of \$17,046,655 (10%) 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 3.39 and for the business-type activities is 2.90 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, 2015 and December 31, 2014.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

**TABLE II
CHANGES IN NET POSITION
DECEMBER 31, 2015**

	Governmental Activities	Business-type Activities	Total
Revenues:			
Program Revenues:			
Charges for Services	\$ 1,670,219	\$ 10,336,031	\$ 12,006,250
Operating Grants and Contributions	503,410		503,410
Capital Grants and Contributions	11,152,686	3,317,885	14,470,571
General Revenues:			
Property, Delinquent, Mobile Home Taxes	3,979,283	223,084	4,202,367
Cable TV Franchise Fees	361,206		361,206
State Aid Distribution	1,963,400		1,963,400
Cigarette Taxes	59,497		59,497
Gaming Taxes	10,411		10,411
Disabled Veterans Credit	25,162	1,777	26,939
Homestead Credit	66,841	4,672	71,513
Morton County-LEC Taxes	35,000		35,000
Telecommunications Taxes	82,220		82,220
Highway Tax Distribution	1,228,739		1,228,739
Occupancy Taxes	57,046		57,046
Oil and Gas Production Taxes	937,500		937,500
1% City Sales Taxes	2,485,386	4,923	2,490,309
.75% City Sales Tax	248,926		248,926
Fire Insurance Taxes	154,566		154,566
Restaurant and Lodging Taxes	419,682		419,682
Special Assessments		11,747	11,747
Interest	14,247	944	15,191
Sale of Meters and Parts		79,090	79,090
Other	41,609	67,506	109,115
Total Revenues	\$ 25,497,036	\$ 14,047,659	\$ 39,544,695
Expenses:			
General Government	\$ 3,278,112	\$	\$ 3,278,112
Public Safety	5,787,379		5,787,379
Public Works	6,098,695		6,098,695
Cemetery	178,517		178,517
Culture and Recreation	996,094		996,094
Urban Redevelopment and Housing	75,021		75,021
Economic Development and Assistance	591,124		591,124
Interest on Long-term Debt	959,949		959,949
Debt Service Charges and Costs	75,416		75,416
Loss on Sale of Capital Assets	35,166		35,166
Water and Sewer Utility		7,238,659	7,238,659
Solid Waste Utility		1,839,778	1,839,778
Street Light Utility		445,275	445,275
Mandan Airport Authority		1,053,692	1,053,692
Total Expenses	\$ 18,075,473	\$ 10,577,404	\$ 28,652,877
Increase in Net Position before Transfers	\$ 7,421,563	\$ 3,470,255	\$ 10,891,818
Transfers	(349,794)	349,794	
Increase in Net Position	\$ 7,071,769	\$ 3,820,049	\$ 10,891,818
Net Position - 1/1/2015	\$ 92,128,939	\$ 65,517,029	\$ 157,645,968
Net Position - 12/31/2015	\$ 99,200,708	\$ 69,337,078	\$ 168,537,786

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	\$ 3,172,437	\$	\$ 3,172,437
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	\$ 16,294,194	\$ 9,983,251	\$ 26,277,445
Increase in Net Position before Transfers	\$ 9,522,755	\$ 4,500,067	\$ 14,022,822
Transfers	(831,516)	831,516	
Increase in Net Position	\$ 8,691,239	\$ 5,331,583	\$ 14,022,822
Net Position - 1/1/2014	\$ 83,437,700	\$ 60,185,446	\$ 143,623,146
Net Position - 12/31/2014	\$ 92,128,939	\$ 65,517,029	\$ 157,645,968

CITY OF MANDAN

Management's Discussion and Analysis - Continued

Governmental Activities

Governmental activities increased the City of Mandan's net position by \$7,071,769 (8%), accounting for 65% of the total increase in the net position of the City of Mandan. During the year, revenues decreased by \$319,913 (1%) primarily due to capital grants and contributions, and expenses increased by \$1,781,279 (11%) primarily due to public works and public safety.

Business-type Activities

Business-type activities increased the City of Mandan's net position by \$3,820,049 (6%), accounting for 35% of the total growth in the City of Mandan's net position. During the year, revenues decreased by \$435,659 (3%) primarily due to capital grants and contributions, and expenses increased by \$594,153 (6%) primarily due to the Solid Waste Utility and the Water and Sewer Utilities.

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 \$16,175,023, an increase of \$6,751,367 in comparison with the prior year. Fund balances have been classified as follows: nonspendable \$509,441, restricted \$10,805,185, committed \$2,167,099, assigned \$781,237, and unassigned \$974,561.

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 \$4,446,683, while total fund balance reached \$5,048,499. The fund balance of the City of Mandan's General Fund decreased by \$493,713 (9%) during the current fiscal year primarily due to expenditures for capital outlay and public safety.

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 \$12,039,017. The net position of the proprietary funds increased by \$3,820,049 (6%) during the current fiscal year primarily due to charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

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

- \$15,562 increase in revenues or 0.2% of the original budget primarily due to intergovernmental revenues.
- \$299,229 increase in expenditures or 3% of the original budget primarily due to capital outlay and salaries.
- \$107,301 increase in transfers out.
- The original budget anticipated a decrease in fund balance by \$371,200.
- The net effect of the budget amendments was estimated to decrease fund balance by \$390,968.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

During the year, revenues were less than budgetary estimates by \$402,676, expenditures were less than budgetary estimates by \$821,538 and other financing sources and uses were less than budgetary estimates by \$150,407, and ending fund balance exceeded budgetary estimates by \$268,455.

Additional information on the City of Mandan's budget amendments can be found on pages 53-57 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, 2015, amounts to \$105,553,898 (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 \$5,424,725 (3%) primarily due to buildings and infrastructure.

**TABLE III
CAPITAL ASSETS (NET OF DEPRECIATION)
DECEMBER 31, 2015**

	Governmental Activities	Business-type Activities	Total
Land	\$ 2,823,343	\$ 693,105	\$ 3,516,448
Construction Work in Progress	3,300,582	4,447,181	7,747,763
Buildings and Improvements	4,847,492		4,847,492
Buildings and Infrastructure	76,912,984	84,196,803	161,109,787
Machinery and Equipment	1,378,162	551,570	1,929,732
Total	\$ 89,262,563	\$ 89,888,659	\$ 179,151,222

**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	\$ 88,175,950	\$ 85,550,547	\$ 173,726,497

Additional information on the City of Mandan's capital assets can be found in Note 3F on pages 40-41 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 \$75,438,619. Of this amount, \$45,800,802 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 \$7,290,571 (11%) primarily due to an increase in special assessment bonds and loans payable.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

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 \$590,000 of outstanding general obligation debt.

**TABLE IV
OUTSTANDING DEBT
DECEMBER 31, 2015**

	Governmental Activities	Business-type Activities	Total
Compensated Absences	\$ 378,658	\$ 109,885	\$ 488,543
Capital Lease	252,752	191,541	444,293
General Obligation Bonds	590,000		590,000
Special Assessments Bonds	38,418,732	7,382,070	45,800,802
Revenue Bonds	510,000	22,254,271	22,764,271
Loans		5,350,710	5,350,710
Total	\$ 40,150,142	\$ 35,288,477	\$ 75,438,619

**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

Additional information on the City of Mandan's long-term debt can be found in Note 3G on pages 41-46 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 decreased by \$13,247 or 19% in comparison with the prior year.
- The City of Mandan's 1% city restaurant and lodging tax revenues increased by \$12,264 or 3% in comparison with the prior year.
- The City of Mandan's taxable sales decreased by \$7,979,334 or 3% in comparison with the prior year, taxable sales and purchases decreased by \$9,294,341 or 3% in comparison with the prior year, and the 1% city sales tax revenues decreased by \$188,560 or 7% in comparison with the prior year.

CITY OF MANDAN

Management's Discussion and Analysis - Continued

- The City of Mandan's Water and Sewer Utility Fund indicated a decrease in the total gallons of water sold by 4,161,578 gallons or 0.4% in comparison with the prior year. The total gallons of sewer treated increased by 39,195,785 gallons or 7% in comparison with the prior year.
- The City of Mandan's Solid Waste Utility Fund indicated an increase in the tons of garbage hauled from the transfer station by 354 tons or 4.3% in comparison with the prior year. Inert material received at the landfill decreased by 2,241 tons or 15% in comparison with the prior year.
- The City of Mandan's taxable valuation increased by \$11,081,877 or 19% in comparison with the prior year. The City of Mandan's share of 1 mill is 24% percent. For the 2016 Budget, the annual increase in property taxes for an existing \$250,000 residential home with an average valuation increase of 14% (Board of Equalization), excluding special assessments, is projected to be zero.
- For the 2016 Budget, the City of Mandan did not increase the monthly water and sewer base rates. The City also did not increase monthly water and sewer service rates. The City increased the solid waste base rate by \$.85 per month per family living unit. The City began charging a base rate for curbside recycling of \$5.50 per month, per family living unit. The City did not change the 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, 2015

	Governmental Activities	Business-type Activities	Total
ASSETS			
Cash and Cash Equivalents	\$ 14,140,542	\$ 4,854,153	\$ 18,994,695
Taxes Receivable	86,310	4,700	91,010
Accounts Receivable (net of allowance)	67,329	948,793	1,016,122
Special Assessments Receivable	35,284,982	6,751,880	42,036,862
Intergovernmental Receivable	1,176,187	297,395	1,473,582
Loans Receivable (net of allowance)	188,918		188,918
Internal Balances	(121,280)	121,280	-
Inventories	15,671	336,016	351,687
Prepaid Expenses	329,925	105,093	435,018
Restricted Assets:			
Cash and Cash Equivalents	277,992	2,587,994	2,865,986
Capital Assets, not being depreciated:			
Land	2,823,343	693,105	3,516,448
Construction Work in Progress	3,300,582	4,447,181	7,747,763
Capital Assets (net of depreciation):			
Buildings and Improvements	4,847,492		4,847,492
Buildings and Infrastructure	76,912,984	84,196,803	161,109,787
Machinery and Equipment	1,378,162	551,570	1,929,732
Total Assets	\$ 140,709,139	\$ 105,895,963	\$ 246,605,102
LIABILITIES			
Salaries and Benefits Payable	\$ 91,321	\$ 27,675	\$ 118,996
Accounts Payable	929,382	670,384	1,599,766
Retainage Payable	130,855	255,129	385,984
Interest Payable	148,202	276,293	424,495
Prepaid Revenues	58,529	40,927	99,456
Noncurrent Liabilities:			
Due Within One Year:			
Compensated Absences	258,317	81,106	339,423
Capital Lease Payable	17,937	6,174	24,111
General Obligation Bonds Payable	40,000		40,000
Special Assessments Bonds Payable with Governmental Commitment	4,288,078	1,124,871	5,412,949
Revenue Bonds Payable	120,000	1,721,397	1,841,397
Loans Payable		331,683	331,683
Due After One Year:			
Compensated Absences	120,341	28,779	149,120
Capital Lease Payable	234,815	185,367	420,182
General Obligation Bonds Payable	550,000		550,000
Special Assessments Bonds Payable with Governmental Commitment	34,130,654	6,257,199	40,387,853
Revenue Bonds Payable	390,000	20,532,874	20,922,874
Loans Payable		5,019,027	5,019,027
Total Liabilities	\$ 41,508,431	\$ 36,558,885	\$ 78,067,316
NET POSITION			
Net investment in Capital Assets	\$ 50,843,831	\$ 54,710,067	\$ 105,553,898
Restricted for:			
Public Safety	86,273		86,273
Public Works	136,753		136,753
Culture and Recreation	284,990		284,990
Urban Redevelopment and Housing	1,580,528		1,580,528
Economic Development and Assistance	2,142,070		2,142,070
Debt Service	38,161,965	2,587,994	40,749,959
Capital Projects	956,660		956,660
Unrestricted	5,007,638	12,039,017	17,046,655
Total Net Position	\$ 99,200,708	\$ 69,337,078	\$ 168,537,786

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

**CITY OF MANDAN, NORTH DAKOTA
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED DECEMBER 31, 2015**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-type Activities	Total
Governmental Activities:							
General Government	\$ 3,278,112	\$ 503,907	\$	\$ 775	\$ (2,773,430)		\$ (2,773,430)
Public Safety	5,787,379	753,433	178,551	20,705	(4,834,690)		(4,834,690)
Public Works	6,098,695	223,298	13,319	11,131,206	5,269,128		5,269,128
Cemetery	178,517	102,400			(76,117)		(76,117)
Culture and Recreation	996,094	58,987	206,739		(730,368)		(730,368)
Urban Redevelopment and Housing	75,021	1,000	61,379		(12,642)		(12,642)
Economic Development and Assistance	591,124	27,194	43,422		(520,508)		(520,508)
Interest on Long-term Debt	959,949				(959,949)		(959,949)
Debt Service Charges and Costs	75,416				(75,416)		(75,416)
Total Governmental Activities	\$ 18,040,307	\$ 1,670,219	\$ 503,410	\$ 11,152,686	\$ (4,713,992)		\$ (4,713,992)
Business-type Activities:							
Water and Sewer Utility	\$ 7,238,659	\$ 7,608,791	\$	\$ 1,905,104	\$	2,275,236	\$ 2,275,236
Solid Waste Utility	1,839,778	1,726,581				(113,197)	(113,197)
Street Light Utility	445,275	439,911				(5,364)	(5,364)
Mandan Airport Authority	1,053,692	560,748		1,412,781		919,837	919,837
Total Business-type Activities	\$ 10,577,404	\$ 10,336,031	\$ -	\$ 3,317,885		\$ 3,076,512	\$ 3,076,512
Total	\$ 28,617,711	\$ 12,006,250	\$ 503,410	\$ 14,470,571	\$ (4,713,992)	\$ 3,076,512	\$ (1,637,480)
General Revenues							
Property, Delinquent, Mobile Home Taxes		\$ 3,979,283	\$	223,084	\$	4,202,367	
Cable TV Franchise Fees		361,206				361,206	
State Aid Distribution		1,963,400				1,963,400	
Cigarette Taxes		59,497				59,497	
Gaming Taxes		10,411				10,411	
Disabled Veterans Credit		25,162		1,777		26,939	
Homestead Credit		66,841		4,672		71,513	
Morton County-LEC Taxes		35,000				35,000	
Telecommunications Taxes		82,220				82,220	
Highway Tax Distribution		1,228,739				1,228,739	
Occupancy Taxes		57,046				57,046	
Oil and Gas Production Taxes		937,500				937,500	
City 1% Sales Taxes		2,485,386		4,923		2,490,309	
City 0.75% Sales Tax		248,926				248,926	
Fire Insurance Taxes		154,566				154,566	
Restaurant and Lodging Taxes		419,682				419,682	
Special Assessments				11,747		11,747	
Interest		14,247		944		15,191	
Sale of Meters and Parts				79,090		79,090	
Other		41,609		67,506		109,115	
Loss on Sale of Capital Assets				(35,166)		(35,166)	
Transfers				(349,794)		349,794	
Total General Revenues, Gain (Loss) on Sale of Capital Assets, and Transfers		\$ 11,785,761		\$ 743,537		\$ 12,529,298	
Change in Net Position		\$ 7,071,769		\$ 3,820,049		\$ 10,891,818	
Net Position - January 1		\$ 92,128,939		\$ 65,517,029		\$ 157,645,968	
Net Position - December 31		\$ 99,200,708		\$ 69,337,078		\$ 168,537,786	

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

**CITY OF MANDAN, NORTH DAKOTA
BALANCE SHEET
GOVERNMENTAL FUNDS
DECEMBER 31, 2015**

	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	\$ 5,075,112	\$ 142,223	\$ 2,771,408	\$ 450,899	\$ 1,163,678	\$	\$ 4,537,222	\$ 14,140,542
Taxes Receivable	68,961	2,350		8,225	965		5,809	86,310
Accounts Receivable (net of allowance)	48,297	6,500	1,053				2,370	58,220
Special Assessments Receivable	41,208				35,097,616		146,158	35,284,982
Intergovernmental Receivable	503,574		154,412				517,846	1,175,832
Loans Receivable (net of allowance)			188,918					188,918
Interfund Receivable	77,720				2,964,392		5,776	3,047,888
Prepaid Expenses	26,136	52	2,101	13,886			287,750	329,925
Cash and Cash Equivalents-Restricted							277,992	277,992
Total Assets	\$ 5,841,008	\$ 151,125	\$ 3,117,892	\$ 473,010	\$ 39,226,651	\$ -	\$ 5,780,923	\$ 54,590,609
LIABILITIES								
Salaries and Benefits Payable	\$ 81,068	\$ 877	\$ 1,594	\$ 6,818	\$	\$	\$	\$ 90,357
Accounts Payable	564,797	28,767	17,000	9,390		252,502	55,759	928,215
Retainage Payable			2,500			109,295	19,060	130,855
Interfund Payable				45,726		2,915,011	199,975	3,160,712
Prepaid Revenue	56,374		1,250				905	58,529
Total Liabilities	\$ 702,239	\$ 29,644	\$ 22,344	\$ 61,934	\$ -	\$ 3,276,808	\$ 275,699	\$ 4,368,668
DEFERRED INFLOWS OF RESOURCES								
Unavailable Revenue-Property Taxes	\$ 58,079	\$ 1,981	\$	\$ 6,934	\$ 813	\$	\$ 4,892	\$ 72,699
Unavailable Revenue-Special Assessments	32,191				33,785,972		124,091	33,942,254
Unavailable Revenue-Revenue not Collected within 60 days							31,965	31,965
Total Deferred Inflows of Resources	\$ 90,270	\$ 1,981	\$ -	\$ 6,934	\$ 33,786,785	\$ -	\$ 160,948	\$ 34,046,918
FUND BALANCES								
Nonspendable:								
Loans Receivable	\$	\$	\$ 179,516	\$	\$	\$	\$	\$ 179,516
Prepaid Items	26,136	52	2,101	13,886			287,750	329,925
Restricted for:								
Public Safety							86,273	86,273
Public Works							133,690	133,690
Culture and Recreation							284,990	284,990
Urban Redevelopment and Housing							1,580,528	1,580,528
Economic Development and Assistance			2,142,070					2,142,070
Debt Service					5,439,866		181,108	5,620,974
Capital Projects							956,660	956,660
Committed for:								
General Government							350,275	350,275
Public Safety	52,180						272,270	324,450
Cemetery		119,448						119,448
Public Works							937,500	937,500
Culture and Recreation					132,519			132,519
Urban Redevelopment and Housing							468,546	468,546
Economic Development and Assistance			771,861					771,861
Assigned for:								
Culture and Recreation				257,737				257,737
Subsequent Year's Budget: Appropriation of Fund Balance	523,500							523,500
Unassigned	4,446,683					(3,276,808)	(195,314)	974,561
Total Fund Balances	\$ 5,048,499	\$ 119,500	\$ 3,095,548	\$ 404,142	\$ 5,439,866	\$ (3,276,808)	\$ 5,344,276	\$ 16,175,023
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 5,841,008	\$ 151,125	\$ 3,117,892	\$ 473,010	\$ 39,226,651	\$ -	\$ 5,780,923	\$ 54,590,609

**CITY OF MANDAN, NORTH DAKOTA
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
DECEMBER 31, 2015**

Total Fund Balances for Governmental Funds \$ 16,175,023

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)		4,847,492	
Buildings and Infrastructure (net of depreciation)		76,912,984	
Machinery and Equipment (net of depreciation)		1,378,162	
Construction Work in Progress		3,300,582	
Total Capital Assets		89,262,563	89,262,563

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

Unavailable Revenue-Property Taxes	\$	72,699	
Unavailable Revenue-Special Assessments		33,942,254	
Unavailable Revenue-Revenue not Collected within 60 Days		31,965	
Total Long-term Assets		34,046,918	34,046,918

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.

3,063

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

Interest Payable	\$	(148,202)	
Compensated Absences		(367,173)	
Capital Lease Obligation		(252,752)	
General Obligation Bonds Payable		(590,000)	
Special Assessments Bonds Payable with Governmental Commitment		(38,418,732)	
Revenue Bonds Payable		(510,000)	
Total Long-term Liabilities		(40,286,859)	(40,286,859)

Total Net Position of Governmental Activities \$ 99,200,708

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, 2015

	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	\$ 3,162,596	\$ 111,542	\$ 2,485,386	\$ 390,397	\$ 44,196	\$	\$ 992,475	\$ 7,186,592
Licenses and Permits	995,424							995,424
Intergovernmental	2,260,954	3,224	9,000	212,611	1,287		2,511,310	4,998,386
Charges for Services	176,199	61,676	12,194	5,524			25,967	281,560
Fines and Forfeits	177,911			5,583			56,078	239,572
Special Assessments	20,822				5,616,124		241,140	5,878,086
Interest	8,749			240	1,545		3,713	14,247
Cemetery Lots		40,674						40,674
Loan Repayments			38,740					38,740
Rent	11,000	50	6,000	35,400			13,480	65,930
Miscellaneous	39,681	70	4,681	8,664			62,179	115,275
Total Revenues	\$ 6,853,336	\$ 217,236	\$ 2,556,001	\$ 658,419	\$ 5,663,152	\$ -	\$ 3,906,342	\$ 19,854,486
EXPENDITURES								
Current:								
General Government	\$ 2,899,492	\$	\$	\$	\$	\$	216,913	\$ 3,116,405
Public Safety	5,149,007						353,005	5,502,012
Public Works	1,470,341					67,226	52,429	1,589,996
Cemetery		153,792						153,792
Culture and Recreation			45,000	630,343			234,039	909,382
Urban Redevelopment and Housing							69,601	69,601
Economic Development and Assistance			462,367					462,367
Debt Service:								
Principal	17,442				3,808,261		150,000	3,975,703
Interest	7,663				916,825		50,730	975,218
Service Charges					20,488		2,318	22,806
Issuance Costs					52,610			52,610
Capital Outlay	146,446	791,402	60,107	9,848		4,015,621	259,101	5,282,525
Total Expenditures	\$ 9,690,391	\$ 945,194	\$ 567,474	\$ 640,191	\$ 4,798,184	\$ 4,082,847	\$ 1,388,136	\$ 22,112,417
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,837,055)	\$ (727,958)	\$ 1,988,527	\$ 18,228	\$ 864,968	\$ (4,082,847)	\$ 2,518,206	\$ (2,257,931)
OTHER FINANCING SOURCES (USES)								
Sale of Bonds	\$	\$	\$	\$	\$	8,634,366	\$	8,634,366
Refunding Bonds					3,405,684			3,405,684
Payment to Refunded Bond Escrow Agent					(3,042,429)			(3,042,429)
Bond Premiums					81,920	390,634		472,554
Transfers In	3,098,513	852,770		10,650	16,774	646,307	222,993	4,848,007
Transfers Out	(755,171)	(40,150)	(2,473,992)		(400,692)	(105,788)	(1,533,091)	(5,308,884)
Total Other Financing Sources and Uses	\$ 2,343,342	\$ 812,620	\$ (2,473,992)	\$ 10,650	\$ 61,257	\$ 9,565,519	\$ (1,310,098)	\$ 9,009,298
Net Change in Fund Balances	\$ (493,713)	\$ 84,662	\$ (485,465)	\$ 28,878	\$ 926,225	\$ 5,482,672	\$ 1,208,108	\$ 6,751,367
Fund Balances - January 1	\$ 5,542,212	\$ 34,838	\$ 3,581,013	\$ 375,264	\$ 4,513,641	\$ (8,759,480)	\$ 4,136,168	\$ 9,423,656
Fund Balances - December 31	\$ 5,048,499	\$ 119,500	\$ 3,095,548	\$ 404,142	\$ 5,439,866	\$ (3,276,808)	\$ 5,344,276	\$ 16,175,023

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, 2015**

Net Change in Fund Balances-Total Governmental Funds \$ 6,751,367

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	\$	5,282,525	
Depreciation		(4,613,812)	
Total			668,713

Various capital asset transactions effecting net position:

Contributions of Capital Assets	\$	611,036	
Total			611,036

Various capital asset transactions effecting net position:

Sale of Capital Assets	\$	(35,166)	
Loss on Discontinued Projects		(157,967)	
Loss on Sale of Land Held for Resale		(129,893)	
Total			(323,026)

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

Taxes Receivable (net)	\$	(19,826)	
Intergovernmental		11,041	
Special Assessments Receivable (net)		4,427,133	
Total			4,418,348

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:

Sale of Bonds	\$	(12,040,050)	
Debt Service-Principal		7,018,132	
Total			(5,021,918)

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)	\$	15,269	
Compensated Absences (net)		(56,278)	
Total			(41,009)

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.

8,258

Change in Net Position of Governmental Activities \$ 7,071,769

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, 2015

	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	\$ 2,689,594	\$ 1,619,678	\$ 276,587	\$ 268,294	\$ 4,854,153	\$
Taxes Receivable				4,700	4,700	
Accounts Receivable (net of allowance)	696,967	169,404	65,985	16,437	948,793	9,109
Special Assessments Receivable	1,063,438				1,063,438	
Intergovernmental Receivable	41,071			256,324	297,395	355
Interfund Receivable	132,463				132,463	
Inventories	238,150	65,459		32,407	336,016	15,671
Prepaid Expenses	101,162	1,540	10	2,381	105,093	
Total Current Assets	<u>\$ 4,962,845</u>	<u>\$ 1,856,081</u>	<u>\$ 342,582</u>	<u>\$ 580,543</u>	<u>\$ 7,742,051</u>	<u>\$ 25,135</u>
Noncurrent Assets:						
Restricted Assets:						
Cash and Cash Equivalents	\$ 2,587,994				\$ 2,587,994	\$
Special Assessments Receivable	5,688,442				5,688,442	
Capital Assets not being Depreciated:						
Land	162,974	88,360		441,771	693,105	
Construction Work in Progress	4,197,758			249,423	4,447,181	
Capital Assets (net of depreciation):						
Buildings and Infrastructure	72,303,476	568,089		11,325,238	84,196,803	
Machinery and Equipment	206,578	311,790		33,202	551,570	
Total Capital Assets	<u>\$ 76,870,786</u>	<u>\$ 968,239</u>	<u>\$ -</u>	<u>\$ 12,049,634</u>	<u>\$ 89,888,659</u>	<u>\$ -</u>
Total Noncurrent Assets	<u>\$ 85,147,222</u>	<u>\$ 968,239</u>	<u>\$ -</u>	<u>\$ 12,049,634</u>	<u>\$ 98,165,095</u>	<u>\$ -</u>
Total Assets	<u>\$ 90,110,067</u>	<u>\$ 2,824,320</u>	<u>\$ 342,582</u>	<u>\$ 12,630,177</u>	<u>\$ 105,907,146</u>	<u>\$ 25,135</u>
LIABILITIES						
Current Liabilities:						
Salaries and Benefits Payable	\$ 20,461	\$ 5,060	\$ 863	\$ 1,291	\$ 27,675	\$ 964
Accounts Payable	259,147	121,351	36,889	252,997	670,384	1,167
Compensated Absences	60,347	15,164	2,392	3,203	81,106	3,437
Retainage Payable	199,081			56,048	255,129	
Interfund Payable				11,183	11,183	8,456
Interest Payable	263,856	3,729		8,708	276,293	
Prepaid Revenue				40,927	40,927	
Special Assessments Bonds Payable with Governmental Commitment	1,124,871				1,124,871	
Revenue Bonds Payable	1,640,118			81,279	1,721,397	
Capital Lease Payable		6,174			6,174	
Loans Payable	331,683				331,683	
Total Current Liabilities	<u>\$ 3,899,564</u>	<u>\$ 151,478</u>	<u>\$ 40,144</u>	<u>\$ 455,636</u>	<u>\$ 4,546,822</u>	<u>\$ 14,024</u>
Noncurrent Liabilities:						
Compensated Absences	\$ 13,336	\$ 9,110	\$ 1,440	\$ 4,893	\$ 28,779	\$ 8,048
Special Assessments Bonds Payable with Governmental Commitment	6,257,199				6,257,199	
Revenue Bonds Payable	20,030,000			502,874	20,532,874	
Capital Lease Payable		185,367			185,367	
Loans Payable	5,019,027				5,019,027	
Total Noncurrent Liabilities	<u>\$ 31,319,562</u>	<u>\$ 194,477</u>	<u>\$ 1,440</u>	<u>\$ 507,767</u>	<u>\$ 32,023,246</u>	<u>\$ 8,048</u>
Total Liabilities	<u>\$ 35,219,126</u>	<u>\$ 345,955</u>	<u>\$ 41,584</u>	<u>\$ 963,403</u>	<u>\$ 36,570,068</u>	<u>\$ 22,072</u>
NET POSITION						
Net investment in Capital Assets Restricted for Debt Service	\$ 42,467,888	\$ 776,698		\$ 11,465,481	\$ 54,710,067	\$
Unrestricted	2,587,994				2,587,994	
	9,835,059	1,701,667	300,998	201,293	12,039,017	3,063
Total Net Position	<u>\$ 54,890,941</u>	<u>\$ 2,478,365</u>	<u>\$ 300,998</u>	<u>\$ 11,666,774</u>	<u>\$ 69,337,078</u>	<u>\$ 3,063</u>

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, 2015

	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:	\$ 7,608,791	\$ 1,726,581	\$ 439,911	\$ 560,748	\$ 10,336,031	\$ 140,614
Total Operating Revenues	\$ 7,608,791	\$ 1,726,581	\$ 439,911	\$ 560,748	\$ 10,336,031	\$ 140,614
Operating Expenses:						
Salaries and Benefits	\$ 1,891,230	\$ 492,070	\$ 72,256	\$ 99,197	\$ 2,554,753	\$ 95,417
Professional Fees and Services	93,300	1,065,806		2,445	1,161,551	
Insurance	29,711	3,697	1,020	4,187	38,615	
Rentals	167				167	
Travel and Training	3,679	100		5,921	9,700	
Utilities	451,116	14,239	218,591	24,517	708,463	106
Publishing and Printing	4,339	1,620		1,785	7,744	
Dues and Memberships	2,496	170		2,171	4,837	100
Supplies and Maintenance	377,392	39,816	3,090	372,934	793,232	127,587
Repairs and Maintenance	367,903	44,671	83,726	37,937	534,237	16,259
Depreciation	2,914,648	113,425		450,779	3,478,852	
Miscellaneous	10,336	12,998		20,253	43,587	
Total Operating Expenses	\$ 6,146,317	\$ 1,788,612	\$ 378,683	\$ 1,022,126	\$ 9,335,738	\$ 239,469
Operating Income (Loss)	\$ 1,462,474	\$ (62,031)	\$ 61,228	\$ (461,378)	\$ 1,000,293	\$ (98,855)
Nonoperating Revenues (Expenses):						
Taxes	\$ 4,923	\$	\$	\$ 223,084	\$ 228,007	\$
Intergovernmental	636,013			1,419,229	2,055,242	
Special Assessments	373,635				373,635	
Interest	714			232	946	
Sale of Meters and Parts	79,090				79,090	
Bond Premiums	37,765				37,765	
Miscellaneous	33,069	1,097	30,578	2,764	67,508	
Capital Outlay (non-capitalized)		(47,437)	(66,592)		(114,029)	(3,970)
Debt Service:						
Interest	(937,770)	(3,729)		(31,566)	(973,065)	
Service Charges	(124,020)				(124,020)	
Issuance Costs	(30,552)				(30,552)	
Total Nonoperating Revenues (Expenses)	\$ 72,867	\$ (50,069)	\$ (36,014)	\$ 1,613,743	\$ 1,600,527	\$ (3,970)
Income (Loss) Before Contributions and Transfers	\$ 1,535,341	\$ (112,100)	\$ 25,214	\$ 1,152,365	\$ 2,600,820	\$ (102,825)
Capital Contributions	869,435				869,435	
Transfers In	269,088		78,258	5,600	352,946	111,083
Transfers Out	(3,152)				(3,152)	
Change in Net Position	\$ 2,670,712	\$ (112,100)	\$ 103,472	\$ 1,157,965	\$ 3,820,049	\$ 8,258
Net Position - January 1	\$ 52,220,229	\$ 2,590,465	\$ 197,526	\$ 10,508,809	\$ 65,517,029	\$ (5,195)
Net Position - December 31	\$ 54,890,941	\$ 2,478,365	\$ 300,998	\$ 11,666,774	\$ 69,337,078	\$ 3,063

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, 2015**

	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	\$ 7,360,360	\$ 1,659,546	\$ 411,706	\$ 552,777	\$ 9,984,389	\$
Receipts from Interfund Services Provided						141,268
Payments to Employees	(1,966,183)	(498,463)	(73,114)	(98,353)	(2,636,113)	(90,054)
Payments to Suppliers	(1,384,951)	(1,272,749)	(312,703)	(436,607)	(3,407,010)	(166,783)
Net Cash Provided (Used) by Operating Activities	\$ 4,009,226	\$ (111,666)	\$ 25,889	\$ 17,817	\$ 3,941,266	\$ (115,569)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES						
Taxes	\$ 4,923	\$	\$	\$ 223,731	\$ 228,654	\$
Intergovernmental				6,449	6,449	
Special Assessments	19,086				19,086	
Sale of Meters and Parts	79,090				79,090	
Miscellaneous Receipts	33,067	1,097	30,578	2,764	67,506	
Transfers In	254,656		78,258	5,600	338,514	111,083
Purchases of Noncapital Assets		(47,437)	(66,592)		(114,029)	
Interfund Receivable	(6,310)				(6,310)	
Interfund Payable				4,679	4,679	8,456
Net Cash Provided (Used) by Noncapital Financing Activities	\$ 384,512	\$ (46,340)	\$ 42,244	\$ 243,223	\$ 623,639	\$ 119,539
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES						
Intergovernmental	\$ 822,269	\$	\$	\$ 1,179,302	\$ 2,001,571	\$
Special Assessments	1,370,204				1,370,204	
Proceeds from Capital Debt	8,255,725	203,308			8,459,033	
Bond Premiums	37,765				37,765	
Purchases of Capital Assets	(5,569,759)	(323,440)		(1,285,290)	(7,178,489)	(3,970)
Principal Paid on Capital Debt	(6,157,198)	(11,767)		(77,348)	(6,246,313)	
Interest Paid on Capital Debt	(930,898)			(32,778)	(963,676)	
Service Charges Paid on Capital Debt	(124,020)				(124,020)	
Miscellaneous Paid on Capital Debt	(30,548)				(30,548)	
Transfers In	14,432				14,432	
Transfers Out	(3,152)				(3,152)	
Net Cash Provided (Used) by Capital and Related Financing Activities	\$ (2,315,180)	\$ (131,899)	\$ -	\$ (216,114)	\$ (2,663,193)	\$ (3,970)
CASH FLOWS FROM INVESTING ACTIVITIES						
Interest Received	\$ 714	\$	\$	\$ 232	\$ 946	\$
Net Cash Provided (Used) by Investing Activities	\$ 714	\$ -	\$ -	\$ 232	\$ 946	\$ -
Net Increase (Decrease) in Cash and Cash Equivalents	\$ 2,079,272	\$ (289,905)	\$ 68,133	\$ 45,158	\$ 1,902,658	\$ -
Cash and Cash Equivalents - January 1	\$ 3,198,316	\$ 1,909,583	\$ 208,454	\$ 223,136	\$ 5,539,489	\$ -
Cash and Cash Equivalents - December 31	\$ 5,277,588	\$ 1,619,678	\$ 276,587	\$ 268,294	\$ 7,442,147	\$ -
Reconciliation of Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Operating Income (Loss)	\$ 1,462,474	\$ (62,031)	\$ 61,228	\$ (461,378)	\$ 1,000,293	\$ (98,855)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:						
Depreciation Expense	\$ 2,914,648	\$ 113,425	\$	\$ 450,779	\$ 3,478,852	\$
(Increase) Decrease in Accounts Receivable (net of allowance)	(266,941)	(67,035)	(28,204)	(6,416)	(368,596)	(9,108)
(Increase) Decrease in Intergovernmental Receivable	18,510				18,510	9,762
(Increase) Decrease in Inventories	20,713	(51,299)		7,166	(23,420)	(8,734)
(Increase) Decrease in Prepaid Items	(91,071)	(129)		(1,043)	(92,243)	
Increase (Decrease) in Salaries and Benefits Payable	(54,614)	(14,008)	(2,015)	(3,094)	(73,731)	(2,525)
Increase (Decrease) in Accounts Payable	26,313	(38,149)	(6,259)	29,464	11,369	(13,968)
Increase (Decrease) in Compensated Absences	(20,806)	7,560	1,139	3,894	(8,213)	7,859
Increase (Decrease) in Prepaid Revenues				(1,555)	(1,555)	
Total Adjustments	\$ 2,546,752	\$ (49,635)	\$ (35,339)	\$ 479,195	\$ 2,940,973	\$ (16,714)
Net Cash Provided (Used) by Operating Activities	\$ 4,009,226	\$ (111,666)	\$ 25,889	\$ 17,817	\$ 3,941,266	\$ (115,569)
Schedule of non-cash capital and related financing activities:						
Contributions of Capital Assets from Developers	\$ 869,435	\$	\$	\$	\$ 869,435	\$
Capital Assets included in Accounts Payable	104,542				104,542	
Capital Assets included in Retainage Payable	199,081			265,935	465,016	
Total non-cash capital and related financing activities	\$ 1,173,058	\$ -	\$ -	\$ 265,935	\$ 1,438,993	\$ -

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, 2015**

	Employee Retirement Plan and Trust	Private- Purpose Trust	Agency Funds
ASSETS			
Cash and Cash Equivalents	\$	\$ 10,753	\$ 41,452
Investments, at fair value:			
Mutual Funds	9,090,579		
Accounts Receivable (net of allowance)			1,000
Intergovernmental Receivable			6,917
Interfund Receivable			1,970
Total Assets	\$ 9,090,579	\$ 10,753	\$ 51,339
LIABILITIES			
Accounts Payable	\$	\$	\$ 5,947
Claims and Judgments Payable			43,422
Interfund Payable			1,970
Total Liabilities	\$ -	\$ -	\$ 51,339
NET POSITION			
Held in Trust for Pension Benefits	\$ 9,090,579	\$	
Held in Trust for Police Department		10,753	
Total Net Position	\$ 9,090,579	\$ 10,753	

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, 2015**

	Employee Retirement Plan and Trust	Private- Purpose Trust
ADDITIONS		
Contributions:		
Employer	\$ 733,954	\$ -
Investment Earnings:		
Net Increase (Decrease) in Fair Value of Investments	(133,088)	
Total Additions	\$ 600,866	\$ -
DEDUCTIONS		
Benefits	\$ 707,310	\$ 500
Total Deductions	\$ 707,310	\$ 500
Change in Net Position	\$ (106,444)	\$ (500)
Net Position - January 1	\$ 9,197,023	\$ 11,253
Net Position - December 31	\$ 9,090,579	\$ 10,753

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, 2015**

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 state and local securities, commercial paper, 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, .75% City Sales Tax 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. 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

N. PREPAID REVENUES

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

O. 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.

P. 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 as of the date of the employees anniversary. 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 any one time. 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.

Q. 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.

R. 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.

S. 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, 2015 was \$1,793,602.

T. CHANGE IN ACCOUNTING PRINCIPLES

The following GASB Statements became effective and were implemented for the fiscal year ended December 31, 2015:

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 to 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

NOTE 2 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

DEFICIT FUND EQUITY

The following funds had a deficit fund balance as of December 31, 2015:

<u>Fund</u>		<u>Funding</u>
Health and Safety	(121,606)	Special assessments
Street Construction	(3,276,808)	Sale of bonds
Sidewalk, Curb and Gutter Construction	(45,549)	Special assessments
Bike Path Construction	(15,804)	Special assessments
Flood Control	(12,355)	FEMA grant

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, 2015, the carrying amount of the City's deposits was \$21,911,586 and the bank balance was \$22,877,127, 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, 2015, are as follows:

<u>Primary Government</u>	
Cash and Cash Equivalents	\$ 18,994,695
Restricted Cash and Cash Equivalents	2,865,986
Less: Petty cash	<u>(1,300)</u>
Total Primary Government	<u>21,859,381</u>
<u>Fiduciary Funds</u>	
Cash and Cash Equivalents	<u>52,205</u>
Total Deposits	<u>\$ 21,911,586</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, 2015, the City held mutual funds for the City's Employee Retirement Plan and Trust in the amount of \$9,090,579. 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. 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, 2015, consist of the following:

Carter Chiropractic Clinic

\$75,000 Loan due in monthly installments of \$497 through January 1, 2017 and \$46,172 due on January 1, 2017; interest at 5% \$ 49,806

Coffees and Kitchens

\$50,000 Loan due in monthly installments of \$189 until paid in full; interest at 0% 31,523

Huff Hills Ski Area

\$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% 53,743

Lindy Sue's Candies & Soda Fountain

\$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

Thermo-Cool Products

\$252,874 Loan due in full at maturity, November 30, 2012; interest at 6% 252,874

Pletan Properties

\$53,846 Loan due in monthly installments of \$2,287 through February 1, 2019; interest at 2% 53,846

Total Loans Receivable \$ 484,292
Less: Allowance for uncollectible accounts (295,374)

Net Loans Receivable \$ 188,918

D. INTERFUND ACCOUNTS AND TRANSFERS

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

Interfund balances at December 31, 2015, consist of the following:

<u>Due To General Fund</u>	
Due From Morton Mandan Public Library Fund	\$ 45,726
Due From Flood Control Fund	12,355
Due From Internal Service Fund	8,456
Due From Mandan Airport Authority Fund	<u>11,183</u>
Total Due To General Fund	<u>\$ 77,720</u>

DUE FROM OTHER FUNDS/DUE TO OTHER FUNDS

<u>Due To Refunding Improvement Bonds Fund</u>	
Due from Sidewalk, Curb and Gutter Construction	\$ 45,596
Due from Street Construction Fund	2,915,011
Due from Bike Path Construction	<u>3,786</u>
Total Due to Refunding Improvement Bonds Fund	<u>\$ 2,964,392</u>

Due To Nonmajor Governmental Funds

Due from Downtown Redevelopment Fund	<u>5,776</u>
Total Due To Nonmajor Governmental Funds	<u>\$ 5,776</u>

Due To Water and Sewer Utility Fund

Due From Health and Safety Fund	<u>\$ 132,463</u>
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These balances are a result when a fund has a cash deficit. The interfund balances will be repaid in 2016.

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

INTERFUND TRANSFERS

A summary of interfund transfers for the fiscal year ended December 31, 2015, follows:

<u>Fund</u>	<u>Transfers In</u>	<u>Transfers Out</u>
General	\$ 3,098,513	\$ 755,171
Cemetery	852,770	40,150
City Sales Tax/Mandan Growth		2,473,992
Morton Mandan Public Library	10,650	
Refunding Improvement Bonds	16,774	400,692
Street Construction	646,307	105,788
Nonmajor Governmental	222,993	1,533,091
Water and Sewer Utility	269,088	3,152
Street Light Utility	78,258	
Mandan Airport Authority	5,600	
Internal Service	111,083	
Total	<u>\$ 5,312,036</u>	<u>\$ 5,312,036</u>

Transfers are used for various budgetary and financial management purposes.

E. CAPITAL ASSETS

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

Governmental Activities	<u>Balance 1-1-15</u>	<u>Increases</u>	<u>Decreases</u>	<u>Transfers</u>	<u>Balance 12-31-15</u>
Capital Assets, not being depreciated:					
Land	\$ 2,823,343	\$	\$	\$	\$ 2,823,343
Construction Work in Progress	22,798,105	5,247,150	(157,967)	(24,586,706)	3,300,582
Total Capital Assets, not being depreciated	<u>25,621,448</u>	<u>5,247,150</u>	<u>(157,967)</u>	<u>(24,586,706)</u>	<u>6,123,925</u>
Capital Assets, being depreciated:					
Buildings and Improvements	6,073,429	35,894		876,991	6,986,314
Buildings and Infrastructure	104,815,487	445,626		23,709,715	128,970,828
Machinery and Equipment	8,323,273	164,887	(486,417)	75,106	8,076,849
Total Capital Assets, being depreciated	<u>119,212,189</u>	<u>646,407</u>	<u>(486,417)</u>	<u>24,661,812</u>	<u>144,033,991</u>
Less Accumulated Depreciation for:					
Buildings and Improvements	2,000,108	138,714			2,138,822
Buildings and Infrastructure	48,264,031	3,793,813			52,057,844
Machinery and Equipment	6,393,547	681,285	(451,251)	75,106	6,698,687
Total Accumulated Depreciation	<u>56,657,686</u>	<u>4,613,812</u>	<u>(451,251)</u>	<u>75,106</u>	<u>60,895,353</u>
Total Capital Assets, being depreciated, net	<u>62,554,503</u>	<u>(3,967,405)</u>	<u>(35,166)</u>	<u>24,586,706</u>	<u>83,138,638</u>
Governmental Activities Capital Assets, net	<u>\$ 88,175,951</u>	<u>\$ 1,279,745</u>	<u>\$ (193,133)</u>	<u>\$ -</u>	<u>\$ 89,262,563</u>

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

	Balance 1-1-15	Increases	Decreases	Transfers	Balance 12-31-15
Business-type Activities					
Capital Assets, not being depreciated:					
Land	\$ 693,105	\$	\$	\$	\$ 693,105
Construction Work in Progress	6,728,954	5,981,009	(39,424)	(8,223,358)	4,447,181
Total Capital Assets, not being depreciated	7,422,059	5,981,009	(39,424)	(8,223,358)	5,140,286
Capital Assets, being depreciated:					
Buildings and Infrastructure	125,468,986	1,448,064		8,223,358	135,140,408
Machinery and Equipment	3,448,230	445,371	(352,079)	(75,106)	3,466,416
Total Capital Assets, being depreciated	128,917,216	1,893,435	(352,079)	8,148,252	138,606,824
Less Accumulated Depreciation for:					
Buildings and Infrastructure	47,666,191	3,277,412			50,943,603
Machinery and Equipment	3,122,539	201,440	(334,025)	(75,106)	2,914,848
Total Accumulated Depreciation	50,788,730	3,478,852	(334,025)	(75,106)	53,858,451
Total Capital Assets, being depreciated, net	78,128,486	(1,585,417)	(18,054)	8,223,358	84,748,373
Business-type Activities Capital Assets, net	\$ 85,550,545	\$ 4,395,592	\$ (57,478)	\$ -	\$ 89,888,659

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

Governmental Activities

General Government	\$ 142,686
Public Safety	279,176
Public Works	4,081,978
Cemetery	22,779
Culture and Recreation	81,773
Urban Redevelopment and Housing	5,420

Total Governmental Activities Depreciation Expense \$ 4,613,812

Business-type Activities

Water and Sewer Utility	\$ 2,914,648
Solid Waste Utility	113,425
Mandan Airport Authority	450,779

Total Business-type Activities Depreciation Expense \$ 3,478,852

CONTRACT COMMITMENTS

The City has active contract project commitments of \$2,435,307 as of December 31, 2015. The Mandan Airport Authority has active contract project commitments of \$11,876 as of December 31, 2015.

F. LEASES

CAPITAL LEASES

The City has financed the acquisition of certain equipment for its General Fund and Solid Waste Utility. These lease agreements qualify as capital leases for accounting purposes and, therefore, they have been recorded at the present value of the future minimum lease payments as of the inception date.

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

The City is obligated to follow capital lease agreements:

	<u>Remaining Balance</u>
Governmental Activities	
Asset:	
(2) CAT 924K Wheel Loaders	<u>\$ 252,752</u>
Business-type Activities	
Asset:	
(1) 2015 Volvo L150H Front End Loader	<u>\$ 191,541</u>

The assets acquired through the capital leases are as follows:

	<u>Governmental Activities</u>	<u>Business-type Activities</u>
Asset:		
Machinery and equipment	\$ 295,300	\$ 203,308
Less: Accumulated Depreciation	<u>(118,120)</u>	<u>(40,662)</u>
Total	<u>\$ 177,180</u>	<u>\$ 162,646</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2015 were as follows:

<u>Year Ending December 31,</u>	<u>Governmental Activities</u>	<u>Business-type Activities</u>
2016	\$ 25,105	\$ 11,767
2017	25,105	11,767
2018	25,105	11,767
2019	203,000	11,767
2020		170,583
Total minimum lease payments	<u>278,315</u>	\$ 217,650
Less: Amount representing interest	<u>(25,563)</u>	<u>(26,109)</u>
Present value of minimum lease payments	<u>\$ 252,752</u>	<u>\$ 191,541</u>

G. LONG-TERM DEBT

Debt authorized is generally limited by the state constitution. Bonds and loans payable at December 31, 2015, 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%	<u>\$ 590,000</u>
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CITY OF MANDAN, NORTH DAKOTA
Notes to the Financial Statements - Continued

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

Year Ending <u>December 31,</u>	<u>Governmental Activities</u>	
	<u>Principal</u>	<u>Interest</u>
2016	\$ 40,000	\$ 24,255
2017	45,000	22,532
2018	45,000	20,688
2019	50,000	18,740
2020	50,000	16,665
2021-2025	295,000	47,563
2026	65,000	1,430
Total	<u>\$ 590,000</u>	<u>\$ 151,873</u>

SPECIAL ASSESSMENTS BONDS PAYABLE WITH GOVERNMENTAL COMMITMENT

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

Special assessment bonds currently outstanding are as follows:

<u>Issue</u>	<u>Amount of Issue</u>	<u>Date of Issue</u>	<u>Date of Maturity</u>	<u>Interest Rates</u>	<u>Total Outstanding</u>
Refunding 2004, Series A	360,000	1/1/2004	5/1/2018	2.55% 4.2%	\$ 75,000
Refunding 2006, Series SCG-2006	245,000	1/1/2007	5/1/2016	3.55% - 4%	30,000
Refunding 2007, Series C	2,645,000	11/1/2007	5/1/2022	3.45% - 4.5%	1,195,000
Refunding 2007, Series D	6,860,000	12/1/2007	5/1/2023	4% - 4.375%	3,390,000
Refunding 2007, Series SCG-2007	285,000	12/1/2007	5/1/2017	3.75% - 4.1%	60,000
Refunding 2008, Series B	2,405,000	7/1/2008	5/1/2023	3% - 4.2%	1,275,000
Refunding 2008, Series C	5,000,000	12/1/2008	5/1/2024	3.5% - 4.3%	2,655,000
Refunding 2008, Series SCG-2008	335,000	12/1/2008	5/1/2018	3.2% - 4.15%	105,000
Refunding 2009, Series A	4,420,000	12/15/2009	5/1/2024	2% - 4%	2,745,000
Refunding 2009, Series SCG-2009	225,000	12/15/2009	5/1/2019	2.5% - 3.5%	90,000
Refunding 2010, Series A	4,020,000	2/15/2010	5/1/2019	1% - 3.2%	855,000
Street#160	109,611	12/23/2010	5/1/2025	4%	82,487
Sidewalk, Curb and Gutter 2010	159,187	12/23/2010	5/1/2020	3.25%	90,755
Refunding 2011, Series A	960,000	3/1/2011	5/1/2020	1.15% - 3.25%	510,000
Refunding 2012, Series A	1,490,000	4/1/2012	5/1/2020	.35% - 1.55%	640,000
Refunding 2012, Series B	5,155,000	11/15/2012	5/1/2028	2% - 2.15%	4,565,000
Refunding 2012, Series SCG-2012	480,000	12/15/2012	5/1/2022	.5% - 1.35%	320,000
Refunding 2013, Series A	1,675,000	4/10/2013	5/1/2021	.35% - 1.75%	1,215,000
Refunding 2013, Series B	1,400,000	4/10/2013	5/1/2018	.5% - 2%	810,000
Refunding 2013, Series C	4,015,000	12/15/2013	5/1/2028	2% - 3.5%	3,560,000
Sidewalk, Curb and Gutter 2013	136,630	12/17/2013	5/1/2023	2.75%	112,560
Refunding 2014, Series A	2,490,000	8/15/2014	5/1/2021	2% - 4%	2,095,000
Refunding 2014, Series B	6,095,000	12/15/2014	5/1/2029	1% - 4%	5,895,000
Refunding 2015, Series A	4,405,000	4/1/2015	5/1/2022	1.5% - 3%	4,405,000
Refunding 2015, Series B	9,025,000	12/30/2015	5/1/2030	2% - 5%	9,025,000
Total					<u>\$ 45,800,801</u>

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

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
2016	\$ 4,288,078	\$ 1,046,115	\$ 1,124,871	\$ 213,150	\$ 5,412,949	\$ 1,259,265
2017	4,407,611	972,301	1,036,166	183,042	5,443,777	1,155,343
2018	4,202,637	835,000	966,997	152,412	5,169,633	987,412
2019	3,894,793	703,780	875,727	124,051	4,770,520	827,831
2020	3,715,500	581,130	825,938	98,020	4,541,438	679,150
2021-2025	12,008,295	1,488,443	2,114,190	174,904	14,122,484	1,663,347
2026-2030	5,901,819	324,667	438,181	15,069	6,340,000	339,736
Total	<u>\$ 38,418,732</u>	<u>\$ 5,951,435</u>	<u>\$ 7,382,070</u>	<u>\$ 960,649</u>	<u>\$ 45,800,801</u>	<u>\$ 6,912,084</u>

REVENUE BONDS PAYABLE

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

The 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 \$562,887. Principal and interest paid for the current year and total net revenues were \$139,975 and \$141,067, respectively.

The Water and Sewer Revenue Bonds were issued to finance improvements for the City's Water and Sewer Utility Fund. The Bonds are payable solely from charges for services received from the Water and Sewer Utility Fund and are payable through September 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 \$26,131,851. Principal and interest paid for the current year and total net revenues were \$4,961,978 and \$4,375,408, 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 \$697,916. Principal and interest paid for the current year and total net revenues were \$110,126 and \$261,272, respectively.

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

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% \$ 510,000

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% \$ 615,000

\$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% 1,559,000

\$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% 1,250,000

\$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% 1,195,000

\$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% 710,000

\$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% 3,195,000

\$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% 5,700,000

\$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% 5,555,000

\$1,891,118 Sewer Improvement Revenue Bonds of 2013, Series A,
due in annual installments of \$86,118 to \$120,000
through September 1, 2033; interest at 2% 1,891,118

\$649,071 Airport Improvement Revenue Bonds of 2005,
due in annual installments of \$24,547 through,
August 15, 2020; interest at 4.76% 268,752

\$500,000 Airport Improvement Revenue Bonds of 2008,
due in annual installments of \$24,547 through,
October 8, 2023; interest at 5.41% 315,401

Total Proprietary Funds 22,254,271

Total \$ 22,764,271

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

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
2016	\$ 120,000	\$ 20,548	\$ 1,721,397	\$ 635,977	\$ 1,841,397	\$ 656,525
2017	125,000	15,868	1,775,410	586,708	1,900,410	602,576
2018	130,000	10,868	1,839,751	535,688	1,969,751	546,556
2019	135,000	5,603	1,896,316	482,810	2,031,316	488,413
2020			1,629,113	428,109	1,629,113	428,109
2021-2025			7,372,284	1,460,028	7,372,284	1,460,028
2026-2030			5,650,000	431,478	5,650,000	431,478
2031-2033			370,000	14,700	370,000	14,700
Total	<u>\$ 510,000</u>	<u>\$ 52,887</u>	<u>\$ 22,254,271</u>	<u>\$ 4,575,498</u>	<u>\$ 22,764,271</u>	<u>\$ 4,628,385</u>

LOANS PAYABLE

The following is a schedule of loans payable outstanding at December 31, 2015:

Proprietary Funds

\$591,683 Water Improvement Interim Certificate 2013, Series A, due in annual installments of \$25,000 to \$40,000 through, September 1, 2033; interest at 2%	\$ 591,683
\$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%	1,512,076
\$3,246,951 Sewer Improvement Interim Certificate 2015, Series A, due in annual installments of \$205,000 to \$325,000 through, September 1, 2029; interest at 2%	<u>3,246,951</u>
	<u>\$ 5,350,710</u>

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

Year Ending December 31	Business-type Activities	
	Principal	Interest
2016	\$ 331,683	\$ 107,014
2017	340,000	100,381
2018	355,000	93,581
2019	360,000	86,481
2020	370,000	79,281
2021-2025	1,975,000	282,603
2026-2030	1,499,027	80,722
2031-2033	120,000	4,800
Total	<u>\$ 5,350,710</u>	<u>\$ 834,863</u>

Current Refunding

The City issued \$4,405,000 of Refunding Improvement Bonds of 2015, Series A for a current refunding of Refunding Improvement Bonds of 2007, Series B. The refunding was undertaken to reduce total future debt service payments. The transaction resulted in a net present value benefit of \$361,783 and a reduction of \$355,663 in future debt service payments.

Changes in Long-term Liabilities

Changes in Long-term Liabilities for the year ended December 31, 2015, are summarized as follows:

	Balance 1-1-15	Additions	Reductions	Balance 12-31-15	Due Within One Year
Governmental Activities					
Compensated Absences	\$ 314,521	\$ 551,114	\$ (486,977)	\$ 378,658	\$ 258,317
Capital Lease	270,195		(17,443)	252,752	17,937
General Obligation Bonds	625,000		(35,000)	590,000	40,000
Special Assessment Bonds	33,229,372	12,040,050	(6,850,690)	38,418,732	4,288,078
Revenue Bonds	625,000		(115,000)	510,000	120,000
Total	<u>\$ 35,064,088</u>	<u>\$ 12,591,164</u>	<u>\$ (7,505,110)</u>	<u>\$ 40,150,142</u>	<u>\$ 4,724,332</u>
Business-type Activities					
Compensated Absences	\$ 118,089	\$ 177,645	\$ (185,849)	\$ 109,885	\$ 81,106
Capital Lease	-	203,308	(11,767)	191,541	\$ 6,174
Special Assessment Bonds	8,488,579	1,402,571	(2,509,080)	7,382,070	1,124,871
Revenue Bonds	21,962,501	1,891,118	(1,599,348)	22,254,271	1,721,397
Loans Payable	2,514,792	4,962,036	(2,126,118)	5,350,710	331,683
Total	<u>\$ 33,083,961</u>	<u>\$ 8,636,678</u>	<u>\$ (6,432,162)</u>	<u>\$ 35,288,477</u>	<u>\$ 3,265,231</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, 2015.

H. 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, 2015, there was one series of MIDA Bonds outstanding; the aggregate principal amount payable was \$1,540,000. 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, 2015, there were six CDBG loans outstanding, with an aggregate principal amount payable of \$566,447.

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 181 participants as of December 31, 2015.

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.

Contributions are set by City ordinance and are a percentage of salaries and wages. Employee contributions are established at 2%, and employer contributions are established at 8% of regular compensation. On December 16, 2014 the City ordinance was amended effective January 1, 2015. This amendment allowed Sworn Police Officers and Career Firefighters to be eligible for a 10% employer contribution if the employee contributes 4% or greater. The employer's required contributions for the years ended December 31, 2015, 2014, and 2013, were \$733,955, \$595,948, and \$483,241, respectively.

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

NOTE 5 – RESTRICTED ASSETS

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

Governmental Funds

Revenue Bond Debt Service Account	\$	141,500
Cash with Fiscal Agent - .75% Sales Tax		<u>136,492</u>
Total	\$	<u><u>277,992</u></u>

Proprietary Funds

Special Assessment Bond Debt Service Accounts	\$	859,598
Revenue Bond Debt Service Accounts		<u>1,728,396</u>
Total	\$	<u><u>2,587,994</u></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 \$6,922,042 at December 31, 2014, the most recent year audited.

NOTE 8 – COMMITMENTS

FINANCIAL SUBSIDY COMMITMENTS

The City has financial subsidy commitments of \$733,394 as of December 31, 2015.

NOTE 9 – COST SHARING AGREEMENT

The City of Mandan entered into a charter agreement for the Combined Communications Center merger with the City of Bismarck and Burleigh County effective January 1, 2016. Central Dakota Communications Center (CenCom) replaces the Combined Communications Center. CenCom will dispatch all emergency calls for law enforcement, fire and emergency medical services in Bismarck, Mandan and Burleigh County.

NOTE 10 – SUBSEQUENT EVENTS

Subsequent to December 31, 2015 the City issued Refunding Improvement Bonds of 2016, Series A for the purpose of refunding \$1,015,000 of Refunding Improvement Bonds of 2007, Series C, \$2,910,000 of Refunding Improvement Bonds of 2007 Series D and \$1,105,000 of Refunding Improvement Bonds of 2008 Series B. Refunding was undertaken to reduce total future debt service payments. The transaction resulted in a total net present value benefit of \$398,333 and a reduction of \$398,526 in future debt service payments.

Subsequent to December 31, 2015, the City issued \$1,586,280 of Water Improvement Revenue Bonds of 2014, Series A to finance the Water Meters and Reading Systems Upgrade Projects. The interest rate on the Loan is 2% and the maturity date is September 1, 2033.

Subsequent to December 31, 2015, the City issued \$591,683 of Water Improvement Revenue Bonds of 2013, Series A 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, 2015, the City issued \$504,699 of Sewer Improvement Interim Certificate of 2015, Series A (No. R-4) 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, 2015 the City entered into a Lease for a Wheel Loader. The City will pay five annual payments of \$14,988 with a balloon payment of \$125,000 due April 5, 2021.

Subsequent to December 31, 2015 the City entered into a Lease for Bomag Landfill Compactor. The City will pay five annual payments of \$86,924 with a balloon payment of \$115,000 due May 15, 2021.

Subsequent to December 31, 2015 the City's retirement plan documents were amended to account for sworn officers hired on or after July, 1 2016 will be in the ND PERS Law Enforcement defined benefit plan and not eligible to be included in the City's sworn plan. Sworn officers have the option of joining the ND PERS LE plan or staying in the current plan.

Subsequent to December 31, 2015 the City issued Park Facilities Sales Tax Revenue Bonds. Issued were \$15,275,000 Series 2016A, \$1,000,000 Series 2016A-T(Taxable) and \$6,000,000 Series 2016B Bonds. Proceeds from these bonds will be used to fund the construction of new sporting facilities for the Mandan Park District.

NOTE 11 – NEW PRONOUNCEMENTS

The City will implement the following new pronouncements for fiscal years ending after 2015:

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.

GASB Statement No. 73, “*Accounting and Financial Reporting for Pensions and Related Assets That Are Not within the Scope of GASB Statement 68, and Amendments to Certain Provisions of GASB Statements 67 and 68*” was issued on June 2015. This statement provides information for pensions and postemployment benefits for reporting decision-useful information, supporting assessments of accountability and interperiod equity, and creating additional transparency. This statement provides guidance on requirements for contributing entities that are not covered under GASB 68, establishes requirements for accumulation of assets for all pensions and clarifies the application of certain provisions of GASB 67 and 68. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015.

GASB Statement No. 74, “*Financial Reporting for Postemployment Benefit Plans Other Than Pension Plans*” was issued on June 2015. This statement provides guidance for reporting information for other postemployment benefits (OPEB) other than pensions. This statement replaces GASB 43 for financial reporting an d57 for OPEB measurements. This statement also established the criteria for defined benefit and defined contribution OPEB plans and replaces those requirements in GASB 25. The requirements of this statement will enhance the note disclosures and schedules of required supplementary information and improve the measurements of net liabilities of OPEB plans. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 75, “*Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions*” was issued on June 2015. This statement improves the accounting and reporting information of financial support by other entities for postemployment benefits other than pensions (OPEB). This statement replaces GASB 45 for accounting and financial reporting and GASB 57 for OPEB measurements. This statement establishes standards for recognizing and measuring liabilities, deferred outflows, deferred inflows and expenses. The statement also identifies the methods and assumptions requirements for determining the liability for benefits to provide a more comprehensive measurement of OPEB and the requirements for note disclosures and the required supplementary information to improve the decision-usefulness and accountability. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2017.

GASB Statement No. 76, “*The Hierarchy of Generally Accepted Accounting Principles for State and Local Governments*” was issued on June 2015. This statement establishes the hierarchy of generally accepted accounting principles (GAAP) used in the preparation of financial statements. The statement reduces the hierarchy to two categories of authoritative GAAP and addresses the use of literature for transactions or events not specified in GAAP. The statement raises the GASB Implementation Guides in the hierarchy and requires the consideration for consistency with the GASB Concept Statements. This statement supersedes GASB 55 and is intended to provide reporting guidance with less variation and enhance the comparability of financial statements among governments. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015 and should be applied retroactively.

GASB Statement No. 77, “*Tax Abatement Disclosures*” was issued on August 2015. This statement defines tax abatements and the disclosure requirements for financial statements. This statement establishes the information required to assess the financial and operating impacts of tax abatements. This statement provides the reporting of comprehensive and consistent information on the nature magnitude of tax abatement for the public. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2015.

GASB Statement No. 78, “*Pensions Provided through Certain Multiple-Employer Defined Benefit Pension Plans*” was issued on December 2015. This statement amends the scope and applicability of GASB 68 for Accounting and Financial Reporting for Pensions for certain multiple-employer defined benefit plans. The amendments exclude multiple-employer defined benefit plans from GASB 68 that are not state or local plans, provide pension to both state or local and non-state or local employees and have no predominant state or local employer. The statement further establishes the requirements for pension expenses, expenditures and liabilities, note disclosures and required supplementary information for reporting of those types of pensions. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2015.

GASB Statement No. 79, “*Certain External Investment Pools and Pool Participants*” was issued on December 2015. This statement establishes the qualification criteria for reporting all investments at amortized costs. The statement clarifies that if the external pool does not meet the criteria, the pool should apply provision 16 of GASB 31 and measure the investment at fair value as provided in paragraph 11 of GASB 31. The statement also establishes the additional note disclosures for qualifying external investment pools that use the measurement of amortized costs to report investments. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2015.

GASB Statement No. 80, “*Blending Requirements for Certain Component Units-an amendment of GASB Statement No. 14*” was issued on January 2016. This statement amends the blending requirements of GASB 14 for certain component units. The additional criterion requires blending of component units incorporated as not-for-profit corporation in which the primary government is the sole corporate member. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2016.

GASB Statement No. 81, “*Irrevocable Split-Interest Agreements*” was issued on March 2016. This statement requires a government that receives resources pursuant to an irrevocable split-interest agreement to recognize assets, liabilities, and deferred inflows of resources at the inception of the agreement. Examples of these types of agreements include charitable lead and remainder trusts and life-interest in real estate. This statement enhances the comparability of financial statements and more clearly identifies the resources available to government. The provisions of this statement are effective for financial statements for fiscal years beginning after December 15, 2016.

GASB Statement No. 82, “*Pension Issues-an amendment of GASB Statements No. 67, No.68 and No. 73*” was issued on March 2016. This statement addresses issues raised in GASB 67,68 and 73 regarding payroll related measurements in the required supplementary information, selection of assumptions and treatment of deviations from the guidance Actuarial Standard of Practice for financial reporting and the classification of employments payments. The statement amends GASB 67 and 68 to require the presentation of covered payroll and defines covered payroll and provides the ratios to be used. The statement clarifies the term deviation as used in the Actuarial Standard of Practice is not in conformity with the selection of assumptions requirements of GASB 67, 68 and 73. This statement also clarifies that qualifying employer contributions identified as plan member contribution should be classified as plan member contribution should be classified as plan member contributions for GASB 67 and as employee contributions for GASB 68. The provisions of this statement are effective for financial statements for fiscal years beginning after June 15, 2016 and June 15, 2017 when the pension liability reporting period used is not than the employer’s most recent fiscal year.

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 3,251,200	\$ 3,251,136	\$ 3,162,596	\$ (88,540)
Licenses and Permits	1,085,950	1,083,890	995,424	(88,466)
Intergovernmental	2,398,900	2,409,269	2,260,954	(148,315)
Charges for Services	173,700	173,700	176,199	2,499
Fines and Forfeits	238,300	238,300	177,911	(60,389)
Special Assessments	15,400	15,017	20,822	5,805
Interest	25,400	25,400	8,749	(16,651)
Rent	17,000	17,000	11,000	(6,000)
Miscellaneous	34,600	42,300	39,681	(2,619)
Total Revenues	\$ 7,240,450	\$ 7,256,012	\$ 6,853,336	\$ (402,676)
EXPENDITURES				
Current:				
General Government	\$ 3,054,550	\$ 3,074,847	\$ 2,899,492	\$ 175,355
Public Safety	5,485,350	5,590,515	5,149,007	441,508
Public Works	1,400,200	1,541,239	1,470,341	70,898
Debt Service				
Principal		18,050	17,442	608
Interest		7,550	7,663	(113)
Capital Outlay	272,600	279,728	146,446	133,282
Total Expenditures	\$ 10,212,700	\$ 10,511,929	\$ 9,690,391	\$ 821,538
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (2,972,250)	\$ (3,255,917)	\$ (2,837,055)	\$ 418,862
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 2,784,650	\$ 2,784,650	\$ 3,098,513	\$ 313,863
Transfers Out	(183,600)	(290,901)	(755,171)	(464,270)
Total Other Financing Sources (Uses)	\$ 2,601,050	\$ 2,493,749	\$ 2,343,342	\$ (150,407)
Net Change in Fund Balances	\$ (371,200)	\$ (762,168)	\$ (493,713)	\$ 268,455
Fund Balances - January 1	\$ 5,542,212	\$ 5,542,212	\$ 5,542,212	
Fund Balances - December 31	\$ 5,171,012	\$ 4,780,044	\$ 5,048,499	268,455

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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 113,400	\$ 113,389	\$ 111,542	\$ (1,847)
Intergovernmental	2,800	2,800	3,224	424
Charges for Services	47,050	47,050	61,676	14,626
Cemetery Lots	37,250	37,250	40,674	3,424
Rent	50	50	50	
Miscellaneous	50	50	70	20
Total Revenues	\$ 200,600	\$ 200,589	\$ 217,236	\$ 16,647
EXPENDITURES				
Current:				
Cemetery	\$ 161,100	\$ 161,433	\$ 153,792	\$ 7,641
Capital Outlay		804,410	791,402	13,008
Total Expenditures	\$ 161,100	\$ 965,843	\$ 945,194	\$ 20,649
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 39,500	\$ (765,254)	\$ (727,958)	\$ 37,296
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	\$ 852,770	\$ 852,770
Transfers Out	(38,300)	(38,300)	(40,150)	(1,850)
Total Other Financing Sources (uses)	\$ (38,300)	\$ (38,300)	\$ 812,620	\$ 850,920
Net Change in Fund Balances	\$ 1,200	\$ (803,554)	\$ 84,662	\$ 888,216
Fund Balances - January 1	\$ 34,838	\$ 34,838	\$ 34,838	\$
Fund Balances - December 31	\$ 36,038	\$ (768,716)	\$ 119,500	\$ 888,216

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

**CITY OF MANDAN, NORTH DAKOTA
BUDGETARY COMPARISON SCHEDULE
1% CITY SALES TAX/MANDAN GROWTH FUND
FOR THE YEAR ENDED DECEMBER 31, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 2,832,100	\$ 2,832,100	\$ 2,485,386	\$ (346,714)
Intergovernmental			9,000	9,000
Charges for Services			12,194	12,194
Loan Repayments	20,400	20,400	38,740	18,340
Rent	6,000	6,000	6,000	
Miscellaneous	1,000	1,000	4,681	3,681
Total Revenues	\$ 2,859,500	\$ 2,859,500	\$ 2,556,001	\$ (303,499)
EXPENDITURES				
Current:				
Culture and Recreation	\$ 45,000	\$ 45,000	\$ 45,000	\$ -
Economic Development and Assistance	297,650	760,369	462,367	298,002
Capital Outlay	230,000	199,805	60,107	139,698
Total Expenditures	\$ 572,650	\$ 1,005,174	\$ 567,474	\$ 437,700
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,286,850	\$ 1,854,326	\$ 1,988,527	\$ 134,201
OTHER FINANCING SOURCES (USES)				
Transfers Out	\$ (2,168,700)	\$ (2,333,791)	\$ (2,473,992)	\$ (140,201)
Total Other Financing Sources (Uses)	\$ (2,168,700)	\$ (2,333,791)	\$ (2,473,992)	\$ (140,201)
Net Change in Fund Balances	\$ 118,150	\$ (479,465)	\$ (485,465)	\$ (6,000)
Fund Balances - January 1	\$ 3,581,013	\$ 3,581,013	\$ 3,581,013	
Fund Balances - December 31	\$ 3,699,163	\$ 3,101,548	\$ 3,095,548	\$ (6,000)

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, 2015**

	Original Budget	Final Budget	Actual	Variance with Final Budget
REVENUES				
Taxes	\$ 397,450	\$ 397,450	\$ 390,397	\$ (7,053)
Intergovernmental	209,850	209,850	212,611	2,761
Charges for Services	2,850	2,850	5,524	2,674
Fines and Forfeits	6,000	6,000	5,583	(417)
Interest	300	300	240	(60)
Rent	36,000	36,000	35,400	(600)
Miscellaneous	9,000	9,000	8,664	(336)
Total Revenues	\$ 661,450	\$ 661,450	\$ 658,419	\$ (3,031)
EXPENDITURES				
Current:				
Culture and Recreation	\$ 674,335	\$ 674,335	\$ 630,343	\$ 43,992
Capital outlay			9,848	(9,848)
Total Expenditures	\$ 674,335	\$ 674,335	\$ 640,191	\$ 34,144
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (12,885)	\$ (12,885)	\$ 18,228	\$ 31,113
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 10,650	\$ 10,650	\$ 10,650	
Total Other Financing Sources (Uses)	\$ 10,650	\$ 10,650	\$ 10,650	
Net Change in Fund Balances	\$ (2,235)	\$ (2,235)	\$ 28,878	\$ 31,113
Fund Balances - January 1	\$ 375,264	\$ 375,264	\$ 375,264	
Fund Balances - December 31	\$ 373,029	\$ 373,029	\$ 404,142	\$ 31,113

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, 2015**

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, 2015**

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
ASSETS				
Cash and Cash Equivalents	\$ 3,536,555	\$ 39,381	\$ 961,286	\$ 4,537,222
Taxes Receivable	4,369	1,440		5,809
Accounts Receivable (net of allowance)	2,370			2,370
Special Assessments Receivable	133,595		12,563	146,158
Intergovernmental Receivable	486,043		31,803	517,846
Interfund Receivable	5,776			5,776
Prepaid Expenses	286,497		1,253	287,750
Cash and Cash Equivalents-Restricted	136,492	141,500		277,992
Total Assets	\$ 4,591,697	\$ 182,321	\$ 1,006,905	\$ 5,780,923
LIABILITIES				
Accounts Payable	\$ 26,972		\$ 28,787	\$ 55,759
Retainage Payable			19,060	19,060
Interfund Payable	150,594		49,381	199,975
Prepaid Revenues	305		600	905
Total Liabilities	\$ 177,871	\$ -	\$ 97,828	\$ 275,699
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue-Property Taxes	\$ 3,679	\$ 1,213		\$ 4,892
Unavailable Revenue-Special Assessments	111,574		12,517	124,091
Unavailable Revenue-Revenue not Collected within 60 days	31,965			31,965
Total Deferred Inflows of Resources	\$ 147,218	\$ 1,213	\$ 12,517	\$ 160,948
FUND BALANCES				
Nonspendable:				
Prepaid Items	\$ 286,497		\$ 1,253	\$ 287,750
Restricted for:				
Public Safety	86,273			86,273
Public Works	133,690			133,690
Culture and Recreation	284,990			284,990
Urban Redevelopment and Housing	1,580,528			1,580,528
Debt Service		181,108		181,108
Capital Projects			956,660	956,660
Committed for:				
General Government	350,275			350,275
Public Safety	272,270			272,270
Public Works	937,500			937,500
Urban Redevelopment and Housing	468,546			468,546
Unassigned	(133,961)		(61,353)	(195,314)
Total Fund Balances	\$ 4,266,608	\$ 181,108	\$ 896,560	\$ 5,344,276
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 4,591,697	\$ 182,321	\$ 1,006,905	\$ 5,780,923

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2015**

	Highway Distribution	Hub City	City's Share of Special Assessments	City Visitors' Promotion	Alarm- Equipment Reserve	Public Transportation System	.75% City Sales Tax	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		\$ 750,000	\$ 344,190	\$ 35,579	\$ 65,157			\$ 205,567	\$ 92,884	\$ 468,426	\$ 1,574,752				\$ 3,536,555
Taxes Receivable			2,019			2,350									4,369
Accounts Receivable (net of allowance)					2,370										2,370
Special Assessments Receivable			5,764		1,056									126,775	133,595
Intergovernmental Receivable	133,690	187,500		4,855			112,434		23,799			11,410	12,355		486,043
Interfund Receivable										5,776					5,776
Prepaid Expenses								240,000	44,220			2,277			286,497
Cash and Cash Equivalents-Restricted							136,492								136,492
Total Assets	\$ 133,690	\$ 937,500	\$ 351,973	\$ 40,434	\$ 68,583	\$ 2,350	\$ 248,926	\$ 445,567	\$ 160,903	\$ 468,426	\$ 1,580,528	\$ 13,687	\$ 12,355	\$ 126,775	\$ 4,591,697
LIABILITIES															
Accounts Payable				4,370	681	369		38	10,800			5,314		5,400	26,972
Interfund Payable												5,776	12,355	132,463	150,594
Prepaid Revenues					105					200					305
Total Liabilities	\$ -	\$ -	\$ -	\$ 4,370	\$ 786	\$ 369	\$ -	\$ 38	\$ 10,800	\$ 200	\$ -	\$ 11,090	\$ 12,355	\$ 137,863	\$ 177,871
DEFERRED INFLOWS OF RESOURCES															
Unavailable Revenue-Property Taxes			1,698			1,981									3,679
Unavailable Revenue-Special Assessments					1,056									110,518	111,574
Unavailable Revenue-Revenue not Collected within 60 days									19,610				12,355		31,965
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 1,698	\$ -	\$ 1,056	\$ 1,981	\$ -	\$ -	\$ 19,610	\$ -	\$ -	\$ -	\$ 12,355	\$ 110,518	\$ 147,218
FUND BALANCES															
Nonspendable:															
Prepaid Expenses								240,000	44,220			2,277			286,497
Restricted for:															
Public Safety									86,273						86,273
Public Works	133,690														133,690
Culture and Recreation				36,064			248,926								284,990
Urban Redevelopment and Housing										1,580,528					1,580,528
Committed for:															
General Government			350,275												350,275
Public Safety					66,741			205,529							272,270
Public Works		937,500													937,500
Urban Redevelopment and Housing										468,226		320			468,546
Unassigned													(12,355)	(121,606)	(133,961)
Total Fund Balances	\$ 133,690	\$ 937,500	\$ 350,275	\$ 36,064	\$ 66,741	\$ -	\$ 248,926	\$ 445,529	\$ 130,493	\$ 468,226	\$ 1,580,528	\$ 2,597	\$ (12,355)	\$ (121,606)	\$ 4,266,608
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 133,690	\$ 937,500	\$ 351,973	\$ 40,434	\$ 68,583	\$ 2,350	\$ 248,926	\$ 445,567	\$ 160,903	\$ 468,426	\$ 1,580,528	\$ 13,687	\$ 12,355	\$ 126,775	\$ 4,591,697

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR DEBT SERVICE FUNDS
DECEMBER 31, 2015**

	Mandan Community Center Revenue Bonds of 2005	Liberty Memorial Bridge General Obligation Bonds	Total Nonmajor Debt Service Funds
ASSETS			
Cash and Cash Equivalents	\$	\$ 39,381	\$ 39,381
Taxes Receivable		1,440	1,440
Cash and Cash Equivalents-Restricted	141,500		141,500
Total Assets	\$ 141,500	\$ 40,821	\$ 182,321
DEFERRED INFLOWS OF RESOURCES			
Unavailable Revenue - Property Taxes	\$	\$ 1,213	\$ 1,213
Total Liabilities	\$ -	\$ 1,213	\$ 1,213
FUND BALANCES			
Restricted for:			
Debt Service	\$ 141,500	\$ 39,608	\$ 181,108
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ 141,500	\$ 40,821	\$ 182,321

**CITY OF MANDAN, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECTS FUNDS
DECEMBER 31, 2015**

	Bike Path Construction	City Visitor's Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Total Nonmajor Capital Projects Funds
ASSETS				
Cash and Cash Equivalents	\$	\$ 961,286	\$	\$ 961,286
Intergovernmental Receivable		31,803		31,803
Special Assessment Receivable			12,563	12,563
Prepaid Expenses		1,253		1,253
Total Assets	\$ -	\$ 994,342	\$ 12,563	\$ 1,006,905
LIABILITIES				
Accounts Payable	\$ 12,018	\$ 16,769	\$	\$ 28,787
Retainage Payable		19,060		19,060
Interfund Payable	3,786		45,595	49,381
Prepaid Revenue		600		600
Total Liabilities	\$ 15,804	\$ 36,429	\$ 45,595	\$ 97,828
DEFERRED INFLOWS OF RESOURCES				
Unavailable Revenue- Special Assessments	\$	\$	\$ 12,517	\$ 12,517
Total Deferred Inflows of Resources	\$ -	\$ -	\$ 12,517	\$ 12,517
FUND BALANCES				
Nonspendable:				
Prepaid Items	\$	\$ 1,253	\$	\$ 1,253
Restricted for:				
Capital Projects		956,660		956,660
Unassigned	(15,804)		(45,549)	(61,353)
Total Fund Balances	\$ (15,804)	\$ 957,913	\$ (45,549)	\$ 896,560
Total Liabilities, Deferred Inflows of Resources and Fund Balances	\$ -	\$ 994,342	\$ 12,563	\$ 1,006,905

CITY OF MANDAN, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED DECEMBER 31, 2015

	Special Revenue Funds	Debt Service Funds	Capital Projects Funds	Total Nonmajor Governmental Funds
REVENUES				
Taxes	\$ 507,307	\$ 65,486	\$ 419,682	\$ 992,475
Intergovernmental	2,509,401	1,909		2,511,310
Charges for Services	21,655		4,312	25,967
Fines and Forfeits	56,078			56,078
Special Assessments	241,093		47	241,140
Interest	3,713			3,713
Rent	1,000		12,480	13,480
Miscellaneous	62,179			62,179
Total Revenues	\$ 3,402,426	\$ 67,395	\$ 436,521	\$ 3,906,342
EXPENDITURES				
Current:				
General Government	\$ 216,913	\$	\$	216,913
Public Safety	353,005			353,005
Public Works	48,508		3,921	52,429
Culture and Recreation	51,341		182,698	234,039
Urban Redevelopment and Housing	69,601			69,601
Debt Service:				
Principal		150,000		150,000
Interest		50,730		50,730
Service Charges		2,318		2,318
Capital Outlay	73,250		185,851	259,101
Total Expenditures	\$ 812,618	\$ 203,048	\$ 372,470	\$ 1,388,136
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 2,589,808	\$ (135,653)	\$ 64,051	\$ 2,518,206
OTHER FINANCING SOURCES (USES)				
Transfers In	\$ 62,488	\$ 141,067	\$ 19,438	\$ 222,993
Transfers Out	(1,533,091)			(1,533,091)
Total Other Financing Sources and Uses	\$ (1,470,603)	\$ 141,067	\$ 19,438	\$ (1,310,098)
Net Change in Fund Balances	\$ 1,119,205	\$ 5,414	\$ 83,489	\$ 1,208,108
Fund Balances - January 1	\$ 3,147,403	\$ 175,694	\$ 813,071	\$ 4,136,168
Fund Balances - December 31	\$ 4,266,608	\$ 181,108	\$ 896,560	\$ 5,344,276

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, 2015

	Highway Distribution	Hub City	City's Share of Special Assessments	City Visitors' Promotion	Alarm- Equipment Reserve	Public Transportation System	0.75% City Sales Tax	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			\$ 89,794	\$ 57,046		\$ 111,541	\$ 248,926	\$ 183,041	\$ 154,268						\$ 507,307
Intergovernmental	\$ 1,228,739	\$ 937,500	\$ 2,629			\$ 3,224									\$ 2,509,401
Charges for Services					17,915				56,078					3,740	\$ 21,655
Fines and Forfeits															\$ 56,078
Special Assessments			185,298		347									55,448	\$ 241,093
Interest											3,713				\$ 3,713
Rent										1,000					\$ 1,000
Miscellaneous								800				61,379			\$ 62,179
Total Revenues	\$ 1,228,739	\$ 937,500	\$ 277,721	\$ 57,046	\$ 18,262	\$ 114,765	\$ 248,926	\$ 183,841	\$ 210,346	\$ 1,000	\$ 3,713	\$ 61,379	\$ -	\$ 59,188	\$ 3,402,426
EXPENDITURES															
Current:															
General Government			\$ 102,148			\$ 114,765									\$ 216,913
Public Safety					22,761			19,038	311,206						\$ 353,005
Public Works													2,100	46,408	\$ 48,508
Culture and Recreation				51,341											\$ 51,341
Urban Redevelopment and Housing										8,995	1,966	58,640			\$ 69,601
Capital Outlay	28,761							33,789		10,700					\$ 73,250
Total Expenditures	\$ 28,761	\$ -	\$ 102,148	\$ 51,341	\$ 22,761	\$ 114,765	\$ -	\$ 52,827	\$ 311,206	\$ 19,695	\$ 1,966	\$ 58,640	\$ 2,100	\$ 46,408	\$ 812,618
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ 1,199,978	\$ 937,500	\$ 175,573	\$ 5,705	\$ (4,499)	\$ -	\$ 248,926	\$ 131,014	\$ (100,860)	\$ (18,695)	\$ 1,747	\$ 2,739	\$ (2,100)	\$ 12,780	\$ 2,589,808
OTHER FINANCING SOURCES (USES)															
Transfers In								\$ 50,000	\$ 7,236				\$ 5,252	\$ -	\$ 62,488
Transfers Out	(1,484,585)		(17,772)						(20,000)					(10,734)	(1,533,091)
Total Other Financing Sources and Uses	\$ (1,484,585)	\$ -	\$ (17,772)	\$ -	\$ -	\$ -	\$ -	\$ 50,000	\$ (12,764)	\$ -	\$ -	\$ -	\$ 5,252	\$ (10,734)	\$ (1,470,603)
Net Change in Fund Balances	\$ (284,607)	\$ 937,500	\$ 157,801	\$ 5,705	\$ (4,499)	\$ -	\$ 248,926	\$ 181,014	\$ (113,624)	\$ (18,695)	\$ 1,747	\$ 2,739	\$ 3,152	\$ 2,046	\$ 1,119,205
Fund Balances - January 1	\$ 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
Fund Balances - December 31	\$ 133,690	\$ 937,500	\$ 350,275	\$ 36,064	\$ 66,741	\$ -	\$ 248,926	\$ 445,529	\$ 130,493	\$ 468,226	\$ 1,580,528	\$ 2,597	\$ (12,355)	\$ (121,606)	\$ 4,266,608

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, 2015

	Mandan Community Center Revenue Bonds of 2005	Liberty Memorial Bridge General Obligation Bonds	Total Nonmajor Debt Service Funds
REVENUES			
Taxes	\$	\$ 65,486	\$ 65,486
Intergovernmental		1,909	1,909
Total Revenues	\$ -	\$ 67,395	\$ 67,395
EXPENDITURES			
Debt Service:			
Principal	\$ 115,000	\$ 35,000	\$ 150,000
Interest	24,975	25,755	50,730
Service Charges	1,092	1,226	2,318
Total Expenditures	\$ 141,067	\$ 61,981	\$ 203,048
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (141,067)	\$ 5,414	\$ (135,653)
OTHER FINANCING SOURCES (USES)			
Transfers In	\$ 141,067	\$	\$ 141,067
Total Other Financing Sources (Uses)	\$ 141,067	\$ -	\$ 141,067
Net Change in Fund Balances	\$ -	\$ 5,414	\$ 5,414
Fund Balances - January 1	\$ 141,500	\$ 34,194	\$ 175,694
Fund Balances - December 31	\$ 141,500	\$ 39,608	\$ 181,108

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, 2015

	Bike Path Construction	City Visitors' Promotion Capital Construction	Sidewalk, Curb and Gutter Construction	Total Nonmajor Capital Projects Funds
REVENUES				
Taxes	\$	\$ 419,682	\$	\$ 419,682
Charges for Services			4,312	4,312
Special Assessments			47	47
Rent		12,480		12,480
Total Revenues	\$ -	\$ 432,162	\$ 4,359	\$ 436,521
EXPENDITURES				
Current:				
Public Works	\$		3,921	\$ 3,921
Culture and Recreation	15,804	166,894		182,698
Capital Outlay		129,177	56,674	185,851
Total Expenditures	\$ 15,804	\$ 296,071	\$ 60,595	\$ 372,470
Excess (Deficiency) of Revenues Over (Under) Expenditures	\$ (15,804)	\$ 136,091	\$ (56,236)	\$ 64,051
OTHER FINANCING SOURCES (USES)				
Transfers In	\$	\$	\$ 19,438	\$ 19,438
Total Other Financing Sources and Uses	\$ -	\$ -	\$ 19,438	\$ 19,438
Net Change in Fund Balances	\$ (15,804)	\$ 136,091	\$ (36,798)	\$ 83,489
Fund Balances - January 1	\$ -	\$ 821,822	\$ (8,751)	\$ 813,071
Fund Balances - December 31	\$ (15,804)	\$ 957,913	\$ (45,549)	\$ 896,560