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**Comprehensive  
Annual  
Financial  
Report**

**City of Minot, North Dakota**  
For the Fiscal Year Ended December 31, 2012

**Prepared By**  
The Finance Department  
Cindy K. Hemphill, Finance Director

**City of Minot, North Dakota**  
**Comprehensive Annual Financial Report**  
**For the Fiscal Year Ended December 31, 2012**

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# City of Minot

## Finance Department

May 3, 2013

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

Ladies and Gentlemen,

The City Council requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2012. The City Finance Department prepares this set of financial statements in conformity with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

As management, we assert, to the best of our knowledge and belief, these financial statements are

complete and reliable in all material respects.

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2012 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor's report has been included as the first component of the financial section of this report.

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

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

### *Profile of the City of Minot*

The City, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 24.29 square miles and serves a population of 40,888. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2012 was approximately \$522 million. During 2012, the Minot Air Force Base had nearly \$115 million in

## The Honorable Mayor, City Council and City Manager

construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,807 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2012, the property valuations for building permits increased by over \$137 million compared to 2011. The majority of the increases were due to the following: new residential buildings increased by \$70.8 million; new nonresidential buildings increased by \$40.4 million primarily due to the new Ramstad Middle School building; residential remodels and additions grew by \$17.4 million; and commercial and nonresidential remodels and additions increased by \$7.7 million. The City has had a healthy level of growth in property values and the citizens voted to have the 2<sup>nd</sup> penny of sales tax collections reallocated from Northwest Area Water Supply (NAWS) with a portion allocated to property tax relief in 2011, which has continued to enable the City to reduce the number of mills levied.

In 1972, the citizens of the City voted to operate under a Home Rule Charter, with a council-manager form of government. Policy-making and legislative authority vest in a city council consisting of the mayor and 14 council members. The City Council is responsible, among other things, for passing ordinances, adopting the budget, appointing committees, and hiring both the city manager and city attorney. The city manager is responsible for carrying out the policies and ordinances of the council, and for overseeing the day-to-day operations of the city government. The council is elected on a non-partisan basis. Council members serve four-year staggered terms, with seven council members elected every two years by ward. The mayor is elected to serve a four-year term and is elected at large.

The City provides a full range of services contemplated by statute or charter. This includes police and fire protection, the construction and maintenance of highways, streets, and other

infrastructure, sanitation, planning and community development, water and sewer, cemetery, airport, and general administrative services necessary to serve the citizens of the City.

The annual budget serves as the foundation for the City's financial planning and control. All departments and agencies submit requests for appropriations to the city manager in June of each year for the ensuing year's budget, which begins January 1. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented on pages 24 through 27 as part of the basic financial statements for the governmental funds. For nonmajor governmental funds, other than the general fund, with appropriated annual budgets, this comparison is in the governmental fund subsection of this report, beginning on page 69.

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

The information presented in the financial statements is best understood when it is considered from the broader perspective of the specific environment within which the City operates.

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

<b>Sales Tax Collections</b>		<b>Property Tax Levied</b>	
2008	\$ 14,639,441	2008	\$ 10,329,502
2009	14,845,915	2009	10,895,992
2010	17,200,391	2010	11,453,689
2011	21,612,185	2011	12,736,802
2012	26,705,354	2012	9,408,148

During 2011, the City incurred the worst flooding in history. Despite the millions of dollars in damages, the financial position of the City remains sound with management continuing to administer the financial policies established by the City Council in a prudent and effective manner as shown in the table on pages

## The Honorable Mayor, City Council and City Manager

VI. A continuation of that cooperative effort will assure the citizens a healthy future.

### **Assets, Liabilities and Net Position Per Capita**

Population	Total		Net Position
	Assets	Liabilities	
2008 36,567	\$ 6,684	\$ 1,379	\$ 5,305
2009 36,567	6,942	1,331	5,610
2010 40,888	6,470	1,071	5,398
2011 40,888	7,205	1,200	6,005
2012 40,888	8,970	1,194	7,776

### **Expenses and Program Revenues Per Capita**

Population	Charges for Services				Change in Net Position
	Expenses	Operating Grants and Contributions	Capital Grants and Contributions	Change in Net Position	
2008 36,567	\$ 1,425	\$ 592	\$ 38	\$ 424	\$ 502
2009 36,567	1,499	607	88	250	305
2010 40,888	1,274	575	66	168	381
2011 40,888	1,553	743	187	171	607
2012 40,888	1,702	897	308	1,144	1,770

### **Ratio of Net Position to Expenses**

	Governmental Activities	Business-Type Activities
2008	3.70	3.78
2009	3.66	3.92
2010	4.29	4.13
2011	3.97	3.67
2012	4.35	5.02

**Long-Term Financial Planning.** The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves have been capped by the Finance Director effective September 30, 2011 in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund that received a 1% dedicated sales tax. These cash reserves will allow continued funding of the NAWS project rather than issuing debt for the project. The NAWS project will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future. The project is pending determination of where the treatment of the water will take place. The project will extend to Northwest North Dakota. The voters opted to continue collecting the 1% sales tax, formerly for NAWS, and dedicate 30% to property tax relief, 40% to infrastructure projects and 30% to community facilities. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to the project.

The City of Minot is also the recipient of two separate allocations of funding from the U.S. Department of Housing and Urban Development Community Block Grant – Disaster Recovery Funds. The first allocation was in April 2012 for \$67,575,964. The second allocation was in April 2013 for \$35,056,000. The first allocation is considered “no year funds”, which means there is not a date by which the funds must be spent. However, the City has completed an Action Plan, which has been approved by the City Council for expenditure for the funds to include housing rehabilitation, reconstruction, new homes, and public infrastructure. The second allocation has not been obligated at this time. However, those funds, once allocated must be spent in two years. The City of Minot is also anticipating a grant from the Federal Emergency Management Agency (FEMA) for a hazard mitigation project of approximately \$22 million for mitigation of the water treatment plant. In addition, there is the expectation the City will receive a supplemental disaster recovery grant from the Economic Development Agency (EDA) for approximately \$18 million to replace the infrastructure in downtown Minot. The preceding two grants have not been awarded but have been applied for from the two agencies.

The City has completed several major highway projects in recent years with additional projects planned for 2013. Other projects planned for the future include water and sewer, storm sewer, and special assessment projects. These projects will be funded with debt, thereby increasing the per capita debt. The per capita debt is deceiving in that not all the debt service payments will be paid through general property taxes but rather with dedicated revenue sources to fund portions of each of these projects.

**Awards.** The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the City of Minot for its' Comprehensive Annual Financial Report for the fiscal year ended December 31, 2011. This was the 33<sup>rd</sup> consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting

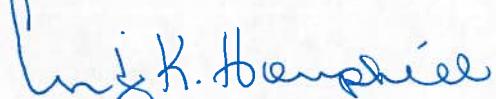
The Honorable Mayor, City Council and City Manager

principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current comprehensive annual financial report continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the Government Finance Officers Association to determine its eligibility for another certificate.

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

Respectfully submitted,



Cindy K. Hemphill  
Finance Director

# Certificate of Achievement for Excellence in Financial Reporting

Presented to

**City of Minot  
North Dakota**

For its Comprehensive Annual  
Financial Report  
for the Fiscal Year Ended  
December 31, 2011

A Certificate of Achievement for Excellence in Financial Reporting is presented by the Government Finance Officers Association of the United States and Canada to government units and public employee retirement systems whose comprehensive annual financial reports (CAFRs) achieve the highest standards in government accounting and financial reporting.

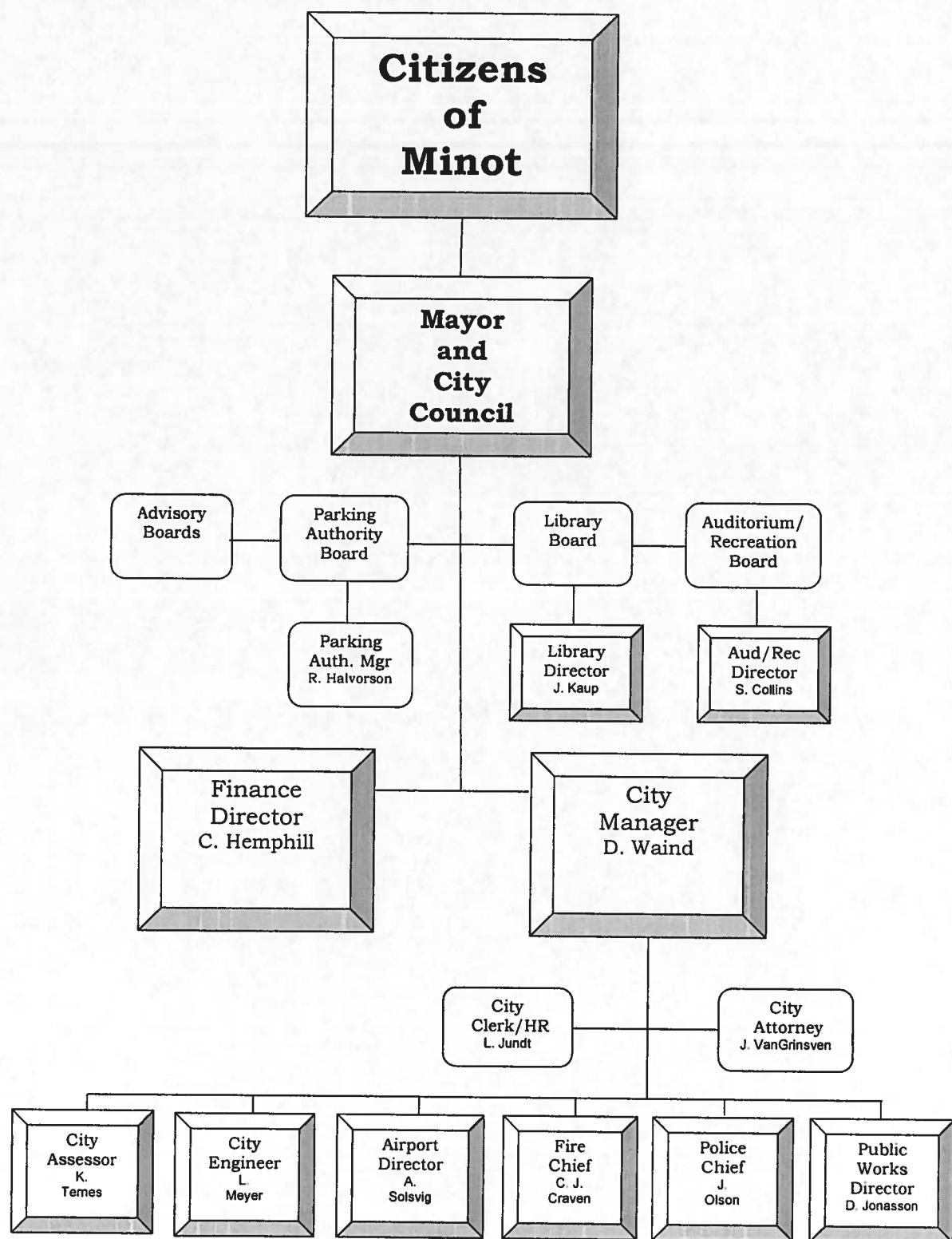


*Christopher P. Morrell*  
President

*Jeffrey P. Evans*  
Executive Director

# City of Minot

## Organizational Chart



## **Elected and Appointed Officials**

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

Mayor ..... Curt Zimbelman

#### **Members of the City Council**

Ward 1:..... Larry Frey  
Dave Lehner

Ward 2:..... Bob Miller  
George Withus

Ward 3:..... Jim Hatlelid - President  
Dean A. Frantsvog

Ward 4:..... Amy Moen  
Milton Miller

Ward 5:..... Tom Seymour  
Scott Knudsvig

Ward 6:..... Mark Jantzer  
Blake Krabseth – Vice President

Ward 7:..... Kevin Connole  
Lisa Olson



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## Independent Auditor's Report

Honorable Mayor and City Council  
City of Minot  
Minot, 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 Minot, North Dakota as of and for the year ended December 31, 2012, 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 an opinion 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 Audit 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.

### 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 Minot, North Dakota, as of December 31, 2012, and the respective changes in financial position and, where, applicable, cash flows thereof and the budgetary comparison for the General Fund, Sales Tax NAWS Fund and the Community Development Block Grant – Disaster Recovery fund, for the year then ended in accordance with accounting principles generally accepted in the United States of America.

## Other Matters

### Report on Summarized Comparative Information

We have previously audited the City's 2011 financial statements, and we expressed an unmodified audit opinion on those financial statements in our report dated April 16, 2012. In our opinion, the summarized comparative information on the respective financial statements presented herein as of and for the year ended December 31, 2011 is consistent, in all material respects with the audited financial statements from which it has been derived.

### Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion on pages 3 through 12 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 inquires of Management about the methods or preparing the information and comparing the information for consistency with management's responses to our inquires, 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 compromise the City of Minot, North Dakota's basic financial statements. The introductory section, combining and individual non-major fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by U.S. Office of Management and Budget Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*, and is also not a required part of the basic financial statements.

The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards 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 and individual nonmajor fund financial statements and the schedule of expenditures of federal awards is fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory section and statistical tables have 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 a report dated May 3, 2013 on our consideration of the City of Minot's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements, and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the 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 Minot's internal control over financial reporting and compliance.



Bismarck, North Dakota  
May 3, 2013

Management's

Discussion

and

Analysis

**City of Minot**  
**Comprehensive Annual Financial Report**  
**December 31, 2012**

**Management's Discussion and Analysis**

As management of the City of Minot, we are pleased to offer readers of the City of Minot's financial statements this narrative overview and analysis of the City's financial activities for the fiscal year ended December 31, 2012, with comparative data for the fiscal year ended December 31, 2011. We encourage readers to consider it in conjunction with the additional information presented in the accompanying letter of transmittal, the basic financial statements, the fund financial statements, and the notes to the financial statements.

**FINANCIAL HIGHLIGHTS**

- During 2011, the City incurred the worst flooding in history. Despite the millions of dollars in damages, the financial position of the City remains sound with Federal Emergency Management Agency (FEMA) contributing 90% to qualifying flood costs, the North Dakota Department of Emergency Services contributing 7%, and the City providing 3%.
- The net position of the City increased by nearly \$72.4 million or 29.5%. This increase was primarily due to an increase in operating and capital grants of over \$4.9 million and over \$39.7 million, respectively. The majority of the grants were for infrastructure improvements as flooded citizen's move out of the valley and the oil boom continues to bring more people and businesses to the area. In addition, the charges for services increased by \$6.3 million due to rate and usage increases. The net position of governmental activities increased by nearly \$36.3 million or 21.8% and net position of business type activities increased by over \$36.1 million or 45.4%.
- Total cost of all programs was \$69.5 million. This is an increase of over \$6.0 million from 2011. The general government increased by nearly \$2.3 million with \$2.3 million of the difference being due to an increase in budget appropriated expenditures from year to year. Highways and streets increased by \$2.1 million due to an increase in budgeted expenditures of nearly \$2 million due to the flood and increased traffic on aging roads.
- The unassigned fund balance for the General Fund was nearly \$16.2 million or

74.8% of the total general fund expenditures. This is an increase from 2011 of nearly \$5.7 million.

**OVERVIEW OF FINANCIAL STATEMENTS**

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

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

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

**Government-Wide Financial Statements**

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

The Statement of Net Position presents information on all the City's assets 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 is improving or deteriorating.

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

**City of Minot**  
**Comprehensive Annual Financial Report**  
**December 31, 2012**

**Management's Discussion and Analysis**

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

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

The government-wide financial statements begin on page 14.

**Fund Financial Statements**

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

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

**Governmental Funds.** Governmental funds account for essentially the same functions reported as governmental activities in the government-wide financial statements. The governmental fund statements provide a detailed short-term view of the government operations and the basic services it provides, and are reported on the modified accrual basis of accounting which focuses on available spendable resources. This allows the reader to evaluate the City's short-term financing requirements. Because the focus of governmental funds is narrower than the government-wide financial statements, it is useful to compare the information presented for governmental funds

with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements. The City maintains 27 individual governmental funds. The City presents separate information in the governmental fund balance sheet and statement of revenues, expenditures, and changes in fund balances for the general fund, and the following major funds: sales tax NAWS, Community Development Block Grant-Disaster Recovery, special assessment debt service, and capital purchases. Data from the other governmental funds are combined in a single, aggregate presentation. Combining statements provide individual fund data for each of these nonmajor governmental funds, which begin on page 60.

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

The governmental fund financial statements begin on page 16.

**Proprietary Funds.** The City maintains two types of proprietary funds, enterprise and internal service. Enterprise funds report activities that charge for services provided to outside customers. The enterprise funds are business-type activities in the government-wide statements. The City uses enterprise funds to account for its Airport, Sanitation, and Water and Sewer operations, as major funds, and its Cemetery and Parking Authority operations, as nonmajor funds. Internal Service funds report activities that provide supplies and services to other City programs and activities. The City of Minot uses internal service funds to account for its central garage and for the self-funded insurance program. Because these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

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**Management's Discussion and Analysis**

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. The City combines both internal service funds in a single, aggregate presentation in the proprietary fund financial statements. The City provides individual fund data for the nonmajor proprietary funds in the form of combining statements, which begin on page 94. Individual fund data for the internal service funds are also in the form of combining statements beginning on page 98. The basic proprietary fund statements begin on page 28.

**Fiduciary Funds.** Fiduciary funds account for resources held for the benefit of parties outside the government. The City is a trustee for its employees' pension and other post-employment benefit plans. It is also responsible for other assets held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City reports fiduciary activities in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities have been excluded from the City's other financial statements since the City cannot use these assets to finance its operations. The accounting used for fiduciary funds is similar to proprietary funds. The basic fiduciary fund statements begin on page 34.

**Notes to the Financial Statements**

The notes provide additional information essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements are on pages 36-56 of this report.

The City presents combining statements referred

to earlier in connection with nonmajor governmental funds and internal service funds immediately following the notes to the financial statements. Combining and individual fund statements and schedules are on pages 60-110 of this report.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following two table's present condensed information on the City's Net Position and Changes in Net Position for the fiscal year ended December 31, 2012, with comparative data for the fiscal year ended December 31, 2011. Assets exceeded liabilities by \$317,941,438 at the close of the most recent fiscal year.

The largest portion of the City of Minot's net position (61.3%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, intangibles, and books); less any related debt used to acquire those assets that are still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City reports investment in capital assets net of related debt, the resources needed to repay this debt comes from other sources, since the City cannot liquidate the capital assets to pay the liabilities.

A portion of the City's net position (14.7%) represents resources subject to external restrictions on how they may be used. Restricted net position includes amounts restricted for debt service \$4,696,671, for passenger facility charges not spent \$1,041,086, for sales tax property tax relief \$2,951,612, for highway project \$3,802, for economic development

**Net Position**

	<b>Governmental Activities</b>		<b>Business-Type Activities</b>		<b>Total</b>	
	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>	<b>2012</b>	<b>2011</b>
Current and other assets	\$ 105,676,663	\$ 92,749,100	\$ 26,173,475	\$ 20,805,762	\$ 131,850,138	\$ 113,554,862
Capital assets	119,365,272	97,369,001	115,542,046	83,675,602	234,907,318	181,044,603
Total assets	225,041,935	190,118,101	141,715,521	104,481,364	366,757,456	294,599,465
Long-term debt outstanding	15,802,665	16,333,543	20,530,430	20,297,925	36,333,095	36,631,468
Other liabilities	6,959,198	7,758,682	5,523,725	4,658,675	12,482,923	12,417,357
Total liabilities	22,761,863	24,092,225	26,054,155	24,956,600	48,816,018	49,048,825
Net position						
Invested in capital assets, net of related debt	101,542,579	81,010,769	93,309,610	62,782,830	194,852,189	143,793,599
Restricted net position	42,066,478	46,791,659	4,838,998	3,913,974	46,905,476	50,705,633
Unrestricted net position	58,671,015	38,223,448	17,512,758	12,827,960	76,183,773	51,051,408
Total net position	\$ 202,280,072	\$ 166,025,876	\$ 115,661,366	\$ 79,524,764	\$ 317,941,438	\$ 245,550,640

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projects \$1,086,131, for the NAWS project \$35,085,324, for flood control \$1,962,268, and for other purposes \$78,582. The unrestricted net position of \$76,183,773 is to meet the government's ongoing obligations to citizens and creditors.

At the end of 2012, the City is able to report positive balances in all three categories of net position, both for the government as a whole, as well as for governmental and business-type activities.

**Changes in Net Position.** The City's net position increased \$72,390,798 during 2012. The majority of this increase was due to an increase in program revenues of nearly \$51.0 million.

**Governmental Activities. Governmental**

program revenues increased over \$23.1 million due to operating and capital grants and contributions increasing by \$4.6 million and

\$15.5 million over 2011. The charges for services also increased by \$3.0 million. Governmental program expenses increased by nearly \$4.7 million due to increases in budgeted appropriations in general government of \$2.3 million and highways and streets of \$2.1 million.

**Business-Type Activities.** Business-type program revenues increased by \$27.8 million during 2012 due to increases in capital grants and contributions of nearly \$24.2 million and an increase in charges for services of \$3.3 million. Business-type program expenses increased by over \$1.3 in 2012 due to increases in expenses at the Minot International Airport of nearly \$1.2 due to the major increases in air travel related to the oil industry.

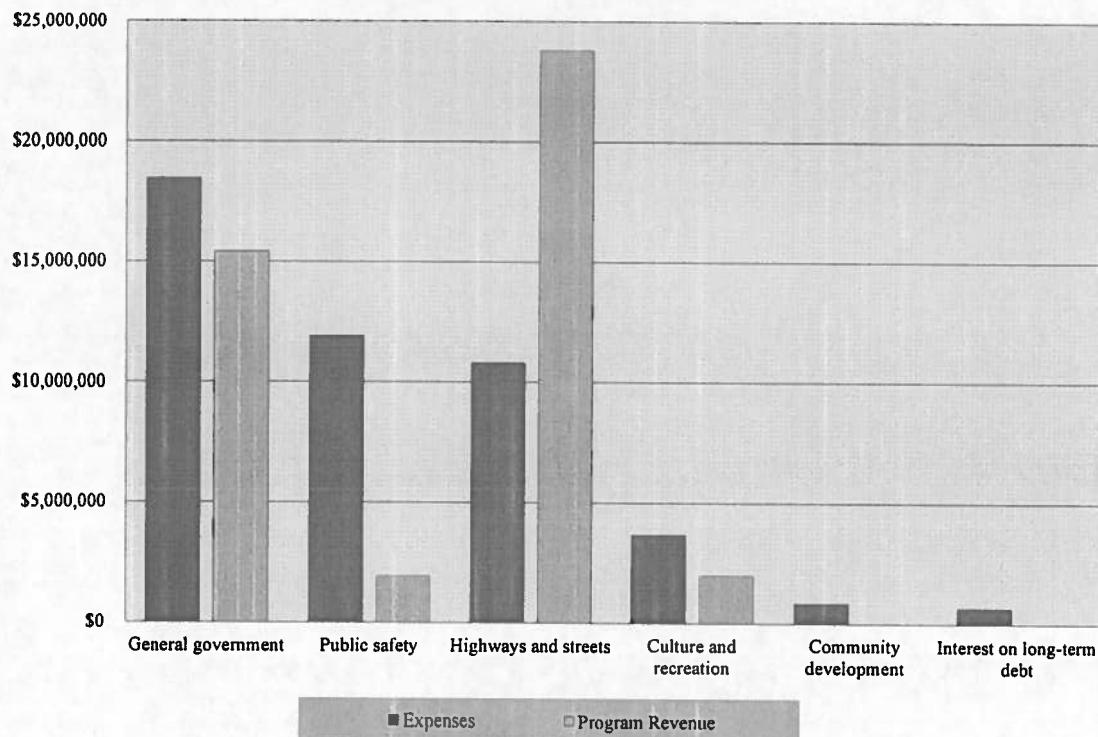
	Changes in Net Position					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
<b>Program Revenues</b>						
Charges for services	\$ 14,501,617	\$ 11,507,503	\$ 22,168,220	\$ 18,874,561	\$ 36,669,837	\$ 30,382,064
Operating grants and contributions	11,632,590	7,056,054	977,359	604,989	12,609,949	7,661,043
Capital grants and contributions	16,937,471	1,359,067	29,828,422	5,650,217	46,765,893	7,009,284
<b>General revenues</b>						
Taxes	43,315,264	38,419,541	687	589,579	43,315,951	39,009,120
Investment earnings	480,932	950,457	91,147	105,260	572,079	1,055,717
Miscellaneous	1,807,263	2,749,359	247,280	442,812	2,054,543	3,192,171
Total revenues	88,675,137	62,041,981	53,313,115	26,267,418	141,988,252	88,309,399
<b>Program Expenses</b>						
General government	18,663,226	16,286,125	-	-	18,663,226	16,286,125
Public safety	11,894,017	11,737,486	-	-	11,894,017	11,737,486
Highways and streets	10,786,782	8,673,395	-	-	10,786,782	8,673,395
Culture and recreation	3,682,272	3,605,205	-	-	3,682,272	3,605,205
Economic development	851,421	903,978	-	-	851,421	903,978
Interest on long-term debt	670,777	599,608	-	-	670,777	599,608
Airport	-	-	4,072,715	2,886,779	4,072,715	2,886,779
Cemetery	-	-	325,301	304,502	325,301	304,502
Parking authority	-	-	231,938	118,367	231,938	118,367
Sanitation	-	-	4,013,767	4,269,081	4,013,767	4,269,081
Water and sewer	-	-	14,405,238	14,102,005	14,405,238	14,102,005
Total expenses	46,548,495	41,805,797	23,048,959	21,680,734	69,597,454	63,486,531
Excess (deficiency) before transfers	42,126,642	20,236,184	30,264,156	4,586,684	72,390,798	24,822,868
Transfers	(5,872,446)	(4,276,666)	5,872,446	4,276,666	-	-
Change in net position	36,254,196	15,959,518	36,136,602	8,863,350	72,390,798	24,822,868
Net position, January 1	166,025,876	150,066,358	79,524,764	70,661,414	245,550,640	220,727,772
Net position, December 31	\$ 202,280,072	\$ 166,025,876	\$ 115,661,366	\$ 79,524,764	\$ 317,941,438	\$ 245,550,640

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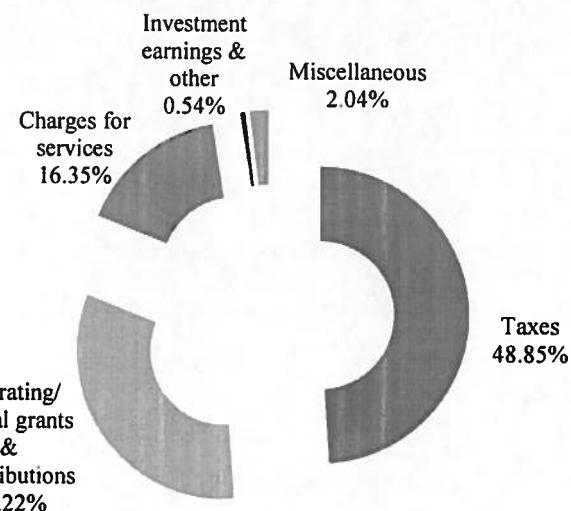
**Management's Discussion and Analysis**

The charts below summarize the City's revenues and expenses for both governmental and business-type activities.

**Expenses & Program Revenues  
Governmental Activities**



**Revenues by Source  
Governmental Activities**

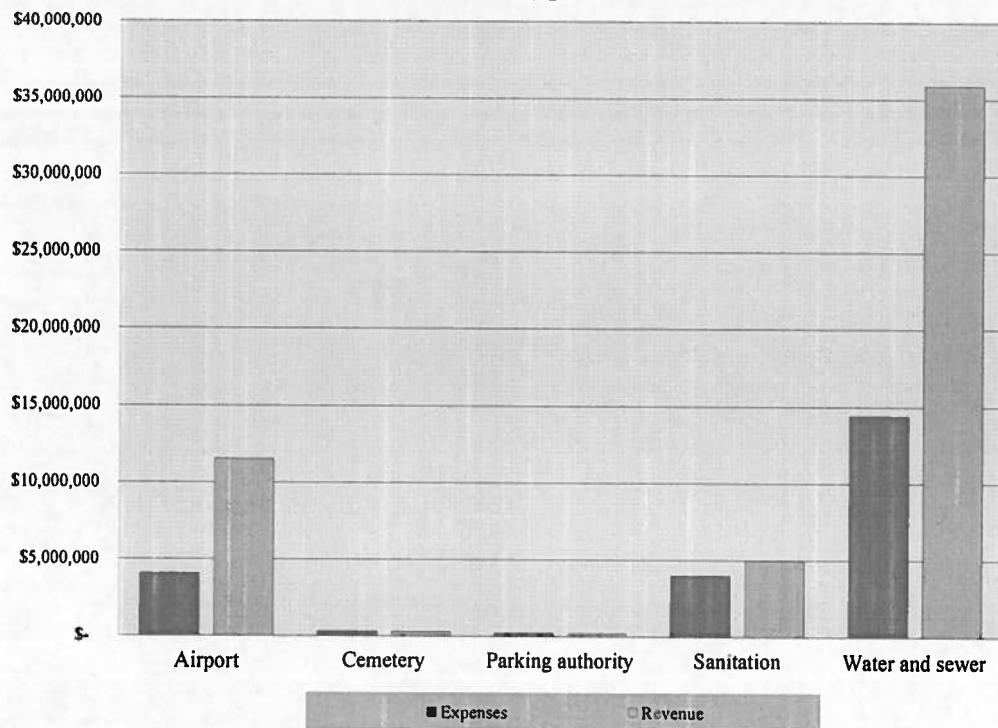


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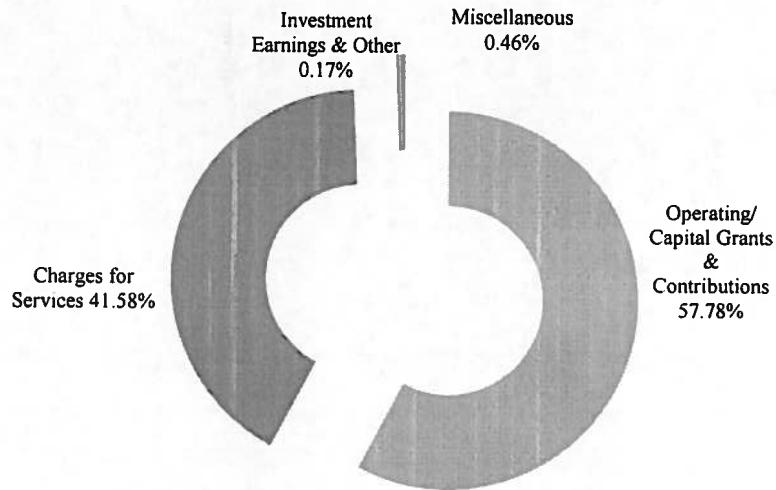
**Management's Discussion and Analysis**

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



**Revenues by Source  
Business-Type Activities**



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**Management's Discussion and Analysis**

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

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

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

As of the end of 2012, the City's governmental funds reported combined ending fund balances of over \$94.7 million, an increase of over \$12.6 million in comparison with 2011. Revenues for the period increased by nearly \$12.5 million due to an increase of \$8.9 million intergovernmental revenues and an increase in sales tax collections of \$5.1 million and a decrease in property tax collections of \$2.7 million while expenditures increased by \$16.6 million due primarily to home acquisitions from the 2011 flood damage along with increases in general government and highway and streets expenditures of \$1.8 million and \$1.7 million, respectively. The City also issued nearly \$1.9 million in special assessment bonds in 2012 to fund expenditures for a water and sewer district and paving districts. The City also refinanced two general obligation bond issues due to the low rates. The governmental funds nonspendable fund balance is \$959,061, restricted fund balance \$36,054,492, committed fund balance \$6,011,986, assigned fund balance \$37,150,430, and unassigned fund balance \$14,547,350.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unassigned fund balance of the general fund was \$16,184.502. As a measure of the general fund's liquidity, it may be useful to compare the unassigned fund balance to total fund expenditures. The unassigned fund balance

represents 74.8% of total general fund expenditures.

The City of Minot's general fund fund balance increased by \$5,611,849 during the current fiscal year. The main reason for this change was an increase in intergovernmental revenue due to the grants received to assist with the disaster recovery from the 2011 flood.

The **Sales Tax NAWS Fund** had a decrease in fund balance of nearly \$4.2 million due to the reallocation of sales tax collections to other purposes. The decrease represents the expenditures during the year.

The **Community Development Block Grant – Disaster Recovery Fund (CDBG-DR)** experienced no change in fund balance since the funds expended in the fund are reimbursed by the grant.

The **Special Assessment Debt Fund** decreased its fund balance by \$543,977 due to revenues being less than expenditures during 2012.

The **Capital Purchases Fund** increased by \$3.3 due to a transfer of \$3.0 million for an infrastructure project in downtown Minot.

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

Unrestricted net position at the end of the year for the major Enterprise Funds was \$17,540,587, of which Airport accounted for \$3,129,708, Sanitation \$4,945,618, Water and Sewer \$9,465,261 and the nonmajor funds accounted for \$341,715. Restricted net position was \$3,736,319 for bond covenants, \$1,041,086 for passenger facility charges not spent and \$61,593 for other purposes.

The change in net position for these funds was \$36.4 million. This change was due to an increase in charges for services of nearly \$3.6 million, an increase in intergovernmental revenues of over \$10.7 million and a net difference of over \$13.2 million in contributions.

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**Management's Discussion and Analysis**

**GENERAL FUND BUDGETARY  
HIGHLIGHTS**

The differences between the original budget and the final amended budget was an increase in revenues of \$2.1 million and an increase in expenditure appropriations of \$2.3 million. Differences between the final amended budget and actual amounts in the general fund consist of total revenues being \$4.0 million more than budgeted. The two areas with the largest difference from year to year include license and permits which increased nearly \$1.4 million and the state aid distribution which was \$1.4 million higher than budgeted. The building permits increased due to the growth Minot is experiencing and the state aid distribution increased due to an increase in sales tax collections by the state. The total general fund expenditures were over \$1.5 million less than budgeted. This resulted in total excess of revenues over expenditures being over \$2.0 million more than budgeted.

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

- Airport Access Control; Snow Removal Equipment; and ARFF Building
- Northwest Sewer Improvements
- 21<sup>st</sup> Ave NW Storm Sewer
- Eastside Water Tower
- Puppy Dog Sanitary Sewer
- Donations of infrastructure
- A variety of other street construction projects

Additional information on the City of Minot's capital assets can be found in Note 4. D on pages 44-45 of this report.

**CAPITAL ASSET AND DEBT  
ADMINISTRATION**

**Capital Assets.** The City's investment in capital assets for its governmental and business-type activities as of December 31, 2012, is \$234,907,318 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, intangibles, and books.

	Capital Assets (net of depreciation)					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
Land	\$ 16,295,431	\$ 6,657,345	\$ 5,035,626	\$ 3,534,039	\$ 21,331,057	\$ 10,191,384
Construction in progress	2,970,790	4,567,351	7,139,241	2,989,214	10,110,031	7,556,565
Buildings	6,824,933	7,184,874	4,312,004	3,631,400	11,136,937	10,816,274
Equipment	6,238,297	6,854,917	4,344,903	4,321,619	10,583,200	11,176,536
Infrastructure	85,984,140	70,966,304	94,641,861	69,164,387	180,626,001	140,130,691
Intangible assets	422,653	464,238	68,411	34,943	491,064	499,181
Books	629,028	673,972	-	-	629,028	673,972
<b>Total capital assets</b>	<b>\$ 119,365,272</b>	<b>\$ 97,369,001</b>	<b>\$ 115,542,046</b>	<b>\$ 83,675,602</b>	<b>\$ 234,907,318</b>	<b>\$ 181,044,603</b>

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**Management's Discussion and Analysis**

**Long-Term Debt.** At year-end, the City had total debt of \$41,994,831, an increase of \$1,479,938 over the prior year. Note 4. H on pages 47-49 of this report describes the City's long-term debt in detail.

	Outstanding Debt					
	Governmental Activities		Business-Type Activities		Total	
	2012	2011	2012	2011	2012	2011
General obligation bonds	\$ 8,390,000	\$ 11,480,000	\$ -	\$ -	\$ 8,390,000	\$ 11,480,000
Special assessment bonds	9,585,000	5,160,000	-	-	9,585,000	5,160,000
Revenue bonds	-	-	20,595,000	21,110,000	20,595,000	21,110,000
Unamortized premium	327,479	30,215	278,596	41,072	606,075	71,287
Unamortized discount	(36,511)	(45,207)	(43,739)	(65,943)	(80,250)	(111,150)
Notes payable	-	-	1,358,115	1,496,921	1,358,115	1,496,921
Capital leases	3,383	9,748	491,120	360,656	494,503	370,404
Compensated absences	831,998	742,722	214,390	194,709	1,046,388	937,431
Total outstanding debt	<b>\$ 19,101,349</b>	<b>\$ 17,377,478</b>	<b>\$ 22,893,482</b>	<b>\$ 23,137,415</b>	<b>\$ 41,994,831</b>	<b>\$ 40,514,893</b>

The City issued new debt for special assessment bonds of \$1,885,000 and water and sewer bonds of \$3,650,000. The City also refinanced the 2004A water and sewer bonds for \$1,955,000 and 2003B & 2006B general obligation bonds for \$2,900,000 due to the reduction in rates. The City received a rating of Aa2 from Moody's.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$126,682,969. The City's legal debt margin is \$118,803,074. The net bonded debt per capita is \$192.72.

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

Projects in 2012, which boosted the economy in Minot included, Minot Public Schools construction and remodel of two middle schools, two elementary school additions and remodels, for \$46.5 million; Northern Plains apartment building for \$10.9 million; Roer's Development, Inc. apartment buildings for \$10.0 million; North Hill Suites, LLC construction of a new hotel for \$6.8 million; Pace North Hill LLC grocery store for \$5.0 million; Gill Corporation construction of a new hotel for \$5.0 million; Gala II Properties, LLC construction of a new hotel for \$4.8 million; Artspace for \$4.7; Home of Economy new retail facility for \$4.5 million; Beyond Shelter, Inc. construct townhouses for \$4.0 million; IRET Properties construct a new commercial building for \$3.8 million and several other condos, apartment buildings, restaurants and business remodels.

During 2013, the City anticipates the oil industry will continue to boost the economy primarily due to the Bakken Formation.

The 2013 budget for the City of Minot includes an increase in the airport, sanitation, water and sewer rates. The value of a mill for the City increased from \$117,300,000 to \$143,500,000 per mill. The mill levy for the City of Minot's 2013 budget is 86.77 mills – compared to 81.03 mills in 2012, an increase of 5.74 mills. The increase in the mills is due to additional employees and equipment purchases budgeted for in 2013.

Total appropriations for operations for 2013 increased nearly \$91.4 million dollars from 2012. This 45.7% increase is due to the addition of the CDBG-DR fund which added \$57.6 million; the airport budget increased \$19.4 million due to capital projects; the general fund increased by \$5.2 million due to the addition of 22 employees and increase in maintenance costs.

**CONTACTING THE CITY'S FINANCIAL MANAGEMENT**

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

Basic  
Financial  
Statements

**City of Minot, North Dakota**  
**Statement of Net Position**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Governmental Activities	Business-Type Activities	Total 2012	Total 2011
<b>ASSETS</b>				
Cash and cash equivalents	\$ 42,824,894	\$ 16,509,943	\$ 59,334,837	\$ 44,321,038
Investments	30,138,037	-	30,138,037	28,899,225
Receivables				
Taxes receivable delinquent	155,110	2,671	157,781	244,416
Special assessments delinquent	36,160	1,365	37,525	25,023
Accounts receivable, net of allowance	2,051,289	2,436,159	4,487,448	4,909,548
Loans receivable, net of allowance	80,000	-	80,000	226,775
Intergovernmental receivable	9,520,483	2,301,723	11,822,206	8,932,142
Accrued interest receivable	8,099	-	8,099	13,194
Inventory	374,763	-	374,763	365,905
Prepaid	50,856	11,690	62,546	136,744
Other assets - capital credits	41,889	25,141	67,030	-
Negative net pension & OPEB obligation	2,162,097	-	2,162,097	1,537,412
Restricted cash and cash equivalents	15,039,752	4,838,998	19,878,750	20,600,750
Capital assets not being depreciated				
Land	16,295,431	5,035,626	21,331,057	10,191,384
Construction in progress	2,970,790	7,139,241	10,110,031	7,556,565
Capital assets net of accumulated depreciation				
Buildings	6,824,933	4,312,004	11,136,937	10,816,274
Equipment	6,238,297	4,344,903	10,583,200	11,176,536
Infrastructure	85,984,140	94,641,861	180,626,001	140,130,691
Intangible assets	422,653	68,411	491,064	499,181
Books	629,028	-	629,028	673,972
Special assessments deferred	3,156,723	2,047	3,158,770	3,004,533
Unamortized bond discounts	36,511	43,738	80,249	338,157
Total position	<u>\$ 225,041,935</u>	<u>\$ 141,715,521</u>	<u>\$ 366,757,456</u>	<u>\$ 294,599,465</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,448,824	\$ 1,686,286	\$ 4,135,110	\$ 3,857,074
Retainage payable	48,242	479,351	527,593	384,118
Internal balances	233,294	(233,294)	-	-
Accrued salaries payable	601,374	174,155	775,529	604,067
Insurance claims payable	121,892	-	121,892	144,988
Accrued interest payable	121,713	175,429	297,142	354,010
Customer deposits	48,664	143,802	192,466	111,289
Current debt - due within one year				
Special assessment debt with governmental commitment	10,783	-	10,783	19,049
Compensated absences	291,199	75,036	366,235	378,193
Capital leases payable	3,180	152,950	156,130	152,218
All other debt	2,489,031	2,388,100	4,877,131	5,136,097
Noncurrent debt - due after one year				
Special assessment debt with governmental commitment	17,732	-	17,732	64,430
Compensated absences	540,799	139,354	680,153	702,359
Capital leases payable	203	338,170	338,373	494,782
All other debt	15,784,933	19,843,612	35,628,545	36,006,341
Accrued MSWLF postclosure care costs	-	686,818	686,818	639,810
Unearned revenue	-	4,386	4,386	-
Total liabilities	<u>22,761,863</u>	<u>26,054,155</u>	<u>48,816,018</u>	<u>49,048,825</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	101,542,579	93,309,610	194,852,189	143,793,599
Restricted for:				
Debt service	960,352	3,736,319	4,696,671	5,089,904
Passenger facility charges not spent	-	1,041,086	1,041,086	-
Sales tax property tax relief	2,951,612	-	2,951,612	1,205,472
Highway projects	3,802	-	3,802	1,417,563
Economic development	1,086,131	-	1,086,131	2,126,312
Flood control	1,962,268	-	1,962,268	1,539,481
NAWS	35,085,324	-	35,085,324	39,271,885
Other purposes	16,989	61,593	78,582	55,016
Unrestricted net position	<u>58,671,015</u>	<u>17,512,758</u>	<u>76,183,773</u>	<u>51,051,408</u>
Total net position	<u>\$ 202,280,072</u>	<u>\$ 115,661,366</u>	<u>\$ 317,941,438</u>	<u>\$ 245,550,640</u>

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

**City of Minot, North Dakota**  
**Statement of Activities**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

Functions/Programs	Program Revenues						Net (Expense) Revenue and Changes in Net Position	
	Expenses	Operating		Capital		Governmental Activities	Business-Type Activities	Total 2012
		Charges For Services	Grants and Contributions	Grants and Contributions	Governmental Activities			
<b>Governmental Activities</b>								
General government	\$ 18,663,226	\$ 11,131,748	\$ 1,782,240	\$ 2,397,534	\$ (3,351,704)	\$ -	\$ (3,351,704)	\$ (958,201)
Public safety	11,894,017	1,344,251	338,479	268,620	(9,942,667)	-	(9,942,667)	(9,554,319)
Highways and streets	10,786,782	15,554	9,511,871	14,271,317	13,011,960	-	13,011,960	(7,418,927)
Culture and recreation	3,682,272	2,010,063	-	-	(1,672,209)	-	(1,672,209)	(2,448,140)
Community development	851,421	-	-	-	(851,421)	-	(851,421)	(903,978)
Interest on long-term debt	670,777	-	-	-	(670,777)	-	(670,777)	(599,608)
Total governmental activities	46,548,495	14,501,617	11,632,590	16,937,471	(3,476,817)	-	(3,476,817)	(21,883,173)
<b>Business-Type Activities</b>								
Airport	4,072,715	2,518,466	977,359	8,103,553	-	7,526,663	7,526,663	183,967
Cemetery	325,301	268,427	-	26,508	-	(30,366)	(30,366)	(32,078)
Parking authority	231,938	149,343	-	89,053	-	6,458	6,458	25,071
Sanitation	4,013,767	4,668,460	-	298,497	-	953,190	953,190	1,694,051
Water and sewer	14,405,238	14,563,524	-	21,310,811	-	21,469,097	21,469,097	1,578,023
Total business-type activities	23,048,959	22,168,220	977,359	29,828,422	-	29,925,042	29,925,042	3,449,033
<b>Total government</b>	<b>\$ 69,597,454</b>	<b>\$ 36,669,837</b>	<b>\$ 12,609,949</b>	<b>\$ 46,765,893</b>	<b>(3,476,817)</b>	<b>29,925,042</b>	<b>26,448,225</b>	<b>(18,434,140)</b>
<b>General Revenues</b>								
<b>Taxes</b>								
Property taxes, levied for general purposes				6,818,892	687	6,819,579	6,819,579	10,037,867
Property taxes, levied for debt service				735,488	-	735,488	735,488	800,683
Sales tax				26,705,354	-	26,705,354	26,705,354	21,612,185
Municipal highway tax				2,570,954	-	2,570,954	2,570,954	3,055,454
State aid distribution-unrestricted				4,166,709	-	4,166,709	4,166,709	2,418,451
Franchise taxes				588,414	-	588,414	588,414	525,180
Other taxes				1,729,453	-	1,729,453	1,729,453	559,300
Investment earnings				480,932	91,147	572,079	572,079	1,055,717
Miscellaneous				1,807,263	247,280	2,054,543	2,054,543	3,192,171
<b>Transfers</b>				<b>(5,872,446)</b>	<b>5,872,446</b>	-	-	-
Total general revenues and transfers				39,731,013	6,211,560	45,942,573	45,942,573	43,257,008
<b>Change in net position</b>				<b>36,254,196</b>	<b>36,136,602</b>	<b>72,390,798</b>	<b>72,390,798</b>	<b>24,822,868</b>
<b>Net position, January 1</b>				<b>166,025,876</b>	<b>79,524,764</b>	<b>245,550,640</b>	<b>245,550,640</b>	<b>220,727,772</b>
<b>Net position, December 31</b>				<b>\$ 202,280,072</b>	<b>\$ 115,661,366</b>	<b>\$ 317,941,438</b>	<b>\$ 317,941,438</b>	<b>\$ 245,550,640</b>

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

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Debt			
	Special Revenue Funds		Service Fund	
	General Fund	Sales Tax NAWS	CDBG-DR	Special Assessment Debt
<b>ASSETS</b>				
Cash and investments	\$ 9,555,463	\$ -	\$ -	\$ -
Restricted cash and investments	-	8,572,430	-	652,698
Investments - certificates of deposit	5,000,000	2,000,000	-	-
Taxes receivable delinquent	87,605	-	-	614
Special assessments receivable delinquent	332	-	-	5,288
Accounts receivable	717,381	-	-	-
Allowance for accounts receivable	-	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	1,694,266	-	-
Intergovernmental receivable	1,960,948	-	1,977,357	9
Accrued interest receivable	5,425	2,674	-	-
Inventory	-	-	-	-
Prepaid	39,167	-	-	-
Other assets - capital credits	35,352	-	-	-
Investments	-	23,115,749	-	-
Advance to other funds	-	-	-	564,068
Special assessments receivable uncertified	3,735	-	-	2,456,364
Total assets	<u>\$ 17,405,408</u>	<u>\$ 35,385,119</u>	<u>\$ 1,977,357</u>	<u>\$ 3,679,041</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 352,741	\$ 299,795	\$ 281,056	\$ 15,666
Retainage payable	-	-	-	-
Due to other funds	-	-	1,694,266	-
Accrued salaries payable	526,591	-	2,035	-
Customer deposits	48,664	-	-	-
Advance from other funds	-	-	-	-
Uncertified special assessments	-	-	-	2,456,364
Unearned revenue	247,704	-	-	5,816
Total liabilities	<u>1,175,700</u>	<u>299,795</u>	<u>1,977,357</u>	<u>2,477,846</u>
<b>FUND BALANCE</b>				
Nonspendable	39,167	-	-	564,068
Restricted	6,039	35,085,324	-	637,032
Committed	-	-	-	-
Assigned	-	-	-	95
Unassigned	16,184,502	-	-	-
Total fund balance	<u>16,229,708</u>	<u>35,085,324</u>	-	1,201,195
Total liabilities and fund balance	<u>\$ 17,405,408</u>	<u>\$ 35,385,119</u>	<u>\$ 1,977,357</u>	<u>\$ 3,679,041</u>

**City of Minot, North Dakota**  
**Balance Sheet**  
**Governmental Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<u>Capital Project Fund</u>		<u>Total Governmental Funds 2012</u>	<u>Total Governmental Funds 2011</u>
	<u>Capital Purchases</u>	<u>Other Governmental Funds</u>		
<b>ASSETS</b>				
Cash and investments	\$ 1,556,737	\$ 30,189,518	\$ 41,301,718	\$ 31,744,373
Restricted cash and investments	-	5,814,624	15,039,752	16,661,777
Investments - certificates of deposit	-	22,288	7,022,288	6,018,825
Taxes receivable delinquent	-	66,891	155,110	233,402
Special assessments receivable delinquent	-	30,540	36,160	25,023
Accounts receivable	-	1,626,202	2,343,583	2,317,665
Allowance for accounts receivable	-	(300,000)	(300,000)	-
Loans receivable	-	100,000	100,000	283,468
Allowance for loans receivable	-	(20,000)	(20,000)	(56,693)
Due from other funds	-	1,451,351	3,145,617	-
Intergovernmental receivable	1,888,227	3,693,942	9,520,483	5,986,383
Accrued interest receivable	-	-	8,099	13,194
Inventory	-	5,610	5,610	6,361
Prepaid	-	11,689	50,856	117,358
Other assets - capital credits	-	6,537	41,889	-
Investments	-	-	23,115,749	22,880,400
Advance to other funds	-	288,527	852,595	2,445,705
Special assessments receivable uncertified	-	696,624	3,156,723	3,001,804
Total assets	<u>\$ 3,444,964</u>	<u>\$ 43,684,343</u>	<u>\$ 105,576,232</u>	<u>\$ 91,679,045</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 121,996	\$ 1,353,562	\$ 2,424,816	\$ 2,768,714
Retainage payable	-	48,242	48,242	294,758
Due to other funds	-	1,451,351	3,145,617	-
Accrued salaries payable	-	72,748	601,374	475,913
Customer deposits	-	-	48,664	12,987
Advance from other funds	-	1,028,299	1,028,299	2,575,773
Uncertified special assessments	-	696,624	3,152,988	3,001,804
Unearned revenue	-	140,393	393,913	493,642
Total liabilities	<u>121,996</u>	<u>4,791,219</u>	<u>10,843,913</u>	<u>9,623,591</u>
<b>FUND BALANCE</b>				
Nonspendable	-	355,826	959,061	123,719
Restricted	-	326,097	36,054,492	41,771,909
Committed	-	6,011,986	6,011,986	3,972,645
Assigned	3,322,968	33,836,367	37,159,430	26,410,329
Unassigned	-	(1,637,152)	14,547,350	9,776,852
Total fund balance	<u>3,322,968</u>	<u>38,893,124</u>	<u>94,732,319</u>	<u>82,055,454</u>
Total liabilities and fund balance	<u>\$ 3,444,964</u>	<u>\$ 43,684,343</u>	<u>\$ 105,576,232</u>	<u>\$ 91,679,045</u>

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



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**City of Minot, North Dakota**  
**Reconciliation of the Governmental Funds Balance Sheet**  
**To the Statement of Net Position**  
**December 31, 2012**

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Total fund balances for governmental funds	\$94,732,319
Total net position reported for governmental activities in the statement of net position is different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the funds. Those assets consist of:	
Land	\$ 16,295,431
Construction work in process	2,970,790
Buildings, net of accumulated depreciation (\$7,210,767)	6,824,933
Equipment, net of accumulated depreciation (\$8,607,790)	6,238,297
Infrastructure, net of accumulated depreciation (\$42,569,117)	85,984,140
Intangible assets, net of accumulated depreciation (\$124,435)	422,653
Books, net of accumulated depreciation (\$3,764,565)	<u>629,028</u>
Total capital assets (Note 4. D)	119,365,272
A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net position and in connection with proprietary and fiduciary funds.	
Conversely, a negative net pension or OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund.	
	2,162,097
Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The assets and liabilities of the internal service funds are included in the governmental activities in the statement of net position. They are not included in government-wide.	1,696,545
Some of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds.	
Deferred revenues taxes and special assessments	3,546,901
Total taxes and specials not available	3,546,901
Long-term liabilities applicable to the City's governmental activities are not due and payable in the current period and accordingly are not reported as fund liabilities. Interest on long-term debt is not accrued in governmental funds, but rather is recognized as an expenditure when due. All liabilities, both current and long-term, are reported in the statement of net position. (Note 2. A)	<u>(\$19,223,062)</u>
Total net position of governmental activities	<u>\$202,280,072</u>

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

---

	Special Revenue Funds			Debt
	Sales Tax			Service Fund
	General Fund	NAWS	CDBG-DR	Special Assessment
<b>REVENUES</b>				
Property tax collections	\$ 3,429,905	\$ -	\$ -	\$ 23,792
Special assessment collections	4,392	-	-	688,695
Sales tax collections	-	-	-	-
Licenses and permits	2,311,025	-	-	-
Intergovernmental	11,014,540	-	1,645,964	-
Charges for services	5,364,538	-	-	-
Fines and forfeits	1,117,060	-	-	-
Interest income	40,768	322,248	157	34,391
Contract revenue	-	-	-	-
Miscellaneous	350,132	-	-	-
<b>Total revenues</b>	<b>23,632,360</b>	<b>322,248</b>	<b>1,646,121</b>	<b>746,878</b>
<b>EXPENDITURES</b>				
Current				
General government	7,512,257	4,458,809	1,646,749	867
Public safety	10,790,276	-	-	-
Highways and streets	3,321,584	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	-	-	-	-
Other	-	-	-	-
Acquisitions	-	-	-	-
Engineering	-	-	-	-
Debt service				
Principal retirement	-	-	-	1,030,000
Interest and fiscal charges	-	-	-	272,414
<b>Total expenditures</b>	<b>21,624,117</b>	<b>4,458,809</b>	<b>1,646,749</b>	<b>1,303,281</b>
Excess (deficiency) of revenues over (under) expenditures	2,008,243	(4,136,561)	(628)	(556,403)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	-	-
Premium on special assessment bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Sale of City property	7,750	-	-	51,100
Transfers in	3,630,652	-	628	11,441
Transfers out	(34,796)	(50,000)	-	(50,115)
<b>Total other financing sources (uses)</b>	<b>3,603,606</b>	<b>(50,000)</b>	<b>628</b>	<b>12,426</b>
Net change in fund balance	5,611,849	(4,186,561)	-	(543,977)
Fund balance, January 1	10,617,859	39,271,885	-	1,745,172
<b>Fund balance, December 31</b>	<b>\$ 16,229,708</b>	<b>\$ 35,085,324</b>	<b>\$ -</b>	<b>\$ 1,201,195</b>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Governmental Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Capital Project Fund</b>		<b>Total Governmental Funds</b>	<b>Total Governmental Funds</b>
	<b>Capital Purchases</b>	<b>Other Governmental Funds</b>	<b>2012</b>	<b>2011</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ 3,937,962	\$ 7,391,659	\$ 10,148,857
Special assessment collections	-	60,668	753,755	805,084
Sales tax collections	-	26,705,354	26,705,354	21,612,185
Licenses and permits	-	-	2,311,025	1,486,521
Intergovernmental	9,511,871	1,536,170	23,708,545	14,840,183
Charges for services	-	2,947,437	8,311,975	6,755,299
Fines and forfeits	-	-	1,117,060	852,821
Interest income	536	148,293	546,393	958,300
Contract revenue	-	1,200,000	1,200,000	1,698,584
Miscellaneous	-	257,131	607,263	1,027,307
<b>Total revenues</b>	<b>9,512,407</b>	<b>36,793,015</b>	<b>72,653,029</b>	<b>60,185,141</b>
<b>EXPENDITURES</b>				
Current				
General government	-	3,747,556	17,366,238	15,569,025
Public safety	-	-	10,790,276	10,619,643
Highways and streets	-	2,823,862	6,145,446	4,398,650
Culture and recreation	-	3,356,958	3,356,958	3,195,012
Economic development	-	851,421	851,421	903,978
Capital outlay				
Contracted work	-	2,619,622	2,619,622	2,625,855
Equipment	-	727,706	727,706	928,886
Other	-	24,385	24,385	464,953
Acquisitions	9,944,423	62,326	10,006,749	122,450
Engineering	-	968,635	968,635	779,588
Debt service				
Principal retirement	-	4,480,000	5,510,000	2,225,000
Interest and fiscal charges	1,846	422,460	696,720	600,808
<b>Total Expenditures</b>	<b>9,946,269</b>	<b>20,084,931</b>	<b>59,064,156</b>	<b>42,433,848</b>
Excess (deficiency) of revenues over (under) expenditures	(433,862)	16,708,084	13,588,873	17,751,293
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	2,900,000	2,900,000	-
Special assessment bonds issued	-	1,885,000	1,885,000	4,285,000
Premium on special assessment bonds	-	108,879	108,879	200,025
Discount on general obligation bonds	-	(13,041)	(13,041)	-
Sale of City property	-	20,750	79,600	89,751
Transfers in	3,747,208	8,768,669	16,158,598	4,132,386
Transfers out	-	(21,896,133)	(22,031,044)	(8,409,052)
<b>Total other financing sources (uses)</b>	<b>3,747,208</b>	<b>(8,225,876)</b>	<b>(912,008)</b>	<b>298,110</b>
Net change in fund balance	3,313,346	8,482,208	12,676,865	18,049,403
Fund balance, January 1	9,622	30,410,916	82,055,454	64,006,051
<b>Fund balance, December 31</b>	<b>\$ 3,322,968</b>	<b>\$ 38,893,124</b>	<b>\$ 94,732,319</b>	<b>\$ 82,055,454</b>

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



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**City of Minot, North Dakota**  
**Reconciliation of the Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances of Governmental Funds**  
**To the Statement of Activities**  
**For the Year Ended December 31, 2012**

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Net change in fund balances-total governmental funds \$ 12,676,865

The change in net position reported for governmental activities in the statement of activities is different because:

Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 2. B) 22,251,530

Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund; however, in the statement of activities only the gain or loss on the transaction is reported. (Note 2. B) (255,259)

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net position issuing debt increases long-term liabilities and does not affect the statement of activities; similarly, repayment of principal is an expenditure in the governmental funds but reduces the liability in the statement of net position. (Note 4. H)

Debt issued	
Special assessment bonds issued	\$ (1,885,000)
Premium on special assessment bonds issued	(108,879)
General obligation bonds issued	(2,900,000)
Discount on general obligation bonds issued	13,041
Repayments of bond principal	5,510,000
Annual amortization of lease, premium, and discount	<u>(158,928)</u>
Net adjustment	470,234

A negative net pension and OPEB obligation should be reported as an asset in the government-wide statement of net position. Conversely, a negative net pension and OPEB obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund. The government-wide statement of net activities reports the change in the net pension and OPEB obligation asset from year to year. 624,685

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available.

In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due.

Accrued interest payable	(25,943)
Compensated absences	(15,796)

Change in revenue accruals. The purpose of this adjustment is to recognize the net change in unavailable revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed available to finance the expenditures of the current period. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts unavailable at the beginning of the year and increased by the amounts unavailable at the end of the year. This adjustment records a net decrease in revenues unavailable at the end of the year which were less than beginning revenues by this amount.

New special assessment districts to be billed and collected annually	751,570
Special assessment write-offs, foreclosures, and interest	157,104
Amount shown as revenue in governmental funds	<u>(753,755)</u>
Net change	154,919

Internal service funds are used by the City to charge the cost of the central garage and the City's self insurance to the individual funds. The net revenue of internal service funds is reported with governmental activities. 372,961

Change in net position of governmental activities \$ 36,254,196

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Budgeted Amounts</b>		<b>2012</b>	<b>Variance</b>	<b>2011</b>
	<b>Original</b>	<b>Final Amended</b>	<b>Actual Amounts</b>	<b>With Final Budget</b>	<b>Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 3,520,531	\$ 3,494,655	\$ 3,429,905	\$ (64,750)	\$ 5,905,821
Special assessment collections	11,201	11,201	4,392	(6,809)	7,193
Licenses & permits	759,970	922,033	2,311,025	1,388,992	1,486,521
Intergovernmental federal					
Law enforcement grants	185,188	195,213	182,613	(12,600)	207,880
Fire grants	135,000	135,000	-	(135,000)	-
FEMA	-	-	413,923	413,923	1,498,981
Intergovernmental state					
Highway fund	2,204,912	2,204,912	2,570,954	366,042	2,418,451
State aid distribution	2,453,280	2,720,458	4,166,709	1,446,251	3,055,454
Financial institution tax	162,225	162,225	199,899	37,674	162,225
Cigarette tax	109,198	109,198	126,244	17,046	115,527
Gas and oil production tax	32,515	732,515	1,218,772	486,257	14,890
Telecommunications tax	132,092	132,092	132,092	-	132,092
Homestead and disabled veterans tax credits	-	-	102,956	102,956	152,778
Fire insurance refund	116,543	116,543	118,939	2,396	122,554
Gambling tax revenue	27,142	27,142	34,764	7,622	25,896
Law enforcement grants	97,043	97,043	91,694	(5,349)	117,318
Fire grants	163,000	325,147	64,172	(260,975)	39,468
ND Department of Transportation - streets	-	-	16,197	16,197	841,433
ND Department of Emergency Services - flood	-	-	31,824	31,824	522,557
Other state revenues	-	43,100	43,100	-	10,721
Intergovernmental county					
Narcotic task force	10,817	10,817	9,646	(1,171)	8,078
Road and bridge	4,639	4,639	5,829	1,190	5,637
Joint communications	840,579	840,579	755,163	(85,416)	735,325
Information services	71,042	71,042	67,762	(3,280)	82,605
Assessed utility	-	-	17,682	17,682	-
Intergovernmental other					
Housing authority	39,684	39,684	49,421	9,737	46,118
Parking authority	4,515	4,515	4,515	-	4,251
Cable TV franchise fees	481,230	481,230	588,414	107,184	525,180
Damage claims	-	-	1,256	1,256	1,418
Policing-Central Campus	1,613	1,613	-	(1,613)	2,388
Total intergovernmental	7,272,257	8,454,707	11,014,540	2,559,833	10,849,225
Charges for services					
Engineering & administrative	178,400	504,804	921,881	417,077	533,055
Utility & special funds	2,576,594	2,576,594	2,576,594	-	2,638,702
Agency funds	1,832,029	1,882,029	1,827,128	(54,901)	1,718,523
Fleet labor	54,175	54,175	38,935	(15,240)	82,804
Total charges for services	4,641,198	5,017,602	5,364,538	346,936	4,973,084
Fines and forfeitures					
Parking tickets	61,608	61,608	89,075	27,467	66,032
Police court	676,711	1,095,120	1,027,985	(67,135)	786,789
Total fines and forfeitures	738,319	1,156,728	1,117,060	(39,668)	852,821
Interest income	221,514	221,514	40,768	(180,746)	26,377

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**General Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Budgeted Amounts</b>		<b>2012</b>	<b>Variance</b>	<b>2011</b>
	<b>Original</b>	<b>Final Amended</b>	<b>Actual Amounts</b>	<b>With Final Budget</b>	<b>Actual Amounts</b>
Miscellaneous income					
Work for others	\$ 55,850	\$ 55,850	\$ 49,601	\$ (6,249)	\$ 35,212
Miscellaneous	237,468	237,468	250,560	13,092	416,312
Towing fees	20,462	20,462	49,971	29,509	31,169
Total miscellaneous income	313,780	313,780	350,132	36,352	482,693
Total revenues	17,478,770	19,592,220	23,632,360	4,040,140	24,583,735
 <b>EXPENDITURES</b>					
General government					
Mayor and city council	159,566	159,566	154,555	(5,011)	148,730
City manager	231,831	231,831	227,401	(4,430)	218,459
City clerk	246,586	264,086	263,655	(431)	229,394
City attorney	248,204	253,204	253,023	(181)	174,945
Administrative and general	1,269,422	1,596,376	1,546,232	(50,144)	1,219,873
Finance	561,184	572,591	551,965	(20,626)	495,265
Information technology	474,986	479,231	441,999	(37,232)	411,807
Property assessment	372,655	372,655	344,192	(28,463)	340,731
Building inspection	650,511	812,574	724,401	(88,173)	782,233
Traffic	915,181	1,006,347	988,397	(17,950)	884,863
Engineering and planning	964,464	1,295,325	1,182,313	(113,012)	828,509
Vehicle maintenance	554,339	554,339	471,520	(82,819)	486,383
Property maintenance	386,101	391,273	362,604	(28,669)	386,098
Public works administration	-	-	-	-	395,851
Total general government	7,035,030	7,989,398	7,512,257	(477,141)	7,003,141
Public safety					
Police administration	901,851	838,655	789,164	(49,491)	802,304
Police patrol	3,697,757	3,834,477	3,728,015	(106,462)	3,958,160
Criminal investigation	935,195	935,195	808,211	(126,984)	751,376
Narcotics task force	86,468	78,608	60,825	(17,783)	52,712
Telecommunications division	840,579	841,377	756,026	(85,351)	735,325
Municipal judge	448,086	866,495	837,992	(28,503)	433,707
Fire administration	540,581	541,401	536,326	(5,075)	493,780
Fire control	3,381,370	3,564,929	3,273,717	(291,212)	3,392,279
Total public safety	10,831,887	11,501,137	10,790,276	(710,861)	10,619,643
Street & storm sewer maintenance	3,001,186	3,695,935	3,321,584	(374,351)	4,190,340
Total expenditures	20,868,103	23,186,470	21,624,117	(1,562,353)	21,813,124
Excess (deficiency) of revenues over (under) expenditures	(3,389,333)	(3,594,250)	2,008,243	5,602,493	2,770,611
 <b>OTHER FINANCING SOURCES (USES)</b>					
Sale of property	-	-	7,750	7,750	12,689
Transfers in	3,389,333	3,339,333	3,630,652	291,319	525,971
Transfers out	-	-	(34,796)	(34,796)	(39,671)
Total other financing sources (uses)	3,389,333	3,339,333	3,603,606	264,273	498,989
Net change in fund balance	\$ -	\$ (254,917)	\$ 5,611,849	\$ 5,866,766	3,269,600
Fund balance, January 1			10,617,859		7,348,259
Fund balance, December 31			\$ 16,229,708		\$ 10,617,859

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual**  
**Major Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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		<b>Sales Tax NAWS</b>			
		<b>Original</b>	<b>2012</b>	<b>Variance</b>	<b>2011</b>
		<b>&amp; Final</b>	<b>Actual</b>	<b>with Final</b>	<b>Actual</b>
		<b>Budgeted</b>	<b>Amounts</b>	<b>Budget</b>	<b>Amounts</b>
		<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>	<b>Amounts</b>
<b>REVENUES</b>					
Sales tax collections		\$ -	\$ -	\$ -	\$ 7,642,725
Interest income		155,000	322,248	167,248	742,116
Total revenues		<u>155,000</u>	<u>322,248</u>	<u>167,248</u>	<u>8,384,841</u>
<b>EXPENDITURES</b>					
General government		6,900,000	4,458,809	(2,441,191)	3,267,580
Total expenditures		<u>6,900,000</u>	<u>4,458,809</u>	<u>(2,441,191)</u>	<u>3,267,580</u>
Excess (deficiency) of revenues over (under) expenditures		(6,745,000)	(4,136,561)	2,608,439	5,117,261
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out		(50,000)	(50,000)	-	(50,000)
Total other financing sources (uses)		<u>(50,000)</u>	<u>(50,000)</u>	<u>-</u>	<u>(50,000)</u>
Net change in fund balance		<u><u>\$ (6,795,000)</u></u>	<u><u>(4,186,561)</u></u>	<u><u>\$ 2,608,439</u></u>	<u><u>5,067,261</u></u>
Fund balance (deficit), January 1		39,271,885			34,204,624
Fund balance (deficit), December 31		<u>\$ 35,085,324</u>			<u>\$ 39,271,885</u>

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

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance, Budget to Actual**  
**Major Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Community Development Block Grant - Disaster Recovery</b>					
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>	
<b>REVENUES</b>					
Intergovernmental	\$ 67,575,964	\$ 1,645,964	\$ (65,930,000)	\$ -	-
Interest income	-	157	157	157	-
Total revenues	<u>67,575,964</u>	<u>1,646,121</u>	<u>(65,929,843)</u>	<u>-</u>	<u>-</u>
<b>EXPENDITURES</b>					
General government	67,575,964	1,646,749	(65,929,215)	-	-
Total expenditures	<u>67,575,964</u>	<u>1,646,749</u>	<u>(65,929,215)</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	(628)	(628)	-	-
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	628	628	-	-
Total other financing sources (uses)	<u>-</u>	<u>628</u>	<u>628</u>	<u>-</u>	<u>-</u>
Net change in fund balance	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>
Fund balance (deficit), January 1	-	-	-	-	-
Fund balance (deficit), December 31	<u>\$ -</u>	<u>-</u>	<u>\$ -</u>	<u>-</u>	<u>-</u>

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 2,716,110	\$ 5,336,589	\$ 8,107,672	\$ 349,572
Restricted cash and cash equivalents	1,041,086	-	2,563,529	61,593
Special assessment receivable delinquent	-	-	1,365	-
Taxes receivable delinquent	2,667	-	-	4
Accounts receivable	72,709	782,438	1,867,448	3,135
Allowance for doubtful accounts	-	(289,571)	-	-
Intergovernmental receivable	584,474	161,931	1,528,471	26,847
Inventory	-	-	-	-
Prepaid	9,335	195	2,062	98
Total current assets	<u>4,426,381</u>	<u>5,991,582</u>	<u>14,070,547</u>	<u>441,249</u>
Noncurrent assets				
Restricted cash and cash equivalents	-	-	1,172,790	-
Advance to other funds	-	-	604,378	-
Special assessment receivable deferred	-	-	2,047	-
Unamortized bond discounts	-	-	43,738	-
Other assets - capital credits	3,705	11,253	9,696	487
Capital assets				
Land	2,569,170	367,335	1,783,220	315,901
Buildings	8,454,154	359,791	6,848,486	194,057
Equipment	3,226,174	2,616,415	6,786,938	487,484
Infrastructure	42,431,690	3,029,264	119,652,463	126,630
Intangible assets	-	-	422,029	-
Construction in progress	3,592,751	52,296	3,494,194	-
Total capital assets	<u>60,273,939</u>	<u>6,425,101</u>	<u>138,987,330</u>	<u>1,124,072</u>
Less-accumulated depreciation	<u>(24,422,831)</u>	<u>(3,647,048)</u>	<u>(62,503,425)</u>	<u>(695,092)</u>
Net capital assets	<u>35,851,108</u>	<u>2,778,053</u>	<u>76,483,905</u>	<u>428,980</u>
Total noncurrent assets	<u>35,854,813</u>	<u>2,789,306</u>	<u>78,316,554</u>	<u>429,467</u>
Total assets	<u><u>\$ 40,281,194</u></u>	<u><u>\$ 8,780,888</u></u>	<u><u>\$ 92,387,101</u></u>	<u><u>\$ 870,716</u></u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 85,277	\$ 278,845	\$ 1,309,053	\$ 13,111
Retainage payable	73,710	-	405,641	-
Accrued salaries payable	40,707	46,425	77,153	9,870
Compensated absences	18,651	15,795	35,394	5,196
Insurance claims payable	-	-	-	-
Bonds payable	-	-	2,315,000	-
Notes payable	-	-	73,100	-
Capital leases payable	-	152,950	-	-
Accrued interest payable	-	-	175,429	-
Total current liabilities	<u>218,345</u>	<u>494,015</u>	<u>4,390,770</u>	<u>28,177</u>
Long-term liabilities				
Customer deposits	5,334	-	137,868	600
Compensated absences	34,638	29,334	65,731	9,651
Bonds payable	-	-	18,280,000	-
Notes payable	-	-	1,285,015	-
Capital leases payable	-	338,170	-	-
Advance from other funds	-	-	428,674	-
Unamortized bond premiums	-	-	278,597	-
Accrued MSWLF closure and postclosure care costs	-	686,818	-	-
Unearned revenue	975	-	3,411	-
Total long-term liabilities	<u>40,947</u>	<u>1,054,322</u>	<u>20,479,296</u>	<u>10,251</u>
Total liabilities	<u><u>259,292</u></u>	<u><u>1,548,337</u></u>	<u><u>24,870,066</u></u>	<u><u>38,428</u></u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	35,851,108	2,286,933	54,315,455	428,980
Restricted for bond covenants	-	-	3,736,319	-
Restricted for passenger facility receipts not spent	1,041,086	-	-	-
Restricted for perpetual care	-	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	-	23,343
Unrestricted net position	3,129,708	4,945,618	9,465,261	341,715
Total net position	<u><u>\$ 40,021,902</u></u>	<u><u>\$ 7,232,551</u></u>	<u><u>\$ 67,517,035</u></u>	<u><u>\$ 832,288</u></u>

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

**City of Minot, North Dakota**  
**Statement of Fund Net Position**  
**Proprietary Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Governmental Activities</b>			
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total 2012</b>	<b>Total 2011</b>
<b>ASSETS</b>				
Current assets				
Cash and cash equivalents	\$ 16,509,943	\$ 1,523,176	\$ 18,033,119	\$ 12,576,665
Restricted cash and cash equivalents	3,666,208	-	3,666,208	2,861,238
Special assessment receivable delinquent	1,365	-	1,365	-
Taxes receivable delinquent	2,671	-	2,671	11,014
Accounts receivable	2,725,730	7,706	2,733,436	2,591,883
Allowance for doubtful accounts	(289,571)	-	(289,571)	-
Intergovernmental receivable	2,301,723	-	2,301,723	2,945,759
Inventory	-	369,153	369,153	359,544
Prepaid	11,690	-	11,690	19,386
Total current assets	<u>24,929,759</u>	<u>1,900,035</u>	<u>26,829,794</u>	<u>21,365,489</u>
Noncurrent assets				
Restricted cash and cash equivalents	1,172,790	-	1,172,790	1,077,735
Advance to other funds	604,378	-	604,378	708,186
Special assessment receivable deferred	2,047	-	2,047	2,729
Unamortized bond discounts	43,738	-	43,738	194,880
Other assets - capital credits	25,141	-	25,141	-
Capital assets				
Land	5,035,626	-	5,035,626	3,534,039
Buildings	15,856,488	-	15,856,488	14,762,006
Equipment	13,117,011	-	13,117,011	12,557,434
Infrastructure	165,240,047	-	165,240,047	135,244,126
Intangible assets	422,029	-	422,029	380,679
Construction in progress	7,139,241	-	7,139,241	2,989,214
Total capital assets	<u>206,810,442</u>	<u>-</u>	<u>206,810,442</u>	<u>169,467,498</u>
Less-accumulated depreciation	(91,268,396)	-	(91,268,396)	(85,791,896)
Net capital assets	<u>115,542,046</u>	<u>-</u>	<u>115,542,046</u>	<u>83,675,602</u>
Total noncurrent assets	<u>117,390,140</u>	<u>-</u>	<u>117,390,140</u>	<u>85,659,132</u>
Total assets	<u><u>\$ 142,319,899</u></u>	<u><u>\$ 1,900,035</u></u>	<u><u>\$ 144,219,934</u></u>	<u><u>\$ 107,024,621</u></u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 1,686,286	\$ 24,008	\$ 1,710,294	\$ 1,088,360
Retainage payable	479,351	-	479,351	89,360
Accrued salaries payable	174,155	-	174,155	128,154
Compensated absences	75,036	-	75,036	81,465
Insurance claims payable	-	121,892	121,892	144,988
Bonds payable	2,315,000	-	2,315,000	2,530,000
Notes payable	73,100	-	73,100	70,607
Capital leases payable	152,950	-	152,950	149,317
Accrued interest payable	175,429	-	175,429	206,354
Total current liabilities	<u>5,131,307</u>	<u>145,900</u>	<u>5,277,207</u>	<u>4,488,605</u>
Long-term liabilities				
Customer deposits	143,802	-	143,802	98,302
Compensated absences	139,354	-	139,354	151,293
Bonds payable	18,280,000	-	18,280,000	18,300,000
Notes payable	1,285,015	-	1,285,015	1,358,115
Capital leases payable	338,170	-	338,170	491,120
Advance from other funds	428,674	-	428,674	578,118
Unamortized bond premiums	278,597	-	278,597	70,910
Accrued MSWLF closure and postclosure care costs	686,818	-	686,818	639,810
Unearned revenue	4,386	-	4,386	-
Total long-term liabilities	<u>21,584,816</u>	<u>-</u>	<u>21,584,816</u>	<u>21,687,668</u>
Total liabilities	<u><u>26,716,123</u></u>	<u><u>145,900</u></u>	<u><u>26,862,023</u></u>	<u><u>26,176,273</u></u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	92,882,476	-	92,882,476	62,817,773
Restricted for bond covenants	3,736,319	-	3,736,319	3,859,697
Restricted for passenger facility receipts not spent	1,041,086	-	1,041,086	-
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for chapel/veteran's memorial	23,343	-	23,343	16,027
Unrestricted net position	17,882,302	1,754,135	19,636,437	14,116,601
Total net position	<u>115,603,776</u>	<u>\$ 1,754,135</u>	<u>117,357,911</u>	<u>80,848,348</u>
Some amounts reported for business-type activities in the statement of net position are different because certain internal service fund assets and liabilities are included.	<u><u>57,590</u></u>		<u><u>57,590</u></u>	<u><u>348,615</u></u>
	<u><u>\$ 115,661,366</u></u>		<u><u>\$ 117,415,501</u></u>	<u><u>\$ 81,196,963</u></u>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>OPERATING REVENUES</b>	\$	\$	\$	\$
Sales	-	-	-	-
Cost of goods sold	-	-	-	-
Gross margin	-	-	-	-
Charges for services	2,555,744	4,743,612	14,626,205	428,012
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	-	-	104,043	1,630
Total operating revenues	2,555,744	4,743,612	14,730,248	429,642
<b>OPERATING EXPENSES</b>	\$	\$	\$	\$
Salaries	739,916	877,127	1,728,811	245,723
Employee benefits	184,546	257,458	479,903	48,938
Professional services	716,573	443,950	62,125	101,120
Property services	371,383	877,944	3,058,266	45,846
Purchased services	65,468	28,988	204,287	10,276
Supplies	208,181	359,268	2,441,590	28,617
Sundry	133,836	617,345	1,604,119	41,686
Insurance claims	-	-	-	-
Amortization	-	-	2,989	-
MSWLF closure & postclosure care	-	47,008	-	-
Depreciation	1,640,684	490,601	3,891,153	35,033
Total operating expenses	4,060,587	3,999,689	13,473,243	557,239
Operating income (loss)	(1,504,843)	743,923	1,257,005	(127,597)
<b>NON-OPERATING REVENUES (EXPENSES)</b>	\$	\$	\$	\$
Property tax collections	679	-	-	8
Intergovernmental revenues	8,103,553	296,597	6,759,731	26,508
Interest income	14,606	15,991	59,024	1,526
Miscellaneous income (expense)	361,025	30,401	(147,351)	3,204
Gain (loss) on sale of City property	-	1,900	2,325	89,053
Passenger facility charge income	936,962	-	-	-
Customer facility charge income	40,397	-	-	-
Interest and fiscal charges	(12,128)	(14,078)	(931,995)	-
Total non-operating revenues (expenses)	9,445,094	330,811	5,741,734	120,299
Income (loss) before contributions and transfers	7,940,251	1,074,734	6,998,739	(7,298)
Capital contributions	-	-	14,548,755	-
Transfers in	730,940	282,016	6,161,077	-
Transfers out	(72,608)	(332,812)	(894,641)	(1,526)
Total contributions and transfers	658,332	(50,796)	19,815,191	(1,526)
Change in net position	8,598,583	1,023,938	26,813,930	(8,824)
Net position, January 1	31,423,319	6,208,613	40,703,105	841,112
Net position, December 31	<b>\$ 40,021,902</b>	<b>\$ 7,232,551</b>	<b>\$ 67,517,035</b>	<b>\$ 832,288</b>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Governmental Activities</b>			
	<b>Total Enterprise Funds</b>	<b>Internal Service Funds</b>	<b>Total 2012</b>	<b>Total 2011</b>
	\$	\$	\$	\$
<b>OPERATING REVENUES</b>				
Sales	-	1,006,637	1,006,637	1,210,032
Cost of goods sold	-	(912,281)	(912,281)	(1,120,265)
Gross margin	-	94,356	94,356	89,767
Charges for services	22,353,573	-	22,353,573	18,782,586
Employer	-	363,472	363,472	1,731,050
Employee	-	1,582,929	1,582,929	898,241
Miscellaneous	105,673	-	105,673	88,828
<b>Total operating revenues</b>	<b>22,459,246</b>	<b>2,040,757</b>	<b>24,500,003</b>	<b>21,590,472</b>
<b>OPERATING EXPENSES</b>				
Salaries	3,591,577	-	3,591,577	3,497,869
Employee benefits	970,845	-	970,845	954,034
Professional services	1,323,768	89	1,323,857	930,692
Property services	4,353,439	-	4,353,439	4,392,150
Purchased services	309,019	-	309,019	300,466
Supplies	3,037,656	71,614	3,109,270	2,654,615
Sundry	2,396,986	-	2,396,986	2,352,427
Insurance claims	-	1,821,095	1,821,095	2,234,996
Amortization	2,989	-	2,989	21,976
MSWLF closure & postclosure care	47,008	-	47,008	246,024
Depreciation	6,057,471	-	6,057,471	5,495,533
<b>Total operating expenses</b>	<b>22,090,758</b>	<b>1,892,798</b>	<b>23,983,556</b>	<b>23,080,782</b>
Operating income (loss)	368,488	147,959	516,447	(1,490,310)
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	687	-	687	480,909
Intergovernmental revenues	15,186,389	-	15,186,389	4,460,984
Interest income	91,147	5,818	96,965	112,290
Miscellaneous income (expense)	247,279	(71,841)	175,438	313,710
Gain (loss) on sale of City property	93,278	-	93,278	12,900
Passenger facility charge income	936,962	-	936,962	604,989
Customer facility charge income	40,397	-	40,397	-
Interest and fiscal charges	(958,201)	-	(958,201)	(941,542)
<b>Total non-operating revenues (expenses)</b>	<b>15,637,938</b>	<b>(66,023)</b>	<b>15,571,915</b>	<b>5,044,240</b>
Income (loss) before contributions and transfers	16,006,426	81,936	16,088,362	3,553,930
Capital contributions	14,548,755	-	14,548,755	1,286,631
Transfers in	7,174,033	-	7,174,033	4,901,596
Transfers out	(1,301,587)	-	(1,301,587)	(624,930)
<b>Total contributions and transfers</b>	<b>20,421,201</b>	<b>-</b>	<b>20,421,201</b>	<b>5,563,297</b>
Change in net position	36,427,627	81,936		
Net position, January 1	79,176,149	1,672,199		
Net position, December 31	<b>\$115,603,776</b>	<b>\$ 1,754,135</b>		
Change in net position enterprise funds only			36,427,627	8,843,977
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			(291,025)	19,373
Change in net position of business-type activities			<b>\$ 36,136,602</b>	<b>\$ 8,863,350</b>

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

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Business-Type Activities</b>			
	<b>Enterprise Funds</b>			
	<b>Airport</b>	<b>Sanitation</b>	<b>Water &amp; Sewer</b>	<b>Nonmajor</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 2,616,941	\$ 5,152,631	\$ 14,757,834	\$ 432,903
Payments to suppliers	(1,516,716)	(2,429,728)	(6,235,925)	(218,123)
Payments to employees	(897,375)	(1,128,951)	(2,218,656)	(289,807)
Due from (to) other agencies	(201,452)	236,472	635,523	(26,994)
Net cash provided (used) by operating activities	<u>1,398</u>	<u>1,830,424</u>	<u>6,938,776</u>	<u>(102,021)</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	8,465,257	326,998	6,612,380	29,720
Transfers in	730,940	282,016	6,161,077	-
Transfers out	(72,608)	(332,812)	(894,641)	(1,526)
Internal activity - payments from (to) other funds	(14,040)	-	(31,596)	-
Net cash provided (used) by noncapital financing activities	<u>9,109,549</u>	<u>276,202</u>	<u>11,847,220</u>	<u>28,194</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Capital contributions	-	-	-	-
Passenger facility charges	936,962	-	-	-
Customer facility charges	40,397	-	-	-
Acquisition and construction of capital assets	(10,096,971)	(68,102)	(12,662,642)	-
Proceeds from bonds	-	-	5,605,000	-
Disposal of capital assets	(535,513)	1,900	(30,665)	107,122
Capital lease payment	-	(149,317)	-	-
Principal paid on capital debt	(340,000)	-	(5,570,607)	-
Interest paid on capital debt	(12,128)	(14,078)	(931,995)	-
Net cash provided (used) by capital and related financing activities	<u>(10,007,253)</u>	<u>(229,597)</u>	<u>(13,590,909)</u>	<u>107,122</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	14,606	15,991	59,024	1,526
Net cash provided by investing activities	<u>14,606</u>	<u>15,991</u>	<u>59,024</u>	<u>1,526</u>
Net increase (decrease) in cash and cash equivalents	(881,700)	1,893,020	5,254,111	34,821
Cash and cash equivalents, January 1	4,638,896	3,443,569	6,589,880	376,344
Cash and cash equivalents, December 31	<u>\$ 3,757,196</u>	<u>\$ 5,336,589</u>	<u>\$ 11,843,991</u>	<u>\$ 411,165</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 2,716,110	\$ 5,336,589	\$ 8,107,672	\$ 349,572
Restricted cash and cash equivalents - current	1,041,086	-	2,563,529	61,593
Restricted cash and cash equivalents - noncurrent	-	-	1,172,790	-
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 3,757,196</u>	<u>\$ 5,336,589</u>	<u>\$ 11,843,991</u>	<u>\$ 411,165</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (1,504,843)	\$ 743,923	\$ 1,257,005	\$ (127,597)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	1,640,684	490,601	3,891,153	35,033
Amortization expense	-	-	2,989	-
MSWLF closure and post closure care cost adjustment	-	47,008	-	-
Change in assets and liabilities				
Taxes receivable	7,624	-	-	37
Receivables, net	66,018	420,467	(342,209)	2,870
Inventory	-	-	-	-
Prepaid	(8,740)	(195)	16,277	354
Accounts payable	(79,025)	(102,233)	787,646	9,422
Retainage payable	61,767	-	328,224	-
Intergovernmental receivables	(201,452)	236,472	635,523	(26,507)
Accrued salaries payable	27,087	5,634	(9,942)	(2,465)
Insurance claims payable	-	-	-	-
Accrued interest payable	(4,042)	-	(26,883)	7,319
Customer deposits	25	-	45,475	-
Special assessment receivable	-	-	(1)	-
Other assets - capital credits	(3,705)	(11,253)	(6,285)	(487)
Unearned revenue	-	-	359,804	-
Net cash provided (used) by operating activities	<u>\$ 1,398</u>	<u>\$ 1,830,424</u>	<u>\$ 6,938,776</u>	<u>\$ (102,021)</u>
<b>NONCASH CAPITAL ACTIVITY</b>				
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ -
Construction of capital assets from developers	-	-	14,548,755	-
Transfer fully depreciated capital assets to general fund	-	-	-	-

**City of Minot, North Dakota**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Total Enterprise Funds	<b>Governmental Activities</b>		Total 2012	Total 2011
		Internal Service Funds			
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>					
Receipts from customers and users	\$ 22,960,309	\$ 2,944,301	\$ 25,904,610	\$ 21,493,486	
Payments to suppliers	(10,400,492)	(2,822,051)	(13,222,543)	(13,301,785)	
Payments to employees	(4,534,789)	-	(4,534,789)	(4,406,318)	
Due from (to) other agencies	643,549	-	643,549	(2,712,347)	
Net cash provided (used) by operating activities	<u>8,668,577</u>	<u>122,250</u>	<u>8,790,827</u>	<u>1,073,036</u>	
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>					
Taxes received	15,434,355	-	15,434,355	5,384,705	
Transfers in	7,174,033	-	7,174,033	4,912,915	
Transfers out	(1,301,587)	(117,890)	(1,419,477)	(924,210)	
Internal activity - payments from (to) other funds	(45,636)	46,049	413	80,724	
Net cash provided (used) by noncapital financing activities	<u>21,261,165</u>	<u>(71,841)</u>	<u>21,189,324</u>	<u>9,454,134</u>	
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>					
Capital contributions	-	-	-	(15,547)	
Passenger facility charges	936,962	-	936,962	604,989	
Customer facility charges	40,397	-	40,397	-	
Acquisition and construction of capital assets	(22,827,715)	-	(22,827,715)	(4,246,255)	
Proceeds from bonds	5,605,000	-	5,605,000	2,005,000	
Disposal of capital assets	(457,156)	-	(457,156)	(140,912)	
Capital lease payment	(149,317)	-	(149,317)	(147,169)	
Principal paid on capital debt	(5,910,607)	-	(5,910,607)	(2,353,199)	
Interest paid on capital debt	(958,201)	-	(958,201)	(941,542)	
Net cash provided (used) by capital and related financing activities	<u>(23,720,637)</u>	<u>-</u>	<u>(23,720,637)</u>	<u>(5,234,635)</u>	
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>					
Interest and dividends	91,147	5,818	96,965	112,290	
Net cash provided by investing activities	<u>91,147</u>	<u>5,818</u>	<u>96,965</u>	<u>112,290</u>	
Net increase (decrease) in cash and cash equivalents	6,300,252	56,227	6,356,479	5,404,825	
Cash and cash equivalents, January 1	15,048,689	1,466,949	16,515,638	11,110,813	
Cash and cash equivalents, December 31	<u>\$ 21,348,941</u>	<u>\$ 1,523,176</u>	<u>\$ 22,872,117</u>	<u>\$ 16,515,638</u>	
Cash and cash equivalents are comprised of the following:					
Cash and cash equivalents	\$ 16,509,943	\$ 1,523,176	\$ 18,033,119	\$ 12,576,665	
Restricted cash and cash equivalents - current	3,666,208	-	3,666,208	2,861,238	
Restricted cash and cash equivalents - noncurrent	1,172,790	-	1,172,790	1,077,735	
Total cash and cash equivalents on the Statement of Net Position	<u>\$ 21,348,941</u>	<u>\$ 1,523,176</u>	<u>\$ 22,872,117</u>	<u>\$ 16,515,638</u>	
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>					
Operating income (loss)	\$ 368,488	\$ 147,959	\$ 516,447	\$ (1,490,310)	
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation expense	6,057,471	-	6,057,471	5,495,533	
Amortization expense	2,989	-	2,989	21,976	
MSWLF closure and post closure care cost adjustment	47,008	-	47,008	246,024	
Change in assets and liabilities					
Taxes receivable	7,661	-	7,661	(3,361)	
Receivables, net	147,146	872	148,018	(1,161,059)	
Inventory	-	(9,609)	(9,609)	(50,888)	
Prepaid	7,696	-	7,696	52,654	
Accounts payable	615,810	6,124	621,934	514,859	
Retainage payable	389,991	-	389,991	55,119	
Intergovernmental receivables	644,036	-	644,036	(2,712,347)	
Accrued salaries payable	20,314	-	20,314	45,585	
Insurance claims payable	-	(23,096)	(23,096)	65,950	
Accrued interest payable	(23,606)	-	(23,606)	(15,867)	
Customer deposits	45,500	-	45,500	834	
Special assessment receivable	(1)	-	(1)	683	
Other assets - capital credits	(21,730)	-	(21,730)	-	
Unearned revenue	359,804	-	359,804	7,651	
Net cash provided (used) by operating activities	<u>\$ 8,668,577</u>	<u>\$ 122,250</u>	<u>\$ 8,790,827</u>	<u>\$ 1,073,036</u>	
<b>NONCASH CAPITAL ACTIVITY</b>					
Borrowing under capital lease	\$ -	\$ -	\$ -	\$ 426,950	
Construction of capital assets from developers	14,548,755	-	14,548,755	1,302,178	
Transfer fully depreciated capital assets to general fund	-	-	-	35,276	

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

**City of Minot, North Dakota**  
**Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2012**

	<b>Pension Trust Fund</b>	<b>OPEB Trust Fund</b>	<b>Agency Funds</b>
<b>ASSETS</b>			
Cash and cash equivalents	\$ 83,001	\$ (72,599)	\$ 86,490
Investments			
Money market	769,209	37,830	
Equity/stocks	22,320,522	345,388	
Fixed income	29,372,526	504,002	
Alternative	<u>2,307,079</u>	<u>25,733</u>	
Total investments	<u>54,769,336</u>	<u>912,953</u>	
Taxes receivable delinquent	38,008	-	2,460
Accounts receivable	-	-	10,958
Intergovernmental receivable	689	-	4,255
Total assets	<u><u>\$ 54,891,034</u></u>	<u><u>\$ 840,354</u></u>	<u><u>\$ 104,163</u></u>
<b>LIABILITIES</b>			
Accounts payable	\$ 2,413	\$ -	\$ 104,163
Due to other funds	-	73,562	-
Unearned revenues	<u>38,008</u>	<u>-</u>	<u>-</u>
Total liabilities	<u><u>40,421</u></u>	<u><u>73,562</u></u>	<u><u>\$ 104,163</u></u>
<b>NET POSITION</b>			
Assets held in trust for pension benefits	54,850,613	-	
Assets held in trust for OPEB benefits	-	766,792	
Total net position	<u><u>\$ 54,850,613</u></u>	<u><u>\$ 766,792</u></u>	

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

**City of Minot, North Dakota**  
**Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Pension</b>	<b>OPEB</b>			
	<b>Trust</b>	<b>Trust</b>	<b>2012</b>	<b>2011</b>	
	<b>Fund</b>	<b>Fund</b>	<b>Total</b>	<b>Total</b>	
<b>ADDITIONS</b>					
Contributions					
Employer	\$ 3,157,460	\$ 252,590	\$ 3,410,050	\$ 3,289,030	
Employee	2,270,093	500,011	2,770,104	2,845,212	
Total contributions	<u>5,427,553</u>	<u>752,601</u>	<u>6,180,154</u>	<u>6,134,242</u>	
Investment income					
Interest and dividends	1,792,928	19,909	1,812,837	1,778,664	
Net increase (decrease) in the fair value of investments	3,961,581	58,143	4,019,724	786,349	
Total investment income	<u>5,754,509</u>	<u>78,052</u>	<u>5,832,561</u>	<u>2,565,013</u>	
Less investment expense	121,909	800	122,709	113,005	
Net investment income	<u>5,632,600</u>	<u>77,252</u>	<u>5,709,852</u>	<u>2,452,008</u>	
Total additions	<u>11,060,153</u>	<u>829,853</u>	<u>11,890,006</u>	<u>8,586,250</u>	
<b>DEDUCTIONS</b>					
Benefits paid to plan member and beneficiaries	6,162,353	-	6,162,353	5,721,427	
Refunds paid to plan member and beneficiaries	736,116	-	736,116	655,385	
Retiree claims	-	413,841	413,841	392,530	
Third party premiums	-	157,533	157,533	153,186	
Administrative expenses	310,902	2,200	313,102	289,506	
Total deductions	<u>7,209,371</u>	<u>573,574</u>	<u>7,782,945</u>	<u>7,212,034</u>	
Change in net position	3,850,782	256,279	4,107,061	1,374,216	
Net position, January 1	<u>50,999,831</u>	<u>510,513</u>	<u>51,510,344</u>	<u>50,136,128</u>	
Net position, December 31	<u>\$ 54,850,613</u>	<u>\$ 766,792</u>	<u>\$ 55,617,405</u>	<u>\$ 51,510,344</u>	

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

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Notes to Financial Statements**

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

**A. BASIS OF PRESENTATION**

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard setting body for establishing GAAP for governmental accounting and financial reporting. Private sector standards of accounting and financial reporting issued prior to December 1, 1989, generally are followed in both the government-wide and proprietary fund financial statements to the extent those standards do not conflict with or contradict guidance of the GASB board. Governments also have the option of following subsequent private-sector guidance for their business-type activities and enterprise funds, subject to this same limitation. The City has elected not to follow subsequent private-sector guidance.

**B. REPORTING ENTITY**

The City of Minot was incorporated on July 16, 1887. The City has been governed by a Council, with a part-time Mayor and 14 part-time Aldermen, since the citizens approved a home rule charter in 1972. The accompanying financial statements present the activities of the City of Minot. Only funds of the City have been included since the City does not have any blended or discrete component units.

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

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

**Government-Wide Financial Statements**

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

Government activities, which normally are supported by taxes and intergovernmental revenues, are reported

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

**Fund Financial Statements**

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

**D. FINANCIAL STATEMENT PRESENTATION**

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

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

The City reports the following major governmental funds:

The General Fund is the government's primary operating fund. It accounts for all financial resources of the general government, except those

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Notes to Financial Statements**

required to be accounted for in another fund. Revenue sources include property taxes, licenses and permits, state and county shared revenues, and charges for goods and services. In addition to general government, primary expenditures include public safety, highways and streets, culture and recreation, and economic development.

The **Sales Tax NAWS Fund** accounts for the collection of a one percent City sales tax. The collection on this tax was reallocated by the Finance Director effective October 1, 2011 due to sufficient funds available to pay the local share of the Northwest Area Water Supply project as projected at the time the collection was reallocated.

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

The **Special Assessment Debt Fund** is a debt service fund established to accumulate the resources used to pay the principal and interest on bonds for projects in special assessment districts.

The **Capital Purchases Fund** is a capital project fund used to fund capital purchases deemed beneficial to the citizens of Minot.

The City reports the following major proprietary funds:

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

The **Sanitation Fund** is used to account for residential garbage collection as well as landfill services for the City.

The **Water and Sewer Fund** accounts for the water and sewer services provided to the City.

Additionally, the government reports the following fund types:

The **Internal Service Funds** account for health insurance and fleet management services provided to other departments of the government, or to other governments, on a cost reimbursement basis.

The **Fiduciary Trust Funds** account for the activities of the City Employee Pension Plan, which accumulates resources for pension, benefit

payments to qualified employees, and the City's Other Post-Employment Benefits, which accumulate resources for OPEB payments to qualified employees.

The **Agency Funds** are used for assets held by the City as the agent for other individuals, private organizations, or other governmental units and/or funds. These funds include Payroll Deductions, Social Security, and Hotel/Motel and Motor Vehicle Taxes (collects lodging and motor vehicle taxes disbursed to the Convention and Visitor's Bureau and All Season's Arena).

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

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

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. This focus concentrates on the fund's assets. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Agency funds have no measurement focus. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. This focus concentrates on the fund's resources available for spending currently or in the near future. Revenues are recognized when they become both measurable and available. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues available if they are collected within 30 days of the end of the fiscal year. Expenditures are generally recognized when the liability is incurred, as under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences and claims and judgments, are recorded only when payment is due.

Property taxes, sales taxes, municipal highway taxes,

**CITY OF MINOT, NORTH DAKOTA  
NOTES TO THE FINANCIAL STATEMENTS  
DECEMBER 31, 2012**

**Notes to Financial Statements**

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

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

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

The financial statements include certain prior-year summarized comparative information in total. Such information does not include sufficient detail to constitute a presentation in conformity with generally accepted accounting principles. Accordingly, such information should be read in conjunction with the City's financial statements for the year ended December 31, 2011, from which the summarized information was derived.

**F. ASSETS, LIABILITIES, AND NET POSITION OR EQUITY**

**Cash**

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

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

**Investments**

North Dakota state statute authorizes municipalities to invest their surplus funds in: a) bonds, treasury bills and notes, or other securities that are a direct obligation of, or an obligation insured or guaranteed by, the Treasury of the United States, or its agencies, instrumentalities, or organizations created by an act of Congress; b) securities sold under agreements to repurchase written by a financial institution in which the underlying securities for the agreement to repurchase are of a type listed above; c) certificates of deposit fully insured by the federal deposit insurance corporation or by the state; and d) obligations of the state.

The Pension Trust Funds are authorized to invest all or part of their surplus funds in other investments by selecting a funding agent or agents to hold and invest such funds for the board and such funds shall be placed for investment only with a firm or firms whose primary endeavor is money management.

Investments are stated at fair value based on quoted market prices. Fair value is the amount at which an investment could be exchanged in a current transaction between willing parties.

**Receivables and Payables**

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

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

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

Penalty and interest are added on March 1 if the first half of the taxes is not paid. Additional penalty and

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interest are added October 15 to those taxes not paid. Taxes are collected by the County and remitted monthly to the City.

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

**Inventories and Prepaid Items**

Inventories are valued at the lower of cost (first-in, first-out) or market in the proprietary funds and at cost in the governmental funds. The costs of inventory are recognized as expenditures in governmental funds and as expenses in proprietary funds when consumed. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements.

**Restricted Assets**

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

Certain proceeds of the City's Water and Sewer enterprise fund revenue bonds, as well as certain resources set aside for their repayment, are classified as restricted assets on the balance sheet because their use is limited by applicable bond covenants. A construction account is established within the fund into which the proceeds of the bonds are deposited. A debt service account is established within the fund to set aside the net revenues of the utility each month an amount equal to not less than the sum of one-sixth of the interest due within the next six months plus one-twelfth of the principal to become due within the next twelve months.

**Capital Assets**

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, street lights, and similar items), intangibles, and books, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for

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

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

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

Buildings 20-40 years  
Infrastructure 30-50 years  
Equipment 3-10 years  
Intangibles 10 years  
Books 20 years

**Net Position/Fund Balance**

The difference between assets and liabilities is "net position" on the government-wide, proprietary and fiduciary fund financial statements and "fund balance" on the governmental fund financial statements.

In the governmental fund financial statements, fund balances are classified as nonspendable, restricted, committed, assigned or unassigned.

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

**Committed** fund balance includes amounts that can only be used for specific purposes pursuant to constraints imposed by formal action of the government's highest level of decision-making authority, the vote of the citizens, or the wishes of a

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donor or third party.

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

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

In the event the fund balance exceeds the minimum requirements equal to one month's average expenditures for the budget year, the excess may be utilized for any lawful purpose approved by City Council. The first priority is to utilize the restricted before unrestricted fund balance when both are available. Committed funds will be considered spent first when an expenditure is incurred for purposes for which amounts in any of those unrestricted fund balance classification could be used like assigned or unassigned. In order to minimize the long term effect of such use, the excess shall be appropriated to fund one time expenditures or expenses which do not result in recurring operating costs, or other onetime costs including the establishment of or increase in legitimate restriction or commitment of fund balance/retained earnings in other funds.

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

**Compensated Absences**

Employees accrue vacation leave at a rate of eight hours per month for the first five years of continuous service. The accrual rate is increased to ten hours per month after five years, twelve hours per month after ten years, and fourteen hours per month after fifteen years of service. A maximum of 240 vacation hours may be carried over from year to year. Accumulated

unpaid vacation is accrued when earned in the government-wide and proprietary fund statements.

Sick leave is accrued at a rate of eight hours per month of continuous service. Accumulation of sick leave is unlimited; however, liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave.

**Self-Insurance**

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

**Deferred Revenue**

As sources of revenue become measurable, even though not currently available, they are generally recorded as a receivable and deferred revenue in governmental funds. When the sources of revenue become available for use, they are recognized as revenue.

**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 statements of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method.

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

**Comparative Data/Reclassifications**

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

**G. REVENUES**

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**Grant Revenue**

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

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

A. The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net position of governmental activities as reported in the government-wide statement of net position. One element of the reconciliation explains, "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$19,223,062) difference are as follows:

Bonds payable	\$ 17,975,000
Unamortized discounts/premiums	290,968
Accrued interest payable	121,713
Capital lease payable	3,383
Compensated absences	<u>831,998</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net position-governmental activities	<u>\$ 19,223,062</u>

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

Donated capital assets	\$ 14,267,980
Capital outlay	14,355,517
Depreciation	<u>(6,371,967)</u>
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ 22,251,530</u>
Proceeds from capital asset sales	\$ (79,600)
Gain/(loss) on capital asset sales	(175,659)
Net adjustment to decrease net changes in fund balances—total governmental funds to arrive at changes in net position of governmental funds	<u>\$ (255,259)</u>

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

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

Annual budgets are adopted on a basis consistent with GAAP for the General Fund, Special Revenue Funds with the exception of Sales Tax - Flood Control and Demolitions. The Fire Equipment and Equipment Purchases funds are the only two Capital Project Funds budgeted. All appropriations lapse at year-end unless encumbered. In June 2011 the public voted to continue the second penny sales tax and reallocate it from NAWS to sales tax property tax relief, community facilities, and capital infrastructure projects. These Special Revenue Funds were not originally budgeted for in 2011, but the Finance Director, with the City Council approval decided that as of October 1, 2011, there were enough funds to allocate toward the NAWS project and reallocated the funds to the three new funds. However, if additional funds are needed for NAWS, the Finance Director may reallocate funds back to NAWS.

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

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

The budget is prepared by fund, by department within each fund, and by line item within each department. The legal level of budgetary control is at the fund level. The management of the City of Minot has the authority to exceed line items or department budgets as long as the fund appropriations are not exceeded. City Council approval is required for (a) the transfer of

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appropriations from one fund to another fund or the addition of line items within a fund or both and (b) an increase in the aggregate total of appropriations in order to reflect changes in financial circumstances.

The City incurred no material violations of excess of expenditures over appropriations at the legal level of control.

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

Three non-major funds had deficit fund balances as of December 31, 2012. The \$758,461 deficit in Emergency fund will be reimbursed with future tax levy. The \$656,654 deficit in the demolitions fund and \$222,037 deficit in the special assessment capital fund will be reimbursed via special assessment collections over the next few years.

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

**A. DEPOSITS AND INVESTMENTS**

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

**Government and Business-Type Funds**

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

**Allowable deposits and investments:**

- a. U.S. Treasury obligations, which carry the full faith and credit guarantee of the United States

government and are considered to be the most secure instruments available;

- b. U.S. government agency and instrumentality obligations that have a liquid market with a readily determinable market value;
- c. Certificates of deposits and other evidences of deposit at financial institutions;
- d. Repurchase agreements whose underlying purchased securities consist of the aforementioned instruments

***Custodial credit risk – deposits:*** This is the risk in the event of bank failure, the government's deposits may not be returned to it. As of December 31, 2012, the City is fully insured by FDIC and has pledged collateral in the amount of 110% of its investments.

***Custodial credit risk - investment:*** This is the risk, in the event of the failure of the counterparty; the government will not be able to recover the value of its investments or collateral securities in the possession of an outside party. The City of Minot minimizes credit risk, which is the risk of loss due to the failure of the issuer or backer, by: 1) limiting investments to the types of authorized securities; 2) pre-qualifying the financial institutions with which the City will do business; and 3) diversifying the investment portfolio so the impact of potential losses from any one type of security or from any one individual issuer will be minimized.

***Interest rate risk:*** The City minimizes interest rate risk, which is the risk the market value of securities in the portfolio will fall due to changes in market interest rates, by: 1) structuring the investment portfolio so securities mature to meet cash requirements for ongoing operations, thereby avoiding the need to sell securities prior to maturity; and 2) investing operating funds primarily in shorter-term securities, money market funds, or similar investments and limiting the average maturity of the portfolio in accordance with this policy.

As of December 31, 2012, the City has invested in cash and money markets \$79,235,875 and certificates of deposit \$7,000,000, which have no credit ratings. The City also has NAWS investments valued at \$23,115,749. The fixed income securities are all United States Government Agency securities.

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Investment Type	Fair Value	Rated AAA	Not-Rated
Fixed Income	\$ 22,803,592	\$ 14,399,753	\$ 8,403,839
Cash & Money Market	312,157	-	312,157
Total Fair Value	<u>\$ 23,115,749</u>	<u>\$ 14,399,753</u>	<u>\$ 8,715,996</u>

Maturity (Years)	Fixed Income
0-1	\$ 5,230,728
1-3	13,742,394
3-5	-
10-15	-
15+	<u>3,830,471</u>
	<u><u>\$ 22,803,592</u></u>

**B. INTERGOVERNMENTAL RECEIVABLES**

A total of \$11,822,206 is due from intergovernmental receivables. This includes \$8,242,545 from the State of North Dakota, \$2,531,401 for city sales taxes; \$1,749,194 from the State Water Commission for home acquisitions; \$1,140,023 for State Aid Distribution; \$701,665 for ND Trust Land Grants; \$621,366 for NDDOT projects; \$599,681 for 2011 flood; \$464,420 from the State Department of Commerce for Stonebridge Sewer; \$294,556 for Municipal Highway tax; \$32,536 from state aeronautics; \$31,750 for Section 5309; \$30,995 for police department grants; \$28,552 for fire department grants; \$8,569 for gambling tax; \$4,207 for motor vehicle tax; \$2,122 for domestic violence and \$1,508 for oil/gas tax. It also includes \$3,511,172 due from the Federal Government, \$1,977,357 from Community Development Block Grant – Disaster Recovery grant; \$664,436 from FEMA; \$551,824 from the FAA; \$99,468 from Federal Highway Administration; \$79,062 from the Corp of Engineers for Puppy Dog Sewer; \$74,728 from Section 5311, \$53,112 for FEMA water bills; \$11,089 for COPS and JAG grants, and \$96 from an EDA grant and \$68,489 due from the County.

**C. RECEIVABLES**

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

Due within one year	\$ 50,000
Due after one year	50,000
Less: allowance for uncollectible	(20,000)
Total loans receivable	<u>\$ 80,000</u>

The only receivables not expected to be collected within one year are \$2,698,639 of special assessments deferred and the loans receivables as noted above.

Governmental funds report deferred inflows in connection with receivables for revenues not considered available to liquidate liabilities of the current period. At the end of the current fiscal year, the deferred inflows reported in the governmental funds were as follows:

Deferred Special Assessments	\$ 3,152,988
General fund	247,704
Assessment debt	5,816
Nonmajor governmental funds	<u>140,393</u>
Total unearned revenues	<u><u>\$ 3,546,901</u></u>

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

	Taxes	Specials	Specials	Accounts	Loans	Intergov'tl	Accrued	Less: Allow	Total Net
	Delinquent	Deferred	Delinquent	Receivable		Receivable	Interest	Gross	
General	\$ 87,605	\$ 3,735	\$ 332	\$ 717,381	\$ -	\$ 1,960,948	\$ 5,425	\$ 2,775,426	\$ - \$ 2,775,426
Sales Tax NAWS	-	-	-	-	-	-	2,674	2,674	- 2,674
CDBG-DR	-	-	-	-	-	1,977,357	-	1,977,357	- 1,977,357
Assessment debt	614	2,456,364	5,288	-	-	9	-	2,462,275	- 2,462,275
Highway reserve	-	-	-	-	-	1,888,227	-	1,888,227	- 1,888,227
Nonmajor governmental	66,891	696,624	30,540	1,626,202	100,000	3,693,942	-	6,214,199	(320,000) 5,894,199
Airport	2,667	-	-	72,709	-	584,474	-	659,850	- 659,850
Sanitation	-	-	-	782,438	-	161,931	-	944,369	(289,571) 654,798
Water and sewer	-	2,047	1,365	1,867,448	-	1,528,471	-	3,399,331	- 3,399,331
Nonmajor enterprise	4	-	-	3,135	-	26,847	-	29,986	- 29,986
Internal service	-	-	-	7,706	-	-	-	7,706	- 7,706
Total net receivables	<u>\$ 157,781</u>	<u>\$ 3,158,770</u>	<u>\$ 37,525</u>	<u>\$ 5,077,019</u>	<u>\$ 100,000</u>	<u>\$ 11,822,206</u>	<u>\$ 8,099</u>	<u>\$ 20,361,400</u>	<u>\$ (609,571) \$ 19,751,829</u>

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**D. CAPITAL ASSETS**

Capital asset activity for the year ended December 31, 2012 was as follows:

<b>Governmental Activities</b>	<b>Balance</b>	<b>01/01/12</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>	<b>12/31/12</b>
Land	\$ 6,657,345	\$ 9,689,186	\$ 51,100	\$ 16,295,431		
Construction in progress	4,567,351	14,443,785	16,040,346		2,970,790	
Depreciable assets						
Buildings	14,035,700	-	-		14,035,700	
Equipment	14,678,504	624,972	457,389		14,846,087	
Infrastructure	108,688,369	19,905,900	41,012		128,553,257	
Intangible assets	547,088	-	-		547,088	
Books	4,416,907	-	23,314		4,393,593	
Totals at historical cost	153,591,264	44,663,843	16,613,161		181,641,946	
Accumulated depreciation						
Buildings	(6,850,826)	(359,941)	-		(7,210,767)	
Equipment	(7,823,587)	(1,078,445)	294,242		(8,607,790)	
Infrastructure	(37,722,065)	(4,847,052)	-		(42,569,117)	
Intangible assets	(82,850)	(41,585)	-		(124,435)	
Books	(3,742,935)	(44,944)	23,314		(3,764,565)	
Total accumulated depreciation	(56,222,263)	(6,371,967)	317,556		(62,276,674)	
Governmental activities capital assets, net	<b>\$ 97,369,001</b>	<b>\$ 38,291,876</b>	<b>\$ 16,295,605</b>		<b>\$ 119,365,272</b>	

<b>Business-Type Activities</b>	<b>Balance</b>	<b>01/01/12</b>	<b>Additions</b>	<b>Deletions</b>	<b>Balance</b>	<b>12/31/12</b>
Land	\$ 3,534,039	\$ 1,501,587	\$ -	\$ 5,035,626		
Construction in progress	2,989,214	21,369,201	17,219,174		7,139,241	
Depreciable assets						
Buildings	14,762,006	1,094,482	-		15,856,488	
Equipment	12,557,434	918,650	359,073		13,117,011	
Infrastructure	135,244,126	30,235,888	239,967		165,240,047	
Intangible assets	380,679	41,350	-		422,029	
Totals at historical cost	169,467,498	55,161,158	17,818,214		206,810,442	
Accumulated depreciation						
Buildings	(11,130,606)	(413,878)	-		(11,544,484)	
Equipment	(8,235,815)	(895,365)	359,072		(8,772,108)	
Infrastructure	(66,079,739)	(4,740,346)	221,899		(70,598,186)	
Intangible assets	(345,736)	(7,882)	-		(353,618)	
Total accumulated depreciation	(85,791,896)	(6,057,471)	580,971		(91,268,396)	
Business-type activities capital assets, net	<b>\$ 83,675,602</b>	<b>\$ 49,103,687</b>	<b>\$ 17,237,243</b>		<b>\$ 115,542,046</b>	
Total capital assets, net	<b>\$ 181,044,603</b>	<b>\$ 87,395,563</b>	<b>\$ 33,532,848</b>		<b>\$ 234,907,318</b>	

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

**Governmental Activities**

General government	\$ 875,129
Public safety	676,337
Highways and streets	4,572,678
Culture and recreation	247,823
<b>Total depreciation expense - governmental activities</b>	<b><u>\$ 6,371,967</u></b>

The composition of interfund advance to and from balances at December 31, 2012 is to fund outstanding special assessments and highway debt paid in annual installments for storm sewer development.

Governmental funds	Nonmajor		Total Due From
	NAWS	Gov't	
CDBG-DR	\$ 1,694,266	\$ -	\$ 1,694,266
Nonmajor governmental	-	1,451,351	1,451,351
<b>Total Due To</b>	<b><u>\$ 1,694,266</u></b>	<b><u>\$ 1,451,351</u></b>	<b><u>\$ 3,145,617</u></b>

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

**Business -Type Activities**

Airport	\$ 1,640,684
Cemetery	19,604
Parking authority	15,429
Sanitation	490,601
Water and sewer	3,891,153
<b>Total depreciation expense - business-type activities</b>	<b><u>\$ 6,057,471</u></b>

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

**E. COMMITMENTS**

Construction commitments as of December 31, 2012 were approximately \$23,280,687. The City is also committed to approximately \$74.1 million local share in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot. Our local share of expenditures to date is approximately \$39.5 million. The City has approximately \$34.6 million local share remaining on this project. This project will be funded with sales tax monies approved by the voters in March 1999.

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

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

Governmental funds	Nonmajor	Water &	Total
	Gov't	Sewer	Advance From
Special Assessment Debt	\$ 423,921	\$ 140,147	\$ 564,068
Nonmajor Gov	-	288,527	288,527
<b>Business-type funds</b>			
Water & Sewer	604,378	-	604,378
<b>Total advance to</b>	<b><u>\$1,028,299</u></b>	<b><u>\$ 428,674</u></b>	<b><u>\$ 1,456,973</u></b>

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The following table shows transfers out by major fund and nonmajor funds in aggregate:

Transfers Out	Special			Nonmajor			Water & Sewer			Nonmajor Enterprise Funds		Total Transfers In
	General Fund	Sales Tax NAWS	Assessment Debt	Governmental Funds	Airport	Sanitation						
General fund	\$ -	\$ 50,000	\$ 5,052	\$ 3,321,967	\$ 13,163	\$ 210,315	\$ 28,629	\$ 1,526	\$ 3,630,652			
CDBG-DR	-	-	-	628	-	-	-	-	-	-	-	628
Assessment debt	-	-	-	-	-	-	-	-	-	11,441	-	11,441
Capital projects	1,309	-	690	3,745,209	-	-	-	-	-	-	-	3,747,208
Nonmajor governmental funds	33,487	-	44,373	7,886,302	-	122,497	682,010	-	-	-	-	8,768,669
Airport	-	-	-	671,495	59,445	-	-	-	-	-	-	730,940
Sanitation	-	-	-	109,455	-	-	172,561	-	-	-	-	282,016
Water and sewer	-	-	-	6,161,077	-	-	-	-	-	-	-	6,161,077
Total transfers out	\$ 34,796	\$ 50,000	\$ 50,115	\$ 21,896,133	\$ 72,608	\$ 332,812	\$ 894,641	\$ 1,526	\$ 23,332,631			

**Transfers in/out consisted of the following:**

\$ 265,722	Interest Distribution transfers to General Fund
59,159	Airport budgeted transfers to General Fund for TSA
126,000	Sanitation (Garbage \$20,000 and Landfill \$106,000) budgeted equipment transfer to Equipment Purchase Fund
194,324	Sanitation budgeted transfers to General Fund
111,844	Water and sewer budgeted transfers to Special Assessment Debt Fund for debt payments
75,000	Water and Sewer budgeted equipment transfer (Water Treatment \$55,000 and Sewer \$20,000) to Equipment Purchase Fund
208,000	Water and Sewer transfer to sanitation
594,640	Water and Sewer transfer to flood control
1,200,154	Property Tax Relief budgeted transfers to Highway Debt - First Penny
50,000	MAGIC Fund administration budgeted transfers to General Fund for administration
580,940	MAGIC Fund transfer to Airport for infrastructure
3,800,000	MAGIC Fund transfer to Water/Sewer for infrastructure
5,712,699	MAGIC Fund transfer to Highway Reserve for infrastructure
150,000	Sales Tax Capital Improvements budgeted transfer to Airport for debt payments
43,853	Sales Tax Capital Improvements budgeted transfer to Library for parking lot repairs
1,454,790	Sales Tax Capital Improvements budgeted transfers to Water and Sewer Fund for infrastructure
100,000	Sales Tax Capital Improvements major project transfer to Sanitation for Sanitation Truck Building
125,911	Sales Tax Capital Improvements budgeted transfers to Special revenue fund for maintenance
216,930	Sales Tax Capital Improvements budgeted transfers to Highway Debt for debt payments
400,000	Sales Tax Capital Improvements budgeted transfers to Street Improvements
404,544	Sales Tax Capital Improvements budgeted transfers to Highway Reserve for highway projects
951,050	Sales Tax Capital Improvements budgeted transfers to Capital projects for levee damaged properties
727,000	Sales Tax Capital Improvements budgeted transfers to Fire Equipment Purchase Fund
232,232	Sales Tax Capital Improvements budgeted transfers to Capital projects
30,000	Sales Tax Capital Improvements budgeted transfers to Equipment Purchase for radio repeaters for Police
2,817,045	Sales Tax Property Tax Relief budgeted transfer to General Fund - Second Penny
1,000,000	Sales Tax Infrastructure budgeted transfer to Street Improvements
50,000	Sales Tax Infrastructure budgeted transfer to General Fund
439,735	Sales Tax Infrastructure budgeted transfer to Sewer project
35,245	Sales Tax Infrastructure budgeted transfer for Flood Engineering Study
121,286	Highway Reserves transfer to Water/Sewer
31,260	Highway Reserves transfer to Street Improvements
480,467	Highway Reserves transfer to Highway projects
148,407	Highway debt to Highway Reserve for paving projects
44,373	Special Assessment Debt transfers to Special Assessment projects
130,666	Capital Special Assessment transfers to projects in Water/Sewer
169,355	Storm Sewer Development transfer of funds to projects in Water/Sewer
50,000	NAWS administration budgeted transfers to General Fund for administration
<u>\$ 23,332,631</u>	Total transfers in/out

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**G. LEASES**

*Operating Leases.* The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$133,246 for the year ended December 31, 2012. The future minimum lease payments for these leases are as follows:

<b>Year Ended December 31</b>	<b>Amounts</b>
2013	\$ 133,246
2014	133,246
2015	133,246
2016	<u>253,121</u>
Total minimum payments	<u>\$ 652,859</u>

*Capital Leases.* The City has entered into two capital lease agreements as lessee for financing the acquisition of a photo copier for engineering and a compactor for the landfill. The agreements have been recorded at the present value of their future minimum lease payments as of the inception date.

The assets acquired through capital leases are as follows:

	<b>Governmental Activities</b>	<b>Proprietary Activities</b>
<b>Asset:</b>		
Equipment	\$ 15,392	\$ 876,950
Less: Accumulated depreciation	(11,895)	(374,432)
Total	<u>\$ 3,497</u>	<u>\$ 502,518</u>

The future minimum lease obligations and the net present value of these minimum lease payments as of December 31, 2012, were as follows:

<b>Year Ended December 31</b>	<b>Governmental Activities</b>	<b>Proprietary Activities</b>
2013	\$ 3,426	\$ 163,395
2014	286	163,395
2015	-	124,051
2016	-	100,000
Total minimum lease payments	<u>3,712</u>	<u>550,841</u>
Less: Amount representing interest	(329)	(59,721)
Present value of minimum lease payments	<u>\$ 3,383</u>	<u>\$ 491,120</u>

**H. LONG-TERM DEBT**

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

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

faith and credit of the City of Minot. These bonds are paid through the debt service fund by a tax levy and sales tax funds sufficient to meet the current year's principal and interest payments. The City issued \$2,900,000 of general obligation bonds in 2012 to refund the 2003B & 2006B issues with a current principal owing of \$1,710,000. By the issuance of the bonds the City will realize a substantial interest rate reduction, a gross savings of approximately \$426,761 and a present value of approximately \$407,695. These bonds are generally issued as 10-year bonds and the outstanding bonds have interest rates ranging from 1.15% to 4.60%.

General obligation bonds currently outstanding are as follows:

<b>Year</b>	<b>Balance</b>			
	<b>Original Amount</b>	<b>Outstanding 12/31/2012</b>	<b>Interest Rate</b>	<b>Matures</b>
2005	\$ 2,355,000	\$ 785,000	3.65-3.75%	10/01/2015
2007	1,785,000	995,000	3.55-3.70%	10/01/2017
2008	1,720,000	1,110,000	3.75-4.60%	10/01/2018
2009	2,005,000	1,465,000	2.00-3.10%	10/01/2019
2010	1,375,000	1,135,000	1.15-2.70%	10/01/2020
2012	2,900,000	2,900,000	2.00%	10/01/2023
	<u>\$ 12,140,000</u>	<u>\$ 8,390,000</u>		

*Special assessment bonds* are issued to provide funds for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. During the year, the City issued \$1,885,000 of special assessment bonds for water and sewer district and paving districts. The City has \$9,585,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorum taxes. Interest rates on the outstanding bonds range from 0.40% to 5.00%.

Special assessment bonds currently outstanding are as follows:

<b>Year</b>	<b>Balance</b>			
	<b>Original Amount</b>	<b>Outstanding 12/31/2012</b>	<b>Interest Rate</b>	<b>Matures</b>
2003	\$ 2,205,000	\$ 220,000	3.70%	10/01/2013
2006	910,000	360,000	4.00%	10/01/2016
2007A	2,255,000	1,655,000	4.25-4.50%	10/01/2022
2007D	460,000	255,000	3.70-3.875%	10/01/2017
2008	1,905,000	1,235,000	4.00-5.00%	10/01/2018
2011	4,285,000	3,975,000	2.00-3.00%	10/01/2021
2012	1,885,000	1,885,000	0.40-1.60%	10/01/2023
	<u>\$ 13,905,000</u>	<u>\$ 9,585,000</u>		

Business-type activities include the following type of

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long-term debt:

Notes outstanding as of December 31, 2012 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,358,115 with a 3.50% interest rate, and matures July 1, 2027. Water and sewer fund income is used to pay the annual principal and interest due.

**Revenue Bonds.** The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. Interest rates on the outstanding bonds range from 2.00% to 5.375%. During the year, the City issued \$3,650,000 in revenue bonds for the two sewer projects and issued \$1,955,000 to refund the 2004A issue with a current principal owing of \$1,945,000. By the issuance of the bonds the City will realize a substantial interest rate reduction, a gross savings of approximately \$326,447 and a present value of approximately \$302,827. The following are outstanding revenue bonds:

Year	Original Amount	Balance		
		Outstanding 12/31/2012	Interest Rate	Matures
1972	\$ -	\$ 1,358,115	3.50%	07/01/2027
1993	665,000	40,000	2.50%	10/01/2013
2003	2,000,000	235,000	3.75%	10/01/2013
2004	2,650,000	140,000	3.63%	10/01/2013
2007	5,490,000	3,055,000	3.75%	10/01/2017
2008A	1,835,000	1,035,000	3.70-3.90%	10/01/2017
2008D	10,380,000	8,625,000	3.75-5.375%	10/01/2023
2011	2,005,000	1,860,000	2.00%	10/01/2021
2012B	3,650,000	3,650,000	2.00%	10/01/2023
2012C	1,955,000	1,955,000	2.00%	10/01/2024
	<u>\$ 30,630,000</u>	<u>\$ 21,953,115</u>		

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

Governmental Activities	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2013	\$ 1,375,000	\$ 220,565	\$ 1,090,000	\$ 278,412
2014	1,405,000	193,346	1,065,000	246,299
2015	1,445,000	154,934	1,090,000	217,823
2016	1,200,000	113,839	1,120,000	184,035
2017	910,000	81,555	1,055,000	147,356
2018-2022	1,885,000	118,253	3,965,000	297,919
2023	170,000	3,400	200,000	3,200
Total governmental activities	<u>\$ 8,390,000</u>	<u>\$ 885,892</u>	<u>\$ 9,585,000</u>	<u>\$ 1,375,043</u>

Business-Type Activities	Revenue Bonds		Notes Payable	
	Principal	Interest	Principal	Interest
2013	\$ 2,315,000	\$ 703,792	\$ 73,100	\$ 48,157
2014	2,310,000	649,674	75,681	45,621
2015	2,380,000	576,636	78,353	42,995
2016	2,460,000	499,371	81,119	40,276
2017	2,240,000	417,331	83,983	37,461
2018-2022	7,270,000	1,165,738	467,004	141,480
2023-2027	1,620,000	68,938	498,875	54,237
Total business-type activities	<u>\$ 20,595,000</u>	<u>\$ 4,081,480</u>	<u>\$ 1,358,115</u>	<u>\$ 410,227</u>

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*Changes in Long Term Liabilities.* The following is a summary of the activity for long-term liabilities for the year ended December 31, 2012.

<b>Governmental Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
General obligation	\$ 9,970,000	\$ 2,900,000	\$ (4,480,000)	\$ 8,390,000	\$ 1,375,000
Special assessment	8,730,000	1,885,000	(1,030,000)	9,585,000	1,090,000
Total bonds payable	18,700,000	4,785,000	(5,510,000)	17,975,000	2,465,000
Unamortized premium	225,620	108,879	(7,020)	327,479	34,814
Unamortized discount	(37,538)	(13,041)	14,068	(36,511)	(5,454)
Capital leases	6,563	-	(3,180)	3,383	3,180
Compensated absences	847,794	620,394	(636,190)	831,998	291,199
Governmental activity long-term liabilities	<u>\$ 19,742,439</u>	<u>\$ 5,501,232</u>	<u>\$ (6,142,322)</u>	<u>\$ 19,101,349</u>	<u>\$ 2,788,739</u>

<b>Business-Type Activities</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending Balance</b>	<b>Due Within One Year</b>
Bonds payable					
Revenue bonds	\$ 20,830,000	\$ 5,605,000	\$ (5,840,000)	\$ 20,595,000	\$ 2,315,000
Unamortized premium	66,523	226,215	(14,141)	278,597	31,074
Unamortized discount	(60,870)	-	17,132	(43,738)	(4,069)
Notes payable	1,428,722	-	(70,607)	1,358,115	73,100
Capital leases	640,437	-	(149,317)	491,120	152,950
Compensated absences	232,758	116,960	(135,328)	214,390	75,036
Business-type activity long-term liabilities	<u>\$ 23,137,570</u>	<u>\$ 5,948,175</u>	<u>\$ (6,192,261)</u>	<u>\$ 22,893,484</u>	<u>\$ 2,643,091</u>

Compensated absences for governmental activities are generally liquidated by the general fund.

*Conduit Debt.* From time to time, the City has issued Municipal Industrial Development Act Revenue 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 property financed and are payable solely from payments received on the underlying mortgage loans. Upon repayment of the bonds, ownership of the acquired facilities transfers to the private-sector entity served by the bond issuance. The City is not 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, 2012, the aggregate principal amount payable for the nine outstanding conduit debt series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$41,500,000.

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

The City's debt limit is \$126,682,969 and the legal debt margin is \$118,803,074.

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**I. FUND BALANCE**

	Major Special Revenue Funds			Major Debt Service	Major Capital Projects Fund	Nonmajor Other Governmental Funds	Total
	General Fund	Sales Tax NWAWS	CDBG-DR	Special Assessment Debt	Capital Purchases		
<b>Fund balances</b>							
<b>Nonspendable</b>							
Inventory	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 5,610	\$ 5,610
Long-term loans receivable	-	-	-	-	-	50,000	50,000
Prepays	39,167	-	-	-	-	11,689	50,856
Advances to other funds	-	-	-	564,068	-	288,527	852,595
<b>Total nonspendable</b>	<b>39,167</b>	<b>-</b>	<b>-</b>	<b>564,068</b>	<b>-</b>	<b>355,826</b>	<b>959,061</b>
<b>Restricted</b>							
Highways	-	-	-	-	-	2,777	2,777
Debt service reserve	-	-	-	637,032	-	323,320	960,352
Law enforcement grants	6,039	-	-	-	-	-	6,039
NAWS	-	35,085,324	-	-	-	-	35,085,324
<b>Total restricted</b>	<b>6,039</b>	<b>35,085,324</b>	<b>-</b>	<b>637,032</b>	<b>-</b>	<b>326,097</b>	<b>36,054,492</b>
<b>Committed</b>							
Street improvements	-	-	-	-	-	1,025	1,025
Library	-	-	-	-	-	2,762	2,762
Culture and recreation	-	-	-	-	-	8,188	8,188
Economic development	-	-	-	-	-	1,086,131	1,086,131
Sales tax property tax relief	-	-	-	-	-	2,951,612	2,951,612
Flood control	-	-	-	-	-	1,962,268	1,962,268
<b>Total committed</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>6,011,986</b>	<b>6,011,986</b>
<b>Assigned</b>							
Public transportation	-	-	-	-	-	334,246	334,246
Library	-	-	-	-	-	190,925	190,925
Culture and recreation	-	-	-	-	-	1,707,107	1,707,107
Economic development	-	-	-	-	-	5,647,158	5,647,158
Improvement projects	-	-	-	-	-	4,363,955	4,363,955
Highways	-	-	-	-	-	8,363,939	8,363,939
Equipment purchases	-	-	-	-	-	1,139,448	1,139,448
Debt service	-	-	-	95	-	189,732	189,827
Capital projects	-	-	-	-	3,322,968	520,761	3,843,729
Sales tax infrastructure	-	-	-	-	-	5,025,790	5,025,790
Sales tax community facilities	-	-	-	-	-	4,654,813	4,654,813
Storm sewer development	-	-	-	-	-	1,669,708	1,669,708
Other purposes	-	-	-	-	-	28,785	28,785
<b>Total assigned</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>95</b>	<b>3,322,968</b>	<b>33,836,367</b>	<b>37,159,430</b>
<b>Unassigned</b>							
<b>Total fund balance</b>	<b>\$ 16,229,708</b>	<b>\$ 35,085,324</b>	<b>\$ -</b>	<b>\$ 1,201,195</b>	<b>\$ 3,322,968</b>	<b>\$ 38,893,124</b>	<b>\$ 94,732,319</b>

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**NOTE 5-OTHER INFORMATION**

**A. RISK MANAGEMENT**

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDIRF), a public entity risk pool currently operating as a common risk management and insurance program for the state and over 2,000 political subdivisions. All members joined to help capitalize the NDIRF. During the past five years, the NDIRF returned approximately 21.19% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDIRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDIRF is limited to losses of \$1,000,000 per occurrence for general liability and \$2,000,000 per occurrence for errors and omissions. The City continues to carry commercial insurance for all other risks of loss, including workers' compensation, employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

**Employee Health Benefits**

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance. The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,000,000 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$1,996,407.

Claims, which have been incurred at year-end but not reported, have been recorded as insurance claims payable in the amount of \$121,892. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end. A summary of the claim liabilities and related claim payments are shown below:

	<b>Current Year Claims</b>			
	<b>Beginning Claim Liability</b>	<b>Incurred and Changes in Estimates</b>	<b>Payments on Claims</b>	<b>Ending Claim Liability</b>
2010	143,245	1,378,652	1,442,859	79,038
2011	79,038	1,409,957	1,344,007	144,988
2012	144,988	1,498,517	1,521,613	121,892

**B. TERMINATION BENEFITS**

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

As of December 31, 2012, the City had two COBRA participants for health and one for dental. Each COBRA participant who voluntarily terminated is responsible for 100% of the premium; however, there remains an implicit rate subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is not reasonably estimated. The City expects to have former employees on COBRA on an ongoing basis.

**C. CONTINGENT LIABILITIES**

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

**D. SUBSEQUENT EVENT**

During March 2013, the City of Minot was notified they will receive another allocation of Community Development Block Grant (CDBG) program funds to support long-term disaster recovery from the 2011 flood of \$35,056,000. US Housing and Urban Developments (HUD) CDBG-Disaster Recovery grants are intended to confront housing, business and infrastructure needs beyond those addressed by other forms of public and private assistance.

In fiscal year 2013 to date, the City of Minot was

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allocated \$2,271,380 Hazard Mitigation Funds for the Water Treatment Plant; \$1.6 million from Economic Development Administration supplemental disaster funds for 21<sup>st</sup> Ave NW street and utility improvements for the market on north hill; \$250,000 ND Energy Infrastructure and Impact funds for the fire department training grounds; \$96,920 North Dakota Homeland Security funds for training and equipment for the fire department; \$4,207 North Dakota Technology funds for the Minot Public Library; and \$2,111 from Workforce Safety Ergonomic Initiative funds for library equipment.

**E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS**

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

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

The OPEB Plan is a single-employer plan, which provides all employees of the City of Minot (excluding the Minot Park District, as they are not on the City health plan and non-civil service City employees) participating in the City's group health insurance plan (medical and prescription drugs), who retire under the City of Minot Employees' Pension Plan, may continue to participate in the City's group health insurance plan after retirement. Employees are eligible to continue coverage in the group health insurance plan until they attain age 65, provided eligibility requirements are met and applicable premiums are paid. Retirees or spouses that elect not to continue health coverage, at any time, are not eligible to reenroll in the City's group health insurance plan.

Employees who retire under the City of Minot Employee's Pension Plan after December 31, 2004 and employees hired before July 6, 2010 receive a monthly healthcare supplement equal to \$7.50 per year of

service. Employees hired after July 5, 2010 do not receive any retiree healthcare supplement. These supplements are accounted for in the pension plan valuation because they are not restricted to the payment of health insurance.

The benefit provisions, amendments, and all requirements are amended in the pension plan document. City civil service employees hired before July 6, 2010, who retire at or after the age of 60 with 60 months of service and civil service employees hired on or after July 6, 2010, who retire at or after the age of 60 with 120 months of service are eligible for a monthly pension benefit and OPEB benefits. The average monthly earnings are considered the average of the highest 36 months earnings within the last 120 months (need not be consecutive). After December 31, 2003, members satisfying the Rule of 85 are also eligible for a monthly pension benefit and OPEB benefits. After July 6, 2010, members satisfying the Rule of 90 and who have attained age 55 are eligible for a monthly pension benefit and OPEB benefits. Also, the average monthly earnings is calculated using the highest 78 bi-weekly earnings within the last 120 months. The Rule of 85/90 is satisfied when the member's age plus the member's total period of service equals 85/90 years and the employee is at least 55 years old.

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

The following table summarizes membership information by plan at the actuarial valuation date:

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	<b>Pension</b>
Retirees and beneficiaries receiving benefits	228
Terminated employees	
Vested	31
Non-vested	10
Total terminated employees	41
Active employees	
Vested	178
Non-vested	149
Total active employees	327
Date of annual valuation	01/01/13
	<b>OPEB</b>
Retirees with coverage	68
Terminated employees	
With coverage	36
Waived coverage	7
Total terminated employees	43
Active employees	
With coverage	201
Waived coverage	50
Total active employees	251
Date of annual valuation	01/01/13

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

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

**Method Used to Value Investments.** Investments are recorded at fair value determined by reference to published market data for publicly traded securities and using independent valuation services and appraisals for other investments. The net appreciation in fair value of investments consists of the realized gains or losses and the unrealized appreciation or depreciation in fair value of investments during the year. Realized gains and losses on sales of investments are computed based on the difference between the sales price and the fair value of the investments as of the beginning of the year or cost if purchased during the year. Unrealized appreciation or depreciation is computed based on changes in the fair value of investments between years. Security transactions are accounted for on a trade date basis.

The City also has pension & OPEB investments valued at \$54,769,336 and \$912,953. The fixed income securities are broken down by subclass, maturities and ratings in the following tables:

<b>Fixed Income Subclass</b>	<b>Pension</b>	<b>OPEB</b>
US Treasuries	\$ 88,582	\$ 63,258
Government Agencies	5,770,641	224,834
Corporate Bonds	7,289,187	-
Foreign Corporate Bonds	1,679,295	-
Intl Fixed Income	1,598,709	56,309
Taxable Fixed Income	699,695	159,601
Taxable Munis	12,246,417	-
	<b>\$ 29,372,526</b>	<b>\$ 504,002</b>
<b>Maturity (Years)</b>	<b>Pension Fixed</b>	<b>OPEB Fixed</b>
1-3	\$ -	\$ -
3-5	482,608	-
10-15	3,726,292	94,310
15+	22,865,222	223,763
Not Defined	2,298,404	185,930
	<b>\$ 29,372,526</b>	<b>\$ 504,002</b>
<b>Credit Rating</b>	<b>Pension Fixed</b>	<b>OPEB Fixed</b>
AAA	\$ 5,244,629	\$ 151,762
AA+	2,785,823	-
AA	4,105,382	-
AA-	2,394,112	-
A+	1,270,780	-
A	1,949,804	-
A-	2,059,920	-
BBB+	2,203,238	-
BBB	1,202,926	-
Not Rated	3,857,508	136,330
Not Defined	2,298,404	215,910
	<b>\$ 29,372,526</b>	<b>\$ 504,002</b>

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

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

Actuarial valuations involve estimates of the value of reported amounts and assumptions about the probability of events far into the future, and that actuarially determined amounts are subject to continual

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**DECEMBER 31, 2012**

**Notes to Financial Statements**

revision as results are compared to past expectations and new estimates are made about the future. Actuarial calculations reflect a long-term perspective.

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

Below is listed the various actuarial methods and significant assumptions used to determine the annual required contributions, together with the schedule of funding progress.

<b>Pension</b>	
Valuation date	January 1, 2013
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	30 year open period
Asset valuation method	Fair market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	0-4 years of service 10% 5-12 years of service 7.5% 13+ years of service 7%
Includes inflation at	3.00%
Post retirement cost of living	1% after age 65
<b>OPEB</b>	
Valuation date	January 1, 2013
Benefits valued	Pre-65 medical & prescription drug coverage
Actuarial cost method	Entry age normal
Amortization method	Level percentage of pay
Remaining amortization period	30 year closed period
Asset valuation method	Fair market value
Actuarial assumptions:	
Investment rate of return	7.50%
Projected salary increases	0-4 years of service 10% 5-12 years of service 7.5% 13+ years of service 7%
Includes inflation at	3.00%
Marriage rate	85.00%
Spouse age differential	males 3 years older than female spouses
Health insurance elections	80% City employees elect medical coverage 60% City employees elect coverage for spouse

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

<b>Fiscal Year</b>	<b>01/01/2011</b>	<b>1/1/2013</b>
<b>Beginning</b>	<b>Valuation</b>	<b>Valuation</b>
2011	9.50%	N/A
2012	9.00%	N/A
2013	8.50%	9.50%
2014	8.00%	9.00%
2015	7.50%	8.50%
2016	7.00%	8.00%
2017	6.50%	7.50%
2018	6.00%	7.00%
2019	5.50%	6.50%
2020	5.00%	6.00%
2021	5.00%	5.50%
2022+	5.00%	5.00%

The City's annual pension cost and net pension obligation for 2012 and the past two years are as follows:

<b>Pension</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Annual required contribution (ARC)	\$ 2,514,688	\$ 2,270,161	\$ 2,109,607
Interest on net pension obligation (asset)	(117,156)	(58,600)	(27,267)
Adjustment to ARC - beginning of year			
NPO amortized over 15 years	135,589	67,820	31,557
Annual pension cost	2,533,121	2,279,381	2,113,897
Contributions made	(3,157,460)	(3,034,945)	(2,518,191)
Increase (decrease) in NPO (asset)	(624,339)	(755,564)	(404,294)
Net pension obligation (asset) January 1	(1,511,692)	(756,128)	(351,834)
Net pension obligation (asset) December 31	\$ (2,136,031)	\$ (1,511,692)	\$ (756,128)
Percentage of annual benefit cost	124.65%	133.15%	119.13%

The City's annual OPEB cost and net pension obligation for 2012 is as follows:

<b>OPEB</b>	<b>2012</b>	<b>2011</b>	<b>2010</b>
Annual required contribution (ARC)	\$ 252,590	\$ 254,085	\$ 199,872
Interest on net OPEB obligation (asset)	(1,993)	-	-
Adjustment to ARC - beginning of year	1,647	-	-
Annual OPEB cost	252,244	254,085	199,872
Employer contributions	(252,590)	(279,805)	(199,872)
Increase (decrease) in net OPEB obligation	(346)	(25,720)	-
Net OPEB obligation (asset) January 1	(25,720)	-	-
Net OPEB obligation (asset) December 31	\$ (26,066)	\$ (25,720)	\$ -
Percentage of annual benefit cost	100.14%	110.12%	100.00%

**Contributions Required and Contributions Made.** The actuary does not determine the pension contribution rates; rather it is done by employer recommendations within the limits established by state statute. The employees contributed 14.74% and the employer 15.77% of gross earnings. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on an actuarial valuation, contributions are providing for an amortization of 40 years respectively on the unfunded liability at January 1, 2013.

**CITY OF MINOT, NORTH DAKOTA**  
**NOTES TO THE FINANCIAL STATEMENTS**  
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**Notes to Financial Statements**

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The annual pension cost exceeds the annual required contribution (ARC) in all three years. The NPO asset of \$2,136,031 for the pension trust and \$26,066 for the OPEB trust is shown on the government-wide statement of net position. The OPEB was 100% funded in all three years.

**Pension Schedule of Employer Contributions**

	Annual		
	Required Contribution	Contributions Made	Percentage Contributed
2002	\$ 1,079,156	\$ 1,081,995	100.26%
2003	1,266,157	1,104,299	87.22%
2004	1,702,837	1,382,332	81.18%
2005	1,918,301	1,743,340	90.88%
2006	1,350,938	1,593,998	117.99%
2007	1,794,229	1,628,716	90.78%
2008	1,793,941	1,744,902	97.27%
2009	2,010,737	1,905,577	94.77%
2010	2,109,607	2,518,191	119.37%
2011	2,270,161	3,034,945	133.69%
2012	2,514,668	3,157,460	125.56%

**OPEB Schedule of Employer Contributions**

	Annual		
	Required Contribution	Contributions Made	Percentage Contributed
2008	\$ 143,021	\$ 143,021	100.00%
2009	196,192	196,192	100.00%
2010	199,872	199,872	100.00%
2011	254,085	279,805	110.12%
2012	252,590	252,590	100.00%

The required schedule of funding progress presents multi-year trend information about whether the actuarial value of plan assets is increasing or decreasing over time relative to the actuarial accrued liability for benefits.

**CITY OF MINOT, NORTH DAKOTA**  
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**DECEMBER 31, 2012**

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<b>Pension Schedule of Funding Progress</b>							
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Plan Assets</b>	<b>Actuarial</b>		<b>Unfunded</b>		<b>UAAL as a Percentage of Annual Covered Payroll</b>	
		<b>Accrued Liability (AAL)</b>	<b>Accrued Liability (UAAL)</b>	<b>Actuarial Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Annual Covered Payroll</b>
January 1, 2003	\$ 42,742,199	\$ 53,720,068	\$ 10,977,869	79.56%	\$ 10,807,681	101.57%	
January 1, 2004	44,436,923	69,980,362	25,543,439	63.50%	11,206,799	227.93%	
January 1, 2005	46,196,524	77,847,350	31,650,826	59.34%	11,596,314	272.94%	
January 1, 2006	47,954,223	75,225,579	27,271,356	63.75%	11,523,110	236.67%	
January 1, 2007	48,554,265	79,750,774	31,196,509	60.88%	11,174,989	279.16%	
January 1, 2008	51,540,078	83,482,716	31,942,638	61.74%	11,826,269	270.10%	
January 1, 2009	49,501,736	87,467,115	37,965,379	56.59%	12,515,578	303.34%	
January 1, 2010	50,493,598	91,922,237	41,428,639	54.93%	13,264,828	312.32%	
January 1, 2011	51,098,589	95,577,436	44,478,847	53.46%	13,762,691	323.18%	
January 1, 2012	51,876,273	101,308,983	49,432,710	51.21%	15,013,531	329.25%	
January 1, 2013	52,590,531	109,797,238	57,206,707	47.90%	14,432,827	396.37%	

<b>OPEB Schedule of Funding Progress</b>							
<b>Actuarial Valuation Date</b>	<b>Actuarial Value of Plan Assets</b>	<b>Actuarial</b>		<b>Unfunded</b>		<b>UAAL as a Percentage of Annual Covered Payroll</b>	
		<b>Accrued Liability (AAL)</b>	<b>Accrued Liability (UAAL)</b>	<b>Actuarial Liability</b>	<b>Funded Ratio</b>	<b>Annual Covered Payroll</b>	<b>Annual Covered Payroll</b>
January 1, 2008	\$ -	\$ 1,485,924	\$ 1,485,924	0.00%	\$ 11,800,000	12.59%	
January 1, 2009	(7,607)	1,881,683	1,889,290	-0.40%	11,500,000	16.43%	
January 1, 2010	90,079	2,003,167	1,913,088	4.50%	11,800,000	16.21%	
January 1, 2011	286,836	2,524,963	2,238,127	11.36%	13,300,000	16.83%	
January 1, 2012	510,513	2,679,242	2,168,729	19.05%	13,700,000	15.83%	
January 1, 2013	766,792	2,843,885	2,077,093	26.96%	13,700,000	15.16%	

**F. MUNICIPAL SOLID WASTE LANDFILL**

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and post-closure care costs will be paid only near or after the date the landfill stops accepting waste, the City reports a portion of these closure and post-closure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$685,818 reported as MSWLF closure and post-closure care liability at December 31, 2012, represents the cumulative amount reported to date based on the use of 40.25% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and post-closure care of nearly \$0.6 million as the

remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and post-closure care in 2012. The City expects the landfill will be operated for another 15 years with closure anticipated in the year 2028. Actual costs may be higher due to inflation, deflation, changes in technology, or changes in applicable laws or regulations.

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

# Supplementary Information



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**City of Minot, North Dakota**  
**Schedule of Revenue, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Major Debt Service Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Special Assessment Debt</b>						
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>	
<b>REVENUES</b>						
Property tax collections	\$ 24,524	\$ 24,524	\$ 23,792	\$ 732	\$ 23,546	
Special assessment collections	1,089,455	1,089,455	688,695	400,760	795,030	
Interest income	-	-	34,391	(34,391)	46,357	
Miscellaneous	333,967	-	-	-	-	
Total revenues	1,447,946	1,113,979	746,878	367,101	864,933	
<b>EXPENDITURES</b>						
Current						
General government	-	109,198	867	108,331	1,132	
Debt service						
Principal retirement	1,380,000	1,057,500	1,030,000	27,500	715,000	
Interest and fiscal charges	488,276	278,011	272,414	5,597	215,476	
Total expenditures	1,868,276	1,444,709	1,303,281	141,428	931,608	
Excess (deficiency) of revenues over (under) expenditures	(420,330)	(330,730)	(556,403)	225,673	(66,675)	
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City property	-	-	51,100	(51,100)	-	
Transfers in	420,330	330,730	11,441	319,289	181,238	
Transfers out	-	-	(50,115)	50,115	(6,191)	
Total other financing sources (uses)	420,330	330,730	12,426	318,304	175,047	
Net change in fund balance	\$ -	\$ -	(543,977)	\$ 543,977	108,372	
Fund balance (deficit), January 1			1,745,172		1,636,800	
Fund balance (deficit), December 31			<u>\$ 1,201,195</u>		<u>\$ 1,745,172</u>	

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Governmental Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Special Revenue Funds</b>	<b>Debt Service Fund</b>	<b>Capital Project Funds</b>	<b>Total Nonmajor Governmental Funds 2012</b>	<b>Total Nonmajor Governmental Funds 2011</b>
<b>ASSETS</b>					
Cash and investments	\$ 21,157,971	\$ -	\$ 9,031,547	\$ 30,189,518	\$ 23,750,649
Restricted cash and investments	5,155,640	510,105	148,879	5,814,624	4,052,026
Investments	22,288	-	-	22,288	18,825
Taxes receivable delinquent	42,244	16,592	8,055	66,891	95,872
Special assessments receivable delinquent	30,540	-	-	30,540	627
Accounts receivable	4,149	-	1,622,053	1,626,202	1,764,803
Allowance for accounts receivable	-	-	(300,000)	(300,000)	-
Loans receivable	100,000			100,000	283,468
Allowance for loans receivable	(20,000)			(20,000)	(56,693)
Due from other funds	1,451,351	-	-	1,451,351	-
Intergovernmental receivable	3,682,985	309	10,648	3,693,942	3,844,444
Inventory	5,610	-	-	5,610	6,361
Prepaid	11,689	-	-	11,689	3,174
Other assets - capital credits	6,537	-	-	6,537	-
Advance to other funds	-	288,527	-	288,527	1,573,527
Special assessments receivable deferred	696,624	-	-	696,624	25,574
Total assets	<b>\$ 32,347,628</b>	<b>\$ 815,533</b>	<b>\$ 10,521,182</b>	<b>\$ 43,684,343</b>	<b>\$ 35,362,657</b>
<b>LIABILITIES</b>					
Accounts payable	\$ 822,000	\$ -	\$ 531,562	\$ 1,353,562	\$ 1,864,945
Retainage payable	20,353	-	27,889	48,242	294,758
Due to other funds	1,451,351	-	-	1,451,351	1,250,000
Accrued salaries payable	72,748	-	-	72,748	62,102
Advance from other funds	-	-	1,028,299	1,028,299	1,325,773
Uncertified special assessment revenue	696,624	-	-	696,624	11,534
Unearned revenues	118,612	13,954	7,827	140,393	142,629
Total liabilities	<b>3,181,688</b>	<b>13,954</b>	<b>1,595,577</b>	<b>4,791,219</b>	<b>4,951,741</b>
<b>FUND BALANCE</b>					
Nonspendable	67,299	288,527	-	355,826	9,535
Restricted	-	323,320	2,777	326,097	1,617,418
Committed	5,862,082	-	149,904	6,011,986	3,972,645
Assigned	24,651,674	189,732	8,994,961	33,836,367	25,537,402
Unassigned	(1,415,115)	-	(222,037)	(1,637,152)	(726,084)
Total fund balance	<b>29,165,940</b>	<b>801,579</b>	<b>8,925,605</b>	<b>38,893,124</b>	<b>30,410,916</b>
Total liabilities and fund balance	<b>\$ 32,347,628</b>	<b>\$ 815,533</b>	<b>\$ 10,521,182</b>	<b>\$ 43,684,343</b>	<b>\$ 35,362,657</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Governmental Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Special Revenue Funds	Debt Service Fund	Capital Project Funds	Total	
				Nonmajor	
				Governmental Funds 2012	Total Nonmajor Governmental Funds 2011
<b>REVENUES</b>					
Property tax collections	\$ 3,156,229	\$ 711,696	\$ 70,037	\$ 3,937,962	\$ 4,219,490
Special assessment collections	60,668	-	-	60,668	2,861
Sales tax collections	26,705,354	-	-	26,705,354	13,969,460
Intergovernmental	1,267,550	-	268,620	1,536,170	3,990,958
Charges for services	2,099,193	-	848,244	2,947,437	1,782,215
Interest income	114,449	4,265	29,579	148,293	142,883
Contract revenue	-	-	1,200,000	1,200,000	1,698,584
Miscellaneous	197,864	-	59,267	257,131	544,614
Total revenues	33,601,307	715,961	2,475,747	36,793,015	26,351,065
<b>EXPENDITURES</b>					
Current					
General government	3,722,653	24,903	-	3,747,556	5,296,844
Highways and streets	2,823,862	-	-	2,823,862	208,310
Culture and recreation	3,356,958	-	-	3,356,958	3,195,012
Economic Development	851,421	-	-	851,421	903,978
Capital outlay					
Contracted work	-	-	2,619,622	2,619,622	2,556,634
Equipment	-	-	727,706	727,706	998,107
Other	-	-	24,385	24,385	464,953
Acquisitions	-	-	62,326	62,326	122,450
Engineering	-	-	968,635	968,635	779,588
Debt service					
Principal retirement	-	4,480,000	-	4,480,000	1,510,000
Interest and fiscal charges	-	364,556	57,904	422,460	385,332
Total expenditures	10,754,894	4,869,459	4,460,578	20,084,931	16,421,208
Excess (deficiency) of revenues over (under) expenditures	22,846,413	(4,153,498)	(1,984,831)	16,708,084	9,929,857
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds reissued	-	2,900,000	-	2,900,000	4,285,000
Special assessment bonds issued	-	-	1,885,000	1,885,000	-
Premium on general obligation bonds	-	108,879	-	108,879	200,025
Discount on special assessments bonds	-	-	(13,041)	(13,041)	-
Sale of City property	6,750	-	14,000	20,750	77,062
Transfers in	2,846,587	1,423,207	4,498,875	8,768,669	3,425,177
Transfers out	(20,648,985)	(152,672)	(1,094,476)	(21,896,133)	(8,312,623)
Total other financing sources (uses)	(17,795,648)	4,279,414	5,290,358	(8,225,876)	(325,359)
Net change in fund balance	5,050,765	125,916	3,305,527	8,482,208	9,604,498
Fund balance, January 1	24,115,175	675,663	5,620,078	30,410,916	20,806,418
Fund balance, December 31	\$ 29,165,940	\$ 801,579	\$ 8,925,605	\$ 38,893,124	\$ 30,410,916

**City of Minot, North Dakota**  
**Nonmajor Special Revenue Funds**

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

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

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

***Recreation/Auditorium*** - To account for the operation and maintenance of the City's recreation program and facilities. Financing is provided by a specific annual property tax levy in addition to miscellaneous revenues such as user fees, concessions, and facility rentals.

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

***Sales Tax*** – The first penny sales tax is dedicated 10% to property tax, 40% to economic development, and 50% to improvements. The second penny sales tax is dedicated 30% to property tax relief and community facilities and 40% to infrastructure.

***Sidewalk Improvement*** - To account for the maintenance of sidewalks within the City of Minot. City sidewalk maintenance is funded by a tax levy dollars.

***Street Improvements*** - To account for the annual street improvement and street seal programs. The City has a budgeted levy for this program.

***Demolitions*** - To account for the demolition of condemned property within the City. Special assessments are levied against benefiting property owners.

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
<b>ASSETS</b>						
Cash and investments	\$ 240,658	\$ 216,958	\$ 1,580,361	\$ -	\$ -	\$ 4,316,065
Restricted cash and investments	-	-	-	-	687,274	934,541
Investments	-	-	-	-	-	22,288
Taxes receivable delinquent	5,648	23,042	5,548	7,065	-	-
Special assessments delinquent	-	-	-	-	-	-
Accounts receivable	1,487	-	2,662	-	-	-
Loans receivable	-	-	-	-	-	100,000
Allowance for loans receivable	-	-	-	-	-	(20,000)
Due from other funds	-	-	-	-	-	794,697
Intergovernmental receivable	106,553	18,118	19,818	657,084	126,570	506,280
Inventory	-	-	5,610	-	-	-
Prepaid	-	7,984	3,705	-	-	-
Other assets - capital credits	5,130	321	1,086	-	-	-
Advance to other funds	-	-	-	-	-	-
Special assessments receivable deferred	-	-	-	-	-	-
<b>Total assets</b>	<b>\$ 359,476</b>	<b>\$ 266,423</b>	<b>\$ 1,618,790</b>	<b>\$ 664,149</b>	<b>\$ 813,844</b>	<b>\$ 6,653,871</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 5,947	\$ 18,515	\$ 10,655	\$ 612,764	\$ -	\$ 19,461
Retainage payable	-	-	-	9,208	-	-
Due to other funds	-	-	-	794,697	-	-
Advance from other funds	-	-	-	-	-	-
Accrued salaries payable	14,530	26,858	31,360	-	-	-
Uncertified special assessment revenue	-	-	-	-	-	-
Unearned revenues	4,753	19,379	61,834	5,941	-	-
<b>Total liabilities</b>	<b>25,230</b>	<b>64,752</b>	<b>103,849</b>	<b>1,422,610</b>	<b>-</b>	<b>19,461</b>
<b>FUND BALANCE</b>						
Nonspendable	-	7,984	9,315	-	-	50,000
Committed	-	2,762	8,188	-	813,844	937,252
Assigned	334,246	190,925	1,497,438	-	-	5,647,158
Unassigned	-	-	-	(758,461)	-	-
<b>Total fund balance</b>	<b>334,246</b>	<b>201,671</b>	<b>1,514,941</b>	<b>(758,461)</b>	<b>813,844</b>	<b>6,634,410</b>
<b>Total liabilities and fund balance</b>	<b>\$ 359,476</b>	<b>\$ 266,423</b>	<b>\$ 1,618,790</b>	<b>\$ 664,149</b>	<b>\$ 813,844</b>	<b>\$ 6,653,871</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Sales Tax		Flood		Sidewalk		Street	
	Sales Tax	Improvements	Flood	Control	Improvements	Improvements	Street	Demolitions
<b>ASSETS</b>								
Cash and investments	\$ 4,003,242	\$ -	\$ 34,143	\$ 1,956,931	\$ -	\$ -	\$ -	\$ -
Restricted cash and investments	-	1,775,767	-	-	-	-	-	-
Investments	-	-	-	-	-	-	-	-
Taxes receivable delinquent	-	-	-	941	-	-	-	-
Special assessments delinquent	-	-	-	885	29,655	-	-	-
Accounts receivable	-	-	-	-	-	-	-	-
Loans receivable	-	-	-	-	-	-	-	-
Allowance for loans receivable	-	-	-	-	-	-	-	-
Due from other funds	-	-	-	-	656,654	-	-	-
Intergovernmental receivable	633,745	199,766	8	149,343	-	-	-	-
Inventory	-	-	-	-	-	-	-	-
Prepaid	-	-	-	-	-	-	-	-
Other assets - capital credits	-	-	-	-	-	-	-	-
Advance to other funds	-	-	-	-	-	-	-	-
Special assessments receivable deferred	-	-	7,940	-	688,684	-	-	-
Total assets	\$ 4,636,987	\$ 1,975,533	\$ 43,917	\$ 2,792,583	\$ 688,684	\$ -	\$ -	\$ -
<b>LIABILITIES</b>								
Accounts payable	63,363	\$ 13,265	\$ 5,441	\$ 57,589	\$ -	\$ -	\$ -	\$ -
Retainage payable	-	-	-	-	11,145	-	-	-
Due to other funds	-	-	-	-	-	656,654	-	-
Advance from other funds	-	-	-	-	-	-	-	-
Accrued salaries payable	-	-	-	-	-	-	-	-
Uncertified special assessment revenue	-	-	7,940	-	688,684	-	-	-
Unearned revenues	-	-	1,751	24,954	-	-	-	-
Total liabilities	63,363	13,265	15,132	93,688	1,345,338	\$ -	\$ -	\$ -
<b>FUND BALANCE</b>								
Nonspendable	-	-	-	-	-	-	-	-
Committed	-	1,962,268	-	-	-	-	-	-
Assigned	4,573,624	-	28,785	2,698,895	-	-	-	-
Unassigned	-	-	-	-	(656,654)	-	-	-
Total fund balance	4,573,624	1,962,268	28,785	2,698,895	(656,654)	\$ -	\$ -	\$ -
Total liabilities and fund balance	\$ 4,636,987	\$ 1,975,533	\$ 43,917	\$ 2,792,583	\$ 688,684	\$ -	\$ -	\$ -

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Special Revenue Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Sales Tax Property Tax Relief-2nd Penny</b>	<b>Sales Tax Infrastructure</b>	<b>Sales Tax Community Facilities</b>	<b>Total 2012</b>	<b>Total 2011</b>
<b>ASSETS</b>					
Cash and investments	\$ -	\$ 4,534,510	\$ 4,275,103	\$ 21,157,971	\$ 16,268,739
Restricted cash and investments	1,758,058	-	-	5,155,640	3,703,687
Investments	-	-	-	22,288	18,825
Taxes receivable delinquent	-	-	-	42,244	71,476
Special assessments delinquent	-	-	-	30,540	627
Accounts receivable	-	-	-	4,149	1,726,509
Loans receivable	-	-	-	100,000	283,468
Allowance for loans receivable	-	-	-	(20,000)	(56,693)
Due from other funds	-	-	-	1,451,351	-
Intergovernmental receivable	379,710	506,280	379,710	3,682,985	3,815,444
Inventory	-	-	-	5,610	6,361
Prepaid	-	-	-	11,689	3,174
Other assets - capital credits	-	-	-	6,537	-
Advance to other funds	-	-	-	-	1,250,000
Special assessments receivable deferred	-	-	-	696,624	25,574
Total assets	<b>\$ 2,137,768</b>	<b>\$ 5,040,790</b>	<b>\$ 4,654,813</b>	<b>\$ 32,347,628</b>	<b>\$ 27,117,191</b>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ 15,000	\$ -	\$ 822,000	\$ 1,517,956
Retainage payable	-	-	-	20,353	38,181
Due to other funds	-	-	-	1,451,351	-
Advance from other funds	-	-	-	-	1,250,000
Accrued salaries payable	-	-	-	72,748	62,102
Uncertified special assessment revenue	-	-	-	696,624	11,534
Unearned revenues	-	-	-	118,612	122,243
Total liabilities	<b>-</b>	<b>15,000</b>	<b>-</b>	<b>3,181,688</b>	<b>3,002,016</b>
<b>FUND BALANCE</b>					
Nonspendable	-	-	-	67,299	9,535
Committed	2,137,768	-	-	5,862,082	3,673,031
Assigned	-	5,025,790	4,654,813	24,651,674	21,158,693
Unassigned	-	-	-	(1,415,115)	(726,084)
Total fund balance	<b>2,137,768</b>	<b>5,025,790</b>	<b>4,654,813</b>	<b>29,165,940</b>	<b>24,115,175</b>
Total liabilities and fund balance	<b>\$ 2,137,768</b>	<b>\$ 5,040,790</b>	<b>\$ 4,654,813</b>	<b>\$ 32,347,628</b>	<b>\$ 27,117,191</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Public Transportation	Library	Recreation Auditorium	Emergency Fund	Sales Tax Property Tax Relief-1st Penny	Sales Tax Economic Development
<b>REVENUES</b>						
Property tax collections	\$ 323,140	\$ 1,011,790	\$ 16,633	\$ 335,396	\$ -	\$ -
Special assessment collections	-	-	-	-	-	-
Sales tax collections	-	-	-	-	1,335,268	5,341,071
Intergovernmental	423,093	145,691	4,537	183,364	-	-
Charges for services	96,757	20,938	1,981,498	-	-	-
Interest income	883	2,181	4,892	-	2,498	45,900
Contract revenue	-	-	-	-	-	-
Miscellaneous	15,623	35,037	27,211	-	-	119,428
<b>Total revenues</b>	<b>859,496</b>	<b>1,215,637</b>	<b>2,034,771</b>	<b>518,760</b>	<b>1,337,766</b>	<b>5,506,399</b>
<b>EXPENDITURES</b>						
Current						
General government	701,789	-	-	802,243	-	-
Highways and streets	-	-	-	-	-	-
Culture and recreation	-	1,262,666	1,577,699	-	-	-
Economic development	-	-	-	-	-	851,421
Capital outlay						
Equipment	-	-	-	-	-	-
Other	-	-	-	-	-	-
Engineering	-	-	-	-	-	-
<b>Total expenditures</b>	<b>701,789</b>	<b>1,262,666</b>	<b>1,577,699</b>	<b>802,243</b>	<b>-</b>	<b>851,421</b>
Excess (deficiency) of revenues over (under) expenditures	157,707	(47,029)	457,072	(283,483)	1,337,766	4,654,978
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City property	6,400	-	350	-	-	-
Transfers in	-	71,900	135,000	251,106	-	-
Transfers out	(883)	(28,047)	(4,642)	-	(1,202,652)	(10,143,639)
<b>Total other financing sources (uses)</b>	<b>5,517</b>	<b>43,853</b>	<b>130,708</b>	<b>251,106</b>	<b>(1,202,652)</b>	<b>(10,143,639)</b>
Net change in fund balance	163,224	(3,176)	587,780	(32,377)	135,114	(5,488,661)
Fund balance (deficit), January 1	171,022	204,847	927,161	(726,084)	678,730	12,123,071
<b>Fund balance (deficit), December 31</b>	<b>\$ 334,246</b>	<b>\$ 201,671</b>	<b>\$ 1,514,941</b>	<b>\$ (758,461)</b>	<b>\$ 813,844</b>	<b>\$ 6,634,410</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Sales Tax				
	Sales Tax Improvements	Flood Control	Sidewalk Improvements	Street Improvements	Demolitions
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 24,351	\$ 1,444,919	\$ -
Special assessment collections	- -	- -	3,880	- -	56,788
Sales tax collections	6,676,338	- -	- -	- -	- -
Intergovernmental	32,174	84,120	- -	394,571	- -
Charges for services	- -	- -	- -	- -	- -
Interest income	12,362	5,474	194	15,744	110
Contract revenue	- -	- -	- -	- -	- -
Miscellaneous	- -	- -	- -	- -	565
Total revenues	<b>6,720,874</b>	<b>89,594</b>	<b>28,425</b>	<b>1,855,234</b>	<b>57,463</b>
<b>EXPENDITURES</b>					
Current					
General government	724,045	440,560	6,107	- -	742,261
Highways and streets	- -	- -	- -	2,823,862	- -
Culture and recreation	516,593	- -	- -	- -	- -
Economic development	- -	- -	- -	- -	- -
Capital outlay					
Equipment	- -	- -	- -	- -	- -
Other	- -	- -	- -	- -	- -
Engineering	- -	- -	- -	- -	- -
Total expenditures	<b>1,240,638</b>	<b>440,560</b>	<b>6,107</b>	<b>2,823,862</b>	<b>742,261</b>
Excess (deficiency) of revenues over (under) expenditures	<b>5,480,236</b>	<b>(350,966)</b>	<b>22,318</b>	<b>(968,628)</b>	<b>(684,798)</b>
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	- -	- -	- -	- -	- -
Transfers in	214,122	594,640	- -	1,579,819	- -
Transfers out	(4,831,480)	(5,474)	(76)	(15,744)	(110)
Total other financing sources (uses)	<b>(4,617,358)</b>	<b>589,166</b>	<b>(76)</b>	<b>1,564,075</b>	<b>(110)</b>
Net change in fund balance	862,878	238,200	22,242	595,447	(684,908)
Fund balance (deficit), January 1	3,710,746	1,724,068	6,543	2,103,448	28,254
Fund balance (deficit), December 31	<b>\$ 4,573,624</b>	<b>\$ 1,962,268</b>	<b>\$ 28,785</b>	<b>\$ 2,698,895</b>	<b>\$ (656,654)</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Special Revenue Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Sales Tax Property Tax Relief-2nd Penny	Sales Tax Infrastructure	Sales Tax Community Facilities	Total 2012	Total 2011
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ -	\$ 3,156,229	\$ 3,038,464
Special assessment collections	- -	- -	- -	60,668	2,861
Sales tax collections	4,005,803	5,341,071	4,005,803	26,705,354	13,969,460
Intergovernmental	- -	- -	- -	1,267,550	3,805,014
Charges for services	- -	- -	- -	2,099,193	1,191,807
Interest income	4,659	10,051	9,501	114,449	100,252
Contract revenue	- -	- -	- -	- -	1,698,584
Miscellaneous	- -	- -	- -	197,864	477,947
<b>Total revenues</b>	<b>4,010,462</b>	<b>5,351,122</b>	<b>4,015,304</b>	<b>33,601,307</b>	<b>24,284,389</b>
<b>EXPENDITURES</b>					
Current					
General government	- -	55,648	250,000	3,722,653	5,217,554
Highways and streets	- -	- -	- -	2,823,862	208,310
Culture and recreation	- -	- -	- -	3,356,958	3,195,012
Economic development	- -	- -	- -	851,421	903,978
Capital outlay					
Equipment	- -	- -	- -	- -	119,909
Other	- -	- -	- -	- -	172,830
Engineering	- -	- -	- -	- -	7,842
<b>Total expenditures</b>	<b>- -</b>	<b>55,648</b>	<b>250,000</b>	<b>10,754,894</b>	<b>9,825,435</b>
Excess (deficiency) of revenues over (under) expenditures	4,010,462	5,295,474	3,765,304	22,846,413	14,458,954
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	- -	- -	- -	6,750	1,150
Transfers in	- -	- -	- -	2,846,587	751,146
Transfers out	(2,821,705)	(1,535,031)	(59,502)	(20,648,985)	(6,129,278)
<b>Total other financing sources (uses)</b>	<b>(2,821,705)</b>	<b>(1,535,031)</b>	<b>(59,502)</b>	<b>(17,795,648)</b>	<b>(5,376,982)</b>
Net change in fund balance	1,188,757	3,760,443	3,705,802	5,050,765	9,081,972
Fund balance (deficit), January 1	949,011	1,265,347	949,011	24,115,175	15,033,203
<b>Fund balance (deficit), December 31</b>	<b>\$ 2,137,768</b>	<b>\$ 5,025,790</b>	<b>\$ 4,654,813</b>	<b>\$ 29,165,940</b>	<b>\$ 24,115,175</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Public Transportation</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 337,094	\$ 337,094	\$ 323,140	\$ (13,954)	\$ 3,494
Intergovernmental	753,181	786,636	423,093	(363,543)	416,796
Charges for services	83,128	83,128	96,757	13,629	87,818
Interest income	-	-	883	883	701
Miscellaneous	11,900	11,900	15,623	3,723	14,592
<b>Total revenues</b>	<b>1,185,303</b>	<b>1,218,758</b>	<b>859,496</b>	<b>(359,262)</b>	<b>523,401</b>
<b>EXPENDITURES</b>					
Current					
General government	695,303	728,758	701,789	(26,969)	614,347
Capital outlay					
Equipment	490,000	490,000	-	(490,000)	34,750
Total expenditures	1,185,303	1,218,758	701,789	(516,969)	649,097
Excess (deficiency) of revenues over (under) expenditures	-	-	157,707	157,707	(125,696)
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	-	-	6,400	6,400	-
Transfers out	-	-	(883)	(883)	(687)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>-</b>	<b>5,517</b>	<b>5,517</b>	<b>(687)</b>
Net change in fund balance	\$ -	\$ -	163,224	\$ (163,224)	(126,383)
Fund balance (deficit), January 1			171,022		297,405
<b>Fund balance (deficit), December 31</b>	<b>\$ 334,246</b>				<b>\$ 171,022</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Library</b>				
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$1,042,947	\$1,042,947	\$1,011,790	\$ (31,157)	\$1,002,896
Intergovernmental	86,583	86,583	145,691	59,108	173,582
Charges for services	26,717	26,717	20,938	(5,779)	18,670
Interest income	4,500	4,500	2,181	(2,319)	3,738
Miscellaneous	24,248	24,248	35,037	10,789	21,149
<b>Total revenues</b>	<b>1,184,995</b>	<b>1,184,995</b>	<b>1,215,637</b>	<b>30,642</b>	<b>1,220,035</b>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	1,218,995	1,313,695	1,262,666	(51,029)	1,089,494
Capital outlay					
Equipment	6,000	6,000	-	(6,000)	-
Other	-	-	-	-	172,830
<b>Total expenditures</b>	<b>1,224,995</b>	<b>1,319,695</b>	<b>1,262,666</b>	<b>(57,029)</b>	<b>1,262,324</b>
Excess (deficiency) of revenues over (under) expenditures	(40,000)	(134,700)	(47,029)	87,671	(42,289)
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	40,000	40,000	71,900	31,900	127,900
Transfers out	-	-	(28,047)	(28,047)	-
<b>Total other financing sources (uses)</b>	<b>40,000</b>	<b>40,000</b>	<b>43,853</b>	<b>3,853</b>	<b>127,900</b>
Net change in fund balance	\$ -	\$ (94,700)	(3,176)	\$ 91,524	85,611
Fund balance (deficit), January 1			204,847		119,236
Fund balance (deficit), December 31			<u>\$ 201,671</u>		<u>\$ 204,847</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Recreation/Auditorium				
	Original Budgeted Amounts	Final Budgeted Amounts	2012 Actual Amounts	Variance with Final Budget	2011 Actual Amounts
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 16,633	\$ 16,633	\$ 995,346
Intergovernmental	- -	- -	4,537	4,537	31,093.00
Charges for services	1,816,650	1,816,650	1,981,498	164,848	1,085,319
Interest income	- -	- -	4,892	4,892	6,762
Miscellaneous	7,500	7,500	27,211	19,711	66,181
Total revenues	<u>1,824,150</u>	<u>1,824,150</u>	<u>2,034,771</u>	<u>210,621</u>	<u>2,184,701</u>
<b>EXPENDITURES</b>					
Current					
Culture and recreation	1,616,769	1,799,577	1,577,699	(221,878)	2,071,836
Capital outlay					
Equipment	34,000	29,000	- -	(29,000)	15,818
Total expenditures	<u>1,650,769</u>	<u>1,828,577</u>	<u>1,577,699</u>	<u>(250,878)</u>	<u>2,087,654</u>
Excess (deficiency) of revenues over (under) expenditures	173,381	(4,427)	457,072	461,499	97,047
<b>OTHER FINANCING SOURCES (USES)</b>					
Sale of City property	- -	- -	350	350	1,150
Transfers in	135,000	135,000	135,000	- -	99,400
Transfers out	- -	- -	(4,642)	(4,642)	(6,379)
Total other financing sources (uses)	<u>135,000</u>	<u>135,000</u>	<u>130,708</u>	<u>(4,292)</u>	<u>94,171</u>
Net change in fund balance	<u>\$ 308,381</u>	<u>\$ 130,573</u>	<u>587,780</u>	<u>\$ 457,207</u>	<u>191,218</u>
Fund balance (deficit), January 1			927,161		735,943
Fund balance (deficit), December 31			<u>\$ 1,514,941</u>		<u>\$ 927,161</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Emergency Levy</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$ 348,300	\$ 335,396	\$ (12,904)	\$ 219,775
Intergovernmental	-	183,364	183,364	2,217,420
Interest income	-	-	-	75
Total revenues	<u>348,300</u>	<u>518,760</u>	<u>170,460</u>	<u>2,437,270</u>
<b>EXPENDITURES</b>				
Current				
General government	348,300	802,243	453,943	3,093,995
Total expenditures	<u>348,300</u>	<u>802,243</u>	<u>453,943</u>	<u>3,093,995</u>
Excess (deficiency) of revenues over (under) expenditures	-	(283,483)	(283,483)	(656,725)
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers in				
Total other financing sources (uses)	<u>-</u>	<u>251,106</u>	<u>251,106</u>	<u>38,063</u>
Net change in fund balance	\$ -	(32,377)	\$ (32,377)	(618,662)
Fund balance (deficit), January 1				
Fund balance (deficit), December 31	<u>\$ (726,084)</u>			<u>(107,422)</u>
	<u>\$ (758,461)</u>			<u>\$ (726,084)</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Sales Tax Property Relief-1st Penny</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 939,015	\$1,335,268	\$ 396,253	\$1,080,609
Interest income	-	2,498	2,498	3,177
Total revenues	<u>939,015</u>	<u>1,337,766</u>	<u>398,751</u>	<u>1,083,786</u>
<b>EXPENDITURES</b>				
Total expenditures	<u>1,200,154</u>	<u>-</u>	<u>(1,200,154)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(261,139)</u>	<u>1,337,766</u>	<u>1,598,905</u>	<u>1,083,786</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	<u>-</u>	<u>(1,202,652)</u>	<u>(1,202,652)</u>	<u>(1,068,986)</u>
Total other financing sources (uses)	<u>-</u>	<u>(1,202,652)</u>	<u>(1,202,652)</u>	<u>(1,068,986)</u>
Net change in fund balance	<u>\$ (261,139)</u>	<u>135,114</u>	<u>\$ 396,253</u>	<u>14,800</u>
Fund balance (deficit), January 1		<u>678,730</u>		<u>663,930</u>
Fund balance (deficit), December 31		<u><u>\$ 813,844</u></u>		<u><u>\$ 678,730</u></u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Sales Tax Economic Development</b>					
	<b>Original &amp; Final Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 3,756,060	\$ 3,756,060	\$ 5,341,071	\$ 1,585,011	\$ 4,322,437
Interest income	20,330	20,330	45,900	25,570	47,668
Contract revenue	-	-	-	-	1,698,584
Miscellaneous	-	-	119,428	119,428	376,025
<b>Total revenues</b>	<b>3,776,390</b>	<b>3,776,390</b>	<b>5,506,399</b>	<b>1,730,009</b>	<b>6,444,714</b>
<b>EXPENDITURES</b>					
Current					
Economic development	3,726,390	6,944,840	851,421	(6,093,419)	903,978
Capital outlay	-	-	-	-	69,221
Contracted work	-	-	-	-	7,842
Engineering	-	-	-	-	-
<b>Total expenditures</b>	<b>3,726,390</b>	<b>6,944,840</b>	<b>851,421</b>	<b>(6,093,419)</b>	<b>981,041</b>
Excess (deficiency) of revenues over (under) expenditures	50,000	(3,168,450)	4,654,978	7,823,428	5,463,673
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers out	(50,000)	(7,143,639)	(10,143,639)	(3,000,000)	(1,270,990)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(7,143,639)</b>	<b>(10,143,639)</b>	<b>(3,000,000)</b>	<b>(1,270,990)</b>
Net change in fund balance	\$ -	<u><u>\$ (10,312,089)</u></u>	<u><u>(5,488,661)</u></u>	<u><u>\$ 4,823,428</u></u>	<u><u>4,192,683</u></u>
Fund balance (deficit), January 1			12,123,071		7,930,388
<b>Fund balance (deficit), December 31</b>			<u><u>\$ 6,634,410</u></u>		<u><u>\$ 12,123,071</u></u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Sales Tax Improvements</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Sales tax collections	\$ 4,695,075	\$ 4,695,075	\$ 6,676,338	\$ 1,981,263	\$ 5,403,047
Intergovernmental	-	-	32,174	32,174	-
Interest income	-	-	12,362	12,362	15,541
Miscellaneous income	14,326	14,326	-	(14,326)	-
Total revenues	<u>4,709,401</u>	<u>4,709,401</u>	<u>6,720,874</u>	<u>2,011,473</u>	<u>5,418,588</u>
<b>EXPENDITURES</b>					
General government	30,000	89,780	724,045	634,265	564,621
Culture and recreation	148,500	284,677	516,593	231,916	33,682
Capital outlay					
Equipment	-	-	-	-	120
Total expenditures	<u>178,500</u>	<u>374,457</u>	<u>1,240,638</u>	<u>866,181</u>	<u>598,423</u>
Excess (deficiency) of revenues over (under) expenditures	<u>4,530,901</u>	<u>4,334,944</u>	<u>5,480,236</u>	<u>1,145,292</u>	<u>4,820,165</u>
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	-	-	214,122	214,122	163,549
Transfers out	<u>(4,530,901)</u>	<u>(4,530,901)</u>	<u>(4,831,480)</u>	<u>(300,579)</u>	<u>(3,656,677)</u>
Total other financing sources (uses)	<u>(4,530,901)</u>	<u>(4,530,901)</u>	<u>(4,617,358)</u>	<u>(86,457)</u>	<u>(3,493,128)</u>
Net change in fund balance	<u>\$ -</u>	<u>\$ (195,957)</u>	<u>862,878</u>	<u>\$ 1,058,835</u>	<u>1,327,037</u>
Fund balance (deficit), January 1			3,710,746		2,383,709
Fund balance (deficit), December 31			<u>\$ 4,573,624</u>		<u>\$ 3,710,746</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Sidewalk</b>			
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$ 25,000	\$ 24,351	\$ (649)	\$ 10,835
Special assessment collections	-	3,880	3,880	1,914
Interest income	-	194	194	35
<b>Total revenues</b>	<b>25,000</b>	<b>28,425</b>	<b>3,425</b>	<b>12,784</b>
<b>EXPENDITURES</b>				
General government	25,000	6,107	(18,893)	495
<b>Total expenditures</b>	<b>25,000</b>	<b>6,107</b>	<b>(18,893)</b>	<b>495</b>
Excess (deficiency) of revenues over (under) expenditures	-	22,318	22,318	12,289
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(76)	(76)	(28)
<b>Total other financing sources (uses)</b>	<b>-</b>	<b>(76)</b>	<b>(76)</b>	<b>(28)</b>
Net change in fund balance	\$ -	22,242	\$ 22,242	12,261
Fund balance (deficit), January 1		6,543		(5,718)
<b>Fund balance (deficit), December 31</b>	<b>\$ 28,785</b>			<b>\$ 6,543</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Street Improvement</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Property tax collections	\$1,500,000	\$ 1,444,919	\$ (55,081)	\$ 806,118
Intergovernmental	-	394,571	394,571	500,044
Interest income	-	15,744	15,744	9,818
<b>Total revenues</b>	<b>1,500,000</b>	<b>1,855,234</b>	<b>355,234</b>	<b>1,315,980</b>
<b>EXPENDITURES</b>				
Highways and streets	1,900,000	2,823,862	923,862	208,310
<b>Total expenditures</b>	<b>1,900,000</b>	<b>2,823,862</b>	<b>923,862</b>	<b>208,310</b>
Excess (deficiency) of revenues over (under) expenditures	(400,000)	(968,628)	(568,628)	1,107,670
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfer in	400,000	1,579,819	1,179,819	322,234
Transfers out	-	(15,744)	(15,744)	(112,853)
<b>Total other financing sources (uses)</b>	<b>400,000</b>	<b>1,564,075</b>	<b>1,164,075</b>	<b>209,381</b>
Net change in fund balance	\$ -	595,447	\$ 595,447	1,317,051
Fund balance (deficit), January 1		2,103,448		786,397
<b>Fund balance (deficit), December 31</b>		<b>\$ 2,698,895</b>		<b>\$ 2,103,448</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Sales Tax Property Tax Relief - 2nd Penny</b>				
	<b>Original &amp; Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 2,817,045	\$ 4,005,803	\$ 1,188,758	\$ 949,010
Interest income	-	4,659	4,659	168
Total revenues	<u>2,817,045</u>	<u>4,010,462</u>	<u>1,193,417</u>	<u>949,178</u>
<b>EXPENDITURES</b>				
General government	2,817,045	-	(2,817,045)	-
Total expenditures	<u>2,817,045</u>	<u>-</u>	<u>(2,817,045)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	-	4,010,462	4,010,462	949,178
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	-	(2,821,705)	(2,821,705)	(167)
Total other financing sources (uses)	<u>-</u>	<u>(2,821,705)</u>	<u>(2,821,705)</u>	<u>(167)</u>
Net change in fund balance	\$ -	1,188,757	<u>\$ 1,188,757</u>	949,011
Fund balance (deficit), January 1		949,011		-
Fund balance (deficit), December 31		<u>\$ 2,137,768</u>		<u>\$ 949,011</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Sales Tax Infrastructure</b>				
	<b>Original Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 3,756,060	\$ 5,341,071	\$ 1,585,011	\$ 1,265,347
Interest income	-	10,051	10,051	222
Total revenues	<u>3,756,060</u>	<u>5,351,122</u>	<u>1,595,062</u>	<u>1,265,569</u>
<b>EXPENDITURES</b>				
General government	2,266,325	55,648	(2,210,677)	-
Total expenditures	<u>2,266,325</u>	<u>55,648</u>	<u>(2,210,677)</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	<u>1,489,735</u>	<u>5,295,474</u>	<u>3,805,739</u>	<u>1,265,569</u>
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(1,489,735)	(1,535,031)	(45,296)	(222)
Total other financing sources (uses)	<u>(1,489,735)</u>	<u>(1,535,031)</u>	<u>(45,296)</u>	<u>(222)</u>
Net change in fund balance	<u>\$ -</u>	<u>3,760,443</u>	<u>\$ 3,760,443</u>	<u>1,265,347</u>
Fund balance (deficit), January 1		1,265,347		-
Fund balance (deficit), December 31		<u>\$ 5,025,790</u>		<u>\$ 1,265,347</u>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Special Revenue Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Sales Tax Community Facilities</b>				
	<b>Original Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>				
Sales tax collections	\$ 2,817,045	\$ 4,005,803	\$ 1,188,758	\$ 949,010
Interest income	-	9,501	9,501	168
<b>Total revenues</b>	<b>2,817,045</b>	<b>4,015,304</b>	<b>1,198,259</b>	<b>949,178</b>
<b>EXPENDITURES</b>				
General government	2,767,045	250,000	(2,517,045)	-
<b>Total expenditures</b>	<b>2,767,045</b>	<b>250,000</b>	<b>(2,517,045)</b>	<b>-</b>
Excess (deficiency) of revenues over (under) expenditures	50,000	3,765,304	3,715,304	949,178
<b>OTHER FINANCING SOURCES (USES)</b>				
Transfers out	(50,000)	(59,502)	(9,502)	(167)
<b>Total other financing sources (uses)</b>	<b>(50,000)</b>	<b>(59,502)</b>	<b>(9,502)</b>	<b>(167)</b>
Net change in fund balance	\$ -	3,705,802	<u>\$ 3,705,802</u>	949,011
Fund balance (deficit), January 1		949,011		-
<b>Fund balance (deficit), December 31</b>		<u><b>\$ 4,654,813</b></u>		<u><b>\$ 949,011</b></u>

**City of Minot, North Dakota  
Nonmajor Debt Service Funds**

***Highway Debt*** – is a debt service fund established to accumulate the resources used to pay the principal and interest on bonds for paving and street projects maturing in future years.

**City of Minot, North Dakota**  
**Balance Sheet**  
**Nonmajor Debt Service Fund**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Highway Debt 2012	Highway Debt 2011
<b>ASSETS</b>		
Restricted cash and investments	\$ 510,105	\$ 348,339
Taxes receivable delinquent	16,592	17,818
Intergovernmental receivable	309	288
Advance to other funds	288,527	323,527
<b>Total assets</b>	<b>\$ 815,533</b>	<b>\$ 689,972</b>
<b>LIABILITIES</b>		
Unearned revenue	\$ 13,954	\$ 14,309
<b>Total liabilities</b>	<b>13,954</b>	<b>14,309</b>
<b>FUND BALANCE</b>		
Nonspendable	288,527	-
Restricted	323,320	348,340
Assigned	189,732	327,323
<b>Total fund balance</b>	<b>801,579</b>	<b>675,663</b>
<b>Total liabilities and fund balance</b>	<b>\$ 815,533</b>	<b>\$ 689,972</b>

**City of Minot, North Dakota**  
**Statement of Revenues, Expenditures, and Changes in Fund Balance**  
**Nonmajor Debt Service Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Highway Debt 2012	Highway Debt 2011
<b>REVENUES</b>		
Property tax collections	\$ 711,696	\$ 777,137
Interest income	4,265	6,036
<b>Total revenues</b>	<b>715,961</b>	<b>783,173</b>
<b>EXPENDITURES</b>		
General government	24,903	-
Debt service		
Principal retirement	4,480,000	1,510,000
Interest and fiscal charges	364,556	385,332
<b>Total expenditures</b>	<b>4,869,459</b>	<b>1,895,332</b>
Excess (deficiency) of revenues over (under) expenditures	(4,153,498)	(1,112,159)
<b>OTHER FINANCING SOURCES (USES)</b>		
General obligation bonds reissued	2,900,000	-
Premium on general obligation bonds	108,879	-
Transfers in	1,423,207	1,285,239
Transfers out	(152,672)	(159,113)
<b>Total other financing sources (uses)</b>	<b>4,279,414</b>	<b>1,126,126</b>
Net change in fund balance	125,916	13,967
Fund balance, January 1	675,663	661,696
<b>Fund balance, December 31</b>	<b>\$ 801,579</b>	<b>\$ 675,663</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures, and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Debt Service Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Highway Debt</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 788,780	\$ 788,780	\$ 711,696	\$ (77,084)	\$ 777,137
Interest income	-	-	4,265	4,265	6,036
Total revenues	<u>788,780</u>	<u>788,780</u>	<u>715,961</u>	<u>(72,819)</u>	<u>783,173</u>
<b>EXPENDITURES</b>					
General government	-	-	24,903	24,903	-
Debt service					
Principal retirement	1,617,500	1,536,250	4,480,000	2,943,750	1,510,000
Interest and fiscal charges	365,984	332,256	364,556	32,300	385,332
Total expenditures	<u>1,983,484</u>	<u>1,868,506</u>	<u>4,869,459</u>	<u>3,000,953</u>	<u>1,895,332</u>
Excess (deficiency) of revenues over (under) expenditures	(1,194,704)	(1,079,726)	(4,153,498)	(3,073,772)	(1,112,159)
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds reissued	-	-	2,900,000	2,900,000	-
Premium on general obligation bonds	-	-	108,879	108,879	-
Transfers in	1,458,672	1,458,207	1,423,207	(35,000)	1,285,239
Transfers out	(148,407)	(148,407)	(152,672)	(4,265)	(159,113)
Total other financing sources (uses)	<u>1,310,265</u>	<u>1,309,800</u>	<u>4,279,414</u>	<u>2,969,614</u>	<u>1,126,126</u>
Net change in fund balance	<u>\$ 115,561</u>	<u>\$ 230,074</u>	<u>125,916</u>	<u>\$ (104,158)</u>	<u>13,967</u>
Fund balance (deficit), January 1			675,663		661,696
Fund balance (deficit), December 31			<u>\$ 801,579</u>		<u>\$ 675,663</u>

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

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

***Highway Reserve Fund*** - To fund highway improvement projects in Minot.

***Sertoma Sports Complex*** - To account for resources used in construction of athletic facilities within the City. The City's share of funding is provided by private donations, tournament and user fees.

***Assessment Capital*** - To account for the financing of public improvements or services deemed advisable to benefit the properties against which special assessments are levied.

***Fire Equipment*** - To account for the resources used for the purchase of budgeted fire capital assets. Funding is provided by ND Century Code Sec. 57-15-42 upon a 60% vote of approval by the electorate.

***Storm Sewer Development*** - To account for the resources used towards the construction of new storm sewer districts within the City of Minot. Funding is provided by a monthly charge on user water bills.

***Community Development Block Grant and Economic Development Administration*** – To account for resources used toward the intermodal park. Funding is provided by the Community Development Block Grants and the Economic Development Administration.

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

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Highway Reserve</b>	<b>Sports Complex</b>	<b>Special Assessment Capital</b>	<b>Fire Equipment</b>
<b>ASSETS</b>				
Cash and investments	\$ 4,882,061	\$ 520,761	\$ 253,953	\$ 999,297
Restricted cash and investments	-	-	-	-
Taxes receivable delinquent	-	-	-	5,876
Accounts receivable	1,500,000	-	40,381	-
Allowance for accounts receivable	(300,000)	-	-	-
Intergovernmental receivable	3,804	-	-	6,836
Total assets	<b>\$ 6,085,865</b>	<b>\$ 520,761</b>	<b>\$ 294,334</b>	<b>\$ 1,012,009</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 39,133	\$ -	\$ 492,429	\$ -
Retainage payable	3,947	-	23,942	-
Advance from other funds	373,939	-	-	-
Unearned revenue	-	-	-	5,720
Total liabilities	<b>417,019</b>	<b>-</b>	<b>516,371</b>	<b>5,720</b>
<b>FUND BALANCE</b>				
Restricted	2,777	-	-	-
Committed	1,025	-	-	-
Assigned	5,665,044	520,761	-	1,006,289
Unassigned	-	-	(222,037)	-
Total fund balance	<b>5,668,846</b>	<b>520,761</b>	<b>(222,037)</b>	<b>1,006,289</b>
Total liabilities and fund balance	<b>\$ 6,085,865</b>	<b>\$ 520,761</b>	<b>\$ 294,334</b>	<b>\$ 1,012,009</b>

**City of Minot, North Dakota**  
**Combining Balance Sheet**  
**Nonmajor Capital Project Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>CDBG</b>			<b>Total</b>	<b>Total</b>
	<b>Storm Sewer Development</b>	<b>and EDA</b>	<b>Equipment Purchase</b>	<b>2012</b>	<b>2011</b>
<b>ASSETS</b>					
Cash and investments	\$ 2,242,396	\$ -	\$ 133,079	\$ 9,031,547	\$ 7,481,910
Restricted cash and investments	-	148,879	-	148,879	-
Taxes receivable delinquent	-	-	2,179	8,055	6,578
Accounts receivable	81,672	-	-	1,622,053	38,294
Allowance for accounts receivable	-	-	-	(300,000)	-
Intergovernmental receivable	-	-	8	10,648	28,712
Total assets	<u>\$ 2,324,068</u>	<u>\$ 148,879</u>	<u>\$ 135,266</u>	<u>\$ 10,521,182</u>	<u>\$ 7,555,494</u>
<b>LIABILITIES</b>					
Accounts payable	\$ -	\$ -	\$ -	\$ 531,562	\$ 346,989
Retainage payable	-	-	-	27,889	256,577
Advance from other funds	654,360	-	-	1,028,299	1,325,773
Unearned revenue	-	-	2,107	7,827	6,077
Total liabilities	<u>654,360</u>	<u>-</u>	<u>2,107</u>	<u>1,595,577</u>	<u>1,935,416</u>
<b>FUND BALANCE</b>					
Restricted	-	-	-	2,777	1,269,078
Committed	-	148,879	-	149,904	299,614
Assigned	1,669,708	-	133,159	8,994,961	4,051,386
Unassigned	-	-	-	(222,037)	-
Total fund balance	<u>1,669,708</u>	<u>148,879</u>	<u>133,159</u>	<u>8,925,605</u>	<u>5,620,078</u>
Total liabilities and fund balance	<u>\$ 2,324,068</u>	<u>\$ 148,879</u>	<u>\$ 135,266</u>	<u>\$ 10,521,182</u>	<u>\$ 7,555,494</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>Highway Reserve</b>	<b>Sertoma Sports Complex</b>	<b>Special Assessment Capital</b>	<b>Fire Equipment</b>
<b>REVENUES</b>				
Property tax collections	\$ -	\$ -	\$ -	\$ 24,856
Intergovernmental	186,027	-	-	27,536
Charges for services	-	-	-	-
Interest income	15,623	1,952	-	3,016
Contract revenue	1,200,000	-	-	-
Miscellaneous	137	-	41,101	-
<b>Total revenues</b>	<b>1,401,787</b>	<b>1,952</b>	<b>41,101</b>	<b>55,408</b>
<b>EXPENDITURES</b>				
Current				
General government	-	-	-	-
Capital outlay				
Contracted work	261,781	-	2,357,841	-
Equipment	-	96,020	-	205,067
Other	526	-	23,859	-
Acquisitions	62,326	-	-	-
Engineering	597,630	-	371,005	-
Debt retirement				
Interest and fiscal charges	20,430	-	2,296	-
<b>Total expenditures</b>	<b>942,693</b>	<b>96,020</b>	<b>2,755,001</b>	<b>205,067</b>
Excess (deficiency) of revenues over (under) expenditures	459,094	(94,068)	(2,713,900)	(149,659)
<b>OTHER FINANCING SOURCES (USES)</b>				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	1,885,000	-
Premium on general obligation bonds	-	-	-	-
Discount on special assessments bonds	-	-	(13,041)	-
Sale of City property	-	14,000	-	-
Transfers in	3,307,903	188,676	46,669	727,000
Transfers out	(771,666)	(11,040)	(130,666)	(3,016)
<b>Total other financing sources (uses)</b>	<b>2,536,237</b>	<b>191,636</b>	<b>1,787,962</b>	<b>723,984</b>
Net change in fund balance	2,995,331	97,568	(925,938)	574,325
Fund balance (deficit), January 1	2,673,515	423,193	703,901	431,964
<b>Fund balance (deficit), December 31</b>	<b>\$ 5,668,846</b>	<b>\$ 520,761</b>	<b>\$ (222,037)</b>	<b>\$ 1,006,289</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenditures, and Changes in Fund Balances**  
**Nonmajor Capital Project Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	<b>CDBG</b>			<b>Total</b>	<b>Total</b>
	<b>Storm Sewer Development</b>	<b>and EDA</b>	<b>Equipment Purchase</b>	<b>2012</b>	<b>2011</b>
<b>REVENUES</b>					
Property tax collections	\$ -	\$ -	\$ 45,181	\$ 70,037	\$ 403,889
Intergovernmental	- -	- -	55,057	268,620	185,944
Charges for services	848,244	- -	- -	848,244	590,408
Interest income	8,094	- -	894	29,579	36,595
Contract revenue	- -	- -	- -	1,200,000	- -
Miscellaneous	- -	- -	18,029	59,267	66,667
<b>Total revenues</b>	<b>856,338</b>	<b>- -</b>	<b>119,161</b>	<b>2,475,747</b>	<b>1,283,503</b>
<b>EXPENDITURES</b>					
Current					
General government	- -	- -	- -	- -	79,290
Capital outlay					
Contracted work	- -	- -	- -	2,619,622	2,556,634
Equipment	- -	- -	426,619	727,706	878,198
Other	- -	- -	- -	24,385	292,123
Acquisitions	- -	- -	- -	62,326	122,450
Engineering	- -	- -	- -	968,635	771,746
Debt retirement					
Interest and fiscal charges	35,178	- -	- -	57,904	- -
<b>Total expenditures</b>	<b>35,178</b>	<b>- -</b>	<b>426,619</b>	<b>4,460,578</b>	<b>4,700,441</b>
Excess (deficiency) of revenues over (under) expenditures	821,160	- -	(307,458)	(1,984,831)	(3,416,938)
<b>OTHER FINANCING SOURCES (USES)</b>					
General obligation bonds issued	- -	- -	- -	- -	4,285,000
Special assessment bonds issued	- -	- -	- -	1,885,000	- -
Premium on general obligation bonds	- -	- -	- -	- -	200,025
Discount on special assessments bonds	- -	- -	- -	(13,041)	- -
Sale of City property	- -	- -	- -	14,000	75,912
Transfers in	- -	- -	228,627	4,498,875	1,388,792
Transfers out	(177,449)	- -	(639)	(1,094,476)	(2,024,232)
<b>Total other financing sources (uses)</b>	<b>(177,449)</b>	<b>- -</b>	<b>227,988</b>	<b>5,290,358</b>	<b>3,925,497</b>
Net change in fund balance	643,711	- -	(79,470)	3,305,527	508,559
Fund balance (deficit), January 1	1,025,997	148,879	212,629	5,620,078	5,111,519
<b>Fund balance (deficit), December 31</b>	<b>\$ 1,669,708</b>	<b>\$ 148,879</b>	<b>\$ 133,159</b>	<b>\$ 8,925,605</b>	<b>\$ 5,620,078</b>

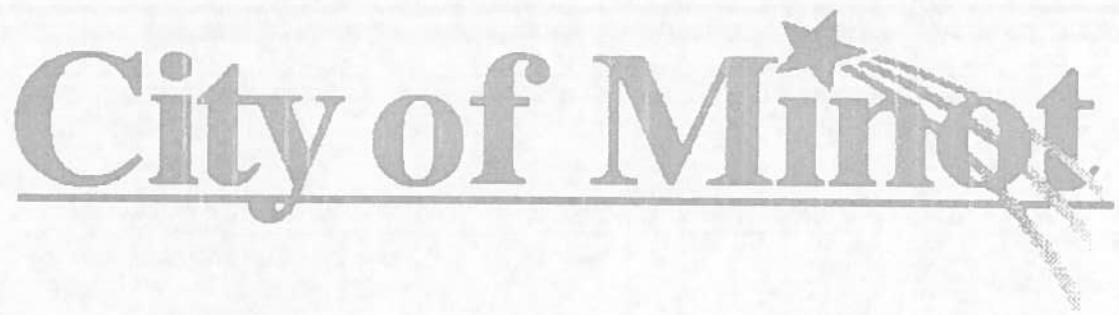
**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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<b>Fire Equipment</b>					
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>
<b>REVENUES</b>					
Property tax collections	\$ 25,000	\$ 25,000	\$ 24,856	\$ (144)	\$ 98,123
Intergovernmental	-	135,779	27,536	(108,243)	-
Interest income	-	-	3,016	3,016	2,461
Miscellaneous	-	-	-	-	100
<b>Total revenues</b>	<b>25,000</b>	<b>160,779</b>	<b>55,408</b>	<b>(105,371)</b>	<b>100,684</b>
<b>EXPENDITURES</b>					
Capital outlay					
Equipment	602,000	1,322,024	205,067	(1,116,957)	61,961
Other	150,000	-	-	-	-
<b>Total expenditures</b>	<b>752,000</b>	<b>1,322,024</b>	<b>205,067</b>	<b>(1,116,957)</b>	<b>61,961</b>
Excess (deficiency) of revenues over (under) expenditures	(727,000)	(1,161,245)	(149,659)	1,011,586	38,723
<b>OTHER FINANCING SOURCES (USES)</b>					
Transfers in	727,000	727,000	727,000	-	65,000
Transfers out	-	-	(3,016)	(3,016)	(5,470)
<b>Total other financing sources (uses)</b>	<b>727,000</b>	<b>727,000</b>	<b>723,984</b>	<b>(3,016)</b>	<b>59,530</b>
Net change in fund balance	\$ -	\$ (434,245)	574,325	\$ 1,008,570	98,253
Fund balance (deficit), January 1			431,964		333,711
<b>Fund balance (deficit), December 31</b>			<b>\$ 1,006,289</b>		<b>\$ 431,964</b>

**City of Minot, North Dakota**  
**Schedule of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual**  
**Nonmajor Capital Project Fund**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>Equipment Purchase</b>						
	<b>Original Budgeted Amounts</b>	<b>Final Budgeted Amounts</b>	<b>2012 Actual Amounts</b>	<b>Variance with Final Budget</b>	<b>2011 Actual Amounts</b>	
<b>REVENUES</b>						
Property tax collections	\$ 20,000	\$ 20,000	\$ 45,181	\$ 25,181	\$ 305,766	
Intergovernmental	-	-	55,057	55,057	181,340	
Interest income	-	-	894	894	1,915	
Miscellaneous	-	-	18,029	18,029	-	
Total revenues	<u>20,000</u>	<u>20,000</u>	<u>119,161</u>	<u>99,161</u>	<u>489,021</u>	
<b>EXPENDITURES</b>						
Current						
General government	-	-	-	-	440	
Capital outlay						
Equipment	283,500	513,353	426,619	(86,734)	816,237	
Acquisition	7,500	7,500	-	(7,500)	-	
Total expenditures	<u>291,000</u>	<u>520,853</u>	<u>426,619</u>	<u>(94,234)</u>	<u>816,677</u>	
Excess (deficiency) of revenues over (under) expenditures	(271,000)	(500,853)	(307,458)	193,395	(327,656)	
<b>OTHER FINANCING SOURCES (USES)</b>						
Sale of City property	70,000	70,000	-	(70,000)	75,912	
Transfers in	201,000	201,000	228,627	27,627	235,000	
Transfers out	-	-	(639)	(639)	(8,595)	
Total other financing sources (uses)	<u>271,000</u>	<u>271,000</u>	<u>227,988</u>	<u>(43,012)</u>	<u>302,317</u>	
Net change in fund balance	\$ -	\$ (229,853)	(79,470)	\$ 150,383	(25,339)	
Fund balance (deficit), January 1			212,629		237,968	
Fund balance (deficit), December 31			<u>\$ 133,159</u>		<u>\$ 212,629</u>	



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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Nonmajor Proprietary Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Nonmajor Business-Type Activities</b>		<b>Total Nonmajor Proprietary Funds</b>	<b>Total Nonmajor Proprietary Funds</b>
			<b>2012</b>	<b>2011</b>
	<b>Cemetery</b>	<b>Parking Authority</b>		
<b>ASSETS</b>				
Current				
Cash and cash equivalents	\$ 56,866	\$ 292,706	\$ 349,572	\$ 322,067
Restricted cash and cash equivalents	61,593	-	61,593	54,277
Taxes receivable delinquent	4	-	4	41
Accounts receivable	3,135	-	3,135	6,005
Intergovernmental receivable	26,847	-	26,847	340
Prepaid	98	-	98	452
Total current assets	<u>148,543</u>	<u>292,706</u>	<u>441,249</u>	<u>383,182</u>
Noncurrent assets				
Other assets - capital credits	398	89	487	-
Capital assets				
Land	179,504	136,397	315,901	315,901
Buildings	150,885	43,172	194,057	194,057
Equipment	164,617	322,867	487,484	487,484
Infrastructure	34,197	92,433	126,630	160,156
Total capital assets	<u>529,203</u>	<u>594,869</u>	<u>1,124,072</u>	<u>1,157,598</u>
Less-accumulated depreciation	<u>(287,357)</u>	<u>(407,735)</u>	<u>(695,092)</u>	<u>(675,516)</u>
Net capital assets	<u>241,846</u>	<u>187,134</u>	<u>428,980</u>	<u>482,082</u>
Total assets	<u>\$ 390,787</u>	<u>\$ 479,929</u>	<u>\$ 870,716</u>	<u>\$ 865,264</u>
<b>LIABILITIES</b>				
Current liabilities				
Accounts payable	\$ 2,139	\$ 10,972	\$ 13,111	\$ 3,689
Accrued salaries payable	7,238	2,632	9,870	8,281
Compensated absences	5,196	-	5,196	4,054
Total current liabilities	<u>14,573</u>	<u>13,604</u>	<u>28,177</u>	<u>16,024</u>
Long-term liabilities				
Compensated absences	9,651	-	9,651	7,528
Customer deposits	-	600	600	600
Total long-term liabilities	<u>9,651</u>	<u>600</u>	<u>10,251</u>	<u>8,128</u>
Total liabilities	<u>24,224</u>	<u>14,204</u>	<u>38,428</u>	<u>24,152</u>
<b>NET POSITION</b>				
Invested in capital assets, net of related debt	241,846	187,134	428,980	482,082
Restricted for perpetual care	38,250	-	38,250	38,250
Restricted for fountain, entrance, memorials	23,343	-	23,343	16,027
Assigned	63,124	278,591	341,715	304,753
Total net position	<u>\$ 366,563</u>	<u>\$ 465,725</u>	<u>\$ 832,288</u>	<u>\$ 841,112</u>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Nonmajor Business-Type Activities		Total Nonmajor Proprietary Funds	Total Nonmajor Proprietary Funds
	Cemetery	Parking Authority	2012	2011
<b>OPERATING REVENUES</b>				
Charges for services	\$ 278,669	\$ 149,343	\$ 428,012	\$ 397,988
Miscellaneous	1,630	-	1,630	5,325
Total operating revenues	<u>280,299</u>	<u>149,343</u>	<u>429,642</u>	<u>403,313</u>
<b>OPERATING EXPENSES</b>				
Salaries	185,671	60,052	245,723	227,036
Employee benefits	43,825	5,113	48,938	45,599
Professional services	370	100,750	101,120	567
Property services	13,058	32,788	45,846	39,587
Purchased services	6,428	3,848	10,276	8,779
Supplies	23,689	4,928	28,617	30,744
Sundry	32,656	9,030	41,686	41,422
Depreciation	19,604	15,429	35,033	29,135
Total operating expenses	<u>325,301</u>	<u>231,938</u>	<u>557,239</u>	<u>422,869</u>
Operating income (loss)	<u>(45,002)</u>	<u>(82,595)</u>	<u>(127,597)</u>	<u>(19,556)</u>
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Property tax collections	8	-	8	2
Intergovernmental revenues	26,508	-	26,508	10,964
Interest income	448	1,078	1,526	2,658
Gain (loss) on sale of capital assets	-	89,053	89,053	-
Miscellaneous income	3,001	203	3,204	10,670
Total non-operating revenues (expenses)	<u>29,965</u>	<u>90,334</u>	<u>120,299</u>	<u>24,294</u>
Income (loss) before contributions and transfers	<u>(15,037)</u>	<u>7,739</u>	<u>(7,298)</u>	<u>4,738</u>
Transfers out	<u>(448)</u>	<u>(1,078)</u>	<u>(1,526)</u>	<u>(2,108)</u>
Total contributions and transfers	<u>(448)</u>	<u>(1,078)</u>	<u>(1,526)</u>	<u>(2,108)</u>
Change in net position	<u>(15,485)</u>	<u>6,661</u>	<u>(8,824)</u>	<u>2,630</u>
Net position, January 1	<u>382,048</u>	<u>459,064</u>	<u>841,112</u>	<u>838,482</u>
Net position, December 31	<u>\$ 366,563</u>	<u>\$ 465,725</u>	<u>\$ 832,288</u>	<u>\$ 841,112</u>

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Nonmajor Proprietary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	Nonmajor Business-Type Activities	Total		Total Nonmajor Proprietary Funds 2011
		Nonmajor	Nonmajor	
	Cemetery	Parking Authority	Funds 2012	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 283,560	\$ 149,343	\$ 432,903	\$ 407,273
Payments to suppliers	(74,704)	(143,419)	(218,123)	(134,113)
Payments to employees	(224,977)	(64,830)	(289,807)	(269,430)
Due from (to) other agencies	(26,905)	(89)	(26,994)	(339)
Net cash provided (used) by operating activities	<u>(43,026)</u>	<u>(58,995)</u>	<u>(102,021)</u>	<u>3,391</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	29,517	203	29,720	21,636
Transfers out	(448)	(1,078)	(1,526)	(2,108)
Net cash provided (used) by noncapital financing activities	<u>29,069</u>	<u>(875)</u>	<u>28,194</u>	<u>19,528</u>
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Acquisition and construction of capital assets	-	-	-	(42,190)
Disposal of capital asset	-	107,122	107,122	-
Net cash provided (used) by capital and related financing activities	<u>-</u>	<u>107,122</u>	<u>107,122</u>	<u>(42,190)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	448	1,078	1,526	2,658
Net cash provided by investing activities	<u>448</u>	<u>1,078</u>	<u>1,526</u>	<u>2,658</u>
Net increase (decrease) in cash and cash equivalents	(13,509)	48,330	34,821	(16,613)
Cash and investments, January 1	131,968	244,376	376,344	392,957
Cash and investments, December 31	<u>\$ 118,459</u>	<u>\$ 292,706</u>	<u>\$ 411,165</u>	<u>\$ 376,344</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$ 56,866	\$ 292,706	\$ 349,572	\$ 322,067
Restricted cash and cash equivalents	61,593	-	61,593	54,277
Total cash and equivalents on the Statement of Net Position	<u>\$ 118,459</u>	<u>\$ 292,706</u>	<u>\$ 411,165</u>	<u>\$ 376,344</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (45,002)	\$ (82,595)	\$ (127,597)	\$ (19,556)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	19,604	15,429	35,033	29,135
Change in assets and liabilities:				
Taxes receivable delinquent	37	-	37	97
Receivables, net	2,870	-	2,870	4,295
Intergovernmental receivable	(26,507)	-	(26,507)	(339)
Prepaid	354	-	354	(432)
Accounts payable	1,497	7,925	9,422	(13,014)
Accrued salaries payable	(2,800)	335	(2,465)	3,205
Accrued interest payable	7,319	-	7,319	-
Other assets	(398)	(89)	(487)	-
Net cash provided (used) by operating activities	<u>\$ (43,026)</u>	<u>\$ (58,995)</u>	<u>\$ (102,021)</u>	<u>\$ 3,391</u>

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

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

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

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

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Internal Service Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Central Garage	Self Insurance	Total Funds 2012	Total Internal Service Funds 2011
<b>ASSETS</b>				
Cash and investments	\$ 101,946	\$ 1,421,230	\$ 1,523,176	\$ 1,466,949
Accounts receivable	7,706	-	7,706	8,578
Inventory	369,153	-	369,153	359,544
<b>Total assets</b>	<b>\$ 478,805</b>	<b>\$ 1,421,230</b>	<b>\$ 1,900,035</b>	<b>\$ 1,835,071</b>
<b>LIABILITIES</b>				
Accounts payable	\$ 22,492	\$ 1,516	\$ 24,008	\$ 17,884
Insurance claims payable	-	121,892	121,892	144,988
<b>Total liabilities</b>	<b>22,492</b>	<b>123,408</b>	<b>145,900</b>	<b>162,872</b>
<b>NET POSITION</b>				
Unrestricted	\$ 456,313	\$ 1,297,822	\$ 1,754,135	\$ 1,672,199
<b>Total net position</b>	<b>\$ 456,313</b>	<b>\$ 1,297,822</b>	<b>\$ 1,754,135</b>	<b>\$ 1,672,199</b>

**City of Minot, North Dakota**  
**Combining Statement of Revenues, Expenses, and Changes in Fund Net Position**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Central Garage	Self Insurance	Total Internal Service Funds 2012	Total Internal Service Funds 2011
<b>OPERATING REVENUES</b>				
Sales	\$ 1,006,637	\$ -	\$ 1,006,637	\$ 1,210,032
Cost of goods sold	(912,281)	- -	(912,281)	(1,120,265)
Gross margin	94,356	- -	94,356	89,767
Charges for services				
Employer	- -	363,472	363,472	1,731,050
Employee	- -	1,582,929	1,582,929	898,241
Total operating revenues	94,356	1,946,401	2,040,757	2,719,058
<b>OPERATING EXPENSES</b>				
Professional and technical	89	- -	89	92
Supplies	71,614	- -	71,614	90,276
Insurance claims	- -	1,821,095	1,821,095	2,234,996
Total operating expenses	71,703	1,821,095	1,892,798	2,325,364
Operating income (loss)	22,653	125,306	147,959	393,694
<b>NON-OPERATING REVENUES (EXPENSES)</b>				
Intergovernmental revenue	- -	- -	- -	1,628
Interest income	348	5,470	5,818	7,030
Miscellaneous income (expense)	28,809	17,240	46,049	158,859
Total non-operating revenues (expenses)	29,157	22,710	51,867	167,517
Income (loss) before transfers	51,810	148,016	199,826	561,211
Transfers in	- -	- -	- -	11,319
Transfers out	(348)	(117,542)	(117,890)	(299,280)
Total transfers in (out)	(348)	(117,542)	(117,890)	(287,961)
Change in net position	51,462	30,474	81,936	273,250
Net position, January 1	404,851	1,267,348	1,672,199	1,398,949
Net position, December 31	<b>\$ 456,313</b>	<b>\$ 1,297,822</b>	<b>\$ 1,754,135</b>	<b>\$ 1,672,199</b>

**City of Minot, North Dakota**  
**Combining Statement of Cash Flows**  
**Internal Service Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Central Garage	Self Insurance	Total Internal Service Funds 2012	Total Internal Service Funds 2011
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Receipts from customers and users	\$ 997,900	\$ 1,946,401	\$ 2,944,301	\$ 3,786,413
Payments to suppliers	(979,376)	(1,842,675)	(2,822,051)	(3,449,855)
Net cash provided (used) by operating activities	<u>18,524</u>	<u>103,726</u>	<u>122,250</u>	<u>336,558</u>
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Taxes received	-	-	-	1,628
Transfers in	-	-	-	11,319
Transfers out	(348)	(117,542)	(117,890)	(299,280)
Internal activity - payments from (to) other funds	28,809	17,240	46,049	158,859
Net cash provided (used) by noncapital financing activities	<u>28,461</u>	<u>(100,302)</u>	<u>(71,841)</u>	<u>(127,474)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest and dividends	348	5,470	5,818	7,030
Net cash provided by investing activities	<u>348</u>	<u>5,470</u>	<u>5,818</u>	<u>7,030</u>
Net increase in cash and cash equivalents	47,333	8,894	56,227	216,114
Cash and investments, January 1	54,613	1,412,336	1,466,949	1,250,835
Cash and investments, December 31	<u>\$ 101,946</u>	<u>\$ 1,421,230</u>	<u>\$ 1,523,176</u>	<u>\$ 1,466,949</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 22,653	\$ 125,306	\$ 147,959	\$ 393,694
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	872	-	872	(2,022)
Inventory	(9,609)	-	(9,609)	(50,888)
Prepaid	-	-	-	62,931
Accounts payable	4,608	1,516	6,124	(133,107)
Insurance claims payable	-	(23,096)	(23,096)	65,950
Net cash provided (used) by operating activities	<u>\$ 18,524</u>	<u>\$ 103,726</u>	<u>\$ 122,250</u>	<u>\$ 336,558</u>

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

### **Trust and Agency Funds**

**TRUST FUNDS** - A pension trust fund is a fund made up of money contributed to by both the employer and the employee for pension benefits. A trustee administers the funds and invests the money, collects the earnings and interest and distributes the benefits. Additional information is provided below for some of the major funds in this category.

***City Employee Pension*** - Arrangement for the provision of pension benefits in which all assets accumulated for the payment of benefits may legally be used to pay benefits (including refunds of member contributions) to any of the plan members or beneficiaries, as defined by the terms of the plan.

***OPEB*** - Other Postemployment Benefits include postemployment healthcare benefits, regardless of the type of plan that provides them, and all postemployment benefits provided separately from a pension plan, excluding benefits defined as termination offers and benefits.

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

***Payroll Deductions*** - To account for the receipt and disbursement of employee payroll deductions on a monthly basis.

***Employer Social Security*** - To account for the receipt and disbursement of employer and employee contributions to social security.

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

***Community Development Block Grant and Economic Development Administration*** – To account for resources provided by the Community Development Block Grants and the Economic Development Administration.

**City of Minot, North Dakota**  
**Combining Statement of Fiduciary Net Position**  
**Fiduciary Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Pension Trust	OPEB Trust	Total Fiduciary Funds 2012	Total Fiduciary Funds 2011
<b>ASSETS</b>				
Cash and cash equivalents	\$ 83,001	\$ (72,599)	\$ 10,402	\$ 79,084
Investments				
Money market	769,209	37,830	807,039	83,554
Equity/stocks	22,320,522	345,388	22,665,910	19,416,243
Fixed income	29,372,526	504,002	29,876,528	30,371,594
Alternative	2,307,079	25,733	2,332,812	1,686,985
Total investments	54,769,336	912,953	55,682,289	51,558,376
Taxes receivable delinquent	38,008	-	38,008	37,232
Intergovernmental receivable	689	-	689	-
Total assets	<u>\$ 54,891,034</u>	<u>\$ 840,354</u>	<u>\$ 55,731,388</u>	<u>\$ 51,674,692</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 2,413	\$ -	\$ 2,413	\$ 5,796
Due to other funds	-	73,562	73,562	121,320
Unearned revenues	38,008	-	38,008	37,232
Total liabilities	40,421	73,562	113,983	164,348
<b>NET POSITION</b>				
Assets held in trust for pension benefits	54,850,613	-	54,850,613	50,999,831
Assets held in trust for OPEB benefits	-	766,792	766,792	510,513
Total net position	<u>\$ 54,850,613</u>	<u>\$ 766,792</u>	<u>\$ 55,617,405</u>	<u>\$ 51,510,344</u>

**City of Minot, North Dakota**  
**Combining Statement of Changes in Fiduciary Net Position**  
**Fiduciary Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

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	Pension Trust	OPEB Trust	Total Fiduciary Funds 2012	Total Fiduciary Funds 2011
<b>ADDITIONS</b>				
Contributions				
Employer	\$ 3,157,460	\$ 252,590	\$ 3,410,050	\$ 3,289,030
Employee	2,270,093	500,011	2,770,104	2,845,212
Total contributions	<u>5,427,553</u>	<u>752,601</u>	<u>6,180,154</u>	<u>6,134,242</u>
Investment income				
Interest and dividends	1,792,928	19,909	1,812,837	1,778,664
Net increase (decrease) in the fair value of investments	<u>3,961,581</u>	<u>58,143</u>	<u>4,019,724</u>	<u>786,349</u>
Total investment income	<u>5,754,509</u>	<u>78,052</u>	<u>5,832,561</u>	<u>2,565,013</u>
Less investment expense	121,909	800	122,709	113,005
Net investment income	<u>5,632,600</u>	<u>77,252</u>	<u>5,709,852</u>	<u>2,452,008</u>
Total additions	<u>11,060,153</u>	<u>829,853</u>	<u>11,890,006</u>	<u>8,586,250</u>
<b>DEDUCTIONS</b>				
Benefits paid to plan member and beneficiaries	6,162,353	-	6,162,353	5,721,427
Refunds paid to plan member and beneficiaries	736,116	-	736,116	655,385
Retiree claims	-	413,841	413,841	392,530
Third party premiums	-	157,533	157,533	153,186
Administrative expenses	<u>310,902</u>	<u>2,200</u>	<u>313,102</u>	<u>289,506</u>
Total deductions	<u>7,209,371</u>	<u>573,574</u>	<u>7,782,945</u>	<u>7,212,034</u>
Change in net position	3,850,782	256,279	4,107,061	1,374,216
Net position, January 1	<u>50,999,831</u>	<u>510,513</u>	<u>51,510,344</u>	<u>50,136,128</u>
Net position, December 31	<u>\$ 54,850,613</u>	<u>\$ 766,792</u>	<u>\$ 55,617,405</u>	<u>\$ 51,510,344</u>

**City of Minot, North Dakota**  
**Combining Statement of Net Position**  
**Agency Funds**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

	<b>Payroll Deductions</b>	<b>Employer Social Security</b>	<b>Hotel/ Motel Tax</b>	<b>CDBG/ EDA</b>	<b>Total Agency Funds 2012</b>	<b>Total Agency Funds 2011</b>
<b>ASSETS</b>						
Cash and investments	\$ 86,495	\$ -	\$ -	\$ (5)	\$ 86,490	\$ 211,764
Taxes receivable delinquent	-	2,460	-	-	2,460	2,318
Accounts receivable	-	-	10,958	-	10,958	25,412
Intergovernmental receivable	-	43	4,207	5	4,255	2,742
<b>Total assets</b>	<b>\$ 86,495</b>	<b>\$ 2,503</b>	<b>\$ 15,165</b>	<b>\$ -</b>	<b>\$ 104,163</b>	<b>\$ 242,236</b>
<b>LIABILITIES</b>						
Accounts payable	\$ 86,495	\$ 2,503	\$ 15,165	\$ -	\$ 104,163	\$ 242,236
<b>Total liabilities</b>	<b>\$ 86,495</b>	<b>\$ 2,503</b>	<b>\$ 15,165</b>	<b>\$ -</b>	<b>\$ 104,163</b>	<b>\$ 242,236</b>

**City of Minot, North Dakota**  
**Combining Statements of Changes in Assets and Liabilities - Agency Funds**  
**For the Year Ended December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>PAYROLL DEDUCTIONS</b>		<b>Beginning</b>	<b>Additions</b>	<b>Deletions</b>	<b>Ending</b>
Assets					
Cash and investments		\$ 116,338	\$ 3,702,999	\$ 3,732,842	\$ 86,495
Accounts receivable		841	2,115	2,956	-
Total assets		<u>\$ 117,179</u>	<u>\$ 3,705,114</u>	<u>\$ 3,735,798</u>	<u>\$ 86,495</u>
Liabilities					
Accounts payable		<u>\$ 117,179</u>	<u>\$ 264,967</u>	<u>\$ 234,283</u>	<u>\$ 86,495</u>
Total liabilities		<u>\$ 117,179</u>	<u>\$ 264,967</u>	<u>\$ 234,283</u>	<u>\$ 86,495</u>
<b>EMPLOYER SOCIAL SECURITY</b>					
Assets					
Cash and investments		\$ -	\$ 106,108	\$ 106,108	\$ -
Taxes receivable delinquent		2,318	1,839	1,697	2,460
Intergovernmental receivable		36	43	36	43
Total assets		<u>\$ 2,354</u>	<u>\$ 107,990</u>	<u>\$ 107,841</u>	<u>\$ 2,503</u>
Liabilities					
Accounts payable		<u>\$ 2,354</u>	<u>\$ 111,571</u>	<u>\$ 111,720</u>	<u>\$ 2,503</u>
Total liabilities		<u>\$ 2,354</u>	<u>\$ 111,571</u>	<u>\$ 111,720</u>	<u>\$ 2,503</u>
<b>HOTEL/MOTEL TAX</b>					
Assets					
Cash and investments		\$ 95,426	\$ 1,925,777	\$ 2,021,203	\$ -
Accounts receivable		24,571	1,733,005	1,746,618	10,958
Intergovernmental receivable		2,706	4,207	2,706	4,207
Total assets		<u>\$ 122,703</u>	<u>\$ 3,662,989</u>	<u>\$ 3,770,527</u>	<u>\$ 15,165</u>
Liabilities					
Accounts payable		<u>\$ 122,703</u>	<u>\$ 1,924,411</u>	<u>\$ 1,816,873</u>	<u>\$ 15,165</u>
Total liabilities		<u>\$ 122,703</u>	<u>\$ 1,924,411</u>	<u>\$ 1,816,873</u>	<u>\$ 15,165</u>
<b>CDBG/EDA</b>					
Assets					
Cash and investments		\$ -	\$ 969,300	\$ 969,305	\$ (5)
Intergovernmental receivable		-	219,305	219,300	5
Total assets		<u>\$ -</u>	<u>\$ 1,188,605</u>	<u>\$ 1,188,605</u>	<u>\$ -</u>
Liabilities					
Accounts payable		<u>\$ -</u>	<u>\$ 6,423</u>	<u>\$ 6,423</u>	<u>\$ -</u>
Total liabilities		<u>\$ -</u>	<u>\$ 6,423</u>	<u>\$ 6,423</u>	<u>\$ -</u>
<b>TOTAL DECEMBER 31, 2012</b>					
Assets					
Cash and investments		\$ 211,764	\$ 6,704,184	\$ 6,829,458	\$ 86,490
Taxes receivable delinquent		2,318	1,839	1,697	2,460
Accounts receivable		25,412	1,735,120	1,749,574	10,958
Intergovernmental receivable		2,742	223,555	222,042	4,255
Total assets		<u>\$ 242,236</u>	<u>\$ 8,664,698</u>	<u>\$ 8,802,771</u>	<u>\$ 104,163</u>
Liabilities					
Accounts payable		<u>\$ 242,236</u>	<u>\$ 2,307,372</u>	<u>\$ 2,169,299</u>	<u>\$ 104,163</u>
Total liabilities		<u>\$ 242,236</u>	<u>\$ 2,307,372</u>	<u>\$ 2,169,299</u>	<u>\$ 104,163</u>
<b>TOTAL DECEMBER 31, 2011</b>					
Assets					
Cash and investments		\$ 83,444	\$ 5,239,846	\$ 5,111,526	\$ 211,764
Taxes receivable current		-	-	-	-
Taxes receivable delinquent		2,388	1,741	1,811	2,318
Accounts receivable		37,476	1,410,668	1,422,732	25,412
Intergovernmental receivable		2,991	2,742	2,991	2,742
Total assets		<u>\$ 126,299</u>	<u>\$ 6,654,997</u>	<u>\$ 6,539,060</u>	<u>\$ 242,236</u>
Liabilities					
Accounts payable		<u>\$ 126,299</u>	<u>\$ 1,585,509</u>	<u>\$ 1,701,446</u>	<u>\$ 242,236</u>
Total liabilities		<u>\$ 126,299</u>	<u>\$ 1,585,509</u>	<u>\$ 1,701,446</u>	<u>\$ 242,236</u>



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**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Comparative Schedule by Source December 31, 2012 and 2011**

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<b>GOVERNMENTAL FUNDS CAPITAL ASSETS</b>	<b>2012</b>	<b>2011</b>
Land	\$ 16,295,431	\$ 6,657,345
Buildings	14,035,700	14,035,700
Equipment	14,846,087	14,678,504
Infrastructure	128,553,257	108,688,369
Intangible assets	547,088	547,088
Books	4,393,593	4,416,907
Construction in progress	2,970,790	4,567,351
<b>Total governmental funds capital assets</b>	<b>\$ 181,641,946</b>	<b>\$ 153,591,264</b>

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

Capital project funds			
General obligation bonds and levies	\$ 12,037,747	\$ 12,041,925	
Revenue bonds	4,441,915	190,916	
Sales tax	12,546,621	12,074,645	
Federal grants	58,887,556	56,616,377	
State grants	10,319,124	3,244,844	
County grants	1,216,423	1,216,423	
Contributions from others	39,423,821	25,672,040	
General fund	23,827,082	23,560,232	
Special revenue	16,822,271	16,854,476	
Urban renewal	465,739	465,739	
Enterprise fund	1,653,647	1,653,647	
<b>Total governmental funds capital assets</b>	<b>\$ 181,641,946</b>	<b>\$ 153,591,264</b>	

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule by Function and Activity**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

FUNCTION AND ACTIVITY	Land	Buildings	Equipment	Infrastructure	Intangible Assets		Books	Construction in Process	2012	2011
					Assets	Books				
General Government										
Civic center/property maintenance	\$ 49,374	\$ 3,429,528	\$ 61,243	\$ 305,527	\$ -	\$ -	\$ -	\$ -	\$ 3,845,672	\$ 3,852,212
Clerk	-	-	7,999	-	-	-	-	-	7,999	7,999
Finance	-	-	26,888	-	-	-	-	-	26,888	26,888
Information technology	-	-	32,960	-	202,658	-	-	-	235,618	235,618
Assessor	-	-	76,361	-	32,500	-	-	-	108,861	108,861
Engineering	-	421,334	294,390	-	-	-	-	-	715,724	715,724
Inspection	-	-	252,213	-	-	-	-	-	252,213	183,146
Traffic control	-	-	655,989	5,601,442	-	-	-	-	6,257,431	6,186,156
Public works	-	1,432,856	112,083	-	-	-	-	-	1,544,939	1,523,219
General	14,938,456	119,425	1,113,935	2,965,993	-	-	432,815	19,570,624	11,075,161	
Total general government	<b>14,987,830</b>	<b>5,403,143</b>	<b>2,634,061</b>	<b>8,872,962</b>	<b>235,158</b>	-	<b>432,815</b>	<b>32,565,969</b>	<b>23,914,984</b>	
Public Safety										
Police	-	161,536	3,391,812	339,344	-	-	-	-	3,892,692	3,751,797
Fire	243,861	3,041,105	3,103,775	-	-	-	-	-	6,388,741	6,361,205
Total public safety	<b>243,861</b>	<b>3,202,641</b>	<b>6,495,587</b>	<b>339,344</b>	-	-	-	-	<b>10,281,433</b>	<b>10,113,002</b>
Street	633,739	374,626	2,331,854	118,160,086	311,930	-	2,537,975	124,350,210	105,033,994	
Shop	-	-	213,331	-	-	-	-	213,331	213,331	
Library	7,624	3,128,995	12,774	-	-	4,393,593	-	7,542,986	7,572,243	
Public transportation	-	853,027	2,049,415	-	-	-	-	2,902,442	3,018,933	
Recreation	422,377	1,073,268	1,109,065	1,180,865	-	-	-	3,785,575	3,724,777	
Total governmental funds	<b>\$ 16,255,431</b>	<b>\$ 14,035,700</b>	<b>\$ 14,846,087</b>	<b>\$ 128,553,257</b>	<b>\$ 547,088</b>	<b>\$ 4,393,593</b>	<b>\$ 2,970,790</b>	<b>\$ 181,641,946</b>	<b>\$ 153,591,264</b>	

**City of Minot, North Dakota**  
**Capital Assets Used in the Operation of Governmental Funds**  
**Schedule of Changes by Function and Activity**  
**December 31, 2012**  
**With Comparative Totals for December 31, 2011**

<b>FUNCTION AND ACTIVITY</b>	<b>Governmental Fund Capital Assets</b>			<b>Construction in Process</b>	<b>Governmental Fund Capital Assets December 31, 2012</b>
	<b>January 1, 2012</b>	<b>Additions</b>	<b>Deletions</b>		
<b>GENERAL GOVERNMENT</b>					
Civic center/property maintenance	\$ 3,852,212	\$ -	\$ 6,540	\$ -	\$ 3,845,672
Clerk	7,999	-	-	-	7,999
Finance	26,888	-	-	-	26,888
Information technology	235,618	-	-	-	235,618
Assessor	108,861	-	-	-	108,861
Engineering	715,724	-	-	-	715,724
Inspection	183,146	69,067	-	-	252,213
Traffic control	6,186,156	71,275	-	-	6,257,431
Public works	1,523,219	21,720	-	-	1,544,939
General	11,075,161	20,304,408	12,241,760	432,815	19,570,624
<b>Total general government</b>	<b>23,914,984</b>	<b>20,466,470</b>	<b>12,248,300</b>	<b>432,815</b>	<b>32,565,969</b>
<b>PUBLIC SAFETY</b>					
Police	3,751,797	245,682	104,787	-	3,892,692
Fire	6,361,205	27,536	-	-	6,388,741
<b>Total public safety</b>	<b>10,113,002</b>	<b>273,218</b>	<b>104,787</b>	<b>-</b>	<b>10,281,433</b>
<b>Governmental funds</b>					
Street	105,033,994	23,686,281	6,908,040	2,537,975	124,350,210
Shop	213,331	-	-	-	213,331
Library	7,572,243	-	29,257	-	7,542,986
Public transportation	3,018,933	37,409	153,900	-	2,902,442
Recreation	3,724,777	136,298	75,500	-	3,785,575
<b>Total governmental funds</b>	<b>\$ 153,591,264</b>	<b>\$ 44,599,676</b>	<b>\$ 19,519,784</b>	<b>\$ 2,970,790</b>	<b>\$ 181,641,946</b>

**City of Minot, North Dakota**

**Capital Assets Used in the Operations of Governmental Funds**

**Comparative Schedule of Changes in Governmental Capital Assets by Source**

**December 31, 2012**

**With Comparative Totals for December 31, 2011**

	<b>Land</b>	<b>Buildings</b>	<b>Equipment</b>	<b>Infrastructure</b>	<b>Intangible Assets</b>	<b>Books</b>	<b>Construction In Process</b>	<b>2012</b>	<b>2011</b>
<b>GOVERNMENTAL FUNDS</b>									
<b>CAPITAL ASSETS</b>									
<b>JANUARY 1,</b>	\$ 6,657,345	\$ 14,035,700	\$ 14,678,504	\$ 108,688,369	\$ 547,088	\$ 4,416,907	\$ 4,567,351	\$ 153,591,264	\$ 148,083,382
<b>ADDITIONS</b>									
General fund	9,689,186	-	451,267	19,905,899	-	-	14,307,487	44,353,839	6,604,353
Special revenue	-	-	173,707	-	-	-	136,298	310,005	235,990
General fund transfers	-	-	69,067	-	-	-	-	69,067	-
Total additions	9,689,186	-	694,041	19,905,899	-	-	14,443,785	44,732,911	6,840,343
Total balance & additions	16,346,531	14,035,700	15,372,545	128,594,268	547,088	4,416,907	19,011,136	198,324,175	154,923,725
<b>DEDUCTIONS</b>									
Capital assets traded	-	144,970	-	-	-	-	-	144,970	152,756
Capital assets sold	51,100	-	312,421	-	-	23,314	-	386,835	160,351
Capitalized	-	-	-	-	-	-	16,027,399	16,027,399	743,276
Expenditure	-	-	-	-	41,011	-	12,947	53,958	287,675
Transferred to enterprise	-	-	-	-	-	-	-	-	(11,597)
General fund transfers	-	-	69,067	-	-	-	-	69,067	-
Total deductions	51,100	-	526,458	41,011	-	23,314	16,040,346	16,682,229	1,332,461
<b>GENERAL CAPITAL ASSETS</b>									
<b>DECEMBER 31,</b>	<b>\$ 16,295,431</b>	<b>\$ 14,035,700</b>	<b>\$ 14,846,087</b>	<b>\$ 128,553,257</b>	<b>\$ 547,088</b>	<b>\$ 4,393,593</b>	<b>\$ 2,970,790</b>	<b>\$ 181,641,946</b>	<b>\$ 153,591,264</b>

## City of Minot, North Dakota Statistical Section

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

The Statistical Section is presented in five categories:

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

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

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

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

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

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

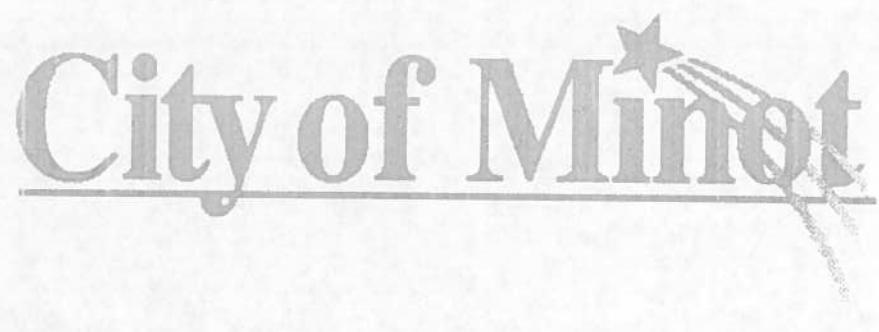
***Demographic and Economic*** - schedules are intended (1) to assist users in understanding the socioeconomic environment within which a government operates and (2) to provide information that facilitates comparisons of financial statement information over time and with other governments.

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

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

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

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



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

	Restated						2012			
	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>Governmental activities</b>										
Invested in capital assets, net of related debt	\$ 31,309,332	\$ 51,958,589	\$ 46,333,667	\$ 50,713,665	\$ 59,701,807	\$ 66,709,351	\$ 76,811,701	\$ 82,821,937	\$ 81,010,769	\$ 101,542,579
Restricted for:										
Debt service	1,373,926	944,364	442,745	1,910,960	2,617,579	2,025,734	2,643,771	812,051	1,230,207	960,352
Sales tax property tax relief	11,116,994	11,118,792	15,999,116	20,310,497	24,733,175	-	-	-	1,205,472	2,951,612
Capital projects	-	-	-	-	-	4,240,289	2,833,320	1,448,511	1,417,563	3,802
Highway projects	-	-	-	-	-	1,997,969	2,837,842	1,688,435	2,126,312	1,086,131
Economic development	-	-	-	-	-	2,207,545	2,202,085	1,539,481	1,962,248	
Flood control	-	-	-	-	-	27,989,367	28,404,171	34,204,624	39,271,885	35,085,324
NAWS	-	-	-	-	-	735,412	715,775	466,931	157,398	739
Other purposes	-	-	-	-	-	14,336,538	24,515,171	12,902,703	19,515,667	26,731,317
Unrestricted	19,164,126	11,114,418	15,107,715	14,336,538	24,515,171	132,259,235	135,715,488	150,066,358	166,025,876	166,025,876
<b>Total governmental activities net position</b>	<b>\$ 62,964,378</b>	<b>\$ 75,136,63</b>	<b>\$ 77,883,243</b>	<b>\$ 88,007,072</b>	<b>\$ 112,283,507</b>	<b>\$ 132,259,235</b>	<b>\$ 135,715,488</b>	<b>\$ 150,066,358</b>	<b>\$ 166,025,876</b>	<b>\$ 202,280,072</b>
<b>Business-type activities</b>										
Invested in capital assets, net of related debt	\$ 53,280,312	\$ 51,899,651	\$ 58,821,571	\$ 58,453,802	\$ 57,707,036	\$ 51,274,183	\$ 61,496,412	\$ 60,096,339	\$ 62,782,830	\$ 93,309,610
Restricted for:										
Debt service	6,282,767	4,525,305	4,479,980	4,645,085	5,601,055	4,101,853	4,300,303	3,657,311	3,859,697	3,736,319
Passenger facility charges not spent	-	-	42,163	43,474	43,874	44,714	40,664	48,349	54,277	1,041,086
Other purposes	42,580	41,792	-	-	-	-	-	-	-	61,593
Unrestricted	-	-	-	-	-	6,319,775	3,589,808	6,859,415	12,827,960	17,512,758
<b>Total business-type activities net position</b>	<b>\$ 59,563,079</b>	<b>\$ 56,424,956</b>	<b>\$ 63,301,551</b>	<b>\$ 63,098,887</b>	<b>\$ 63,308,090</b>	<b>\$ 61,740,525</b>	<b>\$ 69,427,187</b>	<b>\$ 70,661,414</b>	<b>\$ 79,524,764</b>	<b>\$ 115,661,366</b>
<b>Government-wide activities</b>										
Invested in capital assets, net of related debt	\$ 84,589,644	\$ 103,858,240	\$ 105,155,238	\$ 109,167,467	\$ 117,408,843	\$ 117,983,534	\$ 138,308,113	\$ 142,918,276	\$ 143,793,599	\$ 194,852,189
Restricted	12,533,500	12,104,948	16,484,024	22,264,931	28,110,403	56,793,748	43,729,087	44,218,764	50,705,633	46,905,476
Unrestricted	25,446,893	15,639,723	19,587,695	23,331,348	30,116,225	19,222,478	23,105,475	33,590,732	51,051,408	76,183,773
<b>Total government net position</b>	<b>\$ 122,570,037</b>	<b>\$ 131,602,911</b>	<b>\$ 141,226,957</b>	<b>\$ 154,763,746</b>	<b>\$ 175,635,471</b>	<b>\$ 193,999,760</b>	<b>\$ 205,142,675</b>	<b>\$ 220,727,772</b>	<b>\$ 245,550,640</b>	<b>\$ 317,941,438</b>

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

	2003	2004	2005	2006	Restated 2007	2008	2009	2010	2011	2012
<b>EXPENSES</b>										
Governmental activities										
General government	\$ 7,504,143	\$ 11,754,173	\$ 7,604,240	\$ 8,428,173	\$ 10,581,242	\$ 12,610,950	\$ 15,791,433	\$ 10,877,394	\$ 16,286,125	\$ 18,663,226
Public safety	7,046,392	7,596,040	7,672,804	7,903,316	8,585,550	8,784,220	9,621,297	10,983,251	11,737,486	11,894,017
Highways and streets	2,500,445	3,942,303	4,060,526	3,875,190	4,525,555	5,943,486	6,884,847	8,197,388	8,673,395	10,786,782
Culture and recreation	2,067,089	2,440,820	1,952,237	1,952,705	3,708,916	3,603,029	2,927,935	3,122,273	3,605,205	3,682,272
Community development	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	903,978	851,421
Interest on long-term debt	899,139	779,285	559,525	727,521	806,265	939,131	952,970	684,342	599,508	670,777
Total governmental activities expenses	20,605,128	27,157,997	22,400,539	23,294,913	30,926,082	35,763,678	37,110,482	34,987,456	41,805,797	46,548,495
Business-type activities										
Airport	1,893,121	2,307,295	2,359,727	2,675,382	2,765,722	4,213,797	3,747,615	3,046,398	2,886,779	4,072,715
Cemetery	213,527	225,415	228,538	222,159	213,392	226,999	245,719	305,368	304,502	325,301
Parking authority	182,440	176,985	165,161	178,147	115,667	113,232	121,475	123,727	118,367	231,938
Sanitation	1,823,056	2,397,135	1,898,475	1,924,082	1,841,238	2,021,582	2,327,461	2,529,736	4,269,081	4,013,767
Water and sewer	6,560,712	7,283,610	7,500,357	8,464,880	9,179,295	9,760,782	11,249,918	11,113,562	14,102,905	14,405,238
Total business-type activities expenses	10,672,856	12,390,440	12,192,258	13,464,650	14,115,314	16,336,392	17,692,188	17,118,791	21,680,734	23,048,959
Total government expenses	31,277,984	39,548,437	34,552,797	36,759,563	45,041,397	52,100,070	54,802,670	52,106,247	63,486,531	69,597,454
<b>PROGRAM REVENUES</b>										
Governmental activities										
Charges for services										
General government	3,867,504	4,567,494	4,901,177	5,063,202	4,182,085	5,599,611	6,053,336	6,440,278	8,635,786	11,131,748
Public safety	877,607	820,566	835,844	917,002	907,811	1,166,387	1,147,007	1,382,128	1,637,161	1,344,251
Highways and streets	39,946	43,046	38,913	-	-	467,716	63,523	-	84,164	15,554
Culture and recreation	45,652	49,195	44,472	54,016	474,985	442,346	-	534,353	1,150,392	2,010,063
Operating grants and contributions										
General government	937,622	816,833	414,555	299,813	675,890	1,051,271	2,313,214	1,066,608	6,686,784	1,782,240
Public safety	86,394	95,386	70,360	103,032	70,435	78,953	99,507	676,006	364,666	338,479
Highways and streets	-	2,619,461	-	-	-	-	547,985	630,630	4,604	9,511,871
Capital grants and contributions										
General government	1,327,028	533,831	126,655	55,949	726,303	2,635,216	1,182,924	120,720	5,354	2,397,534
Public safety	8,139,850	4,425,385	-	3,539,693	11,784,624	1,136,547	8,600,289	1,809,135	604,476	181,340
Highways and streets	-	-	-	-	-	-	4,737	-	4,713,115	1,165,700
Culture and recreation	-	-	-	-	-	-	555,519	-	-	6,673
Community development	-	-	-	-	-	-	-	-	-	-
Total governmental activities program revenues	15,321,603	13,971,697	6,431,976	10,032,707	18,822,133	21,738,572	13,216,632	16,168,314	19,922,624	43,071,677
Business-type activities										
Charges for services										
Airport	972,965	892,093	952,201	998,941	1,142,638	2,447,799	2,083,123	1,114,890	1,815,968	2,518,466
Cemetery	155,278	152,580	172,847	225,234	200,333	235,546	251,298	291,230	261,460	268,427
Parking authority	174,441	174,464	160,299	123,237	136,713	145,125	136,618	126,065	143,438	149,343
Sanitation	1,984,815	1,830,479	1,958,064	2,099,706	2,148,607	2,706,534	3,179,491	3,229,834	5,555,689	4,668,460
Water and sewer	6,416,265	6,849,133	7,192,105	7,635,599	7,686,895	8,448,601	9,276,724	10,392,992	11,098,007	14,563,524
Operating grants and contributions										
Airport	283,152	293,426	295,190	282,857	263,381	262,539	241,680	328,337	604,989	977,359

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

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
Capital grants and contributions										
Airport	\$ 1,992,422	\$ 150,557	\$ 1,326,349	\$ 683,772	\$ 1,696,337	\$ 502,264	\$ 1,229,346	\$ 857,936	\$ 649,789	\$ 8,103,553
Cemetery	2,880	250	99	309	-	-	(5,080)	61,853	10,964	26,508
Parking authority	54,600	-	-	-	-	-	52,921	-	-	89,053
Sanitation	-	-	-	-	10,165	248,926	1,400	2,197	407,443	298,497
Water and sewer	2,990,415	628,482	519,377	1,294,055	1,965,477	1,805,074	4,871,427	495,267	4,582,021	21,310,811
Total business-type activities program revenues	15,029,236	10,973,468	12,578,536	13,345,716	15,250,546	16,802,408	21,318,947	16,901,100	25,129,767	52,974,001
Total government program revenues	30,350,839	24,945,165	19,010,512	23,378,423	34,072,679	38,540,980	34,535,579	33,069,415	45,052,392	96,045,678
Net revenue (expense)										
Governmental activities	(5,283,525)	(13,186,300)	(15,988,563)	(5,015,283)	(12,103,949)	(14,025,106)	(23,893,830)	(18,819,142)	(21,883,173)	(3,476,818)
Business-type activities	4,336,380	(1,416,972)	426,278	(120,940)	1,135,330	466,016	3,626,759	(217,690)	3,449,033	29,925,042
Total government net expense	(927,145)	(14,603,272)	(15,542,285)	(5,136,223)	(10,968,718)	(13,559,090)	(20,267,991)	(19,036,832)	(18,434,140)	26,448,224
<b>GENERAL REVENUES AND OTHER CHANGES IN NET POSITION</b>										
Governmental activities										
Taxes										
Property taxes, levied for general purposes	6,333,804	6,412,849	6,327,110	7,065,705	7,665,997	7,787,046	8,147,645	8,750,586	9,556,958	6,818,892
Property taxes, levied for debt service	934,337	1,042,433	1,065,170	998,952	1,142,353	1,152,519	1,064,857	749,233	800,383	735,488
Sales taxes	9,537,654	10,121,486	11,021,415	11,920,592	13,422,768	14,639,441	14,845,915	17,200,391	21,612,185	26,705,354
State aid distribution-unrestricted	1,454,460	1,483,320	1,622,132	1,683,303	1,769,430	1,862,605	1,802,746	2,478,437	3,055,544	4,166,709
Municipal highway tax	1,062,948	1,224,252	1,321,497	1,424,650	1,620,893	1,985,198	1,894,613	2,120,108	2,418,151	2,570,954
Franchise taxes	299,824	348,130	348,019	370,158	400,264	442,420	483,377	517,894	525,180	588,414
Other taxes	326,351	301,605	321,245	309,801	287,113	298,025	292,845	425,536	450,630	1,729,453
Grants and contributions not restricted to specific programs										
Investment earnings	627,567	329,216	892,061	1,643,502	2,282,098	1,468,090	961,136	474,228	950,457	480,932
Miscellaneous	713,914	1,992,462	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,06,373	2,749,359	1,807,263
Transfers	478,130	2,096,332	(5,208,299)	675,813	1,458,649	2,353,460	(3,425,624)	(652,774)	(4,276,666)	(5,872,446)
Total governmental activities	21,788,989	25,358,085	18,715,643	27,056,297	32,766,069	34,000,834	27,350,103	33,170,012	37,842,691	39,731,013
Taxes										
Property taxes, levied for general purposes	82,585	21,221	39,515	47,185	34,608	73,047	281,001	305,389	480,909	687
State aid distribution	3,800	-	-	-	-	-	-	-	-	-
Other taxes	102,183	199,379	182,858	322,184	164,724	78,526	65,609	88,318	108,670	-
Investment earnings	119,508	102,814	144,680	91,364	226,834	139,967	215,446	98,049	105,260	91,147
Miscellaneous	20,739	49,183	877,341	134,667	106,857	(15,335)	72,223	307,387	442,812	247,280
Transfers	(478,130)	(2,096,332)	5,208,299	(675,813)	(1,458,649)	(2,353,460)	3,425,624	652,774	4,276,666	5,872,446
Total business-type activities	(149,315)	(1,719,935)	6,452,693	(80,413)	(925,626)	(2,077,455)	4,059,903	1,451,917	5,414,317	6,211,560
Total government	21,639,674	23,638,150	25,168,336	26,975,384	31,840,443	31,923,379	31,410,006	34,621,939	43,257,008	45,942,573
Change in net position										
Governmental activities	16,505,464	12,171,785	2,747,080	13,738,142	20,662,120	19,975,728	3,456,253	14,350,870	15,959,518	36,254,196
Business-type activities	4,205,062	(3,138,911)	6,876,966	(201,353)	209,606	(1,611,439)	7,686,662	1,234,227	8,863,350	36,136,602
Total government	\$ 20,710,576	\$ 9,032,874	\$ 9,624,046	\$ 13,536,789	\$ 20,871,725	\$ 18,364,289	\$ 11,142,915	\$ 15,585,097	\$ 24,822,868	\$ 72,390,798

<sup>1</sup> The increase in 2003 was primarily due to a temporary debt issue for construction of South Broadway for \$10,000,000 repaid in 2004.

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

	2003	2004	2005	2006	2007	2008	2009*	2010	2011	2012
General fund										
Reserved	\$ 25,417	\$ 5,021	\$ 6,734	\$ 66,542	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Unreserved	2,624,002	2,167,158	2,260,512	3,643,208	4,978,325	-	39,225	4,746	26,691	114,184
Nonspendable	-	-	-	-	-	-	41,532	50,077	739	39,167
Restricted	-	-	-	-	-	-	4,667	-	-	6,039
Committed	-	-	-	-	-	-	21,453	259,042	1,916	-
Assigned	-	-	-	-	-	-	6,373,912	6,956,811	7,269,575	-
Unassigned	-	-	-	-	-	-	-	-	-	-
Total general fund	<b>\$ 2,649,419</b>	<b>\$ 2,172,179</b>	<b>\$ 2,267,246</b>	<b>\$ 3,643,208</b>	<b>\$ 5,044,867</b>	<b>\$ 6,434,590</b>	<b>\$ 7,266,798</b>	<b>\$ 7,348,259</b>	<b>\$ 10,617,839</b>	<b>\$ 16,184,502</b>
	<b><u>\$ 15,283,772</u></b>	<b><u>\$ 13,393,529</u></b>	<b><u>\$ 17,512,029</u></b>	<b><u>\$ 21,126,377</u></b>	<b><u>\$ 27,285,887</u></b>	<b><u>\$ -</u></b>				
All other governmental funds										
Reserved										
Unreserved, reported in:										
Special revenue funds	(3,033,771)	3,180,398	4,823,207	7,797,181	8,493,078	-	-	-	-	-
Debt service funds	1,373,926	944,364	442,745	1,910,960	2,617,579	-	-	-	-	-
Capital project funds	520,760	(1,238,231)	2,515,273	2,908,277	2,503,510	-	-	-	-	-
Nonspendable	-	-	-	-	-	3,322,160	1,748,428	419,517	109,535	67,299
Restricted	-	-	-	-	-	30,645,782	37,780,280	40,463,027	41,771,170	36,048,453
Committed	-	-	-	-	-	8,318,890	2,531,471	1,703,715	3,972,645	6,011,986
Assigned	-	-	-	-	-	5,403,633	7,731,362	14,424,926	26,310,329	38,012,025
Unassigned	-	-	-	-	-	(111,496)	(622,965)	(353,393)	(726,084)	(1,637,152)
Total all other governmental funds	<b>\$ 14,144,687</b>	<b>\$ 16,280,060</b>	<b>\$ 25,293,254</b>	<b>\$ 33,742,795</b>	<b>\$ 40,900,054</b>	<b>\$ 47,578,969</b>	<b>\$ 49,168,576</b>	<b>\$ 56,657,792</b>	<b>\$ 71,437,595</b>	<b>\$ 78,502,611</b>

\*Implemented GASB #54 with 2009 CAFR

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

unaudited

	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
<b>REVENUES</b>										
Property taxes	\$ 7,221,351	\$ 7,393,732	\$ 7,331,800	\$ 7,995,420	\$ 8,730,892	\$ 8,855,449	\$ 9,123,666	\$ 9,324,583	\$ 10,148,857	\$ 7,391,659
Special assessment collections	916,817	833,144	884,137	702,392	669,155	779,292	1,216,553	845,259	845,259	805,084
Sales tax collections	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768	14,639,441	14,845,915	17,200,391	21,612,185	26,705,354
Licenses and permits	413,553	502,408	607,474	647,390	607,708	744,303	701,740	836,065	1,486,521	2,311,025
Intergovernmental	13,510,969	7,379,165	4,612,249	4,695,404	5,348,836	6,716,698	8,123,997	9,539,038	9,539,038	14,840,183
Charges for services	2,983,946	3,558,377	3,788,077	4,281,728	3,821,965	4,540,984	5,018,590	4,868,019	4,868,019	6,755,299
Fines and forfeits	573,961	493,287	520,615	524,050	540,046	471,653	490,864	659,823	659,823	831,975
Interest income	604,167	329,216	892,061	1,643,502	2,282,998	1,468,090	961,136	454,200	454,200	1,117,060
Contract Revenue	-	-	-	-	-	-	-	-	-	546,393
Miscellaneous	713,914	1,992,462	1,005,293	963,821	2,896,504	2,012,030	1,282,593	1,106,373	1,106,373	1,200,000
Total revenues	<u>36,476,332</u>	<u>32,609,277</u>	<u>30,663,121</u>	<u>33,374,299</u>	<u>38,139,972</u>	<u>40,227,940</u>	<u>41,765,054</u>	<u>44,833,751</u>	<u>44,833,751</u>	<u>60,185,141</u>
<u>607,263</u>										
<b>EXPENDITURES</b>										
General government	7,341,323	11,496,187	6,962,816	8,001,249	8,709,351	11,048,600	14,714,972	10,245,057	15,569,025	17,366,238
Public safety	6,738,687	7,231,044	7,311,855	7,501,383	7,828,236	8,191,065	8,736,792	10,045,515	10,619,643	10,790,276
Highways and streets	2,385,232	2,525,080	2,450,835	2,210,048	2,069,635	2,777,822	3,342,302	4,201,481	4,398,650	6,145,446
Culture and recreation	1,789,177	2,147,590	1,838,446	1,859,266	3,292,295	3,377,216	2,493,537	2,642,299	3,195,012	3,356,938
Economic development	587,920	645,376	551,207	408,008	2,717,155	3,882,862	932,000	1,122,808	1,122,808	903,978
Capital outlay	16,471,332	5,602,326	2,321,872	4,854,425	7,898,663	5,517,661	4,521,395	6,618,990	6,618,990	4,921,732
Debt retirement	Principal	2,435,000	2,620,000	2,395,000	2,415,000	2,520,000	2,655,000	2,420,000	2,730,000	2,225,000
Interest and fiscal charges	929,669	796,546	583,438	707,286	627,917	773,958	787,850	700,606	700,606	551,000
Intergovernmental	Total expenditures	<u>38,698,340</u>	<u>33,064,149</u>	<u>24,435,469</u>	<u>27,956,665</u>	<u>35,663,252</u>	<u>38,224,184</u>	<u>37,948,848</u>	<u>38,306,756</u>	<u>42,433,848</u>
<u>59,064,156</u>										
Excess (deficiency) of revenues over (under) expenditures	(2,222,008)	(454,872)	6,227,652	5,417,634	2,476,720	2,003,756	3,816,206	6,526,995	6,526,995	17,751,293
<u>13,588,873</u>										
<b>OTHER FINANCING SOURCES (USES)</b>										
General obligation bonds issued	2,675,000	-	2,355,000	2,810,000	1,785,000	1,720,000	2,005,000	1,375,000	-	2,900,000
Special assessment bonds issued	2,205,000	-	-	910,000	2,715,000	1,905,000	-	-	4,285,000	1,885,000
Premium (discount) on debt issued	205	-	(15,658)	100	10,265	6,180	(6,875)	(6,875)	200,025	95,838
Capital leases	-	-	-	-	-	-	15,392	15,392	-	-
Principal retirement on current refunding	-	-	-	-	17,540	-	-	-	-	-
Sale of City Property	-	-	-	27,043	33,617	20,053	312,939	312,939	89,751	79,600
Transfers In	3,751,138	10,739,674	6,105,360	5,191,192	5,834,714	5,999,009	5,494,389	5,702,692	5,702,692	4,132,386
Transfers Out	(3,249,609)	(8,626,669)	(5,579,751)	(4,487,665)	(4,297,199)	(3,603,009)	(8,920,013)	(6,355,466)	(6,355,466)	(8,409,032)
Total other financing sources (uses)	<u>5,381,734</u>	<u>2,113,005</u>	<u>2,880,609</u>	<u>4,407,369</u>	<u>6,082,198</u>	<u>6,064,832</u>	<u>(1,394,391)</u>	<u>1,043,682</u>	<u>1,043,682</u>	<u>298,110</u>
Net change in fund balances	<u>\$ 3,159,726</u>	<u>\$ 1,658,133</u>	<u>\$ 9,108,261</u>	<u>\$ 9,825,503</u>	<u>\$ 8,558,918</u>	<u>\$ 8,068,638</u>	<u>\$ 2,421,815</u>	<u>\$ 7,570,677</u>	<u>\$ 7,570,677</u>	<u>\$ 12,676,865</u>
Debt service as a percentage of noncapital expenditures	15.14%	12.44%	13.47%	13.52%	11.34%	10.48%	9.60%	10.83%	7.53%	13.88%

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

Year	Property Tax Levied for General Purposes	Property Tax Levied for Debt Service	Sales Tax	Municipal Highway Tax	State Aid Distribution	Franchise Tax	Other Tax	Total	* Population
2003	6,333,804	954,337	9,537,654	1,454,460	1,062,948	299,824	326,351	19,969,378	36,567
2004	6,412,849	1,042,433	10,127,486	1,483,320	1,224,252	348,130	301,605	20,940,075	36,567
2005	6,327,110	1,065,170	11,021,415	1,622,132	1,321,497	348,019	321,245	22,026,588	36,567
2006	7,065,705	998,952	11,920,592	1,683,303	1,424,650	370,158	309,801	23,773,161	36,567
2007	7,665,997	1,142,353	13,242,768	1,769,430	1,620,893	400,264	287,113	26,128,818	36,567
2008	7,787,046	1,152,519	14,639,441	1,862,605	1,985,198	442,420	298,025	28,167,254	36,567
2009	8,147,645	1,064,857	14,845,915	1,802,746	1,894,613	483,377	292,845	28,531,998	36,567
2010	8,750,586	749,233	17,200,391	2,478,437	2,120,108	517,894	425,536	32,242,185	40,888
2011	9,556,958	800,683	21,612,185	2,418,451	3,055,454	525,180	450,630	38,419,541	40,888
2012	6,818,892	735,488	26,705,354	2,570,954	4,166,709	588,414	1,729,453	43,315,264	40,888

\* Population data provided by the US Census Bureau

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

Year	Population	City Direct Sales	Tax Rate	Sales Tax remitted by State of ND to the City						Community Facilities 30%	Total Sales Tax Collections	Percentage of Taxable Sales & Purchases top ten permit holders			
				(1) Taxable Sales		First Penny		Second Penny							
				Property Tax	Economic Relief	Improvements Development	Water Supply	Infrastructure	Sales Tax						
2003	36,567	2%	562,646,219	476,882	1,907,531	2,384,414	4,768,827	-	-	-	9,537,654	34.16%			
2004	36,567	2%	607,684,297	506,374	2,025,497	2,531,872	5,063,743	-	-	-	10,127,486	34.02%			
2005	36,567	2%	632,611,203	551,071	2,204,283	2,755,354	5,510,707	-	-	-	11,021,415	33.51%			
2006	36,567	2%	673,620,128	596,030	2,384,118	2,980,148	5,960,296	-	-	-	11,920,592	33.16%			
2007	36,567	2%	741,745,928	662,138	2,648,554	3,310,692	6,621,384	-	-	-	13,242,768	33.51%			
2008	36,567	2%	839,876,644	728,717	2,914,868	3,643,585	7,287,170	-	-	-	14,574,340	32.92%			
2009	36,567	2%	906,784,178	742,296	2,969,183	3,711,479	7,422,957	-	-	-	14,845,915	31.10%			
2010	40,888	2%	1,072,382,163	860,020	3,440,078	4,300,098	8,600,195	-	-	-	17,200,391	32.30%			
2011	40,888	2%	1,443,645,118	1,080,609	4,322,437	5,403,047	7,642,725	949,010	1,265,347	949,010	21,612,185	32.50%			
2012	40,888	2%	1,692,043,875	1,335,268	5,341,071	6,676,338	-	4,005,803	5,341,071	4,005,803	26,705,354	30.89%			

In 1998, Sales Tax increased from 1% to 2%, with the additional 1% dedicated to the Northwest Area Water Supply project. The sales tax is a citizen voted tax. The original 1% is for capital improvements, economic development and property tax relief. In June 2011, the voters opted to continue collecting the additional 1% sales tax, formerly for the Northwest Area Water Supply project and dedicate 30% to property tax relief, 40% to infrastructure projects, and 30% to community facilities.

(1) Taxable Sales and Purchases figure are from the State of ND Sales Tax Department Sales and Use Tax Statistical Annual Report.

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

Industry	2006	2007	2008	2009	2010	2011	2012
Construction	\$ 19,501,477	\$ 20,771,513	\$ 24,281,951	\$ 28,164,170	\$ 26,203,104	\$ 38,717,443	\$ 58,247,973
Manufacturing	26,302,204	26,747,454	30,885,053	31,867,746	31,694,324	37,402,333	46,344,370
Wholesale trade	71,115,002	84,416,178	102,051,071	131,555,267	180,417,164	220,934,137	263,822,015
Retail trade	407,725,973	446,711,074	502,811,606	512,271,955	575,395,068	708,083,354	844,491,363
Transportation & warehousing	3,932,535	4,996,441	5,573,468	12,428,865	36,440,379	3,799,564	4,249,433
Information industries	3,222,367	3,333,475	3,376,973	3,916,838	3,882,824	4,257,936	5,397,964
Fin, insurance, real estate, rental & leasing	9,133,815	11,213,308	12,972,766	14,286,085	19,157,346	43,874,462	49,996,975
Professional, scientific, tech. & mgmt serv.	8,988,399	9,279,587	9,845,218	10,770,836	11,333,361	12,496,178	12,529,022
Educational, health care, & social services	3,184,550	3,002,059	2,772,035	3,069,870	3,088,652	3,617,411	3,872,616
Arts, entertainment & recreation	3,319,163	3,595,895	3,863,158	3,832,661	3,750,517	3,485,182	3,849,395
Accommodation & food services	89,727,364	99,568,279	114,272,513	119,962,840	136,428,915	163,610,566	191,892,960
Mining and Oil Extraction						112,311,540	111,271,321
Other services	21,582,457	21,041,752	20,765,032	22,544,992	26,373,761	35,124,654	39,632,295
Miscellaneous	5,874,822	7,068,913	6,405,800	12,659,014	16,499,272	2,467,460	8,493,288
<b>Total taxable sales and purchases</b>	<b>\$ 673,620,128</b>	<b>\$ 741,745,928</b>	<b>\$ 839,876,644</b>	<b>\$ 907,331,139</b>	<b>\$ 1,070,664,687</b>	<b>\$ 1,390,182,220</b>	<b>\$ 1,644,090,990</b>

\* Industry taxable sales and purchases figures are from the State of ND Sales Tax Department  
 This is a new table with the 2009 CAFR, prior data is not available from the State due to a  
 change in coding method and a change in software.

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

Statistics are Not Reportable unless at least five businesses are included in the industry group

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

Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
2003	253,660,900	424,318,752	8,523,130	686,502,782	1,373,005,564	50.00%	132.77
2004	253,470,100	458,695,500	7,000,000	719,165,600	1,438,331,200	50.00%	128.66
2005	281,522,450	509,759,100	8,221,360	799,502,910	1,599,005,820	50.00%	126.52
2006	303,626,400	568,287,700	8,075,165	879,989,265	1,759,978,530	50.00%	122.74
2007	342,470,100	616,720,533	7,982,740	967,173,373	1,934,346,747	50.00%	113.70
2008	364,312,900	658,155,100	7,921,785	1,030,389,785	2,060,779,570	50.00%	113.25
2009	399,824,050	727,791,050	8,697,477	1,136,312,577	2,272,625,153	50.00%	108.12
2010	451,055,991	820,974,530	9,717,790	1,281,748,311	2,563,496,622	50.00%	107.33
2011	485,485,645	828,297,280	9,492,470	1,323,275,395	2,646,550,790	50.00%	76.67
2012	620,465,400	949,604,100	13,467,610	1,583,537,110	3,167,074,220	50.00%	84.29

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

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

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

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

Year	City of Minot			Total	Minot Park District	Minot School District	State and County	Total
	General Fund	Special Revenue Funds	Debt Service Funds					
2003	61.48	42.69	28.60	132.77	29.91	206.93	78.02	447.63
2004	55.62	43.28	29.76	128.66	33.54	212.31	75.15	449.66
2005	55.17	43.71	27.64	126.52	32.56	211.16	78.45	448.69
2006	53.44	41.75	27.55	122.74	30.83	208.42	79.75	441.74
2007	49.50	38.73	25.47	113.70	31.48	206.47	68.13	419.78
2008	51.11	38.82	23.32	113.25	32.80	204.65	74.45	425.15
2009	50.19	41.09	16.84	108.12	30.68	133.40	77.43	349.63
2010	51.91	41.24	14.18	107.33	29.83	129.75	72.66	339.57
2011	54.59	15.56	6.52	76.67	30.87	135.19	69.58	312.31
2012	54.97	25.77	3.55	84.29	31.65	141.02	71.12	328.08

Data obtained from the City of Minot Budget and the Ward County Auditor's Office

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

Levy Year	(1) Total Current Tax Levy	(2) Current Collections	Percent of Levy Collected	(2) Delinquent Collections	(2) Total Collections	Total Collection as Percent of Current Levy	(3) Adjustments	(4) Accumulated Outstanding Taxes	Outstanding Delinquent as Percent of Current Levy
2001	7,884,739	7,441,868	94.38%	163,366	7,605,234	96.46%	285,315	409,639	5.20%
2002	8,175,763	7,745,018	94.73%	204,701	7,949,719	97.24%	268,505	367,178	4.49%
2003	8,540,161	8,117,461	95.05%	219,961	8,337,422	97.63%	279,091	290,826	3.41%
2004	8,655,618	8,212,157	94.88%	151,912	8,364,069	96.63%	284,769	297,606	3.44%
2005	9,443,018	8,969,961	94.99%	147,755	9,117,716	96.56%	315,824	307,084	3.25%
2006	10,132,780	9,573,509	94.48%	125,104	9,698,613	95.72%	373,073	368,178	3.63%
2007	10,329,502	9,754,043	94.43%	188,150	9,942,193	96.25%	385,933	369,554	3.58%
2008	10,895,992	10,322,163	94.73%	201,647	10,523,810	96.58%	404,619	337,117	3.09%
2009	11,453,689	10,852,906	94.75%	257,025	11,109,931	97.00%	398,636	282,239	2.46%
2010	12,736,802	12,063,643	94.71%	205,011	12,268,654	96.32%	466,124	284,263	2.23%
2011	9,408,148	8,943,179	95.06%	206,031	9,149,210	97.25%	315,299	227,902	2.42%
2012	12,449,978	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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

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

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

**City of Minot, North Dakota**  
**Principal Property Taxpayers**  
**December 31, 2012**  
 unaudited

<b>TAXPAYER</b>	<b>2012</b>			<b>2003</b>		
	<b>(1) Taxable Assessed Value</b>	<b>Rank</b>	<b>% of total Taxable Assessed Value</b>	<b>(1) Taxable Assessed Value</b>	<b>Rank</b>	<b>% of total Taxable Assessed Value</b>
Investor's Real Estate Trust (IRET)	\$ 3,794,066	1	2.60%	\$ 1,431,130	2	2.22%
Minot Dakota Mall, LLC (includes Sleep Inn Complex)	3,161,313	2	2.17%	2,497,090	1	3.88%
Wal-Mart Real Estate	802,737	3	0.55%	289,290	9	0.45%
Southwood Apartments	750,232	4	0.51%			
Northdale Apartments III LLC	696,495	5	0.48%			
Kadima Medial Properties (Former Unimed Clinic)	671,582	6	0.46%			
Menard's Inc.	648,733	7	0.45%	349,020	7	0.54%
Sleep Inn	648,724	8	0.45%			
The Pines on 37th LLC	634,294	9	0.44%			
International Inn	628,084	10	0.43%	297,890	8	0.46%
Cambridge Capital Management	559,645	11	0.38%			
Cenex	515,205	12	0.35%			
Cognizant Technology Solutions	504,500	13	0.35%			
Hartland Hospitality Fund LLC	493,704	14	0.34%			
Dakota Upreit (Metro Mall)	481,689	15	0.33%			
Woodridge Mobile Home Park LLC	447,051	16	0.31%			
Philadelphia Macaroni	429,663	17	0.29%			
MDV2 LLC	427,147	18	0.29%			
Premier Holdings LLP	424,497	19	0.29%			
Glacial Holdings (Apartments)	403,567	20	0.28%			
Bremer				255,330	11	0.40%
Dayton-Hudson (Target)				256,340	10	0.40%
Farmers Union				214,330	15	0.33%
Gould Dakota Venture (K-Mart)				202,830	17	0.32%
Health Care Property Investors(Medical Arts Clinic)				564,700	3	0.88%
James & Mary Ommen				404,600	5	0.63%
Johanneson's Property (Marketplace)				245,810	12	0.38%
Minot Town & Country Investors				203,410	16	0.32%
Montana Dakota Utilities				190,040	19	0.30%
Northern States Power				467,820	4	0.73%
Oakland Properties (Mobile Home Courts)				170,190	20	0.26%
Riverside Inc (Holiday Inn)				233,170	14	0.36%
Somerset Court Partners				196,720	18	0.31%
Trinity				365,420	6	0.57%
Wells Fargo Bank ND				233,720	13	0.36%
All Others	\$ 128,562,485		88.25%	55,254,116		85.90%
Total Taxable Assessed Value	<u><u>\$145,685,414</u></u>		<u><u>100.00%</u></u>	<u><u>\$64,322,966</u></u>		<u><u>100.00%</u></u>

(1) Data obtained from City Assessor's Office

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

Year	Governmental Activities			Business-Type Activities			Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Grants Payable	Revenue Bonds	Notes Payable	Loans Payable			
2003	8,235,000	8,580,000	737,150	9,004,386	1,913,453	607,513	29,077,502	11.65%	795.18
2004	7,170,000	7,025,000	-	10,554,386	1,859,960	488,565	27,097,911	10.21%	741.05
2005	8,520,000	5,635,000	-	9,245,000	1,804,578	363,477	25,568,055	9.75%	699.21
2006	10,075,000	5,385,000	-	11,180,000	1,747,241	273,563	28,660,804	10.59%	783.79
2007	10,485,000	6,955,000	-	15,270,000	1,687,879	210,756	34,608,635	12.39%	946.44
2008	10,675,000	7,735,000	-	25,620,000	1,627,479	144,146	45,801,625	15.58%	1,252.54
2009	11,440,000	6,555,000	-	23,675,000	1,562,795	74,567	43,307,362	14.01%	1,184.33
2010	11,480,000	5,160,000	-	21,110,000	1,496,921	-	39,246,921	12.06%	959.86
2011	9,970,000	8,730,000	-	20,830,000	1,428,722	-	40,958,722	11.93%	1,001.73
2012	8,390,000	9,585,000	-	20,595,000	1,358,115	-	39,928,115	9.02%	976.52

(1) \$44,252 (ND Job Service Q3 2012)

(2) 40,888 - U.S. Census Bureau 2010 , prior years 36,567 (2000 Census)

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

Year	Population	(1) Assessed Value	(2) Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
2003	36,567	686,502,782	8,235,000	471,993	7,763,007	1.13%	212.30
2004	36,567	719,165,600	7,170,000	362,918	6,807,082	0.95%	186.15
2005	36,567	799,502,910	8,520,000	177,055	8,342,945	1.04%	228.16
2006	36,567	879,989,265	10,075,000	225,765	9,849,234	1.12%	269.35
2007	36,567	973,559,940	10,485,000	1,076,549	9,408,451	0.97%	257.29
2008	36,567	1,030,389,785	10,675,000	1,043,314	9,631,686	0.93%	263.40
2009	36,567	1,136,312,577	11,440,000	1,350,573	10,089,427	0.89%	275.92
2010	40,888	1,281,748,311	11,480,000	297,431	11,182,569	0.87%	273.49
2011	40,888	1,323,275,395	9,970,000	348,339	9,621,661	0.73%	235.32
2012	40,888	1,583,537,110	8,390,000	510,105	7,879,895	0.50%	192.72

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

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

**City of Minot, North Dakota**  
**Computation of Direct and Overlapping Debt**  
**For the Year Ended December 31, 2012**  
 unaudited

<b>Governmental Unit</b>	<b>Outstanding Debt</b>	<b>Sinking Funds</b>	<b>Net Debt</b>	<b>Ratio</b>	<b>City's Share of Debt</b>
Minot School District (1)	\$ 16,030,000	\$ -	\$ 16,030,000	97.11%	\$15,567,191
Minot Park District	-	-	-	100.00%	-
Ward County (2)	4,586,378	-	4,586,378	64.42%	<u>2,954,513</u>
<b>Overlapping Debt</b>					<b>18,521,704</b>
City of Minot (Direct Debt)			8,390,000	100.00%	<u>8,390,000</u>
<b>Total Direct and Overlapping Debt</b>					<b><u>\$26,911,704</u></b>

<b>Ratios Used</b>	<b>2012 Assessed Value</b>	<b>2012 City's Assessed Value</b>	<b>Percentage</b>
Minot School District (2)	\$ 1,630,615,299	\$ 1,583,537,110	97.11%
Minot Park District (2)	1,583,537,110	1,583,537,110	100.00%
Ward County (2)	2,458,171,721	1,583,537,110	64.42%

(1) Data obtained from Minot Public School's Administration Office & Ward County Auditor's Office

(2) Data obtained from City Assessor's Office & Ward County Auditor's Office

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

**City of Minot, North Dakota**  
**Computation of Legal Debt Margin**  
**December 31, 2012**  
unaudited

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True and full value of taxable property - 2012	\$ 3,167,074,220
Debt limit - 8% of 50% of true and full value	126,682,969
Amount of debt applicable to debt limit:	
General obligation bonds	\$ 8,390,000
Special Assessment bonds with Government Commitment	24,524
Less: cash in debt service sinking funds	<u>510,105</u>
Total net debt applicable to limit	<u>7,879,895</u>
Legal debt margin	<u>\$ 118,803,074</u>

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

	<b>2003</b>	<b>2004</b>	<b>2005</b>	<b>2006</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>
Debt limit	\$ 54,920,223	\$ 57,533,248	\$ 63,960,233	\$ 70,399,141	\$ 77,884,795	\$ 82,431,183	\$ 90,905,006	\$ 102,539,865	\$ 105,862,032	\$ 126,682,969
Less total net debt applicable to limit	8,128,385	6,903,162	8,414,944	9,849,234	9,408,451	9,631,686	10,089,427	11,182,569	9,621,661	7,879,895
Legal debt margin	<u>\$ 46,791,838</u>	<u>\$ 50,625,086</u>	<u>\$ 55,545,289</u>	<u>\$ 60,549,907</u>	<u>\$ 68,476,344</u>	<u>\$ 72,799,497</u>	<u>\$ 80,815,579</u>	<u>\$ 91,357,296</u>	<u>\$ 96,240,371</u>	<u>\$ 118,803,074</u>
Total net debt applicable to the limit as a percentage of debt limit	14.80%	12.01%	13.16%	13.99%	12.08%	11.68%	11.10%	10.91%	9.09%	6.22%

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

Year	Gross Revenue	State & Federal Collected Revenues	Tax Levy	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Debt Service	Net Revenue Available for Debt Service	Debt Service Requirements			
							(2) Principal	Interest & Fiscal Charges	Total	Coverage
2003	972,965	100,486	63,013	983,439	150,000	303,025	140,000	126,360	266,360	1.14
2004	892,093	174,943	484	1,002,936	150,000	214,584	245,000	114,031	359,031	0.60
2005	952,201	135,161	181	980,822	150,000	256,721	255,000	103,911	358,911	0.72
2006	973,986	322,184	107	993,225	150,000	453,052	255,000	93,190	348,190	1.30
2007	1,143,245	1,764,185	94	1,066,534	150,000	1,990,990	275,000	81,890	356,890	5.58
2008	1,148,227	562,050	71,847	1,177,910	150,000	754,214	280,000	69,474	349,474	2.16
2009	1,237,245	1,248,678	280,979	1,189,502	150,000	1,727,400	295,000	56,287	351,287	4.92
2010	1,113,294	851,041	298,424	1,458,934	150,000	953,825	305,000	42,205	347,205	2.75
2011	1,810,807	744,646	480,907	1,353,188	150,000	1,833,172	320,000	27,395	347,395	5.28
2012	2,555,744	8,103,553	679	2,419,903	150,000	8,390,073	340,000	12,128	352,128	23.83

(1) Excludes depreciation

(2) Permanent financing only

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

Year	Gross Revenue	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements			
					(2) Principal	Interest & Fiscal Charges	Total	Coverage
2003	6,365,265	4,351,564	75,000	2,088,701	825,000	325,874	1,150,874	1.81
2004	6,843,818	4,761,095	100,000	2,182,723	825,000	357,012	1,182,012	1.85
2005	7,199,190	5,013,167	100,000	2,286,023	840,000	364,387	1,204,387	1.90
2006	7,597,350	5,963,549	100,000	1,733,801	840,000	349,127	1,189,127	1.46
2007	7,695,089	6,319,567	550,000	1,925,522	1,125,000	457,548	1,582,548	1.22
2008	8,362,319	6,312,316	350,000	2,400,003	1,470,000	710,515	2,180,515	1.10
2009	9,291,021	6,940,378	350,000	2,700,643	1,650,000	998,986	2,648,986	1.02
2010	10,383,153	6,627,269	817,667	4,573,551	2,225,000	977,069	3,202,069	1.43
2011	11,080,614	9,698,469	1,840,666	3,222,811	1,965,000	857,474	2,822,474	1.14
2012	14,730,248	9,582,090	1,454,790	6,602,948	2,190,000	882,602	3,072,602	2.15

(1) Excludes depreciation

(2) Permanent financing only

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

Year	(1) Population	(2) Annual Personal Income	(2) Per Capita Personal Income	(2) Median Age	(2) Education Levels in Years of Formal Schooling		School Enrollment	Unemployment Rate
2003	36,567	912,712,320	24,960	-	-	-	7,389	-
2004 (3)	36,567	970,195,644	26,532	36.2	n/a	13.16	7,213	3.6%
2005	36,567	958,677,039	26,217	35.0	13.16	13.16	7,108	3.9%
2006	36,567	989,905,257	27,071	35.0	13.16	13.16	7,039	2.9%
2007	36,567	1,021,426,011	27,933	35.0	13.16	13.16	6,932	3.2%
2008	36,567	1,075,325,769	29,407	35.0	13.47	13.47	7,100	2.9%
2009	36,567	1,130,541,939	30,917	35.0	13.16	13.16	7,233	2.9%
2010	40,888	1,330,168,416	32,532	35.0	13.16	13.16	7,503	2.9%
2011	40,888	1,403,235,272	34,319	33.2	13.47	13.47	7,424	1.7%
2012	40,888	1,809,375,776	44,252	33.2	13.47	13.47	7,758	3.6%

Note: This is a new table with our 2004 CAFR. Some of the previous year information is not available.

(1) U.S. Census Bureau

(2) Job Services, North Dakota

(3) Median age is for the entire State of ND, individual City information is not available.

**Principal Employers**  
**Current Year and Nine Years Ago**  
 unaudited

<b>Employer</b>	<b>2012</b>			<b>2003</b>		
	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>	<b>Employees</b>	<b>Rank</b>	<b>% of Total City Employment</b>
Minot Air Force Base	6,700	1	19.20%	5,500	1	17.79%
Trinity Health	2,593	2	7.43%	2,800	2	9.06%
Minot Public Schools	1,545	3	4.43%	1,200	4	3.88%
Cognizant (ING Minot Service Center)	780	4	2.23%	750	6	2.43%
Minot State University	619	5	1.77%	850	5	2.75%
MarketPlace Foods	556	6	1.59%			
Kalix (MVAW)	400	7	1.15%	400	10	1.29%
City of Minot	323	8	0.93%	280		0.91%
Menards	315	9	0.90%			
Wal-Mart	300	10	0.86%	294		0.95%
MLT Inc.	298	11	0.85%	350	11	1.13%
Ward County	230	12	0.66%			
SRT Communications	218	13	0.62%			
Grand International	120	14	0.34%			
Dakota Boys & Girls Ranch	118	15	0.34%			
Dakota Square Mall				1,350	3	4.37%
Sykes, Inc.				458	7	1.48%
Choice Hotels International, Inc.				450	8	1.46%
Miracle Mart				400	9	1.29%
<b>Total</b>	<b><u>15,115</u></b>		<b><u>43.30%</u></b>	<b><u>15,082</u></b>		<b><u>48.77%</u></b>

55 Oil Companies employ approximately 2000 employees with detailed data not available  
 Source: Minot Area Development Corp

**City of Minot, North Dakota**  
**Full-time Equivalent City Government Employees by Function (1)**  
**Last Ten Fiscal Years**  
 unaudited

Function	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government	33	32	32	31	31	31	33	33	33	38.35
Public safety										
Police										
Officers	64	64	65	63	64	64	63	67	69	70
Civilians	20	20	20	20	20	20	20	20	20	22
Fire										
Firefighters and officers	49	49	49	49	49	49	49	49	50	47
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Engineering	9	9	9	9	9	9	9	9	10	11
Maintenance	36	36	36	35	36	36	36	36	38	34.99
Culture and recreation	22	24	24	24	25	25	24	24	24	24
Airport	13	13	13	13	13	13	13	11	12	16
Cemetery	3	3	3	3	3	3	3	3	3	3.24
Parking authority	1	1	1	1	1	1	1	1	1	1
Sanitation	20	20	19	20	20	20	22	22	22	23.12
Water and sewer	39	39	39	39	39	39	39	39	38	41.3
Total	310	311	311	308	311	311	313	315	321	333

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - Annual Budget

**City of Minot, North Dakota**  
**Operating Indicators by Function**  
**Last Ten Fiscal Years**  
**unaudited**

FUNCTION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	
<b>General government</b>											
Assessors	1,021	1,510	1,390	1,575	1,203	775	1,600	1,500	950	150	
Properties reviewed	1,043	2,985	1,435	1,899	1,800	2,800	3,500	2,200	900	2,790	
Properties photographed											
Building inspections	486	474	690	600	502	540	486	447	873	1,227	
Permits issued											
City bus	160,025	153,036	146,047	151,594	152,314	151,169	131,062	123,139	123,744	136,951	
Bus ridership											
Public safety											
Police	8,392	8,729	7,019	8,155	8,330	6,804	6,914	6,072	6,957	9,619	
Parking tickets issued	5,226	5,607	5,421	5,454	5,695	5,605	5,697	6,035	6,206	6,781	
Criminal citations issued	6,958	4,918	4,809	4,556	5,021	3,895	3,551	4,251	4,194	4,901	
Traffic citations issued	658	620	647	671	675	693	716	839	939	1,348	
Alarms-patrol & parking division											
Fire	378	364	371	350	373	405	381	432	498	594	
# of fire incidents	1,767	1,658	1,781	1,907	2,003	1,924	1,867	1,957	1,920	2,052	
# of rescue incidents	1,373	1,742	1,792	1,640	1,645	1,593	1,393	1,514	1,137	1,514	
Inspections made											
Highways and streets											
Traffic	1,034	1,783	862	1,194	1,112	1,503	1,430	1,419	1,207	1,497	
Signs installed	664	1,523	851	817	1,302	2,118	2,138	2,005	1,776	1,543	
Signs/posts repaired	286	354	592	369	458	568	273	241	441	569	
Street light repairs	164	214	199	174	243	301	253	186	373	396	
Culture and recreation											
Auditorium											
Event days	2,109	2,010	1,833	1,551	1,895	1,996	1,539	1,362	1,137	714	
Attendance	234,689	222,484	218,666	203,641	246,596	256,041	256,439	194,067	211,608	199,435	
Library											
Registered borrowers	26,326	23,970	23,245	24,371	24,007	23,384	22,933	24,079	24,039	23,105	
Circulation and activity	272,011	285,805	301,721	292,785	304,531	294,441	273,182	274,665	232,471	268,444	
Airport											
Gallons airline fuel dispensed	958,048	943,337	985,647	815,120	748,825	870,578	1,078,236	1,714,587	2,676,456	3,829,885	
Airline boarding's	75,323	79,257	79,654	78,854	74,921	75,972	72,29	96,599	306,403	444,921	
Sanitation											
# of customers	9,966	10,069	10,210	10,279	10,392	10,497	10,769	10,884	10,825	15,453	
Landfill tonnage	104,781	93,487	88,343	94,757	95,216	113,936	114,685	115,812	215,860	191,326	
Water and Sewer											
# of consumers	11,545	11,704	11,801	11,858	11,970	12,142	12,472	13,640	13,671	13,708	
Gallons pumped/treated	2,236,058,000	2,248,699,400	2,084,604,000	2,263,666,000	2,185,650,000	2,132,600,000	1,969,000,000	2,003,000,000	2,009,928,000	2,434,000,000	

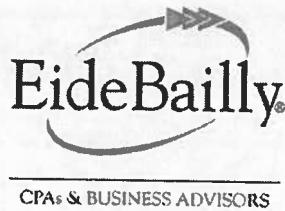
Source: Various city departments

**City of Minot, North Dakota**  
**Capital Asset Statistics by Function**  
**Last Ten Fiscal Years\***  
 unaudited

FUNCTION	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012
General government										
Public works building	1	1	1	1	1	1	1	1	1	2
Public safety										
Police										
Stations	1	1	1	1	1	1	1	1	1	1
Patrol units	32	33	33	33	31	31	31	31	33	35
Speed trailer	1	1	1	1	1	1	1	1	1	1
Fire										
Stations	3	3	3	3	3	3	3	3	3	3
Highways and streets										
Streets (square miles)	14,900	15,029	15,047	16,170	16,395	16,73	17,31	18,78	19,72	25,14
Street lights	2,142	2,167	2,225	2,273	2,311	2,375	2,504	2,672	2,604	2,897
Traffic signals	44	43	43	44	50	50	50	51	51	52
Culture and recreation										
Parks	1	1	1	1	1	1	1	1	1	1
Libraries	1	1	1	1	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16	16	16	16	16
Tennis courts	12	12	12	12	12	10	10	10	10	10
Indoor tennis center	-	1	1	1	1	1	1	1	1	1
Sanitation										
Collection trucks	7	8	7	7	8	8	8	8	8	8
Water										
Water treatment plant	1	1	1	1	1	1	1	1	1	1
Water mains (miles-estimated)	160	160	160	160	210	210	210	245	269	292
Maximum daily capacity (millions of gallons)	12.10	11.80	11.90	13.13	12.91	11.96	10.56	9.93	8.2	11.5

\*This report is new with the 2004 CAFR, capital assets were implemented with our 2002 CAFR.

Sources: Various city departments



## **Report on Compliance with Requirements Applicable to the Passenger Facility Charge Program and Internal Control over Compliance**

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

### **Report on Compliance**

We have audited the compliance of the City of Minot, North Dakota Airport, with the compliance requirements described in the *Passenger Facility Charge Audit Guide for Public Agencies* (Guide), issued by the Federal Aviation Administration for its Passenger Facility Charge Program for the year ended December 31, 2012.

### **Management's Responsibility**

Compliance with the requirements of laws and regulations applicable to its Passenger Facility Charge Program is the responsibility of the City of Minot, North Dakota Airport's, management.

### **Auditor's Responsibility**

Our responsibility is to express an opinion on the City of Minot, North Dakota Airport's, compliance based on our audit. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the Guide. Those standards and the Guide require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on the Passenger Facility Charge Program occurred. An audit includes examining, on a test basis, evidence about the City of Minot, North Dakota Airport's, compliance with those requirements and performing such other procedures, as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion. Our audit does not provide a legal determination of the City of Minot, North Dakota Airport's, compliance with those requirements.

### **Opinion**

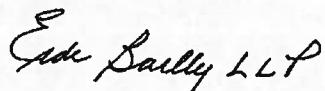
In our opinion, the City of Minot, North Dakota Airport, complied, in all material respects, with the requirements referred to above that are applicable to its Passenger Facility Charge Program for the year ended December 31, 2012.

### **Report on Internal Control over Compliance**

The management of the City of Minot, North Dakota Airport, is responsible for establishing and maintaining effective internal control over compliance with the requirements of laws and regulations applicable to the Passenger Facility Charge Program. In planning and performing our audit, we considered the City of Minot, North Dakota Airport's internal control over compliance with requirements that could have a direct and material effect on the Passenger Facility Charge Program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance, but not for the purpose of expressing our opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Minot, North Dakota Airport's internal control over compliance.

Our consideration of the internal control over compliance would not necessarily disclose all matters in the internal control that might be material weaknesses. A material weakness is a condition in which the design or operation of one or more of the internal control components does not reduce to a relatively low level the risk that noncompliance with applicable requirements of laws and regulations that would be material in relation to the passenger facility charge program being audited may occur and not be detected within a timely period by employees in the normal course of performing their assigned functions. We noted no matters involving the internal control over compliance and its operation that we consider to be material weaknesses.

This report is intended solely for the information and use of the audit committee, management and federal awarding agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties.



Bismarck, North Dakota  
May 3, 2013



**Independent Auditor's Report on Internal Control over Financial Reporting and on  
Compliance and Other Matters Based on an Audit of Financial Statements Performed in  
Accordance with *Government Auditing Standards***

The Honorable Mayor and City Council  
City of Minot  
Minot, North Dakota

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, the aggregate discretely presented component units, each major fund, and the aggregate remaining fund information of the City of Minot as of and for the year ended December 31, 2012, and the related notes to the financial statements, which collectively comprise the City of Minot's basic financial statements, and have issued our report thereon dated May 3, 2013.

**Internal Control over Financial Reporting**

In planning and performing our audit of the financial statements, we considered the City's internal control over financial reporting (internal control) to determine the audit procedures that are appropriate in the circumstances for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of City's internal control. Accordingly, we do not express an opinion on the effectiveness of City's internal control.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the entity's financial statements will not be prevented, or detected and corrected on a timely basis. A *significant deficiency* is a deficiency, or a combination of deficiencies, in internal control that is less severe than a material weakness, yet important enough to merit attention by those charged with governance.

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies and therefore, material weaknesses or significant deficiencies may exist that were not identified. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified. We did identify a certain deficiency in internal control, described in the accompanying schedule of finding and questioned costs that we consider to be a significant deficiency, 12-1.

### **Compliance and Other Matters**

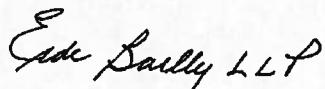
As part of obtaining reasonable assurance about whether the City of Minot, North Dakota's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

### **City of Minot, North Dakota's, Response to Finding**

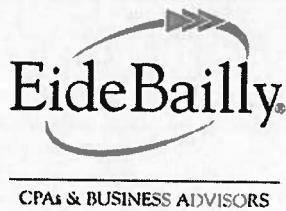
The City's response to the finding identified in our audit is described in the accompanying schedule of findings and questioned costs. North Dakota Association of Counties' response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on it.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.



Bismarck, North Dakota  
May 3, 2013



**Independent Auditor's Report on Compliance for Each Major Federal Program; Report on Internal Control Over Compliance; and Report on the Schedule of Expenditures of Federal Awards Required by OMB Circular A-133**

The Honorable Mayor and City Council  
City of Minot  
Minot, North Dakota

**Report on Compliance for Each Major Federal Program**

We have audited the City of Minot's compliance with the types of compliance requirements described in the *OMB Circular A-133 Compliance Supplement* that could have a direct and material effect on each of the City of Minot's major federal programs for the year ended December 31, 2012. The City of Minot's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with the requirements of laws, regulations, contracts and grants applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on the compliance for each of the City of Minot's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and OMB Circular A-133, *Audits of States, Local Governments, and Non-Profit Organizations*. Those standards and OMB Circular A-133 require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the City of Minot's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the City of Minot's compliance.

**Opinion on Each Major Federal Program**

In our opinion, the City of Minot complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect of each of its major Federal programs for the year ended December 31, 2012.

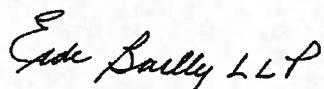
### **Report on Internal Control over Compliance**

Management of the City of Minot is responsible for establishing and maintaining effective internal control over compliance with the compliance requirements referred to above. In planning and performing our audit of compliance, we considered the City of Minot's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with OMB Circular A-133, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the City of Minot's internal control over compliance.

*A deficiency in internal control over compliance* exists when the design or operation of a control over compliance does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, noncompliance with a type of compliance requirement of a federal program on a timely basis. *A material weakness in internal control over compliance* is a deficiency, or combination of deficiencies, in internal control over compliance, such that there is a reasonable possibility that material noncompliance with a compliance requirement will not be prevented, or detected and corrected, on a timely basis. *A significant deficiency in internal control over compliance* is a deficiency, or a combination of deficiencies, in internal control over compliance with a type of compliance requirement of a federal program that is less severe than a material weakness in internal control over compliance, yet important enough to merit attention by those charged with governance.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of OMB Circular A-133. Accordingly, this report is not suitable for any other purpose.



Bismarck, North Dakota  
May 3, 2013

City of Minot  
Schedule of Expenditures of Federal Awards  
Year Ended December 31, 2012

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
U.S. Department of Commerce Passed through North Dakota Division of Community Services Investments for Public Works and Economic Development Facility	05-01-04290	11.300	<u>1,077,313</u>
U.S. Department of Army Direct Funding - Office of the Chief Engineers North Dakota Environmental Infrastructures (Section 594) - ARRA	12.118		<u>195,425</u>
U.S. Department of Housing and Urban Development Direct Funding - Office of Community Planning and Development Community Development Block Grants - Disaster Recovery	14.218		4,149,736
Passed through ND Department of Commerce Community Development Block Grants Total Community Development Block Grants	14.218		<u>969,300</u> <u>5,119,036</u>
U.S. Department of Justice Direct Programs Bullet Proof Vest Grant COPS Hiring Program Grant		16.607 16 710	5,525 <u>150,572</u>
Edward Byrne Memorial Justice Assistance Grant Passed through ND Attorney General's Office		16.738	42,410
Edward Byrne Memorial Justice Assistance Grant Total JAG Cluster	10-211	16.738	<u>45,577</u> <u>87,987</u>
Project Safe Neighborhoods	10-702	16.609	18,325
Passed through the State of North Dakota Highway Patrol Enforcing Underage Drinking Laws Total Department of Justice	2010-1	16.727	<u>3,044</u> <u>265,453</u>
U.S. Department of Transportation Direct Programs Airport Projects			
#635		20.106	4,955
#637		20.106	45,215
#640		20.106	11,017
#641		20.106	56,943
#642		20.106	5,401,674
#643		20.106	2,010,314
#644		20.106	219,027
Total CFDA #20.106			<u>7,749,145</u>
Passed-Through North Dakota Department of Transportation			
Formula Grants for Other Than Urbanized Areas			
Section 5311 (2011-2012) City Operating	38110998	20.509	125,299
Section 5311 (2012-2013) City Operating	38121450	20.509	148,537
Section 5311/5309 (2011-2012)	38110998	20.509	6,874
Section 5311/5309 - Federal Transit Capital Investment (BUS001 & BUS002)	38120287	20.509	29,927
Section 5311/5309 (2012-2013)	38121450	20.509	2,622
Total CFDA #20.509			<u>313,259</u>
Passed-Through North Dakota Department of Transportation			
Highway Safety Cluster			
Safety Incentive for Seatbelts	PHSP4021205-04-18	20.600	6,152
Alcohol Enforcement/Impaired Driving	PHSP4101203-01-18	20.601	13,546
Total Highway Safety Cluster			<u>19,698</u>

**City of Minot**  
**Schedule of Expenditures of Federal Awards**  
**Year Ended December 31, 2012**

<u>Federal Grantor/ Pass-Through Grantor/Program Title</u>	<u>Agency or Pass Through Number</u>	<u>Federal CFDA Number</u>	<u>Expenditures</u>
Highway Planning & Construction Projects			
Safe Routes to School	SRU-4-989(113)114	20.205	341
Amtrak Depot-Phase 3-Interior Restoration -ARRA	STM-TEU-4-989(082)083	20.205	2,730
Mill and Overlay-ARRA	STM-SU-4-989(084)085	20.205	146
Traffic Signal System Replacement	AC-CER-4-989(090)091	20.205	475,082
Lighting System Restoration	SER-4-002(102)906	20.205	22,614
Temporary Signal Emergency Repair (FEMA 27B Ineligible)	SER-4-002-(105) (NDDES PW3904)	20.205	16,197
Total CFDA #20.205			<u>517,110</u>
Total Department of Transportation			<u>8,599,212</u>
U.S. Department of Energy			
Direct Funding - Office of Energy Efficiency and Renewable Energy			
Energy Efficiency and Conservation Block Grant - ARRA	81.128		<u>17,663</u>
Federal Emergency Management Agency			
Passed-Through North Dakota Department of Emergency			
Services			
Disaster Grants - Public Assistance	PA-08-ND-1981	97.036	<u>923,589</u>
U.S. Department of Homeland Security			
Direct Programs			
Transportation Security Administration			
Passed-Through North Dakota Department of Emergency	HSTS0208HSLR218-P00009	97.090	<u>62,023</u>
Services			
Homeland Security Grant Program			
Total Department of Homeland Security	A0771-002-2010-SARQ	97.067	<u>85,938</u>
Total Expenditures of Federal Awards			<u>147,961</u>
			<u>\$ 16,345,652</u>

City of Minot  
Notes to Schedule of Expenditures of Federal Awards  
December 31, 2012

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**Note 1 – Significant Accounting Policies**

The accompanying schedule of expenditures of federal awards is presented on the modified accrual basis of accounting.

**Note 2 – Agency or Pass-Through Number**

The only programs without agency or pass-through numbers are programs where the federal funds are direct therefore agency and pass-through numbers are not required.

**Note 3 – Subrecipients**

Of the Passed through Awards presented in this schedule, the City of Minot provided federal awards to subrecipients as follows:

<u>Program Title</u>	<u>CFDA #</u>	<u>Amount Provided to Subrecipient</u>
Domestic Violence Crisis Center	16.738	\$ <u>9,750</u>

Subrecipient expenditures are the responsibility of the entity and are not paid by the City. City is a passthrough for revenue reimbursement only.

City of Minot  
Summary Schedule of Prior Audit Findings  
Year December 31, 2012

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**None**

City of Minot  
 Schedule of Findings and Questioned Costs  
 Year Ended December 31, 2012

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**A. Summary of Audit Results**

*Financial Statements*

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

    Material weakness identified? No

    Significant deficiency identified? Yes

Noncompliance material to financial statements noted? No

*Federal Awards*

Internal control over major programs:

    Material weakness identified? No

    Significant deficiency identified? None reported

Type of auditor's report issued on compliance for major programs: Unmodified

Any audit findings disclosed that are required to be reported  
 in accordance with Section 510(a) of OMB Circular A-133? No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>CFDA Number</u>
Airport Improvement Program	20.106
Investments for Public Works and Economic Development Facilities	11.300
North Dakota Environmental Infrastructures (Section 594) - ARRA	12.118
Community Development Block Grants	14.218

Dollar threshold used to distinguish  
 between Type A and Type B programs: \$ 490,370

Auditee qualified as low-risk auditee? No

City of Minot  
Schedule of Findings and Questioned Costs  
Year Ended December 31, 2012

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**B. Findings - Financial Statement Audit**

**12-1 Schedule of Expenditures of Federal Awards**

**Condition:** A correction was made to the schedule of expenditures of federal awards to include the grants funds that were being administered by Souris Basin Planning Council on behalf of the City of Minot.

**Criteria:** The City of Minot's management is responsible for the correct presentation and reporting of the schedule of federal awards

**Cause:** The schedule of federal expenditures did not include all of the 2012 federal dollars expended during the year.

**Effect:** The schedule was misstated which could lead to erroneous data reported on the data collection form.

**Recommendation:** The City of Minot's management should ensure that a process is in place related to the preparation of the schedule of expenditures of federal awards to ensure all required expenditures are properly included.

**Response:** The City of Minot's management has corrected the schedule of expenditures of federal awards and ensure its accuracy in the future.

**C. Findings - Major Federal Award Programs Audit**

None