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CITY OF MINOT,
NORTH DAKOTA

COMPREHENSIVE ANNUAL

FINANCIAL REPORT

FOR THE FISCAL YEAR

ENDED DECEMBER 31, 2004

Prepared By:

DEPARTMENT OF FINANCE

Robert E. Frantsvog, City Auditor

CITY OF MINOT, NORTH DAKOTA
 COMPREHENSIVE ANNUAL FINANCIAL REPORT
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004

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City of Minot

Finance Department

May 25, 2005

To the Honorable Mayor,
City Council, City Manager, and
Citizens of the
City of Minot, North Dakota 58701

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, 2004. This set of financial statements was prepared by the City's Finance Department in conformity with accounting principles generally accepted in the United States of America (GAAP) 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. Consequently, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the City of Minot has established a comprehensive internal control framework that is 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 of Minot's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement. As management, we assert that, 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 of Minot's financial statements. The goal of the independent audit was to provide reasonable assurance that the financial statements of the City of Minot, North Dakota for the fiscal year ended December 31, 2004, 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. This requirement has been complied with and the independent auditor's report has been included as the first component of the financial section of this report.

V

★ The Magic City ★

515 2nd Ave. SW • Minot, North Dakota 58701-3739 • (701) 857-4784 • Fax (701) 857-4782
<http://web.ci.minot.nd.us>

The Honorable Mayor, City Council and City Manager

The independent audit of the financial statements of the City of Minot, North Dakota was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor 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 require that management 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 MD&A and should be read in conjunction with it. The City of Minot's MD&A can be found immediately following the report of the independent auditors.

The City has chosen to follow the GFOA's Committee on Accounting, Auditing and Financial Reporting recommendations in the preparation of this letter.

Profile of the Government

The City of Minot, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City of Minot currently occupies a land area of approximately 15 square miles and serves a population of 36,567. Located twelve miles north of the City of Minot, 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 of Minot during 2004 was nearly \$355 million. During 2004, the Minot Air Force Base had over \$91.3 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 12,430 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City of Minot during their tour of duty and after their discharge. The relationship between the citizens of Minot and those of the base is one of mutual cooperation and friendliness.

The City of Minot 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.

The City of Minot operates under Home Rule Charter, established July 23, 1909, with a council-manager form of government. Policy-making and legislative authority are vested in a city council consisting of the mayor and 14 aldermen. 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 7 council members elected every two years. The mayor is elected to serve a four-year term and is elected at large. The aldermen are elected by ward.

The Honorable Mayor, City Council and City Manager

The City of Minot 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, health and social services, 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 of Minot's financial planning and control. All departments and agencies of the City of Minot submit requests for appropriation to the city manager in May of each year for the ensuing year's budget, which begins on January 1st. 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 presented in the governmental fund subsection of this report, on page 71.

Factors Affecting Financial Condition

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

Local economy. Minot's centralized location in North America and its high-quality transportation make it an excellent site for both businesses and manufacturers. By being extremely cost-efficient and cost-effective, services, utilities, and real estate among others are significantly lower in Minot than in other areas of the United States. A growing sales tax base, a strong labor force, and a solid foundation of business and industry assistance makes Minot a dynamic and attractive place to do business.

<i>SALES TAX COLLECTIONS</i>	
2002	\$9,668,627
2003	9,537,654
2004	10,127,486

<i>PROPERTY TAX LEVY</i>	
2002	\$7,884,739
2003	8,175,763
2004	8,540,161

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

<i>ASSETS, LIABILITIES, AND NET ASSETS PER CAPITA</i>				
	POPULATION	TOTAL ASSETS	TOTAL LIABILITIES	NET ASSETS
2002	36,567	\$3,555	\$770	\$2,785
2003	36,567	4,462	1,110	3,352
2004	36,567	4,430	831	3,599

The Honorable Mayor, City Council and City Manager

EXPENSES AND PROGRAM REVENUES PER CAPITA						
	POPULATION	EXPENSES	CHARGES FOR SERVICES	OPERATING GRANTS AND CONTRIBUTIONS	CAPITAL GRANTS AND CONTRIBUTIONS	NET REVENUE (EXPENSE)
2002	36,567	\$876	\$365	\$20	\$184	(\$307)
2003	36,567	855	398	36	397	(24)
2004	36,567	1,082	421	105	157	(399)

RATIO OF NET ASSETS TO EXPENSES		
	GOVERNMENTAL ACTIVITY	BUSINESS-TYPE ACTIVITY
2002	2.10	5.57
2003	3.06	5.58
2004	2.77	4.56

Long-term financial planning. The City of Minot continually plans into the future for anticipated construction projects and infrastructure needs. We are increasing our cash reserves in the Sales Tax NAWS Fund with a 1% dedicated sales tax. The increased cash reserves will allow us to continue to fund the construction of the Northwest Area Water Supply Project (NAWS) with cash reserves rather than issue debt for the project. The NAWS will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future. The project is anticipated to reach Minot in 2007 and extend to Northwest North Dakota by 2014.

The City has completed several major highway projects in recent years with additional projects planned for 2005 and 2006. 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, 2003. This was the 21st consecutive year that the government has achieved this prestigious award. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

The Honorable Mayor, City Council and City Manager

A Certificate of Achievement is valid for a period of one year only. We believe that 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. 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 of Minot's finances.

Respectfully submitted,

A handwritten signature in black ink, appearing to read "Robert Frantsvog", with a large, stylized flourish at the end.

Robert Frantsvog
City Auditor

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, 2003

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.



Nancy L. Ziehl

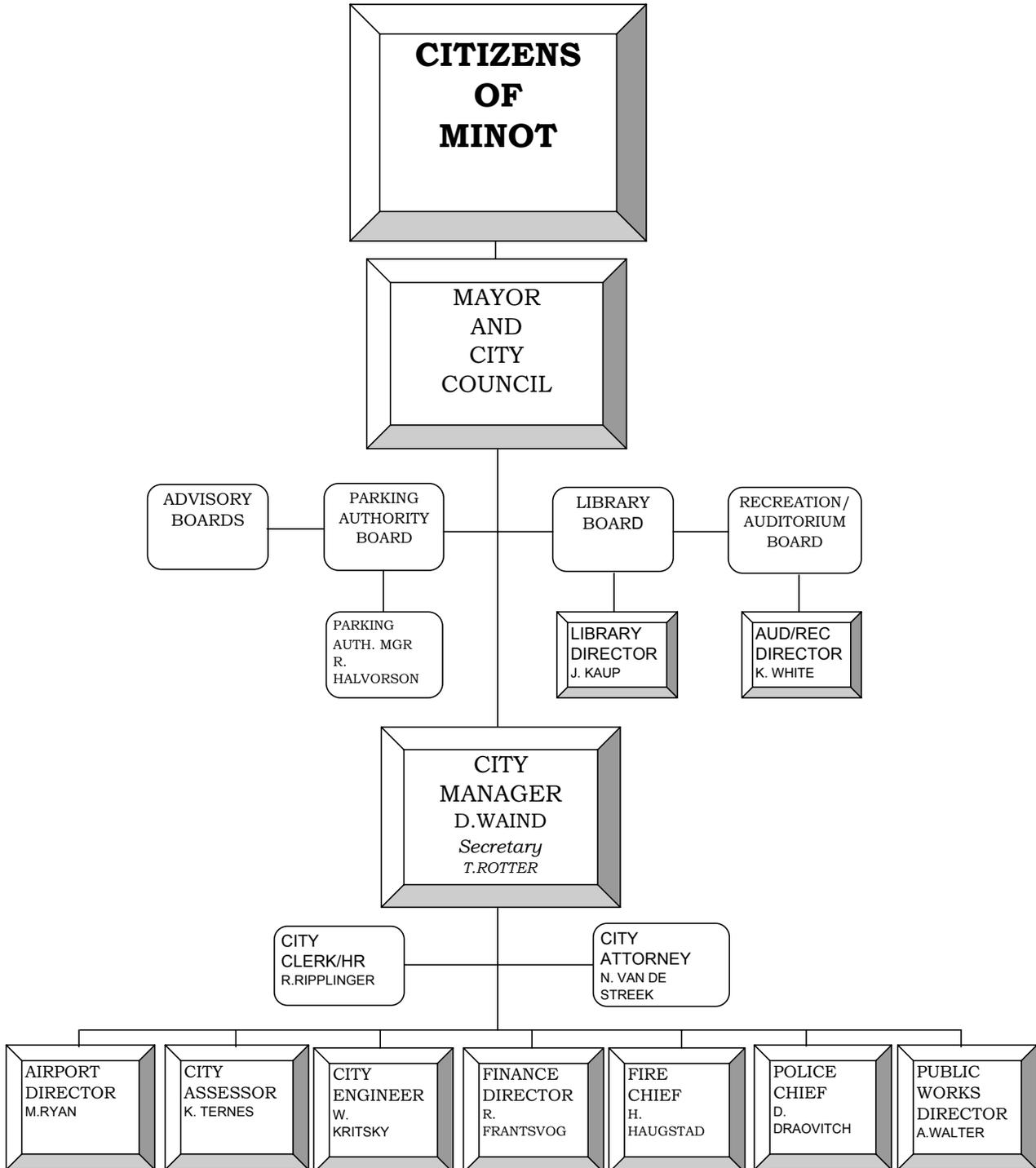
President

Jeffrey R. Emor

Executive Director

CITY OF MINOT

ORGANIZATIONAL CHART



PRINCIPAL OFFICERS

CITY OF MINOT,

NORTH DAKOTA

MAYOR

CURT ZIMBELMAN

MEMBERS OF THE CITY COUNCIL

WARD 1:	LARRY FREY DAVE LEHNER
WARD 2:	NEIL LEIGH LEE SNYDER
WARD 3:	DEAN FRANTSVOG STEPHAN PODRYGULA
WARD 4:	CHUCK BARNEY - PRESIDENT TIM GREENHECK
WARD 5:	RONALD GARCIA DEAN SOMERVILLE
WARD 6:	ERNEST MEDALEN – VICE PRESIDENT RANDY BURCKHARD
WARD 7:	BLAKE KRABSETH RON BOEN

CITY MANAGER

DAVID W. WAIND

CITY AUDITOR

ROBERT E. FRANTSVOG



CPAs & BUSINESS ADVISORS

INDEPENDENT AUDITOR'S REPORT

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, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2004, as listed in the table of contents. These financial statements are the responsibility of the **City of Minot's** management. Our responsibility is to express opinions on these financial statements based on our audit. The prior year summarized comparative information has been derived from the City's 2003 financial statements and, in our report dated May 5, 2004, we expressed an unqualified opinion on those financial statements.

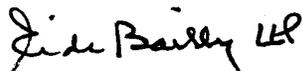
We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audit provides a reasonable basis for our 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, 2004, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General Fund, Sales Tax-Economic Development Fund, and the Sales Tax-NW Area Water Fund for the year then ended in conformity with accounting principles generally accepted in the United States of America. In addition, in our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of each nonmajor governmental, nonmajor enterprise, internal service, and fiduciary fund of the **City of Minot, North Dakota**, as of December 31, 2004, and the respective changes in financial position and cash flows, where applicable, thereof for the year then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued a report dated April 7, 2005, on our consideration of the City's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts and grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on 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* and should be considered in assessing the results of our audit.

The management's discussion and analysis on pages 3 through 12 are not a required part of the basic financial statements but is supplementary information required by the Governmental Accounting Standards Board. We have applied certain limited procedures, which consisted principally of inquiries of management regarding the methods of measurement and presentation of the required supplementary information. However, we did not audit the information and express no opinion on it.

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the City's basic financial statements. The introductory section, combining and individual nonmajor fund financial statements, and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The accompanying 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 not a required part of the basic financial statements of the City. The combining and individual nonmajor fund financial statements and the schedule of expenditures of federal awards have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated in all material respects in relation to the basic financial statements taken 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 express no opinion on them.



Minot, North Dakota

April 7, 2005

CITY OF MINOT, NORTH DAKOTA

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, 2004, with comparative data for the fiscal year ended December 31, 2003. 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

- The net assets of the City of Minot increased by \$9,032,874 as a result of the current year's operations. Net assets of our business type activities decreased by (\$3,138,911) or 5.4%, and net assets of our governmental activities increased by \$12,171,785 or 16.2%.
- Total revenues from all sources were \$48,581,311. This is a decrease of \$3,407,199 from 2003. The reason for the decrease is because in 2003 there had been a sizable intergovernmental proceed for highway construction.
- Total cost of all programs was \$ 39,548,437. This is an increase of \$8,270,453 over 2003. The main reason for this increase was an increase in expenditures for highways and streets.
- Governmental net assets totaled \$75,136,163, which was an increase of \$12,171,785 over 2003. Approximately \$10 million of this increase was for an increase in capital assets, net of related debt after repayment of a short term loan shown as a liability in 2003.
- Governmental revenues exceeded expenditures by \$12,171,785. In 2003, revenues exceeded expenditures by \$16,505,464.
- Unreserved fund balance for the General Fund was \$2,167,158, 16.3% of the total general fund expenditures. This is a decrease from 2003 of \$456,844.

USING THIS ANNUAL REPORT

This annual 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 that is 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* are designed to provide readers with a broad overview of the City of Minot's finances, in a manner similar to a private-sector business.

The *Statement of Net Assets* presents information on all of the City's assets and liabilities, with the difference between the two reported as *net assets*. Over time, increases or decreases in *net assets* 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 assets* changed during the most recent fiscal year. This statement is presented using the accrual basis of accounting, which means that all changes in net assets are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in the statement for some items that will only result in cash flows in future fiscal periods (for example, uncollected sales tax, and earned but unused vacation leave).

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

- Governmental activities – This includes most of the City's basic services, which are primarily supported by property and sales taxes, interest income, user fees and intergovernmental revenues.
- 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 13.

Fund financial statements

A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The City of 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. The City's funds can be divided into three categories – governmental funds, proprietary funds, and fiduciary funds.

Governmental funds. Governmental funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. 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 that of the government-wide financial statements, it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate the comparison between the governmental funds and the government-wide financial statements.

The City of Minot maintains 25 individual governmental funds. Information is presented separately 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 economic development fund, sales tax NAWS fund, highway debt service fund, special assessment debt service fund, and highway reserve capital project fund. Data from the 19 other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these non-major governmental funds is provided in the form of combining statements, which begin on page 63.

The City of Minot adopts an annual budget for the general fund, sales tax economic development fund, and sales tax NAWs fund. A budgetary comparison statement has been provided to demonstrate compliance.

The governmental fund financial statements begin on page 16.

Proprietary funds. The City of Minot maintains two types of proprietary funds. Enterprise funds are used to report activities that charge for services it provides to outside customers. The Enterprise funds are presented as business-type activities in the government-wide statements. The City of Minot 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 are used to 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 both of these services predominantly benefit governmental rather than business-type functions, they have been included within governmental activities in the government-wide financial statements.

Proprietary fund statements provide the same type of information as the government-wide statements, only in more detail. Both internal service funds are combined into a single, aggregated presentation in the proprietary fund financial statements. Individual fund data for the internal service funds is provided in the form of combining statements elsewhere in this report. Individual fund data for the non-major proprietary funds is provided in the form of combining statements, which begin on page 87.

The basic proprietary fund statements begin on page 28.

Fiduciary Funds. The City of Minot is a trustee for its employees' pension plans. It is also responsible for other assets that are 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's fiduciary activities are reported in separate Statements of Fiduciary Net Assets and Changes in Fiduciary Net Assets. These activities have been excluded from the City's other financial statements since the City cannot use these assets to finance its operations.

The basic fiduciary fund statements begin on page 34.

Notes to the financial statements

The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 37-62 of this report.

The combining statements referred to earlier in connection with nonmajor governmental funds and internal service funds are presented immediately following the notes to the financial statements. Combining and individual fund statements and schedules can be found on pages 63-104 of this report.

FINANCIAL ANALYSIS OF THE CITY AS A WHOLE

The following two tables present condensed information on the City's Net Assets and Changes in Net Assets for the fiscal year ended December 31, 2004, with comparative data for the fiscal year ended December 31, 2003.

As noted earlier, net assets may serve over time as a useful indicator of the City's financial position. In the case of the City of Minot, assets exceeded liabilities by \$131,602,911 at the close of the most recent fiscal year.

By far the largest portion of the City of Minot's net assets (69%) reflects its investment in capital assets (e.g. land, buildings, infrastructure, machinery, and equipment), less any related debt used to acquire those assets that is still outstanding. The City of Minot uses these capital assets to provide services to its citizens; consequently, these assets are *not* available for future spending. Although the City of Minot's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

City of Minot Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Current and other assets	\$25,743,653	\$33,156,413	\$ 5,324,652	\$ 7,061,703	\$ 31,068,305	\$ 40,218,116
Capital Assets	66,153,589	58,124,332	64,772,640	64,805,664	130,926,229	122,929,996
Total Assets	91,897,242	91,280,745	70,097,292	71,867,367	161,994,534	163,148,112
Long-term debt outstanding	14,195,000	26,815,000	12,872,989	11,525,352	27,067,989	38,340,352
Other liabilities	2,566,079	1,501,367	757,555	736,356	3,323,634	2,237,723
Total liabilities	16,761,079	28,316,367	13,630,544	12,261,708	30,391,623	40,578,075
Net Assets						
Invested in capital assets, net of related debt	51,958,589	31,309,332	51,899,651	53,280,312	103,858,240	84,589,644
Restricted	12,063,156	12,490,920	41,792	42,580	12,104,948	12,533,500
Unrestricted	11,114,418	19,164,126	4,525,305	6,282,767	15,639,723	25,446,893
Total net assets	\$75,136,163	\$62,964,378	\$56,466,748	\$59,605,659	\$131,602,911	\$122,570,037

An additional portion of the City of Minot's net assets (9.2%) represents resources that are subject to external restrictions on how they may be used. The remaining balance of *unrestricted net assets* \$15,639,723 may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of the 2004, the City of Minot is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for its separate governmental and business-type activities.

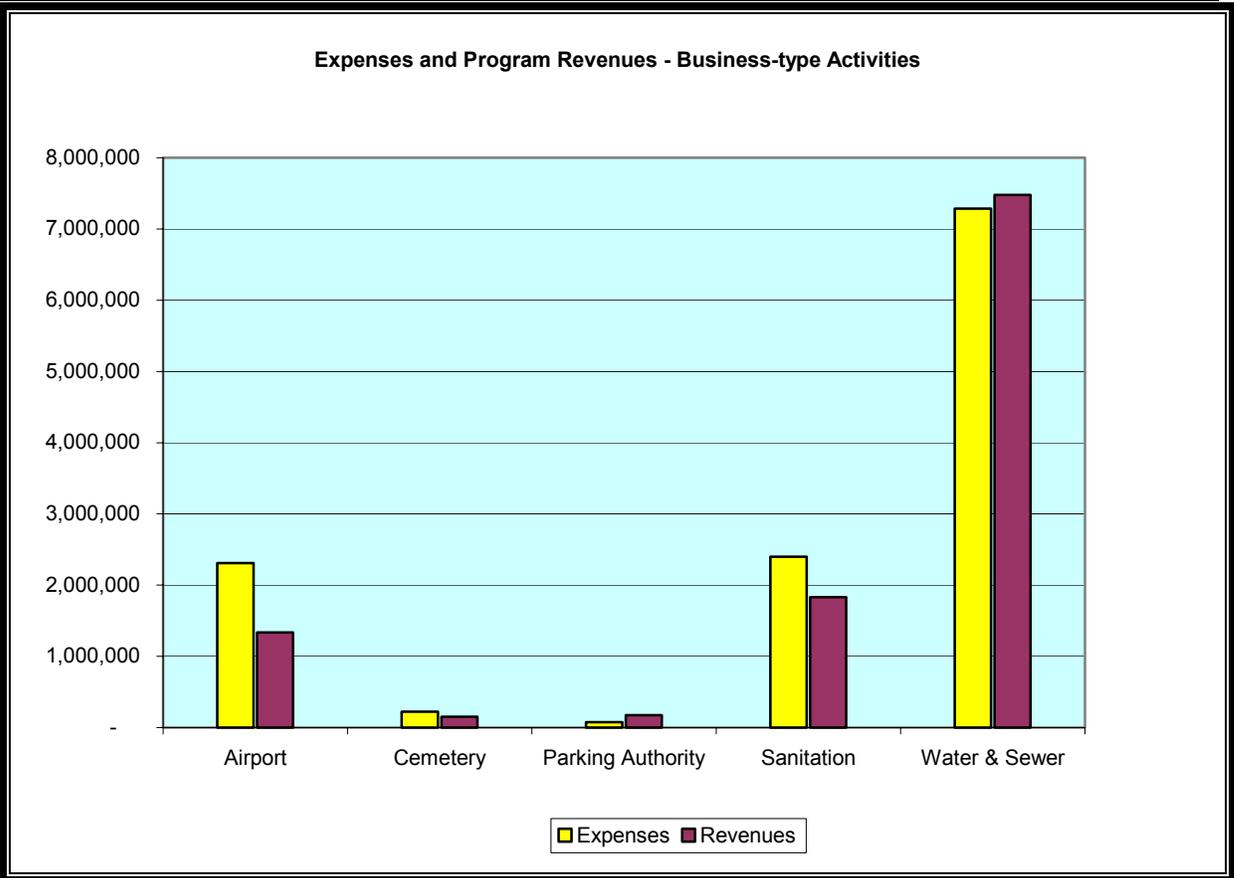
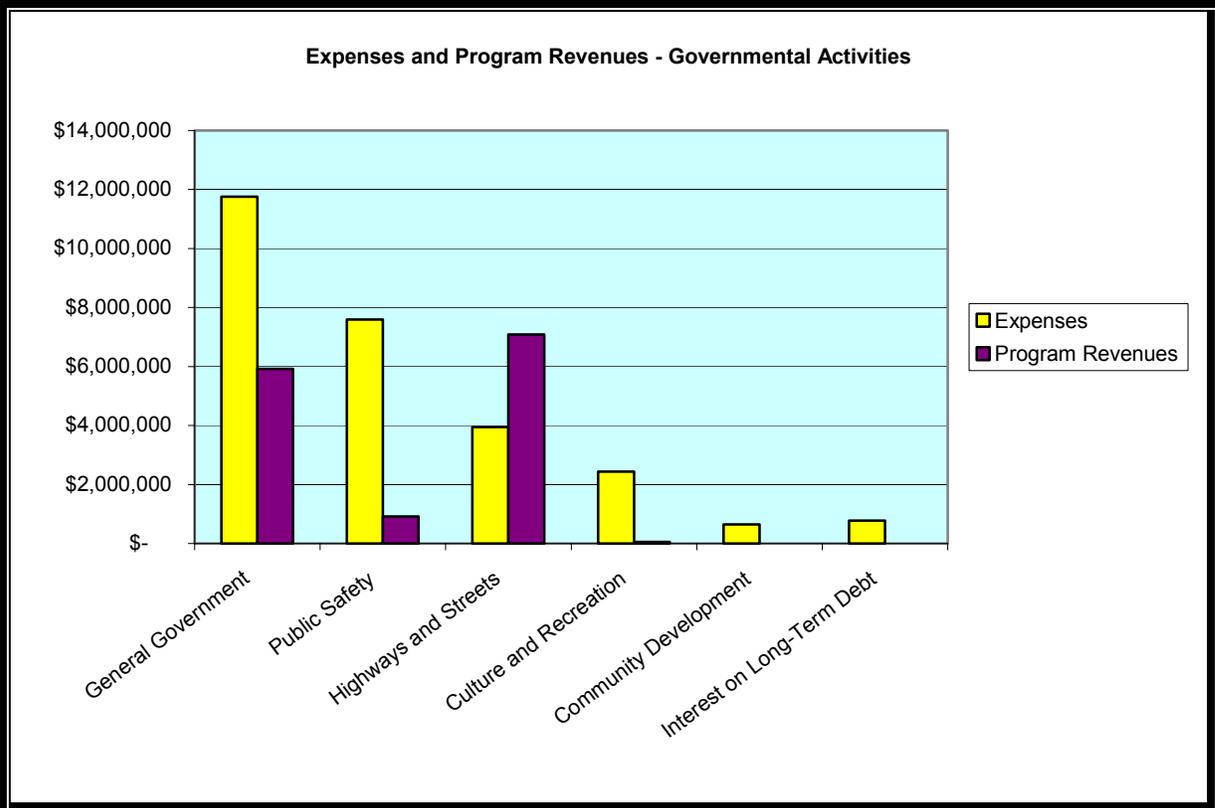
The City of Minot's net assets increased by \$9,032,874. The majority of this increase was due to additions to capital assets.

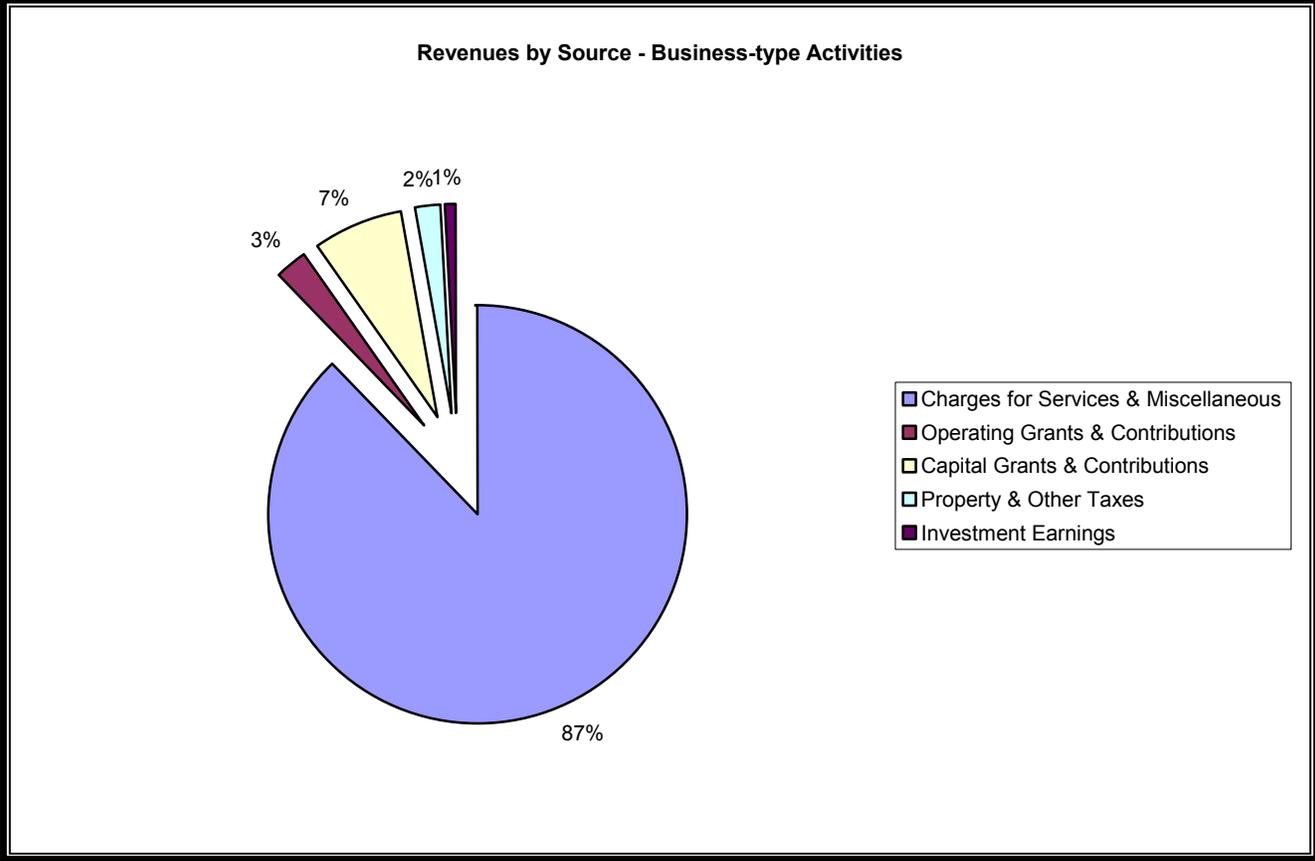
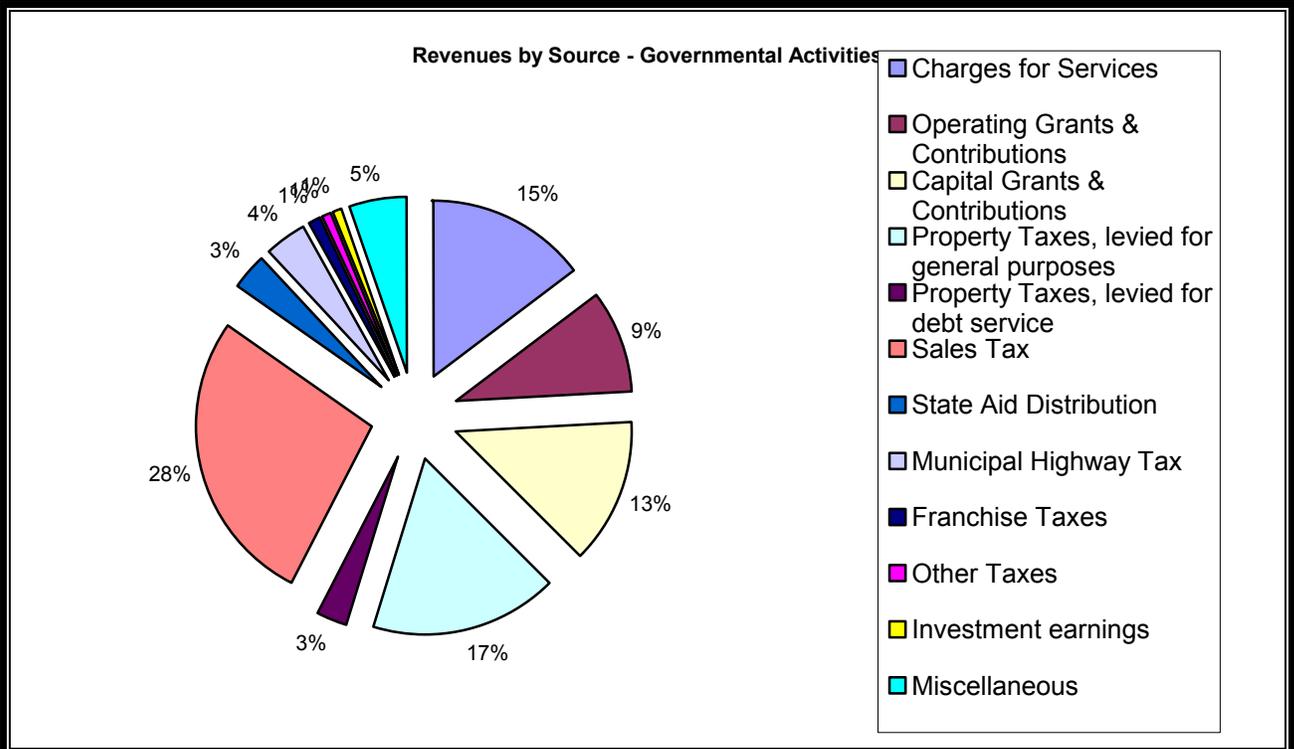
Business-type activities decreased the City of Minot net assets by (\$3,138,911), a transfer to Capital-Highway Reserve for South Broadway accounted for a majority of this decrease.

City of Minot Changes in Net Assets						
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
Revenues						
Program Revenues:						
Charges for Services	\$ 5,480,301	\$ 4,830,709	\$ 9,898,749	\$ 9,703,764	\$15,379,050	\$14,534,473
Operating Grants and Contributions	3,532,180	1,024,016	293,426	283,152	3,825,606	1,307,168
Capital Grants and Contributions	4,959,216	9,466,878	779,289	5,040,317	5,738,505	14,507,195
General Revenues:						
Taxes	20,940,075	19,969,378	224,400	188,568	21,164,475	20,157,946
Investments Earnings	329,216	627,567	102,814	119,508	432,030	747,075
Miscellaneous	1,992,462	713,914	49,183	20,739	2,041,645	734,653
Total Revenues	37,233,450	36,632,462	11,347,861	15,356,048	48,581,311	51,988,510
Program Expenses:						
General Government	11,754,173	7,504,143			11,754,173	7,504,143
Public Safety	7,596,040	7,046,392			7,596,040	7,046,392
Highways and Streets	3,942,303	2,500,445			3,942,303	2,500,445
Culture and Recreation	2,440,820	2,067,089			2,440,820	2,067,089
Community Development	645,376	587,920			645,376	587,920
Interest on Long-Term Debt	779,285	899,139			779,285	899,139
Airport			2,307,295	1,893,121	2,307,295	1,893,121
Cemetery			225,415	213,527	225,415	213,527
Parking Authority			176,985	182,440	176,985	182,440
Sanitation			2,397,135	1,823,056	2,397,135	1,823,056
Water and Sewer			7,283,610	6,560,712	7,283,610	6,560,712
Total Expenses	27,157,997	20,605,128	12,390,440	10,672,856	39,548,437	31,277,984
Excess (deficiency) before transfers	10,075,453	16,027,334	(1,042,579)	4,683,192	9,032,874	20,710,526
Transfers	2,096,332	478,130	(2,096,332)	(478,130)	-	-
Change in net assets	12,171,785	16,505,464	(3,138,911)	4,205,062	9,032,874	20,710,526
Ending Net Assets	\$75,136,163	\$62,964,378	\$56,466,748	\$59,605,659	\$131,602,911	\$122,570,037

Governmental program revenues for charges for services increased due to increases in some of the fees charged for licenses and permits. Government program revenues for operating grants and contributions increased as a result of state funds received for highway construction of South Broadway. Governmental program revenues for capital grants and contributions decreased in 2004 due to amounts received last year for South Broadway. Governmental program expenses for general government increased as a result of expenditures for the Northwest Area Water Supply project. Governmental program expenses for highways and streets increased due to expenditures on 27th Street overpass and other paving projects.

Business-type program revenues decreased in 2004 due to less capital grants and contributions. Business-type program expenses increased as a result of increases in depreciation expenses and capital purchases.





Financial Analysis of the Government's Funds

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

Governmental Funds.

The focus of the City of Minot's *governmental funds* is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City of Minot's financing requirements. In particular, *unreserved fund balance* may serve as a useful measure of a government's net resources available for spending at the end of the fiscal year. As of the end of the current fiscal year, the City of Minot's governmental funds reported combined ending fund balances of \$18,452,239, an increase of \$1,658,133 in comparison with 2003. The majority of this increase is attributable to sales tax collections in the Sales Tax-NWAWS fund. Sales Tax-NWAWS will spend sales tax revenues collected as the project is completed. The *governmental funds unreserved/ undesignated fund balance* is \$2,394,466. The remainder of fund balance is *reserved* to indicate that it is not available for new spending because it has already been committed 1) \$190,731 to liquidate contracts and purchase orders of the prior period, 2) \$944,364 to pay debt service, 3) \$11,492,379 for capital improvements, or 4) \$3,430,299 for a variety of other purposes.

The general fund is the chief operating fund of the City of Minot. At the end of the current fiscal year, unreserved fund balance of the general fund was \$2,167,158, while total fund balance was \$2,172,179. As a measure of the general fund's liquidity, it may be useful to compare both unreserved fund balance and total fund balance to total fund expenditures. Unreserved fund balance represents 16.3% of total general fund expenditures, while total fund balance represents 16.4% of that same amount.

The fund balance of the City of Minot's general fund decreased by (\$477,240) during the current fiscal year. The main reason was increases in expenditures for Public Safety.

The debt service fund has a total fund balance of \$944,364, all of which is reserved for the payment of debt service.

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 assets of the Airport at the end of the year amounted to \$1,330,326, for Sanitation \$307,103, and for Water and Sewer \$2,732,866. The non-major funds amounted to \$38,171 for total unrestricted net assets in the Enterprise funds of \$4,408,466.

Total decrease in net assets for these funds was (\$3,138,911). The majority of this decrease is attributable to a transfer to Capital-Highway Reserve for South Broadway.

General Fund Budgetary Highlights

Differences between the original budget and the final amended budget were relatively minor (\$25,717 in expenditure appropriations) and can be briefly summarized as follows:

- \$4,276 in general government activities
- \$21,000 in police and fire expenditures in public safety activities
- \$441 in street and storm sewer maintenance in highways and street

These appropriations were to have been funded from available fund balance. During the year, however, for these appropriations expenditures were less than budgetary estimates, thus eliminating the need to draw upon existing fund balances.

CAPITAL ASSET AND DEBT ADMINISTRATION

Capital Assets

The City of Minot's investment in capital assets for its governmental and business-type activities as of December 31, 2004, amounts to \$130,926,229 (net of accumulated depreciation). This investment in capital assets includes land, infrastructure, buildings, improvements, machinery and equipment, and work in progress.

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

- Phase 1-27th St SE Grade Separation.
- 3 million gallon watertank.
- Anne Street & Victoria Street Bridges.
- Northwest Area Water Supply Project continued.
- A variety of street construction projects in the City continued.

CITY OF MINOT CAPITAL ASSETS (net of depreciation)						
	Governmental Activities	Governmental Activities	Business-Type Activities	Business-Type Activities	Total	Total
	2004	2003	2004	2003	2004	2003
Land	\$ 4,909,325	\$ 4,909,325	\$ 2,756,418	\$ 2,756,418	\$ 7,665,743	\$ 7,665,743
Buildings	6,942,373	2,451,245	3,796,675	4,054,936	10,739,048	6,506,181
Improvements	405,348	68,871	46,157,811	42,488,793	46,563,159	42,557,664
Equipment	4,972,709	4,932,299	1,384,906	1,627,605	6,357,615	6,559,904
Infrastructure	31,219,699	24,478,579	0	0	31,219,699	24,478,579
Construction in Progress	17,704,135	21,284,013	10,676,830	13,877,912	28,380,965	35,161,925
Total	\$ 66,153,589	\$ 58,124,332	\$ 64,772,640	\$ 64,805,664	\$130,926,229	\$122,929,996

Additional information on the City of Minot's capital assets can be found in note IV. C on pages 46-48 of this report.

Long-term Debt

At year-end the City had total debt of \$ 27,840,754, a decrease of (\$1,294,301) over the prior year. Note IV. H to the financial statements describes the City's long-term debt to greater detail.

The City issued new debt for Water and Sewer Revenue Bonds in the amount of \$4,615,000. A new issue of \$2,650,000 and \$1,965,000 for refunding of the 1996 issue. The 1996 issue had a current principal amount owing of \$1,940,000.

The City continues to receive ratings of AA- and A1 from the rating agencies for their bonds.

The City's debt is limited to 8% of the assessed valuation of taxable property within the City of Minot or \$ 57,533,248. The City's legal debt margin is \$50,625,086. The net bonded debt per capita is \$186.15.

City of Minot Outstanding Debt						
	Governmental Activities		Business-type Activities		Total	
	2004	2003	2004	2003	2004	2003
General Obligation Bonds	\$ 7,170,000	\$ 8,235,000			\$ 7,170,000	\$ 8,235,000
Special Assessment Bonds	7,025,000	8,580,000			7,025,000	8,580,000
Revenue Bonds			\$10,524,465	\$ 9,004,386	10,524,465	9,004,386
Notes	-	-	1,859,960	1,913,453	1,859,960	1,913,453
Loans	-	-	488,565	607,513	488,565	607,513
Compensated Absences	585,721	613,566	187,043	181,137	772,764	794,703
Totals	\$14,780,721	\$17,428,566	\$13,060,033	\$11,706,489	\$27,840,754	\$29,135,055

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

Projects in 2004 that boosted the economy in Minot included, the construction of the new Dacotah Bank for \$2.1 million, the completion of the addition and renovation of Brentmoor assisted living facility for \$1.3 million, the remodel and addition of Carmike Cinemas for \$1.5 million, the U.N.D. Clinic for \$1.7 million, a fertilizer storage building for Dakota Agronomy Partners at \$1.8 million, the Minot Milling small grain processing plant for \$1.3 million and several other condo and business remodeling. For 2005, the City anticipates that the following projects will boost our economy. The construction of a biodiesel refinery, capable of crushing and processing one-third of the state's annual supply of canola, for \$50 million, the new career and technical center addition to Minot High School-Magic City Campus for \$4.5 million, an annex to Minot Milling for a concrete grain storage annex and elevator office annex, Artspace, a non-profit real estate development organization, will restore and renovate downtown buildings where artists can live, work, exhibit, perform and conduct business.

The 2005 budget for the City of Minot does include increases in water and sanitary utility rates. The value of a mill for the City is expected to increase from \$64,323 to \$67,275 per mill. The mill levy for the City of Minot 2005 budget is 128.65 mills – compared to 132.77 mills in 2004, a decrease of 4.12 mills.

Total appropriations for operations for 2005 increased by approximately \$1.6 million dollars from 2004. This 9.5% increase is caused primarily by increases in capital purchases as well as increases in employee salaries and benefits.

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 to the citizens of Minot. If you have any questions about this report or need further information, contact the City of Minot Finance Department, 515 2nd Avenue SW, Minot, ND 58701 or visit us online at web.ci.minot.nd.us.

City of Minot, North Dakota
Statement of Net Assets
December 31, 2004
With Comparative Totals for December 31, 2003

	<i>Primary Government</i>			
	Governmental Activities	Business-Type Activities	Total 2004	Total 2003
ASSETS				
Cash and cash equivalents	\$ 14,781,558	\$ 2,653,289	\$ 17,434,847	\$ 27,353,104
Investments	1,781,000	-	1,781,000	290,000
Receivables				
Taxes Receivable Deferred	76,500	-	76,500	76,500
Taxes Receivable Delinquent	253,673	1,907	255,580	327,085
Special Assessments Deferred	3,781,509	-	3,781,509	4,105,427
Special Assessments Delinquent	184,763	-	184,763	169,990
Accounts Receivable	171,843	911,510	1,083,353	1,047,904
Loans Receivable, net of Allowance	203,415	-	203,415	408,533
Internal Balances	1,112,990	(1,112,990)	-	-
Due From Other Agencies	3,105,986	24,356	3,130,342	2,012,663
Merchandise Inventory	290,416	102,921	393,337	398,525
Restricted Cash and cash equivalents	-	2,593,462	2,593,462	3,799,498
Capital Assets, net				
Non-Depreciable	22,613,460	13,433,248	36,046,708	42,827,668
Depreciable	43,540,129	51,339,392	94,879,521	80,102,328
Unamortized Issue Costs	-	150,197	150,197	160,237
Unamortized Interest on Refunding	-	-	-	68,650
Total Assets	<u>91,897,242</u>	<u>70,097,292</u>	<u>161,994,534</u>	<u>163,148,112</u>
LIABILITIES				
Accounts Payable	1,286,018	27,788	1,313,806	227,092
Retainage Payable	223,793	-	223,793	-
Due To Other Agencies	131,868	20,251	152,119	54,105
Accrued Vacation Payable	585,721	187,043	772,764	794,703
Accrued Salaries Payable	122,047	40,009	162,056	440,147
Insurance Claims Payable	74,249	-	74,249	85,458
Grant Anticipation Accrued Interest Payable	-	-	-	65,929
Grant Anticipation Note Payable	-	-	-	10,000,000
Long-term Liabilities (Note IV. H)				
Portion due or payable within one year:	2,395,000	1,489,862	3,884,862	3,899,059
Portion due or payable after one year:	11,800,000	11,383,127	23,183,127	24,441,293
Accrued Interest Payable	142,383	90,828	233,211	208,092
Customer Deposits	-	90,284	90,284	90,281
Accrued MSWLF Postcare Costs	-	301,352	301,352	271,916
Total Liabilities	<u>16,761,079</u>	<u>13,630,544</u>	<u>30,391,623</u>	<u>40,578,075</u>
NET ASSETS				
Invested in capital assets, net of related debt	51,958,589	51,899,651	103,858,240	84,589,644
Restricted for:				
Debt Service	944,364	-	944,364	1,373,926
Capital Projects	11,118,792	-	11,118,792	11,116,994
Other Purposes	-	41,792	41,792	42,580
Unrestricted	11,114,418	4,525,305	15,639,723	25,446,893
TOTAL NET ASSETS	<u>\$ 75,136,163</u>	<u>\$ 56,466,748</u>	<u>\$ 131,602,911</u>	<u>\$ 122,570,037</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 FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

Functions/Programs	PROGRAM REVENUES				Net (Expense) Revenue and Changes in Net Assets			
	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Primary Government		Total 2004	Total 2003
					Governmental Activities	Business-Type Activities		
Primary government:								
Governmental Activities:								
General Government	\$ 11,754,173	\$ 4,567,494	\$ 816,833	\$ 533,831	\$ (5,836,015)	-	\$ (5,836,015)	\$ (1,371,989)
Public Safety	7,596,040	820,566	95,886	-	(6,679,588)	-	(6,679,588)	(6,082,391)
Highways and Streets	3,942,303	43,046	2,619,461	4,425,385	3,145,589	-	3,145,589	5,679,351
Culture and Recreation	2,440,820	49,195	-	-	(2,391,625)	-	(2,391,625)	(2,021,437)
Community Development	645,376	-	-	-	(645,376)	-	(645,376)	(587,920)
Interest on Long-Term Debt	779,285	-	-	-	(779,285)	-	(779,285)	(899,139)
Total Governmental Activities	27,157,997	5,480,301	3,532,180	4,959,216	(13,186,300)	-	(13,186,300)	(5,283,525)
Business-Type Activities:								
Airport	2,307,295	892,093	293,426	150,557	-	(971,219)	(971,219)	1,355,418
Cemetery	225,415	152,580	-	250	-	(72,585)	(72,585)	(55,369)
Parking Authority	176,985	174,464	-	-	-	(2,521)	(2,521)	46,601
Sanitation	2,397,135	1,830,479	-	-	-	(566,656)	(566,656)	161,759
Water and Sewer	7,283,610	6,849,133	-	628,482	-	194,005	194,005	2,845,968
Total Business-Type Activities	12,390,440	9,898,749	293,426	779,289	-	(1,418,976)	(1,418,976)	4,354,377
Total Primary Government	\$ 39,548,437	\$ 15,379,050	\$ 3,825,606	\$ 5,738,505	(13,186,300)	(1,418,976)	(14,605,276)	(929,148)
General Revenues:								
Taxes:								
Property Taxes, levied for general purposes					6,412,849	21,221	6,434,070	6,416,389
Property Taxes, levied for debt service					1,042,433	-	1,042,433	954,337
Sales Tax					10,127,486	-	10,127,486	9,537,654
State Aid Distribution					1,224,252	3,800	1,228,052	1,066,748
Municipal Highway Tax					1,483,320	-	1,483,320	1,454,460
Franchise Taxes					348,130	-	348,130	299,824
Other Taxes					301,605	199,379	500,984	428,534
Investment earnings					329,216	102,814	432,030	747,075
Miscellaneous					1,992,462	49,183	2,041,645	734,653
Transfers					2,096,332	(2,096,332)	-	-
Total general revenues and transfers					25,358,085	(1,719,935)	23,638,150	21,639,674
Change in Net Assets					12,171,785	(3,138,911)	9,032,874	20,710,526
Net Assets-January 1					62,964,378	59,605,659	122,570,037	101,859,511
Net Assets-December 31					\$ 75,136,163	\$ 56,466,748	\$ 131,602,911	\$ 122,570,037

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, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

ASSETS	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS	
	GENERAL FUND	SALES TAX	SALES TAX	HIGHWAY	ASSESSMENT
		ECONOMIC	NW AREA		
	DEVELOPMENT	WATER	DEBT	DEBT	
Cash And Cash Equivalents	\$162,972	\$758,304	\$10,818,562	\$362,918	\$0
Investments	1,656,000	125,000	-	-	-
Taxes Receivable Deferred	-	-	-	-	76,500
Taxes Receivable Delinquent	138,494	-	-	25,661	9,218
Special Assessments Deferred	9,132	-	-	-	3,767,494
Special Assessments Delinquent	13,030	-	-	-	169,313
Accounts Receivable	150,991	-	-	-	-
Loans Receivable	-	274,098	-	-	-
Allowance For Loans Receivable	-	(70,683)	-	-	-
Advance To Other Funds	-	-	-	-	-
Due From Other Funds	-	-	1,020,204	11,732	945,525
Due From Other Agencies	690,086	128,322	320,806	-	-
Merchandise Inventory	-	-	-	-	-
TOTAL ASSETS	\$2,820,705	\$1,215,041	\$12,159,572	\$400,311	\$4,968,050
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$0	\$10,519	\$1,040,780	\$0	\$0
Retainage Payable	-	-	-	-	-
Advance From Other Funds	-	900,953	-	-	369,000
Due To Other Funds	397,368	-	-	-	11,732
Due To Other Agencies	-	-	-	-	-
Accrued Salaries Payable	109,259	-	-	-	-
Grant Anticipation Accrued Interest Payable	-	-	-	-	-
Grant Anticipation Note Payable	-	-	-	-	-
Deferred Revenue	141,899	-	-	21,931	4,021,334
TOTAL LIABILITIES	648,526	911,472	1,040,780	21,931	4,402,066
FUND BALANCE					
Reserved For Encumbrances	5,021	-	-	-	-
Reserved For Advances	-	-	-	-	-
Reserved For Merchandise Inventory	-	-	-	-	-
Reserved For Economic Development	-	125,000	-	-	-
Reserved For Property Tax Relief	-	-	-	-	-
Reserved For Capital Improvements	-	-	11,118,792	-	-
Reserved For Loans Receivable	-	203,415	-	-	-
Unreserved					
Designated					
Memorial	-	-	-	-	-
Maintenance and Operations	-	-	-	-	-
Debt Retirement	-	-	-	378,380	565,984
Undesignated	2,167,158	(24,846)	-	-	-
Undesignated-Nonmajor Funds					
Special Revenue Funds	-	-	-	-	-
Capital Project Funds	-	-	-	-	-
TOTAL FUND BALANCE	2,172,179	303,569	11,118,792	378,380	565,984
TOTAL LIABILITIES AND FUND BALANCE	\$2,820,705	\$1,215,041	\$12,159,572	\$400,311	\$4,968,050

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, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	CAPITAL PROJECT		TOTAL GOVERNMENTAL FUNDS 2004	TOTAL GOVERNMENTAL 2003
	FUNDS			
	HIGHWAY RESERVE	OTHER GOVERNMENTAL FUNDS		
ASSETS				
Cash And Cash Equivalents	\$0	\$1,587,528	\$13,690,284	\$24,005,125
Investments	-	-	1,781,000	290,000
Taxes Receivable Deferred	-	-	76,500	76,500
Taxes Receivable Delinquent	174	80,126	253,673	322,816
Special Assessments Deferred	-	4,883	3,781,509	4,105,427
Special Assessments Delinquent	-	2,420	184,763	169,990
Accounts Receivable	-	14,669	165,660	179,490
Loans Receivable	-	-	274,098	984,350
Allowance For Loans Receivable	-	-	(70,683)	(575,817)
Advance To Other Funds	-	1,269,953	1,269,953	2,053,030
Due From Other Funds	-	2,067,303	4,044,764	2,879,194
Due From Other Agencies	1,714,957	251,815	3,105,986	1,692,861
Merchandise Inventory	-	4,928	4,928	5,623
TOTAL ASSETS	\$1,715,131	\$5,283,625	\$28,562,435	\$36,188,589
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$117,734	\$116,985	\$1,286,018	\$225,939
Retainage Payable	223,793	-	223,793	-
Advance From Other Funds	-	-	1,269,953	2,053,030
Due To Other Funds	320,693	2,085,142	2,814,935	2,160,521
Due To Other Agencies	15,116	116,752	131,868	40,406
Accrued Salaries Payable	-	12,788	122,047	344,567
Grant Anticipation Accrued Interest Payable	-	-	-	65,929
Grant Anticipation Note Payable	-	-	-	10,000,000
Deferred Revenue	158	76,260	4,261,582	4,504,091
TOTAL LIABILITIES	677,494	2,407,927	10,110,196	19,394,483
FUND BALANCE				
Reserved For Encumbrances	-	185,710	190,731	580,282
Reserved For Advances	-	1,269,953	1,269,953	2,053,030
Reserved For Merchandise Inventory	-	4,928	4,928	5,623
Reserved For Economic Development	-	-	125,000	290,000
Reserved For Property Tax Relief	-	112,144	112,144	76,625
Reserved For Capital Improvements	-	373,587	11,492,379	11,895,096
Reserved For Loans Receivable	-	-	203,415	408,533
Unreserved				
Designated				
Memorial	-	315	315	2,281
Maintenance and Operations	-	1,714,544	1,714,544	940,252
Debt Retirement	-	-	944,364	1,373,926
Undesignated	1,037,637	-	3,179,949	(1,764,909)
Undesignated-Nonmajor Funds				
Special Revenue Funds	-	452,748	452,748	412,607
Capital Project Funds	-	(1,238,231)	(1,238,231)	520,760
TOTAL FUND BALANCE	1,037,637	2,875,698	18,452,239	16,794,106
TOTAL LIABILITIES AND FUND BALANCE	\$1,715,131	\$5,283,625	\$28,562,435	\$36,188,589

City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Assets
December 31, 2004

Total *fund balances* for governmental funds (Exhibit 3) \$ 18,452,239

Total *net assets* reported for governmental activities in the statement of net assets 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	4,909,325	
Construction in progress	17,704,135	
Buildings, net of accumulated depreciation (\$4,507,439)	6,942,373	
Improvements, net of accumulated depreciation (\$663,754)	405,349	
Equipment, net of accumulated depreciation (\$4,691,017)	3,476,583	
Infrastructure, net of accumulated depreciation (\$15,620,334)	31,219,699	
Books, net of accumulated depreciation (\$2,273,155)	1,496,125	
Total Capital Assets (See Note IV.D)		66,153,589

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 assets. Internal service fund net assets are: 1,191,857

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, and therefore are reported as deferred revenue in the funds 4,261,582

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 assets. (See Note II.A) (14,923,104)

Total net assets of governmental activities (Exhibit 1): \$ 75,136,163

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 FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

REVENUES	SPECIAL REVENUE FUNDS			DEBT SERVICE FUNDS	
	GENERAL FUND	SALES TAX ECONOMIC DEVELOPMENT	SALES TAX NW AREA WATER	HIGHWAY DEBT	ASSESSMENT DEBT
Property Tax Collections	\$4,006,845	\$0	\$0	\$816,171	\$225,733
Special Assessment Collections	7,612	-	-	-	823,998
Sales Tax Collections	-	2,025,497	5,063,743	-	-
Licenses and Permits	502,408	-	-	-	-
Intergovernmental	3,942,871	-	-	-	-
Charges For Services	3,137,871	-	-	-	-
Fines and Forfeits	493,287	-	-	-	-
Interest Income	-	53,958	65,778	57,677	41,484
Miscellaneous	111,347	61,482	1,020,204	-	101,671
TOTAL REVENUES	\$12,202,241	\$2,140,937	\$6,149,725	\$873,848	\$1,192,886
EXPENDITURES					
Current					
General Government	4,414,687	-	6,097,927	-	500
Public Safety	7,231,044	-	-	-	-
Highways and Streets	1,539,688	-	-	-	-
Culture and Recreation	-	-	-	-	-
Economic Development	-	645,376	-	-	-
Capital Outlay					
Contracted Work	-	-	-	-	-
Equipment	-	-	-	-	-
Legal	-	-	-	-	-
Other	-	-	-	-	-
Architect	-	-	-	-	-
Acquisitions	-	-	-	-	-
Engineering	-	-	-	-	-
Debt Retirement	-	-	-	-	-
Principal Retirement	-	-	-	1,065,000	1,555,000
Interest and Fiscal Charges	78,904	5,690	-	323,610	329,886
TOTAL EXPENDITURES	13,264,323	651,066	6,097,927	1,388,610	1,885,386
Revenues Over (Under) Expenditures	(1,062,082)	1,489,871	51,798	(514,762)	(692,500)
OTHER FINANCING SOURCES (USES)					
G.O. Bonds Issued	-	-	-	-	-
Special Assessment Bonds Issued	-	-	-	-	-
Premium (Discount) on Debt Issued	-	-	-	-	-
Transfers IN	662,637	334,970	-	470,856	375,065
Transfers OUT	(77,795)	(199,754)	(50,000)	(57,678)	(10,543)
TOTAL OTHER FINANCING SOURCES (USES)	584,842	135,216	(50,000)	413,178	364,522
Change in Fund Balance	(477,240)	1,625,087	1,798	(101,584)	(327,978)
FUND BALANCE(DEFICIT), JANUARY 1	2,649,419	(1,321,518)	11,116,994	479,964	893,962
FUND BALANCE, DECEMBER 31	\$2,172,179	\$303,569	\$11,118,792	\$378,380	\$565,984

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 FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

REVENUES	CAPITAL PROJECT FUNDS HIGHWAY RESERVE	OTHER GOVERNMENTAL FUNDS	TOTAL GOVERNMENTAL FUNDS 2004	TOTAL GOVERNMENTAL 2003
Property Tax Collections	\$529	\$2,344,454	\$7,393,732	\$7,221,351
Special Assessment Collections	-	1,534	833,144	916,817
Sales Tax Collections	-	3,038,246	10,127,486	9,537,654
Licenses and Permits	-	-	502,408	413,553
Intergovernmental	2,619,461	816,833	7,379,165	13,510,969
Charges For Services	-	420,506	3,558,377	2,983,946
Fines and Forfeits	-	-	493,287	573,961
Interest Income	14,715	95,604	329,216	604,167
Miscellaneous	81,386	616,372	1,992,462	713,914
TOTAL REVENUES	\$2,716,091	\$7,333,549	\$32,609,277	\$36,476,332
EXPENDITURES				
Current				
General Government	8,734	974,339	11,496,187	7,341,323
Public Safety	-	-	7,231,044	6,758,687
Highways and Streets	-	985,392	2,525,080	2,385,232
Culture and Recreation	-	2,147,590	2,147,590	1,789,177
Economic Development	-	-	645,376	587,920
Capital Outlay				
Contracted Work	2,910,608	699,531	3,610,139	15,111,501
Equipment	-	1,087,042	1,087,042	410,507
Legal	65,130	3,395	68,525	228,248
Other	76,098	13,310	89,408	18,564
Architect	-	-	-	30,868
Acquisitions	157,817	226,007	383,824	38,540
Engineering	318,000	45,388	363,388	633,104
Debt Retirement				
Principal Retirement	-	-	2,620,000	2,435,000
Interest and Fiscal Charges	57,683	773	796,546	929,669
TOTAL EXPENDITURES	3,594,070	6,182,767	33,064,149	38,698,340
Revenues Over (Under) Expenditures	(877,979)	1,150,782	(454,872)	(2,222,008)
OTHER FINANCING SOURCES (USES)				
G.O. Bonds Issued	-	-	-	2,675,000
Refunding Bonds Issued	-	-	-	2,205,000
Premium (Discount) on Debt Issued	-	-	-	205
Transfers IN	5,714,931	3,181,215	10,739,674	3,751,138
Transfers OUT	(1,437,955)	(6,792,944)	(8,626,669)	(3,249,609)
TOTAL OTHER FINANCING SOURCES (USES)	4,276,976	(3,611,729)	2,113,005	5,381,734
Change in Fund Balance	3,398,997	(2,460,947)	1,658,133	3,159,726
FUND BALANCE(DEFICIT), JANUARY 1	(2,361,360)	5,336,645	16,794,106	13,634,380
FUND BALANCE, DECEMBER 31	\$1,037,637	\$2,875,698	\$18,452,239	\$16,794,106

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 Fiscal Year Ended December 31, 2004

Net change in *fund balances* -total governmental funds (Exhibit 4) \$ 1,658,133

The change in *net assets* 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. (See Note IV. D, and Note II.B) In the current period, these amounts are:

Excess of capital outlay over depreciation expense 7,739,970

Bond proceeds are reported as financing sources in governmental funds and thus contribute to the change in fund balance. In the statement of net assets, however, 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 assets. (See Note IV. H)

Repayments:

For bond principal 2,620,000

Net Adjustment 2,620,000

Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions that are 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, rather than as it accrues.

Accrued Interest Payable (17,261)

Compensated Absences (27,845)

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 that were unavailable at the beginning of the year and increased by the amounts that were unavailable at the end of the year. This adjustment records a net increase in revenues-unavailable revenues at the end of the year exceed beginning revenues by this amount

New Special Assessment Districts-to be billed and collected annually 533,831

Amount shown as revenue in governmental funds (833,144)

Net Adjustment (299,313)

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.

498,101

Change in net assets of governmental activities (Exhibit 2) \$ 12,171,785

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

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

REVENUES	BUDGETED AMOUNTS		2004 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2003 ACTUAL AMOUNTS
	ORIGINAL	FINAL			
PROPERTY TAX COLLECTIONS	\$3,954,578	\$3,954,578	\$4,006,845	\$52,267	\$3,994,832
SPECIAL ASSESSMENTS COLLECTIONS	-	-	7,612	7,612	10,044
LICENSES AND PERMITS					
Licenses	198,400	198,400	176,503	(21,897)	174,407
Permits	231,900	231,900	325,905	94,005	239,146
TOTAL LICENSES AND PERMITS	430,300	430,300	502,408	72,108	413,553
INTERGOVERNMENTAL					
FEDERAL:					
Drug Task Force	100,934	100,934	95,886	(5,048)	57,609
Universal Hiring Cops	25,333	25,333	-	(25,333)	28,785
STATE:					
Highway Fund	1,514,000	1,514,000	1,483,320	(30,680)	1,454,460
State Aid Distribution	1,091,600	1,091,600	1,224,252	132,652	1,062,948
Cigarette Tax	94,000	94,000	99,948	5,948	95,154
Estate Tax	188,000	188,000	62,607	(125,393)	96,419
Gas and Oil Production Tax	7,200	7,200	11,705	4,505	9,003
Telecommunications Tax	106,180	106,180	105,797	(383)	105,617
Senior Citizen Property Tax Credit	32,763	32,763	27,588	(5,175)	29,215
Fire Insurance Refund	49,000	49,000	52,177	3,177	48,251
Gambling Tax Revenue	28,000	28,000	21,548	(6,452)	20,158
COUNTY:					
Road And Bridge	3,000	3,000	3,055	55	2,973
Joint Communications	124,800	124,800	119,721	(5,079)	101,116
Telephone Fee	199,200	199,200	196,524	(2,676)	185,505
Information Services	67,892	67,892	51,826	(16,066)	52,506
OTHER:					
Housing Authority	30,000	30,000	26,907	(3,093)	30,602
Parking Authority	4,000	4,000	4,000	-	4,000
Cable TV	294,000	294,000	348,130	54,130	299,824
Damage Claims	15,000	15,000	3,351	(11,649)	5,335
Public Schools	2,000	2,000	2,000	-	2,000
Policing-Central Campus	3,400	3,400	2,529	(871)	2,308
TOTAL INTERGOVERNMENTAL	3,980,302	3,980,302	3,942,871	(37,431)	3,693,788
CHARGES FOR SERVICES					
Engineering & Administrative	500,000	500,000	328,655	(171,345)	349,169
Utility & Special Funds	1,645,027	1,645,027	1,645,027	-	1,202,504
Agency Funds	1,215,130	1,132,485	1,112,701	(19,784)	944,375
Fleet Labor	59,010	59,010	51,488	(7,522)	55,092
TOTAL CHARGES FOR SERVICES	3,419,167	3,336,522	3,137,871	(198,651)	2,551,140

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	BUDGETED AMOUNTS		2004 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2003 ACTUAL AMOUNTS
	ORIGINAL	FINAL			
REVENUES					
FINES AND FORFEITS					
Parking Tickets	\$90,000	\$90,000	\$68,876	(\$21,124)	\$73,709
Police Court	610,000	610,000	424,411	(185,589)	500,252
TOTAL FINES AND FORFEITS	700,000	700,000	493,287	(206,713)	573,961
INTEREST INCOME	322,867	322,867	-	(322,867)	112,365
MISCELLANEOUS REVENUES					
Work For Others	15,000	15,000	15,822	822	8,864
Miscellaneous	91,000	91,000	78,281	(12,719)	126,377
Towing Fees	15,000	15,000	17,244	2,244	12,565
TOTAL MISCELLANEOUS REVENUES	121,000	121,000	111,347	(9,653)	147,806
TOTAL REVENUES	12,928,214	12,845,569	12,202,241	(643,328)	11,497,489
EXPENDITURES					
GENERAL GOVERNMENT					
Mayor and City Council	112,924	113,224	107,527	5,697	110,454
City Manager	162,124	162,924	163,134	(210)	152,562
City Clerk	169,732	169,888	163,048	6,840	162,839
City Attorney	65,383	65,383	84,349	(18,966)	68,506
Administrative and General	596,111	596,111	535,108	61,003	507,949
Finance	384,494	384,494	394,756	(10,262)	362,278
Information Technology	247,133	247,133	251,349	(4,216)	228,902
Property Assessment	285,333	285,333	238,728	46,605	267,675
Building Inspection	315,363	315,363	321,243	(5,880)	303,958
Traffic and Planning	655,171	655,171	673,167	(17,996)	671,709
Engineering	528,482	529,932	528,121	1,811	486,367
Vehicle Maintenance	473,258	474,828	434,684	40,144	456,879
Property Maintenance	286,979	286,979	262,204	24,775	249,914
Public Works Administration	272,365	272,365	257,269	15,096	250,699
TOTAL GENERAL GOVERNMENT	4,554,852	4,559,128	4,414,687	144,441	4,280,691
PUBLIC SAFETY					
Police Administration	646,275	646,275	592,996	53,279	601,704
Police Patrol	2,453,859	2,471,859	2,541,997	(70,138)	2,341,644
Narcotics & Criminal Investigations	594,750	594,750	563,081	31,669	542,099
Narcotics Task Force	117,365	117,365	111,787	5,578	93,690
Telecommunications Division	555,772	555,772	558,275	(2,503)	505,096
Municipal Judge	109,422	109,422	126,930	(17,508)	113,828
Fire Administration	323,090	323,090	330,293	(7,203)	307,259
Fire Control	2,407,654	2,410,654	2,405,685	4,969	2,253,367
TOTAL PUBLIC SAFETY	7,208,187	7,229,187	7,231,044	(1,857)	6,758,687

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENDITURES AND
CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
GENERAL FUND
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	BUDGETED AMOUNTS		2004 ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	2003 ACTUAL AMOUNTS
	ORIGINAL	FINAL			
EXPENDITURES					
HIGHWAYS AND STREETS					
Street & Storm Sewer Mtce	\$1,508,910	\$1,509,351	\$1,539,688	(\$30,337)	\$1,448,476
TOTAL HIGHWAYS AND STREETS	1,508,910	1,509,351	1,539,688	(30,337)	1,448,476
INTEREST EXPENDITURE	-	-	78,904	(78,904)	244,378
TOTAL EXPENDITURES	13,271,949	13,297,666	13,264,323	33,343	12,732,232
Revenues (Under) Expenditures	(343,735)	(452,097)	(1,062,082)	(609,985)	(1,234,743)
OTHER FINANCING SOURCES (USES)					
Transfers In	343,735	426,380	662,637	318,902	985,838
Transfers Out	-	-	(77,795)	(77,795)	(97,031)
TOTAL OTHER FINANCING SOURCES (USES)	343,735	426,380	584,842	158,462	888,807
Change in Fund Balance	\$0	(\$25,717)	(477,240)	(\$451,523)	(345,936)
FUND BALANCE, JANUARY 1			2,649,419		2,995,355
FUND BALANCE, DECEMBER 31			\$2,172,179		\$2,649,419

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

CITY OF MINOT, NORTH DAKOTA
 STATEMENT OF REVENUES, EXPENDITURES AND
 CHANGES IN FUND BALANCE, BUDGET AND ACTUAL
 MAJOR SPECIAL REVENUE FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SALES TAX-ECONOMIC DEVELOPMENT			SALES TAX-NW AREA WATER			2004 ACTUAL AMOUNTS	2003 ACTUAL AMOUNTS
	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)		
REVENUES								
Sales Tax Collections	\$1,883,424	\$2,025,497	\$142,073	\$4,708,560	\$5,063,743	\$355,183	\$7,089,240	\$6,676,358
Interest Income	-	53,958	53,958	-	65,778	65,778	119,736	264,963
Miscellaneous	-	61,482	61,482	-	1,020,204	1,020,204	1,081,686	29,663
TOTAL REVENUES	1,883,424	2,140,937	257,513	4,708,560	6,149,725	1,441,165	8,290,662	6,970,984
EXPENDITURES								
Current								
General Government	-	-	-	-	6,097,927	(6,097,927)	6,097,927	2,005,691
Economic Development	2,162,704	645,376	1,517,328	-	-	-	645,376	587,920
Debt Retirement	-	-	-	-	-	-	-	-
Interest and Fiscal Charges	-	5,690	(5,690)	-	-	-	5,690	32,832
Intergovernmental	-	-	-	4,658,560	-	4,658,560	-	-
TOTAL EXPENDITURES	2,162,704	651,066	1,511,638	4,658,560	6,097,927	(1,439,367)	6,748,993	2,626,443
Revenues Over (Under) Expenditures	(279,280)	1,489,871	(1,769,151)	50,000	51,798	(1,798)	1,541,669	4,344,541
OTHER FINANCING SOURCES (USES)								
Transfers In	329,280	334,970	5,690	-	-	-	334,970	182,832
Transfers Out	(50,000)	(199,754)	(149,754)	(50,000)	(50,000)	-	(249,754)	(523,398)
TOTAL OTHER FINANCING SOURCES(USES)	279,280	135,216	(144,064)	(50,000)	(50,000)	-	85,216	(340,566)
Change in Fund Balance	<u>\$0</u>	1,625,087		<u>\$0</u>	1,798		1,626,885	4,003,975
FUND BALANCE(DEFICIT), JANUARY 1		<u>(1,321,518)</u>			<u>11,116,994</u>		<u>9,795,476</u>	<u>5,791,501</u>
FUND BALANCE, DECEMBER 31		<u>\$303,569</u>			<u>\$11,118,792</u>		<u>\$11,422,361</u>	<u>\$9,795,476</u>

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

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			NON MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITES	TOTAL 2004	TOTAL 2003
	AIRPORT	SANITATION	WATER & SEWER			INTERNAL SERVICE FUNDS		
ASSETS								
CURRENT ASSETS:								
Cash And Cash Equivalents	\$159,233	\$1,098,220	\$1,320,392	\$75,444	\$2,653,289	\$1,091,274	\$3,744,563	\$3,347,979
Restricted Cash and Cash Equivalents	281,642	-	1,238,361	-	1,520,003	-	1,520,003	1,362,029
Taxes Receivable Delinquent	1,031	-	-	876	1,907	-	1,907	4,269
Accounts Receivable	51,508	186,536	654,977	18,489	911,510	6,183	917,693	868,414
Due From Other Funds	-	-	-	-	-	32,941	32,941	44,248
Due From Other Agencies	-	-	24,356	-	24,356	-	24,356	319,802
Merchandise Inventory	102,921	-	-	-	102,921	285,488	388,409	392,902
TOTAL CURRENT ASSETS	596,335	1,284,756	3,238,086	94,809	5,213,986	1,415,886	6,629,872	6,339,643
NONCURRENT ASSETS:								
RESTRICTED ASSETS								
Cash And Cash Equivalents	760,517	-	312,942	-	1,073,459	-	1,073,459	2,437,469
CAPITAL ASSETS								
Land	1,109,583	337,335	1,054,707	254,793	2,756,418	-	2,756,418	2,756,418
Buildings	6,552,249	114,278	3,344,620	332,499	10,343,646	-	10,343,646	10,343,646
Improvements Other Than Buildings	25,092,641	2,026,862	61,587,276	208,324	88,915,103	-	88,915,103	82,333,433
Machinery And Equipment	2,186,279	1,045,306	3,442,532	437,026	7,111,143	-	7,111,143	6,967,665
Construction In Progress	8,051,043	-	2,625,787	-	10,676,830	-	10,676,830	13,877,912
TOTAL CAPITAL ASSETS	42,991,795	3,523,781	72,054,922	1,232,642	119,803,140	-	119,803,140	116,279,074
Less-Accumulated Depreciation	(12,820,633)	(1,917,246)	(39,651,001)	(641,620)	(55,030,500)	-	(55,030,500)	(51,473,410)
NET CAPITAL ASSETS	30,171,162	1,606,535	32,403,921	591,022	64,772,640	-	64,772,640	64,805,664
OTHER DEBITS								
Unamortized Issue Costs	50,602	-	99,595	-	150,197	-	150,197	160,237
Unamortized Interest on Refunding	-	-	-	-	-	-	-	68,650
TOTAL OTHER DEBITS	50,602	-	99,595	-	150,197	-	150,197	228,887
TOTAL ASSETS	\$31,578,616	\$2,891,291	\$36,054,544	\$685,831	\$71,210,282	\$1,415,886	\$72,626,168	\$73,811,663

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF NET ASSETS
PROPRIETARY FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			NON MAJOR ENTERPRISE FUNDS	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES	TOTAL 2004	TOTAL 2003
	AIRPORT	SANITATION	WATER & SEWER			INTERNAL SERVICE FUNDS		
LIABILITIES								
CURRENT LIABILITIES:								
Accounts Payable	\$0	\$5,372	\$22,416	\$0	\$27,788	\$0	\$27,788	\$1,153
Due To Other Funds	-	622,836	606,993	-	1,229,829	32,941	1,262,770	762,921
Due To Other Agencies	9,984	295	9,022	950	20,251	-	20,251	13,699
Accrued Vacation Payable	33,131	38,982	104,395	10,535	187,043	-	187,043	181,137
Accrued Salaries Payable	7,371	8,816	21,148	2,674	40,009	-	40,009	95,580
Insurance Claims Payable	-	-	-	-	-	74,249	74,249	85,458
Bonds Payable-Current	255,000	-	994,386	60,000	1,309,386	-	1,309,386	1,125,000
Notes Payable-Current	-	-	55,382	-	55,382	-	55,382	53,493
Loans Payable-Current	-	-	125,094	-	125,094	-	125,094	100,566
Accrued Interest Payable	26,642	-	63,499	687	90,828	-	90,828	82,970
TOTAL CURRENT LIABILITIES	332,128	676,301	2,002,335	74,846	3,085,610	107,190	3,192,800	2,501,977
LONG-TERM LIABILITIES:								
Customer Deposits	-	-	90,284	-	90,284	-	90,284	90,281
Bonds Payable-Long Term	2,070,000	-	7,080,079	65,000	9,215,079	-	9,215,079	7,879,386
Notes Payable-Long Term	-	-	1,804,578	-	1,804,578	-	1,804,578	1,859,960
Loans Payable-Long Term	-	-	363,470	-	363,470	-	363,470	506,947
Accrued MSWLF Postcare Costs	-	301,352	-	-	301,352	-	301,352	271,916
TOTAL LONG-TERM LIABILITIES	2,070,000	301,352	9,338,411	65,000	11,774,763	-	11,774,763	10,608,490
TOTAL LIABILITIES	2,402,128	977,653	11,340,746	139,846	14,860,373	107,190	14,967,563	13,110,467
NET ASSETS								
Invested in Capital Assets, net of related debt	27,846,162	1,606,535	21,980,932	466,022	51,899,651	-	51,899,651	53,280,312
Restricted for Perpetual Care	-	-	-	38,250	38,250	-	38,250	38,250
Restricted for Chapel/Veteran's Memorial	-	-	-	3,542	3,542	-	3,542	4,330
Unrestricted	1,330,326	307,103	2,732,866	38,171	4,408,466	1,308,696	5,717,162	7,378,304
TOTAL NET ASSETS	\$ 29,176,488	\$ 1,913,638	\$ 24,713,798	\$ 545,985	56,349,909	\$ 1,308,696	57,658,605	60,701,196

Some amounts reported for business-type activities in the statement of net assets (Exhibit 1) are different because certain internal service fund assets and liabilities are included with business-type activities.

116,839	116,839	108,424
<u>\$ 56,466,748</u>	<u>\$ 57,775,444</u>	<u>\$ 60,809,620</u>

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

CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	BUSINESS-TYPE ACTIVITIES - ENTERPRISE FUNDS			NON MAJOR ENTERPRISE FUNDS
	AIRPORT	SANITATION	WATER & SEWER	
OPERATING REVENUES				
Sales	\$847,345	\$0	\$0	\$0
Cost of Goods Sold	(589,487)	-	-	-
Gross Margin On Sales	257,858	-	-	-
Charges For Services	634,235	1,827,379	6,833,950	325,569
Employer	-	-	-	-
Employee	-	-	-	-
Miscellaneous	-	-	9,868	1,475
TOTAL OPERATING REVENUES	892,093	1,827,379	6,843,818	327,044
OPERATING EXPENSES				
Salaries	444,418	648,001	1,429,301	192,038
Employee Benefits	89,577	171,419	327,354	40,876
Professional Services	1,446	9,017	19,987	52
Property Services	173,862	336,888	461,766	43,515
Purchased Services	48,765	28,171	72,135	11,162
Supplies	160,207	138,730	1,246,356	19,131
Capital Purchases	4,194	1,477	10,500	-
Sundry	72,281	219,762	1,107,209	33,158
Insurance Claims	-	-	-	-
Bad Debt Expense	-	2,368	6,391	-
Amortization	8,186	-	80,096	-
MSWLF Closure & Postclosure Care	-	29,436	-	-
Depreciation	1,190,328	189,030	2,118,784	52,628
TOTAL OPERATING EXPENSES	2,193,264	1,774,299	6,879,879	392,560
OPERATING INCOME (LOSS)	(1,301,171)	53,080	(36,061)	(65,516)
NON-OPERATING REVENUES(EXPENSES)				
State Aid Distribution	1,900	-	-	1,900
Telecommunications Tax	1,241	-	-	450
Property Tax Collections	484	-	-	20,737
State and Federal Collected Taxes	174,943	-	22,745	-
Interest Income	22,377	18,673	59,873	1,891
Miscellaneous Income	14,042	621	33,867	653
Passenger Facility Charge Income	293,426	-	-	-
Interest And Fiscal Charges	(114,031)	-	(357,012)	(9,840)
Miscellaneous Expense	-	(622,836)	(46,719)	-
TOTAL NON-OPERATING REVENUES(EXPENSES)	394,382	(603,542)	(287,246)	15,791
INCOME(LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(906,789)	(550,462)	(323,307)	(49,725)
CAPITAL CONTRIBUTIONS	150,557	-	628,482	250
PREMIUM(DISCOUNT) ON DEBT ISSUED	-	-	-	-
TRANSFERS IN	150,000	97,500	100,000	1,550
TRANSFERS OUT	(110,266)	(328,779)	(2,005,677)	(660)
TOTAL CONTRIBUTIONS & TRANSFERS	190,291	(231,279)	(1,277,195)	1,140
CHANGE IN NET ASSETS	(716,498)	(781,741)	(1,600,502)	(48,585)
NET ASSETS, JANUARY 1	29,892,986	2,695,379	26,314,300	594,570
NET ASSETS, DECEMBER 31	\$29,176,488	\$1,913,638	\$24,713,798	\$545,985

CITY OF MINOT, NORTH DAKOTA
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	GOVERNMENTAL		TOTAL	
	TOTAL ENTERPRISE FUNDS	INTERNAL SERVICE FUNDS	TOTAL 2004	TOTAL 2003
OPERATING REVENUES				
Sales	\$847,345	\$387,253	\$1,234,598	\$1,273,767
Cost of Goods Sold	(589,487)	(361,263)	(950,750)	(914,974)
Gross Margin On Sales	257,858	25,990	283,848	358,793
Charges For Services	9,621,133	-	9,621,133	9,270,192
Employer	-	1,013,882	1,013,882	950,495
Employee	-	495,389	495,389	468,983
Miscellaneous	11,343	-	11,343	6,099
TOTAL OPERATING REVENUES	9,890,334	1,535,261	11,425,595	11,054,562
OPERATING EXPENSES				
Salaries	2,713,758	-	2,713,758	2,702,569
Employee Benefits	629,226	-	629,226	556,844
Professional Services	30,502	-	30,502	60,750
Property Services	1,016,031	-	1,016,031	1,200,368
Purchased Services	160,233	-	160,233	183,580
Supplies	1,564,424	35,060	1,599,484	1,538,626
Capital Purchases	16,171	-	16,171	38,303
Sundry	1,432,410	-	1,432,410	991,376
Insurance Claims	-	1,412,825	1,412,825	1,225,410
Bad Debt Expense	8,759	-	8,759	11,056
Amortization	88,282	-	88,282	33,180
MSWLF Closure & Postclosure Care	29,436	-	29,436	32,510
Depreciation	3,550,770	-	3,550,770	2,840,711
TOTAL OPERATING EXPENSES	11,240,002	1,447,885	12,687,887	11,415,283
OPERATING INCOME (LOSS)	(1,349,668)	87,376	(1,262,292)	(360,721)
NON-OPERATING REVENUES(EXPENSES)				
State Aid Distribution	3,800	-	3,800	3,800
Telecommunications Tax	1,691	-	1,691	1,697
Property Tax Collections	21,221	-	21,221	82,585
State Collected Taxes	197,688	-	197,688	100,486
Interest Income	102,814	17,225	120,039	143,573
Miscellaneous Income	49,183	17,359	66,542	56,504
Passenger Facility Charge Income	293,426	-	293,426	283,152
Interest And Fiscal Charges	(480,883)	(552)	(481,435)	(466,280)
Miscellaneous Expense	(669,555)	-	(669,555)	(22,856)
TOTAL NON-OPERATING REVENUES(EXPENSES)	(480,615)	34,032	(446,583)	182,661
INCOME(LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(1,830,283)	121,408	(1,708,875)	(178,060)
CAPITAL CONTRIBUTIONS	779,289	-	779,289	5,040,317
PREMIUM(DISCOUNT) ON DEBT ISSUED	-	-	-	-
TRANSFERS IN	349,050	552	349,602	351,066
TRANSFERS OUT	(2,445,382)	(17,225)	(2,462,607)	(852,595)
TOTAL CONTRIBUTIONS & TRANSFERS	(1,317,043)	(16,673)	(1,333,716)	4,538,788
CHANGE IN NET ASSETS	(3,147,326)	104,735		
NET ASSETS, JANUARY 1	59,497,235	1,203,961		
NET ASSETS, DECEMBER 31	\$56,349,909	\$1,308,696		

Change in Net Assets Enterprise Funds Only	(3,147,326)	4,124,312
Adjustment to reflect the consolidation of internal service fund activities related to Enterprise Fund:	8,415	80,750
Change in net assets of business-type activities	\$ (3,138,911)	\$ 4,205,062

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 FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	BUSINESS-TYPE ACTIVITIES ENTERPRISE FUNDS			NON MAJOR ENTERPRISE FUNDS
	AIRPORT	SANITATION	WATER AND SEWER	
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 1,501,681	\$ 1,820,133	\$ 6,770,863	\$ 333,631
Payments to suppliers	(1,074,171)	(108,271)	(2,993,220)	(105,841)
Payments to employees	(542,500)	(831,048)	(1,787,335)	(231,766)
Internal activity - payments from (to) other funds	-	-	-	-
Other	304,860	-	(3,047)	35
Net cash provided (used) by operating activities	<u>189,870</u>	<u>880,814</u>	<u>1,987,261</u>	<u>(3,941)</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes Received	178,568	-	22,745	23,087
Transfers In	150,000	97,500	100,000	1,550
Transfers Out	(110,266)	(328,779)	(2,005,677)	(660)
Other	14,042	(622,215)	(12,852)	653
Net cash provided (used) by noncapital financing activities	<u>232,344</u>	<u>(853,494)</u>	<u>(1,895,784)</u>	<u>24,630</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	-	-	2,675,000	-
Capital Contributions	150,557	-	628,482	250
Passenger Facility Charges	293,426	-	-	-
Acquisition And Construction Of Capital Assets	(287,963)	-	(3,192,701)	(37,802)
Principal Paid on Capital Debt	(245,000)	-	(1,036,958)	(55,000)
Interest Paid on Capital Debt	(116,519)	-	(346,368)	(10,138)
Other	2,488	-	(10,644)	1,018
Net cash provided (used) by capital and related financing activities	<u>(203,011)</u>	<u>-</u>	<u>(1,283,189)</u>	<u>(101,672)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	22,377	18,673	59,876	1,891
Net cash provided by investing activities	<u>22,377</u>	<u>18,673</u>	<u>59,876</u>	<u>1,891</u>
Net increase (decrease) in cash and cash equivalents	241,580	45,993	(1,131,836)	(79,092)
Cash and cash equivalents, January 1	959,812	1,052,227	4,003,531	154,536
Cash and cash equivalents, December 31	<u>\$ 1,201,392</u>	<u>\$ 1,098,220</u>	<u>\$ 2,871,695</u>	<u>\$ 75,444</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	(\$1,301,171)	\$53,080	(\$36,061)	(\$65,516)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities				
Depreciation Expense	1,190,328	189,030	2,118,784	52,628
Amortization Expense	8,186	-	80,096	-
Change In Assets And Liabilities				
Taxes Receivable	1,988	-	-	-
Receivables, net	18,113	(7,246)	(63,090)	8,062
Due From Other Agencies	299,124	-	(3,678)	-
Merchandise Inventory	(21,008)	-	-	-
Accounts Payable	(433)	5,156	22,292	-
Insurance Claims Payable	-	-	-	-
Due To Other Agencies	5,736	622,986	631	35
Due To (From) Other Funds	-	-	(111,680)	-
Accrued Vacation Payable	660	(108)	771	4,583
Accrued Salaries Payable	(9,165)	(11,520)	(31,451)	(3,435)
Accrued Interest Payable	(2,488)	-	10,644	(298)
Accrued MSWLF Postcare Costs	-	29,436	-	-
Customer Deposits	-	-	3	-
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	<u>189,870</u>	<u>880,814</u>	<u>1,987,261</u>	<u>(3,941)</u>

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	TOTAL ENTERPRISE FUNDS	GOVERNMENTAL ACTIVITIES- INTERNAL SERVICE FUNDS	TOTAL 2004	TOTAL 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 10,426,308	\$ 1,917,281	\$ 12,343,589	\$ 11,923,115
Payments to suppliers	(4,281,503)	(407,912)	(4,689,415)	(4,565,459)
Payments to employees	(3,392,649)	(1,412,825)	(4,805,474)	(4,500,033)
Internal activity - payments from (to) other funds	-	-	-	(4,193)
Other	301,848	-	301,848	(74,062)
Net cash provided (used) by operating activities	3,054,004	96,544	3,150,548	2,779,368
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes Received	224,400	-	224,400	189,455
Transfers In	349,050	552	349,602	351,066
Transfers Out	(2,445,382)	(17,225)	(2,462,607)	(852,595)
Other	(620,372)	17,359	(603,013)	(20,190)
Net cash provided (used) by noncapital financing activities	(2,492,304)	686	(2,491,618)	(332,264)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Proceeds from capital debt	2,675,000	-	2,675,000	2,090,112
Capital Contributions	779,289	-	779,289	3,040,318
Passenger Facility Charges	293,426	-	293,426	291,821
Acquisition And Construction Of Capital Assets	(3,518,466)	-	(3,518,466)	(4,760,198)
Principal Paid on Capital Debt	(1,336,958)	-	(1,336,958)	(1,141,451)
Interest Paid on Capital Debt	(473,025)	(552)	(473,577)	(463,619)
Other	(7,138)	-	(7,138)	(2,661)
Net cash (used) by capital and related financing activities	(1,587,872)	(552)	(1,588,424)	(945,678)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	102,817	17,225	120,042	143,573
Net cash provided by investing activities	102,817	17,225	120,042	143,573
Net increase in cash and cash equivalents	(923,355)	113,903	(809,452)	1,644,999
Cash and cash equivalents, January 1	6,170,106	977,371	7,147,477	5,502,478
Cash and cash equivalents, December 31	\$ 5,246,751	\$ 1,091,274	\$ 6,338,025	\$ 7,147,477
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	(\$1,349,668)	\$87,376	\$ (1,262,292)	\$ (360,721)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities				
Depreciation Expense	3,550,770	-	3,550,770	2,840,711
Amortization Expense	88,282	-	88,282	33,180
Change In Assets And Liabilities				
Taxes Receivable	1,988	-	1,988	887
Receivables, net	(44,161)	(4,744)	(48,905)	(18,373)
Due From Other Agencies	295,446	-	295,446	(70,638)
Merchandise Inventory	(21,008)	25,501	4,493	(46,960)
Accounts Payable	27,015	(380)	26,635	(314,647)
Insurance Claims Payable	-	(11,209)	(11,209)	16,626
Due To Other Agencies	629,388	-	629,388	(2,850)
Due To (From) Other Funds	(111,680)	-	(111,680)	684,568
Accrued Vacation Payable	5,906	-	5,906	(7,742)
Accrued Salaries Payable	(55,571)	-	(55,571)	(8,068)
Accrued Interest Payable	7,858	-	7,858	(60)
Accrued MSWLF Postcare Costs	29,436	-	29,436	32,510
Customer Deposits	3	-	3	945
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	3,054,004	96,544	3,150,548	2,779,368

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

City of Minot, North Dakota
Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$ 149,647	\$ 161,984
Investments-U.S. Government Securities	45,566,216	-
Taxes Receivable Delinquent	-	2,281
Accrued Interest Receivable	509,924	-
Total Assets	46,225,787	164,265
LIABILITIES		
Due to Other Agencies	\$ -	\$ 161,984
Other Deferred Credits	-	2,281
Total Liabilities	-	164,265
NET ASSETS		
Held in trust for pension benefits		
City Employee's Pension Plan	35,308,395	
Police Pension Plan	10,917,392	
NET ASSETS	\$ 46,225,787	

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

**CITY OF MINOT, NORTH DAKOTA
STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
FIDUCIARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

	PENSION TRUST FUNDS
ADDITIONS	
Contributions:	
Employer	\$1,382,332
Employee	1,409,867
Total Contributions	2,792,199
Investment earnings:	
Interest	2,298,023
Net (decrease) in the fair value of investments	(33,769)
Total Investment earnings	2,264,254
Less investment expense	268,845
Net Investment earnings	1,995,409
TOTAL ADDITIONS	4,787,608
DEDUCTIONS:	
Benefits Paid to Participants	2,832,777
Refunds	54,065
Administrative Expenses	246,276
TOTAL DEDUCTIONS	3,133,118
Change in Net Assets	1,654,490
Net Assets - January 1	44,571,297
Net Assets- December 31	\$46,225,787

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, 2004**

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A: Reporting entity

The City of Minot was incorporated on July 16, 1887. The City has operated under a council/manager form of government since 1933 and 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.

B: Government-wide and fund financial statements

Government-wide statements: The statement of net assets displays information on the financial activities of the City, with the exception of the fiduciary activities. Reporting of the internal activities has been eliminated to avoid duplication on the statements. The statements distinguish between governmental activities - which are normally financed through taxes and intergovernmental revenues - and business-type activities -, which are normally financed in whole or in part by fees and charges for services.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function or segment. Indirect expense allocations have been eliminated 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. General revenues, including taxes, are those revenues that are not properly classified as program revenue.

Fund financial statements: The fund financial statements provide detailed information for governmental funds, proprietary funds and fiduciary funds, even though the latter are excluded from the government-wide statements. The fund statement's emphasis is on major governmental and enterprise funds. All remaining governmental and enterprise funds are aggregated and reported as nonmajor funds.

C: Measurement focus, basis of accounting, and financial statement presentation

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. Under this method, revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when they become both measurable and available. Revenues are considered to be available when they are

CITY OF MINOT, NORTH DAKOTA
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collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the City considers revenues to be 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. An exception to this general rule is that unmatured principal and interest on general long-term debt is recorded only when payment is due.

Property taxes, sales taxes, municipal highway taxes, estate taxes, and franchise fees are considered to be susceptible to accrual and have been recognized as revenues of the current fiscal period. All other revenues are considered to be 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 funds, 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 postclosure care, and depreciation on capital assets. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

The City reports the following major governmental funds:

General Fund: This fund is used to account for the financial resources of the general government that are not required to be accounted for in another fund.

Sales Tax Economic Development: This fund is used to account for the portion of the sales tax collections dedicated to economic development and payments that are made towards economic development projects.

Sales Tax NAWS: This fund is used to account for the portion of the sales tax collections dedicated to the Northwest Area Water Supply projects and the payments that are made towards the NWAWS project.

Highway Debt Service: This fund is used to account for the resources accumulated and payments made for principal and interest on general long-term debt associated with various highway projects within the City.

Special Assessment Debt Service: This fund is used to account for the resources accumulated and payments made for principal and interest on special assessment long-term debt associated with various special assessment districts within the City.

Highway Reserve Capital Project: This fund is used to account for the construction of highway related projects within the City of Minot, and the financing of these projects.

**CITY OF MINOT, NORTH DAKOTA
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The City reports the following major proprietary funds:

Airport: This fund is used to account for the provision of airline services to the residents of the City and the surrounding areas.

Sanitation: This fund is used to account for the provisions of garbage pickup and landfill services to the residents of the City.

Water and Sewer: This fund is used to account for the provisions of water and sewer services to the residents of the City.

In addition, the City reports the following funds types:

Internal Service Funds: These funds are used to account for services provided to other City departments, or other governments, on a cost reimbursement basis. The City uses the Central Garage fund to account for the cost of providing fuel, maintenance and repairs to vehicles and equipment of all city departments. The Self Insurance Fund is used to account for the cost of providing health insurance to City employees.

Agency Funds: These funds are used to account for assets held by the City as agent for other individuals, private organizations, or other governmental units and/or funds.

Pension Trust Funds: These funds are used to account for the activities of the City Employee's Pension Plan and the Police Pension Plan, which accumulates resources for the pension benefit payments to qualified employees.

The City follows the pronouncements of the Governmental Accounting Standards Board (GASB), which is the nationally accepted standard setting body for establishing generally accepted accounting principals for governmental entities. For the government-wide business-type activities and enterprise fund financial statements, the City follows all applicable GASB pronouncements as well as Financial Accounting Standards Board (FASB) pronouncements issued on or before November 30, 1989 unless those pronouncements conflict with GASB pronouncements.

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, 2003, from which the summarized information was derived.

**CITY OF MINOT, NORTH DAKOTA
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D: Assets, liabilities and equity

1: Deposits and Investments:

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

North Dakota state statute authorizes municipalities to invest their surplus funds in a) bonds, treasury bills or notes, or other securities which are a direct obligation of, or an obligation insured or guaranteed by, the treasury of the United States, or its agencies, instrumentality, 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 the type listed above, c) certificates of deposit fully insured by the federal deposit insurance corporation or the state, d) obligation of the state. In addition to the above mentioned investments, 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.

2: Receivables and Payables

Transactions between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as 'advances to/from other funds'. All other outstanding balances between funds are referred to as 'due to/from other funds'. Any residual balances outstanding between the governmental activities and business-type activities are reported in the government-wide financial statements as "internal balances."

Advances between governmental funds, as reported in the fund financial statements, are offset by reserved fund balance to indicate that they are not available for appropriation and are not available financial resources.

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

Penalty and interest are added on March 1st if the first half of the taxes are not paid. Additional penalty and interest are added October 15th to those taxes that are 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.

CITY OF MINOT, NORTH DAKOTA
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3: *Inventories*

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 items are recognized as expenditures in governmental funds and as expenses in proprietary funds when consumed.

4: *Restricted Assets*

Certain proceeds of the City's Airport and 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.

5: *Capital Assets*

Capital assets, which include property, plant, equipment, and infrastructure assets (e.g., roads, bridges, street lights, and similar items) 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.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized.

Major outlays for capital assets and improvements are capitalized as project construction is completed.

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

Buildings 20-40 years, Infrastructure 30- 50 years, Improvements 10-40 years, Equipment 3-10 years

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
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6: *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 is payable upon termination. 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. There is no limit to the hours of sick leave that can be accumulated; however liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave.

7: *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 assets. Bond premiums and discounts, as well as issuance costs, are deferred and amortized over the life of the bonds using the effective interest method. Bond issuance costs are reported as deferred charges and amortized over the term of the related debt.

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

8: *Fund Equity*

In the fund financial statements, governmental funds report reservations of fund balance for amounts that are legally segregated for a specific future use or are not available for appropriation for expenditures or expenses. Designations of fund balance are tentative management segregation for a specific future use and are subject to change.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
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II. RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A: Explanation of certain differences between the governmental fund balance sheet and the government-wide statement of net assets:

The governmental fund balance sheet includes a reconciliation between fund balance – total governmental funds and net assets – governmental activities as reported in the government-wide statement of net assets. One element of that reconciliation explains that “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 (\$14,923,104) difference are as follows:

Bonds payable	\$ 14,195,000
Accrued interest payable	142,383
Compensated absences	<u>585,721</u>
Net adjustment to reduce fund balance – total governmental funds to arrive at net assets – governmental activities	<u>\$ 14,923,104</u>

B: Explanation of certain differences between the governmental fund statement of revenue, expenditures, and changes in fund balances and the government-wide statement of activities:

The governmental fund statement of revenues, expenditures, and changes in fund balances includes a reconciliation between net changes in fund balances – total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that reconciliation explains that “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.” The details of this \$7,739,970 difference are as follows:

Capital outlay	\$ 10,101,250
Depreciation-Current Year	<u>(2,361,280)</u>
Net adjustment to increase <i>net changes in fund balances – total governmental funds</i> to arrive at <i>changes in net assets of governmental activities</i>	<u>\$, 7,739,970</u>

III. STEWARDSHIP, COMPLIANCE AND ACCOUNTABILITY

A: Budgetary information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles (GAAP) for the General Fund, Special Revenue Funds with the exception of Sales Tax - Flood Control, Sidewalk Improvement, Street Reserve, Special Assessment Deficiency Fund, and Demolitions. All appropriations lapse at year-end.

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

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as reservations of fund balances and do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Supplemental appropriations were approved by the Council for the General Fund, Public Transportation, Library, Recreation/Auditorium, Equipment Purchase, and Sales Tax-Capital Improvements.

B: Excess of expenditures over appropriations

Expenditures in the Sales Tax-NWAWS fund exceeded appropriations by \$1,439,367. Expenditures in nonmajor funds for the fiscal year 2004 exceed appropriations in Emergency Levy by \$4,172, Equipment Purchase by \$13,693, and Sales Tax-Capital Improvements by \$552,938. All expenditures were approved by City Council. These expenditures were all funded by available fund balances.

C: Deficit fund equity

Five nonmajor funds had deficit fund balances as of December 31, 2004. The \$121,160 deficit in Sidewalk will be reimbursed by future bond sale monies dedicated to this fund. The \$39,989 deficit in Demolitions will be reimbursed by future special assessment installments collected annually. The \$936,129 deficit in Capital-Assessment Capital will be reimbursed by future bond sale monies dedicated to this fund. The \$654,271 deficit in Sales Tax-Capital will be reimbursed with funds from future sales tax collections dedicated to these funds. And the \$54,692 in Capital-Library Construction will be reimbursed by pledged donations towards the construction of the library addition.

IV. DETAILED NOTES ON ALL FUNDS

A: Due From Other Agencies

A total of \$3,130,342 is due from other agencies. This includes \$1,184,885 due from the State of North Dakota, - \$166,710 for highway user taxes, \$641,612 for city sales taxes, \$317,233 for State Aid Distribution, \$10,866 for Section 5309 grant, and \$48,464 for a Section 18 grant. Other amounts due are \$16,578 from Ward County for the E911 Telephone fee and \$10,736 for the IBM computer loan, \$1,418,021 from the State of ND for 27th St and Anne Street Bridge, \$296,936 from the State of ND for the remainder of South Broadway, and \$203,186 for reimbursement of expenses from various entities and individuals.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

B: Receivables

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

Due within one year:	\$ 172,567
Due after one year:	101,531
Less: Allowance for uncollectibles:	<u>(70,683)</u>
Total Loans Receivable:	<u>\$ 203,415</u>

Receivables as of year end for the City's individual major funds and nonmajor and internal service funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	Taxes Deferred	Taxes Delinquent	Specials Deferred	Specials Delinquent	Accounts	Loans	Gross Receivables	Less: Allowance for Uncollectibles	Total Net Receivables
General		138,494	9,132	13,030	150,991		\$311,647		\$ 311,647
Sales Tax- Economic Development						274,098	274,098	(70,683)	203,415
Highway Debt		25,661					25,661		25,661
Assessment Debt	76,500	9,218	3,767,494	169,313			4,022,525		4,022,525
Highway Reserve		174					174		174
Nonmajor Gov't'l		80,126	4,883	2,420	14,669		102,098		102,098
Airport		1,031			51,508		52,539		52,539
Sanitation					186,536		186,536		186,536
Water & Sewer					654,977		654,977		654,977
Nonmajor Enterprise		876			18,489		19,365		19,365
Internal Service					6,183		6,183		6,183
Total Net Receivables	\$76,500	\$255,580	\$3,781,509	\$184,763	\$1,083,353	\$274,098	\$5,655,803	(\$70,683)	\$5,585,120

The only receivables not expected to be collected within one year are \$3,044,311 of special assessments deferred reported in the Assessment Debt fund and the loans receivables as noted above.

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

General Fund	\$141,899
Highway Debt	21,931
Assessment Debt	4,021,334
Highway Reserve	158
Nonmajor Governmental Funds	<u>76,260</u>
Total Deferred Revenue	<u>\$ 4,261,582</u>

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
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C: Capital assets

Capital asset activity for the year ended December 31, 2004 was as follows:

	BALANCE 1/1/04	ADDITIONS	DELETIONS	ADJUSTMENTS	BALANCE 12/31/04
Governmental Activities:					
Capital Assets, Not being depreciated:					
Land	\$ 4,909,325	\$ 0	\$ 0		\$ 4,909,325
Construction in progress	21,284,013	3,809,842	7,389,720		17,704,135
Total capital assets, Not being depreciated	26,193,338	3,809,842	7,389,720		22,613,460
Capital Assets, Being depreciated					
Buildings	6,821,053	4,628,759	0		11,449,812
Improvements	700,783	368,320	0		1,069,103
Equipment	7,741,270	870,204	393,946	(49,927)	8,167,601
Infrastructure	38,703,301	8,136,732	0		46,840,033
Books	3,626,719	142,561	0		3,769,280
Total capital assets being depreciated	57,593,126	14,146,576	393,946	(49,927)	71,295,829

Less accumulated depreciation for:					
Buildings	(4,369,808)	(137,631)	0	0	(4,507,439)
Improvements	(631,912)	(31,843)	0	0	(663,755)
Equipment	(4,363,149)	(595,580)	220,668	47,044	(4,691,017)
Infrastructure	(14,224,722)	(1,395,612)	0	0	(15,620,334)
Books	(2,072,541)	(200,614)	0	0	(2,273,155)
Total accumulated depreciation	(25,662,132)	(2,361,280)	220,668	47,044	(27,755,700)
Total capital assets, Being depreciated, net	31,930,994	11,785,296	173,278	(2,883)	43,540,129
Governmental activities capital assets, net	\$58,124,332	\$15,595,138	\$ (7,562,998)	\$(2,883)	\$66,153,589

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
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	BALANCE 1/1/04	ADDITIONS	DELETIONS	ADJUSTMENTS	BALANCE 12/31/04
Business-type Activities:					
Capital Assets, Not being depreciated:					
Land	\$ 2,756,418	\$0	\$0		\$ 2,756,418
Construction in progress	13,877,912	2,694,847	5,895,929		10,676,830
Total capital assets, Not being depreciated	16,634,330	2,694,847	5,895,929	0	13,433,248
Capital Assets, Being depreciated					
Buildings	10,343,646	0	0		10,343,646
Improvements	82,333,433	6,581,670	0		88,915,103
Equipment	6,967,665	137,158	43,607	49,927	7,111,143
Total capital assets Being depreciated	99,644,744	6,718,828	43,607	49,927	106,369,892
Less accumulated depreciation for:					
Buildings	(6,288,710)	(258,261)	0	0	(6,546,971)
Improvements	(39,844,640)	(2,912,652)	0	0	(42,757,292)
Equipment	(5,340,060)	(379,857)	43,607	(49,927)	(5,726,237)
Total accumulated depreciation	(51,473,410)	(3,550,770)	43,607	(49,927)	(55,030,500)
Total capital assets being depreciated, net	48,171,334	3,168,058	0	0	51,339,392
Business-type activities capital assets, net	\$ 64,805,664	\$5,862,905	\$5,895,929		\$64,772,640

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

Governmental activities:

General Government	\$ 265,406
Public Safety	372,790
Highways and Streets	1,423,460
Culture and Recreation	<u>299,624</u>
Total depreciation expense – governmental activities	<u>\$ 2,361,280</u>

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
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Business-type activities:	
Airport	\$ 1,190,328
Cemetery	12,383
Parking Authority	40,245
Sanitation	189,030
Water and Sewer	<u>2,118,784</u>
Total depreciation expense-business-type activities	<u>\$ 3,550,770</u>

D: Construction commitments

Construction commitments as of December 31, 2004 were approximately \$3,692,715. The City is also committed to approximately \$23 million local share in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot. This project will be funded with sales tax monies approved by the voters in March 1999. The NAWS project began the first phase in the spring of 2002. Although there are various other commitments, it is the opinion of the City that they will not have a material effect on the financial statements.

E: Interfund Receivables, Payables, and Transfers

The composition of interfund balances at December 31, 2004 were:

DUE TO/ FROM OTHER FUNDS		
RECEIVABLE FUND	PAYABLE FUND	AMOUNT
Sales Tax – NW Area Water	General Fund	\$397,368
Sales Tax – NW Area Water	Sanitation	622,836
Highway Debt	Assessment Debt	11,732
Assessment Debt	Water and Sewer	606,993
Assessment Debt	Nonmajor-Governmental	338,532
Nonmajor-Governmental	Highway Reserve	320,693
Nonmajor-Governmental	Nonmajor-Governmental	1,746,610
Total-Governmental Activities		\$4,044,764
Internal Service-Self Insurance	Internal Service-Central Garage	\$32,941

ADVANCES TO/FROM OTHER FUNDS		
ADVANCE TO:	ADVANCE FROM:	AMOUNT
Assessment Debt	Nonmajor-Governmental	\$ 369,000
Sales Tax Economic Development	Nonmajor-Governmental	900,953
Totals		\$1,269,953

The due to Assessment Debt is the amount of outstanding special assessments that will be paid in annual installments by the Water and Sewer fund and Nonmajor-Governmental funds. \$655,386 is not scheduled for repayment in the subsequent year.

The advance to Sales Tax Economic Development is an interfund loan for economic development projects that will be repaid in installments. \$300,318 is not scheduled for repayment in the subsequent year.

The advance to Assessment Debt is an interfund loan for special assessment projects. \$369,000 is not scheduled for repayment in the subsequent year. The advances to/from other funds have scheduled repayment plans through 2006.

**CITY OF MINOT, NORTH DAKOTA
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Transfers In – Governmental Funds							
Transfer Out:	General Fund	Sales Tax – Economic Development	Sales Tax – NWAWS	Highway Debt	Assessment Debt	Highway Reserve	Nonmajor Governmental Funds
General Fund	\$0	\$ 50,000	\$ 50,000	\$ 57,678	\$10,167	\$49,715	\$ 84,791
Sales Tax – Economic Development	5,690						329,280
Highway Debt							470,856
Assessment Debt		149,754					152,959
Highway Reserve							4,070,902
Nonmajor Governmental Funds	70,003				376	1,388,240	1,434,156
Airport							150,000
Sanitation							
Water and Sewer							100,000
Nonmajor Enterprise Funds	1,550						
Internal Service Funds	552						
Total transfers out	\$77,795	\$199,754	\$50,000	\$ 57,678	\$ 10,543	\$1,437,955	\$ 6,792,944

Transfers In – Business Type Funds						
Transfer Out:	Airport	Sanitation	Water & Sewer	Nonmajor Business-type Funds	Internal Service Funds	Totals
General Fund	85,873	146,313	110,875		17,225	\$ 662,637
Sales Tax – Economic Development						\$ 334,970
Highway Debt						\$470,856
Assessment Debt	24,393		47,959			\$375,065
Highway Reserve			1,644,029			\$5,714,931
Nonmajor Governmental Funds		182,466	105,314	660		\$3,181,215
Airport						\$150,000
Sanitation			97,500			\$97,500
Water and Sewer						\$100,000
Nonmajor Enterprise Funds						\$1,550
Internal Service Funds						\$552
Total transfers out	\$110,266	\$328,779	\$2,005,677	\$ 660	\$17,225	\$11,089,276

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
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Transfers in/out consisted of the following:

\$ 146,313	To General Fund from Sanitation to supplement other fund sources.
50,000	To General Fund from Sales Tax-Economic Development for administration.
50,000	To General Fund from Sales Tax-NWAWS for administration.
49,715	To General Fund from Capital Projects-Highway Reserve for debt service.
65,000	To Recreation/Auditorium from Sales Tax-Capital Improvements for maintenance.
160,000	To Equipment Purchase from Sanitation for equipment purchases transfer.
75,000	To Equipment Purchase from Water & Sewer for equipment purchases transfer.
14,000	To Equipment Purchase from Sales Tax-Capital for equipment purchase transfer.
329,280	To Sales Tax-Economic Development from Sales Tax-Capital Improvements for budgeted transfers.
470,856	To Debt Service-Highway from Sales Tax-Property Tax Relief for debt service.
375,065	To Debt Service-Assessment Debt from Airport (\$24,393), Water & Sewer (\$47,959), Storm Sewer Development (\$152,959), and Sales Tax-Economic Development (\$149,754) for Special Assessment debt service.
400,000	To Capital Projects-Highway Reserve from Sales Tax-Capital Improvements for debt service.
5,314,931	To Capital Projects-Highway Reserve from Water & Sewer (\$1,644,029) and Assessment-Capital (\$3,670,902) for South Broadway construction.
1,388,240	To Assessment-Capital from Capital Projects-Highway Reserve for South Broadway.
599,004	To Capital Projects-Fire Equipment from Sales Tax-Capital Projects (\$585,404), Fire Equipment (\$13,600) for Fire equipment purchases.
653,494	To Capital Projects-Sales Tax Capital from Sales Tax-Capital Improvements for capital construction projects.
150,000	To Airport from Sales Tax-Capital Improvements for debt service.
97,500	To Sanitation from Water & Sewer for debt service.
100,000	To Water & Sewer from Sales Tax-Capital for debt service.
<u>600,878</u>	Between funds for annual interest distribution.
<u>\$11,089,276</u>	

F: Leases

Operating Leases. The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations, and therefore the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$189,655 for the year ended December 31, 2004. The future minimum lease payments for these leases are as follows:

YEAR ENDED DECEMBER 31	AMOUNTS
2005	\$ 164,823
2006	481,849
Total Minimum Lease Payments	\$ 646,672

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

G: Short-Term Debt

During 2003 the City of Minot issued a Grant Anticipation Note Payable for \$10,000,000 to provide funds for the federal share of the construction of South Broadway between 7th Ave SW and 19th Ave SW. This note was paid during 2004 after construction was completed. The interest rate on this note was 1.25%.

Short-term debt activity for the year ended December 31, 2004, was as follows:

	<i>Beginning Balance</i>	<i>Issued</i>	<i>Redeemed</i>	<i>Ending Balance</i>
Grant Anticipation Note Payable	\$ 10,000,000	\$ 0	\$ 10,000,000	\$ 0

H: Long-Term Debt

Governmental activities include the following type 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 generally issued as 10-year bonds and the outstanding bonds have interest rates ranging from 3.0% to 5.0%.

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. The City has \$148,500 of special assessment bonds outstanding, with \$6,876,500 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 valorem taxes. Interest rates on the outstanding bonds range from 2.50% to 5.9%.

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

Revenue Bonds. The City of Minot issues bonds and pledges all revenues from the Enterprise Funds to pay the debt service. Interest rates on the outstanding bonds range from 2.5% to 6.6%.

Notes outstanding at December 31, 2004 include the Bureau of Reclamation note for \$1,859,960, with a 3.5% interest rate, maturing January 1, 2027.

Loans outstanding as of December 31, 2004 include \$41,020 to IBM for the purchase of IBM hardware. This loan has interest rates ranging from 2.84% to 3.39% and matures June 1, 2006. Also included is a loan from Norwest Investment Services for \$58,421 which has an interest rate of 5.98% and matures June 3, 2006, and a loan from Zion's Bank for \$389,123 which has an interest rate of 5.77% and matures July 1, 2010.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

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
2005	\$ 1,005,000	\$ 291,477	\$ 1,390,000	\$ 275,230
2006	1,040,000	252,372	1,160,000	220,908
2007	910,000	210,635	1,050,000	175,207
2008	945,000	173,805	905,000	133,293
2009	480,000	135,080	785,000	98,065
2010-2014	1,335,000	457,882	1,735,000	127,702
2015-2019	735,000	274,719		
2020-2024	720,000	91,675		
Total governmental activities	\$ 7,170,000	\$ 1,887,645	\$ 7,025,000	\$1,030,405

Business-type activities	Revenue bonds		Notes		Loans	
	Principal	Interest	Principal	Interest	Principal	Interest
2005	\$ 1,309,386	\$ 399,154	\$ 27,451	\$ 32,549	\$ 125,094	\$ 25,413
2006	1,160,000	349,989	56,351	63,649	89,847	19,079
2007	1,125,000	312,756	58,341	61,659	62,868	14,940
2008	1,080,000	273,419	60,400	59,600	66,548	11,261
2009	1,030,000	233,979	62,533	57,467	70,443	7,365
2010-2014	3,050,000	649,856	347,382	252,618	73,765	3,242
2015-2019	810,000	313,069	413,191	186,809		
2020-2024	990,000	132,405	493,357	108,483		
2025-2029			340,954	21,158		
Totals	\$10,554,386	\$ 2,664,627	\$1,859,960	\$ 843,992	\$ 488,565	\$ 81,300

Revenue Bonds. The City issues bonds where the government pledges income derived from the acquired or constructed assets to pay the debt service. The City issued \$2,650,000 in Water and Sewer revenue bonds in 2004. The City also issued \$1,965,000 of Water and Sewer Revenue Bonds in 2004 to refund the 1996 issue with a current principal owing of \$1,940,000. By the issuance of the bonds the City will realize a substantial interest rate reduction, a gross savings of approximately \$108,395 and a present value savings of approximately \$96,738. The new debt service payments are also one year shorter than the refunded issue.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

Changes in Long Term Liabilities. The following is a summary of the activity in long-term liabilities for the year ended December 31, 2004.

Governmental activities:	BALANCE 1/1/04	ADDITIONS	DELETIONS	BALANCE 12/31/04	DUE WITHIN ONE YEAR
Bonds payable:					
General obligation	\$ 8,235,000	\$ 0	\$ (1,065,000)	\$ 7,170,000	\$ 1,005,000
Special assessment	8,580,000	0	(1,555,000)	7,025,000	1,390,000
Total bonds payable	16,815,000	0	(2,620,000)	14,195,000	2,395,000
Compensated absences	613,566	524,283	(552,128)	585,721	199,145
Governmental activity Long-term liabilities	\$ 17,428,566	\$ 524,283	\$ (3,172,128)	\$ 14,780,721	\$ 2,594,145

Business-type activities					
Bonds payable:					
Revenue	\$ 9,004,386	\$ 4,615,000	\$ (3,065,000)	\$ 10,554,386	\$ 1,309,386
Less Unamortized Discount	0	(29,921)	0	(29,921)	0
Notes	1,913,453	0	(53,493)	1,859,960	55,382
Loans	607,513	0	(118,948)	488,565	125,094
Compensated absences	181,137	150,041	(144,135)	187,043	63,595
Business-type activity Long-term liabilities	\$ 11,706,489	\$ 4,735,120	\$ (3,381,576)	\$ 13,060,033	\$ 1,553,457

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, 2004, 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.

The City's debt limit is \$57,533,248 and the legal debt margin is \$50,625,086.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

I: Segment information

The City issued revenue bonds through the North Dakota Municipal Bond Bank to fund parking lot improvements. Summary information for the Parking Authority is presented below:

CONDENSED STATEMENT OF NET ASSETS

Assets:	
Current assets	\$ 4,681
Capital assets	<u>388,202</u>
Total assets	<u>392,883</u>
Liabilities:	
Current Liabilities	61,922
Long-term liabilities	<u>65,000</u>
Total liabilities	<u>126,922</u>
Net Assets:	
Invested in capital assets, net of related debt	263,202
Unrestricted	<u>2,759</u>
Total net assets	<u>\$ 265,961</u>

CONDENSED STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET ASSETS

Parking charges for services	\$ 174,464
Depreciation expense	(40,245)
Other operating expenses	<u>(126,900)</u>
Operating Income	<u>7,319</u>
Nonoperating revenues (expenses)	
Interest income	370
Interest expense	(9,840)
Capital Contributions	0
Transfers in (out)	<u>(151)</u>
Change in net assets	(2,302)
Beginning net assets	<u>268,263</u>
Ending net assets	<u>\$ 265,961</u>

CONDENSED STATEMENT OF CASH FLOWS

Net cash provided (used) by:	
Operating activities	\$ 46,491
Noncapital financing activities	(151)
Capital and related financing activities	(101,922)
Investing activities	<u>370</u>
Net (decrease) in cash/cash equivalents	(55,212)
Beginning cash and cash equivalents	<u>59,893</u>
Ending cash and cash equivalents	<u>\$ 4,681</u>

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

V. 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 - 1980's, the City was not able to obtain general liability insurance at a cost it considered to be economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDRF), 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 NDRF. During the past five years, the NDRF returned 20% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRF 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 Jan. 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 Health Committee and 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 \$1,249,399.

Claims, which have been incurred at year-end but not yet reported, have been recorded as insurance claims payable in the amount of \$74,249. 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 is shown below:

	BEGINNING FISCAL YEAR LIABILITY	CURRENT-YEAR CLAIMS AND CHANGES IN ESTIMATES	CLAIM PAYMENTS	BALANCE AT FISCAL YEAR-END
1999	\$ 0	\$ 800,356	\$ 750,346	\$ 50,010
2000	50,010	743,994	731,542	62,462
2001	62,462	788,756	764,629	86,589
2002	86,589	801,912	819,669	68,832
2003	68,832	915,017	898,391	85,458
2004	85,458	917,436	928,645	74,249

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

B: Contingent liabilities

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

A citizens/taxpayers suit was initiated against the City to compel the City to contribute interest payments to the NWAWS fund. A decision has been made in this case and is shown as a Due From in the Sales Tax NWAWS fund from the General Fund and Sanitation. The City is appealing the decision.

C: Other postemployment benefits

During 2004, 49 retired employees received a health care supplement. Once a retired employee reaches the age of 65 and is eligible for Medicare, they will no longer receive the health care supplement. During 2004, expenditures of \$122,316 were incurred for the health insurance supplement.

D: Employee retirement systems and plans

The City of Minot administers two defined benefit pension plans substantially covering all of its employees. Both plans are included in the City's financial reports as Pension Trust Funds, and do not issue stand-alone reports.

Plan Description. The City Employee Pension Plan (CEPP) is a cost sharing, multiple employer public employee retirement system. The Police Pension Plan (PPP) is a single-employer public employee retirement system. City ordinances #2553 and #2893 provide that all employees of the City of Minot or the Minot Park District shall become a member of one of the pension plans at the time they begin employment. There are no provisions or policies with respect to automatic and ad hoc post retirement benefit increases.

These benefit provisions, amendments, and all requirements are established by City ordinance. City employees who retire at or after the age of 60 with 60 months of service are eligible for a monthly pension benefit. The average monthly earnings are considered to be 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 an unreduced monthly pension benefit. The Rule of 85 is satisfied when the member's age plus the member's total period of service equals 85 years.

Benefits vest after 5 years of service. Vested employees may retire upon Rule of 85 or 60 years of age after 5 years of employment. Both plans provide the same death benefits. If death is not in the course of employment and the participant has less than 5 years of service, then a refund of contributions is made. In all other cases, the plan pays survivor benefits that are 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 deferred vested or active participants with more than 5 years of service, the benefit amount is equal to the normal retirement benefit.

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

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

	CEPP	PPP
Retirees and Beneficiaries Currently Receiving Benefits	124	29
Terminated Employees:		
Vested	7	9
Nonvested	0	0
Total Terminated Employees	7	9
Active Employees:		
Vested	165	50
Nonvested	64	31
Total Active Employees	229	81
Date of Annual Valuation	January 1, 2005	January 1, 2005

Summary of Significant Accounting Policies and Plan Asset Matters.

Basis of Accounting. The City Employee Pension Plan and the Police Pension Plan financial statements are prepared using the accrual basis of accounting. Employee contributions are recognized as revenues in the period in which 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 through the use of 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.

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 DCA, Inc. For government-backed securities maturing in less than 5 years, these securities for actuarial purposes are at book value. Remaining assets are at fair market value.

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

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

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

	CEPP	PPP
Valuation Date	January 1, 2005	January 1, 2005
Actuarial Cost Method	Entry Age Normal	Entry Age Normal
Amortization Method	Level Percentage of Pay - Closed	Level Percentage of Pay - Closed
Remaining Amortization Period	32 years for funding method change established January 1, 2004	32 years for funding method change established January 1, 2004
Asset Valuation Method	Government backed securities maturing in less than 5 years at book value. All other assets at fair market value.	Government backed securities maturing in less than 5 years at book value. All other assets at fair market value.
Actuarial Assumptions:		
Investment Rate of Return	7.25% effective 12-31-98	7.25% effective 12-31-98
Projected Salary Increases	4.0%	4.0%
Includes Inflation at	3.0%	3.0%
Post Retirement Cost of Living Adjustments	None	None

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

Schedule of Funding Progress

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF PLAN ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	ANNUAL COVERED PAYROLL	UAAL AS A PERCENTAGE OF ANNUAL COVERED PAYROLL
CEEP						
Jan 1, 2000	\$28,433,357	\$39,099,147	\$10,665,790	72.7%	\$6,863,557	155.4%
Jan 1, 2001	29,983,849	40,728,839	10,744,990	73.6%	7,016,631	153.1%
Jan 1, 2002	31,524,486	43,107,821	11,583,335	73.1%	7,734,230	149.8%
Jan 1, 2003	32,983,467	42,043,385	9,059,918	78.5%	8,034,788	112.8%
Jan 1, 2004	34,087,821	54,298,974	20,211,153	62.8%	8,227,786	245.6%
Jan 1, 2005	35,279,132	60,351,967	25,072,835	58.5%	8,478,579	295.7%

ACTUARIAL VALUATION DATE	ACTUARIAL VALUE OF PLAN ASSETS	ACTUARIAL ACCRUED LIABILITY (AAL)	UNFUNDED ACTUARIAL ACCRUED LIABILITY (UAAL)	FUNDED RATIO	ANNUAL COVERED PAYROLL	UAAL AS A PERCENTAGE OF ANNUAL COVERED PAYROLL
PPP						
Jan 1, 2000	\$7,972,106	\$10,871,266	\$2,899,160	73.3%	\$2,357,813	123.0%
Jan 1, 2001	8,483,071	11,402,955	2,919,884	74.4%	2,319,647	125.9%
Jan 1, 2002	9,160,183	12,136,548	2,976,365	75.5%	2,543,131	117.0%
Jan 1, 2003	9,758,732	11,676,683	1,917,951	83.6%	2,772,893	69.2%
Jan 1, 2004	10,349,102	15,681,388	5,332,286	66.0%	2,979,013	179.0%
Jan 1, 2005	10,917,392	17,495,383	6,577,991	62.4%	3,117,735	212.0%

For the PPP, annual pension cost equals the employer contributions for the fiscal years ending December 31st of 2004, 2003, and 2002. The percentage funded was 100% for each year. As noted in the following paragraph, there are no annual required contributions; therefore, NPO for the end of each year was zero.

Contributions Required and Contributions Made. The actuary does not determine the contribution rates, rather by employer recommendations that are within the limits established by state statute.

Employees are required to contribute 7.7% of their 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 CEEP and PPP contributions are providing for an amortization of 50 and 25 years respectively on the unfunded liability at January 1, 2005.

**CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2004**

For the PPP, a single employer plan, contributions for the years ended December 31, 2004, 2003, 2002, 2001, 2000, and 1999 were \$369,459, \$271,719, \$272,186, \$279,242, \$204,318, and \$200,883 respectively which are equal to the required contribution for the respective years.

Schedule of Employer Contributions.

CEPP	ANNUAL REQUIRED CONTRIBUTION	PERCENTAGE CONTRIBUTED
2000	\$ 655,405	113.0%
2001	696,161	99.9%
2002	830,096	97.6%
2003	992,964	81.6%
2004	1,339,054	75.6%
2005	1,530,285	-

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**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

Statement of Plan Net Assets
December 31, 2004

	CITY EMPLOYEE PENSION PLAN	POLICE PENSION PLAN
ASSETS		
Cash and Cash equivalents	\$ 55,153	\$ 94,494
Investments-U.S. Government Securities	34,859,907	10,706,309
Accrued Interest Receivable	393,335	116,589
TOTAL ASSETS	\$ 35,308,395	\$ 10,917,392
NET ASSETS		
Held in Trust for Pension Benefits and Other Purposes	35,308,395	10,917,392
TOTAL NET ASSETS	\$ 35,308,395	\$ 10,917,392

Statement of Changes in Plan Net Assets
For the Fiscal Period Ended December 31, 2004

	CITY EMPLOYEE PENSION PLAN	POLICE PENSION PLAN
ADDITIONS		
Contributions:		
Employer	\$ 1,012,873	\$ 369,459
Employee	1,045,527	364,340
Total Contributions	2,058,400	733,799
Investment Earnings:		
Interest	1,783,368	514,655
Net Increase in the fair value of investments	(19,267)	(14,502)
Total Investment Earnings	1,764,101	500,153
Less Investment expense	200,520	68,325
Net Investment earnings	1,563,581	431,828
TOTAL ADDITIONS	3,621,981	1,165,627
DEDUCTIONS:		
Benefits Paid to Participants	2,294,880	537,897
Refunds	27,474	26,591
Administrative Expenses	165,801	80,475
TOTAL DEDUCTIONS	2,488,155	644,963
Change in Net Assets	1,133,826	520,664
Net Assets – January 1	34,174,569	10,396,728
Net Assets – December 31	\$ 35,308,395	\$ 10,917,392

**CITY OF MINOT, NORTH DAKOTA
NOTES TO THE FINANCIAL STATEMENTS
DECEMBER 31, 2004**

E: Municipal solid waste landfill

State and federal rules and regulations require the City of Minot to place a final cover on its Municipal Solid Waste Landfill (MSWLF) site when it stops accepting waste and to perform certain maintenance and monitoring functions at the site for thirty years after the closure. Although closure and postclosure care costs will be paid only near or after the date that the landfill stops accepting waste, the City reports a portion of these closure and postclosure care costs as operating expense in each period based on landfill capacity used as of each balance sheet date. The \$301,352 reported as MSWLF closure and postclosure care liability at December 31, 2004, represents the cumulative amount reported to date based on the use of 16.81% of the estimated capacity of the landfill. The City will recognize the remaining estimated cost of closure and postclosure care of \$1.7 million as the remaining estimated capacity is filled. These amounts are based on what it would cost to perform all closure and postclosure care in 2004. The City expects the landfill will be operated for another 62 years with closure anticipated in the year 2066. 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 postclosure care. Mechanisms used to demonstrate financial assurance must ensure that the amount of funds assured are adequate to cover the costs of closure and postclosure care and that 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.

F: Implementation of New GASB Standards and Recommendations

The City of Minot has elected to early implement GASB Statement #44 on Economic Condition Reporting: The Statistical Section. With our 2003 CAFR we implemented GASB Statement #40 on Deposit and Investment Risk Disclosures.

**CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
			2004	2003
ASSETS				
Cash And Cash Equivalents	\$853,377	\$734,151	\$1,587,528	\$3,154,961
Taxes Receivable Delinquent	80,126	-	80,126	99,862
Special Assessments Deferred	4,883	-	4,883	5,955
Special Assessments Delinquent	2,420	-	2,420	2,563
Accounts Receivable	1,927	12,742	14,669	11,785
Advance To Other Funds	1,269,953	-	1,269,953	2,053,030
Due From Other Funds	2,067,303	-	2,067,303	1,326,792
Due From Other Agencies	251,815	-	251,815	406,474
Merchandise Inventory	4,928	-	4,928	5,623
TOTAL ASSETS	\$4,536,732	\$746,893	\$5,283,625	\$7,067,045
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$93,788	\$23,197	\$116,985	\$1,266
Due To Other Funds	124,715	1,960,427	2,085,142	1,616,124
Due To Other Agencies	115,252	1,500	116,752	1,986
Accrued Salaries Payable	12,788	-	12,788	30,454
Deferred Revenue	76,260	-	76,260	80,570
TOTAL LIABILITIES	422,803	1,985,124	2,407,927	1,730,400
FUND BALANCE				
Reserved For Encumbrances	185,710	-	185,710	547,365
Reserved For Advances	1,269,953	-	1,269,953	2,053,030
Reserved For Merchandise Inventory	4,928	-	4,928	5,623
Reserved For Property Tax Relief	112,144	-	112,144	76,625
Reserved For Capital Improvements	373,587	-	373,587	778,102
Unreserved				
Designated				
Memorial	315	-	315	2,281
Maintenance and Operations	1,714,544	-	1,714,544	940,252
Undesignated	452,748	(1,238,231)	(785,483)	933,367
TOTAL FUND BALANCE (DEFICIT)	4,113,929	(1,238,231)	2,875,698	5,336,645
TOTAL LIABILITIES AND FUND BALANCES	\$4,536,732	\$746,893	\$5,283,625	\$7,067,045

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SPECIAL REVENUE FUNDS	CAPITAL PROJECT FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS	TOTAL NONMAJOR GOVERNMENTAL FUNDS
			2004	2003
REVENUES				
Property Tax Collections	\$2,344,454	\$0	\$2,344,454	\$2,272,182
Special Assessment Collections	1,534	-	1,534	2,873
Sales Tax Collections	3,038,246	-	3,038,246	2,861,296
Intergovernmental	816,833	-	816,833	937,622
Charges For Services	420,506	-	420,506	432,806
Interest Income	68,375	27,229	95,604	104,281
Miscellaneous	277,472	338,900	616,372	415,547
TOTAL REVENUES	\$6,967,420	\$366,129	\$7,333,549	\$7,026,607
EXPENDITURES				
Current				
General Government	907,145	67,194	\$974,339	\$1,048,330
Highways and Streets	985,392	-	985,392	936,756
Culture and Recreation	2,147,590	-	2,147,590	1,789,177
Capital Outlay				
Contracted Work	-	699,531	699,531	1,614,653
Equipment	1,031,657	55,385	1,087,042	410,507
Legal	-	3,395	3,395	10,012
Other	-	13,310	13,310	8,638
Architect	-	-	-	30,868
Acquisitions	215,000	11,007	226,007	-
Engineering	-	45,388	45,388	315,255
Debt Retirement				
Interest and Fiscal Charges	773	-	773	248
TOTAL EXPENDITURES	5,287,557	895,210	6,182,767	6,164,444
Revenues Over (Under) Expenditures	1,679,863	(529,081)	1,150,782	862,163
OTHER FINANCING SOURCES (USES)				
Special Assessment Bonds Issued	-	-	-	2,205,000
Transfers IN	519,648	2,661,567	3,181,215	1,478,534
Transfers OUT	(2,901,467)	(3,891,477)	(6,792,944)	(2,495,818)
TOTAL OTHER FINANCING SOURCES (USES)	(2,381,819)	(1,229,910)	(3,611,729)	1,187,716
Change in Fund Balance	(701,956)	(1,758,991)	(2,460,947)	2,049,879
FUND BALANCE, JANUARY 1	4,815,885	520,760	5,336,645	3,286,766
FUND BALANCE(DEFICIT), DECEMBER 31	\$4,113,929	(\$1,238,231)	\$2,875,698	\$5,336,645

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

**CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

ASSETS	PUBLIC		RECREATION\	EMERGENCY	EQUIPMENT	FIRE
	TRANSPORTATION	LIBRARY	AUDITORIUM\	LEVY	PURCHASE	EQUIPMENT PURCHASE
Cash And Cash Equivalents	\$79,451	\$27,262	\$95,030	\$46,097	\$137,697	\$61,304
Taxes Receivable Delinquent	6,148	26,584	17,816	1,314	231	2,838
Special Assessments Deferred	-	-	-	-	-	-
Special Assessments Delinquent	-	-	-	-	-	-
Accounts Receivable	-	107	1,820	-	-	-
Advance To Other Funds	-	-	-	-	-	-
Due From Other Funds	-	-	-	-	-	-
Due From Other Agencies	59,331	-	-	-	-	-
Merchandise Inventory	-	-	4,928	-	-	-
TOTAL ASSETS	\$144,930	\$53,953	\$119,594	\$47,411	\$137,928	\$64,142
LIABILITIES AND FUND BALANCE						
LIABILITIES						
Accounts Payable	\$33,328	\$0	\$0	\$0	\$0	\$0
Due To Other Funds	-	-	-	-	-	-
Due To Other Agencies	90	-	3,704	-	-	3,958
Accrued Salaries Payable	-	6,845	5,943	-	-	-
Deferred Revenue	5,323	22,919	15,340	1,071	193	2,458
TOTAL LIABILITIES	38,741	29,764	24,987	1,071	193	6,416
FUND BALANCE						
Reserved For Encumbrances	80,178	3,367	-	-	75,000	5,170
Reserved For Advances	-	-	-	-	-	-
Reserved For Merchandise Inventory	-	-	4,928	-	-	-
Reserved For Property Tax Relief	-	-	-	-	-	-
Reserved For Capital Improvements	-	-	-	-	-	-
Unreserved						
Designated						
Memorial	-	315	-	-	-	-
Maintenance and Operations	-	-	-	-	-	-
Undesignated	26,011	20,507	89,679	46,340	62,735	52,556
TOTAL FUND BALANCE(DEFICIT)	106,189	24,189	94,607	46,340	137,735	57,726
TOTAL LIABILITIES AND FUND BALANCES	\$144,930	\$53,953	\$119,594	\$47,411	\$137,928	\$64,142

**CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	SALES TAX	SALES TAX	SALES TAX	SIDEWALK
	PROPERTY	CAPITAL	FLOOD	
ASSETS	TAX RELIEF	IMPROVEMENTS	CONTROL	IMPROVEMENTS
Cash And Cash Equivalents	\$80,063	\$46,011	\$92,649	\$0
Taxes Receivable Delinquent	-	-	-	-
Special Assessments Deferred	-	-	-	-
Special Assessments Delinquent	-	-	-	212
Accounts Receivable	-	-	-	-
Advance To Other Funds	-	-	519,953	-
Due From Other Funds	-	320,693	1,621,895	-
Due From Other Agencies	32,081	160,403	-	-
Merchandise Inventory	-	-	-	-
TOTAL ASSETS	\$112,144	\$527,107	\$2,234,497	\$212
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$24,025	\$0	\$28,659
Due To Other Funds	-	-	-	92,501
Due To Other Agencies	-	107,500	-	-
Accrued Salaries Payable	-	-	-	-
Deferred Revenue	-	-	-	212
TOTAL LIABILITIES	-	131,525	-	121,372
FUND BALANCE				
Reserved For Encumbrances	-	21,995	-	-
Reserved For Advances	-	-	519,953	-
Reserved For Merchandise Inventory	-	-	-	-
Reserved For Property Tax Relief	112,144	-	-	-
Reserved For Capital Improvements	-	373,587	-	-
Unreserved				
Designated				
Memorial	-	-	-	-
Maintenance and Operations	-	-	1,714,544	-
Undesignated	-	-	-	(121,160)
TOTAL FUND BALANCE(DEFICIT)	112,144	395,582	2,234,497	(121,160)
TOTAL LIABILITIES AND FUND BALANCES	\$112,144	\$527,107	\$2,234,497	\$212

**CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	SPECIAL			TOTAL 2004	TOTAL 2003
	STREET RESERVE	ASSESSMENT DEFICIENCY	DEMOLITIONS		
ASSETS					
Cash And Cash Equivalents	\$80,095	\$107,718	\$0	\$853,377	\$2,354,413
Taxes Receivable Delinquent	25,189	6	-	80,126	99,862
Special Assessments Deferred	-	-	4,883	4,883	5,955
Special Assessments Delinquent	-	109	2,099	2,420	2,563
Accounts Receivable	-	-	-	1,927	2,241
Advance To Other Funds	-	750,000	-	1,269,953	2,053,030
Due From Other Funds	92,501	32,214	-	2,067,303	11,839
Due From Other Agencies	-	-	-	251,815	406,474
Merchandise Inventory	-	-	-	4,928	5,623
TOTAL ASSETS	\$197,785	\$890,047	\$6,982	\$4,536,732	\$4,942,000
LIABILITIES AND FUND BALANCE					
LIABILITIES					
Accounts Payable	\$0	\$0	\$7,776	\$93,788	\$1,266
Due To Other Funds	-	-	32,214	124,715	11,839
Due To Other Agencies	-	-	-	115,252	1,986
Accrued Salaries Payable	-	-	-	12,788	30,454
Deferred Revenue	21,648	115	6,981	76,260	80,570
TOTAL LIABILITIES	21,648	115	46,971	422,803	126,115
FUND BALANCE					
Reserved For Encumbrances	-	-	-	185,710	547,365
Reserved For Advances	-	750,000	-	1,269,953	2,053,030
Reserved For Merchandise Inventory	-	-	-	4,928	5,623
Reserved For Property Tax Relief	-	-	-	112,144	76,625
Reserved For Capital Improvements	-	-	-	373,587	778,102
Unreserved					
Designated					
Memorial	-	-	-	315	2,281
Maintenance and Operations	-	-	-	1,714,544	940,252
Undesignated	176,137	139,932	(39,989)	452,748	412,607
TOTAL FUND BALANCE(DEFICIT)	176,137	889,932	(39,989)	4,113,929	4,815,885
TOTAL LIABILITIES AND FUND BALANCES	\$197,785	\$890,047	\$6,982	\$4,536,732	\$4,942,000

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

REVENUES	PUBLIC		RECREATION\	EMERGENCY	EQUIPMENT	FIRE
	TRANSPORTATION	LIBRARY	AUDITORIUM	LEVY	PURCHASE	EQUIPMENT PURCHASE
Property Tax Collections	\$168,062	\$759,218	\$517,978	\$62,034	\$8,956	\$76,136
Special Assessment Collections	-	-	-	-	-	-
Sales Tax Collections	-	-	-	-	-	-
Intergovernmental	710,684	72,734	29,650	-	-	-
Charges For Services	56,520	20,644	343,342	-	-	-
Interest Income	413	4,650	5,864	556	463	1,613
Miscellaneous	11,200	35,302	61,244	30,331	-	-
TOTAL REVENUES	\$946,879	\$892,548	\$958,078	\$92,921	\$9,419	\$77,749
EXPENDITURES						
Current						
General Government	\$434,837	\$0	\$0	\$68,495	\$31,560	\$66,099
Highways and Streets	-	-	-	-	-	-
Culture and Recreation	-	768,880	1,083,314	-	-	-
Capital Outlay						
Equipment	645,770	142,561	-	-	243,326	-
Acquisitions	-	-	-	-	-	-
Debt Retirement						
Interest and Fiscal Charges	-	-	-	-	-	-
TOTAL EXPENDITURES	1,080,607	911,441	1,083,314	68,495	274,886	66,099
Revenues Over (Under) Expenditures	(133,728)	(18,893)	(125,236)	24,426	(265,467)	11,650
OTHER FINANCING SOURCES (USES)						
Transfers IN	132,895	894	70,670	-	249,000	-
Transfers OUT	(6,222)	-	(1,427)	(556)	(463)	(15,213)
TOTAL OTHER FINANCING SOURCES (USES)	126,673	894	69,243	(556)	248,537	(15,213)
Change in Fund Balance	(7,055)	(17,999)	(55,993)	23,870	(16,930)	(3,563)
FUND BALANCE, JANUARY 1	113,244	42,188	150,600	22,470	154,665	61,289
FUND BALANCE(DEFICIT), DECEMBER 31	\$106,189	\$24,189	\$94,607	\$46,340	\$137,735	\$57,726

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SALES TAX		SALES TAX		SALES TAX	STREET
	PROPERTY	CAPITAL	FLOOD	SIDEWALK		
REVENUES	TAX RELIEF	IMPROVEMENTS	CONTROL	IMPROVEMENTS	RESERVE	
Property Tax Collections	\$0	\$0	\$0	\$0	\$752,065	
Special Assessment Collections	-	-	-	-	-	
Sales Tax Collections	506,374	2,531,872	-	-	-	
Intergovernmental	-	-	3,765	-	-	
Charges For Services	-	-	-	-	-	
Interest Income	6,955	15,763	20,189	-	9,160	
Miscellaneous	-	99,574	-	-	-	
TOTAL REVENUES	\$513,329	\$2,647,209	\$23,954	\$0	\$761,225	
EXPENDITURES						
Current						
General Government	\$0	\$217,038	\$12,550	\$0	\$0	
Highways and Streets	-	-	-	109,321	876,071	
Culture and Recreation	-	295,396	-	-	-	
Capital Outlay						
Equipment	-	-	-	-	-	
Acquisitions	-	215,000	-	-	-	
Debt Retirement						
Interest and Fiscal Charges	-	-	-	773	-	
TOTAL EXPENDITURES	-	727,434	12,550	110,094	876,071	
Revenues Over (Under) Expenditures	513,329	1,919,775	11,404	(110,094)	(114,846)	
OTHER FINANCING SOURCES (USES)						
Transfers IN	-	65,416	-	773	-	
Transfers OUT	(477,810)	(2,367,711)	(20,189)	-	(9,160)	
TOTAL OTHER FINANCING SOURCES (USES)	(477,810)	(2,302,295)	(20,189)	773	(9,160)	
Change in Fund Balance	35,519	(382,520)	(8,785)	(109,321)	(124,006)	
FUND BALANCE, JANUARY 1	76,625	778,102	2,243,282	(11,839)	300,143	
FUND BALANCE(DEFICIT), DECEMBER 31	\$112,144	\$395,582	\$2,234,497	(\$121,160)	\$176,137	

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SPECIAL		TOTAL	TOTAL
	ASSESSMENT			
REVENUES	DEFICIENCY	DEMOLITIONS	2004	2003
Property Tax Collections	\$2	\$3	\$2,344,454	\$2,272,182
Special Assessment Collections	54	1,480	1,534	2,873
Sales Tax Collections	-	-	3,038,246	2,861,296
Intergovernmental	-	-	816,833	937,622
Charges For Services	-	-	420,506	432,806
Interest Income	2,592	157	68,375	91,809
Miscellaneous	36,071	3,750	277,472	79,446
TOTAL REVENUES	\$38,719	\$5,390	\$6,967,420	\$6,678,034
EXPENDITURES				
Current				
General Government	\$23,571	\$52,995	\$907,145	\$843,115
Highways and Streets	-	-	985,392	936,756
Culture and Recreation	-	-	2,147,590	1,789,177
Capital Outlay				
Equipment	-	-	1,031,657	333,234
Acquisitions	-	-	215,000	-
Debt Retirement				
Interest and Fiscal Charges	-	-	773	248
TOTAL EXPENDITURES	23,571	52,995	5,287,557	3,902,530
Revenues Over (Under) Expenditures	15,148	(47,605)	1,679,863	2,775,504
OTHER FINANCING SOURCES (USES)				
Transfers IN	-	-	519,648	328,748
Transfers OUT	(2,559)	(157)	(2,901,467)	(2,465,938)
TOTAL OTHER FINANCING SOURCES (USES)	(2,559)	(157)	(2,381,819)	(2,137,190)
Change in Fund Balance	12,589	(47,762)	(701,956)	638,314
FUND BALANCE, JANUARY 1	877,343	7,773	4,815,885	4,177,571
FUND BALANCE(DEFICIT), DECEMBER 31	\$889,932	(\$39,989)	\$4,113,929	\$4,815,885

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

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	PUBLIC TRANSPORTATION			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL	FINAL	ACTUAL	
	BUDGETED	BUDGETED		
	AMOUNTS	AMOUNTS		
REVENUES				
Property Tax Collections	\$171,742	\$171,742	\$168,062	(\$3,680)
Sales Tax Collections	-	-	-	-
Intergovernmental	244,980	244,980	710,684	465,704
Charges For Services	60,000	60,000	56,520	(3,480)
Interest Income	1,300	1,300	413	(887)
Miscellaneous	2,173	2,173	11,200	9,027
TOTAL REVENUES	480,195	480,195	946,879	466,684
EXPENDITURES				
Current				
General Government	473,973	1,548,811	434,837	1,113,974
Culture And Recreation	-	-	-	-
Capital Outlay				
Equipment	-	-	645,770	(645,770)
Acquisitions	-	-	-	-
TOTAL EXPENDITURES	473,973	1,548,811	1,080,607	468,204
Revenues Over (Under) Expenditures	6,222	(1,068,616)	(133,728)	934,888
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	132,895	132,895
Transfers Out	(6,222)	(6,222)	(6,222)	-
TOTAL OTHER FINANCING SOURCES(USES)	(6,222)	(6,222)	126,673	-
Change in Fund Balance	<u>\$0</u>	<u>(\$1,074,838)</u>	<u>(7,055)</u>	<u>\$934,888</u>
FUND BALANCE, JANUARY 1			<u>113,244</u>	
FUND BALANCE, DECEMBER 31			<u>\$106,189</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	LIBRARY			
	ORIGINAL	FINAL	ACTUAL	VARIANCE
	BUDGETED	BUDGETED		WITH FINAL
	AMOUNTS	AMOUNTS	AMOUNTS	BUDGET
			POSITIVE (NEGATIVE)	
REVENUES				
Property Tax Collections	\$777,022	\$777,022	\$759,218	(\$17,804)
Sales Tax Collections	-	-	-	-
Intergovernmental	73,050	73,050	72,734	(316)
Charges For Services	19,000	19,000	20,644	1,644
Interest Income	6,000	6,000	4,650	(1,350)
Miscellaneous	29,950	29,950	35,302	5,352
TOTAL REVENUES	<u>905,022</u>	<u>905,022</u>	<u>892,548</u>	<u>(12,474)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Culture And Recreation	742,476	744,184	768,880	(26,404)
Capital Outlay				
Equipment	166,655	169,783	142,561	24,094
Acquisitions	-	-	-	-
TOTAL EXPENDITURES	<u>909,131</u>	<u>913,967</u>	<u>911,441</u>	<u>(2,310)</u>
Revenues Over (Under) Expenditures	(4,109)	(8,945)	(18,893)	(14,784)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	894	894
Transfers Out	-	-	-	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>-</u>	<u>-</u>	<u>894</u>	<u>894</u>
Change in Fund Balance	<u>(\$4,109)</u>	<u>(\$8,945)</u>	<u>(17,999)</u>	<u>(\$13,890)</u>
FUND BALANCE, JANUARY 1			<u>42,188</u>	
FUND BALANCE, DECEMBER 31			<u><u>\$24,189</u></u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	RECREATION/AUDITORIUM			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	
REVENUES				
Property Tax Collections	\$530,664	\$530,664	\$517,978	(\$12,686)
Sales Tax Collections	-	-	-	-
Intergovernmental	29,650	29,650	29,650	-
Charges For Services	380,853	380,853	343,342	(37,511)
Interest Income	8,250	8,250	5,864	(2,386)
Miscellaneous	13,375	13,375	61,244	47,869
TOTAL REVENUES	<u>962,792</u>	<u>962,792</u>	<u>958,078</u>	<u>(4,714)</u>
EXPENDITURES				
Current				
General Government	-	-	-	-
Culture And Recreation	1,064,571	1,145,429	1,083,314	62,115
Capital Outlay				
Equipment	-	-	-	-
Acquisitions	-	-	-	-
TOTAL EXPENDITURES	<u>1,064,571</u>	<u>1,145,429</u>	<u>1,083,314</u>	<u>62,115</u>
Revenues Over (Under) Expenditures	(101,779)	(182,637)	(125,236)	57,401
OTHER FINANCING SOURCES (USES)				
Transfers In	65,000	65,000	70,670	5,670
Transfers Out	(1,427)	(1,427)	(1,427)	-
TOTAL OTHER FINANCING SOURCES(USES)	<u>63,573</u>	<u>63,573</u>	<u>69,243</u>	<u>5,670</u>
Change in Fund Balance	<u>(\$38,206)</u>	<u>(\$119,064)</u>	<u>(55,993)</u>	<u>\$63,071</u>
FUND BALANCE, JANUARY 1			<u>150,600</u>	
FUND BALANCE, DECEMBER 31			<u>\$94,607</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	EMERGENCY LEVY		
	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	REVENUES		
Property Tax Collections	\$64,323	\$62,034	(\$2,289)
Sales Tax Collections	-	-	-
Intergovernmental	-	-	-
Charges For Services	-	-	-
Interest Income	-	556	556
Miscellaneous	-	30,331	30,331
TOTAL REVENUES	64,323	92,921	28,598
EXPENDITURES			
Current			
General Government	64,323	68,495	(4,172)
Culture And Recreation	-	-	-
Capital Outlay			
Equipment	-	-	-
Acquisitions	-	-	-
TOTAL EXPENDITURES	64,323	68,495	(4,172)
Revenues Over (Under) Expenditures	-	24,426	24,426
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(556)	(556)
TOTAL OTHER FINANCING SOURCES(USES)	-	(556)	(556)
Change in Fund Balance	<u>\$0</u>	23,870	<u>\$23,870</u>
FUND BALANCE, JANUARY 1		<u>22,470</u>	
FUND BALANCE, DECEMBER 31		<u>\$46,340</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	EQUIPMENT PURCHASE			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	
REVENUES				
Property Tax Collections	\$8,362	\$8,362	\$8,956	\$594
Sales Tax Collections	-	-	-	-
Intergovernmental	-	-	-	-
Charges For Services	-	-	-	-
Interest Income	-	-	463	463
Miscellaneous	-	-	-	-
TOTAL REVENUES	8,362	8,362	9,419	1,057
EXPENDITURES				
Current				
General Government	-	-	31,560	(31,560)
Culture And Recreation	-	-	-	-
Capital Outlay				
Equipment	242,522	261,193	243,326	17,867
Acquisitions	-	-	-	-
TOTAL EXPENDITURES	242,522	261,193	274,886	(13,693)
Revenues Over (Under) Expenditures	(234,160)	(252,831)	(265,467)	14,750
OTHER FINANCING SOURCES (USES)				
Transfers In	235,000	235,000	249,000	14,000
Transfers Out	-	-	(463)	(463)
TOTAL OTHER FINANCING SOURCES(USES)	235,000	235,000	248,537	13,537
Change in Fund Balance	<u>\$840</u>	<u>(\$17,831)</u>	<u>(16,930)</u>	<u>\$28,287</u>
FUND BALANCE, JANUARY 1			<u>154,665</u>	
FUND BALANCE, DECEMBER 31			<u>\$137,735</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	<u>FIRE EQUIPMENT PURCHASE</u>		
	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	REVENUES		
Property Tax Collections	\$76,544	\$76,136	(\$408)
Sales Tax Collections	-	-	-
Intergovernmental	13,500	-	(13,500)
Charges For Services	-	-	-
Interest Income	-	1,613	1,613
Miscellaneous	-	-	-
TOTAL REVENUES	<u>90,044</u>	<u>77,749</u>	<u>(12,295)</u>
EXPENDITURES			
Current			
General Government	90,044	66,099	23,945
Culture And Recreation	-	-	-
Capital Outlay			
Equipment	-	-	-
Acquisitions	-	-	-
TOTAL EXPENDITURES	<u>90,044</u>	<u>66,099</u>	<u>23,945</u>
Revenues Over (Under) Expenditures	-	11,650	11,650
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	-	(15,213)	(15,213)
TOTAL OTHER FINANCING SOURCES(USES)	<u>-</u>	<u>(15,213)</u>	<u>(15,213)</u>
Change in Fund Balance	<u>\$0</u>	<u>(3,563)</u>	<u>(\$3,563)</u>
FUND BALANCE, JANUARY 1		<u>61,289</u>	
FUND BALANCE, DECEMBER 31		<u><u>\$57,726</u></u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SALES TAX PROPERTY TAX RELIEF		
	ORIGINAL AND FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
REVENUES			
Property Tax Collections	\$0	\$0	\$0
Sales Tax Collections	470,856	506,374	35,518
Intergovernmental	-	-	-
Charges For Services	-	-	-
Interest Income	-	6,955	6,955
Miscellaneous	-	-	-
TOTAL REVENUES	470,856	513,329	42,473
EXPENDITURES			
Current			
General Government	-	-	-
Culture And Recreation	-	-	-
Capital Outlay			
Equipment	-	-	-
Acquisitions	-	-	-
TOTAL EXPENDITURES	-	-	-
Revenues Over (Under) Expenditures	470,856	513,329	42,473
OTHER FINANCING SOURCES (USES)			
Transfers In	-	-	-
Transfers Out	(470,856)	(477,810)	(6,954)
TOTAL OTHER FINANCING SOURCES(USES)	(470,856)	(477,810)	(6,954)
Change in Fund Balance	<u>\$0</u>	35,519	<u>\$35,519</u>
FUND BALANCE, JANUARY 1		<u>76,625</u>	
FUND BALANCE, DECEMBER 31		<u>\$112,144</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SALES TAX CAPITAL IMPROVEMENTS			VARIANCE WITH FINAL BUDGET POSITIVE (NEGATIVE)
	ORIGINAL BUDGETED AMOUNTS	FINAL BUDGETED AMOUNTS	ACTUAL AMOUNTS	
REVENUES				
Property Tax Collections	\$0	\$0	\$0	\$0
Sales Tax Collections	2,354,280	2,354,280	2,531,872	177,592
Intergovernmental	-	-	-	-
Charges For Services	-	-	-	-
Interest Income	-	-	15,763	15,763
Miscellaneous	-	-	99,574	99,574
TOTAL REVENUES	2,354,280	2,354,280	2,647,209	292,929
EXPENDITURES				
Current				
General Government	174,496	174,496	217,038	(42,542)
Culture And Recreation	-	-	295,396	(295,396)
Capital Outlay				
Equipment	-	-	-	-
Acquisitions	-	-	215,000	(215,000)
TOTAL EXPENDITURES	174,496	174,496	727,434	(552,938)
Revenues Over (Under) Expenditures	2,179,784	2,179,784	1,919,775	(260,009)
OTHER FINANCING SOURCES (USES)				
Transfers In	-	-	65,416	65,416
Transfers Out	(2,179,784)	(2,292,952)	(2,367,711)	(74,759)
TOTAL OTHER FINANCING SOURCES(USES)	(2,179,784)	(2,292,952)	(2,302,295)	(9,343)
Change in Fund Balance	<u>\$0</u>	<u>(\$113,168)</u>	<u>(382,520)</u>	<u>(\$269,352)</u>
FUND BALANCE, JANUARY 1			<u>778,102</u>	
FUND BALANCE, DECEMBER 31			<u>\$395,582</u>	

CITY OF MINOT, ND
NONMAJOR SPECIAL REVENUE FUNDS
COMBINING STATEMENT OF REVENUES, EXPENDITURES
AND CHANGES IN FUND BALANCES-BUDGET AND ACTUAL
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	ORIGINAL	FINAL	2004	VARIANCE	2003
	BUDGETED	BUDGETED	ACTUAL	WITH FINAL	ACTUAL
	AMOUNTS	AMOUNTS	AMOUNTS	BUDGET	AMOUNTS
				POSITIVE	
				(NEGATIVE)	
REVENUES					
Property Tax Collections	\$1,628,657	\$1,628,657	\$1,592,384	(\$36,273)	\$1,545,814
Sales Tax Collections	2,825,136	2,825,136	3,038,246	213,110	2,861,296
Intergovernmental	361,180	361,180	813,068	451,888	638,286
Charges For Services	459,853	459,853	420,506	(39,347)	432,806
Interest Income	15,550	15,550	36,277	20,727	49,112
Miscellaneous	45,498	45,498	237,651	192,153	76,946
TOTAL REVENUES	5,335,874	5,335,874	6,138,132	802,258	5,604,260
EXPENDITURES					
Current					
General Government	802,836	1,877,674	818,029	1,059,645	838,215
Culture And Recreation	1,807,047	1,889,613	2,147,590	(257,977)	1,789,177
Capital Outlay					
Equipment	409,177	430,976	1,031,657	(600,681)	333,234
Acquisitions	-	-	215,000	(215,000)	-
TOTAL EXPENDITURES	3,019,060	4,198,263	4,212,276	(14,013)	2,960,626
Revenues Over (Under) Expenditures	2,316,814	1,137,611	1,925,856	788,245	2,643,634
OTHER FINANCING SOURCES (USES)					
Transfers In	300,000	300,000	518,875	218,875	328,500
Transfers Out	(2,658,289)	(2,771,457)	(2,869,402)	(97,945)	(2,423,316)
TOTAL OTHER FINANCING SOURCES(USES)	(2,358,289)	(2,471,457)	(2,350,527)	120,930	(2,094,816)
Change in Fund Balance	<u>(\$41,475)</u>	<u>(\$1,333,846)</u>	<u>(424,671)</u>	<u>\$909,175</u>	548,818
FUND BALANCE, JANUARY 1			1,399,183		850,365
FUND BALANCE, DECEMBER 31			<u>\$974,512</u>		<u>\$1,399,183</u>

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

CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR CAPITAL PROJECT FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SERTOMA			
	SPORTS COMPLEX	ASSESSMENT CAPITAL	FIRE EQUIPMENT	SALES TAX CAPITAL
ASSETS				
Cash And Cash Equivalents	\$23,007	\$0	\$47,697	\$0
Accounts Receivable	-	-	-	-
Due From Other Funds	-	-	-	-
TOTAL ASSETS	\$23,007	\$0	\$47,697	\$0
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$0	\$0	\$23,197
Due To Other Funds	-	936,129	-	631,074
Due To Other Agencies	1,500	-	-	-
TOTAL LIABILITIES	1,500	936,129	-	654,271
FUND BALANCE				
Undesignated	21,507	(936,129)	47,697	(654,271)
TOTAL FUND BALANCE(DEFICIT)	21,507	(936,129)	47,697	(654,271)
TOTAL LIABILITIES AND FUND BALANCES	\$23,007	\$0	\$47,697	\$0

**CITY OF MINOT, NORTH DAKOTA
 COMBINING BALANCE SHEET
 NONMAJOR CAPITAL PROJECT FUNDS
 DECEMBER 31, 2004
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

ASSETS	LIBRARY	STORM SEWER DEVELOPMENT	TOTAL 2004	TOTAL 2003
Cash And Cash Equivalents	\$0	\$663,447	\$734,151	\$800,548
Accounts Receivable	-	12,742	12,742	9,544
Due From Other Funds	-	-	-	1,314,953
TOTAL ASSETS	\$0	\$676,189	\$746,893	\$2,125,045
LIABILITIES AND FUND BALANCE				
LIABILITIES				
Accounts Payable	\$0	\$0	\$23,197	\$0
Due To Other Funds	54,692	338,532	1,960,427	1,604,285
Due To Other Agencies	-	-	1,500	-
TOTAL LIABILITIES	54,692	338,532	1,985,124	1,604,285
FUND BALANCE				
Undesignated	(54,692)	337,657	(1,238,231)	520,760
TOTAL FUND BALANCE(DEFICIT)	(54,692)	337,657	(1,238,231)	520,760
TOTAL LIABILITIES AND FUND BALANCES	\$0	\$676,189	\$746,893	\$2,125,045

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SERTOMA		
	SPORTS COMPLEX	ASSESSMENT CAPITAL	FIRE EQUIPMENT
REVENUES			
Interest Income	\$416	\$15,783	\$0
Miscellaneous	7,100	53,096	-
TOTAL REVENUES	\$7,516	\$68,879	\$0
EXPENDITURES			
Current			
General Government	\$9,725	\$3,682	\$5,730
Capital Outlay			
Contracted Work	-	80,878	-
Equipment	-	-	-
Legal	-	3,395	-
Other	-	4,302	-
Architect	-	-	-
Acquisitions	-	-	-
Engineering	-	18,954	-
TOTAL EXPENDITURES	9,725	111,211	5,730
Revenues Over (Under) Expenditures	(2,209)	(42,332)	(5,730)
OTHER FINANCING SOURCES (USES)			
Special Assessment Bonds Issued	-	-	-
Transfers IN	-	1,388,617	604,834
Transfers OUT	(4,958)	(3,836,731)	-
TOTAL OTHER FINANCING SOURCES (USES)	(4,958)	(2,448,114)	604,834
Change in Fund Balance	(7,167)	(2,490,446)	599,104
FUND BALANCE(DEFICIT), JANUARY 1	28,674	1,554,317	(551,407)
FUND BALANCE(DEFICIT), DECEMBER 31	\$21,507	(\$936,129)	\$47,697

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
NONMAJOR CAPITAL PROJECT FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	SALES TAX			STORM SEWER		TOTAL	
	CAPITAL	LIBRARY	DEVELOPMENT	2004	2003		
REVENUES							
Property Tax Collections	\$0	\$0	\$11,030	\$27,229	\$12,472		
Miscellaneous	-	3,855	274,849	338,900	336,101		
TOTAL REVENUES	\$0	\$3,855	\$285,879	\$366,129	\$348,573		
EXPENDITURES							
Current							
General Government	\$14,622	\$13,254	\$20,181	\$67,194	\$205,215		
Capital Outlay							
Contracted Work	457,923	-	160,730	699,531	1,614,653		
Equipment	55,385	-	-	55,385	77,273		
Legal	-	-	-	3,395	10,012		
Other	9,008	-	-	13,310	8,638		
Architect	-	-	-	-	30,868		
Acquisitions	10,924	-	83	11,007	-		
Engineering	17,514	-	8,920	45,388	315,255		
TOTAL EXPENDITURES	565,376	13,254	189,914	895,210	2,261,914		
Revenues Over (Under) Expenditures	(565,376)	(9,399)	95,965	(529,081)	(1,913,341)		
OTHER FINANCING SOURCES (USES)							
Special Assessment Bonds Issued	-	-	-	-	2,205,000		
Transfers IN	668,116	-	-	2,661,567	1,149,786		
Transfers OUT	(38,613)	(145)	(11,030)	(3,891,477)	(29,880)		
TOTAL OTHER FINANCING SOURCES (USES)	629,503	(145)	(11,030)	(1,229,910)	3,324,906		
Change in Fund Balance	64,127	(9,544)	84,935	(1,758,991)	1,411,565		
FUND BALANCE(DEFICIT), JANUARY 1	(718,398)	(45,148)	252,722	520,760	(890,805)		
FUND BALANCE(DEFICIT), DECEMBER 31	(\$654,271)	(\$54,692)	\$337,657	(\$1,238,231)	\$520,760		

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

**CITY OF MINOT, NORTH DAKOTA
COMBINING BALANCE SHEET
NONMAJOR PROPRIETARY FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	NON-MAJOR BUSINESS-TYPE ACTIVITIES		TOTAL NONMAJOR PROPRIETARY FUNDS 2004	TOTAL NONMAJOR PROPRIETARY FUNDS 2003
	CEMETERY	PARKING AUTHORITY		
ASSETS				
CURRENT ASSETS				
Cash And Cash Equivalents	\$70,763	\$4,681	\$75,444	\$154,536
Taxes Receivable Delinquent	876	-	876	1,250
Accounts Receivable	18,489	-	18,489	26,177
TOTAL CURRENT ASSETS	90,128	4,681	94,809	181,963
CAPITAL ASSETS				
Land	118,396	136,397	254,793	254,793
Buildings	149,327	183,172	332,499	332,499
Improvements Other Than Buildings	39,526	168,798	208,324	171,241
Machinery And Equipment	128,313	308,713	437,026	444,988
TOTAL CAPITAL ASSETS	435,562	797,080	1,232,642	1,203,521
Less-Accumulated Depreciation	(232,742)	(408,878)	(641,620)	(596,953)
NET CAPITAL ASSETS	202,820	388,202	591,022	606,568
TOTAL ASSETS	\$292,948	\$392,883	\$685,831	\$788,531
LIABILITIES				
CURRENT LIABILITIES				
Due To Other Agencies	\$350	\$600	\$950	\$915
Accrued Vacation Payable	10,535	-	10,535	5,952
Accrued Salaries Payable	2,039	635	2,674	6,109
Bonds Payable-Current	-	60,000	60,000	55,000
Accrued Interest Payable	-	687	687	985
TOTAL CURRENT LIABILITIES	12,924	61,922	74,846	68,961
LONG-TERM LIABILITIES				
Bonds Payable-Long Term	-	65,000	65,000	125,000
TOTAL LIABILITIES	12,924	126,922	139,846	193,961
NET ASSETS				
Invested in Capital Assets, net of related debt	202,820	263,202	466,022	426,568
Restricted for Perpetual Care	38,250	-	38,250	38,250
Restricted for Chapel/Veteran's Memorial	3,542	-	3,542	4,330
Unrestricted	35,412	2,759	38,171	125,422
TOTAL NET ASSETS	\$280,024	\$265,961	\$545,985	\$594,570

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	NON-MAJOR BUSINESS-TYPE ACTIVITIES		TOTAL NONMAJOR PROPRIETARY FUNDS 2004	TOTAL NONMAJOR PROPRIETARY FUNDS 2003
	CEMETERY	PARKING AUTHORITY		
OPERATING REVENUES				
Charges For Services	\$151,105	\$174,464	\$325,569	\$328,037
Miscellaneous	1,475	-	1,475	1,682
TOTAL OPERATING REVENUES	152,580	174,464	327,044	329,719
OPERATING EXPENSES				
Salaries	135,660	56,378	192,038	186,301
Employee Benefits	28,295	12,581	40,876	32,772
Professional Services	52	-	52	-
Property Services	12,081	31,434	43,515	44,993
Purchased Services	4,139	7,023	11,162	9,301
Supplies	10,365	8,766	19,131	20,667
Capital Purchases	-	-	-	1,752
Sundry	22,440	10,718	33,158	30,600
Depreciation	12,383	40,245	52,628	53,586
TOTAL OPERATING EXPENSES	225,415	167,145	392,560	379,972
OPERATING INCOME(LOSS)	(72,835)	7,319	(65,516)	(50,253)
NON-OPERATING REVENUES(EXPENSES)				
State Aid Distribution	1,900	-	1,900	1,900
Telecommunications Tax	450	-	450	450
Property Tax Collections	20,737	-	20,737	19,572
Interest Income	1,521	370	1,891	4,633
Miscellaneous Income	653	-	653	3,103
Interest And Fiscal Charges	-	(9,840)	(9,840)	(13,380)
Miscellaneous Expense	-	-	-	(2,615)
TOTAL NON-OPERATING REVENUES(EXPENSES)	25,261	(9,470)	15,791	13,663
(LOSS) BEFORE CONTRIBUTIONS & TRANSFERS	(47,574)	(2,151)	(49,725)	(36,590)
CAPITAL CONTRIBUTIONS	250	-	250	57,480
TRANSFERS IN	1,479	71	1,550	-
TRANSFERS OUT	(438)	(222)	(660)	(693)
TOTAL CONTRIBUTIONS & TRANSFERS	1,291	(151)	1,140	56,787
CHANGE IN NET ASSETS	(46,283)	(2,302)	(48,585)	20,197
NET ASSETS, JANUARY 1	326,307	268,263	594,570	574,373
NET ASSETS, DECEMBER 31	\$280,024	\$265,961	\$545,985	\$594,570

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

**CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
NONMAJOR PROPRIETARY FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	NON-MAJOR BUSINESS-TYPE ACTIVITIES		TOTAL NONMAJOR PROPRIETARY FUNDS 2004	TOTAL 2003
	CEMETERY	PARKING AUTHORITY		
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 159,167	\$ 174,464	\$ 333,631	\$ 327,125
Payments to suppliers	(47,602)	(58,239)	(105,841)	(106,311)
Payments to employees	(162,032)	(69,734)	(231,766)	(222,371)
Other	35	-	35	-
Net cash provided (used) by operating activities	(50,432)	46,491	(3,941)	(1,557)
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes Received	23,087	-	23,087	22,809
Transfers In	1,479	71	1,550	-
Transfers Out	(438)	(222)	(660)	(693)
Other	653	-	653	-
Net cash provided (used) by noncapital financing activities	24,781	(151)	24,630	22,116
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital Contributions	250	-	250	57,480
Acquisition And Construction Of Capital Assets	-	(37,802)	(37,802)	(50,491)
Principal Paid on Capital Debt	-	(55,000)	(55,000)	(55,000)
Interest Paid on Capital Debt	-	(10,138)	(10,138)	(13,571)
Other	-	1,018	1,018	191
Net cash (used) by capital and related financing activities	250	(101,922)	(101,672)	(61,391)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	1,521	370	1,891	4,633
Net cash provided by investing activities	1,521	370	1,891	4,633
Net (decrease) in cash and cash equivalents	(23,880)	(55,212)	(79,092)	(36,199)
Cash and cash equivalents, January 1	94,643	59,893	154,536	190,735
Cash and cash equivalents, December 31	\$ 70,763	\$ 4,681	\$ 75,444	\$ 154,536
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	(\$72,835)	\$7,319	(\$65,516)	(\$50,652)
Adjustments To Reconcile Operating Income (Loss) To Net Cash Provided By Operating Activities				
Depreciation Expense	12,383	40,245	52,628	53,586
Change In Assets And Liabilities				
Receivables, net	8,062	-	8,062	(912)
Due To Other Agencies	35	-	35	610
Accrued Vacation Payable	4,583	-	4,583	(3,124)
Accrued Salaries Payable	(2,660)	(775)	(3,435)	(774)
Accrued Interest Payable	-	(298)	(298)	(291)
NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES	(50,432)	46,491	(3,941)	(1,557)

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

City of Minot, North Dakota
 Combining Statement of Net Assets
 Internal Service Funds
 December 31, 2004
 with Comparative Totals for December 31, 2003

	CENTRAL GARAGE	SELF INSURANCE	TOTAL 2004	TOTAL 2003
ASSETS				
CURRENT ASSETS				
Cash and cash equivalents	\$ -	\$ 1,091,274	\$ 1,091,274	\$ 977,371
Accounts Receivable	6,183	-	6,183	1,439
Due From Other Funds		32,941	32,941	44,248
Merchandise Inventory	285,488	-	285,488	310,989
Total Assets	<u>291,671</u>	<u>1,124,215</u>	<u>1,415,886</u>	<u>1,334,047</u>
LIABILITIES				
Accounts Payable	-	-	-	380
Due To Other Funds	32,941	-	32,941	44,248
Insurance Claims Payable	-	74,249	74,249	85,458
Total Liabilities	<u>32,941</u>	<u>74,249</u>	<u>107,190</u>	<u>130,086</u>
NET ASSETS				
Unrestricted	258,730	1,049,966	1,308,696	1,203,961
TOTAL NET ASSETS	<u>\$ 258,730</u>	<u>\$ 1,049,966</u>	<u>\$ 1,308,696</u>	<u>\$ 1,203,961</u>

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET ASSETS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	CENTRAL GARAGE	SELF INSURANCE	TOTAL 2004	TOTAL 2003
OPERATING REVENUES				
Sales	\$387,253	\$0	\$387,253	\$368,396
Cost of Goods Sold	(361,263)	-	(361,263)	(356,326)
Gross Margin On Sales	25,990	-	25,990	12,070
Charges For Services				
Employer	-	1,013,882	1,013,882	950,495
Employee	-	495,389	495,389	468,983
TOTAL OPERATING REVENUES	25,990	1,509,271	1,535,261	1,431,548
OPERATING EXPENSES				
Supplies	35,060	-	35,060	5,436
Insurance Claims	-	1,412,825	1,412,825	1,225,410
TOTAL OPERATING EXPENSES	35,060	1,412,825	1,447,885	1,230,846
OPERATING INCOME (LOSS)	(9,070)	96,446	87,376	200,702
NON-OPERATING REVENUES(EXPENSES)				
Interest Income	-	17,225	17,225	24,065
Miscellaneous Income	-	17,359	17,359	35,765
Interest And Fiscal Charges	(552)	-	(552)	(666)
Miscellaneous Expense	-	-	-	(51)
TOTAL NON-OPERATING REVENUES(EXPENSES)	(552)	34,584	34,032	59,113
INCOME (LOSS) BEFORE TRANSFERS	(9,622)	131,030	121,408	259,815
TRANSFERS IN	552	-	552	666
TRANSFERS OUT	-	(17,225)	(17,225)	(24,065)
TOTAL TRANSFERS IN (OUT)	552	(17,225)	(16,673)	(23,399)
CHANGE IN NET ASSETS	(9,070)	113,805	104,735	236,416
NET ASSETS, JANUARY 1	267,800	936,161	1,203,961	967,545
NET ASSETS, DECEMBER 31	\$258,730	\$1,049,966	\$1,308,696	\$1,203,961

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

**CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	CENTRAL GARAGE	SELF INSURANCE	TOTAL 2004	TOTAL 2003
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$ 408,010	\$ 1,509,271	\$ 1,917,281	\$ 1,763,223
Payments to suppliers	(396,703)	(11,209)	(407,912)	(331,758)
Payments to employees	-	(1,412,825)	(1,412,825)	(1,225,410)
Internal activity - payments from (to) other funds	(11,307)	11,307	-	(4,193)
Net cash provided by operating activities	-	96,544	96,544	201,862
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers In	552	-	552	666
Transfers Out	-	(17,225)	(17,225)	(24,065)
Other	-	17,359	17,359	-
Net cash provided (used) by noncapital financing activities	552	134	686	(23,399)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest Paid on Capital Debt	(552)	-	(552)	(666)
Net cash (used) by capital and related financing activities	(552)	-	(552)	(666)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	-	17,225	17,225	24,065
Net cash provided by investing activities	-	17,225	17,225	24,065
Net increase in cash and cash equivalents	-	113,903	113,903	201,862
Cash and cash equivalents, January 1	-	977,371	977,371	775,509
Cash and cash equivalents, December 31	\$ -	\$ 1,091,274	\$ 1,091,274	\$ 977,371
RECONCILIATION OF OPERATING INCOME(LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income	(\$9,070)	\$96,446	\$87,376	\$236,416
Adjustments To Reconcile Operating Income To Net Cash Provided (Used) By Operating Activities				
Change In Assets And Liabilities				
Receivables, net	(4,744)	-	(4,744)	(870)
Merchandise Inventory	25,501	-	25,501	(23,781)
Accounts Payable	(380)	-	(380)	(22,336)
Insurance Claims Payable	-	(11,209)	(11,209)	16,626
Due To (From) Other Funds	(11,307)	11,307	-	(4,193)
NET CASH PROVIDED BY OPERATING ACTIVITIES	-	96,544	96,544	201,862

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

City of Minot, North Dakota
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2004
With Comparative Totals For December 31, 2003

	City Employee Pension Plan	Police Pension Plan	Total 2004	Total 2003
ASSETS				
Cash and cash equivalents	\$ 55,153	\$ 94,494	\$ 149,647	\$ 507,528
Investments-U.S. Government Securities	34,859,907	10,706,309	45,566,216	43,493,364
Accrued Interest Receivable	393,335	116,589	509,924	570,405
Total Assets	<u>35,308,395</u>	<u>10,917,392</u>	<u>46,225,787</u>	<u>44,571,297</u>
NET ASSETS				
Held in trust for pension benefits and other purposes	35,308,395	10,917,392	46,225,787	44,571,297
TOTAL NET ASSETS	<u>\$ 35,308,395</u>	<u>\$ 10,917,392</u>	<u>\$ 46,225,787</u>	<u>\$ 44,571,297</u>

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

**CITY OF MINOT, NORTH DAKOTA
 COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET ASSETS
 FIDUCIARY FUNDS
 FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	CITY EMPLOYEE PENSION PLAN	POLICE PENSION PLAN	TOTAL 2004	TOTAL 2003
ADDITIONS				
Contributions:				
Employer	\$1,012,873	\$369,459	\$1,382,332	\$1,104,299
Employee	1,045,527	364,340	1,409,867	881,699
Total Contributions	2,058,400	733,799	2,792,199	1,985,998
Investment earnings:				
Interest	1,783,368	514,655	2,298,023	2,353,505
Net increase(decrease) in the fair value of investments	(19,267)	(14,502)	(33,769)	(2,290,958)
Total Investment earnings	1,764,101	500,153	2,264,254	62,547
Less investment expense	200,520	68,325	268,845	203,846
Net Investment earnings	1,563,581	431,828	1,995,409	(141,299)
TOTAL ADDITIONS	3,621,981	1,165,627	4,787,608	1,844,699
DEDUCTIONS:				
Benefits Paid to Participants	2,294,880	537,897	2,832,777	2,120,300
Refunds	27,474	26,591	54,065	121,289
Administrative Expenses	165,801	80,475	246,276	173,525
TOTAL DEDUCTIONS	2,488,155	644,963	3,133,118	2,415,114
Change in Net Assets	1,133,826	520,664	1,654,490	(570,415)
Net Assets - January 1	34,174,569	10,396,728	44,571,297	45,141,712
Net Assets- December 31	\$35,308,395	\$10,917,392	\$46,225,787	\$44,571,297

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

CITY OF MINOT, NORTH DAKOTA
COMBINING STATEMENT OF NET ASSETS
AGENCY FUNDS
DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003

	AGENCY FUNDS				TOTAL 2004	TOTAL 2003
	PAYROLL DEDUCTIONS	EMPLOYER SOCIAL SECURITY	HOTEL/ MOTEL TAX	CDBG PASS- THROUGH		
ASSETS						
Cash And Cash Equivalents	\$108,956	\$0	\$26,731	\$26,297	\$161,984	\$208,970
Taxes Receivable Delinquent	-	2,281	-	-	2,281	5,417
TOTAL ASSETS	\$108,956	\$2,281	\$26,731	\$26,297	\$164,265	\$214,387
LIABILITIES						
Due To Other Funds	\$0	\$0	\$0	\$0	\$0	\$114,498
Due To Other Agencies	108,956	-	26,731	26,297	161,984	95,988
Other Deferred Credits	-	2,281	-	-	2,281	3,901
TOTAL LIABILITIES	\$108,956	\$2,281	\$26,731	\$26,297	\$164,265	\$214,387

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

**CITY OF MINOT, NORTH DAKOTA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	JANUARY 1	ADDITIONS	DELETIONS	DECEMBER 31
PAYROLL DEDUCTIONS				
ASSETS				
Cash And Cash Equivalents	\$ 46,068	\$ 2,575,420	\$ 2,512,532	\$ 108,956
LIABILITIES				
Accounts Payable	-	745,027	745,027	-
Due To Other Agencies	46,068	2,512,718	2,449,830	108,956
TOTAL LIABILITIES	46,068	3,257,745	3,194,857	108,956
EMPLOYER SOCIAL SECURITY				
ASSETS				
Cash And Cash Equivalents	-	65,790	65,790	-
Taxes Receivable Delinquent	2,882	65,919	66,520	2,281
TOTAL ASSETS	2,882	131,709	132,310	2,281
LIABILITIES				
Due To Other Funds	772	-	772	-
Other Deferred Credits	2,110	65,680	65,509	2,281
TOTAL LIABILITIES	2,882	65,680	66,281	2,281
C.O.L.A.F.				
ASSETS				
Cash And Cash Equivalents	112,982	234,985	347,967	-
Taxes Receivable Delinquent	2,535	6	2,541	-
TOTAL ASSETS	115,517	234,991	350,508	-
LIABILITIES				
Accounts Payable	-	20,447	20,447	-
Due To Other Funds	113,726	-	113,726	-
Due To Other Agencies	-	243,714	243,714	-
Other Deferred Credits	1,791	2,611	4,402	-
TOTAL LIABILITIES	115,517	266,772	382,289	-
COMMISSION ON AGING				
ASSETS				
Cash And Cash Equivalents	-	88,051	88,051	-
LIABILITIES				
Due To Other Agencies	-	88,051	88,051	-
TOTAL LIABILITIES	-	88,051	88,051	-

**CITY OF MINOT, NORTH DAKOTA
AGENCY FUNDS
COMBINING STATEMENT OF CHANGES IN ASSETS AND LIABILITIES
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004
WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

	JANUARY 1	ADDITIONS	DELETIONS	DECEMBER 31
HOTEL/MOTEL TAX				
ASSETS				
Cash And Cash Equivalents	\$24,212	\$377,262	\$374,743	\$26,731
LIABILITIES				
Due to Other Agencies	24,212	377,262	374,743	26,731
CDBG PASSTHROUGH				
ASSETS				
Cash And Cash Equivalents	25,708	178,461	177,872	26,297
LIABILITIES				
Due To Other Agencies	25,708	178,461	177,872	26,297
TOTAL 2004				
ASSETS				
Cash And Cash Equivalents	\$208,970	\$3,519,969	\$3,566,955	\$161,984
Taxes Receivable Delinquent	5,417	65,925	69,061	2,281
TOTAL ASSETS	\$214,387	\$3,585,894	\$3,636,016	\$164,265
LIABILITIES				
Accounts Payable	\$0	\$765,474	\$765,474	\$0
Due To Other Funds	114,498	-	114,498	-
Due To Other Agencies	95,988	3,400,206	3,334,210	161,984
Other Deferred Credits	3,901	68,291	69,911	2,281
TOTAL LIABILITIES	\$214,387	\$4,233,971	\$4,284,093	\$164,265
TOTAL 2003				
ASSETS				
Cash And Cash Equivalents	\$113,713	\$3,553,082	\$3,457,825	\$208,970
Investments	100,000	-	100,000	-
Taxes Receivable Delinquent	5,869	123,089	123,541	5,417
TOTAL ASSETS	\$219,582	\$3,676,171	\$3,681,366	\$214,387
LIABILITIES				
Accounts Payable	\$0	\$929,876	\$929,876	\$0
Due To Other Funds	876	114,498	876	114,498
Due To Other Agencies	213,713	3,354,815	3,472,540	95,988
Other Deferred Credits	4,993	123,921	125,013	3,901
TOTAL LIABILITIES	\$219,582	\$4,523,110	\$4,528,305	\$214,387

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

**CITY OF MINOT, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE BY SOURCE
DECEMBER 31, 2004 AND 2003**

Governmental funds capital assets	2004	2003
Land	\$4,909,325	\$4,909,325
Buildings	11,449,812	6,821,053
Improvements Other Than Buildings	1,069,103	700,783
Equipment	8,167,601	7,741,270
Infrastructure	46,840,033	38,703,301
Books	3,769,280	3,626,719
Construction in Progress	17,704,135	21,284,013
Total governmental funds capital assets	\$93,909,289	\$83,786,464

Investments in governmental funds capital assets by source

Capital Project Funds		
G.O. Bonds and Levies	\$6,511,998	\$6,024,628
Sales Tax Revenue Bonds	190,916	190,916
Federal Grants	45,081,269	36,386,362
State Grants	1,037,022	1,037,022
County Grants	214,124	214,124
Contributions From Others	18,914,746	19,303,753
General Fund	6,479,057	5,792,931
Special Revenue	13,347,668	12,704,239
Urban Renewal	465,739	465,739
Enterprise Fund	1,666,750	1,666,750
Total governmental funds capital assets	\$93,909,289	\$83,786,464

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

**CITY OF MINOT, NORTH DAKOTA
 CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
 SCHEDULE BY FUNCTION AND ACTIVITY
 AS OF DECEMBER 31, 2004
 WITH COMPARATIVE TOTALS FOR DECEMBER 31, 2003**

FUNCTION OR ACTIVITY	LAND	BUILDINGS	IMPROVEMENTS	EQUIPMENT	INFRASTRUCTURE	BOOKS	CONSTRUCTION	T		
							IN PROGRESS	2004	2003	
GENERAL GOVERNMENT										
Manager	\$0	\$0	\$0	\$1,824	\$0	\$0	\$0	\$1,824	\$1,824	
Clerk	-	-	-	1,018	-	-	-	1,018	1,018	
Civic Center/Property Maintenance	49,374	3,429,528	-	70,072	-	-	-	3,548,974	1,473,974	
Personnel	-	-	-	1,395	-	-	-	1,395	1,395	
Finance	-	-	-	12,925	-	-	-	12,925	12,925	
Assessor	-	-	-	63,414	-	-	-	63,414	63,414	
Engineering	-	-	-	163,865	-	-	-	163,865	193,933	
Inspection	-	-	-	128,806	-	-	-	128,806	115,226	
Traffic Control	-	-	-	206,437	4,745,418	-	-	4,951,855	4,382,826	
Public Works	-	1,432,856	-	27,483	-	-	-	1,460,339	1,497,213	
General	4,186,089	120,425	1,590	-	-	-	17,704,135	22,012,239	25,592,117	
TOTAL GENERAL GOVERNMENT	4,235,463	4,982,809	1,590	677,239	4,745,418	-	17,704,135	32,346,654	33,335,865	
PUBLIC SAFETY										
Police	-	35,920	-	1,847,212	-	-	-	1,883,132	1,892,511	
Fire	243,861	2,164,886	-	2,188,672	-	-	-	4,597,419	4,407,691	
TOTAL PUBLIC SAFETY	243,861	2,200,806	-	4,035,884	-	-	-	6,480,551	6,300,202	
STREET										
	-	32,582	-	1,746,892	42,094,615	-	-	43,874,089	36,265,704	
SHOP										
	-	-	7,815	108,178	-	-	-	115,993	138,729	
LIBRARY										
	7,624	3,128,993	-	76,197	-	3,769,280	-	6,982,094	4,500,776	
PUBLIC TRANSPORTATION										
	-	396,243	-	1,121,658	-	-	-	1,517,901	1,278,293	
AUDITORIUM										
	398,427	493,379	-	262,825	-	-	-	1,154,631	1,154,631	
RECREATION										
	23,950	215,000	1,059,698	138,728	-	-	-	1,437,376	812,264	
Total governmental funds										
capital assets	\$4,909,325	\$11,449,812	\$1,069,103	\$8,167,601	\$46,840,033	\$3,769,280	\$17,704,135	\$93,909,289	\$83,786,464	

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

**CITY OF MINOT, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
SCHEDULE OF CHANGES BY FUNCTION AND ACTIVITY
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004**

Function and Activity	GOVERNMENTAL FUNDS CAPITAL ASSETS JANUARY 1	ADDITIONS	DELETIONS	GOVERNMENTAL FUNDS CAPITAL ASSETS DECEMBER 31
GENERAL GOVERNMENT				
Manager	\$1,824	\$0	\$0	\$1,824
Clerk	1,018	-	-	1,018
Civic Center/Property Maintenance	1,473,974	2,075,000	-	3,548,974
Personnel	1,395	-	-	1,395
Finance/Band	12,925	-	-	12,925
Assessor	63,414	-	-	63,414
Engineering	193,933	21,163	51,231	163,865
Inspection	115,226	64,989	51,409	128,806
Traffic Control	4,382,826	569,029	-	4,951,855
Public Works	1,497,213	-	36,874	1,460,339
General	25,592,117	3,809,842	7,389,720	22,012,239
TOTAL GENERAL GOVERNMENT	33,335,865	6,540,023	7,529,234	32,346,654
PUBLIC SAFETY				
Police	1,892,511	213,156	222,535	1,883,132
Fire	4,407,691	202,589	12,861	4,597,419
TOTAL PUBLIC SAFETY	6,300,202	415,745	235,396	6,480,551
STREET	36,265,704	7,652,812	44,427	43,874,089
SHOP	138,729	-	22,736	115,993
LIBRARY	4,500,776	2,481,318	-	6,982,094
PUBLIC TRANSPORTATION	1,278,293	239,608	-	1,517,901
AUDITORIUM	1,154,631	-	-	1,154,631
RECREATION	812,264	626,912	1,800	1,437,376
Total governmental funds capital assets	\$83,786,464	\$17,956,418	\$7,833,593	\$93,909,289

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

CITY OF MINOT, NORTH DAKOTA
CAPITAL ASSETS USED IN THE OPERATION OF GOVERNMENTAL FUNDS
COMPARATIVE SCHEDULE OF CHANGES IN GOVERNMENTAL CAPITAL ASSETS BY SOURCE
FOR THE FISCAL YEAR ENDED DECEMBER 31, 2004 AND 2003

	LAND	BUILDINGS	IMPROVEMENTS	EQUIPMENT	INFRASTRUCTURE	BOOKS	CONSTRUCTION IN PROGRESS	2004	2003
GOVERNMENTAL FUNDS CAPITAL ASSETS JANUARY 1,	\$4,909,325	\$6,821,053	\$700,783	\$7,741,270	\$38,703,301	\$3,626,719	\$21,284,013	\$83,786,464	\$65,964,955
ADDITIONS									
Expenditures From:									
Capital Project Funds	-	4,628,759	368,320	-	7,647,792	-	3,716,304	16,361,175	17,491,609
General Fund	-	-	-	13,445	477,645	-	-	491,090	798,219
Special Revenue	-	-	-	683,482	11,295	142,561	93,538	930,876	298,338
Enterprise Funds	-	-	-	-	-	-	-	-	17,528
General Fund Transfers	-	-	-	173,277	-	-	-	173,277	969,056
TOTAL ADDITIONS	-	4,628,759	368,320	870,204	8,136,732	142,561	3,809,842	17,956,418	19,574,750
TOTAL BALANCE AND ADDITIONS	4,909,325	11,449,812	1,069,103	8,611,474	46,840,033	3,769,280	25,093,855	101,742,882	85,539,705
DEDUCTIONS									
Fixed Assets Traded	-	-	-	22,170	-	-	-	22,170	41,250
Fixed Assets Sold	-	-	-	198,499	-	-	-	198,499	154,214
Capitalized	-	-	-	-	-	-	7,389,720	7,389,720	457,102
Written Off	-	-	-	-	-	-	-	-	109,169
Transferred To Enterprise	-	-	-	49,927	-	-	-	49,927	22,450
General Fund Transfers	-	-	-	173,277	-	-	-	173,277	969,056
TOTAL DEDUCTIONS	-	-	-	443,873	-	-	7,389,720	7,833,593	1,753,241
GENERAL FIXED ASSETS DECEMBER 31,	\$4,909,325	\$11,449,812	\$1,069,103	\$8,167,601	\$46,840,033	\$3,769,280	\$17,704,135	\$93,909,289	\$83,786,464

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

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

	Fiscal Year			
	2001**	2002	2003	2004
Governmental Activities				
Invested in capital assets, net of related debt	\$ (4,132,706)	\$ 27,618,820	\$ 31,309,332	\$ 51,958,589
Restricted				
Debt Service	136,142	1,021,187	1,373,926	944,364
Capital Projects	6,286,203	8,403,858	11,116,994	11,118,792
Unrestricted	16,068,448	9,415,049	19,164,126	11,114,418
Total governmental activities net assets	\$ 18,358,087	\$ 46,458,914	\$ 62,964,378	\$ 75,136,163
Business-Type Activities				
Invested in capital assets, net of related debt	\$ 37,972,659	\$ 50,309,487	\$ 53,280,312	\$ 51,899,651
Restricted	39,605	40,182	42,580	41,792
Unrestricted	5,482,401	5,050,928	6,282,767	4,525,305
Total business-type activities net assets	\$ 43,494,665	\$ 55,400,597	\$ 59,605,659	\$ 56,466,748
Primary government				
Invested in capital assets, net of related debt	\$ 33,839,953	\$ 77,928,307	\$ 84,589,644	\$ 103,858,240
Restricted	6,461,950	9,465,227	12,533,500	12,104,948
Unrestricted	21,550,849	14,465,977	25,446,893	15,639,723
Total primary government net assets	\$ 61,852,752	\$ 101,859,511	\$ 122,570,037	\$ 131,602,911

*This report is new with the 2004 CAFR, and these line items have only been available since we implemented GABS #34 with our fiscal year ended December 31, 2001.

**Fixed Assets were not included in 2001, they were included starting in 2002.

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

	Fiscal Year			
	2001	2002	2003	2004
Expenses				
Governmental activities:				
General Government	\$ 6,703,291	\$ 8,994,383	\$ 7,504,143	\$ 11,754,173
Public Safety	6,349,105	6,614,253	7,046,392	7,596,040
Highways and Streets	2,431,141	3,771,929	2,500,445	3,942,303
Culture and Recreation	1,937,281	1,757,139	2,067,089	2,440,820
Community Development	2,717,852	35,641	587,920	645,376
Interest on Long-term Debt	900,023	934,073	899,139	779,285
Total governmental activities expenses	<u>21,038,693</u>	<u>22,107,418</u>	<u>20,605,128</u>	<u>27,157,997</u>
Business-type activities:				
Airport	1,889,375	1,763,660	1,893,121	2,307,295
Cemetery	214,164	222,538	213,527	225,415
Parking Authority	174,108	170,617	182,440	176,985
Sanitation	1,649,318	1,633,854	1,823,056	2,397,135
Water and Sewer	6,017,143	6,146,502	6,560,712	7,283,610
Total business-type activities expenses	<u>9,944,108</u>	<u>9,937,171</u>	<u>10,672,856</u>	<u>12,390,440</u>
Total Government expenses	<u>\$ 30,982,801</u>	<u>\$ 32,044,589</u>	<u>\$ 31,277,984</u>	<u>\$ 39,548,437</u>
Program Revenues				
Governmental activities:				
Charges for Services:				
General Government	2,929,596	3,531,166	3,867,504	4,567,494
Public Safety	559,843	547,670	877,607	820,566
Highways and Streets	5,696	10,196	39,946	43,046
Culture and Recreation	11,792	11,652	45,652	49,195
Operating Grants and contributions				
General Government	1,534,042	289,859	937,622	816,833
Public Safety	136,276	144,039	86,394	95,886
Highways and Streets	-	-	-	2,619,461
Capital Grants and contributions				
General Government	1,478,747	1,379,845	1,327,028	533,831
Highways and Streets	-	-	8,139,850	4,425,385
Total governmental activities program revenues	<u>6,655,992</u>	<u>5,914,427</u>	<u>15,321,603</u>	<u>13,971,697</u>
Business-type activities:				
Charges for Services:				
Airport	870,528	934,580	972,965	892,093
Cemetery	148,694	172,217	155,278	152,580
Parking Authority	193,422	187,177	174,441	174,464
Sanitation	1,992,773	1,849,448	1,984,815	1,830,479
Water and Sewer	6,082,779	6,120,192	6,416,265	6,849,133
Operating Grants and contributions				
Airport	167,182	283,684	283,152	293,426
Capital Grants and contributions				
Airport	4,899,936	5,229,442	1,992,422	150,557
Cemetery	-	606	2,880	250
Parking Authority	-	-	54,600	-
Water and Sewer	-	129,097	2,990,415	628,482
Total business-type activities program revenues	<u>14,355,314</u>	<u>14,906,443</u>	<u>15,027,233</u>	<u>10,971,464</u>
Total Government Program Revenues	<u>\$ 21,011,306</u>	<u>\$ 20,820,870</u>	<u>\$ 30,348,836</u>	<u>\$ 24,943,161</u>

Net (expense)/revenue				
Governmental activities	\$ (14,382,701)	\$ (16,192,991)	\$ (5,283,525)	\$ (13,186,300)
Business-type activities	4,411,206	4,969,272	4,354,377	(1,418,976)
Total Government net expense	<u>\$ (9,971,495)</u>	<u>\$ (11,223,719)</u>	<u>\$ (929,148)</u>	<u>\$ (14,605,276)</u>

General Revenues and Other Changes in Net Assets

Governmental activities:

Taxes				
Property Taxes, levied for general purposes	\$ 5,890,594	\$ 6,121,577	\$ 6,333,804	\$ 6,412,849
Property Taxes, levied for debt service	953,223	853,386	954,337	1,042,433
Sales Taxes	8,993,959	9,668,627	9,537,654	10,127,486
State Aid Distribution	1,083,818	1,068,268	1,062,948	1,224,252
Municipal Highway Tax	1,443,352	1,490,695	1,454,460	1,483,320
Franchise Taxes	259,244	269,602	299,824	348,130
Other Taxes	280,398	656,423	326,351	301,605
Grants and contributions not restricted to specific programs				
Investment earnings	848,083	876,509	627,567	329,216
Miscellaneous	957,633	1,050,349	713,914	1,992,462
Transfers	172,516	434,927	478,130	2,096,332
Total governmental activities	<u>20,882,820</u>	<u>22,490,363</u>	<u>21,788,989</u>	<u>25,358,085</u>

Business-type activities:

Taxes				
Property Taxes, levied for general purposes	130,384	78,317	82,585	21,221
State Aid Distribution	3,800	3,800	3,800	3,800
Other Taxes	247,015	198,737	102,183	199,379
Investment earnings	278,405	189,444	119,508	102,814
Miscellaneous	23,652	25,300	20,739	49,183
Transfers	(172,516)	(434,927)	(478,130)	(2,096,332)
Total business-type activities	<u>510,740</u>	<u>60,671</u>	<u>(149,315)</u>	<u>(1,719,935)</u>
Total Government	<u>\$ 21,393,560</u>	<u>\$ 22,551,034</u>	<u>\$ 21,639,674</u>	<u>\$ 23,638,150</u>

Change in Net Assets

Governmental activities	\$ 6,500,119	\$ 6,297,372	\$ 16,505,464	\$ 12,171,785
Business-type activities	4,921,946	5,029,943	4,205,062	(3,138,911)
Total Government ¹	<u>\$ 11,422,065</u>	<u>\$ 11,327,315</u>	<u>\$ 20,710,526</u>	<u>\$ 9,032,874</u>

*This report is new with the 2004 CAFR, and these line items have only been available since we implemented GABS #34 with our fiscal year ended December 31, 2001.

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

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

Fiscal Year	Property Tax levied for general purposes	Property Tax levied for debt service	Sales Tax	State Aid Distribution	Municipal Highway Tax	Franchise Tax	Other Tax	TOTAL
1995	\$ 4,237,547	\$ 972,001	\$ 3,823,590	\$ 622,349	\$ 1,189,739	\$ 183,341	\$ 238,419	\$ 11,266,986
1996	4,306,244	1,108,259	4,145,724	757,394	1,285,971	188,428	329,789	12,121,809
1997	4,664,237	1,004,097	4,217,675	847,816	1,329,298	250,528	298,613	12,612,264
1998	4,927,643	1,050,773	7,743,783 *	614,762	1,356,831	224,331	312,851	16,230,974
1999	5,144,145	1,175,051	8,653,896	1,395,419 **	1,349,527	261,032	451,319	18,430,389
2000	5,439,739	1,035,445	9,070,485	970,413	1,408,596	258,444	334,914	18,518,036
2001	5,890,594	953,223	8,993,959	1,083,818	1,443,352	259,244	280,398	18,904,588
2002	6,121,577	853,386	9,668,627	1,068,268	1,490,695	269,602	656,423	20,128,578
2003	6,333,804	954,337	9,537,654	1,062,948	1,454,460	299,824	326,351	19,969,378
2004	6,412,849	1,042,433	10,127,486	1,224,252	1,483,320	348,130	301,605	20,940,075

*Sales Tax increased from 1% to 2%, with the additional 1% dedicated to the Northwest Area Water Supply Project

**State legislature replaced Personal Property Replacement and State Revenue Sharing with State Aid Distribution and changed the allocation formula.

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Fund										
Reserved	\$ 8,710	\$ 3,000	\$ -	\$ 25,396	\$ 6,030	\$ 11,254	\$ 27,481	\$ 29,902	\$ 25,417	\$ 5,021
Unreserved	2,128,040	2,472,008	2,734,370	2,735,730	3,270,512	3,487,537	3,033,506	2,965,453	2,624,002	2,167,158
Total general fund	<u>\$ 2,136,750</u>	<u>\$ 2,475,008</u>	<u>\$ 2,734,370</u>	<u>\$ 2,761,126</u>	<u>\$ 3,276,542</u>	<u>\$ 3,498,791</u>	<u>\$ 3,060,987</u>	<u>\$ 2,995,355</u>	<u>\$ 2,649,419</u>	<u>\$ 2,172,179</u>
All other governmental funds										
Reserved	\$ 4,972,805	\$ 2,392,454	\$ 3,990,452	\$ 4,320,227	\$ 6,958,580	\$ 9,883,911	\$ 11,826,051	\$ 12,552,412	\$ 15,283,772	\$ 13,393,529
Unreserved, reported in:										
Special Revenue funds	4,209,618	3,685,915	4,747,075	3,885,147	(1,160,684)	(1,915,420)	(2,983,225)	(2,583,340)	(3,033,771)	3,180,398
Debt Service funds	(367,930)	1,009,853	1,551,102	1,718,654	1,485,074	958,880	136,142	1,021,187	1,373,926	944,364
Capital Project funds	1,516,832	449,735	(3,371,664)	1,181,490	1,160,624	(816,927)	395,947	(351,234)	520,760	(1,238,231)
Total all other governmental funds	<u>\$ 10,331,325</u>	<u>\$ 7,537,957</u>	<u>\$ 6,916,965</u>	<u>\$ 11,105,518</u>	<u>\$ 8,443,594</u>	<u>\$ 8,110,444</u>	<u>\$ 9,374,915</u>	<u>\$ 10,639,025</u>	<u>\$ 14,144,687</u>	<u>\$ 16,280,060</u>

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001*	2002	2003	2004
Revenues										
Property Taxes	\$ 5,209,548	\$ 5,414,503	\$ 5,668,334	\$ 5,978,416	\$ 6,319,196	\$ 6,475,184	\$ 6,775,332	\$ 6,912,390	\$ 7,221,351	\$ 7,393,732
Special Assessment Collections	868,241	593,386	442,371	894,266	568,052	604,724	644,304	826,078	916,817	833,144
Sales Tax Collections	3,823,590	4,145,724	4,217,675	7,743,783	8,653,896	9,070,485	8,993,959	9,668,627	9,537,654	10,127,486
Licenses and Permits	395,493	391,814	440,995	416,617	405,167	384,335	344,806	345,873	413,553	502,408
Intergovernmental	2,666,755	3,061,097	3,261,562	3,069,985	4,319,092	4,264,213	5,123,131	4,296,948	13,510,969	7,379,165
Charges for Services	1,705,094	2,043,099	2,000,965	2,193,586	2,412,986	2,720,102	2,295,849	2,889,849	2,983,946	3,558,377
Fines and Forfeits	342,345	410,071	388,098	400,258	312,727	381,848	444,103	431,493	573,961	493,287
Contributions From Others	279,047	276,097	4,175	162,705	-	-	-	-	-	-
Interest Income	1,134,959	1,062,896	982,910	1,016,488	861,129	1,004,368	848,083	876,509	604,167	329,216
Rental Income	5,010	6,757	6,088	6,309	-	-	-	-	-	-
Miscellaneous	271,111	494,926	424,640	219,801	821,920	695,650	957,633	1,050,349	713,914	1,992,462
Total Revenues	\$ 16,701,193	\$ 17,900,370	\$ 17,837,813	\$ 22,102,214	\$ 24,674,165	\$ 25,600,909	\$ 26,427,200	\$ 27,298,116	\$ 36,476,332	\$ 32,609,277
Expenditures										
General Government	\$ 3,270,300	\$ 3,569,444	\$ 3,757,944	\$ 3,928,735	\$ 4,034,087	\$ 4,255,155	\$ 6,526,829	\$ 8,672,981	\$ 7,341,323	\$ 11,496,187
Public Safety	4,254,740	4,490,802	4,735,115	5,015,102	5,306,975	5,506,917	6,084,587	6,349,779	6,758,687	7,231,044
Highways and Streets	1,135,921	1,295,346	1,299,316	1,240,112	1,458,095	2,309,631	2,322,209	2,587,407	2,385,232	2,525,080
Culture and Recreation	1,312,345	1,335,825	1,426,233	1,475,756	1,419,019	1,467,580	1,901,854	1,614,088	1,789,177	2,147,590
Economic Development	1,091,195	3,645,735	12,539	2,357,862	4,957,879	2,136,108	2,717,852	35,641	587,920	645,376
Bad Debt	95,000	-	-	-	-	-	-	-	-	-
Capital Outlay	3,183,914	5,435,746	7,223,960	6,672,282	5,687,241	7,258,744	4,495,259	4,354,636	16,471,332	5,602,326
Debt Retirement										
Principal	2,160,000	1,725,000	1,910,000	2,075,000	2,255,002	2,375,000	2,510,000	4,870,800	2,435,000	2,620,000
Interest and Fiscal Charges	678,278	521,069	586,576	807,508	718,833	789,751	760,948	917,496	929,669	796,546
Intergovernmental	397,685	124,918	13,379	10,610	4,058,835	1,481,456	-	-	-	-
Total Expenditures	\$ 17,579,378	\$ 22,143,885	\$ 20,965,062	\$ 23,582,967	\$ 29,895,966	\$ 27,580,342	\$ 27,319,538	\$ 29,402,828	\$ 38,698,340	\$ 33,064,149
Excess of revenues (under) expenditures	(878,185)	(4,243,515)	(3,127,249)	(1,480,753)	(5,221,801)	(1,979,433)	(892,338)	(2,104,712)	(2,222,008)	(454,872)
Other Financing Sources (Uses)										
G.O. Bonds Issued	1,465,000	2,580,000	-	5,460,000	3,380,000	1,780,000	1,530,000	2,850,000	2,675,000	-
Proceeds from Loan Issue	-	-	2,000,000	63,489	-	-	-	-	-	-
Special Assessment Bonds Issued	-	-	-	-	-	-	1,740,000	-	2,205,000	-
Premium (Discount) on Debt Issued	-	-	-	-	-	-	-	(4,759)	205	-
Principal Retirement on Current Refunding	2,835,000	-	-	-	-	-	(1,725,000)	-	-	-
Payment to Refunded Escrow Agent	(2,875,000)	-	-	-	-	-	-	-	-	-
Transfers In	1,183,607	2,157,764	3,376,227	3,033,616	4,077,239	3,573,953	3,940,832	6,409,948	3,751,138	10,739,674
Transfers Out	(1,592,916)	(2,884,606)	(3,716,518)	(2,861,043)	(4,381,946)	(3,485,421)	(3,766,827)	(5,951,999)	(3,249,609)	(8,626,669)
Total Other Financing Sources (Uses)	1,015,691	1,853,158	1,659,709	5,696,062	3,075,293	1,868,532	1,719,005	3,303,190	5,381,734	2,113,005
Net Change in Fund Balances	\$ 137,506	\$ (2,390,357)	\$ (1,467,540)	\$ 4,215,309	\$ (2,146,508)	\$ (110,901)	\$ 826,667	\$ 1,198,478	\$ 3,159,726	\$ 1,658,133
Debt service as a percentage of noncapital expenditures	19.7%	13.4%	18.2%	17.0%	12.3%	15.6%	14.3%	23.1%	15.1%	12.4%

*GASB 34 implemented in 2001

CITY OF MINOT, NORTH DAKOTA
 ASSESSED VALUE AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
 LAST TEN FISCAL YEARS

FISCAL YEAR	COMMERCIAL LAND AND BUILDINGS (1)	RESIDENTIAL LAND AND BUILDINGS (1)	PUBLIC UTILITIES	TOTAL TAXABLE ASSESSED VALUE (2)	TOTAL TRUE AND FULL VALUE	ASSESSED VALUE AS A PERCENTAGE OF TRUE AND FULL VALUE	TOTAL DIRECT TAX RATE
1995	\$175,792,200	\$296,883,600	\$13,958,900	\$486,634,700	\$973,269,400	50.00%	132.35
1996	187,013,600	323,763,800	13,923,030	524,700,430	1,049,400,860	50.00%	128.26
1997	196,348,600	349,821,500	16,828,900	562,999,000	1,125,998,000	50.00%	126.57
1998	224,919,400	369,616,522	6,566,920	601,102,842	1,202,205,684	50.00%	125.68
1999	231,353,730	383,797,250	6,712,620	621,863,600	1,243,727,200	50.00%	125.42
2000	244,717,050	390,096,480	7,276,570	642,090,100	1,284,180,200	50.00%	128.21
2001	240,964,250	407,031,567	7,549,780	655,545,597	1,311,091,194	50.00%	128.24
2002	240,702,800	412,990,296	7,660,304	661,353,400	1,322,706,800	50.00%	130.63
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

(1) Data obtained from the City Assessor'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.

(3) Data obtained from the City Inspection Office.

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 FUND	DEBT SERVICE FUND					
1995	62.69	39.88	29.78	132.35	27.11	181.78	80.37	421.61
1996	61.56	37.68	29.02	128.26	26.34	174.32	67.91	396.83
1997	60.16	36.95	29.46	126.57	24.85	174.41	76.00	401.83
1998	59.23	36.85	29.60	125.68	25.81	173.76	67.54	392.79
1999	58.35	41.39	25.68	125.42	26.27	177.02	71.50	400.21
2000	61.22	41.02	25.97	128.21	28.10	184.78	68.86	409.95
2001	64.10	39.77	24.37	128.24	29.28	192.29	73.05	422.86
2002	62.48	40.96	27.19	130.63	29.81	208.99	75.23	444.66
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

CITY OF MINOT, NORTH DAKOTA
PRINCIPAL PROPERTY TAXPAYERS
DECEMBER 31, 2004

TAXPAYER	2004			1995		
	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE	TAXABLE ASSESSED VALUE	RANK	% OF TOTAL TAXABLE ASSESSED VALUE
Minot Dakota Mall, LLC (includes Sleep Inn Complex)	\$2,780,970	1	4.16%	\$1,475,270	1	3.25%
Investor's Real Estate Trust (IRET)	1,122,850	2	1.68%	331,360	5	0.73%
Kadima Medial Properties (Former Unimed Clinic)	564,700	3	0.84%	815,710	2	1.80%
Northern States Power (Xcel)	529,444	4	0.79%	371,962	4	0.82%
Menard's Inc.	349,020	5	0.52%	-		
Trinity	330,190	6	0.49%	-		
Cambridge Capital Management	330,180	7	0.49%	-		
International Inn	322,830	8	0.48%	295,140	6	0.65%
Hoffman Ridge LTD (Wal-Mart)	289,290	9	0.43%	277,450	7	0.61%
Dayton-Hudson Corporation(Target)	284,300	10	0.43%	204,320	14	0.45%
Minot Vista Properties (Edgewood Vista)	281,980	11	0.42%	-		
Glacial Holdings	277,670	12	0.42%	-		
Bremer Bank	250,140	13	0.37%	-		
Riverside Inc. (Holiday Inn)	247,320	14	0.37%	167,740	17	0.37%
Johanneson's Property (Marketplace)	246,690	15	0.37%	139,030	20	0.30%
Wells Fargo Bank ND	231,660	16	0.35%	227,980	11	0.50%
Farmer's Union	215,840	17	0.32%	-		
First Western Bank	214,840	18	0.32%	-		
Minot Town & Country Investors	207,190	19	0.31%	-		
Montana Dakota Utilites	204,122	20	0.31%	175,175	16	0.39%
Souris River Telephone	-			725,546	3	1.60%
Magic City Realty	-			247,500	8	0.55%
Magic City Financial Group (Medical Arts)	-			237,950	9	0.52%
Salem Plaza Associates (South K-Mart)	-			228,380	10	0.50%
James & Mary Ommen	-			224,230	12	0.49%
Prairie Partners, Inc.	-			204,530	13	0.45%
JPW Ventures	-			176,190	15	0.39%
Royale Investments (Sun Mart South)	-			141,360	18	0.31%
Dakota Square Inn (Comfort Inn)	-			140,960	19	0.31%
ALL OTHERS	57,589,292		86.12%	38,601,942		85.01%
Total Taxable Value	<u>\$66,870,518</u>		<u>100.00%</u>	<u>\$45,409,725</u>		<u>100.00%</u>

CITY OF MINOT, NORTH DAKOTA
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

LEVY YEAR	TOTAL CURRENT TAX LEVY (1)	CURRENT COLLECTIONS (2)	PERCENT OF LEVY COLLECTED	DELINQUENT COLLECTIONS (2)	TOTAL COLLECTIONS (2)	TOTAL COLLECTION AS PERCENT OF CURRENT LEVY	ADJUSTMENTS (4)	ACCUMULATED OUTSTANDING TAXES (3)	OUTSTANDING DELINQUENT AS PERCENT OF CURRENT LEVY
1995	\$6,117,626	\$5,811,238	94.99%	\$98,522	\$5,909,760	96.60%	\$188,352	\$302,090	4.94%
1996	6,402,217	6,052,482	94.54%	97,638	6,150,120	96.06%	215,292	338,895	5.29%
1997	6,817,830	6,453,519	94.66%	141,863	6,595,382	96.74%	259,245	302,098	4.43%
1998	7,210,665	6,878,134	95.39%	153,855	7,031,989	97.52%	207,231	273,543	3.79%
1999	7,479,335	7,095,650	94.87%	123,498	7,219,148	96.52%	223,634	310,096	4.15%
2000	7,793,799	7,334,493	94.11%	100,772	7,435,265	95.40%	253,181	415,449	5.33%
2001	7,884,516	7,441,868	94.39%	163,366	7,605,234	96.46%	285,092	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	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) Prior year accumulated taxes + current levy - current collections - delinquent collections - adjustments.

(4) Includes Discount, Mobile Homes, Abatements & Change Orders.

CITY OF MINOT, NORTH DAKOTA
RATIOS OF OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS

FISCAL YEAR	GOVERNMENTAL ACTIVITIES				BUSINESS-TYPE ACTIVITIES			TOTAL GOVERNMENT	(1) PERCENTAGE OF PERSONAL INCOME	(2) PER CAPITA
	GENERAL OBLIGATION BONDS	SPECIAL ASSESSMENT BONDS	GRANTS PAYABLE	LOANS PAYABLE	REVENUE BONDS	NOTES PAYABLE	LOANS PAYABLE			
1995	\$4,135,000	\$6,170,000	-	-	\$12,162,908	\$2,389,454	\$104,253	\$24,961,615	**	706.09
1996	3,745,000	7,675,000	-	-	11,562,908	2,149,153	403,621	25,535,682	**	722.33
1997	3,610,000	6,460,000	2,391,094	2,000,000	9,852,908	2,124,157	352,059	26,790,218	**	757.81
1998	6,060,000	7,485,000	3,183,957	1,910,000	8,782,908	2,098,278	290,690	29,810,833	**	843.26
1999	6,380,000	8,530,000	2,950,670	1,670,000	7,909,386	2,071,486	226,172	29,737,714	**	841.19
2000	5,590,000	8,985,000	3,104,000	1,410,000	8,659,386	2,043,747	850,894	30,643,027	**	838.00
2001	4,925,000	8,905,000	2,107,950	1,190,000	8,174,386	2,015,029	742,271	28,059,636	**	767.35
2002	6,460,000	7,910,000	737,150	-	7,984,386	1,965,122	627,183	25,683,841	**	702.38
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

(1) This is a new table with our 2004 CAFR per GASB #44- we were unable to find prior year's data

CITY OF MINOT, NORTH DAKOTA
RATIO OF NET GENERAL BONDED DEBT TO ASSESSED
VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS

FISCAL YEAR	POPULATION	ASSESSED VALUE (1)	GROSS BONDED DEBT (2)	LESS DEBT SERVICE FUNDS	NET BONDED DEBT	RATIO OF NET BONDED DEBT TO ASSESSED VALUE	NET BONDED DEBT PER CAPITA
1995 (3)	35,352	\$486,634,700	\$4,135,000	\$449,549	\$3,685,451	0.76%	\$104.25
1996 (3)	35,352	524,700,430	3,745,000	660,303	3,084,697	0.59%	87.26
1997(3)	35,352	562,999,000	3,610,000	336,967	3,273,033	0.58%	92.59
1998(3)	35,352	601,102,842	6,060,000	455,532	5,604,468	0.93%	158.53
1999(3)	35,352	621,863,600	6,380,000	470,928	5,909,072	0.95%	167.15
2000	36,567	642,090,100	5,590,000	380,561	5,209,439	0.81%	142.46
2001	36,567	655,545,597	4,925,000	348,148	4,576,852	0.70%	125.16
2002	36,567	661,353,400	6,460,000	455,299	6,004,701	0.91%	164.21
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

(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.

(3) U.S. Census Bureau Estimate (1995)

CITY OF MINOT, NORTH DAKOTA
 COMPUTATION OF DIRECT AND OVERLAPPING DEBT
 FOR THE PERIOD ENDED DECEMBER 31, 2004

GOVERNMENTAL UNIT	OUTSTANDING DEBT	SINKING FUNDS	NET DEBT	RATIO	CITY'S SHARE OF DEBT
MINOT SCHOOL DISTRICT	\$0	\$0	\$0	101.61%	\$0
MINOT PARK DISTRICT	0	0	0	100.00%	0
WARD COUNTY	226,209	124,040	102,169	65.08%	<u>66,488</u>
<u>OVERLAPPING DEBT</u>					66,488
CITY OF MINOT (DIRECT DEBT)			6,807,082	100.00%	<u>6,807,082</u>
TOTAL DIRECT AND OVERLAPPING DEBT					<u><u>\$6,873,570</u></u>

RATIOS USED

	2004 ASSESSED VALUE	2004 CITY'S ASSESSED VALUE	PERCENTAGE
MINOT SCHOOL DISTRICT	\$707,775,673	\$719,165,600	101.61%
MINOT PARK DISTRICT	719,165,600	719,165,600	100.00%
WARD COUNTY	1,105,111,107	719,165,600	65.08%

CITY OF MINOT, NORTH DAKOTA
 COMPUTATION OF LEGAL DEBT MARGIN
 DECEMBER 31, 2004

<u>True And Full Value Of Taxable Property - 2004</u>		<u>\$1,438,331,200</u>
Debt Limit - 8% of 50% of True And Full Value		\$57,533,248
Amount of Debt Applicable To Debt Limit:		
General Obligation Bonds	\$7,170,000	
Special Assessment Obligations (1)	<u>148,500</u>	
	7,318,500	
Less:		
Cash In Debt Service Funds (2)	<u>410,338</u>	
		<u>6,908,161</u>
Legal Debt Margin		<u><u>\$50,625,086</u></u>

(1) City's Share Of Construction Costs

90% Of Street Improvements		<u>\$148,500</u>
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(2) Sinking Funds

Highway		\$362,918
90% Special Assessment Debt		<u>47,420</u>
		<u><u>\$410,338</u></u>

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

	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
Debt Limit	\$ 38,930,776	\$ 41,976,034	\$ 45,039,920	\$ 48,088,227	\$ 49,749,088	\$ 51,367,208	\$ 52,443,648	\$ 52,908,272	\$ 54,920,223	\$ 57,533,248
Total Net Debt Applicable to Limit	5,566,166	4,097,061	4,075,029	6,899,273	6,660,257	6,167,322	5,765,912	6,511,639	8,128,385	6,908,162
Legal Debt Margin	\$ 33,364,610	\$ 37,878,973	\$ 40,964,891	\$ 41,188,954	\$ 43,088,831	\$ 45,199,886	\$ 46,677,736	\$ 46,396,633	\$ 46,791,838	\$ 50,625,086
Total net debt applicable to the limit as a percentage of debt limit	14.30%	9.76%	9.05%	14.35%	13.39%	12.01%	10.99%	12.31%	14.80%	12.01%

CITY OF MINOT, NORTH DAKOTA
REVENUE BOND COVERAGE
WATER AND SEWER BONDS
LAST TEN FISCAL YEARS

FISCAL YEAR	GROSS REVENUE	DIRECT(1) OPERATING EXPENSES	NET REVENUE AVAILABLE FOR DEBT SERVICE	DEBT SERVICE REQUIREMENTS			
				PRINCIPAL (2)	INTEREST & FISCAL CHARGES	TOTAL	COVERAGE
1995	\$5,275,241	\$3,313,649	\$1,961,592	\$850,000	\$556,820	\$1,406,820	1.39
1996	5,571,685	3,426,692	2,144,993	900,000	475,900	1,375,900	1.56
1997	5,789,347	3,683,986	2,105,361	960,000	426,000	1,386,000	1.52
1998	5,813,681	3,742,918	2,070,763	740,000	349,341	1,089,341	1.90
1999	5,564,054	3,924,868	1,639,186	663,522	348,736	1,012,258	1.62
2000	5,765,813	4,174,147	1,591,666	630,000	395,813	1,025,813	1.55
2001	6,067,731	4,055,897	2,011,834	750,000	425,118	1,175,118	1.71
2002	6,117,762	4,001,686	2,116,076	805,000	363,414	1,168,414	1.81
2003	6,365,265	4,351,564	2,013,701	825,000	325,874	1,150,874	1.75
2004	6,843,818	4,761,095	2,082,723	825,000	357,012	1,182,012	1.76

(1) Excludes Depreciation.

(2) Permanent financing only.

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

Fiscal Year	(1) Population	(2) Annual Personal Income	(2) Per Capita Personal Income	(1) Median Age	Education Levels in Years of Formal Schooling	School Enrollment	Unemployment Rate
1995	35,352	\$ -	\$ -	-	-	8,791	-
1996	35,352	-	-	-	-	8,560	-
1997	35,352	-	-	-	-	8,546	-
1998	35,352	-	-	-	-	8,377	-
1999	35,352	-	-	-	-	8,191	-
2000	36,567	-	-	-	-	7,802	-
2001	36,567	-	-	-	-	7,783	-
2002	36,567	-	-	-	-	7,422	-
2003	36,567	912,712,320	24,960	-	-	7,389	-
2004	36,567	970,195,644	26,532	36.2	n/a	7,213	3.6%

**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

Note: Median age is for the entire State of ND, individual City information is not available

CITY OF MINOT, NORTH DAKOTA
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

EMPLOYER	2004			1995		
	EMPLOYEES	RANK	% OF TOTAL CITY EMPLOYMENT	EMPLOYEES	RANK	% OF TOTAL CITY EMPLOYMENT
Trinity Health	2,500	1	7.54%	1,440	2	5.40%
Minot Public Schools	1,400	2	4.22%	1,335	3	5.01%
Dakota Square Mall	1,350	3	4.07%	1,500	1	5.62%
Minot State University	850	4	2.56%	475	6	1.78%
ING Minot Service Center	765	5	2.31%	-		
Choice Hotels International, Inc.	500	6	1.51%	231	10	0.87%
Sykes, Inc.	435	7	1.31%	-		
Minot Vocational Adjustment Workshop	400	8	1.21%	-		
Miracle Mart	378	9	1.14%	-		
MLT Inc.	300	10	0.90%	-		
City of Minot	295	11	0.89%	348	8	1.30%
SRT Communications	202	12	0.61%	-		
Ward County	200	13	0.60%	196	13	0.73%
Marketplace Foods	190	14	0.57%	-		
Dakota Boys & Girls Ranch	180	15	0.54%	-		
International Inn	170	16	0.51%	-		
US Post Office	135	17	0.41%	-		
Minot Daily News	130	18	0.39%	-		
Farstad Oil/Superpumper	120	19	0.36%	-		
Minot Air Force Base Civilian				1,100	4	4.12%
UniMed				794	5	2.98%
ProMark One Marketing Services				375	7	1.41%
Wal-mart				265	9	0.99%
Interstate Brands Corp. (Bakery Products)				230	11	0.86%
Medical Arts Clinic				200	12	0.75%
Total	10,500		31.66%	8,489		31.83%

Note: Unimed and Medical Arts Clinic were purchased by Trinity Hospital.

City of Minot, North Dakota
 Full-time Equivalent City Government Employees by Function
 Last Ten Fiscal Years

Function	Full-Time Equivalent Employees as of December 31									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Government	34.10	33	33	32	32	33	33	33	33	32
Public Safety										
Police										
Officers	57	57	57	57	58	58	60	60	64	64
Civilians	16	16	20	20	20	20	19	19	20	20
Fire										
Firefighters and officers	45	45	45	45	44	45	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and Streets										
Engineering	5.75	7	7	8	8	8	9	9	9	9
Maintenance	31.15	34	35	36	36	36	36	36	36	36
Culture and Recreation	19	19	19.75	21	21	22	22	22	22	24
Airport	11	11	11	11	11	11	11	11	13	13
Cemetery	3.10	3	3	3	3	3	3	3	3	3
Parking Authority	1	1	1	1	1	1	1	1	1	1
Sanitation	20.30	20	20	20	20	20	20	20	20	20
Water and Sewer	40.60	38	38	40	38	40	39	41	39	39
Total	285	285	290.75	295	293	298	303	305	310	311

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

Function	Fiscal Year									
	1995	1996	1997	1998	1999	2000	2001	2002	2003	2004
General Government										
Assessors										
Properties reviewed	1,206	1,532	1,211	1,101	1,475	1,860	1,546	1,835	1,021	1,510
Properties photographed	200	500	250	690	4,000	2,560	5,725	550	1,043	2,985
Building Inspections										
Permits issued	559	554	486	524	441	439	399	415	486	474
City Bus										
Bus Ridership	169,391	179,860	178,970	175,513	161,797	154,752	151,027	156,189	160,025	153,036
Public Safety										
Police										
Parking Tickets Issued	10,396	10,351	10,657	8,859	9,415	10,792	9,821	9,901	8,392	8,729
Criminal Citations Issued	3,297	3,954	4,044	4,313	3,693	3,606	4,752	4,416	5,226	5,607
Traffic Citations Issued	7,502	8,782	8,582	7,832	7,903	6,772	6,866	5,414	6,958	4,918
Alarms-Patrol & Parking Division	739	765	777	846	689	688	722	649	658	620
Fire										
# of Fire Incidents	322	305	310	416	451	454	437	390	378	364
# of Rescue Incidents	1,447	1,462	1,469	1,508	1,636	1,599	1,530	1,713	1,767	1,658
Inspections Made	1,717	1,643	1,615	1,605	1,662	1,539	2,003	1,775	1,373	1,742
Highways and Streets										
Traffic										
Signs installed	1,476	1,334	1,341	1,350	1,448	1,324	1,683	1,702	1,034	1,783
Signs/posts repaired	2,034	936	654	780	1,100	874	1,080	1,055	664	1,523
Traffic light repairs	444	493	438	484	520	448	582	434	286	354
Street light repairs	126	144	162	140	137	158	158	259	164	214
Culture and Recreation										
Auditorium										
Event Days	1,872	1,999	2,085	2,047	2,169	2,342	2,034	2,234	2,109	2,010
Attendance	286,143	297,963	286,677	270,052	334,681	371,666	344,165	360,405	234,689	222,484
Library										
Registered borrowers	22,212	24,335	23,862	24,818	25,562	27,300	27,358	24,955	26,326	23,970
Circulation and Activity	308,234	309,320	310,774	301,874	300,572	283,350	263,273	276,090	272,011	285,805
Airport										
Gallons Airline Fuel Dispensed	769,205	769,444	969,352	1,339,678	1,248,849	1,203,273	1,187,110	1,195,553	958,048	943,337
Airline Boardings	79,969	78,685	77,118	71,576	74,939	78,376	74,212	75,382	75,323	79,257
Sanitation										
# of customers	9,537	9,645	9,661	9,687	9,779	9,849	9,862	9,917	9,966	10,069
Landfill Tonnage	72,686	88,148	74,975	75,216	97,864	95,564	80,153	85,372	104,781	93,487
Water and Sewer										
# of consumers	11,032	11,068	11,158	11,180	11,309	11,391	11,443	11,492	11,545	11,704
Gallons pumped/treated	2,078,705,000	2,100,000,000	2,303,973,000	2,432,918,000	2,095,950,000	2,330,973,000	2,347,274,000	2,167,046,000	2,236,058,000	2,248,699,400

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

Function	Fiscal Year		
	2002	2003	2004
General Government			
Public Works Building	1	1	1
Public Safety			
Police:			
Stations	1	1	1
Patrol Units	32	32	33
Speed Trailer	-	1	1
Fire:			
Stations	3	3	3
Highways and Streets			
Streets (miles)	14.86	14.90	15.029
Street Lights	2,131	2,142	2,167
Traffic Signals	43	44	43
Culture and Recreation			
Parks	22	22	22
Libraries	1	1	1
Golf Courses	1	1	1
Ball Diamonds	16	16	16
Tennis Courts	21	21	21
Swimming Pools	2	2	1
Indoor Tennis Center	-	-	1
Sanitation			
Collection Trucks	7	7	8
Water			
Water Treatment Plant	1	1	1
Watermains (miles)	160	160	160
Maximum daily capacity (millions of gallons)	12.3	12.1	11.8

*This report is new with the 2004 CAFR, Fixed Assets were implemented with our 2002 CAFR.

Sources: Various City Departments



CPAs & BUSINESS ADVISORS

REPORT ON COMPLIANCE WITH REQUIREMENTS APPLICABLE TO THE PASSENGER FACILITY CHARGE PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE

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

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, 2004. 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. 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 on the **City of Minot, North Dakota Airport's** compliance with those requirements.

In our opinion, the **City of Minot, North Dakota Airport** complied, in all material respects, with the requirements referred to above that are applicable with its Passenger Facility Charge Program for the year ended December 31, 2004.

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 and to test and report on the internal control over compliance in accordance with the Guide.

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 reportable 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 caused by error or fraud 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.

Jide Bailey LLP

Minot, North Dakota
April 7, 2005



**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER
FINANCIAL REPORTING 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 the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the **City of Minot**, North Dakota, as of and for the year ended December 31, 2004, which collectively comprise the City's basic financial statements as listed in the table of contents. We have also audited the financial statements of each of the City's nonmajor governmental, nonmajor enterprise, internal service and fiduciary funds presented as supplementary information in the accompanying combining and individual fund financial statements as of and for the year ended December 31, 2004, and have issued our report thereon dated April 7, 2005. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

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*.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered **City of Minot**, North Dakota's internal control over financial reporting in order to determine our auditing procedures for the purpose of expressing our opinion on the financial statements and not to provide assurance on the internal control over financial reporting. Our consideration of the internal control over financial reporting would not necessarily disclose all matters in the internal control over financial reporting that might be material weaknesses. A material weakness is a reportable 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 misstatements caused by error or fraud in amounts that would be material in relation to the financial statements 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 financial reporting and its operation that we consider to be material weaknesses.

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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.

Linda Bailey

Minot, North Dakota
April 7, 2005



**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE WITH REQUIREMENTS
APPLICABLE TO EACH MAJOR PROGRAM AND INTERNAL CONTROL OVER
COMPLIANCE IN ACCORDANCE WITH OMB CIRCULAR A-133**

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

Compliance

We have audited the compliance of the **City of Minot**, North Dakota, with the types of compliance requirements described in the *U.S. Office of Management and Budget (OMB) Circular A-133 Compliance Supplement* that are applicable to each of its major federal programs for the year ended December 31, 2004. The **City of Minot**, North Dakota's major programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs. Compliance with the requirements of laws, regulations, contracts and grants applicable to each of its major federal programs is the responsibility of City of Minot, North Dakota's management. Our responsibility is to express an opinion of the **City of Minot**, North Dakota's compliance based on our audit.

We conducted our audit 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 types of compliance requirements referred to above 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**, North Dakota'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 on the **City of Minot**, North Dakota's compliance with those requirements.

In our opinion, the **City of Minot**, North Dakota complied, in all material respects, with the requirements referred to above that are applicable to each of its major federal programs for the year ended December 31, 2004.

Internal Control Over Compliance

The management of **City of Minot**, North Dakota, is responsible for establishing and maintaining effective internal control over compliance with requirements of laws, regulations, contracts and grants applicable to federal programs. In planning and performing our audit, we considered **City of Minot**, North Dakota's internal control over compliance with requirements that could have a direct and material effect on a major federal program in order to determine our auditing procedures for the purpose of expressing our opinion on compliance and to test and report on the internal control over compliance in accordance with OMB Circular A-133.

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 reportable 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, regulations, contracts and grants caused by error or fraud that would be material in relation to a major federal 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.



Minot, North Dakota
April 7, 2005

CITY OF MINOT
MINOT, NORTH DAKOTA
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2004

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
<i>U.S. DEPARTMENT OF JUSTICE</i>			
Direct Programs:			
Local Law Enforcement Block Grant		16.590	90,596
Passed-Through North Dakota Attorney General's Office:			
Narcotics Task Force		16.579	103,392
Rehab Services	D03-311	16.579	10,080
Domestic Violence Crisis Center	D03-327	16.579	18,886
Underage Drinking Law Enforcement		16.579	5,028
Total CFDA #16.579			<u>137,386</u>
Project Safe Neighborhoods	#03-701	16.609	<u>34,079</u>
Passed through the State of North Dakota Health Department:			
STOP - Violence Against Women	#04-178	16.588	690
Smoking Cessation Program	#40-562	N/A	<u>6,208</u>
Total Department of Justice			<u>268,959</u>
<i>U.S. DEPARTMENT OF HOMELAND SECURITY</i>			
Passed through North Dakota Division of Emergency Management			
State Domestic Preparedness		97.004	142,578
Weapons of Mass Destruction		97.004	505,785
Total CFDA #97.004			<u>648,363</u>
Total Department of Homeland Security			<u>648,363</u>

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Pass-Through Grantor/Program Title	Number	Number	Expenditures
<i>U.S. DEPARTMENT OF TRANSPORTATION</i>			
Direct Programs:			
Airport Projects:			
#628		20.106	40,201
#629		20.106	31
#630		20.106	1,427
#631		20.106	104,600
#632		20.106	6,100
Transportation Security Program		20.106	101,183
Total CFDA #20.106			<u>253,542</u>
Passed-Through North Dakota Department of Transportation:			
Section 18		20.507	<u>195,909</u>
Highway Safety Cluster:			
Police Department TRACS Equipment		20.600	5,750
College Substance Abuse Program		20.600	941
Mayor's Council for Traffic Safety		20.600	26,717
Total CFDA #20.600			<u>33,408</u>
Saturation Patrol		20.601	2,335
Occupant Protection Program		20.604	7,235
Total Highway Safety Cluster			<u>42,978</u>
Total Department of Transportation			<u>492,429</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 1,409,751</u></u>

NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

NOTE 1 – SIGNIFICANT ACCOUNTING POLICIES

The accompanying schedule of expenditures of federal awards is presented on the 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.

CITY OF MINOT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
YEAR ENDED DECEMBER 31, 2004

None

CITY OF MINOT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2004

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the **City of Minot**.
2. No instances of noncompliance material to the financial statements of the **City of Minot** were disclosed during the audit.
3. The auditor's report on compliance for the major federal award programs for the **City of Minot** expresses an unqualified opinion on all major federal programs.
4. No audit findings relative to the major federal award programs for the **City of Minot** are reported in this schedule.
5. The programs tested as major programs were Department of Justice Programs CFDA #97.004.
6. The threshold for distinguishing a Type A program was \$300,000.
7. The **City of Minot** was determined to be a low-risk auditee.

B. FINDINGS - FINANCIAL STATEMENT AUDIT – none

C. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT - none