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**Comprehensive
Annual
Financial
Report**

City of Minot, North Dakota
For the Fiscal Year Ended December 31, 2007

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

**City of Minot, North Dakota
 Comprehensive Annual Financial Report
 For the Fiscal Year Ended December 31, 2007**

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City of Minot

May 13, 2008

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

Ladies and Gentlemen,

The City Council requires an annual audit of the books of account, financial records, and transactions of all administrative departments of the City by independent certified public accountants selected by the City Council. Pursuant to that requirement, we hereby issue the Comprehensive Annual Financial Report of the City of Minot, North Dakota, for the fiscal year ended December 31, 2007. This set of financial statements was prepared by the City's Finance Department in conformity with U.S. Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB) and audited in accordance with auditing standards generally accepted in the United States of America by a firm of licensed certified public accountants.

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

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

Eide Bailly, LLP, a firm of licensed certified public accountants, have audited the City's financial statements. The goal of the independent audit was to provide reasonable assurance the financial statements of the City for the fiscal year ended December 31, 2007 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.

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

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

III

★ The Magic City ★

The Honorable Mayor, City Council and City Manager

Profile of the City of Minot

The City, incorporated on July 16, 1887, is located in the north central part of North Dakota. The City currently occupies a land area of approximately 16 square miles and serves a population of 36,567. Located twelve miles north of the City, and a definite part of the community, is one of the nation's largest Air Force bases. The economic impact of the Minot Air Force Base on the City during 2007 was nearly \$371 million. During 2007, the Minot Air Force Base had over \$48.4 million in construction, services and other expenditures. Minot Air Force Base serves as the home for over 11,159 active duty personnel and their dependents. Many of the personnel assigned to the base choose to reside in the City during their tour of duty and after their discharge. The relationship between the citizens of Minot and the citizens of the base is one of mutual cooperation and friendliness.

The City is empowered to levy a property tax on real property located within its boundaries. It is also empowered by state statute to extend its corporate limits by annexation, which occurs periodically when deemed appropriate by the City Council. During 2007, the property valuations for building permits decreased by \$12.53 million compared to 2006; however, the City has had a healthy level of growth in property values which has continued to enable the City to reduce the mill levy.

The City operates under a Home Rule Charter, with a council-manager form of government, which was enacted by a vote of the citizens in 1972. 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 seven council members elected every two years by ward. The mayor is elected to serve a four-year term and is elected at large.

The City provides a full range of services contemplated by statute or charter. This includes

police and fire protection, the construction and maintenance of highways, streets, and other infrastructure, sanitation, 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's financial planning and control. All departments and agencies submit requests for appropriations to the city manager in May of each year for the ensuing year's budget, which begins January 1. Budget-to-actual comparisons are provided in this report for each individual governmental fund for which an appropriated annual budget has been adopted. For the general fund and major special revenue funds this comparison is presented on pages 24 through 26 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, beginning on page 63.

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 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 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 makes Minot a dynamic and attractive place to do business.

<u>Sales Tax Collections</u>		<u>Property Tax Levied</u>	
2003	\$9,537,654	2003	\$8,175,763
2004	10,127,486	2004	8,540,161
2005	11,021,415	2005	8,655,618
2006	11,920,592	2006	9,443,018
2007	13,242,768	2007	10,132,780

The financial position of the City remains sound with

The Honorable Mayor, City Council and City Manager

management continuing to administer the financial policies established by the City Council in a prudent and effective manner as can be seen in the tables below. A continuation of that cooperative effort will assure the citizens a healthy future.

Assets, Liabilities and Net Assets Per Capita				
	Population	Total Assets	Total Liabilities	Net Assets
2003	36,567	\$4,462	\$1,110	\$3,352
2004	36,567	4,430	831	3,599
2005	36,567	4,621	758	3,863
2006	36,567	5,313	854	4,459
2007	36,567	5,867	1,064	4,803

Expenses and Program Revenues Per Capita						
	Population	Expenses	Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Change in Net Assets
2003	36,567	\$855	\$398	\$36	\$397	\$566
2004	36,567	1,082	421	105	157	247
2005	36,567	945	445	21	54	263
2006	36,567	1,024	468	19	397	597
2007	36,567	1,209	462	28	443	571

Ratio of Net Assets to Expenses		
	Governmental Activities	Business-Type Activities
2003	3.06	5.58
2004	2.77	4.56
2005	3.48	5.21
2006	4.17	4.69
2007	3.73	4.49

Long-Term Financial Planning. The City continually plans for anticipated construction projects and infrastructure needs. Cash reserves are increasing in the Sales Tax Northwest Area Water Supply Project (NAWS) Fund with a 1% dedicated sales tax. These cash reserves will allow continued funding of the NAWS project rather than issuing debt for the project. The NAWS project will bring Missouri River water to Minot and Northwest North Dakota, ensuring an adequate water supply for the future. The project is anticipated to reach Minot in 2008 and extend to Northwest North Dakota by 2014.

The City has completed several major highway projects in recent years with additional projects planned for 2008 and 2009. Other projects planned for the future include the final stage of the North Broadway widening, 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.

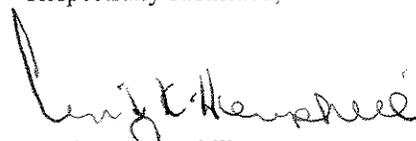
Awards. The Government Finance Officers

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, 2006. This was the 28th consecutive year the City has achieved this prestigious award. In order to be awarded a Certificate of Achievement, the City must publish an easily readable and efficiently organized comprehensive annual financial report. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

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

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

Respectfully submitted,



Cindy K. Hemphill
Finance Director

Certificate of Achievement for Excellence in Financial Reporting

Presented to

City of Minot
North Dakota

For its Comprehensive Annual
Financial Report
for the Fiscal Year Ended
December 31, 2006

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.



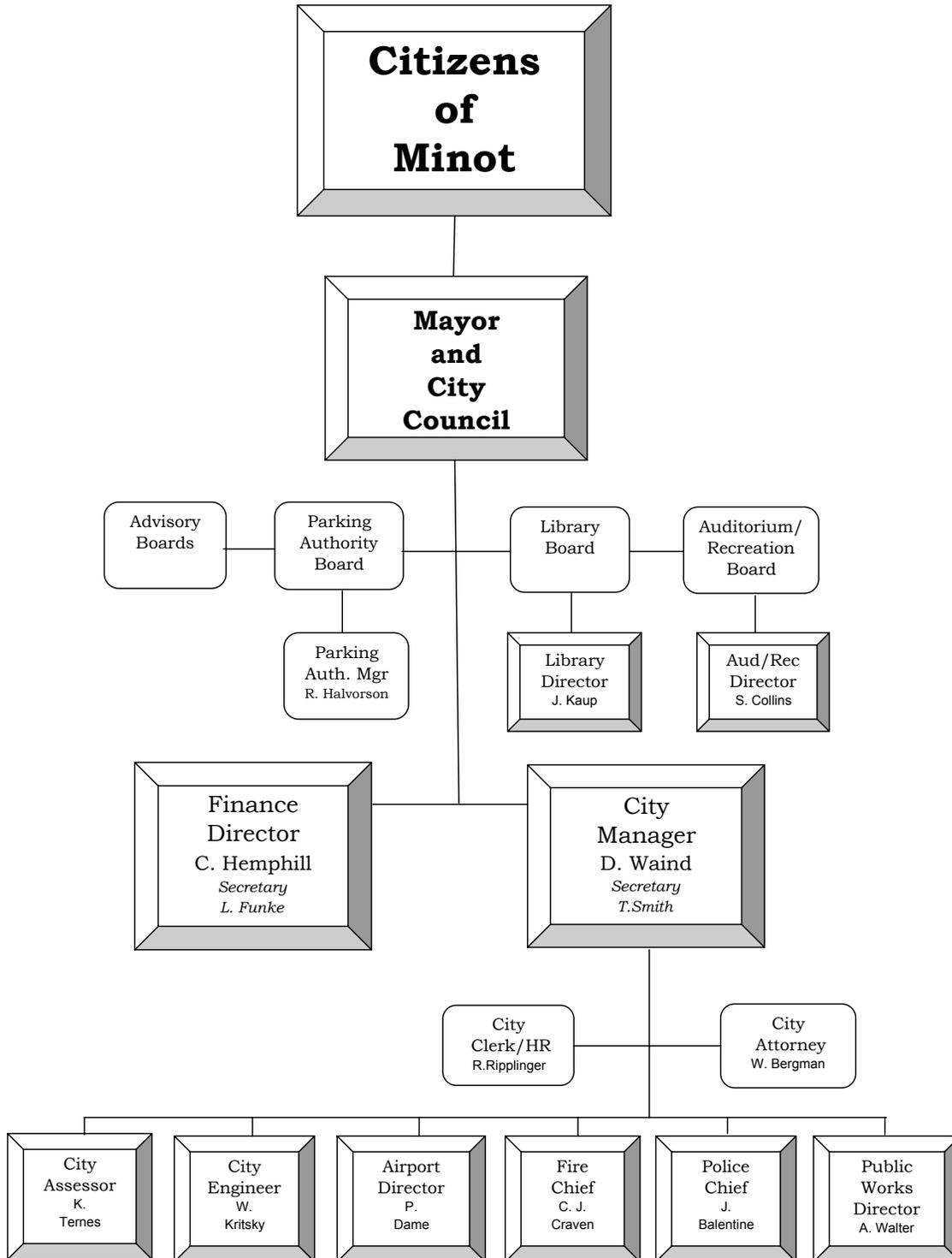
Oliver S. Cox

President

Jeffrey R. Emer

Executive Director

City of Minot
Organizational Chart



Elected Officials

City of Minot, North Dakota

MayorCurt Zimbelman

Members of the City Council

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

Ward 2:.....Lee Snyder
Hardy D. Lieberg

Ward 3:.....Stephan Podrygula
Dean A. Frantsvog

Ward 4:.....Chuck Barney - President
Tim Greenheck

Ward 5:.....Art Ekblad
Scott Knudsvig

Ward 6:.....Ernest Medalen – Vice President
Randy A. Burckhard

Ward 7:.....Ron Boen
Blake A. Krabseth



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, 2007, which collectively comprise the City's basic financial statements 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 2006 financial statements and, in our report dated May 12, 2008; 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, 2007, and the respective changes in financial position and cash flows, where applicable, thereof and the respective budgetary comparison for the General 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.

As disclosed in Note 5 part F to the financial statements, certain errors were present resulting in the overstatement of previously reported construction in progress and the understatement of net pension obligation asset related to the governmental activities. Accordingly, an adjustment was made to net assets as of January 1, 2007 in the governmental activities to correct the error.

The management's discussion and analysis 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.

In accordance with *Government Auditing Standards*, we have also issued a report dated May 12, 2008, 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.

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 non-major fund financial statements and schedules and statistical tables are presented for purposes of additional analysis and are not a required part of the basic financial statements. The 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 accompanying combining and individual non-major fund statements and schedules 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.

Eide Bailly LLP

Bismarck, North Dakota
May 12, 2008

**City of Minot
Comprehensive Annual Financial Report
December 31, 2007**

Management 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, 2007, with comparative data for the fiscal year ended December 31, 2006. 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 increased by \$20,871,725 as a result of the current year's operations. Net assets of our governmental activities increased by \$20,662,122 or 6.26% and net assets of our business type activities increased by \$209,604 or 0.0033%.
- Total revenues from all sources were \$65,071,190. This is an increase of \$14,774,838 from 2006. Revenues increased due to sales tax collections increasing of nearly \$2.2 million and an increase in capital grants and contributions of nearly \$10.7 million due to donated assets of over \$11.7 million.
- Total cost of all programs was \$44,199,464. This is an increase of \$7,439,901 from 2006. The main increase was due to over \$2.3 million increase in spending on economic development projects like the Intermodal Agriculture Park and businesses like Info Tech and MG Grain. Highway and street expenses increased primarily due to increases in depreciation of \$0.6 million and losses on disposal of capital assets of about \$0.8 million. The remaining difference was due to operations.
- The unreserved fund balance for the General Fund was \$4,983,657 or 35.23% of the total general fund expenditures. This is an increase from 2006 of \$1,340,449.

OVERVIEW OF FINANCIAL STATEMENTS

This discussion and analysis is intended to serve as an introduction to the City's basic financial statements. The comprehensive annual financial

report presents the following three components of the financial statements:

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

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

Government-Wide Financial Statements

The government-wide financial statements are designed to provide readers with a broad overview of the City'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 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.

Management Discussion and Analysis

- 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 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 maintains 26 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 NAWS fund, highway debt service fund, special assessment debt service fund and highway reserve fund. Data from the 21 other governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements, which begin on page 56.

The City adopts an annual budget for its governmental funds. A budgetary comparison statement has been provided to demonstrate compliance.

The governmental fund financial statements begin on page 16.

Proprietary Funds. The City maintains two types of proprietary funds. Enterprise funds are used to report activities that charge for services provided to outside customers. The Enterprise funds are presented as business-type activities in the government-wide statements. The City uses enterprise funds to account for its Airport and Water and Sewer operations, as major funds, and its Sanitation, 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 nonmajor proprietary funds is provided in the form of combining statements, which begin on page 81. Individual fund data for the internal service funds is provided in the form of combining statements beginning on page 85.

**City of Minot
Comprehensive Annual Financial Report
December 31, 2007**

Management Discussion and Analysis

The basic proprietary fund statements begin on page 28.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The City is a trustee for its employees' pension plans. It is also responsible for other assets held on behalf of others. The City is responsible for ensuring the assets reported in these funds are used for their intended purpose. The City'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 accounting used for fiduciary funds is much like that used for proprietary funds.

The basic fiduciary fund statements begin on page 34.

Notes to the Financial Statements

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

The notes to the financial statements can be found on pages 37-55 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 56-96 of this report.

GOVERNMENT-WIDE FINANCIAL ANALYSIS

The following two table's present condensed information on the City's Net Assets and Changes in Net Assets for the fiscal year ended December 31, 2007, with comparative data for the fiscal year ended December 31, 2006. Assets exceeded liabilities by \$175,635,471 at the close of the most recent fiscal year.

By far the largest portion of the City of Minot's net assets (88%) reflects its investment in capital assets (e.g. land, buildings, equipment, infrastructure, and books); less any related debt used to acquire those assets that is still outstanding. The City uses these capital assets to provide services to its citizens; consequently, these assets are not available for future spending. Although the City's investment in capital assets is reported net of related debt, it should be noted 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.

	Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Current and other assets	\$53,748,109	\$43,215,239	\$6,434,198	\$5,648,419	\$60,182,307	\$48,863,658
Capital assets	79,443,191	65,481,727	74,912,837	71,637,641	154,356,028	137,119,368
Total assets	133,191,300	108,696,966	81,347,035	77,286,060	214,538,335	185,983,026
Long-term debt outstanding	15,440,604	11,417,971	15,327,513	13,183,839	30,768,117	24,601,810
Other liabilities	5,467,189	5,657,610	2,667,559	959,860	8,134,748	6,617,470
Total liabilities	20,907,793	17,075,581	17,995,071	14,143,699	38,902,864	31,219,280
Net assets						
Invested in capital assets, net of related debt	59,701,807	59,016,537	57,707,036	58,453,802	117,408,843	117,470,339
Restricted	28,066,529	22,913,395	43,874	43,474	28,110,403	22,956,869
Unrestricted	24,515,171	9,691,453	5,601,053	4,645,085	30,116,224	14,336,538
Total net assets	\$112,283,507	\$91,621,385	\$63,351,964	\$63,142,361	\$175,635,471	\$154,763,746

**City of Minot
Comprehensive Annual Financial Report
December 31, 2007**

Management Discussion and Analysis

A portion of the City's net assets (16%) represents resources subject to external restrictions on how they may be used. Restricted net assets include amounts restricted for debt service \$2,617,579, for the NAWS project \$24,733,175, and for other purposes \$759,649. The remaining balance of *unrestricted net assets*, \$30,116,224, may be used to meet the government's ongoing obligations to citizens and creditors.

At the end of 2007, the City is able to report positive balances in all three categories of net assets, both for the government as a whole, as well as for governmental and business-type activities.

Changes in Net Assets. The City's net assets increased by \$20,662,122 during 2007. The majority of this increase was due to continued growth in the local economy requiring an investment in infrastructure and other assets. Capital assets increased by \$17,236,660 during 2007. Over \$11 million of the increase was from donated assets to the City.

The improvement asset type was eliminated and the assets were transferred to the appropriate asset class which increased infrastructure by \$29,454,161. Construction in progress has all been capitalized in 2007; therefore, it now has a zero balance.

Business-type activities increased the City of Minot's net assets by \$209,604; the main reason for this increase was an increase in operating revenues.

Governmental Activities. Governmental program revenues for capital grants and contributions increased primarily due to donated assets of over \$11 million. Governmental program expenses increased as a result of increased expenses for the economic development projects during the year. Investment earnings for governmental activities increased due to improved interest rates in 2007.

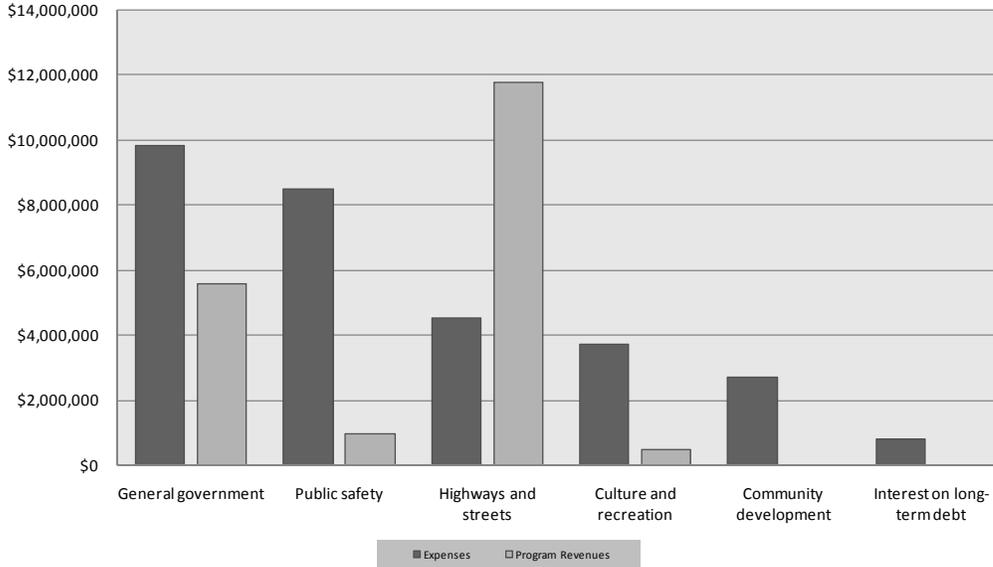
	Changes in Net Assets					
	Governmental Activities		Business-Type Activities		Total	
	2007	Restated 2006	2007	2006	2007	Restated 2006
Revenues						
Program revenues						
Charges for services	\$5,564,881	\$6,034,220	\$11,315,185	\$11,082,717	\$16,880,066	\$17,116,937
Operating grants and contributions	746,325	402,845	263,381	282,857	1,009,706	685,702
Capital grants and contributions	12,510,927	3,539,693	3,671,979	1,978,136	16,182,906	5,517,829
General revenues						
Taxes	26,128,818	23,773,161	199,332	369,369	26,328,150	24,142,530
Gain (loss) on disposal of capital assets	(835,458)	-	(6,473)	-	(841,931)	-
Investment earnings	2,282,098	1,643,502	226,834	91,364	2,508,932	1,734,866
Miscellaneous	2,896,504	963,821	106,857	134,667	3,003,361	1,098,488
Total revenues	49,294,095	36,357,242	15,777,095	13,939,110	65,071,190	50,296,352
Expenses						
General government	9,820,859	8,428,173	-	-	9,820,859	8,428,173
Public safety	8,512,487	7,903,316	-	-	8,512,487	7,903,316
Highways and streets	4,525,555	3,875,190	-	-	4,525,555	3,875,190
Culture and recreation	3,708,302	1,952,705	-	-	3,708,302	1,952,705
Community development	2,717,155	408,008	-	-	2,717,155	408,008
Interest on long-term debt	806,265	727,521	-	-	806,265	727,521
Airport	-	-	2,765,664	2,675,382	2,765,664	2,675,382
Cemetery	-	-	213,092	222,159	213,092	222,159
Parking authority	-	-	115,667	178,147	115,667	178,147
Sanitation	-	-	1,839,932	1,924,082	1,839,932	1,924,082
Water and sewer	-	-	9,174,486	8,464,880	9,174,486	8,464,880
Total expenses	30,090,622	23,294,913	14,108,841	13,464,650	44,199,464	36,759,563
Excess (deficiency) before transfers	19,203,473	13,062,329	1,668,254	474,460	20,871,726	13,536,789
Transfers	1,458,649	675,813	(1,458,649)	(675,813)	-	-
Change in net assets	20,662,122	13,738,142	209,604	(201,353)	20,871,726	13,536,789
Net assets - January 1	91,621,385	77,883,243	63,142,361	63,343,714	154,763,746	141,226,957
Net assets - December 31	\$112,283,507	\$91,621,385	\$63,351,964	\$63,142,361	\$175,635,471	\$154,763,746

Management Discussion and Analysis

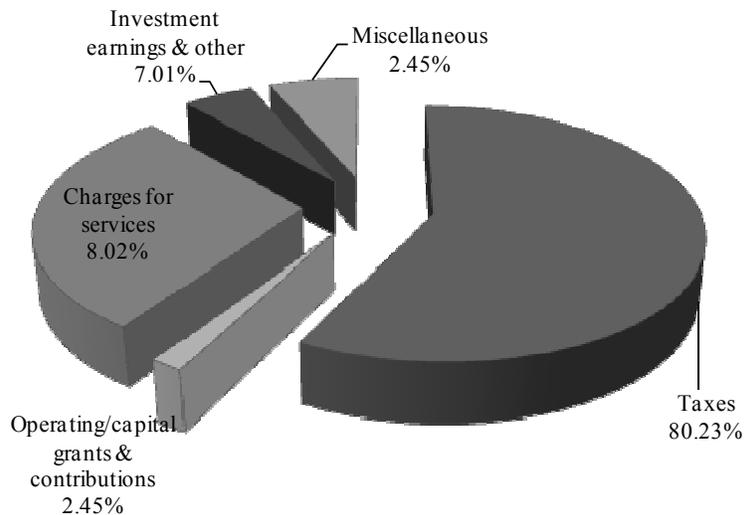
Business-Type Activities. Business-type program revenues increased over 2006 due to increases in FAA capital contributions. Business-type program expenses increased in 2007 due to increases in operating expenses.

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

**Expenses & Program Revenues
Governmental Activities**

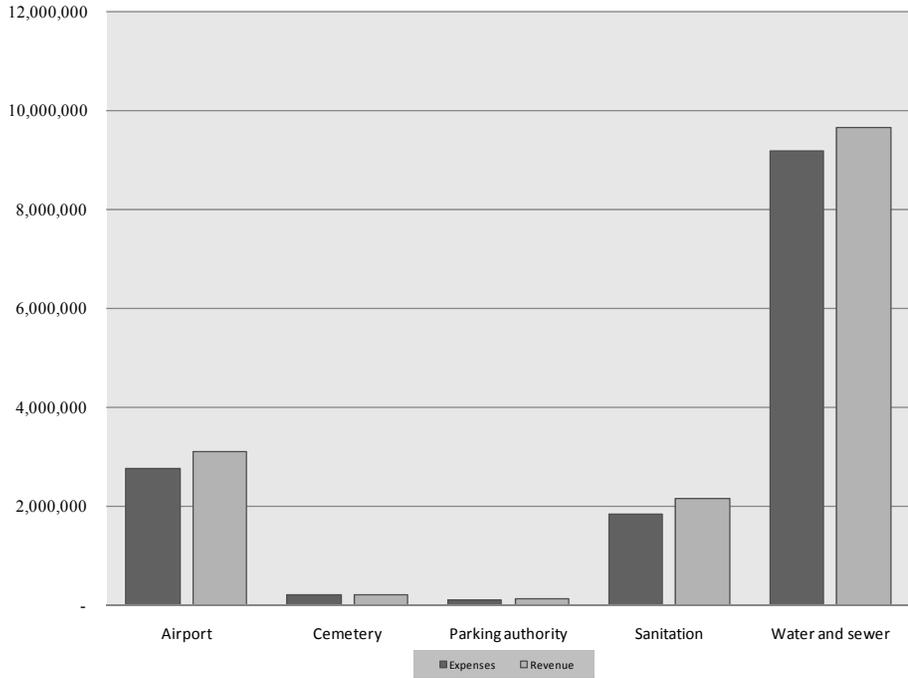


**Revenues by Source
Governmental Activities**

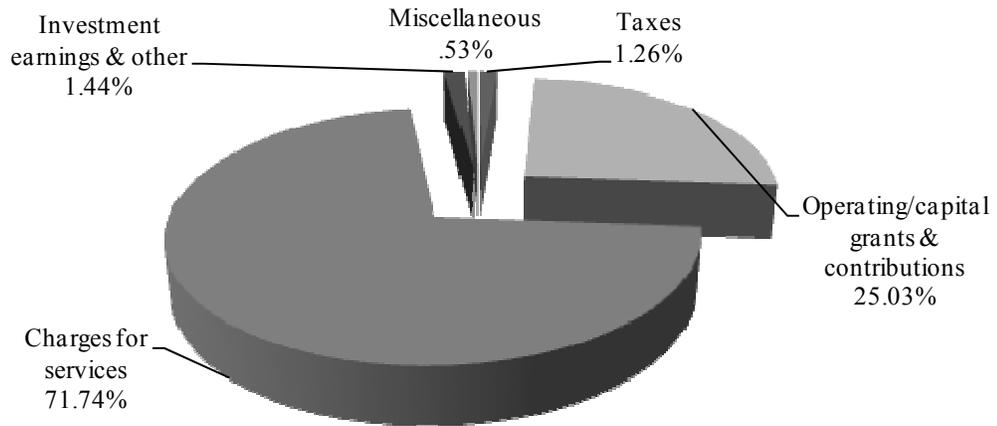


Management Discussion and Analysis

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



**Revenues by Source
 Business-Type Activities**



**City of Minot
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Management Discussion and Analysis

FINANCIAL ANALYSIS OF THE CITY'S FUNDS

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

Governmental Funds. The focus of the City's governmental funds is to provide information on near-term inflows, outflows, and balances of spendable resources. Such information is useful in assessing the City's financing requirements. In particular, an 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 2007, the City's governmental funds reported combined ending fund balances of \$45,944,921, an increase of \$8,558,918 in comparison with 2006. The majority of this increase is attributable to an increase in property tax collections, sales tax collections and interest income. The City also issued General Obligation Bonds in 2007 to fund expenditures for capital outlays for highway and street projects. The governmental funds unreserved/undesignated fund balance is \$13,976,220. The remainder of the fund balance is reserved to indicate it is not available for new spending because it has already been committed \$2,617,579 to pay debt service, \$26,090,867 reserved for capital improvements, \$2,000,000 is designated for flood control, and \$1,260,255 for a variety of other purposes.

The **General Fund** is the chief operating fund of the City. At the end of the current fiscal year, the unreserved fund balance of the general fund was \$4,983,657. As a measure of the general fund's liquidity, it may be useful to compare the unreserved fund balance to total fund expenditures. The unreserved fund balance represents 35.23% of total general fund expenditures.

The fund balance of the City of Minot's general fund increased by \$1,340,449 during the current fiscal year. The main reason for this increase was an increase in total revenues over total expenditures during 2007. Property and sales tax

collections and charges for services accounted for the majority of the increase.

The debt service funds had a total fund balance of \$2,617,579, 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 at the end of the year for the major Enterprise Funds were \$3,875,788, of which Airport amounted to \$1,546,765, and Water and Sewer \$2,329,023. The nonmajor funds amounted to \$1,553,103. Total unrestricted net assets in the Enterprise funds were \$5,428,891.

Total increase in net assets for these funds was \$234,737. The majority of this increase is attributable to an increase in charges for services.

GENERAL FUND BUDGETARY HIGHLIGHTS

Differences between the original budget and the final amended budget were a decrease of \$95,119 in expenditure appropriations and can be briefly summarized as follows:

- An increase of \$9,987 in police and fire expenditures in public safety activities.
- A decrease of \$106,106 in street and storm sewer maintenance in highways and street expenditures.

Differences between the final amended budget and actual amounts in the general fund consisted of total revenues being \$468,477 less than budgeted. This is due mostly to engineering and administrative being under budget by \$362,137 due to a staff shortage. The total general government expenditures were \$407,526 less than budgeted due to decreased expenditures in most of the departments. Public safety expenditures were also less than budgeted by \$237,874. This resulted in total expenditures being \$645,400 less than budgeted.

These budget appropriations were funded with available fund balances.

**City of Minot
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Management Discussion and Analysis

**CAPITAL ASSET AND DEBT
ADMINISTRATION**

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

Capital Assets. The City's investment in capital assets for its governmental and business-type activities as of December 31, 2007, is \$154,356,028 (net of accumulated depreciation). This investment in capital assets includes land, buildings, equipment, infrastructure, and books. Additional information on the City of Minot's capital assets can be found in Note 4. D on pages 44-45 of this report.

- North Broadway reconstruction Phase I
- Intermodal land and track
- South hill water tower improvements
- 16th St SW and 37th Ave SW infrastructure
- 16th St NW watermain
- A variety of street construction projects in the City continued

Capital Assets (net of depreciation)

	Governmental Activities		Business-Type Activities		Total	
	Restated				Restated	
	2007	2006	2007	2006	2007	2006
Land	\$6,333,630	\$4,909,325	\$2,786,418	\$2,756,418	\$9,120,048	\$7,665,743
Construction in progress	-	2,845,617	-	2,715,837	-	5,561,454
Buildings	6,344,725	6,660,472	4,238,765	3,288,597	10,583,490	9,949,069
Improvements	-	11,449,988	-	61,358,563	-	72,808,551
Equipment	4,688,116	3,095,973	3,459,018	1,518,226	8,147,134	4,614,199
Infrastructure	60,910,854	35,243,644	64,428,636	-	125,339,490	35,243,644
Books	1,165,866	1,276,708	-	-	1,165,866	1,276,708
Total capital assets	\$79,443,191	\$65,481,727	\$74,912,837	\$71,637,641	\$154,356,028	\$137,119,368

Long-Term Debt

At year-end the City had total debt of \$35,439,864, an increase of \$6,004,252 over the prior year. Note 4. H on pages 46-48 of this report describes the City's long-term debt in greater detail.

Bonds of \$5,490,000.

The City issued new debt for General Obligation Highway Bonds in the amount of \$1,785,000, Special Assessment refunding bonds of \$2,715,000, and Water and Sewer Revenue

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 \$77,884,795. The City's legal debt margin is \$68,476,344. The net bonded debt per capita is \$257.29.

Outstanding Debt

	Governmental Activities		Business-Type Activities		Total	
	2007	2006	2007	2006	2007	2006
General obligation bonds	\$10,485,000	\$10,075,000	\$0	\$0	\$10,485,000	\$10,075,000
Special assessment bonds	6,955,000	5,385,000	-	-	6,955,000	5,385,000
Revenue bonds	-	-	15,270,000	11,163,036	15,270,000	11,163,036
Notes payable	-	-	1,687,879	1,747,241	1,687,879	1,747,241
Loans payable	-	-	210,694	273,563	210,694	273,563
Compensated absences	649,853	609,739	181,438	182,033	831,291	791,772
Total outstanding debt	\$18,089,853	\$16,069,739	\$17,350,011	\$13,365,873	\$35,439,864	\$29,435,612

**City of Minot
Comprehensive Annual Financial Report
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Management Discussion and Analysis

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

Projects in 2007, which boosted the economy in Minot included, the Washington School remodel of a former clinic building for \$4.35 million, the YMCA addition for \$3.4 million, the IRET construction of an office and apartment complex for \$3.375 million, the remodel of Scheel's for \$2.95 million, the remodel of Dakota Square for Barnes and Noble for \$1.24 million, the Feist Construction of 8 and 20 unit condominium buildings for \$1.7 million, the Minot Park District bath house for the Roosevelt swimming pool for nearly \$1 million, and several other condo and business remodels.

During 2008, the City anticipates the oil industry will boost our economy primarily due to the Bakken Formation. Pure Energy USA, Inc, a company that does fracturing, production testing and wire line services for the petroleum industry will be locating to the new Energy Park next to the intermodal park on the east side of Minot. They intend to employ 80 employees over a three year period with an annual salary of nearly \$6.6 million.

The 2008 budget for the City of Minot includes an increase in the water and sewer rates. The value of a mill for the City increased from \$82,554 to \$90,852 per mill. The mill levy for the City of Minot's 2008 budget is 113.70 mills – compared to 122.60 mills in 2007, a decrease of 7.82 mills.

Total appropriations for operations for 2008 increased approximately \$5.7 million dollars from 2007. This 11.16% increase is caused primarily by increases in sales tax capital improvement expenditures (\$1 million increase) and increases in debt retirement (over \$0.6 million increase). The Airport budget also increased by nearly \$1.4 million due to Airport projects that will primarily be funded by State and Federal grants. Due to rate increases and growth around the City of Minot, the water and sewer budget increased by slightly more than \$1 million in order to provide water and sewer to these new areas.

**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, 2007

	Governmental Activities	Business-Type Activities	Total 2007
ASSETS			
Cash and investments	\$21,544,699	\$2,249,624	\$23,794,323
Investments	57,875	-	57,875
Receivables			
Taxes receivable delinquent	318,581	1,438	320,019
Special assessments deferred	2,511,481	-	2,511,481
Special assessments delinquent	55,412	-	55,412
Accounts receivable	136,564	991,426	1,127,990
Loans receivable, net of allowance	406,946	-	406,946
Due from other agencies	2,433,465	152,455	2,585,920
Accrued interest receivable	373,113	-	373,113
Inventory	334,443	111,110	445,553
Prepays	5,512	295	5,807
Deferred charges	182,759	161,001	343,760
Net pension obligation asset	715,775	-	715,775
Restricted cash and cash equivalents	24,671,483	2,766,850	27,438,333
Capital assets not being depreciated			
Land	6,333,630	2,786,418	9,120,048
Capital assets net of accumulated depreciation			
Buildings	6,344,725	4,238,765	10,583,490
Equipment	4,688,116	3,459,018	8,147,134
Infrastructure	60,910,854	64,428,636	125,339,490
Books	1,165,866	-	1,165,866
Total assets	<u>133,191,300</u>	<u>81,347,035</u>	<u>214,538,335</u>
LIABILITIES			
Accounts payable	1,789	4,753	6,542
Retainage payable	166,544	277,126	443,670
Internal balances	516,788	(516,788)	-
Due to other agencies	1,410,364	167,453	1,577,817
Accrued vacation payable	16,070	181,438	197,508
Accrued salaries payable	219,649	60,548	280,197
Insurance claims payable	64,218	-	64,218
Accrued interest payable	178,348	136,355	314,703
Customer deposits	-	95,950	95,950
Deferred revenue	-	975	975
Current debt			
Due within one year			
Special assessment debt with governmental commitment	26,418	-	26,418
All other debt	2,867,001	1,878,288	4,745,289
Noncurrent debt			
Due after one year			
Special assessment debt with governmental commitment	116,460	-	116,460
All other debt	15,324,144	15,327,513	30,651,657
Accrued MSWLF postclosure care costs	-	381,459	381,459
Total liabilities	<u>20,907,793</u>	<u>17,995,071</u>	<u>38,902,864</u>
NET ASSETS			
Invested in capital assets, net of related debt	59,701,807	57,707,036	117,408,843
Restricted for			
Debt service	2,617,579	-	2,617,579
Capital projects	24,733,175	-	24,733,175
Other purposes	715,775	43,874	759,649
Unrestricted	24,515,171	5,601,054	30,116,224
Total net assets	<u>\$112,283,507</u>	<u>\$63,351,964</u>	<u>\$175,635,471</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, 2007

Functions/Programs	Program Revenues				Net (Expense) Revenue and Changes in Net Assets		
	Expenses	Charges For Services	Operating	Capital	Governmental Activities	Business-Type Activities	Total 2007
			Grants and Contributions	Grants and Contributions			
Governmental Activities							
General government	\$9,820,859	\$4,182,085	\$675,890	\$726,303	(\$4,236,581)	\$0	(\$4,236,581)
Public safety	8,512,487	907,811	70,435	-	(7,534,241)	-	(7,534,241)
Highways and streets	4,525,555	-	-	11,784,624	7,259,069	-	7,259,069
Culture and recreation	3,708,302	474,985	-	-	(3,233,317)	-	(3,233,317)
Community development	2,717,155	-	-	-	(2,717,155)	-	(2,717,155)
Interest on long-term debt	806,265	-	-	-	(806,265)	-	(806,265)
Total governmental activities	30,090,622	5,564,881	746,325	12,510,927	(11,268,489)	-	(11,268,489)
Business-Type Activities							
Airport	2,765,664	1,142,638	263,381	1,696,337	-	336,692	336,692
Cemetery	213,092	200,333	-	-	-	(12,759)	(12,759)
Parking authority	115,667	136,713	-	-	-	21,046	21,046
Sanitation	1,839,932	2,148,607	-	10,165	-	318,840	318,840
Water and sewer	9,174,486	7,686,895	-	1,965,477	-	477,885	477,885
Total business-type activities	14,108,841	11,315,185	263,381	3,671,979	-	1,141,703	1,141,703
Total government	\$44,199,464	\$16,880,066	\$1,009,706	\$16,182,906	(11,268,489)	1,141,703	(10,126,785)
General Revenues							
Taxes							
Property taxes, levied for general purposes					7,665,997	34,608	7,700,605
Property taxes, levied for debt service					1,142,353	-	1,142,353
Sales tax					13,242,768	-	13,242,768
Municipal highway tax					1,769,430	-	1,769,430
State aid distribution-unrestricted					1,620,893	-	1,620,893
Franchise taxes					400,264	-	400,264
Other taxes					287,113	164,724	451,837
Gain (loss) on disposal of capital assets					(835,458)	(6,473)	(841,933)
Investment earnings					2,282,098	226,834	2,508,932
Miscellaneous					2,896,504	106,857	3,003,361
Transfers					1,458,649	(1,458,649)	-
Total general revenues and transfers					31,930,611	(932,099)	30,998,510
Change in net assets					20,662,122	209,604	20,871,725
Net assets - January 1, as reported					99,924,257	63,142,361	163,066,618
Prior period adjustment - Note 5F					(8,302,872)	-	(8,302,872)
Net assets - January 1, as restated					91,621,385	63,142,361	154,763,746
Net assets - December 31					\$112,283,507	\$63,351,964	\$175,635,471

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, 2007
With Comparative Totals for December 31, 2006

	<u>Special Revenue Fund</u>		<u>Debt Service Funds</u>	
	<u>General Fund</u>	<u>Sales Tax NAWS</u>	<u>Highway Debt</u>	<u>Special Assessment Debt</u>
ASSETS				
Cash and investments	\$4,284,695	\$0	\$1,076,549	\$0
Restricted cash and investments	-	24,317,686	-	-
Investments	-	-	-	-
Taxes receivable delinquent	161,866	-	40,873	1,905
Special assessments deferred	5,588	-	-	2,463,977
Special assessments delinquent	3,001	-	-	47,025
Accounts receivable	114,887	-	-	-
Loans receivable	-	-	-	-
Allowance for loans receivable	-	-	-	-
Due from other funds	-	-	53,129	1,536,625
Due from other agencies	694,500	649,013	-	-
Accrued interest receivable	210,248	162,865	-	-
Inventory	-	-	-	-
Prepays	5,332	-	-	-
Total assets	<u>\$5,480,117</u>	<u>\$25,129,564</u>	<u>\$1,170,551</u>	<u>\$4,049,532</u>
LIABILITIES				
Accounts payable	\$286	\$0	\$0	\$0
Retainage payable	-	-	-	-
Due to other funds	-	-	-	53,129
Due to other agencies	52,348	396,389	-	554
Accrued salaries payable	194,487	-	-	-
Accrued vacation payable	14,109	-	-	-
Deferred revenue	174,020	-	36,121	2,512,700
Total liabilities	<u>435,250</u>	<u>396,389</u>	<u>36,121</u>	<u>2,566,383</u>
FUND BALANCE				
Reserved for encumbrances	61,210	-	-	-
Reserved for inventory	-	-	-	-
Reserved for prepays	5,332	-	-	-
Reserved for property tax relief	-	-	-	-
Reserved for economic development	-	-	-	-
Reserved for capital improvements	-	24,733,175	-	-
Reserved for loans receivable	-	-	-	-
Unreserved				
Designated				
Designated - capital project fund	-	-	-	-
Designated - nonmajor special revenue funds				
Memorial	-	-	-	-
Maintenance and operations	-	-	-	-
Debt retirement	-	-	1,134,430	1,483,149
Undesignated	4,978,325	-	-	-
Undesignated-nonmajor funds				
Special revenue funds	-	-	-	-
Capital project funds	-	-	-	-
Total fund balance	<u>5,044,867</u>	<u>24,733,175</u>	<u>1,134,430</u>	<u>1,483,149</u>
Total liabilities and fund balance	<u>\$5,480,117</u>	<u>\$25,129,564</u>	<u>\$1,170,551</u>	<u>\$4,049,532</u>

City of Minot, North Dakota
Balance Sheet
Governmental Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Capital Project Fund	Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
ASSETS				
Cash and investments	\$2,974,398	\$11,673,056	\$20,008,698	\$34,937,353
Restricted cash and investments	-	353,797	24,671,483	-
Investments	-	57,875	57,875	100,000
Taxes receivable delinquent	2,007	111,928	318,579	263,545
Special assessments deferred	-	41,916	2,511,481	2,444,400
Special assessments delinquent	-	5,386	55,412	105,514
Accounts receivable	-	16,453	131,340	205,575
Loans receivable	-	508,682	508,682	115,961
Allowance for loans receivable	-	(101,736)	(101,736)	(23,192)
Due from other funds	-	71,704	1,661,458	1,786,283
Due from other agencies	37,324	1,052,628	2,433,465	1,874,258
Accrued interest receivable	-	-	373,113	524,438
Inventory	-	7,577	7,577	4,425
Prepays	-	180	5,512	-
Total assets	<u>\$3,013,729</u>	<u>\$13,799,446</u>	<u>\$52,642,939</u>	<u>\$42,338,560</u>
LIABILITIES				
Accounts payable	\$1,503	\$0	\$1,789	\$68,881
Retainage payable	80,236	86,308	166,544	29,256
Due to other funds	850,065	1,102,887	2,006,081	1,342,458
Due to other agencies	395,518	565,555	1,410,364	469,423
Accrued salaries payable	-	25,162	219,649	225,956
Accrued vacation payable	-	1,961	16,070	-
Deferred revenue	1,714	152,966	2,877,521	2,816,583
Total liabilities	<u>1,329,036</u>	<u>1,934,839</u>	<u>6,698,018</u>	<u>4,952,557</u>
FUND BALANCE				
Reserved for encumbrances	-	98,169	159,379	-
Reserved for inventory	-	7,577	7,577	4,425
Reserved for prepays	-	-	5,332	-
Reserved for property tax relief	-	345,943	345,943	100,000
Reserved for economic development	-	336,385	336,385	199,244
Reserved for capital improvements	1,340,305	17,387	26,090,867	20,729,939
Reserved for loans receivable	-	406,946	406,946	92,769
Unreserved				
Designated				
Designated - capital project fund	-	-	-	130,222
Designated-nonmajor special revenue funds				
Memorial	-	4,025	4,025	-
Maintenance and operations	-	2,000,000	2,000,000	2,000,000
Debt retirement	-	-	2,617,579	1,910,960
Undesignated	344,388	-	5,322,713	8,112,926
Undesignated-nonmajor funds				
Special revenue funds	-	6,489,053	6,489,053	1,327,463
Capital project funds	-	2,159,122	2,159,122	2,778,055
Total fund balance	<u>1,684,693</u>	<u>11,864,607</u>	<u>45,944,921</u>	<u>37,386,003</u>
Total liabilities and fund balance	<u>\$3,013,729</u>	<u>\$13,799,446</u>	<u>\$52,642,939</u>	<u>\$42,338,560</u>

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

City of Minot, North Dakota
Reconciliation of the Governmental Funds Balance Sheet
To the Statement of Net Assets
December 31, 2007

Total fund balances for governmental funds	\$45,944,921
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	6,333,630
Buildings, net of accumulated depreciation (\$5,615,182)	6,344,725
Equipment, net of accumulated depreciation (\$5,228,186)	4,688,119
Infrastructure, net of accumulated depreciation (\$22,055,877)	60,910,852
Books, net of accumulated depreciation (\$2,913,314)	<u>1,165,865</u>
Total capital assets (Note 4. D)	79,443,191
A negative net pension obligation should be reported as an asset in the government-wide statement of net assets and in connection with proprietary and fiduciary funds. Conversely, a negative net pension obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund.	
	715,775
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. They are not included in government-wide.	
	1,631,711
Some of the City's taxes and special assessments will be collected after year-end, but are not available soon enough to pay for the current period's expenditures; therefore, they are reported as deferred revenue in the governmental funds.	
	2,877,521
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. (Note 2. A)	
	<u>(18,329,612)</u>
Total net assets of governmental activities	<u><u>\$112,283,507</u></u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Special			
	General Fund	Revenue Fund	Debt Service Funds	Special Assessment Debt
	General Fund	Sales Tax NAWS	Highway Debt	Special Assessment Debt
REVENUES				
Property tax collections	\$4,474,268	\$0	\$1,114,833	\$27,520
Special assessment collections	16,270	-	-	641,711
Sales tax collections	-	6,621,384	-	-
Licenses and permits	607,708	-	-	-
Intergovernmental	4,672,946	-	-	-
Charges for services	3,338,128	-	-	-
Fines and forfeits	540,046	-	-	-
Interest income	235,459	1,165,098	54,862	77,714
Miscellaneous	170,427	-	-	134,677
Total revenues	14,055,252	7,786,482	1,169,695	881,622
EXPENDITURES				
Current				
General government	4,756,517	3,313,804	-	-
Public safety	7,828,236	-	-	-
Highways and streets	1,562,763	-	-	-
Culture and recreation	-	-	-	-
Economic development	-	-	-	-
Capital outlay				
Contracted work	-	-	-	-
Equipment	-	-	-	-
Infrastructure	-	-	-	-
Legal	-	-	-	-
Other	-	-	-	-
Acquisitions	-	-	-	-
Engineering	-	-	-	-
Debt service				
Principal retirement	-	-	1,375,000	1,145,000
Interest and fiscal charges	-	-	371,370	205,742
Total expenditures	14,147,516	3,313,804	1,746,370	1,350,742
Excess (deficiency) of revenues over (under) expenditures	(92,264)	4,472,678	(576,675)	(469,120)
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	-	-	-
Special assessment bonds issued	-	-	-	-
Premium on special assessment bonds	-	-	-	-
Discount on general obligation bonds	-	-	-	-
Sale of City property	23,553	-	-	-
Transfers in	1,475,564	-	1,482,191	291,415
Transfers out	(5,194)	(50,000)	-	(21,192)
Total other financing sources (uses)	1,493,923	(50,000)	1,482,191	270,223
Net change in fund balance	1,401,659	4,422,678	905,516	(198,897)
Fund balance, January 1	3,643,208	20,310,497	228,914	1,682,046
Fund balance, December 31	\$5,044,867	\$24,733,175	\$1,134,430	\$1,483,149

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Capital Project Fund	Other Governmental Funds	Total Governmental Funds 2007	Total Governmental Funds 2006
REVENUES				
Property tax collections	\$89,781	\$3,024,490	\$8,730,892	\$7,995,420
Special assessment collections	-	11,174	669,155	702,392
Sales tax collections	-	6,621,384	13,242,768	11,920,592
Licenses and permits	-	-	607,708	647,390
Intergovernmental	-	675,890	5,348,836	4,695,404
Charges for services	-	483,837	3,821,965	4,281,728
Fines and forfeits	-	-	540,046	524,050
Interest income	95,105	653,860	2,282,098	1,643,502
Miscellaneous	39,999	2,551,401	2,896,504	963,821
Total revenues	<u>224,885</u>	<u>14,022,036</u>	<u>38,139,972</u>	<u>33,374,299</u>
EXPENDITURES				
Current				
General government	-	639,030	8,709,351	8,001,249
Public safety	-	-	7,828,236	7,501,383
Highways and streets	32,617	474,255	2,069,635	2,210,048
Culture and recreation	7,200	3,285,095	3,292,295	1,859,266
Economic development	-	2,717,155	2,717,155	408,008
Capital outlay				
Contracted work	3,274,746	2,876,682	6,151,428	2,625,632
Equipment	-	945,011	945,011	728,629
Infrastructure	-	107,122	107,122	-
Legal	983	4,173	5,156	58,505
Other	28,738	47,495	76,233	88,154
Acquisitions	-	-	-	660,031
Engineering	541,537	72,177	613,713	693,474
Debt service				
Principal retirement	-	-	2,520,000	2,415,000
Interest and fiscal charges	15,982	34,823	627,917	707,286
Total Expenditures	<u>3,901,803</u>	<u>11,203,018</u>	<u>35,663,252</u>	<u>27,956,665</u>
Excess (deficiency) of revenues over (under) expenditures	(3,676,918)	2,819,018	2,476,720	5,417,634
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	1,785,000	-	1,785,000	2,810,000
Special assessment bonds issued	-	2,715,000	2,715,000	910,000
Premium on special assessment bonds	100	-	100	3,612
Discount on general obligation bonds	-	17,540	17,540	(19,270)
Sale of City property	-	3,490	27,043	-
Transfers in	1,375,323	1,210,221	5,834,714	5,191,192
Transfers out	-	(4,220,813)	(4,297,199)	(4,487,665)
Total other financing sources (uses)	<u>3,160,423</u>	<u>(274,562)</u>	<u>6,082,198</u>	<u>4,407,869</u>
Net change in fund balance	(516,495)	2,544,456	8,558,918	9,825,503
Fund balance, January 1	2,201,188	9,320,150	37,386,003	27,560,500
Fund balance, December 31	<u>\$1,684,693</u>	<u>\$11,864,607</u>	<u>\$45,944,921</u>	<u>\$37,386,003</u>

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

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, 2007

Net change in fund balances-total governmental funds		\$8,558,918
<p>The change in net assets reported for governmental activities in the statement of activities is different because:</p>		
<p>Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets is allocated over their estimated useful lives and reported as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period. (Note 4. D and Note 2. B)</p>		
	14,861,289	
<p>Gross proceeds from the sale of capital assets is reported as revenue in the governmental fund; however, in the statement of activities only the gain or loss on the transaction is reported.</p>		
	(862,503)	
<p>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 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. (Note 4. H)</p>		
Debt issued		
General obligation highway bonds	(1,785,000)	
Refunding bonds	(2,715,000)	
Premium of debt issuance	(17,640)	
Unamortized debt costs	27,148	
Repayments of bond principal	2,520,000	
Annual amortization of premium/discount and issuance costs	<u>(44,774)</u>	
Net adjustment		(2,015,266)
<p>A negative net pension obligation should be reported as an asset in the government-wide statement of net assets. Conversely, a negative net pension obligation is not considered to represent a financial asset; therefore, it is not properly reported in a governmental fund. The government-wide statement of net activities reports the change in the net pension obligation asset from year to year.</p>		
		177,147
<p>Under the modified accrual basis of accounting used in the governmental funds, expenditures are not recognized for transactions not normally paid with expendable available financial resources. In the statement of activities; however, which is presented on the accrual basis, expenses and liabilities are reported regardless of when financial resources are available. In addition, interest on long-term debt is not recognized under the modified accrual basis of accounting until due.</p>		
Accrued interest payable		(39,643)
Compensated absences		(40,114)
Net pension obligation		(197,786)
<p>Change in revenue accruals. The purpose of this adjustment is to recognize the net change in unavailable revenues. Under the modified accrual basis of accounting, revenues are not recognized unless they are deemed available to finance the expenditures of the current period. Accrual-basis recognition is not limited by availability, so certain revenues need to be reduced by the amounts unavailable at the beginning of the year and increased by the amounts unavailable at the end of the year. This adjustment records a net decrease in revenues unavailable at the end of the year which were less than beginning revenues by this amount.</p>		
New special assessment districts to be billed and collected annually	726,303	
Amount shown as revenue in governmental funds	<u>(659,222)</u>	
Net change		67,081
<p>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.</p>		
		<u>152,999</u>
Change in net assets of governmental activities		<u>\$20,662,122</u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures and Changes in Fund Balance, Budget and Actual
General Fund
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Budgeted Amounts</u>		<u>2007 Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>2006 Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
REVENUES					
Property tax collections	\$4,416,693	\$4,416,693	\$4,474,268	\$57,575	\$4,171,745
Special assessment collections	-	-	16,270	16,270	14,535
Licenses	190,470	190,470	176,646	(13,824)	195,945
Permits	416,462	416,462	431,062	14,600	451,445
Intergovernmental federal					
Drug task force	52,845	52,845	70,435	17,590	74,123
Fire act grant	-	-	-	-	28,909
Intergovernmental state					
Highway fund	1,703,239	1,703,239	1,769,430	66,191	1,683,303
State aid distribution	1,387,572	1,387,572	1,620,893	233,321	1,424,650
Cigarette tax	92,054	92,054	112,090	20,036	112,578
Estate tax	69,300	69,300	-	(69,300)	27,704
Gas and oil production tax	17,062	17,062	20,451	3,389	16,784
Telecommunications tax	132,092	132,092	132,092	-	132,092
Senior citizen property tax credit	27,171	27,171	33,893	6,722	31,972
Fire insurance refund	66,844	66,844	63,410	(3,434)	61,605
Gambling tax revenue	21,125	21,125	22,480	1,355	20,643
Intergovernmental county					
Road and bridge	3,032	3,032	3,921	889	3,403
Joint communications	149,243	149,243	143,965	(5,278)	135,483
Telephone fee	184,446	184,446	177,118	(7,328)	181,136
Information services	65,839	65,839	58,589	(7,250)	55,726
Intergovernmental other					
Housing authority	25,000	25,000	34,164	9,164	28,382
Parking authority	16,755	16,755	5,480	(11,275)	5,480
Cable TV	348,019	348,019	400,264	52,245	370,158
Damage claims	6,718	6,718	1,901	(4,817)	-
Public schools	2,000	2,000	-	(2,000)	-
Policing-Central Campus	2,209	2,209	2,369	160	1,460
Total intergovernmental	<u>4,372,565</u>	<u>4,372,565</u>	<u>4,672,945</u>	<u>300,380</u>	<u>4,395,591</u>
Charges for services					
Engineering & administrative	500,000	500,000	137,863	(362,137)	340,685
Utility & special funds	1,899,748	1,899,748	1,899,748	-	1,885,866
Agency funds	1,271,622	1,271,622	1,249,871	(21,751)	1,578,613
Fleet labor	60,710	60,710	50,646	(10,064)	40,509
Total charges for services	<u>3,732,080</u>	<u>3,732,080</u>	<u>3,338,128</u>	<u>(393,952)</u>	<u>3,845,673</u>
Fines and forfeitures					
Parking tickets	68,290	68,290	71,690	3,400	69,204
Police court	460,247	460,247	468,356	8,109	454,846
Total fines and forfeitures	<u>528,537</u>	<u>528,537</u>	<u>540,046</u>	<u>11,509</u>	<u>524,050</u>
Interest income	637,500	637,500	235,459	(402,041)	351,552
Miscellaneous income					
Work for others	12,590	12,590	7,468	(5,122)	4,944
Single family mortgage payoffs	40,000	40,000	43,016	3,016	-
Miscellaneous	186,054	186,054	108,899	(77,155)	205,653
Towing fees	14,331	14,331	11,045	(3,286)	10,066
Sale of property	-	-	23,553	23,553	-
Total miscellaneous income	<u>252,975</u>	<u>252,975</u>	<u>193,981</u>	<u>(58,994)</u>	<u>220,663</u>
Total revenues	<u>14,547,282</u>	<u>14,547,282</u>	<u>14,078,805</u>	<u>(468,477)</u>	<u>14,171,199</u>

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, 2007
With Comparative Totals for December 31, 2006

	<u>Budgeted Amounts</u>		<u>2007 Actual Amounts</u>	<u>Variance With Final Budget</u>	<u>2006 Actual Amounts</u>
	<u>Original</u>	<u>Final</u>			
EXPENDITURES					
General government					
Mayor and city council	\$136,805	\$136,805	\$125,989	\$10,816	\$119,084
City manager	180,115	180,115	176,073	4,042	170,448
City clerk	193,860	193,860	167,827	26,033	175,903
City attorney	83,976	83,976	108,045	(24,069)	102,567
Administrative and general	658,478	658,478	541,525	116,953	536,780
Finance	425,009	425,009	424,863	146	436,818
Information technology	292,387	292,387	276,202	16,185	258,177
Property assessment	290,840	290,840	256,189	34,651	261,639
Building inspection	345,461	345,461	347,817	(2,356)	330,040
Traffic and planning	781,917	781,917	668,484	113,433	700,577
Engineering	616,376	616,376	576,780	39,596	528,097
Vehicle maintenance	478,507	478,507	453,130	25,377	448,431
Property maintenance	305,689	306,689	278,216	28,473	274,551
Public works administration	371,557	371,557	353,311	18,246	309,452
Total general government	<u>5,160,977</u>	<u>5,161,977</u>	<u>4,754,453</u>	<u>407,526</u>	<u>4,652,564</u>
Public safety					
Police administration	729,106	729,106	711,917	17,189	681,025
Police patrol	2,644,128	2,644,128	2,608,767	35,361	2,495,516
Narcotics & criminal investigations	758,330	758,330	732,499	25,831	651,193
Narcotics task force	71,534	71,534	40,531	31,003	92,663
Telecommunications division	610,870	610,870	580,987	29,883	555,302
Municipal judge	142,522	142,522	151,552	(9,030)	125,598
Fire administration	380,153	390,140	369,028	21,112	391,934
Fire control	2,719,480	2,719,480	2,632,955	86,525	2,508,152
Total public safety	<u>8,056,123</u>	<u>8,066,110</u>	<u>7,828,236</u>	<u>237,874</u>	<u>7,501,383</u>
Street & storm sewer maintenance	1,668,869	1,562,763	1,562,763	-	1,376,632
Total expenditures	<u>14,885,969</u>	<u>14,790,850</u>	<u>14,145,452</u>	<u>645,400</u>	<u>13,530,579</u>
Excess (deficiency) of revenues over (under) expenditures	<u>(338,687)</u>	<u>(243,568)</u>	<u>(66,647)</u>	<u>176,921</u>	<u>640,620</u>
OTHER FINANCING SOURCES (USES)					
Transfers in	338,687	338,687	1,473,500	1,134,813	754,990
Transfers out	-	-	(5,194)	(5,194)	(19,648)
Total other financing sources (uses)	<u>338,687</u>	<u>338,687</u>	<u>1,468,306</u>	<u>1,129,619</u>	<u>735,342</u>
Net change in fund balance	<u>\$0</u>	<u>\$95,119</u>	<u>1,401,659</u>	<u>\$1,306,540</u>	<u>1,375,962</u>
Fund balance, January 1			<u>3,643,208</u>		<u>2,267,246</u>
Fund balance, December 31			<u><u>\$5,044,867</u></u>		<u><u>\$3,643,208</u></u>

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

City of Minot, North Dakota
Statement of Revenues, Expenditures, and Changes in Fund, Budget and Actual
Major Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Sales Tax NAWS</u>			
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget	2006 Actual Amounts
REVENUES				
Sales tax collections	\$5,621,000	\$6,621,384	(\$1,000,384)	\$5,960,296
Interest income	900,000	1,165,098	(265,098)	877,195
Total revenues	<u>6,521,000</u>	<u>7,786,482</u>	<u>(1,265,482)</u>	<u>6,837,491</u>
EXPENDITURES				
General government	6,521,000	3,313,804	3,207,196	2,476,110
Total expenditures	<u>6,521,000</u>	<u>3,313,804</u>	<u>3,207,196</u>	<u>2,476,110</u>
Excess (deficiency) of revenues over (under) expenditures	-	4,472,678	(4,472,678)	4,361,381
OTHER FINANCING SOURCES (USES)				
Transfers out	-	(50,000)	50,000	(50,000)
Total other financing sources (uses)	<u>-</u>	<u>(50,000)</u>	<u>50,000</u>	<u>(50,000)</u>
Net change in fund balance	<u>\$0</u>	<u>4,422,678</u>	<u>(\$4,422,678)</u>	4,311,381
Fund balance, January 1		<u>20,310,497</u>		<u>15,999,116</u>
Fund balance, December 31		<u><u>\$24,733,175</u></u>		<u><u>\$20,310,497</u></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, 2006
With Comparative Totals for December 31, 2005

	Business-Type Activities			Nonmajor Enterprise Funds
	Enterprise Funds			
ASSETS	Airport	Sanitation	Water & Sewer	
Current assets				
Cash and cash equivalents	\$692,571	\$1,456,132	\$97,929	\$159,855
Restricted cash and cash equivalents	386,226	-	1,610,446	-
Taxes receivable delinquent	165	-	-	1,355
Accounts receivable	111,675	213,299	732,307	9,585
Due from other funds	-	-	-	-
Due from other agencies	31,676	-	-	-
Inventory	68,404	-	-	-
Total current assets	1,290,717	1,669,431	2,440,682	170,795
Noncurrent assets				
Restricted cash and cash equivalents	13,762	-	169,263	-
Deferred charges	34,230	-	106,068	-
Total noncurrent assets	47,992	-	275,331	-
Capital assets				
Land	1,109,583	337,335	1,054,707	254,793
Buildings	6,552,249	114,278	3,344,620	332,499
Improvements	34,137,706	2,026,862	74,228,342	171,101
Equipment	2,676,183	1,000,365	3,304,478	438,641
Construction in progress	1,011,076	-	1,704,761	-
Total capital assets	45,486,797	3,478,840	83,636,908	1,197,034
Less-accumulated depreciation	(15,649,525)	(2,126,179)	(43,648,297)	(737,937)
Net capital assets	29,837,272	1,352,661	39,988,611	459,097
Total assets	\$31,175,981	\$3,022,092	\$42,704,624	\$629,892
LIABILITIES				
Current liabilities				
Accounts payable	\$0	\$104	\$6,340	\$9
Retainage payable	2,812	-	60,400	-
Due to other funds	-	-	443,825	-
Due to other agencies	12,287	810	90,879	1,273
Accrued vacation payable	30,360	39,792	103,587	8,295
Accrued salaries payable	9,211	12,336	34,246	4,579
Insurance claims payable	-	-	-	-
Bonds payable-current	275,000	-	1,125,000	-
Notes payable-current	-	-	57,354	-
Loans payable-current	-	-	62,807	-
Accrued interest payable	21,238	-	66,124	357
Total current liabilities	350,908	53,042	2,050,562	14,513
Long-term liabilities				
Customer deposits	-	-	91,224	-
Bonds payable-long-term	1,540,000	-	8,223,036	-
Notes payable-long-term	-	-	1,689,886	-
Loans payable-long-term	-	-	210,756	-
Accrued MSWLF postcare costs	-	363,597	-	-
Total long-term liabilities	1,540,000	363,597	10,214,902	-
Total liabilities	1,890,908	416,639	12,265,464	14,513
NET ASSETS				
Invested in capital assets, net of related debt	28,022,272	1,352,661	28,619,772	459,097
Restricted for perpetual care	-	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	-	5,224
Unrestricted	1,262,801	1,252,792	1,819,388	112,808
Total net assets	\$29,285,073	\$2,605,453	\$30,439,160	\$615,379

City of Minot, North Dakota
Statement of Net Assets
Proprietary Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Business-Type Activities		
	Enterprise Funds		
	Airport	Water & Sewer	Nonmajor
ASSETS			
Current assets			
Cash and cash equivalents	\$906,190	\$0	\$1,343,434
Restricted cash and cash equivalents	298,177	1,716,466	43,874
Taxes receivable delinquent	-	-	1,438
Accounts receivable	63,737	749,223	178,466
Due from other funds	-	839,130	475,812
Due from other agencies	152,455	-	-
Inventory	111,110	-	-
Prepays	195	90	10
Total current assets	<u>1,531,864</u>	<u>3,304,909</u>	<u>2,043,034</u>
Noncurrent assets			
Restricted cash and equivalents	100,000	608,333	-
Deferred charges	26,043	134,958	-
Total noncurrent assets	<u>126,043</u>	<u>743,291</u>	<u>-</u>
Capital assets			
Land	1,109,583	1,054,707	622,128
Buildings	6,625,367	6,835,884	444,922
Improvements	-	-	-
Equipment	2,636,056	5,681,918	1,523,039
Infrastructure	36,818,209	75,073,260	2,157,018
Intangible assets	-	345,144	-
Construction in progress	-	-	-
Total capital assets	<u>47,189,215</u>	<u>88,990,913</u>	<u>4,747,107</u>
Less-accumulated depreciation	<u>(17,196,692)</u>	<u>(45,897,840)</u>	<u>(2,919,866)</u>
Net capital assets	<u>29,992,523</u>	<u>43,093,073</u>	<u>1,827,241</u>
Total assets	<u>\$31,650,430</u>	<u>\$47,141,273</u>	<u>\$3,870,275</u>
LIABILITIES			
Current liabilities			
Accounts payable	\$85	\$4,668	\$0
Retainage payable	33,494	243,632	-
Due to other funds	-	970,319	-
Due to other agencies	9,543	156,482	1,428
Accrued vacation payable	33,084	102,141	46,213
Accrued salaries payable	10,835	33,356	16,357
Insurance claims payable	-	-	-
Bonds payable	280,000	1,473,408	-
Notes payable	-	58,393	-
Loans payable	-	66,487	-
Accrued interest payable	18,177	118,178	-
Deferred revenue	975	-	-
Total current liabilities	<u>386,193</u>	<u>3,227,064</u>	<u>63,998</u>
Long-term liabilities			
Customer deposits	4,949	90,401	600
Bonds payable	1,260,000	12,293,819	-
Notes payable	-	1,629,486	-
Loans payable	-	144,207	-
Accrued MSWLF closure and postclosure care costs	-	-	381,459
Total long-term liabilities	<u>1,264,949</u>	<u>14,157,913</u>	<u>382,059</u>
Total liabilities	<u>1,651,142</u>	<u>17,384,977</u>	<u>446,057</u>
NET ASSETS			
Invested in capital assets, net of related debt	28,452,523	27,427,273	1,827,241
Restricted for perpetual care	-	-	38,250
Restricted for chapel/veteran's memorial	-	-	5,624
Unrestricted	1,546,765	2,329,023	1,553,103
Total net assets	<u>\$29,999,288</u>	<u>\$29,756,296</u>	<u>\$3,424,218</u>

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Business-Type Activities		
	Enterprise Funds		
	Airport	Water & Sewer	Nonmajor
OPERATING REVENUES			
Sales	\$1,224,319	\$0	\$0
Cost of goods sold	(840,047)	-	-
Gross margin	384,272	-	-
Charges for services	758,973	7,695,089	2,500,309
Employer	-	-	-
Employee	-	-	-
Miscellaneous	-	-	1,675
Total operating revenues	<u>1,143,245</u>	<u>7,695,089</u>	<u>2,501,984</u>
OPERATING EXPENSES			
Salaries	449,533	1,546,962	802,463
Employee benefits	106,298	384,659	200,295
Professional services	1,663	44,575	7,072
Property services	192,826	1,262,420	454,027
Purchased services	46,974	75,954	36,050
Supplies	182,534	1,673,383	248,982
Capital purchases	-	-	4,949
Sundry	78,520	1,297,201	299,797
Insurance claims	-	-	-
Bad debt expense	-	10,471	2,823
Amortization	8,186	23,942	-
MSWLF closure & postclosure care	-	-	17,862
Depreciation	1,617,240	2,397,371	94,371
Total operating expenses	<u>2,683,774</u>	<u>8,716,938</u>	<u>2,168,691</u>
Operating income (loss)	(1,540,529)	(1,021,849)	333,293
NON-OPERATING REVENUES (EXPENSES)			
Property tax collections	94	-	34,514
State and federal collected taxes	1,764,185	-	-
Interest income	68,845	67,003	90,986
Miscellaneous income (expense)	77,709	8,385	20,763
Passenger facility charge income	263,381	-	-
Gain (loss) on disposal of capital assets	(58)	(4,809)	(1,606)
Interest and fiscal charges	(81,890)	(457,548)	-
Total non-operating revenues (expenses)	<u>2,092,266</u>	<u>(386,969)</u>	<u>144,657</u>
Income (loss) before contributions and transfers	551,737	(1,408,818)	477,950
Capital contributions	96,876	1,965,477	10,165
Transfers in	219,757	550,000	81,900
Transfers out	(154,155)	(1,789,522)	(366,629)
Total contributions and transfers	<u>162,478</u>	<u>725,955</u>	<u>(274,564)</u>
Change in net assets	714,215	(682,864)	203,386
Net assets, January 1	29,285,073	30,439,160	3,220,832
Net assets, December 31	<u>\$29,999,288</u>	<u>\$29,756,296</u>	<u>\$3,424,218</u>

City of Minot, North Dakota
Statement of Revenues, Expenses, and Changes in Fund Net Assets
Proprietary Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Governmental Activities		Total 2007	Total 2006
	Total Enterprise Funds	Internal Service Funds		
OPERATING REVENUES				
Sales	\$1,224,319	\$237,873	\$1,462,192	\$1,489,274
Cost of goods sold	(840,047)	(218,809)	(1,058,856)	(1,196,138)
Gross margin	384,272	19,064	403,336	293,136
Charges for services	10,954,371	-	10,954,371	10,710,224
Employer	-	1,266,171	1,266,171	1,183,092
Employee	-	656,180	656,180	610,837
Miscellaneous	1,675	-	1,675	14,180
Total operating revenues	<u>11,340,318</u>	<u>1,941,415</u>	<u>13,281,733</u>	<u>12,811,469</u>
OPERATING EXPENSES				
Salaries	2,798,958	-	2,798,958	2,858,688
Employee benefits	691,252	-	691,252	683,469
Professional services	53,310	47	53,357	45,780
Property services	1,909,273	-	1,909,273	1,673,796
Purchased services	158,978	-	158,978	142,124
Supplies	2,104,899	20,126	2,125,025	1,933,361
Capital purchases	4,949	-	4,949	8
Sundry	1,675,518	-	1,675,518	1,634,083
Insurance claims	-	1,817,691	1,817,691	1,587,190
Bad debt expense	13,294	-	13,294	11,753
Amortization	32,128	-	32,128	28,789
MSWLF closure & postclosure care	17,862	-	17,862	31,973
Depreciation	4,108,982	-	4,108,982	3,958,157
Total operating expenses	<u>13,569,403</u>	<u>1,837,864</u>	<u>15,407,267</u>	<u>14,589,171</u>
Operating income (loss)	(2,229,085)	103,551	(2,125,534)	(1,777,702)
NON-OPERATING REVENUES (EXPENSES)				
Property tax collections	34,608	-	34,608	47,185
State and federal collected taxes	1,764,185	-	1,764,185	322,184
Interest income	226,834	78,866	305,700	119,238
Miscellaneous income	106,857	49,448	156,305	93,985
Passenger facility charge income	263,381	-	263,381	282,857
Gain (loss) on disposal of capital assets	(6,473)	-	(6,473)	66,267
Interest and fiscal charges	(539,438)	-	(539,438)	(444,964)
Total non-operating revenues (expenses)	<u>1,849,954</u>	<u>128,314</u>	<u>1,978,268</u>	<u>486,752</u>
Income (loss) before contributions and transfers	(379,131)	231,865	(147,266)	(1,290,950)
Capital contributions	2,072,518	-	2,072,518	1,978,136
Transfers in	851,657	-	851,657	347,575
Transfers out	(2,310,306)	(78,866)	(2,389,172)	(1,051,102)
Total contributions and transfers	<u>613,869</u>	<u>(78,866)</u>	<u>535,003</u>	<u>1,274,609</u>
Change in net assets	234,737	152,999		
Net assets, January 1	62,945,065	1,650,874		
Net assets, December 31	<u>\$63,179,802</u>	<u>\$1,803,873</u>		
Change in net assets enterprise funds only			234,737	(293,028)
Adjustment to reflect the consolidation of internal service fund activities to enterprise funds			(25,133)	91,675
Change in net assets of business-type activities			<u>\$209,604</u>	<u>(\$201,353)</u>

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

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Business-Type Activities		
	Enterprise Funds		
	Airport	Water & Sewer	Nonmajor
CASH FLOWS FROM OPERATING ACTIVITIES			
Receipts from customers and users	\$1,988,494	\$7,678,263	\$2,546,909
Payments to suppliers	(1,313,459)	(4,131,213)	(1,053,813)
Payments to employees	(551,483)	(1,933,957)	(1,005,190)
Internal activity - payments from (to) other funds	-	(312,636)	(475,812)
Due from (to) other agencies	(118,998)	65,603	(1,012)
Net cash provided (used) by operating activities	<u>4,554</u>	<u>1,366,060</u>	<u>11,082</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES			
Taxes received	1,841,988	8,385	55,277
Transfers in	219,757	550,000	81,900
Transfers out	(154,155)	(1,789,522)	(366,629)
Internal activity - payments from (to) other funds	-	-	-
Net cash provided (used) by noncapital financing activities	<u>1,907,590</u>	<u>(1,231,137)</u>	<u>(229,452)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES			
Capital contributions	96,876	1,965,477	10,165
Passenger facility charges	263,381	-	-
Acquisition and construction of capital assets	(1,772,548)	(5,505,463)	(111,460)
Proceeds on bonds	-	5,490,000	-
Proceeds from sale of capital assets	-	-	-
Principal paid on capital debt	(275,000)	(1,247,231)	-
Interest paid on capital debt	(81,890)	(457,548)	-
Net cash provided (used) by capital and related financing activities	<u>(1,769,181)</u>	<u>245,235</u>	<u>(101,295)</u>
CASH FLOWS FROM INVESTING ACTIVITIES			
Interest and dividends	68,845	67,003	90,986
Net cash provided by investing activities	<u>68,845</u>	<u>67,003</u>	<u>90,986</u>
Net increase (decrease) in cash and cash equivalents	211,808	447,161	(228,679)
Cash and cash equivalents, January 1	1,092,559	1,877,638	1,615,987
Cash and cash equivalents, December 31	<u>\$1,304,367</u>	<u>\$2,324,799</u>	<u>\$1,387,308</u>
Cash and cash equivalents are comprised of the following:			
Cash and cash equivalents	\$906,190	\$0	\$1,343,434
Restricted cash and cash equivalents - current	298,177	1,716,466	43,874
Restricted cash and cash equivalents - noncurrent	100,000	608,333	-
Total cash and cash equivalents on the Statement of Net Assets	<u>\$1,304,367</u>	<u>\$2,324,799</u>	<u>\$1,387,308</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES			
Operating income (loss)	(\$1,540,529)	(\$1,021,849)	\$333,293
Adjustments to reconcile operating income (loss) to net cash provided by operating activities			
Depreciation expense	1,617,240	2,397,371	94,371
Amortization expense	8,186	23,942	-
MSWLF closure and post closure care cost adjustment	-	-	17,862
Change in assets and liabilities			
Taxes receivable	165	-	-
Receivables, net	47,938	(16,916)	44,335
Due from other agencies	(120,779)	-	-
Inventory	(42,706)	-	-
Prepays	(195)	90	(10)
Accounts payable	85	(1,672)	(113)
Retainage payable	30,682	183,232	-
Insurance claims payable	-	-	-
Due to other agencies	1,781	65,603	(655)
Due to (from) other funds	-	(312,636)	(475,812)
Accrued vacation payable	2,724	(1,446)	(1,874)
Accrued salaries payable	1,624	(890)	(558)
Accrued interest payable	(3,061)	52,054	(357)
Customer deposits	424	(823)	600
Deferred revenue	975	-	-
Net cash provided (used) by operating activities	<u>\$4,554</u>	<u>\$1,366,060</u>	<u>\$11,082</u>
NONCASH CAPITAL ACTIVITY			
Construction of capital assets from developers	\$0	\$369,319	\$0

City of Minot, North Dakota
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Total Enterprise Funds	Governmental Activities Internal Service Funds	Total 2007	Total 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$12,213,666	\$2,138,562	\$14,352,228	\$13,848,968
Payments to suppliers	(6,498,485)	(248,385)	(6,746,870)	(6,638,913)
Payments to employees	(3,490,630)	(1,817,691)	(5,308,321)	(5,131,792)
Internal activity - payments from (to) other funds	(788,448)	-	(788,448)	243,610
Due from (to) other agencies	(54,407)	-	(54,407)	1,472,880
Net cash provided (used) by operating activities	<u>1,381,696</u>	<u>72,486</u>	<u>1,454,182</u>	<u>3,794,753</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Taxes received	1,905,650	-	1,905,650	404,060
Transfers in	851,657	-	851,657	347,575
Transfers out	(2,310,306)	(78,866)	(2,389,172)	(1,051,102)
Internal activity - payments from (to) other funds	-	49,448	49,448	59,294
Net cash provided (used) by noncapital financing activities	<u>447,001</u>	<u>(29,418)</u>	<u>417,583</u>	<u>(240,173)</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Capital contributions	2,072,518	-	2,072,518	1,978,136
Passenger facility charges	263,381	-	263,381	282,857
Acquisition and construction of capital assets	(7,389,471)	-	(7,389,471)	(2,067,667)
Proceeds on bonds	5,490,000	-	5,490,000	-
Proceeds from sale of capital assets	-	-	-	99,975
Principal paid on capital debt	(1,522,231)	-	(1,522,231)	(1,585,161)
Interest paid on capital debt	(539,438)	-	(539,438)	(444,964)
Net cash provided (used) by capital and related financing activities	<u>(1,625,241)</u>	<u>-</u>	<u>(1,625,241)</u>	<u>(1,736,824)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	226,834	78,866	305,700	119,238
Net cash provided by investing activities	<u>226,834</u>	<u>78,866</u>	<u>305,700</u>	<u>119,238</u>
Net increase (decrease) in cash and cash equivalents	430,290	121,934	552,224	1,936,994
Cash and investments, January 1	4,586,184	1,414,067	6,000,251	4,063,257
Cash and investments, December 31	<u>\$5,016,474</u>	<u>\$1,536,001</u>	<u>\$6,552,475</u>	<u>\$6,000,251</u>
Cash and cash equivalents are comprised of the following:				
Cash and cash equivalents	\$2,249,624	\$1,536,001	\$3,785,625	\$3,820,554
Restricted cash and cash equivalents - current	2,058,517	-	2,058,517	1,996,672
Restricted cash and cash equivalents - noncurrent	708,333	-	708,333	183,025
Total cash and cash equivalents on the Statement of Net Assets	<u>\$5,016,474</u>	<u>\$1,536,001</u>	<u>\$6,552,475</u>	<u>\$6,000,251</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(\$2,229,085)	\$103,551	(\$2,125,534)	(\$1,777,702)
Adjustments to reconcile operating income (loss) to net cash provided by operating activities				
Depreciation expense	4,108,982	-	4,108,982	3,958,157
Amortization expense	32,128	-	32,128	28,789
MSWLF closure and post closure care cost adjustment	17,862	-	17,862	31,973
Change in assets and liabilities				
Taxes receivable	165	-	165	257
Receivables, net	75,357	215	75,572	(148,155)
Due from other agencies	(120,779)	-	(120,779)	1,384,888
Inventory	(42,706)	(21,877)	(64,583)	(10,741)
Prepays	(115)	-	(115)	-
Accounts payable	(1,700)	(151)	(1,851)	(32,640)
Retainage payable	213,914	-	213,914	55,241
Insurance claims payable	-	(9,252)	(9,252)	(35,816)
Due to other agencies	66,729	-	66,729	87,992
Due to (from) other funds	(788,448)	-	(788,448)	243,610
Accrued vacation payable	(596)	-	(596)	(12,239)
Accrued salaries payable	176	-	176	9,794
Accrued interest payable	48,636	-	48,636	11,405
Customer deposits	201	-	201	(60)
Deferred revenue	975	-	975	-
Net cash provided (used) by operating activities	<u>\$1,381,696</u>	<u>\$72,486</u>	<u>\$1,454,182</u>	<u>\$3,794,753</u>
NONCASH CAPITAL ACTIVITY				
Construction of capital assets from developers	\$369,319	\$0	\$369,319	\$0

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, 2007

	Pension Trust Funds	Agency Funds
ASSETS		
Cash and cash equivalents	\$156,143	\$2,251
Investments		
Money market	389,174	-
Equity/stock	23,109,556	-
Fixed income-taxable	27,885,205	-
Taxes receivable delinquent	45,216	3,024
Total assets	<u>\$51,585,294</u>	<u>\$5,275</u>
LIABILITIES		
Due to other agencies	\$45,216	\$5,275
Total liabilities	<u>45,216</u>	<u>\$5,275</u>
NET ASSETS		
Assets held in trust for pension benefits		
City employee's pension plan	38,729,746	
Police pension plan	12,810,332	
Total net assets	<u>\$51,540,078</u>	

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

City of Minot, North Dakota
Statement of Changes in Fiduciary Net Assets
Fiduciary Funds
For the Fiscal Year Ended December 31, 2007

	Pension Trust Funds
ADDITIONS	
Contributions	
Employer	\$1,628,716
Employee	1,629,491
Total contributions	3,258,207
Investment income	
Interest	1,675,436
Net increase in the fair value of investments	2,991,111
Total investment income	4,666,547
Less investment expense	116,513
Net investment income	4,550,034
Total additions	7,808,241
DEDUCTIONS	
Benefits paid to participants	4,455,783
Refunds	82,132
Administrative expenses	284,513
Total deductions	4,822,428
Change in net assets	2,985,813
Net assets - January 1	48,554,265
Net assets - December 31	\$51,540,078

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

Notes to Financial Statements

NOTE 1-SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

A. BASIS OF PRESENTATION

The financial statements of the City have been prepared in accordance with Generally Accepted Accounting Principles (GAAP) as prescribed by the Governmental Accounting Standards Board (GASB). The GASB is the nationally accepted standard-setting body for establishing GAAP for governmental accounting and financial reporting. 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 December 1, 1989 unless those pronouncements conflict with GASB pronouncements.

B. REPORTING ENTITY

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

C. BASIC FINANCIAL STATEMENTS (GASB 34)

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

Government-Wide Financial Statements

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

Government activities, which normally are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely significantly on fees and charges for support.

The Statement of Activities demonstrates the degree the direct expenses of a given function or segment is offset by program revenues. Direct expenses are those clearly identifiable with a specific function or segment. 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. Taxes and other items not properly included among program revenues are reported instead as general revenues.

Fund Financial Statements

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

D. FINANCIAL STATEMENT PRESENTATION

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

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

The City reports the following major governmental funds:

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

Notes to Financial Statements

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

The **Sales Tax NAWS fund** accounts for the collection of a 1% City sales tax. This tax is used to pay the local share of the Northwest Area Water Supply project.

The **Highway Debt Service Fund** accumulates the resources used to pay the principal and interest on general obligation bonds incurred to fund various highway projects.

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

The **Highway Reserve Fund** is a capital project fund used to fund highway improvements in Minot.

The City reports the following major proprietary funds:

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

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

Additionally, the government reports the following fund types:

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

The **Pension Trust Funds** account for the activities of the City Employee Pension Plan and the City Police Pension Plan, which accumulate resources for pension benefit payments to qualified employees.

The **Agency Funds** are used for assets held by the

City as agent for other individuals, private organizations, or other governmental units and/or funds. These funds include a Payroll Deduction, Social Security, Commission on Aging (Section 5311 grant monies for the bus system), Hotel/Motel Tax (collects lodging taxes disbursed to the Convention and Visitor's Bureau) and Economic Development Association (Intermodal Grants and Agricultural Park Grants).

E. MEASUREMENT FOCUS AND BASIS OF ACCOUNTING

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

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

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

Property taxes, sales taxes, municipal highway taxes, estate taxes, and franchise fees are considered to be susceptible to accrual and have been recognized as

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

Amounts reported as program revenues include: 1) charges to customers or applicants for goods, services, or privileges provided, 2) operating grants and contributions, and 3) capital grants and contributions, including special assessments. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes.

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

When both restricted and unrestricted resources are available for use, it is the government's policy to use restricted resources first, then unrestricted resources as they are needed.

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, 2006, from which the summarized information was derived.

F. ASSETS, LIABILITIES, AND NET ASSETS OR EQUITY

Cash and Investments

Cash and cash equivalents are defined as short-term, highly liquid investments readily convertible to known

amounts of cash and so near their maturity they present insignificant risk of change in value because of changes in interest rates.

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

Investments

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

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

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

Receivables and Payables

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

Advances between governmental funds are offset by a reserved fund balance to indicate they are not available

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for appropriation and are not available financial resources.

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

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

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

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

Inventories and Prepaid Items

Inventories are valued at the lower of cost (first-in, first-out) or market in the proprietary funds and at cost in the governmental funds. The costs of inventory are recognized as expenditures in governmental funds and as expenses in proprietary funds when consumed.

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

Restricted Assets

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

Certain proceeds of the City's 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.

Capital Assets

Capital assets, which include land, buildings, equipment, infrastructure assets (e.g., roads, bridges, street lights, and similar items) and books, are reported in the applicable governmental or business-type activities columns in the government-wide financial statements. Capital assets, other than infrastructure assets, are defined as assets with an initial, individual cost of \$5,000 or more and an estimated useful life in excess of two years. The City reports infrastructure assets on a network and subsystem basis. Accordingly, the amounts spent for the construction or acquisition of infrastructure assets are capitalized and reported in the government-wide financial statements regardless of their amount. Capital assets are valued at historical or estimated historical cost if actual historical cost is not available. Donated capital assets are valued at estimated fair value on the date donated.

In 2007, the capital asset type improvements were reclassified to the other asset types as appropriate to more accurately reflect the asset type improved.

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

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

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

Net Assets/Fund Balance

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

Notes to Financial Statements

balances are classified as reserved, designated, or unreserved. Reserves represent those portions of fund balances not available to be appropriated for expenditure or legally segregated for a specific future use. Designated fund balances represent tentative plans for future use of financial resources.

G. REVENUES AND EXPENDITURES/EXPENSES

Compensated Absences

Employees accrue vacation leave at a rate of eight hours per month for the first five years of continuous service. The accrual rate is increased to ten hours per month after five years, twelve hours per month after ten years, and fourteen hours per month after fifteen years of service. A maximum of 240 vacation hours may be carried over from year to year. Accumulated unpaid vacation is accrued when earned in the government-wide and proprietary fund statements.

Sick leave is accrued at a rate of eight hours per month of continuous service. There is no limit to the hours of sick leave that may be accumulated; however liabilities are not recorded in any fund, as there are no provisions for vesting of unused sick leave.

Grant Revenue

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

Self Insurance

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

Deferred Revenue

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

Long-Term Obligations

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

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.

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

A. The governmental fund balance sheet includes a reconciliation between total governmental funds fund balance and net assets of governmental activities as reported in the government-wide statement of net assets. One element of the reconciliation explains "long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported in the funds." The details of this (\$18,329,612) difference are as follows:

Bonds payable	\$17,440,000
Unamortized discounts/premiums	46,384
Unamortized issuance costs	(182,759)
Net pension obligation	197,786
Accrued interest payable	178,348
Compensated absences	<u>649,853</u>
Net adjustment to reduce fund balance- total governmental funds to arrive at net assets-governmental activities	<u><u>\$18,329,612</u></u>

B. The governmental fund statement of revenues, expenditures, and changes in fund balances include a reconciliation between net changes in fund balances, total governmental funds and changes in net assets of governmental activities as reported in the government-wide statement of activities. One element of that

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reconciliation explains “Governmental funds report capital outlays as expenditures; however, in the statement of activities the cost of those assets are allocated over their estimated useful lives and reported as depreciation expense.” The details of this (\$14,861,289) difference are as follows:

Donated capital assets	\$10,560,751
Capital outlay	7,898,663
Depreciation	<u>(3,598,125)</u>
Net adjustment to increase net changes in fund balances—total governmental funds to arrive at changes in net assets of governmental funds	<u>\$14,861,289</u>

NOTE 3- STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. COMPLIANCE WITH FINANCE-RELATED LEGAL AND CONTRACTUAL PROVISIONS

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

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

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

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

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, Sales Tax-Economic Development, Public Transportation, Library, and Street Improvement.

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

C. NET ASSETS/FUND BALANCE DEFICITS

Four nonmajor funds had deficit fund balances as of December 31, 2007. The \$17,449 deficit in Recreation/Auditorium will be reimbursed with future user fees dedicated to these funds. The \$68,314 in Capital-Library Construction will be reimbursed by pledged donations toward the construction of the library addition. The \$101,606 deficit in Storm Sewer Development will be reimbursed with user fees dedicated to these funds. The \$21,476 deficit in CDBG and EDA fund will be reimbursed from grants.

NOTE 4- DETAILED NOTES ON ALL FUNDS

A. DEPOSITS AND INVESTMENTS

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

Government and Business-Type Funds

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

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Allowable deposits and investments:

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

Custodial credit risk – deposits: This is the risk in the event of bank failure, the government's deposits may not be returned to it. As of December 31, 2007, the City is fully insured by FDIC and has no deposit policy for custodial credit risk.

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

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

market funds, or similar investments and limiting the average maturity of the portfolio in accordance with this policy. As of December 31, 2007, the City has invested in Cash and Money Markets \$24,984,909, Certificates of Deposit \$15,800,000 and Repurchase Agreements \$10,450,000 which have no credit ratings. All investments will mature in less than one year.

B. DUE FROM OTHER AGENCIES

A total of \$2,263,359 is due from other agencies. This includes \$2,030,031 due from the State of North Dakota, \$195,040 for highway user taxes, \$1,298,026 for city sales taxes, \$459,383 for State Aid Distribution, \$23,307 for Section 5309 grant, and \$54,275 for a Section 18/5311 grant. Due from the Federal Government are \$112,797 for FAA projects and \$20,556 from TSA for Airport Security, \$2,683 from the federal bullet proof vest grant and \$5,667 from the security grant for schools. Other amounts due are, \$37,325 from NDDOT for a shared use path, \$19,820 from ND State Aeronautics for airport electrical work, and \$34,480 for reimbursement of expenses from various entities and individuals.

C. RECEIVABLES

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

Due within one year	\$130,665
Due after one year	378,017
Less: allowance for uncollectible	<u>(101,736)</u>
Total loans receivable	<u>\$406,946</u>

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

	Taxes	Specials	Specials	Accounts		Gross	Less: Allow	Total Net
	Delinquent	Deferred	Delinquent	Receivable	Loans	Receivables	for	Receivables
General	\$161,866	\$5,588	\$3,001	\$114,887	\$0	\$285,342	\$0	\$285,342
Highway debt	40,873	-	-	-	-	40,873	-	40,873
Assessment debt	1,907	2,463,977	47,025	-	-	2,512,909	-	2,512,909
Highway reserve	2,007	-	-	-	-	2,007	-	2,007
Nonmajor governmental	111,928	41,916	5,386	16,453	508,682	684,365	(101,736)	582,629
Airport	-	-	-	63,737	-	63,737	-	63,737
Water and sewer	-	-	-	749,223	-	749,223	-	749,223
Nonmajor enterprise	1,438	-	-	178,466	-	179,904	-	179,904
Internal service	-	-	-	5,224	-	5,224	-	5,224
Total net receivables	<u>\$320,019</u>	<u>\$2,511,481</u>	<u>\$55,412</u>	<u>\$1,127,990</u>	<u>\$508,682</u>	<u>\$4,523,584</u>	<u>(\$101,736)</u>	<u>\$4,421,848</u>

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The only receivables not expected to be collected within one year are \$1,908,590 of special assessments deferred reported in the Special Assessment Debt fund and the loans receivables as noted above.

Governmental funds report deferred revenue in connection with receivables for revenues 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	\$174,020
Highway debt	36,121
Assessment debt	2,512,700
Highway reserve	1,714
Nonmajor governmental funds	152,966
Total deferred revenue	<u>\$2,877,521</u>

D. CAPITAL ASSETS

Capital asset activity for the year ended December 31, 2007 was as follows:

Governmental Activities	Balance 1/1/07	Prior Period Adjustment	Restated Beginning Balance	Additions	Deletions	Transfers	Balance 12/31/07
Non-depreciable assets							
Land	\$4,909,325	\$0	\$4,909,325	\$1,554,467	\$130,162	\$0	\$6,333,630
Construction in progress	11,840,427	(8,994,810)	2,845,617	-	2,845,617	-	-
Depreciable assets							
Buildings	12,038,096	-	12,038,096	36,119	-	(114,308)	11,959,907
Improvements	12,851,496	-	12,851,496	-	-	(12,851,496)	-
Equipment	8,125,771	-	8,125,771	1,786,544	1,372,055	1,376,045	9,916,305
Infrastructure	53,512,568	-	53,512,568	17,888,059	20,564	11,586,664	82,966,729
Books	3,972,137	-	3,972,137	107,042	-	-	4,079,179
Totals at historical cost	<u>107,249,820</u>	<u>(8,994,810)</u>	<u>98,255,010</u>	<u>21,372,231</u>	<u>4,368,398</u>	<u>(3,095)</u>	<u>115,255,750</u>
Accumulated depreciation							
Buildings	(5,377,624)	-	(5,377,624)	(232,275)	-	(5,283)	(5,615,182)
Improvements	(1,401,508)	-	(1,401,508)	(1,016,862)	117,718	2,300,652	-
Equipment	(5,029,798)	-	(5,029,798)	(588,071)	441,133	(51,450)	(5,228,186)
Infrastructure	(18,268,924)	-	(18,268,924)	(1,543,032)	(3,097)	(2,240,824)	(22,055,877)
Books	(2,695,429)	-	(2,695,429)	(217,885)	-	-	(2,913,314)
Total accumulated depreciation	<u>(32,773,283)</u>	<u>-</u>	<u>(32,773,283)</u>	<u>(3,598,125)</u>	<u>555,754</u>	<u>3,095</u>	<u>(35,812,559)</u>
Governmental activities capital assets, net	<u>\$74,476,537</u>	<u>(\$8,994,810)</u>	<u>\$65,481,727</u>	<u>\$17,774,106</u>	<u>\$4,924,152</u>	<u>\$0</u>	<u>\$79,443,191</u>

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	Balance 1/1/07	Additions	Deletions	Transfers	Balance 12/31/07
Business-Type Activities					
Non-depreciable assets					
Land	\$2,756,418	\$0	\$0	\$30,000	\$2,786,418
Construction in progress	2,715,837	-	2,715,837	-	-
Depreciable assets					
Buildings	10,343,646	165,792	2,366	3,399,101	13,906,173
Improvements	110,564,011	-	47,661	(110,516,350)	-
Equipment	7,419,667	321,934	284,260	2,383,672	9,841,013
Infrastructure	-	9,690,549	3,593	104,361,531	114,048,487
Intangible assets	345,144	-	-	-	345,144
Totals at historical cost	134,144,723	10,178,275	3,053,717	(342,046)	140,927,235
Accumulated depreciation					
Buildings	(7,055,049)	(246,163)	5,779	(2,371,975)	(9,667,408)
Improvements	(49,205,448)	(3,629,860)	44,953	52,790,355	-
Equipment	(5,901,441)	(232,961)	208,889	(456,484)	(6,381,996)
Infrastructure	-	-	-	(49,619,850)	(49,619,850)
Intangible assets	(345,144)	-	-	-	(345,144)
Total accumulated depreciation	(62,507,082)	(4,108,983)	259,621	342,046	(66,014,398)
Business-type activities capital assets, net	71,637,641	6,069,291	3,313,338	-	74,912,837
Total capital assets, net	\$137,119,368	\$23,843,398	\$8,237,490	\$0	\$154,356,028

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

Governmental Activities:	
General government	\$486,250
Public safety	349,102
Highways and streets	2,413,046
Culture and recreation	349,726
Total depreciation expense - governmental activities	<u>\$3,598,125</u>
Business-Type Activities:	
Airport	\$1,617,241
Cemetery	7,142
Parking authority	11,094
Sanitation	76,135
Water and sewer	2,397,371
Total depreciation expense-business-type activities	<u>\$4,108,983</u>

E. COMMITMENTS

Construction commitments as of December 31, 2007 were approximately \$5,827,652. The City is also committed to approximately \$50.36 million local share in the Northwest Area Water Supply Project to bring water from the Missouri River to Minot. Our local share of expenditures to date is approximately \$15.26 million. The City has approximately \$35.1 million local share remaining on this project. This project will be funded with sales tax monies approved by the voters in March 1999.

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

F. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS

The composition of interfund balances at December 31, 2007 was:

	Due To:					Total Due From
	Nonmajor Governmental	Special Assessment Debt	Highway Reserve	Storm Sewer Development	Water & Sewer	
Governmental funds						
Special assessment debt	\$0	\$0	\$430,500	\$611,618	\$494,507	\$1,536,625 (1)
Nonmajor governmental	71,704	-	-	-	-	71,704 (2)
Highway debt	-	53,129	-	-	-	53,129 (2)
Business-type funds						
Water & Sewer	-	-	419,565	419,565	-	839,130 (1)
Nonmajor business	-	-	-	-	475,812	475,812 (1)
Total due to	\$71,704	\$53,129	\$850,065	\$1,031,183	\$970,319	\$2,976,400

- (1) Outstanding special assessments paid in annual installments for storm sewer development. Scheduled for repayment in the subsequent years is \$2,375,755.
- (2) The purpose of this interfund receivable is to maintain a positive fund balance as of the end of the year.

Transfers are used to 1) move revenues from the fund with collection authority to the debt service fund as

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

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

Transfers Out	General Fund	Sales Tax	Special Assessment	Nonmajor Governmental Funds	Airport	Water & Sewer	Nonmajor Enterprise Funds	Internal Service Funds	Total Transfers In
		NAWS	Debt	Funds		Funds	Funds		
General fund	\$0	\$50,000	\$21,192	\$700,475	\$140,748	\$277,654	\$206,629	\$78,866	\$1,475,564
Highway debt	-	-	-	798,773	-	683,418	-	-	1,482,191
Assessment debt	-	-	-	207,560	-	83,855	-	-	291,415
Highway reserve	-	-	-	788,571	-	586,753	-	-	1,375,323
Nonmajor governmental funds	5,194	-	-	955,678	13,407	75,942	160,000	-	1,210,221
Airport	-	-	-	219,757	-	-	-	-	219,757
Water and sewer	-	-	-	550,000	-	-	-	-	550,000
Nonmajor enterprise funds	-	-	-	-	-	81,900	-	-	81,900
Total transfers out	\$5,194	\$50,000	\$21,192	\$4,220,813	\$154,155	\$1,789,522	\$366,629	\$78,866	\$6,686,371

Transfers in/out consisted of the following:

\$1,123,413	Interest Distribution transfer from all funds to General Fund.
99,377	Airport budgeted transfers to General Fund
13,407	Airport budgeted transfers for interfund loan repayment to Sales Tax Capital Improvement Fund.
160,000	Sanitation (Garbage \$20,000 and Landfill \$140,000) budgeted equipment transfer to Equipment Purchase Fund
116,000	Sanitation budgeted transfers to General Fund
942	Water and sewer transfer to Public Transportation for a payroll adjustment.
34,821	Water and sewer budgeted transfers to Special Assessment Debt Fund for debt payments.
1,529,856	Water and Sewer transfers to Highway Reserve for capital projects bonded for.
81,900	Water and sewer budgeted transfer to Sanitation to dispose of water plant lime.
75,000	Water and Sewer budgeted equipment transfer (Water Treatment \$55,000 and Sewer \$20,000) to Equipment Purchase Fund.
2,540	Equipment Purchase budget amendment to cover shortage of income for TSA income in General Fund.
34,646	Fire Equipment Purchase transfers to Fire Equipment Capital to purchase a rescue truck with tools.
515,439	Property Tax Relief budgeted transfers to Highway Debt
50,000	Magic Fund administration budgeted transfers to General Fund for administration.
244,757	Sales Tax Capital Improvements budgeted transfers to Airport for debt payments.
550,000	Sales Tax Capital Improvements budgeted transfers to Water and Sewer Fund for infrastructure.
30,000	Sales Tax Capital Improvements budgeted transfers to Sales Tax Capital Fund for maintenance.
36,657	Sales Tax Capital Improvements to Sales Tax Capital to close project.
283,334	Sales Tax Capital Improvements budgeted transfers to Highway Debt for debt payments.
692,000	Sales Tax Capital Improvements budgeted transfers to Highway Reserve for highway projects.
188,691	Sales Tax Capital Improvements budgeted transfers to Fire Equipment Purchase Fund.
635,643	Sales Tax Capital Improvements budgeted transfers to Sales Tax Capital projects.
50,000	NAWS administration budgeted transfers to General Fund for administration.
4,180	Special Assessment Deficiency transfer to General Fund for uncollectible special assessments on foreclosed properties.
14,895	Special Assessment Deficiency transfer to Demolitions Fund for uncollectible special assessments on foreclosed properties.
200,420	Special Assessment Deficiency transfer to Special Assessment Debt Fund for uncollectible special assessments on foreclosed properties.
(374,647)	Highway Debt transfer from General Fund (\$132,980) and Highway Reserve (\$241,917) to balance projects.
319,785	Highway Debt transfer from Capital Projects to balance projects.
35,000	Highway Reserve budgeted transfer to General Fund for administration.
(180,106)	Highway Reserve transfer from Highway Debt Fund to balance projects.
7,140	Special Assessment transfers to Special Assessment Debt fund to balance projects.
86,281	Special Assessment transfers to Highway Reserve fund to balance projects.
25,000	Interest Distribution Fund transfer to Airport for airline promotion.
<u>\$6,686,371</u>	Total transfers in/out

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G. LEASES

Operating Leases. The City leases equipment under operating leases. Operating leases do not give rise to property rights or lease obligations; therefore, the results of the lease agreements are not reflected in the City's assets and liabilities. Total cost for such leases were \$202,911 for the year ended December 31, 2007. The future minimum lease payments for these leases are as follows:

<u>Year Ended December 31</u>	<u>Amounts</u>
2008	\$189,291
2009	202,911
2010	288,146
2011	510,000
Total minimum lease payments	<u>\$1,190,348</u>

H. LONG-TERM DEBT

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

General obligation bonds are issued to provide funds for the acquisition and construction of major capital items. They are direct obligations and pledge the full faith and credit of the City of Minot. These bonds are paid through the debt service fund by a tax levy and sales tax funds sufficient to meet the current year's principal and interest payments. These bonds are generally issued as 10-year bonds and the outstanding bonds have interest rates ranging from 3.0% to 4.8%. During the year, the City issued \$1,785,000 of general obligation highway bonds for construction on North Broadway, 16th Street Northwest paving and Civic Center lighting.

General obligation bonds currently outstanding are as follows:

<u>Year</u>	<u>Original Amount</u>	<u>Balance Outstanding 12/31/2007</u>	<u>Interest Rate</u>	<u>Matures</u>
1998	\$3,150,000	\$385,000	4.50%	10/01/2008
1999	1,000,000	240,000	4.75-4.8%	10/01/2009
2001	1,740,000	110,000	4.00%	10/01/2008
2001A	450,000	210,000	4.25-4.65%	10/01/2011
2002	1,835,000	1,000,000	3.50%	10/01/2012
2003	2,675,000	2,270,000	3-5%	10/01/2023
2005	2,355,000	1,930,000	3.3-3.75%	10/01/2015
2006	2,810,000	2,555,000	3.6-3.7%	10/01/2016
2007	1,785,000	1,785,000	3.4-3.7%	10/01/2017
	<u>\$17,800,000</u>	<u>\$10,485,000</u>		

Special assessment bonds are issued to provide funds

for the construction of improvement projects for residential and commercial developments. Special assessment bonds are paid directly from the sinking funds with the annual certification payments made by the property owners who directly benefit from each project. The City has \$6,955,000 special assessment bonds outstanding backed by property owner annual certification payments. The City of Minot is legally obligated to meet any deficiencies by levying ad valorem taxes. Interest rates on the outstanding bonds range from 2.75% to 4.85%. The City issued \$2,715,000 of special assessment bonds during 2007.

Special assessment bonds currently outstanding are as follows:

<u>Year</u>	<u>Original Amount</u>	<u>Balance Outstanding 12/31/2007</u>	<u>Interest Rate</u>	<u>Matures</u>
1998A	\$1,190,000	\$70,000	4.50%	10/01/2008
1998B	1,120,000	60,000	4.00%	10/01/2008
1999	2,380,000	525,000	4.75%	10/01/2010
2000	1,780,000	510,000	4.75-4.85%	10/01/2010
2001	1,530,000	670,000	3.5-3.9%	10/01/2011
2002	565,000	270,000	3.3-4%	10/01/2012
2003	2,205,000	1,320,000	2.75-3.7%	10/01/2013
2006	910,000	815,000	4.00%	10/01/2016
2007A	2,255,000	2,255,000	4-4.5%	10/01/2022
2007D	460,000	460,000	3.4-3.875%	10/01/2017
	<u>\$14,395,000</u>	<u>\$6,955,000</u>		

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

Notes outstanding as of December 31, 2007 include the Bureau of Reclamation note on the Garrison Diversion Project for \$1,687,879 with a 3.5% interest rate, and matures July 1, 2027. Water and sewer fund income is used to pay the annual principal and interest due.

Loans outstanding as of December 31, 2007 are a loan from Zion's Bank for water and sewer generators for \$210,694 which has an interest rate of 5.77% and matures December 15, 2010. Water and sewer fund income is used to pay the annual principal and interest due.

Revenue Bonds. The City of Minot issues bonds where it pledges income derived from the acquired or constructed assets to pay debt service. During the year \$5,490,000 of revenue bonds were issued to finance construction projects to both expand existing water and sewer facilities and construct additional facilities. Interest rates on the outstanding bonds range from 2.5% to 5.5%. The following are outstanding revenue bonds:

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Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2007		
1998	\$1,500,000	\$655,000		4.9-5.1%	10/01/2012
2000	400,000	160,000		5.3-5.5%	10/01/2010
2001	400,000	175,000		4-4.5%	10/01/2011
2002	800,000	550,000		4-4.5%	10/01/2012
	<u>\$3,100,000</u>	<u>\$1,540,000</u>			

Year	Original Amount	Balance		Interest Rate	Matures
		Outstanding	12/31/2007		
1993	\$665,000	\$225,000		2.50%	10/01/2013
2000	1,105,000	400,000		4.75-4.9%	10/01/2010
2001	1,785,000	35,000		4.10%	10/01/2008
2003	2,000,000	1,275,000		3-3.75%	10/01/2013
2004A	1,965,000	1,030,000		3-3.4%	10/01/2010
2004	2,650,000	2,455,000		3.25-4.4%	10/01/2024
2006	3,095,000	2,820,000		3.75-4%	10/01/2016
2007	5,490,000	5,490,000		3.75%	10/01/2017
	<u>\$18,755,000</u>	<u>\$13,730,000</u>			

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

Governmental Activities	General Obligation Bonds		Special Assessment Bonds	
	Principal	Interest	Principal	Interest
2008	\$1,530,000	\$389,536	\$1,125,000	\$306,043
2009	1,110,000	339,271	1,035,000	235,795
2010	1,020,000	299,236	1,045,000	194,763
2011	1,055,000	263,004	720,000	152,540
2012	1,035,000	224,916	540,000	125,553
2013-2017	3,700,000	619,435	1,585,000	374,749
2018-2022	840,000	173,418	905,000	124,906
2023	195,000	9,750	-	-
Total governmental activities	<u>\$10,485,000</u>	<u>\$2,318,566</u>	<u>\$6,955,000</u>	<u>\$1,514,348</u>

Business-Type Activities	Revenue Bonds		Notes Payable		Loans Payable	
	Principal	Interest	Principal	Interest	Principal	Interest
2008	\$1,750,000	\$561,234	\$61,456	\$59,600	\$66,487	\$11,261
2009	1,785,000	524,691	63,627	57,467	70,443	7,365
2010	1,830,000	457,311	65,874	55,974	73,764	3,242
2011	1,525,000	386,495	68,199	52,974	-	-
2012	1,590,000	327,755	70,607	50,607	-	-
2013-2017	5,455,000	876,469	392,237	214,510	-	-
2018-2022	915,000	210,624	467,004	141,480	-	-
2023-2027	420,000	27,889	498,875	54,237	-	-
Total business-type activities	<u>\$15,270,000</u>	<u>\$3,372,468</u>	<u>\$1,687,879</u>	<u>\$686,848</u>	<u>\$210,694</u>	<u>\$21,868</u>

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Changes in Long Term Liabilities. The following is a summary of the activity in long-term liabilities for the year ended December 31, 2007.

The City's debt limit is \$77,884,795 and the legal debt margin is \$68,476,344.

	Beginning Balance	Additions	Deletions	Ending Balance	Due Within One Year
Governmental Activities					
Bonds payable					
General obligation	\$10,075,000	\$1,785,000	(\$1,375,000)	\$10,485,000	\$1,530,000
Special assessment	5,385,000	2,715,000	(1,145,000)	6,955,000	1,125,000
Total bonds payable	15,460,000	4,500,000	(2,520,000)	17,440,000	2,655,000
Compensated absences	609,739	563,101	(522,986)	649,853	227,449
Governmental activity long-term liabilities	\$16,069,739	\$5,063,101	(\$3,042,986)	\$18,089,853	\$2,882,449
Business-Type Activities					
Bonds payable					
Revenue bonds	\$11,180,000	\$5,490,000	(\$1,400,000)	\$15,270,000	\$1,750,000
Unamortized premium	7,673	52,762	(1,213)	59,222	6,050
Unamortized discount	(24,638)	-	2,644	(21,994)	(2,642)
Notes payable	1,747,241	-	(59,362)	1,687,879	58,393
Loans payable	273,563	-	(62,869)	210,694	66,487
Compensated absences	182,034	149,045	(149,641)	181,438	63,503
Business-type activity long-term liabilities	\$13,365,873	\$5,691,807	(\$1,670,441)	\$17,387,239	\$1,941,791

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, 2007, the aggregate principal amount payable for the nine outstanding conduit debt series issued prior to July 1, 1995, could not be determined; however, their original issue amounts totaled \$41,500,000.

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

NOTE 5-OTHER INFORMATION

A. RISK MANAGEMENT

The City of Minot is exposed to various risks of loss related to torts; theft of, damage to, and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the mid - 1980s, the City was not able to obtain general liability insurance at a cost it considered to be economically justifiable. In 1986, the state and other political subdivisions joined together to form the North Dakota Insurance Reserve Fund (NDRIF), 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 NDRIF. During the past five years, the NDRIF returned approximately 38% of the capitalized amount with a premium reduction or cash payment to the City. The City pays an annual premium to NDRIF for its general insurance, personal injury insurance, auto insurance, and inland marine insurance coverage. The coverage by NDRIF 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,

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employee health and accident insurance. Settled claims resulting from the above risks have not exceeded insurance coverage in any of the past three years.

Employee Health Benefits

Effective January 1, 1999, the City began insuring for employee health benefits. All covered expenses are paid from the City's Health Insurance Fund, which is operated by a third party administrator. Risks retained by the employees include deductibles and co-insurance.

The City pays all other claims subject to the health plan agreement up to plan maximums. Commercial stop loss insurance has been purchased to limit catastrophic losses. This coverage pays all claims in excess of \$20,000 per year per employee with a \$2,000,000 lifetime employee maximum. The City's insurer pays all aggregate claims in excess of \$1,595,755.

Claims, which have been incurred at year-end but not yet reported, have been recorded as insurance claims payable in the amount of \$64,218. This reserve requirement was calculated by the City and it is the amount payable within 90 days of year-end. A summary of the claim liabilities and related claim payments are shown below:

	Beginning Claim Liability	Current Year Claims Incurred and Changes in Estimates	Payments on Claims	Ending Claim Liability
2005	\$74,249	\$1,087,345	\$1,052,308	\$109,286
2006	109,286	1,057,846	1,093,662	73,470
2007	73,470	1,215,452	1,224,704	64,218

B. TERMINATION BENEFITS

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

As of December 31, 2007, the City had two former employees on COBRA for health and five for dental. Each COBRA participant is responsible for 100% of the premium; however, there remains an implicit rate

subsidy to the City for a maximum of 18 months per participant. The City has not reported a liability for termination benefits because the amount is not reasonably estimated. The City expects to continuously have former employees on COBRA.

C. CONTINGENT LIABILITIES

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

D. SUBSEQUENT EVENT

On January 3, 2008, the City issued \$1,835,000 of revenue bonds to finance the expansion and improvement of the water and sewer utility. The interest rate on the bonds range from 3.45% to 3.9% and the maturity date is October 1, 2017.

E. EMPLOYEE RETIREMENT SYSTEMS AND PLANS

The City of Minot administers two defined benefit pension plans covering all full-time employees. Both plans are included in the City's financial reports as Pension Trust Funds, and a separate actuarial report for each plan may be obtained from the City of Minot Finance Department, 515 2nd Ave SW, Minot, North Dakota 58701.

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, #2893 and #3846 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

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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 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.

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

	CEPP	PPP
Retirees and beneficiaries receiving benefits	152	37
Terminated employees		
Vested	7	3
Non-vested	3	7
Total terminated employees	10	10
Active employees		
Vested	152	49
Non-vested	80	32
Total active employees	232	81
Date of annual valuation	01/01/08	01/01/08

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 the Stanton Group. Securities are valued 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.

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, 2008	
Actuarial cost method	Entry age normal	
Amortization method	Level percentage of pay - Open	
Remaining amortization period	30 year open period	
Asset valuation method	Fair market value	
Actuarial assumptions:		
Investment rate of return	7.75%	
Projected salary increases		
0-5	6.0%	
5-13	4.5%	
13+	3.5%	
Includes inflation at	3.0%	
Post retirement cost of living adjustments	1%	

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

CEPP	2007	2006	2005
Annual required contribution (ARC)	\$1,539,713	\$1,170,035	\$1,530,285
Interest on net pension obligation (asset)	(11,882)	(11,957)	(29,716)
Adjustment to ARC - beginning of year			
NPO amortized over 15 years	13,751	13,838	35,717
Annual pension cost	1,541,582	1,171,916	1,536,286
Contributions made	(1,190,486)	(1,170,940)	(1,280,700)
Increase (decrease) in NPO (asset)	351,096	976	255,586
Net pension obligation (asset) beginning of year	(153,310)	(154,286)	(409,872)
Net pension obligation (asset) end of year	\$197,786	(\$153,310)	(\$154,286)

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PPP	2007	2006	2005
Annual required contribution (ARC)	\$254,516	\$180,903	\$388,016
Interest on net pension obligation (asset)	(41,744)	(23,260)	(16,592)
Adjustment to ARC - beginning of year			
NPO amortized over 15 years	48,311	26,920	19,943
Annual pension cost	261,083	184,563	391,367
Contributions made	(438,230)	(423,058)	(462,640)
Increase (decrease) in NPO (asset)	(177,147)	(238,495)	(71,273)
Net pension obligation (asset) beginning of year	(538,628)	(300,133)	(228,860)
Net pension obligation (asset) end of year	(\$715,775)	(\$538,628)	(\$300,133)

Contributions Required and Contributions Made. The actuary does not determine the contribution rates, rather by employer recommendations within the limits established by state statute. Both the employees and employer contribute 13.2% of gross earnings. The employer contributions to the plans are to be made through an annual tax levy or other budgeted sources. Based on an actuarial valuation CEPP and PPP contributions are providing for an amortization of 49 and 16 years respectively on the unfunded liability at January 1, 2008.

For the PPP, the annual pension cost exceeds the annual required contribution (ARC) with the exception of 2003. There was a net pension obligation (NPO) asset built up which covered the deficit in 2003. The PPP has exceeded the ARC on all the other years presented, which has created a NPO asset of \$715,775 as shown on the government-wide statement of net assets.

Schedule of Employer Contributions

CEPP	Annual		
	Required Contribution	Annual Pension Cost	Percentage Contributed
2002	\$830,096	\$809,809	97.56%
2003	992,964	832,580	83.85%
2004	1,339,054	1,012,873	75.64%
2005	1,530,285	1,280,700	83.69%
2006	1,170,035	1,170,940	100.08%
2007	1,539,713	1,190,486	77.32%

Schedule of Employer Contributions

PPP	Annual		
	Required Contribution	Annual Pension Cost	Percentage Contributed
2002	\$249,060	\$272,186	109.29%
2003	273,193	271,719	99.46%
2004	363,783	369,459	101.56%
2005	388,016	462,640	119.23%
2006	180,903	423,058	233.86%
2007	254,516	438,230	172.18%

For the CEPP, a NPO was not recorded in any year in which the annual required contribution (ARC) was not met because of a NPO asset built up in the trust. The asset was used to cover the shortfall; however, in 2007 the asset was depleted and a NPO of \$197,786 was recorded on the government-wide statement of net assets.

Schedule of Funding Progress

Actuarial Valuation Date	Actuarial Value of Plan Assets	Actuarial Accrued Liability (AAL)	Unfunded Actuarial Liability (UAAL)		Annual Covered Payroll	UAAL as a Percentage of Annual Covered Payroll
			Actuarial Liability (UAAL)	Funded Ratio		
CEPP						
January 1, 2002	\$31,524,486	\$43,107,821	\$11,583,335	73.1%	\$7,734,230	149.8%
January 1, 2003	32,983,467	42,043,385	9,059,918	78.5%	8,034,788	112.8%
January 1, 2004	34,087,821	54,298,974	20,211,153	62.8%	8,227,786	245.6%
January 1, 2005	35,279,132	60,351,967	25,072,835	58.5%	8,478,579	295.7%
January 1, 2006	36,401,272	61,640,270	25,238,998	59.1%	8,525,057	296.1%
January 1, 2007	36,721,150	62,001,202	25,280,052	59.2%	8,063,852	313.5%
January 1, 2008	38,746,038	64,520,443	25,774,405	60.1%	8,733,836	295.1%
PPP						
January 1, 2002	\$9,160,183	\$12,136,548	\$2,976,365	75.5%	\$2,543,131	117.0%
January 1, 2003	9,758,732	11,676,683	1,917,951	83.6%	2,772,893	69.2%
January 1, 2004	10,349,102	15,681,388	5,332,286	66.0%	2,979,013	179.0%
January 1, 2005	10,917,392	17,495,383	6,577,991	62.4%	3,117,735	212.0%
January 1, 2006	11,552,951	17,863,642	6,310,691	64.7%	2,998,053	210.5%
January 1, 2007	11,833,115	17,749,572	5,916,457	66.7%	3,111,137	190.2%
January 1, 2008	12,794,040	18,962,273	6,168,233	67.5%	3,092,433	199.5%

CITY OF MINOT, NORTH DAKOTA
 NOTES TO THE FINANCIAL STATEMENTS
 DECEMBER 31, 2007

Notes to Financial Statements

Statement of Net Assets
 December 31, 2007

	City Employee Pension Plan	Police Pension Plan
ASSETS		
Cash and cash equivalents	\$81,244	\$74,899
Investments		
Money market	282,667	106,506
Equity/stock	17,394,176	5,715,379
Fixed income-taxable	20,987,950	6,897,256
Taxes receivable delinquent	28,924	16,292
Total assets	<u>\$38,774,961</u>	<u>\$12,810,333</u>
LIABILITIES		
Deferred revenue	\$28,923	\$16,292
NET ASSETS		
Held in trust for pension benefits and other purposes	38,746,038	12,794,041
Total net assets	<u>\$38,746,038</u>	<u>\$12,794,041</u>

Statement of Changes in Plan Net Assets
 For the Fiscal Period Ended December 31, 2007

	City Employee Pension Plan	Police Pension Plan
ADDITIONS		
Contributions		
Employer	\$1,190,486	\$438,230
Employee	1,190,911	438,580
Total contributions	<u>2,381,397</u>	<u>876,810</u>
Investment income		
Interest	1,255,390	420,046
Net increase in the fair value of investments	2,261,130	729,981
Total investment income	<u>3,516,520</u>	<u>1,150,027</u>
Less investment expense	87,863	28,650
Net investment income	<u>3,428,657</u>	<u>1,121,377</u>
Total additions	<u>5,810,054</u>	<u>1,998,187</u>
DEDUCTIONS		
Benefits paid to participants	3,563,198	892,585
Refunds	10,827	71,305
Administrative expenses	211,141	73,372
Total deductions	<u>3,785,166</u>	<u>1,037,262</u>
Change in net assets	2,024,888	960,925
Net assets - January 1	36,721,150	11,833,115
Net assets - December 31	<u>\$38,746,038</u>	<u>\$12,794,041</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Governmental Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
ASSETS				
Cash and investments	\$8,280,279	\$3,392,777	\$11,673,056	\$9,459,357
Restricted cash and investments	353,797	-	353,797	-
Investments	57,875	-	57,875	100,000
Taxes receivable delinquent	111,928	-	111,928	91,372
Special assessments deferred	41,916	-	41,916	65,026
Special assessments delinquent	5,386	-	5,386	11,383
Accounts receivable	5,089	11,364	16,453	77,863
Loans receivable	508,682	-	508,682	115,961
Allowance for loans receivable	(101,736)	-	(101,736)	(23,192)
Due from other funds	3,390	68,314	71,704	16,765
Due from other agencies	730,067	322,561	1,052,628	540,372
Inventory	7,577	-	7,577	4,425
Prepays	180	-	180	-
Total assets	<u>\$10,004,429</u>	<u>\$3,795,016</u>	<u>\$13,799,446</u>	<u>\$10,459,332</u>
LIABILITIES				
Accounts payable	\$0	\$0	\$0	\$50,254
Retainage payable	-	86,308	86,308	4,623
Due to other funds	3,390	1,099,497	1,102,887	840,208
Due to other agencies	121,656	443,899	565,555	57,709
Accrued salaries payable	25,162	-	25,162	25,104
Accrued vacation payable	1,961	-	1,961	-
Deferred revenue	152,966	-	152,966	161,284
Total liabilities	<u>305,135</u>	<u>1,629,704</u>	<u>1,934,839</u>	<u>1,139,182</u>
FUND BALANCE				
Reserved for encumbrances	91,979	6,190	98,169	-
Reserved for inventory	7,577	-	7,577	4,425
Reserved for property tax relief	345,943	-	345,943	199,244
Reserved for economic development	336,385	-	336,385	100,000
Reserved for capital improvements	17,387	-	17,387	419,442
Reserved for loans receivable	406,946	-	406,946	92,769
Unreserved				
Designated				
Fire Equipment	-	-	-	130,222
Memorial	4,025	-	4,025	-
Maintenance and operations	2,000,000	-	2,000,000	2,000,000
Undesignated	6,489,053	2,159,122	8,648,175	6,374,048
Total fund balance	<u>9,699,295</u>	<u>2,165,312</u>	<u>11,864,607</u>	<u>9,320,150</u>
Total liabilities and fund balance	<u>\$10,004,429</u>	<u>\$3,795,016</u>	<u>\$13,799,446</u>	<u>\$10,459,332</u>

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 Balance
Nonmajor Governmental Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Special Revenue Funds	Capital Project Funds	Total Nonmajor Governmental Funds 2007	Total Nonmajor Governmental Funds 2006
REVENUES				
Property tax collections	\$3,024,490	\$0	\$3,024,490	\$2,824,718
Special assessment collections	11,174	-	11,174	2,324
Sales tax collections	6,621,384	-	6,621,384	5,960,296
Intergovernmental	675,890	-	675,890	299,813
Charges for services	483,837	-	483,837	436,055
Interest income	501,746	152,114	653,860	213,800
Miscellaneous	123,143	2,428,258	2,551,401	498,872
Total revenues	<u>11,441,664</u>	<u>2,580,372</u>	<u>14,022,036</u>	<u>10,235,878</u>
EXPENDITURES				
Current				
General government	551,537	87,493	639,030	863,046
Highways and streets	474,255	-	474,255	833,416
Culture and recreation	1,918,969	1,366,126	3,285,095	1,859,266
Economic Development	2,717,155	-	2,717,155	408,008
Capital outlay				
Contracted work	-	2,876,682	2,876,682	1,209,942
Equipment	882,635	62,376	945,011	728,629
Infrastructure	107,122	-	107,122	-
Legal	-	4,173	4,173	20,314
Other	-	47,495	47,495	26,877
Acquisitions	-	-	-	495,205
Engineering	-	72,177	72,177	192,317
Debt service				
Interest and fiscal charges	-	34,823	34,823	104,838
Total expenditures	<u>6,651,673</u>	<u>4,551,344</u>	<u>11,203,018</u>	<u>6,741,858</u>
Excess (deficiency) of revenues over (under) expenditures	4,789,991	(1,970,972)	2,819,018	3,494,020
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	2,715,000	2,715,000	-
Special assessment bonds issued	-	-	-	910,000
Premium on general obligation bonds	-	17,540	17,540	-
Premium on special assessment bonds	-	-	-	3,612
Sale of City property	3,490	-	3,490	-
Transfers in	268,031	942,190	1,210,221	2,487,985
Transfers out	(3,975,278)	(245,535)	(4,220,813)	(4,147,842)
Total other financing sources (uses)	<u>(3,703,757)</u>	<u>3,429,195</u>	<u>(274,562)</u>	<u>(746,245)</u>
Net change in fund balance	1,086,234	1,458,223	2,544,456	2,747,775
Fund balance, January 1	8,613,061	707,089	9,320,150	7,289,875
Prior period adjustment	-	-	-	(717,500)
Fund balance, December 31	<u>\$9,699,295</u>	<u>\$2,165,312</u>	<u>\$11,864,607</u>	<u>\$9,320,150</u>

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

City of Minot, North Dakota Nonmajor Special Revenue Funds

SPECIAL REVENUE FUNDS - are used to account for the proceeds of specific revenue sources (other than expendable trusts, or major capital projects) legally restricted to expenditures for specified purposes. Additional information is provided below for some of the nonmajor funds in this category.

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

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

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

Emergency Levy - To account for the operation of a fund for use in the event of an emergency caused by natural forces. This funding is provided for by ND Century Code Sec. 57-15-48 limited to a maximum of unexpended funds equal to three dollars per capita.

Equipment Purchase - To account for the operation of a fund to purchase and replace equipment for various City departments.

Fire Equipment Purchase - To account for the operation of a fund to purchase and replace equipment, maintain buildings and provide furnishings for the fire department. Funding is provided for by ND Century Code Sec. 57-15-42 upon a 60% vote of approval by the electorate.

Sales Tax - To receive and disburse monies dedicated to the following: property tax relief, capital improvements, and flood control.

Sidewalk Improvement - To account for the maintenance of sidewalks within the City of Minot. The funding source is special assessments against benefiting property owners.

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

Special Assessment Deficiency - To assist in the payment of principal and interest on any issue where the collections from special assessments have not been adequate.

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

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007
With Comparative Totals for December 31, 2006

ASSETS	Public Transportation	Library	Recreation Auditorium	Emergency Levy	Equipment Purchase
Cash and investments	\$58,553	\$46,081	\$0	\$85,327	\$117,293
Restricted cash and investments	13,387	4,025	-	-	-
Investments	-	-	-	-	-
Taxes receivable delinquent	6,946	33,518	25,983	2,006	3,231
Special assessments deferred	-	-	-	-	-
Special assessments delinquent	-	-	-	-	-
Accounts receivable	49	-	5,040	-	-
Loans receivable					
Allowance for loans receivable	-	-	-	-	-
Due from other funds	-	3,390	-	-	-
Due from other agencies	77,629	-	742	-	2,683
Inventory	-	-	7,577	-	-
Prepays	-	-	180	-	-
Total assets	<u>\$156,564</u>	<u>\$87,014</u>	<u>\$39,522</u>	<u>\$87,333</u>	<u>\$123,207</u>
LIABILITIES					
Retainage payable	\$0	\$0	\$0	\$0	\$0
Due to other funds	-	-	3,390	-	-
Due to other agencies	-	3,353	11,844	-	-
Accrued salaries payable	2,592	10,803	11,767	-	-
Accrued vacation payable	623	1,026	312	-	-
Deferred revenue	6,144	29,659	29,658	1,762	2,811
Total liabilities	<u>9,359</u>	<u>44,841</u>	<u>56,971</u>	<u>1,762</u>	<u>2,811</u>
FUND BALANCE					
Reserved for encumbrances	-	22,769	-	-	18,272
Reserved for inventory	-	-	7,577	-	-
Reserved for property tax relief	-	-	-	-	-
Reserved for economic development	-	-	-	-	-
Reserved for capital improvements	13,387	-	4,000	-	-
Reserved for loans receivable	-	-	-	-	-
Unreserved					
Designated					
Memorial	-	4,025	-	-	-
Maintenance and operations	-	-	-	-	-
Undesignated	133,818	15,379	(29,026)	85,571	102,124
Total fund balance	<u>147,205</u>	<u>42,173</u>	<u>(17,449)</u>	<u>85,571</u>	<u>120,396</u>
Total liabilities and fund balance	<u>\$156,564</u>	<u>\$87,014</u>	<u>\$39,522</u>	<u>\$87,333</u>	<u>\$123,207</u>

(continued)

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007
With Comparative Totals for December 31, 2006

ASSETS	Fire Equipment Purchase	Sales Tax Property Tax Relief	Sales Tax Economic Development	Sales Tax Capital Improvements	Sales Tax Flood Control	Sidewalk Improvements
Cash and investments	\$17,722	\$281,042	\$3,633,695	\$653,331	\$2,207,545	\$14,174
Restricted cash and investments	-	-	336,385	-	-	-
Investments	-	-	57,875	-	-	-
Taxes receivable delinquent	3,077	-	-	-	-	-
Special assessments deferred	-	-	-	-	-	-
Special assessments delinquent	-	-	-	-	-	212
Accounts receivable	-	-	-	-	-	-
Loans receivable	-	-	508,682	-	-	-
Allowance for loans receivable	-	-	(101,736)	-	-	-
Due from other funds	-	-	-	-	-	-
Due from other agencies	-	64,901	259,606	324,506	-	-
Inventory	-	-	-	-	-	-
Prepays	-	-	-	-	-	-
Total assets	<u>\$20,799</u>	<u>\$345,943</u>	<u>\$4,694,507</u>	<u>\$977,837</u>	<u>\$2,207,545</u>	<u>\$14,386</u>
LIABILITIES						
Retainage payable	\$0	\$0	\$0	\$0	\$0	\$0
Due to other funds	-	-	-	-	-	-
Due to other agencies	1,079	-	105,380	-	-	-
Accrued salaries payable	-	-	-	-	-	-
Accrued vacation payable	-	-	-	-	-	-
Deferred revenue	2,690	-	-	-	-	212
Total liabilities	<u>3,769</u>	<u>-</u>	<u>105,380</u>	<u>-</u>	<u>-</u>	<u>212</u>
FUND BALANCE						
Reserved for encumbrances	938	-	-	50,000	-	-
Reserved for inventory	-	-	-	-	-	-
Reserved for property tax relief	-	345,943	-	-	-	-
Reserved for economic development	-	-	336,385	-	-	-
Reserved for capital improvements	-	-	-	-	-	-
Reserved for loans receivable	-	-	406,946	-	-	-
Unreserved						
Designated						
Memorial	-	-	-	-	-	-
Maintenance and operations	-	-	-	-	2,000,000	-
Undesignated	16,092	-	3,845,796	927,837	207,545	14,174
Total fund balance	<u>17,030</u>	<u>345,943</u>	<u>4,589,127</u>	<u>977,837</u>	<u>2,207,545</u>	<u>14,174</u>
Total liabilities and fund balance	<u>\$20,799</u>	<u>\$345,943</u>	<u>\$4,694,507</u>	<u>\$977,837</u>	<u>\$2,207,545</u>	<u>\$14,386</u>

(continued)

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Special Revenue Funds
December 31, 2007
With Comparative Totals for December 31, 2006

ASSETS	Street	Special	Demolitions	Total	Total
	Improvements	Assessment Deficiency		2007	2006
Cash and investments	\$811,249	\$338,851	\$15,416	\$8,280,279	\$7,866,729
Restricted cash and investments	-	-	-	353,797	-
Investments	-	-	-	57,875	100,000
Taxes receivable delinquent	37,167	-	-	111,928	91,372
Special assessments deferred	-	-	41,916	41,916	65,026
Special assessments delinquent	-	619	4,555	5,386	11,383
Accounts receivable	-	-	-	5,089	65,636
Loans receivable	-	-	-	508,682	115,961
Allowance for loans receivable	-	-	-	(101,736)	(23,192)
Due from other funds	-	-	-	3,390	16,765
Due from other agencies	-	-	-	730,067	539,771
Inventory	-	-	-	7,577	4,425
Prepays	-	-	-	180	-
Total assets	<u>\$848,416</u>	<u>\$339,470</u>	<u>\$61,887</u>	<u>\$10,004,429</u>	<u>\$8,853,876</u>
LIABILITIES					
Retainage payable	\$0	\$0	\$0	\$0	\$466
Due to other funds	-	-	-	3,390	16,765
Due to other agencies	-	-	-	121,656	37,196
Accrued salaries payable	-	-	-	25,162	25,104
Accrued vacation payable	-	-	-	1,961	-
Deferred revenue	32,940	619	46,471	152,966	161,284
Total liabilities	<u>32,940</u>	<u>619</u>	<u>46,471</u>	<u>305,135</u>	<u>240,815</u>
FUND BALANCE					
Reserved for encumbrances	-	-	-	91,979	-
Reserved for inventory	-	-	-	7,577	4,425
Reserved for property tax relief	-	-	-	345,943	199,244
Reserved for economic development	-	-	-	336,385	100,000
Reserved for capital improvements	-	-	-	17,387	419,442
Reserved for loans receivable	-	-	-	406,946	92,769
Unreserved					
Designated					
Memorial	-	-	-	4,025	-
Maintenance and operations	-	-	-	2,000,000	2,000,000
Undesignated	815,476	338,851	15,416	6,489,053	5,797,181
Total fund balance	<u>815,476</u>	<u>338,851</u>	<u>15,416</u>	<u>9,699,295</u>	<u>8,613,061</u>
Total liabilities and fund balance	<u>\$848,416</u>	<u>\$339,470</u>	<u>\$61,887</u>	<u>\$10,004,429</u>	<u>\$8,853,876</u>

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

(continued)

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

REVENUES	Public Transportation	Library	Recreation Auditorium	Emergency Levy	Equipment Purchase
Property tax collections	\$184,765	\$888,177	\$712,311	\$57,933	\$115,145
Special assessment collections	-	-	-	-	-
Sales tax collections	-	-	-	-	-
Intergovernmental	440,406	76,958	-	-	-
Charges for services	62,783	20,875	400,179	-	-
Interest income	5,657	17,557	14,416	4,530	4,249
Miscellaneous	-	33,723	27,267	-	2,683
Total revenues	<u>693,611</u>	<u>1,037,290</u>	<u>1,154,173</u>	<u>62,463</u>	<u>122,077</u>
EXPENDITURES					
Current					
General government	468,885	-	-	34,179	-
Highways and streets	-	-	-	-	-
Culture and recreation	-	795,629	1,123,340	-	-
Economic development	-	-	-	-	-
Capital outlay					
Equipment	196,471	180,522	16,272	-	274,028
Infrastructure	-	-	-	-	-
Debt retirement					
Interest and fiscal charges	-	-	-	-	-
Total expenditures	<u>665,356</u>	<u>976,151</u>	<u>1,139,612</u>	<u>34,179</u>	<u>274,028</u>
Excess (deficiency) of revenues over (under) expenditures	28,255	61,139	14,561	28,284	(151,951)
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	-	-	-	-	-
Premium on special assessment bonds	-	-	-	-	-
Sale of City property	425	-	-	-	-
Transfers in	943	-	-	-	235,000
Transfers out	(5,657)	(12,557)	(14,416)	(4,530)	(6,789)
Total other financing sources (uses)	<u>(4,289)</u>	<u>(12,557)</u>	<u>(14,416)</u>	<u>(4,530)</u>	<u>228,211</u>
Net change in fund balance	23,966	48,582	145	23,754	76,260
Fund balance (deficit), January 1	<u>123,239</u>	<u>(6,409)</u>	<u>(17,594)</u>	<u>61,817</u>	<u>44,136</u>
Fund balance (deficit), December 31	<u>\$147,205</u>	<u>\$42,173</u>	<u>(\$17,449)</u>	<u>\$85,571</u>	<u>\$120,396</u>

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

REVENUES	Fire Equipment Purchase	Sales Tax Property Tax Relief	Sales Tax Economic Development	Sales Tax Capital Improvements	Sales Tax Flood Control	Sidewalk Improvements
Property tax collections	\$99,486	\$0	\$0	\$0	\$0	\$0
Special assessment collections	-	-	-	-	-	-
Sales tax collections	-	662,138	2,648,554	3,310,692	-	-
Intergovernmental	158,526	-	-	-	-	-
Charges for services	-	-	-	-	-	-
Interest income	2,726	10,640	221,360	27,932	115,736	-
Miscellaneous	-	-	42,531	-	-	16,939
Total revenues	260,738	672,778	2,912,445	3,338,624	115,736	16,939
EXPENDITURES						
Current						
General government	-	-	-	-	23,102	-
Highways and streets	-	-	-	-	-	1,286
Culture and recreation	-	-	-	-	-	-
Economic development	-	-	2,717,155	-	-	-
Capital outlay						
Equipment	215,342	-	-	-	-	-
Infrastructure	-	-	-	107,122	-	-
Debt retirement						
Interest and fiscal charges	-	-	-	-	-	-
Total expenditures	215,342	-	2,717,155	107,122	23,102	1,286
Excess (deficiency) of revenues over (under) expenditures	45,396	672,778	195,290	3,231,502	92,634	15,653
OTHER FINANCING SOURCES (USES)						
Special assessment bonds issued	-	-	-	-	-	-
Premium on special assessment bonds	-	-	-	-	-	-
Sale of City property	-	-	-	-	-	-
Transfers in	-	-	-	15,907	-	1,286
Transfers out	(37,372)	(526,079)	(268,650)	(2,689,014)	(115,736)	-
Total other financing sources (uses)	(37,372)	(526,079)	(268,650)	(2,673,107)	(115,736)	1,286
Net change in fund balance	8,024	146,699	(73,360)	558,395	(23,102)	16,939
Fund balance (deficit), January 1	9,006	199,244	4,662,487	419,442	2,230,647	(2,765)
Fund balance (deficit), December 31	\$17,030	\$345,943	\$4,589,127	\$977,837	\$2,207,545	\$14,174

City of Minot, North Dakota
Combining Statement of Revenues, Expenditures, and Changes in Fund Balance
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

REVENUES	Street Improvements	Special Assessment Deficiency	Demolitions	Total 2007	Total 2006
Property tax collections	\$966,656	\$14	\$3	\$3,024,490	\$2,824,718
Special assessment collections	-	7,975	3,199	11,174	2,324
Sales tax collections	-	-	-	6,621,384	5,960,296
Intergovernmental	-	-	-	675,890	299,813
Charges for services	-	-	-	483,837	436,055
Interest income	50,832	25,901	210	501,746	181,616
Miscellaneous	-	-	-	123,143	194,597
Total revenues	<u>1,017,488</u>	<u>\$33,890</u>	<u>3,412</u>	<u>11,441,664</u>	<u>9,899,419</u>
EXPENDITURES					
Current					
General government	-	22,182	3,189	551,537	862,599
Highways and streets	472,969	-	-	474,255	833,416
Culture and recreation	-	-	-	1,918,969	1,859,266
Economic development	-	-	-	2,717,155	408,008
Capital outlay					
Equipment	-	-	-	882,635	684,187
Infrastructure	-	-	-	107,122	-
Debt retirement					
Interest and fiscal charges	-	-	-	-	4,873
Total expenditures	<u>472,969</u>	<u>22,182</u>	<u>3,189</u>	<u>6,651,673</u>	<u>4,652,349</u>
Excess (deficiency) of revenues over (under) expenditures	544,519	\$11,708	223	4,789,991	5,247,070
OTHER FINANCING SOURCES (USES)					
Special assessment bonds issued	-	-	-	-	103,961
Premium on special assessment bonds	-	-	-	-	412
Sale of City property	-	3,065	-	3,490	-
Transfers in	-	-	14,895	268,031	819,130
Transfers out	(50,832)	(243,436)	(210)	(3,975,278)	(3,893,632)
Total other financing sources (uses)	<u>(50,832)</u>	<u>(240,371)</u>	<u>14,685</u>	<u>(3,703,757)</u>	<u>(2,970,129)</u>
Net change in fund balance	493,687	(228,663)	14,908	1,086,234	2,276,941
Fund balance (deficit), January 1	321,789	567,514	508	8,613,061	6,336,120
Fund balance (deficit), December 31	<u>\$815,476</u>	<u>\$338,851</u>	<u>\$15,416</u>	<u>\$9,699,295</u>	<u>\$8,613,061</u>

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

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Public Transportation			
	Original Budgeted Amounts	Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES				
Property tax collections	\$190,921	\$190,921	\$184,765	(\$6,156)
Sales tax collections	-	-	-	-
Intergovernmental	302,050	302,050	440,406	138,356
Charges for services	60,000	60,000	62,783	2,783
Interest income	-	-	5,657	5,657
Miscellaneous	10,838	10,838	-	(10,838)
Total revenues	<u>563,809</u>	<u>563,809</u>	<u>693,611</u>	<u>129,802</u>
EXPENDITURES				
Current				
General government	501,809	501,809	468,885	32,924
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	-	-	-	-
Equipment	62,000	245,816	196,471	49,345
Infrastructure	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>563,809</u>	<u>747,625</u>	<u>665,356</u>	<u>82,269</u>
Excess (deficiency) of revenues over (under) expenditures	-	(183,816)	28,255	212,071
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	425	425
Transfers in	-	-	943	943
Transfers out	-	-	(5,657)	(5,657)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(4,289)</u>	<u>(4,289)</u>
Net change in fund balance	<u>\$0</u>	<u>(\$183,816)</u>	<u>23,966</u>	<u>\$207,782</u>
Fund balance, January 1			<u>123,239</u>	
Fund balance, December 31			<u><u>\$147,205</u></u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Library</u>			
	<u>Original Budgeted Amounts</u>	<u>Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES				
Property tax collections	\$918,964	\$918,964	\$888,177	(\$30,787)
Sales tax collections	-	-	-	-
Intergovernmental	76,750	76,750	76,958	208
Charges for services	21,000	21,000	20,875	(125)
Interest income	5,000	5,000	17,557	12,557
Miscellaneous	22,069	15,069	33,723	18,654
Total revenues	<u>1,043,783</u>	<u>\$1,036,783</u>	<u>1,037,290</u>	<u>507</u>
EXPENDITURES				
Current				
General government	-	-	-	-
Public safety	-	-	-	-
Highways and streets	-	-	-	-
Culture and recreation	836,133	836,133	795,629	40,504
Equipment	200,650	208,555	180,522	28,033
Infrastructure	-	-	-	-
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>1,036,783</u>	<u>1,044,688</u>	<u>976,151</u>	<u>68,537</u>
Excess (deficiency) of revenues over (under) expenditures	7,000	(7,905)	61,139	69,044
OTHER FINANCING SOURCES (USES)				
Sale of City property	-	-	-	-
Transfers in	-	-	-	-
Transfers out	-	-	(12,557)	(12,557)
Total other financing sources (uses)	<u>-</u>	<u>-</u>	<u>(12,557)</u>	<u>(12,557)</u>
Net change in fund balance	<u>\$7,000</u>	<u>(\$7,905)</u>	48,582	<u>\$56,487</u>
Fund balance, January 1			(6,409)	
Fund balance (deficit), December 31			<u>\$42,173</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Recreation/Auditorium		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$738,352	\$712,311	(\$26,041)
Sales tax collections	-	-	-
Intergovernmental	-	-	-
Charges for services	491,000	400,179	(90,821)
Interest income	-	14,416	14,416
Miscellaneous	17,153	27,267	10,114
Total revenues	<u>1,246,505</u>	<u>1,154,173</u>	<u>(92,332)</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	1,221,505	1,123,340	98,165
Equipment	25,000	16,272	8,728
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>1,246,505</u>	<u>1,139,612</u>	<u>106,893</u>
Excess (deficiency) of revenues over (under) expenditures	-	14,561	14,561
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	-
Transfers out	-	(14,416)	(14,416)
Total other financing sources (uses)	<u>-</u>	<u>(14,416)</u>	<u>(14,416)</u>
Net change in fund balance	<u>\$0</u>	145	<u>\$145</u>
Fund balance, January 1		(17,594)	
Fund balance (deficit), December 31		<u><u>(\$17,449)</u></u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Emergency Levy</u>		
	<u>Original and Final Budgeted Amounts</u>	<u>Actual Amounts</u>	<u>Variance with Final Budget</u>
REVENUES			
Property tax collections	\$60,335	\$57,933	(\$2,402)
Sales tax collections	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	-	4,530	4,530
Miscellaneous	-	-	-
Total revenues	<u>60,335</u>	<u>62,463</u>	<u>2,128</u>
EXPENDITURES			
Current			
General government	60,335	34,179	26,156
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	-	-	-
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>60,335</u>	<u>34,179</u>	<u>26,156</u>
Excess (deficiency) of revenues over (under) expenditures	-	28,284	28,284
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	-
Transfers out	-	(4,530)	(4,530)
Total other financing sources (uses)	<u>-</u>	<u>(4,530)</u>	<u>(4,530)</u>
Net change in fund balance	<u>\$0</u>	23,754	<u>\$23,754</u>
Fund balance, January 1		61,817	
Fund balance, December 31		<u>\$85,571</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Equipment Purchase</u>		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$120,669	\$115,145	(\$5,524)
Sales tax collections	-	-	-
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	-	4,249	4,249
Miscellaneous	-	2,683	2,683
Total revenues	<u>120,669</u>	<u>122,077</u>	<u>1,408</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	355,669	274,028	(81,641)
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>355,669</u>	<u>274,028</u>	<u>(81,641)</u>
Excess (deficiency) of revenues over (under) expenditures	(235,000)	(151,951)	83,049
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	235,000	235,000	-
Transfers out	-	(6,789)	(6,789)
Total other financing sources (uses)	<u>235,000</u>	<u>228,211</u>	<u>(6,789)</u>
Net change in fund balance	<u>\$0</u>	76,260	<u>\$76,260</u>
Fund balance, January 1		44,136	
Fund balance, December 31		<u>\$120,396</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Fire Equipment Purchase		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$102,690	\$99,486	(\$3,204)
Sales tax collections	-	-	-
Intergovernmental	225,000	158,526	(66,474)
Charges for services	-	-	-
Interest income	-	2,726	2,726
Miscellaneous	-	-	-
Total revenues	<u>327,690</u>	<u>260,738</u>	<u>(66,952)</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	327,690	215,342	112,348
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>327,690</u>	<u>215,342</u>	<u>112,348</u>
Excess (deficiency) of revenues over (under) expenditures	-	45,396	45,396
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	-
Transfers out	-	(37,372)	(37,372)
Total other financing sources (uses)	<u>-</u>	<u>(37,372)</u>	<u>(37,372)</u>
Net change in fund balance	<u>\$0</u>	8,024	<u>\$8,024</u>
Fund balance, January 1		9,006	
Fund balance, December 31		<u>\$17,030</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	<u>Sales Tax Property Relief</u>		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$0	\$0	\$0
Sales tax collections	562,100	662,138	100,038
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	-	10,640	10,640
Miscellaneous	-	-	-
Total revenues	<u>562,100</u>	<u>672,778</u>	<u>110,678</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	-	-	-
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>-</u>	<u>-</u>	<u>-</u>
Excess (deficiency) of revenues over (under) expenditures	562,100	672,778	110,678
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	-
Transfers out	(562,100)	(526,079)	36,021
Total other financing sources (uses)	<u>(562,100)</u>	<u>(526,079)</u>	<u>36,021</u>
Net change in fund balance	<u>\$0</u>	146,699	<u>\$146,699</u>
Fund balance, January 1		199,244	
Fund balance, December 31		<u>\$345,943</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Sales Tax Economic Development		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$0	\$0	\$0
Sales tax collections	2,248,400	2,648,554	400,154
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	-	221,360	221,360
Miscellaneous	-	42,531	42,531
Total revenues	<u>2,248,400</u>	<u>2,912,445</u>	<u>664,045</u>
EXPENDITURES			
Current			
General government	2,198,400	2,717,155	(518,755)
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	-	-	-
Infrastructure	-	-	-
Interest and fiscal charges	-	-	-
Total expenditures	<u>2,198,400</u>	<u>2,717,155</u>	<u>(518,755)</u>
Excess (deficiency) of revenues over (under) expenditures	50,000	195,290	1,182,800
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	-	-	-
Transfers out	(50,000)	(268,650)	(218,650)
Total other financing sources (uses)	<u>(50,000)</u>	<u>(268,650)</u>	<u>(218,650)</u>
Net change in fund balance	<u>\$0</u>	<u>(73,360)</u>	<u>(\$73,360)</u>
Fund balance, January 1		4,662,487	
Fund balance, December 31		<u><u>\$4,589,127</u></u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balances, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Sales Tax Capital Improvements		
	Original and Final Budgeted Amounts	Actual Amounts	Variance with Final Budget
REVENUES			
Property tax collections	\$0	\$0	\$0
Sales tax collections	2,810,500	3,310,692	500,192
Intergovernmental	-	-	-
Charges for services	-	-	-
Interest income	-	27,932	27,932
Miscellaneous	-	-	-
Total revenues	<u>2,810,500</u>	<u>3,338,624</u>	<u>528,124</u>
EXPENDITURES			
Current			
General government	-	-	-
Public safety	-	-	-
Highways and streets	-	-	-
Culture and recreation	-	-	-
Equipment	-	-	-
Infrastructure	40,000	107,122	67,122
Interest and fiscal charges	-	-	-
Total expenditures	<u>40,000</u>	<u>107,122</u>	<u>67,122</u>
Excess (deficiency) of revenues over (under) expenditures	2,770,500	3,231,502	461,002
OTHER FINANCING SOURCES (USES)			
Sale of City property	-	-	-
Transfers in	13,407	15,907	2,500
Transfers out	(2,783,907)	(2,689,014)	94,893
Total other financing sources (uses)	<u>(2,770,500)</u>	<u>(2,673,107)</u>	<u>97,393</u>
Net change in fund balance	<u>\$0</u>	558,395	<u>\$558,395</u>
Fund balance, January 1		419,442	
Fund balance, December 31		<u>\$977,837</u>	

(continued)

City of Minot, North Dakota
Combining Schedule of Revenues, Expenditures
and Changes in Fund Balance, Budget and Actual
Nonmajor Special Revenue Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

REVENUES	Original Budgeted Amounts	Final Budgeted Amounts	2007 Actual Amounts	Variance with Final Budget	2006 Actual Amounts
Property tax collections	\$2,131,931	\$2,131,931	\$2,057,817	(\$74,114)	\$1,822,681
Sales tax collections	5,621,000	5,621,000	6,621,384	1,000,384	5,960,296
Intergovernmental	603,800	603,800	675,890	72,090	299,813
Charges for services	572,000	572,000	483,837	(88,163)	436,055
Interest income	5,000	5,000	309,067	304,067	108,684
Miscellaneous	50,060	43,060	106,204	63,144	158,581
Total revenues	<u>8,983,791</u>	<u>8,976,791</u>	<u>10,254,199</u>	<u>1,277,408</u>	<u>8,786,110</u>
EXPENDITURES					
Current					
General government	2,760,544	2,760,544	3,220,219	(459,675)	1,250,114
Public safety	-	-	-	-	-
Highways and streets	-	-	-	-	3,950
Culture and recreation	2,057,638	2,057,638	1,918,969	138,669	1,859,266
Equipment	971,009	1,162,730	882,635	280,095	684,187
Infrastructure	40,000	40,000	107,122	(67,122)	-
Interest and fiscal charges	-	-	-	-	906
Total expenditures	<u>5,829,191</u>	<u>6,020,912</u>	<u>6,128,945</u>	<u>(108,033)</u>	<u>3,798,423</u>
Excess (deficiency) of revenues over (under) expenditures	3,154,600	2,955,879	4,125,254	1,169,375	4,987,687
OTHER FINANCING SOURCES (USES)					
Sale of City property	-	-	425	425	-
Transfers in	248,407	248,407	251,850	3,443	724,633
Transfers out	(3,396,007)	(3,396,007)	(3,565,064)	(169,057)	(3,759,583)
Total other financing sources (uses)	<u>(3,147,600)</u>	<u>(3,147,600)</u>	<u>(3,312,789)</u>	<u>(165,189)</u>	<u>(3,034,950)</u>
Net change in fund balance	<u>\$7,000</u>	<u>(\$191,721)</u>	812,465	<u>\$1,004,186</u>	1,952,737
Fund balance, January 1			5,495,368		3,542,631
Fund balance, December 31			<u>\$6,307,833</u>		<u>\$5,495,368</u>

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

City of Minot, North Dakota
Nonmajor Capital Project Funds

CAPITAL PROJECT FUNDS - are used to account for financial resources to be used for the acquisition or construction of major capital facilities (other than those financed by proprietary funds, special assessment funds and trust funds). Additional information is provided below for some of the nonmajor funds in this category.

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

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

Fire Equipment - To account for the resources used for the purchase of budgeted fire equipment. Funding is provided by the capital improvements portion of the city sales tax.

Sales Tax Capital - To account for the resources used in the purchase and maintenance of items deemed to be beneficial to the citizens of Minot. Funding is provided by the capital improvement portion of city sales tax.

Library - To account for the resources used in the remodeling and addition to the Municipal Library. Additional funding is provided by private donations.

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

Community Development Block Grant - To account for resources used toward the intermodal park. Funding is provided by the Community Development Block Grant.

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2007
With Comparative Totals for December 31, 2006

ASSETS	Sports Complex	Assessment Capital	Fire Equipment	Sales Tax Capital
Cash and investments	\$75,072	\$1,164,882	\$303,683	\$930,927
Accounts receivable	-	-	-	-
Due from other funds	-	-	-	68,314
Due from other agencies	-	-	-	-
Total assets	<u>\$75,072</u>	<u>\$1,164,882</u>	<u>\$303,683</u>	<u>\$999,241</u>
LIABILITIES				
Accounts payable	\$0	\$0	\$0	\$0
Retainage payable	-	84,589	-	1,719
Due to other funds	-	-	-	-
Due to other agencies	2,250	55,541	-	42,071
Total liabilities	<u>2,250</u>	<u>140,130</u>	<u>-</u>	<u>43,790</u>
FUND BALANCE				
Reserved for encumbrances	-	-	-	6,190
Unreserved				
Designated - fire equipment	-	-	-	-
Undesignated	72,822	1,024,752	303,683	949,261
Total fund balance (deficit)	<u>72,822</u>	<u>1,024,752</u>	<u>303,683</u>	<u>955,451</u>
Total liabilities and fund balance	<u>\$75,072</u>	<u>\$1,164,882</u>	<u>\$303,683</u>	<u>\$999,241</u>

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Capital Project Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Library Construction	Storm Sewer Development	CDBG and EDA	Total 2007	Total 2006
ASSETS					
Cash and investments	\$0	\$918,213	\$0	\$3,392,777	\$1,592,628
Accounts receivable	-	11,364	-	11,364	12,227
Due from other funds	-	-	-	68,314	601
Due from other agencies	-	-	322,561	322,561	-
Total assets	<u>\$0</u>	<u>\$929,577</u>	<u>\$322,561</u>	<u>\$3,795,016</u>	<u>\$1,605,456</u>
LIABILITIES					
Accounts payable	\$0	\$0	\$0	\$0	\$50,254
Retainage payable	-	-	-	86,308	4,157
Due to other funds	68,314	1,031,183	-	1,099,497	823,443
Due to other agencies	-	-	344,037	443,899	20,513
Total liabilities	<u>68,314</u>	<u>1,031,183</u>	<u>344,037</u>	<u>1,629,704</u>	<u>898,367</u>
FUND BALANCE					
Reserved for encumbrances	-	-	-	6,190	-
Unreserved					
Designated - fire equipment	-	-	-	-	130,222
Undesignated	(68,314)	(101,606)	(21,476)	2,159,122	576,867
Total fund balance (deficit)	<u>(68,314)</u>	<u>(101,606)</u>	<u>(21,476)</u>	<u>2,165,312</u>	<u>707,089</u>
Total liabilities and fund balance	<u>\$0</u>	<u>\$929,577</u>	<u>\$322,561</u>	<u>\$3,795,016</u>	<u>\$1,605,456</u>

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, 2007
With Comparative Totals for December 31, 2006

REVENUES	Sertoma Sports Complex	Assessment Capital	Fire Equipment	Sales Tax Capital
Interest income	\$2,661	\$46,569	\$11,996	\$45,592
Miscellaneous	16,355	-	12,500	4,744
Total revenues	<u>19,016</u>	<u>46,569</u>	<u>24,496</u>	<u>50,336</u>
EXPENDITURES				
Current				
General government	14,388	-	-	1,480
Culture and recreation	-	1,216,045	-	150,081
Capital outlay				
Contracted work	-	278,093	-	152,417
Equipment	-	-	62,376	-
Legal	-	1,569	-	2,604
Other	-	32,483	-	14,989
Acquisitions	-	-	-	-
Engineering	-	36,840	-	13,183
Debt retirement				
Interest and fiscal charges	-	-	-	-
Total expenditures	<u>14,388</u>	<u>1,565,028</u>	<u>62,376</u>	<u>334,754</u>
Excess (deficiency) of revenues over (under) expenditures	4,628	(1,518,459)	(37,880)	(284,418)
OTHER FINANCING SOURCES (USES)				
General obligation bonds issued	-	2,715,000	-	-
Special assessment bonds issued	-	-	-	-
Premium on general obligation bonds	-	17,540	-	-
Premium on special assessments bonds	-	-	-	-
Transfers in	60,000	15,145	223,337	639,800
Transfers out	(2,661)	(139,990)	(11,996)	(45,592)
Total other financing sources (uses)	<u>57,339</u>	<u>2,607,695</u>	<u>211,341</u>	<u>594,208</u>
Net change in fund balance	61,967	1,089,236	173,461	309,790
Fund balance (deficit), January 1	10,855	(64,484)	130,222	645,661
Prior period adjustment	-	-	-	-
Fund balance (deficit), December 31	<u>\$72,822</u>	<u>\$1,024,752</u>	<u>\$303,683</u>	<u>\$955,451</u>

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, 2007
With Comparative Totals for December 31, 2006

REVENUES	Library	Storm Sewer Development	CDBG and EDA	Total 2007	Total 2006
Interest income	\$0	\$45,296	\$0	\$152,114	\$32,184
Miscellaneous	8,680	287,478	2,098,501	2,428,258	304,275
Total revenues	<u>8,680</u>	<u>332,774</u>	<u>2,098,501</u>	<u>2,580,372</u>	<u>336,459</u>
EXPENDITURES					
Current					
General government	-	-	71,625	87,493	447
Culture and recreation	-	-	-	1,366,126	-
Capital outlay					
Contracted work	-	419,998	2,026,174	2,876,682	1,209,942
Equipment	-	-	-	62,376	44,442
Legal	-	-	-	4,173	20,314
Other	-	-	23	47,495	26,877
Acquisitions	-	-	-	-	495,205
Engineering	-	-	22,155	72,177	192,317
Debt retirement					
Interest and fiscal charges	3,908	30,915	-	34,823	99,965
Total expenditures	<u>3,908</u>	<u>450,913</u>	<u>2,119,977</u>	<u>4,551,344</u>	<u>2,089,509</u>
Excess (deficiency) of revenues over (under) expenditures	4,772	(118,139)	(21,476)	(1,970,972)	(1,753,050)
OTHER FINANCING SOURCES (USES)					
General obligation bonds issued	-	-	-	2,715,000	-
Special assessment bonds issued	-	-	-	-	806,039
Premium on general obligation bonds	-	-	-	17,540	-
Premium on special assessments bonds	-	-	-	-	3,200
Transfers in	3,908	-	-	942,190	1,668,855
Transfers out	-	(45,296)	-	(245,535)	(254,210)
Total other financing sources (uses)	<u>3,908</u>	<u>(45,296)</u>	<u>-</u>	<u>3,429,195</u>	<u>2,223,884</u>
Net change in fund balance	8,680	(163,435)	(21,476)	1,458,223	470,834
Fund balance (deficit), January 1	(76,994)	61,829	-	707,089	953,755
Prior period adjustment	-	-	-	-	(717,500)
Fund balance (deficit), December 31	<u>(\$68,314)</u>	<u>(\$101,606)</u>	<u>(\$21,476)</u>	<u>\$2,165,312</u>	<u>\$707,089</u>

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

City of Minot, North Dakota
Nonmajor Enterprise Funds

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

Sanitation – To account for residential garbage collections as well as landfill services for the City. All activities necessary to provide such services are accounted for in this fund, including, but not limited to, administration, operations, and maintenance.

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

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

City of Minot, North Dakota
Combining Balance Sheet
Nonmajor Proprietary Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds 2007	Total Nonmajor Proprietary Funds 2006
	Sanitation	Cemetery	Parking Authority		
ASSETS					
Cash and investments	\$1,155,599	\$117,451	\$70,384	\$1,343,434	\$1,615,987
Restricted cash and investments	-	43,874	-	43,874	-
Taxes receivable delinquent	-	1,438	-	1,438	1,355
Accounts receivable	170,264	8,202	-	178,466	222,884
Due from other funds	475,812	-	-	475,812	-
Prepays	-	10	-	10	-
Total assets	<u>1,801,675</u>	<u>170,975</u>	<u>70,384</u>	<u>2,043,034</u>	<u>1,840,226</u>
Capital assets					
Land	367,335	118,396	136,397	622,128	592,128
Buildings	110,865	150,885	183,172	444,922	446,777
Improvements	-	-	-	-	2,197,963
Equipment	1,097,891	118,219	306,929	1,523,039	1,439,006
Infrastructure	1,996,862	34,197	125,959	2,157,018	-
Total capital assets	<u>3,572,953</u>	<u>421,697</u>	<u>752,457</u>	<u>4,747,107</u>	<u>4,675,874</u>
Less-accumulated depreciation	<u>(2,186,273)</u>	<u>(240,815)</u>	<u>(492,778)</u>	<u>(2,919,866)</u>	<u>(2,864,116)</u>
Net capital assets	<u>1,386,680</u>	<u>180,882</u>	<u>259,679</u>	<u>1,827,241</u>	<u>1,811,758</u>
Total assets	<u><u>\$3,188,355</u></u>	<u><u>\$351,857</u></u>	<u><u>\$330,063</u></u>	<u><u>\$3,870,275</u></u>	<u><u>\$3,651,984</u></u>
LIABILITIES					
Accounts Payable	\$0	\$0	\$0	\$0	\$104
Due to other agencies	320	1,108	-	1,428	2,083
Accrued vacation payable	37,224	8,989	-	46,213	48,087
Accrued salaries payable	12,518	2,617	1,222	16,357	16,915
Customer deposits	-	-	600	600	-
Accrued interest payable	-	-	-	-	357
Accrued MSWLF postclosure care costs	381,459	-	-	381,459	363,597
Total liabilities	<u>431,521</u>	<u>12,714</u>	<u>1,822</u>	<u>446,057</u>	<u>431,143</u>
NET ASSETS					
Invested in capital assets, net of related debt	1,386,680	180,882	259,679	1,827,241	1,811,758
Restricted for perpetual care	-	38,250	-	38,250	38,250
Restricted for chapel/veteran's memorial	-	5,624	-	5,624	5,224
Unrestricted	1,370,154	114,387	68,562	1,553,103	1,365,600
Total net assets	<u><u>\$2,756,834</u></u>	<u><u>\$339,143</u></u>	<u><u>\$328,241</u></u>	<u><u>\$3,424,218</u></u>	<u><u>\$3,220,832</u></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
Nonmajor Proprietary Funds
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds 2007	Total Nonmajor Proprietary Funds 2006
	Sanitation	Cemetery	Parking Authority		
OPERATING REVENUES					
Charges for services	\$2,157,423	\$201,865	\$141,021	\$2,500,309	\$2,419,511
Miscellaneous	-	1,675	-	1,675	195
Total operating revenues	<u>2,157,423</u>	<u>203,540</u>	<u>141,021</u>	<u>2,501,984</u>	<u>2,419,706</u>
OPERATING EXPENSES					
Salaries	624,696	125,824	51,943	802,463	879,885
Employee benefits	169,125	26,889	4,281	200,295	218,096
Professional services	7,042	30	-	7,072	11,885
Property services	417,601	8,629	27,797	454,027	418,449
Purchased services	28,683	4,194	3,173	36,050	25,653
Supplies	230,002	11,517	7,463	248,982	207,533
Capital purchases	-	4,949	-	4,949	8
Sundry	265,963	23,918	9,916	299,797	275,548
Bad debt expense	2,823	-	-	2,823	2,176
MSWLF closure & postclosure care costs	17,862	-	-	17,862	31,973
Depreciation	76,135	7,142	11,094	94,371	218,331
Total operating expenses	<u>1,839,932</u>	<u>213,092</u>	<u>115,667</u>	<u>2,168,691</u>	<u>2,289,537</u>
Operating income (loss)	317,491	(9,552)	25,354	333,293	130,169
NON-OPERATING REVENUES (EXPENSES)					
Property tax collections	-	34,514	-	34,514	47,078
Interest income	79,799	8,137	3,050	90,986	28,394
Miscellaneous income	19,131	1,511	121	20,763	15,555
Gain (loss) on disposal of capital assets	(1,306)	(300)	-	(1,606)	67,612
Interest and fiscal charges	-	-	-	-	(2,487)
Total non-operating revenues (expenses)	<u>97,624</u>	<u>43,862</u>	<u>3,171</u>	<u>144,657</u>	<u>156,152</u>
Income (loss) before contributions and transfers	415,115	34,310	28,525	477,950	286,321
Capital contributions	10,165	-	-	10,165	309
Transfers in	81,900	-	-	81,900	96,654
Transfers out	(355,799)	(8,137)	(2,693)	(366,629)	(306,625)
Total contributions and transfers	<u>(263,734)</u>	<u>(8,137)</u>	<u>(2,693)</u>	<u>(274,564)</u>	<u>(209,662)</u>
Change in net assets	151,381	26,173	25,832	203,386	76,659
Net assets, January 1	2,605,453	312,970	302,409	3,220,832	3,144,173
Net assets, December 31	<u>\$2,756,834</u>	<u>\$339,143</u>	<u>\$328,241</u>	<u>\$3,424,218</u>	<u>\$3,220,832</u>

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, 2007
With Comparative Totals for December 31, 2006

	Nonmajor Business-Type Activities			Total Nonmajor Proprietary Funds 2007	Total 2006
	Sanitation	Cemetery	Parking Authority		
CASH FLOWS FROM OPERATING ACTIVITIES					
Receipts from customers and users	\$2,200,458	\$204,830	\$141,621	\$2,546,909	\$2,377,516
Payments to suppliers	(952,218)	(53,246)	(48,349)	(1,053,813)	(941,284)
Payments to employees	(796,207)	(151,606)	(57,377)	(1,005,190)	(1,099,637)
Internal activity - payments from (to) other funds	(475,812)	-	-	(475,812)	324,889
Due from (to) other agencies	(490)	435	(957)	(1,012)	585,915
Net cash provided (used) by operating activities	(24,269)	413	34,938	11,082	1,247,399
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES					
Taxes received	19,131	36,025	121	55,277	62,633
Transfers in	81,900	-	-	81,900	96,654
Transfers out	(355,799)	(8,137)	(2,693)	(366,629)	(306,625)
Net cash provided (used) by noncapital financing activities	(254,768)	27,888	(2,572)	(229,452)	(147,338)
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES					
Capital contributions	10,165	-	-	10,165	309
Acquisition and construction of capital assets	(111,460)	-	-	(111,460)	(6,710)
Proceeds from sale of capital asset	-	-	-	-	99,975
Principal paid on capital debt	-	-	-	-	(65,000)
Interest paid on capital debt	-	-	-	-	(2,487)
Net cash provided (used) by capital and related financing activities	(101,295)	-	-	(101,295)	26,087
CASH FLOWS FROM INVESTING ACTIVITIES					
Interest and dividends	79,799	8,137	3,050	90,986	28,394
Net cash provided by investing activities	79,799	8,137	3,050	90,986	28,394
Net increase (decrease) in cash and cash equivalents	(300,533)	36,438	35,416	(228,679)	1,154,542
Cash and investments, January 1	1,456,132	124,887	34,968	1,615,987	461,445
Cash and investments, December 31	\$1,155,599	\$161,325	\$70,384	\$1,387,308	\$1,615,987
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES					
Operating income (loss)	\$317,491	(\$9,552)	\$25,354	\$333,293	\$130,169
Adjustments to reconcile operating income (loss) to net cash provided by operating activities					
Depreciation expense	76,135	7,142	11,094	94,371	218,331
MSWLF closure and post closure care cost adjustment	17,862	-	-	17,862	31,973
Change in assets and liabilities					
Receivables, net	43,035	1,300	-	44,335	(41,452)
Due to (from) other funds	(475,812)	-	-	(475,812)	324,889
Due to (from) other agencies	(490)	435	(600)	(655)	585,177
Prepays	-	(10)	-	(10)	-
Accounts payable	(104)	(9)	-	(113)	(32)
Accrued vacation payable	(2,568)	694	-	(1,874)	(4,532)
Accrued salaries payable	182	413	(1,153)	(558)	2,876
Accrued interest payable	-	-	(357)	(357)	-
Deposits payable	-	-	600	600	-
Net cash provided (used) by operating activities	(\$24,269)	\$413	\$34,938	\$11,082	\$1,247,399

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

City of Minot, North Dakota
Internal Service Funds

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

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

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

City of Minot, North Dakota
Combining Statement of Net Assets
Internal Service Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	Central Garage	Self Insurance	Total 2007	Total 2006
ASSETS				
Cash and investments	\$34,284	\$1,501,717	\$1,536,001	\$1,414,067
Accounts receivable	5,224	-	5,224	5,439
Inventory	326,866	-	326,866	304,989
Total assets	<u>\$366,374</u>	<u>\$1,501,717</u>	<u>\$1,868,091</u>	<u>\$1,724,495</u>
LIABILITIES				
Accounts payable	\$0	\$0	\$0	\$151
Insurance claims payable	-	64,218	64,218	73,470
Total liabilities	<u>-</u>	<u>64,218</u>	<u>64,218</u>	<u>73,621</u>
NET ASSETS				
Unrestricted	366,374	1,437,499	1,803,873	1,650,874
Total net assets	<u>\$366,374</u>	<u>\$1,437,499</u>	<u>\$1,803,873</u>	<u>\$1,650,874</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, 2007
With Comparative Totals for December 31, 2006

	Central Garage	Self Insurance	Total 2007	Total 2006
OPERATING REVENUES				
Sales	\$237,873	\$0	\$237,873	\$399,423
Cost of goods sold	(218,809)	-	(218,809)	(372,925)
Gross margin	19,064	-	19,064	26,498
Charges for services				
Employer	-	1,266,171	1,266,171	1,183,092
Employee	-	656,180	656,180	610,837
Total operating revenues	19,064	1,922,351	1,941,415	1,820,427
OPERATING EXPENSES				
Professional and technical	47	-	47	-
Supplies	20,126	-	20,126	15,844
Insurance claims	-	1,817,691	1,817,691	1,587,190
Total operating expenses	20,173	1,817,691	1,837,864	1,603,034
Operating income (loss)	(1,109)	104,660	103,551	217,393
NON-OPERATING REVENUES (EXPENSES)				
Interest income	2,065	76,801	78,866	27,874
Miscellaneous income	29,144	20,304	49,448	59,294
Interest and fiscal charges	-	-	-	(160)
Total non-operating revenues (expenses)	31,209	97,105	128,314	87,008
Income (loss) before transfers	30,100	201,765	231,865	304,401
Transfers in	-	-	-	160
Transfers out	(2,065)	(76,801)	(78,866)	(27,874)
Total transfers in (out)	(2,065)	(76,801)	(78,866)	(27,714)
Change in net assets	28,035	124,964	152,999	276,687
Net assets, January 1	338,339	1,312,535	1,650,874	1,374,187
Net assets, December 31	\$366,374	\$1,437,499	\$1,803,873	\$1,650,874

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, 2007
With Comparative Totals for December 31, 2006

	Central Garage	Self Insurance	Total 2007	Total 2006
CASH FLOWS FROM OPERATING ACTIVITIES				
Receipts from customers and users	\$215,538	\$1,923,024	\$2,138,562	\$2,195,739
Payments to suppliers	(239,133)	(9,252)	(248,385)	(462,225)
Payments to employees	-	(1,817,691)	(1,817,691)	(1,587,190)
Net cash provided (used) by operating activities	<u>(23,595)</u>	<u>96,081</u>	<u>72,486</u>	<u>146,324</u>
CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES				
Transfers in	-	-	-	160
Transfers out	(2,065)	(76,801)	(78,866)	(27,874)
Internal activity - payments from (to) other funds	29,144	20,304	49,448	59,294
Net cash provided (used) by noncapital financing activities	<u>27,079</u>	<u>(56,497)</u>	<u>(29,418)</u>	<u>31,580</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES				
Interest paid on capital debt	-	-	-	(160)
Net cash (used) by capital and related financing activities	<u>-</u>	<u>-</u>	<u>-</u>	<u>(160)</u>
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest and dividends	2,065	76,801	78,866	27,874
Net cash provided by investing activities	<u>2,065</u>	<u>76,801</u>	<u>78,866</u>	<u>27,874</u>
Net increase in cash and cash equivalents	5,549	116,385	121,934	205,618
Cash and investments, January 1	28,735	1,385,332	1,414,067	1,208,449
Cash and investments, December 31	<u>\$34,284</u>	<u>\$1,501,717</u>	<u>\$1,536,001</u>	<u>\$1,414,067</u>
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating income (loss)	(\$1,109)	\$104,660	\$103,551	\$217,393
Adjustments to reconcile operating income (loss) to net cash provided (used) by operating activities				
Change in assets and liabilities				
Receivables, net	(458)	673	215	(4,519)
Inventory	(21,877)	-	(21,877)	6,906
Accounts payable	(151)	-	(151)	(37,640)
Insurance claims payable	-	(9,252)	(9,252)	(35,816)
Net cash provided (used) by operating activities	<u>(\$23,595)</u>	<u>\$96,081</u>	<u>\$72,486</u>	<u>\$146,324</u>

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

City of Minot, North Dakota
Trust and Agency Funds

TRUST AND AGENCY FUNDS - are used to account for assets held by a governmental unit in trust or as an agent for individuals, private organizations, or other governmental units and/or other funds. Additional information is provided below for some of the major funds in this category.

TRUST FUNDS:

City Employee Pension and Police Pension - To account for the accumulation of resources to be used for benefit payments in appropriate amounts and times in the future.

AGENCY FUNDS:

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

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

Commission on Aging – To account for the receipt and disbursement of Section 5311 grant monies for the Commission on Aging bus system.

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

Economic Development Association – To account for the receipt and disbursement of an intermodal grant.

City of Minot, North Dakota
Combining Statement of Fiduciary Net Assets
Fiduciary Funds
December 31, 2007
With Comparative Totals for December 31, 2006

	City Employee Pension Plan	Police Pension Plan	Total 2007	Total 2006
ASSETS				
Cash and cash equivalents	\$81,244	\$74,899	\$156,143	\$219,497
Investments				
Money market	282,667	106,506	389,174	2,060,335
Equity/stocks	17,394,176	5,715,379	23,109,556	21,721,622
Fixed income-tax exempt	-	-	-	1,852,138
Fixed income-taxable	20,987,950	6,897,256	27,885,205	22,700,673
Taxes receivable delinquent	28,924	16,292	45,216	-
Total assets	<u>\$38,774,961</u>	<u>\$12,810,333</u>	<u>\$51,585,294</u>	<u>\$48,554,265</u>
LIABILITIES				
Deferred revenue	\$28,923	\$16,292	\$45,216	\$0
NET ASSETS				
Held in trust for pension benefits & other purposes	38,746,038	12,794,041	51,540,078	48,554,265
Total net assets	<u>\$38,746,038</u>	<u>\$12,794,041</u>	<u>\$51,540,078</u>	<u>\$48,554,265</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, 2007
With Comparative Totals for December 31, 2006

	City Employee Pension Plan	Police Pension Plan	Total 2007	Total 2006
ADDITIONS				
Contributions				
Employer	\$1,190,486	\$438,230	\$1,628,716	\$1,584,423
Employee	1,190,911	438,580	1,629,491	1,584,048
Total contributions	<u>2,381,397</u>	<u>876,810</u>	<u>3,258,207</u>	<u>3,168,471</u>
Investment income				
Interest	1,255,390	420,046	1,675,436	2,197,211
Net increase (decrease) in the fair value of investments	2,261,130	729,981	2,991,111	1,086,547
Total investment income	<u>3,516,520</u>	<u>1,150,027</u>	<u>4,666,547</u>	<u>3,283,758</u>
Less investment expense	87,863	28,650	116,513	388,477
Net investment income	<u>3,428,657</u>	<u>1,121,377</u>	<u>4,550,034</u>	<u>2,895,281</u>
Total additions	<u>5,810,054</u>	<u>1,998,187</u>	<u>7,808,241</u>	<u>6,063,752</u>
DEDUCTIONS				
Benefits paid to plan member and beneficiaries	3,563,198	892,585	4,455,783	3,966,442
Refunds paid to plan member and beneficiaries	10,827	71,305	82,132	112,065
Administrative expenses	211,141	73,372	284,513	298,656
Total deductions	<u>3,785,166</u>	<u>1,037,262</u>	<u>4,822,428</u>	<u>4,377,163</u>
Change in net assets	2,024,888	960,925	2,985,813	1,686,589
Net assets - January 1	<u>36,721,150</u>	<u>11,833,115</u>	<u>48,554,265</u>	<u>46,867,676</u>
Net assets- December 31	<u>\$38,746,038</u>	<u>\$12,794,041</u>	<u>\$51,540,078</u>	<u>\$48,554,265</u>

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, 2007
With Comparative Totals for December 31, 2006

ASSETS	Payroll Deductions	Employer Social Security	Hotel/ Motel Tax	Total 2007	Total 2006
Cash and investments	\$226	\$0	\$2,025	\$2,251	\$39,866
Taxes receivable delinquent	-	3,024	-	3,024	2,570
Due from other agencies	-	-	-	-	13,346
Total assets	<u>\$226</u>	<u>\$3,024</u>	<u>\$2,025</u>	<u>\$5,275</u>	<u>\$55,782</u>
LIABILITIES					
Due to other agencies	\$226	\$3,024	\$2,025	\$5,275	\$55,782
Total liabilities	<u>\$226</u>	<u>\$3,024</u>	<u>\$2,025</u>	<u>\$5,275</u>	<u>\$55,782</u>

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

City of Minot, North Dakota
Agency Funds Combining Statements of Changes in Assets and Liabilities
For the Fiscal Year Ended December 31, 2007
With Comparative Totals for December 31, 2006

PAYROLL DEDUCTIONS	Beginning	Additions	Deletions	Ending
Assets				
Cash and investments	\$0	\$2,981,589	\$2,981,363	\$226
Due from other agencies	13,346	-	13,346	-
Total assets	<u>\$13,346</u>	<u>\$2,981,589</u>	<u>\$2,994,709</u>	<u>\$226</u>
Liabilities				
Accounts payable	\$0	\$1,039,048	\$1,039,048	\$0
Due to other agencies	13,346	2,659,301	2,672,421	226
Total liabilities	<u>\$13,346</u>	<u>\$3,698,349</u>	<u>\$3,711,469</u>	<u>\$226</u>
 EMPLOYER SOCIAL SECURITY				
Assets				
Cash and investments	\$0	\$77,035	\$77,035	\$0
Taxes receivable delinquent	2,570	1,710	1,256	3,024
Total assets	<u>\$2,570</u>	<u>\$78,745</u>	<u>\$78,291</u>	<u>\$3,024</u>
Liabilities				
Due to other agencies	\$2,570	\$83,820	\$83,366	\$3,024
Total liabilities	<u>\$2,570</u>	<u>\$83,820</u>	<u>\$83,366</u>	<u>\$3,024</u>
 COMMISSION ON AGING				
Assets				
Cash and investments	\$0	\$86,282	\$86,282	\$0
Liabilities				
Due to other agencies	\$0	\$86,282	\$86,282	\$0
 HOTEL/MOTEL TAX				
Assets				
Cash and investments	\$39,866	\$594,586	\$632,427	\$2,025
Liabilities				
Due to other agencies	\$39,866	\$596,705	\$634,546	\$2,025
 TOTAL 2007				
Assets				
Cash and investments	\$39,866	\$3,739,492	\$3,777,107	\$2,251
Taxes receivable delinquent	2,570	1,710	1,256	3,024
Total assets	<u>\$42,436</u>	<u>\$3,741,202</u>	<u>\$3,778,363</u>	<u>\$5,275</u>
Liabilities				
Accounts payable	\$0	\$1,039,048	\$1,039,048	\$0
Due to other agencies	55,782	3,426,108	3,476,614	5,275
Total liabilities	<u>\$55,782</u>	<u>\$4,465,156</u>	<u>\$4,515,663</u>	<u>\$5,275</u>
 TOTAL 2006				
Assets				
Cash and investments	\$52,313	\$3,474,202	\$3,486,649	\$39,866
Taxes receivable delinquent	2,489	79,225	79,144	2,570
Due from other agencies	-	13,346	-	13,346
Total assets	<u>\$54,802</u>	<u>\$3,566,773</u>	<u>\$3,565,793</u>	<u>\$55,782</u>
Liabilities				
Accounts payable	\$0	\$991,829	\$991,829	\$0
Due to other agencies	54,802	3,472,434	3,471,454	55,782
Total liabilities	<u>\$54,802</u>	<u>\$4,464,263</u>	<u>\$4,463,283</u>	<u>\$55,782</u>

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, 2007 and 2006

GOVERNMENTAL FUNDS CAPITAL ASSETS	2007	Restated 2006
Land	\$6,333,630	\$4,909,325
Buildings	11,959,907	12,038,096
Improvements	-	12,851,496
Equipment	9,916,305	8,125,771
Infrastructure	82,966,729	53,512,568
Books	4,079,179	3,972,137
Construction in progress	-	2,845,617
Total governmental funds capital assets	<u>\$115,255,750</u>	<u>\$98,255,010</u>
 INVESTMENTS IN GOVERNMENTAL FUNDS CAPITAL ASSETS BY SOURCE		
Capital project funds		
General obligation bonds and levies	\$8,600,067	\$6,168,741
Sales tax revenue bonds	190,916	190,916
Federal grants	42,707,167	40,543,055
State grants	2,056,945	1,037,022
County grants	214,124	214,124
Contributions from others	20,045,813	19,526,999
General fund	23,771,476	13,323,997
Special revenue	15,537,207	15,118,121
Urban renewal	465,739	465,739
Enterprise fund	1,666,296	1,666,296
Total governmental funds capital assets	<u>\$115,255,750</u>	<u>\$98,255,010</u>

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, 2007
With Comparative Totals for December 31, 2006

FUNCTION OR ACTIVITY	Land	Buildings	Equipment	Infrastructure	Books	2007	Restated 2006
General Government							
Manager	\$0	\$0	\$0	\$0	\$0	\$0	\$1,824
Clerk	-	-	-	-	-	-	1,018
Civic center/property maintenance	49,374	3,429,528	69,606	233,086	-	3,781,594	3,556,992
Personnel	-	-	-	-	-	-	-
Finance	-	-	-	-	-	-	5,153
Assessor	-	-	81,387	-	-	81,387	82,413
Engineering	-	36,119	216,664	-	-	252,783	217,770
Inspection	-	-	191,013	-	-	191,013	151,139
Traffic control	-	-	414,004	5,601,442	-	6,015,446	5,882,808
Public works	-	1,432,856	53,248	-	-	1,486,104	1,491,203
General	5,610,394	119,425	1,019,923	-	-	6,749,742	7,151,131
Total general government	5,659,768	5,017,928	2,045,845	5,834,528	-	18,558,069	18,541,451
Public Safety							
Police	-	54,112	1,488,905	41,500	-	1,584,517	1,464,928
Fire	243,861	2,164,886	2,226,398	-	-	4,635,145	4,552,852
Total public safety	243,861	2,218,998	3,715,303	41,500	-	6,219,662	6,017,780
Street	-	32,580	1,862,645	76,031,003	-	77,926,227	61,360,759
Shop	-	-	88,335	-	-	88,335	104,413
Library	7,624	3,128,995	27,218	-	4,079,179	7,243,016	7,155,818
Public transportation	-	853,027	1,439,073	-	-	2,292,099	2,113,209
Auditorium	398,427	215,000	159,214	1,059,698	-	1,832,339	1,496,178
Recreation	23,950	493,380	578,673	-	-	1,096,003	1,465,402
Total governmental funds capital assets	\$6,333,630	\$11,959,907	\$9,916,305	\$82,966,729	\$4,079,179	\$115,255,750	\$98,255,010

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 Activity
For the Fiscal Year Ended December 31, 2007

FUNCTION/ACTIVITY	Governmental Fund Capital Assets January 1	Prior Period Adjustment	Restated Capital Assets January 1	Additions	Deletions	Transfers	Governmental Fund Capital Assets December 31
GENERAL GOVERNMENT							
Manager	\$1,824	\$0	\$1,824	\$0	\$1,824	\$0	\$0
Clerk	1,018	-	1,018	-	1,018	-	-
Civic center/property maintenance	3,556,992	-	3,556,992	233,086	8,484	-	3,781,594
Finance	5,153	-	5,153	-	5,153	-	-
Assessor	82,413	-	82,413	-	1,026	-	81,387
Engineering	217,770	-	217,770	48,119	10,609	(2,498)	252,782
Inspection	151,139	-	151,139	-	4,332	44,206	191,013
Traffic control	5,882,808	-	5,882,808	148,821	16,183	-	6,015,446
Public works	1,491,203	-	1,491,203	-	5,100	-	1,486,103
General	16,145,941	(8,994,810)	7,151,131	2,574,390	11,970,586	-	6,749,745
Total general government	<u>27,536,261</u>	<u>(8,994,810)</u>	<u>18,541,451</u>	<u>3,004,416</u>	<u>12,024,315</u>	<u>41,708</u>	<u>18,558,070</u>
PUBLIC SAFETY							
Police	1,464,928	-	1,464,928	326,370	162,574	(44,206)	1,584,517
Fire	4,552,852	-	4,552,852	171,510	89,217	-	4,635,145
Total public safety	<u>6,017,780</u>	<u>-</u>	<u>6,017,780</u>	<u>497,880</u>	<u>251,791</u>	<u>(44,206)</u>	<u>6,219,662</u>
Street	61,360,759	-	61,360,759	17,561,048	973,637	(21,942)	77,926,228
Shop	104,413	-	104,413	5,673	24,249	2,498	88,334
Library	7,155,818	-	7,155,818	114,721	27,524	-	7,243,015
Public transportation	2,113,209	-	2,113,209	180,607	20,564	18,847	2,292,099
Auditorium	1,496,178	-	1,496,178	-	15,426	-	1,480,752
Recreation	1,465,402	-	1,465,402	7,886	25,699	-	1,447,589
Total governmental funds capital assets	<u>\$107,249,820</u>	<u>(\$8,994,810)</u>	<u>\$98,255,010</u>	<u>\$21,372,231</u>	<u>\$13,363,206</u>	<u>(\$3,095)</u>	<u>\$115,255,750</u>

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 Years Ended December 31, 2007 and 2006

	Land	Buildings	Improvements	Equipment	Infrastructure	Books	Construction In Process	2007	Restated 2006
GOVERNMENTAL FUNDS CAPITAL ASSETS JANUARY 1,	\$4,909,325	\$12,038,096	\$12,851,496	\$8,125,771	\$53,512,568	\$3,972,137	\$2,845,617	\$98,255,010	\$90,301,699
ADDITIONS									
General fund	1,554,467	36,119	-	1,786,544	17,888,061	107,042	-	21,372,231	8,455,380
Special revenue	-	-	-	-	-	-	-	-	145,065
Enterprise funds	-	-	-	-	-	-	-	-	-
Transferred from enterprise	-	-	-	-	-	-	-	-	5,095
General fund transfers	-	-	65,551	-	-	-	-	65,551	2,937,872
Total additions	<u>1,554,467</u>	<u>36,119</u>	<u>65,551</u>	<u>1,786,544</u>	<u>17,888,061</u>	<u>107,042</u>	<u>-</u>	<u>21,437,782</u>	<u>11,543,412</u>
Total balance & additions	6,463,792	12,074,215	12,917,047	9,912,315	71,400,629	4,079,179	2,845,617	119,692,794	101,845,111
DEDUCTIONS									
Capital assets traded	-	-	-	11,263	-	-	-	11,263	2,995
Capital assets sold	130,162	-	-	4,725	20,564	-	-	155,451	198,480
Capitalized	-	-	-	-	-	-	2,845,617	2,845,617	3,146,333
Written off	-	-	-	1,352,972	-	-	-	1,352,972	108,035
Transferred to enterprise	-	-	-	3,095	-	-	-	3,095	-
General fund transfers	-	-	68,646	-	-	-	-	68,646	134,258
Total deductions	<u>130,162</u>	<u>-</u>	<u>68,646</u>	<u>1,372,055</u>	<u>20,564</u>	<u>-</u>	<u>2,845,617</u>	<u>4,437,044</u>	<u>3,590,101</u>
RECLASS BETWEEN ASSET CLASSES	-	(114,308)	(12,848,401)	1,376,045	11,586,664	-	-	-	-
GENERAL CAPITAL ASSETS DECEMBER 31,	<u>\$6,333,630</u>	<u>\$11,959,907</u>	<u>\$0</u>	<u>\$9,916,305</u>	<u>\$82,966,729</u>	<u>\$4,079,179</u>	<u>\$0</u>	<u>\$115,255,750</u>	<u>\$98,255,010</u>

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

City of Minot, North Dakota Statistical Section

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

The Statistical Section is presented in five categories:

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

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

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

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

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

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

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

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

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

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

Sources: Unless otherwise noted, the information in the schedules is from the Comprehensive Annual Financial Reports of the City of Minot for the current year and prior years as presented. If less than 10 years of information is presented the schedule will provide an explanation. The City of Minot implemented GASB 34 for the fiscal year ended December 31, 2001.

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

	2001**	2002	2003	2004	2005	Restated 2006	2007
Governmental activities							
Invested in capital assets, net of related debt	(\$4,132,706)	\$27,618,820	\$31,309,332	\$51,958,589	\$46,333,667	\$50,713,665	\$59,701,807
Restricted							
Debt service	136,142	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579
Capital projects	6,286,203	8,403,858	11,116,994	11,118,792	15,999,116	20,310,497	24,733,175
Other purposes	-	-	-	-	-	735,412	715,775
Unrestricted	16,068,448	9,415,049	19,164,126	11,114,418	15,107,715	14,336,538	24,515,171
Total governmental activities net assets	<u>\$18,358,087</u>	<u>\$46,458,914</u>	<u>\$62,964,378</u>	<u>\$75,136,163</u>	<u>\$77,883,243</u>	<u>\$88,007,072</u>	<u>\$112,283,507</u>
Business-type activities							
Invested in capital assets, net of related debt	\$37,972,659	\$50,309,487	\$53,280,312	\$51,899,651	\$58,821,571	\$58,453,802	\$57,707,036
Restricted	39,605	40,182	42,580	41,792	42,163	43,474	43,874
Unrestricted	5,482,401	5,050,928	6,282,767	4,525,305	4,479,980	4,645,085	5,601,055
Total business-type activities net assets	<u>\$43,494,665</u>	<u>\$55,400,597</u>	<u>\$59,605,659</u>	<u>\$56,466,748</u>	<u>\$63,343,714</u>	<u>\$63,142,361</u>	<u>\$63,351,964</u>
Government-wide activities							
Invested in capital assets, net of related debt	\$33,839,953	\$77,928,307	\$84,589,644	\$103,858,240	\$105,155,238	\$109,167,467	\$117,408,843
Restricted	6,461,950	9,465,227	12,533,500	12,104,948	16,484,024	22,264,931	28,110,403
Unrestricted	21,550,849	14,465,977	25,446,893	15,639,723	19,587,695	23,331,348	30,116,227
Total government net assets	<u>\$61,852,752</u>	<u>\$101,859,511</u>	<u>\$122,570,037</u>	<u>\$131,602,911</u>	<u>\$141,226,957</u>	<u>\$154,763,746</u>	<u>\$175,635,473</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.

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

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

	2001	2002	2003	2004	2005	Restated 2006	2007
EXPENSES							
Governmental activities							
General government	\$6,703,291	\$8,994,383	\$7,504,143	\$11,754,173	\$7,604,240	\$8,428,173	\$9,820,859
Public safety	6,349,105	6,614,253	7,046,392	7,596,040	7,672,804	7,903,316	8,512,487
Highways and streets	2,431,141	3,771,929	2,500,445	3,942,303	4,060,526	3,875,190	4,525,555
Culture and recreation	1,937,281	1,757,139	2,067,089	2,440,820	1,952,237	1,952,705	3,708,302
Community development	2,717,852	35,641	587,920	645,376	551,207	408,008	2,717,155
Interest on long-term debt	900,023	934,073	899,139	779,285	559,525	727,521	806,265
Total governmental activities expenses	<u>21,038,693</u>	<u>22,107,418</u>	<u>20,605,128</u>	<u>27,157,997</u>	<u>22,400,539</u>	<u>23,294,913</u>	<u>30,090,622</u>
Business-type activities							
Airport	1,889,375	1,763,660	1,893,121	2,307,295	2,359,727	2,675,382	2,765,664
Cemetery	214,164	222,538	213,527	225,415	228,538	222,159	213,092
Parking authority	174,108	170,617	182,440	176,985	165,161	178,147	115,667
Sanitation	1,649,318	1,633,854	1,823,056	2,397,135	1,898,475	1,924,082	1,839,932
Water and sewer	6,017,143	6,146,502	6,560,712	7,283,610	7,500,357	8,464,880	9,174,486
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>	<u>12,152,258</u>	<u>13,464,650</u>	<u>14,108,841</u>
Total government expenses	<u>30,982,801</u>	<u>32,044,589</u>	<u>31,277,984</u>	<u>39,548,437</u>	<u>34,552,797</u>	<u>36,759,563</u>	<u>44,199,464</u>
PROGRAM REVENUES							
Governmental activities							
Charges for services							
General government	2,929,596	3,531,166	3,867,504	4,567,494	4,901,177	5,063,202	4,182,085
Public safety	559,843	547,670	877,607	820,566	835,844	917,002	907,811
Highways and streets	5,696	10,196	39,946	43,046	38,913	-	-
Culture and recreation	11,792	11,652	45,652	49,195	44,472	54,016	474,985
Operating grants and contributions							
General government	1,534,042	289,859	937,622	816,833	414,555	299,813	675,890
Public safety	136,276	144,039	86,394	95,886	70,360	103,032	70,435
Highways and streets	-	-	-	2,619,461	-	-	-
Capital grants and contributions							
General government	1,478,747	1,379,845	1,327,028	533,831	126,655	55,949	726,303
Highways and streets	-	-	8,139,850	4,425,385	-	3,539,693	11,784,624
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>	<u>6,431,976</u>	<u>10,032,707</u>	<u>18,822,133</u>
Business-type activities							
Charges for services							
Airport	870,528	934,580	972,965	892,093	952,201	998,941	1,142,638
Cemetery	148,694	172,217	155,278	152,580	172,847	225,234	200,333
Parking authority	193,422	187,177	174,441	174,464	160,299	123,237	136,713
Sanitation	1,992,773	1,849,448	1,984,815	1,830,479	1,958,064	2,099,706	2,148,607
Water and sewer	6,082,779	6,120,192	6,416,265	6,849,133	7,192,105	7,635,599	7,686,895
Operating grants and contributions							
Airport	167,182	283,684	283,152	293,426	295,190	282,857	263,381

	2001	2002	2003	2004	2005	Restated 2006	2007
Capital grants and contributions							
Airport	4,899,936	5,229,442	1,992,422	150,557	1,326,349	683,772	1,696,337
Cemetery	-	606	2,880	250	99	309	-
Parking authority	-	-	54,600	-	-	-	-
Sanitation	-	-	-	-	-	-	10,165
Water and sewer	-	129,097	2,990,415	628,482	519,377	1,294,055	1,965,477
Total business-type activities program revenues	14,357,315	14,908,445	15,029,236	10,973,468	12,578,536	13,345,716	15,250,546
Total government program revenues	21,013,307	20,822,872	30,350,839	24,945,165	19,010,512	23,378,423	34,072,679
Net revenue (expense)							
Governmental activities	(14,382,701)	(16,192,991)	(5,283,525)	(13,186,300)	(15,968,563)	(5,015,283)	(11,268,489)
Business-type activities	4,413,207	4,971,274	4,356,380	(1,416,972)	426,278	(120,940)	1,141,703
Total government net expense	(9,969,494)	(11,221,717)	(927,145)	(14,603,272)	(15,542,285)	(5,136,223)	(10,126,785)

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	6,327,110	7,065,705	7,665,997
Property taxes, levied for debt service	953,223	853,386	954,337	1,042,433	1,065,170	998,952	1,142,353
Sales taxes	8,993,959	9,668,627	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768
Municipal highway tax	1,443,352	1,490,695	1,454,460	1,483,320	1,622,132	1,683,303	1,769,430
State aid distribution-unrestricted	1,083,818	1,068,268	1,062,948	1,224,252	1,321,497	1,424,650	1,620,893
Franchise taxes	259,244	269,602	299,824	348,130	348,019	370,158	400,264
Other taxes	280,398	656,423	326,351	301,605	321,245	309,801	287,113
Grants and contributions not restricted to specific programs							
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	(835,458)
Investment earnings	848,083	876,509	627,567	329,216	892,061	1,643,502	2,282,098
Miscellaneous	957,633	1,050,349	713,914	1,992,462	1,005,293	963,821	2,896,504
Transfers	172,516	434,927	478,130	2,096,332	(5,208,299)	675,813	1,458,649
Total governmental activities	20,882,820	22,490,363	21,788,989	25,358,085	18,715,643	27,056,297	31,930,611
Business-type activities:							
Taxes							
Property taxes, levied for general purposes	130,384	78,317	82,585	21,221	39,515	47,185	34,608
State aid distribution	3,800	3,800	3,800	3,800	-	-	-
Other taxes	247,015	198,737	102,183	199,379	182,858	322,184	164,724
Gain (loss) on disposal of capital assets	-	-	-	-	-	-	(6,473)
Investment earnings	278,405	189,444	119,508	102,814	144,680	91,364	226,834
Miscellaneous	23,652	25,300	20,739	49,183	877,341	134,667	106,857
Transfers	(172,516)	(434,927)	(478,130)	(2,096,332)	5,208,299	(675,813)	(1,458,649)
Total business-type activities	510,740	60,671	(149,315)	(1,719,935)	6,452,693	(80,413)	(932,099)
Total government	21,393,560	22,551,034	21,639,674	23,638,150	25,168,336	26,975,884	30,998,512
Change in net assets							
Governmental activities	6,500,119	6,297,372	16,505,464	12,171,785	2,747,080	13,738,142	20,662,122
Business-type activities	4,921,946	5,029,943	4,205,062	(3,138,911)	6,876,966	(201,353)	209,604
Total government ¹	\$11,422,065	\$11,327,315	\$20,710,526	\$9,032,874	\$9,624,046	\$13,536,789	\$20,871,727

*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 repaid in 2004.

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General fund										
Reserved	\$25,396	\$6,030	\$11,254	\$27,481	\$29,902	\$25,417	\$5,021	\$6,734	\$0	\$66,542
Unreserved	2,735,730	3,270,512	3,487,537	3,033,506	2,965,453	2,624,002	2,167,158	2,260,512	3,643,208	4,978,325
Total general fund	<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>	<u>\$2,267,246</u>	<u>\$3,643,208</u>	<u>\$5,044,867</u>
All other governmental funds										
Reserved	\$4,320,227	\$6,958,580	\$9,883,911	\$11,826,051	\$12,552,412	\$15,283,772	\$13,393,529	\$17,512,029	\$21,126,377	\$27,285,887
Unreserved, reported in:										
Special revenue funds	3,885,147	(1,160,684)	(1,915,420)	(2,983,225)	(2,583,340)	(3,033,771)	3,180,398	4,823,207	7,797,181	8,493,078
Debt service funds	1,718,654	1,485,074	958,880	136,142	1,021,187	1,373,926	944,364	442,745	1,910,960	2,617,579
Capital project funds	1,181,490	1,160,624	(816,927)	395,947	(351,234)	520,760	(1,238,231)	2,515,273	2,908,277	2,503,510
Total all other governmental funds	<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>	<u>\$25,293,254</u>	<u>\$33,742,795</u>	<u>\$40,900,054</u>

The increase in total fund balance from 2006 to 2007 is explained in the Management Discussion and Analysis.

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

	1998	1999	2000	2001*	2002	2003	2004	2005	2006	2007
REVENUES										
Property taxes	\$5,978,416	\$6,319,196	\$6,475,184	\$6,775,332	\$6,912,390	\$7,221,351	\$7,393,732	\$7,331,800	\$7,995,420	\$8,730,892
Special assessment collections	894,266	568,052	604,724	644,304	826,078	916,817	833,144	884,137	702,392	669,155
Sales tax collections	7,743,783	8,653,896	9,070,485	8,993,959	9,668,627	9,537,654	10,127,486	11,021,415	11,920,592	13,242,768
Licenses and permits	416,617	405,167	384,335	344,806	345,873	413,553	502,408	607,474	647,390	607,708
Intergovernmental	3,069,985	4,319,092	4,264,213	5,123,131	4,296,948	13,510,969	7,379,165	4,612,249	4,695,404	5,348,836
Charges for services	2,193,586	2,412,986	2,720,102	2,295,849	2,889,849	2,983,946	3,558,377	3,788,077	4,281,728	3,821,965
Fines and forfeits	400,258	312,727	381,848	444,103	431,493	573,961	493,287	520,615	524,050	540,046
Contributions from others	162,705	-	-	-	-	-	-	-	-	-
Interest income	1,016,488	861,129	1,004,368	848,083	876,509	604,167	329,216	892,061	1,643,502	2,282,098
Rental income	6,309	-	-	-	-	-	-	-	-	-
Miscellaneous	219,801	821,920	695,650	957,633	1,050,349	713,914	1,992,462	1,005,293	963,821	2,896,504
Total revenues	22,102,214	24,674,165	25,600,909	26,427,200	27,298,116	36,476,332	32,609,277	30,663,121	33,374,299	38,139,972
EXPENDITURES										
General government	3,928,735	4,034,087	4,255,155	6,526,829	8,672,981	7,341,323	11,496,187	6,962,816	8,001,249	8,709,351
Public safety	5,015,102	5,306,975	5,506,917	6,084,587	6,349,779	6,758,687	7,231,044	7,311,855	7,501,383	7,828,236
Highways and streets	1,240,112	1,458,095	2,309,631	2,322,209	2,587,407	2,385,232	2,525,080	2,450,835	2,210,048	2,069,635
Culture and recreation	1,475,756	1,419,019	1,467,580	1,901,854	1,614,088	1,789,177	2,147,590	1,858,446	1,859,266	3,292,295
Economic development	2,357,862	4,957,879	2,136,108	2,717,852	35,641	587,920	645,376	551,207	408,008	2,717,155
Capital outlay	6,672,282	5,687,241	7,258,744	4,495,259	4,354,636	16,471,332	5,602,326	2,321,872	4,854,425	7,898,663
Debt retirement										
Principal	2,075,000	2,255,002	2,375,000	2,510,000	4,870,800	2,435,000	2,620,000	2,395,000	2,415,000	2,520,000
Interest and fiscal charges	807,508	718,833	789,751	760,948	917,496	929,669	796,546	583,438	707,286	627,917
Intergovernmental	10,610	4,058,835	1,481,456	-	-	-	-	-	-	-
Total expenditures	23,582,967	29,895,966	27,580,342	27,319,538	29,402,828	38,698,340	33,064,149	24,435,469	27,956,665	35,663,252
Excess (deficiency) of revenues over (under) expenditures	(1,480,753)	(5,221,801)	(1,979,433)	(892,338)	(2,104,712)	(2,222,008)	(454,872)	6,227,652	5,417,634	2,476,720
OTHER FINANCING SOURCES (USES)										
General obligation bonds issued	5,460,000	3,380,000	1,780,000	1,530,000	2,850,000	2,675,000	-	2,355,000	2,810,000	1,785,000
Proceeds from loan issue	63,489	-	-	-	-	-	-	-	-	-
Special assessment bonds issued	-	-	-	1,740,000	-	2,205,000	-	-	910,000	2,715,000
Premium (discount) on debt issued	-	-	-	-	(4,759)	205	-	-	(15,658)	100
Principal retirement on current refunding	-	-	-	(1,725,000)	-	-	-	-	-	17,540
Sale of City Property	-	-	-	-	-	-	-	-	-	27,043
Transfers In	3,033,616	4,077,239	3,573,953	3,940,832	6,409,948	3,751,138	10,739,674	6,105,360	5,191,192	5,834,714
Transfers Out	(2,861,043)	(4,381,946)	(3,485,421)	(3,766,827)	(5,951,999)	(3,249,609)	(8,626,669)	(5,579,751)	(4,487,665)	(4,297,199)
Total other financing sources (uses)	5,696,062	3,075,293	1,868,532	1,719,005	3,303,190	5,381,734	2,113,005	2,880,609	4,407,869	6,082,198
Net change in fund balances	\$4,215,309	(\$2,146,508)	(\$110,901)	\$826,667	\$1,198,478	\$3,159,726	\$1,658,133	\$9,108,261	\$9,825,503	\$8,558,918
Debt service as a percentage of noncapital expenditures	17.0%	12.3%	15.6%	14.3%	23.1%	15.1%	12.4%	13.5%	13.5%	11.34%

*GASB 34 implemented in 2001

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

Year	Property Tax Levied for General Purposes	Property Tax Levied for Debt Service	* Sales Tax	Municipal Highway Tax	State Aid Distribution	Franchise Tax	Other Tax	Total	Population	(1) Taxable Sales & Purchases
1998	\$4,927,643	\$1,050,773	\$7,743,783	\$1,356,831	\$614,762	\$224,331	\$312,851	\$16,230,974	34,544	\$494,738,552
1999	5,144,145	1,175,051	8,653,896	1,349,527	1,395,419	** 261,032	451,319	18,430,389	34,544	522,357,665
2000	5,439,739	1,035,445	9,070,485	1,408,596	970,413	258,444	334,914	18,518,036	36,567	529,579,222
2001	5,890,594	953,223	8,993,959	1,443,352	1,083,818	259,244	280,398	18,904,588	36,567	537,932,451
2002	6,121,577	853,386	9,668,627	1,490,695	1,068,268	269,602	656,423	20,128,578	36,567	545,039,536
2003	6,333,804	954,337	9,537,654	1,454,460	1,062,948	299,824	326,351	19,969,378	36,567	562,646,219
2004	6,412,849	1,042,433	10,127,486	1,483,320	1,224,252	348,130	301,605	20,940,075	36,567	607,684,297
2005	6,327,110	1,065,170	11,021,415	1,622,132	1,321,497	348,019	321,245	22,026,588	36,567	632,611,203
2006	7,065,705	998,952	11,920,592	1,683,303	1,424,650	370,158	309,801	23,773,161	36,567	673,639,145
2007	7,665,997	1,142,353	13,242,768	1,769,430	1,620,893	400,264	287,113	26,128,818	36,567	741,519,736

*Sales Tax increased from 1% to 2%, with the additional 1% dedicated to the Northwest Area Water Supply project. The sales tax is a citizen voted tax. The original 1% is for capital improvements, economic development and property tax relief. In 1998, we began collecting the additional 1% for the Northwest Area Water Supply project. The sales tax will expire June 30, 2014, unless extended by a vote of the citizens.

**State legislature replaced personal property replacement and state revenue sharing with state aid distribution and changed allocation formula.

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

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

Year	(1) Commercial Land and Buildings	(1) Residential Land and Buildings	Public Utilities	(2) Total Taxable Assessed Value	Total True and Full Value	Assessed Value as a Percentage of True and Full Value	Total Direct Tax Rate
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
2005	281,522,450	509,759,100	8,221,360	799,502,910	1,599,005,820	50.00%	126.52
2006	303,626,400	568,287,700	8,075,165	879,989,265	1,759,978,530	50.00%	122.74
2007	342,470,100	623,107,100	7,982,740	973,559,940	1,947,119,880	50.00%	113.70

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

(2) Assessed values are finalized by the State Assessment Board on the second Tuesday in August of each year.
 The assessed value is calculated at 50% of the true and full value.

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

Year	City of Minot			Total	Minot Park District	Minot School District	State and County	Total
	General Fund	Special Revenue Funds	Debt Service Funds					
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
2005	55.17	43.71	27.64	126.52	32.56	211.16	78.45	448.69
2006	53.44	41.75	27.55	122.74	30.83	208.42	79.75	441.74
2007	49.50	38.73	25.47	113.70	31.48	206.47	68.13	419.78

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

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

Levy Year	(1) Total Current Tax Levy	(2) Current Collections	Percent of Levy Collected	(2) Delinquent Collections	(2) Total Collections	Total Collection as Percent of Current Levy	(3) Adjustments	(4) Accumulated Outstanding Taxes	Outstanding Delinquent as Percent of Current Levy
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	7,884,739	7,441,868	94.38%	163,366	7,605,234	96.46%	285,315	409,639	5.20%
2002	8,175,763	7,745,018	94.73%	204,701	7,949,719	97.24%	268,505	367,178	4.49%
2003	8,540,161	8,117,461	95.05%	219,961	8,337,422	97.63%	279,091	290,826	3.41%
2004	8,655,618	8,212,157	94.88%	151,912	8,364,069	96.63%	284,769	297,606	3.44%
2005	9,443,018	8,969,961	94.99%	147,755	9,117,716	96.56%	315,824	307,084	3.25%
2006	10,132,780	9,573,509	94.48%	125,104	9,698,613	95.72%	373,073	368,178	3.63%
2007	10,329,502	n/a	n/a	n/a	n/a	n/a	n/a	n/a	n/a

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

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

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

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

City of Minot, North Dakota
Principal Property Taxpayers
December 31, 2007
 unaudited

TAXPAYER	2007			1998		
	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value	(1) Taxable Assessed Value	Rank	% of total Taxable Assessed Value
Minot Dakota Mall, LLC (includes Sleep Inn Complex)	\$3,353,780	1	4.06%	\$2,110,390	1	3.74%
Investor's Real Estate Trust (IRET)	1,389,850	2	1.68%	337,590	6	0.60%
Wal-Mart Real Estate	805,790	3	0.97%	295,510	8	0.52%
Kadima Medial Properties (Former Unimed Clinic)	626,650	4	0.76%			
Menard's Inc.	519,090	5	0.63%	351,950	7	0.62%
Reliastar (ING)	507,370	6	0.61%			
International Inn	451,150	7	0.55%	295,140	9	0.52%
Philadelphia Macaroni	417,200	8	0.50%			
Cambridge Capital Management	383,130	9	0.46%			
Minot Vista (Edgewood Vista)	373,880	10	0.45%			
Riverside Inc. (Holiday Inn)	330,660	11	0.40%	189,720	15	0.34%
Glacial Holdings	324,720	12	0.39%			
Cenex Harvest States	323,020	13	0.39%			
Farmers Union Oil	318,360	14	0.39%			
Dayton-Hudson Corporation (Target)	301,840	15	0.37%	246,400	11	0.44%
Map Dakota (Wellington)	290,570	16	0.35%			
Minot Senior Living (Brentmoor)	281,910	17	0.34%			
MLT	272,410	18	0.33%			
Johanneson's Property (Marketplace)	265,840	19	0.32%			
Woodridge Mobile Home Park	252,730	20	0.31%			
Dakota Square Inn (Comfort Inn)	-			162,900	19	0.29%
First International Bank & Trust	-			158,580	20	0.27%
Health Care Property Investors(Medical Arts Clinic)	-			811,960	3	1.44%
James & Mary Ommen	-			406,280	5	0.72%
JPW Ventures	-			189,380	16	0.34%
Magic City Financial Group (Medical Arts)	-			235,070	12	0.42%
Magic City Realty	-			247,520	10	0.44%
Montana Dakota Utilities	-			173,426	18	0.31%
Northern States Power (Xcel)	-			430,431	4	0.76%
Quorum Real Estate Trust	-			1,092,250	2	1.94%
Salem Plaza Associates (South K-Mart)	-			220,190	14	0.39%
Sports World (Chad Yale)	-			187,030	17	0.33%
Wells Fargo Bank ND	-			226,470	13	0.40%
All Others	70,860,050		85.74%	48,045,932		85.17%
Total Taxable Value	<u>\$82,650,000</u>		<u>100.00%</u>	<u>\$56,414,119</u>		<u>100.00%</u>

(1) Data obtained from City Assessor's Office

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

Year	Governmental Activities				Business-Type Activities			Total Government	(1) Percentage of Personal Income	(2) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Grants Payable	Loans Payable	Revenue Bonds	Notes Payable	Loans Payable			
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
2005	8,520,000	5,635,000	-	-	9,245,000	1,804,578	363,477	25,568,055	9.75%	699.21
2006	10,075,000	5,385,000	-	-	11,180,000	1,747,241	273,563	28,660,804	10.59%	783.79

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

(2) 36,567 - U.S. Census Bureau

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

Year	Governmental Activities				Business-Type Activities			Total Government	(1) Percentage of Personal Income	(3) Per Capita
	General Obligation Bonds	Special Assessment Bonds	Grants Payable	Loans Payable	Revenue Bonds	Notes Payable	Loans Payable			
1998	\$6,060,000	\$7,485,000	\$3,183,957	\$1,910,000	\$8,782,908	\$2,098,278	\$290,690	\$29,810,833	(2)	\$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	(2)	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	(2)	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	(2)	767.35
2002	6,460,000	7,910,000	737,150	-	7,984,386	1,965,122	627,183	25,683,841	(2)	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
2005	8,520,000	5,635,000	-	-	9,245,000	1,804,578	363,477	25,568,055	9.75%	699.21
2006	10,075,000	5,385,000	-	-	11,180,000	1,747,241	273,563	28,660,804	10.59%	783.79
2007	10,485,000	6,955,000	-	-	15,270,000	1,687,879	210,756	34,608,635	12.39%	946.44

(1) Obtained the per capita personal income (\$27,933 for 2007) from www.jobsnd.gov.

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

(3) 36,567 - U.S. Census Bureau

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

Year	Population	(1) Assessed Value	(2) Gross Bonded Debt	Less Debt Service Funds	Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value	Net Bonded Debt per Capita
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
2005	36,567	799,502,910	8,520,000	177,055	8,342,945	1.04%	228.16
2006	36,567	879,989,265	10,075,000	225,765	9,849,234	1.12%	269.35
2007	36,567	973,559,940	10,485,000	1,076,549	9,408,451	0.97%	257.29

(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 Year Ended December 31, 2007
 unaudited

Governmental Unit	(1) Outstanding Debt	Sinking Funds	Net Debt	Ratio	City's Share of Debt
Minot School District	\$8,745,000	\$0	\$8,745,000	98.11%	\$8,579,848
Minot Park District	-	-	-	100.00%	-
Ward County	-	-	-	67.95%	-
Overlapping Debt					8,579,848
City of Minot (Direct Debt)			9,408,451	100.00%	<u>9,408,451</u>
Total Direct and Overlapping Debt					<u><u>\$17,988,299</u></u>

Ratios Used	(2) 2007 Assessed Value	2007 City's Assessed Value	Percentage
Minot School District	\$992,299,850	\$973,559,940	98.11%
Minot Park District	973,559,940	973,559,940	100.00%
Ward County	1,432,720,865	973,559,940	67.95%

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

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

City of Minot, North Dakota
Computation of Legal Debt Margin
December 31, 2007
unaudited

True and full value of taxable property - 2007	\$1,947,119,880
Debt limit - 8% of 50% of true and full value	77,884,795
Amount of debt applicable to debt limit:	
General obligation bonds	\$10,485,000
Less: cash in highway debt service sinking fund	<u>1,076,549</u>
	<u>9,408,451</u>
Legal debt margin	<u><u>\$68,476,344</u></u>

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

	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
Debt limit	\$48,088,227	\$49,749,088	\$51,367,208	\$52,443,648	\$52,908,272	\$54,920,223	\$57,533,248	\$63,960,233	\$70,399,141	\$77,884,795
Less total net debt applicable to limit	6,899,273	6,660,257	6,167,322	5,765,912	6,511,639	8,128,385	6,908,162	8,414,944	9,849,234	9,408,451
Legal debt margin	\$41,188,954	\$43,088,831	\$45,199,886	\$46,677,736	\$46,396,633	\$46,791,838	\$50,625,086	\$55,545,289	\$60,549,907	\$68,476,344
Total net debt applicable to the limit as a percentage of debt limit	14.35%	13.39%	12.01%	10.99%	12.31%	14.80%	12.01%	13.16%	13.99%	12.08%

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

Year	Airport								Water and Sewer							
	Gross Revenue	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements				Gross Revenue	(1) Direct Operating Expenses	Budget Appropriated Transfers In for Operations	Net Revenue Available for Debt Service	Debt Service Requirements			
					(2) Principal	Interest & Fiscal Charges	Total	Coverage					(2) Principal	Interest & Fiscal Charges	Total	Coverage
1998	\$789,587	\$810,198	\$150,000	\$129,389	\$50,000	\$108,185	\$158,185	0.82	\$5,813,681	\$3,742,918	\$285,000	\$2,355,763	\$740,000	\$349,341	\$1,089,341	2.16
1999	785,457	788,852	150,000	146,605	70,000	71,564	141,564	1.04	5,564,054	3,924,868	265,000	1,904,186	663,522	348,736	1,012,258	1.88
2000	749,843	808,958	150,000	90,885	80,000	68,112	148,112	0.61	5,765,813	4,174,147	295,000	1,886,666	630,000	395,813	1,025,813	1.84
2001	870,528	958,699	150,000	61,829	105,000	86,755	191,755	0.32	6,067,731	4,055,897	315,000	2,326,834	750,000	425,118	1,175,118	1.98
2002	933,039	868,897	150,000	214,142	135,000	95,744	230,744	0.93	6,117,762	4,001,686	63,000	2,179,076	805,000	363,414	1,168,414	1.86
2003	972,965	983,439	150,000	139,526	140,000	126,360	266,360	0.52	6,365,265	4,351,564	75,000	2,088,701	825,000	325,874	1,150,874	1.81
2004	892,093	1,002,936	150,000	39,157	245,000	114,031	359,031	0.11	6,843,818	4,761,095	100,000	2,182,723	825,000	357,012	1,182,012	1.85
2005	952,201	980,822	150,000	121,379	255,000	103,911	358,911	0.34	7,199,190	5,013,167	100,000	2,286,023	840,000	364,387	1,204,387	1.90
2006	973,986	993,225	150,000	130,761	255,000	93,190	348,190	0.38	7,597,350	5,963,549	100,000	1,733,801	840,000	349,127	1,189,127	1.46
2007	1,143,245	1,066,534	150,000	226,711	275,000	81,890	356,890	0.64	7,695,089	6,319,567	550,000	1,925,522	1,125,000	457,548	1,582,548	1.22

(1) Excludes depreciation

(2) Permanent financing only

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

Year	(1) Population	(2) Annual Personal Income	(2) Per Capita Personal Income	(2) Median Age	(2) Education Levels in Years of Formal Schooling	School Enrollment	Unemployment Rate
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 (3)	36,567	970,195,644	26,532	36.2	n/a	7,213	3.6%
2005	36,567	958,677,039	26,217	35.0	13.16	7,108	3.9%
2006	36,567	989,905,257	27,071	35.0	13.16	7,039	2.9%
2007	36,567	1,021,426,011	27,933	35.0	13.16	6,932	3.2%

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

(1) U.S. Census Bureau

(2) Job Services, North Dakota

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

City of Minot, North Dakota
Principal Employers
Current Year and Nine Years Ago
unaudited

Employer	2007			1998		
	Employees	Rank	% of Total City Employment	Employees	Rank	% of Total City Employment
Minot Air Force Base Civilian	5,826	1	18.06%	1,100	4	3.84%
Trinity Health	2,750	2	8.53%	1,440	2	5.02%
Minot Public Schools	1,327	3	4.11%	1,335	3	4.66%
Minot State University	857	4	2.66%	475	6	1.66%
ING Minot Service Center	725	5	2.25%	-		
Minot Vocational Adjustment Workshop	547	6	1.70%	-		
Choice Hotels International, Inc.	457	7	1.42%	231	10	0.81%
Wal-Mart Super Center	375	8	1.16%	-		
Miracle Mart	313	9	0.97%	-		
MLT Inc.	292	10	0.91%	-		
Sykes, Inc.	280	11	0.87%	-		
E Telecare Global Solutions	235	12	0.73%	-		
City of Minot	289	13	0.90%	348	8	1.21%
Ward County	233	14	0.72%	196	13	0.68%
SRT Communications	221	15	0.69%	-		
Marketplace Foods	200	16	0.62%	-		
Dakota Boys & Girls Ranch	180	17	0.56%	-		
Grand International	165	18	0.51%	-		
ManorCare Health Services	135	19	0.42%	-		
US Post Office	130	20	0.40%	-		
Dakota Square Mall				1,500	1	5.23%
Untimed				794	5	2.77%
ProMark One Marketing Services				375	7	1.31%
Wal-mart				265	9	0.92%
Interstate Brands Corp. (Bakery Products)				230	11	0.80%
Medical Arts Clinic				200	12	0.70%
Total	15,537		49.72%	8,489		29.62%

Source: Minot Chamber of Commerce

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

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

Function	1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
General government	32	32	33	33	33	33	32	32	31	31
Public safety										
Police										
Officers	57	58	58	60	60	64	64	65	63	64
Civilians	20	20	20	19	19	20	20	20	20	20
Fire										
Firefighters and officers	45	44	45	49	49	49	49	49	49	49
Civilians	1	1	1	1	1	1	1	1	1	1
Highways and streets										
Engineering	8	8	8	9	9	9	9	9	9	9
Maintenance	36	36	36	36	36	36	36	36	35	36
Culture and recreation	21	21	22	22	22	22	24	24	24	25
Airport	11	11	11	11	11	13	13	13	13	13
Cemetery	3	3	3	3	3	3	3	3	3	3
Parking authority	1	1	1	1	1	1	1	1	1	1
Sanitation	20	20	20	20	20	20	20	19	20	20
Water and sewer	40	38	40	39	41	39	39	39	39	39
Total	<u>295</u>	<u>293</u>	<u>298</u>	<u>303</u>	<u>305</u>	<u>310</u>	<u>311</u>	<u>311</u>	<u>308</u>	<u>311</u>

(1) Budgeted and appropriated positions are shown.

Data obtained from City Clerk's Office - 2007 Budget

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

		1998	1999	2000	2001	2002	2003	2004	2005	2006	2007
FUNCTION											
General government											
Assessors											
	Properties reviewed	1,101	1,475	1,860	1,546	1,835	1,021	1,510	1,390	1,575	1,203
	Properties photographed	690	4,000	2,560	5,725	550	1,043	2,985	1,435	1,899	1,800
Building inspections											
	Permits issued	524	441	439	399	415	486	474	690	600	502
City bus											
	Bus ridership	175,513	161,797	154,752	151,027	156,189	160,025	153,036	146,047	151,594	152,314
Public safety											
Police											
	Parking tickets issued	8,859	9,415	10,792	9,821	9,901	8,392	8,729	7,019	8,155	8,330
	Criminal citations issued	4,313	3,693	3,606	4,752	4,416	5,226	5,607	5,421	5,454	5,695
	Traffic citations issued	7,832	7,903	6,772	6,866	5,414	6,958	4,918	4,809	4,556	5,021
	Alarms-patrol & parking division	846	689	688	722	649	658	620	647	671	675
Fire											
	# of fire incidents	416	451	454	437	390	378	364	371	350	373
	# of rescue incidents	1,508	1,636	1,599	1,530	1,713	1,767	1,658	1,781	1,907	2,003
	Inspections made	1,605	1,662	1,539	2,003	1,775	1,373	1,742	1,792	1,640	1,645
Highways and streets											
Traffic											
	Signs installed	1,350	1,448	1,324	1,683	1,702	1,034	1,783	862	1,194	1,112
	Signs/posts repaired	780	1,100	874	1,080	1,055	664	1,523	851	817	1,302
	Traffic light repairs	484	520	448	582	434	286	354	592	369	458
	Street light repairs	140	137	158	158	259	164	214	199	174	243
Culture and recreation											
Auditorium											
	Event days	2,047	2,169	2,342	2,034	2,234	2,109	2,010	1,833	1,551	1,895
	Attendance	270,052	334,681	371,666	344,165	360,405	234,689	222,484	218,666	203,641	246,596
Library											
	Registered borrowers	24,818	25,562	27,300	27,358	24,955	26,326	23,970	23,245	24,371	24,007
	Circulation and activity	301,874	300,572	283,350	263,273	276,090	272,011	285,805	301,721	292,785	304,531
Airport											
	Gallons airline fuel dispensed	1,339,678	1,248,849	1,203,273	1,187,110	1,195,553	958,048	943,337	985,647	815,120	748,825
	Airline boarding's	71,576	74,939	78,376	74,212	75,382	75,323	79,257	79,654	78,854	74,921
Sanitation											
	# of customers	9,687	9,779	9,849	9,862	9,917	9,966	10,069	10,210	10,279	10,392
	Landfill tonnage	75,216	97,864	95,564	80,153	85,372	104,781	93,487	88,343	94,757	95,216
Water and Sewer											
	# of consumers	11,180	11,309	11,391	11,443	11,492	11,545	11,704	11,801	11,858	11,970
	Gallons pumped/treated	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	2,084,604,000	2,263,666,000	2,185,650,000

Source: Various city departments

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

FUNCTION	2002	2003	2004	2005	2006	2007
General government						
Public works building	1	1	1	1	1	1
Public safety						
Police						
Stations	1	1	1	1	1	1
Patrol units	32	32	33	33	33	31
Speed trailer	-	1	1	1	1	1
Fire						
Stations	3	3	3	3	3	3
Highways and streets						
Streets (square miles)	14.860	14.900	15.029	15.047	16.170	16.395
Street lights	2,131	2,142	2,167	2,225	2,273	2,311
Traffic signals	43	44	43	43	44	50
Culture and recreation						
Parks	1	1	1	1	1	1
Libraries	1	1	1	1	1	1
Ball diamonds	16	16	16	16	16	16
Tennis courts	12	12	12	12	12	12
Indoor tennis center	-	-	1	1	1	1
Sanitation						
Collection trucks	7	7	8	7	7	8
Water						
Water treatment plant	1	1	1	1	1	1
Water mains (miles)	160	160	160	160	160	160
Maximum daily capacity (millions of gallons)	12.30	12.10	11.80	11.90	13.13	12.91

*This report is new with the 2004 CAFR, capital 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, 2007. 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, 2007.

Internal Control Over Compliance

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

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance on a timely basis. A significant deficiency is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer the program such that there is more than a remote likelihood that noncompliance that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that a noncompliance on a major federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Eide Bailly LLP

Bismarck, North Dakota
May 12, 2008



CPAs & BUSINESS ADVISORS

**INDEPENDENT AUDITOR'S REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING
AND ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF FINANCIAL
STATEMENTS PERFORMED IN ACCORDANCE WITH *GOVERNMENT AUDITING STANDARDS***

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

We have audited 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, 2007, which collectively comprise the City's basic financial statements and have issued our report thereon dated May 12, 2008. 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.

Internal Control Over Financial Reporting

In planning and performing our audit, we considered the City of Minot, North Dakota's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinions on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the City's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the City's internal control over financial reporting.

Our consideration of internal control over financial reporting was for the limited purpose described in the preceding paragraph and would not necessarily identify all deficiencies in internal control over financial reporting that might be significant deficiencies or material weaknesses. However, as discussed below, we identified certain deficiencies in internal control over financial report that we consider to be significant deficiencies.

A control deficiency exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect misstatements on a timely basis. A significant deficiency is a control deficiency, or a combination of control deficiencies, that adversely affects the City's ability to initiate, authorize, record, process, or report financial data reliably in accordance with generally accepted accounting principles such that there is more than a remote likelihood that a misstatement of the City's financial statements that is more than inconsequential will not be prevented or detected by the City's internal control. We consider deficiencies described in the accompanying schedule of findings and questioned costs, 07-1, 07-2, 07-3, and 07-4 to be a significant deficiencies in internal control over financial reporting:

A material weakness is a significant deficiency, or a combination of significant deficiencies, that results in more than a remote likelihood that a material misstatement of the financial statements will not be prevented or detected by the City's internal control.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies and, accordingly, would not necessarily disclose all significant deficiencies that are also considered to be material weaknesses. However, of the significant deficiencies described above, we consider items 7-2, 07-3 and 07-4 to be material weaknesses.

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*.

The City of Minot, North Dakota's responses to the findings identified in our audit are described in the accompanying schedule of findings and questioned costs. We did not audit the City's responses and, accordingly, we express no opinion on them.

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.

Eide Bailly LLP

Bismarck, North Dakota
May 12, 2008



CPAs & BUSINESS ADVISORS

**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, 2007. The **City of Minot**, North Dakota's major federal 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 on **City of Minot**, North Dakota'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 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 that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the **City of Minot**, 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, 2007.

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, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of the **City of Minot's** internal control over compliance.

A *control deficiency* in an entity's internal control over compliance exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent or detect noncompliance with a type of compliance requirement of a federal program on a timely basis. A *significant deficiency* is a control deficiency, or combination of control deficiencies, that adversely affects the entity's ability to administer a federal program such that there is more than a remote likelihood that noncompliance with a type of compliance requirement of a federal program that is more than inconsequential will not be prevented or detected by the entity's internal control.

A material weakness is a significant deficiency, or combination of significant deficiencies, that results in more than a remote likelihood that material noncompliance with a type of compliance requirement of a federal program will not be prevented or detected by the entity's internal control.

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and would not necessarily identify all deficiencies in internal control that might be significant deficiencies or material weaknesses. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above.

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.

Eide Bailly LLP

Bismarck, North Dakota
May 12, 2008

CITY OF MINOT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
YEAR ENDED DECEMBER 31, 2007

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:			
Bullet Proof Vest Grant		16.607	\$ 1,341
Local Joint Drug Task Force		16.738	26,601
School Security		16.738	5,667
Total CFDA #16.738			<u>32,268</u>
Passed-Through North Dakota Attorney General's Office:			
Project Safe Neighborhoods		16.609	51,502
Narcotics Task Force		16.579	52,844
Domestic Violence Crisis Center	D05-218	16.579	8,500
Total CFDA #16.579			<u>61,344</u>
Passed through the State of North Dakota Health Department:			
STOP Violence Against Women	08-380	16.588	4,470
Smoking Cessation Program	G08-351	N/A	4,606
Total Department of Justice			<u>155,531</u>
<i>U.S. DEPARTMENT OF HOMELAND SECURITY</i>			
Direct Programs:			
Assistance to Firefighters		97.044	<u>158,526</u>
<i>U.S. DEPARTMENT OF TRANSPORTATION</i>			
Direct Programs:			
Airport Projects:			
#631		20.106	31,591
#632		20.106	1,689
#633		20.106	37,720
#634		20.106	1,413,784
#635		20.106	95,819
Total CFDA #20.106			<u>1,580,603</u>
Transportation Security Program		N/A	155,958
Passed-Through North Dakota Department of Transportation:			
Section 5311		20.509	344,199
Section 5309		20.500	5,202
Section 5310		20.513	84,903

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS

Federal Grantor/ Pass-Through Grantor/Program Title	Agency or Pass Through Number	Federal CFDA Number	Expenditures
Highway Safety Cluster:			
Mayor's Council for Traffic Safety		20.600	35,754
Safety Incentive for Seatbelts		20.600	2,438
Saturation Patrol		20.601	8,076
Total Highway Safety Cluster			<u>46,268</u>
Total Department of Transportation			<u>2,217,133</u>
<i>U.S. DEPARTMENT OF COMMERCE</i>			
Passed-Through Economic Development Administration			
Public Works and Economic Development Facilities		11.300	<u>1,299,555</u>
<i>U.S. DEPARTMENT OF HOUSING AND URBAN DEVELOPMENT</i>			
Passed Through ND Division of Community Services			
Community Development Block Grant		14.228	<u>509,000</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u><u>\$ 4,339,745</u></u>

CITY OF MINOT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
DECEMBER 31, 2007

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, 2007

None

CITY OF MINOT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
YEAR ENDED DECEMBER 31, 2007

A. SUMMARY OF AUDIT RESULTS

1. The auditor's report expresses an unqualified opinion on the financial statements of the **City of Minot**.
2. Four significant deficiencies were disclosed by our audit of the financial statements. Significant deficiencies 07-2, 07-3 and 07-4 were considered to be material weaknesses.
3. No instances of noncompliance material to the financial statements of the **City of Minot** were disclosed during the audit.
4. No significant deficiencies were reported by our audit of the major federal award programs.
5. 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.
6. Audit findings relative to the major federal award programs for the **City of Minot** are reported in Part C of this schedule.
7. The programs tested as major programs were the Department of Commerce Economic Development Administration #11.300 and Department of Housing and Urban Development Community Development Block Grant #14.228.
8. The threshold for distinguishing a Type A program was \$300,000.
9. The **City of Minot** was determined to be a low-risk auditee.

B FINDINGS - FINANCIAL STATEMENT AUDIT

07-1: Schedule of Expenditures of Federal Awards

Condition: The schedule of expenditures of federal awards did not include all federal dollars expended during the year.

Criteria: The City of Minot's management is responsible for accurate preparation of the schedule of expenditures of federal awards.

Cause: The schedule of federal expenditures did not include all of the 2007 federal dollars expended during the year.

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

Recommendation: The City of Minot's management should ensure all federal expenditures are being reflected on the schedule.

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

07-2: Material Audit Adjustments

Condition: Grant expenditures related to CFDA #11.300 and CFDA #14.228 were incorrectly recorded through an agency fund instead of a governmental fund.

Criteria: All grant funds in which the City is named as the recipient should be recorded in the correct fund.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Cause: Management interpreted the grant awards incorrectly, leading them to believe these funds were pass-through funds, thus should be recorded in an agency fund.

Effect: An agency fund was misstated, a non-major governmental fund was misstated and governmental activities were misstated. The misstatement was a material dollar amount.

Recommendation: Procedures should be in place to ensure all grants to the City are properly recorded in the correct funds.

Response: The City of Minot posted the correction, thus items are presented correctly in the 2007 financial statements. The City of Minot's management will ensure all future grants are properly included in the accurate funds.

07-3 Prior Period Adjustment

Condition: A material dollar amount of capital assets was included twice in the 2006 governmental activities. Amounts were included under construction in progress and under capital infrastructure.

Criteria: Projects which are still in progress are to be reported as construction in progress under capital assets not being depreciated. Projects which are in service are to be report under capital assets net of accumulated depreciation.

Cause: Management incorrectly reported the donated capital line item when reconciling between the governmental funds to the governmental activities.

Effect: The governmental activities total assets, total capital grants and contributions, and total net assets were overstated by a material dollar amount.

Recommendation: Management should ensure that a reconciliation process is in place to account for all differences between the fund financial statements and the government-wide financial statements. These numbers should be tied out.

Response: The City's financial statements for 2007 states a prior period adjustment due to a correction of an error. Management will ensure the reconciliation process is being performed correctly.

07-4 Financial Reporting

Condition: Both immaterial and material corrections were made to the draft of the 2007 Comprehensive Annual Financial Report (CAFR).

Criteria: Management is responsible for the correct presentation and reporting of the items in the CAFR.

Cause: A process was not in place to ensure all reconciling items between the fund financials and the government-wide financials were correct. A process was not in place to ensure the footnote disclosures included all required information. A process was not in place to ensure all statement of cash flow items were presented correctly.

Effect: Material and immaterial errors were present in the 2007 draft CAFR.

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

Recommendation: Management should ensure that a process is in place related to the preparation of the CAFR and the review of the CAFR which will detect misstatements so these misstatements will get corrected.

Response: Management corrected the items on the 2007 draft CAFR. Management will ensure a procedure is in place for future reporting.

B. FINDINGS - MAJOR FEDERAL AWARD PROGRAMS AUDIT

None